

**Preventing Displacement:**  
**Three Approaches to Protect New Haven Residents**

A Report from the Jerome N. Frank Legal Services Organization  
May 2020

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# **Preventing Displacement: Three Approaches to Protect New Haven Residents**

## **A Report from the Jerome N. Frank Legal Services Organization May 2020**

New Haven’s housing crisis, long a clear problem for too many of the City’s residents, has been brought to the forefront of local policy making. In 2017, the redevelopment of a downtown single residence occupancy building and displacement of many of its long-term residents made housing affordability issues visceral. The Board of Alders convened an Affordable Housing Task Force that same year and affordable housing issues have remained prominent in the time since it issued its report in 2019.<sup>1</sup> Following the 2008 housing crisis and subsequent asymmetric recovery, too many New Haven residents have struggled to stay afloat on rental payments and mortgages. The City has long been a relatively affordable option in the State of Connecticut, but one of the biggest concerns facing New Haven today is its ability to maintain or improve the standard of living for existing low-income residents.

This report focuses on one area of housing policy and advocacy of particular concern to low-income people and their advocates: involuntary displacement. Displacement is a consistent and specific problem in housing equity policy across the country. In contrast to residential mobility, which is the voluntary and generally positive movement of individuals and households to other neighborhoods, *displacement* is a forced relocation and often occurs as the result of unseen market factors.<sup>2</sup> Displacement is hazardous for families’ well-being because it burdens families with the direct costs of moving and finding a new home. It also imposes indirect costs by disrupting social ties, interrupting patterns of schooling, and requiring searches for a new job. Notably these indirect costs can be particularly burdensome on low-income households, who more frequently rely on informal child care and other neighborhood-based resources that cannot easily be replaced following a forced move.

Displacement is a regular phenomenon in New Haven. As of 2016, New Haven had the 69th highest eviction rate in the country, with over 4% of renters experiencing eviction annually.<sup>3</sup> In 2020, 3.1 of every 10,000 homes in the City was the subject of a foreclosure action.<sup>4</sup>

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<sup>1</sup> Rabhya Mehrotra, *The Flip: How Justin Elicker Unseated New Haven’s Incumbent Mayor*, THE POLITIC (Jan. 17, 2020), <https://thepolitic.org/the-flip-how-justin-elicker-unseated-new-havens-incumbent-mayor/>; Nick Tabio & Angela Xiao, *Report on Affordable Housing Approved*, YALE DAILY NEWS (Jan. 25, 2019), <https://yaledailynews.com/blog/2019/01/25/report-on-affordable-housing-approved/>; Staff, *Report Offers 44 Routes To Affordable Housing*, NEW HAVEN INDEP. (Jan. 21, 2019), [https://www.newhavenindependent.org/index.php/archives/entry/44\\_routes\\_to\\_affordable\\_housing/](https://www.newhavenindependent.org/index.php/archives/entry/44_routes_to_affordable_housing/).

<sup>2</sup> *Background: Gentrification and Displacement*, THE UPROOTED PROJECT (2020), <https://sites.utexas.edu/gentrificationproject/gentrification-and-displacement-in-austin/>.

<sup>3</sup> *Top Evicting Large Cities in the United States*, EVICTION LAB (2016), <https://evictionlab.org/rankings/#/evictions?r=United%20States&a=0&d=evictionRate&lang=en>. This likely undercounts the true toll of eviction, as Matthew Desmond has documented the widespread phenomenon of “informal” evictions—those that occur without judicial involvement. Andrew Flowers, *How We Undercounted Evictions By Asking the Wrong Questions*, FIVETHIRTYEIGHT (Sep. 15, 2016), <https://fivethirtyeight.com/features/how-we-undercounted-evictions-by-asking-the-wrong-questions>.

<sup>4</sup> Marco Santarelli, *Is New Haven The Best Market For Real Estate Investment In 2020?*, NORADA REAL ESTATE (Jan. 10, 2020), <https://www.noradarealestate.com/blog/new-haven-real-estate-market>. This compares to a national rate of 1.2 and a regional rate, in the New Haven-Milford Metropolitan Statistical Area, of 2.8.

A number of forces can result in displacement, all of which are present in New Haven. First, the City has low vacancy rates. As of 2019 Q2, the New Haven metropolitan area vacancy rate was projected to be 3.7%, 1.3 percentage points lower than neighboring Fairfield County. Even before the onset of the current pandemic, these numbers were only expected to decline as construction continues to slow following the post-Great Recession boom.<sup>5</sup> Low vacancy rates push up equilibrium prices in the residential market and thus increase the prevalence of displacement for tenants or homeowners who can no longer afford their homes.<sup>6</sup> Second, substandard housing conditions affect many renters in the City. Third, existing legal provisions and market conditions make it difficult both for tenants to assert control and for the City to protect tenants' rights. For example, many units in the City are registered by limited liability companies which are difficult to track and prosecute for code violations.<sup>7</sup>

Displacement occurs more frequently in cities and neighborhoods in which an influx of wealthy renters outbids longtime renters for existing housing or in cities and neighborhoods with low landlord accountability in which poor conditions make dwellings uninhabitable.<sup>8</sup> New Haven exhibits both of these characteristics: it has started to show early signs of gentrification yet also is plagued by absentee landlordism.<sup>9</sup> This report focuses on three primary forms of involuntary displacement: (1) evictions and poor conditions in rental housing (2) indirect displacement as a result of lack of housing choices and insufficient housing supply, and (3) municipal foreclosures of owner-occupied homes.

The report is organized as follows. First, it proposes a series of tenant protections targeted at reducing evictions and increasing landlord accountability. Second, it considers strategies for new development that can provide affordable alternatives for residents: single room occupancy, accessory dwelling units, and rezoning single-family areas to allow for multi-family buildings. Third, it covers strategies for foreclosure prevention, including changes to tax liens and the initiation of foreclosure mitigation strategies. Each section then provides policy proposals, some which can be implemented at the municipal level and some which require action at the state level.

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<sup>5</sup> *Market Report: Multifamily Connecticut Metros*, MARCUS & MILLICHAP (2019).

<sup>6</sup> Better Institutions, *Low Vacancy Rates Should Demand the Same Urgency as High Unemployment*, THE MARKET URBANISM REPORT (Nov. 23 2017), <https://marketurbanismreport.com/blog/low-vacancy-rates-should-demand-the-same-urgency-as-high-unemployment>.

<sup>7</sup> Thomas Breen, "I Cannot Arrest An LLC", NEW HAVEN INDEP. (Oct. 4, 2019), [https://www.newhavenindependent.org/index.php/archives/entry/landlords\\_csep](https://www.newhavenindependent.org/index.php/archives/entry/landlords_csep).

<sup>8</sup> Office of Policy Development and Research, *Displacement of Lower-Income Families in Urban Areas Report*, DEPT. OF HOUSING & URBAN DEVELOPMENT (May 2018), <https://www.huduser.gov/portal/sites/default/files/pdf/DisplacementReport.pdf>.

<sup>9</sup> Caroline Lester, *New Haven Landmark Transforms To High-End Hotel, Leaving Low-Income Residents Looking*, WSHU PUBLIC RADIO (Nov. 27, 2017), <https://www.wshu.org/post/new-haven-landmark-transforms-high-end-hotel-leaving-low-income-residents-looking#stream/0>; Thomas Breen, *Absentee Landlords Caught Supersizing*, NEW HAVEN INDEP. (Apr. 10, 2018), <https://www.newhavenindependent.org/index.php/archives/entry/slumlords/>.

## I. Landlord-Tenant Protection

Access to housing justice is among New Haven’s defining issues. An aging housing stock<sup>10</sup> increasingly owned by a handful of large corporate landlords<sup>11</sup> is colliding with rising demand for new, market-rate housing to create twin crises: deteriorating housing conditions in the City’s lowest-income neighborhoods and increasing unaffordability of better, safer housing in more affluent areas.<sup>12</sup> The resulting housing insecurity can upend a family’s life in the blink of an eye. Summary process actions—Connecticut legal parlance for evictions—can take just over a month from initial notice to the marshal’s removal of a tenant’s belongings. And just over 4% of New Haven renters are evicted annually, almost twice the national average.<sup>13</sup> Just the filing of an eviction—even a meritless one—can land a renter on a tenant blacklist, rendering them effectively unable to obtain future housing.<sup>14</sup> A growing body of research has documented the serious, long-term consequences that evictions have on families’ health, economic well-being, educational attainment, and more.<sup>15</sup> In short, “[e]viction is a cause, not just a condition, of poverty.”<sup>16</sup>

Blight and the health risks of deteriorating housing stock also disproportionately harm low-income renters of color.<sup>17</sup> For example, “local [B]lack and Hispanic children . . . are more likely than

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<sup>10</sup> Over half of New Haven’s housing stock was built prior to 1939, compared with only 22% of housing stock in Connecticut overall. See *New Haven: Housing Data Profile*, P’SHP FOR STRONG CMTYS. (2018), [https://www.pschohousing.org/sites/default/files/PSC\\_2018HsgProfile\\_New%20Haven.pdf](https://www.pschohousing.org/sites/default/files/PSC_2018HsgProfile_New%20Haven.pdf).

<sup>11</sup> Major landlords in New Haven “often hide behind [LLCs] . . . that can be difficult to track.” Paul Bass, *Elicker Seeks Ideas; Here Are Eight*, NEW HAVEN INDEP. (Nov. 8, 2019), [https://www.newhavenindependent.org/index.php/archives/entry/ellicker\\_administration\\_suggestions](https://www.newhavenindependent.org/index.php/archives/entry/ellicker_administration_suggestions). It is impossible to know with certainty how concentrated the ownership of the City’s housing stock has become. But it appears that absentee and mega-landlords have come to dominate the City’s rental market. See, e.g., Thomas Breen, *Mandy Empire Buys Up the Block*, NEW HAVEN INDEP. (Dec. 13, 2018), [https://www.newhavenindependent.org/index.php/archives/entry/mandy\\_sherman](https://www.newhavenindependent.org/index.php/archives/entry/mandy_sherman).

<sup>12</sup> A visceral example: in New Haven, a huge subsidized apartment complex called Church Street South was demolished in 2018, after the complex deteriorated to the point that hundreds of families were being housed in unlivable apartments. See Mary O’Leary, *New Haven’s Church Street South To Be Razed*, NEW HAVEN REG. (Jun. 1, 2018), <https://www.nhregister.com/news/article/New-Haven-Church-Street-South-to-be-razed-12961075.php>.

<sup>13</sup> See generally Conn. Gen. Stat. § 47a-23 *et seq* (providing for summary process actions); Connecticut, EVICTION LAB (last accessed Nov. 17, 2019), <https://evictionlab.org/map/#/2016?geography=states&bounds=-190.672,25.815,-44.648,70.517&locations=09,-72.757,41.518>.

<sup>14</sup> See generally Katelyn Polk, *Screened Out of Housing: The Impact of Misleading Tenant Screening Reports and the Potential for Criminal Expungement as a Model for Effectively Sealing Evictions*, 15 NW. J. L. & SOC. POL’Y (2020); Matthew Desmond & Monica Bell, *Housing, Poverty, and the Law*, 11 ANN. REV. L. & SOC. SCI. 15, 19 (2015); Paula A. Franzese, *A Place to Call Home: Tenant Blacklisting and the Denial of Opportunity*, 45 FORDHAM URB. L.J. 661 (2018); Rudy Kleysteuber, *Tenant Screening Thirty Years Later: A Statutory Proposal to Protect Public Records*, 116 YALE L.J. 1344 (2007).

<sup>15</sup> MATTHEW DESMOND, *EVICTED: POVERTY AND PROFIT IN THE AMERICAN CITY* 299 (2016) [hereinafter DESMOND, *EVICTED*]; Matthew Desmond & Carl Gershenson, *Who Gets Evicted? Assessing Individual, Neighborhood, and Network Factors*, 62 SOC. SCI. RES. 362 (2017); Matthew Desmond & Carl Gershenson, *Housing and Employment Insecurity Among the Working Poor*, 63 SOC. PROBLEMS 46 (2016); Matthew Desmond & Monica Bell, *Housing, Poverty, and the Law*, 11 ANN. REV. L. & SOC. SCI. 15 (2015); Matthew Desmond & Rachel Kimbro, *Eviction’s Fallout: Housing, Hardship, and Health*, 94 SOC. FORCES 295 (2015); Matthew Desmond & Tracey Shollenberger, *Forced Displacement From Rental Housing: Prevalence and Neighborhood Consequences*, 52 DEMOGRAPHY 1751 (2015); Matthew Desmond, *Eviction and the Reproduction of Urban Poverty*, 118 AM. J. SOC. 88, 120 (2012).

<sup>16</sup> DESMOND, *EVICTED*, *supra* note 15, at 299.

<sup>17</sup> See generally ERWIN DE LEON & JOSEPH SCHILLING, URB. INST., *URBAN BLIGHT AND PUBLIC HEALTH: ADDRESSING THE IMPACT OF SUBSTANDARD HOUSING, ABANDONED BUILDINGS, AND VACANT LOTS* (Apr. 2017).

[W]hite children to already be lead poisoned, according to [New Haven Legal Assistance Association’s (NHLAA)] analysis of available local public health data.”<sup>18</sup> The risks of poor housing conditions are exacerbated by the increasing concentration of rental housing stock in the hands of private equity and other large corporate owners.<sup>19</sup> Increasing corporate ownership of the housing stock, often in the hands of out-of-state owners, makes it more difficult to enforce tenants’ rights to safe and healthy housing.<sup>20</sup> If the current economic crisis, like the last one, leads to widespread foreclosures and the transfer of more of the City’s housing stock into the hands of large-scale corporate landlords, then some repercussions of the COVID-19 crisis for the quality of the City’s housing will take years, possibly decades, to become visible.

The challenges facing New Haven’s renters have strong racial and gender justice components. Matthew Desmond argues, “[i]n poor [B]lack neighborhoods, what incarceration is to men, eviction is to women.”<sup>21</sup> In the context of housing conditions, the overwhelming legal resources of landlords mean low-income women of color face similarly daunting odds to finding safe and healthy housing for themselves and their families. Further connecting these problems, recent research suggests that eviction forces women of color with children into housing that is not only just as unaffordable, but also unhealthier and more dangerous.<sup>22</sup>

#### *a. Evictions*

Summary process law is set at the state level, without much room for municipal involvement.<sup>23</sup> Nonetheless, municipalities can act to prevent evictions and mitigate their consequences. New Haven should do so in two ways: providing a right to counsel and barring tenant blacklisting.

##### *i. Ensure a right to counsel.*

New Haven should guarantee a right to counsel to tenants in eviction proceedings. Mayor Elicker has indicated support for this idea, and the Connecticut General Assembly’s 2016 Task Force to Improve Access to Legal Counsel in Civil Matters emphasized its importance.<sup>24</sup> A right to counsel

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<sup>18</sup> Thomas Breen, *Legal Aid Lobbies Alders on Lead Paint, Alleges Civil Rights Harm*, NEW HAVEN INDEP. (Nov. 19, 2019), [https://www.newhavenindependent.org/index.php/archives/entry/lead\\_amend](https://www.newhavenindependent.org/index.php/archives/entry/lead_amend).

<sup>19</sup> CITY OF NEW HAVEN, AFFORDABLE HOUS. TASK FORCE, NEW HAVEN AFFORDABLE HOUSING REPORT AND RECOMMENDATIONS 15 (Jan. 24, 2019) (describing this phenomenon in New Haven); Francesca Mari, *A \$60 Billion Housing Grab by Wall Street*, N.Y. TIMES MAG. (Mar. 5, 2020), <https://www.nytimes.com/2020/03/04/magazine/wall-street-landlords.html#click=https://t.co/Q4oaaljiSF>.

