March 18, 2019
PLANNING AND DEVELOPMENT 10:00 a.m.
COMMITTEE PUBLIC HEARING

CHAIRPERSON: Representative Cristin McCarthy Vahey

SENATORS: Cassano, Cohen, Champagne

REPRESENTATIVES: Baker, Rojas, D'Agostino, Conley, Stafstrom, Arnone, Michel, Zawistowski, Kokoruda, Dubitsky, Carney, Haines, Delnicki

REP. MCCARTHY VAHEY (133RD): Good morning. The public hearing of the planning and development committee, as is usual, legislators will be in and out of the hearing and certainly will be following up afterwards to learn more about what they've missed. So, with that I would like to turn it over to my ranking member Representative Zawistowski.

REP. ZAWISTOWSKI (61ST): Thank you Madam Chair and I have the safety announcement to read. In the interest of safety, I would like you to note the location of and access to the exits in this hearing room. The two doors in which you entered are emergency exits and are marked with exit signs. In an emergency, the two doors behind us can also be used. In the event of an emergency, please walk quickly to the nearest exit. After exiting the room, go to your right and proceed down the main stairs or follow the exit signs to one of the fire stairs. Please quickly exit the building and follow any instructions from the capital police. Do not delay and do not return unless you are advised it is safe to do so. In the event of a lockdown announcement, please remain in the hearing room, stay away from
the exit doors, and seek concealment behind desk and chairs until an all-clear announcement is heard. Thank you. Madam Chair, it is all yours.

REP. MCCARTHY VAHEY (133RD): Thank you Representative. No further remarks? Okay, without our first hour will be for public officials. I see one person on the list for today in that is Mayor Luke Bronin. Okay, so with that—we will squeeze a man when he gets here. We are going to go to Kylie Gosselin. Welcome.

KILEY GOSSELIN: Can everyone hear me? Great. Representative McCarthy-Vahey and members of the committee, my name is Kylie Gosselin, I'm the executive director of the partnership for strong communities, which is a statewide nonprofit policy and advocacy organization dedicated to ending homelessness, expanding affordable housing, and building strong communities in Connecticut. I've submitted written testimony, which I will read to you, I will just hit some of the highlights. I'm here to support Senate Bill 1070, AN ACT CONCERNING ABANDONED AND BLIGHTED PROPERTY CONSERVATORSHIP and House Bill 7277, AN ACT CONCERNING THE CREATION OF LAND BANK AUTHORITIES.

So, prior to my role as the executive director of the partnership, I headed up Hartford's development office it has been my primary claim to fame in life other than two lovely daughters is finding Ms. Laura Settlemeyer and convincing her to move the Hartford. For those of you who do not know Laura, you will meet her later today. She is a nationally recognized leader on the topics of land banking and conservatorship, and she moved to Hartford to head
up the blight remediation team that we set up with Mayor Bronin.

So, in both my former capacity and my current capacity, I can attest to the negative impacts abandoned blighted properties can have on communities. In our urban centers like Hartford, these properties can be found in every neighborhood and have a financial impact on the city's finances as well as the advancements of neighboring property owners. These properties exist too in our suburban towns and rural areas. Sometimes they are owned by individuals who have long ago walked away, no longer live in the area, and are unresponsive to request by the municipality for improvement in attention. Sometimes these properties are owned by banks, frequently out-of-state institutions that are not aware of the properties conditions and are not at all connected to the communities in which the properties are having a negative impact. They are also frequently hard to reach and sometimes slow to react.

Land banking and conservatorship are unique tools that can assist with these unique properties. They have been tried and tested in Baltimore and Pennsylvania, places similarly situated in terms of their weather and abundance of older housing stock. Land banking has the potential to give towns the tools to clear title, move properties into private hands and back onto tax rolls, do a careful judicial oversight conservatorship offers an alternate option for private entities and nonprofits to invest in much needed repairs and return the property to the owner for the cost of repair or sell the property on
the open market. Both options provide appropriate protections for banks and owners.

With state resources limited in other areas of our budget, including zero proposed bonding for affordable housing development and reduced ability of investors to purchase housing in historic tax credits, land banking and conservatorship provides additional instruments in our state arsenal to further community development and provide more affordable housing in towns across the state. Data released by the National Income Housing Coalition indicates that Connecticut still has a long way to go in filling our affordable housing gap for low and moderate wage households across the state. In 2018 there were only 38 affordable rental homes existing for every 100 extremely low-income families in Connecticut. We also know based on the ALIS report that there are more than 200,000 housing-cost burdened households spending more than 50 percent of their income on rent.

Creating these affordable housing options in our suburban and rural towns has been a particular challenge for Connecticut due to existing housing stock, density and zoning concerns. Where the vast majority of Connecticut's affordable housing stock has been concentrated in large projects in our urban centers, land banking and conservatorship offer a potential avenue to partner with towns and amicably we've much needed low-and-moderate-income housing into the existing town stock, respecting architectural and historic character as well as existing density and zoning restrictions.

In conclusion, Connecticut towns really need these twin tools of conservatorship and land banking to
help redevelop some of the most challenging properties. They provide a mechanism for communities to transform abandoned and blighted properties, return them to tax rolls, generate much needed revenue, protect neighboring property owners, and improve the quality of life for residents and neighbors who already live there. Thanks, I'm happy to answer questions of anyone has any.

REP. MCCARTHY VAHEY (133RD): Thank you very much. Are there questions from members of the committee? Representative Delnicki, good morning.

REP. DELNICKI (14TH): Thank you Madam Chair. Is there anything that prevents a city or town through a redevelopment authority from essentially doing the same thing were talking about here and utilizing a town or city's ability to bond?

KILEY GOSSELIN: these represent--they have a couple of different mechanisms in them that allow them to go a little bit further than what those--than a redevelopment authority could do, and there are others here will be able to speak to those technicalities better than I, but conservatorship in particular allows, for example, a nonprofit entity to be appointed by the court to take property over, repair it, and then sell it back to the owner for the cost of those repairs or put it out to public market, so that represents an entirely different tool than what a redevelopment authority could do for example.

REP. DELNICKI (14TH): Yeah, I can see where that's one thing that the redevelopment authority wouldn't necessarily be able to do because the other functions, I think they could do. I do have an
interest and question for you pertaining to the conservatorship concept only from the standpoint that I was approached by constituent that was actually talking about formulating a program for folks that need to actually develop construction and building skills, if you had a conservatorship program, which you partner then with a technical school or other organization for the rehabilitation?

KILEY GOSSELIN: Absolutely any--again, the nice thing about conservatorship is that allows a variety of different entities to get into market, so a nonprofit that wanted to use that as a vehicle for training folks, would be a great asset to conservatorship program and would perform dual benefits in terms of training contractors or others as well as assisting the town.

REP. DELNICKI (14TH): And just to go one step further on the conservatorship concept, could that be a separate authority, a little separated from the other aspects so that it could then have a training program and in essence the training program would be self-funded from the turning over a properties? Through a nonprofit, because it would be a nonprofit entity.

KILEY GOSSELIN: Right, so land banking is a little bit different. Land banking is allowing town to effectively bank properties and then return them to the market. So, a municipality could set up the land bank that had provisions to include the types of training programs or whatever they wanted effectively as part of their land bank. Conservatorship is different, it allows a variety of different types of entities to be appointed by the court as a conservator of the property. So, it's
more of an open-ended program where different entities with different goals, it could be a training program, it could be an affordable housing developer, it could be a private developer, they could be appointed by the court to perform those functions. So, there's slightly--there's actually quite different types of tools were talking about, although they can work in concert in different environments.

REP. DELNICKI (14TH): Yeah, I'm familiar with the land banking concept because we've done that to the Reid development authority in my community. The nonprofit aspect is intriguing. Now, with that live under the same umbrella as the remainder of the program in a city or town or could it be separate?

KILEY GOSSELIN: So, conservatorship isn't necessarily a program, it just is an option that the town may not be as involved in. In other words, like could an individual nonprofit, for example, come forward to the court and say I want to be appointed conservator of this program--or I'm sorry a conservator of this property, so it's not a program in and of itself that has a set of rules or guidelines around it, if that makes sense. I don't know them answering your question exactly, but my point is it's not--conservatorship is more open-ended, it's not a structured program in the same way that a land bank could have rules and guidelines kind of set up by the town.

REP. DELNICKI (14TH): Okay, will thank you for coming forward and testifying. I appreciate the information. Thank you, Madam Chair.
REP. MCCARTHY VAHEY (133RD): Thank you Representative Delnicki. Representative Zawistowski.

REP. ZAWISTOWSKI (61ST): Thank you Madam Chair. Thank you for coming in today. I have a question concerning the land bank Bill, I was involved in setting up the tax increment financing bill back in 2015, and I'm wondering if with this--the land bank Bill may even be necessary whether or not you could actually use TIF for this type of opportunity?

KILEY GOSSELIN: Well, they're two quite different things, so Tax Increment Financing for those who are not aware, allows the town to set up a specific zone and effectively use taxes as a finance vehicle for redevelopment. Land banking allows the town, as I said before, to sort of purchase and hold properties and help return them to the market. They could be used in concert I can't think of any reason why you couldn't combine those two in certain places, meeting if a land bank held a property and you set up a TIF, but they are two different things.

REP. ZAWISTOWSKI (61ST): Okay, so you're looking at a whole different--

KILEY GOSSELIN: Yeah, a TIF is really a financing tool for redevelopment, and the town setting it up sends a message out to developers, hey, if you want to development in this area there's another finance tool available for that, this using effectively future taxes to finance redevelopment and we are as a town willing to support that mechanism. Land banking allows municipalities to actually bank properties. It can assist with things like clearing title for problem properties that, you know, have again like problems like title problems or back
taxes, things that prevent another private developer coming in and working with that property, or have been the root of the reason why the property owner walked away, otherwise the title issues, back taxes, cost of repairs exceeds the value of that property. So, if there are two different tools you could theoretically combine them.

REP. ZAWISTOWSKI (61ST): Would you see any use in limiting the amount of time that a town can hold the property?

KILEY GOSSELIN: I will defer that to other folks who are going to come after me. I'm not sure whether that's been part of other land bank processes in the past or whether other land banks have an active something like that.

REP. ZAWISTOWSKI (61ST): Okay because you're talking about removing properties from the tax rolls and it's going to be a long-term item, that could be an issue if you want to think about trying to limit the time.

KILEY GOSSELIN: And again this is the towns--right, but this is the towns choosing to take the property ostensibly off the tax rolls in order to clear title and get it back in a place where they can market it so these are likely properties that are effectively off the tax rolls, and in many cases, speaking from experience in Hartford, there are properties that haven't paid taxes for many, many years anyway.

REP. ZAWISTOWSKI (61ST): Okay, thank you very much.

KILEY GOSSELIN: You're welcome.

REP. MCCARTHY VAHEY (133RD): Thank you Representative. Representative Dubitsky.
REP. DUBITSKY (47TH): Thank you Madam Chair. Thank you for coming in. I want to ask you about raised bill 1070, which I understand you are in support of. Am I correct understand that this would allow basically any resident of the town that is within 2000 feet of a given building to petition to the court to take possession of that building? Is a possession, conservatorship—

KILEY GOSSELIN: It's conservatorship, so—

REP. DUBITSKY (47TH): Which means what?

KILEY GOSSELIN: So, conservatorship means that the owner is still the owner, it does not change the owner of the property. The court appoints a conservator—I kind of for lack of a better analogy, guardianship might be a way of thinking about it, but a nonprofit owner, or nonprofit entity, or private developer can come forward and say, you know, this is an abandoned, vacant, blighted property, the town has cited it as a blighted property, there's nobody living there, and asked the point to be appointed as a conservator. They can then go in and make the necessary repairs to the property. The ownership of the property remains the same, that is the only—the person on the title owns the property, it doesn't change, there's just a court appointed conservator that's going in and taking care that property.

When the repairs are concluded, the owner can pay the conservator back for the cost of the repairs and continued on the property or if they don't want to do that, the property can go out on the private market for sale.
REP. DUBITSKY (47TH): Okay, so there is--so I didn't see, is there a requirement in here that the owner make that choice whether or not to pay for those repairs?

KILEY GOSSELIN: There is. The owner has the choice to side they want to pay the conservator back for the cost of the repairs and continued on the property, or they can say I don't want on the property anymore, and it's okay to go ahead and sale it.

REP. DUBITSKY (47TH): Okay, what is the owner says, thank you for the repairs, I'm now going to occupy and run it as mice building now?

KILEY GOSSELIN: So, under conservatorship that's not an option at that point. The court appointed conservator coming before the court recognizes that this property has a series of problems and delinquencies that make it an allowable choice for conservatorship.

REP. DUBITSKY (47TH): I understand that, but let's say I'm a deadbeat landlord and my building is falling apart, and somebody in the neighborhood decides that they want to step in and fix it up, and once it's fixed up, I start putting tenants in it.

KILEY GOSSELIN: You wouldn't be allowed to do that, and to be clear there are notification requirements of the bill. So, the--and I will let Laura and others go into more details on this, but there is protection for the owners. The owners would be notified that this process is happening. In other words, it's not like this would just happen and someone will step in and fix up the property without the owner's notification, and in many cases, these
are owners who of not, again, been responsive for long periods of time. So, the owner would not be able to continue owning the property if a conservator makes repairs and completes those repairs.

REP. DUBITSKY (47TH): Okay, so presumably the conservator would have a lien on the property of some sort?

KILEY GOSSELIN: Yes.

REP. DUBITSKY (47TH): Okay, and the owner would have the ability to go to court when this process is taking place and say that it should not be--that conservatorship should not be stripped from them?

KILEY GOSSELIN: Yes, and there are protections in place for both banks and the owners for that reason.

REP. DUBITSKY (47TH): Okay, and now are you familiar with the bill that's floating around, I believe it's in this committee, that would allow the demolition of the historic building after five years of non-use?

KILEY GOSSELIN: I'm not familiar with it so I prefer not to answer questions without having educated myself.

REP. DUBITSKY (47TH): Okay, thank you.

KILEY GOSSELIN: I'd be happy to contact you later once have had a chance to do that.

REP. DUBITSKY (47TH): Okay, thank you. Thank you, Madam Chair.

REP. MCCARTHY VAHEY (133RD): Thank you
Dubitsky. I was looking at Representative Delnicki when I saw that. Are there further questions from members of the committee? I do have one for you Ms. Gosselin, and I want to thank you for your cogent explanations, they're very helpful. One of the things I've heard as I learn more about these concepts, as you know being new to this committee it's been wonderful to just examine all the different tools that are possibilities out there. One of the things I heard is that municipalities are sometimes hesitant to engage, whether it's a conservatorship or land banking, can you speak to that since you been on both sides of this, I would love to hear your thoughts.

