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Affordable Housing Land Use Appeals Procedures

Sec. 8-30g-1. Definitions

The following definitions apply to Sections 8-30g-1 through 8-30g-11 inclusive, of the Regulations of Connecticut State Agencies:

(1) “Affirmative fair housing marketing plan” means a plan to attract, as tenants or purchasers of both market-rate and price-restricted units in an affordable housing development, members of racial and ethnic groups who reside within the metropolitan statistical area or non-metropolitan statistical area within which the affordable housing development is located, but who are least likely to apply, as defined in section 8-37ee of the Regulations of Connecticut State Agencies, for occupancy within such development;

(2) “Affordable housing appeals list” means the list, promulgated by the commissioner pursuant to section 8-30g(k) of the Connecticut General Statutes and section 8-30g-2 of the Regulations of Connecticut State Agencies, of those municipalities that are exempt from the affordable housing land use appeals procedure;

(3) “Assisted Housing” means “assisted housing” as defined in section 8-30g of the Connecticut General Statutes;

(4) “Commissioner” means the commissioner of Economic and Community Development;

(5) “Covenant or Restriction” means an enforceable requirement, in the form of a covenant, restriction or similar mechanism, contained in a deed that is recorded on the land records of the municipality in which the subject dwelling unit or set aside development is located;

(6) “Department” means the Department of Economic and Community Development;

(7) “Dwelling unit” means any house or building, or portion thereof, which may include legally approved accessory apartments, which is occupied, is designed to be occupied, or is rented, leased, or hired out to be occupied, as a home or residence of one or more persons;

(8) “Elderly unit” means a unit located in a residential development that complies with the requirements for age-restricted housing stated in 42 USC 3607 and corresponding regulations;

(9) “Housing unit-equivalent points” means the point value, as established in section 8-30g of the Connecticut General Statutes, assigned to a dwelling unit for the purpose of obtaining a state certificate of affordable housing completion;

(10) “Median income” means “median income” as defined in section 8-30g of the Connecticut General Statutes;

(11) “Moratorium” means a time period during which certain applications for affordable housing development, as provided in section 8-30g of the Connecticut General Statutes, are not subject to the procedure stated in section 8-30g of the Connecticut General Statutes for appeals to the superior court;

(12) “Municipality” means “municipality” as defined in section 8-30g of the Connecticut General Statutes;

(13) “Person” means any individual, partnership, corporation, association, governmental subdivision, agency, or public or private organization of any type;

(14) “Set-aside development” means “set-aside development” as defined in section 8-30g of the Connecticut General Statutes;

(15) “State certificate of affordable housing completion” means a document issued by the department, that a municipality has satisfied the requirements, as

set forth in sections 8-30g-1 through 8-30g-11, inclusive, of the Regulations of Connecticut State Agencies, necessary for a moratorium on the applicability of section 8-30g of the Connecticut General Statutes to certain applications for affordable housing development. A certificate is not effective until it has been published in the Connecticut Law Journal in accordance with section 8-30g of the Connecticut General Statutes; and

(16) “Total Estimated Dwelling Units” means the number of dwelling units in the municipality, based on the most recent United States decennial census published by the United States Census Bureau.

(Effective December 27, 1990; amended April 29, 2002, May 3, 2005)

Sec. 8-30g-2. Promulgation of list of municipalities exempt from section 8-30g of the Connecticut General Statutes

(a) The Commissioner shall promulgate, annually, a list containing each municipality in the state and identifying those municipalities in which at least ten percent (10%) of all dwelling units in the municipality are:

(1) Assisted housing;

(2) Currently financed by Connecticut Housing Finance Authority mortgages; or

(3) Subject to deeds containing covenants or restrictions which require that such dwelling units be sold or rented at, or below, prices which:

(A) Will preserve the units as housing for individuals or families whose annual income is less than or equal to eighty percent (80%) of the median income; and

(B) Are calculated, consistent with section 8-30g-8 of the Regulations of Connecticut State Agencies, by limiting assumed annual household expenditures for housing to no more than thirty percent (30%) of such household annual income.

(4) Mobile manufactured homes located in mobile manufactured home parks or legally approved accessory apartments which homes or apartments are subject to a covenant or restriction substantially in compliance with section 8-30g-10 of these regulations.

(b) To be counted as assisted housing:

(1) The housing unit must be occupied by persons receiving either state rental assistance under sections 17b-812 to 17b-814, inclusive, of the Connecticut General Statutes or Federal Rental Assistance under 42 USC 1437f; or

(2) The housing must meet the following conditions:

(A) It must be receiving or will receive financial assistance under a governmental program, which assistance may come from federal, state, or local government, or any combination of these levels of government;

(B) The assistance must be for construction or substantial rehabilitation of low and moderate income housing, as defined by the income eligibility rules of the governmental program providing the financial assistance. “Construction” refers to the creation of a new dwelling unit or units which did not previously exist. “Substantial rehabilitation” refers to rehabilitation of existing structures or units for which the cost of rehabilitation equals at least twenty-five thousand dollars and 00/100 (\$25,000.00) per unit or twenty-five percent (25%) of the fair market value of the property, whichever is less; and

(C) The housing must be for low or moderate income persons, as defined by the income eligibility rules of the governmental program providing the financial assistance. Any such housing must restrict occupancy of some or all units to persons of low and moderate income. If only a portion of the units in the housing are restricted to occupancy by low or moderate income persons, only the number of units so restricted shall be included on the list. If such restrictions are in effect for

a limited period of time, such housing shall be considered as assisted housing only for the period of time that such restrictions are in effect.

(c) To be counted as housing subject to deed covenants or deed restrictions:

(1) The covenants or restrictions must provide that the housing units must, at time of initial occupancy by each new household, be occupied by persons and families:

(A) Whose annual income does not exceed eighty percent (80%) of the median income; and

(B) For whom the maximum cost of such housing has been calculated by limiting assumed annual household expenditures for housing to no more than thirty percent (30%) of such household annual income.

(i) For rental housing, the cost of housing includes the cost of rent, common charges in the case of a rental in a common interest community; and heat and utility costs, excluding television, telecommunications, and information technology services. Heat and utility costs may be calculated by reasonable estimate.

(ii) For ownership housing, the cost of housing includes periodic mortgage payments; real property taxes; real property insurance; common charges in the case of a common interest community; and heat and utility costs, excluding television, telecommunications, and information technology services. Heat and utility costs may be calculated by reasonable estimate.

(2) The covenants or restrictions must run with the land and be binding on each subsequent owner of the property. If such covenants or restrictions are in effect for only a limited period of time, such housing shall be counted for purposes of the list only for the time period that such covenants or restrictions are in effect. If such covenants or restrictions cover only a portion of the units, only those units shall be included on the list.

(d) In order for an accessory apartment as defined in section 8-30g(k) of the General Statutes to be eligible to be counted for purposes of the affordable housing appeals list, it shall be legally approved in accordance with the criteria set forth in section 8-30g(k) of the General Statutes. The municipality in which such accessory apartment is located shall be responsible for inspecting such accessory apartment to ensure it meets the criteria for legal approval, and shall maintain a list of deed restricted legally approved accessory apartments. Such list of legally approved accessory apartments shall be submitted to the commissioner in addition to other data submitted for purposes of promulgating the affordable housing appeals list.

(e) The list shall be promulgated at the beginning of each calendar year and shall cover housing occupied by September 30 of the previous calendar year. A notice of availability of the list shall be published in the Connecticut Law Journal every year.

(f) The list shall be compiled using the following information to determine the number of qualifying units in a municipality: The Department's Construction Activity Information System; Connecticut Housing Finance Authority's mortgages; the Department of Social Services' Rental Assistance Program; privately-owned properties with deed restrictions and covenants and the list of deed restricted legally approved accessory apartments, provided by individual municipalities; and statistics on assisted housing provided by the Department, individual municipalities, Connecticut Housing Finance Authority, Farmers' Home Administration, and the United States Department of Housing and Urban Development.

(g) The determination of whether a municipality shall be included in the list set forth in subsection (a) above shall be made based on the following calculation:

$$\frac{\text{(Assisted Units + CHFA mortgages + Deed restricted units + Deed restricted mobile manufactured homes located in mobile manufactured home parks + Deed restricted legally approved accessory apartments)}}{\text{Total Estimated dwelling units}} \times 100\%$$

If the result of the calculation is ten percent (10%) or more, the municipality shall be included in the list.

(h) Any person who wishes to challenge the inclusion of a municipality on the list of municipalities in which the provisions of section 8-30g are not available, or any municipality that wishes to challenge its exclusion from the list, may do so by giving written notice to the commissioner and, in the case of a challenge to inclusion, to the chief elected official of the affected municipality. Such notice shall include a detailed statement of the reasons for the challenge, and an identification of the dwelling units in question, if known.

(i) Upon receipt of such a challenge, the commissioner may undertake any investigation deemed necessary to resolve the challenge. Within forty-five (45) business days after receipt of the challenge, unless the commissioner extends such period to accommodate his investigation, the commissioner shall transmit his findings to the person initiating the challenge and to the chief elected official of the affected municipality.

(j) If the commissioner finds that a municipality was erroneously included or excluded from the list, the list shall be amended.

(Effective January 3, 1992; amended April 29, 2002, May 3, 2005)

Secs. 8-30g-3—8-30g-4.

Repealed, April 29, 2002.

Sec. 8-30g-5.

Repealed, January 3, 1992.

Sec. 8-30g-6. State certificate of affordable housing completion; moratorium on applicability of section 8-30g of the Connecticut General Statutes to certain affordable housing applications

(a) As provided in section 8-30g(l) of the Connecticut General Statutes, certain applications for affordable housing development shall be subject to a moratorium for a period of three years from the publication by the Department of notice of issuance of a state certificate of affordable housing completion, or during a period of qualification for provisional approval of a state certificate of affordable housing completion.

(b) The chief elected official of any municipality may apply to the commissioner for a state certificate of affordable housing completion.

(c) An application for a state certificate of affordable housing completion shall include at least the following:

(1) A letter to the commissioner signed by the chief elected official of the municipality;

(2) A letter from an attorney representing the municipality, stating an opinion that the application complies with section 8-30g of the Connecticut General Statutes and this section as in effect on the day the application is submitted;

(3) On a form provided by the Department, a summary calculation of the housing unit-equivalent points required of the applicant municipality in order to qualify for a state certificate;

(4) Documentation of the existence of the required housing unit-equivalent points, in accordance with the specifications of subsection (e) of this section;

(5) The justification for claiming such points, with reference to the descriptions and point schedule set forth in section 8-30g of the Connecticut General Statutes and subsection (i) of this section;

(6) Certification by the applicant municipality that for each unit for which housing unit-equivalent points are claimed, a valid certificate of occupancy has been issued by the building official of such municipality and is currently in effect, provided that copies of such certificates of occupancy need not be submitted;

(7) Certification that the municipality has identified and deducted, or otherwise excluded from the total housing unit-equivalent points claimed, all units that as a result of action by the municipality, municipal housing authority, or municipal agency, no longer qualify, as of the date of submission of the application, as providing housing unit-equivalent points, without regard to whether the units were originally constructed before or after July 1, 1990;

(8) All documentation reflecting compliance with the notice, publication, and other procedural requirements set forth in subsection (j) of this section;

(9) A fee sufficient to reimburse the department for its costs of publication of notices as set forth in sections 8-30g-1 to 8-30g-11, inclusive, of the Regulations of Connecticut State Agencies.

(d) The applicant municipality shall bear the costs of application notice, publication, and procedural compliance with respect to an application for a state certificate of affordable housing compliance.

(e) Documentation of the existence of the housing unit-equivalent points necessary to qualify for a state certificate of affordable housing completion shall include the following:

(1) A numbered list of all dwelling units that furnish the basis of housing unit-equivalent points being counted toward the qualifying minimum;

(2) The address of each such unit; and

(3) The housing unit-equivalent points and classification claimed for each such unit.

(f) Each dwelling unit claimed to provide housing unit-equivalent points toward a state certificate of affordable housing completion by virtue of a deed restriction, recorded covenant, zoning regulation, zoning approval condition, financing agreement, affordability plan or similar mechanism shall be documented as an enforceable obligation with respect to both income qualifications and maximum housing payments, that is binding at the time of application for at least the duration required by section 8-30g of the Connecticut General Statutes at the time of the development's submission to a commission, by the submission of a copy of one or more of the following:

(1) Deed restriction or covenant;

(2) Zoning, subdivision or other municipal land use approval or permit containing an applicable condition or requirement;

(3) Report, if less than one (1) year old, submitted to the municipality pursuant to section 8-30h of the Connecticut General Statutes;

(4) Local, state or federal financing, subsidy, or assistance agreement; or

(5) Affordability plan, if adopted by the municipality and made binding.

(g) The commissioner may, in the commissioner's sole discretion, request any additional information deemed necessary to determine the housing unit-equivalent point value of any dwelling unit claimed by the municipality or the applicant

municipality’s overall calculation of housing unit-equivalent points. The commissioner may also, in the commissioner’s sole discretion, accept alternative documentation.

(h) As provided in section 8-30g(l) of the Connecticut General Statutes, the housing unit-equivalent points required for a certificate shall be equal to two percent (2%) of all dwelling units in the municipality, but no less than seventy-five (75) housing unit-equivalent points. Units and housing unit-equivalent points that serve as the basis of approval of a state certificate, whether a provisional approval or issuance by the commissioner, shall not be the basis of a subsequent application. The housing unit-equivalent points necessary for a state certificate shall be calculated using as the denominator the total estimated dwelling units in the municipality as reported in the most recent United States decennial census.

(i) As provided in section 8-30g(l) of the Connecticut General Statutes, dwelling units whose occupancy is restricted to maximum household income limits that comply with section 8-30g of the Connecticut General Statutes and that qualify, based on binding restrictions on maximum sale or resale price or rent, as price-restricted dwelling units in compliance with section 8-30g of the Connecticut General Statutes, shall be awarded unit-equivalent points toward a state certificate as follows:

Type of Unit		Housing Unit-Equivalent Point Value Per Unit
Market-rate units in a set-aside development		0.25
Elderly units, owned or rented, restricted to households at or below 80% of median income		0.50
Family units, owned, that are restricted to households with annual income no more than:	80% of median income	1.00
	60% of median income	1.50
	40% of median income	2.00
Family units, rented, that are restricted to households with annual income no more than:	80% of median income	1.50
	60% of median income	2.00
	40% of median income	2.50

(j) Applications for a state certificate of affordable housing completion shall be submitted and processed as follows:

(1) A municipality intending to submit to the department an application for a state certificate of affordable housing completion shall publish in the Connecticut Law Journal and in a newspaper of general circulation in the municipality a notice of its intent to apply and the availability of its proposed application for public inspection and comment. Such notice shall state the location where the proposed application, including all supporting documentation, shall be available for inspection and comment, and to whom written comments may be submitted. Such application and documentation shall be made available in the office of the municipal clerk for no less than twenty (20) calendar days after publication of notice. If, within the comment period, a petition signed by at least twenty-five (25) residents of the municipality is filed with the municipal clerk requesting a public hearing with respect to the proposed application, either the municipality’s legislative body or its zoning or planning commission shall hold such a hearing. A copy of all written comments received, responses by the municipality to comments received, and a

description of any modifications made or not made to the application or supporting documentation as a result of such comments, shall be attached to the application when submitted to the commissioner.

(2) As soon as practicable after submission of an application, the department shall notify the applicant in writing whether the application is complete with respect to the information required. If the application is deemed complete, it shall be considered received on the date of original submission. If the application is not complete, the department shall identify in writing the additional information necessary, and the application shall be considered received on the date the department receives the additional information requested. If the applicant fails or refuses to correct any deficiencies within a reasonable time, the department shall deny or reject the application.

(3) If the department requests additional information, the time limits for publishing notice of receipt of the application as specified in subsection (6) of subsection (j) of this section and issuing a decision as specified in section 8-30g of the Connecticut General Statutes shall commence when the department receives the requested information and the application is complete.

(4) After determining that it has received a complete application, the Department shall promptly publish in the Connecticut Law Journal a notice of receipt of such application. Such application, including all supporting documentation, shall be made available to the public. Written public comment shall be accepted by the department for a period of thirty (30) days after such publication.

(5) The department shall evaluate the application, including all documentation submitted and public comments received, to accurately determine the number, classification and housing unit-equivalent points, if any, of all dwelling units claimed. The department shall calculate the total housing unit-equivalent points based on the values assigned in section 8-30g of the Connecticut General Statutes. The department may, as necessary, verify or modify the housing unit-equivalent point total claimed by the municipality. The department shall determine whether the municipality has satisfied the minimum criteria for a state certificate of affordable housing completion. The department shall also determine whether all units which must be deducted or otherwise excluded from total housing unit-equivalent points pursuant to subsection (c)(7) of this section have been properly counted and whether proper adjustment has been made.

(6) The department shall provide the municipality, within ninety (90) days of receipt of a complete application as specified in sections 8-30g-1 to 8-30g-11, inclusive, of the Regulations of Connecticut State Agencies, with a written decision stating the reasons for approval or rejection, and shall make such decision available to the public. If the department approves the application, it shall publish in the Connecticut Law Journal a notice of its issuance of a state certificate of affordable housing completion.

(k) If the department fails to act within the time set by section 8-30g(l) of the Connecticut General Statutes, the application shall be deemed as having been granted provisional approval. A moratorium shall then take effect upon the date of completion of publication by the municipality of a notice of the provisional approval in both the Connecticut Law Journal and a newspaper with general circulation in the municipality. The latter notice shall be at least one-eighth page, shall be published in a conspicuous manner, and shall clearly use the words "provisional approval." The municipality shall promptly provide the department with a certified copy of the published notice. The department shall act on a provisionally-approved application

as soon as practicable. Upon issuing its decision, the department shall issue a written notice to the municipality and shall publish a notice of its decision in the Connecticut Law Journal and a newspaper with general circulation in the municipality. The provisionally-approved moratorium shall terminate upon issuance of written notice of disapproval to the municipality. Dwelling units claimed toward a state certificate of affordable housing completion that is provisionally approved, or provisionally approved and later denied by the department, may be claimed again on a subsequent application, so long as the moratorium resulting from provisional approval was in effect for less than one hundred eighty (180) days.

(J) The commissioner may revoke a state certificate of affordable housing completion at any time upon determining, after written notice to the municipality and a reasonable opportunity for response or explanation, that an application contained materially false, misleading, or inaccurate information or was otherwise approved without compliance with the criteria of Section 8-30g [FN1] and sections 8-30g-1 to 8-30g-11, inclusive, of the Regulations of Connecticut State Agencies. The commissioner shall issue written notice of a decision to revoke a certificate of affordable housing completion and shall publish a notice of revocation in the Connecticut Law Journal. Such revocation shall be effective upon issuance of written notice to the municipality. Use of dwelling units and housing unit-equivalent points claimed toward a certificate of affordable housing that is approved and later revoked pursuant to this subsection shall be at the sole discretion of the commissioner. If a municipality, in the judgment of the commissioner, knowingly or intentionally misrepresented any portion of an application for a state certificate, the commissioner may, in addition to revocation, refuse to approve a re-application for a state certificate for up to three (3) years from revocation.

(m) The department shall prepare and update periodically a list of all municipalities that have been issued a state certificate of affordable housing completion or have obtained provisional approval by publication of valid notices. Such list shall identify the expiration date of each state certificate or provisional approval. The department shall make such list available to the public. Such list shall be updated each time a municipality is issued a certificate or obtains provisional approval.

(n) A municipality that has been issued a state certificate of affordable housing completion may, at any time, submit an application for another moratorium, provided that such application shall be considered a new application, shall comply in full with these regulations, and may not utilize any dwelling unit that provided housing unit-equivalent points for any previous state certificate. Any application intended to maintain a moratorium without interruption at the expiration of a previously-approved state certificate shall be submitted so as to allow the department sufficient time to process the application in accordance with these regulations.

(Adopted effective April 29, 2002; amended May 3, 2005)

Sec. 8-30g-7. Affordability plans and conceptual site plans

(a) An affordability plan shall include at least the elements set forth in section 8-30g(b)(1) of the Connecticut General Statutes and shall at a minimum contain or comply with the following:

(1) The designation of the person who will be qualified and responsible for administration of the affordability plan shall include identifying responsibility for:

(A) Ensuring that households applying for affordable units qualify within applicable maximum income limits;

(B) Assuring the accuracy of sale or resale prices or rents, and providing documentation where necessary to buyers, sellers, lessors, lessees and financing institutions;

- (C) Maintaining minimum percentages in a set-aside development;
 - (D) Reporting compliance to the municipality; and
 - (E) Executing the affirmative fair housing marketing plan.
- (2) A proposed procedure by which sellers, purchasers, lenders or title insurers may, upon request and in a timely manner, obtain written certification of compliance with applicable set aside, household income, sale, or resale price limitations or requirements.
- (3) With respect to an affirmative fair housing marketing plan filed in accordance with an affordable housing development application, the provisions of sections 8-37ee-1 et seq. of the Regulations of Connecticut State Agencies, and particularly sections 8-37ee-301 and 302, shall serve as the basis for such plan, provided that such regulations, including the procedures therein, shall be guidelines, not requirements. Collection and dissemination of information about available price restricted and market rate dwelling units shall include, at a minimum:
- (A) Analyzing census and other data to identify racial and ethnic groups least represented in the population;
 - (B) Announcements/advertisements in publications and other media that will reach minority populations;
 - (C) Announcements to social service agencies and other community contacts serving low-income minority families in the region (including churches, civil rights organizations, housing authorities, and legal services organizations);
 - (D) Assistance to minority applicants in processing applications;
 - (E) Marketing efforts in geographic area of high minority concentrations within the housing market area;
 - (F) Beginning marketing efforts prior to general marketing of units, and repeating again during initial marketing, at fifty percent (50%) completion, and thereafter at reasonable period intervals with respect to resales or re-rentals; and
 - (G) Collection of basic racial and ethnic information for all residents and persons on the wait list for the development.
- (4) In an affordability plan or affirmative fair housing marketing plan for an affordable housing development, preferences in application procedures or occupancy for existing residents of the subject municipality shall not be utilized unless members of racial and ethnic groups identified as least likely to apply receive equally-weighted preferences.
- (5) The maximum sale price, resale price, or rent for any affordable unit in a set-aside development shall be determined as set forth in section 8-30g-8 of the Regulations of Connecticut State Agencies.
- (6) In an affordability plan for a set-aside development, a description of the projected sequence in which price-restricted dwelling units will be built and offered for occupancy shall consist of a narrative and schematic plan describing the construction sequence of the proposed site development plan, the location of price-restricted and market-rate dwelling units within that sequence, and a demonstration that such sequence will result in compliance with the set-aside requirements of section 8-30g of the Connecticut General Statutes and sections 8-30g-1 through 8-30g-11, inclusive, of the Regulations of Connecticut State Agencies.
- (7) A commission, by regulation, may require that an affordable housing application that petitions for a rezoning of the property that is the subject of the application shall be accompanied by a conceptual site plan. Any such regulation, however, shall not require the submission of the type of plans, studies, calculations or similar detailed information that will otherwise be required in connection with site development,

subdivision or resubdivision plans which, when approved, will serve as the basis for issuance of a building permit.

(Adopted effective April 29, 2002; amended May 3, 2005)

Sec. 8-30g-8. Maximum housing payment calculations in set-aside developments

(a) The maximum price for any affordable unit that is sold or resold within a set-aside development, for the period of affordability restrictions, to a household earning eighty percent of the median income or less, shall be determined as follows:

(1) Step 1. Determine area median income and the statewide median as published by the U.S. Department of Housing and Urban Development for the subject municipality, and use the lesser of these figures.

(2) Step 2. Adjust median income identified in Step 1 by family size by assuming that 1.5 persons will occupy each bedroom of an affordable unit, except in the case of a studio or zero-bedroom unit, in which case 1.0 person shall be assumed. Family size adjustment shall be made with reference to the following percentages:

NUMBER OF PERSONS IN FAMILY	1	2	3	4	5	6	7	8
PERCENTAGE ADJUSTMENT	70%	80%	90%	100%	108%	116%	124%	132%

(BASE)

The family size adjustment that involves a half person (such as 4.5 persons) shall be calculated by taking the midpoint between the relevant figures above and below the half. For example, the adjustment for a 4.5 person household is 104 percent.

(3) Step 3. Calculate eighty percent (80%) of Step 2.

(4) Step 4. Calculate thirty percent (30%) of Step 3, representing that portion of household income deemed to be used for housing costs.

(5) Step 5. Divide step 4 by twelve (12) months to determine the maximum monthly housing payment.

(6) Step 6. Determine by reasonable estimate monthly housing expenses, including real property taxes; real property insurance; any common interest ownership or similar fee required of all unit purchasers or owners; and heat and utility costs, excluding television, telecommunications, and information technology services.

(7) Step 7. Subtract Step 6 from Step 5 to determine the amount available for mortgage principal and interest.

(8) Step 8. Using the amount resulting from Step 7, apply a mortgage term and interest rate that is commercially reasonable and available to households likely to apply to purchase such units, in order to determine the financeable amount.

(9) Step 9. Calculate down payment, which shall comply with subsection (c) of this section.

(10) Step 10. Add Steps 8 and 9 to determine the maximum sale or resale price.

(b) For a unit required to be sold or resold to a household earning sixty percent (60%) or less of the median income, the formula stated above shall be used, except that in Step 3, sixty percent (60%) shall be used instead of eighty percent (80%).

(c) The maximum allowable down payment used in calculating the maximum sale or resale price of an affordable unit that is sold shall be the lesser of twenty percent (20%) of the total sale price or twenty percent (20%) of the Connecticut Housing Finance Authority (CHFA) maximum sales price limit for a comparably-sized unit in the area, as published by CHFA.

(d) The maximum monthly payment for a rental unit in a set-aside development, for the period of affordability restrictions, for a household earning eighty percent of the median income or less, shall be determined as follows:

(1) Step 1. Determine area median income and the statewide median as published by the U.S. Department of Housing and Urban Development for the subject municipality, and use the lesser of these figures.

(2) Step 2. Adjust median income identified in Step 1 by family size by assuming that 1.5 persons will occupy each bedroom of an affordable unit, except in the case of a studio or zero-bedroom unit, in which case 1.0 person shall be assumed. Family size adjustment shall be made with reference to the following percentages:

NUMBER OF PERSONS IN FAMILY	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>
PERCENTAGE ADJUSTMENT	70%	80%	90%	100% (BASE)	108%	116%	124%	132%

The family size adjustment that involves a half person (such as 4.5 persons) shall be calculated by taking the midpoint between the relevant figures above and below the half. For example, the adjustment for a 4.5 person household is 104 percent.

(3) Step 3. Calculate eighty percent (80%) of Step 2.

(4) Step 4. Calculate thirty percent (30%) of Step 3, representing that portion of household income deemed to be used for housing costs.

(5) Step 5. Divide Step 4 by twelve (12) months to determine the maximum monthly housing payment.

(6) Step 6. Determine the fair market rent for a unit with the same number of bedrooms in the subject municipality as published by the U.S. Department of Housing and Urban Development.

(7) Step 7. Multiply the U.S. Department of Housing and Urban Development fair market rent as determined in Step 6 by one hundred twenty percent (120%).

(8) Step 8. The maximum monthly housing payment for occupants of the subject rental unit shall be the lesser of the calculations in Steps 5 and 7.

(9) Step 9. Determine by reasonable estimate monthly expenses for heat and utility costs for which the tenant is directly responsible, excluding television, telecommunications, and information technology services, but including any other periodic fees for which the tenant is directly responsible, such as common charges in the case of a common interest ownership community.

(10) Step 10. Deduct the estimate of tenant-paid utilities and fees determined in Step 9 from the maximum monthly housing payment in Step 8, which will result in the maximum amount that the developer/owner may charge for this rental unit as the monthly contract rent.

(e) For a unit required to be rented to a household earning sixty percent (60%) or less of the median income, the formula stated above shall be used, except that in Step 3, sixty percent (60%) shall be used instead of eighty percent (80%), and in Step 7, the U.S. Department of Housing and Urban Development fair market rent shall be used instead of one hundred twenty percent (120%) of the U.S. Department of Housing and Urban Development fair market rent.

(f) The elements of annual household income, and documentation of such income, used for the purposes of determining whether a household's annual income qualifies

it for occupancy of a price-restricted unit, shall be conducted using the guidelines published by the U.S. Department of Housing 24 CFR 5.609.

(Adopted effective April 29, 2002; amended May 3, 2005)

Model Deed Restrictions for Affordable Housing Land Use Appeals Procedure

Sec. 8-30g-9. Model deed restriction for a set aside development

(a) On or after the effective date of this subsection, a covenant or restriction imposed upon or otherwise made applicable to a set aside development or dwelling units within a set aside development as defined in subsection 8-30g-1(14) of the Regulations of Connecticut State Agencies shall satisfy sections 8-30g-1, 8-30g-7 and 8-30g-8, if the covenant or restriction has a term of at least forty years and contains substantially the following language:

(1) For a set aside development consisting of dwelling units to be rented:

“This development is a set aside development as defined in section 8-30g of the Connecticut General Statutes and in accordance with the applicable regulations for state agencies that were in effect on the date of the original application for initial local approval _____ (insert appropriate date), containing affordable housing dwelling units, and is therefore subject to limitations on the maximum annual income of the household that may rent the designated affordable housing dwelling units, and on the maximum rental that may be charged for such affordable housing dwelling units. These limitations shall be strictly enforced, and may be enforced by the zoning enforcement authority of [the municipality] against the record owner of the development or the person identified in the affordability plan as responsible for the administration of these limitations.

For the duration of this covenant or restriction, no less than fifteen percent (15%) of the dwelling units in this development shall be rented to persons and families whose annual income is less than or equal to eighty percent (80%) of the median income as defined in subsection 8-30g-1(10) of the Regulations of Connecticut State Agencies, and such units may be rented only at a rental equal to or less than the rental determined using the formula for maximum monthly rental amount stated in section 8-30g-8(d) of the Regulations of Connecticut State Agencies. In addition, no less than fifteen percent (15%) of the dwelling units shall be rented to persons and families whose annual income is less than or equal to 60 percent (60%) of the median income as defined in subsection 8-30g-1(10) of the Regulations of Connecticut State Agencies, and such units may be rented only at a rental equal to or less than the rental determined using the formula for maximum monthly rental amount stated in section 8-30g-8(e) of the Regulations of Connecticut State Agencies.”

(2) For a dwelling unit within a set aside development in which individual, designated units are sold or resold as affordable housing dwelling units:

“This dwelling unit is an affordable housing dwelling unit within a set aside development as defined in section 8-30g of the Connecticut General Statutes and in accordance with the applicable regulations for state agencies that were in effect on the date of the original application for initial local approval _____ (insert appropriate date), and is therefore subject to a limitation, at the date of purchase, on the maximum annual income of the household that may purchase the unit, and is subject to a limitation on the maximum sale or resale price. these limitations shall be strictly enforced, and may be enforced by the person identified in the affordability plan as responsible for the administration of these limitations or the zoning enforcement authority of [the municipality].

For the duration of this covenant or restriction, this dwelling unit may be sold only to persons and families whose annual income does not exceed ____% (insert 60% or 80% as applicable) percent of ‘median income’ as defined in subsection 8-30g-1(10) of the Regulations of Connecticut State Agencies, applicable to this unit as specified in an affordability plan as on file with the [municipality]. In addition, this unit may be sold or resold only at a price equal to or less than the price determined using the formula stated in section 8-30g-8(a), or the formula stated in section 8-30G-8(B), as applicable, of the Regulations of Connecticut State Agencies.

(b) In order to assist in any determination that the sale or resale price of an affordable housing dwelling unit complies with applicable limitations, any owner, seller, purchaser or prospective purchaser of such dwelling unit may be required by the administrator of the affordability plan to provide documentation of the annual income of the person or family who will occupy the dwelling unit and of compliance with applicable sale price or resale price limitations, which documentation shall be available upon request to the zoning enforcement authority of [the municipality].

(Adopted effective May 3, 2005)

Sec. 8-30g-10. Model deed restriction for promulgation of the affordable housing appeals list

(a) On or after the effective date of this subsection, a dwelling unit that is not otherwise counted as part of a set aside development shall qualify to be counted for the purpose of preparing and promulgating the affordable housing appeals list if the unit is subject to a covenant or restriction that contains substantially the following language and meets the duration requirements of subsection (b) of this section:

(1) For a dwelling unit that is rented:

“This unit is an affordable housing dwelling unit and is therefore subject to a limitation on the maximum annual income of the household that may rent the unit, and is subject to a limitation on the maximum rental that may be charged for the unit. these limitations shall be strictly enforced, and may be enforced by the zoning enforcement authority of [the municipality] or owner or landlord of this unit.

For the duration of this covenant or restriction, this dwelling unit shall be rented to persons or families whose annual income is equal to or less than eighty percent (80%) of the median income as defined in subsection 8-30g-1(10) of the Regulations of Connecticut State Agencies, and may be rented only at a rental equal to or less than the rental determined using the formula for maximum monthly rental amount, including utilities, stated in section 8-30g-8(d) of the Regulations of Connecticut State Agencies.”

(2) For a dwelling unit that is sold or resold:

“This dwelling unit is an affordable housing dwelling unit and is therefore subject to a limitation at the date of purchase on the maximum annual income of the household that may purchase the unit, and is subject to a limitation on the maximum sale or resale price. These limitations shall be strictly enforced, and may be enforced by the zoning enforcement authority of [the municipality].

For the duration of this covenant or restriction, this dwelling unit may be sold only to a household or family whose annual income is equal to or less than 80 percent (80%) of the median income as defined in subsection 8-30g-1(10) of the Regulations of Connecticut State Agencies, and may be sold or resold and only at a price equal to or less than the price determined using the formula stated in section 8-30g-8(a) of the Regulations of Connecticut State Agencies.”

(b) A covenant or restriction recorded for the purpose of qualifying a dwelling unit on the affordable housing appeals list shall have a minimum duration of twelve months, provided that any covenant or restriction imposed on an accessory apartment as defined in section 8-30g(k) of the Connecticut General Statutes or mobile manufactured home shall have a minimum duration of ten years. A covenant or restriction imposed on a newly-constructed or substantially rehabilitated unit shall qualify the dwelling unit for the affordable housing appeals list when the covenant or restriction is recorded on the land records and a certificate of occupancy has been issued for such unit, and a covenant or restriction imposed on an existing dwelling unit shall qualify the unit for the affordable housing appeals list when the covenant or restriction has been recorded on the land records.

(c) In order to assist in any determination that an affordable housing dwelling unit complies with applicable limitations and qualifies to be counted on the affordable housing appeals list, any owner, landlord or administrator of a rental unit, or any owner, seller, purchaser or prospective purchaser of an ownership unit, may be required to provide documentation of the annual income of the person or family who will occupy the dwelling unit and of compliance with applicable sale price or resale price limitations, which documentation shall be available to the zoning enforcement authority of [the municipality].

(Adopted effective May 3, 2005)

Sec. 8-30g-11. Dwelling units subject to existing restrictions

For the purpose of the affordable housing appeals list, any covenant or restriction that was adopted prior to the effective date of section 8-30g-9 or 8-30g-11 of these regulations, and which has been accepted previously by the commissioner for inclusion on the list, need not be revised in accordance with these regulations, and may continue to be counted on the list, so long as its terms remain unchanged and it remains a binding obligation.

(Adopted effective May 3, 2005)

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Personal Data System

Sec. 8-37r-1. Definitions

The following definitions apply to Sections 8-37r-1 through 8-37r-9 of the Regulations of Connecticut State Agencies

(a) “Category of Personal Data” means the classifications of personal information set forth in the Personal Data Act, Section 4-190 (9) of the General Statutes.

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

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

(d) “Developer” means (1) a nonprofit corporation; (2) any business corporation incorporated pursuant to chapter 599; (3) any partnership, limited partnership, joint venture, trust or association; (4) a housing authority; or (5) a municipal developer.

(e) “Direct Assistance Program” is any program established, conducted, funded or administered by the Department in which the beneficiary is a “program applicant” as defined by these regulations.

(f) “Other Data” means any information which, because of name, identifying number, mark or description can be readily associated with a particular person.

(g) “Program Applicant” means a family or person approved or seeking approval by the Commissioner as qualified to own, rent, construct, rehabilitate, manage, maintain or otherwise improve housing under a mortgage, loan or grant made or insured under an agreement with the Department of Housing.

(h) Terms defined in Section 4-190 of the General Statutes shall apply to these regulations.

(Effective December 5, 1989)

Sec. 8-37r-2. General nature and purpose of personal data systems

The Department of Housing shall maintain the following personal data systems:

(a) **Personnel Records**

(1) Personnel records are any records containing personal data relating to an employee of the Department.

(2) All personnel records are maintained by the Department of Housing at 1179 Main Street, Hartford, Connecticut.

(3) Personnel records may be maintained in automated or conventional files.

(4) Personnel records are maintained for the purposes of providing payroll history, promotion information, disciplinary, and related personnel information concerning Department employees.

(5) Personnel records are the responsibility of the Deputy Commissioner of Administration, whose business address is 1179 Main Street, Hartford, Connecticut, 06103-1089.

(6) Routine personal information in personnel files may be provided by the employee, the employee’s current and past supervisors, previous employers, the Comptroller’s Office, the Department of Administrative Services, Division of Personnel and Labor Relations, and State insurance carriers.

(7) Personnel records shall be collected, maintained and used pursuant to Connecticut General Statutes Section 5-193, et seq.

(b) **Payroll and Retirement System Participant Records**

(1) Payroll and retirement system participant records are any records containing personal data relating to a current or former Department employee’s participation in the State payroll and retirement system.

(2) The Department shall maintain the records of participants in the payroll and retirement system at its offices at 1179 Main Street in Hartford, Connecticut.

(3) Participant records may be maintained in automated or conventional files.

(4) The Department maintains payroll and retirement participants records for the purpose of determining pay and eligibility for and the amount of benefit payments due to participants and beneficiaries.

(5) Payroll and retirement system participant records are the responsibility of the Deputy Commissioner of Administration whose business address is 1179 Main Street, Hartford, Connecticut 06103.

(6) Routine sources of information in participant records are generally the participant, current and previous employers of the participant, and the Department.

(7) Personal data in payroll and retirement system participant records are collected, maintained and used under authority of Chapter 66 of the Connecticut General Statutes, Section 5-152 through 5-192x, inclusive.

(c) Program Applicant Records

(1) Program applicant records are any records containing personal data relating to any person or family maintained for the purpose of determining eligibility for any direct assistance program administered by the Department of Housing.

(2) All program applicant records are maintained by the Department of Housing at 1179 Main Street, Hartford, Connecticut.

(3) Program applicant records may be maintained in either automated or conventional files. However, all records shall be organized so as to promote facility of access.

(4) Program applicant records shall be maintained for the purpose of determining initial or continuing eligibility for or compliance with direct assistance programs established, conducted, funded or administered by the Department of Housing.

(5) The Deputy Commissioner of Operations is responsible for each direct assistance program established, conducted, funded or administered by the Department of Housing and the program applicant records are maintained by him. His business address is 1179 Main Street, Hartford, Connecticut 06103-1089.

(6) Routine personal information in the program applicant records for a particular program may be provided by the program applicant, his employer, the Internal Revenue Service, credit reporting agencies, the Department of Income Maintenance, or other governmental agencies.

(7) Program applicant personal data shall be collected and maintained pursuant to the specific section of the General Statutes creating the program.

(d) Developer Records

(1) Developer records are any data maintained for the purpose of determining initial or continuing eligibility of a developer for participation in any plan or program of construction, rehabilitation, ownership, or operation of housing, except for situations involving program applicants as defined by these regulations.

(2) Developer records are maintained by the Department of Housing at 1179 Main Street, Hartford, Connecticut.

(3) Developer records are maintained in either automated or conventional files. However all records shall be organized so as to promote facility of access.

(4) Developer records shall be maintained for the purpose of determining a developer's initial or continuing eligibility for, or compliance with, any program approved by the Commissioner.

(5) The Deputy Commissioner of Operations is in charge of a program with developer participation and shall be responsible for the developer records maintained by him. His business address is 1179 Main Street, Hartford, Connecticut, 06103-1089.

(6) Routine personal information in the developer records for a particular program may be provided by the developer, the Internal Revenue Service, credit reporting agencies or other governmental agencies.

(7) Developer personal data shall be collected and maintained pursuant to the specific section of the General Statutes creating the program.

(Effective December 5, 1989)

Sec. 8-37r-3. Categories of personal data

(a) Personnel Records

(1) The following categories of personal data may be maintained in personnel records:

- (A) educational records;
- (B) employment or business history;
- (C) other references
- (D) name, address and phone number of a person to notify in the event of an emergency.

(2) The following categories of other data may be maintained in personnel records:

- (A) address(es);
- (B) former name(s);

(3) Personnel records are maintained on past and current employees of the Department and on applicants for employment with the Department.

(b) Payroll and Retirement System Participant Records

(1) The following categories of personal data may be maintained in payroll and retirement system participant records:

- (A) educational records;
- (B) employment records;
- (C) salary records;
- (D) contributions records;
- (E) income tax withholding information;
- (F) bank account identification;
- (G) marital status;

(2) The following categories of other data may be maintained in payroll and retirement system participant records:

- (A) address(es);
- (B) retirement system membership number;

(3) Payroll and retirement system participant records are maintained on current and former Department employees.

(c) Program Applicant Records

(1) The following categories of personal data may be maintained in program applicant records:

- (A) educational records;
- (B) employment or business history;
- (C) federal income tax returns;
- (D) credit information;
- (E) bankruptcy information;
- (F) other income and financial records;
- (G) marital status;
- (H) other references.

(2) The following categories of other data may be maintained in program applicant records:

- (A) address(es);
- (B) family size;
- (C) social or ethnic background.

(3) Program applicant records are maintained on any person or family who has applied to, or who is participating in any direct assistance program administered by the Department.

(d) **Developer Records**

(1) The following categories of personal data may be maintained in developer records:

- (A) employment or business history;
- (B) financial statements and tax returns;
- (C) credit reports;
- (D) miscellaneous financial information, i.e. financial resources, bank accounts, liabilities, etc;
- (E) social security or federal identification numbers.

(2) The following categories of other data may be maintained in developer records:

- (A) names;
 - (B) addresses;
- (Effective December 5, 1989)

Sec. 8-37r-4. Maintenance of personal data

(a) Personal data will not be maintained unless relevant and necessary to accomplish the lawful purposes of the Department. Where the Department finds irrelevant or unnecessary public records in its possession, the Department shall dispose of the records in accordance with its records retention schedule, or, if the records are not disposable under the records retention schedule, request permission from the Public Records Administrator to dispose of the records under Connecticut General Statutes Section 11-8a.

(b) The Department shall collect and maintain all records completely and accurately.

(c) Insofar as it is consistent with the needs and mission of the Department, and where it is practical, personal data shall be collected directly from the person to whom the record pertains.

(d) Department employees involved in the operations of the Department's personal data systems shall be informed of the provisions of (i) the Personal Data Act, (ii) the Department's regulations adopted pursuant to § 4-196, (iii) the Freedom of Information Act and (iv) any other state or federal statute or regulations concerning maintenance or disclosure or personal data kept by the Department.

(e) All employees of the Department shall take reasonable precautions to protect personal data in their custody from the danger of fire, theft, flood, natural disaster, and other physical threats.

(f) The Department shall incorporate by reference the provisions of the Personal Data Act and regulations promulgated thereunder in all contracts, agreements, or licenses for the operation of a personal data system, or for research, evaluation, and reporting of personal data for the Department or on its behalf.

(g) The Department shall have an independent obligation to ensure that personal data requested from any other state agency is properly maintained.

(h) Only employees of the Department with a specific need to review personal data records for lawful purposes of the Department shall be permitted to do so.

(i) The Department of Housing shall keep a written up-to-date list of all individuals entitled to access to each of the Department's personal data systems.

(j) The Department shall ensure against unnecessary duplication of personal data records. In the event it is necessary to send personal data records through interdepartmental mail, such records shall be sent in envelopes or boxes sealed and marked "confidential."

(k) The Department shall ensure that all records in conventional files are kept under lock and key and, to the greatest extent possible, are kept in controlled access areas.

(l) To the extent practical, automated equipment and records shall be located in a limited access area.

(m) To the extent practical, the Department shall permit visitors or non-operations personnel to enter the limited access area only for a necessary, specific, and authorized purpose. Any person entering this area must sign a visitor's log.

(n) To the extent practical, the Department shall ensure that regular access to automated equipment is limited to operations personnel.

(o) The Department shall implement appropriate access control measures to prevent disclosure of personal data on automated systems to unauthorized individuals. (Effective December 5, 1989)

Sec. 8-37r-5. Permitted use of personal data

(a) Personnel Records

(1) Employees of the Department who are assigned personnel and payroll responsibilities use the personal data contained in the Department's personnel records in processing promotions, re-classifications, transfers to other agencies, retirement, and other personnel actions. Supervisors use the personal data when promotions, career counseling, or disciplinary actions for such employees are contemplated, and for other employment-related purposes.

(2) The Department retains personnel records according to schedules published by the Public Records Administrator, Connecticut State Library.

(b) Retirement System Participant Records

(1) All employees of the Department use retirement system participant records for the purpose of making an accurate determination of the retirement benefit to which such participants may be eligible, or the amount payable to such participant upon application for a refund of his retirement contributions.

(2) Retirement system participant records are used for the preparation of retirement applications and longevity payrolls.

(3) Retirement system participant records are retained in accordance with guidelines published by the Public Records Administrator, Connecticut State Library.

(c) Program Applicant and Developer Records

(1) Program applicant and developer records are used in the evaluation and qualifications and compliance monitoring of program applicants and developers in programs established, conducted, funded, or administered by the Department of Housing.

(2) The Department retains program applicant and developers records according to guidelines published by the Public Records Administrator, Connecticut State Library.

(d) When an individual is asked to supply personal data to the Department of Housing, the Department shall disclose to that individual, upon request:

- (1) The name of the Department and division within the Department requesting the personal data;
 - (2) The legal authority under which the Department is empowered to collect and maintain the personal data;
 - (3) The individual's rights pertaining to such records under the Personal Data Act, and Department regulations;
 - (4) The known consequences arising from supplying or refusing to supply the requested personal data;
 - (5) The proposed use to be made of the requested personal data.
- (Effective December 5, 1989)

Sec. 8-37r-6. Disclosure of personal data

(a) Within four business days of receipt of a written request the Department shall mail or deliver to the requesting individual a written response in plain language, informing him/her as to whether or not the Department maintains personal data on that individual, the category and location of the personal data maintained on that individual and procedures available to review the records.

(b) Except where nondisclosure is required or specifically permitted by law, the Department shall disclose to any person upon written request all personal data concerning that individual which is maintained by the Department. The Department's procedures for disclosure shall be in accordance with Sections 1-15 through 1-21k of the General Statutes. If the personal data is maintained in coded form, the Department shall transcribe the data into a commonly understandable form before disclosure.

(c) The Department is responsible for verifying the identity of any person requesting access to his/her own personal data.

(d) The Department is responsible for ensuring that disclosure made pursuant to the Personal Data Act is conducted so as not to disclose any personal data concerning persons other than the person requesting the information.

(e) The Department may refuse to disclose to a person medical, psychiatric or psychological data on that person if the Department determines that such disclosure would be detrimental to that person.

(f) In any case where the Department refuses disclosure, it shall advise that person of his/her right to seek judicial relief pursuant to the Personal Data Act.

(g) If the Department refuses to disclose medical, psychiatric or psychological data to a person based on its determination that disclosure would be detrimental to that person and nondisclosure is not mandated by law, the Department shall, at the written request of such person, permit a qualified medical doctor to review the personal data contained in the person's record to determine if the personal data should be disclosed. If disclosure is recommended by the person's medical doctor, the Department shall disclose the personal data to such person; if nondisclosure is recommended by such person's medical doctor, the Department shall not disclose the personal data and shall inform such person of the judicial relief provided under the Personal Data Act.

(h) The Department shall maintain a complete log of each person, individual, agency or organization who has obtained access or to whom disclosure has been made of personal data under the Personal Data Act, together with the reason of each such disclosure or access. This log must be maintained for not less than five years from the date of such disclosure or access or for the life of the personal data record, whichever is longer.

(Effective December 5, 1989)

Sec. 8-37r-7. Contesting or amending personal data

(a) Any person who believes that the Department is maintaining inaccurate, incomplete or irrelevant personal data concerning him/her may file a written request with the official responsible for maintaining the records for correction of said personal data.

(b) Within 30 days of receipt of such request, the responsible official shall give written notice to that person that the Department will make the requested correction, or if the correction is not to be made as submitted, the official shall state the reason for denial of such request and notify the person of his/her right to add his/her own statement to his/her personal data records.

(c) Following such denial by the official responsible for maintaining the records, the person requesting such correction shall be permitted to add a statement to his or her personal data record setting forth what that person believes to be an accurate, complete and relevant version of the personal data in question. Such statements shall become a permanent part of the Department's personal data system and shall be disclosed to any individual, agency or organization to which the disputed personal data is disclosed.

(Effective December 5, 1989)

Sec. 8-37r-8. Disclosure under the freedom of information act

(a) Any person may obtain personal data from personal data systems of the Department of Housing except when prohibited by law.

(b) Disclosure of personal data from personal data systems of the Department shall be governed by Chapter 3 of the Connecticut General Statutes.

(Effective December 5, 1989)

Sec. 8-37r-9. Standard forms

(a) The Department may provide standard forms for any written inquiry or response required under these regulations.

(b) If the Department provides standard forms for any written inquiry or response required under these regulations, they shall be written in plain language and be approved by the Commissioner.

(Effective December 5, 1989)

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Surplus Property Program

Sec. 8-37y-1. Definitions

The following Definitions apply to Section 8-37y-1 through 8-37y-13 of the Regulations of Connecticut State Agencies.

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

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

(3) “Eligible developer” or “developer” means:

(A) a housing authority established in accordance with the requirements of section 8-40 of the Connecticut General Statutes; or

(B) 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; or

(C) 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 Board of Selectmen if such board is authorized to act as a municipal developer by the town meeting or representative town meeting; or

(D) a community housing development organization (CHDO) which means a nonprofit corporation as defined pursuant to the National Affordable Housing Act of 1990; or

(E) a community housing development corporation (CHDC) incorporated and organized pursuant to the requirements of 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.

(4) “Exchange” means the mutual transfer of interests in real property, simultaneously and each in consideration of the other.

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

(6) “Federal property” means any property owned by the federal government that is made available to the Department, including but not limited to excess real property acquired by the federal government for highway construction.

(7) “Housing development” or “development” means any work or undertaking, which may include acquisition of property, to provide decent, safe and sanitary dwelling units for families of low and moderate income.

(8) “Low income family” means persons and families 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.

(9) “Land trust” means a property ownership arrangement whereby the developer, as trustee, holds legal and equitable title to surplus real property subject to an obligation to keep or use the property for the benefit of homeless persons, or persons or families of low and moderate income.

(10) “Moderate income family” means persons and families whose income does 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. However, homeownership income limits shall

be determined in accordance with the Connecticut Housing Finance Authority's guidelines.

(11) "Municipal approval" means approval by the governing body of the municipality where the property is located.

(12) "Property" or "Real property" means any real property as defined in Section 8-39 (n) of the Connecticut General Statutes, which is under the custody and control of the Department of Housing, pursuant to the requirements of Section 4b-21 and Section 8-37y of the Connecticut General Statutes or which is exchanged for property under the custody and control of the Department of Housing.

(Effective November 26, 1993)

Sec. 8-37y-2. Program description

The program purpose is to permit a developer to acquire state or federal surplus property suitable for development and preservation of emergency shelters and transitional living facilities for homeless persons, and housing for low and moderate income persons and families which shall remain permanently affordable.

(Effective November 26, 1993)

Sec. 8-37y-3. Program requirements

(a) Upon the transfer of state surplus property pursuant to Section 4b-21 of the General Statutes, the Commissioner, with the approval of the Commissioner of Public Works, the Secretary of the Office of Policy and Management, and the State Properties Review Board may sell or lease such property to an eligible developer, exchange the property for a suitable piece of property, or enter into an agreement regarding such property with an eligible developer.

(b) The Commissioner, with the approval of the Commissioner of Public Works, the Secretary of the Office of Policy and Management and the State Properties Review Board may also enter into a contract to purchase, lease, or hold any surplus real property made available by the federal government if the Commissioner determines that such property can be utilized for the construction, rehabilitation or renovation of housing for persons and families of low and moderate income. Upon such transfer, the Commissioner may sell or lease such property, exchange the property for a suitable piece of property, or enter into an agreement regarding such property with an eligible developer.

(c) The Commissioner shall require, as a condition of any sale, exchange, lease or agreement entered into, regarding federal surplus property that such real property be used only for the construction, rehabilitation or renovation of housing for persons and families of low and moderate income.

(d) Prior to any sale, exchange, lease or agreement, the Commissioner shall notify the chief executive officer or officers of the municipality or municipalities in which such property is located. No property may be sold, exchanged or leased by the Commissioner without approval of the municipality or municipalities in which the property is located.

(e) Any use of the property shall be subject to the planning, zoning, sanitary and building laws, ordinances and regulations applicable to the locality in which the real property is located.

(f) Developers shall ensure that any and all property, and interests therein, acquired under this program, shall be permanently made affordable to low and moderate income persons or families. Developers may use deed restrictions, restrictive covenants, or place the property in a land trust to achieve the long term affordability goal.

(g) Any subsequent transfer of the property, including any improvements thereon, by the developer, shall meet the following criteria:

(1) subsequent developers shall be subject to the same restrictions as the initial developer and shall be subject to the laws and regulations governing the Surplus Property Program; and

(2) the sales price and conditions of sale shall be approved by the Commissioner.

(h) Prior to the transfer of the property by the Commissioner, the developer shall provide a commitment for project financing necessary to develop housing from a government or private financial institution;

(i) If the development is not completed within the planning and development timetable approved by the Commissioner, the property shall revert to the Department unless an extension is granted by the Commissioner in writing based upon conditions beyond the developer's control;

(j) At initial occupancy and upon subsequent transfers, an affidavit shall be filed with the Commissioner to verify that the persons and families occupying the property meet the low and moderate income limit requirement.

(k) All development projects shall be competitively bid, unless the governmental financing program being utilized does not establish such a requirement.

(l) To be eligible for this program, a nonprofit corporation:

(1) shall maintain accountability to community residents by providing a formal process for program beneficiaries and the community to advise the organization in its decisions regarding the design, siting, development and management of affordable housing;

(2) shall neither be controlled by, nor be under the direction of, individuals or entities seeking to derive profit or gain from the organization. A nonprofit organization may be sponsored in part by a for-profit entity, but the for-profit entity may not have the right to appoint more than one-third of the membership of the organization's governing body, and the organization shall be free to contract for goods and services from vendors of its own choosing;

(3) shall have a history of serving the state's low or moderate income community; and

(4) shall be able to demonstrate a successfully completed housing development, and demonstrate administrative capacity, including experienced personnel.

(m) 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 for the development and management of projects.

(n) The Commissioner may waive any nonstatutory requirements imposed by 8-37y-1 to 8-37y-13, inclusive, of these regulations. Requests for a waiver shall be in writing, addressed to the Commissioner. Such waiver may only be granted with sufficient evidence that:

(1) the literal enforcement of such provisions provide for exceptional difficulty or unusual hardship not caused by the recipient;

(2) the benefit to be gained by waiver of the provisions is clearly outweighed by the detriment which shall result from enforcement;

(3) the waiver is in harmony with conserving public health, safety and welfare; and

(4) the waiver is in the best interest of the state.

(Effective November 26, 1993)

Sec. 8-37y-4. Eligible activities

(a) An eligible developer may enter into an agreement with the Department to lease or purchase real property for an emergency shelter or transitional living facility

for homeless persons, or for the construction, rehabilitation or renovation of housing for persons and families of low and moderate income.

(b) Any person, entity or eligible developer may enter into an agreement with the Department to exchange, for surplus property, real property which can be utilized for an emergency shelter, transitional living facility for homeless persons or for the construction, rehabilitation or renovation of housing for persons and families of low and moderate income.

(c) Upon transfer of the property, an eligible developer may undertake construction, rehabilitation or renovation of housing to be used for homeless persons or persons and families of low and moderate income.

(d) Types of housing that may be developed include but are not limited to emergency shelters, transitional living facilities, multi-family housing, single family housing and cooperatives.

(e) The eligible developer may:

(1) lease the real property to low and moderate income persons and families or other eligible developers or a housing partnership in which the general partner is an eligible developer;

(2) sell the real property to low and moderate income persons and families subject to deed restrictions approved by the Commissioner;

(3) retain the land in trust and lease or sell the building(s) or improvements to low and moderate income persons and families or other eligible developers or a housing partnership in which the general partner is an eligible developer.

(Effective November 26, 1993)

Sec. 8-37y-5. Eligible developers

To be eligible for participation under this program:

(a) A housing authority shall, in addition to the requirements in subsection (d) below, 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.

(b) A nonprofit corporation shall, in addition to the requirements in subsection (d) below:

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

(2) Submit an endorsed certificate of incorporation, which includes the articles of incorporation that states housing as one of its purposes, certified by the Secretary of the State;

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

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

(c) A Community Housing Development Corporation or Community Housing Development Organization shall, in addition to the requirements in subsection (d) below:

(1) Submit a statement, except for those corporations specially chartered by the general assembly and CHDO's, 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;

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

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

(4) Submit a certificate of good standing certified by the Secretary of the State; and
 (5) Inform the Department, in writing, of the corporation's principal place of business.

(d) All housing authorities, nonprofit corporations, community housing development corporations, or community housing development organizations, shall:

(1) Submit a list of any housing developments 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 in determining the financial capability of the developer;

(3) Submit names, addresses and telephone numbers of its current commissioners, officers and/or members of the board of directors and statutory agent for service; and

(4) Be in good standing with the Department.

(e) A municipal developer shall submit a notarized copy of its legislative body's resolution designating its governing body as a municipal developer, as well as items (d) (1), (3) and (4) above.

(Effective November 26, 1993)

Sec. 8-37y-6. Exchange process

(a) Any person that enters into an agreement with the Department to exchange real property for surplus property, shall provide the following:

(1) His social security number;

(2) His principal place of business and the telephone number;

(3) Any additional information which the Commissioner determines is necessary.

(b) Any entity that enters into an agreement with the Department to exchange real property for state surplus property, shall provide the following:

(1) its principal place of business and the telephone number;

(2) Name, address and telephone number of principals;

(3) Proof of type of entity and certificate of good standing if a corporation;

(4) Any additional information which the Commissioner determines is necessary;

(5) Authorizing resolution, if applicable.

(c) In addition to the requirements above, a person or entity shall provide:

(1) Proof of clear title to the property;

(2) A-2 survey;

(3) Legal Description;

(4) Proof of all applicable local approvals;

(5) A certified check for the cost of an independent appraisal secured by the Department;

(6) A detailed description of:

(i) the reason for the exchange;

(ii) property to be exchanged and its estimated value;

(iii) proposed time frame for the exchange;

(iv) any other documentation required by the Commissioner.

(d) Evaluation for a proposed exchange shall be based on appraised value, number units, cost of development, completion of local approval process, and any other terms and conditions that the Commissioner may impose to insure that the exchange is in the State's best interest.

(e) An exchange shall include real property; however, the state may accept cash as part of the exchange agreement.

(f) An exchange is subject to the approval of the municipality, Commissioner of Public Works, Secretary of the Office of Policy and Management and the State Properties Review Board.

(g) Any statutory restrictions shall be released from the surplus property and be placed on the new property. Such restrictions shall run with the land and be binding on each subsequent owner of the property.

(h) The property received in the exchange shall be used for an emergency shelter, transitional living facility for homeless persons or for the construction, rehabilitation or renovation of housing for persons and families of low and moderate income.

(i) The following conditions shall be met prior to finalizing an exchange:

(1) The municipality shall approve the conveyance of the property to be developed to the selected developer; and

(2) the owner of the property to be exchanged shall secure all required local zoning approvals necessary to develop the property in the manner approved by the Commissioner and the municipality.

(Effective November 26, 1993)

Sec. 8-37y-7. Application process

(a) The Commissioner shall inform the municipality upon his acceptance of the surplus property.

(b) The Department shall discuss available options for the use and development of the property with the municipality.

(c) Upon mutual agreement between the Commissioner and the municipality, the Commissioner may issue a Request for Proposals from eligible developers for the use and development of the property, in accordance with such options. The Commissioner may waive the Request For Proposal process for properties which currently contain less than five (5) dwelling units and may convey such property to an eligible developer who has been approved by the Commissioner and the municipality or to an eligible low or moderate income person or family who shall occupy such property.

(d) If the municipality does not concur with the development options submitted to the municipality by the Department, the Commissioner may either bank the property for future consideration or transfer the property back to the applicable state agency.

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

(1) A plan of development which describes the proposed use of the land, buildings and/or improvements, persons to be served, income mix and proposed rents and/or sales prices;

(2) Proposed site plan;

(3) Evidence that the land is properly zoned for the proposed use or a time frame for obtaining land use permits or variances;

(4) Identification of any governmental or private housing finance programs to be utilized for construction, rehabilitation or renovation of housing and evidence that the developer has an application for financial assistance under review;

(5) Financial information on the projected cost of development and management;

(6) Evidence of housing need and marketability;

(7) A description of the mechanism to be used by the developer which shall guarantee that the housing shall remain permanently affordable;

(8) An Affirmative Fair Housing Marketing Plan;

- (9) Preliminary drawings and specifications;
- (10) Insurance information; and
- (11) A plan for the proposed use of any proceeds gained from the sale of any units constructed on the real property.

(f) If a developer intends to lease the property which it has acquired under this program or lease or sell the housing constructed on such property, it shall provide the following for approval:

- (1) Identification of the proposed lessee, buyer, or marketing plan;
- (2) Description of the lessee's or buyer's proposed use of the land or building(s);
- (3) A copy of the proposed lease or contract for sale; and
- (4) Any other documentation which the Commissioner determines is necessary to ensure that the property is being used for homeless persons or persons and families of low and moderate income.

(g) The Commissioner may, from time to time, request additional information from the developer.

(h) Once a developer receives preliminary approval of its application, the Commissioner shall:

- (1) Inform the chief executive officer of the municipality of the selected developer;
- (2) Provide the chief executive officer with a copy of the developer's application; and
- (3) Request that the Chief Executive Officer secure the municipality's approval of the Department's conveyance of the site to the developer.

(A) If the municipality approves the conveyance of the property to the developer, the Commissioner shall initiate the state approval process, in accordance with the requirements of Section 8-37y of the Connecticut General Statutes and enter into a conditional sales agreement.

(B) If the municipality fails to approve the conveyance of the site to the developer, the Commissioner shall notify the developer in writing.

(C) If the municipality conditionally approves the conveyance, the Commissioner shall review the conditions and determine if they impact the proposal.

(i) If the Commissioner determines that the conditions imposed by the municipality shall impact the proposed housing, the Commissioner shall reconsider the proposal in light of the municipal conditions.

(ii) If the Commissioner determines that they do not significantly impact the proposed housing, he shall notify the developer, in writing, of his findings and request the developer's concurrence.

(iii) If the developer does not concur with the Commissioner's findings, it may withdraw its proposal without prejudice.

(iv) If the developer concurs with the Commissioner's findings, the developer shall amend the plans for the development of the proposed housing in accordance with such findings.

(Effective November 26, 1993)

Sec. 8-37y-8. Evaluation

Applications shall be evaluated and therefore approved or disapproved by the Commissioner based on the following:

(1) Any priorities established in the State Comprehensive Housing Affordability Strategy, or any needs outlined in the Five Year Housing Advisory Plan adopted by the Department, if applicable;

(2) Any governing policies identified in the Department's Description/Rules of Operations;

(3) Local housing assistance plans or Local Comprehensive Housing Affordability Strategy, if in existence;

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

(5) Whether the proposed financing for the development of the property includes leveraging of other funds;

(6) Compliance with DOH design standards for rental housing or those design standards established by the governmental program providing the construction financing;

(7) Compliance with Connecticut Housing Finance Authority's design standards for non-rental housing or those design standards established by the governmental program providing the construction financing;

(8) The ability of the proposed development to fit within the existing community design;

(9) Cost effectiveness including administrative costs;

(10) The developer's timetable for completion of the development;

(11) The number of units as determined by the Commissioner;

(12) The methods used to ensure long term affordability and the duration of affordability;

(13) The developer's evidence of preliminary or firm commitments for development financing from acceptable financial institutions; and

(14) Compliance with Department affirmative action requirements.

(Effective November 26, 1993)

Sec. 8-37y-9. Contract provisions

(a) Contracts shall include, but not be limited to the terms and conditions of the transfer, the rights and obligations of the parties under the contract(s), and any other special provisions agreed upon between the parties.

(b) The developer shall provide a deed restriction, restrictive covenant or land trust agreement, to run in favor of the state, in any legal documents to be filed on the land records to insure that the property remains permanently affordable and shall serve homeless persons or low and moderate income persons and families. This provision may be subordinated to a mortgage lender if the Commissioner determines that such subordination is in the State's best interest.

(Effective November 26, 1993)

Sec. 8-37y-10. Restrictions on the sale or use of the property

(a) In addition to whatever remedies exist in the contract, the developer shall, upon demand by the Commissioner, transfer title to the State or a receiver designated by the State for that property conveyed to it pursuant to Section 8-37y-6 of these regulations if the Commissioner determines that:

(1) reasonable progress in the development of the property as described in the developer's application, has not been made from the date of conveyance of the property;

(2) the property has been developed or used for purposes other than for housing to benefit homeless persons or persons and families of low and moderate income; or

(3) the developer has amended its bylaws and/or articles of incorporation so that it no longer conforms with that originally submitted and approved by the Commissioner; or

(4) the developer has failed to maintained proper insurance or has otherwise failed to protect the state's interest.

(b) Restrictive covenants, as stated in Section 8-37y-9, shall be included in all deeds for property which the Department conveys to the developer. Developers shall have the responsibility for enforcement of all restrictions.

(c) In the event of a subsequent sale, the developer shall have the first option to purchase the property.

(d) If a developer dissolves its organization, the developer shall convey its interest in the property to the Department or the Department's designated receiver.

(Effective November 26, 1993)

Sec. 8-37y-11. Income limits

(a) Homeownership income limits shall not exceed those established and determined from time to time under the Connecticut Housing Finance Authority's Home Mortgage Program.

(b) For all others, income limits shall not exceed one hundred percent (100%) of the area median income as determined from time to time by the United States Department of Housing and Urban Development.

(c) Notwithstanding subsections (a) and (b) above, where a federal and/or state program is being utilized for construction, rehabilitation or renovation, income limits shall be determined according to that program.

(Effective November 26, 1993)

Sec. 8-37y-12. Reporting and access to records

(a) The developer shall maintain complete and accurate records, in accordance with the latest procedures approved by the Commissioner.

(b) The developer shall furnish the Commissioner with financial statements and other reports relating to the development and operation of the project as well as information regarding the families being served, in such detail, and at such times, as the Commissioner may require.

(c) The developer shall, annually, provide income and racial data on all households entering a housing development which results from the use of surplus real property. Such data shall cover the period through September thirtieth and shall be provided on all households entering a housing development and those occupying the development during the year.

(Effective November 26, 1993)

Sec. 8-37y-13. Fiscal compliance and examination

A developer receiving property under this program shall be subject to examination of all books and records related to the project. 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 26, 1993)

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Fair Housing Regulations

Sec. 8-37ee-1. Definitions

The following definitions apply to Section 8-37ee-1 through Section 8-37ee-17 of the Regulations of Connecticut State Agencies:

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

(2) “Compliance Meeting” means a meeting held by the department for those recipients who fail to comply with their approved affirmative fair housing marketing plan.

(3) “Department” means the State of Connecticut Department of Housing.

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

(5) “Income Group” means one of the following household groups, adjusted by family size and based on the appropriate area median income established by the United States Department of Housing and Urban Development: (1) households with incomes twenty-five per cent (25%) or less of the area median income; (2) households with incomes more than twenty five per cent (25%) but not more than fifty percent (50%) of the area median income; (3) households with incomes more than fifty per cent (50%) but not more than eighty percent (80%) of the area median income; (4) households with incomes more than eighty per cent of the area median income but not more than one hundred percent (100%) of the area median income; and (5) households with incomes more than one hundred per cent of the area median income.

(6) “Least Likely to Apply” means those persons who, in the main, do not live in the area of the development because of racial or ethnic patterns, perceived community attitudes, price or other factor, and thus need additional outreach to inform them of their opportunity to live in the development. With regards to race, in predominantly white areas, these shall be minority groups; in predominantly minority areas, these shall be white groups.

(7) “Minority” means those persons identified in Section 8-37ee-1 (h) subsections (b) through (g).

(8) “Primary Metropolitan Statistical Area or Metropolitan Statistical Area” means areas as defined by the United States Department of Housing and Urban Development. These areas are: Bridgeport-Milford, Bristol, Danbury, Hartford, Middletown, New Britain, New Haven-Meriden, New London-Norwich, Norwalk, Stamford, and Waterbury.

