

Proposed Bill No. 155
Elm City Communities Testimony
March 1, 2016

Elm City Communities/Housing Authority of the City of New Haven (ECC/HANH) respectfully submits testimony in opposition of Senate Bill No. 155, *"AN ACT CONCERNING THE ALLOCATION OF LOW INCOME HOUSING TAX CREDITS."*

We, at Elm City Communities, fundamentally believe that housing is a human right. We owe a debt of gratitude to the civil rights leaders and advocates of the 1960s and champions of The Fair Housing Act of 1968, which outright barred housing discrimination and segregation by race. We applaud the United States Department of Housing and Urban Development (HUD) for attempting to realize the promise of the Fair Housing Act of 1968 through the Affirmatively Furthering Fair Housing (AFFH) ruling. The need for the Fair Housing Act of 1968 and the Affirmatively Furthering Fair Housing (AFFH) ruling should not be a surprise to any of us. In the 1930s, the federal government classified urban communities as poor investments and, so, by the 1950s, urban communities experienced "white flight" followed by urban renewal, of which too few urban communities across the nation recovered. But AFFH was not designed with the demographic, economic, and legislative nuances of each state and city; moreover, bills crafted in its image, like Proposed Bill No. 155, look to the past rather than the present to determine the future of communities within Connecticut.

Proponents of AFFH and Proposed Bill No. 155 argue that fair housing is about removing the constraints on the housing market, giving lower-income and minority families more options. It is true that zoning can be a factor in segregation and it is true that affordable housing stock in New Haven increased from 17.2 percent of total housing in 2000 to 21.0 percent of total housing in 2010¹. It is also true that minorities have the lowest rates of homeownership in the country and the state. In 2012, the New Haven-Milford, CT Metro Area (New Haven Metro Area) ranked 104 of 150 metro areas in percent owner-occupied households in the United States². Broken down, the percentage rate of people of color in the New Haven Metro Area ranked 138 (of 150) whereas White people ranked 62 (of 150)³. Latino households within the New Haven Metro Area had the lowest homeownership rate, growing from 26.73% in 2000 to 33.4% in 2012; Black homeownership grew from 35.4% in 2000 to 36% in 2012; while White homeownership during this time grew from 72.2% to 73.7%⁴. However, while this data is concerning, we ought not conflate the persistence of "concentrated poverty" with housing discrimination by race.

When it comes to the development of affordable housing, as we have witnessed in Connecticut just this past year, NIMBY residents (aka "not in my backyard" residents) stymie the ability to build affordable housing in HUD-designated "opportunity areas." While we, at Elm City Communities, fundamentally believe that affordable housing makes any community richer in demographic and economic diversity, we also recognize that residents supported by affordable housing may not desire to live in HUD-designated "opportunity areas" and we respect their

¹ It is important to note that this does not include Housing Choice Voucher program residents after 2010.

² [http://nationalequityatlas.org/indicators/Homeownership/By_race-ethnicity:33421/United_States/New_Haven-Milford_CT_Metropolitan_Statistical_Area/Year\(s\):2000/](http://nationalequityatlas.org/indicators/Homeownership/By_race-ethnicity:33421/United_States/New_Haven-Milford_CT_Metropolitan_Statistical_Area/Year(s):2000/)

³ Ibid.

⁴ Ibid.

choice in this matter. Practically speaking, “opportunity areas” are in name only because the array of systemic issues facing residents supported by affordable housing prevents such opportunity from actualizing. As such, transplanting residents to these “opportunity areas” (that are often suburban towns) presents a number of incidental challenges including but not limited to disconnection from family and loss of community, difficulty maintaining employment, as well as transportation barriers⁵, which affects employment, childcare, and education. Therefore, it is not only incumbent upon the state to look at all these issues with an equity lens it must also look at each issue in relation to rather than independent of one another in order for equity to be realized.

According to the Qualified Allocation Plan (QAP), the Plan for Connecticut (“C&D Plan”) promotes “housing mobility and choice across income levels utilizing current infrastructure and the preservation of existing residential neighborhoods and housings stock⁶.” Proposed Bill No. 155 subjugates the latter (the preservation of existing residential neighborhoods and housing stock) to the former (housing mobility and choice across income levels utilizing current infrastructure). This is problematic in that the aging housing stock, more often than not, is not located in qualified census tracts where the need for affordable housing far outweighs the housing availability (quality or otherwise). To this point, we assume this is why CGS 16a-35d allows exceptions for funding to “priority areas.”

