



**TESTIMONY OF NANDINI NATARAJAN
CHIEF EXECUTIVE OFFICER-EXECUTIVE DIRECTOR
CONNECTICUT HOUSING FINANCE AUTHORITY
ON MARCH 18, 2026**

TESTIMONY BEFORE THE GENERAL BONDING SUBCOMMITTEE

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 Governor's 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.

By maintaining the \$150 million for the Housing Trust Fund (HTF) and the \$200 million for the Affordable Housing Program (Flex) from last year's biennial budget, the Governor's FY27 capital budget continues 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, these two programs provide critical support for the multifamily affordable rental developments financed by CHFA through its administration of the federal Low-Income Housing Tax Credit program. HTF and Flex also fund the redevelopment of units in the CHFA-administered State-Sponsored Housing Portfolio, which provides housing for low-income, elderly, and disabled residents.

Importantly, HTF also supports the Build For CT program, 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 3,175 new rental units as of January 31, 2026. Of these, 894 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 in Build For CT funding across the biennium maintained in the Governor's latest capital budget, we estimate that the program will be able to create about 1,040 additional middle-income units.

In addition to the proposed bond authorizations for HTF and Flex, the Governor's FY27 capital budget also maintains \$60 million for the Time To Own (TTO) program. This program, which CHFA administers on behalf of DOH, helps to address 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 launched in June 2022, has closed about 8,400 loans totaling over \$235 million and has reserved approximately 120 additional loans worth about \$3 million as of January 31, 2026. With the \$60 million in the Governor's FY27 capital budget, we estimate that we will be able to assist about 2,500 homebuyers in purchasing their first homes.

There are a couple of other matters we would like to address. With respect to the Homes For CT program, we have had several conversations with lenders – many of whom have established relationships with CHFA through the Build For CT program – as well as with single-family home builders. Based on those conversations, we have been working with Representative Doucette and the Banking Committee on House Bill 5314 to make some modifications to the program that could make it more attractive to lenders and developers. With some improvements to Homes For CT, we are hopeful that the program can be used to help incentivize the much-needed development of single-family homes here in the state.

Regarding the \$5 million unallocated authorization for our Emergency Mortgage Assistance Program (EMAP), CHFA and DOH have jointly endorsed Raised Bill 5162, which would allow that authorization to also be used for our Down Payment Assistance Program (DAP). Because we anticipate the need for additional resources for DAP – which has less restrictive eligibility requirements than the TTO down payment program – before we need to recapitalize our EMAP program, we are seeking the additional flexibility that Raised Bill 5162 would provide.

We hope that this committee will support our efforts to achieve this additional flexibility, along with the requests in the Governor's capital budget. Continued financial support from the state is essential to addressing Connecticut's housing shortage. The Governor's FY27 capital budget makes the necessary investments to increase housing supply and to help first-time homebuyers achieve the American dream of homeownership. As a result, we respectfully urge your support for those investments.