(9) “Race or Ethnic Group” means (a) White (not of Hispanic origin) persons with origins in Europe, North Africa, and the Middle East such as Canadians, Italians, Arabs, and so forth; (b) Black (not of Hispanic origin) persons with origins in Africa such as Black Puerto Ricans, Jamaicans, Nigerians, Haitians, and so forth and who may identify themselves as “Black” or “Negro” or “African-American;” (c) American Indian persons with origins in American Indian tribes such as Canadian Indians, Spanish American Indians, and French-American Indians; (d) Eskimo persons with origins in North America such as Arctic Slope and Yupik; (e) Aleut persons with origins in the Americas such as Alutiqs and Egegiks; (f) Asian or Pacific Islander persons with origins in Asia and the Pacific Islands including Chinese, Filipinos, Japanese, Asian Indians, Koreans, Vietnamese, Samoans, Hawaiians, and so forth; (g) Hispanic persons with origins in Spain, Central or South America, Mexico, the Dominican Republic or Puerto Rico who may identify themselves as “Spanish,” Hispanic,” “Latino,” “Mexican” or others.

(10) “Recipient” means a person, organization or individual who applies or may receive state financial assistance from the department.

(11) "Resident" means a person who lives or works in the town where the development is located. Durational residency requirements are not permitted.

(Effective February 2, 1994)

Sec. 8-37ee-2. Description

(a) The department is legislatively mandated under Section 8-37ee of the Connecticut General Statutes and the Connecticut Fair Housing Act, 46a-64b et seq. to promote fair housing choice and racial and economic integration in all housing funded in whole or in part by the department. Further, owners of state assisted housing are responsible for including in their Affirmative Fair Housing Marketing Plan provisions for the recruitment of an applicant pool that includes residents of municipalities of relatively high populations of those that would be least likely to apply. The goal of the department is to promote integrated housing by means of standards for Affirmative Fair Housing Marketing and Occupant Selection Criteria. At least twenty percent (20%) of the units shall be promoted to the group identified as "least likely to apply."

(b) Affirmative Fair Housing Marketing and Occupant Selection Criteria determine both who shall have the opportunity to apply for state assisted housing and who shall ultimately be selected for such housing. Because the state is providing financing for the rehabilitation or construction of decent, safe, and attractive housing at a very low cost to the occupant, it is incumbent upon all owners to assure that broad based marketing as well as equitable and responsible occupant selection procedures be implemented.

(c) The affirmative fair housing marketing requirements set forth in Section 8-37ee-1 through Section 8-37ee-17 of this regulation shall apply to all recipients where department funding is used for the development or rehabilitation of:

(1) Subdivisions or multifamily developments of five or more lots or units; or

(2) Scattered site dwelling units, where the recipient's participation in department programs has exceeded, or shall thereby exceed, the development or rehabilitation of five such dwelling units during the year.

(d) 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 for the development and management of projects.

(e) The Commissioner may waive any nonstatutory requirements imposed by Section 8-37ee-1 to Section 8-37ee-17, inclusive, of these regulations. Requests for a waiver shall be in writing, addressed to the Commissioner. Such waiver may only be granted with sufficient evidence that:

(1) the literal enforcement of such provisions provide for exceptional difficulty or unusual hardship not caused by the recipient;

(2) the benefit to be gained by waiver of the provisions is clearly outweighed by the detriment which shall result from enforcement;

(3) the waiver is in harmony with conserving public health, safety and welfare; and

(4) the waiver is in the best interest of the state.

(Effective February 2, 1994)

Part 1

Affirmative Fair Housing Marketing Requirements

Sec. 8-37ee-3. Characteristics of affirmative fair marketing programs

Each recipient shall meet the following requirements or, if he contracts marketing responsibility to another party, be responsible for that party's carrying out the requirements:

(1) Carry out an affirmative program to attract buyers or tenants of all minority and majority groups to the housing for initial or ongoing sale or rental. An affirmative marketing program shall be in effect for each multifamily development throughout the life of the mortgage, assistance agreement or regulatory agreement, whichever is longer. The program shall include a carefully documented assessment of what groups are in need of affirmative marketing and a clearly articulated affirmative marketing policy and outreach effort. Such effort shall typically involve publicizing to those least likely to apply, the availability of housing opportunities through the type of media customarily utilized by the recipient, including minority publications or other minority outlets which are available in the housing market area. All advertising shall include the U.S. Department of Housing and Urban Development approved fair housing logo or slogan or statement and all advertising depicting persons shall depict persons of majority and minority groups.

(2) Maintain a nondiscriminatory policy in recruiting for staff engaged in the sale or rental of properties.

(3) Instruct all employees and agents, in writing and orally, in the policy of nondiscrimination and fair housing.

(4) Specifically solicit eligible buyers or tenants who may be referred to the recipient by the department or other organizations.

(5) Prominently display in all offices in which sale or rental activity pertaining to the project occurs, the U.S. Department of Housing and Urban Development approved Fair Housing Poster and include in any printed material used in connection with sales and rentals, the U.S. Department of Housing and Urban Development approved fair housing logo or slogan or statement.

(6) Post in a conspicuous position on all department project sites a sign displaying prominently either the U.S. Department of Housing and Urban Development approved Equal Housing Opportunity logo or slogan or statement.

(Effective February 2, 1994)

Sec. 8-37ee-4. The affirmative fair housing marketing plan

Each recipient to which section 8-37ee-1 through 8-37ee-17 of these regulations apply shall provide, on a form and in the manner prescribed by the department in its affirmative fair housing marketing and selection procedures manual, information indicating his affirmative fair housing marketing plan to comply with the requirements set forth in Section 8-37ee-1 above. The plan, once approved by the department, shall be available for public inspection at the sales or rental office of the recipient.

(Effective February 2, 1994)

Sec. 8-37ee-5. Notice of housing opportunities

The department shall prepare quarterly a list of all projects covered by section 8-37ee-1 through 8-37ee-17 of these regulations on which commitments have been issued during the preceding ninety days. The department shall maintain a roster of interested organizations and individuals, including public agencies responsible for providing relocation assistance and local housing agencies, desiring to receive the quarterly list and shall provide the list to them.

(Effective February 2, 1994)

Part 2

Affirmative Fair Housing Marketing Compliance

Sec. 8-37ee-6. Procedures

(a) The purpose of this Part is to establish a process to implement the department's affirmative fair housing marketing requirements set forth in Part 1, section 8-37ee-1 through 8-37ee-5 of these regulations, by developing a comprehensive procedure which provides all recipients subject to these requirements advance information as to departmental procedures to assure compliance.

(b) Compliance procedures consist of: approval of the affirmative fair housing marketing plan and selection procedures, approval of any modifications to the plan and procedures, pre-marketing conference if necessary, reports during the application and selection period, compliance review, if necessary, and initiation of sanctions.

(Effective February 2, 1994)

Sec. 8-37ee-7. Requisite approvals, notifications, and reports

(a) The affirmative fair housing marketing plan and selection procedures shall be approved by the affirmative action office of the department prior to final approval of the recipient's application.

(b) Any modifications made to the plan and procedures subsequent to final approval shall also be approved by the affirmative action office.

(c) Recipients shall submit a Notification of Intent to Begin Marketing to the department, no later than 90 days prior to engaging in sales or rental marketing activities. Upon receipt of the Notification of Intent to Begin Marketing from the recipient, the department's affirmative action office shall review any previously approved plan and, if necessary, may schedule a preoccupancy conference at the department.

(d) Such conference shall be held prior to initiation of sales or rental marketing activities. At the preoccupancy conference, the previously approved plan shall be reviewed with the recipient to determine if the plan, and/or its proposed implementation, requires modification prior to initiation of marketing in order to achieve the objectives of the affirmative fair housing marketing regulation and the plan.

(e) Three reports regarding racial and economic make up of housing shall be made to the affirmative action office before final occupancy: one after the period for submission of applications; one after pre-screening; and one after final selection. These may be done by telephone with written follow-ups for verification. If the affirmative action office finds at any stage that there are insufficient "least likely to apply" candidates due to a lack of good faith affirmative fair marketing efforts, then the affirmative action office shall reserve the right to require additional outreach until such time as a sufficient effort has been expended or a sufficient number of applicants are available. Such additional outreach may delay the occupancy of units. The affirmative action office may further require a compliance meeting, as specified in Section 8-37ee-8, below.

(f) Recipients shall be required to collect racial and economic data from tenants and persons on waiting lists. The data collected shall analyze income groups and races served, and shall be reported to the Commissioner annually, before October thirty-first for the year ending the preceding September thirtieth. The analysis shall also include data for all households entering the housing development or project during the year ending the preceding September thirtieth and in occupancy the preceding September thirtieth.

(Effective February 2, 1994)

Sec. 8-37ee-8. Compliance meeting

(a) If a recipient fails to comply with the affirmative fair housing marketing requirements or it appears that the goals of the plan may not be achieved or that the implementation of the plan should be modified, the department's affirmative action office may schedule a meeting with the recipient.

(b) The purpose of the meeting is to review the recipient's compliance with the affirmative fair housing marketing requirements and the implementation of the plan and to indicate any changes or modifications which may be required in its plan.

(c) A notice of the compliance meeting shall be sent to the last known address of the recipient, by certified mail, or through personal service. The notice shall advise the recipient of the right to respond within seven (7) days to the matters identified as subjects of the meeting and to submit information and relevant data evidencing compliance with the affirmative fair housing marketing regulations and the plan.

(d) The recipient shall be requested in writing to provide, prior to or at the compliance meeting, specific documents, records and other information relevant to compliance including but not limited to:

(1) copies of all advertising in the Metropolitan Statistical Area (MSA) or housing market area, as appropriate, including newspaper, radio and television advertising;

(2) photo of any sale or rental sign at the site of construction;

(3) copies of brochures and other printed material used in connection with sales or rental;

(4) evidence of outreach to community organizations and any other evidence of affirmative outreach to groups which are least likely to apply for the subject housing;

(5) evidence of instructions to employees with respect to company policy of nondiscrimination in housing;

(6) description of training conducted with staff;

(7) evidence of nondiscriminatory hiring and recruiting policies for staff engaged in the sale or rental activities;

(8) copies of applications and waiting lists of prospective buyers and renters maintained by the recipient;

(9) copies of sign-in lists maintained on site for prospective buyers and renters who are shown the housing;

(10) copies of the selection and screening criteria;

(11) copies of relevant sales or lease agreements; and

(12) any other information which documents efforts to comply with the plan.

(e) Based on the evidence, the department shall notify the recipient within (10) ten days of the meeting whether or not the recipient is in compliance with the affirmative fair housing marketing regulations or plan, or if the matters raised at the compliance meeting can not be resolved.

(f) If the evidence indicates an apparent failure to comply, the department shall conduct a comprehensive compliance review.

(g) If the recipient fails to attend the meeting scheduled, the department shall notify the recipient no later than ten days after the date of the scheduled meeting, in writing by certified mail, return receipt requested, and shall advise the recipient as to whether a comprehensive compliance review shall be conducted or to recommend the imposition of sanctions.

(Effective February 2, 1994)

Sec. 8-37ee-9. Compliance reviews

(a) All compliance reviews shall be conducted by the department's affirmative action office.

(b) Even in the absence of a complaint or other information indicating noncompliance, the department may conduct periodic compliance reviews throughout the life of the project.

(c) The purpose of a compliance review is to determine whether the recipient is in compliance with the department's requirements and the approved affirmative fair housing marketing plan. The recipient shall be given at least five days notice of the time set for any compliance review and the place or places for such review.

(d) The compliance review shall cover the following areas:

(1) sales and rental practices, including practices in soliciting buyers and tenants, determining eligibility, selecting and rejecting buyers and renters and in concluding sales and rental transactions;

(2) activities to attract minority and majority buyers and renters, including the use of advertising media, brochures, pamphlets, fair housing poster; and

(3) data relating to size and location of units, services provided, sales and/or rental price ranges and other matters relating to the marketing of the units.

(e) Following the compliance review, a report shall be prepared finding whether the project is in compliance or noncompliance. Whenever a finding of noncompliance is made, the report shall list specifically the violations found. The recipient shall be sent a copy of the report by certified mail, return receipt requested.

(Effective February 2, 1994)

Sec. 8-37ee-10. Hearings

Should a hearing be requested it shall be conducted in accordance with the following:

(1) Designation of Parties

In issuing the notice of hearing, the Commissioner shall designate as parties any persons known to the Commissioner whose legal rights, duties or privileges are being determined in the contested case and any person whose participation as a party is deemed by the Commissioner to be necessary to the proper disposition of such proceeding. Subsequent to the issuance of the notice of hearing, no other person before the Commissioner shall have standing as a party within the definition of section 4-166 (5) of the General Statutes, except upon the express order of the Commissioner.

(2) Participation by Persons Other Than Parties

(A) At any time prior to the Commencement of oral testimony in any hearing on a contested case, any person may request that the Commissioner permit that person to participate in the hearing. Any person not a party that is so permitted to participate in the hearing shall be identified as an intervenor for purposes of section 8-37ee-10 and shall participate in those portions of the contested case that the Commissioner shall expressly authorize.

(B) No grant or leave to participate in the hearing as an intervenor or in any other manner shall be deemed to be an admission by the Commissioner that the person he/she had permitted to participate is a party in interest that may be aggrieved by any final decision, order or ruling of the Commissioner, unless such grant of leave to participate expressly so states. An intervenor is a party of record for the limited purposes described in section 4-183 of the General Statute.

(3) Representation of Parties and Intervenors

Each person authorized to participate in a contested case as a party or as an intervenor shall file a written notice of appearance with the Commissioner. Such appearance may be filed in behalf of parties and intervenors by an attorney, an agent or other duly authorized representative subject to the rules here-in-above stated. The filing of a written appearance may be excused on behalf of the Commissioner.

(4) Commencement of Hearing

When a hearing is required by law as to any person, the contested case shall commence on the date of filing of the request or petition.

(5) Place of Hearing

All hearings shall be held at the department, 505 Hudson Street, Hartford, 06106, unless a different place is designated by statute or by the direction of the Commissioner.

(6) Notice of Hearing

(A) Except when the Commissioner shall otherwise direct, the Commissioner shall give written notice of a hearing in any pending matter to all persons designated as parties, to all persons permitted to participate as intervenors, to all persons otherwise required by statute to be notified and to such other persons as have filed with the department their written request for notice of hearing in the particular matter. Written notice shall be given to such additional persons as the Commissioner shall direct. The Commissioner may give such public notice of the hearing as the Commissioner shall deem appropriate within the provisions of Section 1-21 of the General Statutes.

(7) General Provisions

(A) Purpose of Hearing—The purpose of any hearing the Commissioner conducts under chapter 54 of the General Statutes shall be to provide to all parties an opportunity to present evidence and argument on all issues to be considered by the Commissioner.

(B) Order of Presentation—In hearing on requests and petitions, the party shall open and close the presentation of any part of the matter shall be the person making the request or petitioner.

(C) Limiting the Number of Witnesses—To avoid unnecessary cumulative evidence, the Commissioner may limit the number of witnesses or the time for testimony upon a particular issue in the course of any hearing.

(D) Written Testimony—The Commissioner may permit any party to offer testimony in written form. Such written testimony shall be received in evidence with the same force and effect as though it were stated orally by the witness who has given evidence, provided that each such witness shall be present at the hearing at which testimony is offered, shall adopt the written testimony under oath, and shall be available for cross-examination as directed by the Commissioner. Prior to its admission, such written testimony shall be subject to objections by parties.

(8) Witnesses and Testimony

(A) Powers - The Commissioner shall have the power to administer oaths, take testimony under oath relative to the matter of inquiry or investigation, subpoena witnesses and require the production of records, physical evidence, papers and documents.

(B) Superior Court - If any person disobeys the subpoena or, having appeared, refuses to answer any questions put to him/her or to produce any records, physical evidence, papers and documents requested by the Commissioner, the department may apply to the superior court in accordance with section 4-177b of the General Statutes.

(9) The following rules of evidence shall be followed in the admission of testimony and exhibits in all hearings held under section 4-178 of the General Statutes.

(A) General - any oral or documentary evidence may be received but the Commissioner shall, as a matter of policy, exclude irrelevant, immaterial or unduly repetitious evidence. The Commissioner shall give effect to the rules of privilege recognized by law in Connecticut where appropriate to the conduct of the hearing. Subject to these requirements any testimony may be received in written form as herein provided.

(B) Documentary Evidence - Documentary evidence shall be submitted in original form, but may be received in the form of copies or excerpts at the discretion of the Commissioner. Upon request by any party an opportunity shall be granted to compare the copy with the original if available, which shall be produced for this purpose by the person offering such copy as evidence.

(C) Cross-examination - Cross-examination may be conducted as the Commissioner shall find to be required for a full and true disclosure of the facts.

(D) Facts Noticed, Records - The commissioner may take administrative notice of judicially cognizable facts, including the records and the prior decisions and orders of the department.

(E) Facts Noticed, Scope and Procedure - The Commissioner may take administrative notice of generally recognized technical or scientific facts within the department's specialized knowledge. Parties shall be afforded an opportunity to contest the material so noticed by being notified before or during the hearing or by an appropriate reference in preliminary reports or otherwise of the material noticed. The Commissioner shall nevertheless employ the department's experience, technical competence and specialized knowledge in evaluating the evidence presented at the hearing for the purpose of making his finding of facts and arriving at a final decision.

(Effective February 2, 1994)

Sec. 8-37ee-11. Filing of testimony and exhibits

Upon the order of the Commissioner before, during or after the hearing any party shall prepare and file exhibits and testimony. Any additional exhibits and testimony shall be deemed to be an offer of evidence and shall be subject to such comment, reply and contest as due process shall require.

(Effective February 2, 1994)

Sec. 8-37ee-12. Uncontested disposition

Unless precluded by law any request or petition may be resolved by stipulation, agreed settlement, consent-order or default, subject to the order of the Commissioner. Upon such disposition, a copy of the order of the Commissioner shall be served one each party.

(Effective February 2, 1994)

Sec. 8-37ee-13. Delegation of powers

The Commissioner may designate any employee of the department to serve as hearing officer at a contested case hearing and to render a final decision or proposed final decision.

(Effective February 2, 1994)

Sec. 8-37ee-14. Record

The record before the Commissioner in a contested case shall include (1) all motions, requests of action, petitions, pleadings, notices of hearing and intermediate

rulings; (2) the evidence received and considered by the Commissioner; and (3) questions and offers of proof, objections and the rulings thereon during the hearing.
(Effective February 2, 1994)

Sec. 8-37ee-15. Final decision

(a) The Commissioner shall render a final decision within ninety (90) days following the close of evidence or the due date for the filing of briefs, whichever is later, in such proceedings. All decisions and orders of the Commissioner concluding a contested case shall be in writing and shall include findings of fact and conclusions of law. The Commissioner shall serve a copy of the final decision by certified mail on each party in the manner required by these rules of practice.

(b) If the Commissioner fails to comply with the provisions of subsection (a) above, in any contested case, any party thereto may apply to the superior court for an order requiring the Commissioner to render a final decision.

(Effective February 2, 1994)

Sec. 8-37ee-16. Petition for reconsideration of final decision

(a) Unless otherwise provided by law, a party in a contested case may, within fifteen (15) days after the personal delivery or mailing of the final decision, file with the department a petition for reconsideration on the grounds that (1) an error of fact or law should be corrected; (2) new evidence has been discovered which materially affects the merits of the case and which for good reasons was not presented in the hearing; or (3) other good cause for reconsideration has been shown.

(b) Within twenty-five (25) days of the filing of the petition, the department shall decide whether to reconsider the final decision. The failure of the department to make a decision within twenty-five (25) days of such filing shall constitute a denial of the petition.

(c) Within forty (40) days of the personal delivery or mailing of the final decision, the department, regardless of whether a petition for reconsideration has been filed, may decide to reconsider the final decision.

(d) If the department decides to reconsider the final decision, it shall proceed within thirty (30) days to conduct such additional proceedings as may be necessary to render a decision modifying, affirming or reversing the final decision.

(e) On a showing of changed conditions, the department may reverse or modify the final decision at any time, at the request of any person or on the department's own motion.

(f) The party or parties who were the subject of the original final decision or their successors, if known, and intervenors in the original case, shall be notified of the proceeding and shall be given the opportunity to participate in the proceeding. Any decision to reverse or modify the final decision shall make provision for the rights or privileges of any person who has been shown to have relied on such final decision.

(g) A person who has exhausted all administrative remedies available within the department and who is aggrieved by the final decision may appeal to the superior court as provided in section 4-183 of the General Statutes.

(Effective February 2, 1994)

Sec. 8-37ee-17. Compliance for existing state assisted units

Each owner of five or more state assisted housing units shall comply with these requirements within at least one year of the effective date of this regulation.

(Effective February 2, 1994)

Secs. 8-37ee-18—8-37ee-299. Reserved

**Affirmative Fair Housing Marketing and
Selection Procedures Manual**

Sec. 8-37ee-300. General information

(a) This manual should be used in conjunction with the Fair Housing regulations under Section 8-37ee-1 through Section 8-37ee-17 of the Regulations of Connecticut State Agencies, and the instructions accompanying the Affirmative Fair Housing Market Form included in this manual.

(b) The purpose of this manual is to assist recipients of state financial assistance from the department in understanding what shall be required of them, as well as to further implement the provisions of Section 8-37ee-1 through Section 8-37ee-17 of the Regulations of Connecticut State Agencies.

(c) The Affirmative Fair Housing Marketing Plan shall be submitted on the form, and in the manner, prescribed by the department. The plan shall include all of the techniques which recipients intend to employ to assure that marketing is broad-based and that prospective buyers and/or renters of varied income groups, including persons with physical disabilities would feel welcome to apply. At least twenty percent (20%) of the units shall be promoted to the “least likely to apply” group.
(Effective February 2, 1994)

Sec. 8-37ee-301. Definitions

All terms defined in Section 8-37ee-1 of the Regulations of Connecticut State Agencies shall have the meanings set forth there.

The following apply to Section 8-37ee-300 through Section 8-37ee-314 of the Regulations of Connecticut State Agencies:

(1) “Least likely to apply” means those persons who, in the main, do not live in the area of the development because of racial or ethnic patterns, perceived community attitudes, price or other factor, and thus need additional outreach to inform them of their opportunity to live in the development. In predominantly white areas, these shall be minority groups; in predominantly minority areas, these shall be white groups.

(2) “Recipient” means a person, organization or individual who applies or may receive state financial assistance from the department.

(3) “Resident” means a person, including an applicant, living or working in the municipality in which the housing is located. Durational residency requirements are not permitted.

(Effective February 2, 1994)

Sec. 8-37ee-302. Affirmative fair housing marketing process

(a) Assessing Affirmative Marketing Needs

Recipient plans shall identify the group(s) “least likely to apply” to the housing through the submission of relevant demographic data. Data may be derived from the U.S. Census, municipal sources, regional planning agencies, civil rights groups, fair housing officers, social service agencies, and like organizations. Source documentation shall be clearly identified.

(b) Affirmative Marketing Outreach

(1) Mechanisms - Recipients’ plans shall determine and identify the most appropriate outreach mechanisms which should include: newspaper, radio, television, and other media advertisements as well as flyers and announcements to social service

agencies and other organizations with the desire and capacity to inform potential applicants of the availability of housing. These mechanisms or organizations shall represent those most likely to be read, heard, seen by, or in contact with applicants least likely to apply.

(2) Locale - Recipients' plans shall provide for the dissemination of information at a minimum in (a) the largest city located in the nearest Primary Metropolitan Statistical Area or Areas or Metropolitan Statistical Area or Areas, (b) the regional planning area, and (c) any other areas which are likely to contain high minority populations and where public transportation or public highways and/or job availability make it likely that minorities might wish to move where the development is located.

(3) Time frame - Recipients' plans shall identify the time frame, duration, and frequency of the materials to be announced or distributed. At a minimum affirmative fair housing marketing shall begin prior to general marketing. There shall be at least three (3) documented efforts with updated materials as necessary: the first at the beginning of construction; the second at approximately 50 percent completion; and the final, six to eight weeks prior to completion.

(4) Notice of Intent to Begin Marketing - Recipients are required to give notice to the department no later than 90 days prior to engaging in sales or rental marketing activities.

(5) Prominence - Recipients' plans shall provide that any materials shall be prominently displayed or appear where they are most likely to be read or seen, e.g. not in the "legal notices" section of the paper but in more prominent ads.

(6) Content - Recipients' plans shall identify the content of the materials to be used which at a minimum shall: (a) identify the location of the housing; (b) provide a narrative description of the housing; (c) identify when the application process shall begin and end; (d) be neutral in the sense of encouraging all potentially eligible applicants to apply; (e) include a contact person and telephone number; (f) display the fair housing logo and clearly state the owner's commitment to Fair Housing and non-discrimination; (g) where relevant, be provided in both English and Spanish; (h) where there is any advertising depicting persons, depict persons of both sexes and persons of majority and minority groups; (i) describe the application and selection process as stated in Section 8-37ee-304 and Section 8-37ee-305 of these regulations; and (j) include the fair housing policy statement as stated in Section 8-37ee-311 below.

(7) Community contacts - Recipients' plans shall identify community contacts which shall include individuals and organizations that are well known in the area who can reach and assist those least likely to apply. These may include church groups, housing counseling groups, legal services organizations, labor unions, minority and women's organizations, shelters, social service agencies, housing authorities, and town officials. Each of these entities shall receive appropriate materials as described in subsection (5) with additional instructions, if necessary.

(8) Counseling and application assistance - Recipients' plans shall provide that either the contact person or a housing counseling organization, fair housing officer, or other similar party is trained in fair housing and its requirements and is ready and willing to assist all applicants including the least likely to apply with the application process.

(9) Follow-up - Recipients' plans shall provide for follow-up meetings or telephonic reports from the various outreach organizations listed in subsection (7) in order to evaluate the effectiveness of the affirmative marketing. Where organizations

determine that few potential applicants are displaying an interest, alternative approaches should be considered.

(10) Public inspection - Recipient approved plans shall be available for public inspection.

(Effective February 2, 1994)

Sec. 8-37ee-303. Application process

(a) The application period shall extend for at least 90 days before initial occupancy. An application deadline shall be established when all applications shall be completed and returned. Applications received after the deadline shall not be considered unless there is: (1) an insufficient number of initial applicants; and/or (2) the department determines that more affirmative marketing is necessary.

(b) Recipients shall use a standard application form furnished by the department included in this manual.

(c) Anyone seeking to apply shall be given the opportunity to do so.

(d) Anyone needing help in filling out the forms shall be assisted.

(e) Each application received shall be immediately dated and time stamped. Each applicant shall be given a receipt with the date and time on it.

(f) Each applicant shall have a control number assigned in chronological order.

(g) A file shall be opened for each applicant. The file shall remain confidential information.

(h) Selection shall occur at least thirty (30) days before scheduled occupancy to prevent vacancies.

(Effective February 2, 1994)

Sec. 8-37ee-304. Selection process

(a) Recipients should develop a written selection plan which covers the tenant selection process they intend to use. Such plan should include, at a minimum, the following:

(1) Procedures for accepting applications and screening applicants;

(2) Fair housing requirements;

(3) When applicants may be rejected; and

(4) Procedures for selecting applicants from the waiting list(s).

(b) At a minimum, the following factors shall be used to screen applicants:

(1) demonstrated ability to pay rent on time;

(2) housekeeping habits based on visits to the applicant's current residence;

(3) comments from former landlords; endorsement from at least two is preferred; and

(4) Credit checks may be obtained. These may be useful when no rental payment history is available. A lack of credit history, as opposed to a poor credit history, is not sufficient grounds to reject an applicant. Recipients should try to obtain all credit checks, landlord and personal references and so forth before the home visit and interview so that if negative information is received the applicant shall be given the opportunity to explain the circumstances.

(c) Recipients shall also prepare one Occupant Selection List which shall be subdivided by the number of units available and bedroom size. The following guidelines shall be used to determine minimum and maximum housing capacity:

Bedroom Size	Minimum	Maximum
00 (single room occupancy)	1	1
0 (efficiency unit)	1	1
1	1	2
2	2	4
3	3	6
4	5	8

(Effective February 2, 1994)

Sec. 8-37ee-305. Selection methodology

(a) For purposes of fairness and equity the department allows either a point system or a purely random lottery selection method. However, if there is a tie score under the point system method and there is a limited number of units available for persons with the same point score, the random selection method or first come, first serve (chronological order) shall be used in conjunction with the point system to select which applicant gets the unit.

(b) Point System Selection Method

(1) Point systems may be altered by the Commissioner to comply with fair housing goals. Where a program dictates other kinds of requirements, e.g. limited equity cooperatives may look for participants willing to put in sweat equity, points for such neutral categories may be added with the approval of the Commissioner.

(A) Calculation of Points - The applicant receives the full point score or none; subjective practical scoring is not allowed. Where department program requirements mandate selection criteria such as age, income, etc., applicants shall first meet that standard. Where an applicant does not meet the program requirements, the applicant may be rejected without further analysis.

(2) The following is the Department’s approved point system that recipients shall use.

POINT SYSTEM METHOD

- (i) **SUBSTANDARD HOUSING** 25 point maximum
 - condemned or verified serious housing code violations 25 points
 - inadequate heating, plumbing, or cooking facilities 20 points
- (ii) **LIVING SITUATION** 25 point maximum
 - living in documented physically or emotionally abusive situation 25 points
 - living in a shelter or transitional housing 25 points
 - living in temporary housing with others because of conditions beyond applicant’s control (condemnation, foreclosure, fire, loss of job, etc.) 20 points

living in overcrowded conditions in own housing unit (e.g. 1.5 persons per room)	15 points
(iii) INCOME/RENT RATIO	15 point maximum
currently paying more than 50% of income for rent or housing	15 points
currently paying between 31-50% of income for rent/housing	10 points
(iv) (OPTIONAL) RESIDENT OR LEAST LIKELY TO APPLY APPLICANT	10 points

(a) If this resident selection category is used, the 10 points shall be awarded to *both* residents and least likely to apply applicants. However, if the owner chooses, more points may be awarded to the least likely to apply applicants (e.g. 15, 20, 25 points, etc.).

(3) Points shall be added up for each applicant. The department recommends that the recipient create a pool of candidates with the highest score and which exceed the number of available units by bedroom size by at least three times. Applicants shall be selected by a lottery.

(4) If the number of applicants does not exceed the number of available units by bedroom size by at least three times applicants may be selected on a first come first serve basis.

(c) Random Selection Method - Lottery

If recipients select the random selection method the factors they shall use in determining selection shall include:

- (1) Determining the income eligibility of all applicants;
- (2) Pre-screening/interviewing for credit worthiness and other reasonable common rental or ownership criteria; and for verification of applicant information.
- (3) Putting all applicants with favorable interviews, that is, having no ground for disqualification based on subsection (e) of this section, back in the pool and choosing by a lottery system.

(d) Interview or Home Visit

(1) Ideally all applicants meeting income guidelines should be interviewed. When a large number of applicants apply, recipients may conduct interviews and/or home visits with only those who meet the minimum threshold point score, so long as the number of interviewees significantly exceeds the number of available units.

(2) The interview should be used for purposes of verifying and clarifying information in the application as well as exploring the ability and willingness of the applicant to meet financial commitments and to assume the other responsibilities of tenancy or ownership. Points should not be added or subtracted as a result of the home visit and interview unless information on the application was erroneous.

(e) Grounds for disqualification

(1) Applicants may be disqualified from final selection upon documentary verification of any of the following: (A) the applicant or any member of the applicant's household has a history of disturbing neighbors, destroying property, or living or

housekeeping habits which would substantially interfere with the health, safety, or peaceful enjoyment of other residents; (B) the applicant has a history of rental nonpayments within the past 12 months without reasonable justification (justification might be: substandard housing, loss of a job, etc.); (C) the applicant has knowingly falsified information in the application process; or (D) the applicant cannot demonstrate an ability to pay the base rent.

(2) Applicants deemed ineligible, for whatever reason(s), shall be notified in writing, before the final selection, of the reason(s) for rejection and their right to appeal within ten days of the rejection. Recipients should inform applicants that an appeal should be made immediately to assure their return to the applicant pool if they prevail. An impartial hearing officer shall be chosen by the recipient who shall issue a written opinion within five days of the hearing. All appeals should be heard within five days of the request.

(3) Applicants still aggrieved shall be informed of their right to appeal the decision of the hearing officer to the department's affirmative action office. Such appeal shall be made in writing, and brought within ten days of the adverse decision.

(4) Recipients shall keep the following materials on file for at least three years: (1) application; (2) initial rejection notice; (3) any applicant reply; (4) the recipient's final response; and (5) all interview and verified information on which the rejection was based.

(Effective February 2, 1994)

Sec. 8-37ee-306. Insufficient number of least likely to apply applicants

(a) If the Affirmative Action Office finds, at any stage, that there is an insufficient amount of least likely to apply candidates due to a lack of good faith affirmative fair marketing it shall have the right to require additional outreach until such time as a sufficient effort has been expended or a sufficient number of applicants is available. Such additional outreach may delay the occupancy of units.

(b) Where the department determines that good faith efforts have been made to recruit applicants who are least likely to apply and there is still an insufficient number of eligible applicants, recipients shall be given permission to rent or sell units to other eligible applicants.

(c) The department's determination of the owner's good faith efforts shall include, but not be limited to: substantiating that the outreach which it stated in its Affirmative Fair Housing Marketing Plan was actually completed; that such efforts met time and durational requirements; that the marketing approach was amended or enhanced when found deficient; and that there were particular local, regional, and/or market reasons for the failure of the Affirmative Fair Housing Marketing Plan to attract a sufficient pool of applicants who are least likely to apply. The owner shall develop and maintain adequate documentation in a manner prescribed by the department of its good faith efforts.

(Effective February 2, 1994)

Sec. 8-37ee-307. Post occupancy requirements

(a) Following the initial lease-up or sales, recipients shall continue to affirmatively market to those least likely to apply for the life of the mortgage, assistance agreement or regulatory agreement, whichever is longer. Recipients shall make every good faith effort to maintain a racially and economically integrated housing development.

(b) Recipients should schedule application periods as in the initial lease-up or sales at reasonable intervals. Such application periods shall have a deadline and new applicants shall be chosen as in the initial selection system. Prospective appli-

cants shall only be considered during this application period. Where point systems are used, new applicants with higher points may not displace previous waiting list applicants unless the waiting lists have been reviewed and updated.

(c) The department shall require annual updates on whether recipient affirmative fair marketing goals have been met and whether recipients have been able to sustain their goals. Upon review of the information the department may require remedial action where it is deemed necessary. Records of all affirmative fair marketing, tenant selection, and waiting lists should be retained for at least five years or as set forth in the Assistance or Regulatory Agreement with the Department.

(d) Recipients may be monitored on a yearly basis for compliance with the fair housing requirements stated herein and may be subject to random on site monitoring.

(Effective February 2, 1994)

Sec. 8-37ee-308. Reserved

Sec. 8-37ee-309. Recipient training

Prior to any disbursement of financial assistance recipients shall be required to attend a seminar on implementing the department's Fair Housing regulations. Recipients are encouraged to attend other fair housing forums and participate in fair housing events. All recipient employees and agents shall be informed, in writing, and orally, of fair housing requirements.

(Effective February 2, 1994)

Sec. 8-37ee-310. Affirmative marketing for other grantees

Recipients who are not producing housing shall affirmatively market their programs so that a broad range of majority and minority beneficiaries are encouraged to apply for whatever assistance is provided. Outreach should comply with the Affirmative Fair Housing Marketing Plan Guidelines.

(Effective February 2, 1994)

Sec. 8-37ee-311. Fair housing policy statement and publicity

(a) Any recipient, including but not limited to sponsors of housing, technical assistance organizations, and subcontractors, shall adopt a fair housing statement prior to the receipt of department funds which shall include the following:

(1) Recipient's commitment to promote Fair Housing choice and not to discriminate against any person as prohibited in General Statutes 46a-64c as amended. Protected classes include: race, creed, color, national origin, ancestry, sex, marital status, age, lawful source of income, familial status, physical or mental disability, or sexual orientation. The provisions of 46a-64c should be specifically included in the pledge.

(2) Recipient's commitment to promote racial and economic integration in any housing developed or supported with department funds being sought or recipient's commitment to seek beneficiaries from all racial and ethnic groups as well as the physically and mentally handicapped and families with children, and to seek a broad range of income eligible beneficiaries, whichever provision is relevant to the kinds of services provided by the grantee.

(3) Identifies the person assigned Fair Housing responsibilities by name, position, address, and telephone.

(4) Includes a discrimination complaint procedure which shall be disseminated to applicants and posted.

(5) Is revised as needed.

(6) States how the policy shall be disseminated.

(7) Is signed by the Board President, CEO, or other comparable party.

(b) Before dissemination the policy shall be approved by the department. The policy shall be prominently posted in the recipient's offices and also on the site where building or rehabilitation is taking place.

(c) Recipients shall prominently display in all offices, in printed materials, and on housing sites fair housing posters and/or the fair housing logo which may be obtained from the department's affirmative action office.

(Effective February 2, 1994)

Sec. 8-37ee-312. Modification of requirements

(a) Where another program funding requires stricter fair housing requirements, upon approval of the department those shall be followed.

(b) Where federal sources are also funding the housing, federal fair housing requirements, as well as these shall be adhered to.

(c) Where the department is funding minor rehabilitation, these requirements may be adjusted as determined by the department.

(Effective February 2, 1994)

Sec. 8-37ee-313. Reporting requirements

(a) Three reports regarding racial and economic information shall be submitted to the Affirmative Action Office before final occupancy: one after the period for submission of applications; one after pre-screening; and one after final selection. These may be done by telephone with written follow-ups for verification.

(b) Recipients shall be required to collect racial and economic data from tenants and persons on waiting lists. The data collected shall analyze income groups and races served, and shall be reported to the Commissioner annually, before October thirty-first for the year ending the preceding September thirtieth. The analysis shall also include data for all households entering the housing development or project during the year ending the preceding September thirtieth and in occupancy the preceding September thirtieth. This information shall be in report form (written) and in the manner prescribed by the department.

(Effective February 2, 1994)

Sec. 8-37ee-314. Fair housing compliance for existing state assisted units

(a) Each owner of five or more state assisted housing units shall develop an affirmative fair housing marketing plan for each such development as described in Section 8-37ee-302, and selection procedures as described in Section 8-37ee-304 of these regulations.

(b) Each owner of state assisted housing shall evaluate its waiting list for each development to determine whether or not the waiting list provides for racial and economic diversity as required by Public Act 91-362.

(c) If there are either insufficient families who are least likely to apply on the list or near the top of the list such that they might be housed within the next year, then the units shall be affirmatively fair marketed.

(d) Eligible applicants currently on the waiting list may not be removed from such list unless duly purged. However, once any additions are to be made to the list, all requirements of this manual shall apply to the new applicants.

(e) Owners of currently assisted state housing shall be expected to comply with all other requirements of this manual within a reasonable time after its effective date and, at a maximum, within one year of such date.

**AFFIRMATIVE FAIR HOUSING MARKETING PLAN
TIME FRAMES/PHASES**

For recipient's convenience, please find below, an outline of the Affirmative Fair Housing Marketing Plan time frames/phases.

PRE-APPLICATION/APPLICATION PHASE

(a) A pre-application briefing is held at the department before the application for funding is submitted.

(b) The affirmative fair housing marketing plan (plan) and selection procedures (procedures) are submitted with the funding application. They are reviewed and approved or returned for resubmission. They shall be approved before the final application is approved by the department.

(c) Any modifications made to the plan and/or procedures shall be submitted for approval.

MARKETING PHASE

(a) 90 days prior to affirmative fair housing marketing (which shall begin prior to general marketing), a Notification of Intent to Begin Marketing shall be submitted to the department.

(b) The plan and procedures are reviewed and a preoccupancy conference may be scheduled.

(c) Affirmative fair housing marketing begins at the start of construction.

(d) A second such marketing effort takes place at 50 percent completion.

(e) Final fair housing marketing occurs 6-8 weeks prior to completion.

(f) If inadequate numbers of "least likely to apply" candidates are applying, recipients should reassess outreach mechanisms.

APPLICATION PHASE

(a) The time for receipt of all applications shall extend for at least 90 days.

(b) Reports to the department regarding racial and economic make-up shall be submitted:

(1) after the application period ends

(2) after pre-screening is completed

(3) after final selection

POST OCCUPANCY PHASE

(a) Affirmative fair housing marketing and selection procedures shall be continued for the life of the project.

(b) Yearly updates on meeting and sustaining goals shall be required.

(c) The department may randomly monitor housing to assure continuing compliance.

(d) If at any time the department determines that there are insufficient "least likely to apply" applicants or occupants due to the lack of a good faith effort on the part of the recipient, further outreach and/or a Compliance Meeting may be required.

(Effective February 2, 1994)

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Housing

The Setting of Maximum Income Limits by Local Authorities

Sec. 8-45-1. Definitions

For the purposes of sections 8-45-2 to 8-45-7, inclusive, the following definitions shall apply:

(1) "Authority" means a housing authority under chapter 128 of the general statutes.

(2) "Project" means a state-aided rental housing project.

(3) "Family" means (a) a cohesive social unit consisting of two or more persons usually related by blood or marriage who have lived together in the past and who may customarily be expected to live together for a sustained future period and whose incomes may be expected to be shared for purposes of meeting the expenses of maintaining the household; (b) a single male sixty years of age or over; (c) a single female fifty-five years of age or over, or (d) the remaining member of a tenant family.

(4) "Dependent" means a member of a family, except a wife living with her husband, whom one or more of the remaining members are legally or morally obligated to support and over one-half of whose support is being furnished by such remaining members.

(5) "Family income" means the aggregate annual income of all members of a family from whatever source derived before taxes or other deductions excluding ***:

(a) *Seventy-five per cent of the total annual income of each working member of the family, other than the principal wage earner and spouse, who has not reached his or her twenty-first birthday anniversary at the beginning of the calendar year under consideration;*

(b) *Total annual income of each working member of the family, other than the principal wage earner and spouse, enrolled in, and regularly attending as a full-time day, evening or night student, for a period of at least four months during the calendar year under consideration, any duly accredited, public or private university, college, school or institution of learning, training or education;*

(c) *Total annual income of each working member of the family, other than the principal wage earner, but including the spouse, who, during the calendar year under consideration, has expended for the benefit and care of any member of the "Family" as defined in these regulations more than thirty per cent of said total annual income for medical expenses, including hospital and convalescent home costs, doctors, dentists and nurses' bills and amounts paid for medicine and drugs;*

(d) *Aggregate annual income of all working members of the family, other than the principal wage earner, up to a maximum of fifteen hundred dollars, subject to the following conditions: (1) This exclusion shall be effective and operative only in respect to those aggregate annual incomes of family members which are not included in any other of the exclusions provided for under this subdivision; and (2) this exclusion shall be considered and construed to be established and provided in the place of and in lieu of all aggregate annual family income allowances of a similar nature up to the same dollar amount as heretofore approved by the state for a local housing authority; however, all dollar allowances in excess of that provided for herein for the same purpose shall be considered and construed to be in addition to and not in lieu of the fifteen hundred dollar limitation set forth in this exclusion.*

(Effective May 7, 1968.)

(See G.S. §§ 8-47, 8-72; 1969 Supp. § 8-45)

Sec. 8-45-2. Determination of income limit

The income limit for admission of a family to a dwelling unit in any project of an authority shall be a specified dollar amount of family income plus a specified dollar allowance for each dependent as determined by the authority with the approval of the public works commissioner. The income limit for continued occupancy by a family of any such dwelling unit shall be the income limit for admission plus a specified percentage thereof so determined.

Sec. 8-45-3. Income limits to confine projects to families unable to rent adequate accommodations

Each income limit aforesaid shall be fixed at a level which will make the dwelling units in the project or projects of an authority available only to families who are unable to rent adequate accommodations without state financial assistance as provided for by the moderate rental housing provisions of chapter 128 of the general statutes.

Sec. 8-45-4. Income qualification for admission to project. Exception

(a) No family shall be admitted to a dwelling unit in any project of an authority or be permitted to continue to occupy any such dwelling unit whose family income exceeds, respectively, the income limit for admission to such dwelling unit or the income limit for continued occupancy thereof.

(b) Notwithstanding the provisions of subsection (a) of this section, an authority may, with the approval of the public works commissioner, admit families facing eviction from a low rental project of the authority because of overincome to any project of the authority in which there is an undue number of vacancies, provided each such family's income shall be within the income limit for continued occupancy thereof.

Sec. 8-45-5. Information to be furnished commissioner

Each authority shall submit to the public works commissioner at such times and on such forms as shall be prescribed by the commissioner the following information:

- (1) The latest average wage as computed by the state labor commissioner for the municipality served by the authority;
 - (2) the number of vacancies in each project owned and operated by it;
 - (3) the number of applications for admission to each of the authority's projects refused because of income disqualifications;
 - (4) a statement of its proposed income limits for admission to and continued occupancy of the dwelling units in its project or projects, and
 - (5) such additional information and such confirming documents as the public works commissioner shall prescribe.
- (See G.S. § 8-47.)

Sec. 8-45-6. Effective date of income limit

Each income limit proposed by an authority in accordance with section 8-45-5 shall become effective upon its approval by the public works commissioner and thereafter shall continue to remain in effect until superseded by a new income limit proposed by the authority in accordance with said section 8-45-5 and approved by the public works commissioner.

Sec. 8-45-7. Action under prior proposals to be effective

Each income limit fixed by an authority prior to or after October 22, 1957, with the approval of the public works commissioner pursuant to any proposal made prior

to said date by such authority shall be effective in all respects as though proposed by the authority pursuant to section 8-45-5.

Waiting Lists

Low Rental Projects

Sec. 8-45-8. Applicability

Pursuant to Section 8-45, of the Connecticut General Statutes, these criteria and procedures apply to each housing authority in the State of Connecticut, or to the Commission of Housing acting as a housing authority, or any agent, servant or independent contractor acting on behalf of a housing authority or the Commissioner of Housing in the role of a housing authority.

(Effective January 22, 1986)

Sec. 8-45-9. Definitions

(a) "Commissioner" means the Commissioner of Housing.

(b) "Department" means the Connecticut Department of Housing.

(c) "HUD" means the United States Department of Housing and Urban Development.

(d) "The Participating Municipality" means a municipality in which a Housing Project is located, or in which the project is within the area of Operation of its local housing authority area.

(e) "A public record" means, inter alia, any recorded data or information relating to the conduct of the public business prepared, owned, used or retained by the housing authority.

(f) "Authority" or "Housing Authority" means any of the public corporation created by Section 8-40 and the Commissioner of Housing, when exercising the powers of a housing authority pursuant to chapter 129.

(Effective January 22, 1986)

Sec. 8-45-10. Requirements

Each housing authority shall provide a receipt to each applicant for admission to its projects starts the time and date of application together with the applicant's name or identifying number, and shall create, maintain and revise a list of such applications as herein after provided.

(Effective January 22, 1986)

Sec. 8-45-11. How lists are created

Each housing authority shall create a list of housing applicants by combining or merging relevant information from each and every applicant on file substantially as follows:

The list could be created by giving the applicants a number and subdividing the list in accordance with the number of bedrooms needed by the applicant.

(Effective January 22, 1986)

Sec. 8-45-12. Maintenance of lists

Each such authority shall keep and maintain all public lists including revisions of such lists in its custody at its regular office or place of business in an accessible place and, if there is no such office or place of business, such list or lists shall be kept in the office of the clerk of the political subdivision in which such authority is located or of the Secretary of the State, as the case may be. Said list or lists and

revisions thereto, shall be available in the office for the Commissioner of Housing upon request.

(Effective January 22, 1986)

Sec. 8-45-13. Revision of lists

Each Authority shall revise each such list or lists from time to time, and not less than once each year. Revision means an act of revising. Revise means to review or look over the list again for the purpose of amending, deleting, or correcting to produce inter alia, a timely, relevant and up-to-date revision.

(Effective January 22, 1986)

Sec. 8-45-14. Interpretation

Within its area of operation, each such Authority shall use its list or lists of applications to fill vacant housing dwelling units.

(Effective January 22, 1986)

Sec. 8-45-15. Access to waiting lists

(a) A waiting list shall be a public record as defined by Section 1-18a, C.G.S. Every person shall have a right to inspect such lists promptly during regular office or business hours, or to receive a copy of such lists in accordance with the provisions of the state's Freedom of Information Act, Connecticut General Statutes, Section 1-19 et seq.

(b) Any person denied the right to inspect or copy waiting lists, may appeal therefrom, within thirty days, to the Freedom of Information Commission, by filing a notice of appeal with said commission in accordance with Connecticut General Statutes Section 1-21i (b).

(Effective January 22, 1986)

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Housing Stock Report Regulations

Sec. 8-68d-1. Definitions

The following definitions apply to Sections 8-68d-1 through 8-68d-3 of the regulations of Connecticut State Agencies:

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

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

(c) “Housing Authority” means any of the public corporations established in accordance with Section 8-40 of the Connecticut General Statutes and the Connecticut Housing Authority when exercising the rights, powers, duties or privileges of, or subject to the immunities or limitations of housing authorities pursuant to Section 8-121 of the Connecticut General Statutes.

(d) “Housing Project” 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 the planning of buildings and improvements, the acquisition of property, site preparation, the demolition of existing structures, new construction, or the rehabilitation of existing buildings.

(e) “Municipality” means any city, borough or town.

(Effective March 28, 1989)

Sec. 8-68d-2. Program description

(a) Each housing authority shall submit a report in accordance with Section 8-68d-3 below to the Commissioner and the Chief Executive Officer of the municipality in which the housing authority is located not later than March 1, annually.

(b) The time period that the report shall encompass will be the calendar year from January 1 to December 31.

(c) Each housing authority shall be required to comply with all rules and orders promulgated from time to time by the Commissioner relative to this program and consistent with the Connecticut General Statutes.

(Effective March 28, 1989)

Sec. 8-68d-3. Submission of annual housing stock report

Each report shall be substantially in the form prescribed by the Commissioner and shall contain the following:

(1) An inventory of all existing housing owned or operated by the authority, including the total number, types and sizes of rental units and the total number of occupancies and vacancies in each housing project or development, the income group served in each housing project or development, and a description of the condition of such housing;

(2) A description of any new construction projects being undertaken by the authority and the status of such projects, including the total number, types and sizes of units and the income group to be served in each project; and

(3) The number and types of any rental housing sold, leased or transferred by the housing authority during the period of the report which is no longer available for the purpose of low or moderate income rental housing, and an explanation of the purpose of such sale, lease or transfer.

(Effective March 28, 1989)

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Developers' Fee

Sec. 8-68g-1. Developer's fees

(a) Developer's fees may be earned by developers who have successfully completed the development process which creates housing for low and moderate income families. The Commissioner is authorized to grant a developer's fee to an eligible developer, in connection with the construction, renovation or rehabilitation of low and moderate income housing, under any of the following programs: Moderate Rental (8-79a), Affordable Housing (8-119jj), Housing for the Homeless (8-358), Community Housing Development Corporation (8-218c), Limited Equity Cooperative/Mutual Housing Association (8-214h), Elderly Housing (8-116a), Congregate Housing for the Elderly (8-119g) Programs, from which the developer has applied for state financial assistance.

(b) The Commissioner may, for good cause shown, if he deems it in the best interest of the state, waive any non-statutory requirement imposed by regulations.

(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, the respective program regulations.

(Effective December 27, 1990)

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Waiting Lists
Moderate Rental Projects

Sec. 8-72-1. Applicability

Pursuant to Section 8-72 of the Connecticut General Statutes, these criteria and procedures apply to each housing authority and eligible developer in the State of Connecticut, or to the Commissioner of Housing acting as a housing authority, or any agent, servant or independent contractor acting on behalf of a housing authority or the Commissioner of Housing in the role of a housing authority.

(Effective January 22, 1986)

Sec. 8-72-2. Definitions

(A) Incorporation of Definitions: The provision of Section 8-45-9 (a) (b) (c) (d) (e) and (f), inclusive except as otherwise provided, shall govern the implementation of the Moderate Rental waiting lists.

(B) Eligible developers shall be:

(1) a nonprofit corporation incorporated pursuant to Chapter 600, having as one of its purposes the construction, rehabilitation, ownership or operation of housing, and having articles of incorporation approved by the Commissioner in accordance with regulations adopted pursuant to Section 8-79a or 8-84: (2) any business corporation incorporated pursuant to Chapter 599: (3) any partnership, limited partnership, joint venture, trust or association: (4) a housing authority or (5) persons approved by the Commissioner.

(Effective January 22, 1986)

Sec. 8-72-3. Implementation

The provisions of Sections 8-45-10, through 8-45-15, inclusive except as otherwise provided, shall govern the implementation of Moderate Rental Waiting lists.

(Effective January 22, 1986)

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Moderate Rental Housing Program

Article I

Development & Management

Sec. 8-79a-1. Definitions

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

(1) A non-profit 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 in accordance with section 8-79a-3;

(2) Any 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 in accordance with section 8-79a-3;

(3) Any partnership, limited partnership, joint venture, trust or association having basic documents of organization approved by the commissioner in accordance with section 8-79a-3, and having as one of its purposes the construction, rehabilitation, ownership, or operation of housing;

(4) A housing authority;

(5) A family or person approved by the commissioner as qualified to own, construct, rehabilitate, manage, and maintain 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.

(d) “Family” means a household consisting of one or more persons, (section 8-39 (t) Connecticut General Statutes).

(e) “Housing authority” means a public body corporate and politic created in accordance with section 8-40 of the Connecticut General Statutes and the commissioner of housing, when exercising the powers of a housing authority pursuant to chapter 129, of the Connecticut General Statutes.

(f) “Housing project” means:

(1) To demolish, clear or remove buildings for any slum area, which work or undertaking may embrace the adaptation of such area to public purposes, including parks or other recreational or community purposes or

(2) To provide decent, safe and sanitary urban or rural dwellings, apartments or other living accommodations for families of low or moderate income, which work or undertaking may include buildings, land, equipment, facilities and other real or personal property for necessary, convenient or desirable appurtenances, streets, sewers, water service, parks, site preparation, gardening, administrative, community, recreational, commercial or welfare purposes and may include the acquisition and rehabilitation of existing dwelling units or structures to be used for moderate or low rental units, or

(3) To accomplish a combination of the foregoing. The term “housing project” also may be applied to the planning of the buildings and improvements, the acquisition of property, the demolition of existing structures, the construction, reconstruction, alteration and repair of the reconstruction, rehabilitation, alteration, or major repair of existing buildings or improvements.

(g) “HUD” means the United States Department of Housing and Urban Development.

(h) “Interim loan” means a loan from the commissioner which provides a developer with the funds necessary to develop and construct, acquire or rehabilitate a moderate rental housing project and which is due and payable following cost certification of the project.

(i) “Low and moderate income family” means any family as defined in these regulations which meets the income limits established in accordance with these regulations, and consistent with sections 8-39 (e) and (f) of the Connecticut General Statutes.

(j) “Moderate rental” means a rental which, as determined by an eligible developer with the concurrence of the commissioner of housing, is below the level at which private enterprise is currently building a needed volume of safe and sanitary dwellings for rental in the locality involved; and “moderate rental housing project” means a housing project, receiving state aid in the form of loans, or grants, for families unable to pay more than moderate rental. Such project may include the reconstruction, rehabilitation, alteration, or major repair of existing buildings or improvements.

(k) “Mortgage” means a mortgage deed, deed of trust, or other instrument which shall constitute a lien, whether first or second, on real estate or on a leasehold under a lease having a remaining term, at the time such mortgage is acquired, which does not expire for at least that number of years beyond the maturity date of the obligation secured by such mortgage as is equal to the number of years remaining until the maturity date of such obligation.

(l) “Permanent loan” means a loan from the commissioner for a term not to exceed 50 years, in an amount which does not exceed the certified development cost of a moderate rental housing project and at an interest rate determined from time to time by the state bond commission.

(m) “Adjusted net family income” means the amount of income remaining after all allowable deductions and the 10% income adjustment are subtracted from the gross income.

(n) “Gross income” means the total entire income of all family members from all sources whatsoever before any deductions.

(o) A “Dependent” means a person who resides with the family and derives more than half of his or her total support for the calendar year from the tenant.

(Effective April 21, 1986)

Sec. 8-79a-2. Program description

The state is authorized to extend financial assistance to a housing authority or combination of housing authorities for the development and construction or rehabilitation of moderate rental project through the provision of interim or permanent loans, through a state guarantee of notes issued by a housing authority or a combination of both methods.

The state is also authorized to extend financial assistance to other eligible developers in the form of interim or permanent mortgage loans to assist in the development and construction or rehabilitation of moderate rental housing projects. An eligible developer may receive financial assistance from the state to cover the entire cost of developing a moderate rental housing project, including, but not limited to, the cost of options on sites, site acquisition and preparation, architect’s fees, engineering costs, building construction or rehabilitation, and other related costs.

(Effective April 21, 1986)

Sec. 8-79a-3. Eligibility conditions**(a) Housing authority:**

(1) The governing body of the municipality must find and declare that there is a need for a housing authority in the municipality in accordance with section 8-40 of the Connecticut General Statutes and establish such authority;

(2) The housing authority must execute a cooperation agreement with the governing body of the municipality to implement section 8-71 of the Connecticut General Statutes;

(3) The housing authority must conduct a public hearing concerning the site for housing for moderate income families in accordance with section 8-74 of the Connecticut General Statutes;

(4) The commissioner may enter into a contract with a housing authority for financial assistance for a moderate rental housing project or projects in accordance with section 8-70 of the Connecticut General Statutes.

(b) Stock corporations: Stock corporation shall be eligible for moderate rental funds if;

(1) One or more incorporators executes and files in the manner provided in section 33-285 of the Connecticut General Statutes, a certificate of incorporation, together with an appointment of a statutory agent for service as provided in section 33-296 of the Connecticut General Statutes;

(2) A copy of such endorsed certificate of incorporation certified by the secretary of the state shall be forwarded to the department of housing;

(3) The certificate of incorporation shall meet the requirements of chapter 599, section 33-290 of the Connecticut General Statutes and state as one of its purposes the construction, rehabilitation, ownership or operation of housing;

(4) All stock corporations must file an annual report with the secretary of the state as required by chapter 599 section 33-298 of the Connecticut General Statutes;

(5) The department of housing must be informed in writing of the corporations principal place of business.

(c) Foreign stock corporations: All foreign stock corporations shall be eligible for moderate rental funds if;

(1) An application for a certificate of authority to transact business in the state of Connecticut has been executed in the manner provided in chapter 599 section 33-285 of the Connecticut General Statutes and delivered to the secretary of the state accompanied by an appointment of an attorney upon whom process may be served as provided in chapter 599, section 33-400 of the Connecticut General Statutes;

(2) A copy of such endorsed certificate of authority certified by the secretary of the state shall be forwarded to the department of housing;

(3) The certificate of authority shall meet the requirements of chapter 599 section 33-399 of the Connecticut General Statutes and state as one of its purposes, the construction, rehabilitation, ownership, or operation of housing;

(4) A foreign corporation authorized to transact business in the state of Connecticut shall have on file an annual report or any other similar reports required by law in the office of the secretary of the state as required by chapter 599, section 33-406 of the Connecticut General Statutes;

(5) The department of housing must be informed in writing of the corporation's principal place of business.

(d) Nonstock corporations: All nonstock corporations shall be eligible for moderate rental funds if

(1) One or more incorporators shall execute and file in the manner provided in chapter 600 section 33-422 of the Connecticut General Statutes, a certificate of incorporation, together with an appointment of a statutory agent for service as provided in chapter 600 section 33-433 of the Connecticut General Statutes;

(2) A copy of such endorsed certificate of incorporation certified by the secretary of the state shall be forwarded to the department of housing;

(3) The certificate of incorporation shall meet the requirements of chapter 600 of section 33-427 of the Connecticut General Statutes and state as one of its purposes the construction, rehabilitation, ownership, or operation, of housing;

(4) All nonstock corporations shall file a biennial report with the secretary of the state as required by chapter 600 section 33-435 of the Connecticut General Statutes;

(5) The department of housing must be informed in writing of the corporation's principal place of business.

(e) **Foreign nonstock corporations:** All foreign nonstock corporations shall be eligible for moderate rental funds if

(1) An application for a certificate of authority to transact business in the State of Connecticut has been executed as provided in chapter 600 section 33-422 of the Connecticut General Statutes, and delivered to the secretary of the state accompanied by an appointment of an attorney upon whom process may be served as provided in chapter 600 section 33-509 of the Connecticut General Statutes;

(2) A copy of such endorsed certificate of authority certified by the secretary of the state shall be forwarded to the department of housing;

(3) The certificate of authority shall meet the requirements of chapter 600 section 33-508 of the Connecticut General Statutes and state as one of its purposes the construction, rehabilitation, ownership or operation of housing;

(4) All foreign nonstock corporations shall file a biennial report with the secretary of the state as required by chapter 600 section 33-514 of the Connecticut General Statutes;

(5) The department of housing must be informed in writing of the corporation's principal place of business.

(f) **Partnerships, limited partnerships, joint ventures, trusts or associations:** All partnerships, limited partnerships, joint ventures, or associations shall be eligible for moderate rental funds if:

(1) all partnerships, limited partnerships, joint ventures, trusts, or associations shall provide the commissioner with a certified copy of their basic documents of organization;

(2) All partnerships, limited partnerships, joint ventures, trusts, or associations must have the construction, rehabilitation, ownership, or operation of housing listed as one of the purposes to be promoted or carried out;

(3) The department of housing must be provided with an up-to-date listing of all individuals who will have any interest whatsoever in the organization along with the current addresses of these individuals.

All developers except housing authorities will be required to show their financial ability to undertake the development of proposed project through the provision of financial statements showing the net worth of the developer and its members, principal stock holders or general partners, a resume of a previous participation and any other financial documents which the commissioner may require. The commissioner may also require a credit report from any appropriate credit reporting agency for his consideration in determining the financial capability of developers.

(Effective April 21, 1986)

Sec. 8-79a-4. Loan allocation

The commissioner will establish and from time to time allocate loans or mortgage loans to be provided under section 8-70, of the Connecticut General Statutes, and these regulations. The allocations will be based on

- (a) The availability of the rental subsidies from HUD in the various geographical areas of the state which may be applied to a moderate rental housing project;
 - (b) Any need resulting from a "disaster" as defined in chapter 517 section 28-1 (b) of the Connecticut General Statutes;
 - (c) Any needs as outlined in the three year advisory housing plan as prepared pursuant to section 8-37t of the Connecticut General Statutes, and,
 - (d) Any other statistical data on housing needs as available.
- (Effective April 21, 1986)

Sec. 8-79a-5. Application and approval procedure (housing authorities)

The following application and approval steps shall apply to all moderate rental housing program projects to be developed by housing authorities:

- (a) Invitation to submit a preliminary proposal;
 - (b) Submission of a preliminary proposal;
 - (c) Approval of a preliminary proposal by the commissioner;
 - (d) Submission of a formal application;
 - (e) A public hearing conducted by the housing authority pursuant to section 8-74 (1), of the Connecticut General Statutes;
 - (f) Approval of formal application, including preliminary architectural plans and drawings;
 - (g) Submission by housing authority of basic and final architectural plans and drawings and approval of same by the commissioner;
 - (h) State bond commission approval of allocation of funds.
 - (i) Issuance of a loan commitment letter to the housing authority;
 - (j) Authorization from the commissioner to put the proposed project out to bid; and
 - (k) Approval by the commissioner of the applicant's proposed methods of financing, the proposed rents, the income limits for admission and continued occupancy, and a detailed estimate of the expenses and revenues pursuant to Section 8-74 (3) of the Connecticut General Statutes.
- (Effective April 21, 1986)

Sec. 8-79a-6. Application and approval procedures

(Other Developers) The following application and approval steps shall apply to all moderate rental housing program projects to be developed by developers other than housing authorities:

- (a) Invitation to submit a preliminary proposal;
- (b) Submission of a preliminary proposal;
- (c) Approval of preliminary proposal by the commissioner;
- (d) Submission of a formal application;
- (e) A public hearing to be held by the commissioner in the municipality where the proposed project will be located pursuant to section 8-74 (1) Connecticut General Statutes;
- (f) Site approval by the commissioner;
- (g) Approval of formal application by the commissioner;
- (h) State bond commission approval;
- (i) Issuance of mortgage commitment letter to developers; and

(j) Approval of the proposed methods of financing, the proposed rents, the income limits for admission and continued occupancy and a detailed estimate of the expenses and revenues thereof by the commissioner pursuant to section 8-74 (3) of the Connecticut General Statutes.

(Effective April 21, 1986)

Sec. 8-79a-7. Preliminary proposal, contents and review

- (a) A brief description of the type of project proposed,
- (b) The proposed location of the project,
- (c) Evidence that the proposed site is properly zoned or that proper zoning will be easily obtainable,
- (d) If a commitment for funds from other sources has been received from HUD or any other evidence of that commitment,
- (e) An estimate of the projected cost of the proposed project,
- (f) A resume of the management experience of the applicant or a designated management agent, and,
- (g) A resume of the applicant's past efforts in the housing field and his financial capability to undertake the proposed project.

The department's review will be based upon the need for housing in the community, the suitability of the proposed site or the availability of structures, and adequacy of the proposed rents, funds from other sources for the project, the apparent capability of the applicant to successfully complete and manage the housing, the quality of the preliminary proposal and its conformance with the allocation of loans made by the commissioner. An applicant whose preliminary proposal is rejected will be notified of the reasons for the rejection.

(Effective April 21, 1986)

Sec. 8-79a-8. Formal application contents

- (a) **Housing authority:**
 - (1) A cooperation agreement between the housing authority and the municipality pursuant to section 8-71 of the Connecticut General Statutes,
 - (2) A resume including any previous participation in department programs,
 - (3) Documented evidence of any commitment for funds from other sources,
 - (4) An estimate of the cost of the project,
 - (5) Evidence that the proposed project is an agreement with the municipality's housing assistance plan (HAP) if one is in existence.
 - (6) Preliminary architectural plans and drawings,
 - (7) Architect's letter of intent,
 - (8) Evidence of planning and zoning commission approval,
 - (9) A rent schedule,
 - (10) Standards of tenant eligibility and continued occupancy, and
 - (11) Income limits pursuant to section 8-72a of the Connecticut General Statutes.
- (b) **Other developers:**
 - (1) A copy of the latest financial statements of the applicant and its principal members,
 - (2) A statement authorizing the commissioner to apply for a credit report from any appropriate credit reporting agency covering the applicant and its principal members,
 - (3) Documented evidence of any commitment for rental subsidy funds from other sources.
 - (4) An estimate of the projected cost of the project,

(5) Evidence that the proposed project is in agreement with the municipality's housing assistance plan, if one is in existence,

(6) Preliminary architectural plans and drawings,

(7) A rent schedule,

(8) Standards of tenant eligibility and continued occupancy, and

(9) Income limits pursuant to section 8-72a, of the Connecticut General Statutes. The commissioner may, from time to time, request additional submissions to meet the special circumstances of a specific proposal.

(Effective April 21, 1986)

Sec. 8-79a-9. Commissioner review

The commissioner will review the application according to the previously stated criteria and will notify the applicant of his acceptance or rejection of the application within a reasonable period of time. If an application is rejected, the applicant will be notified of the reasons for the rejection.

(Effective April 21, 1986)

Sec. 8-79a-10. Mortgage and loan terms

The commissioner is authorized to make interim and permanent loans for the development and construction or rehabilitation of a moderate rental housing project to eligible developers. Any interim or permanent loan to a developer other than a housing authority must be secured by a mortgage on the moderate rental housing project on terms and conditions satisfactory to the commissioner. The commissioner will establish and provide the forms necessary for a housing authority or developer to requisition funds. The terms of the loans shall be as follows:

(a) **Interim Loan:** The interim loan shall be for the period from the closing of the interim loan to the closing of the permanent loan. The interim loan shall bear an interest rate which will be established by the state bond commission and shall in no event be more than the same rate as the interest cost to the state on the notes or bonds issued pursuant to section 8-80 of the Connecticut General Statutes. Payments will be made by the commissioner on the following basis:

(1) first payment at the time of the interim loan closing for all development costs approved by the commissioner which are incurred prior to the interim closing.

(2) Interim payments will be made on a monthly basis based on the actual costs incurred less 10% of the construction if progress is satisfactory to the commissioner. When the project is 50% complete, the total retainage will be reduced to 5% and subsequent payments will be reduced by 5% of the cost of construction.

(b) **Permanent Loan:** The term of the permanent loan shall be for a period not to exceed 50 years. The actual term will be determined by taking into account the financial feasibility of the project and term of any rental subsidy for the project. The interest rate shall be determined by the state bond commission and the amount of the permanent loan shall be for an amount not to exceed the total development cost of the project as determined by a cost certification audit.

(Effective April 21, 1986)

Sec. 8-79a-11. Management by developers

The developer of a moderate rental housing project shall manage the project in an efficient manner so that the rents can be fixed at the lowest possible level consistent with the provision of decent, safe and sanitary dwelling units.

The rental charges together with other available income shall generate sufficient income to meet the costs of project operation, including but not limited to:

- (a) Property taxes or payment in lieu of taxes,
 - (b) Principal and interest on notes issued by a housing authority,
 - (c) Principal and interest on any loans received under section 8-70, of the Connecticut General Statutes and these regulations,
 - (d) The cost of a state service charge, and
 - (e) The cost of operating and maintaining the project including its administrative costs, and provision of reasonable reserves for repairs, maintenance and replacements, and vacancy and collections losses.
- (Effective April 21, 1986)

Sec. 8-79a-12. Income limits

Income limits for all projects developed under chapter 128, part II, of the Connecticut General Statutes, for admission to and, continued occupancy in a moderate rental housing project shall be fixed by developer and approved by the commissioner in accordance with the requirement of chapter 128, part II, of the Connecticut General Statutes: provided that the developer and the commissioner shall take into consideration:

- (a) The income limits that are established from time to time and published in the federal register by the United States Department of Housing and Urban Development for projects receiving financial assistance from the department;
 - (b) The latest average wage as computed by the labor commissioner for the city or town served by the developer;
 - (c) The number of vacancies in the project under the developer's control;
 - (d) The number of applications for admission to tenancy which are refused because of income disqualification pursuant to section 8-72 (a) of the Connecticut General Statutes, and
 - (e) The latest median income as computed by the United States Department of Commerce, Bureau of the Census for the municipality in which the project is located.
- (f) Unless changed by factors (a), above through (e) a maximum income level for admission will be set at the lower income for the area as established from time to time by HUD in the federal register for federal low income housing. The income limit for continued occupancy will be based on 125% of the maximum level.
- (g) A 2% surcharge will be charged on any income in excess of the annual income of such family over that permitted for continued occupancy of such family over that permitted for continued occupancy of such dwelling unit under section 8-72 of the Connecticut General Statutes.
- (Effective April 21, 1986)

Sec. 8-79a-13. Income sources

The income of all family members from all sources shall be counted toward the total family income for the purposes of determining eligibility for admission to and for continued occupancy in a moderate rental housing project. Projects operated pursuant to contracts with HUD, shall be subject to its regulations concerning income.

