



CT FAIR HOUSING CENTER

December 15, 2010

Timothy Bannon
Executive Director
Connecticut Housing Finance Authority
999 West Street
Rocky Hill, CT 06067

Dear Mr. Bannon:

I am writing to reiterate the Connecticut Fair Housing Center's concern that the Connecticut Housing Finance Authority's (CHFA) proposed 2011 Qualified Allocation Plan (QAP) for the Low-Income Housing Tax Credit (LIHTC) Program, as amended, will perpetuate and reinforce segregation in Connecticut. While we appreciate CHFA's efforts to rework the QAP¹, the changes made do little to ensure that all communities in Connecticut are fairly considered for LIHTC allocations, rather than having LIHTC developments concentrated in minority communities. The current formulation also does nothing to ensure that low-income people of color in Connecticut – and especially children – have full access to higher opportunity neighborhoods with thriving schools and lower rates of poverty and crime. Without further changes this program will operate in violation of a number of State and federal fair housing laws, as outlined in our letter of September 28, 2010.

At the heart of our concern is that under the newly formulated QAP the overwhelming majority of LIHTC developments will continue to be placed in majority-minority census tracts isolated from opportunities such as high achieving schools. We scored a theoretical LIHTC proposal for a non-public housing development in a high opportunity area that involves new construction, no supportive (6 points lost), enrichment (6 points lost) or preservation (13 points lost) elements. We concluded that the total points possible are around 50, assuming a further loss of half the "Responsible Growth" points (9 points) and other points likely to be lost by such a proposal (e.g. the 1 point for contribution of municipal resources). Such an application will simply not be competitive.

¹ We were particularly gratified to see the change to "Section 7: Financing Characteristics" replacing the per-unit formulation to a per-bedroom basis for calculating cost effectiveness. We do suggest, however, that this formulation be extended to Item 3 under "tiebreakers" - "Lowest Credits per qualified units."

In addition, a high opportunity non-public housing proposal would start off at a disadvantage because it can compete for only half the available credits due to the public housing set aside – another feature of the 2011 QAP likely to support redevelopment of housing in low opportunity areas. There is also only one “Application Criteria” such a theoretical high opportunity applicant could possibly qualify under – “b. Growth Areas, Rural Community Centers or Neighborhood Conservation Areas.” All other criteria are likely to encourage development in lower opportunity areas. Without using some threshold criteria that considers the quality of the schools or the kinds of opportunities available in the area where the LIHTC development is placed, this program will continue to operate in a manner that perpetuates segregation.²

We had hoped that CHFA would take this opportunity to perform a rigorous race and poverty analysis of LIHTC site locations over the lifetime of the program, but it is our understanding that such an analysis by the agency played no role in the development the 2011 QAP. We were also quite surprised to learn that CHFA has not undertaken this kind of analysis in at least the last five years – or maybe ever. CHFA’s legal obligation is to affirmatively further fair housing. The CHFA staff stated that with the 2011 QAP their goal was to create an “even playing field” for urban and suburban development. As we have outlined, we believe the 2011 QAP does not even achieve that goal; in any event the agency’s legal obligation goes beyond that and requires CHFA to take *affirmative* steps to reverse the legacy of segregation in Connecticut, including segregation generated by Connecticut’s LIHTC program. We have made repeated offers to meet with the agency to discuss these issues, but have received no response.

When we look back at the long history of racial segregation in Connecticut, from Jim Crow to racial covenants to redlining, the LIHTC program stands as one of the primary contemporary examples of a government policy that fosters segregation. Because Connecticut is invested with the discretion necessary to implement the program in a manner that reduces segregation, each member of CHFA’s Board of Directors now has the opportunity to put Connecticut on the road to reversing a long history of racial segregation.

Sincerely,



Erin Boggs, Esq.
Deputy Director

cc: Board of the Connecticut Housing Finance Authority

² One possible measure is outlined in our report, *People, Place and Opportunity: Mapping Communities of Opportunity in Connecticut*, available at <http://kirwaninstitute.org/research/projects/ct-opp-mapping/index.php>.