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Testimony to Finance Committee

**S.B. 996 - AN ACT ESTABLISHING THE CONNECTICUT EMERGENCY
ECONOMIC INVESTMENT COMMISSION**

**Betsy Crum
Director of Real Estate Development
Women's Institute for Housing & Economic Development
67 Washington Street
Middletown, Connecticut 06457
860-343-9000
bcrum@wihed.org**

Good morning and thank you for this opportunity to speak before you today and for raising this critically important bill. My name is Betsy Crum, and I am the Director of Real Estate Development for the Women's Institute for Housing and Economic Development. We are a not-for-profit housing development corporation and consultant that works in partnership with local groups to build affordable and supportive housing in the cities and towns across Connecticut. We are currently in construction on 150 units of affordable family, elderly and supportive housing in Bridgeport and New Milford, and are working with locally-based nonprofit organizations to build another 130 high quality rental housing units.

The budget recently proposed by Governor Rell is a disaster for anyone working in the affordable housing industry in our state. For the first time I can recall since 1980, there is absolutely no state funding for housing. None, not even the tax credit programs that leverage private contributions. And while it was our hope that the federal stimulus bill would replace some of the funding, to date we have seen nothing new for developing housing. The worthy stimulus bill fills existing gaps and braces our infrastructure, but falls short of providing any financing for new housing development. Affordable housing development has come to an abrupt and grinding halt.

I applaud this bill and its attempt to bolster our failing economy. While the federal government considers what additional steps to take, the state Legislature has recognized this core fact: housing affects just about every type of effort to aid American families and improve neighborhoods across the country. Stable, affordable housing is central to education, health, employment, and economic development. Research shows that children with a stable place to live are healthier and perform better academically; employment rates for adults are higher when they have a steady residence; and communities with longtime residents have a greater share of citizens actively involved in civic affairs and experience less crime. To ignore housing is to undermine the fundamentals of economic recovery.

And it is not just homeowners and their families who are affected by the housing crisis. As many as one-third of foreclosed properties are multifamily units, putting renters in jeopardy when building owners can no longer afford their mortgages. As families lose their homes, neighborhoods also suffer. Vacant houses quickly deteriorate, dragging down property values and encouraging crime and vandalism. The cost to local governments is considerable: up to \$34,000 per house in police and fire protection, trash removal, unpaid water bills, court proceedings, and, in some cases, demolition. The cost to neighbors and the local housing market are equally serious: a drop of up to 1.1 percent in property value for every home within an eighth-of-a-mile radius.

The legislature is in a strong position to make a difference in resolving the housing crisis. State and its agencies has decades of experience supporting community and economic development in Connecticut's low and moderate-income neighborhoods. That investment and the hard work of the non-profits and other grantees may now be put at risk. This experience — and that of the organizations you have supported over many years — is an asset, enabling all of us to make a real difference in these troubled times.

Affordable housing is an investment in our future and in our ability to thrive as an economy, as a community of people, and as a state that continues to attract and retain private sector investment and strong families and individuals. Connecticut's non-profit housing industry is ready and able to meet the challenge of building and rehabilitating our housing stock. I urge you to support this bill and restore funding that will produce affordable housing for our state.

As the poet T.S. Eliot wrote, "Home is where one starts from."

Thank you.