



General Assembly

January Session, 2005

Raised Bill No. 6785

LCO No. 3800

03800_____HSG

Referred to Committee on Select Committee on Housing

Introduced by:
(HSG)

AN ACT CONCERNING THE USE OF ABANDONED PROPERTY BOND FUNDS FOR THE HOUSING TRUST FUND PROGRAM.

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

1 Section 1. Section 3-62h of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) As used in this section and section 2 of this act, the following
4 terms shall have the following meanings, unless the context clearly
5 indicates a different meaning or intent:

6 (1) "Abandoned property receipts" means the cash portion of all
7 funds received under sections 3-56a to 3-76, inclusive.

8 (2) "Abandoned property fund bond or bonds" means one or more
9 Special Abandoned Property Fund obligation bonds authorized to be
10 issued pursuant to this section and, unless otherwise indicated, any
11 bonds issued to refund such abandoned property fund bonds.

12 (3) "Authority" means the Connecticut Housing Finance Authority.

13 [(3)] (4) "Debt service requirements" means, for any period, and
14 subject to the provisions of this section and the proceedings

15 authorizing the issuance of abandoned property fund bonds, the sum
16 of (A) the principal and interest accruing during such period with
17 respect to abandoned property fund bonds, (B) the amounts, if any,
18 required during such period to establish or maintain reserves, sinking
19 funds or other funds or accounts at the respective levels required to be
20 established or maintained therein, (C) expenses of issuance and
21 administration with respect to abandoned property fund bonds as
22 determined by the Treasurer, (D) the amounts, if any, becoming due
23 and payable under a reimbursement agreement, a swap agreement or
24 similar agreement entered into in connection with the abandoned
25 property fund bonds, and (E) any other costs or expenses deemed by
26 the Treasurer to be necessary or proper to be paid in connection with
27 the abandoned property fund bonds, including, without limitation, the
28 cost of any credit facility, including but not limited to a letter of credit
29 or policy of bond insurance or any cost incurred under section 3-20a.

30 (5) "Housing", "housing development" or "development" means a
31 work or undertaking having as its primary purpose the provision of
32 safe, well-designed and adequate housing and related facilities for low
33 and moderate income families and persons and includes existing
34 housing for low and moderate income families and persons and
35 housing whose primary purpose is to provide dwelling
36 accommodations for low and moderate income families and persons
37 but has dwelling accommodations for others, and excludes housing
38 that received assistance under the moderate rental housing program
39 established pursuant to chapter 128.

40 (6) "Housing Trust Fund for Economic Growth and Opportunity" or
41 "trust fund" means the Housing Trust Fund for Economic Growth and
42 Opportunity created under this section.

43 (7) "Housing trust fund program" or "program" means the housing
44 trust fund program developed and administered under section 2 of
45 this act.

46 (8) "Low and moderate income families and persons" means families

47 and persons whose income falls within the income guidelines of the
48 Connecticut Housing Finance Authority, as amended from time to
49 time.

50 [(4)] (9) "Pledged revenues" means all receipts of the state credited
51 to and held in the Special Abandoned Property Fund pursuant to the
52 provisions of this section, as amended from time to time.

53 [(5)] (10) "Proceedings" means the proceedings of the State Bond
54 Commission authorizing or relating to the issuance of abandoned
55 property fund bonds, the provisions of any indenture of trust securing
56 abandoned property fund bonds, which provisions are incorporated
57 into such proceedings and the provisions of any other documents or
58 agreements which are incorporated into such proceedings and to the
59 extent applicable the determination of the Treasurer.

60 [(6)] (11) "Special Abandoned Property Fund" means the Special
61 Abandoned Property Fund created under this section.

62 [(7)] (12) "Special Abandoned Property Fund financing costs"
63 includes (A) amounts necessary to create and maintain reserves for the
64 payment of the principal of and interest on any such abandoned
65 property fund bonds, and (B) payment of costs, fees and expenses
66 which the Treasurer may deem necessary or advantageous in
67 connection with the authorization, sale, issuance and administration of
68 abandoned property fund bonds including, but not limited to,
69 underwriters' discount.

70 [(8)] (13) "State Bond Commission" means the commission
71 established under section 3-20.

72 [(9)] (14) "Treasurer" means the State Treasurer and includes each
73 successor in office or authority.