<sup>20</sup> The saga of the class-action lawsuit against the shell corporations behind the Church Street South disaster is a case in point of the difficulty overlapping and opaque corporate ownership structures poses for tenants seeking to protect the quality of their homes. See Christopher Peak, *Judge Spares Church Street South’s Shell Corporations*, NEW HAVEN INDEP. (Aug. 17, 2018), [https://www.newhavenindependent.org/index.php/archives/entry/church\\_street\\_south\\_liability\\_shell\\_companies](https://www.newhavenindependent.org/index.php/archives/entry/church_street_south_liability_shell_companies).

<sup>21</sup> Matthew Desmond, *Eviction and the Reproduction of Urban Poverty*, 118 AM. J. SOC. 88, 120 (2012).

<sup>22</sup> *Id.* at 118-19.

<sup>23</sup> See generally Conn. Gen. Stat. § 47a-23 *et seq.* A city could not, for example, extend the pre-termination notice cure period for lease violations of Conn. Gen. Stat. § 47a-15 beyond the 15 days provided by statute. See generally *Kapa Assocs. v. Flores*, 408 A.2d 22 (Conn. Super. Ct. 1983).

<sup>24</sup> CITY OF NEW HAVEN, RECOMMENDED GOALS FOR THE ELICKER ADMINISTRATION 38 (Jan. 2020), [https://c963a9d7-d9fe-49e8-aed7-c743f65b1cad.filesusr.com/ugd/ae2211\\_3600d8790129414c8b111a0ab3cb289b.pdf](https://c963a9d7-d9fe-49e8-aed7-c743f65b1cad.filesusr.com/ugd/ae2211_3600d8790129414c8b111a0ab3cb289b.pdf); Judiciary Committee, Conn. Gen. Assembly, *Report of the Task Force to Improve Access to Legal Counsel in Civil Matters* 21 (Dec. 15, 2016),

is crucial to counterbalance the massive disparity in legal resources between landlords and tenants: nationally, at least 90% of landlords are represented in housing court, while the vast majority of tenants are pro se.<sup>25</sup> Over the last few years, several major cities—including New York City, San Francisco, and Philadelphia—have passed similar ordinances.<sup>26</sup> Providing tenants with lawyers in New Haven has been shown to make those tenants “more than three times as likely to avoid eviction as were unrepresented tenants,” far less likely to lose their cases by default, and more likely to obtain favorable settlement terms.<sup>27</sup> In New York, right to counsel was phased in by zip code, creating a natural experiment that highlighted the program’s effectiveness: evictions fell five times faster in zip codes where the City’s right to counsel law took effect in 2018 than in zip codes without right to counsel.<sup>28</sup>

Potential sources of financial support for a right to counsel program include the City of New Haven’s affordable housing fund,<sup>29</sup> the reciprocal attorney’s fees provision of the Connecticut Unfair Trade Practices Act (CUTPA),<sup>30</sup> foundation funding, in-kind pro bono support from local attorneys, and landlord licensing fees and fines for renting out a unit without a certificate of occupancy (see Section I(c), *infra*). The structure and precise details of a right to counsel program should be developed in close consultation with legal services organizations that represent low-income tenants in New Haven and the Judicial Branch.

## ii. Limit tenant blacklisting.

New Haven should pass an ordinance restricting how landlords may use tenant-blacklisting services. Tenant blacklisting disproportionately impacts women of color, because they are the demographic most likely to face eviction. A recent statistical report from the ACLU of

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[https://www.cga.ct.gov/jud/tfs/20160729\\_Task%20Force%20to%20Improve%20Access%20to%20Legal%20Counsel%20in%20Civil%20Matters/Final%20Report.pdf](https://www.cga.ct.gov/jud/tfs/20160729_Task%20Force%20to%20Improve%20Access%20to%20Legal%20Counsel%20in%20Civil%20Matters/Final%20Report.pdf) (“[I]t is imperative that access to counsel for low-income tenants in eviction proceedings be improved dramatically.”).

<sup>25</sup> See Teresa Wiltz, *How Free Legal Help Can Prevent Evictions*, PEW CHARITABLE TR. (Oct. 27, 2017), <https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2017/10/27/how-free-legal-help-can-prevent-evictions>.

<sup>26</sup> Kriston Capps, *New York City Guarantees a Lawyer to Every Resident Facing Eviction*, CITYLAB (Aug. 14, 2017), <https://www.citylab.com/equity/2017/08/nyc-ensures-eviction-lawyer-for-every-tenant/536508>; Martin Kuz, *Meet the Eviction Defenders Helping to Keep Tenants at Home*, CHRISTIAN SCI. MONITOR (Jul. 30, 2019), <https://www.csmonitor.com/USA/Society/2019/0730/Meet-the-eviction-defenders-helping-to-keep-tenants-at-home>; Caitlin McCabe, *Philly Council Passes Right to Counsel, Giving Free Legal Representation to Tenants Who Are Evicted*, PHILA. INQUIRER (Nov. 14, 2019), <https://www.inquirer.com/real-estate/housing/right-to-counsel-bill-helen-gym-city-council-tenants-eviction-lawyer-20191114.html>.

<sup>27</sup> Steven Gunn, *Eviction Defense for Poor Tenants: Costly Compassion or Justice Served?*, 13 YALE L. & POL’Y REV. 385, 413-14 (1995).

<sup>28</sup> Oksana Mironova, *NYC Right to Counsel: First Year Results and Potential for Expansion*, CMTY. SERV. SOC’Y (Mar. 25, 2019), [https://www.cssny.org/news/entry/nyc-right-to-counsel#\\_edn3](https://www.cssny.org/news/entry/nyc-right-to-counsel#_edn3). See also Brian Bieretz, *A Right to Counsel in Eviction: Lessons from New York City*, URB. INST. (Dec. 31, 2019), <https://housingmatters.urban.org/articles/right-counsel-eviction-lessons-new-york-city>.

<sup>29</sup> Thomas Breen, *Deals Advance With Affordable \$, Not Units*, NEW HAVEN INDEP. (Feb. 26, 2020), [https://www.newhavenindependent.org/index.php/archives/entry/corner\\_block](https://www.newhavenindependent.org/index.php/archives/entry/corner_block).

<sup>30</sup> CUTPA provides that if a lease allows for a landlord to collect legal fees from a tenant upon a successful eviction, then there is also a reciprocal right for the tenant to collect legal fees if they prevail. See Conn. Gen. Stat. § 42-150bb. In 2018, the Connecticut Supreme Court held that when a plaintiff withdraws an action after a defendant files a motion to dismiss or similar pleading, the defendant is presumptively entitled to fees. *Conn. Hous. Fin. Auth. v. Alfaro*, 328 Conn. 134 (2018).

Massachusetts persuasively argues that the use of tenant blacklisting services to deny applicants constitutes housing discrimination in violation of the Fair Housing Act.<sup>31</sup> Minneapolis and Portland recently passed ordinances that may serve as models. Their laws require landlords to either (1) adopt a screening method that limits the use of criminal, eviction, and credit records; or (2) if a landlord uses other screening criteria, to submit to more demanding requirements before denying a tenant an apartment (including explaining in writing why a tenant was denied).<sup>32</sup> New York State also recently restricted tenant blacklisting.<sup>33</sup>

Landlords may challenge such an ordinance either as preempted by state law or as unconstitutional. Neither challenge is likely to succeed. Regarding the preemption argument, New Haven has statutory authority to regulate the use of tenant blacklists under its broad police powers and its authority to advance fair housing.<sup>34</sup> The constitutional objection to such a regulation is even less persuasive. If it is generally constitutional to bar landlords from using housing practices that have a disparate impact on statutorily protected classes, then it is difficult to see how the specific bar on housing court tenant blacklisting could be unconstitutional.<sup>35</sup>

### *b. Housing conditions*

Poor housing conditions are a major cause of displacement. There are visceral examples of this phenomenon—a fire destroying an apartment building,<sup>36</sup> years of neglect forcing the destruction

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<sup>31</sup> SOPHIE BEIERS, SANDRA PARK & LINDA MORRIS, ACLU OF MASS., CLEARING THE RECORD: HOW EVICTION SEALING LAWS CAN ADVANCE HOUSING ACCESS FOR WOMEN OF COLOR, (Jan. 10, 2020), <https://www.aclu.org/news/racial-justice/clearing-the-record-how-eviction-sealing-laws-can-advance-housing-access-for-women-of-color/>.

<sup>32</sup> *From the Field: Minneapolis City Council Passes Historic Tenant Protections*, NLIHC (Sept. 30, 2019), <https://nlihc.org/resource/field-minneapolis-city-council-passes-historic-tenant-protections>; Elliot Njus, *Portland Gives Renters Win With New Tenant Screening, Deposit Rules*, OREGONLIVE (Feb. 27, 2020), <https://www.oregonlive.com/portland/2019/06/portland-gives-renters-win-with-new-screening-security-deposit-rules.html>.

<sup>33</sup> See NY RPL 227-F(1) (“No landlord of a residential premises shall refuse to rent or offer a lease to a potential tenant on the basis that the potential tenant was involved in a past or pending landlord-tenant action or summary proceeding . . . . There shall be a rebuttable presumption that a person is in violation of this section if it is established that the person requested information from a tenant screening bureau relating to a potential tenant or otherwise inspected court records relating to a potential tenant and the person subsequently refuses to rent or offer a lease to the potential tenant.”).

<sup>34</sup> See Conn. Gen. Stat. § 7-148(c)(9)(A) (empowering municipalities to “[p]rovide for fair housing”).

<sup>35</sup> See *Texas Dep’t of Hous. & Cmty. Affairs v. Inclusive Cmty.*, 135 S. Ct. 2507, 2522 (2015) (forbidding housing practices based on their disparate impact on statutorily protected class does not necessarily pose constitutional problems); see also Mem. of Decision on Defendant’s Motion to Dismiss, *Conn. Fair Hous. Ctr. v. Corelogic Rental Prop. Sols., LLC*, No. 3:18-cv-705 (D. Conn., Mar. 25, 2019) (Dkt. 41), available at [www.ctfairhousing.com/PDFs/CoreLogicMTDOrder.pdf](http://www.ctfairhousing.com/PDFs/CoreLogicMTDOrder.pdf) (adopting disparate-impact theory in context of suit challenging tenant blacklisting on the basis of criminal records); U.S. Dep’t of Hous. & Urb. Dev., *Office of General Counsel Guidance on Application of Fair Housing Act Standards to the Use of Criminal Records by Providers of Housing and Real Estate-Related Transactions* (Apr. 4, 2016), [https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=2ahUKEwjqaRr6LpAhVsoHIEHZu3D3sQFjAAegQIBBAB&url=https%3A%2F%2Fwww.hud.gov%2Fsites%2Fdocuments%2FHUD\\_OGCGUIDA\\_PPFHASTANDCR.PDF&usq=AOvVaw3cEhoy7gWSguz1SBvJUZK3](https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=2ahUKEwjqaRr6LpAhVsoHIEHZu3D3sQFjAAegQIBBAB&url=https%3A%2F%2Fwww.hud.gov%2Fsites%2Fdocuments%2FHUD_OGCGUIDA_PPFHASTANDCR.PDF&usq=AOvVaw3cEhoy7gWSguz1SBvJUZK3) (arguing that the use of criminal records in tenant-screening has an unlawful disparate impact under the Fair Housing Act).

<sup>36</sup> Thomas Breen, *City Sued Over Fire-Relocation Aid*, NEW HAVEN INDEP. (Dec. 9, 2019), [https://www.newhavenindependent.org/index.php/archives/entry/fire\\_lawsuits](https://www.newhavenindependent.org/index.php/archives/entry/fire_lawsuits).



of a major subsidized-housing complex<sup>37</sup>—but the underlying mechanism is just as intuitive. Generally speaking, there are two kinds of affordable housing: subsidized and naturally occurring.<sup>38</sup> Naturally occurring affordable housing, like a naturally occurring affordable car, is generally older. When older units are poorly maintained, they deteriorate. The longer a property owner defers maintenance and renovations of affordable housing, the more likely these units will deteriorate to the point that they are or should be declared uninhabitable or unsafe. Over time, this process restricts the supply of affordable housing, forcing low-income families to compete for scarcer and increasingly expensive units and exacerbating the City’s affordable housing crunch. Because there are both natural and artificial barriers to adding to housing supply, uninhabitable units are not quickly replaced. Thus, poor housing conditions accelerate the mismatch between supply and demand for affordable housing.<sup>39</sup>

New Haven has the ability to stop this trend. Municipalities have far more power to regulate housing conditions than they do evictions.<sup>40</sup> As the Supreme Court of Connecticut has noted, the General Statutes “grant[] to municipalities regulatory and police powers over buildings . . . . The statute supplies no limitation on how municipalities may make and implement such rules and regulations—it merely states that municipalities have the power to do so. The only apparent limit on the face of the statute is that the rules and regulations be related to safety, health, morals and general welfare.”<sup>41</sup> New Haven’s current regulatory structure, however, undermines its ability to protect vulnerable tenants. For example, the City’s different inspection agencies—including the Livable City Initiative (LCI), the health department, and the fire marshal—have balkanized jurisdiction over different kinds of conditions issues. Accessing the information held by these

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<sup>37</sup> See note 12, *supra*.

<sup>38</sup> Because of perennially limited funding, “only about 1 in 4 households eligible for housing assistance will receive it.” Alison Bell & Douglas Rice, *Congress Prioritizes Housing Programs in 2018 Funding Bill, Rejects Trump Administration Proposals*, CTR. ON BUDGET & POL’Y PRIORITIES (Jul. 19, 2018), <https://www.cbpp.org/research/housing/congress-prioritizes-housing-programs-in-2018-funding-bill-rejects-trump>. This makes the preservation of naturally occurring affordable housing crucial to ensuring an adequate supply of housing for low-income tenants.

<sup>39</sup> Models which purport to find a positive relationship between code enforcement and housing costs—i.e., that regulation makes housing less affordable—generally do not account for this countervailing mechanism. See generally Raven Molloy, *The Effect of Housing Supply Regulation on Housing Affordability: A Review*, 80 REG. SCI & URB. ECON. \_\_\_ (2020) (summarizing research); David Listokin & David B. Hattis, *Building Codes and Housing*, 8 CITYSCAPE 21 (2005) (finding that most rigorous studies find that housing codes increase housing prices by no more than 5%).

<sup>40</sup> Connecticut municipalities have the powers to: “Make rules relating to the maintenance of safe and sanitary housing,” Conn. Gen. Stat. § 7-148(c)(7)(A)(i); “Regulate the mode of using any buildings when such regulations seem expedient for the purpose of promoting the safety, health, morals and general welfare of the inhabitants of the municipality,” Conn. Gen. Stat. § 7-148(c)(7)(A)(ii); “Define, prohibit and abate within the municipality all nuisances and causes thereof, and all things detrimental to the health, morals, safety, convenience and welfare of its inhabitants and cause the abatement of any nuisance at the expense of the owner or owners of the premises on which such nuisance exists,” Conn. Gen. Stat. § 7-148(c)(7)(E); “Make and enforce regulations for the prevention and remediation of housing blight . . . including regulations establishing a duty to maintain property and specifying standards to determine if there is neglect,” Conn. Gen. Stat. § 7-148(c)(7)(H)(xv); “Provide for the health of the inhabitants of the municipality and do all things necessary or desirable to secure and promote the public health,” Conn. Gen. Stat. § 7-148(c)(7)(H)(xi); “Make and enforce police, sanitary or other similar regulations and protect or promote the peace, safety, good government and welfare of the municipality and its inhabitants.” Conn. Gen. Stat. § 7-148(c)(7)(H)(xiii). Where a municipality has placed a greater duty on a landlord than required by the state minima, Connecticut law explicitly provides that the municipality’s regulation controls. Conn. Gen. Stat. § 47a-7(b).

