West Hartford Housing Authority

memo

TO: **Cathy Branch Stebbins, Executive Director, Conn-NAHRO**
FROM: **George Howell, CEO**
DATE: **February 26, 2016**
RE: **Statement Regarding Senate Bill 155**

Please regard this statement as my expression of concern relative to SB 155, AN ACT CONCERNING THE ALLOCATION OF LOW INCOME HOUSING TAX CREDITS.

The Act as presented *requires (1) Feasible nonage-restricted proposals in high or very high opportunity areas shall be given priority consideration for at least sixty per cent of such credits; and (2) feasible catalytic proposals in very low, low or moderate opportunity areas, including Qualified Census Tracts shall be given priority consideration for at least twenty-five per cent of such credits.*

My concern follows:

> Legislating this requirement is not only counter-productive to the production of Low Income Housing, but it is counter to the historic approach to "awarding" Low Income Housing Tax Credits (LIHTC). CHFA (Connecticut Housing Finance Authority) annually prepare a QAP (Qualified Annual Plan) which **(by policy not legislation)** presents a scoring mechanism for the eventual award of LIHTC. CHFA provides numerous opportunities for comment on the proposed QAP. This is a fair and equitable manner for addressing specific areas of concern such as priority for "opportunity areas". This Act instead legislates that 60% of LIHTC **SHALL** be allocated to opportunity areas. The allocation of LIHTC is a public policy...not a LAW. The allocation of LIHTC should, must, remain policy NOT law. Following current practice and public policy, the recognition of "Opportunity Areas" should be addressed under the QAP within the scoring system.

I urge the Committee to reject the proposed Senate Bill 155, AN ACT CONCERNING THE ALLOCATION OF LOW INCOME HOUSING TAX CREDITS.

Thank you for your consideration and your attention.