



General Assembly

January Session, 2005

**Amendment**

LCO No. 7576

**\*HB0678507576HDO\***

Offered by:

REP. GREEN, 1<sup>st</sup> Dist.  
SEN. DUFF, 25<sup>th</sup> Dist.  
SEN. MCKINNEY, 28<sup>th</sup> Dist.  
REP. MILLER, 122<sup>nd</sup> Dist.

To: Subst. House Bill No. 6785

File No. 374

Cal. No. 301

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

1 Strike everything after the enacting clause and insert the following  
2 in lieu thereof:

3 "Section 1. (NEW) (*Effective July 1, 2005*) As used in this section the  
4 following terms shall have the following meanings, unless the context  
5 clearly indicates a different meaning or intent:

6 (1) "Authority" means the Connecticut Housing Finance Authority.

7 (2) "Commissioner" means the Commissioner of Economic and  
8 Community Development.

9 (3) "Department" means the Department of Economic and  
10 Community Development.

11 (4) "Eligible applicant" means: (A) A nonprofit entity; (B) a  
12 municipality; (C) a housing authority; (D) a business corporation  
13 incorporated pursuant to chapter 601 of the general statutes or any  
14 predecessor statutes thereto or authorized to do business pursuant to  
15 said chapter 601 having as one of its purposes the construction,  
16 financing, acquisition, rehabilitation or operation of affordable  
17 housing, and having a certificate or articles of incorporation approved  
18 by the commissioner; (E) any partnership, limited partnership, limited  
19 liability company, joint venture, sole proprietorship, trust or  
20 association having as one of its purposes the construction, financing,  
21 acquisition, rehabilitation or operation of affordable housing; (F) the  
22 Connecticut Housing Finance Authority; (G) a municipal developer;  
23 (H) any community development financial institution; or (I) any  
24 combination thereof.

25 (5) "Housing", "housing development" or "development" means a  
26 work or undertaking having as its primary purpose the provision of  
27 safe, well-designed and adequate housing and related facilities for low  
28 and moderate income families and persons and includes existing  
29 housing for low and moderate income families and persons and  
30 housing whose primary purpose is to provide dwelling  
31 accommodations for low and moderate income families and persons  
32 but has dwelling accommodations for others.

33 (6) "Housing Trust Fund" or "fund" means the Housing Trust Fund  
34 created under section 5 of this act.

35 (7) "Housing Trust Fund Program" or "program" means the housing  
36 trust fund program developed and administered under section 6 of  
37 this act.

38 (8) "Low and moderate income families and persons" means families  
39 and persons whose income falls within the income levels set by the  
40 commissioner pursuant to regulations adopted under subsection (a) of  
41 section 7 of this act, except that the commissioner may establish  
42 income levels up to and including one hundred twenty per cent of the

43 area median income, as determined by the United States Department  
44 of Housing and Urban Development.

45 (9) "Municipal developer" means a municipality acting by and  
46 through its legislative body, except that in any town in which a town  
47 meeting or representative town meeting is the legislative body,  
48 "municipal developer" means the board of selectmen if such board is  
49 authorized to act as the municipal developer by the town meeting or  
50 representative town meeting.

51 (10) "Secretary" means the Secretary of the Office of Policy and  
52 Management.

53 (11) "State Bond Commission" means the commission established  
54 under section 3-20.

55 (12) "Treasurer" means the State Treasurer and includes each  
56 successor in office or authority.

57 Sec. 2. (NEW) (*Effective July 1, 2005*) For the purpose of capitalizing  
58 the Housing Trust Fund created by section 5 of this act, the State Bond  
59 Commission shall have power, in accordance with the provisions of  
60 sections 2 to 4, inclusive, of this act, from time to time to authorize the  
61 issuance of bonds of the state in one or more series and in principal  
62 amounts in the aggregate, not exceeding one hundred million dollars.  
63 The proceeds of the sale of bonds pursuant to said sections 2 to 4,  
64 inclusive, of this act shall be deposited in the Housing Trust Fund.

65 Sec. 3. (NEW) (*Effective July 1, 2005*) None of the bonds authorized  
66 under section 2 of this act shall be authorized except upon a finding by  
67 the State Bond Commission that there has been filed with it a request  
68 for such authorization, which is signed by the Secretary of the Office of  
69 Policy and Management and stating such terms and conditions as said  
70 commission, in its discretion may require.