(Effective April 21, 1986)

Sec. 8-79a-14. Rent determination

Rents shall be based upon a percentage of family income.

- (a) In projects where a federal subsidy is available, the percentage of family income used to establish the rental will be determined by the federal agency (HUD).
- (b) In projects where no federal subsidy exists, a base rental shall be established and the lessee will pay:

(1) A base rent established by using a percentage of the HUD very low income limits for each geographical area in the state as published from time to time in the federal register for federal low income housing. The percentage will be recommended by the developer and approved by the commissioner of the department of housing.

(2) Or, a percentage of the adjusted net family income up to the established continued limits not to exceed a percentage as established by the developer and the commissioner of the department of housing, or the base rent as noted in item (1) whichever is greater.

(c) The following items shall be deducted from the total (gross) family income to arrive at adjusted net family income.

(1) Income from all dependents who have not reached their 18th birthday, including income received as compensation for the care of foster children, and the state department of children and youth services (DCYS) adoption program.

(2) Income from full-time students who have not reached their 23rd birthday.

(3) Annual medical expenses which exceed 3% of the family's gross income.

(4) Child care costs which enable one or both parents to be gainfully employed, and alimony payments ordered by the courts for dependents and certified as paid.

(5) Each dependent as defined by the internal revenue service, will be allowed a deduction of \$750. This amount may be adjusted from time to time by the commissioner of housing in his sole discretion.

(6) Any other item which may from time to time be determined by the commissioner of housing.

(7) An amount which equals ten percent of the difference between total family income, less deductions 1 through 6.

(8) The utility allowance shall be determined by the prevailing rates and the average energy consumption of like units in the project and or other data available to the developer. The percentage of adjusted net family income may be adjusted at the request of the developer and at the discretion of the commissioner.

(d) In the event that the tenant is self employed, the following shall be utilized to compute tenant income:

(1) Gross income.

(2) Allowable deductions including the cost of goods sold, insurances, salary expenses to employees, etc.

(3) Depreciation shall not be considered an allowable expense.

(4) If the developer permits the tenant to use the dwelling unit as an office, the rental and other necessary expenses of the unit shall not be allowable deductions from income for the purposes of rental computation.

(e) For purposes of translating the federally published low income limits chart to a basis for use in determining a percentage for any particular unit size, the following conversions shall be used.

Size of Unit	Column for federal register
1 Bedroom	2 Persons
2 Bedroom	3 Persons
3 Bedroom	4 Persons
4 Bedroom	6 Persons
5 Bedroom	7 Persons

(f) Where rental increases fall into the following categories, rental increases may be phased in by using the following table.

\$1.00—\$25.00 — 1 Year
\$26.00—\$50.00 — 2 Year
\$51.00—\$100.00 — 3 Year

A rental increase exceeding the \$100.00 figure may be phased in and adjusted by the developer with the approval of the commissioner of the department of housing.
(Effective April 21, 1986)

Sec. 8-79a-15. Rent increase

The following procedures shall be followed by all developers for any proposed rent increases: These regulations do not apply to rent increases based on circumstances such as family income or composition.

(a) A 30 day written notice mailed to all tenants that a change in the rent schedule will be considered by the developer, at its next meeting, (include the date and time of the meeting) and may result in a rent increase.

(b) Advise tenants that they may submit written comments to the developer within the 30 day period, and that they may review any documents supporting the proposed rent increase which will be on file at the office of the developer. Also, tenants may attend the meeting and make comments at that time.

(c) At the end of the 30 day period, the developer shall submit within 15 days to the commissioner, its recommended management plan plus all tenant comments.

(d) Within 30 days after receipt of the developer's recommendation the commissioner will approve, disapprove, or request modification of the rent increase or any portion thereof.

(e) If the rent increase is approved by the commissioner, the developer must then give the tenants at least 30 days written notice prior to the effective date of the rent increase.

(Effective April 21, 1986)

Sec. 8-79a-16. Continued occupancy, income verification

(a) In the case of federally assisted projects, federal rules will apply.

(b) **Period covered for verification of income:** For the purpose of determining eligibility for continued occupancy, the annual income verification period shall be the calendar year January 1 to December 31.

(c) Full calendar year occupancy must be completed and duly signed by each lessee who has been in continuous occupancy during the full calendar year covered.

(d) **Form of application:** The application for continued occupancy shall be substantially in the form prescribed by the commissioner of housing and shall have imprinted thereon the following:

(1) Penalty for false statement of any person who makes a false statement concerning the income of the family for which application for admission to or continued occupancy of housing projects is made may be fined not more than five hundred dollars or imprisoned not more than six months or both. (chapter 128, section 8-72 of the Connecticut General Statutes).

(2) The following language shall be contained in an application for continued occupancy: "The statements made by me in this application for continued occupancy are true to the best of my knowledge, for the purpose of verifying income at the time of signing this application. I have no objection to inquiries by the developer concerning my qualification for the purpose of income verification only. I agree to notify the developer immediately of any change in the statements or information required."

(e) **Application to tenants:** Immediately after December 31 each local authority and developer shall send applications for continued occupancy to all tenants in occupancy for one full calendar year. These applications are to be completed by the tenants and returned to the local authority on or before February 15. Upon completion of the applications of tenants for continued occupancy each developer shall prepare a list of all overincome tenants on the prescribed form for transmittal to the commissioner of housing on or before March 1. Any tenant who, without just cause, fails to report shall be considered overincome. This list shall be based on reports submitted by the tenants. Verification of such reports is a continuing responsibility of each developer.

(f) **Notification to overincome tenants.** (Section 8-73 of the Connecticut General Statutes, as amended.) **Eviction of families having income over maximum limits, waiver of eviction requirement:** A tenant in a moderate rental housing project shall vacate the dwelling unit occupied by him not later than sixty days after the housing authority or developer has mailed to such tenant, properly addressed postage prepaid, written notice that the annual income of such tenant's family, determined under section 8-72, of the Connecticut General Statutes is in excess of that permitted for continued occupancy of such dwelling unit under said section. Upon the failure of such tenant to vacate such dwelling unit on or before the expiration of such sixty-day period and so long as such tenant continues to occupy such dwelling unit after the expiration thereof, such tenant shall be obligated, notwithstanding the provisions of section 8-72 of the Connecticut General Statutes to pay to the developer monthly, as rent for such dwelling unit an amount equal to the going rental therefore as fixed by the developer plus an amount equal to two percent of the excess of the annual income of such family over that permitted for continued occupancy of such dwelling unit under section 8-72 of the Connecticut General Statutes.

The written notice specified in Section 8-73 of the Connecticut General Statutes (eviction of families having income over maximum limits) shall be sent on or before March 1. If such notice is not delivered by this date, the department of housing should be so informed and advised of the reasons. This notice shall specifically state that the lease expires on April 30 and any holdover tenancy shall be subject to surcharges as required in section 8-73. The sixty-day period specified thereunder shall be the period March 1 to April 30 inclusive. A sample copy of the official notification shall be sent to the department of housing.

(g) **Legal procedure for eviction:** Legal proceedings for eviction may be instituted by the developer against all overincome tenants after the expiration of the sixty-day notice (April 30) unless the time period has been extended due to extenuating circumstances such as, the head of the family is called into military service or the tenant is in the process of purchasing or building a home and other justifiable reasons.

(h) Any overincome tenant may reapply for continued occupancy within the period of the sixty day notice to vacate. Such reapplication must be filed on or before April 15.

If the reverification based on income for the first three months of the current year on or before April 15 indicates that the tenant is still overincome but for a lesser amount than for the previous calendar year, then the new income figure arrived at a projected basis shall be the basis for determination of the surcharge effective May 1. If the projected rate upon reverification exceeds the income for the previous calendar year the lower income shall be used to establish the surcharge amount except those under eviction proceeding for non-compliance.

All overincome tenants subject to a surcharge on May 1 and who continue in occupancy thereafter shall file an application for continued occupancy as of June

30 covering family income for the first six months of the current year. Such reapplication must be filed on or before July 15. The sanctions which may be imposed for failing to meet the April 30 deadline are applicable for failing to meet the July 15 deadline. Such income shall be projected to an annual base and reclassification made as follows:

(1) Tenants whose projected annual income within the applicable maximum income limits for continued occupancy shall be declared eligible for continued occupancy without further imposition to surcharges effective August 1.

(2) Tenants whose projected annual income exceeds the applicable maximum income limits but whose projected income is less than annual income reported for the prior year shall be eligible for a reduction in the monthly surcharge based on the projected income. Such reduction shall be effective August 1.

(3) Tenants whose projected annual income exceeds the applicable maximum limits but whose projected income is greater than the annual income reported for the prior year shall be subject to an increase in the monthly surcharge effective August 1. No advance notice of rent adjustment is necessary as the tenant is occupying the premises on a use and occupancy basis and, therefore, not subject to any time limit notice as may be prescribed in the lease.

All overincome tenants subject to a surcharge on August 1 may file a reverification of income for the first 9 months projected income if such projected produces a lower surcharge. The lower surcharge will be levied on November 1.

(i) Emergencies:

(1) In the event of the death or total disability of any tenant resulting in the complete loss of the earning power of a tenant whose account is being surcharged or in the case of a sudden unavoidable loss of employment or income due to no fault of the wage earner. The local authority or developer may, subject to the approval of the department of housing, immediately cancel or appropriately reduce the surcharge amount.

(j) For tenants who are seasonally employed, (j) are employed in a second job for a position of the year, such as construction workers, teachers, agricultural workers, municipal employees, etc., and in their annual income verification are overincome for the preceding two years, but who on the reverification are under the maximum income limits, their income shall be based on the average income for the preceding two year period.

(Effective April 21, 1986)

Sec. 8-79a-17. Failure to comply with reverification of income

Failure of the tenant to comply with the reverification of income regulations for the dates prescribed in section 8-79a-16 (b).

In the event that it is determined that, based on verified income data, the tenant's rental should have been an amount which exceeds the amount actually paid by the tenant, the tenant shall be charged the higher rental retroactive to the date said rental was due.

Based on the fact that, due to the tenant's failure to file income data to the developer, the developer has had to spend considerable effort to enforce the income reverification regulations, in the event that it is determined that the amount paid by the tenant exceeds the amount which should have been paid, no refund or credit shall be made to the tenant.

(Effective April 21, 1986)

Sec. 8-79a-18. Financial reporting and access to records

(a) Each developer shall maintain complete and accurate books and records, insofar as they pertain to state moderate rental housing projects, and they shall be set up and maintained in accordance with the latest manual approved by and available from the commissioner.

(b) Financial statements consisting of a balance sheet, operating statement and analysis of reserves shall be prepared quarterly for each administrative fund and submitted to the day commissioner not later than on the last of the following month. Prior to the completion of the construction or rehabilitation of the project, quarterly financial statements shall also be submitted showing program costs to date and costs as budgeted along with the balance sheet.

(c) Each developer (except housing authorities) shall furnish to the commissioner within ninety days after the end of each fiscal year of the developer, audited financial statements of developer which shall include statements of

- (1) Assets, liabilities and partners' equity.
- (2) Revenues and expenses and,
- (3) Change in assets, liabilities and partners' equity.

setting forth in each case, in comparative form, the corresponding figures for the preceding fiscal year in reasonable detail, including all supporting schedules and comments, all of which shall be reported on by an independent certified public accountant of recognized standing registered to practice in the state of Connecticut, selected by the developer and satisfactory to the commissioner, as modified to reflect reporting for income tax purposes (such modification to be explained in the financial statements), to be explained consistently by the developer for each fiscal year, except for inconsistencies explained in such reports.

(d) Each developer (except housing authorities) shall obtain from its independent certified public accountant, and furnish to the commissioner together with each statement referred to in subsection (c) of section 8-79a-18, a written statement indicating that said accountants have obtained no knowledge of any default by borrower in the performance of any obligation to the state under the mortgage loan documents, or disclosing all defaults of which the accountants have obtained knowledge, provided, however, that in making their examinations the accountants shall not be required to go beyond the limits of generally accepted auditing standards.

(e) Each developer shall furnish the commissioner such additional reports and statements in such manner, in such detail and at such times as he may reasonably prescribe respecting the development and operation of the project.

(f) At any time during regular business hours, and as often as the commissioner may require, permit the commissioner or his representatives 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 excerpts or transcripts from such accounts, records and books.

(g) In order to assure financial stability, the developer shall require that credit checks be made on all applicants for moderate rental units.

(Effective April 21, 1986)

Sec. 8-79a-19. Audit

Developers will be subject to annual audits of all books and records. Audits will be performed by independent public accountants registered to practice in the state

of Connecticut, or by qualified departmental personnel and shall be conducted in accordance with procedures established by the department.

(Effective April 21, 1986)

Moderate Rental

Sec. 8-79a-20. Definitions

(a) “Developer’s Fee” means a bonus earned by developers that have successfully completed key events in the development process.

(b) “Key Events” means the four main phases in the development process: (1) Preliminary Application Approval, (2) Final Application Approval, (3) Construction Start; and (4) Construction Completion.

(c) “Successfully Completed” means completion of key events in a timely manner.

(Effective December 27, 1990)

Sec. 8-79a-21. Terms and conditions

(a) A developer’s fee may be established at up to 10% of the total development cost, less the cost of land, or \$100,000, whichever is less.

(b) The fee schedule shall be determined as follows:

<u>Percent of Fee</u>	<u>Key Event</u>
10%	Preliminary Application
15%	Final Application
25%	Construction Start
50%	Construction Completion

(c) Developer’s fees are earned based on the schedule established for completing key events in the development process, as approved by the Commissioner.

(d) Developers shall only earn a fee for those key events that are completed according to the established schedule. Developers may not be entitled to earn a fee for key events completed after the established schedule. Developers shall earn, but not receive, any fee, until completion of the housing development.

(Effective December 27, 1990)

Sec. 8-79a-22. Implementation

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

(Effective December 27, 1990)

Secs. 8-79a-23—8-79a-40. Reserved

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Supplement No. I
Temporary Financing Forms

Sec. 8-80-1. Prescription of forms

Except as otherwise directed by the public works commissioner, temporary notes, notices of sale, proposals for purchase and resolutions authorizing issue of temporary loan notes shall be in substantially the forms provided in sections 8-80-2 to 8-80-5, inclusive.

Sec. 8-80-2. Temporary loan note

HOUSING AUTHORITY OF THE

TEMPORARY LOAN NOTE

(Series M)

No. \$

The Housing Authority of the (hereinafter called the Authority), a public body politic and corporate, organized and existing under and by virtue of the laws of the State of Connecticut, hereby acknowledges itself indebted, and for value received promises to pay to the bearer, on the . . . day of, 19, the sum of Dollars (\$), with interest thereon at the rate of per cent, (. %) per annum, payable at the maturity of this Note. Both the principal of and interest on this Note are payable at, in the City of, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. This Note is issued pursuant to Chapter 128 of the General Statutes of the State of Connecticut, Revision of 1959, and all laws amendatory thereof and supplemental thereto, and pursuant to a resolution duly adopted by the Authority on the day of, 19., and the proceeds hereof are to be used to pay the expenses and costs incurred or to be incurred in the development of a moderate rental housing project in the, designated as described in the aforesaid resolution, or to refund, renew or extend outstanding notes issued in connection therewith. This Note shall not be valid until the paying agent named above shall have executed the agreement appearing below to act as such paying agent.

For the prompt payment of this Note, together with interest hereon, the full faith and credit of the Authority are hereby irrevocably pledged.

This Note and all other notes of the issue of which it is a part are unconditionally guaranteed as to the payment of both principal and interest by the State of Connecticut pursuant to a contract between the State of Connecticut, acting by the Public Works Commissioner, and the Authority dated and entered into under and pursuant to the provisions of Part II of Chapter 128 of the General Statutes of the State of Connecticut, Revision of 1958, as amended, and pursuant to a resolution duly adopted by said Commissioner on the day of, 19.

This note is not an obligation of the, or of the State of Connecticut, except to the extent of the guaranty endorsed hereon, or any political subdivision of said State. The indebtedness of the Authority on this Note does not constitute an indebtedness within the meaning of any debt limitation or restriction.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and statutes of the State of Connecticut to exist, happen or be performed, precedent to and in the issuance of this Note and all other notes of the issue of which it is a part, exist, have happened and have been performed.

In witness whereof, the Authority has caused this Note to be signed in its name by its Chairman and the seal of the Authority to be impressed hereon attested by its Secretary and this Note to be dated the day of , 19.

HOUSING AUTHORITY OF THE

By

Chairman

(Seal)

Attest:

.

Secretary

GUARANTY

The State of Connecticut unconditionally guarantees to the bearer of the within Note the punctual payment, in all respects in accordance with the provisions of said Note and of the within mentioned resolution, of the principal of said Note and interest thereon as the same shall respectively become due and payable, and, in the case of the failure of the Housing Authority of the punctually to make any such payment of either principal or interest as the same shall become due and payable, the State of Connecticut hereby agrees to make such payment and hereby pledges the faith and credit of the State for the performance of this guaranty.

In witness whereof, the State of Connecticut has caused this guaranty to be signed in its name and on its behalf by its Treasurer and the corporate seal of the State affixed, imprinted, engraved or otherwise reproduced and attested, all in the City of Hartford and State of Connecticut, as of the date of the within Note.

THE STATE OF CONNECTICUT

By

Treasurer

(Seal)

Attest:

.

Secretary of State

We hereby agree to act as paying agent of this Note as above indicated.

.

By

Sec. 8-80-3. Notice of sale

NOTICE OF SALE

\$.

HOUSING AUTHORITY OF THE

TEMPORARY LOAN NOTES

Sealed proposals will be received by the Housing Authority of the
. (hereinafter called the Authority) at
., in the, Connecticut,
until one o'clock P. M. (E. S. T.) on, 19,
for the purchase of its Temporary Loan Notes (Series M) in the aggregate
principal amount of Dollars (\$).

The Notes will be dated and will be pay-
able to bearer on The proceeds of the Notes
will be used to pay expenses incurred or to be incurred in the development of a
moderate rental housing project located in the
and/or to refund outstanding notes issued in connection therewith.

The full faith and credit of the Authority will be pledged for the prompt payment
of the principal of and interest on the Notes and the payment thereof will be
guaranteed by the State of Connecticut. The validity of the Notes and of the guaranty
will be approved by and a copy of such
opinion will be furnished by the Authority to the successful purchaser or purchasers
without charge.

The Notes will bear interest at the rate or rates per annum fixed in the proposal
or proposals accepted for their purchase, will be issued in such denominations, and
both principal and interest thereof will be payable at such bank or trust company,
incorporated under the laws of the State of Connecticut or any other state or of the
United States, as the purchaser designates in his proposal. The Notes will provide
that they are not valid until after such bank or trust company has signed the agreement
appearing on each Note to act as paying agent. The Notes will be transmitted to such
bank or trust company for delivery to the purchaser upon receipt and disbursement by
such bank or trust company of the purchase price thereof in accordance with instruc-
tions from the Authority. After taking delivery of the Notes, the purchaser shall
obtain the signature of such bank or trust company upon the Notes as aforesaid. All
fees or charges, if any, of such bank or trust company shall be paid by the purchaser.

All proposals for the purchase of said Notes shall be submitted in a form approved
by the Authority. Copies of such form of proposal may be obtained from the
Authority at the address indicated above.

Proposals may be for all or any part of said Notes, but separate proposals will
be required for each part of said Notes for which a separate interest rate is bid. Said
Notes will be awarded at the lowest net interest cost to the Authority under such
bid or bids, and in computing such interest cost the Authority will take into consid-
eration any premium which any bidder offers to pay. No bid for less than par and
accrued interest (which interest shall be computed on a 360-day basis) will be
entertained, and the Authority reserves the right to award to any bidder all or any
part of the Notes which such bidder offers to purchase in his proposal upon the
basis of such proposal. If only a part of the Notes bid for in a proposal are awarded
by the Authority, any premium offered in such proposal shall be pro rated and the

Notes will be issued in denominations thereafter designated by the bidder. The further right is reserved to reject any or all bids.

In the event that prior to the delivery of any of the Notes to the successful bidder therefor the income received by private holders from the obligations of the same type and character shall be taxable by the terms of any Federal income tax law hereafter enacted, the successful bidder may at his election be relieved of his obligations under the contract to purchase such Notes.

.....
Secretary

Sec. 8-80-4. Proposal for purchase

PROPOSAL FOR PURCHASE OF
TEMPORARY LOAN NOTES OF THE
HOUSING AUTHORITY OF THE

19.

Housing Authority of the

Gentlemen:

For Temporary Loan Notes, Series M, of the Housing Authority of the (herein called the Authority) in the principal amount of \$ and being (all) (a part of) the Notes of said issue described in the notice of sale published in the on and in the on which notice of sale is incorporated herein by reference and is hereby made a part of this proposal, we will pay you par and accrued interest to date of delivery plus a premium of \$ Said Notes shall bear interest at the rate of per cent. (%) per annum, payable at the maturity of said Notes, and both the principal and interest of said Notes shall be payable at (herein called the Bank), in the City of and State of, and said Notes shall be issued in denominations as follows:

It is understood and agreed by the undersigned that the Authority may award all or any part of the Notes bid for in this proposal upon the basis of the above bid, and if only part of the premium specified above shall be pro rated and the Notes so awarded shall be issued in denominations as thereafter designated by the undersigned.

This proposal is subject to our being furnished, at your expense, with the opinion of of approving the validity of said Notes and the validity of the guaranty of the payment of the principal of and interest on said Notes by the State of Connecticut as more particularly stated in said notice of sale.

The undersigned hereby agrees to accept delivery of and make payment for said Notes at the Bank on the date of said Notes, or as soon thereafter as such Notes may be prepared and ready for delivery by the Authority.

.....
By

Sec. 8-80-5. Resolution authorizing issue of temporary loan notes

RESOLUTION NO.

Resolution authorizing the issuance, sale and delivery of temporary loan notes, Series M, in the aggregate principal amount of \$

Whereas pursuant to Part II of Chapter 128 of the General Statutes, revision of 1958, as amended, the Housing Authority of the, herein called the Authority, and the State of Connecticut acting by the Public Works Commissioner, made a contract dated wherein the Authority agreed to develop a moderate rental housing project in, known as, and the State agreed to guarantee temporary loan notes to be issued by the Authority to finance development costs of the project in an aggregate principal amount not exceeding \$;

Whereas the Authority has (not) heretofore issued (any) temporary loan notes guaranteed by the State for the purpose of financing said development costs (in an aggregate principal amount of \$, known as Housing Authority of the, Temporary Loan Notes, Series M);

Whereas the Committee on approved the issue by the Authority of temporary loan notes in an aggregate principal amount of \$, to be dated not later than, to bear interest at a rate not exceeding % per annum, to be guaranteed as to payment of both principal and interest by the State and to be known as Housing Authority of the, Temporary Loan Notes, Series M, to pay expenses incurred and to be incurred in the development of the project and to refund and extend its outstanding notes heretofore issued for said purpose;

Whereas a Notice of Sale of the Authority's Temporary Loan Notes, Series M, aggregating \$ in principal amount, setting forth that said notes would be dated and would be payable and that the validity of said notes and of the guaranty thereon would be approved by, in the form and containing the provisions of the Notice of Sale set forth in Supplement No. 1 of the Rules and Regulations issued under Section 8-74 of the General Statutes of the State of Connecticut, Revision of 1958, as amended, by the Public Works Commissioner, was published in the, in, in its issue of, and in, in the City of New York, in its issue of ;

Whereas pursuant to said Notice of Sale sealed proposals for the purchase of said Notes, in the form and containing the provisions of the Proposal for Purchase set forth in said Supplement No. 1 of the Rules and Regulations aforesaid, were received, opened and canvassed at the time and place mentioned in said Notice of Sale, to wit, at, in the, at one o'clock P. M. (E. S. T.) on, which proposals were as follows;

Name of Bidder	Interest Rate	Principal Amount	Premium
----------------	---------------	------------------	---------

Now therefore, be it resolved by the Commissioners of the Authority:

Section 1. The Notice of Sale and the publication thereof as aforesaid are hereby approved.

Section 2. To provide funds to pay expenses incurred and to be incurred in the development of the project and to refund and extend its outstanding notes heretofore issued for said purpose, the Authority hereby determines to borrow the sum of \$. and to issue its negotiable Temporary Loan Notes therefore.

Section 3. The following proposal(s) for the purchase of the designated amount(s) of said Notes, which proposal(s) the Authority hereby determines will provide the lowest interest cost, is (are) approved as to form and is (are) hereby accepted and said Notes are hereby awarded to said purchaser(s) as follows:

Principal Amount	Interest Rate	Purchaser
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Section 4. Said Notes and the Guaranty thereon shall be in the form and contain the provisions set forth in Supplement No. 1 of the Rules and Regulations aforesaid. The validity of said Notes and of the Guaranty thereon shall be approved by Each note shall be dated, shall be payable as to both principal and interest to bearer on, and shall bear interest at the rate per annum, payable at maturity, and shall bear the numbers and be in denominations and shall be payable as to both principal and interest at the Bank as follows:

			Interest	Payable
Purchaser	Numbers	Denominations	Rate	at

None of said Notes shall be valid until the Bank at which it is payable shall have signed the agreement appearing on each Note to act as paying agent thereof. Each Note shall be signed in the name of the Authority by its Chairman or Vice-Chairman and shall have the corporate seal of the Authority impressed thereon and attested by its Secretary and said officers are hereby authorized and directed to cause said Notes to be properly executed.

Section 5. The full faith and credit of the Authority is hereby expressly and irrevocably pledged for the punctual payment of the principal of and interest on said Notes.

Section 6. The Authority covenants with the holders of said Notes that it will not exercise any of the privileges conferred upon it by Section 8-76 of the General Statutes of the State of Connecticut, Revision of 1958, as amended, unless it shall make provision satisfactory to the holders of said Notes then outstanding for the payment thereof in full according to their terms.

Section 7. The proceeds derived from the sale of said Notes, together with such other funds of the Authority as may be necessary, shall be used simultaneously with the receipt of the proceeds to pay to the paying agent named below for the sole and only purpose of paying the principal of and interest on outstanding Temporary Loan Notes heretofore issued by the Authority as follows:

Issue	Amount	Paying Agent
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Any balance of such proceeds shall be deposited in the Authority's bank account designated Development Fund: Project, and shall be used only in accordance with the provisions of its aforesaid contract with the State of Connecticut.

Section 8. The Treasurer or an Assistant Treasurer is hereby authorized and directed to send immediately a letter to each paying agent for said Temporary Loan Notes, Series M, substantially in the form of the letter hereto attached and marked Exhibit A and to transmit: (1) Said Notes to said paying agent for delivery and payment in accordance with the terms of said letter; and (2) funds of the Authority to the paying agent of said outstanding Temporary Loan Notes, Series

M , to be applied against the payment of the principal of and interest on said Notes as follows:

Series	Amount	Paying Agent
Section 9. This resolution shall take effect immediately.		

EXHIBIT A

. , 19. . . .

Gentlemen:

The undersigned has sold an aggregate principal amount of \$ of its Temporary Loan Notes, Series M (herein called the "New Notes"), (being (all) (part) of its Issue, aggregating \$), dated maturing to the purchaser and for the price, including premium, plus accrued interest from the date thereof to the date of delivery and payment at the rate of % per annum, as follows:

	Price Including	
Purchaser	Premium	Interest Rate
You are named as paying agent for the New Notes and each purchaser has agreed to bear all costs, if any, in connection with your functions as such paying agent.		

The New Notes together with an executed counterpart of a Signature Certificate and Receipt, marked "Exhibit B," for each purchaser are transmitted herewith. The New Notes shall be held by you in trust for the sole use and benefit of the undersigned until such time as said New Notes shall have been paid for and thereupon you are to disburse the proceeds of said New Notes by paying the following amount to each payee named below, for the sole and only purpose of paying the principal of and interest to date of payment on the designated Issue of Temporary Loan Notes of the undersigned:

issue	payee	amount
-------	-------	--------

and by paying to the undersigned the difference, if any, between the purchase price of said New Notes and the amount so disbursed by you in payment of such Issue of Outstanding Temporary Loan Notes, if any.

When payment for the New Notes has been made and the proceeds disbursed by you in the above manner, you are authorized and directed to: (1) complete paragraph 5 of Exhibit B by inserting the amounts of "Accrued Interest" and "Total Purchase Price" of said New Notes; (2) sign said Exhibit B, in the space provided, to evidence delivery and payment of the New Notes; (3) date said Exhibit B as of the date of such delivery and payment; (4) upon instructions from the purchaser thereof sign the agreement to act as paying agent appearing upon each of the New Notes; and (5) deliver the Issue of New Notes to the purchaser thereof together with one fully executed counterpart of Exhibit B. The New Notes shall thereupon be and become the property of said purchaser.

For the purpose of delivery of the series of New Notes to the purchaser thereof, prior confirmation of the receipt of the respective amounts to be disbursed to the designated payees will not be required, provided that, where the payees are located in a city other than the city where you are located, such amounts are transmitted by you either by telegraph or by depositing a cashier's check or certified check for such funds in the United States mails and registered. It is understood, however, that your obligations with respect to disbursement of such funds will not be satisfied until the respective payees have received such funds.

Not later than the stated date of maturity of the New Notes funds will be made available to you as paying agent for the purpose of paying the principal of and interest upon said New Notes to their maturity.

In the event you receive funds, prior to the stated maturity date of the New Notes, for the purpose of paying such principal and interest, you may, at any time after you receive said funds, use said funds, to the extent necessary, to pay the principal of and interest to maturity upon any of said New Notes thereafter presented for payment, and such payment may be made before maturity of said New Notes. Any funds received by you and not needed for the payment of the principal of and interest to maturity of the New Notes shall be transmitted to the undersigned.

Immediately upon receipt by You of funds for the payment of the New Notes, you will telegraph to the undersigned and to the Public Works Commissioner, State Office Building, Hartford, Connecticut, day letter collect, as follows:

“We have received funds sufficient to pay the principal of and interest to maturity on Temporary Loan Notes (Nos. Series M) in the principal amount of \$ issued by the Housing Authority of the

.
Paying Agent”

The New Notes, when paid, shall be marked “Paid and Cancelled” and returned to the undersigned finder cover of a letter in the form attached hereto, a signed copy of which letter shall be promptly mailed to the Public Works Commissioner, State Office Building, Hartford, Connecticut.

Three signed copies of this letter are enclosed. If this letter sets forth your understanding of your functions and duties as paying agent, please indicate your acceptance on all three copies in the place provided therefor, return one copy to the undersigned and mail or deliver the other copy to attorneys for the approving opinion on the New Notes.

For your convenience in returning an accepted copy of this letter to the undersigned, there is enclosed a stamped, addressed envelope. Your prompt attention to this matter is requested.

HOUSING AUTHORITY OF THE
By
Treasurer

ACCEPTED
.
By

EXHIBIT B

SIGNATURE CERTIFICATE AND RECEIPT

1. We, the undersigned, of the Housing Authority of the (herein called the Authority), do hereby certify that on the day of 19 , we officially signed the Temporary Loan Notes of said Authority, consisting of notes, Series M , all dated , 19 and maturing , 19 , and further described as follows:

Number and Denomination of each Note	Interest Rate Per Annum	Aggregate Principal Amount
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being, on the date of said Notes, at the date of such signing, and on the date hereof, the duly chosen, qualified and acting officers authorized to execute said Notes and holding the offices indicated by the official titles opposite our names.

2. We further certify that no litigation of any nature is now pending or threatened (either in State or Federal courts) restraining or enjoining the issuance, sale, execution or delivery of said Notes or the construction or operation of the project (Project) or in any manner questioning the authority of proceedings for the issuance, sale, execution or delivery of said Notes or affecting the validity of the Notes or the construction or operation of the project; that neither the corporate existence nor the area of operation of said Authority nor the title of its present officers to their respective offices is being contested, and that no proceedings or authority for the issuance, sale, execution or delivery of said Notes have or has been repealed, rescinded or revoked.

3. We further certify that the seal which has been impressed upon said Notes and upon this Certificate is the legally adopted proper and only official corporate seal of said Authority.

4. I, the undersigned, of said Authority, do hereby certify that on the date hereof I delivered to the purchaser thereof, the Temporary Loan Notes, Series M, numbered, aggregating the principal amount of \$

5. I further certify that at the time of said delivery I received from said purchasers payment in full for said Notes as follows:

				Total
Note	Principal	Premium	Accrued Interest	Purchase Price
Numbers				

6. This instrument shall not be valid until signed in the space provided below by the paying agent named in said Notes.

(Seal) _____ Witness our hands and corporate seal
this day of, 19
Signature Official Title Expiration of Office

Signatures above and upon the above described Notes guaranteed as those of the officers respectively designated.

Member, Federal Reserve System

By
(Title)

Payment for the above described Notes has been made in the manner described above, and said Notes and this instrument delivered to the purchaser named above on the date hereof.

Paying Agent

[or]

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Adaptable Housing Pilot Program

Sec. 8-81a-1. Definitions

The following definitions apply to Section 8-81a-1 through Section 8-81a-5 of the Regulations of Connecticut State Agencies:

(a) “Adaptable Housing” means housing which is designed and built with adaptable features that include all of the accessibility features required by the American National Standards Institute (ANSI 1986) and the Uniform Federal Accessibility Standards (UFAS 1984) and allows a choice of certain adjustable features or fixed accessible features.

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

(c) “Disabilities” means a limitation or loss of use of a physical or mental function.

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

(e) “Financial Assistance” means a loan, grant or loan and grant combination, as determined by the availability of funds for the applicable program.

(f) “Multi-Family Housing Project” or “Project” means any work or undertaking to provide more than one decent, safe and sanitary dwelling unit for families of low or moderate income, which may include the planning of buildings and improvements, the acquisition of property, site preparation, the demolition of existing structures, new construction, or the rehabilitation of existing buildings.

(Effective June 26, 1989)

Sec. 8-81a-2. Program description

(a) The Commissioner, in consultation with the Office of Protection and Advocacy for Handicapped and Developmentally Disabled Persons, shall require a multi-family housing project to be newly constructed or substantially rehabilitated with the use of any state financial assistance in such a fashion as to be fully adaptable for use and occupancy by persons having physical or mental disabilities or by persons without such disabilities.

(b) Developers shall be determined based on the State regulations governing the specific program from which the financial assistance shall be obtained.

(c) The developer 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. 8-81a-3. Application

(a) The Commissioner may solicit and/or accept applications for participation in this program from eligible developers to construct or rehabilitate a multi-family dwelling(s) in such a fashion as to be fully adaptable for use and occupancy by persons with or without physical or mental disabilities.

(b) As part of the application process, the developer shall be required to fulfill all the requirements promulgated in accordance with the program under which they are to receive financial assistance.

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

(d) Applications shall be approved or disapproved based upon the factors listed in Section 8-81a-3 (a), (b) and (c) above, as well as the availability of financial assistance under the appropriate program.

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

(g) If an application is approved, the Commissioner shall notify the developer that the activity may proceed and inform the developer of the contents and terms of the contract for state financial assistance under the appropriate program.

(Effective June 26, 1989)

Sec. 8-81a-4. Minimum requirements

Projects shall include at minimum but not be limited to the following features in interior, exterior and common areas:

(a) **Adaptable**—easily removable countertops and cabinets, adjustable closet shelving and rods, grab bars, adequate work space and turning areas; and

(b) **Accessible**—handicapped and/or legally prescribed parking spaces, curb cuts, doorways, hallways and walkways, of proper width and slope; and

(c) Any other features which the Commissioner determines is necessary to accommodate persons having physical or mental disabilities.

(Effective June 26, 1989)

Sec. 8-81a-5. Reporting requirements

Pursuant to Section 8-81a of the Connecticut General Statutes the developer shall be required to provide the Commissioner with any/all information that would serve as a guideline for replication of this pilot program within four (4) months of occupancy of the project in order for the Commissioner to comply with the reporting requirements of said section. This information shall be in such form as determined by the Commissioner.

(Effective June 26, 1989)

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Home Ownership Program

Sec. 8-84-1. Definitions. As used in these regulations:

- (1) "Act" means part 3 of chapter 128 of the general statutes.
- (2) "Commissioner" means the public works commissioner.
- (3) "Correspondent" means any accredited loan agent appointed by the state to originate and service loans on its behalf.
- (4) "Family" refers to a cohesive social Unit consisting of two or more persons, usually related by blood or marriage, who have lived together in the past or who may customarily be expected to live together for a sustained future period, and whose incomes may be expected to be shared for purposes of meeting the expenses of maintaining the household.
- (5) "Family of moderate income" means any family which lacks the amount of income which is necessary, as determined by the commissioner, to enable it, without financial assistance, to acquire, by purchase, a decent, safe and sanitary dwelling suitable for long-term occupation by the family.
- (6) "Head of a family of moderate income" means any individual who is the acknowledged responsible person to whom members of a family of moderate income principally look for economic support or for guidance in matters affecting the entire family
- (7) "Veteran of World War II" means any person who served in the armed forces of the United States in active duty and any officer of the United States Public Health Service detailed by proper authority to duty with any of the foregoing at any time between the dates of December 7, 1941, and December 3, 1948, for a period of ninety days or more and who has been honorably discharged or separated from such service in a manner other than dishonorable, through no fault or misconduct of such person, or who is still in active service, or who has been retired or released to inactive duty as a reserve, and who shall have resided at any time in this state continuously for two years, and shall include the spouse or widow or widower of any such veteran. As used herein, the term "armed forces" includes the army, navy, marine corps or coast guard of the United States or any woman's auxiliary branch thereof, organized pursuant to an act of Congress.
- (8) "Operative builder" means any person, firm or corporation engaged in the building business as a general contractor.
- (9) "Eligible buyer" means the head of any family of moderate income holding a certificate of eligibility issued by the commissioner.
- (10) "Certificate of eligibility" means a certificate issued by the commissioner to the head of a family of moderate income evidencing that he is eligible for the benefits of the act.
- (11) "Eligible borrower" means an operative builder approved by the commissioner or an eligible buyer.
- (12) "Loans" means loans made by the state under the act.
- (13) "Construction loans" means (a) temporary construction loans, and (b) permanent loans, the proceeds of which are to be disbursed during construction of a dwelling on the mortgaged premises, until such time as the loan has been fully disbursed, and, if the borrower is not an eligible buyer, until such time as the property has been acquired by an eligible buyer who has assumed payment of the loan.
- (14) "Housing mortgage fund" means the housing mortgage fund authorized under section 8-87 of the general statutes.

(15) “Moderate cost housing” means a dwelling or group of dwellings, constituting a natural real estate entity, offered at a price which bears a reasonable relationship to the fair cost of replacement of the property under prevailing conditions in the community and which is of good quality, adequate with respect to over-all and room sizes, well but not over-equipped, and so constructed that it affords low costs for maintenance and operation.

(16) “New housing construction” means moderate cost housing on which no physical work has been performed prior to October 20, 1949, except that related to land improvement or foundation construction.

Sec. 8-84-2. Loans

(a) The loans shall be limited to first mortgage construction loans, first mortgage loans insured by the federal housing commissioner or guaranteed by the administrator of veterans affairs to the extent provided for by the Servicemen’s Readjustment Act of 1944, as amended, and second mortgage loans guaranteed by the administrator of veterans affairs and qualifying as secondary loans under the Servicemen’s Readjustment Act of 1944, as amended.

(b) No construction loan to a borrower eligible as such because an operative builder shall involve a principal obligation in excess of eighty per cent of the estimate of value of the mortgaged property as established by the federal housing commissioner.

(c) No temporary construction loan shall have a maturity in excess of eight months from the date of closing, except that the date of maturity may be extended with the approval of the commissioner.

(d) Each loan not a temporary construction loan shall have a maturity satisfactory to the commissioner and, if insured or guaranteed, to the federal housing commissioner or the administrator of veterans affairs, respectively.

(e) All loans except construction loans shall bear interest at such yearly rate, not in excess of two per cent, as may be determined by the commissioner.

(f) Construction loans shall bear interest at such yearly rate, not in excess of three and one-half per cent, as may be determined by the commissioner.

(g) Each loan not a temporary construction loan shall contain complete amortization provisions satisfactory to the commissioner and, if insured or guaranteed, to the federal housing commissioner or the administrator of veterans affairs, respectively. The sum of the principal and interest payments shall be substantially the same in each month and shall come due on the first of the month.

(h) Each first mortgage loan shall be secured by a mortgage which is a valid first lien on an estate in fee simple. Each second mortgage loan shall be secured by a mortgage which is a valid second lien on an estate in fee simple.

(i) Each note evidencing a loan insured by the federal housing commissioner and the mortgage securing such loan shall be on forms approved by said commissioner; each note evidencing a loan guaranteed by the administrator of veterans affairs and the mortgage securing such loan shall be on forms approved by said administrator; each note evidencing a construction loan and the mortgage securing such loan shall be on forms approved by the public works commissioner.

(j) Disbursements of construction loans shall be made in installments. No disbursement shall exceed a reasonable percentage of the value of the work in place at the time the disbursement is made, less the amount of previous disbursements. The number of installments and the stages at which they will be made shall be indicated clearly in the loan agreement.

(k) Each permanent loan, the proceeds of which are to be disbursed during the construction of a dwelling on the mortgaged premises, shall provide that the construction shall be completed within eight months from the date of the loan.

(l) No construction loan shall be made unless and until the federal housing commissioner has issued a conditional commitment for mortgage insurance on a permanent loan, provided a construction loan may be made to an eligible buyer who is a veteran of World War II on issuance of a certificate of reasonable value and on a prior approval or automatic basis as determined by the public works commissioner. In no event shall the aggregate of the disbursements made under a construction loan prior to the issuance of a final compliance inspection report by the federal housing commissioner or the administrator of veterans affairs exceed eighty per cent of the estimate of value of the mortgaged property as established by said commissioner or administrator.

(m) Commitments by the state to make construction loans shall be cancelable at the will of the state when the construction has not been started within a reasonable time.

(n) In the case of a construction loan the borrower, if eligible as such because an operative builder, shall agree not to offer to sell or resell the property to any purchaser except an eligible buyer for a period of sixty days from the date fixed by the federal housing commissioner as the date of completion of construction.

Sec. 8-84-3. Borrowers

(a) An operative builder may be approved as an eligible borrower upon application to the commissioner.

(b) The head of any family of moderate income may be certified as an eligible buyer upon application, provided the commissioner finds that (1) he is a citizen of the United States resident in Connecticut, (2) his prospective and continuing yearly income, together with the prospective and continuing yearly incomes of the members of his family, is less than three thousand dollars plus six hundred dollars for each dependent member of his family, (3) his available net cash worth is less than three thousand five hundred dollars, (4) his family is not properly housed and (5) he is in need of assistance to enable him to acquire a decent, safe and sanitary dwelling suitable for long-term occupation by his family.

(c) An eligible borrower, eligible as such because an operative builder, shall be eligible for construction loans only. No eligible buyer shall be eligible for more than one first mortgage loan or a combination of first and second mortgage loans except with the consent of the commissioner.

(d) Each borrower shall have a general credit standing satisfactory to the commissioner and to the federal housing commissioner or, if the loan is to be guaranteed by the administrator of veterans affairs, to said administrator.

(e) Each borrower, eligible as such because the holder of a certificate of eligibility, shall establish that the periodic payments required by the mortgage bear a proper relation to his present and anticipated income and expenses.

(f) Each borrower shall establish that, after a first mortgage has been recorded, the mortgaged property will be free and clear of all liens other than such first mortgage and that there will not be outstanding any other unpaid obligations contracted in connection with the mortgage transaction or the purchase of the mortgaged property, except obligations which are secured by property or collateral owned by the borrower independently of the mortgaged property; provided, if the borrower is a veteran and obtains from the state a second mortgage loan guaranteed by the administrator of veterans affairs, the existence of such loan or the secondary lien upon the mortgaged property to secure such loan shall not render the mortgage ineligible.

(g) In granting loans the commissioner shall give preference to eligible buyers in the following order: (a) To families of low and moderate income, and among such families preference shall be given to veterans of World War II, (b) to citizens dwelling in the community where the housing is located and (c) to all other persons in accordance with their needs. The commissioner reserves the right to allocate remaining amounts of the housing mortgage fund exclusively to eligible buyers who are veterans of World War II and to citizens dwelling in the community where the housing is located, or exclusively to eligible buyers who are veterans of World War II.

Sec. 8-84-4. Housing

(a) To be eligible as security for a loan, the property shall be both moderate cost housing and new housing construction and be designed for the accommodation of one family only, except that, if the property is to be owned by a cooperative, it may be designed to accommodate exactly the number of eligible buyers who are members of the cooperative.

(b) Except to the extent waived by the commissioner in writing, the buildings on the mortgaged property shall conform to minimum property requirements established by the federal housing commissioner, or in the case of a first mortgage loan guaranteed by the administrator of veterans affairs to such property requirements as shall be established by said administrator.

(c) The mortgaged property shall meet all requirements of local zoning regulations and building codes, except that such requirements may be waived by the commissioner with respect to any housing otherwise eligible under these regulations if said commissioner determines that the public interest will be served thereby.

Sec. 8-84-5. Loan correspondents

(a) Any bank, trust company, building and loan association, savings and loan association, or other financial institution, which is an approved mortgagee of the federal housing commissioner and is domiciled in Connecticut, may be approved as a correspondent upon application.

(b) Any other financial institution authorized to do business in Connecticut may be approved as a correspondent upon application if it has the following qualifications and meets the following conditions to the satisfaction of the public works commissioner, the federal housing commissioner and the administrator of veterans affairs: (1) It is a permanent organization having succession, (2) it is subject to the inspection and supervision of a federal or state agency which is required by law to make periodic examinations of its books and accounts, or, if not subject to such inspection and supervision, it shall submit a detailed audit of its books made by an accountant approved by and reflecting a condition satisfactory to the public works commissioner and (3) it is found by said commissioner to be qualified by experience and facilities to originate and service mortgages.

(c) The appointment of each correspondent shall be evidenced by a written loan correspondent agreement entered into by and between such correspondent and the state acting by the commissioner.

Sec. 8-84-6. Fees and charges

(a) The correspondent may charge each borrower who is an eligible buyer on each construction loan an originating fee of one-half of one per cent of the principal amount to be disbursed under such loan and shall retain the entire amount of said fee. The correspondent shall charge each borrower not an eligible buyer on each construction loan an originating fee of one per cent of the principal amount to be

disbursed under such loan, and shall retain one-half of this fee and transmit the remaining one-half to the commissioner forthwith by check payable to the treasurer of the state.

(b) The correspondent shall retain each year as full compensation for servicing a permanent loan, not a construction loan, one-half of one per cent of the average annual principal balance thereof. A pro rata portion of the amount to be retained as aforesaid may be deducted by the correspondent from each interest payment, except the last in any calendar year, and any balance of compensation for such calendar year shall be deducted from the last interest payment in such year.

(c) The correspondent shall not charge any originating fee on a permanent loan, not a construction loan, to an eligible buyer and shall not be entitled to receive any compensation in addition to its originating fee for servicing a construction loan.

(d) Unless otherwise agreed upon by the commissioner in writing, the correspondent shall not make any charges against a borrower in addition to originating and servicing fees as aforesaid except for federal housing administration examination fees and mortgage insurance premiums, veterans administration appraisal fees, costs of a credit report, plot plan or survey, title search and certificate, the preparation of papers and attorneys' and recording fees, and for late charges approved by the commissioner and payable under the terms of the loan. No such charge shall exceed any limit prescribed by the federal housing commissioner or the administrator of veterans affairs.

Sec. 8-84-7. Insured market agreements

(a) Any operative builder intending to undertake the construction of moderate cost housing suitable for purchase by eligible buyers may apply for market insurance under the insured market provisions of the act either through a correspondent or directly to the commissioner. Applications shall be accompanied by lists, exhibits and plans giving a clear delineation of the properties to be covered by the insured market agreement.

(b) Each application shall indicate the total number of properties to be brought under the agreement and the number of properties on which market insurance is desired. Each application shall be accompanied by a fee of fifty dollars per property to be insured, which fee shall be rebated only if the insurance is refused.

(c) An insured market agreement may be entered into between an operative builder and the state only after the federal housing commissioner has issued commitments to insure mortgages on all the properties to be covered by the agreement.

(d) The agreement shall apply only to moderate cost housing consisting of single family dwellings the construction of which has not yet started, which dwellings shall conform to the minimum property requirements established by the federal housing commissioner and, except to the extent waived by the commissioner, to all requirements of local zoning regulations and building codes.

(e) The market insurance may be made to apply to all or a portion of the properties covered by the agreement.

(f) The granting of market insurance shall not be contingent upon an application by the operative builder for a construction loan from the state.

(g) The agreement shall provide that any properties which for any reason become ineligible for mortgage insurance by the federal housing commissioner during the construction period shall not be subject to the agreement and shall not be purchased by the state under any circumstances.

(h) The agreement shall provide that any property covered by the agreement but remaining uncompleted at the end of one year from the date thereof shall not be

subject to the agreement and shall not be purchased by the state under any circumstances.

(i) The agreement shall set an agreed price for each property covered by the agreement and the agreed price shall be ninety per cent of the estimate of value established by the federal housing commissioner or nine thousand dollars, whichever is less.

(j) The agreement shall provide that the operative builder shall offer and attempt to sell each and every property covered by the agreement only to eligible buyers for a period extending to a date sixty days after the date which the federal housing commissioner fixes as the date of completion of construction.

(k) The agreement shall provide that any property covered by the agreement which remains unsold after a period of ninety days after the date which the federal housing commissioner fixes as the date of completion of construction may be offered for sale to the state during the period extending to one hundred twenty days from such date of completion, and the state shall purchase the property and pay the agreed price for it, provided it is satisfied there has been a reasonably diligent effort to find a buyer, either an eligible buyer or other purchaser, and provided it has not already purchased under the provisions of the agreement a number of properties in excess of the maximum number of properties insured under the agreement.

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Flood Relief Home Ownership Program

Sec. 8-100-1. Definitions

(a) "Commissioner" means the public works commissioner of the state of Connecticut.

(b) "Correspondent" means any accredited loan agent appointed by the commissioner to originate and service loans on behalf of this state.

(c) "Certificate of eligibility" means a certificate issued by the commissioner to the head of a family of moderate financial resources evidencing that the recipient is eligible for the benefits of part IV of chapter 128 of the general statutes.

(d) "Permanent loan" means a loan, the principal of which is to be amortized over a period of years not exceeding thirty years from date of closing, and the proceeds of which are not to be distributed during construction of a dwelling on the mortgaged property.

(e) "Construction-permanent loan" means a loan which would be a permanent loan, except that the proceeds are to be disbursed during construction of a dwelling on the mortgaged premises.

(f) "Minimum property requirements of the federal building administration" means the "minimum property requirements for properties of one or two living units located in the New England States" promulgated by the federal housing administration and in effect as of March 6, 1956.

(g) All terms defined in section 8-96 of the general statutes shall have the same meaning when used or referred to herein.

(See G.S. § 8-96.)

Sec. 8-100-2. Loans

(a) The loans shall be limited to first mortgage permanent loans and first mortgage construction-permanent loans.

(b) No construction loan period in a construction-permanent loan shall be in excess of twelve months from the date of closing, except that this date of maturity may be extended with the approval of the commissioner.

(c) All loans, both permanent and construction-permanent, shall have a maturity satisfactory to the commissioner, but not in excess of thirty years from the date of the loan.

(d) Each loan shall contain complete amortization provisions satisfactory to the commissioner. The sum of principal and interest payments shall be substantially the same in each month and shall come due on the first of the month.

(e) Each note evidencing a loan and the mortgage securing such loan shall be on forms approved by the commissioner.

(f) Disbursements of construction-permanent loans will be made in instalments. No disbursement shall exceed a reasonable percentage of the value of the work in place at the time the disbursement is made, less the amount of previous disbursement. The number of instalments and the stages at which they will be made shall be indicated clearly in the loan application and in the loan agreement and shall meet with the approval of the commissioner. In no event shall the aggregate of the disbursements made under a construction-permanent loan prior to the issuance of a final compliance inspection report by the commissioner exceed eighty per cent of the principal amount of such construction-permanent loan as written.

(g) Commitments to make construction-permanent loans shall be cancellable at the will of the commissioner when construction has not been started within a reasonable period of time.

(h) Each mortgage shall provide that the mortgagor will pay to the mortgagee on the first day of each month such equal monthly payments as will amortize the estimated amount of all taxes, special assessments, if any, and premiums on fire and other hazard insurance as may be required by the commissioner, within a period ending one month prior to the dates on which the same become delinquent, and that the mortgagee will hold such payments for the purpose of paying such taxes, assessments and insurance premiums before the same become delinquent for the benefit and account of the mortgagor. The mortgage shall also make provision for adjustments in case the estimated amount of such taxes, assessments and insurance premiums prove to be more, or less, than the actual amount thereof as paid by the mortgagor.

(i) The monthly payments made by the mortgagor to the mortgagee as provided in subsections (d) and (h) of this section shall be applied by the mortgagee in the following order: (1) Taxes, special assessments, premiums on fire and other hazard insurance, as may be required by the commissioner; (2) interest on the mortgage, and (3) amortization of the principal of the mortgage. Any deficiency in the amount of any such aggregate monthly payment shall, unless made good by the mortgagor prior to or on the due date of the next such payment, constitute an event of default under the mortgage.

(j) Each mortgage shall provide for a charge by the mortgagee of a "late charge" not to exceed three cents for each dollar of each payment more than fifteen days in arrears to cover the extra expense involved in handling delinquent payments.

(k) The mortgagor shall pay to the state upon the execution of the mortgage a sum that will be sufficient to pay the estimated taxes, special assessments and premiums on fire and other hazard insurance, as may be required by the commissioner, for the period beginning on the date to which such taxes, assessments and insurance premiums were last paid and ending on the date of the first monthly payment under the mortgage.

(See G.S. §§ 8-97(a), 8-98.)

Sec. 8-100-3. Loan applications and commitments

Any certified eligible borrower may submit a loan application to the commissioner upon a standard form prescribed by the commissioner. Approval of an application for a loan will be evidenced by the issuance of a written commitment by the commissioner setting forth the terms and conditions upon which the loan will be granted. In the event of noncompliance with such terms and conditions, the commitment may be terminated by the commissioner upon written notice to the applicant.

Sec. 8-100-4. Borrowers

(a) The head of a family of moderate financial resources may be certified as an eligible borrower upon application, provided the commissioner shall find that: (1) He and his family are residents of Connecticut and were displaced from their dwelling accommodations by the floods of August and October, 1955; (2) his prospective and continuing yearly income, together with the prospective and continuing yearly incomes of the members of his family, is less than forty-five hundred dollars, plus six hundred dollars for each dependent member of his family; (3) his available net cash worth is less than thirty-five hundred dollars; (4) he and his family lack the amount of financial resources which are necessary to enable them to purchase or construct a single family moderate cost dwelling house suitable for long-term occupancy by his family without state financial assistance as provided by part IV of chapter 128 of the general statutes.

(b) Each eligible borrower shall have a general credit standing satisfactory to the commissioner.

(c) Each eligible borrower shall establish that the periodic payments required by the mortgage bear a proper relation to his present and anticipated income and expenses.

(d) Each eligible borrower shall establish that, after a first mortgage has been recorded, the mortgaged property will be free and clear of all liens other than such first mortgage, and that there will not be outstanding any other unpaid obligations contracted in connection with the mortgage transaction or the purchase of the mortgaged property, except obligations which are secured by property or collateral owned by the borrower independently of the mortgaged property.

(e) In granting loans, the commissioner shall give preference to eligible borrowers in accordance with their needs. All applications for loans shall be filed with the Public Works Department, Housing Division, and all such applications shall be processed as rapidly as possible in the order in which they are received.

(Sec. G.S. § 8-99.)

Sec. 8-100-5. Housing

(a) To be eligible as security for a loan, the property shall be both moderate cost housing and new housing construction on which no physical work or installation other than that related to land work or improvement has been done prior to July 1, 1955, and shall be designed for the accommodation of one family only.

(b) Existing construction at the time of approval of any permanent loan, including any property which is under construction at such time, shall, to the commissioner's satisfaction, comply with or reasonably meet standards substantially equivalent to those set forth in the general acceptability and the stated objectives of the minimum planning and minimum construction requirements of the minimum property requirements of the federal housing administration.

(c) Completion of proposed construction at the time of approval of any construction-permanent loan shall, to the commissioner's satisfaction, comply with or reasonably meet standards substantially equivalent to those set forth in the general acceptability, minimum planning, building planning and minimum construction requirements of the minimum property requirements of the federal housing administration.

(d) Each application for a construction-permanent loan shall be accompanied by a plot plan and by drawings and specifications describing all proposed construction, which plot plan and drawings and specifications shall be in substantially the same form and contain the same information as that required in the required drawings and specifications provisions of the minimum property requirements of the federal housing administration. Each such application shall also be accompanied by the builder's agreement to deliver to the mortgagor a warranty certificate upon completion of construction as required in subsection (j) of this section.

(e) Specifications shall include the data on the commissioner's form entitled "Description of Materials" and shall be in sufficient detail to describe the sizes, grades and qualities of all materials and equipment and the manner of erecting and installing the same.

(f) Property covered by a construction-permanent loan shall be subject to periodic inspections by the commissioner to determine whether construction complies with the approved plans and specifications.

(g) The stages at which inspections shall be made will be those set forth in the compliance inspection requirements of the minimum property requirements of the

federal housing administration, and the borrower or the builder shall notify the commissioner when construction is ready for such inspections.

(h) Each construction-permanent loan shall provide that, in the event of noncompliance with the plans and specifications and unwillingness or inability on the part of the borrower or builder to correct the same to the commissioner's satisfaction, the commissioner may declare the loan to be in default and to be immediately due and payable.

(i) No loan application for a construction-permanent loan shall be approved unless there exists in writing a satisfactory construction contract between the eligible borrower and a competent, experienced and qualified home builder. This requirement may be waived by the commissioner upon special application in writing to him showing such good reasons as would indicate the competency and ability of the eligible borrower to qualify as the builder of his own home.

(j) In connection with all loans, a warranty certificate of sound construction in a form satisfactory to the commissioner shall be issued to the purchaser by the builder or seller as a part consideration for the purchase price of the property.

(k) The mortgaged property shall meet all requirements of local zoning regulations and building codes.

(l) It shall be the prime obligation and responsibility of the eligible borrower to select a dwelling house adequate and suitable to his needs, of sound quality and so constructed that it affords low costs for maintenance and operation.

Sec. 8-100-6. Loan correspondents

(a) Any bank, trust company, building and loan association, savings and loan association, or other financial institution which is domiciled in Connecticut may be approved as a correspondent upon application.

(b) Any other institution authorized to do business in Connecticut may be approved as a correspondent upon application, if it has the following qualifications and meets the following conditions to the satisfaction of the commissioner: (1) It is a permanent organization having succession; (2) it is subject to the inspection and supervision of a federal or state agency which is required by law to make periodic examinations of its books and accounts or, if not subject to such inspection and supervision, it shall submit a detailed audit of its books made by an accountant approved by and reflecting a condition satisfactory to the commissioner, and (3) it is found by the commissioner to be qualified by experience and facilities to originate and service mortgages.

(c) The appointment of each correspondent shall be evidenced by a written loan correspondent agreement entered into by and between such correspondent and the state acting by the commissioner.

Sec. 8-100-7. Correspondent's fees and loan closing charges

(a) The correspondent may charge each eligible borrower on each construction-permanent loan an originating fee of one per cent of the principal amount to be distributed under such loan and shall retain the entire amount of said fee.

(b) The correspondent may charge each eligible borrower on each permanent loan an originating fee of one-half of one per cent of the principal amount to be disbursed under such loan and shall retain the entire amount of said fee.

(c) The correspondent shall retain each year as full compensation for servicing a permanent loan one-half of one per cent of the average annual principal balance thereof. A pro rata portion of the amount to be retained as aforesaid may be deducted by the correspondent from each interest payment, except the last in any calendar

year, and any balance of compensation for such calendar year shall be deducted from the last interest payment in such year.

(d) Unless agreed upon otherwise by the commissioner in writing, the correspondent shall not make any charges against the eligible borrower in addition to the originating and servicing fees as aforesaid, except for state appraisal and inspection fees, costs of a credit report, plot plan or survey, title search and certificate, preparation of papers and attorney's fees, recording fees, amortization schedules and for late charges approved by the commissioner and payable under the terms of the loan. No such charges shall exceed any limit prescribed by the commissioner.

Sec. 8-100-8. Amendment of regulations

Any amendments to these regulations, in whole or in part, as made by the commissioner shall not affect the mortgage contract on any mortgage on which the commissioner has made a commitment.

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Waiting Lists

Elderly Housing Projects

Sec. 8-116a-1. Applicability

Pursuant to Section 8-116a of the Connecticut General Statutes, these criteria and procedures are applicable to each housing authority, housing partnership or non-profit corporation administering elderly housing projects under Chapter 128 of the Connecticut General Statutes, and, to the Commissioner of Housing acting as a housing authority, and any agent, servant or independent contractor acting on behalf of a housing authority or the Commissioner of Housing in the role of a housing authority.

(Effective January 22, 1986)

Sec. 8-116a-2. Definitions

(a) Incorporation of definitions: The provisions of Section 8-45-9 (a) (b) (c) (d) (e) and (f), inclusive, except as otherwise provided, shall govern the implementation of elderly housing waiting lists.

(b) “A non-profit corporation,” is a 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 of Housing, as a “housing partnership” shall be construed as defined by Section 8-113a of the Connecticut General Statutes, as amended.

(Effective January 22, 1986)

Sec. 8-116a-3. Implementation

The provisions of Section 8-45-10, through 8-45-15, inclusive, except as otherwise provided, shall govern the implementation of elderly housing waiting lists.

(Effective January 22, 1986)

Elderly Housing

Sec. 8-116a-4. Definitions

(a) “Developers’ Fee” means a bonus earned by developers that have successfully completed key events in the development process.

(b) “Key Events” means the four main phases in the development process: (1) Preliminary Application Approval, (2) Final Application Approval, (3) Construction Start; and (4) Construction Completion.

(c) “Successfully Completed” means completion of key events in a timely manner.

(Effective December 27, 1990)

Sec. 8-116a-5. Terms and conditions

(a) A developers’ fee may be established at up to 10% of the total development cost, less the cost of land, or \$100,000, whichever is less.

(See fee schedule on following page)

(b) The fee schedule shall be determined as follows:

<u>Percent of Fee</u>	<u>Key Event</u>
10%	Preliminary Application
15%	Final Application
25%	Construction Start
50%	Construction Completion

(c) Developer's fees are earned based on the schedule established for completing key events in the development process, as approved by the Commissioner.

(d) Developers shall only earn a fee for those key events that are completed according to the established schedule. Developers may not be entitled to earn a fee for key events completed after the established schedule. Developers shall earn, but not receive, any fee, until completion of the housing development.

(Effective December 27, 1990)

Sec. 8-116a-6. Implementation

The provisions of Section 8-68g-1, except as otherwise provided, shall govern the implementation of the Elderly Housing Program developers' fee.

(Effective December 27, 1990)

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Congregate Housing for the Elderly

Sec. 8-119g-1. Program description

The State Congregate Housing program provides a grant or loan for the development of a housing facility for the frail elderly who have low incomes as well as subsidy funds to assist in the provision of Congregate support services which are necessary to enable semi-independent living in a residential setting.

(Effective June 19, 1985)

Sec. 8-119g-2. Definitions

(a) "Commissioner" means the Commissioner of Housing.

(b) "Department" means the Connecticut Department of Housing.

(c) "SDA" means the Connecticut State Department on Aging.

(d) "HUD" means the United States Department of Housing and Urban Development.

(e) "The Participating Municipality" means a municipality in which a Congregate Housing Project is located.

(f) Eligible developers shall be:

(1) "A community housing development 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 of Housing in accordance with Section 8-217 of Chapter 128 of the C.G.S.,

(2) "Any Authority" or "Housing Authority" created by Section 8-40 and the Commissioner of Housing, when exercising the powers of a Housing Authority pursuant to Chapter 129 or,

(3) "Other corporations" defined by the Commissioner on Aging using the following criteria:

(A) It should be organized for purposes other than to make a profit or gain for itself and shall not be controlled or directed by persons or firms seeking to derive profit or gain from the project.

(B) It may be organized for purposes of providing one or more social and supportive services to elderly persons living in their own homes and communities.

(C) It may be organized for purposes of providing varied combinations of shelter and supportive services to elderly persons.

(D) It should be organized, at least for purposes of Congregate housing activities, to ensure that elderly persons contribute substantially to policy and operations as members of its governing body and/or an advisory body it may establish for such purposes.

(g) "Congregate Housing" means a form of residential environment consisting of independent living assisted by Congregate meals, housekeeping and personal services, for persons sixty-two years old or older, who have temporary or periodic difficulties with one or more essential activities of daily living such as feeding, bathing, grooming, dressing or transferring.

(h) "Congregate Housing Project" means the planning of the buildings and improvements, the acquisition of property, the demolition of existing structures, the construction, reconstruction, alteration and repair of the improvements or all other work performed in connection with a congregare housing program.

(Effective June 19, 1985)

Sec. 8-119g-3. Congregate services

(a) Congregate services shall include:

(1) Individual apartment accommodations without shared kitchen or bath facilities.

(2) One main meal a day in the facility's main dining area.

(3) Housekeeping services as required.

(4) Personal care services to assist in the delivery of services for daily living activities.

(5) A 24 hour emergency security.

(b) Congregate services which may be included are:

(1) Transportation arrangements.

(2) Assistance in contacting existing community services.

(c) Congregate Services do not include:

(1) Rehabilitation services.

(2) Nursing services or supervision for any purpose including but not limited to administration and monitoring of medications.

(Effective June 19, 1985)

Sec. 8-119g-4. Eligibility conditions of residents

(a) 62 years of age or older.

(b) Meet established criteria of local selection committee approved by the Commissioner. Criteria includes, but is not limited to:

(1) Physical and functional assessment of frailty.

(2) Housing conditions and living arrangements.

(3) Income and assets.

(4) Daily living needs.

(c) Meet income limits for admission and continued occupancy approved by the Commissioner. Annual reverification of income will be required of all tenants.

(d) The maximum income limits for admission will be an average of the published federal low income public housing limits for Connecticut.

(Effective June 19, 1985)

Sec. 8-119g-5. Income

(a) The income from all sources, such as, social security, pensions, interest, dividends, annuities, wages and any W-4 forms received by the tenant, rent on owned property, shall be counted toward the total income for the purpose of determining eligibility for admission to and continued occupancy in Congregate Housing projects.

(b) Projects operated pursuant to contracts with HUD, shall be subject to its regulations concerning income.

(c) Adjusted gross income shall be determined based on deductions as approved by the Commissioner. The deductions include but are not limited to such allowances as food, personal use costs and flat income adjustment.

(Effective June 19, 1985)

Sec. 8-119g-6. Authority of the commissioner

(a) No housing project or projects for elderly persons shall be developed until the commissioner of housing has approved the site, the plans and specifications, the estimated development cost, including administrative or other cost or expense to be incurred by the state in connection therewith as determined by said commissioner, and an operation or management plan for such project or projects which

shall provide an income, including contributions expected from any source, which shall be adequate for debt service on any notes or bonds issued by the developer to finance such development cost, administration, including a state service charge, other operating costs and establishment of reasonable reserves for repairs, maintenance and replacements, vacancy and collection losses. Said service charge shall be sufficient to provide for administrative or other cost and expense incurred by the state as determined by said commissioner in regulating or supervising the operation of such project or projects from and after the date of completion of construction thereof as determined by the commissioner. During the period of operation of such project or projects, the authority shall submit to the commissioner for his approval its rent schedules and its standards of tenant eligibility and continued occupancy and any changes therein, and its proposed budget for each fiscal year, together with such reports and financial and operating statements as the commissioner finds necessary.

(b) The commissioner shall have the right of inspection of any such project at any time.

(c) The commissioner is authorized to make orders and regulations with respect to the development and the operation and management of such project or projects by housing developers, and to determine the allocation of funds to meet the development costs of such project or projects, including administrative or other costs or expenses to be incurred by the state.

(Effective June 19, 1985)

Sec. 8-119g-7. Program review criteria

(a) The Department's review will be based upon the need for housing in the community as documented by applications on file or a needs survey, the suitability of the proposed site for congregate housing, the capability of the developer to successfully complete and manage the project and the quality of its application.

(Effective June 19, 1985)

Sec. 8-119g-8. Application and approval procedure

(a) Submission of an application.

(b) Evidence of control of a proposed site.

(c) Approval of Application as defined in Section 8-119g-9 below.

(d) Recommendation of a funding allocation request to State Bond Commission by the Commissioner.

