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MAYOR

**Testimony by Mayor Pedro E. Segarra
City of Hartford
House Bill 5224**

**An Act Concerning An Urban Revitalization Pilot Program
March 8, 2012, 10:00AM in Hearing Room 2C**

Thank you for the opportunity to present testimony on House Bill 5224, An Act Concerning an Urban Revitalization Pilot Program.

This bill creates a pilot program which seeks to expand homeownership by owner occupants in 2-4 family homes within targeted neighborhoods in up to three Connecticut cities and towns that currently receive Federal Neighborhood Stabilization Program Funds (NSP). Connecticut's Capital City is one of only 10 such municipalities in the state and is pleased to support this legislation.

The bill also calls for prioritization of vacant and bank-owned properties and to insure appropriate pre and post ownership support services to maximize the likelihood of success of program participants. Hartford currently includes these elements in our homeownership strategy and concur that they are essential ingredients of a successful urban revitalization agenda.

The City of Hartford has among the lowest homeownership rates and highest rates of poverty – not only in our state – but throughout our nation. In Hartford, over 30% of residents live below the poverty line and less than 25% of residential buildings are owner-occupied. Thus, when the economy started trending downward in 2008, Hartford residents were some of the hardest hit in the state. Many became delinquent on their taxes and mortgage payments and foreclosures and property abandonment sharply spiked. This trend was clearly evident in two- to four-family homes, which constitute over 35% of the City's housing stock. As families City-wide experienced unemployment or under-employment, small landlords saw higher vacancy rates and increased difficulty accessing credit to improve their properties. Many walked away from their properties, creating a domino effect of disinvestment and abandonment.

In 2009 the City began to feel some relief from the foreclosure crisis when the first round of NSP funding was released. Hartford focused its funds on rehabilitation and redevelopment of properties for the purpose of increasing owner-occupancy. The City used its allocation of \$2.7 million dollars in 2009 to create 39 units of housing throughout the City, by focusing on the rehabilitation of blighted or foreclosed properties, as well as new construction in key infill areas. Almost half of the projects funded were two family properties. NSP 3 has just begun, and with a smaller allocation of \$1.6 million dollars, the City of Hartford plans to develop 15 additional owner occupied units in target neighborhoods similar to those called for in this bill.

The City currently focuses the vast majority of its housing resources on the development of homeownership projects. Working with our local non-profit developers and counseling agencies, Hartford has gained significant experience working with end financiers, realtors, developers and neighborhood residents to make sure that the right properties are targeted, are designed for sustainability and longevity, and are sold

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upon completion. NSP funding has been a catalyst for job creation, stabilizing property values in tipping point neighborhoods, generating tax revenue, and creating long term investment throughout Hartford's diverse neighborhoods. We are confident that this bill will likewise benefit its recipient communities.

The City of Hartford applauds the authors of this bill for seeking creative and innovative ways to increase homeownership and revitalize neighborhoods in Connecticut's urban centers. The City of Hartford urges favorable passage of House Bill 5224.