

Analysis of State Bond Commission Agenda Items

December 18, 2019



OFFICE OF FISCAL ANALYSIS

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General Obligation (GO) Bonds	Item #	New Allocation \$
Capital Region Development Authority		
Grant-in-aid for the purpose of encouraging development as provided in CGS Sec. 32-602	2	13,500,000
Alterations, renovations and improvements at the Connecticut Convention Center and Rentschler Field	9	2,000,000
Department of Administrative Services		
Infrastructure repairs and improvements at state-occupied facilities	19	1,401,000
Department of Correction		
Renovations and improvements to existing state-owned buildings	14, 18	1,488,645
Department of Economic and Community Development		
Manufacturing Assistance Act (MAA) - Economic Development and Manufacturing Assistance Act of 1990 and the Connecticut job training finance demonstration program	24	2,000,000
Department of Energy and Environmental Protection		
Grants-in-aid to municipalities for improvements to incinerators and landfills	1	750,000
Energy Efficiency in State Buildings	4	12,000,000
Grants-in-aid to municipalities for open space land acquisition and development for conservation or recreational purposes	11	5,000,000
Alterations, renovations and new construction at state parks and other recreation facilities	13	1,000,000
Clean Water Fund GO - Grants-in-aid to towns	25	23,600,000
Department of Housing		
Flexible Housing Program	5	33,272,269
Grants-in-aid to private nonprofit organizations for supportive housing for persons with intellectual disabilities and or autism spectrum disorder (IDASH)	8	5,500,000
Housing Trust Fund	23	7,518,307
Department of Veterans' Affairs		
Alterations, renovations and improvements to buildings and grounds	12	187,000
Office of Policy and Management		
Information Technology Capital Investment Program	3	4,358,000
Grants-in-aid to municipalities for the purchase of body-worn cameras	10	100,493
Small Town Economic Assistance Program (STEAP)	28	15,000,000
State Library		
Grants-in-aid to public libraries for construction, renovations, expansions, energy conservation and handicapped accessibility under the provisions of CGS Sec. 11-24(c)	15	2,994,617
GO New Allocation Subtotal		131,670,331

Special Tax Obligation (STO) Bonds	Item #	New Allocation \$
Department of Transportation		
Local Transportation Capital Improvement Program	6	10850500
Capital resurfacing and related reconstruction	6,7	76,000,000
Environmental compliance	6,7	8,277,900
Fix-it-First program to repair the state's roads	7	21983539
Local Bridge Program	7	8,496,854
State bridge improvement, rehabilitation and replacement projects	7	7644000
Let's Go Connecticut infrastructure improvement program	16	1,770,000
STO New Allocation Subtotal		135,022,793

The following is intended to provide legislative members of the State Bond Commission (SBC) with additional information and analysis of the items on the agenda.

I. Summary

Calendar Year 2019 General Obligation (GO) Bonds

Total New GO Bond Allocations by Month	2019 \$	2018 \$
February Agenda		381,871,361
April Agenda	115,900,704	154,013,479
June Agenda	287,886,324	233,258,508
Allocations Effective July 1*	321,861,428	322,525,000
July Agenda		328,805,588
September Agenda	354,586,683	497,433,071
(Current Agenda) December Agenda	131,670,331	111,708,830
CY Total Through December	1,211,905,470	2,029,615,837
CY Allocation Cap	2,079,000,000	2,036,000,000
Allocation Remaining Under Cap	867,094,530	6,384,163

C.G.S. 3-21 (as amended by P.A. 17-2 (JSS) Sec. 712) limits GO bond allocations at \$2 billion per calendar year beginning in CY 17. Based on annual CPI, the limit for CY 19 is \$2,079 million.

