

*Written Testimony submitted by
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On behalf of the membership of Conn-NAHRO*

Conn-NAHRO is the Connecticut chapter of the National Association of Housing and Redevelopment Officials; its membership is comprised of Public Housing Authorities and other individuals and organizations involved in affordable housing.

Members of the Committee:

The Governor's proposal to provide \$50 million in each year of biennium represents the first significant investment in affordable housing available to the state financed housing portfolio since 1989 when Governor Bill O'Neill proposed a capital budget that included \$125 million for housing.

Conn-NAHRO and its membership supports Governor Malloy's initiative to add more than \$330 Million to bolster affordable housing in the State of Connecticut. We support this proposal on behalf of the members and Public Housing Authorities whom we represent. We also support this proposal on behalf of the many families an elderly residents who currently reside in these units that are in need of renovation.

We support the Governor in his position that this funding is more than just preserving an economic asset for the State of Connecticut—it provides important economic stimulus for the State of Connecticut at a critical time in its economic recovery. This funding is going to provide jobs for Connecticut citizens who will be the ones making the renovations to this important asset called affordable housing.

Further, preserving affordable housing in our State is another economic message—businesses come to our State knowing that we have housing for all of the workers that a business venture will need. From administrative support staff to cafeteria workers to drivers and

others who are living at the middle and lower end of the wage scales, Connecticut has housing available for all of the workers that a business needs. That means our affordable housing stock is an economic asset in Connecticut's economic portfolio and one worthy of preservation.

From the perspective of Connecticut's Public Housing Authorities, due to the lack of funding, the housing has become increasingly difficult to maintain. It has caused regular increases in base rents which hit the poorest of the poor, just to obtain enough revenue to make ends meet. In these difficult economic times, as incomes fall, so does the rental income to the Authority. This infusion of resources could not come at a better time for all parties involved.

An example of the need for these resources is the Enfield Housing Authority, which recently had a comprehensive capital and physical needs assessment performed for its 456 units of housing. The report determined that the five-year capital needs for the Enfield Housing Authority's portfolio to be over \$5.5 Million. The need grows substantially to nearly \$8.6 Million in ten years and to over \$13.7 Million in twenty years.

The State financed portfolio does not receive any ongoing operating subsidy and/or capital improvement funding. Without an infusion of capital improvement funding, local housing authorities such as Enfield could be forced to drastically increase rental rates to low-income households.

Raising rents will also increase the needs for funding the State of Connecticut's Elderly Rental Assistance Payment (ERAP) program that assists many elderly residents and people with disabilities who cannot afford even the low base rental rates.

In Stratford, the Housing Authority has seen its state properties, which once were the flagship of its portfolio, now rank second to the federal

housing developments due to the capital dollars put into those properties over the past 15 years.

Congregate Housing provides the State of Connecticut with important, affordable housing for elderly residents. For over twenty years, it has enabled frail elderly of limited income in Connecticut to live independently and age in place. The support from the State of Connecticut Department of Economic and Community Development for this program has not only provided elderly the opportunity to live a life of dignity with minimal assistance, but has actually saved the State thousands of dollars per person per month versus the cost of Nursing Home Care.

We strongly recommend that the State government not only continue to subsidize Congregate Housing, but supplement the operational subsidy further to enable us to enhance our resident programs with improved additional in home medical, mental and physical care services. As mentioned previously, support for this Program not only improves the quality of our most disadvantaged residents, but actually saves the State money.

Conn-NAHRO and its members urge the Housing Committee and the Legislature to move forward with the Governor's proposal to preserve Connecticut's moderate and low-income housing as a valuable, economic asset in our State's portfolio of assets and as valued communities and neighborhoods to the families and elderly who are currently residing there.

Thank you.