



**Testimony of Dara Kovel  
CEO, Beacon Communities**

**on**

**Appropriations Budget Hearing  
On Governor's proposed Mid-term Budget Adjustments for FY2021  
Department of Housing  
Tuesday, February 11<sup>th</sup>, 2020**

Chairperson Osten, Chairperson Walker, Senator Formica, Representative Lavielle, and distinguished members of the Appropriations Committee, thank you for the opportunity to testify today on the important investments through the Department of Housing to support efforts to create quality affordable housing for all of our residents in Connecticut.

I am writing to share my support for the Department of Housing's budget and the \$200 million in affordable housing funding under consideration by the General Assembly and to thank you for your unwavering leadership in moving these commitments through the legislative process so these dollars can be put to work for the residents of Connecticut.

Beacon Communities is a 50-year old institution, known for creating quality living environments for residents, young and old, and owning and managing properties with a standard of care that is second to none. In Connecticut, we currently own over 1,000 units of affordable and mixed income housing in the communities of Stamford, New Haven and Windsor Locks. We also manage another 1,000 units for other affordable housing owners. We believe housing is a right, not a privilege, and that every person should be entitled to a safe, comfortable place to call home.

I personally have been in the affordable housing development field my entire career, in both the nonprofit, public and private sector, and while I now reside in Boston, I consider Connecticut my home. I lived here for 35 years, including growing up here and working as a developer and then at the Connecticut Housing Finance Authority between 2010 and 2015. Now as the CEO of Beacon Communities, my hope is to continue to bring new, expanded and quality housing opportunities to families, seniors and people with special needs in communities across the State where they might otherwise be priced out of a home.

Beacon has a strong track record of making good on this commitment. Our work in Connecticut started with two major public housing redevelopments, one at Monterey Place in New Haven and the other at Southwood Square in Stamford. In our more recent work, we are preserving and renovating 335 mixed-income apartments in downtown New Haven, half of which serve extremely low-income families. We are also just completing the renovation of Montgomery Mill, a mixed-income adaptive reuse of a historic factory in downtown Windsor Locks, a project which remediates a brownfield, stands next to the site of a future train station, creates a new entrance to a State park and exchanges a blighted structure for 160 beautiful apartment homes overlooking the town and the Connecticut River.

The Montgomery Mill project would not have been possible without the support of numerous state agencies as well as general obligation bonding from the State of Connecticut, but if you ask any resident or business owner of Windsor Locks or the region, they will attest to the fact that it was money well spent. The resources that the State provided to this project were leveraged with \$5 for every \$1 invested by the State. Let me reiterate that, a 5:1 leveraging of the state's investment. Both construction and permanent jobs were created; over 60 construction jobs were created: 52% of subcontractor job hours were furnished by minorities as of March 2019, 16% of construction subcontractors were Small Business Enterprises, 45% of subcontractors were CT-based and 23% of construction workers were classified as New Hires. And the economic activity brought about by introducing 160 new households to downtown Windsor Locks is already starting to be evidenced by new and healthier businesses in the area supported by new residents.

Most important, the property now provides homes for 160 households from single people to families (and quite a few dogs), with incomes ranging from \$0 to well over \$100,000, in diverse professions, including teachers, technicians, bank tellers, Cigna employees, research associates, accountants and retirees.

These types of projects have dramatic effects on local and regional economies. We are committed to continuing efforts like this, as long as the state of Connecticut remains a willing partner. The "debt diet" has severely slowed our ability to invest in and plan for future projects. We are grateful for the support of the legislature in continuing to insist on funding for this critical component of infrastructure and investment. We also intend to testify before the Finance, Revenue and Bonding Committee on the importance of approving and releasing these funds. We have all heard the message regarding the importance of transportation to the state's economy, but housing and transportation go hand in hand as part of the State's long-term infrastructure and are critical to a successful state economy.

Projects awaiting funding that could benefit from strong affordable housing investments in Connecticut:

- A redevelopment of state public housing in Branford where 50 households who are elderly and disabled are living in deteriorating conditions. The budget will support turning this property into 67 modern, accessible, green, spacious one- and two-bedroom units with common amenities, fitness and computers rooms and gardens.
- Another project caught in the debt diet is our property at 117 Bristol Street in New Haven that serves 95 extremely vulnerable households and is in need of capital improvements. With resources to renovate this building, we could fix building leaks, replace the elevators and heating systems and upgrade the common areas to improve the quality of life for all the residents for the next 30 years.
- Beacon also is considering several other sites in the state, transit-oriented sites within historic downtown districts that could serve hundreds of additional lower income households who could live near where they work and in communities where they want to stay.

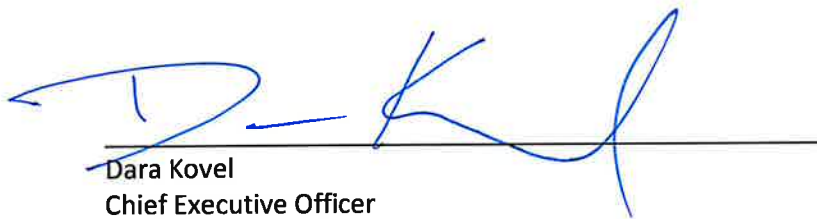
All of these projects will be made possible by the resources anticipated in this budget and supported by the Department of Housing. A strong, well-funded Department of Housing is necessary to ensuring success of these housing investments. The pause of the last year, causing an absence of the programs that these dollars support, has had a chilling effect on the pipeline for more development. I know that

my company and many of those of my colleagues have slowed down their work to move projects forward, spending fewer dollars, waiting to see what will happen to housing funding in the State.

I want to recognize the energy, focus and expertise brought by Commissioner Seila Mosquera Bruno. It is an exciting time to have someone with her talents and background leading the housing policy of the State. It is exactly this combination of talent and investment that will continue to make Connecticut a leader in affordable housing development.

We are deeply grateful to the State Legislature for its continued leadership promoting sustained and meaningful funding for housing that will serve lower income residents and generate multipliers of strong economic returns through jobs and investment with every dollar spent.

Thank you for allowing me to share my testimony and thank you for your support to efforts to increase housing opportunities for all Connecticut's citizens. I look forward to working with you during this session.



Dara Kovel  
Chief Executive Officer