

March 4, 2024

Esteemed Chairs Felipe and Moore,
Members of the Housing Committee:

The Western Connecticut Council of Governments (WestCOG) appreciates the opportunity to comment on Raised Bill 270, *An Act Concerning Tax Credits for the Conversion of Commercial Properties*.

WestCOG **supports** this bill. Changes in the economy mean that Connecticut is suffering from a glut of commercial space. Much of this space, from business parks to shopping malls, sits vacant, with profound impacts to community vibrance and state and local economies.

WestCOG has commissioned an *Affordable Housing Financing Study*, to identify how the region can maximize the creation of quality affordable housing. The study, which is nearing completion, finds that the most cost-effective way to do so is to repurpose existing buildings. Such reuse mitigates the impact of rising costs in homebuilding:

- Construction projects that reuse existing buildings use less in the way of materials and are thus less exposed to inflation in the cost of building materials.
- Existing sites are already subdivided, graded, and have utilities, saving on site preparation.
- Decreases in business property values reduces the exposure of construction projects to increases in land values.

The benefits of reuse are not limited to commercial properties; they also include properties that served institutional uses (such as health care or education) as well as those that were designed for industrial uses but were later converted to commercial use. Many of these properties have also become underutilized. WestCOG therefore suggests that your Committee **expand the definition of “commercial building” in the bill to include structures that served institutional uses and structures that were converted to commercial uses.**

State support will enable more underutilized properties to return to productive use, providing homes in a way that is cost-effective, environmentally sound, and supportive of communities.

Should you have questions or require additional information, please do not hesitate to contact me. Thank you for your consideration.



Francis R. Pickering
Executive Director