

Dannel P. Malloy

GOVERNOR
STATE OF CONNECTICUT

July 7, 2017

The Honorable Denise W. Merrill
Secretary of the State
30 Trinity Street
Hartford, CT 06106

Dear Madam Secretary:

I hereby return, without my signature, Substitute House Bill No. 6880, *An Act Concerning the Affordable Housing Land Use Appeals Procedure*. This bill would change several portions of the Affordable Land Use Appeals Act, Section 8-30g of the General Statutes, enabling municipalities to more easily deny proposed affordable housing projects and shield themselves from an appeals process designed to overcome local resistance to fair and affordable housing. Currently, Section 8-30g allows these appeals if the proposed development reserves, by deed restriction or covenant, at least 30 percent of the housing units as affordable for residents with incomes below certain levels.

Every resident of Connecticut should have access to housing they can afford in the town where they work. So, too, should everyone be able to live affordably in the town that they choose, with access to good schools, safe neighborhoods, and basic services, regardless of their race, ethnicity, or income. However, for many lower-income residents who must work in areas of the state where the cost of housing is high, a long history of decisions and discriminatory policies has made securing that housing persistently difficult. Those decisions include the historical practice of redlining – denying mortgages to entire neighborhoods because of the residents' race or ethnicity – and passing restrictive zoning rules that make it nearly impossible to build multifamily housing, or that require home lots to be so large that only the wealthy can buy them. These kinds of rules effectively price people of limited means who work in such towns out of the market.

It is our responsibility as a state, and the responsibility of every city and town in Connecticut, to correct this injustice. It is also imperative for our state's economic vitality that we provide more housing for our workforce within a reasonable commuting distance of their jobs. We are far from attaining this goal.

Connecticut has the sixth highest gap in the nation between what renters earn and what it costs to rent a small family apartment.¹ About one third of Connecticut residents, or 446,000 families, rent their homes. Of these, the mean renter wage is \$16.97 per hour, which means a renter, perhaps an administrative assistant or a home care aide, can afford only \$883 per month without spending more than 30 percent of their income, the national standard for housing affordability. Yet, the fair market rent in Connecticut, what it costs for rent and essential utilities for an adequate, safe two-bedroom apartment, about the smallest that is suitable for a young family with one or two small children, is \$1,285 per month. That's a gap of \$402 per month. A family needs an income of more than \$51,400 to afford this rent. When you break it down by region, the gap gets worse. For example, the Milford-Ansonia-Seymour metropolitan area is one of the five most expensive areas in Connecticut to live. There, the mean renter's wage is even lower, but that young family, perhaps with only one parent, would need to earn \$24.90 per hour, the equivalent of almost two full-time jobs, to afford a two-bedroom apartment. That translates into an affordability gap of \$569 per month.

After decades of underinvestment, or no investment, in affordable housing, the state is doing its part. Since 2011, my administration created a Department of Housing (DOH), and working with DOH, the Connecticut Housing Finance Authority and other partners, has helped finance nearly 21,000 units of housing. Of those, approximately 18,500 have deed restrictions requiring them to be affordable to working people – nurses, home health care workers, teachers, social workers, firefighters, office support staff and others. In Hartford, we have committed tens of millions to leverage private financing to build more than 1,000 mixed-income apartments. These urban housing options draw young professionals into the city but also reserve at least 20 percent of the homes for working people who make our cities hum by providing the services that residents and businesses want and need.

But the need is much greater, and the state cannot do it alone. Cities and towns must play a role in breaking down the historic barriers that were erected throughout the 20th century to workers of every race and income finding affordable housing in every community. Some have done so. When I was the mayor of Stamford, for example, we created a historic inclusionary zoning ordinance that required 10 percent of units in multifamily dwellings be reserved for those who make less than half the area median income. Darien and other communities have followed suit with fair and just affordable housing policies that protect property values and contribute to overall community vitality. Unfortunately, however, other communities have made little or no progress in boosting the availability of affordable housing, or even in developing affordable housing plans.

Often I hear that town residents fear that the affordable housing appeals law forces them to accept substandard developments built by fly-by-night developers who are sneaking in under the guise of affordable housing. That is the fear, but it is not the reality. In fact, this appeals process is not triggered on a regular basis. Most towns in Connecticut have never had an appeal filed under Section 8-30g, and only one town, Milford, has had as many as ten filed.

¹ Source for the data in this paragraph: OUT OF REACH 2017, THE HIGH COST OF HOUSING, National Low Income Housing Coalition, *available at*: <http://nlihc.org/oor/connecticut>

Any developer who seeks to use the affordable housing appeal procedure must include affordable units that meet the affordability, quality, and safety standards already in state statute. They must adhere to the building code and comply with reasonable conditions, such as setbacks from the road, sight lines, traffic and parking requirements, and landscaping conditions, imposed by the town's zoning authority. If an appeal is filed, a municipality can have its decision upheld, simply by proving to the court that its denial of a development application was based on legitimate public health and safety concerns, and not on the desire, for example, to keep lower income people out or keep less well-off families with children from entering the school system.

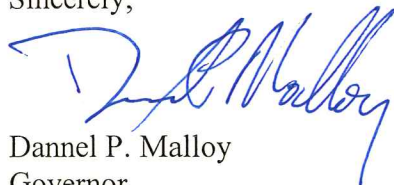
In addition, Connecticut's affordable housing law already offers towns a variety of ways to create their fair share of affordable housing and avoid the loss of control that they fear. First, if at least 10 percent of a town's housing stock is classified as affordable under various state and federal programs, then it is wholly exempt from the affordable housing appeals procedure. Even if it hasn't achieved the 10 percent affordability goal, a town can already get a four-year moratorium from the appeals procedure by making sufficient progress over time. All a community has to do is show that deed-restricted affordable units representing 2 percent of the town's housing stock have been built to achieve a moratorium. Despite this relaxed standard, some municipalities continue to avoid building sufficient affordable housing.

Each of the non-exempt towns could instead work to create more housing opportunities for those who provide the basic services that every town needs. They could offer incentives in their zoning codes to create affordable units. They could accept the help that the state has repeatedly offered to create effective affordable housing policies that protect and enhance their community character. They could also negotiate with owners of existing housing to guarantee long-term affordability for some of the units.

This legislation takes affordable housing policy in the wrong direction. Its passage would perpetuate the harmful effects of bad economic policy and institutional segregation, damaging our state's economy and its moral foundation. The state stands ready to help any community willing to work with us to address an affordable housing shortage that hurts our economy and stands in contrast to principals of fairness and justice. This bill does not advance that goal.

For this reason, I disapprove of Substitute House Bill No. 6880, *An Act Concerning the Affordable Housing Land Use Appeals Procedure*. Pursuant to Section 15 of Article Fourth of the Constitution of the State of Connecticut, I am returning Substitute House Bill No. 6880 without my signature.

Sincerely,



Dannel P. Malloy
Governor