



## Ending Housing Segregation Step 5: Support investments in struggling communities

**Sec. 8-37pp. Affordable housing. State assistance authorized. Terms and conditions. Regulations.** (a) For purposes of this section:

(1) “Affordable housing” means affordable housing, as defined in section 8-39a, except that investments that promote homeownership in very low opportunity areas, as defined by 8-348, shall qualify without income limits if they contain at least one rental unit that is deed restricted to be affordable under this section. If a program participant’s employer provides an employee assistance homeownership program, the Department of Housing may opt to treat that as source of matching funding;

(2) “Commissioner” means the Commissioner of Housing;

(3) “Department” means the Department of Housing;

(4) “Eligible applicant” means: (A) A nonprofit entity; (B) a municipality; (C) a housing authority; (D) a business corporation incorporated pursuant to chapter 601 or any predecessor statutes thereto or authorized to do business pursuant to said chapter 601 having as one of its purposes the construction, financing, acquisition, rehabilitation or operation of affordable housing, and having a certificate or articles of incorporation approved by the commissioner; (E) any partnership, limited partnership, limited liability company, joint venture, sole proprietorship, trust or association having as one of its purposes the construction, financing, acquisition, rehabilitation or operation of affordable housing, and having basic documents of organization approved by the commissioner; or (F) any combination thereof;

(5) “Eligible costs” means costs relating to the planning, implementation and completion of an eligible project; and

(6) “Eligible project” means a project designed for the purpose of providing affordable housing, and shall include, but not be limited to, (A) acquisition, construction, rehabilitation, repair and maintenance of residential or mixed use structures, (B) acquisition, construction, rehabilitation, repair and maintenance of related infrastructure, facilities and amenities incidental and pertinent to the provision of affordable housing and intended primarily to serve the residents of the affordable housing project, that may include, but not be limited to, a community room, laundry, day care space, computer center, management office or playground, or (C) demolition, renovation or redevelopment of vacant buildings or related infrastructure.

(b) The state, acting by and in the discretion of the commissioner, may enter into a contract for state financial assistance for any eligible project in the form determined by the commissioner, including, but not limited to, a grant, loan, loan guarantee, deferred loan or any combination thereof.

(c) An application for financial assistance shall be in the form and manner prescribed by the commissioner. In determining whether and to what extent to fund an application received from eligible applicants, the commissioner may consider relevant factors including, but not limited to, the following: (A) The ability of the project to affirmatively further racial and economic integration, including expanding multifamily rental housing opportunities in suburban and rural communities; (B) the ability of the project to

**Change:** Allows homeownership program funding to be spent on promoting non-income-capped homeownership in struggling communities if such housing contains a deed-restricted affordable rental unit.

**Change:** Authorizes DOH to use this expanded authorization to leverage employer investments to foster homeownership in struggling communities.

meet the housing needs of the lowest income populations; (C) the ability of the project to revitalize urban neighborhoods, including expanding homeownership and increasing multifamily rehabilitation in the central cities; (D) the ability of the project to provide a full range of supportive housing options for people with special needs or who are at risk of becoming homeless; (E) impact of the project on the local neighborhood, region and the state; (F) short-term and long-term benefits of the project; (G) impact on affordable housing needs of the neighborhood, community, municipality and region; (H) project feasibility; (I) potential for leveraging other public and private investments; (J) applicant's ability to implement the project in a timely manner; (K) the relative need for the project; (L) the applicant's financial commitment to the project, except in the case of a nonprofit entity or a housing authority created pursuant to section 8-40; and (M) the extent to which the project will advance the public purposes set forth in this subdivision.

(d) The commissioner shall review and approve the site and the estimated total development budget, including the nature and amount of financial assistance to be provided from all sources and by the state. The commissioner may review and approve any additional factors determined to be necessary or appropriate to protect the state's interests. Upon determination by the commissioner that the eligible costs are necessary and reasonable, and, in the case of financial assistance provided from the proceeds of the state's bonds upon preliminary approval by the State Bond Commission pursuant to the provisions of section 3-20 or, in the case of financial assistance provided from a funding source other than the state's bonds upon the approval by the Governor of an allotment for such purpose, the state, acting by and through the commissioner, may provide the financial assistance for such eligible costs.

(e) Financial assistance provided shall be upon terms and conditions not inconsistent with the provisions of this section which the commissioner shall establish as prudent and necessary to protect the state's interests. Such terms and conditions may include, separately or in combination, without limitation: (1) The requirements of funds from other sources, including, without limitation, financing obtained from quasi-public agencies, as defined in section 1-120, federal and local government agencies and private for-profit and not-for-profit institutions; (2) participation interests; (3) subsidy recapture provisions; and (4) resale and prepayment, job retention, residency, use and affordability restrictions. Such terms and conditions and compliance with such terms and conditions may be documented and secured as the commissioner shall determine.

(f) (1) The commissioner may take all reasonable steps and exercise all available remedies necessary or desirable to protect the obligations or interests of the state, including, but not limited to, amending any term or condition of a contract or agreement, provided such amendment is allowed or agreed to pursuant to such contract or agreement, or purchasing or redeeming, pursuant to foreclosure proceedings, bankruptcy proceedings or in other judicial proceedings, any property on which such commissioner or the department holds a mortgage or other lien, or in which such commissioner or the department has an interest.

(2) The commissioner may request, inspect and audit reports, books and records and any other financial or project-related information with respect to eligible applicants that receive financial assistance, including, without limitation, resident or employment information, financial and operating statements and audits. The commissioner may investigate the accuracy and completeness of such reports, books and records.

(3) Notwithstanding any provision of the general statutes, the commissioner is authorized, for purposes of the program established under this section, to assess and collect application fees of no more than two hundred fifty dollars to recover all or part of the costs or expenses incurred by the state in reviewing applications for financial assistance.

(g) The commissioner may adopt such regulations, in accordance with chapter 54, as are necessary for the implementation of this section.