

PA 11-042

HB6462

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**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
2011**

**VOL.54
PART 4
1040 – 1385**

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Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Good morning, sir.

REP. SHARKEY (88th):

Mr. Speaker, I have a wonderful announcement to make, and that is for both sides of the aisle that our House of Representatives is now one, large, complete happy family. We have no more vacancies. We have no more open seats.

I'd like to welcome today for the first time our new Representative from the 149th District, Daniel Fox.

SPEAKER DONOVAN:

Welcome, Representative Fox, and congratulations. I'm sure you'll have a wonderful time working with your wonderful House colleagues. So welcome and congratulations.

Will the Clerk please call Calendar 160.

THE CLERK:

On page 11, Calendar 160, Substitute for House Bill Number 6462, AN ACT ESTABLISHING A PRIORITY CATEGORY FOR THE RENTAL HOUSING REVOLVING LOAN FUND, favorable report of the Committee on Housing.

SPEAKER DONOVAN:

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Representative Larry Butler, you have the floor,
sir.

REP. BUTLER (72nd):

Good morning, Mr. Speaker.

I move for acceptance of the Joint Committee's
favorable report and passage of the bill.

SPEAKER DONOVAN:

The question is acceptance of the Joint
Committee's favorable report and passage of the bill.

You have the floor, sir.

REP. BUTLER (72nd):

Mr. Speaker, this bill requires the Department of
Economic and Community Development commissioner to
establishing a priority category under the Rental
Housing Revolving Loan Fund for low-interest loans made
to owner-occupied buildings with between two and four
residential units, including a unit for owner-occupied
people.

By law this fund provides low-interest loans to
owners of eligible buildings in a distressed
municipality for eligible costs.

I move adoption.

SPEAKER DONOVAN:

The question is on acceptance. Will you remark

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further? Would you care to remark further on the bill?

Representative Miller.

REP. L. MILLER (122nd):

Thank you, Mr. Speaker.

I have a couple of questions to the proponent of the bill.

SPEAKER DONOVAN:

I realize we have a couple of Millers.

Representative Larry Miller, you have the -- please proceed, sir.

REP. L. MILLER (122nd):

Thank you.

I understand there's no fiscal note on the bill. For what reason is that there is no note?

SPEAKER DONOVAN:

Representative Butler.

REP. BUTLER (72nd):

Through you, Mr. Speaker, to Representative Miller, this is a current program that's currently not funded, but if DECD finds funding for the program, this simply establishes a priority in the existing program.

SPEAKER DONOVAN:

Representative Miller.

REP. L. MILLER (122nd):

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Thank you. And another question, through you,
Mr. Speaker.

The amount of funding that would be available for
a, let's say, a four-family home that costs \$150,000,
DECD, how would they determine what would be the maximum
they could loan out to repair some of the deficiencies
in the building?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Butler.

REP. BUTLER (72nd):

Through you, Mr. Speaker.

I don't know exactly the amount that DECD would
establish, but I think it all is determined on the pool
of money they have available. So they will spell it
out once that the -- actually the program is funded.

SPEAKER DONOVAN:

Representative Miller.

REP. L. MILLER (122nd):

And through you, Mr. Speaker, have any guidelines
been established by DECD to deal with this bill?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Butler.

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REP. BUTLER (72nd):

Excuse me, Mr. Speaker. I could not hear. Could you please re-ask the question?

SPEAKER DONOVAN:

Please, members of the Chamber, it's getting a little noisy. They are at opposite ends of the Chamber. They are having a hard time hearing each other, so if you are having some conversations, if you could keep it quiet or move it outside. Thank you.

Representative Miller, if you could please repeat your question.

REP. L. MILLER (122nd):

I will. Thank you, Mr. Speaker.

I was just wondering if the DECD has established any guidelines with regard to this proposed legislation.

SPEAKER DONOVAN:

Representative Butler.

REP. BUTLER (72nd):

No.

As I stated, there is a current program. This bill would simply just create a priority category for owner-occupied units that are facing possible housing code violations or building code violations because we

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would like them to actually renovate those properties as a priority.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Miller.

REP. L. MILLER (122nd):

Thank you, Mr. Speaker.

And I would like to comment now on the bill. So it's my understanding that this thing won't kick in for a little bit because there's no money, but -- so in the interim the DECD could establish guidelines and appropriate funding minimums and maximums.

I will support the bill. I think it's probably a good thing. We do need rental housing because it is -- provides housing for people who cannot afford to buy homes. And it gives a person who is a handyman an opportunity to purchase some property and to have a home for himself and to provide some housing for other people who would require this type of housing.

So I would support the bill, and I ask my members to support it as well.

Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Thank you, sir.

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Representative Bacchiochi.

REP. BACCHIOCHI (52nd):

Thank you, Mr. Speaker.

Through you, a question to the proponent of the bill.

SPEAKER DONOVAN:

Please proceed, madam.

REP. BACCHIOCHI (52nd):

Yes. I'm wondering if the housing revolving loan fund is specifically for distressed municipalities.

SPEAKER DONOVAN:

Representative Butler.

REP. BUTLER (72nd):

Through you, Mr. Speaker.

Yes. This is specifically for distressed municipalities, and there is a list of those municipalities on page 6 of the file copy.

SPEAKER DONOVAN:

Representative Bacchiochi.

REP. BACCHIOCHI (52nd):

Thank you, Mr. Speaker.

What I'm trying to clarify is that both the housing revolving loan fund is for distressed municipalities and the priority that is being established is for

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distressed municipalities. I'm trying -- I'd like to confirm that both of those are strictly for distressed municipalities.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Butler.

REP. BUTLER (72nd):

Excuse me. Could you repeat?

SPEAKER DONOVAN:

Excuse me, Representative. Could you please repeat the question?

REP. BACCHIOCHI (52nd):

Yes. I understand from the proponent's answer to my last question that the housing revolving loan fund is strictly for distressed municipalities. I am also confirming then that the new priority list that would be established by this bill would be only for distressed municipalities.

SPEAKER DONOVAN:

Representative Butler.

REP. BUTLER (72nd):

Thank you, Mr. Speaker.

Through you, yes. That's correct.

SPEAKER DONOVAN:

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Representative Bacchiochi.

REP. BACCHIOCHI (52nd):

Yes. And how does a town become a distressed -- listed as a distressed municipality?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Butler.

REP. BUTLER (72nd):

Through you, Mr. Speaker.

I don't know exactly how these municipalities get on this list, but I would imagine that DECD has to file some guidelines to actually develop this list.

SPEAKER DONOVAN:

Representative Bacchiochi.

REP. BACCHIOCHI (52nd):

Yes. And for the towns that are considered distressed municipalities and that therefore may be able to take advantage of this priority list, how were the numbers between two and four determined? Was that suggested by the homeowners or by DECD?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Butler.

REP. BUTLER (72nd):

Through you, Mr. Speaker.

Well, when you start to look at rental property, around the state, it was determined that that's the typical rental housing development setup that we face that's most prevalent. So that's how that was arrived at.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Bacchiochi.

REP. BACCHIOCHI (52nd):

. Thank you.

And Mr. Speaker, if the proponent could explain to me that I understand some of the loans, should this revolving loan fund be funded, would be low-interest loans, but others could be forgivable loans. And I'm not sure how that distinction will be determined, that if funds are used that they will not be paid back. How will that distinction be determined?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Butler.

REP. BUTLER (72nd):

Thank you, Mr. Speaker.

Well, there's an existing program, and they'll

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just follow the guidelines that DECD set up. They will determine whether or not it makes more sense to have low-interest or no-interest loans. And they will be the determining body.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Bacchiochi.

REP. BACCHIOCHI (52nd):

Are there any other, through you, Mr. Speaker, programs currently offered through DECD where loans are provided to homeowners to make repairs but there remains an option that that loan will not have to be paid back to the State of Connecticut?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Butler.

REP. BUTLER (72nd):

Thank you, Mr. Speaker.

Through you, I'm not aware of any, not to the best of my knowledge. There could be some, but not that I'm aware of.

SPEAKER DONOVAN:

Representative Bacchiochi.

REP. BACCHIOCHI (52nd):

Thank you.

Mr. Speaker, I think that the intent of this bill is a good one, to try to help homeowners in distressed municipalities.

I have a concern for two reasons about this bill. One, I represent the small town of Stafford which struggles economically, but based on the criteria, can't quite make it into that category of being a distressed municipality. And it does bother me that state funds would be used to help homeowners in other towns but not in a poor town that I represent.

I'm also concerned that we're possibly opening the door to a new idea of using our state funds to allow homeowners to make repairs, but giving them the flexibility that some of those homeowners may not have to pay that money back.

Considering the state that we are in and the financial crisis that we are in, while I think it's laudable to help own homeowners, I don't think we're in a position to give our state money away.

For those reasons, Mr. Speaker, I will not be supporting the bill. Thank you.

SPEAKER DONOVAN:

Thank you, Representative.

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Representative Sawyer.

REP. SAWYER (55th):

Thank you, Mr. Speaker.

A question to the proponent of the bill.

SPEAKER DONOVAN:

Please proceed, madam.

REP. SAWYER (55th):

Thank you, sir.

