



**STATEMENT OF JOHN SIMONE  
PRESIDENT & CEO  
CONNECTICUT MAIN STREET CENTER  
APRIL 21, 2015  
BEFORE THE APPROPRIATIONS COMMITTEE  
H.B. NO. 6825, “AN ACT MAKING DEFICIENCY APPROPRIATIONS ADDRESSING THE DEFICIT FOR THE  
FISCAL YEAR ENDING JUNE 30, 2015”**

Chairman Bye and Chairman Walker, members of the Appropriations Committee, I am John Simone, President & CEO of the Connecticut Main Street Center (CMSC). CMSC is a statewide non-profit whose mission is to inspire great Connecticut downtowns, Main Street by Main Street. We provide education, advocacy and technical assistance on creating and managing vibrant historic downtowns and village centers. I am here to urge you to save one of the most successful and popular Acts passed by this legislative body in recent history – the Community Investment Act. HB 6825 proposes sweeping the current \$15,200,000 balance of CIA funds.

Calling for what is essentially a total sweep of the CIA’s funds for this year and the next two years is akin to signaling the program’s death knell. Beyond compromising the state’s most charming characteristics – its scenic working farms, bucolic village centers and historic downtowns – eliminating CIA funds also takes an economic step backward. Since its inception in 2006, the grants and programs funded through the CIA provided support to nearly all 169 Connecticut towns and created some 4,000 jobs.

I would like to share two examples of how CIA funds have made a very big difference to our downtowns. Because of these funds, once-underutilized buildings are being redeveloped with upper floor housing, bringing valuable assets back on the tax rolls and returning residents to our city centers. CIA funds provided the resources for Connecticut Main Street Center’s Come Home to Downtown (CHDT) program through a contract with the Connecticut Housing Finance Authority. This program offers technical assistance on rehabilitating under-utilized downtown properties into housing above commercial space. This kind of development is the hardest real estate deal there is as it is difficult to finance these mixed-use projects and most downtown properties are owned by people with little or no development experience.

Our CHDT team worked with John Lombard, owner of 20 East Main Street in the heart of downtown Waterbury, across from the green and down the street from UCONN and the Palace Theater. Because of his involvement with the Come Home to Downtown program, the upper two floors of his building, which sat mostly vacant for the past ten years, are now being redeveloped into 38 apartments. Our advice helped convince Mr. Lombard that there is indeed a market for downtown housing and our report provided a very specific roadmap on how to accomplish this from a design, permitting and financing perspective. As a commercial developer with no experience developing housing, Mr. Lombard used our report to market the upper floors of his building to a housing developer and is now under contract to “condo-ize” the building with the housing developer owning the upper two residential floors while Mr. Lombard maintains ownership of the commercial first floor. He also followed our advice to apply for historic tax credits and the CHAMP state funding program to close the inevitable funding gap these kind of older building projects typically have. We just recently learned he was approved for the CHAMP funding and he and his partner are now moving ahead with redeveloping the upper floors for housing.

Mr. Lombard will be the first to tell you that as a result of his involvement in the CHTD program, he now understands that many people, and especially our younger adults, want to live in authentic, compact, walkable



places like our historic downtowns. He never would have come to this conclusion were it not for CHDT and the CIA funds that made our work possible.

The second example of how Community Investment Act funds are revitalizing our downtowns is our work with Avner Krohn, owner of 99 West Main Street, just a short walk from the CTfastrak station in the heart of downtown New Britain. Because of our team's work with Mr. Krohn, the upper two floors of his building, which were completely vacant, are being redeveloped into 16 apartments.

While Mr. Krohn has redeveloped other buildings with housing over first floor commercial space, he did not think it was financially feasible for 99 West Main Street, even though housing is an ideal use for a building so close to the CTfastrak station. As a participant in our program, Mr. Krohn received customized technical assistance including a report that showed how he could develop and finance housing on the upper floors of this building, first by creating two additional apartments to help with cash flow, and second by meeting building code requirements in a way that was not prohibitively expensive.

Perhaps most importantly, this report showed how he could utilize historic rehabilitation tax credits to close the redevelopment gap, and even guided him to Leah Glaser, a history professor at Central Connecticut State University who, along with her graduate student Aileen Bastos, was able to assist Mr. Krohn in successfully registering his building on the state register of historic buildings. But for the information we provided through the Come Home Downtown Program, supported by CIA funds, Mr. Krohn and Mr. Lombard would not be moving forward with this housing which is such a critical component for healthy downtowns. Not only does it bring under-utilized buildings back to life, but it also supports the kind of transit-oriented development we want around CTfastrak stations to optimize the state's return on its over half billion dollar investment .

If we want to continue making these kinds of transformative investments in our communities in an era of diminishing government resources, we need sustainable revenue sources that are as predictable as possible. The CIA provides these funds; the programs it funds are working, and it does so without siphoning any revenue from the general budget. In fact, it adds to the general budget as the jobs it creates pay income taxes and the farms, housing and development it supports add to the tax rolls. The CIA provides economic stimulus and community development tools that help us:

- Meet the growing demand for housing and transportation choices in walkable, compact mixed-use neighborhoods.
- Protect our environment by reducing the state's reliance on fossil fuel.
- Keep our communities and the state competitive in a global economy.

For these reasons, CMSC urges you to protect the Community Investment Act and oppose any sweep of its funds.