<sup>41</sup> *Greater New Haven Prop. Owners Ass’n v. City of New Haven*, 288 Conn. 181 (2008).

agencies is far more difficult than it needs to be, both for tenants and interdepartmentally. And the current enforcement system for New Haven's landlord licensing program relies on purely public enforcement with erratic fines to ensure compliance. The City must better protect tenants from unsafe housing conditions in two ways: modernizing and strengthening LCI, and bolstering New Haven's landlord licensing system.

Critics may object that improving housing conditions will raise costs for low-income tenants occupying the City's older housing stock. This is a false choice. As discussed above, underenforcement of housing conditions regulations causes blight, which exacerbates the City's housing supply crunch as buildings deteriorate to the point that they are or ought to be condemned. Such an outlook also ignores that even if rent is lower in unsafe or unhealthy buildings, tenants are the ones who bear the long-term health costs of living in such conditions. In any case, these critics forget that renting out low-income residential units is often a highly profitable enterprise conducted by large, corporate landlords. The notion that between rent and fixed expenses (such as mortgages) there are simply no resources available for maintenance and improvement is wrong.

i. Strengthen and support LCI.

New Haven must modernize and strengthen the Livable City Initiative (LCI), the City's housing code enforcement agency. The City should prioritize hiring more inspectors, paid for by inspection fees and the enforcement of fines on bad-actor landlords.<sup>42</sup> The City already has ordinances on the books to collect such fees, but enforcement is perilously lax.<sup>43</sup> Bolstering the landlord licensing system and requiring natural persons to apply for such licenses, discussed *infra*, will make it easier to enforce these fees and penalties.

Currently, LCI inspections usually occur when a tenant calls to report a problem, when a unit is reinspected as part of the City's landlord licensing scheme, or when a subsidized unit is inspected to ensure compliance with state or federal quality standards. An inspector comes to the unit, notes any code violations, and notifies the landlord of how much time they have to correct any problems. Sometimes, the inspector may reinspect to ensure compliance. If housing conditions problems persist, the landlord may face fines and, in extreme cases, LCI may remediate the premises themselves and lien the property to recoup costs.

LCI currently operates primarily on a paper filing system, an outdated and outmoded practice that effectively bars residents from accessing public records, silos information within different city agencies, and stymies enforcement. Siloing of conditions violations within different agencies makes it difficult to ensure compliance with housing codes and can lead to tragedy.<sup>44</sup> LCI should adopt the Mayoral Transition Team's suggestion to "[c]reate a searchable online database of landlord registries and oversight programs, including property code violators; an online system to file housing code complaints; and a database for record-keeping for all inspections and

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<sup>42</sup> NEW HAVEN CODE, tit. III, ch. 17, art. XIV, §§ 17-76; 17-84.

<sup>43</sup> Paul Bass & Thomas Breen, *Files Reveal Slumlord-Chasing Challenges*, NEW HAVEN INDEP. (May 8, 2019), [https://www.newhavenindependent.org/index.php/archives/entry/150\\_west\\_conditions](https://www.newhavenindependent.org/index.php/archives/entry/150_west_conditions).

<sup>44</sup> Thomas Breen, *City Alerted to Perils Before Fatal Fire*, NEW HAVEN INDEP. (Aug. 6, 2019), [https://www.newhavenindependent.org/index.php/archives/entry/150\\_west](https://www.newhavenindependent.org/index.php/archives/entry/150_west).

enforcement.”<sup>45</sup> This database should be updated in real time, and should also be cross-linked with complaints and inspection reports filed with the Fire Department, Public Health Department, and other city agencies responsible for ensuring the safety of New Haven residences. LCI should also link its database or intake software to SeeClickFix, so that tenants can report and document violations easily via their mobile devices.

LCI should also adopt a policy of clearing observed violations only after a follow-up inspection. The current practice allows landlords to claim compliance and receive LCI compliance notifications without a follow-up inspection, when in fact dangerous conditions persist or fixes are only temporary or surface-level. Currently, the City does not charge for the first follow-up inspection of defects found during licensing inspections.<sup>46</sup> This policy makes sense because the defects found during a routine licensing inspection may not be particularly serious. However, where a violation is serious enough that a tenant has called LCI to file a complaint, triggering an inspection, fees for re-inspections are entirely appropriate to support a system that ensures compliance with City orders and the protection of tenants’ health and safety. Fees should be set so as to offset the costs associated with these reinspections.

Finally, LCI should end its practice of notifying landlords ahead of time of tenant complaint-initiated inspections. In the Legal Service Organization’s experience, this practice often leads landlords or their representatives to appear at the unit during or before the inspection. When landlords or their representatives do appear, they frequently intimidate tenants and pressure the inspector to write a report more favorable to them than the inspector otherwise would have. The practice of advance notification is not required by law<sup>47</sup> and is inconsistent with the City’s statutory “commit[ment] to protecting the safety, health and welfare of its residents and to eliminating housing blight.”<sup>48</sup> The current practice undermines tenants’ trust in the inspection program’s ability to enforce habitability and conditions requirements and should end.

ii. Bolster the City’s landlord licensing system.

New Haven’s landlord licensing system can and should be strengthened to ensure accountability of landlords and to protect tenants from unsafe conditions. New Haven has broad authority to design its own landlord licensing regime.<sup>49</sup> Recent changes to the landlord licensing system in the City are a start, but do not go far enough.<sup>50</sup> After last year’s revisions to the landlord licensing system, the status quo operates as follows. All owners of non-owner-occupied buildings with two or more units and of owner-occupied buildings with three or more units are required to obtain a

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<sup>45</sup> CITY OF NEW HAVEN, RECOMMENDED GOALS FOR THE ELICKER ADMINISTRATION 38 (Jan. 2020), [https://c963a9d7-d9fe-49e8-aed7-c743f65b1cad.filesusr.com/ugd/ae2211\\_3600d8790129414c8b111a0ab3cb289b.pdf](https://c963a9d7-d9fe-49e8-aed7-c743f65b1cad.filesusr.com/ugd/ae2211_3600d8790129414c8b111a0ab3cb289b.pdf).

<sup>46</sup> NEW HAVEN CODE, tit. III, ch. 17, art. XIV, § 17-76(b).

<sup>47</sup> *Id.* § 17-78 (only tenants’ consent is needed for inspection of a residential rental property unit).

<sup>48</sup> *Id.* § 17-73(a).

<sup>49</sup> See generally *Greater New Haven Prop. Owners Ass’n v. City of New Haven*, 288 Conn. 181 (2008); Conn. Gen. Stat. § 47a-5.

<sup>50</sup> New Haven Ordinance No. 1873 (Sept. 3, 2019), available at [https://library.municode.com/CT/new\\_haven/ordinances/code\\_of\\_ordinances?nodeId=989054](https://library.municode.com/CT/new_haven/ordinances/code_of_ordinances?nodeId=989054).

residential rental property license.<sup>51</sup> To obtain a license, an owner or their agent must submit an application that includes the owner's name and address and that of the owner's agent, if applicable, along with various other information.<sup>52</sup> The landlord must pay a fee before receiving a license.<sup>53</sup> Crucially, before a license may be issued, a housing code inspector must pass the unit.<sup>54</sup> The license lasts one to three years, depending on how many defects are discovered and whether the unit has been found to be operating without a valid license or has been the subject of code enforcement actions.<sup>55</sup> If an owner dodges inspections, they may be fined \$100 per day.<sup>56</sup> To strengthen this system, New Haven should make three additional changes.

**Limiting unfair rent collection.** First, New Haven should (1) make it unlawful for a landlord to collect rent before obtaining a license for the unit in question, where that unit is subject to licensing requirements and (2) classify the renting of a unit prior to obtaining a license as a “nuisance which is a serious threat to life, health or safety” under the New Haven Housing Code.<sup>57</sup> This ordinance would effectively allow tenants to claw back rent paid for a unit prior to the landlord complying with City law.<sup>58</sup> It could be phased in over a year or two to allow landlords to comply. In order to ensure landlords are not unnecessarily burdened, they should be permitted to lawfully collect rent prior to receiving a license where they have applied for a license and the delay in obtaining a license is (i) the sole reason why a landlord is not in compliance and (ii) primarily attributable to the City rather than the landlord. In concert with a right to counsel, this requirement would allow tenants to defend against nonpayment evictions brought by unlicensed landlords and, where appropriate, bring affirmative litigation to enforce their rights to safe and healthy housing.

**Linking landlord licenses to natural persons.** Second, New Haven should follow Hartford's lead in requiring that a natural person apply for a landlord license. The identity of these persons should be included in the LCI database referenced above, and the database should be searchable by landlord licensee. Currently, corporate entities may apply for licenses in their own names.<sup>59</sup> The opaque web of corporate landlords that dominates the New Haven rental market is perhaps the largest barrier to effective enforcement of the housing code.<sup>60</sup> Hartford faced a similar problem and last year overhauled its licensing system to require that only natural persons may apply for

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<sup>51</sup> NEW HAVEN CODE, tit. III, ch. 17, art. XIV, § 17-74(a). Certain types of properties—e.g., Housing Authority units, rooming houses, and Section 8 units—are also exempt. *Id.* § 17-73.

<sup>52</sup> *Id.* § 17-74(d).

<sup>53</sup> *Id.* § 17-76.

<sup>54</sup> *Id.* §§ 17-75; 17-77.

<sup>55</sup> *Id.* § 17-80.

<sup>56</sup> *Id.* § 17-84(b).

<sup>57</sup> NEW HAVEN HOUS. CODE, tit. V, art. I, Para. 100(o).

<sup>58</sup> This proposal goes further than state law. *See* Conn. Gen. Stat. § 47a-5. But that does not bar this proposal. As previously discussed, New Haven has broad power to adopt its own customized landlord licensing system, and such “an ordinance does not conflict with a statute merely by imposing standards stricter than those imposed by the statute.” *Greater New Haven Prop. Owners Ass’n v. City of New Haven*, 288 Conn. 181, 190 (2008).

<sup>59</sup> *See* NEW HAVEN CODE tit. III, ch. 17, art. XIV, § 17-72 (defining “person” to include “any individual, firm, corporation, association or partnership”).

<sup>60</sup> *See generally* James Horner, Note, *Code Dodgers: Landlord Use of LLCs and Housing Code Enforcement*, 37 YALE L. & POL’Y REV. 647 (2019) (describing how New Haven landlords’ use of LLCs frustrates code enforcement and arguing for limited corporate-veil piercing as a solution); Thomas Breen, “I Cannot Arrest an LLC”, NEW HAVEN INDEP. (Oct. 4, 2019), [https://www.newhavenindependent.org/index.php/archives/entry/landlords\\_csep](https://www.newhavenindependent.org/index.php/archives/entry/landlords_csep) (“‘When it comes to code enforcement,’ [LCI Deputy Director Rafael] Ramos said, ‘I cannot arrest an LLC. I have to have a name. I have to have a principal.’”).

licenses.<sup>61</sup> The state also has an analogous program for liquor licensing, which allows only natural persons, but not corporate entities, to become “permittees.”<sup>62</sup> The common element in Hartford’s system and the statewide liquor licensing process is identifying a human physically proximate to the relevant premises who can be held accountable if violations of applicable laws occur. With respect to the accountability mechanisms of the proposed ordinance, an application for a license should be denied if there are outstanding violations at a different property for which the applicant has been granted a license. In extreme cases, the ordinance should allow the applicant to be personally liable both for public fines and in lawsuits brought by tenants.

**Educating tenants.** Third, New Haven should require that all landlords subject to licensing requirements provide to all of their tenants and to every applicant for a rental unit a short, easy-to-read statement of tenants’ rights.<sup>63</sup> This document would advise tenants of their rights to call LCI (or other municipal inspection agencies), to contest an eviction in court, to invoke the protections of Violence Against Women Act, the Americans with Disabilities Act, the Rehabilitation Act, and state and federal fair housing laws, to contact the Fair Rent Commission, and under the ordinances proposed herein. In LSO’s experience, the vast majority of New Haven tenants are unaware of some or all of their rights under various federal, state, and municipal laws, and do not know where to turn if they believe those rights are being violated. The precise contents of this document would be drafted by Corporation Counsel in collaboration with representatives of the tenant’s and landlord’s bar, and would be revised annually to ensure accuracy.

### *c. State-level advocacy*

New Haven should advocate for the state to legislature pass pro-renter policies statewide and allow cities, where appropriate, to enact such policies themselves.

#### *i. Grant fair rent commissions rulemaking authority.*

The City should advocate for the statute authorizing municipal fair rent commissions (FRCs) to be amended to allow local governments to give these commissions rulemaking authority. Currently, state law allows FRCs to adjudicate disputes only on a case-by-case basis.<sup>64</sup> This system fails to promote consistent decision-making and relies on high-information tenants to bring issues to the City’s attention. FRCs should be empowered to promulgate regulations to promote fair rent Citywide, as well as to adjudicate individual disputes. For example, FRCs should have the authority to issue a rule creating a rebuttable presumption that a rent increase is excessive if the

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<sup>61</sup> Hartford Ordinance 15-19, Art. II, §§ 18-23(D); 18-24(A).

<sup>62</sup> See Conn. Gen. Stat. §§ 30-1(13) (“‘Person’ means natural person . . . .”); 30-39(b)(1) (“Any person desiring a liquor permit or a renewal of such a permit shall make a sworn application therefor . . . .”). A permittee can have a “backer,” which may be the corporate “proprietor of any business or club . . . in which business a permittee is associated, whether as employee, agent or part owner.” *Id.* § 30-1(4).

<sup>63</sup> Similar notice requirements have long been a feature of labor and employment law, for example. See, e.g., Charlotte S. Alexander, *Workplace Information-Forcing: Constitutionality and Effectiveness*, 53 AM. BUS. L.J. 487 (2016); Peter D. DeChiara, *The Right to Know: An Argument for Informing Employees of Their Rights Under the National Labor Relations Act*, 32 HARV. J. LEGIS. 431 (1995).

<sup>64</sup> See Conn. Gen. Stat. § 7-148b *et seq.*

Small Area Fair Market Rent<sup>65</sup> covering the premises is declining. The judicial review provisions of the state statute would adequately protect both renters and landlords from arbitrary and capricious rulemaking.<sup>66</sup>

ii. Enact anti-blacklisting policy across the state.

The City should push the General Assembly to enact the anti-blacklisting policy proposed above on a statewide basis. It should also push to amend Section 47a-5 of the Connecticut General Statutes to forbid the collection of rent prior to obtaining a license where a municipality has adopted a landlord licensing system.<sup>67</sup> The City does not need these statutory changes to act on its own power in these areas. But statewide changes would be more effective at protecting tenants than a single municipality's action, and their passage would strengthen an already strong case for the legality of municipal-level action.

iii. Clarify the summary process statute.

Third, the City should push the General Assembly to rationalize various aspects of the summary process statute. For example, the statute contains two different provisions addressing retaliation defenses, and it is not clear how the legislature intended them to work together.<sup>68</sup> The General Assembly should also revise Section 47a-15 of the Connecticut General Statutes (the *Kapa* notice statute) to clarify that every statutory cause of eviction is curable, except for serious nuisance, drug-related crimes, and nonpayment.

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<sup>65</sup> The Small Area Fair Market Rent is a statistical measurement created by the federal Department of Housing and Urban Development. It measures the average rent for different sizes of rental units in a given zip code within a metropolitan area. The database is available at <https://www.huduser.gov/portal/datasets/fmr/smallarea/index.html>.

<sup>66</sup> See Conn. Gen. Stat. § 7-148e.

<sup>67</sup> A bill to this effect was introduced in the 2020 Session. See H.B. 5241 (2020), [https://cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&bill\\_num=HB-5241](https://cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&bill_num=HB-5241).

