

February 6, 2023

Esteemed Chairs Luxenberg and Moore,
Members of the Housing Committee:

The Western Connecticut Council of Governments (WestCOG) appreciates the opportunity to comment on Raised Bill 939, *An Act Concerning Property Tax Abatement for Certain First-Time Home Buyers*. As you review this bill, you may wish to consider:

- Extending applicability to owner-occupied multifamily housing units. This would ensure that the benefits of the program are available in all parts of the state – including areas where typical single-family home prices exceed the federal sales price limits that govern CHFA mortgages. (In parts of the state close to New York City, few if any single-family homes are eligible for CHFA mortgages; in these areas, only condominiums may qualify for a CHFA mortgage and thus for the proposed tax abatement).
- Extending applicability for the first-time homebuyer tax abatement to homes that carry a United States Department of Agriculture (USDA) mortgage. USDA, like CHFA, provides income-based and subsidized mortgages with the goal of expanding homeownership in low- and moderate-income households in eligible areas – which covers most of the state (over 100 municipalities). CHFA- and USDA-mortgaged homes both count toward the 10% threshold under CGS §8-30g; tax policy should continue this comparable treatment.
- Evaluating options to reduce closing costs, which averaged \$8,821 in Connecticut in 2021¹. Securing funds to close can put beyond reach homes for many households that can otherwise afford a mortgage payment; reduction in closing costs will further lower barriers to homeownership. Options include moderating the taxes and fees that account for approximately half of the \$8,821 average, as well as legal and regulatory improvements that reduce the need for the third-party services that make up the other half. (For instance, Australia, New Zealand, and Canada have all but eliminated title searches and insurance².)

Thank you for your consideration.



Francis R. Pickering
Executive Director

¹ [ClosingCorp 2021 Purchase Closing Cost Report](#)

² [ISC - The Torrens System and Government of NS - Nova Scotia Land Registry](#)