



Dannel P. Malloy
Governor

STATE OF CONNECTICUT
DEPARTMENT OF HOUSING



Evonne M. Klein
Commissioner

**TESTIMONY PRESENTED BEFORE THE EXECUTIVE AND LEGISLATIVE NOMINATIONS
COMMITTEE**

February 11, 2015

Evonne M. Klein, Commissioner
Department of Housing

Good afternoon Senator Duff, Representative Janowski and members of the Executive and Legislative Nominations Committee. It is truly an honor and a privilege to have served and to be re-nominated by Governor Malloy to serve the residents of Connecticut as the Commissioner of Housing.

The past 23 months have been a time of challenge and excitement as we began the process of implementing a much needed change in policy and procedures to expand affordable housing opportunities for Connecticut residents across the state. When I came before your committee 2 years ago, we were on the verge of changing the affordable housing landscape. And, fresh in my memory was a Connecticut where the funding for housing was scarce and it seemed the only available resource to build affordable housing was through the 9% Low Income Housing Tax Credit program.

Under Governor Malloy and with the support of the legislature, we now have a very different Connecticut. During the past two years, the Department of Housing (DOH) together with the Connecticut Housing Finance Authority (CHFA), for which I am chairman, have completed 2442 units of affordable housing, or to say it another way we have produced 2442 affordable homes. We now have approximately 2700 affordable units under construction and have financial commitments in place to fund just over 7200 additional units.

Strong outreach and technical assistance efforts as well as improved processes, such as a streamlined application process and a predictable schedule of our capital funding rounds, have led to an influx in interest and applications for DOH's highly competitive funding initiatives. For example, we received 27 applications, totaling \$105 million in requests, during one of our recent \$25 million capital rounds. Yet, even with our successes, there remains much more work to be done.

What we know is that 30 percent of renters pay more than 50 percent of their income on housing. After childcare, housing is the highest expense for working families in Connecticut. While several urban areas continue to have a high concentration of poverty, many suburban towns remain reluctant to produce affordable housing. The department is working hard to change the culture within these communities so that low- and moderate- income individuals and families can live in safe, decent, affordable housing with access to employment opportunities and a quality education for their children.

We have traveled around the state introducing municipal leaders to the new department and encouraging towns with limited affordable housing to adopt inclusionary zoning regulations and to participate in our Incentive Housing Zone program, acknowledging that local zoning and planning are vital to meeting the state's housing and affordability needs.

We are also drafting model zoning ordinances, in partnership with the Connecticut Fair Housing Center, to educate municipalities on how they can create vibrant, diverse communities through zoning. In addition, we are assisting urban areas and their residents by funding several programs that create affordable homeownership opportunities that often include renovating blighted properties, with another \$30 million homeownership round this spring.

The department is also committed to assisting our state's most vulnerable residents – those who are homeless or at risk of becoming homeless. In collaboration with advocates and providers, the department spearheaded the creation of eight regional coordinated access networks to address homelessness statewide. The goal of this Coordinated Access system is to break down the silos that exist in the homeless service system and to better share resources in order to move individuals and families out of homelessness more rapidly. The early results of Coordinated Access in Connecticut are promising, with some areas in the state already seeing decreases in the amount of time an individual or family is homeless.

Combining department resources, we recently required our development funding applicants to set a preference for homeless veterans for at least two of their proposed units, supporting this effort with the allocation of 30 rental assistance vouchers. This is just one example of DOH helping lead the effort to achieve Governor Malloy's goal of ending veterans' homelessness in the state by the end of this year.

DOH further assisted this at-risk population by funding 93 affordable rental units with 51 apartments set aside for homeless veterans and child-welfare involved families, in conjunction with our partners on the Interagency Committee on Supportive Housing. We also held a special priorities funding round that granted capital and rental assistance funding to programs and projects that achieved one of three goals, including contributing to ending homelessness. In addition to creating new funding opportunities, we are overhauling existing programs, such as rebidding our Emergency Shelter Services and Emergency Solutions Grant Program contracts (which had not gone out for bid in 30 years) to ensure a more functional homeless shelter system.

Working with CHFA, DOH is implementing the Governor's \$300 million plan to revitalize and preserve the more than 340 properties in the State-Sponsored Housing Portfolio. These investments, which are enhancing the sustainability and energy efficiency of these properties, are greatly improving the quality of life for residents. We are in year 3 and are working closely with property owners to get them ready for this rehab. This is an incredibly important initiative as many of our housing authority properties are home to the lowest income individuals and families.

As Chair of the CHFA Board of Directors we are entering an exciting time of change and progress in the organization. As CHFA continues to improve their processes and look for efficiencies, staff continues to work to become more user friendly and customer service oriented. With the formation of DOH, CHFA has adapted to working more closely with the department, but we continue to improve this relationship and to find new ways of sharing resources.

DOH is also proud to be administering the Community Development Block Grant –Disaster Recovery (CDBG-DR) program through a dedicated durational staff of 15. As you know this is the federally funded recovery program to assist individuals affected by Superstorm Sandy. The program has received 932 applications. Approximately 40 percent of the projects have been placed out to bid. There are 13 percent of the projects under construction and 6 percent complete. The department set the priorities of the program to protect homeowners, taxpayers, and the State of Connecticut from fraud and abuse. To that end, we have prequalified contractors to work with homeowners from plan development through construction and we pay the contractors directly. In doing so we have prevented millions of dollars from going to homeowners who didn't incur damage from the hurricane or whose homes that were damaged were not their primary residences.

Because there are limitations to the use of CDBG-DR funds the Governor wanted to assist homeowners who did not qualify for CDBG-DR so he created a shoreline resiliency fund called Shore Up CT. This DOH-established program assists shoreline owners interested in protecting their homes and businesses from future storms through a \$25 million fund that provides low-interest loans to property owners in coastal municipalities for property elevations and flood protection activities.

DOH's programs enable the provision of the full spectrum of housing options from emergency shelters, transitional living programs, to permanent supportive housing, affordable rental housing, and affordable

homeownership. We fund a free rental housing locator service and manage a must answer information & referral line for state residents seeking assistance from one of the department's support programs or with their unique housing problems. While it is our capital funding rounds that receive the most attention, we are proud to be assisting individuals and families with maintaining and improving their housing through our support programs such as the rental subsidy programs, security deposit guarantee program, eviction and foreclosure prevention program, and homeowner rehabilitation programs.

In the interest of the committee's time, I will not list all of the department's many achievements and responsibilities. Suffice it to say, I am honored to lead this small department that has accomplished so much in 2 short years. Our policies, programs and procedures reflect the housing needs of Connecticut today. We are doing what we need to be doing as a department and as leaders in the state – asking the necessary questions of our staff, advocates and the broader community; taking a critical look at the “way we have always done things” and pulling together to further our vision and our mission and simply said to create a Connecticut where everyone has a place to call home.