

Report of the Bridgeport Housing Policy Steering Committee Submitted to Mayor Fabrizio and the Citizens of Bridgeport

PART ONE

In January 2007 Mayor John Fabrizio selected and convened a diverse group of business and civic leaders and residents to consider and comment on the emerging housing policies being crafted for the City. As that group, we were challenged by the Mayor to consider four fundamental aspects of a housing policy. He was clear that the housing policies of Bridgeport should:

1. *support long-term fiscal stability for Bridgeport,*
2. *rebuild a solid middle class,*
3. *encourage diverse neighborhoods with broad citizen participation and*
4. *create a variety of housing options to provide affordable housing for a wide range of households, especially those already residents of the city.*

Achieving these goals will require a balanced approach so that no one goal is considered all-important. Moreover, any action on this must be prompt. Every day decisions are being made about development and the Master Plan process is underway. We commend the Mayor for recognizing this urgency and we have worked to meet his deadlines.

The core approach requires both a conscious plan and related policies to encourage and support “housing ladders”, both in the city and in the specific neighborhoods. These “ladders” should provide opportunities for a household to stay in a given neighborhood when moving up to better rental or to home ownership.

Initially, we acknowledged that in terms of its population Bridgeport is the most diverse city in Fairfield County and plays a special role of providing housing to many working and lower-income households. As the city revitalizes, we should compete effectively with other cities, but we don't want to simply replicate other communities in the county. We want to create what makes sense in this city, while being honest about the economic realities of households in our community.

Our reading of current conditions isn't just based on anecdotes; the numbers tell a sobering story. For example:

- 62% of households earn less than \$50,000 a year.
- 53% of households are renters and 47% are homeowners; whereas the county is nearly two-thirds homeowner.
- 40% of households are “rent burdened”, a term meaning paying more than 30% of income for housing.
- Earnings are rising but at two-thirds the rate of the country.
- Housing price increases and rent increases are going up faster than Bridgeport incomes.
- Rental housing has little vacancy and new home construction is largely beyond the incomes of most residents.

With these conditions in mind, we considered how housing in Bridgeport fits into the regional market and how that is changing over time. We examined the five central real estate market observations in the consultant's report and modified the comments to reflect our reading of today's realities. A summary is included below.

Bridgeport is a weak market city in a very strong region.

Although Bridgeport real estate values are much stronger than ten years ago, the fact is that the city is still in a weak position relative to the county and many of the homeowner households are vulnerable to a significant reduction in housing prices, which is possible in the current market, which is dealing with foreclosures often resulting from subprime lending. Simply said, a housing policy needs to be *realistic about Bridgeport as a working income, highly diverse city.*

Long lasting weakness has furthered weakened Bridgeport.

Bridgeport does have relative low housing costs and with that a concentration of poverty in many neighborhoods. Coupled with the long-standing challenges of fiscal stability, the housing market and many neighborhoods are fragile. A housing policy *needs to look beyond just developing buildings* and address the long-standing negative and positive dynamics in our neighborhoods.

Not all of Bridgeport's housing challenges are of equal importance.

We don't have the resources or the organizational capacity to address all of the housing issues in Bridgeport simultaneously. It will be tough, but political decisions must be made about what can be done and when. A housing policy needs to *give guidance for the political leaders making the hard decisions.*

Bridgeport is the most diverse city in Fairfield County and plays a special role of providing housing to many working and lower-income households. As the city revitalizes, we should compete effectively with other cities, but we don't want to simply replicate other communities in the county. We want to create what makes sense in this city, while being honest about the economic realities of households in our community.

Many common beliefs about Bridgeport housing aren't necessarily true.

Bridgeport has not fully turned the corner. Although housing values have gone up and there is new interest in development projects in Bridgeport, there are still too many vacant lots and houses. Also many investors undermaintain properties, and there is a new potential for increased foreclosures. A housing policy must be based on facts and flexible enough to change with changing markets.

Non-Bridgeport households will play key roles in the City's future.

Rents and sales prices have gone up faster than the earnings of many Bridgeport households. At the same time households are being priced out of many of the other Fairfield County communities. The result will be new households to move into Bridgeport. That can mean more investment, but it can also fuel more price increases that could tighten the market for many long-term households. A housing policy must address this and show how to better manage change.

