

Bridgeport's Affordable Housing Crisis: Everyone Pays The Price



THE CITY'S AFFORDABLE HOUSING SHORTAGE IS NOT JUST AN AFFORDABILITY ISSUE FOR LOW AND MODERATE-INCOME FAMILIES, BUT ALSO AN ECONOMIC ISSUE THAT AFFECTS THE WELL-BEING OF ALL RESIDENTS OF THE COMMUNITY.

MORE THAN 1 IN 4 BRIDGEPORT RENTERS IS PAYING 50% OR MORE OF THEIR INCOME FOR RENT

In Bridgeport, thousands of families search for months to find housing, and then participate in bidding wars to get an apartment, often paying twice as much as originally advertised.

Bridgeport's lack of affordable housing impacts most heavily on low and moderate-income families — those least able to pay high housing costs. For families struggling to climb out of poverty, high housing costs deprive them of the ability to accumulate savings for further job training or education for themselves or their children. For moderate-income families too, the lack of affordable housing in Bridgeport threatens their upward mobility.

What are the consequences of the shortage of affordable housing in Bridgeport?

- ♦ Family instability
- ♦ Poor academic progress among children
- ♦ Serious, chronic health problems such as asthma and lead poisoning
- ♦ High rental prices for city residents who find themselves competing for a limited number of apartments
- ♦ Family overspending on housing, leaving less money for food, clothing, and child care
- ♦ More demand for beds at homeless shelters at an average cost of \$9,000 per family per month
- ♦ Millions of dollars unnecessarily spent by the City of Bridgeport and State of Connecticut to address the problems created by the lack of affordable housing

The cost of not addressing the affordable housing crisis is too high.

Developing affordable housing is a win-win for Bridgeport's families and the City of Bridgeport. Building and rehabilitating affordable housing not only improves life for Bridgeport's families, but also provides economic stimulus for the City. Affordable housing development is a wise investment that does more than just build new homes: it helps communities create new jobs and increases the City's property tax base. According to the U.S. Department of Commerce, ***an investment of \$10 million in housing can generate nearly 2,000 new jobs and over \$60 million in new spending.***

With new leadership in the City of Bridgeport and at the Bridgeport Housing Authority, BCAC is hopeful that the issues raised and recommendations proposed in our report will receive serious attention and prompt action.

Dissecting Bridgeport's affordable housing crisis

Demand grows while supply shrinks

BRIDGEPORT HAS BEEN LOSING HOUSING...

with the greatest loss in low-income housing at a time when poverty has been on the rise.

While the population in Bridgeport decreased by only 1.5% from 1990-2000, the city's housing stock decreased by 5%. Citywide, Bridgeport lost nearly 3,000 housing units during that time. For low-income families, the loss was much greater.

The former city administration's scandal-ridden Clean and Green Campaign demolished hundreds of affordable housing units without replacement.

The loss of subsidized housing was more than **five times** the loss of all housing

Bridgeport	1990	2000	% change
Population	141,686	139,529	-1.5%
Housing Units Citywide	57,224	54,367	-5%
% Population Living Below Poverty Level	16%	18%	+2%
Bridgeport Housing Authority Units	3,260	2,451*	-25%

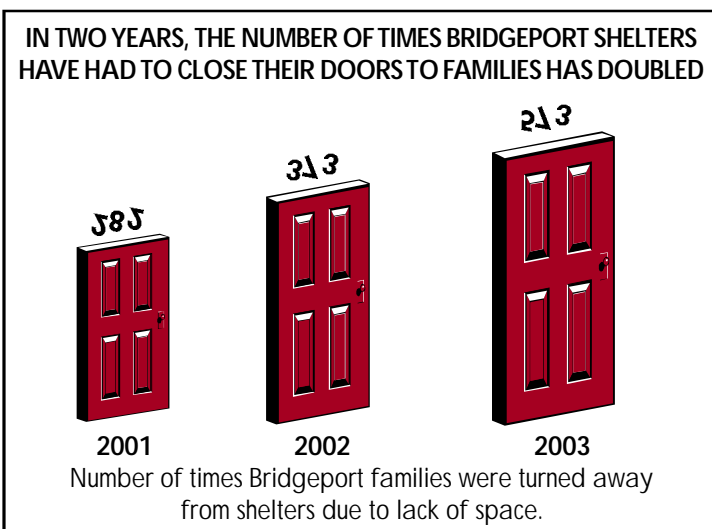
Source: U.S. Census reports

*Bridgeport Housing Authority units as of July 2004.

