

Banking Committee JOINT FAVORABLE REPORT

Bill No.: SB-1084

AN ACT CONCERNING THE CONNECTICUT HOUSING FINANCE

Title: AUTHORITY MORTGAGE PROGRAMS.

Vote Date: 3/7/2023

Vote Action: Joint Favorable Substitute

PH Date: 3/2/2023

File No.:

***Disclaimer:** The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.*

SPONSORS OF BILL:

Banking Committee

REASONS FOR BILL:

Low and moderate income families are less able to afford to purchase homes.

Substitute language:

Removes sections 1-3.

RESPONSE FROM ADMINISTRATION/AGENCY:

[Seila Mosquera-Bruno, Commissioner, Department of Housing](#) submitted written testimony in opposition to the bill. She believes the goals of the bill are "well intentioned, the language of the current text raises serious concerns about the functionality of a number of the CHFA programs, and by extension, DOH's ability to work with them. Of particular concern are those proposed revisions in Section 4, regarding the federal Low Income Housing Tax Credit program. Some revisions would make the program more difficult, and costly, to administer, while others could inhibit the programs utility and ultimately reduce the amount of affordable housing produced."

[Nandini Natarajan, the Chief Executive Officer-Executive Director of the Connecticut Housing Finance Authority \(CHFA\)](#) submitted written testimony in opposition to the bill. She stated that she appreciates the goals of the bill, but she is "concerned about certain unintended consequences of the bill's current text and potential adverse impacts it could have on our ability to carry out our mission effectively. Many of our concerns pertain to Section 4 of the bill, which imposes various requirements on the federal Low Income Housing Tax Credit program that we administer on behalf of the state of Connecticut. Some of these additional

requirements are impractical, while others could impede the development of affordable housing in the state."

NATURE AND SOURCES OF SUPPORT:

[Jeff Gentes, Connecticut Fair Housing Center and Housing Clinic at Yale Law School](#) submitted written testimony in support of the bill.

[Allan Smith](#) submitted written testimony in support of this bill. He shared that for many low and moderate income families the largest barrier to purchasing a home are the down payment and closing costs. Mr. Smith stated that the "Time to Own" program gives "Connecticut first-time homeowners some assistance in their home purchase. It gives them immediate equity in the home, by buying down the loan (if not all of the funds are used for closing costs) and it phases out over time, rewarding people for staying in their home longer."

He stated that "A secondary positive of this program is that it gives first time home buyers a chance to compete fairly with cash or conventional loan buyers that would otherwise be the preferred offer if a buyer needs to ask for concessions from a seller (such as covering closing costs)."

NATURE AND SOURCES OF OPPOSITION:

See RESPONSE FROM ADMINISTRATION/AGENCY.

Reported by: Jeanie Phillips, Clerk

Date: March 8, 2023