<sup>68</sup> The two statutes are Conn. Gen. Stat. § 47a-20 (and its companion, § 47a-20a) and § 47a-33. Then-Judge Ecker of the New Haven Housing Session explained the confusion wrought by the General Assembly's retaliation statutes in *Renaissance Mgmt. Co. v. Barnes*, 60 Conn. L. Rptr. 344 (Conn. Super. Ct. 2015).

## II. Development

This section discusses zoning and development solutions to displacement in New Haven.<sup>69</sup> If New Haven cannot offer enough units to house residents and newcomers, vulnerable and low-income individuals, especially in poor communities of color, will be excluded from their own neighborhoods.

While New Haven has taken laudable steps to welcome all forms of residential construction, this section will primarily focus on zoning and financing strategies to promote small-scale, inexpensive development. Because of their size, the types of projects outlined here will mostly be driven by smaller developers and homeowners with the goal of making renting and homeownership more affordable. This section will primarily focus on the steps New Haven can take on its own, but displacement is a regional problem that is best solved by coordinating solutions across Connecticut.

This section is broken up into three parts. First, it proposes regulatory and zoning changes that New Haven can make to increase small-scale affordable housing, whether subsidized or not, across the City. Second, it discusses other resources and policy changes required to encourage, in particular, single room occupancy (SRO) units and micro-units, accessory dwelling units (ADUs), and, lastly, small-scale multi-family conversions. Third, it outlines policies that require state-level advocacy.

### *a. Reforms to the City's zoning*

Since a key driver of displacement is demand for housing outpacing supply,<sup>70</sup> one of the most important policy goals the City can adopt would be to increase the supply of housing units.

In many American cities including New Haven, restrictive zoning limits the potential for new and creative housing development, including SROs, ADUs, or the conversion of single-family homes to accommodate multiple households. We offer several regulatory land use policy changes to mitigate this problem.

#### *i. Decrease unit size requirements.*

Strict zoning laws, which require minimum unit sizes for standard apartments, can prevent the construction of affordable units. New Haven requires minimum unit sizes of 1,000 gross square feet per unit in most zones,<sup>71</sup> limiting renters' ability to seek more affordable units by sacrificing

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<sup>69</sup> *Why Doesn't the Housing Market Produce the Housing We Need?*, LOCAL HOUSING SOL'N, <https://www.localhousingsolutions.org/learn/why-doesnt-the-housing-market-produce-the-housing-we-need/>; *What Can Cities, Towns, and Counties Do to Make Housing Markets Work Again?*, LOCAL HOUSING SOL'N, <https://www.localhousingsolutions.org/learn/what-can-communities-do-to-make-housing-markets-work-again/>.

<sup>70</sup> John M. Quigley & Larry A. Rosenthal, *The Effects of Land Use Regulation on the Price of Housing: What Do We Know? What Can We Learn?* (2005), <http://urbanpolicy.berkeley.edu/pdf/QR2005.pdf>.

<sup>71</sup> NEW HAVEN ZONING CODE, art. III §18A (b).

space. These minimums exceed the size experts consider necessary for health and safety.<sup>72</sup> New Haven's minimum unit size requirements instead make small units for low-income populations infeasible.<sup>73</sup>

Reducing unit-size requirements has effectively mitigated displacement in many American cities. For example, San Diego's Single Room Occupancy zoning code reforms created a "living unit" category that allowed for units between both the size and cost of an SRO unit (180 square feet) and a studio apartment (500 square feet), far below New Haven's requirements.<sup>74</sup> San Diego's approach has been a widely acknowledged success.<sup>75</sup> Similarly, Miami, Boston, New Orleans, Seattle, and other cities have concluded that 150 to 220 square foot apartments are viable and promote affordability.<sup>76</sup>

ii. Zone for higher density.

**Zone for SROs.** Zoning can be a key tool for expanding the SRO stock. Since the City has limited resources to subsidize new units, the best path forward is to make it easier for developers to build these units from the ground up.<sup>77</sup> New Haven's zoning code already permits SROs by-right in the downtown core and, importantly, allows SROs sized at a level that protects health and safety without requiring needless and cost-prohibitive square footage. Nonetheless, SROs are only permitted in the downtown area, which is more expensive.<sup>78</sup> New Haven should permit its existing SRO zoning as-of-right across the City or across a larger swath of downtown. New Haven zoning already addresses any potential downsides to compact living: for example, the Code requires compact units to include common space and close proximity to public parks.<sup>79</sup> Cities that have reduced unit size requirements have used similar compact living arrangements to ensure micro-unit residents can access shared space in their buildings and outdoor public amenities.<sup>80</sup>

**Increase Density in Current Single-Family Neighborhoods.** The City should also reform the zoning code in its single-family neighborhoods to allow property owners to construct ADUs or convert preexisting single-family zones to allow for multi-family construction. Rapid increases in area wealth coupled with low rates of construction in single-family neighborhoods have left

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<sup>72</sup> See Mark Ginsberg et al., *Urban Policy Frontiers: New Thinking About How to Improve Housing, Transportation, Child Welfare, and Policing*, MANHATTAN INST. 24, fig. 12 (2017) (other cities' minimum sizes), [https://media4.manhattan-institute.org/sites/default/files/MI\\_Urban\\_Policy\\_Frontiers\\_2017.pdf](https://media4.manhattan-institute.org/sites/default/files/MI_Urban_Policy_Frontiers_2017.pdf).

<sup>73</sup> Christopher Peak, *Micro-Apartments Quest Sparks Debate*, NEW HAVEN INDEP. (Jul. 20, 2017), [https://www.newhavenindependent.org/index.php/archives/entry/luxury\\_apartment\\_size/](https://www.newhavenindependent.org/index.php/archives/entry/luxury_apartment_size/).

<sup>74</sup> Phillip Molnar, *10 Smallest Apartments*, SAN DIEGO TRIBUNE (2015), <https://www.sandiegouniontribune.com/business/real-estate/sdut-smallest-apartments-studio-2015oct30-story.html>.

<sup>75</sup> *Single Room Occupancy Residential Hotel Program*, GOVERNMENT INNOVATORS NETWORK (1970), <https://www.innovations.harvard.edu/single-room-occupancy-residential-hotel-program>.

<sup>76</sup> Mark Ginsberg et al., *Urban Policy Frontiers: New thinking about how to improve housing, transportation, child welfare, and policing*, [https://media4.manhattan-institute.org/sites/default/files/MI\\_Urban\\_Policy\\_Frontiers\\_2017.pdf](https://media4.manhattan-institute.org/sites/default/files/MI_Urban_Policy_Frontiers_2017.pdf).

<sup>77</sup> HR&A Advisors, "New Haven IZ Study – Financial Feasibility and Policy Draft."

<sup>78</sup> See New Haven Zoning Map districts and their application to the rooming house category. Section 16 - RH-2 Districts: General High Density, Municode Library, [https://library.municode.com/ct/new\\_haven/codes/zoning?nodeId=ZOOR\\_ARIREDIDIRE\\_S16DIGEHID](https://library.municode.com/ct/new_haven/codes/zoning?nodeId=ZOOR_ARIREDIDIRE_S16DIGEHID).

<sup>79</sup> See, e.g., NEW HAVEN ZONING CODE, art. V §43(h).

<sup>80</sup> See, e.g., CITY OF BOSTON, Boston Compact Living PILOT, [https://www.boston.gov/sites/default/files/embed/c/compact\\_living\\_guidelines\\_181012.pdf](https://www.boston.gov/sites/default/files/embed/c/compact_living_guidelines_181012.pdf).



middle-income residents of these areas at significant risk of experiencing displacement.<sup>81</sup> Protecting middle-income residents in the City’s richest neighborhoods will also benefit more vulnerable communities that are often forced to provide new housing for these displaced middle-income residents.<sup>82</sup>

The first, and best, way to allow more construction in New Haven’s wealthier enclaves would be to abolish single-family RS-1 and RS-2 districts. Cities across the country have up-zoned such properties within their municipal limits. For example, last year Minneapolis allowed triplexes in every residential neighborhood in the City.<sup>83</sup> Minneapolis also up-zoned major transit centers for mixed use development. Planners project that “if just 5% of the largest single-family lots in Minneapolis—lots of at least 5,000 square feet—converted to triplexes, that would create about 6,200 new units of housing.”<sup>84</sup> In New Haven, if 10% of its single-family detached lots at 7,500 square feet were converted into two- or three-family units, at least 1,000 dwelling units of 850 to 1,200 square feet would enter the market.<sup>85</sup>

A second, less ambitious, zoning reform would relax restrictions on ADU or multi-family conversions and construction. Currently, owners of homes under thirty years old are prohibited from converting a basement or garage into an ADU. Buildings older than thirty years are also ineligible for conversion if an addition has increased their floor space by one-fifth in the previous ten years. In addition to these restrictions, eligible homeowners must follow an onerous approval process with the Board of Zoning Appeals to add units.<sup>86</sup> The approval process requires homeowners to prove that a conversion is financially necessary, a nearly impossible burden to meet. The City’s zoning code states that this effective ban on garage and basement conversions is necessary to “retain the character” of single-family neighborhoods.<sup>87</sup> That an additional unit in a converted basement will substantially alter the nature of any community in a negative way has thus far remained unproven. ADUs also have a clear upside: a basement apartment could be a lifeline for a New Haven resident who cannot otherwise afford a single-family home.

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<sup>81</sup> *Compare New Haven, Connecticut (CT) Income Map, Earnings Map, and Wages Data*, CITY-DATA, <http://www.city-data.com/income/income-New-Haven-Connecticut.html>; and *Zoning Map of the City of New Haven*, CITY OF NEW HAVEN (2014), <https://www.newhavenct.gov/civicax/filebank/blobdload.aspx?blobid=23117>; see also Robert Ellickson, *The Zoning Strait-Jacket: The Freezing of American Neighborhoods of Single-Family Houses* (Jan. 7, 2020) (forthcoming paper), [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3507803](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3507803).

<sup>82</sup> Edward L. Glaeser, et al., *The Impact of Zoning on Housing Affordability*, Harv. Institute of Economic Research Paper No. 1948 (2002); Joe Cortwright, *If You Want Less Displacement Built More Housing*, CITY LAB (Aug. 28, 2018), <https://www.citylab.com/equity/2018/08/if-you-want-less-displacement-build-more-housing/568714/>.

<sup>83</sup> Emily Badger & Quoctrung Bui, *Cities Start to Question an American Ideal: A House with a Yard on Every Lot*, N.Y. TIMES (June 18, 2019), <https://www.nytimes.com/interactive/2019/06/18/upshot/cities-across-america-question-single-family-zoning.html>; Patrick Sisson, *Inside Minneapolis’s Plan to Tackle Affordability and Climate Change*, CURBED (Nov. 27, 2018), <https://www.curbed.com/2018/11/27/18113208/minneapolis-real-estate-rent-development-2040-zoning>.

<sup>84</sup> Emily Badger & Quoctrung Bui, *Cities Start to Question an American Ideal: A House with a Yard on Every Lot*, N.Y. TIMES (June 18, 2019), <https://www.nytimes.com/interactive/2019/06/18/upshot/cities-across-america-question-single-family-zoning.html>

<sup>85</sup> CITY OF NEW HAVEN, Housing & Neighborhood Planning, *in* NEW HAVEN VISION 2025: A PLAN FOR A SUSTAINABLE, HEALTHY, AND VIBRANT CITY (2015), <https://www.newhavenct.gov/civicax/filebank/blobdload.aspx?blobid=25809>; NEW HAVEN ZONING CODE § 11; NEW HAVEN ZONING CODE §§ 13-14 (Ord. No. 1368, § 5, 2-7-05; Ord. No. 1726, Sched. A, 12-2-13).

<sup>86</sup> *Id.*

<sup>87</sup> *Id.*

New Haven should allow owners to convert their properties to multi-family lots or to construct additional units without requiring homeowners to go through the burdensome zoning board approval process. As a lesser step, the City could simply allow attached garage and basement conversions by right.

Currently, new unit construction must also comply with lot area per dwelling unit, lot width per dwelling unit, floor space per dwelling unit, and open yard percentage requirements—all factors that limit the construction of new units.<sup>88</sup> The City could do away with, or at least loosen, these requirements.

### iii. Relax parking minimums.

New Haven should reform parking minimums to clear the way for new construction. While the average household in New Haven only owns one car, much of the City requires a parking spot for nearly every bedroom in a home.<sup>89</sup> Parking minimums are a burdensome and unnecessary requirement both for families who wish to add a new unit to their homes and for developers that wish to build SROs, subsidized apartments, and even standard market-rate units. Indeed, developers have explicitly stated that parking requirements make them less likely to invest in New Haven.<sup>90</sup> Parking spaces add tremendous expenditures to new construction projects. Building a single space in a parking structure generally costs \$34,000 above-ground and \$24,000 below-ground.<sup>91</sup>

New Haven should follow Hartford's lead and remove parking minimums from the zoning code entirely. Hartford's program to entirely phase out parking minimums over the course of two years was a success. It led to substantial investment in neglected downtown properties and did not cause significant public pushback or parking shortages.<sup>92</sup> Other cities that have adopted similar strategies throughout the country report comparable results.<sup>93</sup> New Haven has already started to eliminate its parking minimums using Commercial Gateway District zones. The City should continue these efforts in the future.

Alternatively, New Haven could eliminate parking requirements for developments located close to public transit. San Diego, and later California statewide, successfully implemented such a

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<sup>88</sup> NEW HAVEN ZONING CODE, art. III §11 & 12.

<sup>89</sup> *Id.* In RS-1 and RS-2 districts, one parking spot is required for the first bedroom in a home and then half a parking space for each additional bedroom with each half parking spot being rounded up; New Haven, CT, Data USA, <https://datausa.io/profile/geo/new-haven-ct/>; NEW HAVEN ZONING CODE, art. III, §§ 11-12.

<sup>90</sup> Paul Bass, *Parking? That's So Last Century*, NEW HAVEN INDEP. (Mar. 13, 2013), [https://www.newhavenindependent.org/index.php/archives/entry/parking\\_thats\\_so\\_last\\_century/](https://www.newhavenindependent.org/index.php/archives/entry/parking_thats_so_last_century/).

<sup>91</sup> Donald Shoup, *The High Cost of Minimum Parking Requirements*, in 5 PARKING: ISSUES AND POLICIES 87 (2014).

<sup>92</sup> Rachel Quednau, *3 Lessons in People-Centered Transportation from the First U.S. City to Completely Eliminate Parking Minimums*, STRONG TOWNS (June 18, 2018), <https://www.strongtowns.org/journal/2018/6/14/3-lessons-in-people-centered-transportation-from-the-first-us-city-to-completely-eliminate-parking-minimums>

<sup>93</sup> Strong Towns, *More Cities Than Ever Are Eliminating Parking Minimums*, STRONG TOWNS (2018), [https://www.strongtowns.org/journal/2018/11/23/a-map-of-cities-that-got-rid-of-parking-minimums-updated](https://www.strongtowns.org/journal/2018/11/23/a-map-of-cities-that-got-rid-of-parking-minimums-updated;); *Smaller Cities Lighten Up on Minimum Parking Requirements*, NAIOP COMMERCIAL REAL ESTATE DEVELOPMENT ASS'N, <https://www.naiop.org/Research-and-Publications/Magazine/2016/Summer-2016/Development-Ownership/Smaller-Cities-Lighten-Up-on-Minimum-Parking-Requirements>.

policy, allowing new ADU construction without off-street parking if the property is within half a mile of public transit.<sup>94</sup>

*b. Small-scale development*

i. Develop single room occupancy units.