DEMAND FOR AFFORDABLE HOUSING HAS FAR EXCEEDED BRIDGEPORT'S SUPPLY

In the summer of 2003, the state opened its waiting list for rental assistance for just three days and more than 5,000 Bridgeport families sought assistance. As of June 2004, there were over 1,800 people on the waiting list for public housing apartments.

BRIDGEPORT'S HOMELESS SHELTERS ARE BEING RELIED UPON TO CARRY THE BURDEN OF THE CITY'S HOUSING SHORTAGE



Source: Connecticut Coalition to End Homelessness

Bridgeport shelter staff increasingly have to say no to requests for shelter because there is no more space.

- More of the families in emergency shelters are working now than in years past. In 2003, 27% of the families in Bridgeport emergency shelters were employed, an increase from 21% in 2000.
- The cost of providing shelter and support to a homeless family is \$9,000 a month or \$108,000 a year, according to staff at Bridgeport's Families In Transition shelter.

HOUSING HAS BEEN DEMOLISHED BUT NOT REPLACED

The Bridgeport Housing Authority (BHA) has demolished more than 1,700 units of public housing over the past 15 years and is woefully behind schedule for replacing these apartments. The largest demolition began in 1989 when the city tore down what was once the sixth largest public housing complex in the country, Father Panik Village. As a result of a lawsuit by Connecticut Legal Services, the U.S. District Court of Connecticut ordered BHA in 1990 to replace 818 of the 1,076 demolished Father Panik apartments by March 31, 1997.

Over seven years have passed since that deadline. As of December 2003, only 505, or 61% of the apartments had been replaced. The Bridgeport Housing Authority is now in violation of its court order. In some cases, instead of replenishing the dwindling housing stock, BHA issued Section 8 housing vouchers to displaced families, intensifying a situation in which low and moderate-income families must regularly compete for a limited supply of apartments.

BHA Housing Project	Units demolished, closed or taken off the market	Units replaced or reopened*	Replacement units occupied*
Father Panik Village	1,076	505	453
Marina Apartments	100	<i>Info not provided by BHA</i>	
Pequonock Apartments	256	0 ¹	-
Trumbull Gardens, Bldg 10	65	50	50
Evergreen Apartments	176	0	-
New Era Courts ²	36	0	-
Colonel Charles Young Site ²	42	0	-
TOTAL	1,750	555	503

* As of July 2004 Source: Bridgeport Housing Authority (BHA); U.S. Dept of Housing and Urban Development 2000 Audit; CT Legal Services

¹ BHA provided 189 residents with Section 8 vouchers instead of building replacement units

² Contracted BHA Section 8 project-based units that were not renewed.

BHA's actions created a net loss of affordable housing in Bridgeport for low and moderate-income families. By creating more competition for privately-owned apartments, BHA's actions contributed to escalating housing costs.

THE HOUSING SHORTAGE DIMINISHES THE ABILITY TO FULLY UTILIZE VALUABLE SECTION 8 VOUCHERS

Administered by local housing authorities and funded by the U.S. Department of Housing and Urban Development (HUD), the Section 8 Housing Choice Voucher Program is the largest national affordable housing program with a budget of more than \$13 billion annually. It serves more than 4.7 million people nationwide, more than 2.5 million of whom are children. The program is designed to provide housing subsidies for low-income families, people with disabilities, and seniors to enable them to find housing in the private market.

The Bridgeport Housing Authority fails to fully utilize its Section 8 vouchers	
Number Section 8 housing vouchers awarded by HUD	2,475
Number of unused Section 8 housing vouchers	290
Number of families on Section 8 waiting list	2,630

Source: 2000 HUD Audit

The lack of affordable housing reduces utilization of Section 8 housing vouchers in Bridgeport. Many low-income families wait years to receive a Section 8 housing voucher and when they finally get one, discover that it is extremely difficult, if not impossible, to find an apartment in the private market with rent within the HUD guidelines.

In the three years from 1998-2003, the utilization of Section 8 vouchers by BHA dropped from 89% to 78%. HUD considers a rate below 95% failing.

The lack of affordable housing threatens the number of federal Section 8 housing vouchers for Bridgeport. HUD plans to make changes in the funding of Section 8 vouchers, basing funding to Housing Authorities on their Section 8 utilization rates. With such a low BHA utilization rate, Bridgeport families would lose another a valuable housing resource.

Missed opportunities and untapped resources

Bridgeport has not taken advantage of affordable housing resources

VACANT HOUSING IS A PRECIOUS HOUSING RESOURCE...

especially in a city that has little vacant land.

