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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)