PARTNERSHIP FOR STRONG COMMUNITIES

Partnership for Strong Communities promotes equitable change in Connecticut housing policy by coordinating advocacy, advancing research, and uniting diverse partners

TESTIMONY BEFORE THE FINANCE, REVENUE, AND BONDING COMMITTEE
PUBLIC HEARING AGENDA
PARTNERSHIP FOR STRONG COMMUNITIES
WEDNESDAY FEBRUARY 26, 2025

Senator Fonfara, Representative Horn, Senator Fazio, Representative Polletta, and distinguished members of the Finance, Revenue, and Bonding Committee, thank you for the opportunity to submit testimony on SB 1247, "*An Act Authorizing and Adjusting Bonds of the State*". I am Alysha Gardner, Senior Policy Analyst with the Partnership for Strong Communities. We are a statewide nonprofit research, policy and advocacy organization dedicated to ensuring everyone in Connecticut has a safe, stable home that is affordable to them in an equitable community of their choice.

We respectfully request that the committee support the Governor's bond recommendations for the Department of Housing in SB 1247:

We greatly appreciate the Governor's ongoing commitment of state bonding to preserve and create new homes. The Governor's budget proposes $800M in new authorizations over the biennium, investing in housing creation through the Housing Trust Fund (HTF) and the Affordable Housing Program (FLEX) as well as homeownership opportunities through the Time to Own Program. **The deepest need remains among renter households earning less than 30% of Area Median Income (AMI);** therefore, we recommend the committee consider **amending the bond package to include a $150M set aside each year in the FLEX fund for homes affordable to Extremely Low Income (ELI) Renters**.

To ensure sufficient funds for the construction of new homes available to renters at the full range of the income spectrum, the Partnership proposes $900M in total new bond authorizations—including $400M for the Housing Trust Fund (HTF) and $500M for the Affordable Housing Program (FLEX), with $300M dedicated to homes affordable to Extremely Low Income (ELI) renters (households below 30% area median income).

The Governor's budget approaches this, with $800M in proposed new authorizations over the biennium — including $650M for HTF and FLEX with an increased focus on FLEX program (targeting units for households below 100% AMI). The administration has maintained its

commitment to historically high levels of bonding investment from the previous biennium in the current budget, and the Department of Housing has demonstrated their ability to successfully implement these programs with a matching increase in allocations in the biennium.

The Governor's proposed budget includes set-asides for programs that target middle-income households, but we do not see a commensurate prioritization of subsidies for deeply affordable housing accessible to those at 30% or below Area Median Income. Proposed investments in the Housing Trust Fund include set-asides for the Build for CT Program, which targets moderate income households making 60-120% of Area Media Income (AMI). Proposed investments in the Time to Own program also follow this pattern, where roughly half of households served to date are above 60% of State Median Income (SMI). **While Connecticut needs more homes for all income levels, limited state resources should be prioritized to create homes affordable to those who could otherwise never afford a home – those with the lowest incomes and greatest vulnerability.**

Connecticut is short 63,918 units of housing affordable to extremely low-income (ELI) renters, defined as those making 30% or less of Area Median Income**. Lack of affordable and available housing has culminated in a statewide housing crisis where employed individuals are living in shelters because, despite working and earning money, they cannot afford housing**. Individual's rental assistance vouchers are expiring while they are in the shelter because, despite holding a voucher, they are not able to find a home. According to the annual Point in Time Count, there was a 13% increase in homelessness in Connecticut this past year, and half of this increase is driven by children and adults over the age of 55. There is a widespread, immediate need for deeply affordable housing in this state.

Therefore, we recommend:

1. **$250M each year in the Affordable Housing Program (FLEX) with $150M set aside for homes affordable to Extremely Low Income (ELI) Renters**
2. **$200M each year in the Housing Trust Fund**

This $900M adjustment to the Governor's bonding proposal continues to build on administrative and legislative momentum by **matching the 2024-2025 investments** in housing bond authorization while **targeting subsidies to the areas of highest need**.

Deeply affordable housing is a necessary foundation for our economy. When we invest in deeply affordable housing, Connecticut residents rise to the occasion by paying this investment forward – investing in their careers, in their education, in the next generation, and in their communities.

Thank you for the opportunity to submit this testimony.

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