



# House of Representatives

General Assembly

**File No. 330**

*January Session, 2003*

House Bill No. 6438

*House of Representatives, April 14, 2003*

The Committee on Planning and Development reported through REP. WALLACE of the 109th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## ***AN ACT CONCERNING HOUSING LOAN GUARANTEES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (4) of subsection (a) of section 8-37pp of the  
2 general statutes is repealed and the following is substituted in lieu  
3 thereof (*Effective October 1, 2003*):

4 (4) "Eligible applicant" means: (A) A nonprofit entity; (B) a  
5 municipality; (C) a housing authority; (D) a business corporation  
6 incorporated pursuant to chapter 601 or any predecessor statutes  
7 thereto or authorized to do business pursuant to said chapter 601  
8 having as one of its purposes the construction, financing, acquisition,  
9 rehabilitation or operation of affordable housing, and having a  
10 certificate or articles of incorporation approved by the commissioner;  
11 (E) any partnership, limited partnership, limited liability company,  
12 joint venture, sole proprietorship, trust or association having as one of  
13 its purposes the construction, financing, acquisition, rehabilitation or  
14 operation of affordable housing, and having basic documents of



The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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**OFA Fiscal Note**

**State Impact:**

| <b>Agency Affected</b>                         | <b>Fund-Type</b> | <b>FY 04 \$</b> | <b>FY 05 \$</b> |
|------------------------------------------------|------------------|-----------------|-----------------|
| Department of Economic & Community Development | GF- Cost         | Potential       | Potential       |

**Municipal Impact:** None

**Explanation**

To the degree that expanding the use of the Department of Economic and Community Development’s flexible housing GO bond funds to include the financing of affordable housing projects causes the funds to be expended more rapidly than they otherwise would have been, there will be an increase in debt service costs in future years. The exact impact is unknown.

**OLR Bill Analysis**

HB 6438

**AN ACT CONCERNING HOUSING LOAN GUARANTEES****SUMMARY:**

This bill adds financing of affordable housing to the list of activities that make certain entities eligible to enter a contract for state financial assistance.

By law, certain entities that have as one of their main purposes the (1) construction, (2) acquisition, (3) rehabilitation, or (4) operation of affordable housing, or any combination of these activities, are eligible to enter a contract for state financial assistance.

EFFECTIVE DATE: October 1, 2003

**BACKGROUND**

By law, the eligible entities that may apply for state assistance contracts based on the activities noted above are:

1. business corporations,
2. partnerships,
3. limited partnerships,
4. limited liability companies,
5. joint ventures,
6. sole proprietorships,
7. trusts, or
8. associations.

The economic and community development commissioner must approve an eligible applicant's certificate or articles of incorporation

for business corporations and basic documents of organization for all other entities.

State assistance includes grants, loans, loan guarantees, deferred loans, or any combination of them.

**COMMITTEE ACTION**

Housing Committee

Joint Favorable Change of Reference

Yea 13      Nay 0

Planning and Development Committee

Joint Favorable Report

Yea 16      Nay 0