



**Testimony
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Before the Housing Committee
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The Connecticut Council of Small Towns (COST) **supports SB-169 - AN ACT CONCERNING A STUDY OF THE EFFECT OF AFFORDABLE HOUSING POLICIES.**

SB-169 directs the state Department of Housing (DOH) to conduct a study of the Affordable Housing Land Use Appeals Procedure established pursuant to Section 8-30g of the general statutes and recommend any revisions to the program to expand affordable housing opportunities in Connecticut.

The Affordable Housing Land Use Appeals Procedure requires municipalities with less than 10% affordable housing to demonstrate to the court that a municipality's rejection of a development proposal is supported by sufficient evidence in the record. Municipalities have the burden to prove, based upon the evidence in the record compiled before them, that: (a) the decision was necessary to protect substantial public interests in health, safety, or other matters the municipality may legally consider; (b) the public interests clearly outweigh the need for affordable housing; and (c) public interests cannot be protected by reasonable changes to the affordable housing development; or the application which was the subject of the decision from which the appeal was taken, would locate affordable housing in an area which is not assisted housing, as defined in Section 8-30g.

Under Section 8-30g, an "affordable housing development" means a housing development that is (1) assisted housing or (2) a set-aside development. "Assisted housing" means housing that receives government assistance to construct or rehabilitate low- and moderate-income housing, or housing occupied by individuals receiving rental assistance (e.g., "Section 8").

A "set-aside development" is a development in which, for at least 40 years after initial occupancy, at least (1) 15% of the units are deed restricted to households earning 60% or less of the AMI or SMI, whichever is less and (2) 15% of the units are deed restricted to households earning 80% or less of the AMI or SMI, whichever is less.

COST has heard from several towns regarding concerns that Section 8-30g set aside developments result in many wealthier areas of the state being overbuilt because it is very lucrative for developers to build in those communities, given the amount that they can rent or sell the remaining 70% of the units for.



According to DOH, since 1990, approximately 5,000 units with long-term affordability restrictions and approximately 10,000 units with below-market rents or sales prices have been developed under the Affordable Housing Appeals Procedure.

Recognizing that developers were using 8-30g to concentrate housing development in certain municipalities, the legislature adopted Public Act 17-170 which provides municipalities with greater flexibility in obtaining a four-year moratorium from the Affordable Housing Appeals Procedure. A municipality is eligible for a moratorium each time it shows it has added a certain number of affordable housing units over the applicable time period. Newly built set-aside and assisted housing developments count toward the moratorium, as do units subject to certain deed restrictions.

However, some of the provisions in Public Act 17-171 sunset on September 30, 2022. **COST urges lawmakers to consider extending these provisions, which include:**

- 1. Lower HUE Points Requirement** - Through September 30, 2022, the act lowers, from 75 to 50, the minimum number of Housing Unit Equivalency (HUE) points municipalities need to qualify for a moratorium. Under the procedure, base HUE points are weighted based on unit affordability, population served, and ownership type.
- 2. Incentive Housing Development (IHD) Units.** Through September 30, 2022, the act allows income-restricted (“restricted”) units in an IHD to count toward a moratorium and applies the existing point schedule to them (see Table 1). An IHD is a residential or mixed-use development located within an IHZ in which at least 20% of the units are restricted for at least 30 years. (CGS § 8-30g generally requires units to be deed-restricted for at least 40 years.)
- 3. Bonus HUE Points** - Under existing law, certain rental family units in set-aside developments are eligible for bonus Housing Unit Equivalent (HUE) points. Bonus points are awarded in addition to the base HUE points a unit receives. Through September 30, 2022, the act makes three additional categories of units eligible for bonus HUE points: Owned or rented restricted family units in an IHD; Owned or rented restricted family units with at least three bedrooms; Owned or rented restricted elderly units, if at least 60% of restricted units used toward the moratorium are family units.

It is our understanding that these provisions have been useful tools in ensuring that municipalities may be eligible for the moratorium.

10% Affordable Housing Threshold

In addition, COST urges lawmakers to include in SB-169 provisions directing DOH to review the 10% affordable housing threshold under Section 8-30g to determine whether it should be revised to reflect the amount of buildable land in many of our smaller communities. Many municipalities will never be able to meet this threshold given limitations on the amount of



buildable land and water and sewer infrastructure needed to support high density developments of any kind.

Municipalities are working hard to develop Affordable Housing Plans which will include an assessment of the affordable housing needs of their communities, barriers to affordable housing development, such as zoning laws, and opportunities to address barriers to support affordable housing development. These plans will provide municipalities with a strong foundation in supporting efforts to provide more affordable, more attainable housing options in their communities.

Requiring DOH to study whether Section 8-30g as well as other state housing programs are successful in meeting the state's affordable housing needs would be helpful in making sure Connecticut and its municipalities are on track in advancing affordable housing goals.