Other Concerns and Observations:

As a Steering Committee, we recognized these housing realities confronting our households and we acknowledged the regional dynamics that are increasingly shaping our city. However, we remain profoundly concerned about a number of other key issues, which we believe could potentially undermine successful application of a housing policy. At least nine key concerns repeatedly surfaced in our discussions and the report writing. These concerns are summarized in the following observations.

1. We doubt that fiscal stability can be primarily achieved by making more housing available for the broader market, since too many new households have high public service demands, especially those demands on schools. More emphasis needs to be placed on other economic development as a means to long-term fiscal strength. Attracting stable households can assist in some of that development, but for that to truly succeed, a key task is to make sure that the additional dollars aren't simply spent outside of the city. We believe that improved and expanded retail, restaurants, entertainment, and other commercial activities are critical to sustained fiscal health.
2. Although there are bright spots, the education system is too weak to attract and retain a much larger middle class, especially those families with children. Affordable housing prices can attract singles, couples without children, and empty-nesters, but much of Bridgeport was built as "family housing" and these houses will not attract or retain such households unless the schools continue the recent improvements. This current increased focus on improving public schools and programs must be sustained and even be expanded.
3. Diversity, whether economic diversity in neighborhoods or more diversity in civic participation, will not be sustained without a conscious plan, clear strategies, and a strong delivery system to support the goal. This goes well beyond what any city government can do alone. Local and national businesses and foundations, civic groups, and others who support "civil society" investments must to be sought out. Further, partnering with local nonprofit organizations should be increased and nonprofit organizations need to be greatly strengthened and supported, especially those working to preserve current housing and households.
4. We can't allow words to get in the way of good decisionmaking. In particular, the term "affordable" needs to be broadly defined and the more flexible definition needs to be consistently used. By some definitions about 80% of all Bridgeport households could benefit from affordable housing programs, such as senior repair assistance and rehab loans on troubled houses. We need to explain to the larger population that most people in Bridgeport share similar problems and the term "affordable" doesn't just apply to other people. For example, publicly funded homeownership programs should act in a business-like way, by also reaching out to customers based on their ability to pay and not just on their status as low income. It is extremely important that this more inclusive definition of affordable housing programs be widely understood and utilized. In every public announcement, at every meeting, in all media presentations, and at government functions, the term "affordable housing" should be used in ways that include the

widest possible range of households. This is especially important if we are fully committed to creating greater consensus and to de-concentrating lower-income households.

5. Much of the past local discussion about affordable housing has focused on the definition of income groups, either through measures based on county incomes or based on city incomes. The practical reality is that, from the viewpoint of households, most don't care what definition is used. In terms of monthly housing expenses, they know that they can afford \$375 or \$750 or \$1000 or even in some cases \$1250. These are the numbers that are real for our residents. What is needed is housing or housing with subsidies that make these numbers viable. Beyond a sensible focus on the most rent burdened households, each year there should be achievable housing targets at the different levels of income regardless of federal definitions. Bridgeport can't resolve all of its housing needs for all groups, but it can identify the various current household sub-markets and develop units or programs to serve each.
6. The new up-market residential and commercial developments not only should provide for mixed-uses, but should also be a primary source of affordable housing funds. In conjunction with the city government, developers should more aggressively use state and federal affordable housing programs. Note that we are saying affordable housing funds and not just units. While it is important to add units, the Steering Committee believes that some of the funding needs to be directed at truly comprehensive program to help households repair their credit and be more stable homeowners.
7. To partially address the issue of NIMBYism, we recommend that the city develop programs that create "housing ladders" in its neighborhoods. This means creating a variety of housing options within neighborhoods. If employed, this would mean that households wouldn't have to move out when they move up. Further, it would broaden the option for affordability initiatives linked to up-market development. Developers could provide these options in many ways. They could add affordable units on-site, could build off-site, could fund incentives or training to households seeking purchase housing or could invest in a fund for nonprofit development or rehab lending. This last investment tactic has the additional benefit that it could be used for developing or upgrading quality rental units and to finance loan and grant program to keep seniors in their homes.
8. There are many outstanding emerging "tools" such as inclusionary zoning and special programs through the state government that are being considered for our city. We endorse looking carefully at these opportunities, but at the same time we need to recognize that what works in high-income or smaller cities might not work here in Bridgeport. This is not the time to push square pegs in round holes. Bridgeport faces situations unique to only a few other cities in Connecticut. The city needs to partner with other cities such as Hartford and Waterbury to support legislation that works for our special conditions.