*Based on current law and past bond commission action, \$322 million of GO bond allocations became effective on July 1, 2019.¹

Calendar Year 2019 Special Tax Obligation (STO) Transportation Bonds

Total New STO Bond Allocations by Month	2019 \$	2018 \$
February Agenda		482,265,199
April Agenda	159,736,062	114,584,199
June Agenda	113,591,250	165,037,829
July Agenda		529,986,587
September Agenda	20,391,810	299,410,392
(Current Agenda) December Agenda	135,022,793	91,601,722
CY Total Through December	428,741,915	1,682,885,928

¹ Executive and Legislative bond proposals presented during the 2019 regular session included revisions that would reduce the amount of bonds authorized for the UConn 2000 and CSCU 2020 programs in FY 20. To date, no bond package has been adopted. However, both programs requested allocations that conformed with the lowered FY 20 proposals.

II. Agenda Items

Item #1 Department of Energy and Environmental Protection (DEEP): Grants-in-Aid to Municipalities and State Agencies for Improvements to Incinerators and Landfills (\$750,000 in new GO bonds)

This allocation will be used to provide ongoing care and maintenance at the five former CRRA (now MIRA) landfills: Hartford, Ellington, Waterbury, Wallingford, and Shelton. Section 236 of PA 13-247, the FY 14 and FY 15 biennial budget General Government Implementer, required DEEP to assume responsibility for post-closure care at these sites. These funds will be used for capital repairs and/or improvements related to public safety risk, landform stability, environmental compliance and overall management of post-closure care.

Examples of repairs and/or improvements that may be needed include: 1) remediating large scale erosional features that may threaten the integrity of the landfill, 2) replacing major components of the methane recovery systems, required for public safety, 3) installing groundwater and leachate treatment, and 4) other unanticipated large scale expenses associated with post-closure care of the landfills. The last allocation for this purpose was at the November 2017 meeting of the SBC (in the amount of \$700,000).

Item #2 Capital Region Development Authority: Regional Development Projects (\$13,500,000 in new GO bonds)

A. Colt Gateway LLC, in Hartford (\$1,500,000)

The allocation will support a loan to Colt Gateway LLC to assist with development of 26 units of rental housing on the top two floors of the "U-Shaped Building" at the Colt Armory Complex in Hartford.

The loan will be provided at a rate of 3% for twenty years, subject to all other funding source beings approved and such fiduciary terms and conditions as deemed appropriate by the Capital Region Development Authority.

The State Bond Commission previously allocated \$2.88 million in 2017 to support a loan to Colt Gateway LLC for the renovation of 48 new housing units in the North Armory at 100 Huyshope Avenue. The SBC also allocated \$5 million in 2011 to assist with the redevelopment of 79 housing units in the South Armory of the Colt complex.

B. Pratt Street Initiative in Hartford (\$12,000,000)

The allocation will support a loan to fund phase 1 of the Pratt Street Initiative. The project involves a conversion of the commercial buildings at 196 Trumbull Street and 99 Pratt Street into approximately 129 rental housing units with 18,800 square feet of retail spaces at street level.

The \$5.5 million bridge loan for historic tax credits will be at a rate of 2.75%, interest only with repayment in three years. The cash flow mortgage of \$6.5M at 2.75% that will be amortized on a 30-year basis, repaid based on cash flow and termed at 10 years when full repayment would be contemplated.

Background: The Pratt Street Initiative is a multi-phase program that will include conversion of former commercial properties on Pratt Street; the renewal and expansion of the 18 Temple Street Lofts and Student Housing complex; and new development on Talcott St. (former G.Fox warehouse and garage).

The upper floors of the buildings are currently vacant while some retail continues to operate in portions of the street level space. Of the 129 units, 97 are located within 99 Pratt Street (91 studio, 6 1BR) and 32 are in 196 Trumbull St (32 micro units). Upon completion, the redevelopment would count 375 apartments, including 275

new units, and 45,058 square feet of retail space on Trumbull/Pratt/Main streets. There also would be 1,308 parking spaces for residents and shoppers.²

Upward Hartford, a co-work space for entrepreneurs and innovators currently located on Church Street, has committed to the 32 micro units at 196 Trumbull.

