

# HOUSING: *The Hub of Public Policy 2010*

## Briefing Memo

### Housing and the Workforce: *Eliminating Barriers, Growing Labor Pool, Meeting Demand*

January 27, 2010



Without 103,000 new residents from other countries coming to Connecticut between 2000 and 2008, the state's population would have fallen by 98,000. Most of that decline would have been 25-34-year-old workers. Connecticut, in fact, has been hemorrhaging young professionals and families: the state lost more 25-34-year-old population than any state in the nation from 1990 to 2007. That workforce is crucial to the state's economic growth, as are service workers earning under \$50,000 annually who do the jobs that need doing in Connecticut, occupations that will see the largest rate of growth through 2015: nurses, EMTs, teachers, police officers, firefighters, X-ray technicians and the like.

But there is little affordable, safe, secure housing for them.

Housing cost does not solely determine where workers live. Employment opportunities, geography, climate, recreation, family and other factors play a huge role. At 31% of the average household budget, housing costs largely determine where workers live, and how much disposable income they have to fuel their state's economy and pump up its tax revenues. Connecticut has been failing on that score. Even with the latest two-year dip in housing prices - about 20% compared to a national decline of more than 30% - Connecticut is uncompetitive. Personal income growth from 2000 to 2009 was 32%, but median home sales prices still rose 47%. Connecticut is 47<sup>th</sup> in the nation in units-built-per-capita since 2000 - the result of exclusionary zoning fueled by myths, misconceptions, a lack of subsidy and regulatory delays.

What we have built - luxury 55+ retirement communities and 4- & 5-BR homes - have not included the affordable rentals, condos, townhouses and starter homes that young workers and families need. Again, that is not the sole reason workers are not coming to or staying in Connecticut but it is a major factor. The impact, in turn, is felt by employers who can't find the labor they need at the rates they can pay. Municipalities, states, private-sector employers from established manufacturers to emerging biotech companies and, most especially, "captive industries" that can't move - universities, hospitals, utility companies and the like - are hurt, too. Families are not immune: elderly empty-nesters have trouble downsizing from large homes that are hard to afford and keep up, adult children can't come back to live in the towns they grew up in, and community life and commerce is affected when town center merchants can't

find workers or customers, teachers can't live in the towns they teach in and volunteer firefighters must drive miles from home to get to fires they are fighting.

Some facts to consider:

- Worse than being 47<sup>th</sup> in units built per capita since 2000, Connecticut has 4,500 existing affordable rental units that could revert to market-rate unless preserved in the next 6 years. Thousands more reversions could happen over the following 15 years, causing a huge loss of existing affordable homes.
- 100,000 of Connecticut's 400,000 renting households earn less than 50% AMI and spend more than half that income on housing, leaving little for food, clothing and other needs. These "severely burdened" families are transient and at risk of homelessness.
- The 2009 Point-In-Time Count showed that family homelessness has plateaued at a high level and is spreading to suburbs and rural areas; shelters, meanwhile, are at capacity.
- More than 40% of renting households – and 26% of all households – earn less than 80% AMI and spend more than 30% on housing, again leaving little for necessities.
- 329 of 695 CT occupations earn an average wage lower than the state's housing wage – the \$21.60/hour needed to afford a typical 2BR apartment. The occupations projected to grow fastest by the Bureau of Labor Statistics are among those 329 occupations.
- For low-income families seeking to buy a home, the opportunities have withered: In 2000, 65.2% of CT ownership units were valued below \$200,000; by 2008, the percentage had fallen to 19.8%. Most units are in large cities where school districts, housing quality and neighborhood services are burdened by major challenges.