SROs, a type of micro-unit apartment smaller than a studio and governed by rooming house zoning, were a popular form of urban low-income housing through the middle of the twentieth century because they gave working class and poor tenants opportunities to live and work in cities. In recent decades, this form of housing fell out of favor due to poor conditions and concentration of low-income residents. In New Haven, the stock of SROs entered an accelerated decline with hotel renewal in the 1960s under Mayor Richard C. Lee.<sup>95</sup> The recent closure of The Duncan continues this trend.<sup>96</sup>

When SROs are available, they can provide “the last rung on the housing ladder before homelessness,” though they still cost \$450 to \$750 per month in expensive cities.<sup>97</sup> In New Haven, where one in six homeless Connecticut residents are located, surveys suggest that two-thirds of New Haven’s homeless population are adults without children who could benefit from SROs to either prevent homelessness or recover from it.<sup>98</sup>

Ordinances to preserve existing SROs have had limited success in the face of market forces. Chicago’s Single-Room Occupancy Preservation Ordinance has not prevented a persistent decline in SROs from seventy-seven SRO buildings in 2014 to fifty-eight today.<sup>99</sup> Preservation ordinances

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<sup>94</sup> *Abolish Parking Minimums*, TRANSIT CENTER (2019), <https://transitcenter.org/abolishparkingminimums/>; Derek Leavitt, *the 12 Most Critical 2020 ADU Rule Changes for California*, MODATIVE: ADU BLOG (Jan. 14, 2020), <http://www.modative.com/adu-blog/the-12-most-critical-2020-adu-rule-changes-for-california>.

<sup>95</sup> Mary E. O’Leary, *Single-Room Occupancy Units in New Haven on the Front Burner*, NEW HAVEN REGISTER (2018), <https://www.nhregister.com/news/article/Single-room-occupancy-units-in-New-Haven-on-the-13400398.php>.

<sup>96</sup> See Mary O’Leary, *New Haven’s Storied Duncan Hotel Sold and Will Undergo Renovation*, NEW HAVEN REGISTER (2017), <https://www.nhregister.com/business/article/New-Haven-s-storied-Duncan-Hotel-sold-and-will-12196095.php>; Paul Bass, *Moratorium Sought to Protect SROs*, NEW HAVEN INDEP. (2017), [https://www.newhavenindependent.org/index.php/archives/entry/moratorium\\_sr/](https://www.newhavenindependent.org/index.php/archives/entry/moratorium_sr/);

For an example of supportive housing, see GREATER NEW HAVEN OPENING DOORS, GREATER NEW HAVEN REGIONAL HOUSING RESOURCE GUIDE, 43 (2014), <https://www.newhavenct.gov/civicax/filebank/blobdload.aspx?blobid=24536>.

<sup>97</sup> Brian J. Sullivan & Jonathan Burke, *Single-Room Occupancy Housing in New York City: The Origins and Dimensions of a Crisis*, 17 CUNY L. Rev. 113 (2013); Mary E. O’Leary, *Single-room Occupancy Units in New Haven on the Front burner*, NEW HAVEN REGISTER (2018), <https://www.nhregister.com/news/article/Single-room-occupancy-units-in-New-Haven-on-the-13400398.php>.

<sup>98</sup> *Homelessness in New Haven*, CONNECTICUT COALITION TO END HOMELESSNESS (June 2, 2011) [http://cceh.org/wp-content/uploads/2015/04/2011\\_New\\_Haven\\_Homelessness\\_Factsheet\\_FINAL\\_-\\_CCEH.pdf](http://cceh.org/wp-content/uploads/2015/04/2011_New_Haven_Homelessness_Factsheet_FINAL_-_CCEH.pdf). While levels of homelessness have declined somewhat since this survey was conducted in 2011, they increased again in 2018. See Brian Zahn, *Anti-homelessness Advocates Demand New Haven take Action*, NEW HAVEN REG. (Dec. 19, 2018), <https://www.nhregister.com/news/article/Anti-homelessness-advocates-demand-New-Haven-take-13473396.php>.

<sup>99</sup> Patsy Newitt, “*Bad Game of Musical Chairs:*” *The Downfall of Chicago’s Single-room Occupancies*, 14 EAST (Nov. 8, 2019), <http://fourteeneastmag.com/index.php/2019/11/08/bad-game-of-musical-chairs-the-downfall-of-chicagos-single-room-occupancies/>; OFFICE OF THE MAYOR OF CHICAGO, City Council Approves Ordinance to

like these—similar to the efforts of advocates for a moratorium on SRO displacement in New Haven in 2018—have failed without the support of substantial subsidies.<sup>100</sup> For New Haven, as for many cities, too many affordable units in SRO buildings have already been lost to rely on a defensive preservation strategy.

**Expanding SROs.** Instead, the City should work to not only preserve its existing supply but also expand from its current dearth of SROs. San Diego’s approach to SROs, a success acknowledged by the Harvard Kennedy School’s Innovations in Government award, is a national model for SRO development.<sup>101</sup> In 1987, San Diego passed a series of SRO ordinances that resulted in the rehabilitation of seven hundred existing SRO units and the construction of 2,200 new units over the next several years. Along with financial incentives for private developers in the form of subsidized loans and reduced cost for water and sewer connections, the City also required developers that displaced SROs to finance replacement affordable housing and reformed its zoning, building, and housing codes to make new SROs possible without subsidies.<sup>102</sup> A package of twenty-seven code changes removed parking requirements, permitted thinner fire safety materials in exchange for sprinkler installation, and reduced the distance required between sinks and toilets.<sup>103</sup> Today, the city’s Housing Commission retains oversight over conversion or demolition of SRO units, and its reforms continue to facilitate new SRO projects that typically involve supportive housing.<sup>104</sup> New Haven should adopt similar code changes to make SROs possible again.

**Short-Term Rental Regulation.** Limiting the conversion of long-term residential units to Airbnbs can preserve long-term rental housing stock like SROs.<sup>105</sup> Cities’ most effective approach, implemented in Los Angeles and elsewhere, is a cap on the number of days per year that a unit can be offered as a short-term rental.<sup>106</sup> This eliminates the incentive to convert long-term rental

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Preserve Affordable Single-Room Occupancy (SRO) Housing (Nov. 11, 2014), <https://www.chicago.gov/content/dam/city/depts/mayor/Press%20Room/Press%20Releases/2014/November/11.12.14APPSRO.pdf>. The ordinance requires owners of SRO units to notify tenants if a sale or redevelopment could cause their displacement, gives right of first refusal to affordable housing developers for six months after an SRO is put up for sale, and establishes an SRO Preservation Fund for those developers. However, it can take affordable housing developers multiple years to secure financing, by which point it is too late to protect former renters.

<sup>100</sup> See Paul Bass, *Moratorium Sought to Protect SROs*, NEW HAVEN INDEP. (2017), [https://www.newhavenindependent.org/index.php/archives/entry/moratorium\\_sr/](https://www.newhavenindependent.org/index.php/archives/entry/moratorium_sr/). See also SMALL SITES PROGRAM, SAN FRANCISCO MAYOR’S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT, <https://sfmohcd.org/small-sites-tenants>; *New York City Adopts Pilot Program Expanding “Certification of No Harassment” Law*, PRACTICAL LAW US (Jan. 19, 2018).

<sup>101</sup> *Single Room Occupancy Residential Hotel Program*, GOVERNMENT INNOVATORS NETWORK (1970), <https://www.innovations.harvard.edu/single-room-occupancy-residential-hotel-program>.

<sup>102</sup> *Id.*; David Garrick, *Disappearance of SRO Hotels Playing even Larger role in San Diego’s Homelessness Problem*, L.A. TIMES (2016), <https://www.latimes.com/local/california/la-me-0209-san-diego-sro-20160209-story.html>.

<sup>103</sup> Jason Deparle, *San Diego Sees Too Much of Success In Building Hotels to House the Poor*, N.Y. TIMES (July 13, 1993), <https://www.nytimes.com/1993/07/13/us/san-diego-sees-too-much-of-success-in-building-hotels-to-house-the-poor.html>.

<sup>104</sup> *Single-Room Occupancy (SRO) Units in the City of San Diego*, SAN DIEGO HOUSING COMMISSION, <https://www.sdhc.org/housing-opportunities/single-room-occupancy-units/>.

<sup>105</sup> Sarah Holder, *What Cities, Renters, and Employees Lose When Airbnb Comes to Town*, CITYLAB (Feb. 1, 2019), <https://www.citylab.com/equity/2019/02/study-airbnb-cities-rising-home-prices-tax/581590/>.

<sup>106</sup> See, e.g., Jeff Daniels, *Los Angeles’ Regulation That Has Been a Model for Other Jurisdictions*, CNBC (Dec. 12, 2018), <https://www.cnbc.com/2018/12/12/los-angeles-passes-regulation-targeting-airbnb-rental-hosts.html>.

housing into more lucrative Airbnbs while permitting occasional short-term rental use that does not cause displacement. Because SROs can often operate alongside hotel rooms, continuing to allow Airbnb in circumstances where it does not reduce the supply of long-term rentals exerts a downward pressure on hotel rents that may indirectly benefit SRO renters.<sup>107</sup> Another valuable model in Chicago prevents SRO conversion to short-term rentals by requiring 90% of SRO units to be occupied by the same tenants for more than thirty-two days consecutively.<sup>108</sup>

Currently, Connecticut does not preempt municipal ordinances on short-term rentals. Short-term rental regulation would preserve the primary use of SROs and other micro-units for New Haven residents while maintaining an Airbnb market. New Haven should adopt the policies outlined above to limit the conversion of long-term housing to short term rentals.

ii. Finance and develop accessory dwelling units.

Over the past five years, states and cities across the country have relaxed their restrictions on ADU construction. These are interior, attached, or detached residential units located on the same lot as a single-family home that can take the form of a converted garage, a secondary building in a backyard, or a basement apartment or home addition, among other options.<sup>109</sup> Governments, such as Oregon and Montgomery County, Maryland, have worked to effectively eliminate ADU bans in order to mitigate displacement and skyrocketing housing costs.<sup>110</sup> In New Haven specifically, estimates show ADU reform could provide roughly 200 new units of housing every year.<sup>111</sup>

ADUs can increase a city's housing stock and reduce income segregation by providing low-cost housing in fairly wealthy areas. While building new housing can be prohibitively expensive and perceived as risky by investors, ADUs are cheap to build and a low-risk alternative. In Portland, Oregon, the average cost to build attached and detached ADUs respectively is approximately \$45,000 and \$90,000.<sup>112</sup> In Los Angeles, California, an ADU generally costs \$25,000 to \$100,000 if it is converted from a garage and \$65,000 to \$100,000 if it is new ground up construction.<sup>113</sup> Encouraging ADUs is a targeted way to increase the amount of housing in New Haven's wealthiest neighborhoods. A zoning reform package paired with subsidies and support for homeowners would increase the amount of new housing units in single-family residential areas. These new units

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<sup>107</sup> Tarik Dogru, *Here's How Much Airbnb is Lowering Hotel Prices and Occupancy*, CITYLAB (MAY 29, 2019), <https://www.citylab.com/life/2019/05/heres-how-much-airbnb-is-lowering-hotel-prices-and-occupancy/590485/>.

<sup>108</sup> Chicago SRO Preservation Ordinance, <https://www.tenants-rights.org/category/rental-laws/chicago-laws/>.

<sup>109</sup> American Planning Association, *Accessory Dwelling Units*, KNOWLEDGEBASE COLLECTION, <https://www.planning.org/knowledgebase/accessorydwellings/>.

<sup>110</sup> Anna Fahey, et al., *2019: The Year Abundant Housing Turned the Corner*, SIGHTLINE INST. (Dec. 30, 2019), <https://www.sightline.org/2019/12/30/2019-the-year-abundant-housing-turned-the-corner/>; Ileana Schinder, *Montgomery County Just Made it Easier to Build an Accessory Apartment*, GREATER GREATER WASHINGTON (July 25, 2019), <https://ggwash.org/view/73141/montgomery-county-just-made-it-easier-to-build-an-accessory-apartment>.

<sup>111</sup> Thomas Breen, *Report: Housing Fixes Won't Cost \$*, NEW HAVEN INDEP. (Jan. 25, 2019), [https://www.newhavenindependent.org/index.php/archives/entry/affordable\\_housing\\_final/](https://www.newhavenindependent.org/index.php/archives/entry/affordable_housing_final/).

<sup>112</sup> STATE OF OREGON DEPARTMENT OF ENVIRONMENTAL QUALITY, *ACCESSORY DWELLING UNITS IN PORTLAND, OREGON: EVALUATION AND INTERPRETATION OF A SURVEY OF ADU OWNERS* (2014), <https://accessorydwellings.files.wordpress.com/2014/06/adusurveyinterpret.pdf>.

<sup>113</sup> LA Más, *Backyard Homes Build Home Equity + Increase Affordable Housing*, <https://static1.squarespace.com/static/5840c42cf5e2310b848ee53a/t/5aeba866352f53290db852b9/1525393538492/ADU+LISC+Focus+Group+%286%29.pdf>.

would deliver housing to people who are willing to pay enough to drive up the cost of housing in vulnerable communities but who currently can't afford to rent in the most expensive areas of the City.

iii. Encourage single-family home conversion to multifamily houses.

From the 1890s to 1940s, many cities relied on multi-family conversions to reduce construction costs and increase housing supply.<sup>114</sup> New Haven experienced a wave of conversions during the late 1930s because the government encouraged homeowners to convert their properties. In particular, homeowners in the Dwight and East Rock neighborhoods boosted residential space with such conversions.<sup>115</sup>

Conversions are a powerful tool to mitigate displacement because they address housing needs within shorter timeframes than demolition and new construction, and pose reduced environmental risk compared to demolition and new construction.<sup>116</sup>

In response to racial displacement claims in Raleigh in 2019, local planning officials encouraged the city to support vulnerable communities by empowering homeowners to turn their single-family properties into multifamily units, leveraging financing from federal Opportunity Zones.<sup>117</sup> This program helped struggling residents stay in their communities. New Haven should implement similar pro-conversion policies.<sup>118</sup>

iv. Create financing tools to encourage new small-scale construction.

New Haven homeowners often have limited financial resources to convert buildings or build ADUs, projects with a price tag that can range from \$8,000 to \$100,000.<sup>119</sup> To minimize this feasibility gap, the City could offer low-interest loans to help finance conversions and ADUs.

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<sup>114</sup> Emily Liu, *The Creation of Urban Homes: Apartment Buildings in New Haven, 1890-1930* (2006), [https://digitalcommons.law.yale.edu/cgi/viewcontent.cgi?article=1035&context=student\\_legal\\_history\\_papers](https://digitalcommons.law.yale.edu/cgi/viewcontent.cgi?article=1035&context=student_legal_history_papers).

<sup>115</sup> *Id.*; Paul Bass, *From Ashes of Disaster, A Challenge Arises*, NEW HAVEN INDEP. (Jan. 22, 2019), [https://www.newhavenindependent.org/index.php/archives/entry/church\\_street\\_southjjonathan\\_hopkins/](https://www.newhavenindependent.org/index.php/archives/entry/church_street_southjjonathan_hopkins/).

<sup>116</sup> *Midtown Equities to Redevelop Empire Stores and St. Ann's Warehouse to Develop Tobacco Warehouse at Brooklyn Bridge Park*, MikeBloomberg.com (Sept. 4, 2013), <https://web.archive.org/web/20131211012140/http://mikebloomberg.com/index.cfm?objectid=E99DF405-C29C-7CA2-F6F4E9B623E06B15> (last visited Apr 22, 2020).

Steve Smith, *Supply Meets Demand: Converting Office Space to Multifamily GlobeSt* (July 30, 2019), <https://www.globest.com/2019/07/30/supply-meets-demand-converting-office-space-to-multifamily/?slreturn=20200321213152>.

