



**Appropriations Committee Public Hearing
March 2, 2015**

Department of Housing Budget
Public housing PILOT and Low-Income Housing Tax Abatement Programs
Publicly-assisted Housing Residents Network

Testimony of Betsy Crum, Executive Director

Senator Bye, Representative Walker, and Members of the Appropriations Committee:

Thank you for the opportunity to offer this testimony, and I regret that I was unable to deliver it in person this evening. My name is Betsy Crum, and I am the Executive Director of the Connecticut Housing Coalition. The Connecticut Housing Coalition represents the broad, vibrant network of community-based affordable housing activity across the state. Our more than 250 member organizations include nonprofit developers, human service agencies, resident associations, and diverse other housing practitioners and advocates. Founded in 1981, the Coalition works to expand housing opportunity and to increase the quantity and quality of affordable housing in Connecticut.

I would like to speak to you today about the Department of Housing Budget.

SUPPORT - Expansion of funding for Housing and Homeless Services:

It has been my honor to have participated as a member of the Interagency Council on Affordable Housing over the past two years, and to have represented our broad membership on that committee. I have also lead the Housing Workgroup of Opening Doors, our statewide campaign to end homelessness, and sit on the Steering and Coordinating Committees of Reaching Home. This budget proposes important resources to support Connecticut's efforts to end chronic and Veteran homelessness, prevent families from falling into homelessness, and works toward a vision of ending all homelessness. I applaud this bold vision and the steps taken to achieve it in this budget, and urge you to support this expansion.

OPPOSE: Eliminating Public housing PILOT and Low-income Housing Tax Abatement Programs:

While the Department of Housing's budget continues sustained and significant investment in revitalizing our current stock of state-financed affordable housing and creates new affordable housing for families, senior citizens, and people with disabilities, the budget as proposed eliminates a very significant element of the affordable housing framework, funding for the



Public Housing Payment in Lieu of Taxes (PILOT) Program and the Low-Income Housing Tax Abatement Program. These programs keep state-financed public housing and non-profit housing developments affordable for their lowest income residents by paying a portion of the municipal property tax that would otherwise be carried by the property. Contrary to what some believe, non-profit and public housing developments are *not* tax-exempt, and in fact are mandated to pay property taxes. The PILOT and Tax Abatement Programs compensate municipalities for abating those taxes, which reduces operating costs and, therefore, the rent that tenants pay. There are no other sources of support for this.

The loss of funding from the state PILOT and Tax Abatement Programs will, in nearly all cases, be passed along to the low and extremely low income residents who live in these developments. We have calculated that rents in state public housing will go up an average of \$70 per month or more per apartment; in non-profit owned housing, the loss of Tax Abatement Program payments will potentially increase rents by as much as \$150. These increases will be imposed on those families that are least able to afford it, and their monthly housing costs will far exceed the affordability standard of 30% of their household income.

With all of the support for and recognition of the central role that housing plays in our communities and our state, it is crucial that we also keep the existing affordable housing stock affordable. Please consider restoring these line items in the Department of Housing budget.

OPPOSE: Eliminating funding for the Publicly-assisted Housing Residents Network:

The Connecticut Housing Coalition strongly opposes the elimination of \$150,000 in funding support for the Publicly-assisted Housing Residents Network, PHRN. As you know, the Governor has pledged \$300 million over ten years to comprehensively revitalize and redevelop the state's public and assisted housing portfolio. Tenants living in some 300 developments and 13,000 will have their homes and communities sold, redeveloped, renovated, reconfigured or otherwise changed. This has potential to bring great change to a great many people, and those people want, deserve, and have the right under CGS 8-64c to fully participate in that effort.

Residents of housing communities undergoing revitalization have the most to gain or lose in this effort. And yet most of them are not aware of their rights, and most do not have a full seat at the table, as guaranteed under the law. PHRN is the only resident-led and resident-centered organization working to make sure that residents have the knowledge, tools and technical assistance they need to participate fully, actively and collaboratively in decisions affecting their homes and communities. And while PHRN has looked to diversify their funding, there has been no replacement support for what is, in essence, an under funded state mandate.



This relatively small state appropriation leverages great returns, ensuring that the revitalization of publicly-assisted housing is not something done to residents or for residents, but with them. I urge you to restore this critical component of the state's commitment to our housing future.

Thank you for the opportunity to testify before you today.