(e) Approval by State Bond Commission.

(f) Execution of Contract between State and Applicant.

(g) Submission, review and approval of preliminary, basic and final architectural plans and drawings by the Commissioner.

(h) Authorization from Commissioner to award contract.

(Effective June 19, 1985)

Sec. 8-119g-9. Application contents and review

(a) Certified Resolution of Developer.

(b) Statement of Need.

(c) Proposed Site Information.

(d) Evidence of funds to meet planning costs.

(e) Proposed Development budget and costs.

(f) Proposed Management budget.

(g) If Developer is a community housing development corporation evidence of its designation by the governing body municipality.

(h) If Developer is an "other corporation" evidence that it has been approved by the Commissioner on Aging.

(i) Affirmative fair housing market plan.

(Effective June 19, 1985)

Sec. 8-119g-10. Management

(a) The Developer of a congregate housing project shall manage the project in an efficient manner so that the rental charges and congregate service costs shall be fixed at the lowest possible levels consistent with the provision of decent, safe, and sanitary dwelling units and the congregate services will be delivered to the tenant, in the most beneficial and efficient manner.

(1) All tenants will be required to pay a minimum rental charge, in accordance with a management plan approved by the Commissioner. The rental charges together with any available income shall generate sufficient income to meet the costs of the project operation, including but not limited to:

(A) Payment-in-lieu of taxes where applicable.

(B) The cost of state service charge.

(C) The cost of operating and maintaining the project, including its administrative cost and provision of reasonable reserves for repairs, maintenance, and vacancy and collection losses.

(2) All tenants will be required to pay the congregate services costs, based on their net income after allowances, in accordance with a formula approved by the Commissioner. Congregate services charges together with any available State subsidy or other available income shall generate sufficient income to meet the costs of the congregate services, including but not limited to those defined in 8-119g-3 (A) of these regulations.

(3) Rental Charge Increase: The following procedures shall be followed by all developers for any proposed rental charge increase. These procedures do not apply to adjustments based on circumstances such as family income or composition.

(A) A 30 day written notice to all tenants that a change in the rental charge will be considered by the developer at its next meeting, (include date and time of the meeting) and may result in an increase.

(B) Advise tenants that they may submit written comments to the developer within the 30 day period, and that they may review any documents supporting the proposed increase which will be on file at the office of the developer and at the congregate housing site. Also, tenants may attend the meeting and make comments at that time.

(C) At the end of a 30 day period, the developer shall submit within 15 days to the Commissioner, its recommended management plan plus all tenants comments.

(D) Within 30 days after receipt of the developer's recommendation, the Commissioner approves, disapproves, or requests modification of the increase or any portion thereof.

(E) If the increase is approved by the Commissioner, the developer must then give the tenants at least 30 days written notice prior to the effective date of the increase.

(4) Congregate Services Increases: The following procedures shall be followed by all developers for any proposed congregate services increase. These procedures do not apply to adjustments based on circumstances such as family income or composition.

(A) Within 60 days of the proposed increase, the developer shall submit its recommended Management Plan to the Commissioner.

(B) Within 30 days after receipt of the developer's recommendation, the Commissioner approves, disapproves or requests modification of the increase or any portion hereof.

(C) If the increase is approved by the Commissioner, the developer must then give the tenants at least 30 day written notice prior to the effective date of the increase.

(5) Proper notice and an opportunity to be heard prior to the imposition of rental charge increases and congregate services increases shall be deemed matters of Procedural Due Process of Law. Accordingly, all time frames for notice requirement and comments are jurisdictional. Any person aggrieved by the manner or method of the imposition of rent as congregate services increases or decreases may appeal any such grievance to the Commissioner of Housing within six (6) months of the occurrence of such incident.

(Effective June 19, 1985)

Sec. 8-119g-11. Fiscal policy

(a) Costs during development phase:

(1) Financial Assistance: The Commissioner may enter into a contract with a housing authority, a community housing development corporation as defined in Section 8-217 of the General Statutes or other corporations approved by the Commissioner on Aging for State financial assistance for a Congregate housing project for elderly persons in the form of a capital grant for application to the development cost of the project, or in the form of a loan rather than a capital grant where the funding from an agency of the U.S. Government is available to repay the loan.

(2) Payments: The Commissioner, in accordance with such contract, may make temporary advances to such authority or such community housing development corporation or other corporation approved by the Commissioner on Aging for preliminary planning expense or other development cost of project or projects.

(3) Reporting: The housing authority, community housing development corporation or other corporations approved by the Commissioner on Aging, as the case may be, are required to submit quarterly schedules of development costs upon receipt of first advance of funds from the State. A development Fund Release Sheet is also required on a quarterly basis.

(b) Costs during management phase:

(1) Financial Assistance: The Commissioner may enter into an annual contract to provide a subsidy for the cost of Congregate Services for the eligible tenants of the Congregate Facility.

(2) Payments: The Commissioner, in accordance with such contract, may make payments to such developers who are required to submit quarterly financial statements to verify the need for the subsidy payment. Such payments shall not exceed the total cost of the program or the total amount of the annual grant.

(3) Reporting: The developer is required to submit quarterly financial statements and annual Management Plans and other reports as required by the Commissioner.

(Effective June 19, 1985)

Sec. 8-119g-12. Audits

(a) The housing authority, community housing development corporation or other corporations approved by the Commissioner on Aging will be subject to audits of all books and records. Audits will be performed by independent public accountants registered to practice in the State of Connecticut or by qualified Department of

Housing's personnel and shall be in accordance with procedures established by the Department of Housing. An audit is to be completed as soon as practical, following completion of the development of the project and at the end of an operating period when project is under management. An audit will also be required of each annual subsidy agreement and for the administration periodically as deemed necessary by the Commissioner.

(Effective June 19, 1985)

Waiting Lists

Congregate Housing Projects

Sec. 8-119g-13. Applicability

Pursuant to Section 8-116a and 8-119g of the Connecticut General Statutes, these criteria and procedures are applicable to each housing authority, housing partnership or non-profit corporation administering elderly housing projects under Chapter 128 of the Connecticut General Statutes, to the Commissioner of Housing acting as a housing authority and any agent, servant or independent contractor acting on behalf of a housing authority, the Commissioner of Housing in the role of a housing authority, housing partnership, or any non-profit corporation.

(Effective January 22, 1986)

Sec. 8-119g-14. Definitions

(a) Incorporation of definitions: The provisions of Section 8-45-9 (a) (b) (c) (d) (e) and (f) inclusive of of this regulation except as otherwise provided herein and subsection (a) of Section 17-137 of the Connecticut General Statutes, shall govern the implementation of Congregate Housing waiting lists.

(b) "Nonprofit corporation" means a nonprofit corporation incorporated pursuant to chapter 600, having as one of its purposes the construction, rehabilitation, ownership or operation of housing and having articles of incorporation approved by the commissioner of housing in accordance with regulations adopted pursuant to section 8-79a or 8-84.

(Effective January 22, 1986)

Sec. 8-119g-15. Implementation

The provisions of Section 8-45-10 through 8-45-15: inclusive of of this regulation, except as otherwise provided, shall govern the implementation of Congregate Housing waiting lists.

(Effective January 22, 1986)

Congregate Housing for the Elderly

Sec. 8-119g-16. Definitions

(a) "Developers' Fee" means a bonus earned by developers that have successfully completed key events in the development process.

(b) "Key Events" means the four main phases in the development process: (1) Preliminary Application Approval, (2) Final Application Approval, (3) Construction Start; and (4) Construction Completion.

(c) "Successfully Completed" means completion of key events in a timely manner.

(Effective December 27, 1990)

Sec. 8-119g-17. Terms and conditions

(a) A developer’s fee may be established at up to 10% of the total development cost, less the cost of land, or \$100,000, whichever is less.

(b) The fee schedule shall be determined as follows:

<u>Percent of Fee</u>	<u>Key Event</u>
10%	Preliminary Application
15%	Final Application
25%	Construction Start
50%	Construction Completion

(c) Developer’s fees are earned based on the schedule established for completing key events in the development process, as approved by the Commissioner.

(d) Developers shall only earn a fee for those key events that are completed according to the established schedule. Developers may not be entitled to earn a fee for key events completed after the established schedule. Developers shall earn, but not receive, any fee, until completion of the housing development.

(Effective December 27, 1990)

Sec. 8-119g-18. Implementation

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

(Effective December 27, 1990)

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Elderly Rental Assistance Program (RAP)

Sec. 8-119kk-1. Definitions

As used in sections 8-119kk-1 to 8-119kk-8, inclusive, of the Regulations of Connecticut State Agencies:

(1) “Adjusted gross income” means the aggregate annual income of all household members from all sources, less allowable deductions, as determined by the commissioner.

(2) “Allowable deductions” means deductions for alimony payments ordered by the courts for dependents and certified as paid and non-reimbursable medical and dental expenses, in excess of 3% of gross income.

(3) “Assistance agreement” means a written agreement between the state and a grantee that contains the terms and conditions under which they will participate, and the amount of rental assistance payments to be made by the State for each eligible household.

(4) “Base rent” means the minimum rental charge determined by the commissioner to be necessary for the operation, upkeep and long-term maintenance and capital replacement reserves of a housing development.

(5) “Commissioner” means the commissioner of the Department of Economic and Community Development.

(6) “Department” means the Department of Economic and Community Development.

(7) “Grantee” means a housing authority, not for profit corporation or a partnership, consisting of: (A) a housing authority, a nonprofit corporation, a municipal developer, or any combination thereof; and (B) a business corporation incorporated pursuant to chapter 601 of the general statutes having as one of its purposes the construction, rehabilitation, ownership and operation of such housing.

(8) “Rental assistance” means the amount payable by the state toward the cost of the contract rent.

(9) “Utility allowance” means the estimated monthly allowance, as approved by the commissioner, for a household for heat and other utilities, excluding telephone and cable TV, which is not supplied or paid for by the grantee.

(Adopted effective July 3, 2008)

Sec. 8-119kk-2. Program description

(a) The commissioner shall implement a non-entitlement program of rental assistance for elderly persons living in State-assisted rental housing developed, under section 8-112a to 8-119c, inclusive, of the Connecticut General Statutes, that will allow such persons to afford decent, safe and sanitary housing. The commissioner may limit access to the rental assistance program dependent upon the availability of funds. Previous participation in the rental assistance program does not guarantee a grantee the right to participate in the program if a change in the applicant’s circumstances occurs, that results in ineligibility, prior to execution of the rental assistance contract. The commissioner may suspend or cancel already existing rental assistance contracts based on lack of funds.

(b) The department shall oversee the program established by section 8-119kk of the Connecticut General Statutes. The grantee shall be responsible for administrative responsibilities of the program established by section 8-119kk of the Connecticut General Statutes, including tenant selection, annual unit inspections, initial and annual reexamination of tenant income and rent adjustments, maintenance of records and other duties as required by the commissioner.

(c) Should a qualified tenant who is receiving a subsidy under the program be otherwise eligible to relocate to another state-assisted rental housing facility that is participating in the program, and choose to do so, the state shall notify the tenant and the grantee that the tenant's certificate will be transferred to that new facility and the qualified tenant will continue to receive rental assistance at the new facility.

(Adopted effective July 3, 2008)

Sec. 8-119kk-3. Fair housing and equal opportunity requirements

Grantees participating in the program established by section 8-119kk of the Connecticut General Statutes are required to comply with all applicable federal and state fair housing laws, rules and regulations. The commissioner may suspend participation of a grantee in this program based on that grantee's lack of compliance, as noted above, so long as any eligible tenant is not seriously harmed by such suspension. "Seriously harmed" for purposes of this section shall mean that an eligible tenant would be required to pay in excess of thirty five percent (35%) of his/her adjusted gross monthly income for rent, less a utility allowance (if applicable).

(Adopted effective July 3, 2008)

Sec. 8-119kk-4. Grantee and tenant eligibility and selection

(a) The commissioner shall select a grantee to participate in the program based on criteria that shall include but not be limited to the following:

- (1) Demonstration of the need for rental assistance;
- (2) Demonstration that the grantee has an approved management plan for the period;
- (3) Demonstration that the grantee is in good standing with the department;
- (4) The apparent capability of the grantee to manage the project in a decent, safe and fiscally prudent manner; and
- (5) The availability of funds from sources other than the program established by section 8-119kk of the Connecticut General Statutes.

(b) A tenant is eligible to receive rental assistance as part of the program if the tenant:

- (1) Is current on his/her annual recertification of income; and
- (2) Pays more than thirty percent (30%) of his/her adjusted gross income for rent, less a utility allowance.

(c) Any rental assistance provided under this subsection shall be provided to the grantee to make one or more dwelling units affordable to low income households residing in state financed elderly housing. These units shall continue for the term of the assistance agreement entered into between the department and the grantee, so long as funds are available for such purposes.

(Adopted effective July 3, 2008)

Sec. 8-119kk-5. Rental assistance computation

(a) The tenant contribution shall be thirty percent (30%) of the tenant's adjusted gross monthly income less a utility allowance, if applicable. The amount of rental assistance shall be the difference between the tenant contribution and the base rent for housing projects subject to the provisions of Sections 8-112a to 8-119c, inclusive, of the Connecticut General Statutes.

(b) The maximum allowable rent for an eligible elderly housing project shall be established by the commissioner, or his agent, in such a manner that the grantee shall manage and operate the elderly housing project at the lowest possible rate consistent with the production of revenues, which, together with all other available

money, revenues, income and receipts from whatever sources derived, will be sufficient to pay for the operation or management plan for such project or projects, which shall be adequate for debt service on any notes or bonds issued for such development cost, administration, including a State service charge as established by the commissioner, other operating costs and establishment of reasonable reserves for repairs, maintenance and replacements, vacancy and collection losses. This maximum rental charge shall be determined through the review and approval of an annual operating budget and management plan by the commissioner, or his agent.

(Adopted effective July 3, 2008)

Sec. 8-119kk-6. Recertification of household income

(a) The grantee shall conduct a re-examination of household income and composition annually. The grantee shall adjust the amount of each household's assistance payment at the time of the effective date of the annual recertification to reflect changes in the household's adjusted gross income.

(b) During the term of the household's rental agreement, the household may request a redetermination of its contribution because of significant changes in its adjusted gross income and the household is required to report substantial changes in income or any change in household composition to the grantee.

(Adopted effective July 3, 2008)

Sec. 8-119kk-7. Disbursement of funds

(a) The grantee shall administer the funds in accordance with the provisions of Section 8-115a of the Connecticut General Statutes and shall maintain complete and accurate books and records in accordance with the department's housing and accounting manuals.

(b) Rental assistance payments shall be paid to the grantee by the department. These payments shall cover the difference between base rent and the portion of the rent payable by the households, as submitted on Exhibit A to the assistance agreement.

(c) Payments shall be made twice a year, upon submission by the grantee and approval by the department of a request for payment in a form and manner acceptable to the department.

(Adopted effective July 3, 2008)

Sec. 8-119kk-8. Reporting requirements and audits

(a) The grantee shall submit periodic financial and program reports to the department in accordance with the terms specified in its contractual agreement with the department.

(b) The grantee shall be subject to audit of all books and records related to the program established by section 8-119kk of the Connecticut General Statutes.

(c) The grantee subject to a federal and/or state single audit shall have an audit performed of its account annually. The audit shall be in accordance with the department's audit guide and the requirements established by federal law and state statute. If the grantee is not subject to a federal and/or state single audit, it shall be subject to a project specific audit of its accounts within ninety (90) days of the completion of the project or at such times as required by the commissioner. Such audit shall be in accordance with the department's audit guide. An independent public accountant as defined by generally accepted government-auditing standards (GAGAS) shall conduct the audits. At the discretion and with the approval of the commissioner, examiners from the department may conduct project specific audits.

(Adopted effective July 3, 2008)

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Independent Living for Handicapped and Developmentally Disabled Persons

Sec. 8-119t-1. Definitions

The following Definitions apply to Section 8-119t-1 through 8-119t-8 of the Regulations of Connecticut State Agencies:

(1) “Commissioner” means the Commissioner of Economic and Community Development.

(2) “Comprehensive Housing Affordability Strategy” means the planning document described in 42 United States Code Section 12705 or the planning document of general applicability in the State with respect to housing and community development which is determined by the Commissioner to constitute the successor to the planning document described in 42 United States Section 12705.

(3) “Department” means the Department of Economic and Community Development.

(4) “Financial assistance” means grants provided to statewide, private, nonprofit housing development corporations pursuant to Section 8-119t of the Connecticut General Statutes.

(5) “Handicapped and developmentally disabled persons” means any persons who are physically or mentally handicapped including but not limited to, mentally retarded, physically disabled, sensory impaired and autistic persons.

(6) “Low and moderate income” means persons whose income does 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.

(7) “Nonprofit housing development corporation” means a nonprofit corporation that may conduct business statewide, 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.

(Effective February 9, 1996)

Sec. 8-119t-2. Program description

(a) The Commissioner may enter into a contract with an eligible statewide, private nonprofit housing development corporation for financial assistance in the form of a grant to facilitate the development of small non-institutionalized living units for low and moderate income handicapped and developmentally disabled persons.

(b) The Commissioner may waive any nonstatutory requirements imposed by Section 8-119t-1 to Section 8-119t-8, inclusive, of these regulations. Requests for a waiver shall be in writing, addressed to the commissioner. Such waiver may only be granted with sufficient evidence that:

(1) the literal enforcement of such provision or provisions provide for exceptional difficulty or unusual hardship not caused by the recipient;

(2) the benefit to be gained by waiver of the provision or provisions is clearly outweighed by the detriment which shall result from enforcement;

(3) the waiver is in harmony with conserving public health, safety and welfare; and

(4) the waiver is in the best interest of the state.

(Effective February 9, 1996)

Sec. 8-119t-3. Eligible developers

A nonprofit housing development corporation shall:

- (1) Submit an endorsed certificate of incorporation certified by the Secretary of State, which includes the articles of incorporation, that state that it is organized and operating to expand independent living opportunities for low and moderate income handicapped and developmentally disabled persons;
- (2) Submit a certificate of good standing certified by the Secretary of State;
- (3) Submit a list of independent living housing projects which it has developed, owned or managed;
- (4) Submit a statement authorizing the Commissioner to apply for a credit report; and
- (5) Inform the Department, in writing, of the corporation's principal place of business.

(Effective February 9, 1996)

Sec. 8-119t-4. Eligible activities

The Commissioner is authorized to extend financial assistance in the form of a grant to eligible statewide nonprofit housing development corporations for administrative expenses and technical assistance, including but not limited to:

- (1) preproject development costs, costs associated with the preparation of applications for federal funds, site acquisition and architectural review costs;
- (2) general operating expenses including rent, utilities, supplies, telephone, postage, printing, travel and insurance;
- (3) benefits and salaries of the nonprofit corporation's staff;
- (4) the provision of technical assistance services to developers involved in the development of housing for low and moderate income handicapped and developmentally disabled persons;
- (5) other personal and consulting services related to the acquisition, construction and/or rehabilitation of housing for handicapped and developmentally disabled persons; and
- (6) community outreach.

(Effective February 9, 1996)

Sec. 8-119t-5. Application process

(a) The Commissioner may solicit or accept applications for financial assistance from eligible statewide nonprofit housing development corporations.

(b) As part of the application and approval process, the statewide nonprofit housing development corporation shall be required to furnish the following:

- (1) Certification of the nonprofit corporation's eligibility, as defined in Section 8-119t-2 of the regulations of Connecticut State Agencies;
- (2) A copy of the nonprofit housing development corporation's budget listing all revenue by source, as well as expenses to be supported by the proposed grant; and
- (3) A description and timetable of the nonprofit corporation's present and projected activities involving the project to be undertaken.

(c) Applications shall be evaluated and approved or rejected by the Commissioner based on the following rating and ranking criteria:

- (1) Sponsor Capacity - Maximum 60 points

Includes but is not limited to: the nonprofit corporation's past performance in developing, completing, or managing, affordable independent living housing developments; its past performance under other Department of Housing or Connecticut

Housing Finance Authority programs; its administrative and financial capacity; and leveraging of other federal or state funds.

(2) Project Capacity - Maximum 40 points

Includes but is not limited to: conformance with any needs identified in the State's Comprehensive Housing Affordability Strategy.

(d) The minimum threshold points that an applicant shall have to be considered for funding is fifty (50). Funding shall be provided based on the highest ranking and working downward until applications requesting financial assistance equal the amount of funds available. If more than one application receives the same score the remaining available funds shall be equally divided between or among the applicants.

(d) The Commissioner may, from time to time, request additional information from the statewide nonprofit housing development corporation.

(Effective February 9, 1996)

Sec. 8-119t-6. Contract for financial assistance

(a) Following approval of an application by the Commissioner, the State, acting by and through the Commissioner, may enter into a contract with a statewide nonprofit housing development corporation for financial assistance.

(b) Such contract shall include, but not be limited to, the amount of the grant to be provided, the term of the contract and the rights and obligations of the parties under the contract.

(Effective February 9, 1996)

Sec. 8-119t-7. Reporting and access to records

(a) A statewide nonprofit housing development corporation shall maintain complete and accurate records, in accordance with the latest procedures approved by the Commissioner.

(b) A statewide nonprofit housing development corporation shall furnish the Commissioner with financial statements and other reports relating to the development and operation of the project as well as information regarding the households being served, in such detail, and at such times, as the Commissioner may require.

(c) A statewide nonprofit housing development corporation shall, annually, provide income and racial data on all households entering a housing development which results from the use of financial assistance provided under this program. Such data shall cover the period through September thirtieth and shall be provided on all households entering a housing development and those occupying the development during the year or as determined by the Commissioner.

(Effective February 9, 1996)

Sec. 8-119t-8. Fiscal compliance and examination

A statewide nonprofit housing development corporation receiving financial assistance under this program shall be subject to an examination of all books and records related to the project. 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 February 9, 1996)

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Affordable Housing Program

Secs. 8-119jj-1—8-119jj-15.

Repealed, April 20, 1990.

Sec. 8-119jj-16. Definitions

The following definitions apply to Sections 8-119jj-16 through 8-119jj-26 of the Regulations of Connecticut State Agencies:

(a) “Admission Income Limit” means the maximum income allowed for admission to an affordable housing development.

(b) “Affordable Housing Development” or “Development” means any work or undertaking to provide decent, safe and sanitary dwelling units for families of low income, which may include the planning of buildings and improvements, the acquisition of property, site preparation, the demolition of existing structures, new construction, or the rehabilitation of existing buildings.

(c) “Base Rent” means the minimum rent that any tenant will pay as established for each development and approved by the Commissioner.

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

(e) “Continued Occupancy Limit” means the maximum income allowed for continued occupancy in an affordable housing development.

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

(g) “Deferred Loan” means a loan where the principal and interest payments shall become due and payable no later than the sale and/or disposition of the development.

(h) “Developer” means:

(1) a housing authority established in accordance with Section 8-40 of the Connecticut General Statutes and the Connecticut Housing Authority when exercising the rights, powers, duties or privileges of, or subject to the immunities or limitations of housing authorities pursuant to Section 8-121 of the Connecticut General Statutes; or

(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; or

(3) 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 Board of Selectmen if such board is authorized to act as the municipal developer by the town meeting or representative town meeting; or

(4) a partnership, consisting of:

(A) a housing authority, a nonprofit corporation, a municipal developer, or any combination thereof; and

(B) (i) a business corporation incorporated pursuant to chapter 599 of the 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 in accordance with regulations adopted pursuant to section 8-119jj of the Connecticut General Statutes; or

(ii) a for-profit partnership, limited partnership, joint venture, trust or association having as one of its purposes the construction, rehabilitation, ownership or operation of housing and having basic documents of organization approved by the Commis-

sioner in accordance with regulations adopted pursuant to section 8-119jj of the Connecticut General Statutes; or

(iii) any combination of the entities included under subparagraphs (i) and (ii) of this subdivision.

(i) "Equity Interest" means a housing site or cash contribution either of which must be approved by the Commissioner as part of the total project development cost to be furnished by a developer receiving a grant.

(j) "Family" means a household consisting of one or more persons.

(k) "Financial Assistance" means any grants or deferred loans provided for the purpose of developing a low income housing development for which a contract is entered into by the state with a developer.

(l) "Mortgage" means an interest in real property created by a written instrument providing a first lien on such property as security for repayment of a debt or obligation.

(Effective January 29, 1991)

Sec. 8-119jj-17. Program description

(a) The affordable housing program provides financial assistance to developers to assist in the creation of rental units for low income families. Developers may receive state financial assistance in the form of grants or deferred loans for the development of rental housing, including, but not limited to, real property acquisition and preparation, construction or rehabilitation, architect's fees, and administrative or other costs or expenses incurred by the state.

(b) The Commissioner may, for good cause shown, if he deems it in the best interest of the state, waive any non-statutory requirement imposed by these regulations.

(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 for the development and management of rental affordable housing developments pursuant to Section 8-119bb through Section 8-119jj of the Connecticut General Statutes.

(Effective January 29, 1991)

Sec. 8-119jj-18. Eligibility

To be eligible to participate in this program;

(a) A housing authority must, in addition to the requirements in subsection (d) below:

(1) Be in good standing with the Department; and

(2) Submit a statement from the legal counsel of the municipality 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.

(b) A nonprofit corporation must, in addition to the requirements in subsection (d) below:

(1) Submit documentation of tax exempt status;

(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; and

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

(c) A partnership must, in addition to the requirements in subsection (d) below:

(1) Submit a copy of the organizational documents of the partnership;

(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) Submit a statement in writing of the partnership's principal place of business.

(d) All housing authorities, nonprofit corporations or 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.

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

(Effective April 20, 1990)

Sec. 18-119jj-19. Application approval process

(a) Developers may be required to pay a processing fee.

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

(1) Housing need and marketability;

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

(3) Site control and suitability;

(4) Plans and specifications in accordance with the Commissioner's design standards;

(5) Financial information on projected cost of development and management;

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

(7) Local support; and

(8) Execution of a cooperation agreement.

(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 affordable housing development may proceed and inform the developer of the contents and terms of the contract(s) for state financial assistance to be entered into with the developer.

(Effective April 20, 1990)

Sec. 8-119jj-20. Contract for financial assistance

(a) Contract(s) shall include, but not be limited to: the amount of the financial assistance to be provided, the amount of the state service charges to be assessed during the development and management of the affordable housing development(s), the term of the contract(s), and the rights and obligations of the parties under the contract(s).

(b) All deferred loans shall be secured by a mortgage note and deed on terms and conditions satisfactory to the Commissioner.

(c) A lien shall be filed 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.

(Effective April 20, 1990)

Sec. 8-119jj-21. Management

(a) Developers shall manage affordable housing developments in an efficient manner so that base rents can be fixed at the lowest possible level consistent with the provision of decent, safe and sanitary dwelling units.

(b) The total income for a development shall be sufficient to meet the costs of development operation including but not limited to:

(1) The cost of operating and maintaining the development including its administrative costs, provision of reasonable reserves for repairs, maintenance and replacements, and vacancy and collection losses;

(2) Property taxes, either full or abated, or payments in lieu of taxes not otherwise paid by the state to the municipality;

(3) The cost of a state service charge if one is assessed;

(4) A limited dividend for partnerships only, as approved by the Commissioner; and

(5) The cost of the principal and/or interest due and payable on the loan, if applicable.

(c) The Commissioner shall annually approve an operation or management plan for each development.

(Effective April 20, 1990)

Sec. 8-119jj-22. Admission and continued occupancy income limits

(a) The admission income limit shall be fifty percent of the area median income, adjusted for family size, as determined from time to time by the U.S. Department of Housing and Urban Development.

(b) The continued occupancy income limit shall be the admission income limit as defined in subsection (a) above, multiplied by a factor of 1.60.

(c) For the purpose of determining eligibility for continued occupancy income verification shall be annually.

(d) All tenants shall be notified, in writing, of changes in their rent or of over income status resulting from the income re-verification at least thirty (30) days prior to the effective date of such changes.

(Effective April 20, 1990)

Sec. 8-119jj-23. Rent determination

Rents for developments shall be determined as follows:

(1) Where federal or state rental assistance is available, the rent schedule will be determined by the rules governing the program of the federal or state agency.

(2) In developments where no rental subsidy exists, a base rent shall be established and the tenant will pay the higher of:

(A) A percentage of the adjusted gross income not to exceed thirty percent, minus a utility allowance for those tenants who pay their own utilities. The percentage shall be established by the developer and approved by the Commissioner; or

(B) A base rent established by the developer and approved by the Commissioner.

(Effective January 29, 1991)

Sec. 8-119jj-24. Procedures for rent changes

The following procedures shall be followed by all developers for any proposed rent increases, except rent increases based on circumstances such as family income or composition:

(a) A 30 day written notice mailed to all tenants that a change in the rent schedule will be considered by the developer, at its next meeting, (include the date and time of the meeting) and may result in a rent increase.

(b) Advise tenants that they may submit written comments to the developer within the 30 day period, and that they may review any documents supporting the proposed rent increase which will be on file at the office of the developer. Also, tenants may attend the meeting and make comments at that time.

(c) At the end of the 30 day period, the developer shall submit within 15 days to the Commissioner, its recommended management plan plus all tenant comments.

(d) Within 30 days after receipt of the developer's recommendation the Commissioner will approve, disapprove, or request modification of the rent increase or any portion thereof.

(e) If the rent increase is approved by the Commissioner the developer must then give the tenants at least 30 days written notice prior to the effective date of the rent increase.

(Effective April 20, 1990)

Sec. 8-119jj-25. Program and financial reporting

(a) Developers shall, annually, provide income data which covers the period through September thirtieth. Such data shall be provided on all households entering a housing development and those occupying the development during the year.

(b) Developers shall maintain complete and accurate books and records in accordance with the latest procedures approved by the Commissioner.

(Effective January 29, 1991)

Sec. 8-119jj-26. 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 April 20, 1990)

Affordable Housing Projects

Sec. 8-119jj-27. Definitions

(a) "Developers' Fee" means a bonus earned by developers that have successfully completed key events in the development process.

(b) "Key Events" means the four main phases in the development process: (1) Preliminary Application Approval, (2) Final Application Approval, (3) Construction Start; and (4) Construction Completion.

(c) "Successfully Completed" means completion of key events in a timely manner.

(Effective December 27, 1990)

Sec. 8-119jj-28. Terms and conditions

(a) A developers' fee may be established at up to 10% of the total development cost, less the cost of land, or \$100,000, whichever is less.

(b) The fee schedule shall be determined as follows:

<u>Percent of Fee</u>	<u>Key Event</u>
10%	Preliminary Application
15%	Final Application
25%	Construction Start
50%	Construction Completion

(c) Developer's fees are earned based on the schedule established for completing key events in the development process, as approved by the Commissioner.

(d) Developers shall only earn a fee for those key events that are completed according to the established schedule. Developers may not be entitled to earn a fee for key events completed after the established schedule. Developers shall earn, but not receive, any fee, until completion of the housing development.

(Effective December 27, 1990)

Sec. 8-119jj-29. Implementation

The provisions of Section 8-68g-1, except as otherwise provided, shall govern the implementation of the Affordable Housing Program developers' fee.

(Effective December 27, 1990)

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Urban Homesteading Loan Fund

Secs. 8-169w (c)-1—8-169w (c)-5.

Repealed, June 30, 1987.

Urban Homesteading Program

Sec. 8-169w-1. Definitions

(a) “Abandoned Property” means any real property on which there is a vacant structure and on which (1) real property taxes have been delinquent for one year or more and orders have been issued by the municipality’s fire official, building official or health official and there has been no compliance with those orders within the prescribed time given by such official or within ninety days, whichever is longer, or (2) the owner has declared in writing to the building official that his property is abandoned.

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

(c) “Community Housing Development Corporation” 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.

(d) “Department” means the Department of Housing.

(e) “Eligible Properties” means any real property which an urban homesteading agency has acquired pursuant to Section 8-169r or Section 8-169v of the Connecticut General Statutes and which meets all the criteria to receive financial assistance from the Urban Homesteading Fund.

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

(g) “Financial Assistance” means grants or loans of any combination thereof as authorized and defined by Sections 8-169u and 8-169w of the Connecticut General Statutes.

(h) “Interim loan” means a loan which provides funds necessary to develop a project at an interest rate to be determined in accordance with subsection (t) of Section 3-20 of the Connecticut General Statutes and which is due and payable following the cost certification of the project.

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

(j) “Mortgage” means a written instrument in which real estate is used as security for repayment of a debt or obligation.

(k) “Municipality” means city, town, or borough.

(l) “Nonprofit Corporation” means a nonprofit corporation which has 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 its articles of incorporation approved by the Commissioner.

(m) “Permanent loan” means a loan for a term not to exceed thirty years, in an amount which does not exceed the certified development cost of the project and at an interest rate to be determined in accordance with subsection (t) of Section 3-20 of the Connecticut General Statutes.

(n) “Urban Homesteader” or “Homesteader” means any person, firm, partnership, corporation or other legal entity to which urban homesteading property is conveyed.

(o) “Urban Homesteading Agency” means the agency designated by the legislative body of a municipality pursuant to Section 8-169q of the Connecticut General Statutes.

(p) “Urban Homesteading Fund” means the fund established to make grants and loans pursuant to Section 8-169w of the Connecticut General Statutes.

(q) “Urban Homesteading Project” or “Project” means any work or undertaking to provide decent, safe and sanitary urban or rural dwellings, apartments or other living accommodations for families of low and moderate income. Such work or undertaking may include planning of buildings and improvements, acquisition of property, demolition of existing structures, construction, re-construction, alteration and repair and all work in connection therewith.

(r) “Urban Homestead Property” means any real property for use in the Urban Homesteading Program which an urban homesteader has acquired either through Section 8-169s of the Connecticut General Statutes or real property to which the urban homesteader has title.

(Effective March 28, 1989)

Sec. 8-169w-2. Program description

(a) The Urban Homesteading Program is designed to provide the following: low interest loans to urban homesteaders for the purchase and rehabilitation of or construction on urban homestead property; and grants to the community housing development corporation chartered under Section 8-218f of the Connecticut General Statutes for the purchase and rehabilitation of or construction on urban homestead property.

(b) The purpose of this program is to return as many vacant and abandoned properties as possible to the supply of maintained, taxable residential properties as well as to provide home ownership opportunities for low and moderate income families and to make public investments in urban neighborhoods to preserve and stabilize them.

(c) Organizations 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 for the development and management of urban homesteading projects.

(Effective March 28, 1989)

Sec. 8-169w-3. Eligibility

(a) Organizations

Organizations eligible to receive assistance under the Urban Homesteading Program include urban homesteading agencies, the community housing development corporation chartered under Section 8-218f of the Connecticut General Statutes, and any nonprofit corporation incorporated pursuant to Chapter 600 of the 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, which is an urban homesteader as defined in Section 8-169w-1 (n) above.

(b) Property

Urban homestead property can be utilized by urban homesteaders and the community housing development corporation chartered under Section 8-218f of the Connecticut General Statutes for the following purposes:

- (1) abandoned property may be used for rehabilitation activities;
- (2) vacant municipally owned property may be used for construction activities.

(c) Urban Homesteaders**(1) Selection**

The urban homesteading agency shall select from among applicants for urban homestead property those applicants who, in determination of the agency, can acquire the necessary financial and technical resources to rehabilitate or construct, own and manage urban homestead program property. Such property shall be offered to such qualified applicants in accordance with the following priorities:

(A) Persons displaced by governmental activities declaring in writing their intent to occupy the property for a period of not less than two years;

(B) low and moderate income families declaring in writing their intent to occupy the property for a period of not less than two years;

(C) families or persons declaring in writing their intent to occupy the property for a period of not less than two years;

(D) nonprofit community housing development corporations;

(E) any other qualified applicant, provided the urban homesteading agency has certified that no qualified urban homesteaders of higher priority have applied.

(2) Initial Occupancy

Initial occupancy income limits for homesteaders who are of low and moderate income shall not be in excess of 96% of the median income in the applicable Standard Metropolitan Statistical Area as published by the U.S. Department of Housing and Urban Development.

(Effective March 28, 1989)

Sec. 8-169w-4. Application process**(a) Application Submission Procedures/Requirements**

(1) The Commissioner may solicit and/or accept applications for financial assistance for urban homesteading projects from eligible organizations as defined in Section 8-169w-3 (a) of these regulations.

(2) As part of the application and project approval process, applicants shall be required to furnish the following:

(A) Evidence of the organization's eligibility: for urban homesteading agencies, designation by the local legislative body of the municipality that is certified on an annual basis;

(B) Evidence of housing need and marketability;

(C) Proposed location;

(D) Evidence of site control;

(E) Evidence that local site plan approval has been obtained;

(F) Evidence of local support and commitment for funding from other sources;

(G) Evidence that the project is designed in compliance with criteria promulgated by the Commissioner;

(H) Evidence of the eligible organization's ability to provide or obtain technical assistance before and during the rehabilitation or construction process regarding property management, record keeping, property maintenance or any other area necessary to ensure the success of each homesteading project;

(I) Evidence of general administrative capability to operate the program;

(J) An estimate of the cost of the project;

(K) Preliminary architectural plans and drawings for new construction or substantial rehabilitation;

(L) Architect's contract;

(M) Evidence of planning and zoning commission approval;

(N) Income eligibility standards for homesteaders.

(3) The Commissioner may, from time to time, require additional information of the applicant.

(b) **Criteria for Selection**

Projects shall be accepted or rejected by the Commissioner based on the factors listed in Section 8-169w-4 (a), above, the availability of financial assistance, and the following:

(A) Any needs outlined in the five year housing advisory plan;

(B) Local housing assistance plans, if in existence;

(C) Any other statistical data on housing need and marketability for the area of the proposed site as available;

(D) Suitability of the proposed site and project;

(E) The apparent capability of the applicant to plan, complete and manage the project.

(c) If a project is rejected, the applicant shall be notified in writing of the reasons for the rejection.

(d) If accepted, the Commissioner shall notify the applicant that the project may proceed and inform the applicant of the contents and terms of the contract for state financial assistance to be entered into with the applicant.

(Effective March 28, 1989)

Sec. 8-169w-5. Contract for financial assistance

(a) **Bond Commission Approval**

The Commissioner shall, from time to time, request approval of state financial assistance in the form of loans or grants or any combination thereof from the State Bond Commission.

(b) **Contract Requirements**

(1) Following preliminary 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 or contracts with an eligible organization for financial assistance for a project or projects in the form of loans or grants or any combination thereof in an amount not in excess of the development cost of the project or projects as approved by the Commissioner.

(2) Such contract shall include, but not be limited to, the following: affirmative action requirements, the amount of financial assistance to be provided, the term of the contract, and the rights and obligations of the parties under the contract or contracts.

(Effective March 28, 1989)

Sec. 8-169w-6. Use of funds

(a) **Loan Procedures**

Funds will be provided to eligible organizations to aid these organizations in providing loans to urban homesteaders for the purchase and rehabilitation of or construction on urban homestead property.

(1) **Underwriting Criteria**

The Commissioner may authorize loans made by urban homesteading agencies to eligible urban homesteaders. In determining eligible homesteaders, not more than 38% of gross monthly income should be applied to all mortgages, taxes, homeowners insurance and all countable obligations. Countable obligations will include all installment debts and credit union loans for over 8 months from date of closing in addition to court ordered child support payments. Five percent (5%) of all monthly short

term debt or revolving credit shall be counted. All credit reports should be current at time of application. Written explanations for previous poor credit and/or bankruptcies must be included with the loan application.

(2) Interest Rate

Interest rates will be determined by the Commissioner based on the homesteader's income, the amount needed to rehabilitate or construct on the eligible property, and the potential rental income derived from the rehabilitated or constructed property, with the goal of keeping housing related expenses at or below the percentage of the borrower's gross monthly income as specified in Section 8-169w-6 (a) (1) of these regulations. The commissioner shall collect interest on each loan extended under this section at a rate to be determined in accordance with subsection (t) of Section 3-20 of the Connecticut General Statutes.

(3) Eligible Costs

Loans shall be made from the Urban Homesteading Fund for the purchase, rehabilitation of or construction on eligible urban homesteading properties. Eligible costs included in the loan are those acquisition, rehabilitation or construction costs determined eligible and approved by the Commissioner. Eligible costs may also include: appraisal fees; building permits; costs of processing and settling the loan; architectural, engineering or related professional services if required to bring the structures up to code standards and construction costs. The cost of general property improvements may be included in the loan if they are:

(A) necessary to put the property in a generally good and readily maintainable condition;

(B) they do not exceed 20% of the total cost of rehabilitation; and

(C) the minimum improvements required to meet code standards are satisfied first.

A portion of the Urban Homesteading fund may be used by the Commissioner for necessary costs of administering this program.

(4) Appraisals

Appraisals shall be made on the after-rehabilitation or completed value of the property. Total indebtedness of the property shall not exceed 97% of the after-rehabilitated or constructed value.

(5) Terms of Loan

The Commissioner may make interim loans, and/or permanent loans from the fund. The term of the interim loan shall not exceed one year. However, in the event that it is determined and can be demonstrated by the recipient organization that the best interests of the project will be served by extending this one year period, such an extension may be requested by the recipient organization, and may be granted by the Commissioner. The term of the permanent loan shall not exceed twenty years, unless it can be demonstrated by the recipient organization that the best interests of the project will be served by a term of no more than thirty years, subject to approval of the Commissioner.

(6) Security Requirements

All loans made by the Commissioner from the Urban Homestead Fund shall be secured by a first or second mortgage on the urban homesteading property which will be held by the Commissioner of Housing. A third mortgage may be granted by the Commissioner by special request and upon his approval.

(7) Default and Remedy Provisions

In the event of default, the Commissioner may foreclose on the property or take any steps necessary to protect the financial interest of the State.

(b) Grant Procedures

Financial assistance may be provided to all urban homesteading agencies in order to provide grants to the community housing development corporation chartered under Section 8-218f of the Connecticut General Statutes, for the purchase and rehabilitation of or construction on urban homestead program property.

(1) Eligible Costs

Grants may be made from the Urban Homesteading Fund for the purchase, rehabilitation of or construction on eligible property. Eligible costs included are those acquisition, rehabilitation or construction costs determined eligible and approved by the Commissioner. Eligible costs may include appraisal fees; building permits; administrative costs; and architectural, engineering or related professional services, if required to bring the structures up to code standards; and construction costs. The cost of general property improvements may be included if they are:

(A) necessary to put the property in a generally good and readily maintainable condition;

(B) they do not exceed 20% of the total cost of rehabilitation or construction; and

(C) the minimum improvements required to meet code standards are satisfied first.

A portion of the Urban Homesteading fund may be used by the Commissioner for necessary costs of administering this program.

(2) Security Requirements

All contracts for state financial assistance entered into pursuant to Section 8-169w of the Connecticut General Statutes shall provide that the recipient organization repay the grant if the property for which financial assistance is provided is no longer used for the purposes intended. The Department shall cause to be filed a lien on the property for which financial assistance is to be provided.

(Effective March 28, 1989)

Sec. 8-169w-7.

Repealed, March 28, 1989.

Sec. 8-169w-8. Financial reporting and access to records**(a) Record Keeping**

Each organization shall maintain complete and accurate books and records, insofar as they pertain to state urban homesteading projects, and they shall be set up and maintained in accordance with the latest manual approved by the Commissioner.

(b) Financial Statements

Each organization 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) Access to Records

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 organization relative to the project, said permission to include the right to make excerpts or transcripts from such accounts, records and books.

(Effective June 30, 1987)

Sec. 8-169w-9. Fiscal compliance and examination

Organizations receiving financial assistance shall be subject to examination of all books and records related to the project. 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. An examination is to be completed as soon as possible following the completion of the project and at such other times as the Department may require.

(Effective June 30, 1987)

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Municipal Development Projects

Sec. 8-198-1. Definitions

- (a) "Act" means Chapter 132 of the General Statutes, as amended.
 - (b) "Commissioner" means the Commissioner of Economic Development.
 - (c) "Department" means the Department of Economic Development.
 - (d) "Environmental Assessment" means "environmental assessment" as defined in Section 22a-1a-1 of the Regulations of Connecticut State Agencies.
 - (e) "Environmental Impact Evaluation" means "environmental impact evaluation" as defined in Section 22a-1a-1 of the Regulations of Connecticut State Agencies.
 - (f) "Finding of No Significant Impact" means "finding of no significant impact" as defined in Section 22a-1a-1 of the Regulations of Connecticut State Agencies.
 - (g) "Mini-Industrial Project" means a development project which primarily involves acquisition, rehabilitation, demolition, relocation or associated site improvements of real property in existing built-up areas.
 - (h) "Project Plan" means a detailed written document concerning a proposed development project.
 - (i) "Site Review" means the review process by which state agencies review the site for the proposed project and indicate state agency concerns relative to the site and whether the plan for the site may, or may not, be inimical to the planning program objectives of the specific agency. The site review shall be coordinated by the Office of Policy and Management. The Department will provide the Office of Policy and Management the information and material needed for the site review.
- (Effective January 27, 1983)

Sec. 8-198-2. General eligibility requirements

- (a) The Commissioner is authorized to make grants to eligible municipalities to carry out the provisions of the Act. In order to be eligible to receive grants, the municipality must have a planning commission.
 - (b) The municipality is authorized to designate by vote of its legislative body, the economic development commission or the redevelopment agency of the municipality or a non-profit development corporation as its development agency. The municipality may, with the approval of the Commissioner, designate a separate development agency for each development project it undertakes under the act.
- (Effective January 27, 1983)

Sec. 8-198-3. Eligibility requirements for planning and special planning grants

Planning grants may be made to municipalities to facilitate the planning of development projects. Special planning grants may be made to municipalities to facilitate the planning of development projects that consist predominantly of industrial buildings which it is anticipated, within eighteen months, shall have more than fifty percent of the usable floor space unused or substantially underutilized and shall result in significant unemployment as a result of the vacating of floor space.

(Effective March 5, 1986)

Sec. 8-198-4. Application procedure for planning and special planning grants

- (a) The Commissioner shall require the submission of a pre-application to enable the Department to make a preliminary evaluation of the proposed development project. The specific submission requirements for the pre-application shall be deter-

mined by the Department. In order to effectively evaluate the proposed development project, the Department may conduct on-site inspections of the project area.

(b) The applicant's pre-application submission may be provided to appropriate state agencies for a site review. Upon completion of the site review, the applicant will be notified by the Department of the results of the site review and the Department's recommendation concerning the proposed planning project.

(c) Applications for planning or special planning grants shall be made on forms prescribed by the Department and available at its office on written request. The specific submission requirements for the application shall be determined by the Department.

(d) The applicant's application submission shall be provided to appropriate state agencies for a site review unless:

- (1) the municipality entirely funds the planning of the development project;
- (2) the application is for a mini-industrial project; or
- (3) the applicant submitted a pre-application and it was reviewed by the appropriate state agencies.

Upon completion of the site review, the applicant will be notified by the Department of the results of the site review and the Department's recommendation concerning the proposed planning project.

(e) Upon approval of the application by the Department, an offer of grant funds is made by the Department, subject to authorization of funds by the State Bond Commission and execution of a Grant Assistance Agreement between the development agency and the Department.

(Effective January 27, 1983)

Sec. 8-198-5. Determination of the amount of funding for planning and special planning grants

(a) The maximum grant available to a non-distressed municipality for planning grants shall not exceed fifty percent of the estimated reasonable cost of such planning. The grant to a distressed municipality, as defined in Section 32-9p of the General Statutes, shall not exceed one hundred percent of the estimated reasonable cost of such planning, subject to a determination by the Commissioner that there is a substantial likelihood that the planned development project will be consummated. The reasonable cost of such planning is to be determined by the Commissioner. The municipal share of the planning or special planning grant may be paid in non cash contributions, the value of which are to be determined by the Commissioner.

(b) Eligible planning costs include:

- (1) a feasibility study;
- (2) a marketability study;
- (3) a boundary survey;
- (4) a topographical survey;
- (5) test borings;
- (6) a soil and site analysis;
- (7) other planning and engineering required to prepare the elements of a project plan;
- (8) title description and title search for all land parcels to be acquired for the project;
- (9) real estate appraisals for all land parcels, structures, furniture, equipment and other improvements to be acquired or contributed to the project;
- (10) options to purchase real property situated within the project area;

- (11) a Statement of Minority Participation;
- (12) administrative expenses;
- (13) appraisal reviews required by the Department; and
- (14) written documents as outlined in Sections 22a-1 to 22a-1h, inclusive, of the General Statutes and in the regulations adopted to implement said sections.

Interim and final audits are not eligible project costs

(c) In determining the specific amount of each planning grant or special planning grant, the Commissioner shall take into account the availability of funds in relation to the number of municipalities seeking funding as well as other criteria to best carry out the purposes of the Act.

(Effective January 27, 1983)

Sec. 8-198-6. Requirements for the adoption and approval of the project plan

(a) Upon commitment of planning or special planning grant funds, the development agency begins preparing the project plan for the development project. The required elements of the project plan are contained in Section 8-189 of the General Statutes.

(b) When the proposed project plan is completed and prior to approval by the development agency, the development agency shall send a number of copies, to be determined by the Department, to the Commissioner. The proposed project plan shall be reviewed by appropriate state agencies through a review process coordinated by the Office of Policy and Management using copies of the proposed project plan provided to the Office of Policy and Management by the Department. The appropriate state agencies shall make a determination that the proposed project plan is, or is not, inimical to the planning program objectives of the agencies. If a determination is made that the plan is inimical, the individual agency shall state its reasons for making this determination. Upon receipt of the remarks of the state agencies through the Office of Policy and Management, the Department shall transmit the remarks to the development agency. In a case of an inimical determination, the Department shall indicate to the development agency that the proposed project plan cannot be determined by the Department to be complete without resolution of the inimical determination.

(c) Prior to the approval of the plan by the development agency:

(1) The planning commission of the municipality, or a subgroup designated by the planning commission of the municipality, shall adopt a resolution stating that the project plan is in accord with the plan of development for the municipality.

(2) The regional planning agency, if any, or a subgroup designated by the regional planning agency, shall adopt a resolution stating that the project plan is in accord with the plan of development for the region in which the municipality is located. If the regional planning agency or the subgroup designated by the regional planning agency, fails to adopt such a resolution within thirty-five days of receipt of the project plan, it shall be presumed that the regional planning agency does not disapprove of the project plan.

(3) The development agency shall hold at least one public hearing on the project plan. A notice of the time, place and subject matter of the public hearing must be publicized in a newspaper of general circulation in the municipality. The publication of the notice of the public hearing shall not be made less than one week nor more than three weeks prior to the date set for the public hearing. One copy of the minutes of the public hearing shall be forwarded to the Department with a publisher's certificate of the notice of the hearing which appeared in the newspaper;

(d) Upon receipt of the results of the plan review from the Department and of actions required in subsection (c) of this section, the development agency shall approve the project plan by adopting a resolution that specifically approves the findings made in the project plan in accordance with Section 8-189 (k) of the General Statutes.

(e) The development agency shall then submit the approved plan to the legislative body of the municipality for its approval. The legislative body shall approve the plan through a resolution that shall specifically include the approval of the findings made in the plan in accordance with Section 8-189 (k) of the General Statutes.

(f) After approval of the project plan by the development agency and the legislative body of the municipality, the development agency shall submit the project plan, with certified copies of all resolutions, to the Commissioner requesting the Commissioner's approval of the project plan. Prior to the approval of the project plan by the Commissioner and concurrent with or prior to submittal of the project plan to the Commissioner:

(1) The Development agency shall submit evidence to the Commissioner that it has complied with Sections 22a-105 through 22a-109 of the General Statutes if the proposed development project is located within the coastal boundary and landward of the mean highwater mark in coastal areas, as defined in Sections 22a-93 and 22a-94 of the General Statutes;

(2) The Department shall undertake an environmental assessment, using the criteria set forth in the regulations adopted to implement the provisions of sections 22a-1a to 22a-1f, inclusive, of the General Statutes, to determine whether an environmental impact evaluation or a finding of no significant impact is needed. After such determination, the Commissioner shall request the development agency to prepare the required written documents in conformance with Sections 22a-1a to 22a-1f, inclusive, of the General Statutes and the regulations adopted to implement said sections;

(3) The development agency shall prepare a Statement of Minority Participation and submit it to the Commissioner and to the Commission on Human Rights and Opportunities. The Statement of Minority Participation shall include goals and timetables as well as other information determined by the Commissioner to ensure that minority groups, persons, women, and the handicapped will benefit from the development project.

(Effective January 27, 1983)

Sec. 8-198-7. Modification of the project plan

The development agency may modify a project plan at anytime, provided that:

(a) If the modification is minor, the development agency shall approve the modified project plan by adopting a resolution that specifically approves the findings made in the modified project plan in accordance with section 8-189 (k) of the General Statutes;

(b) If the modification is substantial and it is made before the Commissioner approves the project plan, the development shall hold a public hearing on the modified project plan and shall approve the modified project plan by adopting a resolution. The legislative body of the municipality shall approve the modified project plan by adopting a resolution. The resolutions adopted by the development agency and the legislative body of the municipality shall specifically approve the findings made in the modified project plan in accordance with section 8-189 (k) of the General Statutes;

(c) If the modification is substantial and it is made after the Commissioner approves the project plan, the modified project plan shall be adopted in the same manner as the project plan;

(d) If the project plan is modified after the sale or lease of real property in the development project area, the modification must be consented to by the lessees or purchasers of such real property or their successors in interest affected by the proposed modification.

(Effective January 27, 1983)

Sec. 8-198-8. Eligibility requirements for development and special development grants

Any municipality which has completed a project plan or a redevelopment plan in accordance with Section 8-189 and 8-191 of the General Statutes and with these regulations, which has been approved by the Commissioner, is eligible to apply for a development or special development grant.

(Effective January 27, 1983)

Sec. 8-198-9. Application procedure for development and special development grants

Applications for development and special development grants shall be made on forms prescribed by the Department and available at its office on written request. Other specific submission requirements will be determined by the Department. Upon approval of the application by the Department, an offer of grant funds is made by the Department, subject to authorization of funds by the State Bond Commission and the execution of a Grant Assistance Agreement between the development agency and the Department.

(Effective January 27, 1983)

Sec. 8-198-10. Determination of the amount of funding for developmental grants

(a) The amount of funds available to a municipality for development grants is based on a percentage of the net project cost. The net project cost is the total project cost less the estimated income from the project. Eligible project costs include:

- (1) real estate acquisition and disposition financing for a period;
- (2) site clearance;
- (3) site development;
- (4) planning and engineering;
- (5) administration of the project;
- (6) interest costs for temporary and definitive financing for a period not to exceed five years on a principal amount not to exceed the required matching local share; and
- (7) relocation.

The purchase of vehicles and interim and final audits are not eligible costs. Interim audits are required every two years through the duration of the development project.

(b) The project income includes monies or the value of goods and services received from:

- (1) the sale or lease of land;
- (2) the temporary use of land, residences or businesses prior to their dispositions;
- (3) the sale or lease of sand, gravel, or other earthen materials;
- (4) the sale or lease of buildings, machinery, equipment or other materials of value, occupying land areas within the project area;
- (5) other state grants;

(6) federal capital grants approved for a non-distressed municipality; and

(7) Interest income realized from the investment of project monies.

(c) The maximum development grant available to a non-distressed municipality shall not exceed fifty percent of the net project cost. The maximum development grant available to a distressed municipality, as defined in Section 32-9p of the General Statutes, shall not exceed sixty-five percent of the net project cost. Federal capital grants approved for the distressed municipality shall, to the extent permitted by federal law, be used to pay the distressed municipality's share of the net project cost. If the federal capital grant exceeds the distressed municipality's share of the net project cost, such excess shall be applied to reduce the development grant available to the distressed municipality. When two towns jointly initiate a development project, the maximum development grant shall not exceed seventy-five percent of the net project cost.

(d) In determining the amount of specific development grants, the Commissioner shall take into account the availability of grant funds, the municipality's need for a development project, and the likelihood that a particular project will advance the purposes of the Act.

(Effective November 22, 1985)

Sec. 8-198-11. Determination of the amount of funding for special development grants

(a) The maximum amount of funds available to a municipality for special development grants within an existing development project, is up to one hundred percent of the total cost of such special development activity. Eligible activities for special development grants within an existing development project include:

(1) site improvements;

(2) utility facilities;

(3) water facilities;

(4) road facilities;

(5) sewerage facilities;

(6) related engineering services; and

(7) relocation expenses to assist business and industrial firms to locate and construct buildings within development projects.

(b) The amount of funds available to a municipality for special development grants outside boundaries of an existing development project, shall not exceed one hundred percent of the total cost of such special development activity, subject to the requirement that such grant shall not exceed ten percent of the estimated physical development costs within the development project as last approved by the Commissioner. Eligible activities for special development grants shall include the planning, installation, construction, reconstruction and acquisition of rights of way for utilities, sewerage and water lines and systems, and necessary appurtenances up to the boundaries of the development project.

(Effective January 27, 1983)

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Description of Organization

Sec. 8-203-1. Purpose and basic function

This regulation describes the department of community affairs, responsibilities of the commissioner and specific programs of the department. It also sets forth hearing and appeal procedures.

(Effective August 28, 1975)

Sec. 8-203-2. Definitions

“Commissioner” means the commissioner of community affairs.

“Governing body” means, for towns having a town council, the council; for other towns, the selectmen; for cities the common council or other similar body of officials; and for boroughs, the warden and burgesses.

“Municipality” means town, city or borough.

(Effective August 28, 1975)

Sec. 8-203-3. Part I—General

(a) **Organization description:** The department of community affairs, which derives its duties and authority primarily from Chapter 133 of the General Statutes, is under the direction and supervision of a commissioner who shall organize the department into such bureaus as may be necessary for the efficient conduct of the department’s business. There is an advisory council on community affairs, established according to the provisions of Section 8-204 of the general statutes, which consists of the commissioner of community affairs as chairman, ex officio, the director of the commission on human rights and opportunities, ex officio, and ten other members, appointed by the governor, who serve without compensation, except for reimbursement for necessary expenses incurred in performance of advisory council duties. The council consults with and advises the commissioner with respect to the affairs and problems of local government and other problems within the jurisdictional concern of the department, and conducts such studies of specific community problems as may be referred to the council by the governor, the general assembly or the commissioner.

(b) **Transfer of certain duties to commissioner:** All powers and duties previously delegated to the public works commissioner under the provisions of chapters 128, 129, and 130, were transferred to the commissioner.

All powers and duties previously delegated to the Connecticut development commission under the provisions of sections 8-124 to 8-154, inclusive, and sections 8-160 to 8-162, inclusive, were transferred to the commissioner.

All powers and duties previously delegated to the state office of economic opportunity were transferred to the commissioner, and the term, “director of the state office of economic opportunity” means the commissioner of community affairs.

(c) **Duties and responsibilities of the commissioner:** The commissioner administers and directs all operations of the department for the purpose of improving the quality of life in Connecticut municipalities. This includes provision of research, survey and planning, financial and technical assistance to municipalities and locally authorized agencies. Contractual agreements between the state and the grantee are mandatory for state financial assistance. Such financial assistance is subject to audit. Technical assistance may be granted upon written request to the commissioner by the chief executive officer of the municipality or of an authorized grantee agency.

The commissioner is responsible for coordinating federal and state assistance in the solution of municipal problems and advising local agencies regarding federal,

state and private assistance available from such sources. Ancillary thereto (Section 8-240) he serves as coordinator of the state interagency model cities committee and reports annually to the governor with regard to intergovernmental cooperation in carrying out the program of improving the quality of urban life.

The commissioner being authorized to accept federal funds made available for any purposes or related activities of Chapter 133, is responsible for insuring that such funds are administered in accordance with federal law and segregated from general funds of the state.

The commissioner is empowered under Section 8-227 to make and enforce regulations to effectuate the purposes for which the department was established and to allocate authorized assistance among municipalities on the basis of need to improve living conditions.

(d) **Public inspection:** Pursuant to Section 4-167 departmental regulations are on file in the offices of the commissioner, and are available for inspection during normal working hours.

Current organizational charts are maintained on file in the commissioner's offices for public inspection.

(Effective August 28, 1975)

Sec. 8-203-4. Part II-Description of grant programs

(a) Community Development Action Plan (CDAP)

Program Description: The CDAP provides an opportunity for Connecticut municipalities to examine needs and problems, and to schedule activities to meet these needs over at least a five-year period. Twelve community functions are studied (education, housing, health, recreation, social services, economic development, public utilities and services, public protection, transportation and circulation, culture, interpersonal communications, and general municipal government) in terms of four aspects: physical, human resource, economic and administrative. The state may pay 75% of the cost of each CDAP, as approved by the commissioner. (Sec. 8-207), (See 8-220 [c]).

Basic Eligibility: All municipalities in Connecticut are eligible for the CDAP program.

Eligible Costs: May include, but are not limited to: rent and utilities. intra-state travel, consumable supplies, personnel, consultant costs repairs and maintenance, insurance, interest and certain legal aid accounting costs.

Local share may be provided in the form of cash or in-kind contribution, or a combination of the two. Local share may be provided from any source, public or private, organization or individual, except the following which are ineligible for inclusion in local share: (1) federal funds (2) items or services paid for by federal funds (3) funds from other state agencies (4) items or services paid for by other state agencies.

(b) Housing Code Enforcement

Program Description: The commissioner may provide a grant-in-aid to the municipality equal to two-thirds of the cost of the program, as approved by the commissioner, for two years after the execution of the assistance agreement, and equal to one-half of the cost of the program as approved by the commissioner for an additional period not to exceed three years. The department may provide a grant-in-aid equal to one-half of the amount by which the cost of a federally assisted housing code enforcement program, as approved by the commissioner, exceeds the federal grant-in-aid thereof, for a period not to exceed five (5) years.

Basic Eligibility: The municipality must have a housing code ordinance. If the program is a concentrated housing code enforcement program under the federal housing act of 1949, as amended, the municipality must have an approved contract with the federal department of housing and urban development.

Eligible Costs: May include, but are not limited to: rent, utilities, intra-state travel, consumable supplies, and personnel.

State funds may not be used to reduce the level of local expenditures previously made to the program.

(c) Demolition

Program Description: The commissioner may provide a grant-in-aid to a municipality equal to two-thirds of the net project cost of the demolition program, as approved by the commissioner. The commissioner may provide a grant-in-aid equal to one-half of the amount by which the net cost of a federally assisted demolition program, as approved by the commissioner, exceeds the federal grant-in-aid thereof, for those projects financed under the federal housing act of 1949, as amended. (Sec. 8-209).

Basic Eligibility: Any municipality with structures, that under state or local law, have been determined to be structurally unsound or unfit for human habitation and which the municipality has the authority to demolish, or any municipality that has entered into a demolition contract with the department of housing and urban development, is eligible.

Eligible Costs: May include, but are not limited to: administrative costs, demolition of structures and cost of clearing site, breaking up and removal of abandoned street paving, curbs, gutters and sidewalks, rough grading, rodent eradication, and the capping of public utilities.

(d) Urban Beautification:

Program Description: The commissioner may provide a grant-in-aid equal to one-half of the amount by which the net cost of a federally assisted program, as approved by the commissioner, exceeds the federal grant-in-aid thereof, for a program to expand community activities in the beautification and improvement of publicly owned and controlled land in urban areas. (Sec. 8-209 (b)).

Basic Eligibility: Any municipality with an approved contract with the department of housing and urban development under the housing and urban development act of 1965, as amended, is eligible for this program.

Eligible Costs: May include, but are not limited to, upgrading, development and beautification of waterfronts, streets, squares, parks, recreational areas and other public lands are eligible as per department of housing and urban development guidelines.

(e) Child Day Care and Neighborhood Facilities

Program Description: The commissioner may provide financial assistance for a project of development of neighborhood facilities and child day care facilities for carrying out programs of health, recreational, social or similar community services. The commissioner may provide a grant-in-aid equal to (1) two-thirds of the net project cost of the project, as approved by the commissioner, or (2) where the project is assisted by the federal department of housing and urban development, under the federal housing and urban development act of 1965, as amended, one-half of the amount by which the net cost of the project, as approved by the commissioner, exceeds the federal grant-in-aid thereof. (Sec. 8-210).

Basic Eligibility: The applicant must be a municipality, or a human resource development agency, as defined in Section 8-221 of the Connecticut General Statutes

(P.A. 74-289). Where the project is assisted by the federal department of housing and urban development, the municipality must have an approved contract with that department.

(f)—(r) Repealed, April 21, 1986.

(s) Reserved.

(t) Repealed, see section 8-289-7.

(u) **Purpose:** These regulations describe the state emergency fuel assistance program to low income families not receiving state or local assistance pursuant to Public Act 78-184, 1978 session, Connecticut General Assembly.

1. All state funds allotted to the department of community affairs for the purposes set forth in Public Act 78-184, and these regulations, shall be granted to local human resource development agencies, as defined in section 8-221 CGS, (hereinafter referred to as “grantee(s)”,) by the commissioner of community affairs, and such funds shall be expended by such human resource development agencies in accordance with sections 2 through 9 inclusive, of these regulations.

2. For purposes of this section: a. “Low income family or household” means any person or related group of persons who live together whose income does not exceed 125% of the federal community services administration poverty guidelines for non-farm families, for the preceding twelve month period from date of application. More than one household may reside in a single family dwelling.

b. “Emergency” means any situation in which a low income family or household has an actual or threatened termination of any fuel, or is unable to obtain utility service, or is unable to locate a company willing to provide oil or gas.

c. “Fuel” or “utility service” means any fuel or utility used for heating, hot water, or electricity.

d. “Applicant” means any person inquiring about and/or filling out written application for emergency fuel assistance.

e. “Income” means gross earnings no higher than 125% of the prevailing federal community services administration poverty guidelines for a nonfarm family, except that earnings of minors in the household who are students at least part-time shall be excluded in the calculation of income.

3. State grants are available to all low income families and households except:

a. Households receiving assistance under “aid to families with dependent children.”

b. Households receiving assistance under “aid to families with dependent children—unemployed fathers.”

c. Households receiving assistance through any state or municipal funded general assistance program.

4. State emergency fuel assistance grants to low income families or households shall not exceed the sum of one hundred dollars (\$100.) during the fiscal year ending June 30, 1979, such grants shall be subject to the availability of funds appropriated for this purpose and shall be disbursed in the order the grantee agency receives the application.

5. Grantee distribution of such funds shall be under the following conditions when an emergency exists. a. Eligible applicants will be first referred by the human resources development agency to any other agency conducting an emergency fuel assistance program for which the applicant appears to qualify and which has funds actually available for emergency fuel assistance.

b. Eligible applicants who cannot be referred will be assisted from any other funds available to grantees.

c. When all other possibilities have been exhausted, payments may be made from state appropriated emergency fuel assistance grant funds.

d. The grantee agency shall advise eligible applicants as to the best way to maximize the benefits available to that applicant by providing him/her with information on the amount of the maximum grant and how to obtain it. Grantee agency workers shall assist applicants in completing application forms and in locating translators for applicants who are not fluent in English.

e. The minimum oil delivery financed by state appropriated emergency fuel assistance grant funds will not normally be less than 150 gallons. Grantees may vary this requirement if warranted.

f. Emergency fuel assistance grants shall be by direct vendor payment.

g. In any case where a low income family or household has been found eligible for assistance and has been unable to obtain fuel delivery or reinstatement or provision of utility service or is threatened with a termination of service, the human resources development agency worker shall assist the eligible applicant by directly contacting a fuel company willing to make deliveries or the utility company involved, to notify the company of the vendor payment and to arrange for fuel delivery or reinstatement or provision of service or to avoid a threatened termination. Where appropriate, the worker shall assist the eligible applicant in working out an amortization agreement with the company on that portion of the applicant's bill which will not be covered by the grant.

6. Grantees must establish a separate bank account for each grant. Bank fund agreements are required for each account. Any interim measures available to grantees to finance payments from other sources, pending establishment of said new bank account(s), are authorized.

7. Weekly and cumulative reports from grantees are required during the effective dates of a grant program, and shall contain as a minimum the following information:

a. Number of households served.

b. Total funds expended from the grant fund and from all sources as of the reporting date.

c. Total funds remaining in the grant fund, and from all sources as of the reporting date.

d. Number of applicants found ineligible during the week, and how they were referred or otherwise assisted.

e. Comments including, specifically, information on abuses or gouging by any vendors.

8. At completion of the grant program, each grantee will submit, to the department of community affairs, a final financial report, and a final program report, summarizing all data that have been reported pursuant to the above listed required data.

9. The department of community affairs may develop and issue other administrative and programmatic instructions as required in order to execute this grant program. (Effective December 17, 1981)

(v) Repealed, January 6, 1987.

Sec. 8-203-5. Part III—Petitions, grievances, declaratory rulings, judicial review and notices

(a) Petition for oral hearing on regulations

1. The commissioner shall grant an informal oral hearing, pertaining to a substantive regulation, to a governmental subdivision or agency, or to an association having not less than 25 interested persons, if the hearing is requested in writing by not less

than 25 persons. The oral hearing must be requested prior to the adoption, amendment or repeal of any substantive regulation.

2. The oral hearing shall afford all interested persons reasonable opportunity to submit data, views or arguments, orally and/or in writing, and the commissioner shall consider fully all written and oral submissions as they pertain to the proposed adoption, amendment or repeal of a substantive regulation.

3. Oral hearings shall be conducted by the commissioner, deputy commissioner, or such other persons as may be designated by the commissioner.

4. Oral hearings shall be informal and shall be held at such time and place as designated by the commissioner, and the time and place will be stated in the written notice of intended action.