Item 3 Office of Policy and Management: IT Capital Investment Program (\$4,358,000 in new GO bonds)

This funding will be used to develop and implement information technology enhancements for the Department of Labor (DOL) and the Department of Developmental Services (DDS). The table below shows the breakdown of the allocation.

Funding for the Information Technology Capital Improvement Program

Description	DOL	DDS
Consultant Services	2,893,777	332,000
Software	1,000,979	20,000
Hardware	105,244	6,000
Total	4,000,000	358,000

Funding will be used for the following projects:

- **DOL**- Ongoing modernization of the Unemployment Insurance System
- **DDS**- Ongoing modernization of the Home and Community Based Management System

Item #4 Department of Energy and Environmental Protection: Energy Efficiency Projects at State Buildings (\$12,000,000 in new GO Bonds)

The requested funding will be used to implement phase 2 of various energy efficiency projects for four state corrections facilities (Osborn, Northern, MacDougal, and Walker) located in Enfield, Somers, and Suffield. These improvements will improve water and heat conservation, reduce safety concerns and modernize infrastructure. The included projects have costs that range from \$9,500 to \$4.7 million. It is anticipated that these projects will result in significant savings from operational costs and improve energy savings.

The allocation related to the first phase of these projects (February 2018) was for \$18 million, resulting in a total project cost to date of \$30 million.

Items #5, 20, & 21 Department of Housing: Flexible Housing (\$33,272,269 in new GO bonds, \$1,700,000 of reallocated GO bonds)

The Flexible Housing program in the Department of Housing (DOH) supports the development and rehabilitation of affordable and supportive housing in Connecticut. This request supports:

- (I) housing project rehabilitation,
- (II) improvements to shelter-type facilities, and
- (III) rehabilitation and construction of affordable housing developments.

² Joe Cooper, " CRDA approves financing for \$100M Pratt St. redevelopment," *Hartford Business Journal*, October 18, 2019. <https://www.hartfordbusiness.com/article/crda-approves-financing-for-100m-pratt-st-redevelopment>

- I. As shown in the table below, this request supports grants-in-aid for the rehabilitation of existing housing projects³:
- About \$6.8 million for rehabilitation projects⁴
 - \$5 million for addressing critical needs.

Table I. Grants-in-aid for Rehabilitation of Existing Housing Projects

Item	Location	Recipient/Project	Description	Amount
5A	Hartford	Bristol Ward Affleck, LLC.	15-unit Bristol Apartments on Broad Street	813,780
5B	Hartford	Bristol Ward Affleck, LLC.	14-unit Ward-Affleck Apartments on Ward and Affleck Streets	1,296,280
5C	Greenwich	The Hill House, Inc.	38-unit Hill House Congregate Housing facility on Riverside Avenue	1,966,452
5D	West Hartford	Brace Dale Association, Inc.	4-unit Brace Dale Cooperative on Dale Street	534,800
5E	Enfield	Pleasant Street Cooperative, Inc.	12-unit limited equity cooperative	1,294,885
5F	Litchfield	Tannery Brook Cooperative, Inc.	16-unit limited equity cooperative	931,800
5I	Various	To Be Determined	Pool of funds to meet immediate, critical needs	5,000,000
TOTAL				11,837,997

- II. As shown in the table below, this request provides grants-in-aid for those operating shelter-type facilities.

Table II. Grants-in-aid to Organizations Operating Shelter-type Facilities

Item	Location	Recipient/Project	Description	Amount
5G	Hartford	City of Hartford	Renovations to the 88 bed McKinney Shelter on Huyshope Avenue	2,900,000
5H	New Haven	Youth Continuum, Inc.	Rehabilitation and addition of 20 beds at its youth shelter on Grand Avenue	2,500,000
20	Various	To Be Determined	Pool of funds to address emergency and urgent health and safety issues that could impact the operator's ability to house and serve residents	850,000
TOTAL				6,250,000

- III. Additionally, this request supports low-interest loans to two affordable housing developments in Norwalk and a \$13 million pool of funds to be distributed by DOH among projects that were solicited under one of the Department's competitive selection processes.

