

Testimony of
John W. Shannahan
Finance Committee
Public Hearing
February 23, 2009

Senator Daily, Representative Staples, members of the Finance Committee, my name is John W. Shannahan, and for 30 years (1973-2003) I served as director of the former Connecticut Historical Commission, as well as Connecticut's State Historic Preservation Officer, administering the historic preservation programs of the National Park Service, and the State of Connecticut.

I am here today to testify on behalf of Connecticut Preservation Action about the impact of Sections 2 and 3 of Senate Bill 933.

Promises Reneged

Specifically the language in Sections 2 and 3 of SB 933 would preclude housing rehabilitation tax credit projects whose buildings are scheduled to be placed in service in calendar 2009 and 2010 from receiving the tax credits which the state had reserved for these projects. If this language is adopted, this would be a reversal of the states promise and commitment to developers who have expended millions of dollars in private funds and who have completed the rehabilitation of vacant and underutilized buildings.

Examples of some of the projects that would be impacted by such language would include, the Colt Factory complex in Hartford, the Capitol Building on Asylum Avenue Hartford, the Arcade Building in downtown Bridgeport, and Affordable Housing Project in New Britain just to name a few.

Housing and Economic Recovery

If Connecticut is to attract investment from out of state and within, it needs to remove any uncertainty to creating housing development in our state. Such projects as the rehabilitation of housing units are an important component to our economic recovery. First is jobs, because rehabilitation projects are more labor intensive than new construction. Second is tax revenues generated by these projects, such as sales taxes and payroll taxes which often brings about a greater return to the state and local communities than the tax credits.

No Risk

Finally the state should be thrilled that the private sector is willing to create needed housing for our communities in these difficult economic times. You should also understand, that the only way you can receive a tax credit is after you have completed an approved project. Unlike some government programs money is not provided up front in hopes that someone will do what they say. I would be happy to answer any questions.

Thank you.