



TESTIMONY
of the
CONNECTICUT CONFERENCE OF MUNICIPALITIES
to the
HOUSING COMMITTEE

February 19, 2009

CCM is Connecticut's statewide association of towns and cities and the voice of local governments - your partners in governing Connecticut. Our members represent over 93% of Connecticut's population. We appreciate this opportunity to testify before you on issues of concern to towns and cities.

CCM supports Raised Senate Bill 868 "An Act Concerning Payments In Lieu of Taxes for Public Housing and the Low and Moderate Income Tax Abatement Program."

S.B 868 would restore funding to the Department of Economic and Community Development (DECD) for the payments-in-lieu-of-taxes (PILOT) program for state public housing (\$2.2 million per year) and the Tax Abatement Grants program for non-profit and low- and moderate-income housing (\$1.7 million per year) to municipalities.

The public housing PILOT reimburses towns for not collecting taxes from state public housing entities. If the PILOT program is not funded, however, towns may be forced to impose property taxes on the housing authority to make up for lost revenue, which will result in an increase in the "base" rent, which is paid only by the poorest tenants living in the development.

The Tax Abatement Grants program defrays property taxes in 14 municipalities. The loss of this program will similarly harm local non-profits and struggling families that they serve. These municipalities affected are: Ansonia, Bethel, Bloomfield, Bridgeport, Danbury, Granby, Hartford, Kent, Middletown, New Britain, New Haven, Norwalk, Stamford, and Waterbury.

In today's trying economic backdrop municipal budgets are extremely tight and mill rates are rising. If the PILOT funds are eliminated, affected municipalities (22) that have embraced affordable, public housing are being punished. These municipalities are: Bristol, Danbury, Darien, East Hartford, Enfield, Greenwich, Hartford, Mansfield, Meriden, Middletown, New Britain, New Canaan, New London, Norwich, Ridgefield, Seymour, Sharon, Stamford, Stratford, Westport, Wethersfield, and Windham. This is the wrong policy signal to send at a time when the state should be providing increased incentives to towns to promote affordable housing.