- \$3,034,272 loan for St. Paul's Flax Hill Cooperative (Norwalk), selected under the eleventh CHAMP funding round⁵ - *item #5 part J of the agenda*
- \$850,000 supplemental loan for Phase 3 of the redevelopment of Washington Village (Norwalk). This is a reallocation. The funds were originally approved for a homeownership initiative in the City of Norwalk. According to DOH, when it was determined that the initiative was not going

³ The specific projects listed and those likely to receive the critical needs funding are part of the State Sponsored Housing Portfolio (SSHP), administered by the Connecticut Housing Finance Authority (CHFA).

⁴ These projects were selected through a competitive application process and were first announced in August 2018 as part of Governor Malloy's 10-year plan to revitalize the SSHP.

⁵ The loan is at a rate not less than 0% for a term not to exceed 45 years with principal deferred. The project is the rehabilitation of the 86-unit limited equity cooperative.

to be successful as originally proposed, the City Redevelopment Office reached out to the Department to request this reallocation.⁶ - *item #21 of the agenda*

- \$13 million to support and provide leverage financing for various affordable housing developments selected through a competitive process⁷ - *item #5 part K of the agenda*

Items #6 & 7 Department of Transportation: Infrastructure Program (\$133,252,793 combined in new Special Tax Obligation (STO) bonds)

These funds will be used for the following transportation programs and projects:

Program	Amount (millions \$)
Environmental Compliance	8.3
Capital Resurfacing	76.0
Local Transportation Improvement Program	10.9
Fix it First Road	22.0
Local Bridge Program	8.5
State Bridge improvement, rehabilitation and replacement	7.6
Total	133.2

Item #8 Department of Housing: IDASH (\$5,500,000 in new GO bonds)

The Intellectual Disabilities and Autism Spectrum Disorder Housing (“IDASH”) Program provides grants-in-aid to owners of either existing affordable rental developments or developers of proposed new affordable multifamily rental developments that are interested in creating housing for individuals with intellectual disabilities or individuals with an autism spectrum disorder.⁸

This request supports a \$5.5 million grant-in-aid to Chrysalis Center Real Estate Corporation to assist with the historic rehabilitation of 30 units of affordable rental housing on Asylum Avenue and Huntington Street in Hartford. Supportive housing units, with supportive services and rental subsidies coordinated with the Department of Developmental Services and the Department of Mental Health and Addiction Services, will be available for individuals who have intellectual and developmental disabilities. According to the Hartford Courant, the project was previously denied DOH funding.⁹

Redevelopment of Washington Village in Norwalk



⁶ The loan is at a rate not less than 1% for a term not to exceed 50 years, with interest and principal deferred. According to the linked article, "the 136 public housing units of the former Washington Village will be replaced with 136 public housing units, 67 workforce housing units and 70 market-rate units, collectively known as Soundview Landing." Phase 3 includes construction of 48 new units, with 38 units reserved for households up to 60% of area median income. Federal funding (\$30 million) through the Choice Neighborhoods Initiative and previous state bonding have also supported the various stages of this major redevelopment.

⁷ According to DOH, all projects receiving this financing will have been solicited under one form of competitive selection or another, depending on the type of project, including but not limited to the following: a) one of the thirteen CHAMP rounds; b) one of the Homeownership Opportunity rounds; c) Innovative Housing round; d) I-DASH round; e) Housing Program round; f) one of the various LIHTC rounds over the last three years; g) one of the variety of SSHP rounds.

