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To: Members of the Appropriations Committee

Testimony Before: Appropriations Committee of the Connecticut Legislature
Public Hearing – January 29, 2013

COMMENTS: Interagency Council on Affordable Housing

Testimony by: Nancy L. Hadley, Executive Director, Mutual Housing Association of Southwestern Fairfield County.

Senator Harp, Representative Walker and members of the Committee, thank you for the opportunity to testify before you today regarding the Report of the Interagency Council on Affordable Housing.

My name is Nancy Hadley. I am the Executive Director of the Mutual Housing Association of Southwestern Connecticut. We are based in Fairfield County. MHA owns and self manages over 420 units of affordable housing for seniors, supportive and families. Our newest 51 unit affordable elderly housing development, Wilton Commons, will be opening in April, 2013.

I also served as Deputy Transportation Commissioner and Commissioner of Motor Vehicles under Governor Weicker; Assistant Housing Commissioner at the New York Division of Housing and Community Renewal and Vice President of NYS Housing Finance Agency's Housing Trust Fund Corporation under Governor Mario Cuomo. During the Weicker Administration, significant layoffs were in play during the income tax battles. As Motor Vehicles Commissioner, I recommended, along with my colleague, Emil Frankel, CDOT Commissioner, the merger of DMV and CDOT. In New York, we consolidated all of the housing programs which later became a totally merged Executive Department including the N.Y. Housing Finance Agency and State of New York Mortgage Agency. That merger took over twenty years to implement.

I have read the report by the Interagency Council on Affordable Housing and complement Chairwoman Anne Foley and the members of the Council on the thoroughness of their recommendations. I also complement Governor Malloy and the Legislature for their foresight and dedication to the provide capital and operating resources for affordable housing. These new resources need to be managed in an efficient manner. The executive and legislative importance of elevating affordable housing to a commissioner status cannot be understated. However, I am also a realist given my internal history of managing state programs with insufficient resources.

Given Connecticut's sluggish recovery from the economic crisis of the last four years and the dire predictions for Connecticut's budget for the next few years, it is clear that Connecticut needs to weigh each expenditure carefully. Layoffs are not out of the question forcing the state workforce to do even more with less. Leverage with the Low Income Housing Tax Credits, New Market Tax Credits and hopefully the resources of the E.B.-5 program will force the applicants and the state staff to piece together funding from several state sources that are not included in the Report, especially for the mixed use, complicated urban deals.

In this vein I would take the recommendations of the Report and incorporate them all within the original recommendation of an Office of Housing under DECD. Modify the authority the legislature gave the DECD Commissioner to Chair the CHFA, CDA and CII Boards to give the a new

DECD Deputy Commissioner/ Director of Housing the responsibilities to chair the CHFA Board and sit on the CDA Board so that the connection to the New Market Tax Credits and new EB-5 program are clear. Keep the backroom of DECD as the backroom for the Office of Housing. I just do not see sufficient State resources in the operating budget to support a new Commissioner's office and the relating supports such as communications, legislative liaison, finance, accounting, procurement, contracts et al. Back in the 90's when we proposed the merger of DMV and CDOT, we saw significant savings in these areas. In a tight budget environment, every penny counts; every non-redundant process step needs to be eliminated, and staff needs to be empowered to work in the most efficient manner.

Again, I want to stress, the meat of the Interagency Report is solid; all of it. I just do not believe the current state of Connecticut's fiscal house can support creating a new State department. If you were merging CHFA, CDA and DECD with the rental assistance components of DSS into one entity using the best resources of the tax exempt environment with the state operating budget resources, that would parallel the New York State model. However, that is not the case here and Connecticut doesn't have ten-twenty years to make that merger work.

Connecticut's economic recovery still has several years to run therefore sufficient revenue will not be there. Very hard decisions will have to be made by your Committee. In my opinion, having two understaffed and overworked Executive Agencies is not in the best interests of the citizens of the State including the affordable housing community.