



February 29, 2016

Senator Gary A. Winfield &  
Representative Larry B. Butler  
Housing Committee  
Connecticut General Assembly  
Legislative Office Building, Room 2700  
Hartford, CT 06106

Dear Senator Winfield & Representative Butler:

I am writing today regarding Proposed Bill No. 155 – An Act Concerning Allocations of Low Income Housing Tax Credits. While I fully support the goal of increasing affordable housing in the suburban and rural communities of Connecticut, I believe that this bill may have a negative effect on the efforts to revitalize the neighborhoods of Connecticut's cities.

My organization, Local Initiatives Support Corporation (LISC), has worked in Connecticut for over thirty years. LISC works statewide in cities and small towns alike. In the cities, LISC invests in development that will stimulate neighborhood revitalization. LISC also provides affordable housing technical assistance in Connecticut's suburban and rural towns to increase housing choice and opportunity in all communities. Revitalizing urban communities and increasing housing choice for low and moderate income residents are the core goals of the Connecticut LISC programs.

Federal Low Income Housing Tax Credits (LIHTC) have been a vital tool in the production and preservation of quality affordable housing in Connecticut since the late 1980s. These credits encourage private investment in affordable housing and in some of our most distressed neighborhoods. The affordable housing created by LIHTC investment is only one benefit. These developments also create jobs, improve family economic success, reduce blight and abandonment and improve the quality of life in many low and moderate-income communities.

With this as background, I would like to offer the following comments:

- 1) While LIHTC is an important tool, it is not the only tool to promote affordable housing. Our experience has shown that technical assistance can help smaller communities to create housing with support from their own residents. With support from the Connecticut Housing Finance Authority (CHFA) and the Community

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Assistance Act, LISC operates a program to provide technical assistance to rural and suburban communities seeking to expand affordable housing. This program, called Housing Connections, is working with forty-seven local groups in forty-three towns in all eight counties. These groups have completed 462 new affordable housing units representing \$78 million of development activity. An additional 568 units in 28 different projects are currently under development.

- 2) LIHTC is well suited for developments that are larger than 25-30 units. The LIHTC program has a relatively high degree of complexity and the compliance demands for 15 years are met by experienced developers. Many of the successful projects in smaller towns are 20 units or less. Additionally, many of the sponsors are dedicated volunteer groups. In most cases, other programs work better than LIHTC for this profile of housing. Targeting the credits to smaller, non-urban towns such as these may not be the best match of the tool to the project.
- 3) The definition of "catalytic proposal" outlined in the bill references a "neighborhood plan predicted to enhance economic development in the neighborhood as demonstrated through market analysis". There are few resources for local communities to prepare neighborhood plans and market analyses. Requiring these plans in support of a project will place an undue burden on projects in urban communities and on neighborhood organizations. Further, the goal of economic development is only one goal that a neighborhood might choose. In LISC's experience, neighborhood organizations are as likely to have blight elimination, and/or improvements to community safety, recreation, transportation, education and human services as goals.
- 4) CHFA is responsible for creating an annual Qualified Allocation Plan (QAP) that establishes the priorities and scoring mechanism for the LIHTC program. Each year, they do a great deal of outreach for input into the plan. In the past few years, CHFA has adjusted the QAP to give greater priority to affordable housing proposals outside urban areas. In my opinion, CHFA has done a good job of developing a policy that is inclusive of all types of communities – urban and rural. If enacted, SB 155 would constrict the QAP process and limit the ability of stakeholders to have a voice in the QAP.
- 5) While Connecticut's cities have numerous challenges, many residents still affirmatively choose to live in cities for a variety of reasons. These communities have strong traditions and history. They offer residents the opportunity to stay connected to their cultural, faith and family networks. Our urban communities have diversity that includes multiple languages, cultures and lifestyles. The cities also offer public infrastructure of transportation, open space, libraries and educational institutions that residents can access at relatively affordable costs. With all of these benefits, it is important that we continue to invest in our cities to make them vibrant sustainable communities. Narrowing access to LIHTC will make it even more difficult for cities to attract private investment.

In closing, I would ask the Housing Committee not to approve SB 155. LISC would welcome the opportunity to work with the committee and other partners to find ways to expand affordable housing and promote revitalization in all of Connecticut's communities, statewide.

If I may be of any assistance with further information, please do not hesitate to contact me at 860-525-4821 or [apereira@lisc.org](mailto:apereira@lisc.org). Thank you for your consideration of my comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrea Pereira", written in a cursive style.

Andrea Pereira  
Executive Director  
Hartford & Connecticut Statewide LISC

