

**Statement of Timothy F. Bannon  
President-Executive Director  
CONNECTICUT HOUSING FINANCE AUTHORITY  
ON FEBRUARY 17, 2009  
BEFORE THE HOUSING COMMITTEE**

Chairman Green and Chairman Gomes, Members of the Housing Committee, I am Timothy F. Bannon, President-Executive Director of the Connecticut Housing Finance Authority (CHFA). I look forward to working with you on housing for Connecticut. In 1969, CHFA was created by legislation with the purpose of helping to alleviate the shortage of affordable housing for low- and moderate-income families and persons in Connecticut. CHFA is a self-sustaining, quasi-public organization, which uses its resources to provide below-market interest rate mortgages for single family homeownership and multifamily rental properties. Tax-exempt bonds are the primary source of mortgage capital for CHFA's housing programs.

I am here to speak on Proposed Bill 241 – “An Act Concerning the Policies of the Connecticut Housing Finance Authority Regarding Housing for Veterans,” and Proposed Bill 5548 – “An Act Concerning Priority for funding From the Connecticut Housing Finance Authority for Affordable Housing.”

**Proposed Bill 241, “An Act Concerning the Policies of the Connecticut Housing Finance Authority Regarding Housing for Veterans.”** CHFA supports veterans and creating housing for veterans, but we do not believe the specific measures called for in this bill are necessary to ensuring that serving the needs of veterans will continue to be prominent among our priorities.

Military veterans have played a critical role in our nation's defense and therefore have a special claim on their governments' – local, state and federal – support. Veterans also may bear special burdens in obtaining affordable housing in Connecticut. For these reasons, CHFA has had a consistent commitment to providing affordable housing opportunities to veterans in our state. Because of the history and strength of that commitment, we do not feel that it is necessary to add a member to CHFA's board who has specific experience in providing housing to veterans will enhance.

Let me share with you some of the programs and initiatives at CHFA that illustrate our organization's commitments to veterans.

CHFA provides financing to first-time homebuyers, including a program specifically for those currently enlisted in the military and for veterans. The Military Homeownership Program, established in October 2001 by CHFA in conjunction with the Connecticut Military Community Council, provides a reduced interest rate (1/8<sup>th</sup> percent below the CHFA Homebuyer Program rate) for borrowers who are currently serving in the US military whether Active Duty, Guard or reserve. To date CHFA has made 337 mortgage loans under this program.

In November 2007, CHFA worked with the Connecticut Department of Veteran's Affairs to modify this program to include veterans as eligible borrowers under the program, providing they were discharged other than dishonorably. In addition, the program was opened to an unmarried surviving spouse or civil union partner of an eligible veteran who died as a result of military service or service-connected disability.

CHFA worked with the Connecticut Department of Veteran's Affairs Office of Advocacy and Assistance to promote the Military Homeownership Program to veterans in the State and will continue this joint effort to promote the program.

In December, 2006, Congress passed the Tax Relief and Health Care Act, which modified the first-time homebuyer requirement for borrowers who are veterans and allowed for prior homeownership status to be eligible for a CHFA mortgage anywhere in Connecticut. CHFA issues Mortgage Revenue Bonds, and the proceeds on the sale of these bonds are used to make mortgages under our Homebuyer Mortgage Programs. Past provisions under these bonds restricted eligibility to first-time homebuyers or prior homeowners who have not had an interest in homeownership for the past 3 years.

Since 1993, the State of Connecticut has been active in implementing supportive housing through a unique collaboration of public and private organizations including OPM, CHFA, DECD, DMHAS, DSS, and the Corporation for Supportive Housing. Most recently, DCF has joined this collaborative effort to address the needs of homeless youth and young adults.

Supportive housing creates permanent, affordable service-supported housing opportunities for homeless individuals and families or those at risk of becoming homeless, particularly those experiencing repeated or persistent homelessness. Veterans are eligible to apply for a unit within a supportive housing development. Under the last funding round of the Next Steps initiative, proposals for supportive housing targeting veterans were submitted. Regardless of the status of the Next Steps program, we will be consistent and creative in finding ways to serve the housing needs of Connecticut's veterans.

**Proposed Bill 5548, "An Act Concerning Priority for funding From the Connecticut Housing Finance Authority for Affordable Housing."** CHFA believes that this legislation is not necessary, because the value of donated or below market value land already is recognized and given priority rating under the Low-Income Housing Tax Credit (LIHTC) Program through the Qualified Allocation Plan process for rating and ranking development proposals.

The LIHTC Program requires that CHFA issue a Qualified Allocation Plan (QAP) each year. The QAP establishes the selection criteria for housing development which are used to "rate and rank" applicants. As part of the rating and ranking process for this program, points are awarded for the appraised value of donated land, as well as for developments that are part of an approved municipal plan or Neighborhood Revitalization Zone.

Thank you for the opportunity to speak before you today. I would be happy to answer any questions that you may have.