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Legislative Testimony
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Housing Committee
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Good Afternoon Mr. Chairman, Mr. Chairman and members of the committee. My name is John Dunne and I'm a Senior Program Manager for the Corporation for Supportive Housing in New Haven. The Corporation for Supportive Housing is a national nonprofit organization that helps communities create permanent housing with services to prevent and end homelessness. Since 1993 we've worked in Connecticut as part of the Reaching Home Campaign to help produce over 3800 units of housing with services for homeless and other low-income people. I am here to talk with you today about **H.B. 5071, an Act concerning the Supportive Housing Initiative.**

First of all, I want to thank Chairman Green for sponsoring this bill. Our constituents, the homeless, are not a powerful group and we applaud you Mr. Chairman, for including *their* needs in this bill.

As you know, the bill increases the bonding cap for CHFA and restores funding previously approved by the legislature to construct approximately 150 units of permanent supportive housing in communities in different parts of the state including the communities of Hartford, Waterbury, Manchester, Griswold, New Haven and Norwalk.

These funds were already approved by you once before. The 2009 budget included these funds. CHFA issued a Request for Proposals on behalf of the State's Interagency Committee on Supportive Housing, and eighteen non-profit developers responded to a Request for Proposals. They spent money securing property, getting zoning approvals, preparing drawings etc. These developers spent almost \$5 million of their own money based on the fact that these funds had already been approved. They knew not all of them would get funding. Yet they risked time, organizational resources and a lot of money to submit proposals for this funding. CHFA and the Interagency Committee spent many weeks

looking at the proposed sites, evaluating the proposals, going over the drawings etc. Eventually they chose nine projects for possible funding. But, in November, just as CHFA was to release the names of the projects to be funded, the Governor rescinded the funding.

One project, 57 units in Norwalk, was so far along that if it had received its funding, homeless individuals, veterans and families and others in need of affordable housing could have been moving into their apartments this spring. All of these projects were "Shovel Ready". They had zoning. They had other needed sources of funding committed. The requirement of the RFP was that each project have site control, zoning and 40% drawings completed before an application for funding could be made. They were Shovel Ready. But as the state's economy quickly deteriorated, the decision was made to de-fund these projects just as the governor was opening up state armories to house people this winter.

You should also know that NONE of the capital funds would have been used this year. Only a small fraction would be used next year and the majority of the payments on debt service would not begin until FY 2112.

From an economic point of view this rescission is not cost-effective. As you know, Supportive Housing has been shown in study after study to reduce government spending in many areas of public spending that are very high-cost. Why?

Because people in supportive housing are much less likely to use expensive emergency care, less likely to be incarcerated or hospitalized, and these costs are usually borne by government.

So as part of a strategy to climb out of a bad financial situation we don't think it can be effective. We all know that projects take time to put together. But by taking this action the governor is stopping the pipeline of supportive housing just as family and veterans' homelessness is increasing.

We know that in the State's plans for housing in this budget there was the expectation that the Federal Stimulus package would help. In fact there are very few new additional capital resources for housing in the stimulus bill. We know that our creative non-profit developers will try to figure out how to use whatever new resources there are to develop supportive housing. But they will expend months of additional time—and money—trying to fit a square peg into a round hole. And we already know how to solve homelessness: **supportive housing**.

So I thank you for listening to me today and I urge you to keep these funds available so that Connecticut can continue to be a national leader in ending homelessness.

Thank you.