Furthermore, although the QAP specifically outlines impediments to fair housing, we believe there is a better way for Connecticut to overcome those barriers than the allocation of 60% of the Low-Income Housing Tax Credit (LIHTC) for only “priority areas.” Pursuant to the 2014 CHFA Summary Report presented to the Connecticut General Assembly on March 15, 2015, the 9% LIHTC awarded equaled \$7,723,842, which equated to seven affordable housing developments. However, the proposed 60% allocation to “priority areas” would only provide enough funding for two affordable housing developments located in qualified census tracts statewide (based on the average CHFA development allocation of \$1,200,000). Not only is this legislation counter to the “C&D Plan,” it would do irreparable damage to cities and families in Connecticut given the state’s growing income inequality.

In 2014 the income inequality in the New Haven was between \$12,293 and \$187,984, among the highest in the nation, meaning that the “top earners earned 15.3 times the income of the lower earners⁷.” Due to the large numbers of universities and colleges within city limits as well as rapid growth of Yale-New Haven Hospital, advanced manufacturing, education, and healthcare are the top three industries in New Haven and they are growing. But these jobs demand advanced degrees that too few New Haven residents have been given the opportunities to attain. However fortunate New Haven may be to have a multitude of partners willing to support city residents get good-paying jobs, the passage of this bill, which will undoubtedly halt affordable housing within a city that needs affordable housing the most, may exacerbate the state’s growing income inequality and, consequentially, increase the state’s homeless population.

⁵ According to the 2011 U.S. Census American Community Survey (ACS), over 17.4 percent of New Haven workers 16 years and over that also reside in the city have no vehicle available and according to CT TRANSIT, New Haven has the top two highest daily bus ridership routes in Connecticut (Dixwell Avenue and Grand Avenue and Whalley Avenue and West Haven, respectively). These routes together, carry 45 percent of the system’s weekday passenger load, which are approximately 30,000 passengers.

⁶ <http://www.chfa.org/content/Multifamily%20Document%20Library/LIHTC%20-%202015%20Qualified%20Allocation%20Plan.pdf>

⁷ <http://www.brookings.edu/research/papers/2016/01/14-income-inequality-cities-update-berube-holmes>

As damaging as urban renewal was to urban communities, for the most part, cities survived and arguably thrived. In fact, many politicians, city planners, and social justice leaders believe cities are making a comeback and we, at Elm City Communities, share this point of view. That said bold action taken without thoughtful consideration of the systemic issues may, in fact, result in negative consequences. To this end, we must look at ways in which we build cities up into equitable communities rather than create policies that tear them down.

As one of the first public housing authorities in the country, Elm City Communities has provided supportive housing for nearly 80 years. We are honored to be the only Connecticut public housing authority that has been HUD-designated as “Moving to Work” (MTW) and we acknowledge that this status has allowed us the opportunity to be innovative in our approach, at the forefront of the national housing-education movement, and successful in supporting families in their self-sufficiency efforts. However, we also acknowledge that the State of Connecticut, through careful legislation exemptions—as we are one of a small handful of public housing authority in Connecticut that does not receive state funds to house residents—has also afforded us the opportunity to carry out our good work over the years.

Today, we currently own 24 housing developments and nearly 200 individual city-owned properties throughout New Haven, providing housing and support programs for more than 12,000 city residents—almost 10 percent of New Haven’s population. Since 2000, we have increased the number of families served by 22 percent—a rate at which no traditional public housing authority in the state has matched. Our redevelopment efforts have transformed neighborhoods into communities of choice—a portfolio of which is now 1,200 choice units. Additionally, thousands of new public housing units have been built that have replaced obsolete units allowing us to allocate approximately 10 percent of our housing units and subsidy toward efforts to end homelessness in New Haven. But our work is at the intersection of housing and a host of other sectors because we know that the issues facing the most vulnerable populations are interconnected with and interdependent of one another. More than 30 percent of the enrolled New Haven Public School students are supported by our agency through public housing or vouchers and so our work includes assisting youth and families with wraparound services with the aim of increasing academic achievement, providing supportive services to the elderly and disabled, and building job skills to work-able adults.

We know first-hand the power of housing and we’ve seen, beyond the data, the benefits of stable housing on health, education, and employment. While we believe the intent of Proposed Bill No. 155 comes from a good place we urge the Connecticut General Assembly to spend more time fact finding; specifically, we hope members will speak with housing professionals providing low-income public housing before taking action on a bill that drastically changes the QAP. If changes are made then we implore the Connecticut General Assembly to protect the low-income public housing set-aside within the QAP. Since the passage of the United States Housing Act of 1937, we have sought to solve housing discrimination and segregation but that which we seek to solve is systemic and, as such, cannot only be addressed by legislating policy within only one sector. We offer that there are better solutions than the policing of affordable housing development through the choking off of tax credits to urban communities.

About Elm City Communities: We, at Elm City Communities, believe public housing is the foundation from which the American Dream will survive and thrive for generations to come. Through the development and operation of affordable communities of choice and by providing opportunities for greater self-sufficiency in New Haven we keep the American Dream alive.