KILEY GOSSELIN: So, I, as a former development official, wouldn't be hesitant to use these tools. I think if there is hesitancy out there it may be for fear of having to engage in court or legal battle for lack of a better word, I don't think that's what this results in though. You know, what I saw in my tenure in Hartford, and others will speak to this as well, is that there are some properties that get to the point where they are so hamstrung by, again, tax liens and title issues that they become effectively impossible for the private market to tackle. So, as municipal economic development official and also at my role at the Partnership, I think these are just two tools to tackle those most difficult properties. There are other tools that municipalities and developers have to work on our challenging properties, but these are the tools that I think are needed that are in the arsenal to get his those really, really difficult properties where the owner has just walked away in the market is never going to
take care of that property, so at that point it just becomes demolition by neglect.

I will say when--there are others from CCM who will speak here, but when we first brought this proposal to CCM I was surprised at the number municipalities who jumped up to support it, and I think that's in part because so many towns, whether their ruler suburban, have these types of properties in the more the property hasn't been effectively on the tax rolls for many years, it's an eyesore, and the town feels like they have no ability to get at that property to just step in and make the repairs or get an entity that's willing to make repairs to do that.

I hear frequently from supporters of affordable housing and other folks within the municipal community development world, man if we could just fix that property up, we could do X with it, it would be a great home for families, it's a great rental property where we needed. It could be a useful affordable housing property, but we can't do it because the title gets in the way, the taxes get in the way, these are things, tools, that we can use to get around those and actually tackle these properties.

So, I would be, in my old role, quite happy to have had these tools for several properties I can think of right off the top of my head.

REP. MCCARTHY VAHEY (133RD): Thank you for that. As a follow-up two things, one, I appreciate that you've spoken with CCM and clearly engage with multiple communities. You have been speaking to this from an urban centered perspective, which you see any differences in the application of either of
these, whether it's the land bank or conservatorship in a rural community or perhaps a suburban--what do you think?

KILEY GOSSELIN: I don't, yeah, I think that's one of the unique things about this bill and I came out this approaching it in my role when I was still at the city of Hartford thinking about it as a tool for many of those small multi-family blighted properties that we had in Hartford, but in the course of just learning more about it and talk to more people about it, having grown up in Suffield, and I can think of a number properties that fit this bill in that town. There are towns all over the state that have these--every town has a handful of these properties that have just--the owner has walked away, or they are gone or it's just a bank owned property in foreclosure has Artie happened and it's just sitting there, and the demolition by neglect starts.

So, I think the process and the tool itself will be implemented the same regardless of where the property is and I think that this is a tool that almost every municipality in the state, affluent or not, suburban or rural, can really benefit from.

REP. MCCARTHY VAHEY (133RD): Thank you very much. If there are no further questions, thank you for being here with us today.

KILEY GOSSELIN: Thanks.

REP. MCCARTHY VAHEY (133RD): Just looking around to see if Mayor Bronin is here. Let me know when he gets here. Wonderful, thank you for the information, so we will move on to the next person on the list, Dan Lauer will be followed by Jim Perras. Welcome.
DAN LAUER: Good morning. Thank you for the opportunity to speak today Representative. I appreciate the members taking the time out, I'm sure you all have a pretty busy schedule and full days appear by the crowds outside, so thank you for the opportunity to come and speak. My name is Captain Dan Lauer, I am the commanding officer of the Community Relations Division for the City of Waterbury.

I'm here today representing Mayor O'Leary who unfortunately cannot make it. Mayor O'Leary also serves as the president of CCM, and I'm here today to talk about two bills that are before the committee, one being house Bill 7277 regarding land banking, and the other one being raised bill 1070 regarding conservatorship.

The city of Waterbury has made significant headway in recent years of efforts to reduce urban blight. When Mayor O'Leary took office in 2012 one of his first priorities was to create a blight task force for the purpose of correlating property remediation and redevelopment efforts among various city agencies. I currently oversee the blight task force as part of my role in community relations. Stiffer penalties including automatic court appearances for blight code violators are now in place, absentee landlords are now required to register the properties they own along with providing viable contact information, for closing entities are required to have a local property management company to maintain properties in foreclosure, and an aggressive tax auction process is returning some previously abandoned properties to productive use. However, we even with all these proactive processes
in place, the problems surrounding property abandonment persists.

In order to stop urban decay associated with property abandonment and mismanagement, what a very needs a comprehensive land banking and conservatorship policy as part of overall efforts to eradicate urban blight, spur economic redevelopment, and improve the quality and quantity of affordable housing. It is theorized that these efforts not only improve the quality of life and lower crime, but also stabilize and even expand the tax base.

Older cities, particularly those with former industrial basis have been plagued by problems associated with unoccupied, dilapidated, and vacant buildings along with overgrown and empty lots. Vacancy can simply be defined as property that is not occupied and may be in the state purposely by the owner as part of long-term investment strategies. Abandonment is a far stronger concept that suggest the owner is no longer investing any resources in the property, is no longer maintaining the property, and is no longer meeting the financial obligations of the property such as mortgage obligations and property taxes.

These abandoned parcels negatively impact tax revenue, diminish the quality of life for local residents, but a strain and already stressed public services and require significant attention by local government that is costly and demanding, the city of Water very is no exception. Cities like Waterbury can no longer sit idly by and hope that the economy will improve or that the real estate market will correct itself, as such, former industrialized cities need to implement proactive policy efforts to
reinvent themselves as attractive and welcoming places for both economic and housing development. Such a policy strategy relates to the broken windows theory which postulates that the mere presence of abandoned housing, blight, and other elements of urban decay such as graffiti has a detrimental impact on neighborhoods because it demonstrates to both outsiders and residents alike that the neighborhood is one that supports crime and poverty thus creating a vicious cycle that encourages additional abandonment, blight, and crime.

In order to break the vicious cycle of abandonment into accomplish the redevelopment goals that improve the quality of life, cities must adopt policies and strategies that repurpose vacant, abandoned, and foreclosed properties. Land banks and conservatorship present valuable tools to assist in accomplishing these task. Alembic is a government entity that focuses on the conversion of vacant, abandoned, and foreclosed properties into productive use. The primary goal the land baking process is to acquire and maintain properties that have been rejected by the open market and are therefore growing liabilities for municipalities and negatively impact community stability. Land banks are designed to help local government facilitate changes in legal, institutional, and systemic processes in order to repurpose and reuse problem properties thereby improving the quality of life for the productivity. Through these changes, a Waterbury land Bank will be able to provide marketable for previously abandoned properties, transfer properties to qualified developers for pennies on the dollar and patched together fragmented land parcels into
A land bank and conservatorship policies are not a panacea that will solve all of Waterbury's blight, property abandonment and tax delinquency woes—

REP. MCCARTHY VAHEY (133RD): And if you could summarize, that would be great.

DAN LAUER: Okay, I'm sorry. I'm almost done. Today's municipal property woes are the result of age tax laws, market failures, and lack of incentive for redevelopment. A land baking policy that corrects these deficiencies do legislative action and local community engagement will provide water very with all the tools it needs to promote long-term stability for its diverse neighborhoods.

REP. MCCARTHY VAHEY (133RD): Thank you. Are there questions from members of the committee? I have one for you. So, you clearly have put a number of processes in place in your city, but this remains a problem, how widespread is this problem still?

DAN LAUER: You know we don't have a value for how many better properties we have in the city, but it is in the hundreds, and the problem that we face, as the previous speaker had noted, is that these properties are so underwater through tax debt, through titles that there's no hope for these properties to be reclaimed on the open market because it doesn't make any financial or economic sense to come in and do that. What a land bank does is that it takes possession of these properties and in doing that it clears title and allows qualified developers and get these properties back on the tax marketable real estate thus ending the development stagnation that would otherwise occur.
rolls and also improve the condition of the property in the quality of life for the neighborhood.

REP. MCCARTHY VAHEY (133RD): Thank you for that, and earlier Representative Delnicki was asking about redevelopment and Ms. Gosselin testified in terms of that, do you anticipate working in concert in terms of any redevelopment efforts that are happening in Waterbury and have you to date with some of your other tools?

DAN LAUER: Yes, yes so this is a priority for the mayor's office to have this land banking authority that would work in conjunction with other initiatives that are going on through the Waterbury Development Corporation, through our Economic Development staff members, basically, it's another tool in the tool box to allow us to go in ineffectively, you know, improve the conditions of some of the more distressed neighborhoods.

REP. MCCARTHY VAHEY (133RD): Wonderful, thank you very much for being here with us today Captain.

DAN LAUER: Thank you.

REP. MCCARTHY VAHEY (133RD): With that, we are moving onto Jim Perras and then followed by Chris Nelson [phonetic]. You are welcome to come up together if you like to do so. Wonderful.

JIM PERRAS: Good morning Chairwoman McCarthy-Vahey, ranking member Zawistowski, and esteem members of the planning and development committee. My name is Jim Perras I am the CEO of the Homebuilders And Remodelers Association of Connecticut. Our members account for roughly 80 percent of all new residential construction and they engage in
countless remodeling activities throughout the state. I'm here to provide testimony and strong support of House Bill 7366, AN ACT CONCERNING INCENTIVES FOR ENERGY EFFICIENT CONSTRUCTION, and also strong support for Senate Bill 1071, AN ACT CONCERNING AGE IN PLACE INCENTIVES.

There are a couple of developers here today from the homebuilders and remodelers Association does testify in support of house Bill 7366. So, I will quickly summarize my testimony with regard to this bill and then move on to Senate Bill 1071.

Beyond the environmental benefits referenced in my written testimony and year-over-year savings homeowners will experience over the life of their energy efficient homes, if house Bill 7366 were enacted there would be a tremendous benefit to our sector of the economy as well. While the rest of our state economies have seen positive gains, the residential construction industry has been experiencing a housing depression for over 10 years now. New single-family construction has hovered just below 2500 permits a year is 2009. In normal times, our industry averages nearly 10,000 housing permits per year for single-family homes.

We are not even building new homes at the pace needed to maintain our current housing stock numbers, which is exacerbating Connecticut's growing affordability and accessibility issues. House Bill 7366 can help to get the pendulum swinging back in the right direction in reverse these negative housing trends while providing tremendous benefits to the environment and the homeowners for years to come.
Lastly, we believe this tax credit would almost certainly pay for itself. Connecticut specific study has shown that everyone 100 additional homes built will generate 334 new jobs, $29.5 million in wages, and $4.7 million in taxes paid to the state and local government in the first year alone, and just as a point of reference, that study was actually done in 2012, my assumption is those gains in revenues would be much higher now.

I am moving on to Senate Bill 1071, AN ACT CONCERNING ENERGY INCENTIVES FOR AGING IN PLACE. If enacted, this bill will provide $5,000 dollars state income tax credit to those whose household incomes are $150,000 or less beginning in taxable year 2020 and ending in 2025. We think this tax credit is also likely to pay for itself in the form of increased income tax, sales tax revenue, while saving taxpayers unspent Medicaid dollars.

We know that Connecticut is plagued by issues of housing affordability and accessibility. These affordability and accessibility issues are compounded by the current reality the residential construction is not producing new units at the rate needed to maintain current housing stock numbers. Given these facts, new construction may not be an affordable alternative to a nursing home. As such, it is all the more important that we as a state encourage and incentivize the retrofitting of older homes in order to afford the greatest number of our senior residents the ability to age in place as long as possible.

Note the importance of encouraging seniors to age in place will only grow as according to Connecticut's AARP, Connecticut's population of seniors who are 85
and older, which currently totals 79,000, is expected to grow by 70 percent by 2030. Thank you for your time.

I would like to just also mention for a moment that the homebuilders and remodelers Association is also in support of Senate Bill 1070, the conservatorship Bill and in support of house Bill 7277, the land bank Bill with one caveat though, in that--so far as the land bake would be utilized to purchase broad and undeveloped land that provisions be made in the statute or into legislation that make it clear that a town should not utilize that ability to purchase that raw or developable land to avoid any sort of fair housing responsibilities.

REP. MCCARTHY VAHEY (133RD): Thank you Mr. Perras. Are there questions? Representative Carney.

REP. CARNEY (23RD): Thank you Madam Chair. Thank you very much for your testimony. I just have one question about 7366, and I typically support tax credits but I'm just wondering, is it purchasing an energy efficient home already sort of an incentive?

JIM PERRAS: Well, typically in energy-efficient home--certainly your right by the way, secondly, I would just like to say that it energy-efficient home is typically more expensive than your traditionally built home, and while that incentive may be there to--those who are looking long-term knowing that they will be affording themselves, savings will be a reduced energy costs. The incentive is also there because the house cost more.

REP. CARNEY (23RD): Okay, I appreciate that. Thank you very much.
REP. MCCARTHY VAHEY (133RD): Thank you Representative Carney. Representative Zawistowski.

REP. ZAWISTOWSKI (61ST): Thank you Madam Chair and thank you for coming in today. Question for you on 1071, I don't really see in the bill where—who actually determines what would be eligible improvements for retrofitting.

JIM PERRAS: So, I believe the bill states that OPM is to certify or provider certificate once it is deemed that the retrofitting done is typically for the purposes of Aging In Place or to make a home where visitable for folks with disabilities.

REP. ZAWISTOWSKI (61ST): Yeah, I did say that, and I see that, but I'm just trying to figure out whether or not there's any improvements that would be pre-certified or whether or not you have to actually apply to OPM every time you try to retrofit a home.

JIM PERRAS: It's a good question. My assumption is that if regs are promulgated for this piece of legislation that those specific questions would be answered via those regulations.

REP. ZAWISTOWSKI (61ST): Okay, so you're leaving a two--you anticipate that this would be something that OPM would put together, right?

JIM PERRAS: That would be my assumption. I am uncertain if asked upon the homebuilders and remodelers Association would be happy to provide information pertaining to what we believe to be adequate or appropriate things to utilize the tax credit for. It should be said that our association, our national Association, in conjunction with the
national Association of the AARP National Association, got together a few years back and created a program called CAPS, Certified Aging In Place Specialist, and that information is already identified in that sort of collaborative effort that they created. So certainly, there are resources out there that could be pointed to in order for OPM to formalize its list of appropriate renovations.

REP. ZAWISTOWSKI (61ST): Yeah where I'm coming from on this--I'm just concerned about some unscrupulous people coming in and trying to maybe to see seniors into saying, hey you're going to get a tax credit if we come in and do such and such. You know, and every profession there are people that may not necessarily follow the standards as most of them, and I'm just concerned about some kind of safeguard on that so that--I mean, you're talking about--you're dealing with AARP, so they might be able to get a lot of this kind of information out, but that is a concern from somebody who is care for an aging parent for a while.

