



Testimony of Pete Myers
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Before the Housing Committee
Hartford, CT
February 28th, 2023

**Testifying with suggestions to
SB 4: AN ACT CONCERNING CONNECTICUTS PRESENT AND FUTURE HOUSING
NEEDS**

Senator Moore Representative Luxenberg, Senator Sampson, Representative Scott, and members of the Housing Committee, thank you for the opportunity to present testimony today. My name is Peter Myers, Public Policy Associate at the Connecticut Business & Industry Association. CBIA is Connecticut's largest business organization, with thousands of member companies, small and large, representing a diverse range of industries from across the state. Ninety-five percent of our member companies are small businesses, with less than 100 employees.

Thank you for the opportunity to testify today regarding section 13 of SB 4. Section 13 of this proposed legislation creates a tax credit for businesses or individuals who make financial contributions to a workforce housing development in a federally recognized opportunity zone. CBIA's members have found that the lack of affordable and workforce housing in our state is one of the factors contributing to our workforce crisis. We have been working with various municipality associations across the state to create a plan that would incentivize the building of workforce housing. CBIA believes that incentivizing the building of workforce housing in a manner that maintains local control is the best solution to our workforce housing crisis. Section 13 of SB 4 partially achieves the goal of incentivizing workforce housing. Respectfully, we are providing suggestions that would improve section 13 of this proposed legislation.

The Connecticut business community would ask that brownfield sites be added to the qualifying areas to build workforce housing. We suggest that the legislation be amended to utilize the funds in Sec. 32 –765 of the Connecticut General Statute known as the Targeted Brownfield Development Loan Program. CBIA would recommend this loan program be shifted to a one-time grant program that could be utilized by eligible developers to remediate the brownfield site before the development of workforce housing. Adding brownfields as potential sites that could be used for workforce housing would be a creative way to solve two problems at once. This would create more available low-cost land that could be used for workforce housing and this would be cleaning up our state's brownfield sites.

Another suggestion CBIA would have for this legislation is to add a second level of workforce housing development. Currently, this legislation limits the developments to 50% market-rate housing 40% workforce housing, and 10% low-income housing. For contributing to the current workforce housing development a business or individual is eligible for \$5 million in tax credits annually. Given the cost of developing a workforce housing development, we suggest increasing the tax credits that a business could receive for contributing from \$5 million to \$10 million for a level one workforce housing development. Additionally, we suggest adding a second level of workforce housing that would consist of a 40% market rate 40% workforce, and, 20% low income. For businesses that want to contribute to a level two workforce housing development, those businesses would be eligible for tax credits of up to \$11 million annually. Increasing the number of tax credits that a business would be eligible for this would greater incentive for large Connecticut businesses to contribute to level one and level two workforce housing developments.

We appreciate the intent of section 13 of this legislation as it will help to meet Governor Lamont’s goal of creating 6,400 more workforce and affordable housing units in Connecticut. CBIA believes that the creation of more workforce housing will help to lower the cost of all housing in our state. This would

help to address one of the largest hurdles to the growth of Connecticut business which is the high cost of housing for our state's workforce. As CBIA has stated many times this legislative session our state currently has over 100,00 open jobs and to fill those jobs we need to keep our skilled workforce in the state and we need to attract skilled out-of-state workers to come to Connecticut. We feel that incentivizing the building of workforce housing is a creative way to achieve that.

Thank you for your time.