5. No regulation may be adopted, amended or repealed by the department until it has been approved by the attorney general and by the standing legislative regulation review committee. The commissioner shall, upon written request of an interested person, issue a concise written statement stating the principal reasons for the action taken on the regulation in question. If, at the oral hearing, considerations were set forth urging the regulation not be adopted, the commissioner shall incorporate into the requested statement, reasons for overruling those considerations.

a. The interested person requesting a statement from the commissioner may submit the request in writing, at any time after the informal oral hearing, but not later than 30 calendar days after adoption of the regulations. The interested person shall identify his specific sphere of interest, and shall identify the specific regulation(s) about which he is requesting a statement.

b. The commissioner shall respond in writing to the request for statement within 60 working days of the adoption of the regulation in question.

(b) Petition for promulgation of regulations:

1. Any interested person may petition the department requesting the promulgation, amendment, or repeal of a regulation.

2. The petition may be submitted in the form of a normal business letter, directed to the commissioner and the petition shall be sent by registered or certified mail, return receipt requested.

The petition shall contain a minimum of the following data:

a. the specific Connecticut General Statute, to which the requested action(s) pertain(s).

b. the nature of the action requested; i.e. promulgation of a new regulation, or the amendment of, or repeal of, an existing regulation.

c. the petition shall contain the exact wording of the proposed action.

d. the letter of petition must delineate the specific rationale(s) for the requested action.

3. Upon receipt of a petition for promulgation of, amendment of, or repeal of, a regulation, the commissioner may initiate whatever action he deems necessary within his statutory purview, to investigate the circumstances leading up to such request. He may further request whatever further data and materials as he may require, from any source within his statutory purview, in order to make a judgment on the merits of the petition.

4. The commissioner may, within 30 working days of the receipt of the petition, either deny the petition in writing to the petitioner, or he may initiate regulation making proceedings.

a. If the commissioner denies the petition, he shall do so in writing to the petitioner, in a letter, stating his reasons for such action.

b. If the commissioner concurs with the request, or with any aspect of the request, he may institute whatever action he deems necessary to implement the request.

(c) Conduct of contested cases:

1. A hearing in a contested case may be scheduled upon reasonable notice of the time, place and nature of said hearing. The notice shall include the following: (a) legal authority and jurisdiction for the hearing, (b) sections of the statute and uniform regulations involved, and (c) a clear and concise statement of the matters asserted.

2. All parties shall be afforded an opportunity to present evidence and argument.

3. Cases may be settled informally, or by consent, or by default.

4. Contested cases will be conducted in accordance with the requirements of the Uniform Administrative Procedures Act (Chapter 54, Connecticut General Statutes). Procedures set forth in the Connecticut Practice Book, as amended, may be followed but there shall be no obligation upon the department to hold preliminary hearings or proceedings with respect to any matter.

5. Hearings shall be conducted in accordance with the Uniform Procedures Act.

(d) Petition for reconsideration of final decision in a contested case:

1. A party aggrieved by a final decision of the department in a contested case may request a re-hearing of said decision, if the request is made within 30 calendar days after date of issuance of the final decision.

2. The petition for re-hearing may be in the form of a normal business letter and shall include a minimum of the following data: (a) the specific agency action which aggrieved the petitioner, (b) the specific manner in which the petitioner alleges to be aggrieved, (c) the specific action, or actions, which the petitioner is requesting the agency to take, to alleviate the grievance, (d) a statement of the social, economic, fiscal and/or other impact on the aggrieved person, if the agency complied with the request of the petitioner, (e) a statement of any new evidence to be introduced by the petitioner for consideration by the commissioner, (f) the petition for re-hearing must be signed by all of the aggrieved principals, or their authorized agents.

3. The commissioner shall either grant or deny a request for re-hearing within 30 calendar days of receipt of the written request. If the commissioner denies the request, he shall so state in writing to the petitioner, along with his reasons for the denial. If the commissioner grants the request for re-hearing he shall issue a notice of hearing in accordance with the regulation on notices.

(e) Declaratory ruling. 1. The commissioner may render a declaratory ruling on the validity or applicability of any statutory provision, regulation or order of the department, if the statutory provision or regulation or order, or the threatened application thereof, interferes with or impairs, or threatens to interfere or impair, the legal rights or privileges of a complaining party.

2. Conditions: The commissioner will not render a declaratory ruling upon the complaint of any person: a. unless that person has a legal interest, by reason of danger or loss or uncertainty, under a statutory provision, regulation or order of the department; b. unless there is an actual bona fide and substantial question or issue in dispute, or substantial uncertainty of legal relations which requires settlement between the parties; c. unless all persons having an interest in the subject matter are parties to the request, or have been given reasonable notice thereof. d. where the commissioner shall be of the opinion that the parties should be left to seek redress by some other form of procedure.

3. A person may petition the department to pass on the validity or applicability of any statutory provision or regulation or order of the department which interferes

with or impairs, or threatens to interfere with or impair his legal rights or privileges at any time during which the order or regulation is in effect, or threatens to come into effect.

4. The petition for a declaratory ruling shall be in the form of a pleading required in civil trials and shall include at least the following: a. the statutory provision or regulations or orders of the department which are involved. b. facts sufficient to show that the question is not moot, or hypothetical and that the petitioner is a proper party to raise the issue. c. facts necessary for the determination of the question; d. a clear and concise statement of the matters involved; e. a statement of all persons having an interest in the subject matter of the complaint, and a sworn statement that such persons have been given notice of the petition by registered or certified mail, return receipt requested.

5. Within thirty calendar days after the receipt of a petition for a declaratory ruling, the commissioner shall either grant or deny the request a. if the commissioner denies the request, he shall state so in writing to the interested parties along with his reasons for the denial. b. if the commissioner grants the request and if no parties, with an interest in the matter, request an oral hearing thereon, the commissioner may decide the matter on the basis of the written statements of the parties. In this case, the commissioner shall set a date for receipt of written statements from the parties, such date shall not be more than thirty (30) calendar days from the day after the commissioner grants the request. c. If the commissioner grants the request and if any of the interested parties request an oral hearing within two weeks of the granting of the request, the commissioner shall set a date for a hearing of the matter, such hearing is to be held within thirty (30) days of the granting of the request. The commissioner shall issue a written notice of the hearing to all interested parties at least twenty (20) calendar days prior to such hearing.

6. The commissioner shall issue his decision on any petition for a declaratory ruling within thirty (30) days of the receipt of the written statements of interested parties, or within thirty (30) days after the oral hearing on the matter. However, the commissioner may extend the date of his decision for good cause. The commissioner shall notify, either personally or in writing, all parties of record of his decision or order on a petition for a declaratory ruling. A copy of the decision or order shall be supplied to each party upon written request.

7. Conduct of Hearings on a Request for a Declaratory Ruling: a. All parties shall be afforded an opportunity to present evidence and argument. b. A record shall be made of all hearings for a declaratory ruling. This record shall include: 1. All petitions, motions and intermediary rulings. 2. Evidence received or considered. 3. Matters officially noticed. 4. Questions and offers of proof, objections and rulings thereon. 5. Proposed findings and exceptions. 6. Decision, ruling or report of the Commissioner. c. Oral hearings shall be conducted in accordance with the rules of evidence as applied to non-jury civil cases. 1. When necessary to ascertain facts not reasonably susceptible of proof under the rules of evidence for non-jury civil cases, evidence may be admitted at the discretion of the commissioner. 2. The rules of legal privilege shall be in effect. 3. Where not prejudicial to a party, any part of the evidence may be in written form. 4. Documentary evidence may be received in form of copies or excerpts. 5. A party may conduct cross-examination. 6. The commissioner may take administrative notice of technical and scientific facts within the department's specialized knowledge. d. The decision or order of the commissioner shall be in writing or stated in the record and shall include findings of fact and the reasons for his decision. e. Community Affairs personnel assigned to a case

shall not communicate with any party in connection with the petition except upon notice to all parties involved.

(f) Judicial review of administrative hearing:

A person who has exhausted administrative remedies available with the department, and who is aggrieved by a final decision of the commissioner is entitled to judicial review of the decision.

Proceedings for judicial review shall be instituted by filing a petition for review in the County wherein the aggrieved person resides, within thirty (30) days after mailing of notice of final decision. Copies of the petition must be served upon the commissioner and upon all parties of record.

Filing of the petition is not an automatic stay of execution of the department's decision.

Within thirty (30) days after the service of the petition, unless further time is granted by the review court, the department shall transmit to the reviewing court a certified copy of the entire record of the proceeding. The parties may, however, stipulate to a shortened record. The record may contain only such information as the parties may deem necessary, or as may be requested.

(g) Notices:

The department shall issue a written notice of intended action at least 20 calendar days prior to the adoption, amendment, or repeal of any regulation, to those persons who have requested the department to provide such advance notice.

The department will issue a written notice of hearing at least 20 calendar days prior to the start of an oral hearing.

The commissioner will notify, in writing, all parties in a contested case, of any scheduled hearing, at least 20 calendar days prior to such hearing.

The commissioner will notify, either personally or in writing, all interested parties, of any decision or order in a contested case upon written request. A copy of the decision or order shall be mailed to each party or his attorney of record.

Parties may be represented by counsel who have been duly admitted to practice and are currently authorized to practice before the Superior Court of the State of Connecticut.

(Effective August 28, 1975)

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Housing Assistance and Counseling Program

Sec. 8-206e-1. Definitions

- (a) "Commissioner" means the Commissioner of Housing.
 - (b) "Department" means the Department of Housing.
 - (c) "Financial Assistance" means a grant-in-aid provided to a nonprofit corporation for expenses incurred in providing housing assistance and counseling services.
 - (d) "Housing Assistance and Counseling Services" means information provided by the Department of Housing or a nonprofit corporation to the public on the legal rights and obligations of landlords and tenants, the financing of owner-occupied and rental housing purchases, improvements and renovations, the availability of housing-related programs and services and mediation services to resolve disputes between landlords and tenants.
 - (e) "Nonprofit Corporation" means a nonprofit corporation incorporated pursuant to Chapter 600 of the Connecticut General Statutes, having as one of its purposes the provision of housing-related information and services.
- (Effective February 25, 1988)

Sec. 8-206e-2. Program description

- (a) The Commissioner is authorized to enter into a contract with a nonprofit corporation to provide financial assistance in the form of a grant-in-aid for expenses incurred in providing housing assistance and counseling services to the public.
 - (b) Services provided by the Department or a nonprofit corporation may include but not be limited to: information on the legal rights and obligations of landlords and tenants, the financing of owner-occupied and rental housing purchases, improvements and renovations, the availability of housing-related programs and services and mediation services to resolve disputes between landlords and tenants.
 - (c) Financial assistance provided to nonprofit corporations shall be used for expenses incurred in providing housing assistance and counseling services.
 - (d) Nonprofit corporations that receive funding under this program 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 for this program.
- (Effective February 25, 1988)

Sec. 8-206e-3. Eligibility

A nonprofit corporation must:

- (a) Certify that it is recognized as a tax exempt organization by the federal government or the State of Connecticut;
 - (b) Submit an endorsed certificate of incorporation certified by the Secretary of the State;
 - (c) Submit a certificate of good standing certified by the Secretary of the State;
 - (d) Inform the Department in writing of the corporation's principal place of business;
 - (e) Submit articles of incorporation or bylaws that state as one of its purposes the provision of housing-related information and services; and
 - (f) Submit a list of names, addresses and telephone numbers of its current directors or officers and statutory agent for service.
- (Effective February 25, 1988)

Sec. 8-206e-4. Application

- (a) The Commissioner may solicit or accept applications for financial assistance from nonprofit corporations.

(b) As part of the application and approval process, the nonprofit corporation must furnish the following:

(1) Evidence of the nonprofit corporation's eligibility as defined in Section 3 above;

(2) Information on the nonprofit corporation's experience in providing the required services, including the background and training of staff;

(3) A copy of the nonprofit corporation's operating budget listing all revenue by source as well as expenses to be supported by the proposed grant; and,

(4) Evidence of continuing staff education.

(c) The Commissioner may, from time to time, request additional information from the nonprofit corporation.

(d) Applications shall be accepted or rejected by the Commissioner based on the factors listed in Sections 4 (a), 4 (b) and 4 (c) of these regulations, the availability of financial assistance, and the following:

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

(2) Area of the State to be served; and,

(3) The apparent capability of the nonprofit corporation to administer a program of this type.

(e) If an application is rejected, the nonprofit corporation shall be notified in writing of the reasons for the rejection.

(f) If an application is approved, the Commissioner shall notify the nonprofit corporation that the program may proceed and inform the nonprofit corporation of the contents and terms of the contract for state financial assistance to be entered into with the nonprofit corporation.

(Effective February 25, 1988)

Sec. 8-206e-5. Eligible expenses

Nonprofit corporations may receive state financial assistance for the costs of providing housing assistance and counseling services including, but not limited to: (a) staff salaries, (b) the purchase of supplies, equipment and training materials, (c) printing and postage costs related to publications distributed at no cost to the public, (d) legal services related to mediation services for landlords and tenants, (e) rent and utilities including telephone, and (f) insurance.

(Effective February 25, 1988)

Sec. 8-206e-6. Financial reporting and access to records

(a) Each nonprofit corporation shall maintain complete and accurate books and records, insofar as they pertain to a state housing assistance and counseling program, and they shall be set up and maintained in accordance with the latest procedures approved by the Commissioner.

(b) Each nonprofit corporation shall furnish the Commissioner with financial statements and other reports relating to the establishment of the housing assistance and counseling program 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 nonprofit corporation relative to the program, said permission to include the right to make or require the nonprofit corporation to provide excerpts or transcripts from such accounts, records and books.

(Effective February 25, 1988)

Sec. 8-206e-7. Fiscal compliance and examination

Nonprofit corporations receiving financial assistance shall be subject to examination of all books and records related to the project. Examinations shall be performed by independent public accountants licensed to practice in the State of Connecticut, or by qualified Department personnel. All examinations shall be in accordance with procedures established by the Department. An examination will be completed at such times as the Department may require.

(Effective February 25, 1988)

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Secs. 8-210b-1—8-210b-8a.

Repealed, June 26, 1992.

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Secs. 8-210b-9—8-210b-23.

Repealed, August 11, 1994.

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Land Bank/Land Trust Fund

Sec. 8-214d-1. Definitions

The following definitions apply to Sections 8-214d-1 through 8-214d-14 of the Regulations of Connecticut State Agencies:

(a) “Below Market Price” means an acquisition price for any buildings or improvements constructed on Land Trust property which is less than their appraised value based on a formula as determined by the nonprofit corporation and approved by the Commissioner.

(b) “Commissioner” means the Commissioner of the Department of Economic and Community Development.

(c) “Community Housing Land Bank and Land Trust Fund” means the fund established to make grants pursuant to Section 8-214d of the Connecticut General Statutes.

(d) “Community Housing Land Bank” means land or interests in land which have been acquired by a nonprofit corporation and are being held to provide for existing and future housing needs of low and moderate income families.

(e) “Community Land Trust” means land or interests in land acquired by a nonprofit corporation to be held in trust for the purpose of providing housing for low and moderate income families.

(f) “Department” means the Department of Economic and Community Development.

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

(h) “Financial Assistance” means grants authorized under Section 8-214d of the Connecticut General Statutes.

(i) “Housing Project” or “Project” means any work or undertaking, which may include acquisition of property, to provide decent, safe and sanitary dwelling units for families of low and moderate income.

(j) “Legal Heir” means a person who would inherit the decedent’s property, real or personal, in accordance with the decedent’s will, or in the absence of a will, in accordance with Connecticut state laws.

(k) “Limited Equity Cooperative” means a nonprofit corporation organized for the purposes of owning and operating housing for low and moderate income families and qualifying as a limited equity cooperative, as defined in Section 47-242 of the Connecticut General Statutes.

(l) “Low and Moderate Income Families” 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.

(m) “Nonprofit Corporation” means a nonprofit corporation incorporated pursuant to Chapter 602 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.

(n) “Chief Executive Officer” means one of the following: the first selectman; a chief administrative officer appointed by the board of selectmen; a mayor elected by the electors of the municipality; a warden elected by the electors of the borough; a town, city or borough manager appointed by the board of selectmen, the council, the board of directors, the board of aldermen or the board of burgesses or a chief administrative officer appointed by the mayor.

(o) “Development plan” means a detailed description of a project which has been approved by the commissioner.

(p) “Ancillary service” means a social service program that predominantly serves the residents of the land trust. The program may include, but not be limited to, day care, senior center or other similar program.

(q) “Partially constructed housing development” means a locally approved housing subdivision or other housing project for which certificates of occupancy have not been issued for the total amounts of units permitted.

(r) “Municipality” means city, town or borough.

(Effective November 30, 1990; amended January 13, 1999)

Sec. 8-214d-2. Program description

(a) The Commissioner is authorized to extend financial assistance in the form of a grant to nonprofit corporations, to enable them to acquire, hold and manage land and interests in land for the purpose of providing for existing and future housing needs of low and moderate income families.

(b) Program Purpose:

(1) Land Bank Program: to permit a nonprofit corporation to take advantage of an opportunity to acquire suitable property at a time when the corporation may be unable, for good and sufficient reason, as approved by the Commissioner, to actively pursue the development of a housing project for low and moderate income families.

(2) Land Trust Program: to permit a nonprofit corporation to acquire land or interests in land suitable for development and preservation of housing that will remain affordable to low and moderate income families.

(c) Nonprofit corporations 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 for the development and management of projects.

(d) The commissioner may, for good cause shown, if he deems it in the best interest of the state, waive any non-statutory requirement imposed by these regulations.

(Effective November 30, 1990)

Sec. 8-214d-3. Program requirements under land bank

(a) Within two years of the date of acquisition of the property, the nonprofit corporation must submit to the Commissioner, a plan for the development of the land acquired under the Land Bank Program.

(b) The nonprofit corporation’s plan must demonstrate that it currently has an application for project financing under review by a governmental or private financial institution.

(c) The nonprofit corporation’s plan must demonstrate a mechanism, acceptable to the Commissioner, which will guarantee that the land will continue to provide housing affordable to low and moderate income families.

(d) If the nonprofit corporation is unable to submit a plan within the required two year period, the Commissioner may grant an extension if he determines that it is in the best interest of the state.

(Effective August 18, 1988)

Sec. 8-214d-4. Program requirements under land trust

(a) Nonprofit corporations shall hold in trust all land and interests in land acquired under this program in order to encourage the development of housing for low and moderate income families. The nonprofit corporation may:

(1) Lease land and interests in land to low and moderate income families, limited equity cooperatives or other nonprofit corporations;

(2) Sell or lease currently existing buildings or improvements to low and moderate income families, limited equity cooperatives or other nonprofit corporations; or

(3) Allow such low and moderate income families, limited equity cooperatives or other nonprofit corporations to place and hold title to new or additional buildings or improvements on the land.

(b) Any lease between a nonprofit corporation and a low or moderate income family, limited equity cooperative or other nonprofit corporation for the use of land and interests in land acquired under the Land Trust Program shall include, but not be limited to the following terms:

(1) Such land shall be developed and used solely for the purpose of housing low and moderate income families;

(2) Where the low or moderate income family, limited equity cooperative or other nonprofit corporation holds title to any building or improvement on the land, the nonprofit corporation holding title to the land shall have, in the event of a sale, the first option to purchase any such building or improvement at a below market price;

(3) The below market price, or a formula for determining such below market price shall be included in the lease;

(4) The legal heirs of any lessee, regardless of income, shall have the right to assume the lease upon the death of the lessee provided that the lessee was a natural person and that the heirs agree to make the leased premises their principal residence; and

(5) A statement that the lease is subject to the laws and regulations of the State of Connecticut governing the Land Trust Program, and must conform to such laws and regulations.

(Effective August 18, 1988)

Sec. 8-214d-5. Eligibility

To be eligible for a grant under this program, a nonprofit corporation shall:

(1) Certify that it is recognized by the federal or state government as a tax exempt organization, if applicable;

(2) Submit an endorsed certificate of incorporation certified by the Secretary of the State which states that the nonprofit corporation has, as one of its purposes, the construction, rehabilitation, ownership or operation of low and moderate income family housing;

(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;

(5) Demonstrate the ability to undertake the development of the project through the provision of financial statements of the nonprofit corporation;

(6) Submit a list of any housing project(s) developed, owned or managed by the nonprofit corporation;

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

(8) Submit a statement authorizing the Commissioner to apply for a credit report from any appropriate credit reporting agency covering the nonprofit corporation for consideration in determining the financial capability of the nonprofit corporation.

(Effective November 30, 1990)

Sec. 8-214d-6. Eligible activities

(a) A nonprofit corporation may enter into a contract with the State to receive a grant to acquire land and interests in land with or without structures thereon, for

the purpose of providing for existing and future housing needs of low and moderate income families.

(b) Upon acquiring title to the land or interest in land, a nonprofit corporation shall develop housing or a plan for the development of the land to meet the needs of low and moderate income families and may:

(1) bank the land for future use as described in Section 3 above;

(2) lease the land to low and moderate income families, limited equity cooperatives or other nonprofit corporations for the development of housing for low and moderate income families; or

(3) lease or sell the building(s) or improvements to low and moderate income families, limited equity cooperatives or other nonprofit corporations to be used only for low and moderate income housing;

(4) use the land to provide ancillary services to residents of the land trust.

(c) If a nonprofit corporation intends to lease the land or sell or lease the buildings which it has acquired under this program, it shall provide the following for approval by the Commissioner:

(1) Identification of the proposed lessee, buyer, or marketing plan;

(2) Description of the lessee's or buyer's proposed use of the land or building(s);

(3) if the lessee or buyer is a family, documentation demonstrating that the family's income falls within the income limits established for the state or federal housing finance program being used, or, if no such program is being used, the family's income must fall within the initial occupancy income limits as established in Section 8-214d-14 of these regulations;

(4) A copy of the proposed lease or contract for sale;

(5) The method to be used by the nonprofit corporation in determining the below market price for its acquisition of buildings or improvements on land which it has leased in accordance with Section 8-214d-4 of these regulations; and

(6) Any other documentation which the Commissioner determines is necessary to ensure that the property is being used for housing low and moderate income families.

(Effective November 30, 1990; amended January 13, 1999)

Sec. 8-214d-7. Application process

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

(b) Nonprofit corporations may be required to pay a processing fee.

(c) As part of the application and approval process for the Land Bank Program, the nonprofit corporation shall be required to furnish the following:

(1) An explanation and description of the current housing development activity of the nonprofit corporation which is unrelated to this program which would require them to bank the land; and

(2) Identification of how the land is presently zoned.

(d) As part of the application and approval process for the Land Trust Program, the nonprofit corporation shall be required to furnish the following:

(1) Evidence that the land is properly zoned for the proposed use;

(2) Identification of any governmental or private housing finance programs to be utilized for construction or rehabilitation of housing and evidence that financial assistance has been sought from those agencies; and

(3) Identification of any proposed lessees of the land or lessees or buyers of the buildings or improvements or a marketing plan.

(e) As part of the application and approval process for the Land Bank and Land Trust Program, the nonprofit corporation shall be required to furnish the following:

- (1) Evidence of housing need and marketability;
 - (2) Identification of the land or interests in land to be acquired, including a legal description of the land;
 - (3) An appraisal of the value of the land or interest in land, buildings, and improvements;
 - (4) Financial information on the projected cost of acquiring the property;
 - (5) A description of the nonprofit corporation's proposed use of the land, buildings and improvements;
 - (6) Certification as to whether the proposed project will complete a partially constructed housing development as defined in Section 8-214d-4 (q) of this regulation.
- (f) The Commissioner may, from time to time, require additional information from the nonprofit corporation.
- (Effective November 30, 1990; amended January 13, 1999)

Sec. 8-214d-8. Selection process

- (a) Applications shall be approved or disapproved by the Commissioner based on the factors listed in Sections 8-214d-5, 8-214d-6, and 8-214d-7 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) Local housing assistance plans, if in existence;
 - (4) Any other statistical data on housing need and marketability;
 - (5) Suitability of the proposed site and project; and
 - (6) The administrative capability of the nonprofit corporation to plan, complete and manage a project including past experience and staffing.
- (b) If an application is disapproved, the nonprofit corporation shall be notified in writing of the reasons for the rejection.
- (c) If an application is approved, the Commissioner shall notify the nonprofit corporation, in writing, that the project may proceed and indicate the expected terms and conditions of the contract for financial assistance under this program.
- (Effective November 30, 1990)

Sec. 8-214d-9. 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 from the Community Housing Land Bank and Land Trust Fund to the nonprofit corporation.
- (b) Following approval of the State Bond Commission pursuant to the provisions of Section 3-21 of the Connecticut General Statutes, the State, acting by and through the Commissioner, may enter into a contract(s) with a nonprofit corporation for financial assistance in the form of a grant.
- (c) Such contract(s) shall include but not be limited to: the amount of financial assistance to be provided, and the rights and obligations of the parties under the contract(s).
- (Effective August 18, 1988)

Sec. 8-214d-10. Restrictions on the sale or use of the property

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

(1) reasonable progress in the development of the property as described in Sections 8-214d-3 and 8-214d-6 above, 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 housing to benefit low and moderate income families; or

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

(b) Restrictive covenants shall be included in all deeds for property for which the State has provided financial assistance. This provision may be waived if the Commissioner determines that such waiver will be in the State's best interest.

(c) If a nonprofit corporation dissolves its organization, the nonprofit corporation must convey its interests in the property to the Department or to the Department's designated receiver.

(Effective November 30, 1990)

Sec. 8-214d-11. Maximum income limits

(a) Homeownership income limits shall not exceed those established and determined from time to time by the Connecticut Housing Finance Authority's Home Mortgage Program.

(b) For all others, income limits shall not exceed those established from time to time under the Department's Moderate Rental Program. This income limit may be waived by the Commissioner if it is determined to be in the best interest of the State.

(c) Notwithstanding subsections (a) and (b) above, where a federal and/or State program is being utilized, income limits shall be determined according to that program.

(Effective August 18, 1988)

Sec. 8-214d-12. Financial reporting and access to records

(a) Each nonprofit corporation shall maintain complete and accurate books and records, insofar as they pertain to land bank and land trust projects, and they shall be set up and maintained in accordance with the latest procedures approved by the Commissioner.

(b) Each nonprofit corporation shall furnish the Commissioner with financial statements and other reports relating to the 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 representative shall be entitled to full and free access to the accounts, records and books of the nonprofit corporation relative to the project, said permission to include the right to make or require the nonprofit corporation to provide excerpts or transcripts from such accounts, records and books.

(Effective August 18, 1988)

Sec. 8-214d-13. Fiscal compliance and examination

Each nonprofit corporation receiving financial assistance shall be subject to examination of all books and records related to the project. 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. An examination is to be completed as soon as possible following the completion of the project and at such other times as the Department may require.

(Effective August 18, 1988)

Sec. 8-214d-14. Conveyance of land or interest in land to a municipality

(a) Immediately following the expiration date of the remedy period for default, the department shall send a notice to the chief executive officer of the municipality where the land is located inquiring whether the municipality is interested in taking title to the land. The notice shall include all pertinent information about the land and any conditions under which the transfer shall take place. The municipality shall have thirty (30) days to respond to the notice. If the municipality fails to respond or responds in the negative, the land shall be retained by the department or declared surplus to the state's needs.

(b) Should the municipality respond in the affirmative, the municipality shall pass a resolution indicating that it will accept title to the property in accordance with Section 8-214d of the general statutes as they may be amended from time to time.

(c) Immediately upon receipt of title to the property either through foreclosure or a voluntary transfer, the commissioner shall request approval from the State Bond Commission to convey title to the municipality.

(d) Upon approval of the State Bond Commission, the commissioner shall convey title to the municipality by quitclaim deed. The transfer shall be subject to a restrictive covenant that ensures compliance with section 8-214d of the general statutes as they may be amended from time to time.

(Adopted effective January 13, 1999)

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Limited Equity Cooperative/Mutual Housing Association Program

Sec. 8-214h-1. Definitions

The following definitions apply to Sections 8-214h-1 through 8-214h-17 of the Regulations of Connecticut State Agencies:

- (a) "Adjusted Gross Income" means the gross income less allowable deductions.
- (b) "Admission Income Limit" means the maximum income allowed for admission to a project.
- (c) "Board of Directors" means the governing body of a limited equity cooperative or mutual housing association, which is comprised of elected representatives of the residents and may include non-residents.
- (d) "Carrying Charge" means the amount, excluding any security deposits, membership fees or down payments, payable by each resident for occupancy of a dwelling unit, whether such dwelling unit is owned or operated on a landlord-tenant or home ownership basis or as a condominium or cooperative.
- (e) "Commissioner" means the Commissioner of Housing.
- (f) "Cooperative Member" means resident(s) or household of a limited equity cooperative project entitled to occupy a dwelling unit to the exclusion of others and who is entitled to vote at membership meetings of the cooperative project.
- (g) "Department" means the Connecticut Department of Housing.
- (h) "Dependent" means a member of the family who does not derive more than half of his or her total support for the calendar year from sources other than the family.
- (i) "Developer" means a limited equity cooperative, mutual housing association or other 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.
- (j) "Equity Capital" means the amount contributed to a project by a mutual housing association through membership fees or grants obtained from sources other than the State.
- (k) "Equity Interest" means a housing site, cash contribution or sweat equity, any of which must be approved by the Commissioner as part of the total project development cost to be furnished by a developer.
- (l) "Family" means a household consisting of one or more persons.
- (m) "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 live in decent, safe and sanitary dwellings, without overcrowding.
- (n) "Financial Assistance" means grants, loans or any combination thereof provided for the purpose of developing a project(s) for which a contract is entered into by the State with a developer.
- (o) "Full-time Student" means a student carrying a subject load considered full-time by an accredited educational institution attended. The institution may be a vocational school offering a diploma or certificate or an institution offering a high school diploma or college degree.
- (p) "Gross Income" means the aggregate annual income of all family members residing in the dwelling unit from all sources, before any deductions.
- (q) "Interim Loan" means a loan which provides funds necessary to develop a project at an interest rate to be determined in accordance with Subsection (t) of

Section 3-20 of the Connecticut General Statutes. Such loan is due and payable following the cost certification of the project.

(r) “Limited Equity Cooperative” means a cooperative formed as a common interest community in which the real property is owned by the cooperative, each of whose members is entitled by virtue of his ownership interest in the cooperative to exclusive occupancy of a unit and whose declaration contains any restrictions on (1) the amount for which a unit may be sold, or (2) the amount that may be received by a cooperative member on the (A) sale or condemnation of, or casualty loss to, the unit or to the common interest community, (B) termination of the common interest community, or (C) abandonment or other termination of a cooperative member’s right of occupancy of a unit.

(s) “Limited Equity Cooperative Project” or “Mutual Housing Association Project” or “Project” means any work or undertaking to provide decent, safe and sanitary dwelling units for families of low and moderate income which may include the planning of buildings and improvements, the acquisition of property, site preparation, demolition of existing structures, new construction or the rehabilitation of existing buildings. The project may also include the organizational development of and resident training for a limited equity cooperative or a mutual housing association.

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

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

(v) “Mutual Housing Association” means a nonprofit corporation having as one of its purposes the construction, rehabilitation, ownership or operation of housing, or the prevention and elimination of neighborhood deterioration and the preservation of neighborhood stability, achieved by affording community and resident involvement in the provision of high quality, long-term housing for low and moderate income families in which residents (1) participate in the ongoing operation and management of such housing, (2) have the right to continue residing in such housing for as long as they comply with the terms of their occupancy agreement and (3) do not have an equity or ownership interest in such housing.

(w) “Permanent Loan” means a loan for a term not to exceed 50 years, in an amount which does not exceed the certified development cost of a project(s) and at an interest rate to be determined in accordance with Subsection (t) of Section 3-20 of the Connecticut General Statutes.

(x) “Rehabilitation” means repairs, replacements and 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.

(y) “Resident” means a cooperative member or resident member as defined herein.

(z) “Resident Member” means resident(s) or a household of a mutual housing association project entitled to occupy a dwelling unit to the exclusion of others and who is entitled to vote at membership meetings.

(aa) “Sweat Equity” means the value of the labor provided by or on behalf of the cooperative member, at a fixed hourly rate, for the construction, rehabilitation, operation or management of a limited equity cooperative project.

(bb) “Utility Allowance” means the average monthly amount, as determined by the Commissioner, for a family for heat and other utilities, excluding telephone, which is not supplied or paid for by the Board of Directors of the project.

(Effective November 30, 1990)

Sec. 8-214h-2. Program description

(a) The purposes of these programs are to provide an alternative to traditional rental housing by ensuring security of residency, continued affordability and participation in the design and operation of housing, and to make public investments in residential neighborhoods to preserve and stabilize them

(b) The Commissioner may enter into a contract(s) with a developer for financial assistance in the form of grants, loans or any combination thereof for the development of limited equity cooperatives and/or mutual housing association projects for low and moderate income families.

(c) Developers may receive state financial assistance for the development of a project, including, but not limited to: organizational development, predevelopment costs, site acquisition and preparation, construction or rehabilitation, architect's fees, resident training, and administrative or other costs or expenses incurred by the State. The amount of the State financial assistance shall be determined by the Commissioner with the approval of the State Bond Commission.

(d) Developers shall be required to have an equity interest in the total development cost of the project.

(e) The Commissioner may, for good cause shown, if he deems it in the best interest of the State, waive any non-statutory requirement imposed by Sections 8-214h-1 to 8-214h-17, inclusive, of these regulations.

(f) Developers shall be required to comply with all rules and orders promulgated from time to time by the Commissioner and consistent with the development and management of limited equity cooperatives or mutual housing association projects pursuant to Section 8-214f through 8-214h of the Connecticut General Statutes and these regulations.

(Effective November 30, 1990)

Sec. 8-214h-3. Eligibility

To be eligible to participate, a developer must:

(a) Submit an endorsed certificate of incorporation certified by the Secretary of the State;

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

(c) Inform the Department, in writing, of the corporation's principal place of business; and

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

(Effective August 18, 1988)

Sec. 8-214h-4. Application and project approval process

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

(b) Developers may be required to pay a processing fee.

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

(1) Certification of the developer's eligibility, as defined in Section 8-214h-3 above;

(2) The developer's plan for ongoing management of the project, including, but not limited to: Board of Director's composition and responsibilities; ongoing oversight by the developer/Board of Directors; membership rights and responsibilities, and resident training requirements;

(3) Evidence of housing need and marketability;

- (4) Evidence of equity interest;
- (5) Evidence of site control;
- (6) Evidence that local site plan approval has been obtained;
- (7) Evidence of local support;
- (8) Plans and specifications in accordance with the Commissioner's design standards;
- (9) Financial information on projected costs of development and management;
- (10) Evidence that the developer has the financial ability to undertake the development of the project through the provision of financial statements or other documentation;
- (11) A list of housing projects which it has developed, owned or managed; and
- (12) 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.

(d) The Commissioner may, from time to time, request additional information from the developer.

(e) Applications shall be approved or disapproved by the Commissioner based on the factors listed in Section 8-214h-4 (c) above, the availability of financial assistance, and factors which shall include, but not be limited to:

- (1) Any needs outlined in the Five Year Housing Advisory Plan;
- (2) Housing assistance plans, if in existence;
- (3) Any other statistical data on housing need and marketability;
- (4) Suitability of the proposed site and project;
- (5) The apparent capability of the developer to plan, complete and provide for management of the project;
- (6) The degree to which State financial assistance is leveraged with other funds to produce housing for low and moderate income families;
- (7) Local community support; and
- (8) Approval by the Commissioner of the developer's proposed methods of financing, the developer's proposed return on equity for limited equity cooperatives and membership fees for mutual housing associations, the proposed carrying charges, the income limits for admission, and a detailed estimate of the expenses and revenues in the form and manner prescribed by the Commissioner.

(f) If applicable, a legal opinion shall be submitted by the developer that the proposed project complies with the provisions of the Common Interest Ownership Act, Chapter 828 of the Connecticut General Statutes.

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

(h) If an application is approved, the Commissioner shall request State financial assistance in the form of grants, loans or any combination thereof from the State Bond Commission.

(Effective November 30, 1990)

Sec. 8-214h-5. Contract for financial assistance

(a) Following approval of 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 developer for financial assistance for project(s) in the form of interim and/or permanent loan(s), grant(s) or any combination thereof in an amount not in excess of the total development

cost of the project(s) as determined by a cost certification and as approved by the Commissioner, less any equity interest required.

(b) In the case of a grant or combination loan(s) and grant(s), the total amount of the grant(s) shall be limited to an amount which together with the loan(s), if applicable, is necessary to enable the developer to set and maintain the admission income limits and carrying charges approved by the Commissioner.

(c) Such contract(s) shall include but not be limited to: equity interest to be provided, the amount of financial assistance to be provided, the completion timetable, the term of the loan(s), the amount of the State service charge to be assessed during the development and management of the project(s), the provisions for development and management, and the rights and obligations of the parties under the contract(s).

(d) The term and interest rate of interim and permanent loan(s) shall be as follows:

(1) The term of the interim loan shall be from the closing of the interim loan to the closing of the permanent loan. The interim loan shall bear an interest rate to be determined in accordance with Subsection (t) of Section 3-20 of the Connecticut General Statutes.

(2) The term of the permanent loan shall be for a period not to exceed 50 years. The actual term will be determined by taking into account the financial feasibility of the project and term of the rental subsidy, if any, for the project. The interest rate shall be determined in accordance with Subsection (t) of Section 3-20 of the Connecticut General Statutes.

(3) All permanent loans shall be secured by a mortgage note and deed.

(4) Amortization of the loan shall commence once the monthly project income meets or exceeds the approved operating budget or at the closing of the permanent loan, whichever occurs first. The Commissioner may waive the requirement for amortization prior to the closing of the permanent loan, if it is in the best interest of the State.

(e) A lien shall be filed 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. This requirement may be waived if the Commissioner determines that such waiver will be in the best interest of the State.

(Effective August 18, 1988)

Sec. 8-214h-6. Management

(a) The Board of Directors shall manage the project in an efficient manner so as to enable it to fix the carrying charges for the dwelling units at the lowest possible rates consistent with providing decent, safe, and sanitary dwelling units.

(b) The total project income from carrying charges and other income shall be sufficient to meet the costs of project operation including but not limited to:

(1) Property taxes, either full or abated, or payments in lieu of taxes;

(2) The cost of a State service charge if one is assessed; a State service charge if assessed need not cover all State costs associated with a project;

(3) The cost of operating and maintaining the project including its administrative costs, provision of reasonable reserves for repairs, maintenance and replacements, a reserve for amounts refundable to residents who vacate their units, and vacancy and collection losses;

(4) The cost of the principal and interest due and payable the loan, if applicable; and

(5) Not more than 10% return on equity capital, contributed through mutual housing association membership fees or grants obtained from sources other than

the State, provided such return on equity capital shall be utilized by the Board of Directors to develop additional dwelling units for low and moderate income families.

(c) The Commissioner shall annually approve an operating budget for each project.

(d) In the event a cooperative member vacates his/her dwelling unit in a limited equity cooperative project, the resident may be entitled to no more than the following payment(s) in return:

- (1) 100% of the cash contribution and/or value of the sweat equity contribution;
- (2) No more than ten percent (10%) compounded annually of the value of such contribution and/or sweat equity contribution for the period of occupancy of the unit;
- (3) The current value of any permanent authorized improvements paid for by the cooperative member and approved by the Board of Directors.

(e) In the event a resident member vacates their dwelling unit in a mutual housing association project, the resident member's membership fee shall be refundable with interest of no more than 10% compounded annually.

(f) Any revisions to documents approved under Section 8-214h-4 (d) (8) of these regulations shall be submitted to the Commissioner for his prior approval.

(Effective November 30, 1990)

Sec. 8-214h-7. Eligibility for admission

(a) A family shall be eligible for admission to a project provided they do not exceed the admission income limits established in Section 8-214h-8 of these regulations; and

(1) For limited equity cooperative project(s), contribute their labor (sweat equity) during the development or operation of the project, or make a cash contribution to become a member of the project or both, in an amount approved by the Commissioner. The value of the sweat equity shall not exceed the hourly wage rates, determined from time to time by the U.S. Department of Labor, Employment and Standards Administration, Wage and Hour Division for labor performed in the applicable municipality or region; or

(2) For mutual housing association project(s), pay a membership fee, in an amount determined by the Board of Directors and approved by the Commissioner.

(3) The manner and/or value of sweat equity, cash contribution or membership fee shall be set at a level affordable to low and moderate income families.

(b) The application for admission shall be substantially in the form prescribed by the Commissioner and shall include a notice of the penalty for false statement for any person and permission for the developer to verify the income of the applicant.

(Effective November 30, 1990)

Sec. 8-214h-8. Admission income limits

(a) The developer/Board of Directors shall develop and manage the project so that, insofar as is practical, the lowest income families continue to be served.

(b) The admission income limits for grant project(s) shall not exceed fifty percent (50%) of the area median income, adjusted for family size, as determined from time to time by the U.S. Department of Housing and Urban Development, unless otherwise approved by the Commissioner.

(c) The admission income limits for loan(s) or loan(s) and grant(s) combination project(s) shall not exceed one hundred percent (100%) of the area median income, adjusted for family size, determined from time to time, by the U.S. Department of Housing and Urban Development, unless otherwise approved by the Commissioner.

(d) If the adjusted gross income exceeds the admission income limit, the family shall be deemed ineligible for admission.

(Effective August 18, 1988)

Sec. 8-214h-9. Income

The family's adjusted gross income shall be used for the purpose of determining eligibility for admission.

(a) The following items shall be deducted from the gross income to arrive at the adjusted gross income in amounts as established by the Commissioner:

- (1) Income of all dependents who have not reached their 18th birthday;
- (2) Income received as compensation for the care of foster children or from the State Department of Children and Youth Services (DCYS) Adoption Program;
- (3) Income from full-time students who have not reached their 23rd birthday;
- (4) Annual medical expenses which exceed three percent (3%) of the family's gross income;
- (5) Child care costs which enable one or both parents to be gainfully employed;
- (6) Alimony and child care payments as ordered by the courts;
- (7) A deduction for each dependent; and
- (8) Any other item which, from time to time, may be established by the Commissioner.

(b) In the event that any member of the family is self employed, net income, as defined by the Internal Revenue Service, plus depreciation, shall be used in the determination of adjusted gross income.

(Effective August 18, 1988)

Sec. 8-214h-10. Waiting list

(a) The developer/Board of Directors shall provide a receipt to each applicant to its project(s) stating the time and date of the application and assigning the applicant an identifying number which shall be recorded on the receipt and on the application for admission.

(b) The developer/Board of Directors shall create and maintain a waiting list of such applications and procedures for selecting residents from such list as approved by the Commissioner, which shall include the applicant's identifying number, the time and date the application was received by the developer and the size of the dwelling unit required by the applicant. Such list shall be a public record as defined in Section 1-18a of the Connecticut General Statutes.

(c) The developer/Board of Directors shall, from time to time, but no less than once each calendar year, revise and update the waiting list(s) so as to reflect the most current status of applicants.

(d) The developer/Board of Directors shall maintain a copy of the waiting list(s) and revisions to such list(s) at its office in the State of Connecticut or, if no such office exists, at the office of the town clerk in the municipality in which the project is located. Such list(s) shall be provided to the Commissioner or his representative upon his request.

(Effective August 18, 1988)

Sec. 8-214h-11. Income verification

(a) The income verification period shall be the calendar year January 1 to December 31 of the preceding year. For residents who are seasonally employed, employed in a second job for a portion of the year, or are self-employed, their income shall be based on the average income for the preceding two year period

(b) Immediately after December 31 of each year the Board of Directors shall send applications for income verification to all current residents. These applications shall be completed by the residents and returned to the developer on or before February 15.

(c) All residents shall be recertified to be effective May 1 with any carrying charge changes. Written notice of these carrying charge changes shall be delivered to the resident at least 30 days prior to the effective date.

(d) Upon a resident's failure to submit such income verification, the Board of Directors may institute procedures for summary process, pursuant to Chapter 832 of the Connecticut General Statutes. During the non-compliance period, the Board of Directors shall compute the resident's carrying charges at the unit's market value. The resident may comply with the re-verification requirements at any time prior to eviction. Any difference between the market value charged and the carrying charges computed upon verification shall be due to or from the Board of Directors, except that the Board of Directors may charge reasonable administrative and legal fees necessary to pursue the eviction process.

(e) The requirements for verification of income shall be included in all occupancy agreements.

(f) In limited equity cooperatives where the carrying charge is determined by the developer and approved by the commissioner, as noted in Section 8-214h-12 (a) (2) (B), income shall be verified every two years according to the schedule noted in subsection (b) of this section

(g) Income verification data shall be submitted in the form and manner prescribed by the commissioner.

(Effective November 30, 1990)

Sec. 8-214h-12. Carrying charge determination

(a) Carrying charges shall be determined as follows:

(1) In project(s) where a federal or state rental subsidy is available, the percentage of family income used to establish the carrying charge will be determined by the federal or state agency.

(2) In project(s) where no rental subsidy exists, the carrying charge shall be established and the resident will pay:

(A) A percentage of the adjusted gross income not to exceed 30%, minus a utility allowance for those residents who pay their own utilities. The percentage shall be established by the Board of Directors and approved by the Commissioner; and/or

(B) The established carrying charge determined by the developer and approved by the Commissioner minus a utility allowance for those residents who pay their own utilities.

(b) Any resident of a mutual housing association project whose adjusted gross income exceeds 125% of the area median income, adjusted for family size, as determined from time to time by the U.S. Department of Housing and Urban Development, shall pay carrying charges in an amount not less than 25% of their adjusted gross income.

(c) The Board of Directors shall use increased carrying charges paid by resident members with adjusted gross incomes which exceed 125% of the area median income to:

(1) develop additional dwelling units for low and moderate income families; and/or

(2) credit the carrying charges of other mutual housing association members who are of low and moderate income.

(Effective August 18, 1988)

Sec. 8-214h-13. Procedures for carrying charge changes

(a) Each Board of Directors shall mail a written notice to all residents at least 30 days before the meeting date, stating that a change in the carrying charges and the methods for computing such carrying charges will be discussed at its meeting (include the proposed change, the date, time and location of the meeting), and may result in an adjustment in the carrying charge.

(b) The written notice shall advise residents that they may view any documents supporting the proposed carrying charge change which will be on file at the office of the Board of Directors.

(c) Within 15 days after receipt of the Board of Directors recommended carrying charge change, the Commissioner shall approve, disapprove, or request modification of the proposed carrying charge change or any portion thereof.

(d) If the carrying charge change is approved by the Commissioner, the Board of Directors must then give the residents at least 30 days written notice prior to the effective date of the carrying charge change.

(Effective August 18, 1988)

Sec. 8-214h-14. Sale and disposition of projects

(a) The provisions of this section shall not apply to the situation where individual residents vacate their dwelling units.

(b) No project may be sold or disposed of unless the Commissioner determines that there is no longer an acute shortage of such housing in the locality or that it is in the best interest of the State. If it is so determined, such project or any part thereof which received state financial assistance may be sold upon the terms and conditions approved by the Commissioner.

(Effective August 18, 1988)

Sec. 8-214h-15. Preemption

In a limited equity cooperative, where the provisions of the Common Interest Ownership Act, Chapter 828 of the Connecticut General Statutes, are in conflict with the provisions of these regulations, the provisions of the Common Interest Ownership Act shall be deemed to be controlling.

(Effective August 18, 1988)

Sec. 8-214h-16. Financial reporting and access to records

(a) Each developer/Board of Directors shall maintain in the State of Connecticut complete and accurate books and records, insofar as they pertain to State assisted housing projects, and they shall be set up and maintained in accordance with the latest procedures approved by the Commissioner.

(b) Each developer/Board of Directors 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 time 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/Board of Directors relative to the project, said permission to include the right to make or require the

developer/Board of Directors to provide excerpts or transcripts from such accounts, records and books.

(Effective August 18, 1988)

Sec. 8-214h-17. Fiscal compliance and examination

Each developer/Board of Directors receiving financial assistance shall be subject to examination of all books and records related to the project. 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. An examination is to be completed as soon as possible following the completion of the project and at such other times as the Department may require.

(Effective August 18, 1988)

Limited Equity Cooperative/Mutual Housing Association

Sec. 8-214h-18. Definitions

(a) "Developers' Fee" means a bonus earned by developers that have successfully completed key events in the development process.

(b) "Key Events" means the four main phases in the development process: (1) Preliminary Application Approval, (2) Final Application Approval, (3) Construction Start; and (4) Construction Completion.

(c) "Successfully Completed" means completion of key events in a timely manner.

(Effective December 27, 1990)

Sec. 8-214h-19. Terms and conditions

(a) A developers' fee may be established at up to 10% of the total development cost, less the cost of land, or \$100,000, whichever is less.

(b) The fee schedule shall be determined as follows:

<u>Percent of Fee</u>	<u>Key Event</u>
10%	Preliminary Application
15%	Final Application
25%	Construction Start
50%	Construction Completion

(c) Developer's fees are earned based on the schedule established for completing key events in the development process, as approved by the Commissioner.

(d) Developers shall only earn a fee for those key events that are completed according to the established schedule. Developers may not be entitled to earn a fee for key events completed after the established schedule. Developers shall earn, but not receive, any fee, until completion of the housing development.

(Effective December 27, 1990)

Sec. 8-214h-20. Implementation

The provisions of Section 8-68g-1, except as otherwise provided, shall govern the implementation of the Limited Equity Cooperative/Mutual Housing Association Program developers' fee.

(Effective December 27, 1990)

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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)

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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, non-profit 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)

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Senior Citizen Emergency Home Repair and Rehabilitation Program

Sec. 8-219c-1. Definitions

- (a) “Commissioner” means the Commissioner of Housing.
 - (b) “Department” means the Department of Housing.
 - (c) “Eligible Senior Citizen” means a resident of the State of Connecticut who is 62 years of age or older, whose income does not exceed the maximum qualifying income for tax relief under the provisions of Section 12-170aa of the Connecticut General Statutes, and who owns and occupies an eligible residential property.
 - (d) “Eligible Residential Property” or “Subject Property” means a residential structure consisting of up to two dwelling units in which at least one of the dwelling units is in need of emergency repairs and rehabilitation and where the owner of such shall reside in at least one of the dwelling units.
 - (e) “Emergency Repair and Rehabilitation” means any repair and rehabilitation activities which are necessary to permit continued use of the property for residential purposes.
 - (f) “Financial Assistance” means a grant-in-aid or loan provided to an eligible senior citizen for expenses incurred for emergency repairs to or rehabilitation of a residential property.
 - (g) “Senior Citizen Emergency Home Repair and Rehabilitation Fund” means the fund established by Public Act 87-494, administered by the Commissioner, from which loans are made to eligible senior citizens for emergency repairs and rehabilitation to eligible residential properties and for expenses incurred by the Commissioner in the implementation of the program.
- (Effective May 23, 1988)

Sec. 8-219c-2. Program description

- (a) The Commissioner may enter into a contract with any person who is sixty-two (62) years of age or older and whose income does not exceed the maximum qualifying income for eligibility for benefits under the program of tax relief for certain elderly homeowners under Section 12-170aa of the Connecticut General Statutes. Financial aid shall be in the form of a grant or loan, based on the financial needs of such person, and shall finance emergency repairs to or rehabilitation of a dwelling containing up to two residential units, provided such person shall be the owner of such dwelling and shall reside in at least one of such units.
 - (b) Eligible senior citizens may receive financial assistance for emergency repairs and rehabilitation necessary, in the opinion of the Commissioner, to permit the continued use of the property for residential purposes. Costs eligible under this program include, but are not limited to, labor and materials, initial service charges, appraisals, inspection fees and closing costs.
 - (c) Eligible senior citizens 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 for this program.
 - (d) The Commissioner may use the Senior Citizen Emergency Home Repair and Rehabilitation Fund for expenses incurred by the Department in the implementation of the Senior Citizen Emergency Home Repair and Rehabilitation Program.
- (Effective May 23, 1988)

Sec. 8-219c-3. Eligibility

- To be eligible to participate in this program, an applicant shall;
- (a) Be a resident of the State of Connecticut;

- (b) Be sixty-two (62) years of age or older;
 - (c) Have an income which does not exceed the maximum qualifying income for tax relief under the provisions of Section 12-170aa of the Connecticut General Statutes; and
 - (d) Own the subject property and occupy at least one dwelling unit within the subject property.
- (Effective May 23, 1988)

Sec. 8-219c-4. Application

- (a) The Commissioner may solicit and/or accept applications for financial assistance from eligible senior citizens.
 - (b) As part of the application and loan/grant approval process, the applicant shall be required to furnish the following:
 - (1) Evidence that the applicant is an eligible senior citizen as described in Section 1 (c) and Section 3 above;
 - (2) Evidence that the subject property is an eligible residential property as described in Section 1 (d) above; and
 - (3) Evidence that the emergency repairs and rehabilitation to be undertaken are necessary to permit the continued use of the subject property for residential purposes.
 - (c) The Commissioner may, from time to time, request additional information from the applicant.
 - (d) Applications shall be approved or disapproved by the Commissioner based on the factors listed in Section 4 (b) above, the availability of financial assistance, and the following:
 - (1) Any needs outlined in the Five Year Housing Advisory Plan;
 - (2) Savings versus payment ratio;
 - (3) Countable obligations of the applicant
 - (4) Credit history of the applicant.
 - (e) If an application is disapproved or rejected, the applicant shall be notified in writing of the reasons for the disapproval or rejection.
 - (f) If an application is approved, the Commissioner shall notify the applicant, in writing, that the repairs and rehabilitation may proceed and inform the applicant of the terms of the contract for state financial assistance.
- (Effective May 23, 1988)

Sec. 8-219c-5. Funding priority

- Funding priority will be based on the following:
- (a) Availability of funds to perform the necessary repairs; and
 - (b) Emergency nature of repairs; and
 - (c) Date of receipt of applications.
- (Effective May 23, 1988)

Sec. 8-219c-6. Loan/grant qualifications

All financial assistance shall be in the form of a loan, unless the applicant can supply evidence, to the satisfaction of the Commissioner, of the applicant's inability to repay the loan, in which case, a grant may be provided to the applicant.

(Effective May 23, 1988)

Sec. 8-219c-7. Contract for financial assistance

- (a) Following approval of the State Bond Commission pursuant to the provisions of Section 3-21 of the Connecticut General Statutes, the state, acting by and through

the Commissioner, may enter into a contract(s) with an eligible senior citizen for financial assistance for emergency repairs and rehabilitation in the form of a grant or loan in a principal amount not less than \$1,000 and not greater than \$10,000.

(b) Loans made under this program shall be secured by a mortgage deed and note, signed when the loan note is executed and recorded in the land records of the municipality in which the subject property is located.

(c) Unpaid principal, together with any interest, shall be due and payable, at the discretion of the Commissioner, when the subject property ceases to be used as a dwelling for the person to whom such loan was made, if such person assigns, transfers or otherwise conveys his/her interest in the subject property, or if all or part of the loan is used for purposes other than eligible emergency repairs and rehabilitation costs as described in Section 2 (b) above.

(d) If a recipient is unable to repay a loan, the Commissioner may, at his discretion, adjust the interest rate, terms and conditions of the loan to facilitate repayment, but in no case shall the term of the loan exceed 30 years.

(e) The interest rate for loans shall be established by the State Bond Commission, based upon the recommendation of the Commissioner.

(f) The contract for a grant-in-aid shall provide that if the subject property, within ten years of the date of such grant, ceases to be used as a dwelling for the person to whom such grant was made, if such person assigns, transfers or otherwise conveys the interest in such dwelling, or if all or part of the grant is used for purposes other than eligible emergency repairs and rehabilitation costs as described in Section 2 (b) above, then an amount equal to the amount of such grant, minus ten percent (10%) for each full year which has elapsed since the date of such grant, shall be repaid to the state.

(g) The contract shall also provide that a lien in favor of the State shall be placed upon each subject property for which a grant has been provided to ensure that the amount owing will be repaid in the event of a change in occupancy.

(Effective May 23, 1988)

Sec. 8-219c-8. Income eligibility

For the purpose of determining eligibility for this program, the applicant shall submit an approved "Application for Tax Credits for Elderly Homeowners and Totally Disabled Persons" for the most recent Grand List in the applicant's municipality.

(Effective May 23, 1988)

Sec. 8-219c-9. Compliance

(a) The subject property may be inspected by the Commissioner or his representative before, during and after the emergency repairs and rehabilitation work is performed to ensure that the work undertaken with the grant or loan is necessary to permit continued use of the subject property for residential purposes.

(b) In the event of any non-compliance with any portion of these regulations, the applicant will be subject to repayment of grant or loan as described in Section 7 above.

(Effective May 23, 1988)

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Nonprofit Corporations Assistance Program

Sec. 8-219d-1. Definitions

- (a) “Commissioner” means the Commissioner of Housing.
- (b) “Department” means the Connecticut Department of Housing.
- (c) “Elderly” means persons sixty-two years of age and over who lack the amount of income which is necessary, as determined by the Commissioner, to enable them to live in decent, safe and sanitary dwelling units without financial assistance.
- (d) “Family” means a household consisting of one or more persons.
- (e) “Low and Moderate Income Families” means families who lack the amount of income which is necessary, as determined by the Commissioner, to enable them, without financial assistance, to live in decent, safe and sanitary dwellings, without overcrowding.
- (f) “Nonprofit Corporation” means 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.

(Effective December 17, 1987)

Sec. 8-219d-2. Program description

(a) The Commissioner may enter into a contract with nonprofit corporations for financial assistance in the form of grants to assist such corporations with the costs of administrative expenses and technical assistance associated with the development or rehabilitation of housing for low and moderate income families and the elderly. Such grants shall be limited to those nonprofit corporations which have available funding for administrative expenses from other sources in an amount equal to or greater than one hundred percent of the proposed grant. If the nonprofit corporation has been incorporated for less than two years, the Commissioner may approve a grant of up to 100% of such costs. Grants made to nonprofit corporations shall not exceed \$100,000.

(b) Nonprofit corporations may receive state financial assistance for the costs of administrative expenses and technical assistance, including, but not limited to: (1) general operating expenses including rent, utilities, supplies, telephone, postage, printing, travel and insurance; (2) benefits and salaries for staff providing the following services: project planning, development, coordination or oversight; clerical, bookkeeping or accounting services; development of financial or in-kind resources for the nonprofit corporation through local fundraising activities or proposals to public or private sources; recruitment, selection and training of housing cooperative members; recruitment and selection of occupants for rental housing; supervision of unskilled volunteers, unemployed or underemployed persons receiving on-the-job training, or persons participating in the construction or rehabilitation of their own dwellings; and financial counseling to prospective homeowners; (3) the provision of technical assistance services to other nonprofit corporations involved in the development of housing for low and moderate income families and the elderly, and (4) other personal services related to the acquisition and rehabilitation or construction of housing, including the cost of hiring a consultant to assist in the development process, assessing the cost of technical problems associated with the construction or rehabilitation of a particular building, preparing construction documents, and estimating costs and monitoring construction.

(c) Nonprofit corporations that receive funding under this program shall be required to comply with all the rules and orders promulgated by the Commissioner and consistent with the Connecticut General Statutes.

(Effective December 17, 1987)

Sec. 8-219d-3. Eligibility

A nonprofit corporation must:

(a) Certify that it is recognized as a tax exempt organization by the federal government or the State of Connecticut;

(b) Submit an endorsed certificate of incorporation certified by the Secretary of State;

(c) Submit evidence that the nonprofit corporation is in good standing with the Secretary of the State's Office;

(d) Inform the Department, in writing, of the corporation's principal place of business;

(e) Submit articles of incorporation or by-laws that state as one of its purposes the construction, rehabilitation, ownership, or operation of housing; and

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

(Effective December 17, 1987)

Sec. 8-219d-4. Application process

(a) The Commissioner may solicit or accept applications for financial assistance from nonprofit corporations.

(b) As part of the application and approval process, the nonprofit corporation shall be required, at minimum, to furnish the following:

(1) a copy of the nonprofit corporation's operating budget listing all revenue by source as well as expenses to be supported by the proposed grant;

(2) a description and timetable of the nonprofit corporation's present and projected activities involving the development and rehabilitation of housing for low and moderate income families and the elderly;

(3) a plan identifying the number of dwelling units for low and moderate income families and the elderly which will be under development or rehabilitation during the period for which the financial assistance is requested, including the projected completion dates of such units;

(4) evidence of the status of proposals to finance the development or rehabilitation of dwelling units during the period for which the financial assistance is requested; and,

(5) the Commissioner may, from time to time, request additional information of the nonprofit corporation.

(c) Applications shall be accepted or rejected by the Commissioner based on factors listed in Section 4 (b), the availability of financial assistance, and the following:

(1) any needs outlined in the Department's Five Year Housing Advisory Plan,

(2) the apparent capability of the nonprofit corporation to plan, develop and manage housing projects;

(3) the impact that the grant will have on the housing needs of low and moderate income persons; and

(4) the availability of matching funds, if appropriate.

(Effective December 17, 1987)

Sec. 8-219d-5. Contract for financial assistance

(a) Following approval of an application by the Commissioner, the State, acting by and through the Commissioner, may enter into a contract with a nonprofit corporation for financial assistance.

(b) Such contract shall include, but not be limited to, the amount of the grant to be provided, the term of the contract and the rights and obligations of the parties under the contract.

(Effective December 17, 1987)

Sec. 8-219d-6. Financial reporting and access to records

(a) Each nonprofit corporation shall maintain complete and accurate books and records, insofar as they pertain to this program, and they shall be set up and maintained in accordance with the latest procedures approved by the Commissioner.

(b) Each nonprofit corporation shall furnish the Commissioner with financial reports on a quarterly basis on the progress of their activities as they pertain to this program. If the Commissioner finds that a nonprofit corporation has failed to meet its goals and timetables during any quarter, he shall so inform the nonprofit corporation of his findings in writing and direct them to correct the deficiency by the end of the next quarter. If, at the end of the next quarter, the Commissioner finds that the nonprofit corporation has still not met its goals and timetables, he may notify the nonprofit corporation of his intent to terminate the grant and make no further payments for eligible costs to the nonprofit corporation. The nonprofit corporation may request a meeting with the Commissioner to discuss his proposed action within ten days of his notice. Following the Commissioner's notice, payments for eligible costs to the nonprofit corporation shall be suspended until the Commissioner arrives at a decision as to whether or not to terminate such grant.

(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 nonprofit corporation relative to the grant, said permission to include the right to make excerpts or transcripts from such accounts, records and books.

(Effective December 17, 1987)

Sec. 8-219d-7. Fiscal compliance and examination

Nonprofit corporations receiving financial assistance from this program shall be subject to examination of all books and records. Each nonprofit corporation receiving such financial assistance shall contract annually with an independent accounting or management consulting firm to conduct a performance audit of the nonprofit corporation.

(Effective December 17, 1987)

Sec. 8-219d-8. Repeal of sections 8-218c-9 through 8-218c-12

Sections 8-218c-9 through 8-218c-12 of the Regulations of Connecticut State Agencies is repealed.

(Effective December 17, 1987)

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Hazardous Material Program

Sec. 8-219e-1. Definitions

The following definitions apply to Sections 8-219e-1 to 8-219e-9 inclusive of the Regulations of Connecticut State Agencies:

- (a) “Commissioner” means the Commissioner of Housing.
- (b) “Department” means the Connecticut Department of Housing.
- (c) “Residential Dwelling Unit” means a room or group of rooms arranged for use as a single household by one or more individuals living together who share living, sleeping, cooking, eating and toilet/bathing facilities.
- (d) “Developer” means
 - (1) A housing authority established in accordance with Section 8-40 of the Connecticut General Statutes and the Connecticut Housing Authority when exercising the rights, powers, duties or privileges of or subject to the immunities or limitations of housing authorities pursuant to Section 8-121 of the Connecticut General Statutes; or
 - (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; or
 - (3) 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 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 board of selectmen if such board is authorized to act as the municipal developer by the town meeting or representative town meeting; or
 - (4) A business corporation incorporated pursuant to Chapter 599 of the Connecticut General Statutes, having as one of its purposes the construction, rehabilitation, ownership, operation of housing, and having articles of incorporation approved by the Commissioner; or
 - (5) A partnership which means a 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; or
 - (6) A family or person approved by the Commissioner as qualified to receive financial assistance for the abatement of hazardous materials under an agreement entered into pursuant to the provisions of Section 8-219e of the Connecticut General Statutes and these regulations; or
 - (7) A Community Housing Development Corporation 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.
- (e) “Family” means a household consisting of one or more persons.
- (f) “Low and Moderate Income Family” 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.
- (g) “Hazardous Materials” means lead-based paint, asbestos and asbestos-containing material.
- (h) “Hazardous Materials Project” or “Project” means any work or undertaking to provide technical assistance and abate hazardous materials in order to provide decent, safe and sanitary dwelling units.

(i) “Technical Assistance” means support provided for activities including but not limited to assessing the amount and extent of hazardous materials in a residential dwelling unit, developing plans for removal of hazardous materials, assisting property owners in identifying and securing financial assistance for removal of hazardous materials and purchasing equipment necessary to provide technical assistance.

(j) “Borrower” means any property owner that receives financial assistance for a hazardous materials project.

(k) “Financial assistance” means grants, loans, deferred loans or any combination thereof.

(l) “Abatement” means any set of measures designed to eliminate lead or asbestos hazards in accordance with regulations adopted by the Department of Public Health and Addiction Services, including, but not limited to, the encapsulation, replacement, removal, enclosure or covering of paint, plaster, soil or other material containing toxic levels of lead; and any activities related to the removal, encapsulation, enclosure, renovation, repair, demolition or other disturbance of asbestos-containing materials.

(Effective October 19, 1995)

Sec. 8-219e-2. Program description

(a) The Commissioner is authorized to extend financial assistance in the form of a loan, deferred loan, grant, or any combination thereof, to developers for the abatement of lead-based paint, asbestos and asbestos-containing material from residential dwelling units and for technical assistance. The amount of state financial assistance shall not exceed two-thirds of the cost of the abatement or the cost of the technical assistance.

(b) 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.

(c) All abatement of hazardous materials shall be performed in compliance with Department of Public Health and Addiction Services approved regulations and guidelines, or the U.S. Department of Housing and Urban Development approved regulations and guidelines.

(d) In the case of multiple funding sources, if a conflict occurs between the various requirements the more stringent requirement or requirements shall apply.

(Effective October 19, 1995)

Sec. 8-219e-3. Eligibility

To be eligible to participate in this program;

(a) A housing authority must, in addition to the requirements in subsection (d) below:

(1) Be in good standing with the Department; and

(2) Submit a statement from the legal counsel of the municipality 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.

(b) A nonprofit corporation must, in addition to the requirements in subsection (d) below:

(1) Submit an endorsed certificate of incorporation certified by the Secretary of the State;

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

(3) Submit a statement in writing of the corporation’s principal place of business.

(c) A partnership must, in addition to the requirements in subsection (d) below:

(1) Submit a copy of the organizational documents of the partnership showing that the partnership consists of a nonprofit corporation, housing authority or municipal developer; and

(2) Submit a statement in writing of the partnership's principal place of business.

(d) All housing authorities, nonprofit corporations or partnership must:

(1) Submit a list of housing projects 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.

(e) A person or family approved by the Commissioner shall:

(1) Submit their Social Security number(s);

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

(3) Submit a statement authorizing the Commissioner to apply for a credit report from any appropriate credit reporting agency covering the person or family for consideration in determining their financial capability.

(f) The following item shall constitute eligibility for a municipal developer:

A notarized copy of its legislative body's resolution designating the legislative body or board of selectmen to act as a municipal developer.

(Effective April 20, 1990)

Sec. 8-219e-4. Application process

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

(b) As part of the application and approval process for financial assistance for abatement of hazardous materials, the developer shall be required to furnish the following:

(1) Certification of the developer's eligibility, as defined in Section 8-219e-3;

(2) A description of the residential dwelling unit which contains the hazardous materials, as well as an explanation of the nature of the problem;

(3) A timetable which establishes a target date for completion of all work;

(4) A plan of abatement prepared in accordance with guidelines and standards issued by the Commissioner and consistent with regulations and guidelines approved by the Department of Public Health and Addiction Services or in their absence, by the U.S. Department of Housing and Urban Development;

(5) Names, addresses and telephone numbers of its current Commissioner, Directors, Officers, Statutory Agent for service or members of its legislative body; and

(6) Evidence acceptable to the commissioner of the availability of funds from other sources necessary to meet the full cost of abatement.

(c) As part of the application and approval process for financial assistance for technical assistance, the developer shall be required to furnish the following:

(1) Certification of the developer's eligibility, as defined in section 8-219e-3;

(2) Names, addresses and telephone numbers of its current commissioners, directors, officers, statutory agent for service or members of its legislative body;

(3) A description of the technical assistance to be provided;

(4) A detailed budget identifying specific line items and projected costs; and

(5) Evidence acceptable to the commissioner of the availability of funds from other sources necessary to meet the full cost of technical assistance.

(d) The commissioner may, from time to time, request additional information from the developer.
 (Effective October 19, 1995)

Sec. 8-219e-4a. Underwriting standards and criteria

(a) Underwriting standards for financial assistance under this program shall be based on the following:

(1) Lead-based paint: A determination by a Connecticut certified inspector that lead-based paint hazards are present in the unit, and evidence of an abatement plan approved by the local Director of Health which meets all the requirements specified in the Department of Public Health and Addiction Services (DPHAS) regulations and guidelines.

(2) Asbestos: An order for remedial action by the appropriate local official for the abatement of asbestos hazards.

(b) All abatement activities shall be performed by a Connecticut certified inspector/ abater in accordance with the DPHAS regulations and guidelines.

(c) Eligible borrowers shall obtain two itemized estimates, prepared by Connecticut certified inspectors or abatements, of the cost of the abatement.