JIM PERRAS: Might I address that, I would suggest that if there were to be that concern in that concern was spelt overwhelmingly by the committee that they could consider adding language of the bill that would require that the remodeler be CAPS certified, therefore with that CAP certifications becomes--there are continuing education requirements about the design and installation of any sort of materials and things of that nature that need to be, you know, they are required to specifically understand and are taught how to retrofit for individuals who are Aging In Place, and part of those classes are also how to work with senior
specifically and help them to understand what they need, so all sorts of issues pertaining to visitability and basic constructs pertaining to retrofitting for Aging In Place are taught in these classes, and they have to maintain that certification by continuing classes throughout the year. I think that, for the large part, alleviate those concerns because these people are—would be certified professionals that are specifically taught and are professional in such a way that they can execute that without—alleviating some of those concerns anyways.

REP. ZAWISTOWSKI (61ST): And what is the certifying body for CAPS?

JIM PERRAS: It's the National Association Of Homebuilders, and again that program was created by the national Association of homebuilders in conjunction with AARP, and there was one other entity as well, but I apologize, it is eluding my mind at the moment, but—yeah, and again it's called Certified Aging In Place Specialist.

REP. ZAWISTOWSKI (61ST): Okay, and this is something that has been adopted by other states?

JIM PERRAS: Yes, it's a national program.

REP. ZAWISTOWSKI (61ST): Okay. Thank you very much. Thank you, Madam Chair.

REP. MCCARTHY VAHEY (133RD): Thank you Representative Zawistowski. Senator Cassano, welcome.

SENATOR CASSANO (4TH): Great timing, great timing. I have one question, and reading your materials
JIM PERRAS: Well, I think--

SENATOR CASSANO (4TH): Or certification by the Association itself?

JIM PERRAS: I think that something initially when we discussed the legislation that—and to Representative Zawistowski's concerns that there may be scenarios in which unregistered or, to use Representative Zawistowski's term, unscrupulous contractors who are out there potentially taking advantage of seniors who are looking to retrofit to age in place, that one way to avoid a combat that would be to utilize or to require that the remodeler or contractor also be a Certified Aging In Place Specialist, a CAPS certified individual.

So, certainly that is something that we think is a worthwhile thing to consider, with that being in mine, in the interest of full disclosure, our association does provide the continuing education classes for Certified Aging In Place Specialist, but we do offer that not only to our members but also to non-members as well.

SENATOR CASSANO (4TH): And I have no problem with that. I've been reading in the last time I looked at it there wasn't an approval or certification by the Association, and I don't know where we in this building turn to the associations for certification, the guidelines the training, all of that, but it is set approval by CAPS.

JIM PERRAS: Well, I think it wasn't necessarily an approval. What we asked our recommendation
previously was that the contractor themselves be a CAPS certified individual. With that being said, I don't believe that language is in the bill before us. The committee specifically utilize language that I believe is derived from the state of Colorado, which does not have that CAPS certified prerequisite.

SENATOR CASSANO (4TH): Thank you.

REP. MCCARTHY VAHEY (133RD): Thank you Mr. Chair. Are there further questions? I do have a couple for you. Thank you for being here again with us today, and in terms of the home energy, what might be done, to Representative Carney's point, what are some of the things that might be done to a home that actually would make it more expensive? Can you give us some concrete examples of what that would be that might be different than a typical new home construction?

JIM PERRAS: Sure, there'll be a couple of developers who follow me that probably will be able to answer those questions better than I, specifically Ken Mita who bills these homes on a daily basis, but I can tell you it would be an upgraded installation, and energy Star appliances, and--I think if it's all right with you, I would like to leave that question the can to give you a better explanation.

REP. MCCARTHY VAHEY (133RD): That's wonderful. I just made a note to remember to ask him when he is before us, and I fly forget you were might be right. So, any further questions? With that, thank you very much Mr. Perras for being here.

JIM PERRAS: Thank you very much miss Chairwoman.
REP. MCCARTHY VAHEY (133RD): And next up we have Chris Nelson followed by Cara Hart. Welcome.

CHRIS NELSON: Thank you Representative McCarthy-Vahey and Senator Cassano and the rest of the committee. Good morning, my name is Chris Nelson, I am currently president of the Connecticut homebuilders and remodelers Association, I'm also a home builder. Prior to 2009, our company built between 25 and 40 homes a year, but much like the rest of Connecticut, home building activity since 2009 we've been building 5 to 7 homes a year, they are 25 percent of our normal capacity.

Our home builders Association continues to promote quality, integrity, and professionalism in our industry. Were instrumental in working with our state and codes and educating our members on new changes and advances in things like energy-efficient construction, that's why we're here today. We seek to take an active role in stimulating energy-efficient new home building and remodeling in our state.

Our industry is also supporting Bill—Senate Bill 1071, which Jim was talking about, forgive me Jim, an act concerning Aging In Place, which helps people to stay in their current homes, and I'm sure those details you are referring to can be worked out. The list of things specific to Aging In Place are pretty clear-cut, things like ramps with the doors, toilet fixtures, there are number of things that can be very clearly specified that fit those criteria. If you're going to re-side your house, obviously that is not something that would address that, but I'm sure we can work through that. Thank you for listening to my testimony.
On House Bill 7366 concerning incentives for energy-efficient new homes, when enacted, this incentive will be a rallying point, encouraging buyers to consider and buy energy-efficient homes. It will encourage buyers to get off the fence and help build momentum for the much-needed recovering in Connecticut home building. It has been well documented that homebuilding actually helps lead either nation or geographic area out of a recession, and that relates to an optimism or momentum when people start buying and building new homes.

We believe this tax incentive makes a lot of sense, first on a policy level. As an industry, many builders have been building Energy Star homes for several years. An energy star home has a HERS score of approximately 85 right now or better, it depends on the program and submitted under. So, the 60 is an aggressive number for improving our homebuilding scores. It cost a bit more, but buyers save money to reduce total housing costs, it's good for the environment, it puts less demand on our energy infrastructure. Also, as the awareness of lower energy cost increase, it educates buyers and motivates existing homeowners to make necessary energy-efficient investments into their homes.

So, on a policy level encouraging efficient new homes is a smart investment. As to the specifics of this tax credit bill, I really think it's a win-win, win-win for consumers, for municipalities, for the homebuilders, and also for the state. I will just explain very briefly, first the consumer wins--

REP. MCCARTHY VAHEY (133RD): If you could sum up, that would be wonderful.
CHRIS NELSON: Okay, thank you. Consumers went because they save money long-term, municipalities win because it would add $6,000 to $14,000 dollars on a typical 2000-foot home to the property tax annually, so it's a win for them revenue wise. It's a win for building industry because it puts people back to work and start building that momentum back, and forth it's a win for the state. On the surface it looks like it's costing the state, but each additional who home creates additional revenue. At 2200 square foot home creates $6000-$8000 dollars in additional sales taxes on the materials to build that home. It adds over hundred thousand dollars in wages, yielding another $6000 in state income tax, and then there's the $2500 and conveyance tax, and whenever a new home is built there's a huge ripple effect and the local businesses from furniture to insurance to grocers and restaurants. New homes are the leader as I indicated for economic recovery, and to sum up this is a good thing in our opinion and would be happy to help guide it through.

REP. MCCARTHY VAHEY (133RD): Thank you very much Mister Nelson. Other questions from the committee? I have one--go ahead Senator Cassano. Okay, I'll go first then, thank you Mr. Chair. I am wondering about the ratings, the scores, so the HERS rating system, you said that 85 was an energy star, the typical energy star home would be an 85, but then so 60 in the bill is a pretty aggressive number, can you talk a little bit more about that?

CHRIS NELSON: Sure, probably about 10 years ago we started raiding homes, much like miles per gallon for car, we rate homes, new homes specifically. Energy star started this program so that you could
qualify for certain incentives, there are smaller rebates $500 up to $2000 for consumers if you reach the certain incentive levels. So, the cold for the 2006 building code you had a score of 100, that's how that house was tested if it was built to cold, if you got a score of 50 that means you're going to use 50 percent less energy or only half the energy of that 2006 code-built home. With 85-energy Star has the great job pushing the industry to help increase the energy efficiency over time, this is a way to help accelerate that.

People sometimes don't buy energy-efficient homes because they say, the granite countertop looks nicer and they really don't understand, they haven't been educated about how much better this really is for them and for the state and for the energy grid, and this is just part of that educational process to try to get them to see that.

REP. MCCARTHY VAHEY (133RD): I appreciate the explanation, but I was going the other way on the scale, but that makes sense so coming down from 100 to 60 takes it down even farther. That's very helpful.

CHRIS NELSON: It does. Energy Star has a goal within the next 10 or 20 years to get to 0 net energy efficiency, which sounds crazy, but it is very doable and were going to keep marching in that direction, but we need to get our builders, even in the state of Connecticut to all step into that, and the education in producing those homes.

REP. MCCARTHY VAHEY (133RD): I could not agree more in terms of what we're doing with energy efficiency wise and renewable energy wise, were going to have
to accelerate what we're doing on all fronts, homebuilding, vehicles, everything. To that end, in terms of the energy Star type of construction, this may be an impossible question for you, but when you look at what's being built out there across the state, you know, what percentage of builders are hitting that 85 benchmark?

CHRIS NELSON: Sure, there are currently two ways to apply for permit, it's either a prescriptive path where you put this much insulation in, you put this type of air-conditioner in, and you can get a building permit and build the house. Then there's the other path, which is to actually agree to have your house tested and certified. Right now, I think for the people who are really on the screen may be two thirds of the houses would reach that 60 level. The people who are not on that testing level really aren't going to be in that below 60 level, there in the 80 range, were trying to bring more of those people down to start adopting these energy-efficient kind of methods.

REP. MCCARTHY VAHEY (133RD): And when you say testing, are you referring to the home energy audits, or what testing are you referring to?

CHRIS NELSON: There's actually--there are energy raters, it's an industry that started about 10 years ago, and they actually go in and do what's called a blower door test. So, they will look at the insulation in the home, they'll put a scan in and see how much the house leaks, and they can very scientifically evaluate the energy rating of the home, and that's what that home energy rating score is, the HERS score.
It's different than the energy audit that the utility company comes out and for 80 bucks still test your house and tell you to put more insulation or change your windows or whatever. This is truly a more sophisticated way of testing a new home, and now we can start testing our existing homes to, but there's a lot more work to do on the renovation testing procedures because unless you really going to totally cut in existing home, it's hard to bring it up to the same level, it's possible but it's just harder to test.

REP. MCCARTHY VAHEY (133RD): Thank you for that clarification. I have done the home energy audit and they did have the blower test and the doorway, so it's helpful to understand certainly it is different with retrofitting. My home is not a new home--

CHRIS NELSON: In time, even if we bring each house—the existing housing stock a couple percentage points down each year for each couple of years, eventually our existing housing stock instead of using 21 percent of our nation's energy, will start getting lower and that's what we're trying to get to.

REP. MCCARTHY VAHEY (133RD): Well, thank you for that. I'll save some of my other questions for some of the other folks coming up. Any further questions from members of the committee? Senator Cassano.

SENATOR CASSANO (4TH): Thank you Madam Chair. Chris, welcome. I probably should've asked Jim these questions, but you're the president so you can ask in many ways. Two things that have been very helpful to us over the years, you talked earlier about the ripple effect, what does it mean we build a home,
how many jobs it created and so on, if you could get his current data on that because, you know, I use that data in the finance committee and other committees is so non-, people have no idea of the impact of building a home, how many jobs it creates, the impact on community, and the second was housing stock. I know they were terrible last year they've been dropping and dropping, we put those two together it's very powerful information, so if you can get an update on that for us?

CHRIS NELSON: We can certainly do that.

SENATOR CASSANO (4TH): Thank you.

REP. MCCARTHY VAHEY (133RD): Thank you Mr. Chair.
No further questions? Thank you, Mr. Nelson for being here with us today. Next on the list we have Cara Hart followed by Rosanne Haggerty. Welcome.

CARA HART: Thank you, thank you for allowing me to speak this morning. My name is Cara Hart, and I am the Cooperative Purchasing Manager for the Capitol Region Education Council. CREC is in support of Senate Bill 1076, AN ACT CONCERNING COOPERATIVE PURCHASING, and we want to thank you again for raising this bill again this year.

We have been offering cooperative purchasing contracts for over a decade now to schools and towns across the state. Given that it's our mission to help schools and towns collaborate and save money, we consider that this is one of our foundational services that are provided by a Regional Educational Service Center.

Current statutes prevent districts and towns from fully utilizing the RESC-supported bids for roofing,
furniture, Fixtures, and equipment, technology, and other items involved in construction projects where state reimbursement dollars are being used. These are big-ticket items, and schools and towns could save a lot of money and time by using these contracts.

These statutes have also prevented state agencies such as DEEP from supporting the use of cooperatively bid contracts for projects such as artificial turf fields when working with STEAP and other state funded grants. By limiting schools and towns to only contracts offered by DAS, they are forced to go through a time consuming and expensive bidding process when DAS does not have a certain kind of contract.

DAS don’t always have the lowest prices, and school districts and towns should have options available to them that allow them to receive the same or better-quality product at a lower price. One example, in 2018 through one of our contracts for technology purchases that were not construction related, schools in town spent $3.4 million dollars to that particular contract, which save them $1.4 million dollars. So, if you multiply that by all the furniture, technology, and roofing and everything needed for new construction, that savings could be considerable.

The changes that are proposed in Senate Bill 1076 give schools and towns the ability to use cooperative purchasing contracts available through the RESCs and the COGS, just as they are able to use State DAS contracts. The changes should also be written to allow bids postings to be placed in a CT paper rather than a local newspaper. Removing these
two hurdles will allow schools and towns to save hundreds of thousands of dollars on direct costs, as well as prevent the redundancy of time and expense spent when 169 municipalities all going out to bid for the same thing.

Our nationally bid contracts can result in much lower pricing than contracts bid only at a state level. The DAS bids also on behalf of state agencies and state schools, and not on behalf of towns and public schools, which RESCs and COGS are.

It is important to note that this bill does not change any part of the process, other than the bidding process. The only difference is how the contract is procured. The job is still carried out in the same way. Prevailing Wage and all labor laws are followed. Projects are run through RS Means, everything stays the same. It’s a simple fix, but it allows for great savings for our schools and towns. Given our state’s financial challenges and the legislature’s commitment to providing opportunities for municipalities to save money, this bill is a win-win. I also did want to add one thing, when I read this bill, I wanted to point out that it is currently written to include our request proposals, which I think is a little limiting if that could be written to include just bidding or invitations to bid.

REP. MCCARTHY VAHEY (133RD): Thank you, Mr. Chair.

SENATOR CASSANO (4TH): Yes, just one quick question, I noticed a set shall, which in our language is required and so if it’s required all orders and contracts in school building construction receiving state assistance would have to go through
the RESC, and I don't know if there's a RESC throughout the state of Connecticut, so if that was may I can understand that, but to require that all school projects go through the RESC, I think that's too much.

CARA HART: No, no, no that's not what we're asking-

SENATOR CASSANO (4TH): That's the wording, I'm sorry, but that's the wording of the bill.

CARA HART: Okay, yeah, we're not--

SENATOR CASSANO (4TH): That's not your intention?

