



Home Builders Association of Connecticut, Inc.
1245 Farmington Avenue, 2nd Floor, West Hartford, CT 06107
Tel: 860-521-1905 Fax: 860-521-3107 Web: www.hbact.org

March 5, 2007

To: Senator Eric Coleman, Co-Chairman
Representative Art Feltman, Co-Chairman
Members of the Planning and Development Committee

From: Bill Ethier, Executive Vice President & General Counsel

Re: **Raised Bill 1215, An Act Implementing A Process of State-Wide Responsible Growth**

The HBA of Connecticut is a professional trade association with almost one thousand three hundred (1,300) member firms statewide employing tens of thousands of Connecticut's citizens. Our members are residential and commercial builders, land developers, remodelers, general contractors, subcontractors, suppliers and those businesses and professionals that provide services to this diverse industry. We also created and administer the Connecticut Developers Council, a professional forum for the land development industry in the state.

We oppose this legislation for three general reasons: **1.** The premise of this proposal (i.e., that we are rapidly turning Connecticut's forests and farms into housing subdivisions) is false; **2.** The massive tax increase is irresponsible and would crush the state's economy; and **3.** Even if this bill were to pass, it would not appreciably change local land use decisions because it will not change people's decisions on where to live or businesses' decisions on where to locate. Contrary to another premise of this bill, property taxes are not a primary driver of local land use decisions.

1. The legislation's premise that we are sprawling across Connecticut and losing our forests and farms is not supported by a critical analyses of the data.

- ◆ Connecticut is one of the slowest growing states in the nation. For 2006, the nation saw 1.82 million new housing units built, but CT's share was only 9,600 units permitted in the entire state.
- ◆ From 2000 – 2004, CT ranked 48th in the nation in terms of the number of housing units built per growth in population (i.e., we are not keeping up with even the limited population growth we have). And in CT the number of permits declined substantially in 2006 from 2005. The projected number of permits in 2007 is even lower.
- ◆ Contrary to often heard statements, we are not losing 7,000 - 10,000 acres of our farmland each year. These fictitious numbers are derived from data that comes from an agricultural census conducted every five years in the nation by the USDA. This census is performed by mailing surveys to farmers. So, consider the following:
 - The farmland loss numbers for CT come from comparing the 2002 agric. census to the 1997 census. BUT, the USDA in 2002 "recalibrated" its 1997 census because the survey returns from farmers are very poor. With the statistical recalibration and comparing apples to apples, the loss for that 5 year period was

only 2,159 acres over the entire 5 years (i.e., 432 acres/yr). But even this doesn't tell the whole story.

- The same census shows a gain of agricultural land in CT between 1992 and 1997.
- The USDA census "data" on lost land does not track land that is in agricultural use, but tracks "land owned by farmers" and the data shows that fully 46% of the land owned by farmers is not farmed – it's in forest and buildings.
- Contrasted to the USDA census, UConn's land cover satellite data shows that between 1985 and 2002 (the first and last satellite data points published to date), agricultural land cover type GREW from 11.1% of CT to 12% of the whole state.
- ◆ The statement often made that between 1985 and 2002 there has been a 15% increase in the "urban footprint" in CT is very misleading. This number is derived from the UConn satellite data on developed land cover. What the satellite shows is that during that 17 year period, the developed land cover of CT grew from 16.3% of the entire state to 18.7% of the state. Yes, this is a 14.7% increase and, of course, that sounds more alarming than saying we went from 16.3% to 18.7%. According to the satellite peering down on CT, fully 80+% of CT has land cover that is not developed. Most (55.8%) is in forest, with agriculture (12%), water and wetlands (7.5%), other turf, grasses and barren land cover (6%) making up the rest. Any frequent flyer in and out of CT would see that.
- ◆ The statement that "residential use" grew by 102% between 1970 and 2000 while our population grew by only 12%, derived from the Connecticut Metropatterns report, is also grossly misleading. It is an inaccurate statement of what the Metropatterns Report actually studied:
 - The report actually says that the number of "census tracts" defined as "urban" grew by 102%. This is far different than "residential use of land" as explained below.
 - An urban census tract is defined by the Bureau of the Census as 500 people/sq. mile or, at average household sizes in CT, 1 housing unit per 4 acres.
 - If you have in 1970 two census tracts, one meeting the definition of urban and one just short; then a few people by 2000 go into the one that's short to tip it over to the "urban" category, you've doubled the census tracts that are considered urban, or grown them by 100% - yet with very little growth. This statistic in no way, shape or form approximates the state's "residential use."
 - AND, builders do not build housing to accommodate population growth; they build to accommodate household formations. Between 1970 and 2000, the number of homes and households in CT both grew by about 40%. Household formations have much to do with divorce rates, marriage rates, alternative family units, etc. and have little, if anything, to do with land use policies.
- ◆ The statement that CT is sprawling over the countryside is also not supported by the UConn satellite maps. This series of pictures of CT (taken 4 times between 1985 and 2002) show that almost all our development has occurred relatively close to our major transportation corridors. Away from major transportation corridors there is much less development. The statement has been made by the experts at UConn who produce this satellite data that the patterns of land use shown, i.e., what we have actually experienced, could be put into a planner's dream book as the right way to grow.

2. The massive tax and spending proposal (in excess of \$1 billion) would crush the state's businesses and citizens. This state tax increase is all based on the false hope of creating fiscal discipline at the local level after year one. Moreover, the proponents have stated that the intention is not to decrease the municipal property taxes paid by citizens, at least after year one, but rather that municipalities would merely have to demonstrate that the increase in property taxes going forward would be less than it otherwise would be without this new state aide. Yet the total tax burden on people would be substantially higher and we believe this false hope of local fiscal discipline is not a responsible tax policy.

3. Finally, another premise of this bill is that the property tax drives poor land use decisions. We strongly dispute this often stated notion. Our members are substantial users of the land use system. Virtually everything that our members want to build must be permitted by our land use system. Our extensive experience with local land use boards tells us that, while the property taxes generated and the public services required by a new development proposal are considered or discussed at public hearings, land use boards make their decisions based on many other factors. These include traffic issues, impacts on wetlands or other environmental resources, impacts on open space, scenic vistas, and on community character, how the project will look, its site design, the design of the buildings, its "fit" within the neighborhood, its affect on surrounding property values, and many other concerns.

Property taxes are but one consideration among many and often times the neighbors and land use boards consider other factors to be more important. Moreover, it is illegal in CT to consider the fiscal impact of a proposal. **Therefore, even if this bill became law, and the new state taxes funneled to local governments resulted in a real one for one decrease in property taxes, local land use decisions will not appreciably change.**

But more to the point, it's the decisions of people choosing where to live and businesses choosing where to locate that should be considered in creating land use policies. This bill would do nothing to affect the decision of a young family who wants to live in the suburbs in a home with a backyard; or an up and coming professional looking for city living; or an empty-nester looking to find a quite, upscale condominium or upgraded home in which to retire.

People choose where they want to live, work, shop and play. These choices are not and cannot be made by builders, planners or governments. If government does not recognize the power of the marketplace to exercise these choices, if government does not facilitate more options and choices for people, they will go elsewhere. Unfortunately, we have already gone too far and young people at least are choosing to leave CT. To reverse this trend, to save the future competitiveness of the state, we should not adopt more taxes or more government regulations and planning. We need to create incentives for people to stay and come here. People need to feel more freedom and government needs to facilitate, not erect roadblocks to, the choices people want to make.

Therefore, for all of the reasons above, we urge you to not adopt this proposal. Thank you for considering our views on this matter.