71 Sec. 4. (NEW) (*Effective July 1, 2005*) All provisions of section 3-20 of  
72 the general statutes, or the exercise of any right or power granted

73 thereby which are not inconsistent with the provisions of sections 2 to  
74 4, inclusive, of this act, are hereby adopted and shall apply to all bonds  
75 authorized by the State Bond Commission pursuant to said sections 2  
76 to 4, inclusive, and temporary notes in anticipation of the money to be  
77 derived from the sale of any such bonds so authorized may be issued  
78 in accordance with said section 3-20 and from time to time renewed.  
79 Such bonds shall mature at such time or times not exceeding twenty  
80 years from their respective dates as may be provided in or pursuant to  
81 the resolution or resolutions of the State Bond Commission authorizing  
82 such bonds. Such bonds shall be general obligations of the state and  
83 the full faith and credit of the state of Connecticut are pledged for the  
84 payment of the principal of and interest on such bonds as the same  
85 become due, and accordingly and as part of the contract of the state  
86 with the holders of such bonds, appropriation of all amounts necessary  
87 for punctual payment of such principal and interest is hereby made,  
88 and the State Treasurer shall pay such principal and interest as the  
89 same become due.

90 Sec. 5. (NEW) (*Effective July 1, 2005*) (a) There is established the  
91 "Housing Trust Fund" which shall be a nonlapsing fund held by the  
92 Treasurer separate and apart from all other moneys, funds and  
93 accounts. The following funds shall be deposited in the fund: (1)  
94 Proceeds of bonds authorized by sections 2 to 4, inclusive, of this act;  
95 (2) all moneys received in return for financial assistance awarded from  
96 the Housing Trust Fund pursuant to the Housing Trust Fund Program  
97 established under section 6 of this act; and (3) all private contributions  
98 received pursuant to section 6 of this act. Investment earnings credited  
99 to the assets of said fund shall become part of the assets of said fund.  
100 The Treasurer shall invest the moneys held by the Housing Trust Fund  
101 subject to use for financial assistance under the Housing Trust Fund  
102 Program.

103 (b) Any moneys held in the Housing Trust Fund may, pending the  
104 use or application of the proceeds thereof for an authorized purpose,  
105 be (1) invested and reinvested in such obligations, securities and  
106 investments as are set forth in subsection (f) of section 3-20 of the

107 general statutes, in participation certificates in the Short Term  
108 Investment Fund created under sections 3-27a and 3-27f of the general  
109 statutes and in participation certificates or securities of the Tax-Exempt  
110 Proceeds Fund created under section 3-24a of the general statutes, (2)  
111 deposited or redeposited in such bank or banks at the direction of the  
112 Treasurer, or (3) invested in participation units in the combined  
113 investment funds, as defined in section 3-31b of the general statutes.  
114 Unless otherwise provided pursuant to subsection (c) of this section,  
115 proceeds from investments authorized by this subsection shall be  
116 credited to the Housing Trust Fund.

117 (c) The moneys of the Housing Trust Fund shall be used to fund the  
118 Housing Trust Fund Program established under section 6 of this act  
119 and are in addition to any other resources available from state, federal  
120 or other entities that support the program goals established in said  
121 section 6.

122 Sec. 6. (NEW) (*Effective July 1, 2005*) (a) There is established the  
123 Housing Trust Fund Program which shall be developed and  
124 administered by the Department of Economic and Community  
125 Development. The purpose of the program is to: (1) Encourage the  
126 creation of housing for homeownership at a cost that will enable low  
127 and moderate income families to afford quality housing while paying  
128 no more than thirty per cent of gross household income on housing, (2)  
129 promote the rehabilitation, preservation and production of quality,  
130 well-designed rental and homeownership housing affordable to low  
131 and moderate income families or persons, (3) maximize the leveraging  
132 of state and federal funds by encouraging private sector investment in  
133 housing developments receiving assistance, (4) encourage housing that  
134 maximizes housing choices of residents, (5) enhance economic  
135 opportunity for low and moderate income individuals and their  
136 families, (6) promote the application of efficient land use that utilizes  
137 existing infrastructure and the conservation of open spaces, and (7)  
138 encourage the development of housing which aids the revitalization of  
139 communities.

140 (b) Financial assistance shall be provided under subsection (a) of  
141 this section to eligible applicants, as defined in section 1 of this act, for  
142 development of quality rental housing and homeownership for low  
143 and moderate income families or persons. The financial assistance  
144 made under the Housing Trust Fund Program shall be paid from the  
145 Housing Trust Fund established under section 5 of this act, and may be  
146 in the form of no interest and low interest loans, loan guarantees,  
147 grants and appraisal gap financings and other similar financings  
148 necessary to make rents or home prices affordable. Financial assistance  
149 provided under this section shall supplement (1) existing loan and tax  
150 credits programs available under state and federal law, and (2) grants,  
151 loans or financial assistance from any nonprofit or for-profit entity.

152 (c) The resources of the program shall be made available, at least  
153 semiannually, on a competitive basis in accordance with the written  
154 program guidelines and criteria adopted pursuant to subsection (a) of  
155 section 7 of this act.

156 (d) The Commissioner of Economic and Community Development  
157 may, with the approval of the Secretary of the Office of Policy and  
158 Management, solicit and accept contributions from private entities,  
159 nonprofit and for-profit corporations, philanthropic organizations and  
160 financial institutions, to support and expand the resources available  
161 through the Housing Trust Fund. All such funds shall be deposited in  
162 the Housing Trust Fund.