How can housing policy help workers, our economy and the state budget? Rather than rely on politically-difficult budget-cutting or tax increases to balance the state budget and promote economic growth, **consider this vision, which emerges from DECD's draft Economic Strategic Plan**: The path to economic growth and sound fiscal policy is to expand the state's tax base, ie. growing its population. The Plan sets out a blueprint: (1) assist the growth of key industries (biotech, high tech, film, etc.) by focusing tax credits, venture capital and the intellectual capital of Yale, UConn and other institutions to leverage new investment and growth, (2) develop the housing/transit infrastructure those industries, localities and their workers need, and (3) market Connecticut as an "Open For Business" state prepared to give industries what they need. **An affordable range of housing options is key to that equation.**

## PROBLEMS

### *High Costs for Housing*

The fair market rent for a two-bedroom apartment in Connecticut is \$1,123 per month. In order to afford this level of rent and utilities, without paying more than 30% of income on housing – HUD's generally-accepted standard of affordability – a household must earn \$3,745 monthly or \$44,938 annually. However, minimum hourly wage in Connecticut is \$8.25, while the fair market

rent translates into an hourly housing wage of \$21.60.<sup>1</sup> The estimated mean wage for a renter in Connecticut is \$17.58 per hour, less than the fair market rent for a 2-BR apartment. A household must have an earner working 49-hour weeks, with no vacation all year, to afford an “average apartment” in Connecticut. Devoting more income to rent heightens the chance of homelessness and lowers buying power, thus lowering sales tax revenues to the state and commercial activities in its municipalities.

## *High Cost of Living*

It's not only buying or renting a home in Connecticut that is expensive; the overall cost of living is 8<sup>th</sup> highest in the United States, 25% higher than the national average.<sup>2</sup> Connecticut's income inequality has grown in 7 of its 8 counties between 1990 and 2007, with the wealthy thus driving up prices for housing and other necessities to the detriment of low-income workers. Companies and individuals aren't jumping over the border to Massachusetts or New York, they are moving to the South or Far West, where living is less expensive. The statistical evidence is punctuated by telling anecdotes:

- When Pfizer Corporation decided to consolidate its Research & Development facilities in Southeast Connecticut in 2005, it was able to attract workers from Michigan and other states for only 600 of the 1000 promised jobs. Many employees said the cost of housing was too high, and the associated living expenses made the move impossible.
- Similarly, Pratt and Whitney's 2009 decision to move jobs to Columbus, GA from the Cheshire facility may have related not only to business costs but worker costs. A 2-BR apartment in Columbus rents for \$643; the same apartment in Cheshire is \$1101.
- Connecticut is the only New England state that saw more interstate moves out than into the state in 2009, according to an annual survey by Atlas Van Lines. The study found 65% of the moves involving Connecticut as a starting or ending point were out of state.

## *A Withering Workforce*

A dangerous result of unaffordable housing is not simply the nation-leading loss of 25-34-year-olds. The Connecticut State Data Center has projected that, unless that demographic group is replenished, Connecticut's 4.5 workers per 65+ residents will fall to 2.6 by 2030, seriously damaging the state's ability to raise revenue to support the projected 70% growth in 65+ population. Connecticut already has the 7<sup>th</sup> oldest population in the nation. The loss of more than 51,000 rental units in Connecticut from 2000 to 2008, according to the Long Range State Housing Plan, has helped cause rental prices to rise more than 30%. Meanwhile, the appreciation in prices has left fewer modest ownership opportunities: the Census reports, Connecticut homes valued under \$200,000 fell from 65.2% of the total in 2000 to 19.8% in 2008.

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<sup>1</sup> National Low Income Housing Coalition, 2009. *Out of Reach: Connecticut Housing Facts*.

<<http://www.nlihc.org/oor/oor2009/data.cfm?getstate=on&state=CT>>

<sup>2</sup> Missouri Economic Research and Information Center, 2009. *Cost of Living Data Series: 3<sup>rd</sup> Quarter 2009*.

