

SPECIAL NEEDS HOUSING ACT OF 1988

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Section 1. Legislative findings and purpose. The legislature hereby finds that in certain municipalities of the state there exists substandard and unsanitary housing due to obsolescence, deterioration and dilapidation of buildings which provide single room dwelling accommodations; that there exists a need to provide safe and sanitary single room dwelling accommodations for persons of low income who are unable to live in self-contained apartments; that the present condition is contrary to the public interest and threatens the health, safety, welfare, comfort and security of the people of the state; and that the public interest requires projects to provide for the reconstruction, rehabilitation and improvement of such existing buildings. The legislature therefore finds that provision should be made for the housing trust fund corporation as established by section forty-five-a of the private housing finance law to contract with not-for-profit corporations for the accomplishment of such projects.

§ 2. Short title. This act shall be known and may be cited as the "Special needs housing act of nineteen hundred eighty-eight".

§ 3. Definitions. (a) "Commissioner" shall mean the commissioner of the state division of housing and community renewal.

(b) "Corporation" shall mean the housing trust fund corporation as established by section forty-five-a of the private housing finance law.

(c) "Single room housing project" shall mean a specific work or improvement including lands, buildings and improvements acquired, owned, rehabilitated or operated by a not-for-profit corporation to provide single room housing accommodations to persons of low income.

(d) "Persons of lower income" shall mean those persons whose incomes do not exceed eighty per centum of the median income for the area, as determined by the corporation.

§ 4. Contracts for single room housing projects. (a) The corporation may enter into contracts with corporations incorporated under the not-for-profit corporation law for the carrying out by such corporations of a single room housing project.

(b) Prior to entering into a contract pursuant to this section the corporation shall have made a finding that the corporation which proposes to contract with the corporation is a bona fide organization which shall have demonstrated by its past and current activities that it has the ability to preserve, repair, maintain, renovate, rehabilitate, manage or operate single room housing accommodations and that the project is to be substantially occupied by persons of lower income.

(c) Each contract entered into pursuant to this section shall provide for payment to the corporation for single room housing project activities to be carried out by it. The full amount of the contract, or any appropriate portion thereof, as determined by the corporation, shall be available for payment at any time on or after the effective date of the contract.

(d) No more than fifty percent of the total amount originally appropriated pursuant to this act in any fiscal year shall be allocated to projects located within any single municipality.

§ 5. General and administrative provisions. (a) The corporation shall provide for the review, at periodic intervals, of the performance of the corporations receiving funding pursuant to this act under their respective contracts with the corporation. Such reviews shall, among other things, be for the purposes of ascertaining conformity to contract provisions, the financial integrity and efficiency of the corporations, and the evaluation of the project. Contracts may be terminated by the corporation upon a finding of substantial nonperformance or other breach by the corporation, and contracts may be modified by mutual agreement from time to time, in the light of actual performance, new or changed

conditions, or otherwise.

(b) The corporation shall issue and promulgate rules and regulations for the administration of this section, which rules and regulations shall include provisions concerning requirements as to eligibility for contracting with the corporation; the form of applications or contracts; supervision and evaluation of contracting corporations; reporting, budgeting and record keeping requirements; provisions for modification, termination, extension and renewal of contracts; and such other matters not inconsistent with the purposes and provisions of this section as the corporation shall deem necessary, proper or appropriate.

(d) Every contract entered into pursuant to this act shall contain a provision that in the event the property which is the subject of such contract cease to be used as specified in the contract at any time during the seven year period commencing with the date such contract is executed, or in case of any other substantial violation, the corporation may terminate the contract and may require the repayment of any moneys previously advanced to such corporation pursuant to the terms of such contract.

(e) The corporation shall require submission of the names, addresses and business background of the principals involved, the nature of their fiduciary relationship and their financial relationship, past, present and future, to the project and to each other.

(f) Notwithstanding the provisions of any general or special law, the director of the budget is authorized to transfer to the housing trust fund corporation funds otherwise appropriated or reappropriated for the purposes of the special needs housing act of 1988 to the division of housing and community renewal for the fiscal year beginning on April first, nineteen hundred ninety, in an amount or amounts the director of the budget determines as necessary.