

Honorable members of the Housing Committee, my name is Sharon Hallock and I am pleased to be here today to offer this testimony in support of the Urban Homesteading concept raised in Senate Bill 319.

I want to thank Representative Larry Butler for taking time to meet with us recently to discuss Urban Homesteading and I also want to thank the Housing Committee leadership for raising a bill for a public hearing to bring attention back to the concept of Urban Homesteading.

I have been the Executive Director of the Greater Waterbury Board of Realtors for over 30 years and have seen several cycles in real estate during this timeframe. As Realtors we would like to believe that increasing homeownership opportunities is a good thing. Sadly, many urban neighborhoods have seen homeownership levels all but disappear over the past few decades.

Once thriving communities have become blighted pockets of decaying structures that often lay perilously close to our downtown central business districts. The situation has grown critical over the past couple of years as banking institutions have all but shut down lending money to investors who traditionally have been buying multi-family homes in many of our core neighborhoods.

The Greater Waterbury Board of Realtors has a history of helping other housing agencies get started, such as the Waterbury Habitat for Humanities Chapter and the Waterbury Property Owners Association. Today, we are now helping the Ct Coalition for Urban Revitalization get off the ground and we support their objective to create Urban Homesteading Opportunities as a vehicle to stabilize neighborhoods.

We feel that we, as Realtors, can become active partners in this effort to restore neighborhoods through Urban Homesteading and we are willing to help promote this program to the public through our diverse network of business alliances.

Realtors will also be helpful in identifying potential program participants and see this as a great first step in stabilizing many neighborhoods that are in need of help throughout Connecticut.

Finally, real estate prices are at levels of affordability that we have not seen in 20 years or more. The time is right to begin expanding the concept of Urban Homesteading and as prices recover and start to increase in the future; this will also provide an additional benefit for the Urban Homesteaders, a bit of economic prosperity in addition to a decent and safe house that they call home.

I thank you for your time this afternoon and am submitting a copy of language that I would like to see included in any Homesteading program attached to this written testimony.

Sincerely,

Sharon Hallock
Submitted 3/4/2010

AN ACT CONCERNING AN URBAN HOMESTEADING PILOT PROGRAM.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1 (*effective July 1, 2010*) (a) The Connecticut Housing Finance Authority, in consultation with the Department of Economic and Community Development, shall establish a pilot program to promote the revitalization and stabilization of urban neighborhoods through the promotion of home ownership by persons who become owner-occupants of two- to four-family homes and the linkage to wrap-around support services to maximize the likelihood of their success in maintaining home ownership on a long-term basis.

(b) The program established by subsection (a) shall include the following elements:

(1) It shall be implemented in up to two municipalities that are recipients of grants under the federal Neighborhood Stabilization Program 1 pursuant to Title III of the Housing and Economic Recovery Act of 2008, or under the federal Neighborhood Stabilization Program 2 pursuant to the American Recovery and Reinvestment Act of 2009.

(3) The Connecticut Housing Finance Authority may administer the pilot program through one or more non-profit agencies.

(4) The program's goal shall be to increase home ownership in targeted neighborhoods with high proportions of two- to four-family buildings, with priority for buildings that are vacant, bank-owned, or investor-owned.

(5) The program shall assist in identifying resources to obtain site control over eligible buildings and to repair or rehabilitate such buildings as necessary for owner-occupancy. It shall explore incentives to lenders, including Community Reinvestment Act credit, to participate in the program.

(6) The program shall assist participants in the program in finding purchase financing and shall arrange for the provision of both pre-purchase and post-purchase counseling and assistance, including training in skills necessary to be an effective landlord and assistance in resolving problems that may arise post-purchase. The provision of support may be through community-based non-profit agencies or through other entities.

(7) The program shall encourage and recruit community stakeholders, such as local banks, local boards of realtors, neighborhood revitalization zone committees, other community groups and similar entities to provide active support for the pilot program.

(8) Persons participating in the program shall be required to agree to occupy the building as their primary residence for at least seven years. The program shall explore mortgage financing that makes loans partially forgivable upon compliance with this requirement. Priority may be given to persons who will become first-time homebuyers and to persons who are already living in a neighborhood that is being targeted by the pilot program.

(c) The Connecticut Housing Finance Authority shall establish the parameters of the program by October 1, 2010, and shall designate one or two municipalities to participate in the pilot program by January 1, 2011. It shall provide to the committee of the General Assembly with jurisdiction over housing matters a status report by February 1, 2011, an interim report by January 1, 2012, and a final report by January 1, 2013.

Statement of purpose: To establish a pilot program to promote owner occupancy in small multi-family buildings in areas of low homeownership.