

Good afternoon Chairs Senator Miller and Representative Napoli, Ranking Members Senator Hwang and Representative Piscopo, and Members of the Bonding Subcommittee. Thank you for the opportunity to join you today and share an update on the establishment and progress of the Connecticut Municipal Development Authority (CMDA), and on our projected bonding needs over the coming two fiscal years and beyond.

I'll start with a refresher on what CMDA was set up to achieve and what we've accomplished since being launched in July of 2024. First, I'll note that we changed our name at our March 20 Board meeting and so were formally known as the Municipal Redevelopment Authority, or MRDA, and so you are likely more familiar with that name than with CMDA. Our quasi-public authority is designed to be a technical and financial resource to cities and towns looking to create vibrant downtowns and produce more housing choice in their walkable, mixed-use neighborhoods and near transit. Any of the 161 municipalities not covered by the Capitol Region Development Authority (CRDA) are able to join CMDA as long as they have a downtown or an existing or planned rail or bus rapid transit station.

As a completely voluntary initiative, interested municipalities must join CMDA via adoption of a resolution by their local legislative body. Once a town or city joins CMDA, our statutory obligation is to certify that the zoning in their downtown and/or station area is "likely to substantially increase the production of new dwelling units necessary to meet housing demand within the region." Our statute allows us to tailor our zoning recommendations to local conditions and our process enables us to reward municipalities who are making the appropriate local decisions to support housing growth with technical support and assistance to those who want to better align their zoning with market demand and best practices. CMDA's zoning recommendations do not in any way usurp or preempt local control. While the adoption of a Housing Growth Zone is a precondition to accessing our funding, creating housing-supportive zoning is entirely at the discretion of the local land use boards. Once CMDA has certified local Housing Growth Zones in a town or city's targeted transit-served and walkable neighborhoods, an MOU between CMDA and the municipality's chief elected official establishes a development district or districts. CMDA can then entertain project funding applications on a rolling basis from any public agency or private developer looking to expand housing options within the boundaries of those development districts. CMDA is statutorily enabled to fund transit-oriented development, housing, building demolition or rehabilitation, or development or redevelopment.

During the last five months of 2024, the Board and I completed the work to establish CMDA by creating and adopting the policies and procedures that will govern its operations and procuring the support team of consultants that will enable it to carry out its work. Most importantly, I met with municipal leadership, planning and economic development professionals, and developers from across the state to identify those partner communities interested in garnering CMDA's help to achieve their local development goals. The earliest a community could sign up to join CMDA was the start of February of this year. With that, I am incredibly encouraged by the fact that, as of March 21, nine towns and cities have joined CMDA and nearly 20 others are in the process of doing so. These communities range in size and are located in every region the state.

The CMDA Board and I are incredibly encouraged by the positive response evidenced by the number of communities opting in. The Governor's vision to use technical and financial resources to reward the cities and towns who are actively trying to build more housing in the places that will provide community and state co-benefits is already proving effective.

Given CMDA's statutorily established process, I anticipate that the communities who are joining CMDA now will have districts established this summer and CMDA will start awarding funding to projects later this calendar year. Given the pipeline of deserving infrastructure and development projects, I do expect to utilize the entirety of our outstanding authorization of \$59 million and the Governor's proposed additional \$30 million by the end of FY27. CMDA was authorized \$1 million at the August 2024 Bond Commission meeting and we expect that those funds will be expended in support of start-up operations and priming the project pipeline by the end of this calendar year. Further, we do expect to make a request in FY28 and FY29 depending on demand exhibited by our partner municipalities over the coming fiscal years.

Finally, I want to share some of our actions that are designed to support transit-oriented and downtown housing production beyond our direct investment in infrastructure and development to show the ways we are working to lower cost and time to deliver housing to market.

One of the ways that we will support our partner communities is by helping them market their housing growth sites to viable developers with a proven track record in communities like theirs. I think that we will play a valuable role in matchmaking to create increasing competition in the building sector to lower cost of supply.

Further, perhaps the most significant way that CMDA will add value to our partner communities is by helping to streamline the state permitting process in support of downtown housing and transit-oriented development. What I share here today is admittedly aspirational, but I believe strongly that we have an opportunity to conduct some permitting at the district or neighborhood scale, proactively identifying the infrastructure improvements necessary to support growth where the state and its communities want it and removing these steps from the individual site development process. Time is money and any temporal savings achieved to bring housing developments from concept to market will reduce the cost to deliver those units and increase production and affordability. CMDA will create a new model for how to enable development in Connecticut's downtown and station areas and more quickly help communities deliver on their vision for their future.

I look forward to ramping up activities over the coming fiscal year and working with many of the communities that you represent to help them fill gaps to bring their housing and economic development goals to fruition.