



**BRIEF PREPARED FOR THE
COMMISSION ON FISCAL STABILITY AND ECONOMIC GROWTH
PARTNERSHIP FOR STRONG COMMUNITIES**

Partnership for Strong Communities is a statewide housing policy and advocacy organization focused on ending homelessness and expanding affordable housing opportunities in Connecticut. We follow how demographic and economic pressures, and government policies affect housing markets. We believe Connecticut's existing local regulatory environment of low housing growth has a negative impact on efforts to grow our economy.

Accelerating the pace of affordable housing development can increase household formation, enhance economic growth, and strengthen municipal and state fiscal fortunes.

Communities suffer when housing choices are limited. A community becomes stronger when it offers opportunity across the full spectrum of people it relies upon, and a community's opportunity to grow and to withstand challenges is directly connected to its range of affordable housing. To live in town, and become valuable contributors to the community, people must be able to find an affordable, decent and stable place to call home. A wide array of housing choices creates a community where diverse groups of people can afford to live, thrive, and contribute.

We offer the following recommendations to the Commission on Fiscal Stability and Economic Growth for the 2018 Legislative Session.

I. Support Changes to Connecticut General Statutes Section 8-2

We support the proposed changes to Connecticut General Statutes Section 8-2 recommended by the Fair Housing Working Group and specified in House Bill No. 5045.¹ The proposed changes would promote the state's policy goal of encouraging all municipalities to plan for multi-family housing and housing affordable to low- and moderate-income families. The bill prioritizes state discretionary grants to those municipalities conforming to the statute, providing a tangible incentive for towns to increase opportunities for a diversity of housing types to be developed.

¹ <https://www.cga.ct.gov/2018/TOB/h/pdf/2018HB-05045-R00-HB.pdf>



According to research by Professor Daniel Shoag of Harvard University², Connecticut and other high-wage states have difficulty attracting and retaining workers because our high housing costs cancel out the any advantage of our relatively higher wages. Workers tend to stay or move where net discretionary income is higher. We believe business should not have to grapple with the catch-22 of choosing between higher wages or suffering from an inability to recruit and retain employees. Instead, we can cut worker cost of living by creating smaller, denser, more affordable homes which increases businesses' ability to recruit and retain employees.

Further, Connecticut's housing portfolio is not diversified. We are over-reliant on single-family homes. Home values have not recovered across the state while single-family homes continue to dominate the state's housing stock (70% or more in 118 municipalities).³ Connecticut is one of the 10 markets that have built the least housing since 2000. Between 2008 and 2016 residential real property grand lists were flat or decreased in 152 of Connecticut's 169 municipalities. Towns are left to raise property tax rates, reduce services or both. That could lead to a vicious cycle of lower quality services and higher costs in our towns unless towns prop up grand lists.

We also have a very large population of Millennials living with their parents. While about 30% of Millennials nationwide are living with their parents, the portion in Connecticut is 42% - the second highest rate in the nation and a 9-percentage point increase from 2005. An affordable place to live would spur many to move out of their parents' home, buy furniture and kitchenware, services and utilities that will also generate more sales and other tax revenue. Diversifying our housing stock, and thereby boosting household formation, can help interrupt that cycle. Correcting the housing mismatch can improve local government finances, as well as provide housing options for our large Millennial population.

II. Preserve Department of Housing

High demand and a lack of supply has left at least 40% of renters in 117 municipalities and 30% of homeowners in 98 municipalities spending more than 30% of their income on housing. More than 200,000 households spend more than half of their income on housing. When families spend that much on housing, there's not much left to spend on food, clothing, childcare, healthcare, transportation and other vital services.

² https://scholar.harvard.edu/files/shoag/files/why_has_regional_income_convergence_in_the_us_declined_01.pdf

³ http://pschousing.org/files/PSC_2017HsgProfile_Connecticut.pdf



The Department of Housing (DOH) has worked diligently to address these issues. DOH strengthens and revitalizes communities by promoting affordable housing opportunities to meet the needs of all individuals and families statewide. DOH works with municipal leaders, local housing authorities, community groups, etc. in the planning, development, and preservation of affordable homeownership and rental housing units for residents across the state using funding and technical support programs. It is the State's lead agency providing leadership for all aspects of policy and planning related to housing.

With the leadership of DOH, and in partnership with the Connecticut Housing Finance Authority, the state has created, rehabilitated, or preserved approximately 11,000 affordable housing units. There are nearly 3,000 affordable units under construction, and funding commitments are in place to create over 5,000 more affordable units.

Without this leadership, we believe we will fall further from our goals of reducing the burden families in Connecticut experience because of the high cost of housing. It is imperative that we preserve DOH as a separate agency with sufficient staffing levels and protect its programs from any reductions in a new budget.