⁸ Description of IDASH according to DOH website, <https://portal.ct.gov/DOH/DOH/Gold-Bar/Funding-Opportunities>

⁹ A February 2018 article in the Hartford Courant describes a how a previous application for this funding was denied because it did not obtain local zoning approval. <https://www.courant.com/breaking-news/hc-hartford-chrysalis-center-asylum-hill-0210-story.html>

Item #9 Capital Region Development Authority: Alterations, Renovations, and Improvements at the Connecticut Convention Center (\$2,000,000 in new GO bonds)

The allocation will support the replacement of the waterproofing system, pavers and protection membrane on the 15-year-old plaza and esplanade which connects the CT Convention Center, the hotel and garage complexes and the CT Science Center.

Item #10 Office of Policy and Management (OPM): Body Worn Camera Program (\$100,493 in new GO bonds)

The requested funding will be used to reimburse the following towns for the purchasing of body worn cameras:

Municipality	Grant Amount
North Branford	\$54,707
Southington	\$41,288
Stratford	\$4,498

To date, there has been approximately \$6.2 million provided to municipalities for the reimbursement of body-worn camera purchases. During the 2019 legislative session, the program was expanded to include the replacement of dashboard camera devices that were purchased in 2010 or prior.

Item #11 Department of Energy and Environmental Protection: Grants-in-aid or Loans to Municipalities for Acquisition of Open Space for Conservation or Recreation Purposes (\$5,000,000 in new GO bonds)

This allocation will be used to fund open space grant applications. DEEP is currently reviewing 24 applications, including six from municipalities, covering up to 2,500 acres. The value of all the properties that submitted applications is worth over \$25 million (they would potentially be eligible for state matching grants of approximately \$15 million).

Currently, DEEP has existing commitments from past grant rounds, as many of these projects take time to close due to title issues, other legal complications, and fundraising required for the match. There are 30 unclosed projects; of this amount, 24 are from the last two grant rounds. Prior awards for projects not yet closed total \$9.2 million.

As of July 2019, DEEP has available balances in both previous bond allocations and Community Investment Act (CIA) funds totaling \$15.6 million. If all applications from the current round are approved and move forward, the program would be underfunded by \$4.5 million, which could result in reductions to maximum grants to the current grant round or allocation of additional funding.

Item #12 Department of Veterans Affairs: Alterations, Renovations and Improvements to Buildings and Grounds (\$187,000 in new GO bonds)

Funding of \$187,000 is requested for actual costs associated with hazardous abatement activities for the fire alarm and sprinkler project at the Department of Veterans Affairs campus in Rocky Hill. The project involved drilling in walls and ceilings which contained asbestos and resulted in additional abatement costs. The project is substantially complete - this request covers the final residual costs. Previous funding of \$3.2 million was allocated to replace the fire alarm systems in multiple buildings and a sprinkler system in building 2.

Item #13 Department of Energy and Environmental Protection: Alterations, Renovations and New Construction at State Parks and Other Recreation Facilities, including Americans with Disabilities Act (ADA) Improvements (\$1,000,000 in new GO bonds)

This allocation, made in conjunction with a \$2.5 million allocation from December 2018, will be used to hire contractors to assist in the removal of damaged or distressed trees on state property, as a result of weather and insect issues. Trees have sustained damage as a result of invasive insects, the emerald ash borer beetle and the two-lined chestnut borer beetle. Lastly, the combination of gypsy moths and ongoing drought is killing many large oak trees in the state’s forests.

Item #14 Department of Correction: Alterations, Renovations and Improvements to Existing State-Owned Buildings (\$1,288,137 in new GO bonds)

The funding requested is for the construction (\$1,100,000), contingency (\$110,000), testing (\$10,000), construction administrator (\$34,887), and DAS fee (\$33,250) for the roof replacement at the visitor’s center and indoor recreation building and various roofing related repairs throughout the Carl Robinson Correctional Facility in Enfield. Previously \$73,140 was allocated for the architect/engineer’s fee.