9. Trust is critical in Bridgeport during these years of dramatic change. Whether we are talking about zoning a lot or negotiating a large-scale property development, transparency is important to create public trust. The process needs to be very sensitive about openness and language. We are all in this together. This is not a “zero sum game” where someone wins and someone loses. We need to set benchmarks to measure community improvement and celebrate the victories.

One additional fundamental concern is often discussed but not really addressed. It is important to ask what is meant by terms such as “middle income,” “stable working class,” and “workforce households”? It is widely known that most Americans see themselves as part of the middle class, even if the household incomes are far below the middle. Moreover, the meaning of these terms varies greatly based on the local economy, as shown by differences in Fairfield County as compared to Bridgeport. How then should the terms be understood in this report and hopefully used in Bridgeport programming?

The larger affordability question is what number of households can be assisted in each of a variety of income groups. For example, how many households can be assisted who are able to pay a monthly housing bill of \$500 or \$750 or \$1000 or \$1250? The formula used to qualify households in those categories is not as important as serving those groups. We believe this can re-frame the local discussions and help create a path to change. Because of Bridgeport’s relatively low incomes, the use of federal terminology about income shouldn’t determine what groups we wish to serve and at what levels of investment.

We would like to speak to that last question. In this report the housing stock is the primary definer of the terms. There are over 50,000 housing units in Bridgeport. Many are rental apartments, but a large number are single-family owner-occupied houses and two and three family houses with an owner present. We see the need for both the rental and the homeowner units to be successfully owned, improved, and maintained to assure that Bridgeport thrives. Beyond just higher sales prices, rising insurance costs, high property taxes and increasing utility bills mean that housing subsidies are absolutely necessary if low and lower income households are to live in properties kept in good condition.

Currently, this important task is carried out through the Housing Authority, the Low Income Tax Credit program, Section

8 certificates, Habitat for Humanity, Mutual Housing, etc. The challenge is that only a small percentage of the 50,000 plus units benefit from subsidies and, due to on-going budget constraints and limited development capacity, a very small number are added each year. This is of particular importance to existing households with limited dollars for housing.

Because it is important to conserve the valuable housing assets of Bridgeport, most of that current housing will need owners and renters able to pay the costs of mortgages, insurance, taxes, utilities, periodic repairs, and maintenance. These critical households that are able to play this vital role are the “middle income, stable working income, and workforce households” referenced in this report. Their ability to meet the cost of Bridgeport housing is at the base of any long-term stability for the city.

Since much of the past public discourse on housing has focused on percentages of median income and which are the appropriate numbers, it might seem odd to instead measure household capacity relative to keeping the housing stock in good condition, both with and without subsidies. Nevertheless, this is important since the city is largely built out. Unless there is attention to conserving the current stock, no amount of new construction for any income group can create a viable community.

Open Questions:

One challenge from the Mayor was to suggest what should be included in a housing policy, but this is very difficult to do without speaking to what should be in the city's housing plan of action. To move from a set of policies to a workplan, we believe many questions need to be answered. What follows are some example questions that arose during our deliberations.

Regarding annual housing development and improvement:

- How many units can be realistically developed for low-income households?
- How many for workforce first-time buyers?
- How many for move-up households? What resources and incentives will be needed?
- Where will these resources come from?
- How can we better market current housing, the neighborhoods, and the city to the current residents and to others?

Regarding neighborhoods and resident involvement:

- How do we get neighborhoods to be part of any new city marketing programs and image-building activities?
- How can NRZ's be better supported to build positive neighborhood identities, promote mixed-income marketing and carry out self-help and pro-active efforts?
- How do we really broaden the numbers and range of neighbors participating in all neighborhoods?

Regarding affordable housing:

- How do we make sure people understand that affordable housing initiatives truly apply to the great majority of the population?
- How do we get people beyond thinking primarily of rental housing for low-income households and instead consider additional affordable home purchases, rehab lending and mixed-use properties with affordable elements?
- How can we use zoning laws and agreements with developers to support additional affordable housing and to build capacity with nonprofits targeting affordable housing and mixed-income initiatives?