WHAT IS HAPPENING AT THE HOUSING AUTHORITY?

Despite the enormous need for housing and the tremendous waiting lists, Bridgeport Housing Authority has had consistently high public housing vacancy and under-utilization rates. As of July 2004, 256, or 10.4% of the Bridgeport Housing Authority's apartments were unoccupied. The Bridgeport Housing Authority also keeps apartments vacant for long periods of time. **All 256 vacant apartments have been vacant more than 180 days.**

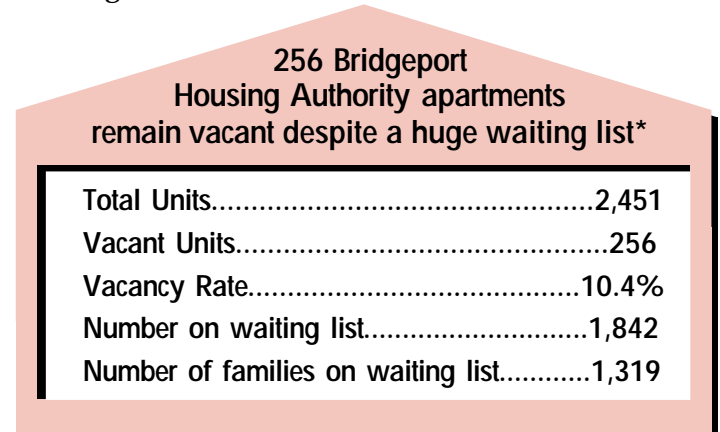
The Bridgeport Housing Authority is not appropriately filling its apartments. Of its occupied apartments, 60% are considered by both BHA and HUD standards to be 'under-occupied.' This means that a couple, single person, or family is living in a Housing Authority apartment that has more bedrooms than they need. **BHA bedrooms remain empty or 'under-occupied' even when there are more than 1,300 families on the waiting list.**

HUD audits of the Bridgeport Housing Authority found that BHA lost \$1,000,000 in rental income between October 1996 and September 1999 because of its high number of vacant apartments. HUD also found that BHA improperly received \$2.5 million in federal subsidies for families that were supposed to be living in these vacant units.

WHAT IS HAPPENING IN THE CITY?

Bridgeport is the most densely populated city in the state. With 95% of land developed, abandoned and vacant properties are the prime resources for affordable housing development — either through rehabilitation or demolition with new construction.

There are a significant number of vacant properties in Bridgeport. When the need for affordable housing is so great, it is a crime that Bridgeport properties sit vacant. The 2000 census shows that there are almost 5,000 vacant housing units throughout Bridgeport. **Vacant housing represents 7.5% of the city's housing stock**, with vacancy rates in some census tracts as high as 16%, or one in every six housing units.



*As of July 2004

Source: Bridgeport Housing Authority

HUD FUNDING TO CITY OF BRIDGEPORT

Bridgeport receives about \$6 million a year from HUD: \$4 million in Community Development Block Grants (CDBG), \$1.6 million in HOME funds, and \$150,000 in Emergency Shelter Grants. HOME funds are targeted to the production and preservation of affordable housing. Up to 30% of the CDBG funds are targeted to housing-related uses such as land acquisition, pre-development costs, and housing rehabilitation.

Housing experts recommend that remaining CDBG funds be linked to affordable housing development to promote comprehensive neighborhood revitalization. This could include clearing of sites for construction, new sidewalks or streetscapes, and landscaping around new affordable housing. This approach, which has been very successful across the country, concentrates and leverages resources to make a visible, measurable impact in targeted neighborhoods.

In 2004-2005, Bridgeport's CDBG provided funds to a total of 80 social service organizations, agencies and city departments with grants for services such as job skills training, veterans services, little league, summer camps, and theater.

FEDERAL LOW-INCOME HOUSING TAX CREDITS

Administered by HUD, Low-Income Housing Tax Credits are designed to increase the availability of low-income housing by providing financial incentives to developers. A project developer or owner sets aside a minimum percentage of low-income rental units in exchange for a reduction to their income tax liability.

In 2003, Bridgeport developers submitted only 3 applications for Low-Income Housing Tax Credits, and none of the applications were awarded credits. In the same year, Hartford submitted 7 applications, 5 of which were awarded credits. Since 1999, Hartford received \$11 million in Low-Income Housing Tax Credits, more than seven times the amount that Bridgeport received.