CARA HART: No--

SENATOR CASSANO (4TH): Okay.

CARA HART: No, we want schools and towns to have the option. Right now, they have to use DAS or go out to bid themselves. We want RESEs and COGS, cooperative purchasing contracts to be considered same as the DAS.

SENATOR CASSANO (4TH): So, we need to change [inaudible 01:02:41] Thank you.

CARA HART: You're welcome.

REP. MCCARTHY VAHEY (133RD): Thank you Mr. Chair. Representative Zawistowski followed by Representative Delnicki.

REP. ZAWISTOWSKI (61ST): Thank you Madam Chair, thank you for coming in today. I really like the spirit of this proposal, but I do have a couple of questions, the RESEs, do they actually--since these are larger projects, particularly--does the RESC
actually act as a like a project chairman on any of these or a project manager?

CARA HART: No.

REP. ZAWISTOWSKI (61ST): Okay, so you're basically at any of the schools construction or equipment installation, you're just handing the soft to the individual districts.

CARA HART: We're making the contracts available to them, so it's just the way that there procured, but they still have the building project team that is overseeing the project.

REP. ZAWISTOWSKI (61ST): Okay, once that process has been done, is the RESC involved at all, if there's any contract disputes or anything else, because you mention in here that there's no change orders or anything else, what happens if there is a dispute?

CARA HART: We can get involved. We haven't had any disputes as long as I've been involved, so were certainly--you know, we support schools and towns we want to be able to--we will be able to support them in explaining how the bid process when, and--

REP. ZAWISTOWSKI (61ST): Okay. Are the RESC compensated at all for this process?

CARA HART: We collected administrative fee off of the cells of 2 percent to help, you know, cover my time in the marketing that I do to support.

REP. ZAWISTOWSKI (61ST): Okay, thank you very much. Thank you, Madam chair.

REP. MCCARTHY VAHEY (133RD): Thank you Representative Zawistowski. Representative Delnicki.
REP. DELNICKI (14TH): Thank you Madam Chair and thank you for coming forward with your testimony. Just so that we're all clear, this is not requiring any school district or any town to have to adhere to a specific set of architectural plans from CREC or having to actually go through CREC or ACOG [Phonetic], it would be totally voluntary?

CARA HART: Absolutely, just an additional option for them.

REP. DELNICKI (14TH): And the change in the language pertaining to the advertisement, and I'm just looking at that, because that would actually mandate a choice of either Internet web or a newspaper, and I know that it's been a lightning rod issue with the newspapers and with the average people, not necessarily knowing what's going out to bid.

CARA HART: So, currently at construction project has to be advertised in the town that the project is taking place. Our cooperative purchasing--we go out to bid we--CREC and I believe ACOG also would post it in the Hartford Courant as well as the on the DAS website. So, were still posting advertisements, but on a broader scale must pacifically and that town where the project.

REP. DELNICKI (14TH): The only concern I have about that language there pertains to papers like the Journal inquire, like the day that have a robust circulation but in the general area is whether actually serving. Other than that, as long as it's totally voluntary and it's not mandated--I know we've utilized in South Windsor, we've utilized the cooperative purchasing for supplies and things of
that nature, but we've chose to maintain the control when it comes to the actual designing and bidding out of the schools. So that would not change?

CARA HART: That would not change.

REP. DELNICKI (14TH): But it would just be a choice if we did want to utilize that?

CARA HART: Correct.

REP. DELNICKI (14TH): Thank you for your testimony. Thank you, Madam chair.

REP. MCCARTHY VAHEY (133RD): Thank you Representative Delnicki. Are there further questions from members of the committee? If not, thank you for being with us today. Next, we have Roseanne Haggerty followed by Gary Mala. Welcome.

ROSEANNE HAGGERTY: Thank you. Thank you, members of the committee. My name is Roseanne Haggerty, I'm the president of community solutions, which is a national not-for-profit working to in homelessness and the underlying causes of homelessness throughout the country, and one community that is a particular focus for us is the northeast neighborhood of the Hartford, particularly the Promise Zone area but within that northeast, and we've been deeply involved with efforts to address the social, health and economic challenges in that neighborhood for over eight years.

I happen to be a West Hartford native and a Hartford resident as well. I am before you today to seek your support of Senate Bill 1070. This is a bill, as you know, that will bring conservatorship to Connecticut municipalities as an important tool for addressing blighted and abandoned properties and the damaging
effects they have on communities. I first came to learn about conservatorship through the experience of my colleague Dave Foster, who is submitting written testimony on this bill. Dave happens to have deep experience with Pennsylvania’s version of the law, which has been in effect and is very successful for more than six years.

I wanted to highlight, as an explanation for our particular concern here, the effect of concentrated blight in abandonment on neighborhoods, our ZIP Code has one of the highest rates of homelessness in the region and one of the highest rates of addiction, and there is abundant research that serve correlation between concentrated blight in these conditions of instability, and also more and more medical journals you see are now reporting regularly on the negative health and mental health effects of blighted and abandoned properties for those who live in and around them.

We see this in Northeast and throughout the promise zone, in the pervasive childhood asthma in our neighborhood and in the very high rates of depression, which is shown in the state Medicaid records for this community.

Because I spend a good bit of time in the northeast, as we are about nine months into the renovation of the former Swift Gold Leaf Factory on Love Lane, we regularly see and hear from residents about the brutal impact of blight on their health and safety. That's actually why residents, through the NRZ approached us about 8 years ago for help in acquiring and revitalizing the blighted and vacant Swift Factory property, which will become a job
center, providing 150 permanent positions in the food manufacturing distribution and growing.

I will say that while we are very excited and proud of the great work going on at the Swift Factory, and the state has been an important investor, we know that sustainable revitalization in this community will require the investment of more private capital and that equitable revitalization requires that capital be structured in a way that ensures an inclusive approach to development.

Conservatorship achieves both of these goals. Because it requires local sponsorship of conservatorship actions, this bill ensures the participation of individuals and groups who are in and from the community. It also preserves the ability of local governments to play this role in the absence of not-for-profit infrastructure.

The current system, as you know, which relies primarily on lien foreclosure, permits speculators to acquire properties and keep them in a blighted condition with no immediate consequence. We know from experience building that many of the individuals who purchase both liens and foreclosed properties in North Hartford are out-of-town speculators seeking to capitalize on the resurgence of the neighborhood without contributing to improvements and who indifferent to the harm they do to the health and safety of current residents.

Put simply, blight is a tax on often poor residents. It strains property values, decreases the value of the city’s grand list, undermines public safety and contributes to an overall sense that rules aren’t enforced and that these neighborhoods matter less
than others. We have seen in Hartford the outstanding leadership of the Mayor on this issue, which includes the hiring of Laura Settlemeyer to be the Director of Blight Remediation, but there is a great intention in Hartford to see that these problems are corrected, and for that we need as many tools as possible to continue to sites in Hartford and across the state.

REP. MCCARTHY VAHEY (133RD): And if you can sum up that would be great.

ROSEANNE HAGGERTY: I'm finished.

REP. MCCARTHY VAHEY (133RD): Wonderful, thank you so much. Are there questions from members of the committee? Representative Baker.

REP. BAKER (124TH): Thank you Madam Chair. Thank you for coming out here and testifying this morning. So you talk a little bit about you work with the homeless, and you talked about how blighted properties around, I guess some of your programs and stuff and how you--you talk about people who are coming in and inquiring this properties, and if I heard you correctly, you talked about how they devalue the community and stuff, I'm curious, maybe there's some detail, on how they might be able to do that? If they're coming in and they're buying these properties, and I'm assuming that they're paying their taxes, and they're fixing the property or they could be renting it out, could you just elaborate on that a little bit?

ROSEANNE HAGGERTY: Sure, if people come in and fix up properties, pay their taxes, and operate the properties well, that's the desire, that's no problem at all. It's the situation that this
conservatorship still addresses of people buying sitting up properties, not fixing them up, renting them and often being very intemperate landlords, not making repairs for tenants, maintaining buildings and unsafe condition, leaving them blighted on the exterior, and often being delinquent in their taxes, it's those bad actors that this bill helps us to go after.

REP. BAKER (124TH): So, you're saying that the factual bill doesn't--will help that, or--

ROSEANNE HAGGERTY: Will help communities really get to much quicker results in getting back properties turned around.

REP. BAKER (124TH): Okay, okay. So, with this conservatorship program, how do you think that will work? What kind of direct impact you think you can have on homelessness?

ROSEANNE HAGGERTY: Right, well all of these issues, as you know representative, are connected. You know, unstable housing has all sorts of affects health, homelessness, addictions and also mental health, and it also affects childhood asthma from that unstable and improperly managed housing, and what we expect will happen in neighborhoods like Northeast is that many of those properties that have been sitting out there neglected really exploitative landlords taking advantage of poor families, or creating hazardous conditions for the neighborhood, this conservatorship would allow those properties to be moved back into productive use much more quickly, and the neighborhoods, the residents, and the city of Hartford will benefit as well his neighbors municipalities throughout Connecticut to see that
these properties are just allowed to deteriorate and become unending problems for these neighborhoods.

REP. BAKER (124TH): Are you working currently closely with the city in terms of to provide, looking at different properties, to provide some sort of housing for the homelessness? Are you working--are you currently doing any type of program or doing anything with the city?

ROSEANNE HAGGERTY: Yeah, we work closely with the city, especially on the blight in remediation issues, and interestingly, with partners including the city, looking at what sorts of steps, including this one, are going to be necessary to eliminate homelessness from the set of ZIP Codes where we understand based on the date is that other has collected, that more than 20 percent of homeless this throughout the region is coming from the ZIP Codes that have so much of a concentration of blight and abandonment.

REP. BAKER (124TH): Thank you for that information. No more questions.

REP. MCCARTHY VAHEY (133RD): Thank you representative Baker. Are there other questions from members of the committee? I have one Ms. Haggerty, if you could give us some examples from within the city of Hartford who some of the entities might be who might be eligible to be conservators? You mentioned generally, but just maybe some examples to illustrate that.

ROSEANNE HAGGERTY: Right, sure, Hartford has some relatively strong not-for-profit infrastructure, which is terrific it would allow to really take full advantage of this conservatorship bill. You'll be
hearing from Jim Hornan from LISC, Low Income Support Communities and to there that there are mutual housing funds. We are participating with cluster organizations and the north to create a community land trust that could be an entity. There are organizations like Christian Activities Council, those not-for-profits are the ones that immediately come to mind that have the capacity improvement track record and trust of the community.

REP. MCCARTHY VAHEY (133RD): Thank you for that. Can you think of any other nonprofit examples?

ROSEANNE HAGGERTY: Well, the city itself, the municipalities will certainly have the ability to move more quickly to deal with these some be properties, as they call them.

REP. MCCARTHY VAHEY (133RD): Thank you for that. Thank you for being here with us today.

ROSEANNE HAGGERTY: Thank you for your attention.

REP. MCCARTHY VAHEY (133RD): One more from Representative Baker.

REP. BAKER (124TH): Thank you Madam Chair, I'm sorry. So, this conservatorship bill, what would you like to see that would kind of like enhance it a little more or make it more attractive or so that community organizations--so for instance if you have an organization that specializes in homelessness, that they would be able to utilize this program to get housing for their--what you see in it that could enhance it a little more?

ROSEANNE HAGGERTY: That's a great question. I'll say that what's exciting about this bill is that it's based on very successful legislation that has
been in place for a while in Baltimore and Pennsylvania, so this is it like cross your fingers I hope this works, it is actually been really effective, so I think what would be an interesting thing that doesn't necessarily have to go with the bill but as a tool, how do we think about improving the cities in the state in particular, but throughout the state improving the housing stock is an opportunity to really get upstream with homelessness, have more families with stable housing. It's a way that we could be educating ourselves and all the different constituents about the connection between good health and mental health outcomes and stable housing. So, I think it's a real opportunity to have a needed conversation in the state about how all these things connect and create more opportunities for Connecticut families.

REP. BAKER (124TH): So, how was Baltimore utilized in this particular legislation to I guess deal with homelessness?

ROSEANNE HAGGERTY: What I can speak to, because I don't know if there yet connecting all the dots between how to drive reduction in homelessness and improve their state of their housing, actually I was at a meeting last month whether looking to do that but it's at the outset, but this is been a really important tool to--you know, block after block where they're trying to reclaim stability and healthy conditions for families to deal with really bad owners. Sometimes you have a case where somebody has died in the title is unclear, and you know no one is intending to be about owner, but when people come in and buy properties without the intention of fixing them up, to seeing what will happen, you really--I
mean, it's very demoralizing for neighborhood to be trying to bring itself back in have these problem building stand in the way, and so Baltimore has been looking in effectively using this tool to, you know, really hold people accountable and get these buildings moving when they're blocking other locally driven revitalization efforts.

REP. BAKER (124TH): Thank you, I appreciate that. Thank you, Madam Chair.

REP. MCCARTHY VAHEY (133RD): Thank you Representative Bake for those questions and for this conversation. I just wanted to comment that what I appreciate that you've done today is connect those theories pieces, in particular with the prevention efforts on the other end and to speak to the issues around health and mental health as well. I think that's not something that we always look at we think about economic development and housing development, and I think that's really critical, so thank you for highlighting that.

ROSEANNE HAGGERTY: Thank you Representative.

REP. MCCARTHY VAHEY (133RD): Next on our list we have Gary Mala followed by Karraine Moody.

GARY MALA: Good morning Madam Chair and members of the committee. I'm Gary Mala, the executive director of one of six of our states six regional education service centers. I have the pleasure of operating the east Connecticut facility, servicing the northeast portion of our state. I'm here to testify in support to Senate Bill 1076, AN ACT CONCERNING COOPERATIVE PURCHASING CONTRACTS.
In my current position as well as my many years of tenure as a school superintendent in our state, I have used in facilitated cooperative purchasing as a strategy to save taxpayer dollars on all goods used in schools and at similar organizations. As many of you may be aware, during the 2008 legislative session, your colleagues and perhaps some of you unanimously voted to revise our state’s procurement law the of Public Act 08141, and that act was to allow reverse auctioning of all goods purchased by state agencies, municipalities, and local and regional school districts.

While the original bill sought to include the use of reverse auctioning for all goods and services, what ultimately pass was for goods only. In my very professional roles and interactions with groups like CCM, with use the strategy as part of cooperative purchasing, in fact, with cooperative purchasing using reverse auctioning, which I have been involved in as a professional, the range of savings blows state contract price for identical goods has been 20 percent to 30 percent. I appreciate being able to address you today to share my support of Senate Bill 1076. I believe that allowing cooperative purchasing to be an integral part of school construction will realize significant long-term savings for our state.

Additional savings will be realized if public act 08141 is revised to allow reverse auctioning as a part of a cooperative purchasing initiative to secure all goods and services and state agencies, municipalities, and the same local regional school district. This includes, but obviously would not be limited to school building projects. Other states such as New York, Massachusetts, and Delaware and
many others have laws on the books incentivizing all cooperative purchasing utilizing reverse auctioning for all goods and purchases and they have achieved significant savings to their respective states. I thank you for the opportunity to address you today, and I would be more than happy to address any questions that you may have.