The roof at the visitor’s center and indoor recreation building has exceeded its projected useful lifespan. The various repairs throughout the facility consist of roofing related repairs to the medical and activity building, housing units #1-6, and the cafeteria area. These repairs will prevent damage to the building structure and the development of mold. The replacement and repairs consist of new EPDM roof system at low slope areas, remove and re-install razor-wire, replacing various damaged or missing roofing related materials, new roof drains, new guardrails, and steel deck replacement and reinforcement where necessary for the roof.

Item #15 State Library: Grants-in-Aid to Public Libraries (\$2,994,617 in new GO bonds)

This allocation will be used to the fund the following remodeling and expansion projects:

Municipality	Library Name	Description of Project	Grant Amount (\$)
Danbury	Danbury Public Library	Remodeling to improve the junior floor: new floor plan with mobile shelving, glass wall, new technology for the Story Corner, and a new Sensory Room to serve autistic population.	100,000
Greenwich	The Greenwich Library	Expansion of children's area by doubling existing square footage to accommodate current number of patrons. Remodel will also improve current line of sight so staff can see entire room.	586,717
Naugatuck	Howard Whittemore Memorial Library	Carpet replacement	40,000
New Milford	New Milford Library	Expansion to include increased space for children's and teen's programming, addition of a young adult collection, quiet study areas, and an adult reading room.	1,000,000
Putnam	Putnam Public Library	Construction of new library in conjunction with new town complex. The library will occupy 38% of new space.	1,000,000

Municipality	Library Name	Description of Project	Grant Amount (\$)
Ridgefield	Ridgefield Library Association, Inc.	Finish an outdoor roof terrace, including a "floating" deck that will rest on top of the rubber roof. Walls and drainage are already in place; double doors to the outdoor terrace space remain locked.	40,400
Stonington	Stonington Free Library	Perform Americans with Disabilities Act (ADA) accessibility and minor electrical improvements in current space. Library building was built in 1898.	145,000
Weston	Weston Public Library	Remodeling to expand children's area, including provision of mobile shelving, reading-level specific collection areas, double the amount of seating for children and caregivers, and double the amount of educational technology. Energy-efficient and code compliance building upgrades are also included in these upgrades.	82,500
Total			\$2,994,617

Item #16 Department of Transportation: Let's Go, CT! (1,770,000 in new STO bonds)

These funds will be used to finance various projects for urban bikeways, pedestrian connectivity and trails as well as a traffic replacement on Route 10 in Cheshire. Three traffic controls signals will be replaced on CT 10, which will add a pedestrian exclusive phase to the use signal cycle. Crosswalks and push buttons will also be improved/installed, for better pedestrian access.

This phase follows previous bond commission allocations for engineering (November 2016) and right-of-way (July 2018).

Items #17 & 26 Department of Energy and Environmental Protection: Grants-in-aid or Loans to Municipalities for Acquisition of Land, Public Parks or Recreational and Water Quality Improvements & Office of Policy and Management: Urban Act (\$1,000,000 combined in previously allocated GO bonds)

Funds originally allocated in September 2018 for improvements to the track and the installation of field lighting at Hartford Public High School, will be used for replacement of the turf field at the same facility. Total project cost is estimated to be \$1,000,000.

Item #18 Department of Correction: Alterations, Renovations and Improvements to Existing State-Owned Buildings (\$200,508 in new GO bonds)

Funding of \$200,508 is requested to finance the department's share of a water line to three residences adjacent to the Brooklyn Correctional Institution due to contamination from parking lot runoff. Extending the utility water line to pick up the three residences allows disconnection from wells, solving the issue. The Department of Transportation is also contributing \$147,697 to a project for its adjacent commuter parking lot.