(d) The type of financing to be provided shall be underwritten according to the income of the family residing in the unit. Eligible borrowers shall qualify for financial assistance on a unit by unit basis, based on the percentage of Area Median Income, as defined by the U.S. Department of Housing and Urban Development, of the family residing in the unit to be abated.

<u>Area Median Income</u>	<u>Type of Financing</u>	<u>Term</u>
0 – 80%	Grant	10 years
81 – 100%	0% Loan	15 years
101 – 150%	1% Loan	15 years
151 – 200%	3% Loan	15 years
201% and up	6% Loan	15 years

(e) Persons and families with area median incomes 200% and above shall provide certification from a lending institution regulated by the laws of this state that a loan for the lead abatement and rehabilitation has been denied;

(f) In the case of multifamily structures or multiple buildings owned by one borrower, the financial assistance shall be underwritten according to the income of the family residing in each unit. The financial assistance for all units shall be blended into one contract for financial assistance.

(g) The grant amount subject to a lien shall be decreased by 10% each year, until the 10th year, whereupon the lien shall be released. If the lien property is sold prior to completion of the 10 year term, the remaining pro-rated amount of the grant or up to the amount available from the actual proceeds from such sale shall be recovered by the Department.

(h) Requirements for loans shall include but not be limited to the following:

(1) The standard loan term shall be fifteen (15) years, however a borrower may select a shorter term;

(2) All loans shall be subject to immediate repayment if the property is sold prior to the end of the loan year term;

(3) Loans shall be in a principal amount of not less than \$1,000;

(4) The interest rate for loans shall be determined in accordance with Subsection (t) of Section 3-20 of the Connecticut General Statutes;

(5) Borrowers that receive 0%, 1% and/or 3% loans may select to: 1) defer the principal until the end of the maximum allowable loan term or sale of the property, whichever occurs first or 2) pay in accordance with guidelines established for borrowers of 6% loans as specified in these regulations; and

(6) Owners that receive 6% loans shall be required to pay principal and interest on a monthly basis in accordance with the loan note and established term.

(i) In cases where a borrower demonstrates that he or she does not have income sufficient to qualify or afford a loan under the standard underwriting guidelines established in this section, he or she may request application of alternate underwriting criteria.

(j) The terms and conditions for each borrower receiving financing pursuant to alternate underwriting criteria shall vary on a case-by-case basis depending on the borrower's overall financial capacity. Each borrower shall be evaluated and selected if his or her financial documentation illustrates an income to debt ratio of at least 1:3 or worse.

(k) Applicants of alternate underwriting criteria shall have various financing options available to them, including but not limited to: deferred principal payments, variable rate financing, extended loan terms, deferral of principal until sale of the property or any combination thereof.

(l) Borrowers who are owner-occupants applying for alternate underwriting criteria shall submit detailed income and debt verification.

(m) Borrowers who own rental property or properties shall submit documentation demonstrating that the income received from the rental property is insufficient to cover additional debt. Such borrowers shall also be required to submit documentation of all property income and debt, including but not limited to existing property mortgages, leases, or if no leases exist, a certified rent roll.

(Effective October 19, 1995)

Sec. 8-219e-5. Selection process

(a) Applications shall be approved or disapproved by the commissioner based on factors listed in Section 8-219e-4, the availability of financial assistance, and factors which shall include, but are not limited to:

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

(2) The administrative and financial capability of the developer to plan, complete and manage a project;

(3) Preference to low and moderate income families to the extent financially possible and buildings housing a child who is suffering from lead paint poisoning;

(4) Certification that the abatement will be in accordance with guidelines and standards issued by the Department of Public Health and Addiction Services; and

(5) Demonstration of the ability to provide one-third of the cost of the project.

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

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

(Effective October 19, 1995)

Sec. 8-219e-6. Contract for financial assistance

(a) Following approval of 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 with a developer for financial assistance for project(s) in an amount not in excess of two-thirds of the cost of the project(s) as approved by the Commissioner.

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

(c) A lien shall be filed 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) In addition to whatever remedies exist in the contract, the developer shall, upon demand by the Commissioner, pay back to the State the full amount of any financial assistance provided under this program, if the Commissioner determines that:

(1) Reasonable progress in the development of the activity, as submitted pursuant to Section 8-219e-4, has not been made; or

(2) The financial assistance has been used for purposes other than the abatement of hazardous material or eligible technical assistance; or

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

(Effective October 19, 1995)

Sec. 8-219e-7. Financial reporting and access to records

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

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

(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 October 19, 1995)

Sec. 8-219e-8. 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 October 19, 1995)

Sec. 8-219e-9. Waivers

The Commissioner may waive any of the nonstatutory requirements. Requests for a waiver shall be in writing from the sponsor. Such a waiver may only be granted if there is sufficient evidence that:

- (1) The literal enforcement of such provisions provide for exceptional difficulty or unusual hardship not caused by the applicant; and
 - (2) The benefit to be gained by the waiver clearly outweighs the detriment which will result from enforcement of the requirement; and
 - (3) The waiver is in harmony with conserving public health, safety, and welfare; and
 - (4) The waiver is in the best interest of the State.
- (Effective October 19, 1995)

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Conduct of the Affairs of the Connecticut Housing Finance Authority

A

Description of Organization

Sec. 8-248 A-1. Description

The Connecticut housing finance authority (“CHFA”) derives its authority primarily from chapter 134 of the General Statutes (the “Act”). There are ten members of CHFA. Four members serve ex officio, namely the commissioner of housing, the secretary of the office of policy and management, the banking commissioner, and the state treasurer; six members, one of whom must be an officer or employee of the state, are appointed by the Governor with the advice and consent of the Senate. (Effective November 3, 1981)

Sec. 8-248 A-2. Meetings

CHFA shall hold regular meetings monthly and may hold special meetings from time to time. Notice of all meetings shall be filed in advance with the office of the secretary of state as provided in section 1-21 of the General Statutes. All regular and special meetings shall, except as the notice of a meeting states otherwise, be held at the offices of CHFA. All regular and special meetings, except executive sessions, shall be open to the public.

(Effective November 3, 1981)

Sec. 8-248 A-3. Purposes

CHFA exists for the purpose of alleviating the shortage of housing for low and moderate income families and persons by encouraging and assisting the purchase, development, financing, rehabilitation, and construction of such housing; for the purpose of restoring eligible urban areas in the state by financing mortgage loans for families and persons without regard to income limitations; and for certain other purposes related to housing as more particularly set forth in the Act.

(Effective November 3, 1981)

Sec. 8-248 A-4. Executive director and staff

CHFA shall appoint an executive director, who shall be the chief administrative officer and shall serve at the pleasure of CHFA. The executive director shall not be a member of CHFA. The executive director shall hire and supervise CHFA’s staff and shall approve all accounts for salaries, all allowable expenses of CHFA, its employees, and consultants, and all expenses incidental to the operation of CHFA.

(Effective November 3, 1981)

Sec. 8-248 A-5. Official address

CHFA maintains its offices and its principal place of business at 40 Cold Spring Road, Rocky Hill, Connecticut 06067.

(Effective January 27, 1986)

Sec. 8-248 A-6. Public information

The public may inspect the regulations, policy statements, bulletins, guidelines, interpretations, operating manuals, forms, and public records of CHFA at its office in Rocky Hill during regular business hours to the extent permitted by law. Requests for information about CHFA’s programs shall be submitted in writing to the executive director at CHFA’s offices. Requests for review of any CHFA action shall be

submitted in writing by any person affected to the executive director at CHFA's offices.

(Effective January 27, 1986)

B

Operation of Organization

Sec. 8-248 B-1. Revenue bonds

Pursuant to sections 8-250 (1) and 8-252 of the General Statutes, CHFA raises money through the issuance of bonds, bond anticipation notes, and other obligations to be repaid from CHFA's revenues. CHFA's obligations are not general obligations of the state, although, pursuant to section 8-258 of the General Statutes, if the housing mortgage capital reserve fund is less than required, there is deemed to be appropriated from the state general fund an amount necessary to restore such fund, which is to be repaid by CHFA. CHFA's obligations are not issued pursuant to the procedures provided by statute for general obligations of the state. The issuance of CHFA obligations shall be authorized by resolution adopted at a regular or special meeting.

(Effective November 3, 1981)

Sec. 8-248 B-2. CHFA programs

(a) CHFA shall operate a multifamily housing program to provide financing for rental housing of more than four units.

(b) CHFA shall operate a home mortgage program to provide financing for owner-occupied housing of one to four units for families and persons of low and moderate income and for families and persons of all income levels in certain urban areas of the state.

(c) In addition to its continuing programs, CHFA may, pursuant to the powers contained in the act, undertake pilot and experimental programs and demonstration projects designed to carry out the policies and purposes of the Act. The duration, scope, and cost for any pilot or experimental program shall be limited to what is reasonably necessary to determine whether the pilot or experimental program should be adopted as a continuing program or terminated. The scope and cost for any demonstration project shall be limited to what is reasonably necessary to demonstrate that the type of project promotes the policies and purposes of the Act. Any pilot or experimental program or demonstration project shall be authorized by resolution adopted at a regular or special meeting.

(Effective November 3, 1981)

Sec. 8-248 B-3. CHFA-approved forms

Loan applications, notes, mortgages, and other documents required by CHFA shall be executed on forms approved by CHFA, which forms shall not be changed without the prior written approval of CHFA.

(Effective November 3, 1981)

Sec. 8-248 B-4. Fees

CHFA may charge reasonable fees for processing mortgage applications and loans. Participating lenders may charge fees approved by CHFA as being reasonable to cover the costs of processing mortgage applications and loans.

(Effective November 3, 1981)

Sec. 8-248 B-5. Federal preemption

In order to carry out its purpose to provide housing for low and moderate income families with proceeds from tax-exempt bonds, CHFA must comply with federal law and regulations as modified from time to time. Therefore, to the extent that any provisions of federal law and regulations are in conflict with the provisions of these regulations, the provisions of federal law and regulations shall be deemed to be controlling.

(Effective January 27, 1986)

Sec. 8-248 B-6. Trust funds

All moneys received by CHFA, whether as proceeds of the sale of its bonds, as revenues, or otherwise, shall be deemed to be trust funds to be held and applied solely as provided by law.

Any officer with whom or any bank or trust company with which such moneys shall be deposited shall act as trustee of such moneys and shall hold and apply them for the public purposes of CHFA subject to the provisions of any relevant resolution authorizing the sale of revenue bonds or of any relevant trust agreement.

(Effective November 3, 1981)

Sec. 8-248 B-7. Non-discrimination

CHFA shall not engage in any unlawful discriminatory practice or policy in providing financing or other assistance for any housing. Financing for such housing and occupancy therein shall be equally available to all qualified persons, regardless of race, creed, color, national origin or ancestry, sex, marital status, families with children, age, mental retardation, or physical disability, except as may be required or permitted by law.

CHFA shall require that contractors or subcontractors engaged in the construction or rehabilitation of housing with construction financing by CHFA provide equal employment opportunity to all persons, regardless of race, creed, color, national origin or ancestry, sex, marital status, age, present or past history of mental disorder, mental retardation, or physical disability (except as permitted in section 46a-60 of the General Statutes) and comply with the affirmative action requirements of section 8-248 D-11 of these regulations.

(Effective November 3, 1981)

Sec. 8-248 B-8. Reports

Pursuant to section 8-260 of the General Statutes, within the first ninety (90) days of each calendar year CHFA shall report on its operations for the preceding calendar year to the governor. CHFA shall make a report to the General Assembly on or before February 15 in each year that the General Assembly meets in general session. The report shall include a summary of the activities of CHFA, a complete operating and financial statement, and recommendations of legislation to promote the public purposes of CHFA. The accounts of CHFA shall be subject to annual audits of the state auditors of public accounts.

(Effective November 3, 1981)

Sec. 8-248 B-9. Security for CHFA loans

Whenever CHFA makes or purchases loans to implement its programs, such loans shall be secured as required by chapter 134 of the General Statutes, with such additional security as CHFA deems appropriate, including, but not limited to, personal guarantees, letters of credit, bonds, leases, escrow arrangements, pledges,

reserves, security interests, mortgage interests, insurance, agreements, indemnities, warranties, assignments, or other forms of security.
(Effective November 3, 1981)

C

Rule-Making Functions

Sec. 8-248 C-1. Authority to promulgate regulations

Statutory authority to adopt, amend, or repeal regulations is derived from the Act.
(Effective November 3, 1981)

Sec. 8-248 C-2. Petition for the promulgation, amendment, or repeal of a regulation

Petitions by interested persons requesting the promulgation, amendment, or repeal of a regulation by CHFA must be submitted in writing to the executive director at CHFA's offices. Such petitions shall set forth the following: a description of the proposed regulation or amendment or the request for repeal; an explanation of the petitioner's interest in the particular subject matter; and the reasons for the proposal. Within thirty (30) days of the receipt of the petition, CHFA shall either deny the petition in writing, stating reasons for the denial, or initiate regulation-making proceedings.

(Effective November 3, 1981)

Sec. 8-248 C-3. Declaratory rulings

Requests for declaratory rulings should be submitted in writing to the executive director at CHFA's offices. Any declaratory rulings shall be adopted by resolution at a regular or special meeting. If CHFA fails to respond to such a request within sixty (60) days, the request shall be deemed denied.

(Effective November 3, 1981)

D

Multifamily Housing Program

Sec. 8-248 D-1. Multifamily loan application

An application for a CHFA multifamily mortgage loan for a proposed housing project shall be accompanied by the exhibits required by the application form or otherwise necessary to determine whether the mortgage loan applied for should be made. The issuance of a mortgage commitment evidences approval by CHFA of the mortgage loan application. The terms and conditions upon which CHFA will make the mortgage loan shall be contained in the mortgage commitment. The mortgage commitment shall be effective for a period set forth therein.

CHFA may require any or all of the following prior to determining whether an applied for mortgage loan should be made, without limitation by reason of enumeration:

- (a) proposed plans, drawings, and specifications for the proposed housing project;
- (b) evidence of the existence, availability, and adequacy of all required utility services without deferred cost or charge for connection thereto;
- (c) audited financial statements for the applicant's most recently completed fiscal year; and
- (d) market study to the satisfaction of CHFA.

(Effective January 27, 1986)

Sec. 8-248 D-2. Multifamily loan closing requirements

Prior to the advance of any funds to the mortgagor from the mortgage loan, CHFA shall require that the mortgagor deliver to CHFA the mortgage deed, note, and other documents required by the mortgage commitment or deemed by CHFA to be necessary to assure that the proposed housing will be completed and shall require that the mortgagor deliver to CHFA the following in a form and upon terms acceptable to and approved by CHFA, without limitation by reason of enumeration:

(a) a construction contract with the general contractor with a guaranteed maximum price including not less than a one-year warranty for construction defects;

(b) all building and other permits, licenses, waivers, variances, and approvals necessary for the construction of the proposed housing project;

(c) a mortgagee's title policy, with a company and in a form acceptable to CHFA, containing no exception other than those approved by CHFA;

(d) a currently dated survey within the standards of Class A-1 or A-2 of the code of the Connecticut Association of Land Surveyors showing all existing buildings and improvements, lot and building lines, encroachments, watercourses, wetlands, significant topographical features, easements, zoning classification, and other pertinent matters required by CHFA;

(e) agreements with the design architect and supervising architect, together with evidence of their professional liability insurance coverage in amounts established by CHFA for each proposed housing project;

(f) solvency certificates stating that the financial condition of the mortgagor has not suffered any material adverse change from the date of the mortgage loan application;

(g) a management agreement with the proposed management agent for the proposed housing project;

(h) complete cost breakdowns from the general contractor and mortgagor and from such other contractors and material suppliers as CHFA may require, in each case together with certifications that the proposed housing project or portions thereof can be built at the cost shown in said cost breakdowns;

(i) an opinion of an attorney for the mortgagor stating without limitation that the mortgagor is validly organized and existing, has authority to perform its obligations under the loan commitment, is bound by the mortgage note and other closing documents, and has no defenses to any action or proceeding to enforce any closing documents and that all applicable zoning, building, safety, ecological and environmental laws, codes, and regulations have been complied with and all appeal periods have expired, building permits have been legally issued, and construction in accordance with the plans, drawings, and specifications is authorized thereby;

(j) fire and other hazard insurance policies providing for such coverage, terms, deductibles, insureds, and loss payees as CHFA may require;

(k) an agreement to expend not less than such percentage of the proceeds of the mortgage loan for the acquisition, construction, or reconstruction of residential real property as may be required by CHFA to insure that any interest on bonds, bond anticipation notes, and other obligations issued by CHFA remains exempt from taxation;

(l) agreement that advances of mortgage proceeds shall be made no more frequently than once per month unless otherwise agreed to by CHFA; and

(m) documents satisfactory to CHFA evidencing the commitment of any federal, state, or local government, or agency thereof, to provide any insurance, subsidy,

grant, tax abatement or other assistance for the benefit of the proposed housing project.

(Effective January 27, 1986)

Sec. 8-248 D-3. Mortgagor's certificate of incorporation

CHFA shall require each organization applying for a mortgage loan to submit for CHFA's review its certificate of incorporation or other basic organizational documents. CHFA shall assure itself that such documents comply with the provisions of section 8-250 (cc) of the General Statutes.

(Effective November 3, 1981)

Sec. 8-248 D-4. Tenant-selection plans

Each applicant for a multifamily mortgage loan shall submit a tenant-selection plan that meets with CHFA's approval. The plan shall meet the standards set by applicable state and federal statutes and regulations.

(Effective January 27, 1986)

Sec. 8-248 D-5. Management agent

An applicant for a commitment from CHFA for a mortgage loan on a proposed multifamily housing project shall designate a management agent, and prior to the initial closing of the mortgage loan (or at such later time as permitted by CHFA), the designated management agent (if acceptable to CHFA) and the applicant shall enter into a management agreement providing for the management of the proposed housing project. The management agent shall prepare a management plan that provides a comprehensive description of the policies and procedures to be followed by the management agent in the management of the housing project. The designation of a management agent and the management agreement shall not be effective unless approved by CHFA, and the management plan shall not be effective until accepted by the applicant and approved by CHFA. The management plan shall be incorporated into the management agreement, and the management agent shall be obligated to perform under the management agreement in accordance with the provisions of the management plan and the management agreement.

(Effective November 3, 1981)

Sec. 8-248 D-6. Management plan

The management plan shall describe fully and accurately the proposal for the management of the proposed housing project and shall set forth all material or unusual circumstances or features affecting the housing project. The management plan shall include the tenant-selection plan and the following, without limitation by reason of enumeration:

- (a) the relationship between the management agent and the applicant, including any identity of interest, personal or family relationships, other property management relationships, and any other relationships, whether presently or previously existing;
- (b) a description of the management agent's previous management experience with housing projects owned by the applicant and other property owners;
- (c) a description of the proposed housing project including the building type or types, unit size information, proposed project location, project site and neighborhood characteristics, rent subsidies or assistance available, limitations or emphasis as to tenancy consistent with the tenant selection plan for the housing project, and other similar pertinent information;

(d) evaluation of the design of the proposed housing project in terms of problems presented to a management agent;

(e) a listing of the staff required to operate the proposed project by job title, job description, hours of work, and salary range;

(f) a description of the proposed marketing efforts during and after rent-up of the proposed housing project including the types, areas, and extent of advertising, proposal for the processing of applications before and after completion of the proposed project, the methods and forms to be used to verify eligibility, the methods to be used to select tenants, and submission of drafts of any documents to be used in the rent-up process;

(g) any rules and regulations to be attached to the lease;

(h) clearly defined proposals for extra charges for additional services and benefits including type of service, service provider, costs, etc.;

(i) proposed services to meet the health, welfare, and social needs of tenants in the proposed project;

(j) an evaluation of the proposed housing project with regard to energy conservation;

(k) an evaluation of the proposed housing project with regard to the security of said project and its tenants;

(l) a description of a maintenance and repair program to be conducted by the management agent including, without limitation, vermin extermination, trash removal, and routine, preventative, and cyclical maintenance;

(m) a statement setting forth the responsibility of the management agent for accounting systems, reports, and procedures;

(n) a statement concerning the responsibility of the management agent for the production of annual project budgets;

(o) a statement of the procedures of the management agent for the maintenance of books and records of the proposed housing project, including, without limitation, delineation of methods for recording rent subsidies, cash receipts, service fees, and disbursement; and

(p) a description of proposed procedures with regard to rent increases, lease defaults and evictions, and periodic inspection of the project.

(Effective January 27, 1986)

Sec. 8-248 D-7. Management agreement

The management agreement shall set forth all of the terms, conditions, covenants, and agreements between the applicant and the management agent concerning the management of the proposed housing project. The management agreement shall not be effective until executed by the applicant and the management agent and approved by CHFA. The management agent shall acknowledge that it has reviewed and is familiar with the CHFA mortgage loan closing documents, any mortgage insurance or any subsidy benefiting the proposed housing project, and any federal or state statutes and regulations affecting the management agent's duties and responsibilities.

The management agent shall have the following duties and responsibilities, without limitation by reason of enumeration:

(a) advise and assist the applicant with respect to the renting of units within the housing project;

(b) act as a liaison between the applicant and the architect and general contractor for the proposed housing project;

(c) provide for the marketing activities described in the management plan;

(d) attend to the marketing and leasing of vacant units and to negotiation and preparation of all leases and other occupancy agreements for dwelling units, commercial space, parking space, and any other rentable space or facilities;

(e) determine, verify, and certify to the eligibility of prospective tenants and of existing tenants and conduct needs assessments when required by CHFA or any other state or federal agencies providing assistance to the housing project;

(f) collect, deposit, and disburse security deposits in accordance with the terms of each tenant's lease and in accordance with the requirements of law;

(g) maintain a current waiting list of prospective tenants;

(h) collect when due all rents, charges, and other amounts due the applicant as owner of the proposed housing project or otherwise related to the management and operation of the housing project and deposit and disburse such amounts in accordance with the requirements of law and the management agreement;

(i) enforce tenant leases with the assistance of the attorney or attorneys retained by the owner of the housing project;

(j) cause the housing project to be maintained in a good, safe, and sanitary condition;

(k) cause the housing project to be provided water, electricity, gas, fuel oil, sewage and trash disposal, vermin extermination, decorating, laundry facilities, telephone service, and other services, all in accordance with the management plan and the project operating budget approved by the owner of the project and CHFA;

(l) hire, pay on behalf of the owner, supervise, and, as necessary, discharge all personnel employed in the management of the housing project;

(m) pay on behalf of the owner the following: all amounts due CHFA and any other state or federal agencies providing assistance to the housing project, compensation to employees of the owner of said project and any other payments required in connection with the payment of such compensation, real estate taxes and assessments, fire and other insurance premiums, mortgage payments, utility charges, deposits into reserve funds and other escrows, and any other amounts due by the owner as operating expenses of the housing project, including the management agent's fee;

(n) prepare an annual operating budget for each fiscal year of the housing project at least sixty (60) days prior to the beginning of such fiscal year, which budget is subject to approval by the owner of the housing project and CHFA;

(o) prepare appropriate records and reports, including, without limitation by reason of enumeration, the following:

(1) an inventory of all furniture, equipment, tools, supplies, and fuel;

(2) an annual financial report for each fiscal year prepared by a certified public accountant selected by the owner of the project and acceptable to CHFA, which report shall be based upon a review of the books and records of the management agent and the owner of the project and submitted to the owner and CHFA within sixty (60) days after the end of each fiscal year or such longer time as CHFA may agree to in writing;

(3) reports on all income and expenses of the project comparing actual and budgeted figures for receipts and disbursements, which reports shall be submitted to the owner and CHFA as required;

(4) such reports as may be required under any agreements of the owner of the proposed housing project with CHFA or any other state or federal agencies assisting the project or requested by CHFA with respect to the financial, physical, or operational condition of said project;

(5) an aged, itemized list of all delinquent accounts, including past due rents as required by CHFA;

(p) as required by CHFA, deliver to the owner of the housing project and CHFA a statement of receipts and disbursements with a schedule of aged accounts receivable and payable and with bank statements and a reconciliation thereof for project accounts;

(q) prepare and submit, after approval by the owner of the housing project, all forms, reports, and returns required by law in connection with the employment of personnel, unemployment insurance, workmen's compensation insurance, disability insurance, social security, and other similar insurance;

(r) furnish and maintain at project expense for the term of the management agreement and thirty (30) days thereafter a blanket fidelity bond for the benefit of the owner of the housing project and CHFA in an amount not less than two (2) months' gross rent for all units of the housing project, which bond shall be in a form and with a company acceptable to the owner of said project and CHFA;

(s) obtain quotations on all contracts or purchases exceeding two thousand (\$2,000) dollars for any items or services obtainable from more than one source and credit the owner of the housing project with any discounts, rebates, or commissions in connection therewith;

(t) establish a grievance procedure satisfactory to CHFA;

(u) cause the insurance coverage required under the CHFA mortgage loan documents to be effected with companies approved by the owner of the housing project and by CHFA and furnish to the owner of the housing project and by CHFA reports of all accidents, claims, and potential claims relating to the housing project and cooperate with any insurers in connection therewith; and

(v) comply with applicable state and federal laws and regulations and any orders or other requirements of any agencies thereof, as part of its obligations under the management agreement.

(Effective January 27, 1986)

Sec. 8-248 D-8. Compensation of management agent

(a) The management agent shall be compensated for performance of its responsibilities under the management agreement in amounts approved in advance by CHFA based on the following criteria:

(1) whether the housing project is a family or an elderly development;

(2) the number of family units and the number of elderly units in the housing project;

(3) the number of subsidized units and the number of non-subsidized units;

(4) whether the housing project is to be located on urban, suburban, or rural site; and

(5) whether the housing project is solely rental and if related facilities are provided.

(b) In consideration of such compensation, the management agent shall be responsible for the following:

(1) the cost of hiring, orienting, and supervising all personnel employed on behalf of the project;

(2) salary and related payroll costs (including transportation costs) of all personnel employed on behalf of the project except

(A) on-site management personnel approved in the management agreement and

(B) project maintenance and janitorial employees approved in the management plan;

(3) rent and utilities necessary to operate off-site offices, unless specified by CHFA;

(4) costs (including payroll and related expenses and computer service charges and administrative costs as defined by CHFA) necessary to prepare and maintain

(A) tenant applications, leases, and occupancy files,

(B) maintenance records, and

(C) financial and subsidy reports required under the management agreement and any subsidy contracts except the cost of certified annual financial statements and audits prepared by an independent CPA;

(5) payroll and related costs (including transportation costs) paid to supervisory management personnel;

(6) costs of required fidelity bonds or "employee dishonesty insurance" covering all employees other than on-site maintenance and janitorial personnel; and

(7) cost of purchasing or renting office equipment, supplies, stationery, forms, and postage charges except as approved by CHFA.

(Effective January 27, 1986)

Sec. 8-248 D-9. Term of management agreement

The term of a management agreement shall not exceed two (2) years.

(Effective November 3, 1981)

Sec. 8-248 D-10. Replacement of management agent

In the event of a change in the management agent for any housing project, no replacement management agent may be retained and no management agreement may be executed without the approval of CHFA. If any housing project financed by a CHFA multifamily mortgage loan is without a management agent approved by CHFA, CHFA may unilaterally appoint a management agent to perform as required by CHFA until such time as the owner of the housing project shall appoint a management agent approved by CHFA.

(Effective November 3, 1981)

Sec. 8-248 D-11. Affirmative action

Each mortgagor and its contractors, subcontractors, and management agents shall agree to comply with (a) federal and state executive orders, statutes, regulations, and other requirements of law relating to affirmative action and equal employment opportunity, including (without limitation by reason of enumeration) the requirements that section 4-114a of the General Statutes imposes on those who enter into contracts to which the state is a party, and (b) CHFA guidelines and goals established for each housing project financed by CHFA relating to equal employment opportunity, affirmative fair marketing, and other affirmative action.

(Effective November 3, 1981)

Sec. 8-248 D-12. Assurance of completion

CHFA shall require a mortgagor or its contractor to provide a performance bond, a letter of credit, or other security satisfactory to CHFA to insure completion of the housing project. In establishing the type, duration, and amount of acceptable security, CHFA shall consider project cost, developer performance record, the number of units or stories, the time for construction, and other pertinent factors.

(Effective November 3, 1981)

Sec. 8-248 D-13. Return on equity

(a) The mortgagor's equity in a project shall consist of the difference between the amount of the CHFA loan and the total project cost, whether or not such cost has been paid in cash or in a form other than cash.

(b) A loan to a mortgagor, other than a nonprofit corporation having as one of its purposes the construction or rehabilitation of housing, shall be subject to an agreement between CHFA and the mortgagor limiting the mortgagor, and its principals or stockholders, to a return on the mortgagor's equity in any project assisted with a loan from CHFA.

(Effective August 24, 1987)

Sec. 8-248 D-14. Related facilities

CHFA may provide financing for related facilities that are necessary, convenient, or desirable in providing safe and adequate housing financed by CHFA. By section 8-243 of the General Statutes, "related facilities" is defined to mean commercial, office, health, welfare, administrative, recreational, community, and service facilities incidental and pertinent to housing as determined by CHFA. If any related facility is to be leased, CHFA shall have the right to disapprove any proposed use, tenant, or provision of the lease.

(Effective November 3, 1981)

E**Home Mortgage Program****Sec. 8-248 E-1. Home mortgage loans**

The home mortgage program finances acquisition or rehabilitation of existing or newly-constructed housing with no more than four living units, one of which is required to be occupied by the borrower.

(Effective January 27, 1986)

Sec. 8-248 E-2. Participating lenders

(a) A "participating lender" is a lending institution that cooperates with CHFA in making funds available under its home mortgage program by making mortgage loans that CHFA has agreed to purchase.

(b) To be approved by CHFA as a participating lender or a servicer of CHFA loans, a lending institution must meet the following criteria:

(1) have in Connecticut the capacity and personnel to originate and close mortgage loans;

(2) unless it is a FDIC or FSLIC insured deposit-taking institution incorporated and existing under the laws of Connecticut, have three (3) years experience in making mortgage loans on homes located in Connecticut in the regular course of its business;

(3) be a lender approved by the Federal Housing Administration and the Veterans Administration;

(4) have a minimum tangible net worth of \$500,000;

(5) be in compliance with applicable federal and state laws, regulations promulgated thereunder and any licensing requirements by agencies of government having jurisdiction; and

(6) execute the standard Master Commitment Agreement for Mortgage Purchases and, if the lending institution desires to service loans, the standard Home Mortgage Servicing Agreement.

(c) CHFA may remove from the list of approved participating lenders any lending institution that has (i) failed to commit and close mortgage loans in accordance with the Act, these regulations and the Master Commitment Agreement for Mortgage Purchases, or (ii) ceased to meet the criteria for becoming a participating lender. CHFA may terminate the Master Commitment Agreement for Mortgage Purchases and/or the Home Mortgage Servicing Agreement in accordance with the provisions thereof.

(d) Participating lenders shall not restrict applications for loans to any segment of the home mortgage program, except that a participating lender need not accept applications for rehabilitation mortgage loans and need not accept applications for mortgage loans on homes located outside its normal geographic lending areas.

(Effective January 27, 1986)

Sec. 8-248 E-3.

Repealed, January 27, 1986.

Sec. 8-248 E-3a. Distribution of mortgage money

(a) CHFA may elect to make mortgage money available through participating lenders in the state. CHFA will not issue separate allocations to any particular participating lenders. CHFA shall notify all participating lenders by mail when mortgage money is available.

(b) Prior to an allocation of funds, CHFA will establish a date after which loan reservation requests may be accepted. Participating lenders shall not establish interview lists for loan applications and shall not accept applications for funds prior to the date set by CHFA. CHFA will not accept reservations for funds prior to such date.

(c) Mortgage money may be reserved by a participating lender for a prospective borrower only after the prospective borrower has entered into a written sales agreement covering the property to be financed, a copy of which agreement shall be supplied to the participating lender, and has shown evidence of income by supplying a copy of the federal income tax return most recently filed by the prospective borrower, unless he has not been required to file such return. Such reservation of funds not committed within four (4) months of the date of reservation shall be cancelled and of no further effect unless extended by CHFA.

(d) Participating lenders shall take and process applications from prospective borrowers on a "first-come, first-served" basis, unless otherwise directed by CHFA. No preference may be shown an applicant, at any stage of the process, on account of the latter's relationship with particular brokers or developers, his membership in certain groups or organizations, or his status as a depositor, customer or employee of the participating lender.

(e) Prior to each allocation of funds, CHFA shall notify the participating lenders of the procedures to be followed in reserving funds for prospective borrowers. CHFA will accept only those reservations made in accordance with announced procedures.

(f) Notwithstanding any of the above provisions, CHFA reserves the right to use lotteries or similar devices in the allocation or reservation of funds whenever, in its sole discretion, it determines that such a step is necessary for an equitable distribution of funds. CHFA further reserves the right to accept funds reservations directly from prospective borrowers.

(g) CHFA reserves the right to hold back a portion of any bond issue for use in special programs, in furtherance of its goals in providing financing for owner-occupied one- to four-family housing. CHFA may limit participation in such special

programs to certain designated lenders or may itself administer loans made thereunder.

(Effective January 27, 1986)

Sec. 8-248 E-4. Commitments for mortgage purchase

(a) A participating lender shall submit each mortgage loan application approved by it to CHFA with all information and documents required to comply with the rules and regulations of the commissioner of banking, the mortgage insurer or guarantor, and the Home Mortgage Programs Operating Manual. Such submission shall be made as soon as is reasonably possible after the collection of all required documentation, including the commitment for mortgage insurance or guaranty. A commitment to purchase a CHFA mortgage loan shall be sent to a participating lender after a mortgage loan application submitted by such lender to CHFA has been approved. Such a commitment is effective only for the period designated therein, unless extended in writing by CHFA. CHFA has sole discretion as to the granting of extensions. Loans are purchased by CHFA in accordance with such commitment and pursuant to Section 8-248 E-30 of these regulations.

(b) CHFA reserves the right to place such special conditions on commitments as it deems necessary to ensure compliance with these regulations and with federal law or regulations. Participating lenders are responsible for closing loans in compliance with any such conditions as may apply.

(c) Requests for extension or cancellation of a commitment shall be in writing and signed by a mortgage officer or other authorized representative of the participating lender. Participating lenders shall promptly notify CHFA in writing of cancellations.

(d) The substitution of property for which funds have been reserved, either before or after the issuance of a commitment, shall be permitted only with the written consent of CHFA. The granting of such consent is within the sole discretion of CHFA and will be made only upon a showing of substantial hardship, not known to or reasonably foreseeable by the borrower at the time of application. No substitution of borrower shall be permitted at any time. CHFA may decline to reserve funds for an applicant who has other CHFA funds reserved.

(e) An application to CHFA for a commitment to purchase a CHFA mortgage loan may be resubmitted only once after having been rejected. Different CHFA staff members authorized to review mortgage loans shall review the submission and any resubmission of an application.

(Effective January 27, 1986)

Sec. 8-248 E-5. Eligible borrowers

An applicant shall be eligible for a CHFA mortgage loan if the applicant

(a) has aggregate family income at an annualized rate at the time of application at or below the applicable income limit in effect at the time of application or is purchasing residential property in one of the legislatively defined urban areas pursuant to Section 8-248 E-9 of these regulations;

(b) agrees to occupy and use the residential property to be purchased or rehabilitated for a permanent, primary residence within sixty (60) days of the closing of the mortgage loan;

(c) possesses the legal capacity to incur the obligations of the CHFA mortgage loan;

(d) possesses the ability, as determined by CHFA, to repay the CHFA mortgage loan;

(e) contracts to purchase or rehabilitate property which qualifies as an eligible dwelling under Section 8-248 E-15 of these regulations;

(f) has not, at any time during the three years preceding the date of application for the mortgage loan, had a present ownership interest (as defined by the Home Mortgage Programs Operating Manual) in his principal residence. This requirement does not apply to loans on properties located in targeted areas as designated by CHFA or to loans made to prior homeowners as permitted by Federal Law; and

(g) is not using the proceeds of the CHFA mortgage to refinance an existing mortgage on the property (except in the case of a qualified rehabilitation loan) or to finance the acquisition of the remaining interest in a property in which a partial interest already is owned. The use of the loan proceeds to refinance an existing mortgage is permitted if the prior mortgage is a construction period loan or other temporary financing with a period of twenty-four (24) months or less, or if it is on unimproved land on which a dwelling is to be constructed and is to be paid prior to the closing of the CHFA mortgage loan, which latter loan does not exceed the cost of construction.

(Effective January 27, 1986)

Sec. 8-248 E-6. Occupancy

(a) Owner-occupancy is a condition of CHFA home mortgage loans. As a part of the application process, each applicant for a CHFA home mortgage loan shall sign a certificate on a form provided by CHFA, attesting to applicant's intent to live in the housing to be financed. At the closing of such loan, each borrower shall execute a CHFA Owner-Occupancy Certificate attesting that the housing to be financed is being purchased as the permanent primary residence of the borrower. The borrower shall occupy the housing within sixty (60) days of the closing. No later than sixty (60) days after the closing of a loan, the participating lender shall verify owner-occupancy by means of a physical inspection of the mortgaged property.

(b) Extensions of the deadline for taking occupancy may be granted by CHFA, in its sole discretion, upon a showing of good cause therefor. No extension shall be granted if, prior to closing, the borrower knew or had reason to know of the barrier to occupancy.

(c) CHFA shall declare the failure to occupy to be a default of the mortgage loan and may pursue all remedies available under the note and mortgage, the CHFA Owner-Occupancy Certificate, or otherwise available at law or in equity, if during the period of sixty (60) days from the closing the borrower does not occupy the mortgaged housing as a permanent primary residence, unless CHFA has extended the time for occupancy.

(d) No tenant selection plan shall be required of borrowers in connection with CHFA home mortgage loans.

(Effective January 27, 1986)

Sec. 8-248 E-7. Credit review

Participating lenders shall be responsible for evaluating the credit of applicants for CHFA mortgage loans.

In determining whether or not an applicant meets CHFA income limitations, where applicable, an applicant's aggregate family income shall be computed by including the elements discussed herein.

(a) An applicant's aggregate family income shall include income from whatever source derived, including without limitation, regular earnings; part-time earnings;

unemployment compensation; bonuses; overtime income, whether or not guaranteed by an employer; dividends; interest (except on funds which will be used for downpayment and closing costs); commissions; military allowances; welfare payments; disability payments; pension, annuity, retirement, and social security benefits; and reimbursement for services in military reserve or National Guard. CHFA may at its option exclude overtime income where it deems such income to be of short duration and of a temporary nature.

(b) Aggregate family income shall also include income from full or part-time employment of all proposed owner-occupants and all other non-dependent resident members of the family unit of the applicant. Income received prior to the date of the application shall not be included in aggregate family income if the member of the family unit who earned such income has not been employed for at least ninety (90) days prior to the application. The prior annualized income of said persons will be included in aggregate family income if said eligible borrower or occupant has been employed during the ninety (90) days prior to the date of application.

(c) Aggregate family income, for purposes of determining compliance with the applicable income limit, shall include one hundred (100%) percent of the anticipated fair market income from rental units in a two to four unit eligible dwelling to be purchased by the applicant with the assistance of the CHFA mortgage loan. For underwriting purposes, fifty (50%) percent of such rental income shall be included in the applicant's total income.

(d) Aggregate family income shall also include alimony, child support, or maintenance payments only to the extent that they are likely to be consistently received. Factors to be considered in determining the likelihood of consistent payments include, but are not limited to, whether the payment are received pursuant to a written agreement or court decree, the length of time the payments have been received, the regularity of receipt, the availability of procedures to compel payment, whether full or partial payments have been made, the age of any child for who child support is to be paid, and the creditworthiness of the obligee, including the credit history of the obligee where available under the Fair Credit Reporting Act (section 1681 et seq. of title 15 of the United States Code) or other applicable laws. A participating lender shall submit to CHFA evidence adequate to support its determination.

(Effective January 27, 1986)

Sec. 8-248 E-8. Evidence of income

Each applicant for a CHFA home mortgage loan shall provide copies of the three previous years' signed federal income tax returns (one year in the case of a loan in a targeted area or to a prior homeowner) and the three most recent pay stubs (if provided pursuant to section 31-13a of the General Statutes) of the applicant and all other non-dependent resident members of the family unit, unless CHFA agrees in writing to accept other evidence of income where no such return has been filed or no such pay stubs have been provided. The participating lender shall obtain income and employment verification from the applicant's employer.

In cases where an applicant is self-employed, or is one of the principal owners of a business, the applicant's schedule C from his most recent federal income tax return or the business' income tax return will be used, without adjustment, to determine income, self-employment or investment losses and employee expenses on Form 2106 will not be reflected for purposes of eligibility, but will be reflected for underwriting ratios.

(Effective January 27, 1986)

Sec. 8-248 E-9. Urban area mortgages

(a) Pursuant to the Act, CHFA may finance mortgage loans in certain legislatively designated urban areas of the state without regard to the borrower's income, but such loans may not be made by CHFA if otherwise available on "reasonable terms."

(b) This requirement that a loan not be otherwise available on reasonable terms will be deemed satisfied by an applicant provided that the applicant shows proof of refusal for a direct mortgage loan from not less than two financial institutions that are making residential mortgage loans in the area in which the housing is located, indicating that such refusal was for at least one of the following reasons:

(1) the applicant, according to the financial institution's regular lending guidelines, could not afford to make loan payments in the amount required by the financial institution's interest rate, including points;

(2) the applicant, according to the financial institution's regular lending guidelines, could not afford to make loan payments in the amount required by the financial institution's normal term of years for the mortgage loan; or

(3) the applicant, according to the financial institution's regular lending guidelines, could not meet the financial institution's downpayment requirement.

(c) The refusal should reflect the lending institution's least restrictive terms. In the case of a one-year variable loan with a low initial interest rate, however, the refusal may reflect the interest rate implied by the underlying formula for establishing the interest rate in future years. The refusal must be based on a loan amount that reflects the application of the full amount available for downpayment.

(d) The proof of refusal shall be substantially in the form prescribed by CHFA. The proof of refusal shall include the name of the lending institution, the terms on which the lending institutions would make the loan sought by the applicant, and a statement that the lending institution would decline to extend such a loan to the applicant. The proof of refusal shall be signed by a person authorized to act for the lending institution.

(Effective January 27, 1986)

Sec. 8-248 E-10. Family size

The family unit of an applicant for a CHFA mortgage loan shall include all proposed owner-occupants and all other proposed residents who are related to them. The intended spouse of an applicant engaged to be married will be considered part of the family unit regardless of the proposed marriage date. A borrower who is divorced shall submit a copy of the decree of dissolution of marriage as proof of such status. A borrower who is separated from a spouse will be treated for income limit purposes as being married, unless such borrower submits evidence of separation for more than three years or a judicial decree of separation dated prior to the date of application.

(Effective January 27, 1986)

Sec. 8-248 E-11. Disposal of other residential property

Any real estate that is owned by the borrower and used by the borrower as a residence and that will not be security for a proposed mortgage loan to the borrower shall be disposed of or under bona fide contract for sale before the closing on such loan. In cases where a borrower, such as in a federally approved target area, is in the process of selling such residential property or has sold it during the six months prior to the date of application for the loan, the borrower shall apply the equity proceeds from that sale as a downpayment on the eligible dwelling. The borrower may deduct payoff of the present first mortgage, payoff of other mortgages recorded

at least one year, real estate commissions and reasonable closing costs on the home being sold in determining equity proceeds.

(Effective January 27, 1986)

Sec. 8-248 E-12. Determination by participating lender

The qualification of an applicant as a borrower shall be determined by each participating lender subject to review by CHFA. A participating lender shall review each application form and related submissions to determine their completeness in accordance with the terms of the Act and these regulations. Reasonable efforts shall be undertaken to verify information given in such application.

(Effective November 3, 1981)

Sec. 8-248 E-13. Denial caveat

A participating lender shall not deny a CHFA mortgage loan to a borrower because the borrower is not a depositor or customer of the participating lender. A participating lender shall not deny a CHFA mortgage loan to a borrower because the borrower is not a member of a particular group that such lender desires to favor or is a member of a particular group that such lender desires to exclude.

(Effective November 3, 1981)

Sec. 8-248 E-14. Multiple loans

A borrower may not have more than one outstanding CHFA mortgage loan, including a CHFA mortgage loan that has been assumed by another borrower. A commitment for a borrower who already has a CHFA mortgage loan shall contain, as a special condition, the payment in full of the prior loan.

(Effective January 27, 1986)

Sec. 8-248 E-15. Qualification as an eligible dwelling

(a) A CHFA mortgage loan shall be made only to finance the acquisition or rehabilitation of an eligible dwelling. An eligible dwelling is one that is located in the state, is structurally and functionally sound, meets all applicable zoning, building, health, and similar codes and requirements, and has a purchase price not in excess of any limits set by CHFA. A permanent certificate of occupancy shall have been issued for each eligible dwelling. An eligible dwelling may be a building consisting of one to four family dwelling units or may be an owner-occupied unit of a multi-unit complex such as a condominium, a planned unit development, etc., provided that such multi-unit complex has received CHFA's prior approval. A house that is an eligible dwelling may not be located on more than 2.1 acres of land, unless a written waiver has been granted by CHFA, and may not provide, other than incidentally, a source of income to the borrower. The participating lender shall make a preliminary determination as to whether a dwelling as to which a CHFA mortgage loan is requested is an eligible dwelling.

(b) The sales contract for a newly-constructed house (one which was not occupied prior to the CHFA loan commitment) or a house to be constructed must provide for insulation of at least R30 in the ceiling and R11 in the walls (R38 in the ceiling and R19 in the walls and floors in the case of electric heat) and for double-glazed windows with wood or other thermal break (or storm windows in lieu thereof). If necessary, an amendment to the sales contract to provide for these will be required.

(Effective January 27, 1986)

Sec. 8-248 E-16. Minimum down payments

The minimum downpayment required in the case of CHFA mortgage loans insured by private mortgage insurance (“PMI”) shall be five (5) percent, unless approved by resolution adopted at a regular or special meeting. The minimum downpayment required in the case of CHFA mortgage loans insured by FHA or guaranteed by VA shall be such down payment, if any, required from time to time by FHA or VA. Downpayments in excess of the minimums may be required by CHFA in cases where the borrower has equity from the sale of other housing or where the loan must be reduced to a level consistent with the borrower’s ability to repay the loan or where the loan must be reduced to meet the insurer’s maximum.

(Effective January 27, 1986)

Sec. 8-248 E-17. Income and sales price limits

(a) CHFA shall adopt income limits for borrowers in order to carry out the policies and purposes of the Act, subject, however, to the provisions of section 8-248 E-9 of these regulations. CHFA shall adopt income limits for each county in the state that vary with the size of the household to occupy the housing to be financed, except that income limits for households of three (3) persons shall also be applicable for smaller households and the income limits for households of seven (7) persons shall also be applicable for larger households. The income limits applicable to a particular borrower is the one for the appropriate household size in the county in which the housing to be financed is located. In no event shall such income limits exceed the products, rounded to the nearest one hundred (100) dollar multiple, arrived at by multiplying one hundred thirty (130) percent by the following:

(1) for Fairfield County, the average of the median family income established from time to time by the United States Department of Housing and Urban Development (“HUD”) for the federal Bridgeport-Milford, Danbury, Norwalk, and Stamford primary metropolitan statistical areas;

(2) for New Haven County, the average of the median family income for the federal New Haven-Meriden and Waterbury metropolitan statistical areas;

(3) for New London County, the median family income for the federal New London-Norwich metropolitan statistical area;

(4) for Hartford and Tolland Counties, the median family income for the federal Hartford primary metropolitan statistical area;

(5) for each other county in Connecticut, the median family income for the federal non-metropolitan county parts for the particular county.

(b) CHFA shall adopt sales price limits for mortgaged premises to carry out the policies and purposes of the Act. CHFA shall adopt sales price limits for each county in the state. In no event shall any sales price limit exceed the amount which would cause CHFA’s bonds to be taxable under the Mortgage Subsidy Bond Tax Act of 1980. In no event shall such sales price limits exceed the products, rounded to the nearest one hundred (100) dollar multiple, arrived at by multiplying four (4) by the following:

(1) for Fairfield County, the average of the median family income figures published from time to time by HUD (“MFI”) for the federal Bridgeport-Milford, Danbury, Norwalk, and Stamford primary metropolitan statistical areas;

(2) for New Haven County, the average of the MFI’s for the federal New Haven-Meriden and Waterbury metropolitan statistical areas;

(3) for New London County, the MFI for the federal New London-Norwich metropolitan statistical area;

(4) for Hartford and Tolland Counties, the MFI for the federal Hartford primary metropolitan statistical area;

(5) for each other county in Connecticut the MFI for the federal non-metropolitan county parts for the particular county.

(c) Anything above to the contrary notwithstanding, CHFA may adopt income limits and sales price limits on a basis different than is provided in subsections (a) and (b) above, in compliance with Section 143 of the Internal Revenue Code of 1986, as follows:

(1) CHFA shall adopt income limits for borrowers in order to carry out the policies and purposes of the act.

(A) The household income of the mortgagor shall not exceed 115 percent of the applicable median income, unless in a Targeted Area.

(B) In the case of any financing provided under any bond issue for targeted area residents:

(i) One-third of the amount of such financing may be provided without regard to subparagraph (A), and

(ii) Subparagraph (A) shall be treated as satisfied with respect to the remainder of the financing if the household income of the mortgagor is 140 percent or less of the applicable median family income.

(C) For purposes of this subsection the term “applicable median income” means, with respect to a dwelling, whichever of the following is greater:

(i) The area median gross income for the area in which such dwelling is located, or

(ii) The statewide median gross income.

(2) CHFA shall adopt sales price limits for mortgaged premises to carry out the policies and purposes of the act.

(A) The acquisition cost of a dwelling shall not exceed 90 percent of the average area purchase price applicable to such dwelling, unless in a Targeted Area.

(B) For purposes of subparagraph (A) the term “average area purchase price” means, with respect to any dwelling, the average area purchase price of single family dwellings (in the federal statistical area in which the dwelling is located) which were purchased during the most recent 12-month period for which sufficient statistical information is available.

(C) For purposes of this subsection, the determination of average area purchase price shall be made separately with respect to:

(i) Dwellings which have not been previously occupied, and

(ii) dwellings which have been previously occupied.

(D) In the case of a Targeted Area residence, subparagraph (A) shall be applied by substituting “110 percent” for “90 percent”

(d) Such income limits and sales price limits shall be adopted, and as necessary changed, by resolution adopted at a regular or special meeting.

(Effective June 24, 1988)

Sec. 8-248 E-18. Computation of sales price

(a) The sales price of an eligible dwelling as established in an arm’s length transaction shall not exceed the applicable sales price limit established by CHFA and in effect at the time of the application. The sales price of an eligible dwelling shall include all amounts paid, either in cash or in kind, by the buyer (or by another party acting on behalf of the buyer) to the seller (or to another party for the benefit of the seller). The buyer’s closing costs to be paid by the seller are to be subtracted from the selling price shown on the real estate sales contract.

(b) The following items shall be included in the computation of the sales price of an eligible dwelling:

(1) the reasonable costs of completing the eligible dwelling, whether or not such costs are to be financed with the proceeds of the mortgage loan, if the eligible dwelling is incomplete at the time of closing and the builder does not normally sell similar incomplete homes;

(2) the capitalized value of the ground rent, for an eligible dwelling subject to a ground rent, which value shall be calculated using a discount rate equal to the yield on the CHFA bonds from which the loan proceeds were derived; and

(3) the cost of the land on which the eligible dwelling is located, if such land had been owned by the borrower prior to the construction of the eligible dwelling.

(c) Participating lenders shall obtain appraisals of all properties for which CHFA loans are requested. Said appraisals shall be on forms required by the mortgage insurer or guarantor, shall be made by appraisers acceptable to CHFA, and, except for those on condominium units, shall be accompanied by the CHFA Supplement to Appraisal. Appraisal reports shall be submitted to CHFA together with other loan documents.

(d) The value of property as reported in an appraisal shall be that which the property would bring in a bona fide, arm's-length transaction between well-informed/advised parties acting in their own best interests, assuming reasonable market exposure for the property and payment in cash or by means of typical financing terms. If an appraisal indicates that a property is in need of repairs, a recertification by the appraiser will be required prior to the closing of the loan. Such recertification shall state that either the necessary repairs have been made or that an escrow has been set up.

(e) As part of the Borrower Affidavit submitted to CHFA, the participating lender shall include an Acquisition Cost Worksheet completed by the borrower. Such worksheet, on a form supplied by CHFA, shall set forth in detail the sales (acquisition) price of the eligible dwelling, as computed in accordance with these regulations. A Seller Affidavit, required from all sellers, shall contain the seller's certification as to the sales (acquisition) price of an eligible dwelling.

(f) At the closing of each loan, the participating lender shall certify to CHFA that the sales (acquisition) price of the property is not in excess of the applicable sales price limit. Such certification shall be based on the lender's review of the Acquisition Cost Worksheet, Seller Affidavit and other relevant documentation, and shall be made as part of the Participating Lender Mortgage Loan Closing Certificate.

(g) CHFA may at its option reject an application for a CHFA mortgage loan to finance the purchase of an eligible dwelling where the appraised value exceeds the applicable sales price limit by more than five (5) percent.

(h) Notwithstanding any of the above, CHFA reserves the right to require an independent appraisal if, in its sole discretion, it determines that doing so is necessary to ascertain whether the property in question qualifies as an eligible dwelling.

(i) Surveys are not needed unless required by mortgage insurers/guarantors or CHFA. A participating lender shall promptly notify CHFA upon discovery of any state of facts which, from the standpoint of a prudent lender, may indicate the need for a survey of the property in question.

(Effective January 27, 1986)

Sec. 8-248 E-19. Eligible condominiums

CHFA mortgage loans may be made to finance the acquisition of any unit in the following classes of condominium units:

(a) any unit not part of a conversion condominium, or any unit in a conversion condominium if the building containing any such unit had been vacant for at least one year prior to the date of conversion and the building was substantially rehabilitated in connection with the conversion.

(b) any unit in a condominium converted prior to January 1, 1986;

(c) any unit in a condominium converted on or after January 1, 1986, if the applicant for a CHFA mortgage loan is a tenant seeking to buy the unit that the tenant has rented for at least one year prior to the date of the statutory notice of intent to convert to a condominium and that the tenant will continue to occupy as an owner.

(Effective December 19, 1986)

Sec. 8-248 E-20. Prior approval of condominiums

No participating lender shall submit to CHFA an application for a CHFA mortgage loan on a unit in a condominium until the condominium has been approved in writing by CHFA. A request for approval of a condominium by CHFA shall be in writing and shall include the following:

(a) appraisals of each unit type and of the entire condominium,

(b) evidence of valid creation and existence of the condominium and the association of unit owners in the form of an attorney's opinion letter,

(c) the current public offering statement of the declarant,

(d) the declaration of condominium, including the by-laws of the unit owners' association, survey, floor plans and all exhibits and schedules,

(e) current photographs of the condominium property,

(f) statistics on the number of units conveyed and the number of unconveyed units that are vacant, and

(g) evidence of adequate reserve funds of the unit owners' association.

(Effective November 3, 1981)

Sec. 8-248 E-21. Maximum number of units financed

Upon approval of a multi-unit complex (such as a condominium, a planned unit development, etc.), CHFA will determine the number of units that will be eligible for CHFA mortgage loans. CHFA shall not hold CHFA mortgage loans on more than fifty (50) percent of the units in any multi-unit complex, and at least fifty (50) percent of the units shall be sold or under bona fide contract of sale prior to CHFA's purchase of any CHFA mortgage loan on a unit, unless otherwise approved by resolution at a regular or special meeting.

(Effective January 27, 1986)

Sec. 8-248 E-22.

Repealed, January 27, 1986.

Sec. 8-248 E-22a. Detached single family houses in a multi-unit complex

Detached single family houses in a multi-unit complex shall be considered on the same basis as any single family houses not part of multi-unit complexes.

(Effective January 27, 1986)

Sec. 8-248 E-23. Leasehold interests

The following requirements shall apply where a CHFA mortgage loan is secured by a mortgage on a leasehold interest:

(a) the lease shall be in full force and effect;

(b) the notice of lease shall be recorded on the land records of the town in which the leased property is located;

(c) the term of the lease may not terminate earlier than that number of years beyond the maturity date of the CHFA mortgage loan as is equal to the number of years remaining to maturity; and

(d) the lease shall be in a form acceptable to the participating lender and CHFA; it shall provide that the lessee may mortgage the leasehold estate, and that the lease may not be terminated for a lessee's default unless the mortgage receives from the lessor written notice of, and reasonable opportunity to cure, such default.

(Effective November 3, 1981)

Sec. 8-248 E-24. Mortgage insurance or guaranty

(a) Each CHFA mortgage loan application submitted to CHFA by a participating lender shall be accompanied by a commitment for mortgage insurance or guaranty.

(b) Mortgage insurance or guaranty or a firm commitment shall be in effect at the time CHFA purchases a CHFA mortgage loan, and CHFA shall be named as the insured or guaranteed mortgagee. Such insurance or guaranty shall remain in effect for the life of the loan.

(c) CHFA may, under circumstances approved by resolution adopted at a regular or special meeting, permit a mortgage loan to be insured by private mortgage insurers ("PMI") from companies licensed to do business within the state. PMI shall be in the minimum amounts set forth below.

(1) If the ratio of the CHFA mortgage loan to value of the mortgaged premises is over ninety (90) percent, the PMI coverage shall not be less than the first twenty five (25) percent of the CHFA mortgage loan.

(2) If the ratio of the CHFA mortgage loan to value of the mortgaged premises is over eighty (80) percent and less than or equal to ninety (90) percent, the PMI coverage shall not be less than the first twenty (20) percent of the CHFA mortgage loan.

(3) If the ratio of the CHFA mortgage loan to value of the mortgaged premises is less than or equal to eighty (80) percent, the PMI coverage shall not be less than the first twelve (12) percent of the CHFA mortgage loan.

(d) The issuance of a commitment for mortgage insurance or guaranty shall not obligate CHFA to issue a loan commitment for the application.

(Effective January 27, 1986)

Sec. 8-248 E-25. FHA-insured and VA-guaranteed mortgage loans

CHFA mortgage loans may be insured by the Federal Housing Administration ("FHA") insurance or the Veterans Administration ("VA") guarantees on newly constructed or existing eligible dwellings.

Each FHA insured or VA guaranteed loan may be insured or guaranteed under one of the following programs:

- (a) FHA Section 203 (b) or (i); Home Unsubsidized,
- (b) FHA Section 213: Cooperative Financing,
- (c) FHA Section 221 (d) (2): Low and Moderate Income,
- (d) FHA Section 222: Servicemen,
- (e) FHA Section 233: Experimental Housing,
- (f) FHA Section 234: Individual Condominium Unit,
- (g) FHA Section 235: Lower Income (Interest Subsidy),
- (h) FHA Section 237: Special Credit Risks,
- (i) FHA Section 245: Graduated Payment Mortgages,

- (j) FHA Section 745: Direct Endorsements,
- (k) FHA Section 809: Armed Services Civilian Employees,
- (l) FHA Section 810: Armed Services Housing, or
- (m) VA - Chapter 37, Title 38, U.S. Code (which includes section 501 of the Servicemen's Readjustment Act of 1944, as amended).

CHFA mortgage loans may be insured under any other FHA insurance program with the prior written approval of CHFA.

VA guaranteed loans shall not exceed the reasonable value of the property as established by a certificate of reasonable value issued by the VA.

The VA guaranty together with the downpayment (based on the lower of cost or value) shall not be less than twenty-five (25) percent of the lower of cost or value of the mortgaged premises.

(Effective August 24, 1987)

Sec. 8-248 E-26. Mortgage insurance coverage

The term of all mortgage insurance or guarantees with respect to CHFA mortgage loans shall not expire prior to the payment in full of said loan. Any mortgage insurance or guarantee shall be in full force and effect as of the closing date of the CHFA mortgage loan insured or guaranteed, and such insurance or guarantee shall name CHFA as the insured or the beneficiary of the guarantee.

A private mortgage insurer shall not charge a commission, fee, or other compensation for providing mortgage insurance other than premiums at the rate or rates filed with the Insurance Commissioner.

(Effective November 3, 1981)

Sec. 8-248 E-27. Terms and conditions of CHFA mortgage loans

(a) Each CHFA mortgage loan shall be secured by a valid first lien on the mortgaged property. Such property shall be free and clear of all prior encumbrances and liens except as approved by CHFA, and no rights may be outstanding that could give rise to such prior liens.

(b) The mortgage note, deed, and any other instruments securing a CHFA mortgage loan shall create, legal, valid, and binding obligations of the borrower, enforceable in accordance with their terms, free from any right of set-off, counterclaim, or other claim or defense. Co-signors or guarantors are not permitted on a mortgage loan.

(c) The original term of a CHFA mortgage loan on a fee interest shall not exceed thirty (30) years. The original term of a CHFA mortgage loan on a leasehold interest shall not exceed thirty (30) years, and the term of the underlying lease shall not expire for at least such number of years beyond the maturity date of such loan as is equal to the number of years remaining to maturity.

(d) CHFA may require that mortgage loans be of the growing equity type. Under this type of mortgage the borrower is qualified under an initial monthly payment of principal and interest based on a 30-year term. During the term of the mortgage this monthly payment is increased at certain times with the entire payment increase applied to the principal balance on the loan so that the loan is fully paid in substantially less than 30 years. The note must show the monthly payment for each period of time during the term of the loan.

(e) The principal amount of each CHFA mortgage loan shall be a multiple of one hundred (100) dollars and shall be advanced at the time of closing. Such loan shall provide for monthly amortization payments, interest payable in arrears, with full repayment by maturity. Amortization shall commence within two (2) months

after closing. Monthly amortization payments shall be due on the first day of each month, and the final payment date shall be shown on the loan documents.

(f) A CHFA mortgage loan shall not provide for a prepayment penalty. Loans may provide for a late charge in an amount not to exceed four (4) percent on payments fifteen (15) days or more past due to cover the expenses attributable to the receipt of payment after the due date.

(g) Each CHFA mortgage shall provide for the monthly collection of escrow payments for real estate taxes, mortgage insurance premiums, and hazard insurance premiums, when required by the mortgage insurer, in addition to the monthly amortization payments. A participating lender shall pay interest on escrow deposits at a rate of not less than four (4) percent per annum, or such higher rate as required by statute.

(h) A CHFA mortgage shall obligate the borrower to keep the mortgaged premises in good repair and condition, keep the premises free from other liens and encumbrances, and maintain hazard insurance in accordance with the requirements set forth in Section 8-246 E-29 of these regulations.

(i) CHFA may require the mortgage and the mortgage note to be executed on forms provided by CHFA.

(j) All requirements of all federal and state laws, rules, and regulations now existing or hereafter adopted, applicable to mortgages and mortgage loan transactions, including without limitation truth-in-lending laws, fair credit reporting laws, equal opportunity laws, usury laws, and laws regulating interest due on escrow accounts, shall be complied with where applicable.

(Effective January 27, 1986)

Sec. 8-248 E-28. Title insurance

(a) Each CHFA mortgage shall be insured by a mortgagee's title insurance policy which insures that CHFA has a good and valid mortgage on the mortgaged property. Such policy shall be issued in a form and by a title insurer licensed to do business in the State of Connecticut and must show recording data for the mortgage and the assignment thereof. The policy must be in an amount not less than the original principal balance of such loan. The named insured shall be named in the following form:

“(Participating lender) and/or Connecticut Housing Finance Authority, its successors and assigns, as their interests may appear.”

(b) Title insurance policy exceptions for agreements or restrictive covenants relating to cost, use, building lines, minimum size, building materials, architectural, aesthetic or similar matters (other than single-family use restrictions on two to four family properties) are acceptable to CHFA if:

(1) there is no possibility of reversion or forfeiture of title in the event of violation thereof, and the title policy insuring a CHFA mortgage affirmatively insures that a breach or violation of covenants, restrictions, agreements, and other encumbrances will not result in a forfeiture or reversion of title; and

(2) no violation of any such agreements or restrictive covenants exists as of the date of closing.

(c) The following title insurance policy exceptions shall be acceptable to CHFA:

(1) any mutual easement agreement recorded in the land records of the town within which the property is situated that establishes a joint driveway or a party wall, whether constructed partly or wholly on the mortgaged property or the adjoining property, but only if the easement agreement allows all present and future owners,

their heirs and assigns, unlimited use of the driveway or party wall without any restriction other than any restrictions stating the mutual easement owners' rights in common and duties as to joint maintenance;

(2) Encroachments on the mortgaged property by improvements on adjoining property, provided such encroachments do not extend more than one foot over the property line at any point, do not cover or enclose an area of greater than fifty (50) square feet on the mortgaged property, do not touch any building or any other improvement, and do not interfere with the use of the mortgaged property as a residence. An encroachment not meeting these standards will be acceptable to CHFA only if it is made the subject of an easement agreement; and

(3) liens for real estate or other taxes and assessments, including sewer or street-improvement caveats, no payments under which are due at the time of closing.

(Effective January 27, 1986)

Sec. 8-248 E-29. Hazard insurance coverage

(a) Property subject to a CHFA mortgage loan shall be covered by hazard insurance as follows:

(1) Fire and customary extended coverage insurance in an amount sufficient to cover the outstanding principal balance of such loan or the full insurable value of the improvements on the mortgaged property, whichever is less. The amount of coverage may not be less than the amount required by a mortgage insurer or guarantor nor be required to exceed the maximum amount permitted by applicable statutes.

(2) A participating lender shall be responsible for and shall be deemed to guarantee compliance with the provisions of the Flood Disaster Protection Act of 1973, whenever such provisions are applicable to any CHFA mortgage loan. If mortgaged property is located in an area having special flood hazards, as identified by the Secretary of Housing and Urban Development, flood insurance shall be maintained in the amount of the outstanding principal balance of the CHFA mortgage loan or the maximum limit of the coverage available under the National Flood Insurance Act of 1968, as amended, whichever is less.

(3) Hazard insurance policies may provide for a deductible up to the amount of one hundred (100) dollars for each event of loss, applicable to either fire or extended coverage or both.

(4) Each hazard insurance policy shall be issued by a hazard insurance carrier licensed to do business in Connecticut.

(5) Hazard insurance shall be in effect on the closing date of a CHFA mortgage loan and the premium therefore shall be paid in advance for a full year from the closing date.

(6) The participating lender shall notify CHFA whenever the provisions of this section are not complied with.

(b) Insurance policy requirements are as follows:

(1) All policies of hazard insurance shall contain a mortgagee clause naming "Connecticut Housing Finance Authority and/or its successors and assigns, as their interests may appear" as the loss payee.

(2) All policies of hazard insurance shall provide that the insurance carrier will provide written notice to CHFA at least ten (10) days in advance of the effective date of any change or cancellation of a policy.

(3) A participating lender shall give any notices necessary to fully protect the interest of CHFA as first lienholder under the terms of any insurance policy under which CHFA has an interest and under applicable law.

(c) Insurance policies shall not be accepted by a participating lender or CHFA if:

(1) under the terms of the insurance carrier's charter, bylaws or policy, contributions may be required to be made by, or assessments be made against, CHFA or its assigns; or

(2) contributions may be required to be made by, or assessments made against, a borrower, which may become a lien against property prior to the lien of a CHFA mortgage; or

(3) by the terms of the insurance carrier's charter, bylaws, or policy, loss payments are contingent upon action by such carrier's board of directors, policyholders, or members; or

(4) the insurance policy includes any limiting conditions that may prevent CHFA or the borrower from collecting insurance proceeds payable under the policy.

(Effective January 27, 1986)

Sec. 8-248 E-30. Loan purchase

(a) Participating lenders shall verify that all CHFA mortgage loan documents are properly executed by the named borrowers and are correct as to property location, principal amount, interest rate and maturity date.

(b) Participating lenders shall determine the amount of monthly escrow payments with respect to each CHFA mortgage loan and make arrangements for the establishment of an escrow account with the servicer, if the servicing is not to be done by the participating lender. The participating lender or other servicer shall reserve or escrow amounts estimated to be sufficient to pay all escrow items by their respective due dates.

(c) Participating lenders, or other servicers, shall escrow for real estate taxes, mortgage insurance premiums, and hazard insurance premiums (when hazard insurance premiums are required to be escrowed by the mortgage insurer or guarantor).

(d) All fees collected by a participating lender from a borrower or from the seller of property to such borrower, including without limitation application fees and processing fees, shall not in their aggregate exceed one (1) percent of the mortgage amount, except as set forth in paragraph (e) hereof.

(e) A participating lender may recover certain expenses incurred in processing and closing a CHFA mortgage loan application in an amount not to exceed actual cost and not in excess of the maximum amount permitted by the mortgage insurer or guarantor. Such expenses include cash expenditure to pay for outside services rendered, such as appraisals, surveys, legal representation, credit reports, and other items approved in writing by CHFA.

(f) CHFA may transfer funds to a participating lender from whom a CHFA mortgage loan has been purchased prior to the receipt and acceptance of all required loan documents, subject, however, to the provisions set forth in paragraph (h) hereof.

(g) Not later than one hundred twenty (120) days after the closing of a CHFA mortgage loan, the participating lender shall forward the complete loan purchase package to CHFA containing all documents required by the Home Mortgage Programs Operating Manual and the Master Commitment Agreement for Mortgage Purchases. Extensions may be granted by CHFA, in its sole discretion, only upon written request from the participating lender. CHFA may require the repurchase of any loan if its loan purchase package is not received within 120 days after the closing and no extension has been granted. A participating lender's responsibility to submit a loan purchase package will not be relieved by the fact that a different lender will be handling the servicing of the loan in question.

