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## Home Improvement Initiative on jobs and housing

Testimony of Raphael L. Podolsky  
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People often speak of housing as a driver of employment. When they do, they are usually speaking about new construction. In the present market, however, there is a different kind of employment/housing program that I urge the General Assembly to promote. That is to create an initiative to put people to work in the home improvement industry. Such a program could be initiated and funded through legislative action, although it does not necessarily require legislation, or legislation could be used primarily to make sure that such a program is created administratively. DECD and CHFA have access to both funding and programming structure that would allow them to create such an initiative on their own, but enhanced funding would be helpful. I bring the proposal to this Committee because the legislature can play a critical role in assuring the creation of a Home Improvement Initiative as part of any jobs program.

The recession has produced a major slowdown for those who work in home improvements -- contractors, carpenters, roofers, painters, plumbers, and numerous other skilled workers. Both DECD and CHFA have repair and rehabilitation programs and have access to funding which can be used for them. The General Assembly has given DECD authority for \$100 million in general revenue bonds for the biennium, and CHFA has authority to issue its own bonds.

I urge the General Assembly to generate a Home Improvement Initiative that could put hundreds of tradesmen to work. The benefits of such a program would include:

- It would have a very broad impact. It can reach all parts of the state.
- It would energize small businesses, independent tradesmen, and their employees. The people it could put to work are the very ones who have been particularly hard-hit by the recession.
- It would activate an industry that is begging for work and in which there are trained workers ready and able to take on jobs immediately.
- It would avoid the issues around whether "projects" are or are not "shovel-ready," because it would work through the ordinary markets for home improvement labor.
- It could be shaped to meet a variety of state priorities. For example, it could give priority to distressed municipalities or to urban centers. It could target by income. It could reach both home owners and landlords. It could even focus on subsets of landlords, such as owner-occupants in two- to four-family buildings, which is now a requirement in the Rental Housing Revolving Loan Fund (which is presently unfunded).
- For day-to-day administration, it could make use of existing entities that support neighborhood revitalization, such as the Connecticut Housing Investment Fund and Neighborhood Housing Services.

- It could make a real difference in the quality of housing.
- It could impact many housing units at a relatively small cost per unit.
- It could use financing creatively. For example, it could provide grants, low-interest loans, or a combination of the two; and it could key such financing to satisfy both state objectives and property owner needs. It could offer deferred payment loans (no repayment until the property is sold) to promote affordability or forgivable loans (the loan balance is written off if the property owner lives in the building as his or her primary residence for a minimum number of years) to promote neighborhood stability and home ownership.
- It could be combined with other types of home improvement programs, such as weatherization and energy conservation programs.

The key is that it be created with a vision directed toward job creation as well as toward housing improvement. It should also be designed as a well-publicized "initiative," much as the federal car-buying program was promoted as an initiative. Because outdoor home improvement work cannot be done during the winter, it should be targeted to a spring 2012 start-up date, which would give the relevant agencies time to organize the administration of the program during the winter so as to have it ready to go in the spring.

As previously stated, a home improvement-based jobs program does not have to be created by legislation. It would benefit from additional legislative funding, but it could be implemented administratively with funds already in the biennial budget. What it needs is vision and "splash," an effort to make it into something big and important. Inclusion in the jobs bill of a section requiring the creation of such a program, preferably with funding beyond currently authorized funds, would help make such a program happen.