REP. MCCARTHY VAHEY (133RD): Thank you very much Mr. Mala. Are there questions from members of the committee? Representative Zawistowski.

REP. ZAWISTOWSKI (61ST): Thank you Madam Chair. I really like the idea cooperative purchasing, I think it's a real benefit. Where I may have some questions about the effectiveness might be in some of the more complicated projects involving school construction. I'm just trying to wrap my head around what happens if there are disputes on a construction site, things like that. I actually--just by way of background, I did performance bond claims for back in the early 80s, so I've seen a lot of things go sideways. How equipped are the RESC for dealing with situations like that? I mean, you would be working as a construction manager a project manager, would you be recommending that the schools have a project manager?

GARY MALA: I would not--I'm not suggesting that a RESC should act as a construction manager. I think as my colleague before me, to before me testified, Cara Hart, we simply would navigate the procurement process and the local building committee itself, at a local level, would have to determine whether they want to construction manager or not. It would not be something that I would advocate that RESCs be a part of. I'm simply addressing the issue of--even through
cooperative purchasing with the addition of reverse auctioning the prices even lower.

For those of you, and this may be a question now headed off, if you don't know what reverse auctioning is, it's the opposite of eBay. So, if you bought something on eBay the price always goes up, and reverse auctioning the price goes down and it follows the same procurement laws, everything is submitted, and you have to choose whether you get the software, it's easier to hire a company to do it. The original bid is posted in the companies get to bid against each other, and it becomes a bidding war, and as I said in my testimony, in my experience every reverse auction that I've been involved in realized savings below the state contract price for the identical item between 20 percent and 30 percent. So, imagine that on a grand scale with the school construction project. Cinderblocks are cinderblocks, conduit is conduit, and if you somehow organize purchasing those goods together and then disperse them appropriately, I think the savings for our state would be in the millions.

REP. ZAWISTOWSKI (61ST): I do have one my municipalities that uses reverse auctioning for electricity at this point another one might too, so I do understand the process and I can see how would work really well for different fixtures and furniture, things like that, but I'm still having a problem just getting over the construction part of it. I can understand the materials, but when you start dealing with some of the services, more complex services, I can anticipate some issues, but that's something that we need to talk about.
GARY MALA: And I appreciate the concern. It's new uncharted waters so to speak.

REP. ZAWISTOWSKI (61ST): Well, I've seen way too many things go wrong with construction projects, so it could just be my background speaking as well.

GARY MALA: I can relate.

REP. ZAWISTOWSKI (61ST): Does your RESC also charge fees for the different contracts?

GARY MALA: Yes, it's the basic administrative fee, and I can tell you the fee, it's $50 for the cooperative purchasing activity, it just covers the clerical support in the newspaper notifications I think we addressed earlier.

REP. ZAWISTOWSKI (61ST): Okay, thank you very much. Thank you, Madam Chair.

REP. MCCARTHY VAHEY (133RD): Thank you Representative Zawistowski. Are there questions from members of the committee? I have one. I just--I know that testimony was submitted by DAS concerns about the bill, and they suggested and said that they been in conversation, have you actually been in conversation directly with them about this bill at all?

GARY MALA: Not recently, but I will share the story. Back in 2008 DAS did in fact attach a fiscal note to the original 08141, and siding that it will require more staff in the purchase a very expensive software. I was recalled by the committee, and I assured them that you can use reverse auctioning against the companies that actually do reverse auctioning, and that's exactly what I did, and there are companies that do it and you can pay them one of
two ways, a flat negotiated fee upfront or percentage of the savings, and I would never recommend percentage of the savings because it realizes such a large savings that you don't want to give that away. You just hire a company to do it. It doesn't require anything staffing wise at DAS. It does introduce another process, I don't want to minimize that, but I think given my understanding of the new commissioner of DAS has a business background, reverse auctioning has been used in the private sector for so many years that I'm sure he has a deep understanding of how that use, and more locally this is how, UTC, in particular secures all of its raw materials.

REP. MCCARTHY VAHEY (133RD): Thank you for that, and perhaps my question would've been better for the previous who testify, but what I wanted to ask you is do you see any concerns with this process in terms of transparency?

GARY MALA: No, quite frankly Madam chair, I have found that this process is more transparent than the current system that we have, because at the end of the reverse auctioning process whatever the goods are you get a full detailed electronic report from the company that dates in timestamps every single communication from the time the RFP is issued to the time that auction closes. It's quite remarkable actually the detail that you get, and I've had auditors in districts that I've led and more recently our auditor actually complemented the comprehensive nature of the report that you get at the end.

So, in my opinion it's much more transparent.
REP. MCCARTHY VAHEY (133RD): Thank you for that. I know we're all interested in sharing transparency in what we do in government as well as saving as many taxpayer dollars as possible, so I will look for to ongoing conversation among the RESC and see what we can do for this.

GARY MALA: Thank you Madam Chair.

REP. MCCARTHY VAHEY (133RD): Any further questions? If not, thank you for being with us today. Next Karraine Moody followed by Ken Mita and forgive me if I'm mispronouncing your name. welcome.

KARRAINE MOODY: Thank you, good morning. So, good morning committee. I considered it an opportunity to give testimony in favor of the Connecticut conservatorship proposal. In my capacity as Executive Director of the Hartford area Habitat for Humanity, we service Hartford County, we find that--

REP. MCCARTHY VAHEY (133RD): Excuse me, if you could just take your name for the record.

KARRAINE MOODY: Sorry, my name is Karraine Moody executive director for Hartford Habitat for Humanity and also a member of the Connecticut Habitat Coalition. My remarks will be brief, but it basically goes to what I've seen in the state of Connecticut, the fact that blight in vacant properties are prevalent everywhere as well as urban as well as rural as well as suburban, and so my comments are directed towards two projects that we developed and how conservatorship would've played a role in both of these projects.

So, in 2015 we acquired a property that had been vacant for more than 15 years in the town of Granby,
and it sat vacant and blighted for those 15 years. Within 8 to 9 months we were able to go in, develop the property, provide a home ownership opportunity and bring in economic development to that town. Although that's just one property and overall it cost is about $200,000, what the conservatorship model would do is basically take vacant properties that are blighted off of the roads and move them into affordable housing opportunities quicker than allowing them to sit vacant for so many years. So, that's one example in a suburban town, partially rural, that you can see how conservatorship could have moved faster in that regard.

Our affiliate basically serves all of Hartford County. We have several examples of the opportunities that properties that could be moved from being vacant, blighted, you know, track houses for that are prevalent within the urban areas and move them into affordable homeownership and/or housing. So, we are strongly in support of it. We find that in the city of Hartford in particular as well as other areas, this is a great opportunity for the state to address blight as well as vacant properties.

We also find that economically it's a game changer, so when we build 10 to 12 homes in the city of Hartford, that's usually more than $1.5 million in terms of cost, supplies, contractors working as well as improving the neighborhood, and so when we turn over those keys, what we're looking for is to see what other properties we can develop, and many times the stumbling block is not that we can't find more properties, it's all of the legal streams that are attached to those properties where you have to track
down the owner that's absentee, that's out-of-state, and so this policy, this bill would help nonprofit developers such as Habitat for Humanity move that will closer to addressing the lack of affordable housing as well as moving the needle closer to improve housing as well as living for those neighborhoods.

REP. MCCARTHY VAHEY (133RD): Thank you. Are there questions from members of the committee? I do have one for you, so what—is it fair to assume that your agency would be one interested in possibly become a conservator if this bill were to pass?

KARRAINE MOODY: Yes, we would.

REP. MCCARTHY VAHEY (133RD): I'm making the assumption, but—another example of a group that would be able to take advantage of the process.

KARRAINE MOODY: Most definitely.

REP. MCCARTHY VAHEY (133RD): Representative Baker.

REP. BAKER (124TH): Thank you Madam Chair. So, that Habitat for Humanity, pretty much the bill from just vacant lots—no?

KARRAINE MOODY: We also do rehabs, and we also do repairs as well.

REP. BAKER (124TH): Okay, I've never seen any of your rehab properties in my district in Bridgeport, but I will be interested in seeing that. Thank you.

KARRAINE MOODY: Most definitely.

SENATOR CASSANO (4TH): Just one quick question, what is the time process of this? We've had on this committee over the last 10 years several blighted property communities, you might have been on it as well, to deal with the blighted property issues, and only gets worse, it doesn't get better. So, what is the time process? We can see obviously when the places abandon or whatever it might be, is there a time factor that it must be a terrible property, I mean how do you define that?

KARRAINE MOODY: So, for us we use a neighborhood approach, so if I'm building on Main Street in Hartford, then I'm looking at every single blighted property that I can possibly acquire. So that maybe new construction, that might be of blighted property that's vacant, so we're looking at block by block how can we change neighborhoods. I would say, you know, usually within one year if the property is not being maintained, you will start to see the effects of blight. It's just-happens every year, and there's more and more and more to the point that it sometimes--like we purchased a rehab on fine Street in Hartford and basically it had been vacant for at least 18 years. At that point they needed a new roof, we had to get it down to the studs, but mind you if we would've acquired that property a lot sooner, we could have probably saved it, it wasn't in an historic zoning, so we could of kept some of the character to the home and not have to purchase.

So, and my business is to the benefit that assumes a property show signs of decay or that there's a lack of interest by the owner, it's in the best interest to acquire that property and move forward with it.
SENATOR CASSANO (4TH): I asked that because you just kicked off something in my mind of a prior testimony. I remember very clearly a statement where a woman pointed out that you don't deal with the abandoned or blighted property, the blighted property becomes a blighted neighborhood, and we've seen that happen, so it's great, I like your approach.

KARRAINE MOODY: Thank you.

REP. MCCARTHY VAHEY (133RD): Thank you Mr. Chair. Thank you for being with us today. Next is Ken Mita or Mita, I'm not sure, you're going to correct me, followed by Jim Hornan. Welcome.

KEN MITA: Good morning Madam Chairwoman, honorable committee members. My name is Kenneth Mita, I am a homebuilder. Unlike many of my distinguish peers here been. Before you this morning, I am not a professional lobbyist nor have I ever testified on a particular stance in front of a bill before committee, but I would like to take this opportunity to tell you why I am in support of your bill number 7366, that's the incentive bill for energy efficient construction.

Currently, I built on a daily basis, every day I am boots on the ground, and we are doing everything we can to promote green energy and energy savings in the housing that we build. Quite frankly, the challenge that we face here in our local market is that homebuyers in general no longer seem to value the inherent cost efficiencies that are embedded in a new construction house. I guess there could be many reasons why they don't see that value anymore, but from a sheer sales standpoint it is clear that
the existing housing stock competes on par with the new construction housing stock as opposed to the new construction historically selling for premium.

Part of what's so important about this bill is that it will draw attention to the benefits of homes that are energy rated, and that's the housing energy rating system that we talked about earlier, the HERS score. The HERS score is relatively new, it only exists in the last 10 years or so, and as was previously stated, is comparable to the miles per gallon rating on automobiles that you may purchase. It gives the homebuyer the energy efficiency--it gives the homebuyer the chance to evaluate the energy efficiency of the house that they're looking to purchase.

Everybody knows anecdotally that an older home is going to be less energy-efficient, drafty, and it doesn't have good windows, and it's going to cost you more, but up until very recently that has been a very ephemeral number, nobody really knows what it is.

Thanks to the HERS energy rating system and the US Department of Energy, we are able to look at the scores, and I don't want to belabor the point, but the baseline is a score of 100, which is equivalent to a house built prescriptively. In 2006, the average resell home, according to the U.S. Department of Energy, scores 130.

We, my company, are targeting a HERS rating of 50. Now we haven't quite gotten there yet, but we're working towards that, but if we were to achieve a rating of 50, we are going to be building homes that are 80 percent more energy-efficient than the
average resell house that is in the housing stock today. Now that's a very compelling number, but when you attach actual cost to it, it's even more compelling. So, an 80 percent more efficient home than the average resell translates into savings of approximately $2500 per month for $75,000 over a 30-year lifespan of a home.

The reason why this bill is so important is that it's going to be able to draw attention on the part of home purchasers who, in my experience, under Educated about the significance of what a HERS rated home means to them, and it'll give us an opportunity through the homebuilders, through the realtors to educate prospective buyers on really what it mean to buy a HERS rated home, and it's significant, those are not inconsequential numbers.

REP. MCCARTHY VAHEY (133RD): Thank you. Are there questions from members of the committee? I saved a couple for you, as I noted I would. This is a really interesting conversation in one of the things that if I'm hearing correctly, that if you're building a home to a HERS rating of 50 there is more upfront cost because of what you're putting it, but what you're saying is that over a period of time, 10, 20, 30, 40 years, that you will receive significant savings in terms of energy costs over time?

KEN MITA: That's correct. The benefits of the energy savings accrued to the home purchaser, it's an expense on the side of the homebuilder that the homebuilder has to kind of bear in order to deliver that product.

So, historically we have been able to do incremental improvements in building technology and energy
efficiency and to be able to recoup those costs to the general premium that a new home would bear over the market homes, but due to the headwinds that we have in the economy today, especially here in our state, that perceived premium has really evaporated, and so we're really forced to compete directly with the existing housing stock to the extent that we've never had to do before, and the incentive that they still provide would really be able to take the homeowners attention and focus it on those areas where there's kind of a hidden value of new construction, to the benefit of not only them but to the benefit of society in general as we move the housing stock towards more energy efficiency.

REP. MCCARTHY VAHEY (133RD): Could you give me some examples of what some of those costs would be and some of the items that you might include in a HERS rated 50 home?

KEN MITA: Certainly, so to build a new home today, you have to build to the building code, and the building code has a prescriptive path, which will allow you to achieve a certificate of authenticity, and if you were to follow that prescriptive path the HERS rating will come in at approximately mid-80s. As you know, there are lots of different ways that you can build, and so is a builder look at more energy-efficient windows, which I pay a premium for. I look at how I can orient my houses to more efficiently take care of passive solar and energy efficiencies of that nature.

Obviously, I can do over and above the prescriptive amount of insulation. I can do things like upgrade my appliances that I include in my home, including the hot water heater, the furnace, to those that are
at the maximum energy efficiency available, and I can also look at things like what is the fuel source that I'm gonna pick to supply the heat for my home, all of those different elements come together to drive down the energy score and it's a trade-off. None of those things come free, every one of those things has a price associated with it. So, the lower I drive down my score, the more expensive it is for me to build the house, but the higher the energy savings and the benefit to my client will be.

