



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

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Business*

February 18, 2009

To: Senator Eric Coleman, Co-Chairman
Representative Brendan Sharkey, Co-Chairman
Members of the Planning & Development Committee

From: Bill Ethier, CAE, Chief Executive Officer

Re: Proposed Bill 5254, AAC Extending the Time of Expiration of Certain Land Use Permits

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 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.

The HBA of Connecticut strongly supports Proposed Bill 5254 and offers its assistance in drafting the bill.

As background, under Connecticut law, municipal approvals of site plans under our zoning statutes, subdivisions under our planning statutes and inland wetland permits all have a five year expiration. That is, the authorized development work must be completed within five years from the date of approval. Applicants may seek a discretionary extension from the applicable local commission for an additional five years. Proposed Bill 5254 would, for only certain already approved site plans, subdivisions or inland wetland permits, extend the initial five year expiration to eight years to allow the markets (buyers and lenders) to catch up with these existing approvals.

Due to the severe national recession, many segments of Connecticut's economy have been drastically affected, but none as severely as the state's real estate and construction sectors. Much of the marketplace of buyers has gone silent. Many are waiting until economic and job conditions improve. Lending standards have also greatly tightened for both buyers and builders who are holding approved site plan permits, subdivisions and inland wetland permits. The industry wide decline in demand and tighter lending practices have adversely affected home builders and commercial, office, retail and industrial developers, producing cancelled orders, declining sales and rentals, price reductions and employee layoffs.

The process of obtaining site plan, subdivision and inland wetland approvals is expensive and time consuming, for both private and government applicants. Due to the extraordinary economic environment that exists today, currently existing approvals may expire and that would severely exacerbate the losses the industry has already sustained.

The automatic three year extension proposed in bill 5254 would provide a necessary dose of certainty that existing approvals will not lapse and new, expensive, time consuming approvals will not have to be sought.

Proposed Bill 5254 will prevent the undoing of thousands of government approvals that would not have occurred but for the extraordinary economic conditions we all face.

The bill would prevent the wholesale abandonment of approved projects and activities due to the present unfavorable economic conditions by essentially tolling the term of existing approvals for a brief period of time that will allow the economy, markets and lending to recover, preventing a waste of public and private resources.

The extension of permit expirations is temporary because it affects only those approvals obtained prior to July 1, 2008. Also, **other states are considering or have adopted similar extensions** to permit expiration dates. We believe New Jersey has extended all municipal and state permits by three and one-half years.

Please vote to draft and support Proposed Bill 5254 and urge its passage by the General Assembly as quickly as possible.

Thank you for the opportunity to comment on this critically important legislation.