



General Assembly

February Session, 2006

Raised Bill No. 5292

LCO No. 1488

* _____ HB05292PD _____ 031706 _____ *

Referred to Committee on Planning and Development

Introduced by:
(PD)

**AN ACT CONCERNING THE FINANCING OF MUNICIPAL
REDEVELOPMENT, URBAN RENEWAL AND COMMUNITY
DEVELOPMENT PROJECTS.**

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

1 Section 1. Section 8-125 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 As used in this chapter:

4 [(a)] (1) "Redevelopment" means improvement by the rehabilitation
5 or demolition of structures, by the construction of new structures,
6 improvements or facilities, by the location or relocation of streets,
7 parks and utilities, by replanning or by two or more of these methods;

8 [(b)] (2) "Redevelopment area" means an area within the state which
9 is deteriorated, deteriorating, substandard or detrimental to the safety,
10 health, morals or welfare of the community. An area may consist
11 partly or wholly of vacant or unimproved land or of land with
12 structures and improvements thereon, and may include structures not
13 in themselves substandard or insanitary which are found to be
14 essential to complete an adequate unit of development, if the

15 redevelopment area is deteriorated, deteriorating, substandard or
16 detrimental. An area may include properties not contiguous to each
17 other. An area may include all or part of the territorial limits of any fire
18 district, sewer district, fire and sewer district, lighting district, village,
19 beach or improvement association or any other district or association,
20 wholly within a town and having the power to make appropriations or
21 to levy taxes, whether or not such entity is chartered by the General
22 Assembly;

23 [(c)] (3) A "redevelopment plan" shall include: [(1)] (A) A
24 description of the redevelopment area and the condition, type and use
25 of the structures therein; [(2)] (B) the location and extent of the land
26 uses proposed for and within the area, such as housing, recreation,
27 business, industry, schools, civic activities, open spaces or other
28 categories of public and private uses; [(3)] (C) the location and extent
29 of streets and other public utilities, facilities and works within the area;
30 [(4)] (D) schedules showing the number of families displaced by the
31 proposed improvement, the method of temporary relocation of such
32 families and the availability of sufficient suitable living
33 accommodations at prices and rentals within the financial reach of
34 such families and located within a reasonable distance of the area from
35 which they are displaced; [(5)] (E) present and proposed zoning
36 regulations in the redevelopment area; [(6)] (F) any other detail
37 including financial aspects of redevelopment which, in the judgment
38 of the redevelopment agency authorized herein, is necessary to give it
39 adequate information;

40 [(d)] (4) "Planning agency" means the existing city or town plan
41 commission or, if such agency does not exist or is not created, the
42 legislative body or agency designated by it;

43 [(e)] (5) "Redeveloper" means any individual, group of individuals
44 or corporation or any municipality or other public agency including
45 any housing authority established pursuant to chapter 128;

46 [(f)] (6) "Real property" means land, subterranean or subsurface

47 rights, structures, any and all easements, air rights and franchises and
48 every estate, right or interest therein; and

49 (7) "Legislative body" means (1) the board of selectmen in a town
50 that does not have a charter, special act or home rule ordinance
51 relating to its government, (2) the council, board of aldermen,
52 representative town meeting, board of selectmen or other elected
53 legislative body described in a charter, special act or home rule
54 ordinance relating to government in a city, consolidated town and city,
55 consolidated town and borough or a town having a charter, special act,
56 consolidation ordinance or home rule ordinance relating to its
57 government, or (3) the board of burgesses or other elected legislative
58 body in a borough.

59 Sec. 2. Section 8-134 of the general statutes is repealed and the
60 following is substituted in lieu thereof (*Effective from passage*):

61 For the purpose of carrying out or administering a redevelopment
62 plan or other functions authorized under this chapter, a municipality,
63 acting by and through its redevelopment agency, is hereby authorized,
64 subject only to the limitations and procedures set forth in this section,
65 to issue from time to time bonds of the municipality which are payable
66 solely from and secured by: [(a)] (1) A pledge of and lien upon any or
67 all of the income, proceeds, revenues and property of redevelopment
68 projects, including the proceeds of grants, loans, advances or
69 contributions from the federal government, the state or other source,
70 including financial assistance furnished by the municipality or any
71 other public body pursuant to section 8-135; [(b)] (2) taxes or payments
72 in lieu of taxes, or both, in whole or in part, allocated to and paid into a
73 special fund of the municipality pursuant to the provisions of section
74 8-134a; or [(c)] (3) any combination of the methods in [subsections (a)]
75 subdivisions (1) and [(b)] (2) of this section. For the purposes of a
76 specified project only, the Connecticut Development Authority may,
77 upon a resolution with respect to such project adopted by the
78 legislative body of the municipality, issue and administer bonds which
79 are payable solely or in part from and secured by the pledge and