(h) If a participating lender fails to correct or complete documentation for any CHFA mortgage loan within sixty (60) days of the first request therefor or if there is any other breach of the terms of any agreement concerning mortgage purchases between CHFA and the lender, the mortgage may be reassigned to the lender. If funds have been advanced by CHFA to a lender for the purchase of a mortgage, the lender shall repurchase the mortgage and otherwise comply with the terms of any such agreement with CHFA.

(Effective January 27, 1986)

Sec. 8-248 E-31. Loan servicing

Participating lenders which do not service CHFA mortgage loans shall deliver all documents and information concerning such loans not required to be submitted to CHFA after the closing of such loans to a servicer designated by CHFA, or if there is no designated servicer, to CHFA.

(Effective November 3, 1981)

Sec. 8-248 E-32.

Repealed, January 27, 1986.

Sec. 8-248 E-32a. Assumptions

(a) The standards for assumption of CHFA loans depend upon the type of mortgage insurance or guaranty used and the date upon which the loans were originally committed for purchase. These standards are as follows:

(1) loans committed prior to January 1, 1982:

(A) FHA-insured and VA-guaranteed loans may be assumed pursuant to applicable federal requirements, without the prior consent of CHFA. Servicers are responsible for ensuring compliance with such federal requirements. Following the assumption, the servicer shall furnish CHFA with copies of the recorded warranty deed and assumption agreement, as well as evidence of adequate hazard insurance coverage.

(B) PMI loans are assumable only with the prior written consent of CHFA. Both the property and the assuming buyer(s) must meet the standards for eligible borrowers/dwellings as are then in effect. In order to obtain CHFA's consent, the servicer shall forward a request for approval of assumption, on forms provided by CHFA, together with such underwriting documents as are set forth in the Home Mortgage Programs Operating Manual. Following the assumption, the servicer shall furnish CHFA with the original recorded assumption agreement, a copy of the warranty deed, an original Owner-Occupancy Certificate, executed by the assuming buyer(s), a PMI endorsement naming the assuming buyer(s), evidence of hazard insurance coverage, and the HUD Form 1 (RESPA).

(2) assumption of loans committed after January 1, 1982:

(A) The prior consent of CHFA is required for the assumption of all loans, regardless of the form of mortgage insurance or guaranty. Such consent may be granted only upon the property's and the assuming buyer's qualifying as an eligible dwelling and an eligible borrower, respectively, according to those standards in effect at the time. The servicer shall forward such documentation to CHFA as is required for approval of new loans.

(B) VA loans are assumable only if a copy of the Veteran's Consent Statement, as required by 36 CFR Sec. 36.4306 (a) & (e), is on file with CHFA. PMI loans require the assuming buyer(s) to obtain the PMI company's written approval of the assumption.

(C) Following the assumption, the servicer shall provide CHFA with such documentation as is required by the Home Mortgage Programs Operating Manual.

(b) The servicer may charge the assuming buyer a fee equal to one percent (1%) of the loan's outstanding principal balance at the time of the assumption, except for those loans which are assumable without CHFA's prior consent. In no event shall the fee charged exceed the maximum permitted by the mortgage insurer or guarantor.

(c) CHFA will not release any original borrower from liability following the assumption of a loan. Any provision to the contrary in an assumption agreement is void.

(Effective January 27, 1986)

Sec. 8-248 E-33. Retention of records; inspection of books

Any documents required by these regulations or by state or federal law in connection with the commitment to purchase, purchase, or servicing of a CHFA mortgage loan and not delivered to CHFA shall be retained by a participating lender for at least two (2) years after the date of purchase by CHFA of the mortgage loan, or such longer period as may be required by law, and, if requested by CHFA, for a reasonable period thereafter. If during such retention time CHFA requests original or certified copies of such documents, the same shall be delivered to CHFA. Where appropriate, such documents may be kept on microfilm, microcard, or other similar photographic media.

Participating lenders shall make all records and books maintained in connection with CHFA mortgage loans available for inspection by CHFA upon request during reasonable business hours.

CHFA may, at its option, reconvey a mortgage loan to the participating lender that assigned said loan to CHFA if such lender has failed to retain documentation as required herein, and such lender shall pay to CHFA the unpaid principal balance, all accrued and unpaid interest, and any other amounts due.

(Effective November 3, 1981)

Sec. 8-248 E-34. Records of declined applications

Participating lenders shall maintain accurate records for each CHFA mortgage loan application which is declined. If any such records are requested by CHFA, they must be delivered promptly upon receipt of the request therefor.

(Effective November 3, 1981)

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Relocation Assistance Appeal

Sec. 8-273-1. Relocation assistance appeal

(a) Any person aggrieved as to the provisions of Chapter 135 of the (general Statutes of Connecticut, as revised, should first request reconsideration by the State agency of the decision initially received as to relocation assistance. If the person aggrieved is not satisfied by the decision rendered by the State agency upon reconsideration, he then may request a hearing before the Relocation Advisory Assistance Appeals Board.

(b) The request must be submitted in writing to the State agency causing the displacement within eighteen months after the date of acquisition of real property by the State agency causing the displacement by land acquisition programs, by building code enforcement activities, or by a program of voluntary rehabilitation of buildings or other improvements conducted pursuant to governmental supervision or the effective date of these regulations whichever is later.

(c) A Relocation Advisory Assistance Appeals Board shall be established by the Commissioner of Transportation and another Appeals Board by the Commissioner of Community Affairs. The Board established by the Commissioner of Transportation will hear matters concerning transportation projects and the Board established by the Commissioner of Community Affairs will hear matters concerning all other State agency programs and projects.

(d) The Board will review applications of all persons aggrieved, hold hearings thereon, and report its findings within 15 days after the hearing to the Transportation Commissioner on matters concerning transportation projects, and the Community Affairs Commissioner on matters concerning all other State agency programs and projects.

(e) The respective Commissioners shall make the final administrative decisions and advise the appellant of his decision in accordance with Section 4-179 of the General Statutes of Connecticut, as revised.

(Effective April 30, 1975)

Sec. 8-273-2. Moving costs distance limit

Payments for moving expenses shall be limited to a distance of fifty miles unless prior written approval has been received from the funding agency.

(Effective April 30, 1975)

Sec. 8-273-3. Fixed schedule of payments

(a) Any displaced person eligible for payments for actual cost of moving household goods may elect to receive in lieu of the actual costs payments based upon a fixed schedule of payments, according to whichever method is best for them. The fixed schedule methods payment is based on the number of rooms of furniture and personal belongings in the subject house and is generally used when the occupant desires to move himself. The fixed schedule is as follows:

<i>Number of Rooms</i>	<i>Payment Will Be</i>
1	\$ 50.00
2	90.00
3	140.00
4	170.00
5	230.00
6	260.00
7 or more rooms	300.00 (Maximum)

(b) If the fixed schedule of payments is elected, no more than \$300 will be paid for moving costs. A dislocation payment of \$200 will also be paid for those electing to receive payment according to the above fixed schedule.

(c) Two or more individuals, not a family, who occupy the same dwelling units are considered to be a single family for the purposes of this section.

(Effective April 30, 1975)

Sec. 8-273-4. Dwellings described

(a) A decent, safe and sanitary dwelling shall be described as follows:

(1) Conforms to local building, housing and occupancy codes for existing structures.

(2) Has a continuing supply of potable water.

(3) Has a kitchen with hot and cold water, and sink with sewage collections. It must have an area for a stove and refrigerator with proper utility connections.

(4) Has an adequate heating system for the living area.

(5) Has a ventilated, lighted bathroom with privacy available and shower or tub, adequate hot and cold water supply, flush toilet and connections to an adequate sewage system, all in good working order.

(6) Has artificial lighting provisions in each room.

(7) Is structurally sound and adequately maintained.

(8) Each building used for dwelling purposes shall have a safe unobstructed means of egress to a safe open space at ground level.

(9) Each unit in a multi-dwelling building must have access either directly or through a common corridor to a means of egress to open space at ground level.

(10) In multi-dwelling buildings of three stories or more, the common corridor is a means of egress to open space at ground level.

(11) Meets standards of habitable floor space having 150 square feet for the first occupant, and at least 100 square feet for each additional occupant.

(12) For mobile homes 150 square feet for the first occupant and 70 square feet for each additional occupant.

(13) Habitable floor space must have sufficient number of rooms to be adequate for a family and is defined as the part used for sleeping, living, cooking and dining and does not include closets, pantries, bathrooms, service or utility rooms, hallways, foyers, unfinished attics, storage space, cellars and similar types of space.

(14) All rooms must be adequately ventilated.

(b) Comparable dwelling: A comparable dwelling is one which when compared with the dwelling being taken is:

(1) Decent, safe, and sanitary;

(2) Functionally equivalent and substantially the same with respect to:

(A) Number of rooms;

(B) Area of living space;

(C) Type of construction;

(D) Age; and

(E) State of repair.

(3) Fair housing — open to all persons regardless of race, color, religion, sex or national origin and consistent with the requirements of title VIII of the Civil Rights Act of 1968; and the Civil Rights requirements of Article I, Section 20 of the State Constitution and Section 53-35 of the Statutes of Connecticut, as revised.

(4) In areas not generally less desirable than the dwelling to be acquired in regard to:

- (A) Public utilities; and
 - (B) Public and commercial facilities.
 - (5) Reasonably accessible to the relocatee's place of employment;
 - (6) Adequate to accommodate the relocatee;
 - (7) In an equal or better neighborhood;
 - (8) Available on the market; and
 - (9) Within the financial means of the displaced family or individual.
- (e) Adequate replacement housing: The term "adequate replacement housing" means a dwelling which is:
- (1) Decent, safe, and sanitary;
 - (2) Fair housing — open to all persons regardless of race, color, religion, sex or national origin and consistent with the requirements of title VIII of the Civil Rights Act of 1968, the Civil Rights requirements of Article I, Section 20 of the State Constitution and Section 53-35 of the Statutes of Connecticut, as revised.
 - (3) In areas not generally less desirable than the dwelling to be acquired in regard to:
 - (A) Public utilities; and
 - (B) Public and commercial facilities.
 - (4) Available at rents or prices within the financial means of the individuals and families relocated;
 - (5) Reasonably accessible to the relocatee's place of employment; and
 - (6) Adequate to accommodate the relocatee.
- (Effective April 30, 1975)

Sec. 8-273-5. Limitations on payment for purchase price

(a) The price established as the reasonable cost of a comparable replacement dwelling sets the upper limit of the differential amount payable for a comparable dwelling when the reasonable cost of such dwelling is more than the acquisition price of the acquired dwelling. To qualify for the full amount, the home owner must purchase and occupy a decent, safe and sanitary dwelling, expending a minimum of the acquisition price of the acquired dwelling and the supplemental payment offered.

(b) If the home owner voluntarily purchases and occupies a decent, safe, and sanitary dwelling at a price less than the reasonable cost established for a comparable replacement dwelling, the amount payable is that amount required to pay the difference between the acquisition price of the acquired dwelling and the actual purchase price of the decent, safe and sanitary dwelling.

(Effective April 30, 1975)

Sec. 8-273-6. Rental payments to a qualified displaced tenant

If the rental payment is calculated to be more than \$2,000.00, it may be made in four equal annual installments. Before making said annual payment, the State agency concerned shall verify that the qualified tenant still occupies a decent, safe and sanitary dwelling.

(Effective April 30, 1975)

Sec. 8-273-7. Eligibility not dependent on length of occupancy

A displaced person's eligibility for payment of moving and related expenses is not affected by the length of time that he occupied the real property from which he is displaced.

(Effective April 30, 1975)

Sec. 8-273-8. Payment limited to one move; exception

(a) Except as provided by paragraph (b) of this section, payment of a displaced person's moving and related expenses may not be made for more than one move in connection with a particular project.

(b) If the appropriate state agency official considers it to be in the public interest he may authorize payment of a displaced person's moving and related expenses for additional moves.

(Effective April 30, 1975)

Sec. 8-273-9. Noneligibility notice to rental occupants required

If any agency rents out real property acquired in connection with a project to which this part applies, it shall notify the tenant and state in the rental agreement that the tenant will not be eligible for payment of displacement, moving, and related expenses under this subpart.

(Effective April 30, 1975)

Sec. 8-273-10. Moving expenses; application and payment

(a) Upon application by a displaced person for payment of moving and related expenses, the agency concerned shall —

(1) Pay those expenses in accordance with this subpart; or

(2) If the applicant elects to receive it, pay him a fixed allowance in accordance with Subpart F of this part.

(b) The application shall be in writing and filed with the agency concerned within 1 year after the date of acquisition of the dwelling by the agency or the date the applicant vacated the dwelling, whichever is later. The application shall include an itemization of the expenses involved and, except as provided in paragraphs (d) and (e) of this section, shall be supported by receipts and such other evidence as the agency concerned may require.

(c) A displaced person may not be paid for his moving expenses in advance of the actual move unless the agency concerned finds that a hardship would otherwise result.

(d) If a displaced person, his mover, and the agency concerned agree by prearrangement in writing, the displaced person may submit an unpaid bill for moving expenses for direct payment.

(e) If the agency concerned contracts with independent movers on a schedule basis and provides a displaced person with a list of movers he may choose from to move his personal property, payment shall be made directly to the mover.

(f) In the case of a self-move by a displaced person who conducts a business or farm operation the amount of payment for actual reasonable moving expenses is negotiable but may not be more than the lower of two firm bids or estimates received by the agency concerned.

(Effective April 30, 1975)

Sec. 8-273-11-. Exclusions

A displaced person is not entitled to be paid for —

(a) Additional expenses incurred because of living in a new location;

(b) Cost of moving structures or other improvements to real property which are reserved by the displaced person;

(c) Improvements to the replacement site, except when required by law;

(d) Interest on loans to cover moving expenses;

(e) Loss of good will;

(f) Loss of profits;

- (g) Loss of trained employees;
- (h) Personal injury;
- (i) Cost of preparing the application for moving and related expenses; or
- (j) Modification of personal property to adapt it to replacement site, except when required by law.

(Effective April 30, 1975)

Sec. 8-273-12. Moving expenses; individuals and families

(a) Except as provided in Section 8-273-11, a displaced individual or family is entitled to actual reasonable expenses for —

(1) Transporting themselves and their personal property from the displacement site to a replacement site, but not more than 50 miles unless the agency concerned finds that the individual or family cannot relocate within that distance;

(2) Packing, crating, and, if the agency concerned finds it necessary, storing their personal property for not more than 6 months;

(3) If the agency concerned finds it necessary, advertising for packing, crating, storing, or transporting their personal property;

(4) Insuring against loss or damage of their personal property while in storage or transit; and

(5) Removing and reinstalling a household appliance, including reconnecting utilities, if —

(i) It is not acquired by the agency concerned as real property;

(ii) The individual or family agrees in writing that the appliance is personal property and releases the agency concerned from paying for it; and

(iii) Unless otherwise required by law, it is not a real property improvement to the location site.

(b) A displaced individual or family is entitled to be reimbursed for uninsurable loss or damage of their personal property while in the process of moving, if the loss or damage was not a result of their fault or negligence.

(Effective April 30, 1975)

Sec. 8-273-13. Moving expenses: businesses and farm operations

(a) Except as provided in Section 8-273-11, a displaced person who conducts a business or farm operation which is discontinued or relocated is entitled to actual reasonable expenses for —

(1) Transporting his personal property from the displacement site to a replacement site, but not more than 50 miles, unless, in the case of relocation, the agency concerned finds that the business or farm operation cannot be relocated within that distance;

(2) Packing, crating, and, if the agency concerned finds it necessary, storing his personal property for not more than 6 months;

(3) If the agency concerned finds it necessary, advertising for packing, crating, storing, or transporting his personal property;

(4) Insuring against loss or damage of his personal property while in storage or transit;

(5) Removing and reinstalling machinery and equipment including reconnecting utilities, if —

(i) It is not acquired by the agency concerned as real property;

(ii) The displaced person agrees in writing that the machinery or equipment is personal property and releases the agency concerned from paying it; and

(iii) Unless otherwise required by law, it is not a real property improvement to the location site; and

(6) Searching for a replacement business or farm operation, to the extent those expenses meet the requirements of Section 8-273-17.

(b) A displaced person who conducts a business or farm operation which is discontinued or relocated is entitled to the actual direct losses of personal property resulting from the discontinuation or move, to the extent those losses meet the requirements of Section 8-273-16.

(c) A displaced person who conducts a business or farm operation which is relocated is entitled to be reimbursed for uninsurable loss or damage of his personal property while in the process of moving, if the loss or damage is not the result of his fault or negligence.

(Effective April 30, 1975)

Sec. 8-273-14. Moving expenses: advertising businesses

A displaced person who conducts a lawful activity primarily for assisting in the purchase, sale, resale, manufacture, processing, or marketing of products, commodities, personal property, or services by the erection and maintenance of outdoor advertising displays, whether or not the displays are located on the premises on which any of those activities are conducted, is entitled to the moving expenses described in Section 8-273-13.

(Effective April 30, 1975)

Sec. 8-273-15. Low value, high bulk property: businesses and farm operations

In the case of low value, high bulk personal property, such as junk, stockpiled sand, gravel, minerals, metals, or similar items, used in connection with a relocated business or farm operation, payment for actual reasonable moving expenses may not be more than the cost of replacing that property at the relocation site less the amount for which it could be sold at the displacement site.

(Effective April 30, 1975)

Sec. 8-273-16. Actual direct losses: businesses and farm operations

(a) Subject to the requirements and limitations in paragraphs (b) through (f) of this section, a displaced person who conducts a business or farm operation is entitled to payment for actual direct losses of personal property that is used in connection with the business or farm operation but is —

(1) No longer needed because the business or farm operation is being discontinued; or

(2) Not being moved to a relocation site because it is not suitable for use there.

(b) If a business or farm operation is relocated, payment for actual direct losses of personal property may not be more than the amount the agency concerned determines the reasonable moving expenses would be for moving that property to the relocation site.

(c) A displaced person who conducts a business or farm operation shall make a bona fide effort to sell personal property he does not move.

(d) If a displaced person relocates a business or farm operation and sells an item of personal property that he does not move and promptly replaces it with a comparable item, payment for actual direct loss of the original item may not be more than the replacement cost less its sale price, or the cost of moving the original item, whichever is less.

(e) If a displaced person discontinues a business or farm operation and sells an item of personal property, payment for actual direct loss of that item may not be more than the in-place value of the item less its sale price, or the cost of moving it, whichever is less.

(f) If a displaced person who conducts a business or farm operation abandons an item of personal property after making a bona fide effort to sell that property, payment for the actual direct loss of that item may not be more than the in-place value of the item less what its sale price would have been, or the cost of moving it, whichever is less.

(Effective April 30, 1975)

Sec. 8-273-17. Expenses in searching for replacement business or farm operation

A displaced person who conducts a business or farm operation is entitled to not more than \$500. or such higher amount as the agency concerned considers justified under the circumstances, for actual reasonable expenses in searching for a replacement business or farm operation including —

- (1) Cost of Travel;
- (2) Cost for meals and lodging;
- (3) An amount for time spent searching, based on the salary or earnings of the displaced person from the business or farm operation, but not more than \$10. per hour; and

(4) If the agency concerned considers it desirable, the cost of a broker or realtor to locate a replacement site.

A displaced person who conducts an advertising business described in Section 8-273-14, is entitled to not more than \$100., or if the agency concerned considers it justified under the circumstances not more than \$500., for actual reasonable expenses in searching for a replacement outdoor advertising display site.

(Effective April 30, 1975)

Sec. 8-273-18. Fixed allowance; businesses

(a) A displaced person who conducts a business and elects to receive a fixed allowance in lieu of actual moving and related expenses is entitled to a fixed amount equal to the average annual net income of the business, computed in accordance with 8-273-20, but not less than \$2,500 or more than \$10,000, if that business —

- (1) Substantially contributes to the income of the displaced person;
- (2) Cannot, in the opinion of the agency concerned, be relocated without substantial loss of existing patronage taking into consideration —
 - (i) The type of business;
 - (ii) The nature of its clientele; and
 - (iii) The relative importance of the displacement and proposed relocation sites to the business, and

(3) Is not part of a commercial enterprise having at least one other establishment engaged in the same or similar business which is not being acquired by a State agency or the United States.

(Effective April 30, 1975)

Sec. 8-273-19. Fixed allowance; farm operation

(a) A displaced person who conducts a farm operation and elects to receive a fixed allowance in lieu of actual moving and related expenses is entitled to a fixed

amount equal to the average annual net income of the farm operation, computed in accordance with 8-273-20, but not less than \$2500, or more than \$10,000.

(b) In the case of a partial acquisition and displacement of a farm operation, the fixed allowance described in paragraph (a) of this section may be paid only if the agency concerned finds that—

(1) The displaced activity was a farm operation before the acquisition of the displacement site; and

(2) The property remaining after acquisition is not an economic unit.

(Effective April 30, 1975)

Sec. 8-273-20. Computing average annual net income; businesses and farm operations

(a) For the purposes of this subpart, the average annual net income of a business or farm operation is its average annual net earnings before Federal, State, and local income taxes during the 2 tax years immediately preceding the tax year in which it is displaced. Net earnings include compensation obtained from the business or farm operation by its owner, his spouse, or dependents, or in the case of a corporate owner, by the holder or a majority of the common stock, his spouse, or dependents.

(b) For the purpose of determining majority ownership, stock held by an individual, his spouse, and his dependents shall lie treated as a unit.

(c) If the agency concerned finds that the 2 tax years immediately preceding displacement are not representative, or if the business or farm operation has not been in operation that long, it may, with the concurrence of the appropriate state agency official, prescribe some other time period for computing average annual net income.

(d) If a displaced person who conducts a business or farm operation elects to receive a fixed payment under this subpart, he shall provide proof of his earnings from the business or farm operation to the agency concerned. Proof of earnings may be established by income tax returns, certified financial statements, or other similar evidence.

(Effective April 30, 1975)

Sec. 8-273-21. Purchase of a decent, safe, and sanitary dwelling

A displaced tenant or homeowner “purchases” a dwelling within the meaning of this subpart when he —

(a) Acquires an existing dwelling;

(b) Rehabilitates a substandard dwelling which he owns or acquires;

(c) Relocates a dwelling which he owns or acquires;

(d) Relocates and rehabilitates a substandard dwelling which he owns or acquires;

(f) Contracts to purchase a dwelling on a site provided by a builder; or

(g) Contracts for the construction of a dwelling on a site provided by a builder or on a site which he owns or acquires.

(Effective April 30, 1975)

Sec. 8-273-22. Occupancy

(a) A displaced tenant or homeowner “occupies” a dwelling within the meaning of this subpart only if the dwelling is his permanent place of residence.

(b) If a tenant or homeowner contracts for the construction or rehabilitation of a replacement dwelling, and for reasons not within his control the construction or rehabilitation is delayed beyond the date occupancy is required, the agency concerned

may extend the period of eligibility for a replacement housing payment until the tenant or homeowner occupies the replacement dwelling.

(Effective April 30, 1975)

Sec. 8-273-23. Inspection of replacement dwelling required

(a) Before making a replacement housing payment to a displaced homeowner or tenant, or releasing a payment from escrow, as the case may be, the agency concerned shall inspect the replacement dwelling to determine whether or not it meets the criteria for decent, safe, and sanitary dwellings. The agency concerned may use the services of any public agency ordinarily engaged in housing inspection to conduct the inspection required by this section.

(b) A determination by the agency concerned that a dwelling meets the criteria for decent, safe, and sanitary housing is solely for the purpose of this subpart and is not a representation for any other purpose.

(Effective April 30, 1975)

Sec. 8-273-24. Application and payment

(a) Upon application by a displaced homeowner or tenant who meets the requirements of this subpart for a replacement housing payment, the agency concerned shall —

(1) If he has purchased or rented, and occupied a decent, safe, and sanitary dwelling, make the payment directly to him, or, at his option, to the seller or lessor of the decent, safe, and sanitary dwelling, or

(2) If he has purchased or rented, but not yet occupied a decent, safe, and sanitary dwelling, upon his request make the payment into an escrow account.

(b) The application shall be in writing and filed with the agency concerned within 18 months after the date the applicant was required to vacate an acquired dwelling or 18 months after final adjudication of a condemnation proceeding, whichever is later.

(Effective April 30, 1975)

Sec. 8-273-25. Eligibility

(a) A displaced homeowner is eligible for a replacement housing payment under 8-273-26 if he —

(1) Qualifies as a displaced person under Section 8-267 of the General Statutes of Connecticut, as revised.

(2) Actually owned and occupied the acquired dwelling for at least 180 consecutive days immediately before the initiation of negotiations for the property or the issuance of a written notice of intent to acquire the property by a definite date, as the case may be, and

(3) Purchases and occupies a decent, safe, and sanitary dwelling within 1 year after the date he receives final payment for the acquired dwelling, or 1 year after the date he is required to move from the acquired dwelling, whichever is later.

(b) A displaced homeowner is eligible for replacement housing payment under 8-273-27 if he —

(1) Qualifies as a displaced person under Section 8-267 of the General Statutes of Connecticut, as revised;

(2) Actually owned and occupied the acquired dwelling for at least 90 consecutive days immediately before the initiation of negotiations for the property or the issuance of a written notice of intent to acquire the property by a definite date, as the case may be; and

(3) Rents or purchases, and occupies a decent, safe, and sanitary dwelling within 1 year after the date he receives final payment for the acquired dwelling, or 1 year after the date he is required to move from the acquired dwelling, whichever is later.

(c) A displaced tenant is eligible for a replacement housing payment under 8-273-27 if he —

(1) Qualifies as a displaced person under Section 8-267 of the General Statutes of Connecticut, as revised;

(2) Actually occupied the acquired dwelling for at least 90 consecutive days immediately before the initiation of negotiations for the property or the issuance of a written notice of intent to acquire the property by a definite date, as the case may be; and

(3) Rents or purchases, and occupies a decent, safe, and sanitary dwelling within 1 year after the date he is required to move from the acquired dwelling.

(d) For the purpose of paragraphs (a) (2) and (b) (2) of this section, if a homeowner inherits an interest in a dwelling by devise or operation of law, his tenure of ownership includes the tenure of the preceding homeowner.

(Effective April 30, 1975)

Sec. 8-273-26. Replacement housing payment; purchase price

A displaced homeowner who qualifies under 8-273-25 (a) is entitled to it replacement housing payment of not more than \$15,000. Within that limitation the payment shall include the following amounts:

(a) If the reasonable cost of a comparable replacement dwelling is more than the acquisition price of the acquired dwelling, the difference between them.

(b) If there was a bona fide mortgage which constituted a valid lien on the acquired dwelling for at least 120 days before the initiation of negotiations for the acquired dwelling and if the cost of financing the purchase of a replacement dwelling includes increased interest costs, an amount to compensate for that increase.

(c) An amount necessary to cover incidental expenses on the purchase of a replacement dwelling, but not including prepaid expenses.

(Effective April 30, 1975)

Sec. 8-273-27. Replacement housing payments; rent and down payments

A displaced homeowner who qualifies under 8-273-25 (b), or a displaced tenant who qualifies under 8-273-25 (c) is entitled to a replacement housing payment of not more than \$4,000. Within that limitation the payment shall be that amount necessary for the homeowner or tenant to—

(a) Rent a comparable replacement dwelling for a period of not more than 4 years; or

(b) Make the down payment required for a conventional loan and cover the incidental expenses on the purchase of a comparable replacement dwelling.

(Effective April 30, 1975)

Sec. 8-273-28. Rules for considering land values

In determining the amount of a replacement housing payment under 8-273-26 (a) the following rules apply:

(a) If the dwelling is located on a tract typical for residential use in the area, the amount payable is the probable selling price of a comparable replacement dwelling on a tract typical for the area less the value of the acquired property.

(b) If the dwelling is located on a tract larger than typical for residential use in the area, the amount payable is the probable selling price of a comparable replacement

dwelling on a tract typical for the area less the estimated value of the dwelling assuming it was located on a tract typical for the area.

(c) If the dwelling is located on a tract that has a use higher and better than residential, the amount payable is the probable selling price of a comparable replacement dwelling on a tract typical for residential use in the area less the estimated value of the dwelling assuming it was located on a tract typical for residential use in the area.

(Effective April 30, 1975)

Sec. 8-273-29. Owner retention

(a) If a displaced homeowner elects to retain and move his dwelling, the amount payable under 8-273-26 (a) is the difference between the acquisition price of the acquired dwelling and the sum of —

- (1) The moving and restoration expenses;
- (2) The cost of correcting decent, safe, and sanitary deficiencies, if any; and
- (3) The estimated selling price of a comparable relocation site.

(b) The amount computed in accordance with paragraph (a) of this section is subject to the limitations prescribed in 8-273-5.

(Effective April 30, 1975)

Sec. 8-273-30. Increased interest costs

(a) The amount payable for increased interest costs under 8-273-26 (b) is —

(1) The present value of the difference in interest costs and other debt service costs charged for refinancing an amount not more than the balance of the mortgage on the acquired dwelling at the time of acquisition over a period not more than the remaining term of that mortgage; or

(2) An amount based on a schedule prescribed or approved by the appropriate state agency official and computed in accordance with this section.

(b) For purposes of computing increased interest costs, the following rules apply:

(1) The interest charge on the new mortgage may not exceed the prevailing interest rate currently charged by mortgage lending institutions in the area.

(2) The present value of the increased interest cost shall be computed at the prevailing interest rate paid on savings deposits by commercial banks in the area.

(Effective April 30, 1975)

Sec. 8-273-31. Incidental expenses

(a) The incidental expenses payable is the amount necessary to compensate the homeowner or tenant for actual costs incurred incident to the purchase of a decent, safe, and sanitary dwelling, including the following:

(1) Legal closing costs, including title search, preparing conveyance contracts, notary fees, surveys, preparing drawings of plots, and charges incident to recordation.

(2) Lender, FHA or VA appraisal fees.

(3) FHA or VA application fees.

(4) Certification of structural soundness when required by the lender, FHA, or VA.

(5) Credit report.

(6) Title policies or abstract of title.

(7) Escrow agent's fee.

(8) State revenue stamps or sale or transfer taxes.

(b) An incidental expense which is part of a finance charge under the Truth in Lending Act, Title I, Public Law 90-321, and Regulation "Z" issued thereunder by the Board of Governors of the Federal Reserve System may not be reimbursed.

(Effective April 30, 1975)

Sec. 8-273-32. Computation of rental payments; tenants

(a) The amount payable to a displaced tenant, other than a tenant of the agency concerned, for rent under 8-273-27 (a) is 48 times the reasonable monthly rent for a comparable replacement dwelling, less 48 times the average month's rent paid by the displaced tenant for the last 3 months before initiation of negotiations for the acquired dwelling if that rent was reasonable, and if not reasonable, 48 times the monthly economic rent for the dwelling unit as established by the agency concerned.

(b) The amount payable to a displaced tenant of the agency concerned for rent is 48 times the reasonable monthly rent for a comparable replacement dwelling less 48 times the monthly economic rent.

(Effective April 30, 1975)

Sec. 8-273-33. Computation of rental payments: homeowners

The amount payable to a displaced homeowner is 48 times the reasonable monthly rent for a comparable replacement dwelling less 48 times the monthly economic rent, but not more than the homeowner would receive if he were eligible for a payment under 8-273-26.

(Effective April 30, 1975)

Sec. 8-273-34. Computation of down payments

The amount payable to a displaced homeowner or tenant for a down payment under 8-273-27 (b) is the full amount of the first \$2,000 of the required down payment plus one-half of any amount required over \$2,000. However, the homeowner or tenant must provide the other half of any amount required over \$2,000.

(Effective April 30, 1975)

Sec. 8-273-35. Down payments

A displaced homeowner or tenant shall apply the full amount of the payment to which he is entitled to the down payment and the incidental expenses described in the closing statement.

(Effective April 30, 1975)

Sec. 8-273-36. Provisional payment pending condemnation

If the exact amount of a replacement housing payment cannot be determined because of a pending condemnation suit, the agency concerned may make a provisional replacement housing payment to the displaced homeowner based on the agency's maximum offer for the property, but only if the homeowner enters into an agreement with the agency that —

(a) Upon final adjudication of the condemnation suit the replacement housing payment will be recomputed on the basis of the acquisition price determined by the court;

(b) If the acquisition price as determined by the court is greater than the agency's maximum offer upon which the provisional replacement housing payment is based, the difference shall be refunded to the agency; and

(c) If the acquisition price as determined by the court is less than the agency's maximum offer upon which the provisional replacement housing payment is based, the difference shall be paid to the homeowner.

(Effective April 30, 1975)

Sec. 8-273-37. Combined payments

(a) If a homeowner is eligible for payment under 8-273-26, but has previously received a rental payment under 8-273-27 (a), the amount of rental payment previously received shall be deducted from any amount that he receives.

(b) If a homeowner or tenant is eligible for a down payment, but has previously received a rental payment, the amount of rental payment previously received shall be deducted from the amount of any down payment that he receives.

(Effective April 30, 1975)

Sec. 8-273-38. Partial use of home for business or farm operation

(a) In the case of a displaced homeowner or tenant who has allocated part of his dwelling for use in connection with a displaced business or farm operation, a replacement housing payment may not be paid for that part of the property which is allocated to the business or farm operation.

(b) The eligibility of a person to receive a payment under 8-273-13 is not affected by this section.

(Effective April 30, 1975)

Sec. 8-273-39. Multiple occupants of a single dwelling

(a) If two or more families, or an individual and a family, occupy the same dwelling, each individual or family that elects to relocate separately is entitled to a separately computed replacement housing payment.

(b) If two or more individuals, not a family, occupy the same dwelling, they shall be treated as a single family in computing a replacement housing payment.

(Effective April 30, 1975)

Sec. 8-273-40. Multifamily dwelling

In the case of a displaced homeowner who is required to move from a one-family unit of a multifamily building which he owns, the replacement housing payment shall be based on the cost of a comparable one family unit in a multifamily building on a single-family structure, without regard for the number of units in the building being acquired.

(Effective April 30, 1975)

Sec. 8-273-41. Certificate of eligibility pending purchase of replacement dwelling

Upon request by a displaced homeowner or tenant who has not yet purchased and occupied a comparable replacement dwelling, but who is otherwise eligible for a replacement housing payment under this subpart, the agency concerned shall certify to any interested party, financial institution, or lending agency, that the displaced homeowner or tenant will be eligible for the payment of a specific sum if he purchases and occupies a decent, safe, and sanitary dwelling within the time limits prescribed.

(Effective April 30, 1975)

Relocation Assistance

Sec. 8-273-42. Statement of purpose

The purpose of sections 8-273-42 through 8-273-45 of the Regulations of Connecticut State Agencies is to establish procedures for the implementation of the Uniform Relocation Assistance Act (URAA). These procedures govern the manner in which the Department of Transportation processes applications for relocation assistance and are aimed at achieving the following objectives:

(a) To ensure that payments and assistance authorized by the URAA shall be administered in a manner which is fair and reasonable, and as uniform as practicable;

(b) To ensure that a displaced person who makes proper application for a payment authorized for such person by the URAA shall be paid promptly after a move or, in hardship cases, be paid in advance; and,

(c) To ensure that any person aggrieved by a determination as to eligibility for a payment authorized by the URAA, or the amount of a payment, may have his application reviewed by the Commissioner of Transportation.

(Effective September 28, 1987)

Sec. 8-273-43. Definitions

As used in sections 8-273-42 through 8-273-45:

(a) “Commissioner” means the Commissioner of Transportation;

(b) “Business” means any lawful activity as defined in Section 8-267 (5) of Connecticut General Statutes and in Title 49, Part 25 of the Code of Federal Regulations (i.e., 49 CFR Part 25);

(c) “Department” means the Department of Transportation;

(d) “Displaced person” means any person who, on or after July 6, 1971, moves from real property, or moves his personal property from real property, as a result of the acquisition of such real property, in whole or in part, or as the result of the written order of the Department of Transportation to vacate real property, for a program or project undertaken by or supervised by the Department and solely for the purposes of subsection (a) and (b) of section 8-268 and section 8-271 of the Connecticut General Statutes as a result of the acquisition of or as a result of the written order of the Department to vacate other real property, on which such person conducts a business or farm operation, for such program or project;

(e) “Farm operation” means any activity conducted solely or primarily for the production of one or more agricultural products or commodities, including timber, for sale or home use, and customarily producing such products or commodities in sufficient quantity to be capable of contributing materially to the operator’s support;

(f) “Person” means any individual, partnership, corporation or association;

(g) “Relocation assistance” means the financial and other assistance provided to displaced persons in accordance with the provisions of the URAA and 49 CFR Part 25;

(h) “URAA” means the Uniform Relocation Assistance Act, Chapter 135, Sections 8-266 through 8-282 of the Connecticut General Statutes.

(Effective September 28, 1987)

Sec. 8-273-44. Relocation assistance

Whenever the Department of Transportation undertakes a program or project that will result in the displacement of a person, the displaced person shall be entitled to payment for actual reasonable expenses in moving himself, his family, business, farm operation or other personal property and for other displacement expenses and services as provided in the URAA. With respect to a person displaced as a result of a Federal or federally-assisted program or project, the Department shall make all payments, offer all services and process all relocation assistance in accordance with the eligibility standards and criteria set forth in 49 CFR Part 25.

(Effective September 28, 1987)

Sec. 8-273-45. Procedures

(a) As early as practicable in the land acquisition stage of a program or project undertaken by or under the supervision of the Department of Transportation, a representative of the Department shall contact each person who will be displaced

as a result of such activity and shall explain the nature of the relocation assistance for which such displaced person is eligible, including the amount of any payment for displacement expenses as determined by the Department using the criteria set forth in the URAA and 49 CFR Part 25. If the displaced person disputes the adequacy of the relocation assistance offered to him, and wishes to appeal such determination to the Commissioner of Transportation pursuant to Section 8-278 of the Connecticut General Statutes, he must first submit a written application for reconsideration to the Department. This application shall be addressed to the Director of Rights of Way, Department of Transportation, 24 Wolcott Hill Road, Wethersfield, Connecticut, and shall include whatever documentation the displaced person believes supports his request for greater assistance.

(b) If the displaced person is not satisfied by the decision rendered by the Department on his application for reconsideration, he then may appeal such determination to the Commissioner of Transportation. This appeal must be submitted in writing within eighteen (18) months after the date of acquisition of the real property that caused the displacement.

(c) A hearing on the appeal will be scheduled before the Relocation Advisory Assistance Appeals Board established by the Commissioner of Transportation under section 8-273-1 of the Regulations of Connecticut State Agencies. The hearing shall be conducted in accordance with the "contested case" provisions of the Uniform Administrative Procedure Act (UAPA), Chapter 54, Sections 4-177 through 4-181 of the Connecticut General Statutes. The Board shall submit a proposal for decision to the Commissioner within fifteen (15) days after the hearing. The proposal for decision shall set forth the Board's findings of fact, based on the evidence presented at the hearing and on matters officially noticed, and its conclusions of law. A copy of the proposal for decision shall be served on the displaced person and any other party of record by registered or certified mail, postage prepaid, and these individuals shall have until fifteen (15) days following the date of mailing to file a written statement or brief with the Commissioner regarding the proposed decision.

(d) Within ninety (90) days following the close of evidence and the filing of briefs, the Commissioner shall render a final decision in the matter.

(e) A person who is aggrieved by the final decision of the Commissioner may seek judicial review of the decision in accordance with the provisions of Section 4-183 of the Connecticut General Statutes.

(Effective September 28, 1987)

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Repealed, May 18, 1990.

Sec. 8-289-7. Repeal of regulations

Subsection (t) of section 8-203-4 of the Regulations of Connecticut State Agencies is repealed.

(Effective June 23, 1983)

Sec. 8-289-8. Definitions

The following definitions apply to Section 8-289-8 through Section 8-289-12 of the Regulations of Connecticut State Agencies:

- (1) "Assets" means cash, cash equivalents and real property.
- (2) "Commissioner" means the Commissioner of Housing.
- (3) "Condominium" means a common interest community in which portions of the real property are designated for separate ownership and the remainder is designated for common ownership solely by the owners of those portions, and whose condominium instruments are recorded and lawfully submitted pursuant to the provisions of Chapter 825 or 828 of the Connecticut General Statutes.
- (4) "CHFA" means the Connecticut Housing Finance Authority.
- (5) "Department" means the Connecticut Department of Housing.
- (6) "Dwelling" means the homebuyer's permanent, principal residence.
- (7) "Cash equivalents" means instruments or investments of such high liquidity and safety that they are virtually as good as cash, including, but not limited to:
 - (A) Checking and savings accounts;
 - (B) Trustee and/or custodial accounts;
 - (C) Money market funds;
 - (D) Treasury bills;
 - (E) Interest from savings and corporate stocks and bonds reported on the homebuyer's latest internal revenue service form 1040; and
 - (F) Funds in any retirement plan where the funds may be borrowed from provided the debt service payment can be absorbed in the underwriting ratios employed by the first mortgage lender.
- (8) "Homebuyer" means a family or person whose income is at or below one hundred percent (100%) of the area median income as determined from time to time by the United States Department of Housing and Urban Development or is within the income limits established by the Connecticut Housing Finance Authority, whichever is greater, and who lacks sufficient financial resources to make a down payment or regular mortgage payment on private housing.
- (9) "Equity" means cash or any other liquid assets which the Commissioner determines to be readily convertible to cash, which may include but is not limited to vacation homes, mobile homes, real property, employer/employee savings, 401(K) Plans, or IRA accounts where the applicant can no longer participate.
- (10) "HUD" means the [Federal] United States Department of Housing and Urban Development.
- (11) "Individual Retirement Account" (IRA) means a retirement savings account in which any individual employee may contribute up to two thousand dollars (\$2,000) annually.
- (12) "Liquid Assets" means cash, or assets readily convertible to cash, such as:

(A) Any cash in checking and savings accounts under the social security number of the homebuyer(s);

(B) Cash in trustee and/or custodial accounts listed under the social security number of the homebuyer(s);

(C) Interest from savings and corporate stocks and bonds reported on the homebuyer's latest internal revenue service form 1040; and

(D) Funds in any retirement plan where withdrawal is permitted for home purchase. If permitted by the plan, the funds may be borrowed from the plan in lieu of actual withdrawal if the debt service payment can be absorbed in the underwriting ratios employed by the first mortgage lender.

(13) "Salary reduction plan" or "401 (K) plan" means an employer sponsored retirement savings program named for the section of the internal revenue code that permits it. These plans allow employees to invest pre-tax dollars that are often matched in some portion by employers.

(14) "Second Mortgage" means the second lien placed upon real estate which is already pledged as security for a first mortgage loan.

(Effective February 28, 1994)

Sec. 8-289-9. Program description

(a) This program provides financial assistance in the form of second mortgage loans to homebuyers who lack sufficient financial resources to make downpayments on private housing. It is also intended to serve as a mechanism for rehabilitating housing and preventing displacement due to condominium conversions. The Commissioner may enter into a contract with a homebuyer to provide a loan to assist in the purchase of a dwelling or in the purchase and rehabilitation of a dwelling containing not more than four residential units, provided such homebuyer shall reside in at least one of the units.

(b) The loan shall not exceed twenty-five percent (25%) of the cost of acquiring such dwelling inclusive of any homebuyer equity or twenty-five percent (25%) of the value of such dwelling after rehabilitation, if greater, inclusive of any homebuyer equity.

(c) Condominium units are eligible provided that at least fifty percent (50%) of the units in the development are owner occupied. The commissioner may exempt those developments purchased, constructed, and/or financed with government funding.

(d) Where a condominium conversion is taking place, there shall be no limit on the loan for a downpayment that may be made to a tenant who is able to obtain a mortgage for the purchase of his or her condominium unit. The tenant shall have been renting the unit for at least six months prior to receiving the statutory notice of intent to convert to a condominium, and shall not have had a contract to purchase at that time.

(e) The Commissioner shall establish the terms and conditions of any loan provided in accordance with this program. In no case shall the term of the loan exceed the term of the first mortgage loan obtained for the purpose of purchasing such dwelling. If the homebuyer under the program assigns, transfers or otherwise conveys his or her interest in such dwelling or ceases to occupy such dwelling, the unpaid principal balance of said loan together with interest thereon shall become due and payable. The Commissioner, at his discretion, may adjust the interest rate, terms and conditions of any loan if he determines that the homebuyer is unable to repay the loan and the adjustment will facilitate repayment.

(f) The commissioner may, in exchange for providing any downpayment assistance loan, share in the appreciation of any dwelling, or any interest therein, upon its sale. Such share in appreciation shall be determined according to the percentage of the downpayment assistance loan and shall be based on the current sale price less the original price paid by the homebuyer. However, the department's share in appreciation shall not exceed twenty-five percent (25%) of the total appreciation, except in the case of a condominium conversion.

(g) If a governmentally sponsored program, or some other program, approved by the commissioner, includes a provision that limits the homebuyer's appreciation then subsection (f) of this section shall not apply.

(Effective February 28, 1994)

Sec. 8-289-10. Eligibility of applicants and houses to be acquired

(a) Eligibility for this program shall be determined according to the income limits in subsection (f) of section 8-289-9 of this regulation. The Commissioner may, from time to time, establish sales price limits for the dwellings.

(b) The homebuyer shall have adequate funds to pay all closing costs. However, homebuyers whose incomes are at eighty percent (80%) or less of the area median income, as determined from time to time by the U.S. Department of Housing and Urban Development, and who do not possess monies for closing costs may be exempted from this requirement. The department may also exempt those homebuyers required by the first mortgage lender to pay a cash down payment of three percent (3%) or more.

(c) Assets possessed by the homebuyer shall be used for the downpayment and/or closing costs excepting three thousand dollars (\$3,000). Such three thousand dollars (\$3,000) may include one thousand dollars (\$1,000) of equity in real property which may be retained by the homebuyer. The Commissioner may authorize exceptions.

(d) The commissioner may permit a homebuyer to retain ownership of real property if the appraised value, as approved by the commissioner, exceeds the secured debt and the cost of sale by one thousand dollars (\$1,000) or less.

(e) The homebuyer shall obtain a commitment for a first mortgage, the source of which is subject to the Commissioner's approval.

(f) The prospective dwelling shall meet the Department's standards to ensure that there are no structural, safety or health hazards including but not limited to requirements for water tests and infestation reports.

(Effective February 28, 1994)

Sec. 8-289-11. Underwriting criteria

(a) **Income Ratios**—The Department shall apply the income ratios employed by the first mortgage lender.

(b) **Evaluation**—The Department shall evaluate the credit worthiness of each homebuyer based on documentation of the following:

(1) Gross family income which shall include income from whatever source derived, including both earned and unearned income;

(2) Debts and current credit status; and

(3) Employment history and stability of employment.

(c) Notwithstanding subsection 8-289-11 (b), the Commissioner may accept the underwriting criteria applied by the first mortgage lender.

(Effective February 28, 1994)

Sec. 8-289-12. Priorities

Applications for a loan under this program shall be considered in order from (a) to (c) as follows:

(a) Applications for loans to purchase dwellings impacted by condominium conversion;

(b) Applications for loans to purchase dwellings where the first mortgage is provided by the Connecticut Housing Finance Authority and insured by the Federal Housing Administration; and

(c) All other applications meeting the requirements of these regulations.

(Effective May 18, 1990)

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Connecticut Housing Partnership Program

Sec. 8-336f-1. Definitions

The following definitions apply to Sections 8-336f-1 through Sections 8-336f-6 of the Regulations of Connecticut State Agencies:

(a) “Activity” means any task, project or development that is initiated or sponsored by a local housing partnership that will result in the creation of additional affordable housing in the community. An activity may include the acquisition of property, infrastructure and site improvements, new construction or the rehabilitation of existing buildings, code enforcement measures, revisions to municipal building processes or land use regulations, physical design studies, or any other activity that the Commissioner may approve that is consistent with Section 1 (d) of P.A. 88-305.

(b) “Affordable housing” means housing including utility costs, for which persons and families pay thirty percent or less of their annual income, where such income is less than or equal to the area median income for the municipality in which such housing is located, as determined by the United States Department of Housing and Urban Development.

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

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

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

(f) “Local Housing Partnership” or “Partnership” means a local committee or task force formed by the chief elected official of a municipality pursuant to Public Act 88-305 to develop ways to increase the supply and availability of affordable housing in that municipality.

(g) “Municipality” means any city, or town.

(h) “Chief elected official” means the highest ranking elected town official. If there is no one person functioning in that capacity, then the town or city council or comparable body, or its chairperson or appointee, as appropriate, shall act in that capacity. For purposes of serving on the housing partnership, if there is no one official, the council, board or body must designate a representative to serve.

(Effective September 26, 1989)

Sec. 8-336f-2. Program description

(a) The Connecticut Housing Partnership Program authorizes the Commissioner to establish and administer a program for the purpose of encouraging the formation of local housing partnerships which will work with the community, the Department and other state agencies to identify and solve housing problems faced by the community and develop ways to increase the supply and availability of affordable housing within that community.

(b) Local housing partnerships shall be required to comply with the rules and orders promulgated from time to time by the Commissioner and consistent with the Connecticut General Statutes and these regulations governing the Connecticut Housing Partnership Program.

(Effective September 26, 1989)

Sec. 8-336f-3. Initial designation approval process

(a) In order to receive an initial designation, a local housing partnership shall:

(1) Submit a copy of the ordinance, or resolution of the board of selectmen in any town in which the legislative body is a town meeting, which authorizes the formation of a local housing partnership;

(2) Submit evidence that the membership of the local housing partnership includes, but is not limited to the chief elected official of the municipality, and the following members appointed by the chief elected official: (1) representatives of the planning commission, zoning commission, inland wetlands commission, housing authority and any local community development agency; (2) representatives of the local business community; (3) representatives of public interest groups; and (4) local urban planning, land use and housing professionals; and

(3) Submit evidence that sufficient local resources have been committed to the local housing partnership.

(b) If the evidence of eligibility as submitted does not meet the requirements of subsection (a) above, the Commissioner shall so notify the partnership in writing, and may provide such aid as may be requested by the partnership to meet all eligibility requirements.

(c) Upon determination of eligibility, the local housing partnership shall be notified in writing by the Department that it has received an initial designation under the Connecticut Housing Partnership Program.

(Effective September 26, 1989)

Sec. 8-336f-4. Technical assistance

A local housing partnership which has received an initial designation shall be eligible to receive from the Department technical assistance which shall include, but not be limited to:

(a) the assignment of a primary contact person to work directly with the local housing partnership;

(b) obtaining assistance, when necessary, from other state agencies, regional planning agencies, regional housing councils and the Central Housing Committee, on behalf of the local housing partnership;

(c) assisting the local housing partnership in developing a comprehensive local housing strategy;

(d) assisting the partnership in identifying available local resources;

(e) discussing possible ways to create and preserve affordable housing through the use of conventional and alternative financing and through public and private land use controls;

(f) explaining the features and the types of financial assistance available under state housing programs; and

(g) providing information and advice concerning available federal and private financial assistance for all aspects of housing development.

(Effective September 26, 1989)

Sec. 8-336f-5. Development designation approval process

(a) In order to receive a development designation, the local housing partnership shall be required to furnish the following:

(1) A housing needs assessment for the municipality;

(2) A proposal outlining the local housing partnership's priorities and long range plans to meet needs identified in the housing needs assessment that are consistent with regional housing needs;

(3) Procedures for the development of a written proposal to achieve such priorities in accordance with long range plans;

(4) Evidence that the local housing partnership has explored the availability of land suitable for the development of affordable housing;.

(5) Evidence that the local housing partnership has reviewed zoning regulations that may restrict the development of affordable housing;

(6) Evidence that the local housing partnership has identified changes necessary to zoning regulations that will remove restrictions to the development of affordable housing; and

(7) Evidence that an activity to create additional affordable housing, as defined by these regulations, has been initiated in that municipality.

(b) The Commissioner may, from time to time, request additional information from the local housing partnership.

(c) Municipalities that are maintaining a balanced inventory of affordable housing may receive the same priority as a local housing partnership which has received development designation upon submission of the following:

(1) Evidence that at least 10% of the existing housing units in the municipality are publicly-assisted low or moderate income housing, unless otherwise approved by the Commissioner;

(2) Evidence that the municipality has zoned a reasonable amount of its land to permit multi-family housing;

(3) A specific strategy with clearly identified actions and implementation schedules, to further facilitate the development of affordable housing; and

(4) Any additional information which the Commissioner may, from time to time, request.

(d) Applications shall be approved or disapproved based on the submission of documentation required in Section 5 (b) or 5 (d) above that is satisfactory to the Commissioner.

(e) If an application for development designation is disapproved, the partnership or municipality shall be notified, in writing, of the reason(s) for the disapproval.

(f) If an application is approved, the Commissioner shall award the partnership or municipality development designation.

(Effective September 26, 1989)

Sec. 8-336f-6. Terms and conditions of agreement

(a) Following approval of the development designation, the State, acting by and through the Commissioner, may sign a letter of agreement with the partnership or municipality.

(b) Such agreement shall include, but not be limited to: the term of the designation, the programs under which the partnership or municipality may receive priority status or primary consideration; and the rights and obligations of the parties under the contract.

(c) Upon the signing of the letter of agreement, the Commissioner shall:

(1) give priority to any activity initiated or sponsored by the local housing partnership when awarding any financial assistance pursuant to any program administered by the Commissioner under the General Statutes; and

(2) notify the Commissioner of Environmental Protection in writing that a partnership has received development designation and such development designation shall therefore be considered a primary factor in awarding state financial assistance pursuant to Sections 7-131c to 7-131k, inclusive, of the General Statutes, and Sections 22a-475 to 22a-483, inclusive, of the General Statutes, as amended by Public Act 87-405 and Public Act 87-571.

(d) Any activity which is initiated or sponsored by a partnership and which is awarded state financial assistance, shall be conducted in accordance with all policies and regulations established by the State agency of cognizance and consistent with the General Statutes.

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State Housing Trust Fund Program

Sec. 8-336q-1. Definitions

For the purposes of sections 8-336q-1 to 8-336q-5, inclusive, of the Regulations of Connecticut State Agencies:

(1) “Advisory Committee” means a committee appointed by the commissioner pursuant to section 8-366q(b) of the Connecticut General Statutes;

(2) “Affordability Gap” means the financing necessary to make rents or home prices affordable;

(3) “Appraisal Gap” means the difference between the appraised value of an owner-occupied single-family dwelling, not to exceed four (4) units in a single building after construction or renovations have been completed and total development cost. Financial assistance to close all of or a portion of the appraisal gap may be in the form of a developer’s subsidy;

(4) “Authority” shall have the same meaning as provided in section 8-336m of the Connecticut General Statutes;

(5) “Commissioner” shall have the same meaning as provided in section 8-336m of the Connecticut General Statutes;

(6) “Department” shall have the same meaning as provided in section 8-336m of the Connecticut General Statutes;

(7) “Developer’s Subsidy” means financial assistance to an eligible applicant which is intended to further the goals of the act by offsetting acquisition or construction costs and other related development costs in order to make rents or home prices affordable to low and moderate income families and persons;

(8) “Development Finance Gap” means the difference between the total development costs and the amount of financing available to produce the development;

(9) “Eligible applicant” or “applicant” means any “Eligible applicant” as defined in section 8-336m of Connecticut General Statutes;

(10) “Financial Assistance” means proceeds of the fund, which may be in the form of grants, recoverable grants, loans, loan guarantees, loan participations, equity investments, or other financing vehicles consistent with the Housing Trust Fund Program and as approved by the commissioner. Financial assistance may be used to support development investment, which shall include but not be limited to: predevelopment activities, site acquisition, bridge financing, construction financing or permanent financing. Funds may also be used to support programs that further the development goals established by the Housing Trust Fund Program;

(11) “Housing”, “housing development” or “development” means “Housing”, “housing development” or “development” as defined in section 8-336m of the Connecticut General Statutes and shall include mixed-income developments and mixed-use developments;

(12) “Housing Trust Fund” or “fund” means the “Housing Trust Fund” established under section 8-336o of the Connecticut General Statutes;

(13) “Housing Trust Fund Program” or “program” means the “housing trust fund program” developed and administered under Chapter 137e of the Connecticut General Statutes;

(14) “Individual Development Account” or “IDA” means “Individual development account” as defined in section 31-51ww of the Connecticut General Statutes;

(15) “Low and moderate income families and persons” shall have the same meaning as provided in section 8-336m of the Connecticut General Statutes;

(16) “Municipal developer” shall have the same meaning as provided in section 8-336m of the Connecticut General Statutes;

(17) “Owner-occupied single-family dwelling” means residential housing consisting of one of the following: four or less units, condominium, cooperative, or manufactured or mobile home. The homeowner shall occupy the property as his primary residence;

(18) “Primary Purpose” means a majority of the units are for low and moderate-income families and persons and shall include, but not be limited to, mixed-use developments;

(19) “Secretary” shall have the same meaning as provided in section 8-336m of the Connecticut General Statutes; and

(20) “Treasurer” shall have the same meaning as provided in section 8-336m of the Connecticut General Statutes.

(Adopted effective May 5, 2006)

Sec. 8-336q-2. Project selection process

(a) Applicants for financial assistance shall submit a written application to the commissioner which shall be reviewed on a competitive basis as required by the program. Applications shall be in such form and include such information as the commissioner may require. Failure to provide the required information shall be grounds for the rejection of the application. The commissioner may, at any time in the selection process, request and consider any additional information which, in the opinion of the commissioner, is required to properly evaluate the application.

(b) Pursuant to section 8-336q(a) of the Connecticut General Statutes, projects shall be selected by the commissioner on a competitive basis based on the criteria outlined in 8-336q-3 of the Regulations of Connecticut State Agencies for rating applications or proposals.

(c) Applicants shall be advised whether their project shall be funded not later than the conclusion of the selection process for each funding round.

(d) Funding approvals shall be in writing and shall be contingent on the execution of an assistance agreement between the state and the applicant.

(e) The commissioner, in consultation with the advisory committee, shall develop a procedures manual, which outlines what information shall be requested of applicants. This manual shall be posted on the department’s website.

(f) Notices of funding availability shall be posted on the websites of the department and the Department of Administrative Services. In addition, the department shall work with interested parties to share and distribute such notices.

(Adopted effective May 5, 2006)

Sec. 8-336q-3. Criteria for rating proposals

(a) Criteria for rating proposals shall be established by the commissioner in consultation with the Treasurer, the Secretary and the Authority and after consideration of the recommendations of the advisory committee.

(b) The advisory committee shall meet at least semiannually to review and advise the commissioner on the criteria for rating proposals. These criteria shall include the following:

(1) Capacity of the applicant, including prior performance of the applicant and/or development teams;

(2) Development need and marketability;

(3) Financial feasibility of the development;

(4) Community impact;

- (5) Fair housing and equal opportunity;
- (6) Consistency with the following:
 - (a) The State Long Range Housing Plan, established pursuant to section 8-37t of the Connecticut General Statutes; and
 - (b) The Conservation and Development Plan and Policies, established pursuant to sections 16a-24 through 16a-33 of the Connecticut General Statutes;
- (7) Availability of other sources of funding;
- (8) Annual Housing Market Conditions;
- (9) The ability of the applicant's proposal to further one or more of the goals of the program as set forth in section 8-336p(a) of the act; and
- (10) Other factors as deemed necessary from time to time and consistent with the program.

(Adopted effective May 5, 2006)

Sec. 8-336q-4. Financials: reporting and access to records

(a) Following the commissioner's selection of an applicant to participate in the program, the applicant shall, as soon as possible following the completion of the development, but no later than three (3) months after the completion of the development, file with the department a bank statement showing the balance, if any, of unexpended funds for the development. Any such unexpended funds shown on said bank statement shall be immediately due and payable to the department for deposit into the Housing Trust Fund Account.

(b) Approved applicants shall be required to execute financial assistance documents which shall set forth, as part of their standard terms and conditions, the circumstances under which financial assistance may be revoked and the applicant may be declared in default by the department.

(c) Each applicant shall maintain all business and financial records for the development as required by the commissioner, including, but not limited to, complete and accurate books, records and contract documents.

(d) Each applicant shall furnish the commissioner with financial statements and other reports related to the program and housing development(s) financed in whole or in part, by such program, in such detail and at such times as the commissioner may require.

(e) At any time during the regular business hours, and as often as the commissioner may require, the commissioner or representatives of the commissioner shall be entitled to full and free access to accounts, records, books, documents or other records of any program, applicant, or development financed whole or in part by the Housing Trust Fund Program. Said access shall be consistent with section 8-336q(d) of the Connecticut General Statutes.

(f) An approved applicant shall be subject to audits of all development books and records in accordance with the department's standard procedures and guidelines which shall be made available on the department's website. Any funds which the audit reveals to have been improperly expended shall be immediately due and payable to the department for deposit in the Housing Trust Fund Account.

(Adopted effective May 5, 2006)

Sec. 8-336q-5. Individual development accounts

In each fiscal year that the fund has monies available for distribution, the first three hundred thousand dollars shall be set aside in order to provide matching grants to be used solely for funding the purchase of a primary residence by the holder of an individual development account in accordance with the provisions of sections

31-51ww to 31-51eee, inclusive, of the Connecticut General Statutes. Said funds shall be administered by the State Labor Department consistent with the individual development account programs and sections 31-51ddd-1 to 31-51ddd-16, inclusive, of the Regulations of Connecticut State Agencies.

(Adopted effective May 5, 2006)

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Security Deposit Loan Fund

Sec. 8-337-1. Definitions

- (a) "Commissioner" means the Commissioner of the Department of Housing.
- (b) "Department" means the Department of Housing.
- (c) "Eligible Provider" or "Provider" means a public or private organization or agency which operates a program for emergency shelter services for homeless individuals and may be authorized by the Commissioner of Housing to accept applications for security deposit loans from the homeless, or the Department of Housing, the Department of Human Resources or the Department of Income Maintenance.
- (d) "Emergency Housing" or "Other Emergency Housing" means a temporary residential facility other than an emergency shelter such as a hotel, motel or rooming house in which a recipient of state assistance from the Department of Human Resources or Department of Income Maintenance resides at the time he or she makes application for a security deposit loan.
- (e) "Emergency Shelter" means a privately or publicly supported structure designed to accept persons on a temporary basis for whom shelter is not otherwise available.
- (f) "Security Deposit" means any advance rental payment other than an advance payment for the first month's rent.
(Effective October 1, 1985)

Sec. 8-337-2. Program administration

- (a) Any privately or publicly supported entity which operates an emergency shelter or other emergency housing facility for individuals and/or families may apply to the Commissioner of Housing for certification as an eligible provider under the Security Deposit Revolving Loan Fund program. The Department of Housing, the Department of Human Resources or the Department of Income Maintenance may serve as the eligible provider for persons who reside in emergency housing other than emergency shelters operated by a privately or publicly supported entity.
- (b) Privately and publicly supported entities which operate an emergency shelter who wish to apply for certification as an eligible provider shall submit to the Commissioner of Housing an application issued by the Department which shall include the name, address and length of time the emergency shelter has been in operation. In its evaluation of each application, the Department shall examine the amount and sources of funding received by the shelter, the level and qualifications of staffing of the shelter, the shelter's continuity of operation, and such other information which the Commissioner may deem necessary.
- (c) Each privately or publicly supported entity which operates an emergency shelter and is approved by the Commissioner to serve as an eligible provider under the Security Deposit Revolving Loan Fund program and each state agency which has agreed to serve as a provider shall designate one or more staff members to assist eligible persons in completing an application for a security deposit loan and a promissory note and forward them to the Department.
(Effective October 1, 1985)

Sec. 8-337-3. Eligibility

- (a) Persons eligible to receive loans under the Security Deposit Revolving Loan Fund program shall be residents of emergency shelters or recipients of state assistance from the Department of Human Resources or Department of Income Maintenance

who reside in other emergency housing at the time an application for a security deposit loan is made. Applicants must be able to afford a rental dwelling unit but, at the time application is made, have insufficient liquid assets or resources to afford a security deposit for the unit.

(Effective October 1, 1985)

Sec. 8-337-4. Loan applications and approval

(a) Persons residing in emergency shelters or other emergency housing may apply to eligible providers for a security deposit loan for a rental dwelling unit in an amount of up to \$250 per loan. The maximum security deposit approved for an applicant who proposes to live in a one room rental dwelling unit shall not exceed the rental charge for a period of two weeks. The Commissioner may, upon a documented showing of need, approve loans in excess of \$250.

(b) On an application issued by the Commissioner of Housing, an applicant for a security deposit loan shall supply an eligible provider with their name, current residence, phone number and information concerning all assets and income of the individual or, in the case of a family, all assets and income of the applicant's family. The applicant shall also supply the provider with information concerning the available rental dwelling unit which the applicant proposes to occupy, including the address of the available rental dwelling unit, the name, address and phone number of the dwelling unit's landlord, and the amount of rent and security deposit required. The application shall include a provision to be agreed to by the applicant authorizing the Department of Housing to make inquiries it deems necessary to verify the information provided in the application and to authorize the Department to advise the provider of the status of the loan.

(c) An eligible provider shall forward completed applications for a security deposit loan and promissory notes to the Commissioner of Housing for review by the Department.

(d) Subject to the availability of funds, the Commissioner of Housing may approve an applicant's request for a security deposit loan if a review of the application shows that the applicant meets the eligibility criteria as outlined in Section 8-337-3 and has the ability to repay the loan at a rate of at least \$5.00 per month.

(e) Following the approval by the Commissioner of Housing of an applicant's request for a security deposit loan, the Department shall issue a check for the amount of the loan made payable to the applicant and the landlord of the available rental dwelling unit so that the signatures of both are required for the check to be deposited.

(f) The check for the loan shall be issued to the applicant after the applicant signs a receipt for the check.

(g) The Commissioner of Housing shall establish and collect interest on each loan at a rate of no more than five per cent per annum.

(h) The Commissioner of Housing shall establish procedures for the billing and collection of all loans issued pursuant to Sections 8-337 and 8-338 of the Connecticut General Statutes. All payments of principal and interest on these loans shall be deposited in the Connecticut Security Deposit Revolving Loan Fund or any Special Operating Account authorized by the State Treasurer and State Comptroller.

(Effective October 1, 1985)

Sec. 8-337-5. Repayment of loan

(a) Repayments of loans provided under the provisions of this program shall be in accordance with the provisions of Section 8-337 of the Connecticut General Statutes and with the terms of the promissory note signed by the borrower. A

recipient of the loan who vacates the dwelling unit shall be liable for payment of the entire unpaid principal and interest within sixty days after the recipient has vacated the dwelling unit.

(Effective October 1, 1985)

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Transferred 8-345-1—8-345-12

Rental Assistance Program

Secs. 8-345-1—8-345-12.

Transferred, March 21, 1996.

See §§ 17b-812-1—17b-812-12.

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Rental Assistance for New Units

Sec. 8-346-1. Definitions

The following definitions apply to Section 8-346-1 through Section 8-346-12 of the regulations of Connecticut State Agencies:

- (a) "Adjusted Gross Income" means the gross income less allowable deductions.
- (b) "Adjusted Monthly Income" means the adjusted gross income divided by twelve.
- (c) "Commissioner" means the Commissioner of the Department of Housing.
- (d) "Contract Rent" means all periodic payments made to the developer/owner or his designated representative under the rental agreement including the portion of rent payable by the family.
- (e) "Department" means the Connecticut Department of Housing.
- (f) "Dependent" means a member of the family who does not derive more than half of his or her total support for the calendar year from sources other than the family.
- (g) "Developer" means:
 - (1) a nonprofit corporation incorporated pursuant to Chapter 600 of the 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;
 - (2) any business corporation incorporated pursuant to Chapter 599 of the 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) any partnership, limited partnership, joint venture, sole proprietorship, trust or association having as one of its purposes the construction, rehabilitation, ownership or operation of housing, and having basic documents of organization approved by the Commissioner; or
 - (4) a family or persons approved by the Commissioner as qualified to own, construct, rehabilitate, manage and maintain housing under a mortgage loan made or insured by the Connecticut Housing Finance Authority under the provisions of Chapter 134.
- (h) "Low Income Family" means a family whose income does not exceed 60% of the area median family income adjusted for family size as determined by the Commissioner.
- (i) "Family" means a household consisting of one or more persons.
- (j) "Family Contribution" means the amount payable by the family toward the cost of the contract rent.
- (k) "Gross Income" means the aggregate annual income of all family members from all sources before any deductions.
- (l) "Maximum Allowable Rent" means the periodic amount which would be required to be paid by a family in a particular municipality for rent and utilities (except telephone), ranges, refrigerators and all maintenance, management and other services as determined by the Commissioner in order to obtain privately owned existing, decent, safe and sanitary rental housing.
- (m) "Newly Created" means the new construction or substantial rehabilitation of a building or structure which has not previously been used for residential purposes.
- (n) "Owner" means any person who holds any of the following interests in real property for this project:

(1) Fee simple title, a life estate, a 99-year lease, or a lease, including options for extension, with at least 10 years to run from the date of the contract with the state; or

(2) An interest in a cooperative housing unit;

(3) A contract to purchase any of the interests or estates described in paragraphs (1) or (2) of this section.

(o) “Rental Assistance for New Units Development” or “Development” means any work or undertaking to provide new, decent, safe and sanitary rental housing units.

(p) “Rental Agreement” means all agreements, written or oral and valid rules and regulations adopted under Section 47a-9 of the General Statutes, embodying the terms and conditions concerning the use and occupancy of a dwelling unit and premises.

(q) “Rental Assistance” means the amount payable by the state toward the cost of the contract rent.

(r) “Rental Assistance Contract” means a written agreement which contains the terms and conditions under which the developer or owner will rent the eligible housing unit to a low income family, and the amount of rental assistance to be provided by the state.

