



General Assembly

Substitute Bill No. 5614

February Session, 2008

* HB05614HSGPD_030508 *

**AN ACT CONCERNING STATE ASSISTANCE FOR THE
PRESERVATION OF HOUSING ASSETS.**

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

1 Section 1. Section 8-252 of the general statutes is amended by adding
2 subsection (q) as follows (*Effective July 1, 2008*):

3 (NEW) (q) (1) As used in this subsection, (A) "state assistance"
4 means a payment by the state of actual debt service, comprised of
5 principal, interest, interest rate swap payments, liquidity fees, letter of
6 credit fees, trustee fees and other similar bond-related expenses; and
7 (B) "state housing portfolio" means the housing portfolio that was
8 transferred from the Department of Economic and Community
9 Development to the Connecticut Housing Finance Authority pursuant
10 to section 8-37uu.

11 (2) Not later than October 1, 2008, the State Bond Commission shall
12 authorize the State Treasurer and the Secretary of the Office of Policy
13 and Management to enter into a contract or contracts to provide state
14 assistance on bonds issued by the authority. Upon authorization, the
15 state, acting by and through the Secretary of the Office of Policy and
16 Management and the State Treasurer, shall enter into a contract or
17 contracts with the authority that provide that the state shall pay to the
18 authority state assistance on bonds issued by the authority to provide

19 funds for mortgage loans, grants, deferred loans, no interest and low-
20 interest loans, loan guarantees, interest subsidies and similar
21 financings for the preservation of multi-family rental housing units in
22 the state housing portfolio. Such bonds shall be deemed to be issued
23 for the purposes of this section and used to provide additional funds
24 for reasonable repair, deferred maintenance, rehabilitation and
25 revitalization costs and replacement reserves and costs of issuance in
26 an aggregate principal amount not to exceed four hundred forty
27 million dollars. Any provision of a contract entered into providing for
28 payments equal to annual debt service shall constitute a full-faith and
29 credit obligation of the state and as part of the contract with the
30 holders of any bonds or refunding bonds, as applicable, appropriation
31 of all amounts necessary to meet punctually the terms of such contract
32 is hereby made and the Treasurer shall pay such amounts as the same
33 become due. The authority may pledge such state assistance as
34 security for the payment of such bonds or refunding bonds issued by
35 said authority for such purposes. Any bonds issued under this section,
36 and at any time outstanding, may at any time or from time to time be
37 refunded, in whole or in part, by the authority by the issuance of its
38 refunding bonds in such amounts as the authority may deem
39 necessary or appropriate but not exceeding an amount sufficient to
40 refund the principal amount of the bonds to be so refunded, any
41 unpaid interest thereon, and any premiums, commissions and costs of
42 issuance necessary to be paid in connection therewith. The state, acting
43 by and through the Office of Policy and Management and the
44 Treasurer, and without further authorization, may execute an
45 amendment to any contract providing state assistance as required in
46 connection with such refunding bonds.

47 (3) Notwithstanding any contract entered into by the state with the
48 authority for state assistance, the bonds or refunding bonds to which
49 such state assistance applies shall not constitute bonds or notes issued
50 or guaranteed by the state within the meaning of section 3-21.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2008</i>	8-252
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HSG

Joint Favorable Subst. C/R

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