74 (b) There is established a fund to be known as the "Special
75 Abandoned Property Fund". [The] Said fund may contain any moneys
76 required or permitted by the proceedings to be deposited in the fund

77 and shall be held by the Treasurer separate and apart from all other
78 moneys, funds and accounts. Investment earnings credited to the
79 assets of said fund shall become part of the assets of said fund. Any
80 balance remaining in said fund at the end of any fiscal year shall be
81 carried forward in said fund for the fiscal year next succeeding.

82 (c) (1) There is established a fund to be known as the "Housing Trust
83 Fund for Economic Growth and Opportunity". Said fund shall be held
84 by the Treasurer separate and apart from all other moneys, funds and
85 accounts. The proceeds of the abandoned property fund bonds in
86 accordance with the proceedings and all moneys received in return for
87 financial assistance awarded from the Housing Trust Fund for
88 Economic Growth and Opportunity pursuant to the housing trust fund
89 program established under section 2 of this act shall be credited to the
90 Housing Trust Fund for Economic Growth and Opportunity. All
91 private contributions made to the Housing Trust Fund for Economic
92 Growth and Opportunity shall be credited to the Housing Trust Fund
93 for Economic Growth and Opportunity. Investment earnings credited
94 to the assets of said fund shall become part of the assets of said fund.
95 The Housing Trust Fund for Economic Growth and Opportunity shall
96 not lapse and any balance remaining in the Housing Trust Fund for
97 Economic Growth and Opportunity at the end of any fiscal year shall
98 be carried forward in said fund for the fiscal year next succeeding. The
99 Treasurer shall invest the moneys held by the Housing Trust Fund for
100 Economic Growth and Opportunity subject to use for financial
101 assistance under the housing trust fund program.

102 (2) The moneys of the Housing Trust Fund for Economic Growth
103 and Opportunity shall be used to fund the housing trust fund program
104 established under section 2 of this act.

105 ~~[(c)]~~ (d) As provided in the proceedings, the Treasurer shall deposit
106 all abandoned property receipts in the Special Abandoned Property
107 Fund to pay and secure the abandoned property fund bonds and the
108 debt service requirements.

109 [(d)] (e) The Treasurer shall apply the resources in the Special
110 Abandoned Property Fund, upon their receipt, first, to pay or provide
111 for the payment of debt service requirements, as defined in this
112 section, at such time or times, in such amount or amounts and in such
113 manner, as provided by the proceedings authorizing the issuance of
114 abandoned property fund bonds; second, to pay Special Abandoned
115 Property Fund financing costs; third, to pay all costs incident to the
116 collection and recovery of such abandoned property receipts and any
117 other property collected and recovered under sections 3-56a to 3-76,
118 inclusive; and fourth, to deposit in the General Fund.

119 [(e)] (f) The State Bond Commission may, [prior to June 30, 2005,] for
120 the purpose of disbursing funds to the Housing Trust Fund for
121 Economic Growth and Opportunity, authorize the issuance of
122 abandoned property fund bonds in one or more series. [and in
123 principal amounts not to exceed sixty] At no time shall the outstanding
124 principal amount of the abandoned property fund bonds exceed the
125 aggregate principal amount of one hundred million dollars plus such
126 additional amount of abandoned property fund bonds required to
127 fund Special Abandoned Property Fund financing costs, including
128 reserves, in accordance with the proceedings authorizing the
129 abandoned property fund bonds. [for the purpose of disbursing funds
130 to the General Fund in support of state programs.] In computing the
131 total amount of abandoned property fund bonds which may be
132 outstanding one time, the principal amount of any refunded
133 abandoned property fund bonds shall be excluded. Prior to the
134 issuance of any series of abandoned property fund bonds, the
135 Treasurer shall execute a certificate, which shall become part of the
136 proceedings, stating that, in the Treasurer's reasonable determination,
137 during each annual period such bonds are outstanding, abandoned
138 property receipts will be at least equal to the sum of (1) the debt
139 service requirements, (2) all costs incident to the collection and
140 recovery of such abandoned property receipts and any other property
141 collected and recovered under sections 3-56a to 3-76, inclusive, and (3)
142 the amounts returned to abandoned property claimants from the

143 resources of the General Fund. In making such determination, the
144 Treasurer may rely upon reports and estimates of such experts as the
145 Treasurer deems appropriate, may extrapolate from experience
146 relating to abandoned property receipts, costs and returns or may use
147 any other reasonable methodology. Such abandoned property fund
148 bonds are hereby determined to be issued for valid public proposes in
149 the exercise of essential government functions.