<sup>117</sup> Anna Johnson, *Gentrification Talk in Raleigh Reveals Tensions in a Changing City*, NEWS OBSERVER (June 28, 2019),

<https://www.newsobserver.com/news/local/article232068082.html>; Emily Badger, Quoctrung Bui & Robert Gebeloff, *The Neighborhood Is Mostly Black. The Home Buyers Are Mostly White*, N.Y. TIMES (Apr. 27, 2019), <https://www.nytimes.com/interactive/2019/04/27/upshot/diversity-housing-maps-raleigh-gentrification.html>.

<sup>118</sup> Thomas Breen, *Opportunity (Zone) Beckons*, NEW HAVEN INDEP. (Apr. 10, 2019), [https://www.newhavenindependent.org/index.php/archives/entry/opportunity\\_zones/](https://www.newhavenindependent.org/index.php/archives/entry/opportunity_zones/).

<sup>119</sup> See HR&A Inclusionary Zone Report; LA Más, *Backyard Homes Build Home Equity + Increase Affordable Housing*, <https://static1.squarespace.com/static/5840c42cf5e2310b848ee53a/t/5aeba866352f53290db852b9/1525393538492/ADU+LISC+Focus+Group+%286%29.pdf>.

The City could also encourage the construction of units that create the greatest social benefit by providing subsidized financing to allow specific populations to create ADUs or conversions. New Haven could follow in the footsteps of Boston and Denver which provide zero interest or forgivable loans to low- and moderate-income homeowners for ADU construction.<sup>120</sup> It could also create its own version of these programs or encourage nonprofits to raise money for similar services. The Los Angeles non-profit LA Más, for instance, runs a program with the support of the City to provide subsidized loans to finance the construction of ADUs that will house tenants with Section 8 vouchers for five years or longer.<sup>121</sup> New Haven could use this model to encourage ADU construction and building conversions.

New Haven could also help builders and homeowners navigate ADU, SRO, and conversion regulations and the zoning code by improving information available to residents and small developers via one-on-one consulting or an accessible online FAQ.

*b. State-level advocacy*

*i. Push for statewide zoning reform.*

While New Haven can take substantial action to improve its own zoning laws, the most effective way to relieve the pressure on the City's housing market is statewide reform of land use controls. ADUs, SROs, and multifamily housing should be permitted across the state, including in well-off suburbs. With more naturally-occurring affordable housing spread evenly throughout Connecticut, there would be far less need for such housing in New Haven.

New Haven could advocate for Connecticut to pursue a law similar to California's 2019 or Oregon's 2017 land use reforms, which require local governments to relax their zoning for SROs, ADUs, and conversions and spread housing density throughout the state.

Oregon led the way on zoning reform in 2017.<sup>122</sup> The state legislature mandated that municipalities allow the construction of at least one additional unit for each detached single-family home, subject to reasonable local regulations. The potency of the Oregon law is in its simplicity. It established a clear right to build and then strictly and clearly defined "reasonable local regulation" to prevent local governments from abusing the law's accommodations. Oregon has also published a useful model zoning code for local governments.

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<sup>120</sup> CITY OF BOSTON, ADDITIONAL DWELLING UNIT TOOLKIT (Apr. 15, 2020), <https://www.boston.gov/departments/neighborhood-development/addition-dwelling-units/adu-toolkit>; DENVER CITY AND COUNTY OF DENVER, CITY COUNCIL APPROVES ACCESSORY DWELLING UNIT LOAN PROGRAM (May 13, 2019), <https://www.denvergov.org/content/denvergov/en/denver-office-of-economic-development/newsroom/2019/ADU-Program.html>.

<sup>121</sup> *The Backyard Homes Project: An Affordable Housing Initiative*, LA MÁS, <https://www.mas.la/affordable-adus>.

<sup>122</sup> OREGON DEPARTMENT OF LAND CONSERVATION AND DEVELOPMENT, GUIDANCE ON IMPLEMENTING THE ACCESSORY DWELLING UNITS (ADU) REQUIREMENT (2019), [https://www.oregon.gov/lcd/Publications/ADU\\_Guidance\\_updatedSept2019.pdf](https://www.oregon.gov/lcd/Publications/ADU_Guidance_updatedSept2019.pdf).

In 2019, California also took a substantial step forward in creating a meaningful right to new unit construction across the state.<sup>123</sup> California now requires that municipalities allow homeowners to build two additional units per single-family dwelling. Importantly, California explicitly addressed parking minimums in its reform package. Parking minimums can easily derail an attempt to develop a property since compliance with these requirements can be quite costly. In California, new units that meet code requirements now no longer need to add parking if they are built within the existing floor space of a house or a previously existing accessory structure such as a detached garage. Replacement parking is also no longer required for primary dwelling units when a garage is demolished or converted to create an ADU. Finally, the state removed parking requirements entirely for new units located close to public transit, including SROs.

Such a law in Connecticut would relieve the pressure on New Haven to provide housing as other municipalities in the metropolitan area would have to step up to provide new units. Statewide reforms should make it easier to build SROs and permit homeowners to contribute to growing the housing stock. The wealthy suburbs of New Haven should have to build new housing in order to take pressure off the vulnerable populations in urban areas that face potential displacement.

Of course, Connecticut could go further than either California or Oregon and adopt a statewide policy based on the zoning reform implemented by Minneapolis.<sup>124</sup> Allowing triplexes across the state on nearly every lot would rapidly reduce housing costs and displacement. While this reform may be difficult to accomplish, New Haven should be part of the initial advocacy to build a coalition that could create support for this kind of zoning reform.

ii. Request state-level financing support.

New Haven could lobby the state to provide subsidized loans for ADU construction and conversions. The state's Apartment Conversion for the Elderly Program through the Connecticut Housing Finance Authority (CHFA) provides low-interest loans to those who wish to add an ADU to their single-family home for residents over the age of 62.<sup>125</sup> The City should ask the state to expand the coverage of this program to all homeowners who want to add units to their home, regardless of the occupant's age.

iii. Advocate for allowing differentiated permitting fees.

New Haven could create a permitting fee exemption for ADUs, conversions, and SROs. The cost of building these units is relatively low, but construction permit fees create an unnecessary burden. For example, a newly-built ADU costing \$80,000 would currently require a nearly \$2,500 permitting fee.<sup>126</sup> This additional cost disincentivizes the construction of housing when the City

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<sup>123</sup> Derek Leavitt, *The 12 Most Critical 2020 ADU Rule Changes for California*, MODATIVE: ADU BLOG (Jan. 14, 2020), <http://www.modative.com/adu-blog/the-12-most-critical-2020-adu-rule-changes-for-california>.

<sup>124</sup> Patrick Sisson, *Inside Minneapolis's Plan to Tackle Affordability and Climate Change*, CURBED (Nov. 27, 2018), <https://www.curbed.com/2018/11/27/18113208/minneapolis-real-estate-rent-development-2040-zoning>.

<sup>125</sup> CONNECTICUT HOUSING FINANCE AUTHORITY, HOME MORTGAGE PROGRAMS OPERATING MANUAL (2017), [https://www.chfa.org/assets/1/6/operating\\_manual\\_-\\_section\\_10\\_apartment\\_conversion\\_for\\_the\\_elderly\\_\(ace\)\\_program.pdf](https://www.chfa.org/assets/1/6/operating_manual_-_section_10_apartment_conversion_for_the_elderly_(ace)_program.pdf).

<sup>126</sup> James Turcio, *Extended Fee Schedule for Construction Permits*, CITY OF NEW HAVEN (Jun. 6, 2016), <https://www.newhavenct.gov/civicax/filebank/blobdload.aspx?blobid=24342>.



desperately needs it. Changing permitting fees could be an effective way to encourage construction, but variation between permitting fees for different types of construction are prevented by state law. For New Haven to use this tool, it would need to ask the state to change this restriction.

### III. Foreclosure Protection

Foreclosure has been a major driver of displacement and growing inequality in the past decade. In the wake of the Great Recession, some nine million families nationwide lost their home to foreclosures or short sales.<sup>127</sup> Connecticut has been no exception: at the peak of the crisis in 2010, nearly 6,200 homeowners in the state lost their homes to foreclosure.<sup>128</sup> Nor was New Haven: between 2008 and 2018, the City saw 2,357 foreclosures.<sup>129</sup>

While local governments are often limited in their abilities to regulate foreclosure, New Haven has significant discretion and power to soften the impact on homeowners from foreclosures due to unpaid taxes and other municipal debts. Government-driven foreclosures—through tax, sewer, or other municipal liens—have been less politically salient over the past decade than the subprime mortgage crisis. But tax liens have contributed, across the country, to what consumer advocates have termed “the other foreclosure crisis.”<sup>130</sup>

This section of the report provides (1) background on “the other foreclosure crisis” at the national, state, and local level, (2) recommendations to improve municipal tax lien foreclosures, (3) suggestions for how the City might implement or recommend comparable changes at the Greater New Haven Water and Pollution Control Authority (GNHWPCA), and (4) state-level reforms for which the City can advocate. Because state action is required to temper the displacement impact of foreclosures more broadly, this report focuses on foreclosures resulting from tax and water liens, an area over which the City has discretion and can sometimes unilaterally improve.

#### *a. National background*

Nationally, tax lien foreclosures drive income inequality and displace low-income homeowners.

**Tax debt can be a major driver of home loss.** Every state has laws that permit local governments to foreclose on and sell properties that are tax delinquent.<sup>131</sup> These statutes almost always give government tax liens first priority status, including over mortgages.<sup>132</sup> As a result, foreclosure is a method government entities often choose to recover delinquent taxes—even when homeowners may be underwater and unable to pay off any mortgage debt with a foreclosure sale. Tax foreclosures have become a major issue during and following the foreclosure crisis in two ways. First, homeowners with subprime loans were at high risk of falling behind on their taxes. Because the majority of these loans made before 2008 did not include an escrow account, even homeowners who were otherwise current on their loan payments could fall behind on taxes and insurance.<sup>133</sup>

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<sup>127</sup> Alana Semuels, *The Never-Ending Foreclosure Crisis*, THE ATLANTIC (Dec. 1, 2017), <https://www.theatlantic.com/business/archive/2017/12/the-never-ending-foreclosure/547181/> (tracking foreclosures between 2006 and 2014).

<sup>128</sup> Andrew Bolger, *Connecticut Housing Market Snapshot 2019*, CONN. HOUSING FINANCE AUTH. 13 (Aug. 2019), [https://www.chfa.org/assets/1/6/Connecticut\\_Housing\\_Market\\_Snapshot.pdf](https://www.chfa.org/assets/1/6/Connecticut_Housing_Market_Snapshot.pdf).

<sup>129</sup> *Id.*

<sup>130</sup> John Rao, *The Other Foreclosure Crisis: Property Tax Lien Sales*, NAT’L CONSUMER L. CTR. (July 2012), [https://www.nclc.org/images/pdf/foreclosure\\_mortgage/tax\\_issues/tax-lien-sales-report.pdf](https://www.nclc.org/images/pdf/foreclosure_mortgage/tax_issues/tax-lien-sales-report.pdf).

<sup>131</sup> *Id.* at 4.

<sup>132</sup> *Id.*

<sup>133</sup> *Id.* at 10.

Second, reverse mortgages have become a source of displacement related to property taxes. These financial products allow older homeowners to draw on the equity of their homes,<sup>134</sup> but can lead to displacement when nonpayment of taxes and insurance triggers foreclosure.<sup>135</sup>

**Over the past decade, tax-lien foreclosures' have contributed to displacement and harmed homeowners, in both rising and falling property markets.** During economic downturns, property tax foreclosures have been a significant driver of property loss and displacement. In many cities, property tax assessments were not updated even as the market values of properties declined. As a result, homeowners struggled to make payments and were foreclosed on for nonpayment of taxes they should not have owed. These dynamics have decimated communities in certain cities. In Detroit, a quarter of properties in the city—more than 100,000 units—were foreclosed on for nonpayment of property taxes between 2011 and 2018.<sup>136</sup> Overassessment by the city taxing authority may have been a major contributor to that home loss. According to estimates by *The Detroit News* and *Reveal*, more than 90% of the homes with delinquent debt as of the fall of 2019 had been over-assessed—by an average of at least \$3,700—between 2010 and 2016.<sup>137</sup> Across cities, these burdens fall unequally on homeowners in predominantly non-White communities. When cities fail to update tax assessments, residents of predominantly White neighborhoods tend to benefit: the market value of their homes have generally risen much faster than those of homeowners in predominantly Black neighborhoods, so outdated assessments can keep their property tax bills artificially low. Homeowners of color, by contrast, pay a higher-than-warranted share of city property taxes in many cities, and may face an increased risk of delinquency and foreclosure as a result of that burden.<sup>138</sup>

In cities with rising property markets, property tax foreclosure can again be a source of displacement, particularly for low-income homeowners. This dynamic is also at play when cities update tax assessments to account for changing property values. These systematic updates can address the city-wide disparate impact of outdated assessments, but may accelerate displacement in neighborhoods with rising property values. When homes in areas with increasing property values face increased tax-bills for the first time, long-time homeowners in these neighborhoods may struggle to keep up.<sup>139</sup> The result may be a wave of tax delinquency and foreclosure among long-time, lower-income property owners.

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<sup>134</sup> Martin Neil Baily et al., *The Unfulfilled Promise of Reverse Mortgages: Can a Better Market Improve Retirement Security?*, BROOKINGS 5 (2019), [https://www.brookings.edu/wp-content/uploads/2019/10/ES\\_20191024\\_BailyHarrisWang-1.pdf](https://www.brookings.edu/wp-content/uploads/2019/10/ES_20191024_BailyHarrisWang-1.pdf).

<sup>135</sup> Rao, *supra* note 135, at 10.

<sup>136</sup> Bernadette Atuahane & Christopher Berry, *Taxed Out: Illegal Property Tax Assessments and the Epidemic of Tax Foreclosures in Detroit*, 9 U.C. IRVINE L. REV. 847 (2019), <https://scholarship.law.uci.edu/ucilr/vol9/iss4/3/>.

<sup>137</sup> Christine MacDonald & Mark Betancourt, *Detroit Homeowners Overtaxed \$600 Million*, DETROIT NEWS (Jan. 11, 2020, 3:47 PM), <https://www.detroitnews.com/story/news/local/detroit-city/housing/2020/01/09/detroit-homeowners-overtaxed-600-million/2698518001/>.

<sup>138</sup> Richard Rothstein, *The Neighborhoods We Will Not Share*, N.Y. TIMES (Jan. 20, 2020), <https://www.nytimes.com/2020/01/20/opinion/fair-housing-act-trump.html>.

<sup>139</sup> Tanvi Misra, *How Gentrification Affected Philadelphia's Homeowners*, CITYLAB (May 4, 2018), <https://www.citylab.com/equity/2018/05/how-gentrification-affected-philadelphias-homeowners/559469/>; Lei Ding & Jackelyn Hwang, Fed. Reserve Bank of Phila., *Effects of Gentrification on Homeowners: Evidence from a Natural Experiment* (2018), <https://www.philadelphiafed.org/-/media/community-development/publications/discussion-papers/discussionpaper-effects-of-gentrification-on-homeowners.pdf>.

Connecticut law aims to prevent these kinds of displacement cycles from taking hold in its cities. By law, each municipality must revalue property every five years, although deferrals are also authorized.<sup>140</sup> This requirement for regular revaluation may minimize at least some of the risk of displacement by ensuring that property tax burdens account for actual property values. Even with this major protection in place, however, property tax burdens could still lead to displacement, particularly of lower-income homeowners. Even a five-year lag in property tax reassessment could fail to account in the shorter-term for swings in property values, particularly if the impact of an economic crisis and any later recovery are uneven across neighborhoods.