<[http://www.missourieconomy.org/indicators/cost\\_of\\_living/index.stm](http://www.missourieconomy.org/indicators/cost_of_living/index.stm)>

The projections for Connecticut's workforce look bleak. According to the Census, of the top 30 occupations with the largest total number of job openings over the next 10 years, 17 require only "short-term on-the-job training."<sup>3</sup> In Connecticut, these 17 occupations – such as Retail Salespersons, Cashiers, Waiters, and Household Cleaners – earn only \$9.60 to \$13.40 per hour. This average wage is below the current \$21.60 housing wage, and the gap will only rise.

## ***Mismatch: Wages and Housing Prices***

HUD defines "affordable housing" as a home that can be paid for with 30% or less of a household's income. A new study from the Center for Housing Policy shows Connecticut households earning 120% of median income or less AND spending half that income on housing rose to 22% in 2008. This is up from 18% of that population in 2005, and is the fifth largest increase in the country. Almost half the occupations in the state – 329 of 695, according to the state Department of Labor – don't earn the \$21.60/hour housing wage. Most in danger: 26% of Connecticut households earn less than 80% of median income and spend more than 30% of that income on housing. Moreover, about 100,000 of the 400,000 renting household make less than 50% of median income and spend more than 50% of their insufficient income on housing.

Housing supply restrictions that result in high housing prices mean that businesses have either to pay higher wages or move out of state to a place with lower housing costs and wages. In addition to wage pressure, high housing prices increase the difficulty of attracting and retaining workers. Because wages have been unable to keep up with housing costs, businesses, universities, hospitals and other employers in high-cost states report increase difficulty in attracting and retaining high-quality employees.<sup>4</sup>

## **SOLVING THE PROBLEM**

### ***Goal 1: Preserve What We Have***

There are 117,000 affordable housing units in Connecticut and 41,000 are administered by Connecticut Housing Finance Authority (CHFA) through mortgage financing, tax credit financing, or through portfolio management. This housing is only required to stay affordable through restrictions tied to construction financing, tax credits, or through other provisions. Of the entire 117,000 affordable units in Connecticut, approximately 15,000 units could lose their requirement to stay so by 2015, and another 24,000 sometime after 2020.<sup>5</sup> It is imperative that these affordable units be preserved or newly created units will not lead to a net increase. There are also many units at risk not because affordable restrictions are expiring but because they are in danger of deterioration; state housing units were recently estimated to need \$202 million in physical upgrades. Of 34,000 federal affordable housing units in Connecticut, 11% require immediate physical restoration, a chance to invest in energy-efficiency and sustainability.

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<sup>3</sup> US Bureau of Labor Statistics, 2009. *Table 7: The 30 fastest-growing occupations, 2008-18.*  
<<http://www.bls.gov/news.release/ecopro.t07.htm>>

<sup>4</sup> Carman, Edward C., Barry Bluestone, and Eleanor White, 2003. *Building on Our Heritage: A Housing Strategy for Smart Growth and Economic Development. Report and Recommendations for the Commonwealth Housing Task Force.* Boston, MA: Center for Urban and Regional Policy, Northeastern University.

<sup>5</sup> Connecticut Department of Economic and Community Development, 2009. *Connecticut Economic Strategic Plan*, 183.

## ***Goal 2: Create More Supply: Remove Regulatory Barriers, Dispel Myths and Misconceptions***

Many factors beyond zoning can limit the quantity of affordable housing: market conditions, land availability, the quantity and quality of public services, other planning goals (e.g., protecting open space or rural areas), and existing land-use patterns.<sup>6</sup> But new construction and development is also restricted by a lack of subsidy, a lack of higher-density zoning, and a regulatory system that slows development efforts enough to sap the profit from them. Mostly, it is restricted by a lack of will fueled by myths and misconceptions.