Item #19 Department of Administrative Services: Infrastructure Repairs and Improvements at State-owned Buildings (\$1,401,000 in new GO bonds)

These funds will finance environmental and technology improvements at state-owned and state-occupied facilities. These improvements will include access control systems, security turnstiles, burglar and duress alarms, visitor management systems, two-way audio/video intercom systems, garage and parking lot call-for-

aide “blue light” systems, as well as video surveillance cameras and recording equipment and the removal of an emergency fuel storage tank at Uncas on the Thames in Norwich.

Items #20 & 21 – See Item #5

Item #22 Department of Energy and Environmental Protection: Improving Energy Efficiency in State Buildings (\$1,000,000 in reallocated GO bonds)

The requested funding will be used to finance energy audits of larger state buildings in order to identify energy efficiency opportunities. Executive Order #1 signed in April 2019 sets a goal of reducing greenhouse gas emissions from state buildings by 34 percent by 2030, compared to 2014 levels.

Item #23 Department of Housing: Housing Trust Fund (\$7,518,307 in new GO bonds)

These funds are requested to finance grants-in-aids and loans for various housing projects and programs under the Housing Trust Fund as detailed below.

- A. (Hartford) Cityscape VII, 11 units – (\$1,067,307 grant-in-aid): According to an August 2018, press release from the previous administration, "DOH will provide a grant up to \$1,067,307 to Pope Park Zion, LLC (PPZ) for the seventh phase of its Cityscape Homes scattered-site project located in Hartford’s Frog Hollow neighborhood. This development will create homeownership opportunities as well as rental units. A total of eleven affordable housing units will be created through the substantial rehabilitation of existing properties. To date, PPZ has developed over 60 affordable homes as part of its Cityscape initiative. These units will reduce neighborhood blight, increase owner-occupied homeownership in the area, improve the municipal tax base, and encourage private investment."
- B. (New Haven) Hill-to-Downtown: 49 Prince Street, 30 units – (\$2,751,000 loan, 1% interest for a term of 40 years with principal deferred): according to the same press release, "DOH will provide a loan of approximately \$2,751,000 to RMS Downtown South-Hill North Development Company, LLC to assist in the adaptive reuse of the former Welch Annex School into 30 affordable units. The development will serve households with incomes at 25 percent, 50 percent, and 60 percent of the area-median income and will include studio, one bedroom, and two-bedroom units. The development is located within walking distance of Yale-New Haven Hospital and other commercial and retail businesses. The project is part of the Hill-to-Downtown Planning Initiative, a long-term action plan to encourage development in the area between Union Station and Yale-New Haven Hospital."
- C. (New Haven) Farnam Court 1, 94 units – (\$3,700,000 loan, 0% for a term of 45 years with payment due at maturity to the Glendower Group, Inc., an affiliate of the Housing Authority of New Haven (HANH). This project is part of a four-phased redevelopment of Farnam Courts public housing. 86 units will be restricted for households at 50% of the area median income.

Item #24 Department of Economic and Community Development: Manufacturing Assistance Act (MAA) (\$2,000,000 in new GO bonds)

The allocation will support the continuation of the Technology Talent Advisory Committee established under PA 16-3 MSS. The allocation will specifically fund training and education resources as determined by the Technology Talent Advisory Board to stimulate employment in targeted technology sectors.

Background: PA 16-3 MSS establishes the Technology Talent Advisory Committee in the Department of Economic and Community Development (DECD) to identify shortages of qualified employees in technology fields and develop programs to address those shortages.

The Technology Talent Advisory Committee is legislatively tasked with three actions:

1. Calculate the number of “software developers and other persons” (A) employed in tech-based fields where there is a shortage of qualified employees and (B) employed by businesses located in Connecticut as of December 31, 2016.
2. Develop pilot programs to recruit tech talent to Connecticut and train residents of the state in tech-based skills with the goal of increasing the number of skilled technology workers in the state.
3. Identify other tech industries where there is a shortage of qualified employees in this state.

The State Bond Commission previously allocated \$1 million toward this program at the September 2016 meeting.