***BEST PRACTICE** The City of Shreveport, Louisiana used its federal CDBG and HOME funding to leverage other private and public funding from local banks, the Federal Home Loan Bank, the city's lead paint program and local tax revenues. It concentrated this funding in a deteriorating seven-block area in a low-income neighborhood to fund housing development and rehabilitation, street improvements, sidewalk repairs, park improvements, façade improvements, and economic development. This effort resulted in the rehabilitation of 80 homes, and the construction of 7 new homes in the targeted area. In addition, this concentrated activity generated additional private investment. This area is now a thriving, revitalized neighborhood.*

\$31 million in Tax Credits were allocated to CT... only \$1.5 million went to Bridgeport projects

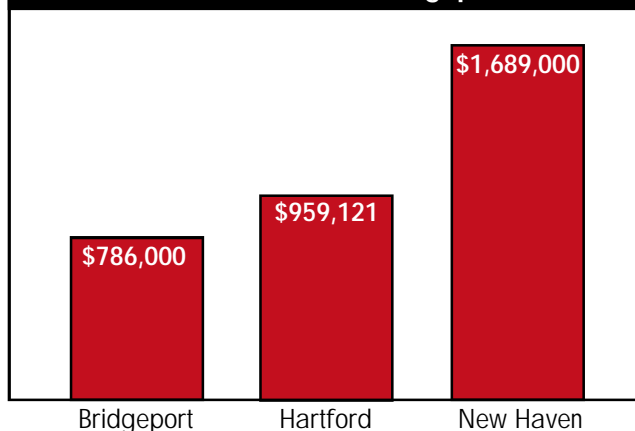
	AMOUNT RECEIVED	% OF TOTAL ALLOCATIONS	# OF SUCCESSFUL APPLICATIONS
Bridgeport	\$1,518,347	5%	4
Hartford	\$10,796,624	35%	20
New Haven	\$2,291,343	7%	6
Norwich	\$1,803,704	6%	3
Stamford	\$3,242,835	10%	3
Willimantic	\$1,846,053	6%	3
All 21 other towns	\$9,679,138	31%	28
TOTAL	\$31,178,044		

Source: U.S. Department of Housing and Urban Development, 1999-2003

FEDERAL HOME LOAN BANK FUNDING

The Federal Home Loan Bank of Boston (FHLB) allocates 10% of the Bank's net earnings to support affordable housing that serves low and moderate-income households in New England. Last year alone, it granted \$4.8 million in grants for affordable housing in New England states. Funding is granted to a nonprofit or for-profit developer, a municipality or a state or local agency.

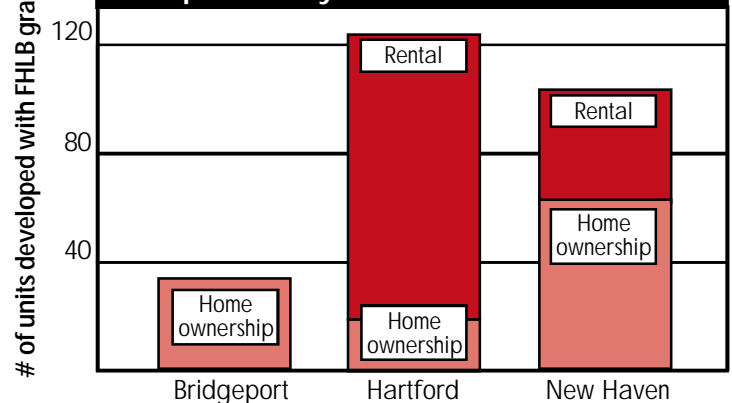
Hartford and New Haven receive more FHLB funds than Bridgeport



FHLB Boston Grants 1999-2004

Source: Federal Home Loan Bank of Boston

Hartford and New Haven leverage their FHLB grants to produce more affordable housing, particularly affordable rental units



FHLB Boston Grants 1999-2004

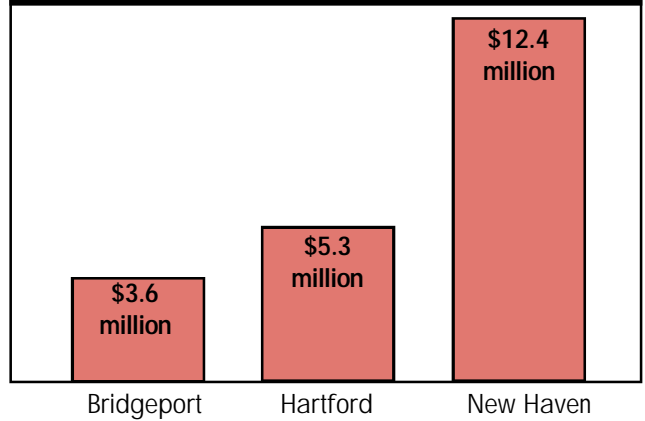
Source: Federal Home Loan Bank of Boston