REP. MCCARTHY VAHEY (133RD): Thank you for that. I just have one more follow-up and then I'll turn it over to Representatives Zawistowski. I just would note that your example of the miles per gallon I think is effective, and I'm actually thinking about an electric vehicle versus, you know, the typical gas or diesel vehicle, which some of those electric vehicles may be a little bit more expensive up front but when you look at the actual cost over time it may be a cost savings, and I'm certainly interested having done a lot of retrofitting in my very old home and seeing very clearly how the energy bills have dropped as a result. It clearly can save money for homeowner overtime. With that, Representative Zawistowski.

REP. ZAWISTOWSKI (61ST): Thank you Madam Chair. I didn't realize that you were quite done yet. Thank you for being here today and taking the day off from working I don't know if you're working that much in this weather but it's probably starting up now.

KEN MITA: I'm going to go back to work as soon as I'm done over here.
REP. ZAWISTOWSKI (61ST): Okay, sounds good. The HERS program, is that administered by the Department of Energy, the US Department of Energy?

KEN MITA: Well, it was--it's something that started to the US Department of Energy. It's an independent program, so as a builder I contract with a company that has gone through training and has been certified to conduct these independent test, and it's a very involved process. It involves my energy rating specialist to visit the home at various periods of time during the construction and then when the house is complete to do a very thorough set of testing--performance testing on the house, that includes everything from a light bulb out it to make sure that I'm using LED energy efficient light bulbs down to recording the exact serial number and model number of the actual appliances installed so that they can come up with a very specific energy rating for that particular house.

REP. ZAWISTOWSKI (61ST): Who actually administers the HERS program?

KEN MITA: So, the program in general, in my experience here in the state of Connecticut, is being done in conjunction with Eversource Energy, and I work with a gentleman by the name of Nick Jones [phonetic] was kind of the lead person coordinating the various HERS testing scores, and then through him, in conjunction with the energy rebate program with Eversource, were able to get some energy rebates based on the scores that we got.

REP. ZAWISTOWSKI (61ST): Are you actually using HERS in your own marketing now?
KEN MITA: I'm finding it to be an extremely effective tool, and for 2019 and the spring marketing season we are putting tremendous effort into highlighting our HERS scores, the fact that we go through this process, go through the extra effort, and trying to demonstrate to our homeowners what those benefits are and what they translate to. As a matter of fact, I've been involved in producing some teaching material that's being distributed to various realtors, so that when working with their individual clients they are more easily able to show them the benefits associated with this high energy efficient homes.

REP. ZAWISTOWSKI (61ST): Actually, you just made it my next question as to whether or not you coordinated with the realtors as well.

KEN MITA: Yes ma'am.

REP. ZAWISTOWSKI (61ST): Has this been--has her own marketing or marketing with the realtors been successful so far?

KEN MITA: It's early in the 2019 season. I would say that--

REP. ZAWISTOWSKI (61ST): Did you do this last year is a something new this year that you've been doing?

KEN MITA: We started participating in the HERS Rating Program about two years ago now. We are really focusing on it and incorporating it into our marketing this year, and we have done, along with a lot of builders, some pricing readjustments. We done things like adjuster standard features in order to make your home more compelling to the buyers out there. To be honest, we face significant headwinds,
so were trying to do everything we can to reach our sales goals.

We are finding that the HERS score and utilizing that along with the dollar amounts to really demonstrate, not in a general sense, but with actual dollar numbers, the savings has been very effective, and I've had several recent sales that the clients have actually given me feedback that direction directly affected their purchasing decision.

REP. ZAWISTOWSKI (61ST): Which geographic area are you currently selling in and what your price range? Just a rough number, a rough range.

KEN MITA: Sure. I'm building right now project called Hillcrest Village in Southington Connecticut. It is a single-family subdivision of 98 homes. I have a 10 percent affordable component in that, and my price ranges are really at that entry-level. We started 379 and go up to about 430. I have about eight different models to choose from.

REP. ZAWISTOWSKI (61ST): Okay. Thank you very much for coming in.

REP. MCCARTHY VAHEY (133RD): Thank you Representative Zawistowski. Are there further questions from members of the committee? If not, thank you very much for taking the time to be with us today.

KEN MITA: Thank you for your attention.

REP. MCCARTHY VAHEY (133RD): Next we have Jim Hornan followed by Brodie Thompson. Welcome.

JIM HORAN: Good morning Senator Cassano, Representative McCarthy-Vahey, and members of the
committee. I'm Jim Hornan, executive director of the Hartford in Connecticut offices LISC, local initiative support corporation. LISC is a national nonprofit organization that works to revitalize cities primarily by supporting community development corporations and local partners.

I am here today representing the Connecticut Blight Remediation Coalition, a group of municipalities organized in 2017 and coordinated by LISC with support from the Harold Webster Smith Foundation. I am also a member of the Hartford Land Bank board,

The Blight Remediation Coalition strongly supports House Bill 7277, AN ACT CONCERNING CREATION OF LAND BANK AUTHORITIES and Senate Bill 1070, AN ACT CONCERNING ABANDONED AND BLIGHTED PROPERTY CONSERVATORSHIP.

Each bill will provide an additional tool for municipalities working to fight blight. Blight plagues big cities like Bridgeport and New Haven but is also a problem in smaller communities like Derby, Torrington and Windsor Locks, which are all part of our Coalition. Senate Bill 1070 is modeled on statutes in Pennsylvania and elsewhere. Conservatorship is a mechanism to transform blighted and abandoned buildings into productive use. It allows banks and nonprofit organizations to make improvements without having to wait for the lien foreclosure process to be resolved. Only properties declared a public nuisance, blighted, or unfit for occupancy are eligible for conservatorship. A conservator takes control of a property from an owner for a period of time determined by the court.

A conservator must submit a plan to rehabilitate the building or property to the court for review and
approval. A conservator can collect rent and other receivables, enter into contracts to repair the property, borrow money, and apply for grants. A property owner, lienholder, or other secured creditor, nearby residential or business owner, or nonprofit community development organizations can initiate conservatorship action.

The bill gives priority for appointment as a conservator to the bank holding a mortgage on the property, or if the bank declines to serve as conservator, the court can appoint a non-profit organization in the same city if there is no mortgage. The chairwoman asked earlier what kind of organizations could do this in Hartford, there are five community development corporations that would be able to do this, or a nonprofit like a Habitat for Humanity. There are other habitat chapters around the state of Connecticut and about 15 other community development corporations, so there are nonprofit second step in to do this work.

The other bill House Bill, the land bank enabling legislation, is modeled on statutes in Michigan, Ohio, and New York, where many of the nation’s 170-plus land banks are located. This bill will allow municipalities, or groups of municipalities, to create a land bank to facilitate the return of vacant, blighted, abandoned, and tax-delinquent properties to productive use. The land bank can acquire and maintain problem properties and then transfer them back to responsible ownership, consistent with community priorities.

Land banks have the power to acquire property at low or no cost, transfer property, hold property tax-free, and clear title and extinguish back taxes.
They do not have the power of eminent domain. My colleague from LISC in New York spoke at a recent forum on the legislation here at the Capitol, and shared how the land bank in Newburgh, New York, which is not far from Danbury, is helping to revitalize the city's depressed downtown, with rehabilitated homes that are attracting new owners and making the city more attractive and safer.

Importantly, H.B. 7277 includes a funding mechanism similar to Ohio’s, which allows, but does not require, municipalities to impose fees for nonpayment of property taxes to support land bank operations. This mechanism has been critical to the success of land banks serving Cleveland, Toledo, and Pittsburgh. Connecticut’s cities are beginning to revitalize. Municipalities have a window to capitalize on a relatively strong real estate market and federal Opportunity Zones, on-going state investments in affordable housing, and private sector interest in walkable, vibrant communities. House Bill 7277 and Senate Bill 1070 will help municipalities take advantage of these opportunities. We thank the committee for raising the bill. The Connecticut Blight Remediation Coalition strongly encourages you to support both of them. Thank you.

REP. MCCARTHY VAHEY (133RD): Thank you Mr. Hornan, for being here today. Are there questions from members of the committee?

REP. MCCARTHY VAHEY (133RD): I would like to thank you for putting out some of the other entities that would be able to be take advantage of being in the conservatorship position. I wondered if you could talk a little bit about land trust versus land
banks. I know when I first learned a little bit about land banks I wondered, well how is a different than a land trust, how is the train—same, and how it they work together.

JIM HORNAN: So, I'm not an expert on this. I can comment briefly but I know that Laura Settlemeye from the city will be testifying after me and could probably get into a little bit more detail on this. A land bank in the land trust serve two different purposes. Roseanne Haggerty who testified earlier actually is involved in working to create a community land trust in the north end of Hartford, and the idea is that the land bank and land trust could work together but serve slightly different purposes and promoting redevelopment and revitalization of urban neighborhood.

REP. MCCARTHY VAHEY (133RD): Thank you for that, and I will be sure to ask Ms. Settlemeye about that as well. Any further questions? Thank you so much for taking the time and being here today.

JIM HORNAN: Thanks for the opportunity.

REP. MCCARTHY VAHEY (133RD): Next, we have Brodie Thompson followed by Jacqueline Kaufman. Welcome.

BRODIE THOMSON: Thank you, good day. Madam Chair, Mister Chairman, and members of the committee, my name is Brodie Thomson, I'm the manager of America's Castles, an organization that is focused on adaptive reuse of historic properties. I'm testifying today in regards to the planning and development in the town of Fairfield specific to Bill No. 7367, AN ACT CONCERNING THE USE OF THE PENFIELD REEF LIGHTHOUSE AS A COLUMBARIUM. I support this Bill.
For those of you are not aware of or familiar with columbarium, a columbarium is a storage location where they cremated human remains that are inert, nontoxic, and made up of dry calcium phosphates. I will start out with some commentary from Thomas F. King is a renowned cultural archeologist who works extensively with indigenous groups and local communities to ensure that their cultural places and concerns are considered in development planning. He has been quoted by numerous legislatures stating that "within the urbanization, tear downs, and rebuilding America, it is destroying the physical evidence of the past."

During the 1950s and 1960s, people have seen the negative changes in their cities and developed a concern for their quality of life that has reflected their identity. Mr. King's expert comments are prophetic in many ways about our responsibility to protect our heritage. Further, they are directly in line with the legislation found in Section 116 of the U.S. code 470, the act cited as the National Historic Lighthouse Preservation Act. When Congress declared that the historical and cultural foundations of the Nation should be preserved as a living part of our community life and development in order to give a sense of orientation to the American people.

The 1874 Penfield Reef Lighthouse is on the list of these historic properties for the state of Connecticut and currently has no preservation and maintenance plan. The vast majority of offshore lighthouses such as Penfield Reef Lighthouse will deteriorate and become obsolete due to lack of funding despite the greatest attempt from owners,
owners being the cities, the towns, non-profit organizations, and private owners.

No more than we could have predicted the category 3 storm in 2012, which made land fall, Hurricane Sandy, as a Category 2, we cannot predict when the next storm that will cause damage to this lighthouse, the Penfield Reef Lighthouse. Fortunately, the federal government already spent approximately $1.2 million dollars to complete the restoration of the Penfield Reef Lighthouse in 2015 after it was ravished by Hurricane Sandy. However, funds like will not likely be available in the future.

The proposal to allow the use of the Penfield Reef Lighthouse as a Columbarium achieves what Congress set out as their objective with the passage of the National Historic Lighthouse Preservation Act, while also generating a perpetual care fund which will ensure funds are available for the preservation and maintenance of the structure. Since 2005, The Coast Guard has attempted to find bidders to assume ownership of the lighthouse, but negotiations with interested parties have thwarted by the complications of state and federal regulations regarding designated historic sites. We have the opportunity to change that with the passage of Bill 7367.

The Penfield Reef Lighthouse is without question extremely important to the community of Fairfield and many others across Connecticut and those--

REP. MCCARTHY VAHEY (133RD): If you could sum up, that would be great.
BRODIE THOMSON: Sure. The establishment of a memorial identity for each person who has lived and died is the most important part of the rite of passage called death. Allowing Penfield Reef Lighthouse to serve as a columbarium will fulfill that obligation that we have to people while preserving the Penfield Reef Lighthouse. Thank you.

REP. MCCARTHY VAHEY (133RD): Thank you very much. Thank you for being with us today and for teaching many of us a new vocabulary word. With that, are there questions from members of the committee? Representatives Zawistowski.

REP. ZAWISTOWSKI (61ST): Thank you Madam Chair and thank you for coming in here today. At least—we do have interesting bills that come to this committee, I think this probably gets the prize this year [laughter]. Question for you, are you talking about storing remains in the lighthouse itself are you including the reef beneath for access to the lighthouse?

BRODIE THOMSON: It would be in the lighthouse itself from the basement all the way up to the light but not the light itself, because there is a perpetual easement with the Coast Guard. This is an act of aid navigation currently, and I think it will remain that way because the reef is very dangerous there. So, there will be no remains up where the actual light temple is.

REP. ZAWISTOWSKI (61ST): The reason I'm asking is I know that—my hairdresser, when he passes, he wants his ashes combined with others to create in Provincetown a reef, there's a way that they're doing this now. So that was a legit question as far
as whether or not you're thinking about showing up the reef. Are you talking about remains in urns or some other type of storage vessels?

BRODIE THOMSON: It is a custom-made urn vault that is designed specifically to withstand the next several centuries due to the salt water air and the elements that could affect it, normal urns would not provide for that.

REP. ZAWISTOWSKI (61ST): Okay, that sounds good. It sounds like you've done your homework. So anyway, thank you very much and thank you Madam Chair.

REP. MCCARTHY VAHEY (133RD): Thank you Representative Zawistowski. Senator Cassano.

SENATOR CASSANO (4TH): Yes, following Representative Zawistowski's question, the urns may be designed to protect it, but what about the lighthouse itself? Where I grew up, we had two houses that they had to move back, one almost 100 yards which was a major project where we had federal funding. This year, with the winter storm we just had, literally the lighthouse was pretty much underwater up above the doorway into the lighthouse. You know, they don't last, and that's what I'm concerned about. In New England were losing them all over the place.

BRODIE THOMSON: I understand, and I agree with everything you said, and not every lighthouse is conditioned to serve as a columbarium, Penfield Reef Lighthouse is. It has the structural integrity, they took an engineering firm out there to do the integrity test. It is in the right condition, it is made out of stone. There's a lot of intangible aspects to it. Inside the lighthouse each urn will
be fixed to a shelf, and the shelf will have in encasing to ensure that if in the unlikely event anything were to happen to that lighthouse, that the remains inside the urn would be protected. The bottomlands underneath the Penfield Reef Lighthouse have rip raft around it that will disallow for any shifts to actually impacted, so truly it would be a raising--arising of the water and this ties in the splashing, and the restoration put in all new energy efficient windows if you will still doors. So, this thing is essentially a tomb right now that can encapsulate all these urns with the maximum amount of protection, but we will still reinforce it with shelving inside.

SENATOR CASSANO (4TH): Okay, thank you.


REP. BAKER (124TH): Thank you Madam Chair. So, this particular design is set up in compartments and stuff, is this just for human or is it for pets also?

