



Testimony in Support of H.B. 5480 – An Act Establishing a Revolving Loan Program for the Development and Reuse of Existing Properties

Patrick McMahon, CEO
Connecticut Main Street Center

Joint Committee on Commerce
February 11, 2021

Dear Senator Hartley, Representative Simmons, Senator Martin, Representative Buckbee and distinguished members of the Commerce Committee:

I write on behalf of the Connecticut Main Street Center, Inc. (CMSC) in support of H.B. 5480 as this bill will promote turning vacant and blighted properties in our downtowns, village centers and neighborhood commercial districts into productive properties.

CMSC is a state-wide nonprofit working to unleash the economic potential of Connecticut's downtowns. We have been advocating statewide for the adaptive reuse of vacant and underutilized older and historic properties. In 2019, we held a two-day Summit on Adaptive Reuse that brought national speakers to Connecticut to help communities turn these vacant and underutilized buildings into assets rather than liabilities. There are hundreds of vacant or underutilized buildings throughout the state and we need as many tools as possible in the economic and community development toolbox to address these blighting influences. Important programs and policies have been developed that are making a difference, such as: brownfields funding, state historic rehabilitation tax credits, land banks and receiverships. Additional gap financing tools such as a low-interest revolving loan program would aid in the redevelopment of these buildings. Reuse of buildings is often the sustainable thing to do.

We can provide a specific example of such a loan fund. Working with the Connecticut Housing Finance Authority we established the Come Home to Downtown loan pool utilizing Community Investment Act funding. The purpose of this loan pool was to provide financing for multi-story mixed use buildings in which the upper stories were vacant and could be converted to housing units. Our loan pool provided predevelopment loans that paid for architectural, structural and engineering studies or permitting fees, as well as bridge loans for historic tax credits and construction loans. Our program was limited to 8 pilot communities. Success stories include: 16 units within walking distance of the New Britain Fastrak Station and a few doors down from City Hall; 28 units one block away from Bushnell Park and 10 units kitty corner to Dunkin Stadium in Hartford. Our grant period is coming to a close; however, such a program should be scaled to the entire state and could be managed by Community Development Financial Institutions such as LISC and the Hartford Community Loan Fund.



Thank you for your consideration of this measure. Please contact me at 860-985-2083 if you have any questions or concerns.

Sincerely,

A handwritten signature in blue ink that reads "Patrick J. McMahon". The signature is written in a cursive style with a blue ink color.

Patrick J. McMahon, CEO