

House Republican Press Release

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GOVERNOR RELL SIGNS LEGISLATION INTO LAW TO MAKE FUNDING AVAILABLE FOR AREA HOUSING PROJECTS



Legislation Co-Sponsored By Rep. Giegler

HARTFORD – On Thursday, July 26, Governor M. Jodi Rell signed legislation into law cosponsored by State Representative Janice Giegler, R-Danbury, that will make funding available for repairs and rehabilitation to certain area housing projects, including several in the greater Danbury area. Public Act 07-234 takes effect this month.

The legislation act requires the Connecticut Housing Finance Authority (CHFA) to use at least 10% of its annual private activity bond allocation for multifamily residential housing in calendar year 2008 and at least 15% in each subsequent year. By law, 60% of the private activity bonds that are issued must be allocated to CHFA. Housing projects in Danbury eligible for these funds include Crosby Manor, Glen Apartments and Mill Ridge.

“Municipalities have continually been challenged by a lack of adequate funding for capital improvements to their housing projects,” said Rep. Giegler. “With the shortage of affordable housing, these bonds will provide a means to rehabilitate existing housing structures and keep them in compliance with health and safety codes.”

Private activity bonds (also known as industrial development bonds) are issued by quasi-public authorities and municipalities. They are backed by the credit of private borrowers or pools of borrowers, who pay the bond debt service. Federal law exempts these bonds from federal tax if they are issued for tax-exempt sewage disposal, water, solid waste disposal, or local district heating and cooling facilities; qualified nonprofit corporation projects; manufacturing projects; or as qualified redevelopment bonds for tax-exempt facilities.