Many communities have zoning and land-use policies that make it difficult to develop affordable homes. In Connecticut, 138 of 169 municipalities have very little affordable housing. Across the country, research has shown residential developments with densities of more than 30 units an acre are prohibited in all but 12% of local jurisdictions. HUD found in 1991 that regulatory restrictions raise development costs by as much as 35%. Little has changed since: a 2006 study by Harvard University's Edward Glaeser found Boston region housing prices might have been 23-36% lower by 2004 if regulation had not reduced new permits since 1990. By keeping lot sizes at 1-3 acres, it is virtually impossible to build lower-cost housing because land costs cannot be spread among many units. Often, density is impossible because of soil quality, a lack of infrastructure, environmental hazards and other impediments. But often, towns use zoning to restrict higher density – and, thus, affordability – because they fear higher density communities will increase crime, lower property values and increase school costs. Research has deflated those concerns, but misconceptions live on. In particular, fears that higher density housing will increase school enrollments and costs are often cited, even though Rutgers has shown that 1- and 2-BR multifamily units and starter homes don't bring school children. UMass has shown that school budgets are driven by health, energy and labor costs, not enrollment. MIT has shown property values are not hurt by multifamily housing and the University of Connecticut has shown that school enrollments are likely to fall 17% between 2004 and 2020, leaving room for new children in classrooms even if new population and housing creation produces more of them. Meanwhile, alternative forms of affordable housing such as accessory dwelling units and manufactured housing are often prohibited by zoning codes. Some communities impose fees and high architectural standards or require developers to include attractive amenities that increase the costs and demand for housing in a community.<sup>7</sup>

## ***SUCCESSSES TO DATE: Streamlining Decision-Making, Promoting Affordability***

Progress toward the vision of attracting and helping industries grow – and providing them with the transit and housing infrastructure they need – is already a story worth telling:

- HOMEConnecticut, created by the administration and General Assembly in 2007, has for a small investment under \$2 million already energized dozens of municipalities to plan and zone for higher-density housing that is mixed-income – 80% market-rate, 20%

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<sup>6</sup> Ibid, 210.

<sup>7</sup> Ibid, 209.

affordable – and allows mixed-use development combining residential with commercial or industrial uses.

- The state is reinvigorating high-tech and bio-tech clusters and has made, along with only a handful of other states, a huge investment in stem cell research to begin to provide the jobs needed to expand population.
- Cooperation between DECD and DEP has led to a reinvigorated investment in restoring brownfields to development-ready status.
- DECD and DEP have also joined forces to changes statutes to allow many old mills in 500-year floodplains to be redeveloped into residential units, many of them affordable.
- The General Assembly and administration have not only provided money for open space and begun clarifying responsibilities under the State Plan of Conservation and Development – to direct development away from pristine lands that give Connecticut its rural character – but have also created responsible-growth policy that encourages regionalism, efficiency and development in town centers, near transit and other areas of existing infrastructure.
- OPM and DECD have encouraged work by Connecticut Main Street Center to provide technical assistance to municipalities to develop their town centers.
- CHFA and DECD have worked together to smooth out and shorten the application process for housing developers. The General Assembly and administration have created a State Housing Trust Fund to provide gap financing for developers.

There has been less tangible, but equally important, progress. State agencies are coordinating policy in ways that will attract additional federal aid by meshing with such federal initiatives as the Partnership for Sustainable Communities, a joint HUD-DOT-EPA effort that seeks to incentivize states and regions to create affordable, energy-efficient housing in sustainable communities within walking distance of transit. That significant progress has been held back – at least temporarily – by the state budget crisis. But new cooperation among state agencies will allow Connecticut to take advantage of new federal aid, from Tiger Grants to the National Housing Trust Fund.

## ***What Other States Are Doing To Expand the Housing Stock***

High-density development avoids the costly long sewer lines and sprawling utilities, geographically expansive public safety protection and expensive road construction of lower-density development.<sup>8</sup> Builders also face fewer barriers to high-density development in other states, including less expensive land. States have also offered a range of incentives. Examples:

### 1. DEVELOPMENT INCENTIVES

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<sup>8</sup> Connecticut Department of Economic and Community Development, 2009. *Connecticut Economic Strategic Plan*, 206.