163 (e) (1) Any contribution to the Housing Trust Fund made pursuant  
164 to subsection (d) of this section shall be distributed as designated by its  
165 contributor, except that not more than fifty per cent of the contribution  
166 may be designated. If no designation is specified, such funds shall be  
167 used by the commissioner to further the purposes of this act.

168 (2) In each fiscal year that the Housing Trust Fund has funds  
169 available for distribution, the commissioner shall allocate from said  
170 fund three hundred thousand dollars for funding matching grants to  
171 be dedicated to funding purchases of primary residences pursuant to

172 the provisions of sections 31-51ww to 31-51eee, inclusive, of the  
173 general statutes.

174 (3) Any unexpended or unallocated amounts in the Housing Trust  
175 Fund for any fiscal year may be carried over to the succeeding fiscal  
176 year and adjustments may be made for short fiscal periods.

177 (f) The commissioner shall prepare and submit an annual report to  
178 the Governor, and the General Assembly concerning the activities for  
179 the prior fiscal year of the Housing Trust Fund and the Housing Trust  
180 Fund Program and the efforts of the department to obtain private  
181 support for the Housing Trust Fund and the Housing Trust Fund  
182 Program. A copy of such report shall be filed with the clerks of each  
183 house of the General Assembly and the chairpersons and ranking  
184 members of the select committee of the General Assembly having  
185 cognizance of matters relating to housing.

186 Sec. 7. (NEW) (*Effective from passage*) (a) The commissioner, in  
187 consultation with the Treasurer, the Secretary of the Office of Policy  
188 and Management and the Connecticut Housing Finance Authority and  
189 after consideration of the recommendations of the committee  
190 established by subsection (b) of this section, shall establish regulations  
191 and criteria for rating various proposals for funds under the Housing  
192 Trust Fund Program. The regulations shall be adopted pursuant to  
193 chapter 54 of the general statutes and posted on the department's web  
194 site.

195 (b) There shall be a Housing Trust Fund Program Advisory  
196 Committee. Said committee shall meet at least semiannually and shall  
197 advise the commissioner on (1) the administration, management and  
198 objectives of the Housing Trust Fund Program; and (2) the  
199 development of regulations, procedures and rating criteria for the  
200 program. The committee shall be appointed by the commissioner, in  
201 consultation with the Treasurer and the secretary and shall include a  
202 chairman and the chairpersons and ranking members of the select  
203 committee of the General Assembly having cognizance of matters

204 relating to housing and representatives from each of the following: (A)  
205 The nonprofit housing development community; (B) the for-profit  
206 housing development community; (C) a housing authority; (D) a  
207 community development financial institution; (E) the Connecticut  
208 Housing Finance Authority; (F) a state-wide housing organization; (G)  
209 an elected or appointed official of a municipality with a population of  
210 less than fifty thousand; (H) an elected or appointed official of a  
211 municipality with a population between fifty thousand and one  
212 hundred thousand; (I) an elected or appointed official of a  
213 municipality with a population in excess of one hundred thousand;  
214 and (J) the employers of the state, which may be satisfied by the  
215 appointment of a representative from a state business and industry  
216 association or regional chambers of commerce.

217 (c) The commissioner may adopt regulations, in accordance with the  
218 provisions chapter 54 of the general statutes, to carry out the  
219 provisions of sections 1 to 7, inclusive, of this act.

220 (d) The commissioner may request, inspect and audit reports, books  
221 and records and any other financial or project-related information with  
222 respect to eligible applicants that receive financial assistance,  
223 including, without limitation, resident or employment information,  
224 financial and operating statements and audits. The commissioner may  
225 investigate the accuracy and completeness of such reports, books and  
226 records.

227 (e) Whenever financial assistance is provided pursuant to section 6  
228 of this act, the commissioner may take all reasonable steps and exercise  
229 all available remedies necessary or desirable to protect the obligations  
230 or interests of the state, including, but not limited to, amending any  
231 term or condition of a contract or agreement, provided such  
232 amendment is allowed or agreed to pursuant to such contract or  
233 agreement, or purchasing or redeeming, pursuant to foreclosure  
234 proceedings, bankruptcy proceedings or in other judicial proceedings,  
235 any property on which such commissioner or the department holds a  
236 mortgage or other lien, or in which the commissioner or the

237 department has an interest."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2005</i>	New section
Sec. 2	<i>July 1, 2005</i>	New section
Sec. 3	<i>July 1, 2005</i>	New section
Sec. 4	<i>July 1, 2005</i>	New section
Sec. 5	<i>July 1, 2005</i>	New section
Sec. 6	<i>July 1, 2005</i>	New section
Sec. 7	<i>from passage</i>	New section