Testimony regarding HB 5198 (Raised)

AN ACT REQUIRING STATE AND LOCAL AGENCIES AND UTILITIES TO ADOPT A HOUSING AFFORDABILITY IMPACT ANALYSIS

CCAPA has concerns about the Raised Bill as proposed. While CCAPA strongly supports the overall effort to remove unnecessary and expensive regulatory obstacles to housing production in order to encourage much broader housing opportunity in Connecticut, the bill will impose considerable additional requirements on municipalities without improving outcomes. We have particular concerns about the quality of the analyses that would be produced by this bill and whether capacity exists among municipal staff and/or land use commissions to meaningfully evaluate the financial impact of proposed regulations.

One provision would require, in effect, a regulatory audit as part of the required five-year affordable housing plan. This provision is a worthwhile addition to statute and one that could be supported by CCAPA. Requiring the analysis of the local regulatory environment on a five-year cycle may allow municipalities to bring in consultants with specific expertise to review the regulations and identify which regulations may have an unnecessarily burdensome financial impact on development. This baseline analysis could also help agencies to evaluate how future regulatory changes might impact the cost of housing. Municipalities without resources to bring outside expertise would benefit from clear state guidance on how to evaluate financial impact. It is our recommendation that the General Assembly direct the Department of Housing to develop clear guidance for performing these regulatory audits and establish objective standards for judging the promotion or discouragement of housing affordability before the new statutory requirements become effective.

We are concerned that some of the required analysis is beyond the capacity of local agencies to assess and imposes costly and problematic new requirements on municipalities. Requirement C, estimating the "total number of housing units" to be impacted by a regulatory change, would require a buildout analysis of local zoning regulations, a process which itself requires specific technical expertise and is time-consuming and costly to perform. It is for that reason very few Connecticut municipalities have conducted regulatory buildout analyses. Requirement D, an assessment of how proposed regulatory changes would influence the reporting and staffing needs of developers, requires considerable knowledge of the business of real estate development, knowledge that local land use commissioners, and even many staff planners lack.

Lastly, requirement F seems to suggest that municipalities should be conducting a full public outreach process on proposed regulatory changes in advance of the already-required public
hearing process. This would present both capacity issues as well as legal issues, since the public hearing process is designed to allow public communications about proposed regulatory changes to be 1) adequately noticed beforehand, and 2) fully documented. Additional communications on proposed regulations outside the hearing process put local commissions at risk of prejudicial communications and running afoul of the Freedom of Information Act.

We believe the intent of the initial drafters of this bill was that these housing impact analyses would be completed by private applicants seeking regulatory changes as a component of their applications. But ultimately, it is the local agency that would be responsible for ensuring that the analysis is performed in good faith and presents factual information. This shifts the burden onto entities that may be ill-equipped to undertake this work.

We thank the Committee on their thoughtful consideration of this issue, and offer the assistance of CCAPA’s members in any discussion of the livability, accessibility, vibrancy, and success of Connecticut’s towns and cities.

**WHO WE ARE**

The Connecticut Chapter of the American Planning Association (CCAPA) has over 420 members who are governmental and consulting planners, land use attorneys, citizen planners, and other professionals engaged in planning and managing land use, economic development, housing, transportation, and conservation for local, regional, and State governments, private businesses and other entities. CCAPA has long been committed to assisting the legislature and State agencies with developing and furthering responsible growth management principles. The American Planning Association is an independent, not-for-profit, national educational organization that provides leadership in the development of vital communities.

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