You were talking about the funding,
Representative Butler, with Representative Miller a
moment ago in the questioning. What is the expectation
for funding? Is it something that you're looking to
the federal government for?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Butler.

REP. BUTLER (72nd):

Through you, Mr. Speaker.

That's a possibility.

SPEAKER DONOVAN:

Representative Sawyer.

REP. SAWYER (55th):

Thank you.

Through you, Mr. Speaker, is there a -- do you know

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of federal dollars in a program that we are applying for?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Butler.

REP. BUTLER (72nd):

Through you, Mr. Speaker.

I don't know of any current application, but certainly at any given time DECD can actually request funds for this program and any other programs.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Sawyer.

REP. SAWYER (55th):

Thank you, Mr. Speaker.

And through you, another question revolving the money issue. Are you expecting that in the Governor's budget that there will be money put into this program?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Butler.

REP. BUTLER (72nd):

Thank you, Mr. Speaker.

Through you, I don't know if any of the funds that

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have been designated by the Governor will be put into this particular program. That's a policy decision by DECD.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Sawyer.

REP. SAWYER (55th):

Thank you very much.

And I would like to change my questioning Mr. Speaker, through you. I was very concerned with the comment that Representative Bacchiochi made.

What we know is that in Eastern Connecticut, Mr. Speaker, that of the 20 poorest towns in the list of 169 across the State, when you look at the per capita income of those 169 towns. Of the bottom 20, when you take out the big five, Hartford, new Haven, Bridgeport, Waterbury, New London, that leaves you 15. And of those 15, 12 of the poorest towns in Connecticut are in Eastern Connecticut.

And they don't fall into the priority issue, partly because of the way we set up the categories. They don't have enough population. Perhaps they don't have enough minorities and the other issues that might match up with that. But what we can tell you is that,

by the per capita income, they are some of the poorest in the state and in the region and in New England.

So we look at housing. We have a lot of land. We don't have a lot of housing. We have some rental housing, and it is very, very precious to us, each unit of it. So I'm very concerned because of the way this is written that it is particularly slanted towards the large municipalities.

So through you, Mr. Speaker, would that be a good categorization that this is -- this bill is written for large municipalities particularly?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Butler.

REP. BUTLER (72nd):

Through you, Mr. Speaker.

I wouldn't categorize it that way. I know that DECD actually determines this list. And I would just speculate that they're looking at probably the greatest need of -- for the particular program.

We're talking about the priority of this bill is to actually focus in on areas that may have possible housing code violations or building code violations that actually call for immediate attention. So

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that's, you know, the purpose of the bill, but in no means does -- I think that they really left one segment of the state out, particularly.

And I'd be willing to work with you or any other representative. We'll work with DECD to actually be inclusive to areas that you believe should be in this list going forward.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Sawyer.

REP. SAWYER (55th):

I thank the gentleman for his answer and his attempt to work through those issues.

Is there the ability in this bill -- and I'm trying to look for the language now, my apologies -- for the commissioner to do that? To give the -- to have that much flexibility? Does the commissioner have that much flexibility to be able to look at the smallest towns with perhaps the fewest number of rental units, but they may be in great need as well?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Butler.

REP. BUTLER (72nd):

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Through you, Mr. Speaker.

I believe that DECD does have the ability. They are the ones who develop the list.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Sawyer.

REP. SAWYER (55th):

Thank you, Mr. Speaker.

Then my question for you is, when they're talking about a -- establishing a priority, does it establish, in this bill, what are the fundamentals for that priority? Is the commissioner required under this bill to follow certain parameters for that priority, or is the commissioner pretty free to make some of those decisions?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Butler.

REP. BUTLER (72nd):

Through you, Mr. Speaker.

I believe that DECD can actually look at each of these applications and determine which is more applicable or have a priority.

They just have -- there's just certain guidelines

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that we're trying to make a priority for. And again, those are rental uses, rental units that may be facing housing code violations or building code violations and giving them a priority and working within that guideline.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Sawyer.

REP. SAWYER (55th):

Thank you, Mr. Speaker.

And if I might follow up with another question that was asked before. Is some of this money, through you, Mr. Speaker, is some of this money going to be given as grants, or is the money going to be given strictly as loans to be paid back?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Butler.

REP. BUTLER (72nd):

Thank you, Mr. Speaker.

Through you, these will be, as I understand it, low-interest or no-interest loans, and the commissioner of DECD will determine which will be the case.

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Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Sawyer.

REP. SAWYER (55th):

Thank you, Mr. Speaker.

So you expect that all of this money will be paid back whether with interest or without.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Butler.