150 [(f)] (g) The debt service requirements with respect to any
151 abandoned property fund bonds shall be secured by (1) a first call
152 upon the pledged revenues as they are deposited to the Special
153 Abandoned Property Fund; and (2) a lien upon any and all amounts
154 held in and to the credit of the Special Abandoned Property Fund from
155 time to time.

156 [(g)] (h) Such abandoned property fund bonds shall be special
157 obligations of the state and shall not be payable from or charged upon
158 any funds other than the pledged revenues or other receipts, funds or
159 moneys pledged therefor and deposited in the Special Abandoned
160 Property Fund and the state or any political subdivision thereof shall
161 not be subject to any liability thereon, except to the extent of such
162 pledged revenues or other receipts, funds or moneys pledged therefor
163 as provided in this section. The issuance of abandoned property fund
164 bonds shall not directly or indirectly or contingently obligate the state
165 or any political subdivision thereof to levy or to pledge any form of
166 taxation whatever therefor, or to make any additional appropriation
167 for their payment. Such abandoned property fund bonds shall not
168 constitute a charge, lien or encumbrance, legal or equitable, upon any
169 property of the state or of any political subdivision thereof other than
170 the pledged receipts, funds or moneys pledged therefor and deposited
171 in the Special Abandoned Property Fund and the substance of such
172 limitation shall be plainly stated on each such abandoned property
173 fund bond. Notwithstanding any other provision of the general
174 statutes, abandoned property fund bonds shall not be subject to any
175 statutory limitation on the indebtedness of the state, and, when issued,

176 shall not be included in computing the aggregate indebtedness of the
177 state in respect of and to the extent of any such limitation. As part of
178 the contract of the state with the owners of the abandoned property
179 fund bonds, all amounts necessary for the punctual payment of the
180 debt service requirements with respect to the abandoned property
181 fund bonds shall be deemed appropriated, but only from the sources
182 pledged pursuant to this section.

183 [(h) The abandoned property fund bonds may be issued if after
184 authorization the Treasurer and the Secretary of the Office of Policy
185 and Management find that such issuance is necessary to disburse
186 funds to the General Fund in support of state programs.]

187 (i) The abandoned property fund bonds may be executed and
188 delivered at the time or times, shall be dated, shall bear interest at the
189 rate or rates, shall mature at the time or times not exceeding [seven]
190 fifteen years from their date, have the rank or priority, be payable in
191 the medium of payment, be issued in coupon or in registered form, or
192 both, carry the registration and transfer privileges and be made
193 redeemable before maturity at the price or prices and under the terms
194 and conditions, all as may be provided by the proceedings and the
195 Treasurer shall continue to deposit all abandoned property receipts in
196 the Special Abandoned Property Fund to pay the abandoned property
197 fund bonds until such bonds are fully discharged. The Treasurer may
198 determine whether the abandoned property fund bonds or any series
199 thereof shall be issued in such form and manner that the interest on
200 such abandoned property fund bonds may be includable under the
201 Internal Revenue Code of 1986, or any subsequent corresponding
202 internal revenue code of the United States, as from time to time
203 amended, in the gross income of the holders or owners of such
204 abandoned property fund bonds, upon the finding by the Treasurer
205 that the issuance of such taxable abandoned property fund bonds is in
206 the public interest.

207 (j) All of the provisions of section 3-20 with the exception of

208 subsections (i) and (p) of said section 3-20 and the exercise of any right
209 or power granted thereby which are not inconsistent with the
210 provisions of this section, are hereby adopted and may be invoked in
211 respect to the abandoned property fund bonds authorized pursuant to
212 this section.

213 (k) Any abandoned property fund bonds may be sold at public sale
214 on sealed proposals or by negotiation in such manner, at such price or
215 prices, at such time or times and on such other terms and conditions of
216 such abandoned property fund bonds and the issuance and sale
217 thereof as the Treasurer may determine to be in the best interests of the
218 state.