(s) “Utility Allowance” means the average monthly allowance as determined by the Commissioner for a family for heat and other utilities, excluding telephone, which is not supplied or paid for by the developer or owner of the dwelling unit rented by the family.

(Effective October 23, 1989)

Sec. 8-346-2. Program description

(a) The Rental Assistance Program provides a developer or owner with rental assistance for newly created units to make it possible for said units to be made available to low income families.

(b) Developers or owners shall be required to comply with all rules and orders promulgated from time to time by the Commissioner and consistent with Section 8-346 of the Connecticut General Statutes and these regulations.

(Effective October 23, 1989)

Sec. 8-346-3. Eligible rental units

To be eligible for rental assistance under this program, a rental unit shall:

(a) be newly created;

(b) never have been used for residential purposes;

(c) meet all state and local health, housing, building and safety codes.

(Effective October 23, 1989)

Sec. 8-346-4. Application and approval process

(a) The Commissioner may solicit and/or accept applications for rental assistance for new units from developers or owners.

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

(1) evidence that the developer or owner meets the definition in Section 8-346-1 above;

(2) evidence of local support;

(3) financial commitment for construction and/or permanent financing.

(c) The Commissioner may, from time to time, request additional information from the developer or owner.

(d) Applications shall be approved or disapproved by the Commissioner based on the factors listed in Sections 8-346-3, 8-346-4 (b) and 8-346-4 (c) above, the availability of financial assistance, and factors which shall include but not be limited to:

- (1) any needs outlined in the Five Year Housing Advisory Plan;
- (2) the degree to which state financial assistance is leveraged with other funds to produce and support housing for low income families;
- (3) the developer's or owner's proposed methods of financing, and a detailed estimate of the expenses and revenues in the form and manner prescribed by the Commissioner.

(e) If an application is disapproved, the developer or owner shall be notified in writing of the reason(s) for the disapproval.

(f) If an application is approved, the Commissioner shall notify the developer or owner, in writing, that the project may proceed and inform the developer of the contents and terms of the contract(s) for state financial assistance.

(Effective October 23, 1989)

Sec. 8-346-5. Contract for financial assistance

(a) Following application approval, the State, acting by and through the Commissioner, may enter into a contract(s) with a developer or owner for rental assistance for new rental units.

(b) Such contract(s) shall include, but not be limited to: the amount of financial assistance to be provided annually; the term of the contract(s), which shall be for a period not to exceed fifteen (15) years based on the annual availability of funds; and the rights and obligations of the parties under the contract(s).

(c) Any contract entered into may provide that the State shall receive an equity interest in the project where units receiving rental assistance are located.

(Effective October 23, 1989)

Sec. 8-346-6. Income limits

The maximum income allowable for a family to participate in the program shall not exceed sixty percent (60%) of the area median income, adjusted for family size, as determined from time to time by the Commissioner.

(Effective October 23, 1989)

Sec. 8-346-7. Income

(a) The gross income of a family shall be used for the purpose of determining eligibility for occupancy of a rental unit receiving assistance under this program.

(b) The following items shall be deducted from the gross income to arrive at the adjusted gross income in amounts as established by the Commissioner:

- (1) Annual non-reimbursible medical expenses which exceed three percent (3%) of the family's gross income;
- (2) Documented non-reimbursible child care costs for children under thirteen which enable one or both parents to be gainfully employed;
- (3) A deduction for dependents; and
- (4) Any other item which, from time to time, may be established by the Commissioner.

(c) In the event that any member of the family is self employed, net income, as defined by the Internal Revenue Service, plus any non-funded expense, shall be used in the determination of adjusted gross income.

(Effective October 23, 1989)

Sec. 8-346-8. Rental assistance computation

(a) The amount determined by the Commissioner to be the maximum allowable rent shall include both an amount representing a rent which is reasonable in that municipality and a utility allowance.

(b) The amount of rental assistance for eligible rental units shall be the difference between the family contribution and the contract rent. The family contribution shall be the greater of ten percent (10%) of the family's gross monthly income or thirty percent (30%) of the family's adjusted monthly income less a utility allowance.

(c) The contract rent plus utility allowance for the unit shall not exceed the maximum allowable rent, as determined by the Commissioner. The contract rent may not be increased without the approval of the Commissioner.

(d) If a family living in a unit receiving rental assistance reaches an adjusted monthly income, 30% of which is equal to the contract rent plus a utility allowance for that unit, then that unit will no longer be considered an eligible rental unit. The next available unit shall be rented to a low income family, and the rental assistance provided under this program will be attached to the unit occupied by a low income family.

(e) When a unit which is tied to rental assistance is vacant, the rental assistance may be equal to the contract rent on a per diem basis for a period not to exceed sixty (60) days.

(f) Any developer or owner shall make every reasonable effort to maintain optimum occupancy levels in units receiving rental assistance.

(Effective October 23, 1989)

Sec. 8-346-9. Waiting list

(a) The developer or owner shall provide a receipt to each applicant stating the time and date of the application and assigning the applicant an identifying number which shall be recorded on the receipt and on the application for admission.

(b) The developer or owner shall create and maintain a list of applications which shall include the applicant's identifying number, the time and date the application was received by the developer or owner and the size of the dwelling unit required by the applicant. Such list shall be a public record as defined in Section 1-18a of the Connecticut General Statutes.

(c) The developer or owner shall, from time to time, but no less than once each calendar year, revise and update this list to create a waiting list which reflects the most current status of applicants.

(d) The developer or owner shall maintain a copy of the waiting list(s) and revisions to such list(s) at its office at the site of the development or, if no such office exists, at the office of the town clerk in the municipality in which the development is located. Such list(s) shall be provided to the Commissioner upon his request.

(Effective October 23, 1989)

Sec. 8-346-10. Recertification of family income

(a) The developer or owner shall conduct a re-examination of low income family income and composition annually. The developer or owner shall adjust the amount

of each low income family's contribution at the time of the annual recertification to reflect changes in the family's adjusted monthly income.

(b) Any low income family who, without just cause, fails to report changes in family income and composition shall no longer be eligible for rental assistance. Upon a tenant's failure to submit said information, the low income family shall be obligated to pay the full market rent for that unit until such time that they comply with this requirement by submitting verification of any changes in family income and composition.

(c) During any term of the low income family's rental agreement, the low income family shall be required to notify the developer or owner of any change in family income or composition within thirty (30) days of such change.

(d) At such time, the developer or owner shall adjust the amount of the low income family's contribution to reflect any change in family income or composition.
(Effective October 23, 1989)

Sec. 8-346-11. Financial reporting and access to records

(a) Each developer or owner shall maintain in the State of Connecticut complete and accurate books and records, insofar as they pertain to State assisted rental units, and they shall be set up and maintained in accordance with the latest procedures approved by the Commissioner.

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

(c) At any time during regular business hours, and as often as the Commissioner may require, the Commissioner shall be entitled to full and free access to the accounts, records and books of the developer or owner relative to the project, said permission to include the right to make or require the developer or owner to provide excerpts or transcripts from such accounts, records and books.
(Effective October 23, 1989)

Sec. 8-346-12. Fiscal compliance and examination

Each developer or owner 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.
(Effective October 23, 1989)

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A Demonstration Program for the Development of Innovative Housing for the Homeless

Sec. 8-358-1. Definitions

(a) “Adjusted Monthly Income” means the gross monthly income of a person or family less an amount for dependents, child care and extraordinary medical expenses.

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

(c) “Community housing development corporation” means a nonprofit corporation incorporated pursuant to Chapter 600 of the Connecticut General Statutes which has qualified for assistance under Section 8-217 of the Connecticut General Statutes.

(d) “Department” means the Department of Housing.

(e) “Emergency Shelter” means a privately or publicly supported structure designed to house persons on a temporary basis for whom shelter is not otherwise available.

(f) “Emergency Shelter Services” means the provision of temporary housing to homeless persons.

(g) “Homeless Person” means any person who does not have overnight shelter nor sufficient income or resources to secure such shelter.

(h) “Multi-family Dwelling” means a building capable of housing more than one person or family which complies with state and local codes and ordinances including, but not limited to, an apartment building, a dormitory, or a lodging or rooming house.

(i) “Nonprofit corporation” means 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.

(j) “Project” means a rooming house or multi-family dwelling acquired, rehabilitated or constructed with state financial assistance as authorized by Public Act 85-485.

(k) “Rooming House” means a building in which separate sleeping rooms are rented providing sleeping accommodations for more than three persons, on either a transient or permanent basis, with or without meals, but without separate cooking facilities for individual occupants.

(l) “Utility allowance” means the average monthly amount a person or family spends for heat and other utilities, excluding telephone, which is not supplied or paid for by the owner of the dwelling unit rented by the person or family.

(Effective June 24, 1986)

Sec. 8-358-2. Scope of program

(a) Rooming Houses

The Commissioner of Housing may enter into a contract to provide state financial assistance to a community housing development corporation or a nonprofit corporation providing emergency shelter services for homeless persons in the form of a state grant-in-aid, loan, loan guarantee or interest subsidy to either such corporation for application to the cost of acquiring property for and rehabilitating or constructing a rooming house for homeless persons.

(b) Multi-family dwellings

The Commissioner of Housing may enter into a contract to provide state financial assistance to a community housing development corporation or a nonprofit corporation in the form of a state grant-in-aid, loan, loan guarantee or interest subsidy for application to the cost of acquiring property for and rehabilitating or constructing

a multi-family dwelling for persons or families in need of transitional housing and support services for a period of six to twenty-four months.

(c) Project Costs

Project costs may include appraisal fees, the cost of real property, architectural, engineering or other professional services, site development, building rehabilitation or construction, relocation assistance as provided by the Uniform Relocation Assistance Act and such other costs as may be determined by the Commissioner.

(Effective June 24, 1986)

Sec. 8-358-3. Applicant eligibility

In order to be eligible for state financial assistance for the development of a project, a community housing development corporation or nonprofit corporation must have as one of its purposes the construction, rehabilitation, ownership or operation of housing and have articles of incorporation approved by the Commissioner. The corporation must also demonstrate to the Commissioner that its officers or agents can provide the expertise necessary in the development and management of affordable housing.

(Effective June 24, 1986)

Sec. 8-358-4. Project criteria

The Commissioner shall take into consideration the following criteria in determining which projects shall be eligible for assistance:

(1) evidence of the need for and suitability of the proposed project within the community, (2) whether the project has been approved by local planning and zoning commissions, (3) the amount of resources which have been committed to the project by the private sector and the municipality in which the project would be located, (4) the extent to which resources of existing social services agencies are planned to be utilized, (5) the extent to which both privacy and community living are planned for residents of the project, (6) whether the project is capable of operating without ongoing state subsidies and (7) the proximity of the project to schools, potential employers, stores and transportation, medical, child care and recreational facilities.

(Effective June 24, 1986)

Sec. 8-358-5. Resident eligibility

(a) Rooming House

Persons eligible to reside in a rooming house funded in part by state financial assistance as provided in Section 2 of Public Act 85-485 must be homeless persons referred by an emergency shelter, municipal welfare department, the Department of Human Resources or the Department of Income Maintenance.

(b) Multi-family Dwelling

Persons or families eligible to reside in a multi-family dwelling funded in part by state financial assistance as provided in Section 3 of Public Act 85-485 shall be those persons or families whose adjusted monthly incomes do not exceed 50% of the median household income as determined by the U.S. Department of Commerce, Bureau of the Census. Persons or families eligible to live in these multi-family dwellings must have received emergency shelter services or shelter services for battered women within six months prior to the date of application and must have been referred by an emergency shelter, municipal welfare department, the Department of Human Resources or the Department of Income Maintenance.

(Effective June 24, 1986)

Sec. 8-358-6. Determination of rent**(a) One Person Households on General Assistance**

Rental payments for one person households on General Assistance shall be an amount equal to the shelter component of the General Assistance grant as determined by the town in which the project is located.

(b) All Other Households

Rental payments for all other households shall be 30% of the household's adjusted monthly income, less the household's utility allowance; or zero, whichever amount is greater.

(c) Utility Allowance

The utility allowance of a household or family shall take into consideration the size of the dwelling unit, the type of structure of the project and the type of fuel used.

(Effective June 24, 1986)

Sec. 8-358-7. Program operations**(a) Application and Approval Process**

The following application and approval steps shall apply to all projects financed through this program:

- (1) Submission of a preliminary proposal based on criteria set forth in Section 4;
- (2) Approval of a preliminary proposal by the Commissioner, and invitation to submit a formal application;
- (3) Submission of a formal application package;
- (4) Submission of a funding allocation request to the State Bond Commission by the Commissioner;
- (5) Approval by the State Bond Commission;
- (6) Execution of a contract between the State of Connecticut and the community housing development corporation or nonprofit corporation.

(b) Reporting Requirements

Community housing development corporations or nonprofit corporations receiving financial assistance shall submit periodic financial and status reports, as required by the Department.

(c) Audit

Community housing development corporations or nonprofit corporations receiving financial assistance shall be subject to audit of all books and records related to the project. Audits shall be performed by independent public accountants registered to practice in the State of Connecticut, or by qualified Department personnel. All audits shall be in accordance with procedures established by the Department. An audit is to be completed as soon as possible following the completion of the project and at such other times as the Department may require.

(d) Repayment of Grants or Loans

All contracts for state financial assistance entered into pursuant to Public Act 85-485 shall provide that the community housing development corporation or nonprofit corporation repay the grant or loan if the property for which financial assistance is provided is conveyed or no longer used for the benefit of low income persons. The Department shall cause to be filed a notice of a lien on the property for which financial assistance is to be provided.

(Effective June 24, 1986)

Housing for the Homeless

Sec. 8-358-8. Definitions

(a) "Developers' Fee" means a bonus earned by developers that have successfully completed key events in the development process.

(b) "Key Events" means the four main phases in the development process: (1) Preliminary Application Approval, (2) Final Application Approval, (3) Construction Start; and (4) Construction Completion.

(c) "Successfully Completed" means completion of key events in a timely manner.

(Effective December 27, 1990)

Sec. 8-358-9. Terms and conditions

(a) A developer's fee may be established at up to 10% of the total development cost, less the cost of land, or \$100,000, whichever is less.

(b) The fee schedule shall be determined as follows:

<u>Percent of Fee</u>	<u>Key Event</u>
10%	Preliminary Application
15%	Final Application
25%	Construction Start
50%	Construction Completion

(c) Developer's fees are earned based on the schedule established for completing key events in the development process, as approved by the Commissioner.

(d) Developers shall only earn a fee for those key events that are completed according to the established schedule. Developers may not be entitled to earn a fee for key events completed after the established schedule. Developers shall earn, but not receive, any fee, until completion of the housing development.

(Effective December 27, 1990)

Sec. 8-358-10. Implementation

The provisions of Section 8-68g-1, except as otherwise provided, shall govern the implementation of the Housing for the Homeless Program developers' fee.

(Effective December 27, 1990)

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Municipal Housing Trust Fund Program

Sec. 8-365-1. Definitions

- (a) "Adjusted gross income" means the gross income less allowable deductions.
 - (b) "Commissioner" means the Commissioner of Housing.
 - (c) "Department" means the Connecticut Department of Housing.
 - (d) "Dwelling unit" means any house or building, or portion thereof, which is rented, leased or hired out to be occupied, or is occupied as a home or residence by one or more persons.
 - (e) "Family" means a household consisting of one or more persons.
 - (f) "Financial assistance" means grants authorized under Section 8-365 of the Connecticut General Statutes.
 - (g) "Gross income" means the annual aggregate income from all sources of all family members, residing in the dwelling unit.
 - (h) "Housing project" or "project" means any work or undertaking to provide decent, safe and sanitary dwelling units for families of low and moderate income, which may include the planning of buildings and improvements, the acquisition of property, site preparation, the demolition or rehabilitation of existing structures or the construction of new buildings.
 - (i) "Low and moderate income families" means families who lack the amount of income which is necessary, as determined by the Commissioner, to enable them, without financial assistance, to live in decent, safe, and sanitary dwellings, without overcrowding.
 - (j) "Major building component" means either roof structures; ceilings; wall or floor structures; foundations; plumbing, heating or electrical systems.
 - (k) "Majority of tenants" means more than fifty percent (50%) of the families residing in a rental housing project financed in whole or in part by a municipal housing trust fund program.
 - (l) "Municipality" means any city, borough or town.
 - (m) "Private person" means any individual, private company, corporation, society or association.
 - (n) "Program" means a municipal housing trust fund program created by a municipality pursuant to Section 8-365 of the Connecticut General Statutes.
 - (o) "Rent" means all periodic payments to be paid under a rental agreement.
 - (p) "Rental agreement" means all agreements written or oral, and valid rules and regulations adopted under Section 47a-9 of the Connecticut General Statutes embodying the terms and conditions concerning the use and occupancy of a dwelling unit and premises.
 - (q) "Substantial Rehabilitation" means repairs, replacements and 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.
 - (r) "Tenant" means the person(s) entitled under a rental agreement to occupy a dwelling unit to the exclusion of others or as is otherwise defined by law.
 - (s) "Trust fund" means a fund established by a municipality as authorized under Section 8-365 of the Connecticut General Statutes for the purposes of establishing a municipal housing trust fund program.
 - (t) "Utility allowance" means the average monthly allowance as determined by the Commissioner for a person or family for heat and other utilities, excluding telephone, which is not supplied or paid for by the owner of the dwelling unit.
- (Effective December 17, 1987)

Sec. 8-365-2. Program description

(a) The Commissioner may enter into a contract with a municipality that has established a municipal housing trust fund program for financial assistance in the form of grants to finance new construction or substantial rehabilitation of projects in which a majority of the tenants shall be low and moderate income families.

(b) A municipality shall certify to the Commissioner that its program has been created in accordance with Section 8-365 of the Connecticut General Statutes in order to be eligible to receive a state grant.

(c) Subject to the availability of funds, the Commissioner shall provide a grant to those municipalities selected in an amount equal to fifty percent of all other funds deposited from private persons in a fund established as part of a municipal housing trust fund program.

(d) A municipality that receives funding under this program shall be required to comply with all rules and orders promulgated by the Commissioner and consistent with the Connecticut General Statutes in the administration of this program.

(Effective December 17, 1987)

Sec. 8-365-3. Program requirements

(a) A municipal program shall include, but not be limited to the following:

(1) a separate and distinct nonlapsing fund to receive unrestricted direct contributions from private persons, or municipal and federal funds, which shall be used for the financing of new construction or substantial rehabilitation of dwelling units, and,

(2) a mechanism, subject to the approval of the Commissioner, to guarantee that a majority of the tenants in any rental housing project financed in whole or in part by such a program shall be low and moderate income families.

(b) The mechanism shall include the maximum income limits for initial and continued occupancy and rental limits as prescribed in Section 8-365-4 of these regulations.

(Effective December 17, 1987)

Sec. 8-365-4. Maximum income and rental limits

(a) To qualify as a low income family, at the time of initial occupancy of a dwelling unit, a family's gross income shall not exceed fifty percent (50%) of the area median income, adjusted for family size, as determined from time-to-time by the U.S. Department of Housing and Urban Development.

(b) To qualify as a moderate income family at the time of initial occupancy of a dwelling unit, a family's gross income shall not exceed one hundred percent (100%) of the area median income, adjusted for family size, as determined from time-to-time by the U.S. Department of Housing and Urban Development.

(c) At all times after initial occupancy, a family shall qualify as low or moderate income, if its gross income does not exceed the admission income limit as defined in Section 8-365-4 (b) of these regulations multiplied by a factor of 1.25.

(d) No low or moderate income family shall pay a rent in excess of thirty percent (30%) of their adjusted gross income, minus a utility allowance for those tenants who pay their own utilities. The term of the written rental agreement shall be at least one year.

(e) The following items shall be deducted from the gross income to arrive at an adjusted gross income in amounts as established by the Commissioner:

(1) Income of all dependents who have not reached their 18th birthday;

(2) Income received as compensation for the care of foster children or from the State Department of Children and Youth Services (DCYS) Adoption Program;

- (3) Income of full-time students who have not reached their 23rd birthday;
 - (4) Annual medical expenses which exceed three percent of the family's gross income;
 - (5) Child care costs which enable one or both parents to be gainfully employed;
 - (6) Alimony and child support payments made by a tenant as ordered by the courts;
 - (7) A deduction for dependents; and
 - (8) Any other item which, from time to time, may be established by the Commissioner.
- (f) In the event that any member of the family is self employed, net income, as defined by the Internal Revenue Service, plus depreciation, shall be used in the determination of the adjusted gross income.
- (Effective December 17, 1987)

Sec. 8-365-5. Application and selection process

- (a) The Commissioner may solicit or accept applications for grants from municipalities.
 - (b) As part of the application and selection process, a municipality shall be required to furnish evidence that the municipal program meets the program requirements in Section 8-365 (d)-3 of these regulations.
 - (c) The Commissioner shall select municipalities based on criteria that shall include but not be limited to the following:
 - (1) any needs identified in the Department's Five Year Housing Advisory Plan;
 - (2) the number of low income families that will be served by projects financed by the program; and,
 - (3) an administrative plan that shall identify the municipal department charged with the administration of the program; the administrative capabilities of the department, including past experience and staffing requirements; evidence of housing need and marketability; adoption of an affirmative action plan and an affirmative fair housing marketing plan; procedures for annual income verification and rent determination; a plan and timetable for the expenditure of funds; evidence of financial commitments from private persons; and the number of years the project shall serve a majority of low and moderate income families.
- (Effective December 17, 1987)

Sec. 8-365-6. Contracts and disbursements

- (a) Following the Commissioner's selection of a municipality to participate in this program, the municipality shall, within three months, file with the Department a bank statement showing the current balance deposited in the trust fund and an accounting of the source of all funds. Subject to the availability of funds, the Commissioner shall request approval of state financial assistance in the form of a grant for the municipality from the State Bond Commission in the amount of fifty percent (50%) of the amount certified to be in the trust fund from private persons.
- (b) Following approval by the State Bond Commission pursuant to the provisions of Section 3-21 of the Connecticut General Statutes, the State, acting by and through the Commissioner, shall enter into a contract(s) with a municipality for a grant for the municipal housing trust fund program.
- (c) The municipality shall conduct the municipal housing trust fund program in accordance with all applicable state and federal laws and requirements, including but not limited to the amount of the grant to be provided; fair housing laws; affirmative action requirements; small business and minority set-aside requirements;

income and rental limits for low and moderate income families; and the rights and obligations of the parties under the contract(s).

(d) The terms and conditions of the contract(s) between the municipalities and the state shall be imposed upon all agreements entered into by the municipality for purposes of carrying out the program.

(e) Where a project undertaken by a municipality has received a commitment for financial assistance from a federal or State housing program in addition to the municipal housing trust fund program, the regulatory requirements for admission and continued occupancy limits which provide greater opportunities for housing for low income families shall apply.

(Effective December 17, 1987)

Sec. 8-365-7. Financial and program reporting and access to records

(a) Each municipality shall maintain complete and accurate books, records and contract documents, insofar as they pertain to the municipal program and its project(s).

(b) Each municipality shall furnish the Commissioner with financial statements and other reports relating to the municipal housing trust fund program and housing project(s) financed in whole or in part, by such program, 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 accounts, records, books, and documents of the municipal housing trust fund program and housing project(s) financed in whole or in part by the program. Said access shall include the right to make excerpts, copies or transcripts from such accounts, records, books and documents of the municipal program and housing project(s).

(Effective December 17, 1987)

Sec. 8-365-8. Fiscal compliance and examination

Municipalities receiving financial assistance shall be subject to examination of all books and records related to the municipal program and housing project. Examinations shall be performed by independent public accountants licensed to practice in the State of Connecticut, or by qualified Department personnel. All examinations shall be in accordance with procedures established by the Department. An examination is to be completed as soon as possible following the completion of the housing project(s) and at such other times as the Commissioner may require.

(Effective December 17, 1987)

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Tenant Management Assistance Program

Sec. 8-367a-1. Definitions

- (a) “Commissioner” means the Commissioner of Housing.
- (b) “Department” means the Department of Housing.
- (c) “Developer” or “other developer” means a housing authority, nonprofit corporation, housing partnership, partnership, limited partnership, municipal developer or other public, quasi-public or private entity that owns or operates a state-assisted or federally-assisted housing project.
- (d) “Financial Assistance” means a grant-in-aid provided to a housing authority, nonprofit corporation, or other developer for expenses incurred in the establishment of a tenant management organization in a state-assisted or federally-assisted housing project.
- (e) “Housing Authority” or “Authority” means any of the public corporations created by section 8-40 of the Connecticut General Statutes.
- (f) “Nonprofit Corporation” means 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.
- (g) “Project” or “state-assisted or federally-assisted housing project” means a housing project owned or operated by a housing authority, nonprofit corporation, or other developer that was developed in whole or in part with financial assistance provided by the state or federal government.
- (h) “Tenant Management Organization” means any group or organization consisting of residents of a project formed for the purpose of contributing to or participating in the improvement or operation of the project.

(Effective February 25, 1988)

Sec. 8-367a-2. Program description

- (a) The Commissioner may enter into a contract with a housing authority, nonprofit corporation, or other developer to provide financial assistance in the form of a grant-in-aid for expenses incurred in the establishment of a tenant management organization in a state-assisted or federally-assisted housing project. The Commissioner shall select proposals in up to three municipalities to receive such assistance.
- (b) Proposals for financial assistance from developers may include plans for tenant participation in the operation of the housing project in the following areas: (1) security services; (2) general management and decision making; (3) maintenance; (4) social and community services; or (5) conflict and grievance resolution.
- (c) Eligible applicants may receive state financial assistance for expenses incurred in the establishment of a tenant management organization, including, but not limited to, the cost of providing technical assistance, training designed to teach tenants how to manage and maintain public housing, and security equipment.
- (d) Eligible 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 for this program.

(Effective February 25, 1988)

Sec. 8-367a-3. Eligibility

To be eligible to participate in this program;

(a) **A housing authority must:**

- (1) Be in good standing with the Department;

(2) Submit a copy of the resolution establishing the housing authority pursuant to Section 8-40 of the Connecticut General Statutes;

(3) Submit a statement from the legal counsel of the municipality that verifies that the housing authority is recognized and continues to be properly constituted by the municipality;

(4) Submit evidence that the project proposed under the application was developed in whole or in part with financial assistance provided by the state or federal government, and

(5) Show the financial stability of the project proposed for management by the Tenant Management Organization through the provision of financial statements of the housing authority.

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

(1) Be in good standing with the Department;

(2) Certify that it is recognized as a tax exempt organization by the federal or state government;

(3) Submit an endorsed certificate of incorporation certified by the Secretary of the State;

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

(5) Inform the Department in writing of the corporation's principal place of business;

(6) Submit evidence that the project proposed under the application was developed in whole or in part with financial assistance provided by the state or federal government; and,

(7) Show the financial stability of the project proposed for management by the Tenant Management Organization through the provision of financial statements of the nonprofit corporation or its members.

(c) **Other developers must:**

(1) Be in good standing with the Department;

(2) Submit copy of its organizational documents to the Department;

(3) Inform the Department, in writing, of the developer's principal place of business;

(4) Submit evidence that the project proposed under the application was developed in whole or in part with financial assistance provided by the state or federal government; and,

(5) Show the financial stability of the project proposed for management by the Tenant Management Organization through the provision of financial statements of the developer's project or projects.

(Effective February 25, 1988)

Sec. 8-367a-4. Application

(a) The Commissioner may solicit and/or accept applications for financial assistance for expenses incurred in the establishment of a tenant management organization in a state-assisted or federally-assisted housing project from housing authorities, nonprofit corporations, or other developers that own or operate such projects.

(b) As part of the application and program approval process, the housing authority, nonprofit corporation, or other developer shall be required to furnish the following:

(1) Evidence of the developer's eligibility, as defined in Section 3 above;

(2) Evidence of the existence and experience of a tenant organization or project residents' desire to form a tenant management organization; and,

(3) Financial information on the projected cost of expenses.

(c) The Commissioner may, from time to time, request additional information from the developer in support of the application.

(d) The Commissioner shall select proposals in up to three municipalities to receive assistance in this program based on the factors listed in Sections 4 (a), 4 (b) and 4 (c) of these regulations, the availability of financial assistance, and the following:

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

(2) The apparent capability of the housing authority, nonprofit corporation, or other developer to train and administer a program of this type; and,

(3) The support of project residents.

(e) If an application is rejected, the developer shall be notified in writing of the reasons for the rejection.

(f) If an application is approved, the Commissioner shall notify the developer that the program may proceed and inform the developer of the contents and terms of the contract for state financial assistance to be entered into between the developer and the state.

(Effective February 25, 1988)

Sec. 8-367a-5. Financial reporting and access to records

(a) Each developer shall maintain complete and accurate books and records, in the following manner:

(1) Insofar as they pertain to state rental housing projects, they shall be set up and maintained in accordance with the latest manual approved by the Commissioner.

(2) Insofar as they pertain to federal rental housing projects, they shall be set up and maintained in accordance with the latest requirements of the U.S. Department of Housing and Urban Development.

(b) Each developer shall furnish the Commissioner with financial statements and other reports relating to the tenant management organization 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 tenant management organization, said permission to include the right to make excerpts or transcripts from such accounts, records and books.

(Effective February 25, 1988)

Sec. 8-367a-6. Fiscal compliance and examination

Developers receiving financial assistance in this program shall be subject to examination of all books and records related to the tenant management organization. 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. An examination shall be completed at such times as the Department may require.

(Effective February 25, 1988)

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Housing Development Zone Regulations

Sec. 8-381-1. Definitions

- (a) “Commissioner” means the Commissioner of Housing.
 - (b) “Department” means the Connecticut Department of Housing.
 - (c) “Distressed Municipality” means a municipality which, as of 10/1/87, met the definition set forth in subsection (b) of Section 32-9p of the Connecticut General Statutes.
 - (d) “Eligible Developer” means eligible developer as defined in Section 8-39 of the Connecticut General Statutes.
 - (e) “Family” means a household consisting of one or more persons.
 - (f) “Housing Development Zone” means an area in a distressed municipality, which: shall consist of one or two contiguous United States census tracts or a portion of an individual census tract; shall have at least twenty-five percent (25%) of its area zoned or allow for multi-family residential dwellings; and has been approved as a housing development zone by the Commissioner in accordance with the requirements of Public Act 87-378 and these regulations.
 - (g) “Multi-family Residential Dwelling” means any house or building or portion thereof which is capable of being occupied as the home or residence of two or more families living independently of each other.
 - (h) “Municipality” means any city, town or borough.
- (Effective March 28, 1989)

Sec. 8-381-2. Program description

- (a) The Commissioner is authorized to designate a maximum of three areas within distressed municipalities in the State as housing development zones, provided that no more than one zone shall be in any one such municipality.
 - (b) The purpose of this program is to encourage the development, preservation and revitalization of housing for low and moderate income families in distressed municipalities.
 - (c) A housing development zone program shall include the following:
 - (1) A high priority to receive State financial assistance shall be accorded to proposals from eligible developers for financial assistance for programs or projects authorized by Chapters 128, 130, 133 or 138 of the Connecticut General Statutes;
 - (2) For community development activities undertaken in the zone, the Commissioner may waive the limitations on the amount of State financial assistance to be provided pursuant to Section 8-169k of the General Statutes, as amended; and
 - (3) The municipality which includes the zone shall provide, by ordinance, for fixing assessments on commercial and residential property within the zone which is improved, and for deferring any increase in assessments attributable to such property improvement, as provided for in Public Act 87-378.
 - (d) Municipalities 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 March 28, 1989)

Sec. 8-381-3. Program requirements

For an area to qualify as a housing development zone, the distressed municipality shall select an area which:

- (a) Consists of one or two contiguous United States census tracts or a portion of an individual census tract as determined by the most recent U.S. census; and

(b) Has or will allow at least 25% of such area zoned to permit multi-family residential dwellings.

(Effective March 28, 1989)

Sec. 8-381-4. Application and selection process

(a) The Commissioner may solicit and/or accept applications from distressed municipalities for designation of an area as a housing development zone.

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

(1) Evidence that the municipality meets the definition of a distressed municipality in Section 1 above;

(2) A census tract map which clearly shows the census tract(s) being proposed for designation as a zone;

(3) Certification that at least 25% of the designated census tract(s) is zoned or may be zoned for multi-family residential dwellings;

(4) A resolution by the legislative body of the municipality that, should the area be designated by the Commissioner, the municipality shall pass an ordinance for the fixing of assessments on all commercial and residential property in the zone which is improved during the period of designation and, in the case of residential properties, is occupied by families whose income is less than 150% of the median family income of the municipality. Any increase in assessments shall be deferred in accordance with the schedule established by Public Act 87-378; and

(5) A plan for the development and rehabilitation of housing within the zone which addresses and identifies the following:

(A) proposed housing and commercial construction or rehabilitation;

(B) municipal improvements such as the construction or rehabilitation of community facilities;

(C) public utilities and infrastructure improvements;

(D) evidence of financial commitment from all sources; and

(E) A statement listing the housing programs under which the municipality or developer(s) will be seeking financial assistance, the amount of financial assistance to be requested and an indication of the status of all required local approvals.

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

(d) Proposals shall be approved or disapproved by the Commissioner based on the factors listed in Section 4 (b) above and factors which shall include but are not limited to:

(1) Any needs outlined in the five year Housing Advisory Plan;

(2) Housing assistance plans, if in existence;

(3) Any other statistical data on housing need and marketability;

(4) Suitability of the proposed site for this designation;

(5) The apparent capability of the municipality to plan and manage a housing development zone;

(6) Local community support; and

(7) The completeness and feasibility of the municipality's proposed plan for the development and rehabilitation of housing, as submitted pursuant to Section 4(b) above.

(e) If a proposal is disapproved, the municipality shall be notified in writing of the reason(s) for the rejection.

(f) If a proposal is approved, the Commissioner shall so notify the municipality in writing, and inform the municipality of the contents and terms of the Designation Agreement for a housing development zone. Before such agreement is signed, the municipality shall pass an ordinance for fixing assessments and deferring increases in assessments on properties within the zone, as required by Public Act 87-378, and shall, if necessary, finalize any zoning changes needed to meet the requirement that 25% of the housing development zone be zoned to permit multi-family residential dwellings.

(Effective March 28, 1989)

Sec. 8-381-5. Designation agreement

(a) Upon approval of a zone by the Commissioner, the Commissioner and the municipality will enter into a Designation Agreement which will outline the rights and responsibilities of the Commissioner and the municipality for the term of the designation.

(b) An area which has been designated as a housing development zone shall remain a zone for at least ten years from the date of execution of the Designation Agreement.

(c) The plan for the development and rehabilitation of housing within the zone filed by the municipality pursuant to Public Act 87-378 and Section 4(b) of these regulations shall be updated and filed with the Department at least once a year or as otherwise required by the Commissioner.

(Effective March 28, 1989)

Sec. 8-381-6. Priority for financial assistance

(a) The Commissioner shall grant a high priority to applications received from eligible developers for financial assistance under programs authorized by Chapters 128, 130, 133 or 138 of the Connecticut General Statutes. Such high priority will take into consideration the present level of authorized funding for a program and the number of proposals already under consideration by the Commissioner.

(b) The Commissioner may, at his discretion, waive the limitations on the amount of state financial assistance provided pursuant to Section 8-169k of the Connecticut General Statutes, as amended, for housing and community development projects undertaken in a housing development zone. A decision to approve such waiver will take into consideration the project's part in the plan for the development and rehabilitation of housing within the zone, as filed annually by the municipality pursuant to Section 5 (c) above.

(c) To receive priority status or a waiver, the applicant, if a municipality, must certify that their proposal is for a project within the designated zone. If the applicant is other than the municipality, the applicant must submit a municipal certification that the proposed project is within the designated zone.

(Effective March 28, 1989)

Sec. 8-381-7. Removal of designation

Ten years after the date of execution of the Designation Agreement, the Commissioner may remove the designation of a zone if:

(a) the zone no longer meets the requirements of Section 3 of these regulations;

(b) the Commissioner finds that there has been consistent underutilization of the priorities for financial assistance available under this program;

(c) the municipality has shown little or no progress in carrying out its plan for development and rehabilitation within the zone; or

(d) the municipality fails to abide by the requirements of Public Act 87-378 and these regulations.

(Effective March 28, 1989)

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Housing Infrastructure Fund

Sec. 8-388-1. Definitions

The following definitions apply to Sections 8-388-1 through 8-388-11 of the Regulations of Connecticut State Agencies:

- (a) “Commissioner” means the Commissioner of Housing.
- (b) “Department” means the State Department of Housing.
- (c) “Eligible Municipality” means any municipality which is located within one of the pilot planning regions and whose legislative body has approved the applicable regional fair housing compact in accordance with Sections 8-386 and 8-387 of the Connecticut General Statutes.
- (d) “Family” means a household consisting of one or more persons.
- (e) “Housing Infrastructure Development” or “Development” 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.
- (f) “Housing Infrastructure Fund” means the fund established pursuant to Section 8-387 of the Connecticut General Statutes from which grants or loans for the housing infrastructure program shall be made.
- (g) “Low and Moderate Income Families” 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.
- (h) “Secretary” means the Secretary of the Office of Policy and Management. (Effective November 30, 1990)

Sec. 8-388-2. Program description

- (a) The Commissioner, in consultation with the Secretary, may enter into a contract(s) with eligible municipalities for financial assistance in the form of a grant, loan or any combination thereof for the purpose of undertaking activities aimed at increasing housing for low and moderate income families.
- (b) Eligible municipalities may receive state financial assistance to carry out a development in accordance with the regional fair housing compact. Such compact shall be drawn up in accordance with Section 8-386 of the Connecticut General Statutes.
- (c) The Commissioner may, for good cause shown, if he deems it in the best interest of the state, waive any non-statutory requirement imposed by these regulations.
- (d) Eligible municipalities 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 November 30, 1990)

Sec. 8-388-3. Eligible activities

Any municipality undertaking a housing infrastructure development shall use any financial assistance received for planning, construction, or renovation of housing, and for any of the following, provided administrative costs directly related to such construction or renovation shall not exceed five percent (5%), when necessary to support the development of housing within such municipality in accordance with the Regional Fair Housing Compact:

- (1) Sanitary sewer lines, including interceptors, laterals and pumping stations;

(2) Natural gas, electric, telephone and telecommunications, pipes, wires, conduits, waterlines and water supply facilities, except as required by any provisions of the general statutes or any special act, a regulation or order of the department of public utility control or a certificate of public convenience and necessity;

(3) Storm drainage facilities, including flood control facilities;

(4) Public roadways and related appurtenances; or

(5) Community septic systems approved by the Department of Environmental Protection.

(Effective November 30, 1990)

Sec. 8-388-4. Municipal eligibility

Municipalities eligible to participate in this program must:

(a) Be located within the planning region(s) chosen to participate in the pilot program; and

(b) Approve, through its legislative body, the regional fair housing compact as submitted by the regional planning agency.

(Effective November 30, 1990)

Sec. 8-388-5. Application process

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

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

(1) Assessment of the municipality's needs and evidence of conformance with the contents of the regional fair housing compact, for that municipality's region;

(2) Evidence that the activity will serve low and moderate income families;

(3) Evidence of the municipality's or its designee's ability to effectively carry out the activities in a timely manner; and

(4) Financial information on the cost of the proposed activities.

(c) The Commissioner may, from time to time, request additional information from the municipality in support of the application.

(Effective November 30, 1990)

Sec. 8-388-6. Selection process

(a) Applications shall be approved or disapproved by the Commissioner based on the factors listed in Sections 8-388-3, 8-388-4 (b) and 8-388-5 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) Any other statistical data on housing need and marketability;

(4) Suitability of the proposed site and development; and

(5) The administrative capability of the municipality to plan, complete and provide management of a development and the associated infrastructure improvements.

(b) If an application is disapproved, the municipality shall be notified in writing of the reasons for the rejection.

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

(Effective November 30, 1990)

Sec. 8-388-7. Maximum income limits

(a) The maximum low income limit shall be eighty percent (80%) of the area median income, adjusted for family size, as determined from time to time by the U.S. Department of Housing and Urban Development.

(b) The maximum moderate income limit shall be one hundred percent (100%) of the area median income, adjusted for family size, as determined from time to time by the U.S. Department of Housing and Urban Development.

(Effective November 30, 1990)

Sec. 8-388-8. 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, loan or any combination thereof.

(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 municipality for financial assistance in the form of a grant, loan or any combination thereof, in an amount not to exceed the total cost of the development 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).

(d) If a municipality is unable to repay a loan, the Commissioner may, at his discretion, adjust the interest rate and terms and conditions of the loan to facilitate repayment, but in no case shall the term of the loan exceed fifty (50) years.

(e) A lien shall be filed 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. This provision may be waived if the Commissioner determines that such waiver is in the best interest of the State.

(Effective November 30, 1990)

Sec. 8-388-9. Funding priorities

Funding priority will be based on the following:

(1) Impact of the proposed activity on meeting the goals of the regional fair housing compact;

(2) Municipalities with local housing partnerships which have achieved development designation;

(3) Small-scale, low-rise developments;

(4) Rental housing developments in communities lacking affordable family rental housing;

(5) Developments with a higher ratio of multiple bedroom units especially three and four bedrooms;

(6) Mixed income developments, and

(7) Long term affordability of the units.

(Effective November 30, 1990)

Sec. 8-388-10. Financial reporting

Municipalities shall maintain complete and accurate books and records in accordance with the latest procedures approved by the Commissioner.

(Effective November 30, 1990)

Sec. 8-388-11. Fiscal compliance & examination

Municipalities 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 examination shall be performed in accordance with procedures established by the Department.

(Effective November 30, 1990)

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Tax Credit Program

Sec. 8-395-1. Definitions

The following definitions apply to Section 8-395-1 through 8-395-10 of the Regulations of Connecticut State Agencies:

(a) “Business Firm” means any business entity as defined in Section 8-395 (a) of the General Statutes.

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

(c) “Contribution” means cash, goods or real property, the value of which shall be set by the Commissioner who, in his sole discretion, shall determine whether an appraisal(s), to be obtained at the business firm’s expense, is necessary.

(d) “Department” means the Department of Housing.

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

(f) “Housing Program” means any work or undertaking to provide decent, safe and sanitary dwelling units for families of low and moderate income, which may include the planning of buildings and improvements, the acquisition of property, site preparation, the demolition of existing structures, the construction of new buildings, the rehabilitation of existing buildings or the capitalization of a revolving loan fund providing low-cost loans for housing construction, repair or rehabilitation to benefit persons of very low, low and moderate income.

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

(h) “Nonprofit Corporation” means a nonprofit corporation incorporated pursuant to Chapter 600 of the 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.

(i) “Tax Year” means the business firm’s taxable year, as defined in Section 441 (b) of the Internal Revenue Code.

(j) “Area Median Income” means 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 December 3, 1991)

Sec. 8-395-2. Program description

(a) The Commissioner is authorized to provide tax credit vouchers to business firms making contributions to eligible housing program(s) which benefit low and moderate income families and which are developed, sponsored or managed by nonprofit corporations. The tax credit voucher shall be granted in an amount equal to 100% of the value of the contribution made. A business firm may receive a voucher for a contribution to a housing program, which contribution may result in the business firm having a limited equity interest in such program. The total tax credit allowed to any business firm shall not exceed \$50,000 annually.

(b) Vouchers issued by the Commissioner shall be submitted to the Commissioner of Revenue Services by the business firms to be used as a credit against any of the taxes to which such business firm is subject under Chapters 207, 208, 209, 210, 210a, 211, 212, or 212a of the Connecticut General Statutes.

(c) Each eligible nonprofit corporation may receive, annually, an aggregate amount of \$300,000 in contributions for housing program(s) to which tax credits may be applied.

(d) Housing programs eligible for contributions may not serve families whose gross income exceeds 100% of the area median income.

(e) For the purposes of this program, the nonprofit corporation's expenses for salaries, operation and overhead shall not be considered as housing program costs eligible for funding by a contribution from a business firm.

(Effective December 3, 1991)

Sec. 8-395-3. Nonprofit corporation eligibility

To be eligible to participate in this program for the first time, a nonprofit corporation shall demonstrate that it meets the definition of nonprofit corporation in Section 8-395-1 above by submitting to the Department an endorsed certificate of incorporation certified by the Secretary of the State and a certification that the nonprofit corporation is in good standing with the Secretary of the State's Office. If the nonprofit corporation has, as part of a previous application under the tax credit program, already submitted to the commissioner an endorsed certificate of incorporation, the nonprofit corporation may instead submit a certification that its certificate of incorporation has not been amended or changed in any way since the previous submission, and a certification that the nonprofit corporation is in good standing with the office of the secretary of the state.

(Effective December 3, 1991)

Sec. 8-395-4. Application process for nonprofit corporations

(a) Applications from nonprofit corporations for approval of each housing program shall be filed with the Department on or after January 1, but before February 1 annually. The time of receipt of an application shall be deemed to be the time of filing.

(b) As part of the application approval process, the nonprofit corporation shall be required to furnish the following regarding each housing program submitted for approval:

(1) A description of the housing program, including the total number of families to be served, the number of families to be served at or below 25% of the area median income, the number of families with incomes greater than 25% and not more than 50%, the number of families with incomes greater than 50% and not more than 80%, and the number of families with incomes greater than 80% and not more than 100%;

(2) Evidence of housing need;

(3) Evidence of the general administrative capability of the nonprofit corporation to develop, sponsor or manage the housing program; and

(4) The estimated amount of contributions required to be invested in the housing program.

(5) The readiness of the project to be built; and

(6) Evidence that any funds previously received by the nonprofit corporation for which a voucher was previously issued were used to accomplish the goals set forth in the application.

(c) Such information will be evaluated according to the following five categories:

(1) **Target Population** - Maximum of 60 points

Includes but is not limited to: the extent that the proposal serves families, homeless persons or elderly persons; the extent to which the development will promote a mix of very low, low, and moderate income families.

(2) **Geographic Location** - Maximum of 40 points

Includes but is not limited to: target municipality's participation in the regional housing compact and/or the Connecticut Housing Partnership Program; percent of

assisted housing within the target municipality, as defined under the affordable housing appeals procedure, in Section 8-30q of the Connecticut General Statutes.

(3) Type of Housing Program - Maximum of 40 points

Includes but is not limited to: the extent to which a proposal adds to the existing supply of affordable housing through the construction of new affordable housing, substantial rehabilitation of existing structures or the acquisition of existing housing which is not currently affordable or the creation of a revolving loan fund for loans to individuals; the methods used to ensure long term affordability and the duration of affordability.

(4) Administrative Capability - Maximum 30 points

Includes but is not limited to: the applicant's past performance in developing, completing, and managing affordable housing developments; its past performance under the tax credit program and the adequacy of their administrative funding.

(5) Readiness to proceed - Maximum 30 points

Includes but is not limited to: the applicant's planning and construction timetable, its presentation of evidence of preliminary or firm commitments for financing from acceptable financial institutions.

(d) Developments receiving an allocation of federal low income housing tax credits pursuant to section 42 (h) of the Internal Revenue Code of 1986, as amended, may receive a maximum of twenty (20) additional bonus points provided documentation is submitted that evidences the development has been approved for an allocation of federal low income housing tax credits.

(e) The Commissioner may, from time to time, request additional information from the nonprofit corporation. The nonprofit corporation shall agree to maintain complete and accurate books and records insofar as they pertain to contributions to a housing program for a tax credit voucher, and shall consent to furnish the Commissioner with financial statements and other reports relating to the operation of the program in such detail and at such times as he may require.

(f) The Commissioner shall publish on or after April 1 but before May 1 each year, the list of eligible housing programs of nonprofit corporations to which business firms may contribute.

(Effective May 31, 1995)

Sec. 8-395-5. Business firm eligibility

To be eligible to participate in this program, a business firm shall:

(a) Submit an endorsed certificate of incorporation and certify that the business firm is in good standing with the Secretary of the State's Office; and

(b) Inform the Department, in writing, of the business firm's principal place of business.

(Effective September 26, 1988)

Sec. 8-395-6. Application process for business firms

(a) Applications from business firms for tax credit vouchers shall be filed with the Department on or after June 1 but before July 15 annually. The time of receipt of an application shall be deemed to be the time of filing. Applications for tax credit vouchers shall be made on forms prescribed and furnished by the Commissioner.

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

(1) A list of the housing program(s) to which the business firm intends to make contributions(s);

(2) The value and type of contribution to be made to each housing program; and

(3) The amount expended for contributions for the support of housing programs during the tax year which began during the preceeding calendar year and the amount which will be so expended during the tax year which begins during the current calendar year.

(c) Applications shall be approved or rejected by the Commissioner based on the information and documentation required herein, as well as the availability of tax credits.

(d) If an application is rejected, the business firm shall be notified, in writing, of the reasons for the rejection.

(Effective May 31, 1995)

Sec. 8-395-7. Allotment of tax credit vouchers

(a) The allotment of tax credit vouchers for contributions to approved housing programs shall be made in accordance with a ranking system which takes into consideration information provided by the nonprofit corporation in its application pursuant to subsection 8-395-4 (b) and (c) above and the availability of tax credit vouchers.

(b) The Commissioner shall notify the business firm, in writing, that a tax credit voucher will be reserved, contingent upon the firm's submission of a notarized receipt from the nonprofit corporation of the contribution made to the housing program, as approved. Subject to the provisions of Section 8-395-2 (a) above, the amount of the tax credit voucher shall equal the amount of the contribution.

(c) Tax Credit vouchers shall be presented to the Commissioner of the Department of Revenue Services by the business firm. Tax credits shall be granted in accordance with policies established by the Department of Revenue Services.

(d) If two or more business firms are contributing jointly to one or more housing program, the application shall be submitted as a single application and shall provide the information required herein for each business firm.

(Effective December 3, 1991)

Sec. 8-395-8. Year in which contributions must be made and in which credit must be claimed

(a) The amount which is proposed to be contributed by a business firm to which a credit voucher has been reserved, must be contributed during such firm's tax year which begins during the calendar year in which the application for such voucher was filed.

(b) The credit which is sought by the business firm must be claimed on a tax return for such firm's tax year which begins during the calendar year in which the application for a tax credit voucher was filed.

(Effective September 26, 1988)

Sec. 8-395-9. Proof of increase

(a) Prior to the allowance of a tax credit on the tax return on which it must be claimed, the business firm shall submit proof to the Commissioner of Revenue Services that the amount expended for contributions for the support of housing programs by such business firm is not less in the year in which the credit is claimed than the amount expended in the preceding year.

(b) The proof shall be the tax return filed with the Internal Revenue Service for the tax year preceding the tax year in which the credit must be claimed, and the tax return so filed for the tax year in which the credit must be claimed, and any other information requested by the Commissioner of Revenue Services.

(Effective September 26, 1988)

Sec. 8-395-10. Carry forwards and carrybacks

The amount of tax credit received which is not exhausted in the tax year in which such credit must be claimed under Section 8 above must be carried back to the five preceding tax years (beginning with the earliest of such years) before any unexhausted balance can be carried forward to the five succeeding tax years (beginning with the earliest of such years).

(Effective September 26, 1988)

Sec. 8-395-11. Waivers

The Commissioner may waive any of the nonstatutory requirements. Requests for a waiver must be in writing from the sponsor. Such a waiver may only be granted if there is sufficient evidence that:

- (1) The literal enforcement of such provisions provide for exceptional difficulty or unusual hardship not caused by the applicant;
- (2) The benefit to be gained by the waiver clearly outweighs the detriment which will result from enforcement of the requirement;
- (3) The waiver is in harmony with conserving public health, safety, and welfare; and
- (4) The waiver is in the best interest of the State.

(Effective May 31, 1995)

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Predevelopment Costs

Sec. 8-412-1. Definitions

The following definitions apply to Sections 8-412-1 through 8-412-9 of the Regulations of Connecticut State Agencies:

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

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

(c) “Designated Agent” means a nonprofit corporation which has entered into a contract with the State, acting by and through the Commissioner, to administer all or a part of the Low and Moderate Income Housing Predevelopment Cost Revolving Loan Fund.

(d) “Developer” means:

(1) A housing authority established in accordance with Section 8-40 of the Connecticut General Statutes or the Connecticut Housing Authority when exercising the rights, powers, duties or privileges of or subject to the immunities or limitations of housing authorities pursuant to Section 8-121 of the Connecticut General Statutes; or

(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; or

(3) 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 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 board of selectman if such board is authorized to act as the municipal developer by the town meeting or representative town meeting; or

(4) A partnership, limited partnership, joint venture, trust or association consisting of:

(A) a housing authority, a nonprofit corporation, or a municipal developer; and

(B) (i) a business corporation incorporated pursuant to Chapter 599 of the 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 in accordance with regulations adopted pursuant to Section 8-79a or 8-84 of the General Statutes;

(ii) a for-profit partnership, limited partnership, joint venture, trust or association having as one of its purposes the construction, rehabilitation, ownership or operation of housing, and having basic documents of organization approved by the Commissioner in accordance with regulations adopted pursuant to Section 8-79a or 8-84 of the General Statutes; or

(iii) any combination of the entities included under subparagraphs (i) and (ii) of this subdivision.

(e) “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.

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

(g) “Financial Assistance” means grants or loans authorized under Sections 8-410 and 8-411 of the Connecticut General Statutes.

(h) “Low and Moderate Income Housing Predevelopment Cost Revolving Loan Fund” means the fund established to make loans pursuant to Section 8-410 of

the Connecticut General Statute and to pay expenses incurred in administering such loans.

(i) “Predevelopment Costs” means those expenses for a developer which are not administrative, but are necessary for planning activities before any construction, rehabilitation or renovation of housing for low and moderate income families may begin.

(j) “Predevelopment Cost Project” or “Project” means any work or undertaking to provide decent, safe and sanitary dwelling units for low and moderate income families, which may include planning for the construction, rehabilitation or renovation of such housing.

(Effective March 2, 1989)

Sec. 8-412-2. Program description

(a) The Commissioner is authorized to extend financial assistance in the form of a grant or loan to developers to pay for predevelopment costs incurred in connection with the construction, rehabilitation or renovation of housing for low and moderate income persons and families.

(b) Program Purpose:

(1) Predevelopment Loans are for project specific predevelopment costs that may include:

(A) feasibility studies;

(B) expenses incurred in project planning and design, including architectural expenses;

(C) legal and financial expenses;

(D) expenses incurred in obtaining and paying for required permits and approvals;

(E) options to purchase land;

(F) expenses incurred in obtaining and paying for required insurance;

(G) appraisals; and

(H) other preliminary expenses authorized by the Commissioner.

(2) Predevelopment Grants shall not exceed \$5,000, as specified by Section 8-411 of the Connecticut General Statutes for predevelopment costs that may include:

(A) feasibility studies;

(B) appraisals;

(C) legal fees;

(D) financial consulting expenses; and

(E) other planning expenses authorized by the Commissioner.

(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 March 2, 1989)

Sec. 8-412-3. Eligibility

(a) The following criteria, in addition to the requirements in subsection (d) below, shall constitute eligibility for a housing authority:

(1) Be in good standing with the Department;

(2) A statement from the legal counsel of the municipality 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.

(b) The following items, in addition to the requirements in subsection (d) below, shall constitute eligibility for a nonprofit corporation:

(1) An endorsed certificate of incorporation certified by the Secretary of the State;

(2) A certificate of good standing certified by the Secretary of the State; and

(3) A statement in writing of the corporation's principal place of business.

(c) The following items, in addition to the requirements in subsection (d) below, shall constitute eligibility for a partnership:

(1) A copy of the organizational documents of the partnership showing that the partnership consists of a nonprofit corporation, housing authority or municipal developer.

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

(d) The following items, in addition to requirements listed above, shall constitute eligibility for all housing authorities, nonprofit corporations, or partnerships:

(1) A list of housing projects which they have developed, owned or managed; and

(2) 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.

(e) The following items shall constitute eligibility for a municipal developer:

(1) A notarized copy of its legislative body's resolution designating the legislative body or board of selectman to act as a municipal developer.

(f) The developer may apply for pre-approval of developer eligibility prior to application for financial assistance in order to facilitate the timely processing of loan applications, by submitting appropriate information, as specified in this section.

(Effective March 2, 1989)

Sec. 8-412-4. Application process

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

(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 8-412-3 above;

(2) A copy of the developer's predevelopment budget listing all revenue by source as well as expenses to be supported by the proposed grant or loan;

(3) A description and timetable of the developer's present and projected activities involving the project to be undertaken;

(4) A certification that the proposed construction, rehabilitation or renovation will provide housing for low and moderate income families; and

(5) Names, addresses and telephone numbers of its current commissioners or officers and statutory agent for service or legislative body.

(c) Pre-Approval of a developer's eligibility shall not exempt the developer from submitting all required project-specific information.

(d) The Commissioner or his designated agent may, from time to time, request additional information from the developer.

(Effective March 2, 1989)

Sec. 8-412-5. Selection process

(a) Applications shall be approved or disapproved by the Commissioner or his agent based on factors listed in Section 8-412-4 above, the availability of financial assistance, and factors which include, but are not limited to:

(1) any needs outlined in the Department's Five Year Housing Advisory Plan;

(2) the apparent capability of the developer to plan complete and manage a project including past experience and staffing; and

(3) the impact that the grant or loan will have on the housing needs of low and moderate income persons.

(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 or his designated agent shall issue a commitment letter which notifies the developer, in writing, that the project may proceed and indicates the expected terms and conditions of the contract for financial assistance under this program.

(Effective March 2, 1989)

Sec. 8-412-6. Maximum income limits

(a) Financial assistance will be provided for projects which serve low and moderate income families.

(b) Homeownership income limits shall not exceed those established and determined from time to time by the Connecticut Housing Finance Authority's Home Mortgage Program.

(c) For all others, income limits shall not exceed those established from time to time under the Department's Moderate Rental Program or federal and/or state program being utilized, as approved by the Commissioner.

(Effective March 2, 1989)

Sec. 8-412-7. Contract for financial assistance

(a) The State, acting by and through the Commissioner, may enter into a contract(s) with a developer for financial assistance in the form of a grant or loan.

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

(c) The terms and conditions of the loan shall be as follows:

(1) repayment of the loan shall be made as soon as practicable and as specified by the loan agreement, but no later than upon receipt of permanent financing by the developer;

(2) the loan shall be interest free; and

(3) the Commissioner may forgive a loan in any case where the borrower has made a good faith effort to obtain permanent financing and has been refused such financing or where the forgiveness is in the best interest of the State.

(d) In addition to whatever remedies exist in the contract, the developer shall, upon demand by the Commissioner, pay back to the State the full amount of any financial assistance provided under this program, if the Commissioner determines that:

(1) reasonable progress in the development of the activity, as submitted pursuant to Section 8-412-4, above, has not been made; or

(2) the construction, rehabilitation, or renovation supported by the State predevelopment grant or loan has resulted in a use other than for housing to benefit families of low and moderate income; or

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

(Effective March 2, 1989)

Sec. 8-412-8. Financial reporting and access to records

(a) Each developer shall maintain complete and accurate books and records, insofar as they pertain to predevelopment cost 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 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 March 2, 1989)

Sec. 8-412-9. Fiscal compliance and examination

Each developer receiving financial assistance shall be subject to examination of all books and records related to the project. 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 March 2, 1989)

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Septic System Repair

Sec. 8-416-1. Definitions

The following definitions apply to Sections 8-416-1 through 8-416-9 of the regulations of Connecticut State Agencies:

- (a) “Commissioner” means the Commissioner of Housing.
 - (b) “Deferred Loan” means a loan made under this program for which repayment shall not become due until the deferred loan recipient transfers the property for which the deferred loan was made.
 - (c) “Department” means the Department of Housing.
 - (d) “Eligible Residential Property” or “Subject Property” means an owner-occupied residential structure consisting of up to two dwelling units in which the subsurface sewage disposal system has been determined to be a nuisance in accordance with the public health code.
 - (e) “Financial Assistance” means a loan or a deferred loan provided to an eligible owner for expenses incurred for repair, replacement or enlargement of a subsurface sewage disposal system.
 - (f) “Handicapped Person” means a person who has been certified by the Social Security Board as being disabled under the federal Social Security Act.
 - (g) “Repair, Replacement or Enlargement” means any activities which cause a subsurface sewage disposal system to comply with local public health codes.
- (Effective March 28, 1989)

Sec. 8-416-2. Program description

- (a) The Commissioner may enter into a contract for financial assistance with any eligible homeowner for costs incurred in the repair, replacement or enlargement of subsurface sewage disposal systems that have been determined to be a nuisance in accordance with the public health code. Financial assistance shall be in the form of a loan or a deferred loan, and shall finance repairs, replacement or enlargement of a subsurface sewage disposal system serving a dwelling containing up to two residential units, provided such homeowner shall reside in at least one unit of such dwelling.
 - (b) Eligible costs under this program include, but are not limited to; appraisals, inspection fees, labor, and materials and other technical and installation expenses, and stabilization of top soil. Landscaping costs are not eligible under this program.
 - (c) Eligible homeowners 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 for this program.
- (Effective March 28, 1989)

Sec. 8-416-3. Applicant eligibility

To be eligible to participate in this program, an applicant must:

- (a) Be a resident of the State of Connecticut;
 - (b) Own the subject property and occupy at least one dwelling unit within the subject property; and
 - (c) Have applied for and been refused funds from a lending institution regulated by the laws of this state.
- (Effective March 28, 1989)

Sec. 8-416-4. Application/approval process

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

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

(1) Evidence of applicant eligibility as defined in Section 8-416-3 above;

(2) Certification from the district or local director of health that the repair, replacement or enlargement is required pursuant to the public health code and is feasible and that the cost is consistent with the cost of similar repairs, replacements or enlargements in the district or municipality;

(3) Two itemized estimates of the cost prepared by subsurface sewage disposal system installers licensed under Section 20-341f of the General Statutes or by registered professional engineers; and

(4) Certification by a lending institution regulated by the laws of this state that a loan for the repair, replacement or enlargement of the system has been denied.

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

(d) Applications shall be approved or disapproved based upon the factors listed in Sections 8-416-4 (b) and 8-416-4 (c) above, as well as the availability of financial assistance.

(e) If an application is disapproved, the applicant shall be notified in writing of the reason(s) for the disapproval.

(f) If an application is approved, the Commissioner shall notify the applicant, in writing, that the repairs, replacement or enlargement may proceed upon receipt of all local permits and approvals and inform the applicant of the contents and terms of the contract for state financial assistance.

(Effective March 28, 1989)

Sec. 8-416-5. Funding priority

If funds are not available to finance all of the qualified applicants, priority shall be established by the extent to which the loan will be used for low and moderate income persons.

(Effective March 28, 1989)

Sec. 8-416-6. Deferred loan qualifications

A deferred loan is available for an eligible applicant who is handicapped or over 62 years of age. Evidence of eligibility for a deferred loan shall be submitted to and approved by the Commissioner.

(Effective March 28, 1989)

Sec. 8-416-7. Contract for financial assistance

(a) Following application approval, the Commissioner shall request state financial assistance in the form of loans or deferred loans from the State Bond Commission.

(b) Following approval of 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 an eligible owner(s) for financial assistance in the form of a loan or deferred loan in a principal amount not less than \$1,000.

(c) Such contract shall include, but not be limited to, the amount of the loan or deferred loan to be provided, the term of the contract and the rights and obligations of the parties under the contract.

(d) The term and interest rate of loans and of deferred loans shall be as follows:

(1) The term of a loan shall be for a period not to exceed fifteen years. The term of a deferred loan shall be until such time as the applicant transfers, conveys or

otherwise assigns his/her interest in the property for which the deferred loan was made. The interest rate for loans and for deferred loans shall be determined in accordance with Connecticut General Statutes Section 3-20 (t).

(2) Notwithstanding subdivision (1) above, if an applicant is unable to repay a loan, the Commissioner may, at his discretion, adjust the terms and conditions of the loan to facilitate repayment, but in no case shall the term of the loan exceed thirty years.

(e) A lien shall be filed on all property for which the state has provided a loan or a deferred loan. The Commissioner may subordinate the state's lien if the level of state financial assistance so warrants. The requirement for a lien may be waived if the Commissioner determines that such waiver will be in the best interest of the state.

(Effective March 28, 1989)

Sec. 8-416-8. Compliance

(a) In addition to any state or local health department inspections, the subject property may be inspected by the Commissioner or his representative before, during and after the repairs, replacement or enlargement work is performed to ensure that the work undertaken with the loan is in accordance with the public health code and is at a cost consistent with the loan amount.

(b) At the discretion of the Commissioner, the homeowner shall be required to immediately repay the loan or deferred loan, plus any accrued interest, to the state if:

(1) The homeowner no longer occupies the property;

(2) The homeowner has transferred, conveyed or otherwise assigned his interest in the property; or

(3) all or part of the loan or deferred loan is used for purposes other than eligible repairs, replacement or enlargement costs.

(Effective March 28, 1989)

Sec. 8-416-9. Termination

This program shall terminate on June 1, 1991.

(Effective March 28, 1989)

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Septic System for Municipalities

Sec. 8-423-1. Definitions

The following definitions apply to Sections 8-423-1 through 8-423-7 of the regulations of Connecticut State Agencies:

- (a) “Commissioner” means the Commissioner of Housing.
 - (b) “Department” means the Department of Housing.
 - (c) “Municipality” means any city, town or borough.
 - (d) “Eligible Homeowner” means any owner of a residential structure in which the subsurface sewage disposal system is faulty and has been determined to have been installed pursuant to improper municipal approvals.
 - (e) “Repair or Reconstruction” means any activities to bring a subsurface sewage disposal system into compliance with local public health codes.
- (Effective April 19, 1991)

Sec. 8-423-2. Program description

(a) The Commissioner may enter into a contract for financial assistance in the form of a loan with a municipality which in turn shall use such loan to make grants to homeowners for costs incurred in the repair or reconstruction of faulty residential subsurface sewage disposal systems which were installed pursuant to improper municipal approvals.

(b) Eligible costs under this program include technical and installation expenses, and stabilization of top soil. Landscaping costs are not eligible under this program.

(c) The Commissioner may for good cause shown, if he deems it in the best interest of the state, waive any non-statutory requirement imposed by these regulations.

(d) Municipalities and eligible homeowners 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 for this program.

(Effective April 19, 1991)

Sec. 8-423-3. Application/approval process—municipalities

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

(b) A municipality shall include in its application, a list of homeowners to be served by the financial assistance, together with copies of all submissions made by the homeowner to the municipality.

(c) Applications shall be approved or disapproved based on the eligibility of the proposed activities and the availability of financial assistance. All approvals are subject to funding by the State Bond Commission.

(d) If an application is disapproved, the municipality shall be notified in writing of the reason(s) for the disapproval.

(e) If an application is approved, the Commissioner shall notify the municipality in writing.

(f) 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 with an eligible municipality for financial assistance in the form of a loan.

(g) Such contract shall include, but not be limited to, the amount of the loan to be provided, the term of the contract and the rights and obligations of the parties under the contract.

(h) The term of a loan shall be for a period not to exceed fifteen years. The interest rate for loans shall be determined in accordance with Connecticut General Statutes Section 3-20 (t).

(i) The municipality shall be required to immediately repay to the State, the loan plus any accrued interest, if all of part of the loan is used for purposes other than eligible repair or reconstruction of faulty subsurface sewage disposal systems installed pursuant to improper municipal approvals.

(Effective April 19, 1991)

Sec. 8-423-4. Application/approval process—eligible homeowners

(a) Eligible Homeowners shall make application for financial assistance to the municipality in which the faulty residential subsurface sewage disposal system is located.

(b) As part of said application, eligible homeowners shall be required to furnish proof of the following:

(1) Certification from the district or local director of health that the repair or reconstruction is required pursuant to the public health code and is feasible and that the cost is consistent with the cost of similar repairs or reconstructions in the district or municipality;

(2) Evidence that the system was installed pursuant to improper municipal approvals; and

(3) Two itemized estimates of the cost prepared by subsurface sewage disposal system installers licensed under Section 20-341f of the General Statutes or by registered professional engineers. The grant, if approved, shall not exceed the lower of the two estimates.

(c) Applications shall be approved or disapproved based upon the eligibility of the proposed activity and the availability of financial assistance from the State. Any municipal approval shall be contingent upon the provision of funding by the Commissioner to the municipality.

(d) If a grant application is disapproved the applicant shall be notified in writing of the reason(s) for the disapproval.

(e) If a grant application is approved, the municipality shall notify the applicant in writing.

(f) The municipality and the eligible homeowner shall enter a written agreement, which shall set forth the amount of the grant, the scope of the work to be performed and the rights and obligations of the parties.

(g) Any amount of the grant not used for the repair or reconstruction of the faulty subsurface sewage disposal system shall immediately be returned to the municipality.

(h) The eligible homeowner shall, prior to receipt of any grant funds, assign to the municipality any claims against any party for the improper installation of the faulty subsurface sewage disposal system.

(Effective April 19, 1991)

Sec. 8-423-5. Inspections

In addition to any state or local health department inspections, the subject property may be inspected by the Commissioner or his representative before, during and after the repairs or reconstruction work is performed to ensure that the work is in accordance with the public health code and is at a cost consistent with the grant amount.

(Effective April 19, 1991)

Sec. 8-423-6. Reporting and access to records

(a) Municipalities shall maintain complete and accurate books and records in accordance with the latest procedures approved by the Commissioner.

(b) Municipalities shall furnish the Commissioner with financial statements and other reports relating to the repair and reconstruction of the subsurface sewage systems, as well as the eligible homeowners being served, in such detail and at such times as he may require.

(Effective April 19, 1991)

Sec. 8-423-7. Fiscal compliance and examination

Municipalities 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 April 19, 1991)