



Testimony of Betsy Crum
Executive Director, Connecticut Housing Coalition

Support:

S.B. 1008 – An Act Authorizing Bonds of the State for Capital Improvements and Other Purposes

Thank you for the opportunity to testify today. My name is Betsy Crum, and I am the Executive Director of the Connecticut Housing Coalition. The Coalition represents a network of over 250 community-based, affordable housing organizations across the state. Our membership includes nonprofit and for-profit developers, social service agencies, property managers, resident associations, and diverse other housing practitioners and advocates. As an organization dedicated to creating and preserving affordable housing in Connecticut, we have intimate knowledge of the challenges and rewards of developing affordable housing in our cities and towns.

On behalf of our Coalition, I would like to strongly support S.B. 1008, An Act Authorizing Bonds of the State for Capital Improvements and Other Purposes. This bill represents significant new capital financing for housing, providing \$100 million for affordable housing and \$30 million for supportive housing over the next two years. We believe this heralds a critical investment in our state's 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.

There are many sound reasons why affordable housing matters and why it is a good investment for our state. I would like to highlight a few of them:

- Housing is a significant economic driver: There is ample evidence that investment in affordable housing is an investment in economic health. Housing creates jobs, some 800 to 2,600 for every \$75 million invested, depending on how it's spent or used to leverage other investment. Housing creates economic activity, with economic studies showing that for every dollar spent in housing construction, there is an additional \$10-12 in economic activity that ripples throughout the economy. Housing creates new tax revenue, both during and after construction. When a multifamily unit is built, an average of \$7,400 in sales and income tax is generated; the number increases to \$12,000 when a single-family unit is built. Further, an average of \$4,000 in local property taxes are collected annually for a housing unit after it is built.
- Affordable housing creates the homes we need: In the face of a changing local and national economy, the need for affordable housing in Connecticut remains great and essential to our future success. The National Low Income Housing Coalition's recent "Out of Reach" report found that some 70,000 households in Connecticut cannot afford a modest two bedroom apartment. Economic diversity is a critical component of any healthy community, and high quality housing leads to stable families, thriving children and vibrant neighborhoods. Affordable

housing creates the homes we need for our parents, our children, our workers, our young professionals and families. Housing is where jobs go at night.

- Supportive housing is a proven solution to chronic homelessness for vulnerable populations, children and families. The capital proposed would be combined with on-site services that deal with individualized health, educational, support and employment needs. By putting these elements together and ensuring affordability, the supportive housing model addresses homelessness at its root causes. The state's experience with supportive housing programs has confirmed that it increases independence, decreases the use of expensive emergency and inpatient services, and has a positive impact on the surrounding economy. Supportive housing works, and it saves the state money while producing a better outcome for people.

Across the state, there is housing waiting to be built. A recent survey of Connecticut Housing Coalition members identified 32 affordable housing initiatives that were shovel ready, representing over \$311 million in total development activity, but stalled for lack of gap financing from the state. Just this past year the Connecticut Housing Finance Authority (CHFA) awarded Low Income Housing Tax Credits for 4 housing development proposals, but turned away 15 other worthy applications for lack of sufficient resources. Supportive housing projects have been ready and waiting for the financing needed to move them forward and provide a cost effective and successful solution to homelessness.

The capital investment in housing in S.B. 1008 is precisely the right response at the right time. I urge you to support this investment, a "win-win" for our economy, our communities, and people and our State. Thank you for your consideration.