BRODIE THOMSON: Right now, we're only considering humans, although pets as companions often times are permitted to be put into what they call niches with the human remains. As of right now, the model is only for human remains.

REP. BAKER (124TH): Okay, so typically how would an individual inquire in terms of utilizing this, families or whatever. Is there a fee, a maintenance fee or how does that work?

BRODIE THOMSON: Yeah, so the traditional way of columbarium generating revenues is to charge for the
niche, which would be the real estate by which it would be encapsulated into, so the proceeds from that would establish the perpetual care fund, and that would be discoverable by those people through their state attorneys, through funeral homes, and through online notifications. This is a national plan to save a lighthouse in every state that has a lighthouse. Nebraska doesn't have one, we won't go there, maybe we'll do a corn silo or something, but that is our temp right now is to do this--one in every state. So, the promotional aspects of this would be a website that would alert people to this, just as such there are coral reefs out there were people are putting their cremated remains inside some kind of composite to create a coral reef. It's a lot of word-of-mouth, estate planning notifications. Did I answer your question okay?

REP. BAKER (124TH): Yes, part of it.

BRODIE THOMSON: Part of it, I missed maybe a part.

REP. BAKER (124TH): So, let's say we approve this and we get the program going in action, and let's say five years not getting any kind of traction in terms of people who are utilizing it, what will happen to some of the remains that are out there if it doesn't work out the way that you anticipated, what would happen at that point?

BRODIE THOMSON: So, there are two options right now. One is that if the program goes into effect the deed of the lighthouse transfers to America's Castle and they're responsible for that regardless. So those remains could remain out there and it could stay in effect a columbarium regardless of whether it is one urn out there or 40,000 urns that are out
there, which could be the potential of how many could go to.

The other one is that it would be a contract with the individual that at any time in the future under certain conditions at the cremated human remains will be offered back to the next of kin, a designated person, or they would be put into a different facility, location that would serve as a columbarium, so people know that going in. The biggest example would be, what that lighthouse needed to be used for something else, for maritime events, or the lighthouse was destroyed distracted temporarily or permanently. So that is part of the contract with the individual.

REP. BAKER (124TH): So, what is the next of kin is no longer around, you know, they're deceased.

BRODIE THOMSON: Then there will be a waiver in the contract that defaults to our ability to control the location of those remains.

REP. BAKER (124TH): Typically, what would those--

REP. MCCARTHY VAHEY (133RD): Representative Baker, if I may, just use your microphone please. Is it on? I'm sorry. Thank you. I see it now, thank you.

REP. BAKER (124TH): Okay. So--I lost my train of thought, so my question would be--okay so what would happen if the individual is not living anymore, the next of kin, and do you have off the top of your head, could you share with me what location or where these remains would go? You know, what would be the plan B?

BRODIE THOMSON: Sure, we would likely go with the partnership with a local cemetery to utilize one of
their columbarium's. Most of the cemeteries in the state of Connecticut cannot handle the capacity that were talking about putting in here. So, it will be building an alternate columbarium on the cemetery in the state of Connecticut.

REP. BAKER (124TH): So, is that in their contract already?

BRODIE THOMSON: That would--that is not spelled out in the contract with the person who agrees to put their remains in the lighthouse because that can happen 10, 20, 50 years down the road, and we want to have the opportunity to determine what is the right placement of the volume of urns at that time. So, it would--it's too early to set in stone where exactly would be the best location for those remains.

REP. BAKER (124TH): That's all.

REP. MCCARTHY VAHEY (133RD): Thank you Representative Baker, and my apologies for interrupting your train of thought there, I have the wrong angle. Are there further questions from members of the committee? I do not for you I will have a number of questions for Jacqueline when she comes up for us. So, thank you very much for being here today.

BRODIE THOMSON: Thank you for your time.

REP. MCCARTHY VAHEY (133RD): So, next on our list is Jacqueline Kaufman followed by Laura Settlemeyer. Welcome.

JACQUELINE KAUFMAN: Good morning Madam Chairwoman and members of the Planning and Development Committee. Thank you so much for the opportunity to
present testimony today on raised House Bill 7367, AN ACT CONCERNING THE USE OF THE PENFIELD REEF LIGHTHOUSE AS A COLUMBARIUM. My name is Jacqueline Kaufman, I'm an attorney with Carmody, Torrance, Sandak, and Hennessey. I practice in Stamford Connecticut my represent America's Castle LLC. You just heard from my client Mr. Thomson, so I won't repeat some of his comments, and I will endeavor to provide you with some additional context for our position on this bill.

I want to start by thanking the committee for willingness to raise this bill at our request, and also specifically for bringing it to public hearing. It's so encouraging to see how hard you all are working on behalf of the taxpayers of Connecticut, but I also want to thank the committee's aids in staff for really be an excellent resource myself and also to Mr. Thomson because this has moved very quickly, so thank you very much.

This proposal which we strongly support would broaden the use of a historic lighthouse facility that's no longer needed to include columbarium use, the storage of deceased human remains as you just learned, the ashes excuse me, and we have prepared a support document of information. We have them in binders, I do have enough for the committee members present today if it's helpful to you, but I offer--but it has also been provided electronically, we've also supplemented the record with additional materials electronically today, and those materials include information on America's Castle, but also the engineering questions that were recently asked of Mr. Thomson. There's information in there about the urns, specifically those designs right now in
process for this particular location with urns in general.

Other places where lighthouse columbarium's have been used, such as in Maryland and the types of urns use there as well as well as information on our engineering team, the legislative history of the bill as well as--I think there's some other information you might find useful such as the Eternal Light Foundation, information on the bidding process that happened a few years back, and when you do have time to look at that, I hope you find it useful. If you want a hard copy today, please let me know.

The Penfield Lighthouse was built in 1874, it's a significant example of mid-19th-century lighthouse engineering and design, and as you learned from Mr. Thomson, is structurally superior to the average lighthouse that makes it unique for this particular use. It's called the second Empire design and it reflected the national enthusiasm for revival architecture style. It's also significant in the history of navigational aids as part of the federal program to accommodate post-Civil War shipping in Bridgeport Harbor.

It was placed on the National Register of Historic Places in 1990, and the bottomlands are owned by the state of Connecticut. In 2005 the Coast Guard prepared to name the lighthouse expendable property and transfer title to a new caretaker. In 2007 a new owner has been identified, and in response the Connecticut General assembly passed a law transferring the bottomlands to the town of Fairfield who would then transfer it back to the newly identified operator. I will spare you some
boring details, but this resulted in long litigation, and the new operator moved on. Subsequently, in 2011 the lighthouse went to auction, but that transaction was for a very low amount and did not close. Subsequently, in 2012 hurricane Sandy Ravitch the lighthouse, and there were significant restoration funds, about $1 million via the 2013 Disaster Relief Appropriations Act.

REP. MCCARTHY VAHEY (133RD): Ms. Kaufman, if I could ask you to summarize.

JACQUELINE KAUFMAN: I will, thank you.

REP. MCCARTHY VAHEY (133RD): That would be wonderful.

JACQUELINE KAUFMAN: In 2016, it went to auction again and at that time America's Castle won that bid. It is at this point that we are brought to you today. The state can lease submerged land held in public trust subject to CGA section 22A-27, authorization to facilitate preservation of the Penfield Reef Lighthouse, but authorization to lease any lighthouse in Connecticut water may be granted where the owner satisfies the requirements of the DEEP commissioner and where preservation of the lighthouse is provided consistent with the requirements of the 2000 National Historic Lighthouse Preservations Acts.

America's Castle are prepared to satisfy these thresholds, but in Connecticut Columbine use is not expressly permitted unless located in a statutorily authorized burial. CGA section 19A-310, which--
REP. MCCARTHY VAHEY (133RD): Ms. Kaufman, if I may interrupt you. I'm sure that there are going to be some questions, and I'm wondering if you can finish.

JACQUELINE KAUFMAN: Okay. The purpose of this legislation here is because of the section that I just cited requires columbarium's to be cited only within established cemeteries that are 5 acres or greater for that have been there for five years or longer. There are opportunities for columbarium's to be located on or with in cemeteries that are smaller than 5 acres or fewer than 5 acres, provided that they are municipal authorization for the same. A lighthouse certainly is not conducive to a traditional burial ground and doesn't meet some of the standards, and therefore statutory amendment is required in order to allow the proposed usage, we think this is an excellent use for the lighthouse.

REP. MCCARTHY VAHEY (133RD): Great. Thank you so much. Are there questions from members of the committee? Representatives Zawistowski.

REP. ZAWISTOWSKI (61ST): America's Castles, is it a for-profit or non-profit organization?

JACQUELINE KAUFMAN: America's Castle is a for-profit organization, but it will be partnering with an Eternal Light Foundation, which is a non-profit organization.

REP. ZAWISTOWSKI (61ST): As far as compensation for storage, is it a one-time fee or is it on an annual basis?

JACQUELINE KAUFMAN: If you don't mind, I have to consult my client [pause] one-time fee.
REP. ZAWISTOWSKI (61ST): It's a one-time fee, that brings another question to mind because how will you pay long-term for maintenance of this property because you're going to have to maintain it and whether or not there's a way to make sure that it's maintained.

JACQUELINE KAUFMAN: There's a perpetual care fund that has been established, and I believe Mr. Thomson spoke briefly about that. We can provide you with more detail on this program and how that will be established, but ultimately that care fund will enable the long-term maintenance of this facility.

REP. ZAWISTOWSKI (61ST): Are there lighthouses currently in operation? Has this been approved through other states? Are there others of the company has put together yet?

JACQUELINE KAUFMAN: The company is currently working on these. In fact, they're working on one in Maine right now and there some information in the compendium about that that you can see. There's a PowerPoint presentation and also information on the engineering of the urn.

REP. ZAWISTOWSKI (61ST): So, this will be the second state that you're looking--

JACQUELINE KAUFMAN: Correct.

REP. ZAWISTOWSKI (61ST): Okay, thank you very much. Thank you, Madam Chair.

REP. MCCARTHY VAHEY (133RD): Thank you Representative Zawistowski. Senator Cassano.

SENATOR CASSANO (4TH): You said near the end of your testimony that the feds had provided funding
for refurbishing the lighthouse, what was the amount? I couldn't hear that clearly.

JACQUELINE KAUFMAN: One million dollars.

SENATOR CASSANO (4TH): One million dollars, and--

JACQUELINE KAUFMAN: Around one million dollars, I don't have the exact amount.

SENATOR CASSANO (4TH): Okay. They did that because I believe the lighthouse is under the ownership of the town of Fairfield?

JACQUELINE KAUFMAN: It's no longer under the ownership for the town of Fairfield, oh, the lighthouse itself is owned, and information is here, it is now, it's going to be America's Castle.

SENATOR CASSANO (4TH): Okay, and if there was another weather disaster, like were getting used to, with that take away your ability to receive federal funding for repairs for that particular lighthouse because it would now be a nonprofit or--

JACQUELINE KAUFMAN: Yes.

SENATOR CASSANO (4TH): It would?

JACQUELINE KAUFMAN: Yes, sir.

SENATOR CASSANO (4TH): And so, I assume that's a part of your insurance or whatever it is to move forward in the future for the protection of the city as well.

JACQUELINE KAUFMAN: Yes.

SENATOR CASSANO (4TH): Okay, thank you.

REP. MCCARTHY VAHEY (133RD): Thank you Mr. Chair. Representative Baker.
REP. BAKER (124TH): Thank you Madam Chair. So, I asked the question earlier in regards to where the liability lies if the lighthouse is damaged or destroyed, and where does the liability lie and what will happen with the actual remains in terms of places in another particular site?

JACQUELINE KAUFMAN: I'm sorry I didn't hear the end of that; where the liability would lie in then--

REP. BAKER (124TH): Yeah, and where would be the actual remains be housed at?

JACQUELINE KAUFMAN: We'll provide you with that answer. If the lighthouse, I mean right now the lighthouse would be, once under ownership by America's Castle, the liability would remain with America's Castle and its partner Eternal Light Foundation, and should the lighthouse, I guess if the lighthouse was destroyed, what would be happening?

REP. BAKER (124TH): With the cremains.

JACQUELINE KAUFMAN: Well, my understanding, and this is also with is the year--I think some of this information is in the book, that the--that they are retrievable, that the way that the urns--let's assume that there was a disaster in the lighthouse was broken in half, that they are retrievable. That the way that the urns are engineered, that they seem to the bottom of the water in their retrievable. They would then go back to the organization and whether they would be brought to another facility or returned to the family word--may be an option.

REP. MCCARTHY VAHEY (133RD): Ms. Kaufman and Representative Baker, may I interrupt for just one
moment again, my apologies. If you would like to have--to be joined by Mr. Thomson, so that you can answer some of those questions together, you may. Representative Baker, thank you.

REP. BAKER (124TH): Thank you. So, my main concern is like, okay so if we have individuals who place their loved ones in this Castle, and they are no longer here, they are deceased, and something is to actually happened, is it spelled out in your contract what is to happen to the remains? Are they going to be placed in a particular designated cemetery or niche at a particular cemetery that you've already contracted as being named in the contract? Because my concern is that if something happens--what you had stated to me is that something that you're going to put in place, but if the people that are actually signing the contract have no knowledge of that, and let's say 10 years down the line, 15 years down the line, something happens to this Castle and here we have 400 remains, and they're just sitting around, and nobody has responsibility for them, and then hear somebody comes back to us now and says hey, you know, America's Castle doesn't even exist anymore, and people saying hey we have 400--the city has to retrieve these or the Coast Guard retrieves these remains, and there's no mechanism in place.

Now you have 400 remains to sitting around and nobody has the responsibility, there's no, you know, can you explain that?

BRODIE THOMSON: Yes, so the partnership is with a non-profit named Eternal Light Foundation. Every cemetery or place where you would keep human remains must be with a non-profit. So, the Eternal Light
Foundation would have the responsibility for that, and we have an agreement with Eternal Light Foundation who has the responsibility to identify that alternative location.

So, the contract with the individual, who agrees to put their remains inside the lighthouse, includes language that they agree that if anything were to happen to the lighthouse that would make it so that there remains could no longer reside there, that they agree that Eternal Light Foundation with American's Castle can place those remains inside an alternate location columbarium. It does not state where that is by design. It's too early to identify which location would make the most sense today because we don't know when that incident would happen, and the volume of remains that would need to be placed at an alternate location.

I would like to be able to say that we have a fully executable contingency plan with an alternate designated site for that, but from a practicality sense, today that does not make sense. What does make sense to us is that those consumers are fully aware of what would happen to the remains in the event of the destruction of the lighthouse.

REP. BAKER (124TH): And I understand, and understand what you're saying, but I just think from a consumer standpoint that people need to know and have some insurance of where is the alternate pan in terms of exact location because maybe you might, you know, what you're telling me is that, you know, when the time comes were just gonna try to figure it out where they might go, and I think that that's not fair to individuals. I think there needs to be more detail exactly what is going to be the alternative,
and not just have the cremains sitting around until you decide where you want to put them.

