

Banking Committee JOINT FAVORABLE REPORT

Bill No.: HB-6992

Title: AN ACT ESTABLISHING THE HOMES FOR CT LOAN PROGRAM.

Vote Date: 3/6/2025

Vote Action: Joint Favorable

PH Date: 2/27/2025

File No.:

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SPONSORS OF BILL:

The Banking Committee

REASONS FOR BILL:

This legislation seeks to incentivize the construction of starter homes in Connecticut. Given high home prices, it is difficult for young prospective homeowners to purchase their first home. The Homes for CT loan program aims to assist individuals in buying their first home, encouraging them to live and remain in the state.

RESPONSE FROM ADMINISTRATION/AGENCY:

None Expressed

NATURE AND SOURCES OF SUPPORT:

Thomas Mongellow, Connecticut Bankers Association, President & CEO: He stated that the bill's purpose is to lower the prices of entry-level homes, noting that innovative measures like this are essential for expanding housing opportunities, supporting economic growth, and ensuring greater access to homeownership. He also emphasized that a stable supply of starter homes could help stabilize rising housing costs.

Jim Perras Home Builders & Remodelers Association of CT, CEO: He praised the financial incentives provided by this bill and listed several key benefits, including expanded access to financing for homebuyers, a boost to housing supply and economic growth, and the addressing of affordability and homeownership barriers. He also proposed multiple amendments to the bill, including clarification of line 88, the allocation of funds for the rehabilitation of dilapidated structures in line 113, and specifications on loan guarantees in line 147, as well as the establishment of a cap on collection fees.

Pete Myers, Connecticut Business & Industry Association, Senior Public Policy

Associate: He expressed that, due to rising housing costs, families are being forced to forgo homeownership near their places of employment. He explained that this leads to long commutes, relocation out of state, and, in some cases, abandoning the idea of owning a home altogether.

Jennifer Dayton, League of Women Voters of Connecticut, Legislative Specialist:

She stated the necessity of producing affordable housing and emphasized that both banks and borrowers should be provided with commercially reasonable loans. He then referred to the importance of monitoring the CHFA portal to ensure proper oversight.

Jim Heckman, Connecticut Realtors, General Counsel: He stated that this bill would create a partnership between participating lenders, the state, and the CHFA to support homeownership. He explained that there are many prospective homebuyers in Connecticut, and initiatives like this legislation will help address the demand for more affordable housing options.

Alysha Gardner, The Partnership-PSC, Senior Policy Analyst: She recognized the relationship between the Homes for CT program and the private sector, noting that Connecticut's housing market is severely underbuilt, with a gap of over 90,000 homes driving up prices. She proposed several amendments, including setting appropriate income restrictions, establishing clear home construction requirements, and allowing for the rehabilitation of existing structures.

Kenneth Mita, Central CT Construction Management, Owner: He stated that young prospective homebuyers face significant challenges in the current housing market, particularly due to affordability. He explained that rising costs for new construction, materials, buildable land, and zoning have all contributed to this issue. However, he emphasized that this bill, which would provide essential financial support, aims to promote homeownership for younger buyers and families in Connecticut. He also claimed that Connecticut needs 110,000 new units to meet demand, and that the Homes for Connecticut program will incentivize developers to build these units.

Carey Shea, Neighborhood Homes Investment Coalition, Co-Founder: She stated that she would like multiple amendments added to the bill, including a recommendation that homebuyers be households earning less than 140% of the area median income, based on household size. She also expressed the need for clearer criteria for such developments, recommending that the rehabilitation of existing housing for sale should be granted based on eligibility.

NATURE AND SOURCES OF OPPOSITION:

None Expressed

Reported by: Tucker Carroll

Date: 03/11/2025