

# NEW HAVEN INDEPENDENT

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## Kerekes Tells City Workers, "Come Back Home"

BY **Paul Bass** | JUN 22, 2011 3:08 PM

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Mayoral candidate Jeffrey Kerekes urged city government employees to buy homes in New Haven—and promised to have a 50 percent tax break waiting for them.

Kerekes made that pitch Wednesday as he unveiled a proposal called "Come Back Home."

The proposal would offer 50 percent property tax breaks for up to five years for city workers who currently live

outside town.

That's most city workers. According to figures released by City Hall last October, 63.48 percent of government workers were living out of town.

Kerekes noted that the numbers are higher for teachers and cops (nearly 80 percent) and school brass and firefighters (close to 70 percent).

"Want real community policing? Let's have cops live here in New Haven, be our neighbors. Know us as neighbors, not as others," Kerekes, who's seeking the Democratic mayoral nomination, said at a City Hall press conference. "Want real education reform? Let's have the teachers send their own kids here to the schools and teach their neighbors' kids."

Kerekes would cap his program at \$1 million a year and have it run for five years. Up to 300 new homeowners would qualify on a first-come, first-served basis. They would qualify for the 50 percent break on the first \$225,000 in value on their homes. (That's the median home value in New Haven.) That means they could obtain up to approximately \$3,250 a year, or \$16,250 over the five years. They would have to be full-time city employees and live in the houses they buy. (If people's tax bills are lower than the median, the percentage covered could go as high 100 percent.)

[Click here](#) to read details of the proposal and Kerekes' press conference remarks. Click on the play arrow at the top of the story to watch him answer questions about it.

The city in the past sought to impose residency requirements, only to find it blocked by law. (Top mayoral appointees do need to live in the city.) Kerekes said he'd rather address the "underlying" reasons people move here rather than try to force them to.

"After 18 years under [Mayor John] DeStefano, the city suffers from struggling and failing schools, limited services, high crime rates, higher poverty rates, and a higher unemployment than surrounding communities," he said. "It's really hard to blame our employees for choosing to live outside of New Haven 70-80 percent of the time."

Kerekes was asked what he'd tell a New Haven homeowner who commutes to a job teaching in a suburban school—and would see his taxes subsidize New Haven schoolteachers under this plan.

"Come teach here in New Haven. We need people like you," Kerekes said he'd tell the teacher.

Also, he said, he would find \$1 million in cuts rather than raise anybody's taxes to pay for the new program. He also vowed to find more cuts to lower all homeowners' taxes. The city would hire no new staff to administer the program, he said.

The candidate called it a "fair point" that existing homeowners—including city workers—might feel resentful that money would go toward lowering taxes of new homeowners in their ranks. Because of the city's tight finances, he said, "At this point we can't roll this out for people already living here and making the right choice. We need to spend every dollar like a precious resource" and find its "highest and best use."

Yale University pioneered a program to lure employees to buy homes in town; 974 workers have bought New Haven homes since the program's 1994 launch, according to Michael Morand, the university's director of state communications. Yale has spent more than \$20 million on the program, which aims at stabilizing neighborhoods. The employees get \$5,000 up front plus \$2,500 a year for 10 years if they continue to own and occupy their homes. In the third year, Yale began limiting the program to poorer neighborhoods.

All groups of employees participate, Morand said. The program has tended to attract more first-time homebuyers or people moving to the region, rather than existing employees who already own homes in New Haven's suburbs.

Yale-New Haven Hospital, the Hospital of St. Raphael, and the Mary Wade Home have since launched their own employee homebuyer programs. At St. Raphael's, which offers \$5,000 loans that are forgiven (i.e., become grants) after five years, 26 employees have bought homes, 23 of them in the surrounding neighborhood, according to hospital spokeswoman Liese Klein.

Realtor Barbara Pearce cited a difference between those private programs and a proposed city homebuyer program: "The taxpayers aren't footing the bill." She questioned whether it makes sense to try such a city program in tough economic times. She predicted that "you will get people who would have [bought homes] anyway. You're going to give them something you didn't need to give them."

State governments in Maryland and Wyoming offer versions of such employee homebuyer programs, as does Chicago, Columbia, S.C., and Kentucky's Lexington-Fayette County. [Click here](#) for information on those efforts.

Another New Haven Democratic mayoral contender, Clifton Graves, called Kerekes' proposal "worth studying. Any initiatives that can encourage our employees to live in the city who actually work in the city is admirable."

Mayor DeStefano's campaign manager, on the other hand, criticized the proposal.

"A million dollar-per-year tax giveaway to 300 people is probably not the best way to use city resources," said the manager, Danny Kedem. "When everyone is feeling the recession, we need to focus our money on educating our kids and fighting violence in the city. This plan especially penalizes renters who have decided to live in New Haven. The mayor is committed to growing our tax base. We have a higher percentage population growth rate than any city in New England. There is more commercial and private investment going on in New Haven than any other place in Connecticut."

## Comments

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**posted by: Pedro Soto on June 22, 2011 3:36pm**

I think that this, or a proposal in this vein is worth considering for our city.

Perhaps someone (@urbandata?) could give us some data-driven analysis on this proposal, to see if the benefits of having 300 middle income earners and their families come to the city would outweigh the \$3000/year subsidy.

As for renters, I don't think this would penalize them, since renters also are not burdened by the very high costs of homeownership.

In fact, a rental program might even prove to be more popular than a homebuyers program. Maybe it could be something like a free bus pass and free bike for people who choose to relocate and rent.

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**posted by: pat on June 22, 2011 3:50pm**

Carrots are always better than sticks.

