

Regulations of Connecticut State Agencies

TITLE 8. Zoning, Planning, Housing, Economic and Community Development and Human Re-

Agency

Department of Housing

Subject

Municipal Housing Trust Fund Program

Inclusive Sections

§§ 8-365-1—8-365-8

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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.

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(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.

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(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

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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

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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)