Next Steps:

We cannot emphasize too strongly that the time to create housing policies and a housing workplan is now. We feel that many of the right issues are being addressed in the emerging policies, but policies aren't action plans. What is needed next is a step-by-step approach to move from particular policies to concrete actions. *It is our consensus opinion that a civic leadership committee should be convened to periodically track and promote an action plan.* In this process we suggest guidance by the central principles of

the housing policy identified early in the process. The principles should be re-examined and refined and the action plan should be measured against these and similar goals. The principles included:

- ✓ Retain good stable households already in Bridgeport and attract new residents who are willing to invest their money and time in the city,
- ✓ Develop strategies that make sense for the real estate markets today and flexible enough for the changing markets now and over the next decade,
- ✓ Encourage residents to shape neighborhood change and to take real pride in their neighborhoods and the city,
- ✓ Commit to moving past problems and instead finding what is working well and then building on those strengths, a process that will require that the community uses more positive language and proactive strategies,
- ✓ Identify ways to upgrade current rental and homeowner housing and to build new housing so that Bridgeport can strengthen and grow its middle income, working income and workforce households while still serving households that are severely rent burdened,
- ✓ Support new initiatives to expand those qualified for homeownership and for better quality rental, especially through expanded counseling and credit repair programs,
- ✓ Create “signature” housing examples in the neighborhoods to demonstrate where Bridgeport is heading,
- ✓ Encourage developers to create a stable mix of new/rehabbed housing and support a range of housing options for all income groups,
- ✓ Broaden the number of participants and organizations in community change, especially at the neighborhood level,
- ✓ Enhance the image of Bridgeport as a unique, diverse community of choice, and

The challenge is that only a small percentage of the 50,000 plus units benefit from subsidies and, due to on-going budget constraints and limited development capacity, a very small number are added each year. Because it is important to conserve the valuable housing assets of Bridgeport, most of that current housing requires owners and renters able to pay the costs of mortgages, insurance, taxes, utilities, periodic repairs, and maintenance. These critical households that are able to play this vital role are the “middle income, stable working income, and workforce households” referenced in this report. Their ability to meet the cost of Bridgeport housing is at the base of any long-term stability for the city.

- ✓ Strengthen the role and effectiveness of city government in housing, zoning and large-scale development.

We fully understand that the above list is long, but fortunately many actions are already in process or being considered. Of course, some of the goals and possible programs are potentially in conflict. We know that there must be a political process to manage these dynamics. However, we are also convinced that these are the right issues to reflect in a housing policy and to define an action plan. We urge you as Mayor, the Council members and the citizens of Bridgeport to move this agenda forward quickly.

PART TWO

Over two months, three subcommittees met to support the work of the Mayor's Housing Policy Steering Committee. While the Steering Committee was charged with reporting on the emerging housing policies for the City of Bridgeport, the subcommittees were asked to address specific critical issues for that report.

Report A

Report to the Mayor's Housing Policy Steering Committee From the Marketing Subcommittee

The Steering Committee requested a report on the issue of marketing Bridgeport and its neighborhoods in order to retain and attract households, who are able to buy and improve homes. The marketing subcommittee worked with Marcia Nedland of Ithaca, NY who facilitated discussions about what is happening now and what should be happening in the future. Based on her marketing experience from across the nation, the subcommittee identified some possible actions that could strengthen home ownership, especially by stable working and middle-income households.

The subcommittee discussed historic shifts of these households in Bridgeport, the current situation, what is important to Bridgeport about retaining and attracting strong households, and the obstacles to that now.

The need to retain and attract the targeted households is based on the finding that household incomes in Bridgeport have increased at a slower rate than in other parts of Fairfield County (20.7% vs. 30.8%). The average household income of owner households moving into Fairfield County between 1995 and 2000 was about \$100,500, as opposed to Bridgeport, which was \$40,200. This trend threatens Bridgeport's health as a city in several ways:

- Although housing prices per square foot have increased faster in Bridgeport than in Fairfield County overall (23% between 2004 and 2006 vs. 13% in Fairfield County), median prices are still much lower than the rest of Fairfield County. This continued contrast in housing values is matched by a contrast in property tax revenue, threatening Bridgeport's ability to offer city services and to finance quality education.
- Homes in Bridgeport are the most affordable in Fairfield County but not necessarily to current Bridgeport residents. Bridgeport needs to retain current middle-income households and those lower-income households who move into middle income – because they have the resources to maintain and improve older housing stock. Without leveraging the disposable income of the middle class investing in housing, the city will increasingly rely on subsidy to accomplish this objective, and there simply aren't enough subsidies available to maintain quality housing and thriving neighborhoods.
- Currently, Bridgeport largely provides housing for the lower-paid working class in the County rather than higher-salaried positions. The longer this remains a 'perceived characteristic' of Bridgeport, the more it becomes a permanent reality.
- Concentration of poverty impacts schools, creating a spiral of low test scores, lost confidence by working and middle income households, and more polarization of the educational system with many wealthy and middle class households opting out of the Bridgeport public schools and leaving behind a high percentage of poor households using the city's public system, a situation that has happened many times in cities serving immigrants, industrial workers, etc.
- And, most important in the view of the Subcommittee, the city needs healthy, income-diverse neighborhoods in order to attract business and industry, which

are critical both for reversing the emphasis on residential property for tax income and for creating jobs.

Therefore, the Marketing Subcommittee recommends that the community should:

1. Make a commitment to retaining the stable working, middle-income, and workforce households as a part of a balanced approach to housing policy. Resist the tendency to see housing issues as only related to low-income affordability. In fact, incentives must be given to stronger households, not because they need the incentives, but because the city needs these residents. Paying no attention to the middle will result in a city of very wealthy and very poor people. The wealthy will go to private schools; the poor will go to public schools. The less income diversity there is in the school system, the worse it is likely to be.
2. Provide political support for development of affordable housing in areas of Fairfield County outside of the City of Bridgeport, in order to make affordable housing more accessible and to reduce the role of Bridgeport as the major provider of affordable housing for the entire county.
3. Prioritize high-density new housing to attract middle class singles and couples in order to add new tax revenue without greater costs for schools.
4. Help existing neighbors reinvest in – and thereby recommit to - their homes. Incentivize standard-setting home makeovers (not just code compliance) with moderate to significant improvements that inspire confidence in the future of Bridgeport's neighborhoods. Offer these incentives with no or much expanded income limits. Buttress this activity with "best practices" showcasing these improvements in the newspaper and elsewhere.
5. Make the policy decision that the goal in improvements to homes and neighborhoods cannot just be to make them a little better. Rather, the goal must be to make them dramatically better so that they compete with the suburbs for strong owner-occupant and rental households.
6. Understand that older housing stock may be seen as obsolete for today's homebuyer market and come up with a plan to reposition that stock for the next generations of homebuyers and renters. This may include investing in new model floor plans, closets, larger rooms, grander kitchens, etc. Owners, investors and new buyers will likely need home prices to rise further in order to justify this kind of investment, so the city should support that kind of appreciation.
7. Make neighbors feel in control of their neighborhoods by strengthening social connections so that they know each other, know how to take charge of things that go awry, have fun with each other, have success in taking care of problems, feel respected by government, hear people say good things about their neighborhood, and so forth. People who have an intense sense of pride in their neighborhood and connectedness with their neighbors do not often move away.
8. Offer neighbors a range of housing options in the city that compete with the suburbs on price (including taxes) and amenities, and make sure there is a

housing ladder in most neighborhoods so people don't have to move out to move up.

9. Create a new language for talking about the city and its neighborhoods that minimizes problems and needs and emphasizes advantages and success. If we focus on the deficiencies of the city, no matter how well intentioned, we'll hasten the exodus of anyone with a choice.
10. Develop a marketing approach that positions the neighborhoods of Bridgeport to appeal to a range of middle income buyers and renters by finding and promoting the qualities that make individual neighborhoods special places. This approach should:
 - Set clear marketing goal(s) – if we're successful, what will we see?
 - Break down the "middle" into sub markets of similar interests and/or characteristics (target markets);
 - Research the "wants" of these target markets;
 - Analyze the gap between what the city housing stock has to offer (the product) and what target markets want - and propose product development to close that gap (products could include incentives for purchase and/or home makeover, housing development of a certain type and price, etc.); and
 - Test and propose marketing messages and marketing strategies for target markets.
11. Create "wow" streetscapes and signage at neighborhood entryways so that potential homebuyers get a good impression of the neighborhood.
12. Avoid installing neighborhood marketing efforts in city government or in an affordable housing nonprofit, as neither would likely have the sales culture to do this job, nor are they set up to focus on the housing wants of the middle. Rather, look to an independent group, or a subsidiary of the Greater Bridgeport Board of Realtors, the Chamber of Commerce, the Convention and Visitor's Bureau, or a nonprofit partnership of these with major employers in Bridgeport.