219 (l) The proceedings under which abandoned property fund bonds
220 are authorized to be issued may, subject to the provisions of the
221 general statutes, contain any or all of the following: (1) Provisions
222 respecting custody of the proceeds from the sale of the abandoned
223 property fund bonds, including any requirements that such proceeds
224 be held separate from or not be commingled with other funds of the
225 state; (2) provisions for the investment and reinvestment of abandoned
226 property fund bond proceeds until used to pay Special Abandoned
227 Property Fund financing costs and for the disposition of any excess
228 bond proceeds or investment earnings thereon; (3) provisions for the
229 execution of [reimbursement agreements or similar agreements in
230 connection with credit facilities, including, but not limited to, letters of
231 credit or policies of bond insurance, remarketing agreements and
232 agreements for the purpose of moderating interest rate fluctuations,
233 and of such other] agreements or documents entered into pursuant to
234 section 3-20a; (4) provisions for the collection, custody, investment,
235 reinvestment and use of the pledged revenues or other receipts, funds
236 or moneys pledged therefor and deposited in the Special Abandoned
237 Property Fund; (5) provisions regarding the establishment and
238 maintenance of reserves, sinking funds and any other funds and
239 accounts as shall be approved by the Treasurer in such amounts as
240 may be established by the Treasurer, and the regulation and

241 disposition thereof, including requirements that any such funds and
242 accounts be held separate from or not be commingled with other funds
243 of the state; (6) covenants for the establishment of pledged revenue
244 coverage requirements for the abandoned property fund bonds; (7)
245 provisions for the issuance of additional abandoned property fund
246 bonds on a parity with abandoned property fund bonds theretofore
247 issued, including establishment of coverage requirements with respect
248 thereto as provided in this subsection; (8) provisions regarding the
249 rights and remedies available in case of a default to the bondowners,
250 or any trustee under any contract, document, instrument or indenture
251 of trust, including the right to appoint a trustee to represent their
252 interests upon occurrence of an event of default, as defined in said
253 proceedings, provided if any abandoned property fund bonds shall be
254 secured by an indenture of trust, the respective owners of such
255 abandoned property fund bonds shall have no authority except as set
256 forth in such trust indenture to appoint a separate trustee to represent
257 them; and (9) provisions or covenants of like or different character
258 from the foregoing which are determined in such proceedings are
259 necessary, convenient or desirable in order to better secure the
260 abandoned property fund bonds, or will tend to make the abandoned
261 property fund bonds more marketable, and which are in the best
262 interests of the state.

263 (m) Any pledge made by the state pursuant to this section is and
264 shall be deemed a statutory lien. Such lien shall be valid and binding
265 from the time when the pledge is made. The lien of any pledge shall be
266 valid and binding as against all parties having claims of any kind in
267 tort, contract or otherwise against the state, including but not limited
268 to a claim pursuant to sections 3-56a to 3-76, inclusive, irrespective of
269 whether the parties have notice of the claims. Notwithstanding any
270 provision of the Uniform Commercial Code, neither this section, the
271 indenture of trust, the proceedings nor any other instrument by which
272 a pledge is created need be recorded. Any revenues or other receipts,
273 funds or moneys so pledged and thereafter credited to and held in the
274 Special Abandoned Property Fund shall be subject immediately to the

275 lien of the pledge without any physical delivery thereof or further act
276 and such lien shall have priority over all other liens.

277 (n) Abandoned property fund bonds may be secured by an
278 indenture of trust by and between the state and a corporate trustee,
279 which may be any trust company or bank having the powers of a trust
280 company within or without the state. Such indenture of trust may
281 contain such provisions for protecting and enforcing the rights and
282 remedies of the bondowners as may be reasonable and proper and not
283 in violation of law, including covenants setting forth the custody,
284 safeguarding and application of all moneys. The state may provide by
285 such indenture of trust for the payment of the pledged revenues or
286 other receipts, funds or moneys to the trustee under such indenture of
287 trust or to any other depository, and for the method of disbursement
288 thereof, with such safeguards and restrictions as it may determine. All
289 expenses incurred in carrying out such indenture of trust may be
290 treated as Special Abandoned Property Fund financing costs.

291 (o) The Treasurer shall have power to purchase abandoned property
292 fund bonds issued pursuant to this section out of any funds available
293 therefor. The Treasurer may hold, pledge, cancel or resell such
294 abandoned property fund bonds subject to and in accordance with
295 agreements with bondowners.

296 (p) Whether or not any abandoned property fund bonds issued
297 pursuant to this section are of the form and character to qualify as
298 negotiable instruments under the terms of title 42a, the abandoned
299 property fund bonds are hereby made negotiable instruments within
300 the meaning of and for all purposes of said title 42a, subject only to the
301 provisions of the abandoned property fund bonds.

