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State Housing Trust Fund Program

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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)