
OLR Bill Analysis

HB 5240

AN ACT CONCERNING THE DEPARTMENT OF DEVELOPMENTAL SERVICES' RECOMMENDATIONS REGARDING VARIOUS REVISIONS TO DEVELOPMENTAL SERVICES STATUTES.

SUMMARY

This bill makes various changes to Department of Developmental Services (DDS)-related statutes. First, it allows DDS to make payments directly to landlords for people with intellectual disability who participate in the department's Community-Based Housing Subsidy Program (see BACKGROUND)(§ 1). Under current law, DDS may only pay program participants directly.

Second, the bill modifies the DDS Community Residential Facility Revolving Loan Fund Program, which issues loans related to community-based residential facilities for people with intellectual disabilities or autism spectrum disorder. Principally, the bill:

1. makes several changes to the size and scope of eligible loan projects, such as increasing the maximum loan amount for capital repair and improvement projects and eliminating rehabilitation projects from the program (§ 3);
2. requires loan recipients to be licensed or certified providers that own or operate the community residential facility for the loan's duration (§ 3); and
3. specifies that DDS may require organizations seeking a loan to submit additional documentation (§ 4).

The bill also conforms to current practice by repealing provisions allowing DDS to administer the program through a (1) contract with a statewide private nonprofit housing development corporation or (2) memorandum of understanding with the Connecticut Housing Finance

Authority (§ 6). (DDS has solely administered the program for over 50 years.)

Lastly, the bill makes technical and conforming changes, including eliminating obsolete provisions.

EFFECTIVE DATE: Upon passage

COMMUNITY RESIDENTIAL FACILITY REVOLVING LOAN FUND PROGRAM

Under current law, DDS uses the Community Residential Facility Revolving Loan Fund to issue loans at up to 6% annual interest to private, nonprofit organizations to construct, purchase, renovate, rehabilitate, or make capital repairs and improvements to certain community-based residential facilities. Eligible facilities are those housing up to six people with intellectual disability or autism spectrum disorder and providing food, shelter, personal guidance, and necessary continuing health care.

Construction and Purchase and Renovation Loans

Under existing law and the bill, DDS may issue loans to organizations to construct or purchase and renovate community-based residential facilities in amounts up to 100% of projects' total property development cost. However, for purchase and renovation projects, the bill adds a restriction that prohibits their total renovation costs from being over \$100,000 above the cost to acquire the property.

Loans for Rehabilitation and Capital Repairs and Improvements

Current law allows DDS to issue loans of \$3,000 to \$40,000 to organizations that own or have capital leases for existing community-based residential facilities for rehabilitation and capital repairs and improvements. The bill eliminates the allowance for rehabilitation projects and increases the maximum loan amount for capital repairs and improvements to \$100,000. It also eliminates (1) a separate allowance for DDS to issue loans of up to \$60,000 that cover up to 100% of a project's total property development costs to rehabilitate a facility and (2) the statutory definition of "rehabilitation" for purposes

of the revolving loan program.

Documentation

By law, an organization seeking a loan under the program must give DDS an independent appraisal by a state-certified real estate appraiser and a structural survey of the home by a state-licensed engineer. The bill specifies that DDS may require organizations to submit additional documentation.

BACKGROUND

DDS Community-Based Housing Subsidy Program

By law, this program provides rental subsidies to people with intellectual disability who receive residential services from DDS but whose current services or income do not cover their housing costs. Participants must rent or lease their own eligible apartment, condominium, or home in the community and not have other funding options to pay their monthly housing costs (e.g., HUD Section 8 Certificate vouchers or Connecticut Rental Assistance Program vouchers).

COMMITTEE ACTION

Public Health Committee

Joint Favorable

Yea 31 Nay 0 (03/03/2026)