- *Illinois* – For every dollar that corporations and individuals contribute to approved affordable housing developments or invest in employer-assisted housing programs, they receive a 50-cent tax credit on state income tax liability.
- *California* – Cities and counties must relax zoning standards and grant density bonuses up to 35% for developers who include affordable housing in market-rate projects.
- *Massachusetts* – Offers financial incentives to municipalities that identify “smart growth zoning districts” that allow higher densities and require that 20% of homes are affordable to low- and moderate-income families. Three years older than the similar HOMEConnecticut program, Massachusetts’ 40R program has already zoned more than 9,000 new units of housing in nearly 30 communities; some are under construction.

## 2. MIXED-USE/TRANSIT-ORIENTED DEVELOPMENT INCENTIVES <sup>9</sup>

- *New Jersey* – Transit Villages are compact, mixed-use neighborhoods that use transit stations and investment to kick-start revitalization projects. The state offers low-interest loans to TV developers and gives the Villages priority funding consideration.
- *California* – Provides incentives to cities and counties for planning transit village development districts that link mixed-use developments to transit systems. Since 2007, 20% of new units must be affordable to low- and moderate-income residents.
- *North Carolina* – Greensboro’s Department of Housing and Community Development developed a Traditional Neighborhood District Ordinance to assist Southside’s 10-acre redevelopment. The community capitalized on a rich stock of historic buildings and public spaces to restore this downtown neighborhood. The TND designation gave it the ability to build higher density housing, without regard for some zoning regulations.

## 3. DOWNTOWN RE-USE AND REHABILITATION INCENTIVES

- *Missouri* – Provides tax credits for rehabilitation of older homes and new construction in urban centers and established suburbs in moderate-income neighborhoods.
- *New Hampshire* – Gives municipalities authority to grant tax abatements to property owners who substantially restore buildings located in village centers or downtowns.
- *Vermont* – In the mid-1990’s, Waitsfield voted to adopt an Adaptive Re-use provision that gave several options for landowners that are not otherwise allowed in the Town’s Agricultural-Residential District (where most agricultural lands, and barns, are located). Since the provision was passed, several barns have been renovated and put to new uses, including a wood-working shop, performing arts space and meeting facility associated with an existing inn, bringing in new life to a former quiet downtown.

## 4. WORKFORCE HOUSING DEVELOPMENTS

- *Miller Ranch, Eagle County CO* – Originally a working ranch that was partitioned over time, with Eagle County eventually controlling 120 acres. Eagle County partnered with

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<sup>9</sup> Progressive States Network, 2009. *State Policy Options for Promoting Affordable Housing*. <[http://smartgrowthamerica.org/RP\\_docs/PSN\\_housing\\_statepolicy.pdf](http://smartgrowthamerica.org/RP_docs/PSN_housing_statepolicy.pdf)>

ASW Realty to construct the site that is now home to a campus for Colorado Mountain College, a new high school, and a 30-acre residential development comprised of 282 homes. Homes in Miller Ranch must be purchased by local residents or employees for owner-occupancy. There was deed restrictions placed on all the units, limiting appreciation to 3 to 6 percent annually, resulting in sale prices well below median price.

- *South City Lights, Watt Communities in Santa Monica, California* – Located on a 13-acre infill site in South San Francisco. Working with the city, the developer secured entitlements for a density of 20 units per acre in exchange for restricting the sale of 70 units to families earning between 80 to 120 percent of the area median income. What was created was a cost-effective design that provided workforce housing for a major employment center of the City.
- *Casa del Maestro (pt. 2), Mill Valley, California* – Final phase of a 70-unit rental development which provides affordable apartments to the teachers of the Santa Clara Unified School District. The school district partnered with the developer to construct employer assisted housing on 3.5 acres of land owned by the school district, after issues of high teacher turnover. Since its completion, the apartments of Casa de Maestro, available only to school district teachers, has remained fully leased and a waiting list.

