



STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT

TESTIMONY PRESENTED TO THE HOUSING COMMITTEE
February 28, 2013

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Testimony Supporting Governor's Bill No. 6366 and No. 845

AN ACT CONCERNING THE ESTABLISHMENT OF THE DEPARTMENT OF HOUSING
AN ACT INCREASING ACCESS TO AFFORDABLE HOUSING

Senator Bartolomeo, Representative Butler, Senator McKinney, Representative Miller, and distinguished members of the Housing Committee, thank you for the opportunity to offer testimony on Governor's Bill No. 6366, AN ACT CONCERNING THE ESTABLISHMENT OF THE DEPARTMENT OF HOUSING and Governor's Bill No. 845, AN ACT INCREASING ACCESS TO AFFORDABLE HOUSING.

Governor's Bill No. 6366 implements the Governor's budget recommendations by transferring the relevant responsibilities, functions, and duties to the established Department of Housing from other state agencies. I strongly support this bill and its demonstration of our commitment to the housing needs of the residents of our state.

As you know, Public Act 12-1 of the June Special Session established the new Department of Housing as the lead agency for all matters relating to housing. This legislation also established the Interagency Council on Affordable Housing to advise and assist in the planning of the department and the development of strategies and recommendations for its implementation. This Council met a total of eight times between July 2012 and January 2013, producing a statutorily required report in mid-January that outlined recommendations concerning the programs to be transferred to the Department of Housing from the Departments of Economic and Community Development (DECD), Social Services (DSS), Mental Health and Addiction Services (DMHAS), and the Office of Policy and Management (OPM) and a timeline for implementation. The Council also recommended in its report that support services provided by state agencies with expertise working with sub-populations, such as individuals with mental illness, developmental disabilities, criminal offenders, etc.,

should not be transferred. Governor's Bill No. 6366 reflects the recommendations of the Council.

The time is right for Connecticut to implement the new Department of Housing. Governor Malloy has made clear that safe, affordable housing is essential to our future as a state and that when we invest in housing, we invest in people, communities and our economic future. Stable housing affects the quality of our neighborhoods, education of our children, health of our citizens and opportunity for individuals and families to live in thriving communities. Establishing a new, comprehensive Department of Housing with centralized leadership is the right thing to do and the smart thing to do for the future of Connecticut's communities and people.

We would also like to request an amendment to Governor's Bill No. 6366 that makes the following minor changes to the language:

- The added language beginning on line 1967 was inadvertently placed within the wrong section. This is a technical correction that will make it clear that DSS has the authority to give confidential information to the new Department of Housing to administer the renters' rebate program. On line 1973, we request the following language be added after "of Chapter 32": ", or (12) to any authorized representative of the Commissioner of Housing for the purpose of verifying whether an applicant for the renters rebate program established by section 12-170d, as amended by this act, is a recipient of cash assistance from the Department of Social Services and the amount of such assistance".
- On line 1707, we request the word "ninety" be replaced with "one hundred and twenty". Claimants of the rental rebate have been given additional time to submit applications pursuant to P.A. 12-69. This proposed change gives OPM additional time to process claims as well as time to adjust the availability of funds for payment of these claims in a timely fashion.
- On lines 429 to 432, we request that "(7) one member, appointed by the members specified in subdivisions (1) to (6), inclusive, of this subsection, who shall be a member of the Connecticut National Association of Housing and Redevelopment Officials;" is replaced with "(7) the president of the Connecticut Chapter of the National Association of Housing and Redevelopment Officials, or his or her designee;". This language was requested from Conn-NAHRO and identifies the president as the appointment instead of allowing the Council to choose the person from the organization who would be the appointment.
- Section 34 adds the Commissioner of Housing to the board of directors of CHFA. We request that this section be effective on passage rather than on July 1, 2013.

Governor's Bill No. 845 increases, from \$1.5 billion to \$2.25 billion, the aggregate amount of mortgage purchases and loans that the Connecticut Housing Finance Authority (CHFA) can make that are not insured or guaranteed by certain state and federal entities. I strongly support this bill, as it will allow CHFA to continue its significant contributions to the creation of affordable housing opportunities for both families and individuals in the state. CHFA is currently authorized to make commitments to purchase mortgages, provided the underlying mortgage loans are not directly or indirectly insured, in order to provide additional construction mortgages and permanent financing for housing in the state. Without an increase in the statutory cap, CHFA will be unable to go forward with this work. Both Commissioner Catherine Smith from DECD and President and Executive Director Eric Chatman from CHFA will present further testimony supporting this proposal.

I would like to again thank the Committee for the opportunity to present this testimony. I respectfully request the Committee support these bills and I will be happy to answer any questions you may have.