Report B

Report to the Mayor's Housing Policy Steering Committee From the Housing and Neighborhoods Subcommittee

The Subcommittee addressed the need to strengthen neighborhoods by reaching out to diverse residents as a basis for sustained revitalization of Bridgeport. Most city neighborhoods were built to serve diverse populations and this pattern will need to part of any effective revitalization effort. The Steering Committee asked the subcommittee members to step back from valid but traditional definitions such as NRZs, CDBG areas, etc. Instead the challenge was to understand neighborhoods as places of choice by a wide range of residents. Michael Schubert of Chicago, IL facilitated the Subcommittee meetings and presented a variety of ways to think about neighborhoods and to include more stakeholders in community decisionmaking.

The Subcommittee members affirmed that successful housing policies strengthen neighborhoods. By broadening economic diversity in Bridgeport neighborhoods, by promoting investment in housing that benefits those neighborhoods, and by building confidence in neighborhoods and strengthening social fabric, housing policy can make Bridgeport neighborhoods stronger.

The key issues identified by the Subcommittee were:

- Retaining the middle class and addressing concerns about better, more responsive city services and lower real estate taxes,
- Addressing the lack of predictability around zoning issues,
- Encouraging more collaboration among city government departments around the direction of neighborhood development,
- Promoting more consensus and less hierarchical decision making in neighborhoods through creating more opportunities for resident involvement outside of traditional meetings, and
- Improving/developing landlord and tenant training programs.

For neighborhoods to be strong and for diverse residents to be engaged, a housing policy must contribute to building neighborhood confidence. Such a policy provides a framework for decision-making, which values financial investment in the housing stock and personal investment in the neighborhood.

There are four key drivers that contribute to neighborhood confidence in diverse neighborhoods. They are:

A strong, positive neighborhood image and identity. Creating neighborhoods that can retain and attract diverse households requires creating places with a strong identity and a positive image. A good housing policy defines neighborhoods by their assets and what makes them special.

A strong neighborhood real estate market. There are investments that are good for neighborhoods and investments that make neighborhoods vulnerable to future decline. A successful housing policy promotes homeowner and investor owner investment decisions that have positive implications for the neighborhood.

Physical conditions that reflect pride. Helping owners improve to a quality standard so that others see positive change and respond is critical to making neighborhoods look prideful. This is an important component in a housing policy that strengthens diverse neighborhoods to have higher standards of upkeep.

Neighborhoods where neighbors can manage day-to-day issues. Helping neighbors understand the process of change and how they can influence that process is critical. A good housing policy engages neighbors in activities that improve their blocks, help build social connections and strengthens social fabric.

The City of Bridgeport has been actively involved in establishing NRZs in a number of neighborhoods. This is a very important step in revitalization. However, while many residents have been involved in the planning, we also heard that after a while participation has begun to diminish. For neighborhoods to be diverse thriving places, the opposite needs to happen.

There is a need to broaden the level of neighborhood participation not only in meetings but also in concrete actions that make neighborhoods better. Positive neighborhood change won't come only about by a few residents serving on an official planning group. There needs to be an expanded conversation that broadens participation not only in planning but in doing – in carrying out the kinds investment decisions that are critical to neighborhood health, sustained diversity and increased resident participation. To achieve this expanded level of involvement will require mobilizing current neighborhood groups, religious organizations, civic clubs, informal block groups, and others in proactive outreach and community-based initiatives.

What are the kinds of things would need to happen if housing policy was aligned to support neighborhood outcomes? Some examples include:

- Incentives for employers to develop home ownership programs for their employees, regardless of income, in adjacent target neighborhoods to reinforce walk to work values;
- Low interest loans to stimulate exterior rehab on a block, as a means of achieving more involvement by residents;
- Rehab loans for homebuyers in target neighborhoods, so these buyers can make a positive impact immediately after purchase;
- Incentive loans for good professional landlords to buy distressed rentals to keep housing and social connections stable;
- Home ownership programs that draw demand from the neighborhood, e.g. targeted through faith-based and educational institutions;
- A zoning process and rules, which are clarified and more transparent, so that residents feel less disempowered;
- Help for seniors in repairing their vacant rental units and supportive services to help them offer the units for rent, especially to nearby tenants;
- Increased opportunities for landlord training on the responsibilities of rental ownership and training for tenants to increase block-based stability.
- Community projects that directly engage neighbors and change the look of a block, e.g. house lighting projects, identity campaigns, landscaping;

