

The Connecticut General Assembly



For Immediate Release
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Lawmakers, Treasurer Call Housing Essential for Sound Economy *Realtors, Mortgage Bankers, Developers, Oppose Cuts*

HARTFORD – State Senator Eric Coleman and State Representative Ken Green, Co-Chairs of the Select Committee on Housing, were joined today by State Treasurer Denise Nappier and a host of mortgage bankers, realtors, and developers in a uniform call to fund housing development and to maintain tax credit programs.

Speaking at a press conference today, they collectively called on the legislature to 1.) authorize general obligation bond funds in the amounts of \$25 million in the coming fiscal year (2004) and \$40 million in the following fiscal year (2005) and 2.) maintain the Housing Tax Credit Contribution Program and Historic Homes Rehabilitation Tax Credit and 3.) preserve Connecticut Housing Finance Authority reserves for housing.

“We are here today to sound an alarm regarding the governor’s budget proposal that would not only make it more difficult to develop affordable housing but would also make it more difficult for perspective first time homeowners to achieve the dream of homeownership,” said **Senator Coleman**.

“This budget proposal is wrong not simply because it highlights the lack of housing as a priority but additionally because this proposal has far reaching negative implications for CHFA, the housing industry and the overall Connecticut economy,” said **Senator Coleman**.

“I’m very disappointed and outraged at the direction we’re going around housing in the state of Connecticut,” said **Rep. Green**. “We should not be reducing funds to

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provide affordable housing, instead we should be increasing. It is my intention to make the community aware that housing is a very important part of the development of any community, and everyone should have an opportunity to live in a safe neighborhood and decent housing.”

“The governor’s proposal to take an additional \$80 million from CHFA (Connecticut Housing Finance Authority) over the next two fiscal years will significantly compromise the authority’s ability to meet its mission of providing housing opportunities for low and moderate income families,” said **State Treasurer Nappier**.

Nappier said the risk of the administration’s CHFA proposal is that “the credit rating agencies will likely downgrade CHFA’s bond rating and cost the authority ... more money through higher interest rates.”

“The governor’s budget proposal eliminates resources that are vital to housing and community development. Without these resources, it will be impossible to sustain production activity at a level that can meet the needs of our communities,” said **Andrea Pereira, executive director of Local Initiatives Support Corporation (LISC)**. “These cuts will likely hurt our economy and our quality of life.”

Representing the Connecticut Association of Realtors, **Joseph Stafford** said any budget solution must comply with constitutional spending limits, “however, we urge that Connecticut’s housing needs be given a preferred place among budget priorities.”

Agreeing with Nappier, **Staffard said**, “We fear (the \$80 million transfer) will hurt CHFA’s bond rating and reduce its capacity to help first-time homebuyers.”

The proposed cuts would affect the following programs. **Details are contained in the package.**

- Authorize \$25 million in FY '04 and \$40 million in FY '05 in G.O. Bond Funds for Affordable Housing.
- Maintain the Housing Tax Credit Contribution Program and Historic Homes Rehabilitation Tax Credit.
- Preserve Housing Reserves at CHFA for Housing.

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