

OFFICE OF FISCAL ANALYSIS

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sSB-1084

AN ACT CONCERNING THE LOW-INCOME HOUSING TAX
CREDIT PROGRAM ADMINISTERED BY THE CONNECTICUT
HOUSING FINANCE AUTHORITY.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill, which makes changes to the federally funded Low Income Housing Tax Credit (LIHTC) Program, is not anticipated to have a fiscal impact.

LIHTC is administered in Connecticut by the Connecticut Housing Finance Authority (CHFA), a quasi-public agency. Among other things, the bill requires that developers under the program have at least five years of specialized experience. This is likely to reduce demand by excluding less experienced developers, but it is not anticipated to reduce the total amount of federal tax credits awarded, given the current demand.

In FY 22, CHFA received 15 applications requesting more than \$21 million in tax credits and awarded \$11.1 million in tax credits for 8 projects.¹

The Out Years

State Impact: None

¹ CHFA press release, April 28, 2022, *CHFA Awards \$11.1 Million in Federal Tax Credits for Affordable Housing Development.*

Municipal Impact: None