III. Continue Capital Investments

We must maintain the investments in the state's Affordable Housing Flex funds, Housing Trust Fund, and Homelessness Prevention and Response Fund, to adequately address all forms of homelessness and sustain the progress we are making to expand affordable housing development. State capital investments in housing should prioritize rental housing for low income households within mixed-income developments.

IV. Preserve Existing Housing and Homeless Service Funding

Preserve Housing Supports and Services at the Department of Mental Health and Addiction Services at \$23.3M

Preserve Homeless Services at the Department of Housing – Housing and Homeless Services Line Item (\$78.6M), Homeless Youth Line Item (\$2.3M), and Community Investment Act (CIA) funds





Partnership for Strong Communities manages the Reaching Home Campaign, the statewide campaign to end homelessness that is implementing the federal Opening Doors plan in Connecticut. Through an unprecedented coordinated effort of state, federal, and local partners, Connecticut was the first state in the nation to end chronic homelessness among veterans, the second state to end homelessness among all veterans, and in December 2016, had matched all those verified as chronically homeless (i.e. people who have been homeless repeatedly or for extended periods of time and are living with a severe disabling condition) with housing resources. We have learned that this tremendous accomplishment, once seen as insurmountable, is achievable when we continue to invest in solutions that work.

- From January 2015 to December 2017, Connecticut providers housed 1,948 people experiencing chronic homelessness, bringing Connecticut within reach of our goal of ending chronic homelessness.
- Since January 2014, there has been a 62% decrease in individuals experiencing chronic homelessness. In September 2017, there were 197 adults experiencing chronic homelessness in Connecticut -- the lowest number to date.
- Connecticut has successfully designed a homelessness response system across eight Coordinated Access Networks (CANs) statewide that are able to quickly identify people experiencing chronic homelessness and help them find a home within 90 days. Connecticut's response system is managed efficiently through an information system (HMIS), which allows us to track and monitor results in real-time.

The DOH Housing/Homeless Services line item for frontline housing/homeless services, outreach, emergency shelters, and the Rental Assistance Program (RAP), provides essential aid to individuals and families who have fallen into homelessness to move them quickly into permanent housing. The Rental Assistance Program funds, which provide the rental subsidies that make Supportive Housing possible, are essential to enabling people to find safe and affordable places to call home.

Continued investment in the state's rental assistance for supportive housing, housing assistance for homeless youth, and the Coordinated Access Networks (CAN) system (including emergency shelters, rapid re-housing, the 211-housing unit, and community-level coordination) is critical to maintain our progress.

Research shows that Supportive Housing continues to be the most effective housing model by providing tenants both financial and case management. Supportive Housing



not only saves lives, but also is saving communities up to 70% of the costs they would otherwise incur through cycling in and out of emergency services, hospitals, and jails.

Unaccompanied youth who are homeless are an invisible population particularly vulnerable to the deprivations and consequences associated with homelessness. Research suggests costly and avoidable trajectories for these youths who are at risk for sexual abuse, being lured into prostitution, physical abuse, criminal justice involvement, illness and suicide. The Homeless Youth funding is the only dedicated state support for this population. Preserving these precious resources is a critical step toward ending homelessness and increasing the likelihood of positive life outcomes for these youths.

Ending homelessness does not mean that people will never enter homelessness again. It means that we have a system in place that can identify, assess the needs of and find homes for those who are homeless within 90 days, ensuring that homelessness is rare, brief, and nonrecurring.

Additional policy priorities for expanding affordable housing options and reducing the number of households who are severely burdened by their housing costs include:

- Give municipalities that plan for, zone for, and create affordable housing higher priority for state capital funding and other grant programs.
- Preserve and rehabilitate existing affordable housing.
- Develop new, and strengthen existing, programs to expand affordable housing choice to include single-family homes, accessory dwelling units, small multi-family rental properties, and other innovative approaches.
- Create a targeted approach to provide technical assistance to municipalities to support housing creation and develop best practices to encourage appropriate higher density residential development.
- Encourage all municipalities to complete an affordable housing plan as required by Public Act 17-700.
- Encourage all municipalities to conform to the state requirement to allow multi-family housing.
- Identify and remove land use, wastewater, and other regulations that unnecessarily limit development density while continuing to protect public health and environmental quality.
- Protect the Affordable Housing Land Use Appeals Act (Section 8-30g) from any efforts to weaken its effectiveness by creating additional affordable housing.



While we have much to be proud of, we know that there is more work to be done. Creating and targeting affordable housing units and maintaining the investments and gains we've made in our efforts to end homelessness are essential components for the fiscal stability and economic growth of the state. Together, we can help everyone have a safe affordable place to call home.

Sincerely,

A handwritten signature in dark ink, appearing to read "Alicia Woodsby", is positioned below the word "Sincerely,".

Alicia Woodsby
Executive Director