REP. BUTLER (72nd):

I expect that there's guidelines. And whether or not they're low-interest or no-interest, that they will be paid at whatever DECD determines.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Sawyer.

REP. SAWYER (55th):

I guess I'm confused then, Mr. Speaker.

Are these either grants or are they loans?

A grant is when you give someone the money and you do not expect them to be -- to pay it back. Or is it a loan and you expect it to be paid back, whether it's with or without interest?

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Butler.

REP. BUTLER (72nd):

Through you, Mr. Speaker.

I believe these are loans and they will be paid back as loans, is my understanding.

Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Sawyer.

REP. SAWYER (55th):

Thank you, Mr. Speaker.

And I thank the gentleman for his answer.

I apologize for trying to be very clear on that and in the intent on the floor, because in the OLR bill analysis that we have, it says that under -- they have number one, they have interest-free loans, number two, deferred payment loans -- understandable in this tough economy, Mr. Speaker -- but number three, it says, forgivable loans.

Mr. Speaker, I would contend that a forgivable loan is not a loan. A forgivable loan is then a grant and a grant that is being given to people, and we should spell it out as such.

I am very concerned about that issue because I think we are talking two different kettles of fish here. Either we're going to give people the money, or we're going to go for loans, and then it is totally up to the commissioner's discretion. I have a real hard time with that kind of open-ended noncompetitive -- and I'm going to say it again -- noncompetitive loan process and grant process.

The second concern I have is that we do not have clearly spelled out how this money will go out. Will it go out to the poorest of towns? Will it go out to the poorest of cities? Is it decided upon by those that have the most amount of housing units or those that have the least amount and are desperate for more?

So I would say that, because of my concern for Eastern Connecticut, though I -- I understand that why we will put this program forward, but my concern for Eastern Connecticut is that they would not be able to be participants in this. They would not be considered because it is not clearly spelled out.

The second issue is that there's no money. So far we've heard that we don't know of any federal money that's coming for it. We don't know if the Governor is going to put it in their bill. So to me there are

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so many questions left to be asked that I will not be supporting this at this time.

Thank you, Mr. Speaker. .

SPEAKER DONOVAN:

Thank you, Representative.

Care to remark further? Would you care to remark further? If not, staff and guests please come to the well of the House. Members take their seats. The machine will be open.

THE CLERK:

The House of Representatives is voting by roll call. Members to the chamber. The House is voting by roll call. Members to the chamber, please.

SPEAKER DONOVAN:

Have all these members voted? Have all these members voted? Please check the roll call board to make sure your vote has been properly cast. The members have voted. The machine will be locked and the Clerk will take a tally.

The Clerk, please announce the tally.

THE CLERK:

House Bill Number 6462.

Total Number voting 144

Necessary for adoption 73

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Those voting Yea	122
Those voting Nay	22
Those absent and not voting	7

SPEAKER DONOVAN:

The bill is passed.

Will the Clerk please call Calendar 344.

THE CLERK:

On page 27, Calendar 344,, House Bill Number 6270,
AN ACT CONCERNING THE COLLECTION OF DELINQUENT TAXES
AND LOTTERY WINNINGS, favorable report by the Committee
on Finance.

SPEAKER DONOVAN:

Representative David Kiner, you have the floor,
sir.

REP. KINER (59th):

Thank you, Mr. Speaker.

Mr. Speaker, I move for acceptance of the Joint
Committee's favorable report and passage of the bill.

SPEAKER DONOVAN:

The question is an acceptance of the Joint
Committée's favorable report and passage of the bill.
Will you remark?

REP. KINER (59th):

Yes. Thank you, Mr. Speaker.

**JOINT
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2011

on paper, the devil is in the details.

How is that applied, how is it, you know, utilized, and what -- what rights do the residents have. So we would very much like to be a part of establishing what the grievance procedure -- the specifics of that grievance procedure will be as we go forth in working with Department of Economic and Community Development.

Our members have lots of experience such as I just explained to you that they can relate that I think will help shape a fair grievance procedure and tenant rights policy that can be put into state law. So thank you very much. I appreciate your -- your patience.

REP. BUTLER: Thank you. It's the least we could do seeing that we rang the bell right up front. I figure we'd give you a little leverage here.

KIM MCLAUGHLIN: Thank you.

REP. BUTLER: Are there any questions? Great. Thank you very much.

KIM MCLAUGHLIN: Thank you.

REP. BUTLER: Next we have Raphie Podolsky followed by Amanda Girardin.

RAPHIE PODOLSKY: Thank you -- thank you, Mr. Chairman. My name is Raphie Podolsky, I'm a lawyer with the Legal Assistance Resource Center which is part of the Legal Aid Programs. I am going to try to very quickly get through ten bills in three minutes. We'll see how this works.

