

February 25, 2024

Esteemed Chairs Kavros Degraw and Rahman,
Members of the Planning and Development Committee:

The Western Connecticut Council of Governments (WestCOG) appreciates the opportunity to comment on Raised Bill 5391, *An Act Establishing the Housing Density Rating Program*.

Bill 5391 would force municipalities to make specific changes to their land use regulations if they wish to maintain the ability to ensure that development occurs in a responsible, orderly manner. Municipalities that do not make a requisite number of changes would have to:

1. Allow any multifamily housing project in an area with public water and sewer by right;
2. Limit minimum lot sizes in such areas to no more than 7,500 square feet (.17 acre);
3. Allow accessory apartments everywhere, in any residence and zone;
4. Limit parking requirements to 1 space per studio or 1-bedroom and 2 spaces for homes of any size above that; and
5. Limit minimum lot sizes in areas on well and septic to no more than 1 acre.

Such an approach is unnecessarily punitive, context-insensitive (one-size-fits-all rarely works), and may create conflict with state regulations and priorities. (Generally speaking, two acres are needed to accommodate a private well and septic system, given environmental constraints; furthermore, drinking water is often protected through lower-density zoning¹.) On this basis, WestCOG **opposes** Bill 5391. As regards the rest of the bill, beyond “Tier 1” penalties, WestCOG is concerned that the bill confuses density with affordability.

Multifamily housing allows land, utility, and structural needs to be spread across multiple units. While this reduces building costs, it does not mean that the resulting units will be “affordable.” Even with these reductions, building costs – which include material, labor, and financing – generally make it impossible for builders to produce new units at prices the state deems affordable. This is why, **even in towns such as Bethlehem and Eastford, which have no zoning, home prices remain above affordable levels.** Even with no maximum density in local regulation, the market will not produce affordable new homes.

To determine how municipalities can maximize the creation of quality affordable housing, WestCOG initiated an *Affordable Housing Financing Study*. The study, which is nearing completion, finds that new affordable housing will not break even on its own; without federal or state grants, local expenditures, nonprofit donations, or cross-subsidy from new, market-rate units (e.g., through inclusionary zoning), new affordable units will not get built. In other words, **the only way that new affordable housing gets built is by subsidy.**

¹ Unlike neighboring states, Connecticut has not established large, protected drinking water supply areas (e.g., the Adirondacks, Catskills, and Quabbin) and thus largely relies on zoning on private land to protect drinking water.

That said, the study also finds that **affordable housing projects that repurpose existing buildings can be economically viable with low or no subsidy**. These include:

- Conversion of commercial buildings to residential uses. Note that the feasibility and cost of this conversion may vary significantly based on building characteristics. (In some cases, such as where environmental remediation is needed, subsidy needs may be sizable.)
- Subdivision of single-family homes into multifamily (two or more units). This approach, which tends to be highly cost-effective, was popular in the 20th century, when many large and underutilized Victorian homes were divided into apartments.
- Allowing the letting (or renting) of rooms in single-family homes. Rented bedrooms are the fastest and lowest-cost way to provide affordable housing, as no construction is necessary, and has been used throughout history.

Although it is not fully clear from the bill language, these options may be addressed under point credits 9 (ll. 99-102), 3 and 4 (ll. 72-76), and 13 (ll. 114-117). If so, this is a positive development – given limited public and private resources, strategies that are economically viable on their own may produce more housing than strategies that depend on external support ever can.

While Bill 5391 presents a list of interesting concepts, it could benefit from several alterations:

- Elimination of penalties.
- Addressing the funding challenges in new construction. (Bill 5391 envisions directing funds to municipalities where homes are built for economic development projects, but it does not provide funding for the housing itself.)
- Consideration of the whole pie when it comes to housing affordability, rather than the slice that zoning accounts for. This includes the cost and availability of lending, labor, materials; regulations such as the building code and public health code; and costs associated with homeownership (e.g., property taxes, utilities). While the state cannot affect everything (for instance, the interest rate set by the Federal Reserve), it has substantial influence over many of these factors.

Thank you for your consideration.

A handwritten signature in black ink that reads "Francis R. Pickering". The signature is written in a cursive, flowing style with a long horizontal line extending from the end of the name.

Francis R. Pickering
Executive Director