These sorts of efforts require three things. The first is resources. Resources can come from local, regional and national foundations for the outreach costs. And sources for investment dollars could be from a linked development program, lending intermediaries like Community Capital, the Housing Development Fund or CHIF, or from new partnerships with the state. The second requirement is a structure or plan that can deliver these resources to neighborhoods – to work at the neighborhood level to draw diverse neighbors into the conversation and connect them with resources. There are a number of local groups that could be expanded or repositioned to do this. The third requirement is will – the will to build the structure and relationships necessary to make this real.

Using housing policy as an effective tool to build neighborhoods requires a philosophical shift – a shift away from development projects and toward a greater focus on influencing the direction of neighborhoods, more commitment to the involvement of neighbors in a wider range of neighborhood activities, and increased attention to encouraging and sustaining diversity and resident participation.

Report C

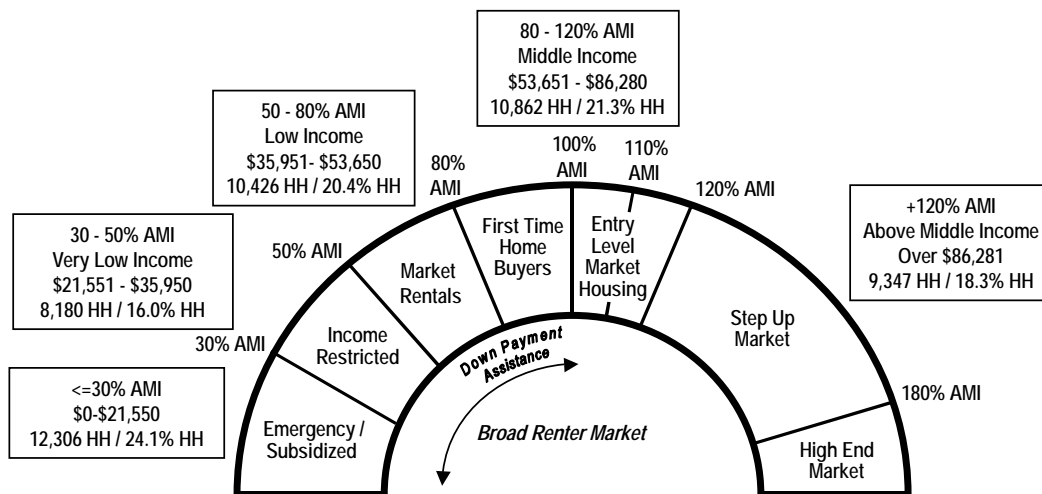
Report to the Mayor's Housing Policy Steering Committee From the Housing Affordability Subcommittee

The Subcommittee examined the terms “affordability” and “affordable housing” and discussed the need for meeting the needs of lower income households while still encouraging more investment and purchases by households “in the middle”. The Subcommittee met with David Boehlke who has developed homebuyer and rental programs that create “housing ladders” in neighborhoods to assure that a wider range of households are served and, therefore, leveraged into more neighborhood and city stability.

The members of the Subcommittee recognized that Bridgeport is unique in Fairfield County because it has a large working income population in a very wealthy county. Bridgeport is also part of a dynamic US economy, where local, national and international forces are profoundly shaping the job market, wages, and the cost of housing. Coupled with changing job markets and largely unchanging wages, the higher costs of housing are an increased burden for many households, especially those of more limited means. The data and the day-to-day experiences are distressing.

Of course, there are some bright points; for example, a high percentage of lower income households currently have enough income to afford modest rental units, although many of these units are of poor quality. However, too many households are still rent burdened (face housing costs well above 30% of income) and far too few households qualify for home purchase, in light of increased prices, extremely high property taxes, and increased insurance and energy costs.

Housing Continuum 2006



If Bridgeport is to fully benefit from the strong economy, its location, and its market potential, the city government must adopt housing policies that stabilize prices, insure a

solid, equitable tax base, increase economic development, expand retail activity, build household equity, strengthen schools and enhance neighborhoods.