Item #25 Department of Energy and Environmental Protection: Clean Water Fund (\$23,600,000 in new GO bonds)

These funds will be used to provide grants and low-interest loans to various municipalities, and/or public water systems, to assist with Clean Water Fund (CWF) project costs. Common uses of the funds include nitrogen control to restore the Long Island Sound, combined sewer overflow abatement, and phosphorus reduction in non-tidal surface waters. The Department of Energy and Environmental Protection (DEEP) will disburse funds to individual CWF projects that have met all statutory and administrative requirements as outlined in the currently adopted DEEP Priority List.

Item #26 – See Item #17

Item #27 Department of Housing: Housing Funds Consolidation (\$2,730,068 use of consolidated funds)

The consolidated funds come from, according to DOH, "a host of very old bond fund balances which had accumulated over time and were consolidated into a single account under Public Act 94-173."

These funds will be used to support a new agency initiative which is being developed as a result of direct input from community leaders. Towns have not yet been selected for participation, and the Department is currently developing outreach procedures. It is the agency's intent to offer all communities the opportunity to apply for one of the three uses for these funds:

1. grants-in-aid to municipalities to assist with preparation of affordable housing plans required by section 8-30j of the general statutes,
2. pre-transaction costs associated with the creation of new affordable housing on municipally-controlled sites, or
3. grants-in-aid to nonprofit housing corporations for capacity building.

Item 28 Office of Policy and Management: Small Town Economic Assistance Program (STEAP) (\$15,000,000 in new GO bonds)

STEAP funds are used for economic development, community conservation and quality of life projects for localities that are ineligible to receive Urban Action bonds.

Examples of projects that can be funded through this program include: 1) economic development projects such as constructing or rehabilitating buildings, or repairing roads; 2) recreation and solid waste disposal projects; 3) social service-related projects, including day care centers, elderly centers, domestic violence and emergency homeless shelters, multi-purpose human resource centers, and food distribution facilities; 4) housing projects; 5) pilot historic preservation and redevelopment programs that leverage private funds.

Municipalities can receive up to \$500,000 per year if: 1) they are not designated as a distressed municipality or a public investment community and 2) the state Plan of Conservation and Development does not show them as having a regional center. PA 05-194 allows an Urban Act Town that is not designated as a regional center under the State Plan of Conservation and Development to opt out of the Urban Action program and become a STEAP town for a period of four years.

Item #29 2019 Private Activity Bond Allocation Carry Forward Resolution

The state received a Private Activity Bond allocation of \$375 million for the 2019 calendar year. Of this total, \$288 million was issued, which leaves \$87 million available for the following carry forward. These funds would remain available to their respective programs for the next three calendar years.

Private Activity Bond Authorization and Allocation: The process through which private activity bonds are authorized and allocated is different than the process followed for General Obligation (GO) bonds or Special Tax Obligation (STO) bonds. PA 01-7 (June Special Session) amended CGS Sec. 32-141 to provide the following statutory allocation formula:

Statutory Percentages for Private Activity Bond Allocations	
Agency	Statutory Allocation
Connecticut Housing Finance Authority	60.0%
Connecticut Development Authority	12.5%
Municipalities, CT Higher Educational Supplemental Loan Authority, Clean Energy Finance and Investment Authority & contingencies	27.5%
TOTAL	100%

Background: Private Activity Bonds are revenue bonds issued by quasi-public authorities or municipalities that are not a state obligation because the quasi-public authority pays the debt service out of the bond's dedicated revenue stream. These bonds would normally be taxable except when they are used to finance projects that serve a significant public benefit, such as housing, economic development, student loans, and energy conservation. The state's annual PAB bonding capacity is determined by a federal formula based on state population. The State Bond Commission reallocates any unused PAB capacity at the end of each calendar year. The federal government classifies a bond as private activity if more than 10% of its proceeds are used by a private party (the quasi-public authority) and more than 10% of the debt service is backed by private resources.