HB6461 SB1075
SB1076

HB6467 HB6051
HB6462

HB6464 HB6463
HB6052 SB467

First of all, in -- in my written testimony, I've grouped the bills into kind of three

subgroups. The first of those are the three bills that deal with public housing. You've heard a lot about those bills. That's bills number 6461, which is the selection of tenant commissioners, Senate Bill 1075, the grievance procedure, and Senate Bill 1076, resident participation in revitalization. I would say to you we were in favor of all of those. I'm not going to go into any detail at this point.

I would note in regard to the grievance procedure bill, we've had a statute on the books for now 22 years requiring the Department of Economic and Community Development to set minimum standards for what those grievance procedures should be. And that bill really just tries to move that along so that we do get those minimum standards. The previous witness indicated one of the problems when you don't have minimum standards, that you may get certain oddities in what the procedures are that are used.

The second group of bills are what I call urban revitalization bills. Chairman Butler knows that these were developed with -- with someone from a landlord group in -- in Waterbury. And they were designed primarily to provide some support to small landlords, owner-occupants of buildings with four or fewer units. And those three bills are House Bill 6467, House Bill 6051, and House Bill 6462.

The first one, 6467, is designed to -- to work with the HERO program, which is a CHFA program to find a way to make it possible for someone to use that program to rehab a building that will be then be under -- under ultimately CHFA supervision that will ultimately be resold to an owner-occupant rather than the rehabber having to become the owner-occupant.

6051 is actually a bill that sort of works with an existing CHFA program and looks for ways to massage it a little bit to make sure that it provides -- it's a landlord training program for -- for -- really designed for first-time homeowners who are buying a two-, three-, or four-family building, so they're going to become also a first-time landlord.

And to help them not merely in terms of educating sort of classes, but also for kind of wrap-around services to help them handle problems that -- that may arise after they've - - after they're living in the property and they're renting it out. And may perhaps, that it just ends up leading to some discussions with CH -- with CHFA about the parameters of the program.

The third one is actually something you don't quite in front of you, though I think it was supposed to have popped up in some bill. House Bill 6462 is the bill that -- that really is simply a bill about DECD programs without saying a whole lot about any DECD program.

It seems like an appropriate place to make a modest amendment in the rental housing revolving loan fund, this is written in my written testimony, for the purpose of giving a priority within that fund to owner-occupied, two to four family buildings.

That's -- that's a program that's meant for small repairs where someone can borrow money from the fund, it's not meant to do a substantial rehab. It's mean when you have a landlord of a building that's not in code compliance and he needs a few thousand dollars to be able to get it up to code compliance to be able to use that program.

deposit enforcement. There are problems with the way the bill is written. I've said something in my written testimony, but I believe it's my understanding the sponsor of that bill is not actually pushing that bill any longer. The status quo works is what I would say. Thank you very much. I'm sorry I've run over the three minutes, but it was hard.

REP. BUTLER: Thank you. Are there any questions? I have a couple comments and then a couple questions. Actually thank you for actually organizing this so well. It helps keep things in perspective. I want to go back to, first of all, the bills on urban revitalization that you have actually mapped out. I know that we're working and having conversations and planned conversations with CHFA to actually talk about all these initiatives.

HB 6467
HB 6462

Now for the Homestead Pilot Program, the Urban Homesteading, now it talks about the concept of wrap-around services, and I believe that they have some of that today. Were there areas in here that we'd like to see maybe giving more meat to or more substance to in terms of what they already do?

HB 6051

RAPHIE PODOLSKY: Yeah, there are a couple I tried to mention in my testimony. I want to say first though that I think -- it is really good that CHFA took initiative in response to a -- a proposal similar to this last year and created a landlord training program. And I think that's -- and that was a very major step forward. And, in fact, CHFA took that well beyond the parameters of the pilot program and it kind of moved it into a -- into a number of their homebuyer programs. So I think -- I think it's important that it be said that what CHFA has done is a -- is a really good thing.

TESTIMONY SUBMITTED TO THE HOUSING COMMITTEE
March 1, 2011

Ronald Angelo, Acting Commissioner
Department of Economic and Community Development

The Department of Economic and Community Development would like to submit comments on several bills appearing before the Housing Committee today. They are as follows:

HB 6462

Senate Bill 1075, An Act Concerning Public Housing Grievance Procedures

While DECD appreciates the intent behind this bill, it is simply not needed. This bill would require DECD to adopt regulations under C.G.S. 8-68f by a certain timeframe, which is already mandated in statute. Due to outstanding interpretations and conflicts these draft regulations have been delayed. DECD has redrafted these regulations and is preparing to reconvene a meeting with all interested stakeholders to finalize. Once compromise language can be agreed upon, the department will be submitting them to the Regulations Review Committee. Therefore the department believes this new mandate is unnecessary because these regulations will be finalized well prior to this legislation being enacted.