302 (q) Any moneys held by the Treasurer or by a trustee pursuant to an
303 indenture of trust with respect to abandoned property fund bonds
304 including pledged revenues, other pledged receipts, funds or moneys
305 and proceeds from the sale of such abandoned property fund bonds,
306 may, pending the use or application of the proceeds thereof for an

307 authorized purpose, be (1) invested and reinvested in such obligations,
308 securities and investments as are set forth in subsection (f) of section 3-
309 20, in participation certificates in the Short Term Investment Funds
310 created under sections 3-27a and 3-27f and in participation certificates
311 or securities of the Tax-Exempt Proceeds Fund created under section 3-
312 24a or (2) deposited or redeposited in such bank or banks as shall be
313 provided in the proceedings. Unless the proceedings provide
314 otherwise, proceeds from investments authorized by this subsection,
315 less amounts required under the proceedings authorizing the issuance
316 of abandoned property fund bonds for the payment of Special
317 Abandoned Property Fund financing costs relating to such abandoned
318 property fund bonds, shall be credited to the Special Abandoned
319 Property Fund.

320 (r) Any moneys held in the Housing Trust Fund for Economic
321 Growth and Opportunity may, pending the use or application of the
322 proceeds thereof for an authorized purpose, be (1) invested and
323 reinvested in such obligations, securities and investments as are set
324 forth in subsection (f) of section 3-20, in participation certificates in the
325 Short Term Investment Fund created under sections 3-27a and 3-27f
326 and in participation certificates or securities of the Tax-Exempt
327 Proceeds Fund created under section 3-24a, (2) deposited or
328 redeposited in such bank or banks at the direction of the Treasurer, or
329 (3) invested in participation units in the combined investment funds,
330 as defined in section 3-31b. Unless otherwise provided pursuant to
331 subsection (c) of this section, proceeds from investments authorized by
332 this subsection shall be credited to the Housing Trust Fund for
333 Economic Growth and Opportunity.

334 ~~[(r)]~~ (s) Any abandoned property fund bonds at any time
335 outstanding may, at any time and from time to time, be refunded by
336 the state by the issuance of its refunding abandoned property fund
337 bonds in such amounts as the Treasurer may deem necessary, but not
338 to exceed an amount sufficient to refund the principal of the
339 abandoned property fund bonds to be so refunded, to pay any unpaid

340 interest on such abandoned property fund bonds and any premiums
341 and commissions necessary to be paid in connection with such
342 abandoned property fund bonds and to pay costs and expenses which
343 the Treasurer may deem necessary or advantageous in connection with
344 the authorization, sale and issuance of refunding abandoned property
345 fund bonds. Any such refunding may be effected whether the
346 abandoned property fund bonds to be refunded shall have matured or
347 shall thereafter mature. All refunding abandoned property fund bonds
348 issued under this subsection shall be payable solely from the revenues
349 or other receipts, funds or moneys out of which the abandoned
350 property fund bonds to be refunded thereby are payable and shall be
351 subject to and may be secured in accordance with the provisions of this
352 section.

353 ~~[(s)]~~ (t) The state covenants with the purchasers and all subsequent
354 owners and transferees of abandoned property fund bonds, in
355 consideration of the acceptance of and payment for the abandoned
356 property fund bonds, that the principal and interest of such
357 abandoned property fund bonds at all times shall be free from taxation
358 [at all times, except for estate and gift, franchise and excise taxes,]
359 imposed by the state or any political subdivision thereof, except estate,
360 gift, franchise and excise taxes. The Treasurer is authorized to include
361 this covenant of the state in any agreement with the owner of any such
362 abandoned property fund bonds.

363 ~~[(t)]~~ (u) Abandoned property fund bonds issued pursuant to this
364 section are hereby made securities in which all public officers and
365 public bodies of the state and its political subdivisions, all insurance
366 companies, credit unions, building and loan associations, investment
367 companies, banking associations, trust companies, executors,
368 administrators, trustees and other fiduciaries and pension, profit-
369 sharing and retirement funds may properly and legally invest funds,
370 including capital in their control or belonging to them. Such
371 abandoned property fund bonds are hereby made securities which
372 may properly and legally be deposited with and received by any state

373 or municipal officer or any agency or political subdivision of the state
374 for any purpose for which the deposit of bonds or obligations of the
375 state is now or may hereafter be authorized by law.

