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 BANKING COMMITTEE**
**PUBLIC HEARING AGENDA**
**PARTNERSHIP FOR STRONG COMMUNITIES**
**THURSDAY, FEBRUARY 27, 2025**

Representative Doucette, Senator Miller, Representative Delnicki, Senator Berthel and distinguished members of the Banking Committee, thank you for the opportunity to submit testimony today. 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 **HB 6992 – AN ACT ESTABLISHING THE HOMES FOR CT LOAN PROGRAM.**

The proposed Homes for CT Program, as currently described, would work in partnership with the private sector by providing a financial backstop for developers looking to create more affordable housing units that are financially sound, but may be unable to meet strict loan-to-value requirements given the current cost of housing inputs. Connecticut has severely underbuilt in the past two decades, driving up prices and leaving a gap of over 90,000 homes available to extremely low income (ELI) households. This program would provide security for private lenders to partner with homebuilders in the creation of market-rate housing designed to be affordable and accessible to more Connecticut families.

There are stark racial, geographical, and socioeconomic differences between those who rent and those who own in the state of Connecticut. While 74% of all white Connecticut residents own their own home, only 45% of black residents and 41% of Hispanic residents are homeowners[1]. The creation of affordably sized and priced homes can reduce racial and socioeconomic segregation in our state.

We respectfully recommend the committee modify the current bill to enable better affordability targeting for the Homes for CT program. Such modifications may include:

[1] National Association of Realtors, Housing Statistics for the 118th Congress - Connecticut

- Allowing CHFA to design appropriate income restriction qualifications for the program, thereby avoiding the challenges of limiting prospective buyers by restricting the eligibility pool to those already participating in CHFA programs;
- Require construction of homes that are right-sized to the purchasing power of targeted homebuyers, including the ability to consider duplexes, townhomes, and condos as eligible unit types for "starter homes";
- Allow for the rehabilitation of CT's existing aging housing stock into safe, quality housing for new homebuyers.

Thank you for the opportunity to submit this testimony.

**Alysha Gardner**
**Senior Policy Analyst**
Partnership for Strong Communities