80 security provided for in this section subject to the general terms and
81 provisions of law applicable to the issuance of bonds by the
82 Connecticut Development Authority, except that the provisions of
83 subsection (b) of section 32-23j shall not apply. Any bonds payable and
84 secured as provided in this section shall be authorized and the
85 appropriation of the proceeds thereof approved by a resolution
86 adopted by the legislative body of the municipality, notwithstanding
87 the provisions of any other statute, local law or charter governing the
88 authorization and issuance of bonds and the appropriation of the
89 proceeds thereof generally by the municipality. No such resolution
90 shall be adopted until after a public hearing has been held upon such
91 authorization. Notice of such hearing shall be published not less than
92 five days prior to such hearing in a newspaper having a general
93 circulation in the municipality. Such bonds shall be issued and sold in
94 such manner; bear interest at such rate or rates, including variable
95 rates to be determined in such manner as set forth in the proceedings
96 authorizing the issuance of the bonds; provide for the payment of
97 interest on such dates, whether before or at maturity; be issued at,
98 above or below par; mature at such time or times not exceeding forty
99 years from their date in the case of bonds issued to finance housing
100 and facilities related thereto or thirty years from their date in all other
101 cases; have such rank or priority; be payable in such medium of
102 payment; be issued in such form, including, without limitation,
103 registered or book-entry form, carry such registration and transfer
104 privileges and be made subject to purchase or redemption before
105 maturity at such price or prices and under such terms and conditions,
106 including the condition that such bonds be subject to purchase or
107 redemption on the demand of the owner thereof; and contain such
108 other terms and particulars as the legislative body of the municipality
109 or the officers delegated such authority by the legislative body of the
110 municipality body shall determine. The proceedings under which
111 bonds are authorized to be issued may, subject to the provisions of the
112 general statutes, contain any or all of the following: [(1)] (A) Provisions
113 respecting custody of the proceeds from the sale of the bonds and any
114 bond anticipation notes, including any requirements that such

115 proceeds be held separate from or not be commingled with other funds
116 of the municipality; [(2)] (B) provisions for the investment and
117 reinvestment of bond proceeds until such proceeds are used to pay
118 project costs and for the disposition of any excess bond proceeds or
119 investment earnings thereon; [(3)] (C) provisions for the execution of
120 reimbursement agreements, or similar agreements, in connection with
121 credit facilities, including, but not limited to, letters of credit or policies
122 of bond insurance, remarketing agreements and agreements for the
123 purpose of moderating interest rate fluctuations; [(4)] (D) provisions
124 for the collection, custody, investment, reinvestment and use of the
125 pledged revenues or other receipts, funds or moneys pledged for
126 payment of bonds as provided in this section; [(5)] (E) provisions
127 regarding the establishment and maintenance of reserves, sinking
128 funds and any other funds and accounts as shall be approved by the
129 legislative body of the municipality in such amounts as may be
130 established by the legislative body of the municipality and the
131 regulation and disposition thereof, including requirements that any
132 such funds and accounts be held separate from or not be commingled
133 with other funds of the municipality; [(6)] (F) covenants for the
134 establishment of maintenance requirements with respect to facilities
135 and properties; [(7)] (G) provisions for the issuance of additional bonds
136 on a parity with bonds issued prior to the issuance of such additional
137 bonds, including establishment of coverage requirements with respect
138 to such bonds as herein provided; [(8)] (H) provisions regarding the
139 rights and remedies available to the bond owners, note owners or any
140 trustee under any contract, loan agreement, document, instrument or
141 trust indenture in case of a default, including the right to appoint a
142 trustee to represent their interests upon occurrence of any event of
143 default, as defined in any such default proceedings, provided that if
144 any bonds or bond anticipation notes are secured by a trust indenture,
145 the respective owners of such bonds or notes shall have no authority
146 except as set forth in such trust indenture to appoint a separate trustee
147 to represent them; and [(9)] (I) other provisions or covenants of like or
148 different character from the foregoing which are consistent with this
149 section and which the legislative body of the municipality determines

