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Mr. Chairman and Members of the Committee:

My name is Gary Schaffrick and I am the Vice Chairman of the Bristol Housing Authority and a member of the National Association of Housing and Redevelopment Officials New England Regional Council's Commissioners Committee, and I am here today to speak in favor of S.B. 335.

In 2004, I served as Chairman of the Bristol Housing Authority as we embarked on a mission to renovate one of our state developments known as Dutton Heights. This development was built back in the 1950's and has never been rehabbed since. It serves 84 moderate income families. We were experiencing some capital issues that were going to cost several thousands of dollars so we decided as an authority to move forward with a rehabilitation project. In addition, in 2004 it cost us an average of \$3,200 to turnover a unit because of the deteriorating condition of the units.

With the expansion of ESPN in our community there is a growing need for affordable housing. Our goal was to turn this development into a mixed income property that would be able to serve more families in our community. In order to help market this property as fair market we were looking at installing all the amenities that would be needed like bay windows in the front, central air conditioning and expanding some units from two to three bedrooms.

We hired a consultant to prepare a 9% tax credit application. During this nine year process of trying to secure the 9% tax credits we spent as an authority over \$300,000 in consultant fees to only be denied partially due to that fact that our development was not in close proximity to a park and the bus route ran around the development and not through it. With each application we lost points due to these factors.

However, nowhere in the application process did we receive points for saving the state future PILOT funds and making our municipality more money in future tax revenue. Once Dutton Heights is completed the state will save over \$18,000a year in future PILOT funds and the City of Bristol will realize more than \$100,000 a year in new tax revenue.

Since this project was never going to be in the vicinity of a park and the bus route was never going to go through the complex we have had to abandon our plans for 9% tax credits and we have secured 4% tax credits, however we have had to remove some of the amenities we were planning to install.

In January of each year, CHFA is required to submit to the Governor for his signature their Qualified Asset Plan known as the QAP. Included in the QAP, it outlines how points would be awarded on the 9% tax credit application. If this bill were to pass, it would require CHFA to award points for saving the state future PILOT funds and helping a municipality realize more tax revenue.

While I realize that the 9% tax credit process is very lucrative for the investor and very competitive in nature, I believe that in today's tough economic times when we can reduce state spending without hurting anyone or any program, we should be investigating that option. In addition, many municipalities are always looking for new tax revenue and if redeveloping a housing complex within its town can accomplish that – than we should be awarded some credit on our application for these two factors – instead of losing out on the tax credits because we're not near a park and our residents would have to walk a block to the bus rather than the bus picking them up at their door.

This bill is important to our Housing Authority because within the next few years we will be embarking on the redevelopment of our oldest complex in our portfolio that was built in 1942 – had a minor rehab in 1975, and nothing since.

The only way for this complex to be redeveloped to help provide more affordable housing for the elderly, and working families is securing the 9% tax credits. While this development maybe in close proximity to a park, the bus route does not go through the complex.

Once this development is rehabbed the state will save PILOT funds and the City of Bristol will realize more than \$400,000 in new tax revenue.

I encourage you to support this bill as I believe that the revenue side of a 9% tax credit application should be awarded some points when determining the tax credit application score.

Thank you for raising this bill for a public hearing.