

***TESTIMONY SUBMITTED TO THE PLANNING and DEVELOPMENT COMMITTEE
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Senator Osten, Representative Rojas and members of the Planning and Development Committee, my name is Eric Chatman, President-Executive Director of the Connecticut Housing Finance Authority (CHFA). On behalf of CHFA, I am providing my comments on legislation before the Planning and Development Committee.

Raised Bill 436 An Act Concerning Tax Abatements To Encourage Mixed-Income Development

The bill would authorize municipalities to provide tax abatements for housing developments in which at least twenty per cent of the dwelling units are designated for low or moderate-income persons or families. CHFA supports this legislation.

Property tax abatement is a tool that towns can use to support affordable housing. Many of the State's financed developments and CHFA's property include some percentage of market rate housing in addition to affordable units, as a matter of State policy to create mixed-income development. Those properties still experience lower revenue and less ability to pay property taxes, particularly in neighborhoods most in need of reinvestment. Affording towns and cities the flexibility to offer abatements will support these developments, potentially keeping rents lower and improving the reinvestment of the properties and performance of the mortgages.

Thank you for the opportunity to provide this testimony to the Planning and Development Committee.