376 [(u)] (v) The state covenants with the purchasers and all subsequent
377 owners and transferees of abandoned property fund bonds issued by
378 the state pursuant to this section in consideration of the acceptance of
379 the payment for the abandoned property fund bonds, until such
380 abandoned property fund bonds, together with the interest thereon,
381 with interest on any unpaid installment of interest and all costs and
382 expenses in connection with any action or proceeding on behalf of
383 such owners, are fully met and discharged, or unless expressly
384 permitted or otherwise authorized by the terms of each contract and
385 agreement made or entered into by or on behalf of the state with or for
386 the benefit of such owners, that the state will apply the pledged
387 revenues and other receipts, funds or moneys pledged for the payment
388 of debt service requirements as provided in this section, in such
389 amounts as may be necessary to pay such debt service requirements in
390 each year in which such abandoned property fund bonds are
391 outstanding and further, that the state (1) will not limit or alter the
392 duties imposed on the Treasurer and other officers of the state by this
393 section, and by the proceedings authorizing the issuance of abandoned
394 property fund bonds with respect to application of pledged revenues
395 or other receipts, funds or moneys pledged for the payment of debt
396 service requirements as provided in this section; (2) will not issue any
397 bonds, notes or other evidences of indebtedness, other than the
398 abandoned property fund bonds, having any rights arising out of this
399 section or secured by any pledge of or other lien or charge on the
400 pledged revenues or other receipts, funds or moneys pledged for the
401 payment of debt service requirements as provided in this section; (3)
402 will not create or cause to be created any lien or charge on such
403 pledged amounts, other than a lien or pledge created thereon pursuant
404 to this section, provided nothing in this subsection shall prevent the
405 state from issuing evidences of indebtedness (A) which are secured by
406 a pledge or lien which is and shall on the face thereof be expressly

407 subordinate and junior in all respects to every lien and pledge created
408 by or pursuant to this section; or (B) for which the full faith and credit
409 of the state is pledged and which are not expressly secured by any
410 specific lien or charge on such pledged amounts; or (C) which are
411 secured by a pledge of or lien on moneys or funds derived on or after
412 such date as every pledge or lien thereon created by or pursuant to this
413 section shall be discharged and satisfied; (4) will carry out and
414 perform, or cause to be carried out and performed, each and every
415 promise, covenant, agreement or contract made or entered into by the
416 state or on its behalf with the owners of any abandoned property fund
417 bonds; (5) will not in any way impair the rights, exemptions or
418 remedies of the owners of abandoned property fund bonds; and (6)
419 will not limit, modify, rescind, repeal or otherwise alter the rights or
420 obligations of the appropriate officers of the state to collect the funds
421 and other receipts constituting the pledged revenues as may be
422 necessary to produce sufficient revenues to fulfill the terms of the
423 proceedings authorizing the issuance of the abandoned property fund
424 bonds, including pledged revenue coverage requirements, and
425 provided, however, nothing in this subsection shall preclude the state
426 from exercising its power to limit, modify, rescind, repeal or otherwise
427 alter the character or amount of such pledged revenues, if and when
428 adequate provisions shall be made by law for the protection of the
429 owners of the outstanding abandoned property fund bonds. The
430 Treasurer is authorized to include this covenant of the state in any
431 agreement with the owners of any such abandoned property tax
432 bonds.

433 Sec. 2. (NEW) (*Effective from passage*) (a) There is established the
434 housing trust fund program which shall be developed and
435 administered by the Connecticut Housing Finance Authority. The
436 program shall (1) promote the rehabilitation, preservation and
437 production of quality, well-designed housing affordable to low and
438 moderate income families or persons, (2) maximize the leveraging of
439 State funds by encouraging private sector investment in housing
440 developments receiving assistance, (3) encourage housing that

441 maximizes housing choices of residents, (4) enhance economic
442 opportunity for low and moderate income individuals and their
443 families, (5) promote the application of efficient land use that utilizes
444 existing infrastructure and the conservation of open spaces, and (6)
445 encourage the development of housing which aids the revitalization of
446 communities.

