

March 4, 2010

Committee on Housing  
State of Connecticut General Assembly  
Room 011, Capitol Building  
Hartford, CT 06106

**RE: Testimony In Favor of Bill No. 5371, AN ACT CONCERNING A PILOT PROGRAM FOR AFFORDABLE HOUSING REPLACEMENT**

Dear Committee Members:

I am submitting this written testimony in favor of the above referenced bill which will provide greater flexibility and more options for the East Hartford Housing Authority in the ownership, management, and disposition of King Court, one of its state-financed moderate income public housing developments. At the same time it will protect the interest of current tenants by providing them with an opportunity to be an active participant in the planning phase, and it will provide them with replacement housing in the form of available public housing units at another site in town, or receipt of a tenant-based rental voucher. Lastly, it will protect the interest of the State as a financier of affordable housing.

The East Hartford Housing Authority owns and operates the 80-unit moderate income housing development financed by the State Department of Economic and Community Development (DECD) and now under the administration of the Connecticut Housing Finance Authority (CHFA). This project was developed as Worker housing for employees of Pratt & Whitney Aircraft and because worker wages were sufficiently high to cover the base rents, the project financing was structured without project based rental subsidies.

Over time, those workers' income levels increased and provided them with other housing options including private rentals and home ownership. Unfortunately, due to the lack of project based rental subsidies, the Housing Authority found itself in a position where low-income families did not qualify for the vacant units. At the same time, the inventory of privately owned rental housing units in town increased substantially and thus provided moderate income families with more housing choice. Consequently, the vacancy levels at this project began to rise. Currently, 36 of the 80 units are vacant and only 5 of them are ready for occupancy.

The high vacancy rate has resulted in a drop in rental revenue and has dramatically hindered the Housing Authority's ability to repair or complete capital improvements. The Authority has repeatedly sought funding from DECD for capital improvements but has been told that no funds are available. In the meantime, the units continue to deteriorate and some have been vandalized.

The Housing Authority has been negotiating a restructuring and re-financing of the project with CHFA, and it would include funds to complete necessary improvements, however, without the availability of rental subsidies this project would be a financial risk for the Authority. Currently, there are no subsidies available, and given the reductions in the budgets of the state agencies due to the large state government budget deficit, no new subsidies are likely to be allocated in the near future.

The Housing Authority was approached by representatives of Goodwin College, which is in close proximity to King Court, who were interested in purchasing some of the vacant buildings for conversion to student housing for individuals and families with low-incomes. Unfortunately, when this proposition was presented to the project manager, who is based at DECD, they were informed that it could not be approved unless the Housing Authority complied with the 1:1 unit replacement requirement. The Authority does not have the available land or the financing to construct new replacement units.

This proposed bill provides for the protection of the interests of all the parties involved. Favorable action on your part and passage by the General Assembly will enable the East Hartford Housing Authority to sell some of the vacant buildings at King Court to Goodwin College for use as student housing and targeting those that are low-income households. This is a win-win-win resolution.

Respectfully submitted,

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