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Bills to maintain and improve the state housing portfolio

Housing Committee public hearing -- February 19, 2009

Testimony of Raphael L. Podolsky

S.B. 868 – PILOT and Tax Abatement

SUPPORT

Under the PILOT program, DECD pays the towns which host State Moderate Rental Housing, on behalf of the housing authority, an amount based on what would otherwise be the tax liability of those developments. Under the Tax Abatement Program, DECD makes partial tax payments for certain low-income housing developments which leverage tax abatement agreements between the owner of the housing and the town. The funds allow the rents to be held down so as to make the housing affordable for low-income households. The General Assembly has twice reinstated funds for these programs after they were defunded two years ago. The Governor, however, has again failed to include funding in her proposed budget. S.B. 868 restores funding for these essential programs for Year 1 of the biennium. The cost is approximately \$3.9 million.

S.B. 867 – CHFA bonding for preservation of the state housing portfolio

SUPPORT

This bill authorizes CHFA to issue up to \$200 million in bonds for the preservation of State Moderate Rental Housing, State Elderly Housing, and other housing in the state portfolio. The state will pay the interest and principal on the bonds. The practical effect of the bill is to generate up to \$200 million up front for repair and revitalization of state-assisted public housing that can be paid back by the state over an extended period of time.

H.B. 5072 – Capital improvements to State Moderate Rental Housing

SUPPORT

This bill appropriates \$50 million to DECD for the first year of the biennium for capital improvements to State Moderate Rental Housing. We support the proposal but suggest that bonding rather than an appropriation be used.

H.B. 5074 – Operating subsidy for State Moderate Rental Housing

SUPPORT

The bill appropriates \$10 million to DECD for the first year of the biennium for operational costs and deferred maintenance in State Moderate Rental Housing. The federal government provides operating subsidies in federally-assisted public housing, and states such as Massachusetts provide operating subsidies to their state-assisted public housing. There is no alternative to such subsidies. The housing serves very low-income people (most with incomes below the poverty line). Rents cannot be made high

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enough to make subsidies unnecessary because the very people for whom the housing is intended could not pay. Operating subsidies are essential.

H.B. 5071 – CHFA bonding for supportive housing

SUPPORT

This bill authorizes CHFA to issue \$35 million in additional bonds for the Supportive Housing Initiative.

H.B. 5296 – Housing for homeless veterans

**SUPPORT ONLY IF COMPLETELY
REWRITTEN**

It is our understanding that this bill was intended to provide financial assistance for the development of housing for homeless veterans and their families. We support that concept. As written, however, the bill gives towns credit toward a moratorium under the Affordable Housing Appeals Procedure for each veteran, regardless of income level, whose "principal residence" is in the town. This has nothing to do with homelessness, affordability, or the production of housing for veterans. If rewritten as a bill to fund housing for veterans, we would support the bill.