## 5. EMPLOYER-ASSISTED-HOUSING (EAH): Public and Private Sectors

Ensuring that employees can afford a home near their workplace enhances productivity and helps their families plant roots in a community. Corporations offer low-interest loans or even grants for employees to live near their place of work, so that the company can invest in its employees without fear of losing them.<sup>10</sup> The value of down-payment assistance, however, depends on having sufficiently affordable homes to which to apply the down payment.

- *Aflac, Columbus, GA* – Partnered with a local nonprofit housing group to offer grants to its employees down payment and closing cost assistance. 200 employees have taken part in the program which is geared toward first-time homebuyers. Staff loyalty and retention has increased since the introduction of the program.
- *Citizens' Financial, Providence, RI* – Provides employees with forgivable loans that can be used toward down payment and closing costs. Since 2002, 3,100 employees nationwide have benefited from the program's \$5,000/5-year forgiveness loans.
- *Northrop Grumman, Bethpage, NY* - In collaboration with the Long Island Housing Partnership, NG provides employees \$5,000 grants toward down payment costs. The down payment assistance must be used toward the purchase of a primary residence, and employees must participate in a homebuyer education course.
- *The University of Chicago, Chicago, IL* – Offers faculty and staff interest-free forgivable loans and credit counseling. 158 employees received \$7,500 loans since 2003. The University sees the program as a recruitment and retention tool
- *Yale University, New Haven* – Homebuyer Program provides a \$30,000 benefit for employees purchasing homes in New Haven: a \$7,500 down payment at the time of the home purchase and nine additional annual payments of \$2,500.

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<sup>10</sup> Following bullets: Center for Housing Policy, 2009. *Employer-Assisted Housing*. <<http://www.housingpolicy.org/assets/EAH>>

- *Kentucky* – The Lexington-Fayette Urban County Government's Live Where You Work program offers forgivable loans of up to \$7,400 for down payments on homes purchased by full-time employees of the county.
- *Maryland* – The state's House Keys 4 Employees program, state government employees can receive up to \$10,000 in down payment and closing cost assistance from the state.
- *South Carolina* – The Police Homeowner Loan Program in Columbia, administered in partnership with the city, offers police officers 20-year low-interest, zero down payment mortgages to purchase rehabilitated homes in the City's low-income neighborhoods.

## 6. REGULATORY RELIEF

A 2005 HUD report identified many causes— including infrastructure costs, local building practices, bureaucratic inertia, and property taxes—for the extensive network of regulatory barriers to affordable housing development. However, governments have begun changing regulatory strategies to encourage affordable housing.<sup>11</sup>

- *Oregon (1995)* – Requires certain municipalities to inventory their supply of housing and buildable land and, if unbalanced, the municipality must amend its urban growth boundary to include sufficient buildable land to accommodate housing needs.
- *Idaho (2001)* – A municipality may require that a manufactured home have a garage or carport only if the same requirement applies to other newly constructed traditional homes, allowing apartments and condominiums to become more prevalent.
- *Florida (2002)* – Amended its statutes to require that the processing of permits for affordable housing be expedited to a greater degree than other projects.
- *Illinois (2002)* – Municipalities required to complete plans which assess their area's housing needs and develop strategies to increase affordable housing stock.

Closer to home, Massachusetts' Office of Housing and Economic Development and the Metropolitan Area Planning Council are currently working on a bill that would modify local land use regulation, in the hope to spur more affordable housing. Municipalities could qualify for relief from mandates if they loosened land-use policies or made the development approval process smoother. In addition, six states now require planning and zoning board members to attend training to become certified: Kentucky, Louisiana, New Jersey, New York, South Carolina and Tennessee. These states have seen a decrease in lawsuits stemming from improper zoning interpretations and one (New York) offers the municipalities discounted insurance rates.<sup>12</sup>

## *Possible Policy Changes*

Based on the issues that constitute Connecticut's current housing and workforce woes, the following are suggestions that may alleviate some problems in the future:

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<sup>11</sup> US Department of Housing and Urban Development, 2005. "Why not in our community?," 3. <<http://www.huduser.org/publications/pdf/wnioc.pdf>>

