

**Judiciary Committee Public Hearing
March 24, 2006
Testimony of Diane Randall, Director
SB 672
Partnership for Strong Communities**



at The Lyceum

The Partnership for Strong Communities is a housing policy organization concerned with advancing solutions to homelessness, creating and preserving affordable housing and promoting effective community development. **We are opposed to SB 672, An Act Concerning Standards for the Denial of an Affordable Housing Application.**

We are concerned that SB 672 may seriously damage the effectiveness of the state's Affordable Housing Appeals Procedure, 8-30g. We believe 8-30g provides a significant but manageable tool for the state to encourage the creation of housing that low- and middle-income individuals, families and workers can afford.

Diluting or diminishing the ability of 8-30g to encourage the creation of affordable housing at this time could be problematic for Connecticut, making what is now a dire state housing situation worse. Last year, the Partnership for Strong Communities engaged Don Klepper-Smith to examine the issue of housing affordability in our state and the results are startling:

- We have a huge affordability problem: 257,000 Connecticut households earn less than 80% of median income, and pay more than 30% of their incomes for housing, but those incomes are now solidly in the skilled, educated, middle-income range.
- Between 2000 and 2005, housing costs in CT have risen 63.6%, outstripping wage increases (18.5%) by 3 times.
- As a result, housing has become *unaffordable* for many middle-income residents in addition to making the situation even more problematic for low-income households. Many of the people we need in our communities— teachers, firefighters, auto mechanics, hairdressers – can't afford to live there.
- Our business leaders know young competent workers are leaving CT because they can't afford housing. Labor pools are shrinking.
- CT has lost more than 20% of its 20-34-year-old population since 1990, far outstripping the national average.

As a result, the state's effort to create jobs will be badly set back. Businesses won't come, stay or expand here if they can't find workers or, as many businesses must do, they have to pay higher salaries so workers can afford to live here.

As a result, CT will lose hundreds of millions of dollars of sales and income tax revenue if our population stays stagnant or falls. We will lose another congressional district and federal aid tied to population. *(more)*

As a result, I-95, I-91, I-84 and the Merritt will get more and more congested because workers will have to live further and further from work, and have to drive there. And as a result, our children will not be able to come back to live in the towns they grew up in, effectively pulling our families apart.

We believe the state needs more tools, not fewer tools, to remedy the our housing problem. We're pleased that the General Assembly last year approved \$100 million Housing Trust Fund as a significant step in creating a source of gap financing to bridge costs in affordable housing development and preservation. This is an important investment for the type of housing that will make home ownership and rental housing affordable to working families.

The Partnership has convened a group of key Connecticut leaders to study options for removing the barriers we face as we try to create and preserve an adequate supply of housing that will help reverse the trend of younger people leaving our state and assure that the workers we hope to attract with new job creation will have homes they can afford. We have been seeking the advice of local elected officials and planning experts as well as looking at examples of legislation in other states that offer incentives to municipalities.

In the meantime, however, I ask you to please not dilute the power of 8-30g at a time when we need to encourage the creation of housing affordable to workers and families.

Thank you for your consideration.