

Legal Assistance Resource Center

❖ of Connecticut, Inc. ❖

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S.B. 996 -- Connecticut Economic Recovery Fund

Finance Committee public hearing -- March 2, 2009
Testimony of Raphael L. Podolsky

Recommended Committee action: APPROVAL OF THE BILL

This bill creates a new Connecticut Emergency Economic Investment Commission to promote job creation and energize the state's economy. It also establishes a Citizens' Advisory Board to the Commission. The Commission will supervise a \$1 billion Connecticut Economic Recovery Fund, with a set of interagency review committees to review and rank applications. Applicants must certify job creation goals with penalties for failure to meet those goals. We are especially pleased that one of the nine strategic grant components of the Fund will be housing, for which the bill allocates bonding authority of up to \$100 million. It also allocates \$50 million for projects sponsored by non-profit organizations.

In recent years, there has been an increasing recognition that housing not only meets a critical human need for shelter but is also an important driver of job creation in the economy. The bill originally proposing the HOME Connecticut program, which was adopted in 2007 and is now codified as Chapter 124b of the General Statutes, was actually called "An Act Establishing a Program of Housing for Economic Growth." It was supported by extensive analysis of the multiplier effect of housing creation. Yet the housing industry in Connecticut, and especially the non-profit portion of that industry, is struggling because of the lack of available financing. S.B. 996 offers genuine hope that the meeting of housing needs will be a significant part of the economic stimulus package in Connecticut.