<sup>12</sup> University of Vermont Law School, 2009. *Training for Zoning and Planning Board Members*. <<http://www.vermontlaw.edu/Documents/Training%20for%20Zoning%20and%20Planning%20Board%20members.pdf>>

- Provide tax credits to private businesses and additional aid/incentives to municipal governments that create affordable Employer Assisted Housing.
- Provide additional aid to private, public or quasi-public institutions that use the “free” land on their campuses to help development EAH for students, workers, faculties and others currently priced out of the market.
- Provide tax relief and direct government grants, loans and other assistance to affordable developments near mass-transit stations.
- Align state policy/statutes to maximize federal housing-transit-environmental aid.
- Do not permit public investment in transit unless municipalities plan mixed-income housing development within walking distance of the transit line.
- Promote re-use in downtowns for mixed-income housing and mixed-use development.
- Provide municipalities with relief from mandates, and with state grants and loans, if they zone for mixed-income housing and speed the development process.
- Market the state to entice young, skilled labor to come and stay in Connecticut.
- Direct tax credits, venture capital and other state assistance to the state’s growing industry sectors and market that effort to workers to attract them to Connecticut.
- Location-efficient mortgages: have state and municipalities provide owners with property tax breaks proportional to the distance from their place of work. This will encourage employees to trade their automobiles for public transit.
- Encourage wiser land-use by providing planning grants to municipalities that conduct charrettes and seek out locations for higher-density housing creation.
- Fund the CLEAR zoning commissioner training program so it includes a module on mixed-income housing and mixed-use development.
- Establish and enact state “green building” code which will require specialized construction and spur green jobs for a short-term basis.

### ***Potential Strategies from the Draft Connecticut Economic Strategic Plan (2009)***

- Appoint an Executive Branch Responsible Growth Cabinet with a Secretary who reports directly to the Governor and consists of the Commissioners of Department of Transportation, DECD, DEP, Agriculture, CDA, and CHFA. The cabinet will recommend disbursement of responsible growth funds, developing model municipal zoning regulations and developing a joint state/municipal application process.
- Consolidate state administered discretionary municipal grant programs into a Responsible Growth for the 21st Century Fund and establish a competitive process for towns to apply for funds. Priority will be given to towns that have adopted model zoning, have increased density and are in close proximity to rail and/or bus transit.
- Provide \$100 million for brownfield redevelopment as recommended by the Brownfields Task Force. A scorecard would be created to assess municipal actions streamline development. Points would be awarded for creating Incentive Housing Zones, enacting expedited zoning processing and increased training of land-use staff.

- Streamline DECD's loan program under the Special Contaminated Property Remediation and Insurance Fund (SCPRIF) into the targeted brownfield development loan program.
- Fund both HOMEConnecticut and the Housing Trust Fund to increase workforce housing in the state. Create flexible mechanisms that include gap financing and regulatory relief so production of affordable home ownership units can be significantly increased throughout the state. Coordinate grants and loans from the Housing Trust Fund, Flex and HOME programs, treating each pool of funding as a source of flexible capital.
- Expand the gap financing program administered by CDA. Allow municipalities that have state-approved responsible growth/TOD projects to develop Special Services Districts and levy additional taxes and/or fees to fund development. Taxes/fees could include local sales tax, additional conveyance tax, hotel tax, and parking fees.
- Implement a Green Tax Credit for housing projects that meet or exceed LEED Green Building Rating System Certification.
- Invest in a first-class economic development website that has user-friendly links to all state economic development programs and tax incentives.
- Create a state marketing fund to support economic development marketing efforts. The fund should be supported with \$20 million on an annual basis and support marketing efforts for economic development and culture and tourism.

Questions? Please contact David Fink, Policy Director, Partnership for Strong Communities at 860-244-0066 or [david@ctpartnershiphousing.com](mailto:david@ctpartnershiphousing.com).

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