**Tax foreclosures contribute to economic inequality.** Tax foreclosures contribute to community displacement and dislocation.<sup>141</sup> In many cities, large-scale investors make up a large portion of buyers of tax-foreclosed homes. For instance, of the homes sold at tax auction in Detroit between 2005 and 2015, nearly 90% went to speculative investors buying in bulk.<sup>142</sup> These investors displace owner-occupied homes and, even worse, often leave properties vacant, particularly during market downturns.<sup>143</sup>

Tax foreclosures, in particular, can also destroy the largest source of wealth for many families: the equity they have in their homes. Because cities may initiate tax-lien foreclosures or sales over only a few hundred or thousand dollars in back taxes, the resulting foreclosures can destroy thousands (or even hundreds of thousands) of dollars in equity when the properties are sold at auction.<sup>144</sup> Tax foreclosures on reverse mortgages can likewise eliminate many families' best mechanisms for passing on intergenerational wealth.<sup>145</sup>

#### *b. State and local context*

Connecticut and New Haven policies allow for municipal tax lien foreclosures.

**Connecticut's Tax Lien Laws.** Connecticut law gives municipalities a number of tools to collect on unpaid property tax debt that increase the likelihood that homeowners will be displaced by foreclosure. By statute, property tax delinquencies are generally subject to an 18% annual interest

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<sup>140</sup> See Conn. Gen. Stat. § 12-62(b)(1), (d)(2).

<sup>141</sup> See Michael Sallah et al., *Left with Nothing*, WASH. POST (Sept. 8, 2013), <https://www.washingtonpost.com/sf/investigative/2013/09/08/left-with-nothing/>; Kriston Capps, *How the 'Black Tax' Destroyed African-American Homeownership in Chicago*, CITYLAB (June 11, 2015), <https://www.citylab.com/equity/2015/06/how-the-black-tax-destroyed-african-american-homeownership-in-chicago/395426/>.

<sup>142</sup> Joshua Akers & Eric Seymour, *The Eviction Machine: Neighborhood Instability and Blight in Detroit's Neighborhoods* 19 (Poverty Solutions at the U. of Mich. Working Paper #5-19, 2019), <https://poverty.umich.edu/files/2019/08/Akers-et-al-Eviction-Machine-Revised-August-12.pdf>

<sup>143</sup> Nate Berg, *Who's Buying Foreclosed Homes and Why It's a Problem*, CITYLAB (Oct. 13, 2011), <https://www.citylab.com/equity/2011/10/whos-buying-foreclosures-and-why-its-problem/288/>.

<sup>144</sup> Rao, *supra* note 135, at 4.

<sup>145</sup> Nick Penzenstadler & Jeff Kelly Lowenstein, *Seniors Were Sold a Risk-Free Retirement with Reverse Mortgages. Now They Face Foreclosure*, USA TODAY (Dec. 18, 2019, 4:45 pm), <https://www.usatoday.com/in-depth/news/investigations/2019/06/11/seniors-face-foreclosure-retirement-after-failed-reverse-mortgage/1329043001/>.

rate.<sup>146</sup> Connecticut law also automatically creates a lien for any unpaid taxes on the item of real estate.<sup>147</sup> This tax lien has priority over all other encumbrances, including mortgages.<sup>148</sup>

Two of the primary ways that state law authorizes municipalities like New Haven to collect unpaid tax liens can lead to displacement. First, the state authorizes cities to collect delinquent property taxes by foreclosing on the property that high-priority lien secures.<sup>149</sup> In judicial foreclosures, municipalities can recover court costs, reasonable appraiser's fees, and reasonable attorney's fees incurred.<sup>150</sup> While state law creates a statutory right of redemption, individuals must pay off high interest charges, plus these potentially substantial fees and costs, in addition to the underlying debt, in order to save the property.<sup>151</sup> State law further authorizes courts acting under § 12-181 to "limit the time for redemption" and "order the sale of the real estate."<sup>152</sup>

Another contributor to displacement in state law is the authorization for municipalities to sell tax liens to third-party debt buyers.<sup>153</sup> This tax sale process, unlike a statutory tax foreclosure under § 12-181 or 12-182, is "entirely extra-judicial."<sup>154</sup> Collectors are required to provide a minimum level of notice, but few other procedural protections exist. This practice can still lead to increased and unnecessary displacement—and possible increased costs for cities. As explained above, one study found that bulk buyers and investors purchased 90% of Detroit area tax foreclosures—a process which led to significant blight eventually costing the city \$34 million to demolish the homes.<sup>155</sup> And Connecticut's extremely high interest rates, in comparison with historically low market interest rates, means the state's tax liens can result in high returns and are particularly valuable to investors. This high risk of displacement is not necessary, as foreclosure is not the sole means for cities to collect delinquent municipal debt (see descriptions of alternatives below).

**New Haven's tax-foreclosure policy.** New Haven has taken steps to protect homeowners that other Connecticut cities have not, yet New Haven's current policy of refusing to sell tax liens to debt buyers protects homeowners, yet the City's tax foreclosure practices still risk displacement of many long-standing homeowners.

Property taxes make up just over half of the City's revenue.<sup>156</sup> Because of Connecticut's decentralized governmental structure and the wealth disparities across its 169 communities, cities like New Haven, populated disproportionately by low-income people and people of color, impose

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<sup>146</sup> Conn. Gen. Stat. § 12-145 (noting 1.5% interest for each month or fraction of a month delinquent).

<sup>147</sup> Conn. Gen. Stat. § 12-172.

<sup>148</sup> Conn. Gen. Stat. § 12-175.

<sup>149</sup> Conn. Gen. Stat. § 12-181. Cities can also collect through summary foreclosure (Conn. Gen. Stat. § 12-182 *et seq.*); tax warrants (Conn. Gen. Stat. § 12-135); or a civil collection action (Conn. Gen. Stat. § 12-161).

<sup>150</sup> Conn. Gen. Stat. § 12-193.

<sup>151</sup> Conn. Gen. Stat. § 12-189.

<sup>152</sup> Conn. Gen. Stat. § 12-181.

<sup>153</sup> Conn. Gen. Stat. § 12-157.

<sup>154</sup> *Pace Motor Lines, Inc. v. Biagiarelli*, 17 Conn L. Rptr. 77 (Conn. Super. Ct. 1996).

<sup>155</sup> Patrick Cooney & Amanda Nothaft, *Stopping the Eviction Machine in Detroit*, U. MICH. POVERTY SOLUTIONS (Oct. 2019), <https://poverty.umich.edu/files/2019/10/PovertySolutions-EvictionMachine-PolicyBrief-r2-edited.pdf>.

<sup>156</sup> See City of New Haven Adopted Budget Fiscal Year 2018-2019, at 1-27 (May 28, 2019), <https://www.newhavenct.gov/civicaax/filebank/blobload.aspx?blobid=35423>

high property tax burdens to deliver government services.<sup>157</sup> In fiscal year 2020, the mill rate (tax payable per dollar of assessed value) in New Haven was 42.98, while the rates in its surrounding suburbs—North Haven (31.18), Branford (29.07), and Orange (32.59)—were far lower.<sup>158</sup> As a result, tax delinquency remains a real issue in the City. In fiscal year 2018, the City had 2,400 unpaid real estate liens.<sup>159</sup>

New Haven does not currently sell tax liens to third-party debt buyers,<sup>160</sup> despite authorization under state law and a need to fill budgetary gaps. This policy results in part from a recognition, based on past experience, that turning to such sales could harm both homeowners and the City in the long term.<sup>161</sup> While selling tax liens can be particularly tempting during economic downturns, New Haven should not return to such a practice even as it may currently face a budget shortfall in the wake of COVID-19.

But foreclosure by the City itself continues to be used to recover unpaid debt. In the past several years, the City has acquired via foreclosure a large portfolio of properties it must maintain and manage. From July 1, 2018 to June 30, 2019, the City acquired 17 vacant buildings, 4 vacant lots, 17 single unit properties and 3 two-unit properties through foreclosure.<sup>162</sup> During that time period, the City maintained a total of 150 foreclosed properties, including both vacant structures and vacant lots.<sup>163</sup> These properties, no longer occupied at least for the moment by either homeowners or renters, burden the City financially and cannot serve, at least in the short term, as a source of neighborhood stability.

**Sewer and water liens.** The GNHWPCA is another entity whose debt-collection practices may push low-income homeowners out of their homes. A separate entity under state law, the GNHWPCA was created in 2005 by New Haven, East Haven, Hamden, and Woodbridge.<sup>164</sup> As a result of the Authority's quasi-governmental status, the City does not have direct control over its

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<sup>157</sup> Bo Zhao & Jennifer Weiner, *Measuring Municipal Fiscal Disparities in Connecticut* 8-10, FED. RES. BANK BOS. (New England Pub. Pol'y Ctr. Research Report 15-1, May 2015), <https://www.bostonfed.org/-/media/Documents/Workingpapers/PDF/economic/neppc/researchreports/2015/nepperr1501.pdf>.

<sup>158</sup> Fiscal Year 2020 Mill Rates, CONN. OFFICE POL'Y & MGMT, <https://portal.ct.gov/-/media/OPM/IGPP-Data-Grants-Mgmt/FY-2020-Mill-Rates.pdf?la=en>.

<sup>159</sup> See Maria R. Salatto-Gilhuly, *Op-Ed: Tax lien sale best option for New Haven*, NEW HAVEN REG. (Jan. 28, 2019, 1:35 PM), <https://www.nhregister.com/opinion/article/Op-Ed-Tax-lien-sale-best-option-for-New-Haven-13567509.php>. Public data or information on whether such liens are on residential or commercial property is not readily available.

<sup>160</sup> See *id.*; Susan Campbell, *Tax Liens Sales in Connecticut Often Target the Most Financially Vulnerable*, CONN. PUB. RADIO (Feb. 24, 2016), <https://www.wnpr.org/post/tax-liens-sales-connecticut-often-target-most-financially-vulnerable>.

<sup>161</sup> See Paul Bass, *Lien, Mean, and Breen*, NEW HAVEN INDEP. (Aug. 4, 2002), <http://web.archive.org/web/20020804165202/www.newhavenadvocate.com/articles/breen.html>; Dave Altimari, Josh Kovner & Colin Poitras, *Hardball Tax Collector Draws Fire*, Hartford Courant (July 4, 1998), <https://www.courant.com/news/connecticut/hc-xpm-1998-07-04-9807040121-story.html>.

<sup>162</sup> City of New Haven, Consolidated Annual Performance and Evaluation Report 2018-2019, at 7 (Sept. 27, 2019), <https://www.newhavenct.gov/civicax/filebank/blobdload.aspx?blobid=35282>.

<sup>163</sup> *Id.* Public information on the types of properties—including whether they had been residential, owner-occupied homes before foreclosure—is not available.

<sup>164</sup> About GNHWPCA, GREATER NEW HAVEN WATER POLLUTION CONTROL AUTHORITY <https://gnhwpc.com/about-gnhwpc/about-gnhwpc/> (last visited Apr. 21, 2020) (discussing authorization under Conn. Gen. Stat. § 22a-500 *et seq.*).

collections and foreclosure policy. The Mayor does, however, have the authority to appoint four of the nine members of the Board of Directors—giving the City substantial leverage over these practices.<sup>165</sup>

The Authority provides sewer and wastewater treatment services for properties in New Haven. Because it cannot terminate service as a means of encouraging timely payment of outstanding bills,<sup>166</sup> the Authority regularly uses debt collection tools, including foreclosure. Sewer connection charges and any other bills that are not paid within 30 days of their due dates become delinquent and accrue interest at the same 18% annual rate state law sets for property tax delinquencies.<sup>167</sup> These liens take priority over all other liens except for property tax liens.<sup>168</sup> Under state law, regional water control authorities like GNHWPCA can foreclose “in accordance with the provisions of the general statutes for the collection of property taxes.”<sup>169</sup> Under current policy, GNHWPCA refers accounts to collections agencies when debts are more than 90 days old and total more than \$90. When the balance exceeds \$1,000, GNHWPCA authorizes the collection agency to generate a final warning and proceed with a foreclosure suit.<sup>170</sup> At the average residential rate, a \$1,000 delinquency can rack up with two years of unpaid sewer bills.<sup>171</sup> GNHWPCA has filed a large number of foreclosures in the decade and a half since New Haven and other municipalities spun it off into a regional entity.<sup>172</sup> Even when these actions do not result in a change in ownership, they impose additional and significant costs on already-burdened property owners.

### *c. New Haven policy proposals*

New Haven has the ability to limit the impact of tax lien foreclosures on homeowners while maintaining tax collection efforts. The policies suggested below recognize that New Haven relies on local property taxes to a significant degree. The suggestions therefore aim to balance the City’s interests in a stable budget with a goal of limiting displacement and enabling local homeowners to build and pass down wealth. This section first outlines policies aimed at preventing tax lien foreclosures. Second, this section outlines policies that will limit the impact of foreclosures on homeowners. Last, this section outlines policies the City may choose to pursue in light of COVID-19.

### **New Haven can *prevent* foreclosure filings through policies that maintain or increase rates of tax collection.**

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<sup>165</sup> See GNHWPCA Bylaws Art. II, § 2.1-2, [https://gnhwpc.com/wp-content/uploads/2017/12/Bylaws\\_Amended\\_2008-01-08\\_2.pdf](https://gnhwpc.com/wp-content/uploads/2017/12/Bylaws_Amended_2008-01-08_2.pdf).

<sup>166</sup> Letter from Greater New Haven Water Pollution Control Authority to Members of Planning and Development Committee of the Connecticut House of Representatives (Mar. 16, 2018), <https://www.cga.ct.gov/2018/PDdata/Tmy/2018HB-05509-R000316-Greater%20New%20Haven%20Water%20Pollution%20Control%20Auth.-TMY.PDF>.

<sup>167</sup> Conn. Gen. Stat. § 7-258.

<sup>168</sup> *Id.*

<sup>169</sup> *Id.*

<sup>170</sup> Letter from GNHWPCA, *supra* note 171.

<sup>171</sup> *Id.*

<sup>172</sup> Christopher Peak, *Sewer Authority on New Foreclosure Tear*, NEW HAVEN INDEP. (Jul 17, 2017 12:10 PM) [https://www.newhavenindependent.org/index.php/archives/entry/WPCA\\_foreclosures/](https://www.newhavenindependent.org/index.php/archives/entry/WPCA_foreclosures/).

i. Enable homeowners to enroll in payment plans.

Once homeowners become delinquent, the City should offer repayment plans. This policy would likely increase revenue by making some level of repayment more likely in the short term, as homeowners would not need to make large, lump-sum payments to cure the delinquency. The policy would also ensure that delinquent taxes do not become impossible for homeowners to repay due to the accrual of interest and other fees. While such a program may require administrative oversight, the program will ensure increased tax collection in the short term and may avoid the legal and administrative costs of pursuing foreclosure. The City should provide significant notice of such programs for delinquent homeowners. New York City, New York; York County, Pennsylvania; and Newport News, Virginia have adopted such policies.<sup>173</sup> Repayment plans could also be tailored to meet the specific needs of lower-income, longstanding homeowners. Other states and cities have taken up this model. For example, a new Michigan statute allows qualifying extremely low-income homeowners to repay a reduced principal over three years at zero percent interest.<sup>174</sup>

ii. Avoid or delay foreclosure filings.

The City could choose not to pursue foreclosure for residential properties, a policy that would still allow it to recover back taxes at time of sale. Should the City continue to foreclose on tax lien properties, it could at least wait to recover on its tax lien until a time that would be least disruptive for homeowners and communities—for example, at time of the homeowner’s death. This policy would minimize displacement and other negative impacts from tax lien foreclosures.

iii. Improve notice.