Senate Bill 1076, An Act Concerning Resident Participation in the Revitalization of Public Housing

DECD cannot support this bill in its current form. DECD understands the need for open communication and public input, especially with regard to the revitalization and redevelopment of our state and federal public housing units. As currently written this bill has the potential to prevent public housing authorities from meeting their obligations in a timely and cost effective manner, potentially usurping the statutory decision-making authority of these municipally appointed boards. Additionally, potential conflicts could arise by allowing DECD to be a mediator between housing authorities and citizens. DECD has a social and financial obligation to Connecticut taxpayers and therefore should not be placed in the middle as a neutral body.

House Bill 6052, An Act Concerning Supportive Housing

While DECD supports the intent of this bill, it is simply not needed. This bill would require that 10% of all affordable housing units DECD and the Connecticut Housing Finance Authority construct per year would be designated as supportive.

Governor Malloy's proposed capital budget recommends \$30 million dollars to DECD for FY 2011-12 for supportive housing initiatives. The Governor's budget also recommends, under the Department of Mental Health and Addiction Services, funding for 150 new supportive housing units with \$560,000 being recommended to support the operating expenses for those units anticipated to come on-line in January 2013 and \$1,130,000 for FY 2013-14. The Department of Social Services under Governor Malloy's proposed budget recommends half year funding of RAP certificates for the new supportive housing units.

House Bill 6462, An Act Concerning the Department of Economic and Community Development

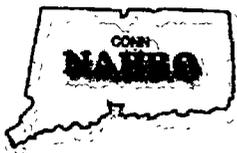
While DECD supports the intent of this bill, it is simply not needed. This bill would require DECD, annually, to submit a written report to the Housing Committee regarding housing policies throughout the state. Currently, DECD has six mandated housing reports it compiles, for both the state legislature and federal government.

They are as follows:

- State Long Range Housing Plan — Due every 5 years
- Consolidated Plan for Housing and Community Development — Due every 5 years
- Connecticut Analysis of Impediments to Fair Housing — Due every 5 years
- Annual Performance Evaluation Report — Due annually
- DECD Annual Report — Due annually
- State Economic and Strategic Plan — Due every 5 years

These reports cover nearly everything that is proposed in HB 6462, thus making the bill unnecessary. DECD is willing to discuss these reports in more detail and evaluate ways to improve their content.

Thank you for your time and consideration of the department's comments.



National Association of Housing and Redevelopment Officials

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**Testimony of
Neil J. Griffin Jr.
Senior Vice President
Housing Committee
March 1, 2011**

Good-afternoon my name is Neil Griffin and I am the Senior Vice President of Conn-NAHRO and the Executive Director of the Glastonbury Housing Authority. Conn-NAHRO represents over 112 Connecticut housing authorities and other non-profit and community development member agencies. Member agencies have the responsibility of effectively managing or administering housing for 150,000 families/individuals and over 62,000 housing units in Connecticut.

Speaking on behalf of Conn-NAHRO's Executive Board and member agencies I would like to express support for HB 6462, HB 6464 and SB 734. I also would like to express our opposition to HB 6052, SB1076 and SB 467 and to provide comment on SB 1075.

HB 6462

Conn-NAHRO would welcome the study HB 6462 proposes. We support the study of the current housing programs and their ability to meet the housing policies there were created for. We believe this is a great opportunity to study the cost benefit of existing programs and identify programs that are not currently receiving adequate funding. The data developed could lead to suggested improvements to enhance existing programs. Overall this data will help in developing and improving the State's long term housing policy.

HB 6464

Conn-NARHO supports HB 6464. It is important for both the municipality and the landlord to have the statutory ability to recover their costs for removing and storing evicted tenants personal belongings. Our members' general observations are that most evicted tenants do not leave many if any items of value behind. Therefore we do not hold out much hope for recovering any of our costs incurred by this process; it is important to provide the legal ability to do so if such opportunity were to occur.

SB 734

Conn-NAHRO supports SB 734. It has been brought to our attention that during these difficult times that some individuals have taken advantage of abandoned or foreclosed properties and purported to be the landlord of the property. In doing so, these landlord impersonators have defrauded unsuspecting renters of deposits or initial rent payments leaving the renter out the money and without housing. Therefore we support the SB 734's proposed changes.