CONNECTICUT HOUSING TAX CREDITS

The State of Connecticut, through the Connecticut Housing Finance Authority (CHFA), offers a Housing Tax Credit Contribution Program to encourage the development of affordable housing for very low-income, low-income and moderate-income families. This program encourages businesses to support the development of affordable housing by providing reductions to their state tax liability in exchange for their financial support to nonprofit developers.

From 1999-2003, Connecticut awarded \$34 million in state housing tax credits. New Haven projects received \$12.4 million in these tax credits, more than three times the \$3.6 million awarded to Bridgeport.

Hartford and New Haven received more state Housing Tax Credits than Bridgeport



Housing Tax Credits 1999-2003

Source: Connecticut Housing Finance Authority

HUD FUNDING TO HOUSING AUTHORITIES

The HOPE VI program of the U.S. Department of Housing and Urban Development (HUD) has provided more than \$5 billion on a competitive basis over the last ten years to Housing Authorities across the country to improve public housing. HOPE VI funding is a valuable resource that has been credited for the revitalization and transformation of communities across the country. The impact of this program has been dramatic. According to HUD, per capita incomes in neighborhoods that received this funding increased an average of 71% and neighborhood unemployment rates have fallen by an average of 8.4%.

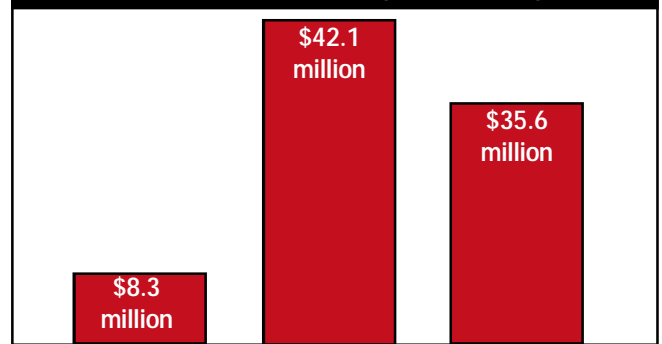
\$122 million in HOPE VI funds have been awarded to Housing Authorities in Connecticut since 1993. The Bridgeport Housing Authority (BHA) did not apply for any of this funding. As of fall 2004, BHA was in the process of submitting its first HOPE VI application.

CONNECTICUT BOND FUNDING

Bond funding from the State of Connecticut is another important resource for the development of affordable housing.

Of the \$185 million in state bond financing given out by the state over the last eight years, Bridgeport projects received only \$8.3 million while Hartford received \$42 million.

Hartford and Stamford far outpaced Bridgeport in state bond funding for housing



State Bond Funding for Housing 1996-2004*

Source: CT Housing Finance Authority * Through August 8, 2004

Bridgeport Housing Authority received no HUD funding for revitalization

HOPE VI Recipients	Total Funding Received	Percentage of Total CT Funding
Bridgeport	\$0	0%
Hartford	\$26,120,900	21.27%
New Haven	\$69,145,740	56.30%
Stamford	\$26,446,063	21.53%
Total	\$122,815,703	

Source: HUD, 1993-2004.

BEST PRACTICE Stamford established an inclusionary zoning ordinance that requires developers of any new housing to set aside 10-12% of the units for low and moderate-income households. Developers can bypass this requirement in exchange for making a payment per unit into the city's Housing Development Fund. Recently a developer in Stamford opted for the buyout and paid \$1.6 million into the city's Housing Development Fund. The City of Stamford contributes \$800,000 annually from its Capital Budget to this Fund. The Housing Development Fund is helping nonprofit housing developers produce affordable housing for Stamford.

It takes a village... to build affordable housing

Everyone plays a role in addressing the region's affordable housing crisis

SUBURBS AREN'T DOING THEIR SHARE

Bridgeport's suburban communities can no longer provide housing for the adult children of their residents. They are not able to provide housing for those who work in their communities. Teachers and municipal employees cannot afford to live in the communities in which they work.

Those getting squeezed out of the suburban communities due to high housing costs come to Bridgeport for affordable housing. They end up competing against lower-income families over the limited existing affordable housing in Bridgeport, leaving Bridgeport families with no place to turn.



