

**Testimony of David Sutherland – Director of Government Relations
Before the Appropriations Committee – February 17th, 2009**

In Opposition to the Diversion of Funds from the Community Investment Act

In her Proposed Budget, Governor Rell has proposed to divert \$12 million annually from the Community Investment Act (CIA) to the General Fund. The CIA, established by the General Assembly in 2005, uses a surcharge on real estate document recording fees to generate approximately \$20 million per year that is split between four types of state programs: 1) affordable housing initiatives at the Connecticut Housing Finance Authority, 2) the Department of Agriculture's Farmland Preservation programs, 3) historic preservation programs at the Commission on Culture and Tourism, and 4) the DEP's Open Space Matching Grants program.

In just two and a half years, the CIA has become a critical component of the state's efforts to protect the resources that are essential to the health, vitality, and economic well-being of our communities. It has funded over 330 projects in 130 towns, which have provided matching funds for all of the projects. We do not have the match figures for the housing programs, but for the other three program areas, communities have provided over \$18 million to match the \$23.6 million the CIA has provided. The CIA also funds at least 14 staff positions at the state agencies to administer these programs.

Out of our 32 Distressed and Targeted Investment municipalities, 24 of them have already received grants from the CIA in just the first two and a half years of the program. Many of these communities have received multiple grants - New Haven has received 16 grants, New London 7, Hartford 19, Waterbury and Bristol 5 each.

As you'll remember, the CIA was a controversial piece of legislation, but this legislature and the public ultimately supported it, because they knew the revenues generated by it would go towards protecting those crucial resources that are most often affected by real estate activity.

Connecticut has made progress on open space conservation in the past decade, but we still rank far behind our neighboring states in the amount of state-owned parks and forests we provide for our citizens. We've just started to make progress in slowing the fastest loss of farmland in the nation. The downturn in the real estate market will give our communities important opportunities to protect prime parkland and farmland at favorable prices, but they need help to pursue these projects.

Once a premier open space parcel or tract of farmland is converted to other uses, it is lost forever for public use or agriculture. We must continue to provide our communities with assistance in protecting our most critical lands.