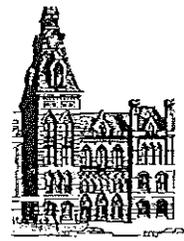




John DeStefano, Jr.
Mayor

CITY OF NEW HAVEN
OFFICE OF THE MAYOR
165 Church Street, New Haven, CT 06510
Phone (203)-946-8200, Fax (203)-946-7683



**Testimony of the City of New Haven
Before the Planning & Development Committee**

In Support of
**H.B 5718 AN ACT CONCERNING MUNICIPAL AUTHORITY TO PROVIDE TAX ABATEMENTS TO
ENCOURAGE RESIDENTIAL DEVELOPMENT**

Submitted by
Erik Johnson, Livable Cities Initiative Director
March 1, 2013

Senator Casano, Representative Rojas and members of the committee.

Thank you for the opportunity to testify on behalf of HB 5718 An Act Concerning Municipal Authority to Provide Tax Abatements and Encourage Residential Development. We are encouraged by the committee's pro active approach to advancing the development of residential housing in the state. With a shortage of affordable and workforce housing it is essential to helping to retain our state's young talent.

We urge the committee to consider expanding the bill to similarly enhance the ability of a municipality to enter into tax abatement agreements for residential developments that provide mixed income housing. Following a national trend that is supported by the US Department of Housing and Urban Development (HUD) the City has prioritized developments that have a blend of market rate, affordable and home-ownership units. These mixed-income developments have been shown to have lower levels of crime and blight, even years after construction. To demonstrate this you only have to look to the city's Dixwell neighborhood. Just fifteen years ago the Elm Haven projects, a grouping of high rise buildings and alleyways had the highest concentration of crime in the city – so bad that often firefighters would wait for a police escort to respond to calls. The development has been replaced with Monterey Place a public-private partnership between the Housing Authority and a developer and has a mix of senior, affordable, market rate and home-ownership units. Over ten years old, this neighborhood is thriving and has seen a drastic reduction in crime. This development model has been replicated former public housing sites including Q-Terrace, the waterfront community visible from I-91 and Rowe apartment complex which is adjacent to the Yale Medical Campus.

The City of New Haven is currently reviewing a number of for-profit market rate housing development projects where at least twenty (20%) percent of the units to be developed will be made available to low and moderate income individuals. Modifications Sec. 8-215 would not only enable New Haven and other municipalities to better support and facilitate the development these mixed-income developments, it would also encourage the development of new affordable, workforce and market rate housing in communities throughout the state. Additionally, by providing tax-incentives at the local level, these types of housing projects will be able to secure higher levels of private financing, making them more feasible and less dependent on state support.

Thank you for your time and consideration. Our proposed modifications to the Statute are on the reverse side.

Proposed modifications to the Statute below:

Sec. 8-215. Tax abatement for housing for low or moderate-income persons. Any municipality may by ordinance provide for the abatement in part or in whole of real property taxes on any housing solely (where a minimum of 20% of the units are designated) for low or moderate-income persons or families and may by ordinance classify the property on which such housing is situated as property used for housing solely for low or moderate-income persons or families. Such tax abatement shall be used for one or more of the following purposes: (1) To reduce rents below the levels which would be achieved in the absence of such abatement and to improve the quality and design of such housing; (2) to effect occupancy of such housing by persons and families of varying income levels within limits determined by the Commissioner of Economic and Community Development by regulation, or (3) to provide necessary related facilities or services in such housing. Such abatement shall be made pursuant to a contract between the municipality and the owner of any such housing, which contract shall provide the terms of such abatement, that moneys equal to the amount of such abatement shall be used for any one or more of the purposes herein stated, and that such abatement shall terminate at any time when such housing is ~~not solely for low or moderate-income persons or families.~~ does not meet the minimum offering of units that are solely offered/assessable/designated for low or moderate-income persons or families.