TESIMONY SUBMITTED TO THE JOINT COMMITTEES:

January 29, 2013

Eric Chatman, President & Executive Director

Connecticut Housing Finance Authority

Implementing the Report of the Interagency Council on Affordable Housing

Senator Harp, Representative Walker, Senator Bartolomeo, Representative Butler, Senator Slossberg, Representative Abercrombie, and members of the Appropriations, Housing, and Human Services Committees, my name is Eric Chatman, and I am President and Executive Director of the Connecticut Housing Finance Authority.

In 1969, the Connecticut Housing Finance Authority (CHFA) was created by legislation for the purpose to help alleviate the shortage of affordable housing for low-and moderate-income families and persons in Connecticut. At that time and in many instances today, the private market does not provide adequate financing to support the State's affordable housing needs. CHFA is a self-funded, quasi-public organization, which uses its resources to provide below-market interest rate mortgages to low to moderate income first time home buyers and multifamily affordable rental properties. Tax-exempt bonds are the primary source of funding for the Authority's housing programs. *Since its founding, CHFA has provided mortgage financing for nearly 130,000 first time homebuyers, and has financed the development of more than 35,000 affordable rental homes.*

I am offering testimony in strong support of the recommendations of the **Interagency Council on Affordable Housing**. As CHFA's representative on the Council, I appreciated the opportunity to participate in the Council, hear from experts in affordable housing, work with the other leaders in affordable housing in Connecticut and listen to the testimony of various stakeholders.

CHFA believes the recommendations contained in the report will position the new Department of Housing to accomplish the goals set forth by the Governor to provide leadership for the State's housing policy and to facilitate a coordinated implementation of the State's housing agenda.

I support the criteria and recommendations on which programs to be transferred to the new Department of Housing, keeping programs currently administered by CHFA in place. As a self-funded entity, with a AAA-bond rating that issues bonds to finance both single and multifamily home mortgages, CHFA programs are uniquely tied to their funding mechanisms. CHFA programs provide "hard" financing for projects, which must be repaid to meet obligations to bond holders, and these funds are frequently coupled with private sector financing. These programs operate effectively with staff that have extensive knowledge and training in specialized areas, as well as bringing established relationships with private sector partners who support our programs' success.

In the last two years, CHFA and DECD have built a strong working partnership with regard to allocating resources for the development and revitalization of affordable housing. CHFA's working relationship moving forward with the new Department of Housing will be even more effective to deliver high coordinated programs to support for the State's housing policy.

CHFA applauds the Governor and the General Assembly for the creation of the Department of Housing, which we believe will be well-positioned to deliver effective housing programs to the citizens of the State and carry out the Governor's vision.