

**Commerce Committee  
Public Hearing March 5, 2009  
Written Testimony Submitted by Diane Randall  
Partnership for Strong Communities**



Senator LeBeau, Representative Berger, Members of the Commerce Committee: Thank you for the opportunity to submit testimony on Raised Bill 1066, An Act Concerning Reorganization of the State Economic Development Agencies.

As director of the Partnership for Strong Communities, a statewide housing policy and advocacy organization, I will direct my comments to the portion of Raised Bill 1066 concerning housing programs.

We appreciate the intent of this bill—to create a more systematic and streamlined approach to economic and community development, including affordable housing development in Connecticut. While it is tempting to assume that consolidation of all functions in to one agency will resolve the delays, create a more coherent approach, and result in more affordable housing preservation and production, we don't believe that consolidation is the solution.

Connecticut's affordable housing problem requires imagination, financing and leadership. This leadership must occur at the federal, state and local levels; it demands that elected officials, governmental agency personnel, the financial industry, planning officials, developers and realtors all participate in solving the housing affordability problem for the people and the communities of our state. In fact, we believe that an aggressive stance to increase rental housing and modest homes for ownership that will attract and retain a workforce is required for our economic viability.

Fortunately, we have agency leadership at the Department of Economic and Community Development and the Connecticut Housing Finance Authority who understand the dimensions of the housing problem and the interrelatedness of housing to our economic welfare. Tim Bannon of CHFA and Joan McDonald of DECD have both the vision and the unity of purpose to effect change in Connecticut.

The most significant action the CT General Assembly can take this session on behalf of affordable housing is appropriating the capital financing necessary to leverage new federal resources. An allocation of \$50 million in each year of the biennium through the state's Housing Trust Fund can be put to immediate use to preserve and create construction jobs and support the industries related to housing development. Between CHFA and DECD, there is a pipeline to create or preserve over 1,000 units of affordable rental housing—well designed housing that is an asset to the neighborhoods where is located and that will be available to families and elderly and disabled people who are low income or who are at risk of homelessness. Reorganizing state housing functions will not

advance these projects; an infusion of capital and assertive leadership—both by government and private agencies—is necessary to achieve results.

In fact, DECD and CHFA do cooperate on many of the projects seeking financing support. In the coming years, this cooperation will become even more essential. DECD administers federal funds allocated by the U.S. Department of Housing and Community Development as well as the state's Housing Trust Fund and Flex programs. CHFA administers the Low Income Housing Tax Credit Program, the state's Housing Tax Credit Contribution Program and the Community Investment Act. Over the past two years, the two agencies have crafted a joint application for financing requests by developers. CHFA and DECD have demonstrated a renewed willingness to problem solve on behalf of their customers and to consider specialization by each agency in their cooperative investments to reduce waste of time and money. Agreement between the agencies is evolving in order to avoid duplication and streamline the underwriting processes, align data collection and analysis and monitoring and compliance demands; craft mutually agreed upon standards and definitions, and rating and ranking procedures, timeframes and to become more transparent in how business is conducted.

The legislature and the public you represent should expect and measure results of our housing agencies: the number of affordable housing units that are preserved or developed; the timeliness of processing applications; the number of individuals and families that are prevented from homelessness or assisted out of homelessness; the number of elderly citizens that have successfully maintained their independent living status with the help of resident service coordinators; or the number of households facing foreclosure who have restructured mortgages; the location of housing relative to transit and growing the workforce; the number of mixed income or mixed use projects created in village centers or downtowns; the improvements in the energy efficiency of housing stock that receive public investment. Undoubtedly, you can imagine other results you or your constituents expect.

The intent of the Commerce Committee—to improve the operations of economic and community development—is a very worthy objective, but I respectfully suggest that Raised Bill 1066 is not the best means to accomplish that goal. Rather, your leadership in appropriating the necessary state financing that will effectively leverage federal funds, that will preserve and create jobs through housing creation and that will result in much needed affordable housing is the best action you can take this session.

I would be happy to answer questions or talk to any member of the committee. I can be reached at 860/244-0066 or [Diane@ctpartnershiphousing.com](mailto:Diane@ctpartnershiphousing.com).

Thank you for your work to address Connecticut's housing affordability problems.