A National Consumer Law Center report notes that most states can improve the notice municipalities provide to homeowners facing tax lien foreclosures on their pre- and post-sale rights. A New York City abatement program requiring significant notice to homeowners—with information about existing exemptions and payment plans—successfully decreased the number of properties on their tax lien sale list from 12,525 ninety days prior to sale to just 2,045 properties included in the final sale.<sup>175</sup> Such a program simply prioritizes informing homeowners of their rights under existing law.

The City should ensure that homeowners are properly notified of existing or new programs. Furthermore, New Haven should collect and publicize information regarding its tax foreclosure practices and policies, including, for example, the following: data on tax foreclosures (e.g., location, length of delinquency before referral), data on delinquent taxes (e.g., amount delinquent), and policies for referring liens to private counsel for foreclosure.

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<sup>173</sup> Rao, *supra* note 135, at 21.

<sup>174</sup> Michigan Pay as You Stay, House Bill 5124 (2020); Kurt Nagl, *Whitmer Signs ‘Pay As You Stay’ Bill Aimed at Reducing Foreclosures*, CRAIN’S DETROIT (Mar. 2, 2020 12:03 PM), <https://www.crainsdetroit.com/government/whitmer-signs-pay-you-stay-bill-aimed-reducing-foreclosures>.

<sup>175</sup> Rao, *supra* note 135, at 21.



**New Haven can reduce the *impact* of delinquent taxes and tax lien foreclosures on homeowners.**

iv. Limit fees.

New Haven can minimize fees charged if the City does refer the property to foreclosure. For example, the City can cap attorney's fees or use in-house counsel instead of referring the case to private attorneys. Limiting fees would make it easier for homeowners to repay the amount owed once a foreclosure is initiated.

v. Prioritize referrals to foreclosure.

New Haven, to the extent it is able, should prioritize referring properties to foreclosure that are commercial or non-owner occupied (while still ensuring protections for tenants). With such a policy, the City would be able to recover delinquent taxes while limiting displacement.

vi. Adopt policies to protect homeowners during COVID-19.

To the extent state and federal funds become available, the City should make use of these funds to implement the above policies, as well as Governor Lamont's Executive Order<sup>176</sup> limiting municipal tax foreclosures. The City should also consider methods for communicating state and federal programs protecting mortgagors during the COVID-19 emergency. The City has decided to participate in both tax relief programs (rather than just one, the minimum required) that the Governor has authorized to respond to the COVID-19 crisis—allowing for 90-day deferral of taxes and setting the maximum interest rate at three percent for certain delinquent payments.<sup>177</sup> The City, however, is projected to face a \$15 million budget shortfall.<sup>178</sup> While New Haven may, in the short term, experience an acute need for tax revenues, collecting such revenues through tax lien foreclosures would worsen the City's financial position, economic inequality, and displacement in the medium- and long-term. Therefore, to the extent allowed by state law, New Haven should continue to offer these and other programs that will better allow homeowners and other property owners to weather this crisis.

*d. Proposals for parallel policy reforms at the GNHWPCA*

New Haven should advocate for changes in GNHWPCA policies parallel to the above recommendations for New Haven (payment plans, improved notice, limited fees, and prioritized referrals). Specifically, as of 2017, repayment plans were not regularly offered or advertised in GNHWPCA delinquency letters.<sup>179</sup> The Authority can make repayment plans available to

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<sup>176</sup> State of Connecticut, Executive Order No. 7S: Protection of Public Health and Safety During COVID-19 Pandemic and Response - Safe Stores, Relief for Policyholders, Taxpayers, and Tenants.

<sup>177</sup> Mary E. O'Leary, *New Haven Adopts 2 tax Deferral Options for Taxpayers*, NEW HAVEN REG. (Apr. 20, 2020, 9:29 PM), <https://www.nhregister.com/news/article/New-Haven-adopts-2-tax-deferral-options-for-15214257.php>

<sup>178</sup> Ben Lambert, *New Haven Projecting \$15 Million Budget Shortfall as Pandemic Continues*, NEW HAVEN REG. (Apr. 26, 2020), <https://www.nhregister.com/news/article/New-Haven-projecting-15-million-budget-shortfall-15226161.php>.

<sup>179</sup> Christopher Peak, *Sewer Authority On New Foreclosure Tear*, NEW HAVEN INDEP. (Jul. 17, 2017), [https://www.newhavenindependent.org/index.php/archives/entry/WPCA\\_foreclosures/](https://www.newhavenindependent.org/index.php/archives/entry/WPCA_foreclosures/).

homeowners as a matter of course. The City should also encourage GNHWPCA to raise the threshold for foreclosure filing to greater than \$1,000.

In 2018, the state considered a bill that would have authorized any municipality as well as local entities like the GNHWPCA to reduce the interest rate charged on delinquent loans, restrict any assignees of the water pollution control authority from purchasing foreclosed properties, and establish financial guidelines for triggering foreclosures for unpaid debts.<sup>180</sup> Instead, the ultimately enacted bill applied only to a select number of large municipalities.<sup>181</sup> The City could lobby for a comparable bill that applies to the GNHWPCA.

*e. State-level advocacy*

i. Allow for tax deferrals and abatements.

Haven should lobby for changes to state law that would expand existing programs allowing tax deferral and abatement.<sup>182</sup> These policies can minimize displacement impacts by allowing the City to prioritize collecting taxes immediately from more well-off property owners and eventually collect all taxes owed.

The state allows New Haven to offer such policies to a limited degree, allowing City seniors (over the age of 70) below certain income levels to apply to the Tax Assessor for a deferral on taxes until sale or time of death.<sup>183</sup> Elderly and disabled homeowners are already able to apply to the Tax Assessor for abatement.<sup>184</sup> New Haven could lobby the state for changes to state law that would allow it, once any homeowner becomes delinquent, to automatically offer some degree of abatement or affirmatively reach out to homeowners to offer abatement. As consumer experts have noted, such policies may in fact increase the amounts delinquent homeowners pay while decreasing burdens on local governments:

For some homeowners, an affordable tax bill can make the difference as to whether or not payments are made. . . . By addressing tax affordability *before* payment problems occur, local taxing authorities can increase the stream of tax revenues, avoid collections costs, and avoid subjecting their homeowners to unnecessary tax sales.<sup>185</sup>

Other cities have offered similar programs with some measure of success. Philadelphia's Longtime Owner Occupants Program, for instance, offers tax abatement for those below a certain income threshold who had lived in their homes for more than ten years and who faced significantly

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<sup>180</sup> G.A. Bill. No. 5509, An Act Concerning Water Pollution Control Authorities (Conn. 2018), <https://www.cga.ct.gov/2018/TOB/h/2018HB-05509-R00-HB.htm>

<sup>181</sup> Pub. Act. No. 18-174 (Conn. 2018), <https://www.cga.ct.gov/2018/ACT/pa/pdf/2018PA-00174-R00HB-05509-PA.pdf>; *codified at* Conn. Gen. Stat. § 7-246b.

<sup>182</sup> *See* Conn. Gen. Stat. §§ 12-129n, 12-170bb.

<sup>183</sup> City of New Haven, 2020 Senior & Disabled Homeowners Tax Relief, [https://www.newhavenct.gov/gov/depts/assessor/2020\\_senior\\_n\\_disabled\\_homeowners\\_tax\\_relief.htm](https://www.newhavenct.gov/gov/depts/assessor/2020_senior_n_disabled_homeowners_tax_relief.htm).

<sup>184</sup> *Id.*

<sup>185</sup> Rao, *supra* note 135, at 20.

increased property taxes as a result of recent reassessments.<sup>186</sup> Likewise, as described above, Michigan recently introduced a policy to aid very low-income homeowners through adjusting the amount due in back taxes.<sup>187</sup> The new bill allows municipalities to reduce the balance due for qualifying low income homeowners to the lesser of back taxes or 10% of a home's taxable value, among other policies.<sup>188</sup>

ii. Extend COVID-19 protections beyond the emergency.

In April, the Governor issued an Executive Order in response to COVID-19 that includes a number of protections for homeowners with municipal tax liens.<sup>189</sup> The City can argue for the centerpiece of these protections to remain in place.

The Order lowers the interest rate on municipal tax and sewer liens to 3% (for cities that do not defer taxes). The City should advocate for this rate to stay in place permanently—particularly as interest rates have seen consistent and historic lows.<sup>190</sup> An excessively high interest rate is not necessary for ensuring repayment or compensating the City for delayed payments.

iii. Ensure COVID-19 protections become effective during economic downturns.

The City can advocate for other protections in the Executive Order relating to municipal tax foreclosures to become effective during any economic downturn in the future: (1) cities must defer taxes (and/or apply a 3% interest rate, see above) during the peak of any economic crisis;<sup>191</sup> and (2) cities must halt municipal and sewer tax lien foreclosures until at least 30 days after the end of any economic crisis.<sup>192</sup>

iv. Outlaw tax lien sales at the state level.

The City can likewise advocate for the state to adopt policies that will minimize the displacement caused by municipal debt collection. In particular, the state should disallow tax lien sales to third-party debt buyers. New Haven already does not sell third party municipal liens to third-party debt buyers.<sup>193</sup> The City could advocate for all Connecticut municipalities to adopt such policies or for the state to disallow this practice. More than a dozen states disallow tax lien sales.<sup>194</sup>

Adopting this suite of policies is likely to benefit the City in both the short and long term. Instead of expending effort conducting tax lien foreclosures, the City can promote policies that enable

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<sup>186</sup> City of Philadelphia, Longtime Owner Occupants Program (LOOP), <https://www.phila.gov/services/payments-assistance-taxes/income-based-assistance-programs/longtime-owner-occupants-program/>.

<sup>187</sup> Michigan Pay as You Stay, House Bill 5124 (2020).

<sup>188</sup> *Id.*

<sup>189</sup> State of Connecticut, Executive Order No. 7S: Protection of Public Health and Safety During COVID-19 Pandemic and Response - Safe Stores, Relief for Policyholders, Taxpayers, and Tenants.

<sup>190</sup> *Id.* at § 6(b).

<sup>191</sup> *Id.*

<sup>192</sup> *Id.* at § 11.

<sup>193</sup> Susan Campbell, *Tax Liens Sales in Connecticut Often Target the Most Financially Vulnerable*, CONN. PUB. RADIO (Feb. 24, 2016), <https://www.wnpr.org/post/tax-liens-sales-connecticut-often-target-most-financially-vulnerable>.

<sup>194</sup> [https://c.yimcdn.com/sites/ntlainfo.site-ym.com/resource/resmgr/Districts\\_8.5x11\\_flyer.pdf](https://c.yimcdn.com/sites/ntlainfo.site-ym.com/resource/resmgr/Districts_8.5x11_flyer.pdf)

homeowners to make payments in the short term. In the longer run, these policies are likely to benefit the City: empirical studies have shown that jurisdictions with greater protections for homeowners in foreclosure had healthier and more stable housing markets during the last economic downturn.<sup>195</sup> If the City lowers its foreclosure rates in a downturn, it may see higher property values (and therefore improved property tax inflows) after the downturn.

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<sup>195</sup> See, e.g., Atif Mian, Amir Sufi, and Francesco Trebbi. *Foreclosures, House Prices, and the Real Economy*. 70 J. Finance 2587 (2015).

## Conclusion

This report is intended to provide a menu of policy options that New Haven can follow in its continued fight against residential displacement. It builds on recent reports tackling New Haven’s affordable housing policy, including the Affordable Housing Task Force Report of January 2019 (“Task Force Report”) and the Mayoral Transition Team Report of January 2020 (“Transition Team Report”).<sup>196</sup>

The Task Force Report identified six key areas of focus for the city: creating and preserving affordable housing, promoting a spectrum of housing options, increasing land use efficiency, working with surrounding towns to create a regional strategy, improving the current housing stock, and creating easier paths to acquire affordable housing.<sup>197</sup> Section 5, “Increase the Ability of People to Stay in Current Housing by Improving the Quality and Stability of Existing Affordable Housing,” covers strategies to mitigate displacement.<sup>198</sup> Like the Task Force Report, this report suggests greater enforcement of housing code and strategies for foreclosure mitigation. It also offers further legal strategies to tackle these goals.<sup>199</sup>

The Elicker Transition Team considered the housing crisis in the context of housing quality and related health issues. In the first 100 days, the team proposed that Mayor Elicker “issue a call to action for more affordable housing,” prioritize and strengthen the enforcement of lead codes, and consider policies like inclusionary zoning that require new market rate development to include affordable units.<sup>200</sup> The Transition Team Report’s longer-term policies include adjusting zoning and community engagement strategies, increasing landlord transparency, increasing tenants’ legal rights, and improving oversight of housing issues via strengthening the Livable Cities Initiative and creating a Healthy Homes Coalition.<sup>201</sup> Like the Task Force Report, the Transition Team Report outlines ways the city can improve oversight of code infractions. Uniquely, the Transition Team Report also connects the issues of housing code violation and health. Their approach underscores the importance of landlord-tenant relations discussed in this report.

This report lays out strategies for meeting many of the goals described in the Task Force and Transition Team Reports, increasing tenant power, improving code enforcement, and adjusting zoning to allow smaller units.

While issues of housing quality and quantity often directly increase the likelihood of residential displacement, there are additional factors that affect displacement, as outlined here. The preventive measures we outline in this memo—zoning for ADUs, SROs, and multi-family zoning—are

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<sup>196</sup> Staff, *Report Offers 44 Routes To Affordable Housing*, NEW HAVEN INDEP. (Feb. 26, 2020), [https://www.newhavenindependent.org/index.php/archives/entry/44\\_routes\\_to\\_affordable\\_housing/](https://www.newhavenindependent.org/index.php/archives/entry/44_routes_to_affordable_housing/); Justin Elicker Transition Team, *Recommended Goals for the Elicker Administration* (Jan., 2020), [https://c963a9d7-d9fe-49e8-aed7-c743f65b1cad.filesusr.com/ugd/ae2211\\_7e5e72a31500420392b2d2a6cbc0ffc6.pdf](https://c963a9d7-d9fe-49e8-aed7-c743f65b1cad.filesusr.com/ugd/ae2211_7e5e72a31500420392b2d2a6cbc0ffc6.pdf).

<sup>197</sup> CITY OF NEW HAVEN, AFFORDABLE HOUS. TASK FORCE, NEW HAVEN AFFORDABLE HOUSING REPORT AND RECOMMENDATIONS 2-4 (Jan. 24, 2019).

<sup>198</sup> *Id.* at 3.

<sup>199</sup> *Id.*

<sup>200</sup> Justin Elicker Transition Team, *Recommended Goals for the Elicker Administration* 35 (Jan., 2020).

<sup>201</sup> *Id.* at 38.

discussed in these other reports, but the implementation strategies we describe here are necessary to supplement the work other groups have done.

In short, we encourage readers to consider our report in conversation with these other considerations. Particularly, where the Task Force Report focuses on increasing city government accountability and reforming channels for housing reform, and where the Transition Team Report considers housing in conjunction with health and strategies for the city to improve physical housing stock, this report chiefly considers legal avenues to protect low-income homeowners and renters from displacement. Where the prior reports suggest *what* needs to be amended, this report offers further strategies for *how* to address the problem.

Further, these suggestions cannot stand alone: as the Task Force Report persuasively argues, the City must ensure that there are bodies within the government that have the power and resources to protect residents and there is a profound need for more action and cooperation at the state and regional levels to promote affordable housing development and tenant protections.<sup>202</sup> This report does not purport to propose solutions for every housing policy problem facing the City and the region but it does provide actionable strategies to address the ongoing displacement crisis faced by low-income people nationally, in Connecticut, and here in New Haven.

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<sup>202</sup> CITY OF NEW HAVEN, AFFORDABLE HOUS. TASK FORCE, NEW HAVEN AFFORDABLE HOUSING REPORT AND RECOMMENDATIONS 5 (Jan. 24, 2019).