SB 467

While Conn-NAHRO's members support providing residents a detailed itemized list of charges offset against a security deposit we have some concern over the additional language SB 467 adds to this statutory requirement. We believe the itemized invoice already adequate provides explanation of why the money was withheld from the security deposit so we do not fully



TESTIMONY
of the
CONNECTICUT CONFERENCE OF MUNICIPALITIES
to the
HOUSING COMMITTEE

March 1, 2011

CCM is Connecticut's statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members represent over 93% of Connecticut's population. We appreciate this opportunity to provide testimony to you on issues of concern to towns and cities.

Raised Bill 6462 "An Act Concerning the Department of Economic and Community Development."

R.B 6462 would require that DECD conduct an annual study of the housing policies of the state by collecting information from municipalities, housing authorities and nonprofit corporations engaged in housing programs.

CCM urges that DECD, within the context of this study, develop and strengthen programs that provide greater flexibility and funding for municipalities.

##

If you have any questions, please contact Donna Hamzy, Legislative Associate of CCM via email dhamzy@ccm-ct.org or via phone (203) 843-0705.

Legal Assistance Resource Center

❖ of Connecticut, Inc. ❖

44 Capitol Avenue, Suite 301 ❖ Hartford, Connecticut 06106
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Testimony of Raphael L. Podolsky

Urban Revitalization bills

Housing Committee public hearing -- March 1, 2011

HB 6462

HB 6466

These three bills are all intended to promote urban revitalization by encouraging owner-occupancy of small (two- to four-family) rental properties.

H.B. 6467 -- HERO program expansion

**SUPPORT with technical
modifications**

CHFA's HERO program (Homeowners' Equity Recovery Opportunity Loan Program) includes a component that allows an applicant to obtain a mortgage to finance not only the purchase price but also the rehabilitation cost of a one- to four-family building that has been foreclosed or abandoned. Because the person doing so must become an owner-occupant of the building, it promotes returning such a building to occupancy. But imposing an owner-occupancy requirement on the person doing the rehab limits the usability of the program. It has become evident that HERO could have a wider reach without losing its owner-occupancy focus if it had a "turnkey" aspect, i.e., if a contractor could purchase a foreclosed, vacant, or blighted building, rehabilitate it, and sell it to a person who would become an owner-occupant. This would also have the collateral effect of expanding employment opportunities for small-scale contractors. H.B. 6467 attempts to do this by expanding this component of the HERO program to include vacant and blighted properties and to allow purchaser/rehabbers to participate as long as the end result of rehab is the sale to an owner-occupant.

We support the underlying concept of the bill, but there is need, however, for some tightening of the language. In particular, (1) the bill should require that the ultimate purchaser be an owner-occupant (not merely that the rehabber have the "intention" to sell to an owner-occupant) and (2) it should be clear and explicit that CHFA may establish rules concerning prices and conditions so as to prevent "flipping" by persons not doing true rehabilitation.

H.B. 6051 -- New owner landlord training program (Urban Homesteading Pilot Program)

SUPPORT

This bill is similar to one proposed last year to generate, through CHFA, a program that would assist first-time owner-occupants of small rental properties to learn to handle the responsibilities of being a landlord, including providing help and guidance after purchase when problems arose. The concept is one of "wrap-around" services that continue after purchase of the property and after an class has ended. The bill was withdrawn last year after CHFA developed a program of its own to provide similar landlord training. H.B. 6051 brings back the full proposal from last year in order to assure that some of the key elements of the 2010 proposal are incorporated into what is now an existing CHFA program. These

(continued on reverse side)

include: (a) greater clarity that the program is not merely a training "class" but that the agencies with which CHFA contracts must make active efforts to see that participants adequately promote and provide post-purchase wrap-around services; (b) that community stakeholders, including property owner groups, real estate agents, municipal agencies, and others be actively involved in the recruitment of landlord participants, and (c) that a portion of the program include an effort to impact one or more specific small neighborhoods by aggressive recruitment of participants in targeted areas, and especially in areas hard-hit by foreclosure.

H.B. 6462 -- Owner-occupied rental housing repair program

SUBSTITUTE BILL

This bill, titled "An Act Concerning DECD," calls for a study of DECD programs. In reality, it is the Housing Committee's vehicle for addressing any issues about DECD programs not covered by other bills. We urge the Committee to incorporate into this bill (or into H.B. 6466, H.B. 6467, or H.B. 6462) a change in DECD's Rental Housing Revolving Loan Fund program (Gen. Stats. 8-37vv) so as to create a priority within the program for owner-occupants of two- to four-family buildings. The Rental Revolving Loan Fund is intended to make loans to landlords of relatively small buildings (no more than 20 units) to help them bring those buildings into code compliance or otherwise make them rentable to tenants. A priority for owner-occupied two- to four-family buildings would help target the program to an area of particular need in center cities. The following language should be added to Section 8-37vv(c):

The Commissioner shall establish a priority within the Fund for owner-occupants of buildings containing at least two but no more than four residential units, including the unit occupied by the owner. Low interest loans made within such priority category may, if so determined by the Commissioner, include no-interest loans, deferred payment loans payable at the time that the property is sold or otherwise transferred, and forgivable loans for which the principal balance is reduced based upon the length of time that the owner continues to occupy the property.

