

**TESTIMONY OF NANDINI NATARAJAN  
CHIEF EXECUTIVE OFFICER-EXECUTIVE DIRECTOR  
CONNECTICUT HOUSING FINANCE AUTHORITY  
ON APRIL 3, 2025**

**TESTIMONY BEFORE THE GENERAL BONDING SUBCOMMITTEE**

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Senator Miller, Representative Napoli, Senator Hwang, Representative Piscopo, and the distinguished members of the General Bonding Subcommittee. I am Nandini Natarajan, the Chief Executive Officer-Executive Director of the Connecticut Housing Finance Authority (CHFA). Thank you for the opportunity to provide testimony in support of the bonding requests in the Governor's FY26 - FY27 capital budget.

CHFA was created in 1969 by the State Legislature to help alleviate the shortage of affordable housing for low- and moderate-income families and persons in Connecticut. We are a quasi-public authority that issues federally tax-exempt mortgage revenue bonds to finance affordable mortgages for low- and moderate-income, first-time homebuyers and to fund the construction, renovation, and extended affordability of rental apartments.

With \$300 million for the Housing Trust Fund (HTF) and \$400 million for the Affordable Housing Program (Flex), the Governor's biennial capital budget promises to continue the state's historic investments to address the shortage of affordable housing in Connecticut. While the Department of Housing (DOH) oversees both HTF and Flex, the two programs provide critical support for the various multifamily affordable rental developments that CHFA finances through its administration of the federal Low-Income Housing Tax Credit program. HTF and Flex also support the redevelopment of units in the CHFA-administered State-Sponsored Housing Portfolio, which provides housing for low-income, elderly, and disabled residents.

Included in the Governor's \$300 million HTF request is \$130 million for the Build For CT program, which is a collaborative housing initiative between DOH and CHFA. This program's innovative financing structure provides low-interest subordinate loans to market-rate developments that designate at least 20% of their units for middle-income renters, promoting economic diversity and housing opportunity across Connecticut. Since its launch in late 2023, Build For CT has played a vital role in addressing the state's housing shortage by supporting the creation of more than 2,250 new rental units as of March 24, 2025. Of these, 575 units have been reserved for middle-income households, defined as those earning between 60% and 120% of Area Median Income (AMI). With the \$130 million proposed in the Governor's budget, we estimate that Build For CT will be able to create about 1,040 additional middle-income units.

In addition to authorizations for HTF and Flex, the Governor's biennial budget includes \$100 million across the biennium for the Time To Own (TTO) program. This program, which CHFA administers on behalf of DOH, helps alleviate potential homebuyers' inability to cover the down payment and closing costs required to purchase their first home. Working in conjunction with CHFA's first mortgage programs, TTO provides zero percent forgivable loans of up to \$25,000 to eligible homebuyers for down payment assistance with ten percent of the principal balance forgiven annually. TTO, which started in June 2022, has reserved \$184 million for 6,250 first-time homebuyers as of March 24, 2025. Given that program funds are beginning to run short, additional bonding support for TTO is critical to maintain the success of the program. With the \$100 million recommended in the Governor's budget, we estimate that we will be able to assist more than 4,000 homebuyers in purchasing their first homes.

Only with continued financial support from the state will we be able to tackle the housing shortage we are experiencing here in Connecticut. The Governor's bonding requests make the investments necessary to increase housing supply and to help first-time homebuyers achieve the American dream of homeownership. As a result, I urge you to support the Governor's FY26-FY27 capital budget.