150 in such proceedings are necessary, convenient or desirable in order to
151 better secure the bonds or bond anticipation notes, or will tend to
152 make the bonds or bond anticipation notes more marketable, and
153 which are in the best interests of the municipality. Any provisions
154 which may be included in proceedings authorizing the issuance of
155 bonds under this section may be included in an indenture of trust duly
156 approved in accordance with this section which secures the bonds and
157 any notes issued in anticipation thereof, and in such case the
158 provisions of such indenture shall be deemed to be a part of such
159 proceedings as though they were expressly included therein. Any
160 pledge made by the municipality shall be valid and binding from the
161 time when the pledge is made, and any revenues or other receipts,
162 funds or moneys so pledged and thereafter received by the
163 municipality shall be subject immediately to the lien of such pledge
164 without any physical delivery thereof or further act. The lien of any
165 such pledge shall be valid and binding as against all parties having
166 claims of any kind in tort, contract or otherwise against the
167 municipality, irrespective of whether such parties have notice of such
168 lien. Neither the resolution nor any other instrument by which a
169 pledge is created need be recorded. The legislative body of the
170 municipality may enter into a trust indenture by and between the
171 municipality and a corporate trustee, which may be any trust company
172 or bank having the powers of a trust company within or without the
173 municipality. Such trust indenture may contain such provisions for
174 protecting and enforcing the rights and remedies of the bond owners
175 and note owners as may be reasonable and proper and not in violation
176 of law, including covenants setting forth the duties of the municipality
177 in relation to the exercise of its powers pursuant to this section and the
178 custody, safeguarding and application of all moneys. The municipality
179 may provide by such trust indenture for the payment of the pledged
180 revenues or other receipts, funds or moneys to the trustee under such
181 trust indenture or to any other depository, and for the method of
182 disbursement thereof, with such safeguards and restrictions as it may
183 determine. All expenses incurred in carrying out such trust indenture
184 may be treated as project costs. Such bonds shall not be included in

185 computing the aggregate indebtedness of the municipality, provided,
186 if such bonds are made payable, in whole or in part, from funds
187 contracted to be advanced by the municipality, the aggregate amount
188 of such funds not yet appropriated to such purpose shall be included
189 in computing the aggregate indebtedness of the municipality. As used
190 in this section, "bonds" means any bonds, including refunding bonds,
191 notes, interim certificates, debentures or other obligations. For
192 purposes of this section and section 8-134a, references to the
193 Connecticut Development Authority shall include any subsidiary of
194 the Connecticut Development Authority established pursuant to
195 subsection (l) of section 32-11a.

196 Sec. 3. Section 8-169g of the general statutes is repealed and the
197 following is substituted in lieu thereof (*Effective from passage*):

198 For the purpose of carrying out or administering a community
199 development plan, a municipality is hereby authorized to issue from
200 time to time bonds of the municipality which are payable solely from
201 and secured by a pledge of a lien upon any or all of the income,
202 proceeds, revenues and property acquired pursuant to a community
203 development plan, including the proceeds of grants, loans, advances or
204 contributions from the federal government, the state or other source,
205 including financial assistance furnished by the municipality or any
206 other public body pursuant to section 8-169h. Bonds issued under this
207 section shall be authorized and the appropriation of the proceeds
208 thereof approved and be in such form, mature at such time or times,
209 bear interest at such rate or rates, be issued and sold in such manner,
210 and contain such other terms, covenants and conditions as [the
211 legislative body by resolution determines] determined by resolution
212 adopted by the legislative body of the municipality, notwithstanding
213 the provisions of any general statute, special act or local law, ordinance
214 or charter. Such bonds shall be fully negotiable, shall not be included
215 in computing the aggregate indebtedness of the municipality and shall
216 not be subject to the provisions of any other law or charter relating to
217 the issuance or sale of bonds, provided, if such bonds are made

218 payable, in whole or in part, from funds contracted to be advanced by
219 the municipality, the aggregate amount of such funds not yet
220 appropriated to such purpose shall be included in computing the
221 aggregate indebtedness of the municipality. As used in this section
222 "bonds" means any bonds, including refunding bonds, notes, interim
223 certificates, debentures or other obligations.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	8-125
Sec. 2	<i>from passage</i>	8-134
Sec. 3	<i>from passage</i>	8-169g

PD *Joint Favorable*