NONPROFIT DEVELOPERS FACE CHALLENGES

Five area nonprofit housing developers provided information to BCAC on the number of affordable housing units they developed and rehabilitated for occupancy. These five developed 123 new affordable housing units in the last decade and rehabilitated another 235, all of which are occupied. Another 98 units are in progress. While this helps, it still falls far short of meeting the need for affordable housing in Bridgeport.

In a questionnaire from BCAC, local nonprofit affordable housing developers cited a lack of support from the City and the lack of a strategic plan by the City as the biggest obstacles they face. They also cited the City's heavy bias in favor of homeownership rather than rental units and the chronic difficulty in obtaining CDBG and HOME funds from the City and HUD.

Bridgeport's nonprofit developers noted that the atmosphere for developing affordable housing has improved slightly over the past year, and believe it will continue to improve in light of the recent staff changes in the City and the Bridgeport Housing Authority.

THE CITY'S PRIORITIES DO NOT ADDRESS THE NEEDS OF LOW & MODERATE INCOME RESIDENTS

There are 29,000 households in Bridgeport that rent their home: 40% earn less than \$20,000 a year, and 60% earn less than \$35,000.

The City of Bridgeport is seeking over \$9 million in state funding for 5 priority economic and housing development projects including the Arcade Mall, the Citytrust Bank building, and the Golden Hill Street project. The 5 projects will create 456 market rate rental housing apartments.

The City, in partnership with Artspace, has developed 61 units of artist housing downtown. This project offers housing to artists only and is recruiting many tenants from outside of Bridgeport, rather than housing the current residents who are in need of decent affordable housing.

The City of Bridgeport plays a vital role in addressing the affordable housing crisis. BCAC calls on the City's elected officials to address the needs of ALL the residents of Bridgeport.

***The City of Bridgeport
must be the leader in
developing an affordable
housing strategy.***

BCAC RECOMMENDATIONS

CITY OF BRIDGEPORT:

- ▶ Over the next six months, develop a plan to increase affordable housing in Bridgeport that includes measurable outcomes and a timeline.
- ▶ Expedite site acquisition of abandoned and vacant properties and create an inventory of sites for affordable housing development.
- ▶ Focus CDBG and HOME funds to targeted neighborhood revitalization and work with nonprofit housing developers to pursue private and public sources of funding.
- ▶ Since the Bridgeport Mayor appoints the members of the Bridgeport Housing Authority Board of Directors, hold them accountable for BHA's performance. Demand BHA decrease the vacancy rate and underutilization of apartments, and replace demolished apartments.

BRIDGEPORT HOUSING AUTHORITY:

- ▶ Over the next six months, develop a plan for replacement of demolished apartments that includes measurable outcomes and a timeline.
- ▶ Decrease the vacancy rate to 5% over 6 months. Adopt new policies to: keep the vacancy rate below 5%; get closed apartments re-occupied within 3 months; and stop the practice of "over-housing" families by selecting families for appropriately-sized apartments.
- ▶ Increase Section 8 voucher utilization by reaching out to landlords. Aggressively refer all cases of tenant and voucher discrimination to Connecticut Legal Services.

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**Bridgeport
Child
Advocacy
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"Mobilizing on Behalf of Children"

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SUBURBS IN THE REGION:

- ▶ Pass inclusionary zoning ordinances to require developers to reserve a percentage of new residential development as affordable housing for low and moderate-income families and encourage mixed use development to include affordable housing.
- ▶ Create a Regional Land Trust to acquire land for the development of affordable housing for the benefit of all communities in the region. Develop a Regional Investment Fund to finance pre-development costs.

STATE OF CONNECTICUT:

- ▶ Create a State Housing Trust Fund, funded at \$50 million and replenished annually.
- ▶ Expand the state Employer Assisted Housing Tax Credit Program to \$2 million.

FEDERAL GOVERNMENT:

- ▶ Establish a National Housing Trust Fund to build and preserve rental housing for the nation's lowest income families.
- ▶ Do not cut the Section 8 Housing Voucher program and allow flexibility so funds can be used for landlord-tenant mediation, security deposits and Section 8 utilization improvement efforts.
- ▶ Require HUD to provide stronger oversight of the Bridgeport Housing Authority.

COMMUNITY MEMBERS:

- ▶ Elect officials who recognize and act to solve the affordable housing crisis.
- ▶ Be an advocate in your community and make your concerns heard through phone calls, letter-writing, letters to the editor, and by participating in meetings with elected officials.

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