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**CONNECTICUT
GENERAL ASSEMBLY
SENATE**

**PROCEEDINGS
2011**

**VOL. 54
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SENATE

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May 20, 2011

SENATOR DUFF:

Thank you, Madam President.

If there's no objection, may this item be placed on the consent calendar?

THE CHAIR:

Seeing no objection, so ordered.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, for some additional markings. First of all, calendar page 11, Calendar 400 should be marked passed temporarily.

And I have several items now to place on the consent calendar. Madam President, beginning on calendar page 12, Calendar 414, House Bill 6299; move to place that item on the consent calendar.

THE CHAIR:

So ordered.

SENATOR LOONEY:

Also calendar page 12, Madam President, Calendar 417, House Bill 6462; move to place that item on the consent calendar.

THE CHAIR:

So ordered.

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SENATE

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May 20, 2011

Thank you, Mr. President.

Also on calendar page 13, Calendar 423, House Bill 6286, Mr. President, move to place that item on the consent calendar.

THE CHAIR:

Without objection, so ordered.

SENATOR LOONEY:

Thank you, Mr. President.

And additionally on calendar page 27, Calendar 92, Senate Bill 912, Mr. President, move to place that item on the consent calendar.

THE CHAIR:

Without objection, so ordered.

SENATOR LOONEY:

Thank you, Mr. President.

Mr. President, if the Clerk would call the items on the first consent calendar and if we might proceed to a vote on that consent calendar.

THE CHAIR:

Mr. Clerk.

THE CLERK:

Immediate roll call has been ordered in the Senate on the consent calendar. Will all Senators please return to the Chamber. Immediate roll call

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SENATE

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has been ordered in the Senate on the consent calendar. Will all Senators please return to the Chamber.

Mr. President, those items placed on the first consent calendar begin on calendar page 11, Calendar Number 373, Substitute for Senate Bill 951; calendar page 12, Calendar 414, Substitute for House Bill 6299; Calendar 416, House Bill 6345; Calendar 417, Substitute for House Bill 6462; calendar page 13, Calendar 419, Substitute for House Bill 6310; Calendar 420, House Bill 6419; Calendar 423, Substitute for House Bill 6286; Calendar 425, Substitute for House Bill 5174.

Calendar page 19, Calendar Number 479, House Bill 5468; calendar page 26, Calendar Number 56, Substitute for Senate Bill 28; calendar page 27, Calendar Number 92, Senate Bill 912; and calendar page 32, Calendar Number 190, Substitute for Senate Bill 957.

Mr. President, that completes the items placed on the first consent calendar.

THE CHAIR:

This is an inquiry, was Calendar 416 on page 12 among those items that you called?

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THE CLERK:

Yes, Mr. President. Calendar Number 416, which was House Bill 6345 was called and placed on the first consent calendar.

THE CHAIR:

Thank you.

THE CLERK:

The Senate is now voting by roll call on the consent calendar. Will all Senators please return to the Chamber. Immediate roll call has been ordered in the Senate on the consent calendar. Will all Senators please return to the Chamber.

THE CHAIR:

The machine is open.

Senators, please check the board to see that your vote is properly recorded. If all members have voted and if all votes are properly recorded the machine will be locked. Would the Clerk please take a tally.

THE CLERK:

Motion is on adoption of Consent Calendar Number 1.

Total Number voting	36
Necessary for adoption	19

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May 20, 2011

Those voting Yea	36
Those voting Nay	0
Those absent and not voting	0

THE CHAIR:

The consent calendar is passed.

SENATOR LOONEY:

Mr. President.

THE CHAIR:

Senator Looney.

SENATOR LOONEY:

Yes. Thank you. Thank you, Mr. President.

I have some additional items to mark go at
this time.

THE CHAIR:

You may proceed, sir.

SENATOR LOONEY:

Thank you, Mr. President.

Mr. President, first, on calendar page 6,
Calendar 229, Senate Bill 205 might be marked go.
Next, Mr. President, calendar page 36,
Calendar 273, Senate Bill 1115 is marked go. And
then, Mr. President, moving back to calendar page
9, Calendar 330, Senate Bill 3673 is marked go.

THE CHAIR: