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The Hon. Matthew Quinones  
President, Stamford Board of Representatives  
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September 25, 2020

**Concern regarding Recent Amendments to HCD30.016, Providing for the Creation of an Affordable Housing Trust Fund in the City of Stamford**

Dear President Quinones and Members of the Board of Representatives,

I am writing to you to alert you to serious concerns I have regarding an amendment adopted on Monday, 9/21/20 by the Housing, Community Development and Social Services Committee of the Board of Representatives to proposed Ordinance HCD30.016 "Providing for the Creation of an Affordable Housing Trust Fund in the City of Stamford".

My particular concern is the addition of the underlined language to Sec. 146-75(B) of the proposed Ordinance: "Expenditures from the Trust as defined in Section 146-75.C must be approved by the Trustees and amounts over \$100,000 must be authorized as an additional appropriation pursuant to Sec. C8-30-12 of the city Charter" In my opinion, this will lead to an unworkable process that diametrically alters the intent of this Ordinance: To streamline and make more accountable how certain funds for affordable housing are allocated - namely the Commercial Linkage Fee pursuant to Chapter 146, Article V, of the Stamford Code and the Fee-in-Lieu payments created by the City's Below Market Rate Housing Program, as outlined in Section 7.4 of the City of Stamford Zoning Regulations.

Please allow me to elaborate on the context that led the Land Use Bureau to propose the Ordinance in the first place and reasons for my concerns.

## **How is Money Generated by the Linkage Fees and the Fee-in-Lieu Payments Disbursed Today?**

Commercial Linkage Fees constitute “five (5) per cent of building permit fees collected by the City of Stamford Building Inspection Department for repair, additions, alterations and renovations to commercial buildings and for construction of new mercantile, business and industrial buildings.”<sup>1</sup>

Fee-in-Lieu payments for mandatory Below Market Rate Housing<sup>2</sup> require a Special Permit approval by the City of Stamford’s Zoning Board. The finding that the Zoning Board has to make is that the Fee would generate more, or more deeply affordable units than would be provided on-site.

If the Zoning Board approves a payment in lieu of providing affordable units on site, such payment gets paid either into a dedicated City account or the Zoning Board sanctions a payment from the developer who wishes to buy out to an affordable housing provider committing to using the funds for renovations of existing or construction of new affordable units. The latter procedure is the method preferred by the Zoning Board for a variety of reasons:

1. The process is under the sole authority of the Zoning Board, as confirmed by several legal opinions from the City’s Law Department - providing the Zoning Board with the assurance that the money is used for a project that is superior to the units being provided on-site.<sup>3</sup>
2. In making money directly available to an affordable housing provider, they make sure that the units created with Fee-in-Lieu funds become available to eligible residents as soon as possible, rather than seeing funds for affordable housing “sitting” unproductively in a City account.
3. Even more so than for market-rate real estate development, securing financing for affordable housing is time sensitive. Once a Fee-in-Lieu payment is approved by the Zoning Board it becomes immediately available to the affordable housing developer without any additional (discretionary) approval processes which add time and uncertainty to the process.

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<sup>1</sup> City of Stamford Code, Section 146-67.A.

<sup>2</sup> All new residential developments with ten or more units must permanently set aside 10% of the units affordable to households earning 50% or less of the Area Median Income.

<sup>3</sup> All new residential developments with ten or more units must permanently set aside 10% of the units affordable to households earning 50% or less of the Area Median Income.

### **Why did the Land Use Bureau Propose Changes to the Current Process?**

The current process in which the Zoning Board has sanctioned a direct Fee-in-Lieu payment from a developer to an affordable housing provider has led to some spectacular success stories. For example, a Fee-in-Lieu payment to *Inspirica* allowed for the creation 53 deeply affordable units and a child day care facility on 72 Franklin Street. While Fee-in-Lieu was not the only or even largest source of financing for this project it was critical in filling the substantial funding gap that made the project possible.

Despite the successes of this approach the Zoning Board asked Land Use Bureau staff to address some of weaknesses of the current process, which include the following:

1. The Zoning Board has limited expertise and data available regarding the needs, complex financing and other highly technical issues related to affordable housing; In many instances the proposals for an affordable housing project in connection with a market rate project come as a fait accompli to the board and the Board has no alternatives to consider;
2. The current process is ad-hoc and does not allow for addressing long-term policy goals;
3. Other stakeholders are excluded from the decision-making process.

### **What are the Goals of the Affordable Housing Trust Fund Ordinance?**

The Affordable Housing Trust Fund Ordinance was drafted to address these issues by putting decision-making about affordable housing on a factual basis by:

1. requiring the adoption of an Affordable Housing Plan by the Planning Board and Board of Representatives, which formulates the City's housing needs and priorities based on data.
2. depoliticizing how affordable housing dollars are spent by establishing a Board of Trustees whose primary role is not to make policy but to implement the Affordable Housing Plan;
3. widening the circle of stakeholders to not only include members of the Zoning Board but also to incorporate members of the Board of Finance, the Board of Representatives and subject matter experts such as the Director of Social Services (who is also the designated City's Affordable Housing Manager)
4. WITHOUT compromising the ability to act quickly when financing for projects is at stake or to address housing emergencies such as during the current pandemic.

I am concerned that the above quoted amendment will make the Ordinance a failure by eliminating the ability of the Affordable Housing Trust Fund to act swiftly.

I fully understand and support the motivation behind the amendment which I believe is aimed at assuring that City money is spent in a responsible and transparent manner. However, I believe there are several mechanisms built in the Ordinance as originally proposed and other regulations that will assure that this is the case.

1. The Ordinance expands control over affordable housing dollars by expanding the decision-making process from the Zoning Board to other City Boards and agencies;
2. On which projects the money can be spent is not only limited by the Ordinance itself but also by State Statute, other legislation such as the Linkage Fee Ordinance, the Affordable Housing Plan and the City's Master Plan;
3. All decisions of the Trust Fund have to be made publicly. In addition, the ordinance establishes reporting requirements for the trustees on how the money is spent and how these expenditures met legal requirements and the policies established by the Affordable Housing Plan;
4. It is the goal of the Trust Fund to add a competitive element to the process of creating and maintaining affordable housing by establishing the requirement for a NoFA process should larger sums be available.
5. All City funds that go into the Housing Trust Fund must be approved through the normal budget process. This also means that the Board of Finance and Board of Representatives can condition contributions to the Fund or withhold them.

It is my firm belief that the proposed amendment to the Ordinance would create a bureaucratic monstrosity requiring that every dollar spent by the City on affordable housing would have to be approved by the Board of Representative TWICE, making the process even less efficient than it is now. This would make it even more difficult for the City to support the creation of much-needed new affordable housing and help the many City residents already living in affordable housing with funds that are very tightly earmarked for this purpose only without any gains in accountability.

I would therefore, respectfully, ask the Board of Representatives to reconsider the above referenced amendment.

Sincerely,

*Ralph Blessing*

*Land Use Bureau Chief, City of Stamford*

*cc. Mayor's Office*

*Ellen Bromley, Director of Social Services*

*David Stein, Chair, City of Stamford*

*Gloria DePina, Chair, Housing, Community Development and Social Services Committee*