This is a creative approach to a sticky problem and it's worth considering.

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**posted by: anon on June 22, 2011 4:05pm**

Providing incentives (tax credits, tuition, free transportation, grants, etc.) so that City employees will be more likely to choose to live within New Haven is definitely a proposal worth considering.

Yale and the Hospital already does this, and it is a huge benefit to them, and to their own workforce. A large proportion of Yale staff live within New Haven. The State of Connecticut also provides incentives, like lower-cost mortgages, to targeted neighborhoods in New Haven. To not continue and expand upon these types of initiatives would be an enormous mistake, given their proven effectiveness. In Washington DC, the City has a pilot program that provides grants of \$12,000 to employees who move within two miles of their office.

Not so long ago, most of our policemen and teachers actually lived within the City of New Haven. Talk to residents who were around then, and all of them will tell you how nice it was that police officers lived in their neighborhood. Sadly, this is no longer true.

Study after study has shown that when police officers no longer live within a neighborhood, crime skyrockets to third world levels. That's what has happened in certain pockets of New Haven.

The city's current proposals to improve public safety and education—primarily by paying highly-paid staff, corporations and consultants even more money—pale in comparison to the opportunities that we would create for ALL residents if our police officers and teachers once again chose to live in our neighborhoods.

I think the fact that a Campaign Manager would dismiss the idea of incentives outright just shows that he/she is completely out of touch with typical New Haven residents. It also shows that he/she is out of touch with the Board of Aldermen. Whoever dismissed this idea should consider spending more time in the neighborhoods.

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**posted by: Atwater on June 22, 2011 4:23pm**

Are non-city workers who live in the city entitled to the same tax break? (rhetorical question) Why not just make a broad promise to cut property taxes for all property owners? Wouldn't this have the same affect? Although I don't think taxes are the only thing that stop people from moving to the Elm City. The schools are a mess, the crime rate is higher than the towns, etc., we all know the litany of our city's problems.

City workers shouldn't be required nor expected to live here. It's too bad Kerekes is making this an issue. Where are the reasonable New Haveners and when will one of them step up to run for mayor?

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**posted by: Threefifths on June 22, 2011 4:35pm**

posted by: anon on June 22, 2011 4:05pm

Study after study has shown that when police officers no longer live within a neighborhood, crime skyrockets to third world levels. That's what has happened in certain pockets of New Haven.

I would like to see that study.I don't think it is true.In fact I have a police officer and a firefighter on my block who work for the Greenwich fire and police department and both told me that because of the cost of living in Greenwich some of them live in the bronx in New York.And he said the same thing for teachers,I have a friend

who works for the city and lives in a house in westville and the taxes are 17,000 a year. He will be moving very soon due to the next tax hike.

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**posted by: L on June 22, 2011 4:35pm**

Hmm, sounds interesting, and he must be a Hungarian-American w/ that name, no less! I like.

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**posted by: Already a homeowner on June 22, 2011 5:13pm**

This is a seriously half-baked plan.

Why should city residents and employees who already live here and pay taxes here pay a million dollars to provide a tax break to 300 people who, for years, have preferred to live in the suburbs? Why should I see a \$1 million cut in my services to pay for this tax break for 300 suburban residents? People will LOSE THEIR JOBS in order to see a \$1 million cut in the budget to pay for this tax break for 300 suburban residents. This just makes no sense to me.

I agree that it is a good thing for city workers to live in the city, but I just don't see how we have the money right now to pay for this. I want my tax dollars going to education, public safety, parks, youth programs, street repairs...not to 300 suburban residents.

Also, would there be any guidelines on what neighborhoods would be eligible? I don't think it really helps anyone if a handful of suburban city workers move to East Rock or Wooster Square and keep sending their kids to suburban private schools.

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**posted by: anon on June 22, 2011 5:15pm**

over the long term, any economist can tell you that the direct and indirect benefits of having a few hundred city employees move back into new haven could easily total \$500 to \$1,000 per resident per year. to the city as a whole, this amounts to tens of millions of dollars per year.

if it is hard to wrap your head around economic forecasts like these, consider a few of the costs of NOT having a residency incentive program:

- 1) a city in which nobody who works there also lives there.
- 2) a city where the majority of the restaurants, bakeries and cafes close in the afternoon or early evening.
- 3) a city where the entire police force lives out of town, so feels entitled to throw their trash out the window during lunch breaks, and badmouths the local residents whenever they drive home after a day of work.
- 4) a city where so many people drive into work that the city workers don't even recognize that there are people who walk, bike and take buses in order to get around their neighborhood, or that those activities are legal.
- 5) a city with rising crime and poorer performing schools.
- 6) a "reverse Robin Hood" city where poor people (homeowners, and especially, renters via the property tax) are heavily burdened with the cost of the McMansions and SUVs of suburban employees & union leaders living in Westbrook CT.
- 7) a city where an enormous proportion of the hard-earned money of local residents is exported "out of town" not only to pay for wars in Afghanistan and Iraq, but also to help perpetuate those wars by paying for city employees to drive dozens of miles each day in their commutes from the suburbs to city hall.
- 8) a city with hundreds of homes sitting vacant, with nobody to buy or rent them. given that most the vacant homes are in Newhallville, the Hill and Fair Haven, most of the people reading this blog may not realize what it is like to live next to them.
- 9) a city where taxpayers not only subsidize suburban employees, but one where taxpayers also pay enormous sums of money to subsidize free parking spaces for those employees.
- 10) a city where people who live here don't feel like they have any opportunities to work here, and therefore leave town for greener pastures elsewhere.