I think that you need to make some sort of provisions now. If you were just to sit here and tell me, listen, we have this particular cemetery that we have contacted, and are willing to be able to provide an area in the event that something does happen for XYZ amount of money or whatever kind of arrangement. I think as a consumer, people need to have that understanding, that insurance of that particular plan if something were to happen, you know, that's all.

BRODIE THOMSON: Wonderful perspective, I appreciate that, and we will work to adjust our plan accordingly.

REP. BAKER (124TH): Thank you.

REP. MCCARTHY VAHEY (133RD): Thank you Representative Baker for your questions and for your indulgence twice when I have had to interrupt, and I apologize for that. Are there further questions from members of the committee? I do have a few. So just to clarify ownership at this point, you are the prospective owner, who is the current owner of the lighthouse?

JACQUELINE KAUFMAN: He's the perspective owner—excuse me, America's Castle is the perspective owner, and they have one [inaudible 02:28:01] certainly they want to understand that they'll be able to [inaudible 02:28:05] since they have won the bid, they want to ensure that they're able to use the facilities in the way that [inaudible 02:28:12] intends.
BRODIE THOMSON: The current owner may be designated as the National Park Service. They have responsibility to provide that property for use by the Coast Guard. However, the General Services Administration had stepped in because it's on the disposals list. So, the answer to that is somewhere between the Coast Guard, the National Park Service, and GSA, whom I work with on a regular basis, and they all just want to get rid of it.

JACQUELINE KAUFMAN: You can see that information too in attachment three. We've included a copy of the cells, the government real property Penfield Reef Lighthouse, the actual invitation for bid, as well as the notice for acceptance for bid letter from GSA to Mr. Thomson.

REP. MCCARTHY VAHEY (133RD): Thank you for that, and when I was asking you, Ms. Kaufman, earlier to sum up I--you were going through the timeline and the history, and I know there was a period of time where the town of Fairfield itself had hopes of actually taking ownership of that lighthouse, but there have been a series of events that have resulted in now a situation where the various agencies are essentially looking to have some other alternatives, which is why it has gone out to bid, and what your hope is that you can make use of this lighthouse and also then will be responsible of the maintenance, as Senator Cassano pointed out earlier, is that correct?

BRODIE THOMSON: That's , which takes a percentage of the funds from the cell of each turn and puts it into an investment that is protected and governed by state rules on how cemeteries are all acquired in the state of Connecticut to have perpetual care
funds, and that investment money would generate enough to take care of it, maintaining it, and any preservation due to a hurricane that may come up.

REP. MCCARTHY VAHEY (133RD): Thank you. My understanding of the reason that you're here today, and I'm just going to reiterate because a lot of moving parts with this, because in order to complete the purchase you would like to be sure that you can use this facility as a columbarium. It's not with respect to the bottomlands, it's just with respect to the use of the lighthouse itself?

JACQUELINE KAUFMAN: That is correct.

REP. MCCARTHY VAHEY (133RD): Okay. Another question, sometimes people like to visit with her loved ones, whether cremated or buried, will people be able to visit the lighthouse?

BRODIE THOMSON: On a very, very rare exceptional basis. The lighthouse is there for a reason because the waters are dangerous. I've attempted to go out there on charter boats three times and made it out there once. The Coast Guard often cancels their trips out there. Lighthouses are put in the most dangerous part of the waters. The Fairfield committee, to see the light the house, had generated funds in excess of $13,000 that they don't know what to do with, so they had approached the Fairfield Parks and Recreation, or maybe it Connecticut Parks and Recreation, to use those funds to put up a telescope type feature to be able to view the lighthouse from the shore.

What we propose is that we take earnings from the sale of urns and expand upon what the Fairfield town is going to be putting up and put a memorial site
with a replica of the lighthouse on sure where we could potentially engrave in wall the name of everybody who is interred within the lighthouse. So, it serves as an educational experience and a memorial site, and we look forward to working with Parks and Recreation on them allowing us to build do that.

REP. MCCARTHY VAHEY (133RD): Thank you for that answer and for highlighting--Ms. Kaufman would you like to add--

JACQUELINE KAUFMAN: I do want to add to that. By statute the bottomlands, because they're owned by the state, has to remain accessible to members of the public whether they are related to or associated with any of the interred individuals or not, so that would remain and that would not change as part of the statute.

REP. MCCARTHY VAHEY (133RD): Thank you for clarifying, and I will point out that I appreciate you highlighting how dangerous it is. We have lost people who have just been unaware of how quickly the waters have come in as they have been on the reef and fishing. We've had people stranded and had to be rescued, so it certainly is not very accessible, so I appreciate your answer in terms of the plans, and I am happy to help connect you with folks in the town if this does indeed move forward.

Representative Kokoruda.

REP. KOKORUDA (101ST): Thank you Madam Chairman. I might be missing something here. Can you explain to me why there would be a market to earn with your loved ones remains and not be able to visit it? I'm
just--I've never dealt with this, what is your company found?

BRODIE THOMSON: Yeah so in the 1960s less than 5 percent of people in the United States was cremated, as of 2016 50 percent of Americans are cremated. It is now considered the tradition, but people don't know what to do with the cremated remains of their loved ones, in fact there are over 2 million remains are still sitting at crematoriums that have never been picked up, and there's a campaign out there to figure out what we do with these because the crematorium just doesn't want to dispose of them, even though the law permits it.

They are not something that gets passed down from generation to generation. My parents do not want to give me necessarily or my siblings the cremated remains of my grandparents. So, there's no place for these to go. So, the market that is out there are comprised of people who downsizing their life and trying to figure out what to do with grandma and grandpa, mom and dad, because there's no place else to do it, and different religions face do not support this scattering. For instance, the Catholic religion, the Vatican specifically says that all the remains must remain intact.

So, with that they have to remain intact but where you going to put them. A lot of people bury them, but you bury them on cemeteries and you're still paying for a lot, a cemetery plot, the full size. So, it's due to the shifting changing culture around the exorbitant number of people that are being cremated that this market is now there.

REP. KOKORUDA (101ST): Thank you.
Representative Kokoruda. Representative Baker.

You know you shared, you set a couple a few things that were very interesting, and I commend you on the creativity on what to do with cremains. I find it very interesting. You talked about how they're not passed on to generation to generation, and it just goes back to my questions and concerns and I hope that you will take that and just kind of try to brainstorm more on that. Like, you have an individual that has great-great grandparents and knowing that they are aware of where their grandparents remains are in being able to have that designated or something that's in writing that says it's going to be—I just hope that you take that information and go back to the drawing board and kind of like implement something so that people can know that, thank you.

Absolutely will, thank you.

Representative Baker. Are there any further questions? I'd like to thank you, if you'd like to add one other thing Ms. Kaufman.

Jacqueline Kaufman: I will, and I will be quick. In reviewing the proposed legislation, I noticed that the terms for the lease of the bottomlands is proposed to be 10 years, which is consistent with the number of years that was formerly proposed with the prior legislation, I think in 2007. In 2015 it was extended to the current statue of at least 30 years, and I think I can appreciate why the tenures was suggest that there, but we think that a longer-
term, up to 30 years, would be appropriate given the level of engineering investment that the owner will have to make in this facility, but also considering that the consumers will be looking for a longer-term commitment for the location of the remains barring any other force of nature, we feel that a longer-term would be appropriate.

REP. MCCARTHY VAHEY (133RD): Thank you for that clarification and for your time with us today.

JACQUELINE KAUFMAN: Thank you very much for your time today.

REP. MCCARTHY VAHEY (133RD): Next, we have Laura Settlemeyer, who I believe is the last person on our list, but we'll certainly open it if there are others here today. Welcome.

LAURA SETTLEMEYER: Good afternoon Madam Chair, Mister Chair, ranking members and members of the committee, thank you for the opportunity to speak in favor of Senate Bill 1070 and House Bill 7277. My name is Laura Settlemeyer, and I'm the director of blight remediation of the City of Hartford, and I'm also here representing Mayor Luke Bronin, who is sorry is not able to attend in person but will be submitting written testimony on his behalf as the mayor of Hartford as well as a board member of the Connecticut Conference of Municipalities. I also want to mention Hartford is a founding member of the Connecticut Blight Remediation Coalition, and in my capacity as director of blight remediation, I serve as the chair of the not-for-profit Hartford Land Bank.

I will keep my remarks brief this afternoon. I just want to hit on a couple of points for clarification,
and I would like an opportunity to address, we are aware that the Connecticut bankers Association has filed opposition to Senate Bill 1070, and I would like to address just a couple of points there. Let's see, so number one I just want to remind the committee and everybody present that our number one goal is to expand the tools in the toolbox for communities, urban, suburban, and rural, to be able to tackle the problem of blighted and vacant abandoned property and that we see land banks and conservatorship and expedited foreclosure proceedings, which the bankers mentioned, as all being possible tools that can work together, and don't necessarily need to exclude one or the other, or favor one of the over the other.

Just a few distinctions between land banks and conservatorship, so the land bank legislation is--land banks themselves are entities that are created by municipalities working with the community, and conservatorship is a private right of action for not only municipalities but banks, owners, residents, not-for-profit organizations to be able to file in court, and it is a court supervised process providing due process to owners and all lien holders of record.

The Connecticut bankers Association, so just two points in their opposition, they refer to conservatorship being untested, and while yes this would be a new law or new tool for Connecticut and communities in Connecticut, this is something that we are borrowing heavily from other states like Massachusetts and Pennsylvania and cities like Baltimore and Chicago, and we strategically pick the kids of Pennsylvania legislation to model in part
because it doesn't able not only municipalities to take advantage of the, but also nonprofit entities, residents, and banks who might have a mortgage interest on these properties to be able to file an action of conservatorship and be appointed a conservator.

Finally, before I make myself available for questions, I just want to clarify this may come up in questions, land banks versus land trust versus redevelopment authorities, certainly there can be overlap among those three entities, but ideally a community has all three's. Whereas redevelopment authority and the land trust can be similar in that they both acquire property to hold, where is the weed development authority will hold property for possible future redevelopment, and the land trust will hold property to protect certain interest such as affordable housing. I land bank ideally is holding, is acquiring and holding a property for a short moment in time to clear up title issues liens, do some possible environmental remediation work, demolition, somewhat minor repairs that are causing me stuck properties to become unstuck, and they can be available for redevelopment authority or land trust.

REP. MCCARTHY VAHEY (133RD): Thank you Ms. Settlemeyer. Just to follow up on that before I open it up to questions, would there be a time when those three groups, the land bank, the land trust, or the redevelopment organization, might be in competition with one another?

LAURA SETTLEMEYER: So, I will be honest, yes. Hopefully though that will not be case, that the redevelopment authority in the land trust—
could be in competition as to what the future use of that land would be used, you know, the land trust is set up to preserve affordable housing and the redevelopment authority is trying to make the case that we need to put up something that will create jobs, and workforce development day, of course, would have to work that out, but with the land bank, the land they could help either entity, if that piece of property is of blighted, vacant property, being able to clear back taxes if there are remediation costs that outweigh the fair market value of the property, the land bank would have the funding and the powers to do that initial remediation work. It could be if minimal is just doing some site testing and then transferring it to the redevelopment authority or the land trust.

I see the land trust redevelopment authority as being an end-user of these properties, and the land bank generating a pipeline for these properties that again currently are just stuck in limbo in their blighted, vacant and abandoned state.

REP. MCCARTHY VAHEY (133RD): Thank you for that, so--and in your response you really noted the conflict with--well, potential competition I suppose is a better way to say that, would be between, or could be between the redevelopment authority in the land trust?

LAURA SETTLEMEYER: Sure.

REP. MCCARTHY VAHEY (133RD): The land bank in that scenario that you talked about is essentially, potentially a neutral arbiter, but when would there be an example that the land bank might not be the
neutral arbiter and might lean in one direction or another?

LAURA SETTLEMEYER: Well, truthfully if the land bank is created as an arm of the redevelopment authority, if there is similar overlap and board members, I mean there could be—and that would be up to them and individual municipality as to how they create the land bank and how independently it truly functions separate and apart from the redevelopment authority and/or a land trust.

REP. MCCARTHY VAHEY (133RD): Thank you. I'll open it up to questions from other members of the committee. No questions. Okay, well then, I will come back and ask another one. I asked earlier today about the application in various communities, in an urban center or in a rural location or a suburban, can you speak to that as well?

LAURA SETTLEMEYER: Sure, the application of both land banks and conservatorship?

REP. MCCARTHY VAHEY (133RD): Please.

LAURA SETTLEMEYER: Sure. So with respect to land banks, one of the things that I wanted to add to what's been said on the record already is that one of the powers we roll into the legislation is the ability for some of our suburban and rural communities, we think they're more likely to take advantage of this, which is the ability to partner together to create one land bank serving multiple communities, so this is not have to be each municipality in and for themselves creating a land bank, they can partner together to create a land bank.
With conservatorship, it would be available across all communities, urban, suburban, rural, again it's a private right of action filed in the court.

REP. MCCARTHY VAHEY (133RD): And in the case of conservatorship, if there were a house in the neighborhood and group of neighborhoods or a neighborhood association wanted to become the conservator, would there be anything to stop them?

LAURA SETTLEMEYER: Well, in terms of their ability—is there law, no, they could file an action in court, but certainly if the owner stepped forward and objected, if there were a mortgage on the property, I guess there's the ability of the neighbors or the neighborhood group to step forward and file an action, and there's also the ability to also be appointed a conservator, so in some instances these actions can be brought by neighbors or a neighborhood group but that's not—the person who brings the action is not necessarily the one who is appointed as conservator, and especially in the instance of a property with, again, a bank holding a mortgage in first position, the bank would have first priority over being appointed the conservator to protect that interest and to protect their asset and investment in the property.

There was something else I was going to add to that, I also wanted to add that with respect to the existing owners of the property, in many instances in Baltimore and Pennsylvania where there has been exercised, a lot of times this is a tool that simply gets the owners attention and roughly half the cases end up getting dismissed because just simply the threat of having a conservator appointed is what it takes to spur the owner to step up and take
responsibility for the property and fix it up and sale it.

REP. MCCARTHY VAHEY (133RD): In Pennsylvania or Baltimore, are you aware what percentage of the owners are thinks as opposed individuals?

LAURA SETTLEMEYER: I am not aware of that number. I'm happy to reach out to colleagues in both of those places to see if they can provide those numbers.

REP. MCCARTHY VAHEY (133RD): That would be wonderful. Are there any further questions from members of the committee? Seeing none, I think you for your time here today and advocacy on this issue.

LAURA SETTLEMEYER: Thank you all.

REP. MCCARTHY VAHEY (133RD): Are there other members of the public who wish to testify before us today? If not, we will adjourn our public hearing. Thank you very much.