Therefore, to assure that revitalization happens and a strong component of housing affordability is sustained, the Subcommittee submits that Bridgeport needs:

- 1) housing programs that continue to serve the lowest income households with quality rentals,
- 2) a definition of affordability that recognizes that quality rental and good purchase housing options are needed for the workforce population,
- 3) expansion of public and private loan and grant products, such as short term interventions to assist renters at-risk, flexible rehab packages for homeowners and homebuyers, and foreclosure prevention to keep current owners in their properties,
- 4) initiatives to encourage more high quality for-profit affordable rental units, especially as part of a de-concentration approach to lower income housing
- 5) support for additional and more varied nonprofit housing development, which can serve a wider economic range of households,
- 6) taxing of rental property based on actual rents instead of potential rents in order to assist nonprofits and other owners of affordable rental units,
- 7) taxing of homeowner houses under affordable income deed restrictions based on actual potential sale values,
- 8) a limitation of taxes on nonprofit affordable units during construction,
- 9) support for more mixed use properties with affordable rentals above retail sites,
- 10) inclusionary zoning when it can be tailored to work in the Bridgeport market as a means of building or rehabbing more housing directly at development sites and in other target neighborhoods and as a means of supporting programmatic costs of special affordable housing initiatives;
- 11) negotiations with developers to create neighborhood exterior improvement funds based on the impact of new market rate units;
- 12) facilitation of joint for-profit and not-for-profit property development of purchase and rental housing affordable to a wide range of customers, and
- 13) development of an on-going affordability collaborative “roundtable” to encourage all developers and providers to work together more effectively.

There is a need to broaden the level of neighborhood participation not only in meetings but also in concrete actions that make neighborhoods better. Positive neighborhood change won't come only about by a few residents serving on an official planning group. There needs to be an expanded conversation that broadens participation not only in planning but in doing – in carrying out the kinds investment decisions that are critical to neighborhood health, sustained diversity and increased resident participation. To achieve this expanded level of involvement will require mobilizing current neighborhood groups, religious organizations, civic clubs, informal block groups, and others in proactive outreach and community-based initiatives.

The core approach requires both a conscious plan and related policies to encourage and support “housing ladders”, both in the city and in the specific neighborhoods. These “ladders” should provide opportunities for a household to stay in a given neighborhood when moving up to better rental or to home ownership. In part this could be achieved by leveraging dollars from the new downtown and waterfront development, by creating partnership lending pools with public and private money, by exploring ways to use the secondary market, and by aggressively reaching out to use or even expand state and federal programs.

None of this will likely succeed unless the community agrees on a much more flexible definition of affordable housing. In essence affordable housing initiatives are needed for those renters, homeowners, and homebuyers that are burdened with housing costs that exceed acceptable levels. While this includes many lower-income households, it also encompasses those households that are increasingly referred to as “workforce”, including many households that are joining the middle class.

We see little value in continuing to dispute about whether we use the median income figures for the region or the median income for the city alone. In either set of numbers, Bridgeport has too many households in need of assistance. The larger affordability question is what number of households can be assisted in each of a variety of income groups. For example, how many households can be assisted who are able to pay a monthly housing bill of \$500 or \$750 or \$1000 or \$1250? The formula used to qualify households in those categories is not as important as serving those groups. We believe this can re-frame the local discussions and help create a path to change. Because of Bridgeport’s relatively low incomes, the use of federal terminology about income shouldn’t determine what groups we wish to serve and at what levels of investment. Clearly, not all affordable funds should go to the lowest income households and certainly not all should go to more middle-income households. The task is for the community to set a series of achievable annual numbers and then aggressively try to reach those.

Therefore, we recommend that a HOUSING PLAN be developed with clear target numbers of units for various income groups. Special state density programs, inclusionary zoning techniques, developer negotiations, and other initiatives can then be aimed at reaching the target number for income groups based on ability to pay rather than federal formulas. To accomplish this will require everyone to be open to a housing plan with community-based goals (i.e., non-formula targets, different strategies for different neighborhoods, agreement on housing ladders) and will especially require advocates for low-income housing to set attainable annual production numbers as part of a balanced housing policy. We believe the residents and leaders of Bridgeport are ready for this.

The challenge for the Bridgeport community is to develop a variety of tools that offer a balance of housing options to serve the broad range of modest income households and to consistently use language and examples so that such housing is not seen as concentration of those in poverty, but as a useful way to create the much broader range of quality housing that Bridgeport needs in its role in the region.