447 (b) Financial assistance shall be provided under subsection (a) of
448 this section to nonprofit or for-profit entities or community
449 development financial institutions for development of quality rental
450 housing and homeownership for low and moderate income families or
451 persons paying no more than thirty per cent of gross household
452 income on housing. The financial assistance made under the housing
453 trust fund program shall be paid from the Housing Trust Fund for
454 Economic Growth and Opportunity established under subsection (c) of
455 section 3-62h of the general statutes, as amended by this act, and may
456 be in the form of no interest and low interest loans, loan guarantees,
457 grants and appraisal gap financings and other similar financings
458 necessary to make rents or home prices affordable. Financial assistance
459 provided under this section shall supplement (1) existing loan and tax
460 credits programs available under state and federal law, and (2) grants,
461 loans or financial assistance from any nonprofit or for-profit entity.

462 (c) The resources of the program shall be made available, at least
463 semiannually, on a competitive basis in accordance with the written
464 procedures adopted pursuant to section 3 of this act.

465 (d) The authority may solicit contributions from private entities,
466 nonprofit and for-profit corporations, philanthropic organizations and
467 financial institutions, to support and expand the resources available
468 through the Housing Trust Fund for Economic Growth and
469 Opportunity.

470 (e) Financial assistance awarded in each fiscal year under said
471 program from the proceeds of abandoned property fund bonds shall
472 be not more than ten million dollars plus investment earnings credited

473 to the Housing Trust Fund for Economic Growth and Opportunity for
474 the prior fiscal year allocable to such proceeds. Any contribution to the
475 Housing Trust Fund for Economic Growth and Opportunity made
476 pursuant to subsection (d) of this section, shall be distributed as
477 specified by its contributor. In each fiscal year that the Housing Trust
478 Fund for Economic Growth and Opportunity has funds available for
479 distribution, the authority shall allocate from said fund three hundred
480 thousand dollars for funding matching grants to be dedicated to
481 funding purchases of primary residences pursuant to the provisions of
482 sections 31-51ww to 31-51eee, inclusive, of the general statutes. Any
483 unexpended or unallocated amounts in the Housing Trust Fund for
484 Economic Growth and Opportunity for any fiscal year may be carried
485 over to the succeeding fiscal year and adjustments may be made for
486 short fiscal periods.

487 (f) The authority shall prepare and submit an annual report to the
488 Treasurer and Office of Policy and Management concerning the
489 activities for the prior fiscal year of the housing trust fund program
490 and the Housing Trust Fund for Economic Growth and Opportunity
491 and the efforts of the authority to obtain private support for housing
492 developments financed by the Housing Trust Fund for Economic
493 Growth and Opportunity.

494 (g) (1) Not more than thirty days after the effective date of this
495 section, the board of directors of the Connecticut Housing Finance
496 Authority shall establish the housing trust fund program advisory
497 committee. Said committee shall advise the authority on development
498 of written procedures required pursuant to section 3 of this act. The
499 committee shall consist of seven members appointed by the board of
500 directors of the authority, from each of the following: (1) A nonprofit
501 or for-profit housing development community, (2) a community
502 development financial institution, (3) the Connecticut Housing
503 Coalition, (4) an elected or appointed official of a municipality with a
504 population of less than fifty thousand, (5) an elected or appointed
505 official of a municipality with a population between fifty thousand and

506 one hundred thousand, (6) an elected or appointed official of a
 507 municipality with a population in excess of one hundred thousand,
 508 and (7) the employers of the state, which may be satisfied by the
 509 appointment of a representative from a state business and industry
 510 association or regional chambers of commerce.

511 (2) Upon adoption of written procedures required pursuant to
 512 section 3 of this act, the committee shall meet at least semiannually and
 513 shall advise the authority on the administration, management and
 514 objectives of the housing trust fund program.

515 Sec. 3. (NEW) (*Effective from passage*) The Connecticut Housing
 516 Finance Authority shall adopt written procedures, in accordance with
 517 the provisions of section 1-121 of the general statutes, to implement the
 518 provisions of section 2 of this act. Such procedures shall set forth the
 519 criteria for rating various proposals for funds under the housing trust
 520 fund program and establish other provisions for the administration of
 521 said program.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	3-62h
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section

Statement of Purpose:

To authorize the Connecticut Housing Finance Authority, with moneys from the Housing Trust Fund for Economic Growth and Opportunity, to administer the housing trust fund program providing financial assistance to nonprofit or for-profit entities or community development financial institutions for development of quality rental housing and homeownership for low and moderate income families or persons paying no more than thirty per cent of gross household income on housing.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

