



**TESTIMONY**  
of the  
**CONNECTICUT CONFERENCE OF MUNICIPALITIES**  
to the  
**HOUSING COMMITTEE**  
February 19, 2008

**Prop. B. 5031, “An Act Concerning Payment in Lieu of Taxes For Public Housing and The Low and Moderate Income Tax Abatement Programs.”**

The Connecticut Conference of Municipalities appreciates the opportunity to discuss this bill of concern to towns and cities.

CCM supports Prop. B. 5031.

Prop. B. 5031 would restore funding to the Department of Economic and Community Development (DECD) for the payments-in-lieu-of-taxes (PILOT) program for state public housing (\$2.2 million per year) and the Tax Abatement Grants program for non-profit and low- and moderate-income housing (\$1.7 million per year) to municipalities.

The public housing PILOT reimburses towns for not collecting taxes from state public housing entities. If the PILOT program is not funded, however, towns may be forced to impose property taxes on the housing authority to make up for lost revenue, which will result in an increase in the “base” rent, which is paid only by the poorest tenants living in the development.

The Tax Abatement Grants program defrays property taxes in 14 municipalities. The loss of this program will similarly harm local non-profits and struggling families that they serve. These municipalities affected are: Ansonia, Bethel, Bloomfield, Bridgeport, Danbury, Granby, Hartford, Kent, Middletown, New Britain, New Haven, Norwalk, Stamford, and Waterbury.

Municipal budgets remain extremely tight and mill rates are rising. Because the PILOT funds have been eliminated, affected municipalities (22) that have embraced affordable, public housing are being punished. These municipalities are: Bristol, Danbury, Darien, East Hartford, Enfield, Greenwich, Hartford, Mansfield, Meriden, Middletown, New Britain, New Canaan, New London, Norwich, Ridgefield, Seymour, Sharon, Stamford, Stratford, Westport, Wethersfield, and Windham. This is the wrong policy signal to send at a time when the state should be providing increased incentives to towns to promote affordable housing.

CCM urges the committee to restore funding to the Department of Economic and Community Development (DECD) for the payments-in-lieu-of-taxes (PILOT) program for state public housing (\$2.2 million per year) and the Tax Abatement Grants program for non-profit and low- and moderate-income housing (\$1.7 million per year) to municipalities.

CCM urges the committee to *favorably report* this bill.

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If you have any questions, please call Donna Hamzy, CCM's Legislative Analyst, or Ron Thomas, CCM's Manager of State and Federal Relations, at (203) 498-3000.