



**Testimony of Samuel M. Giffin, MCP
Submitted to the Planning & Development Committee, Connecticut General Assembly**

March 15, 2021

**In support of
HB 6611, An Act Concerning a Needs Assessment and Other Policies Regarding Affordable Housing and
Development**

Thank you to the Planning and Development Committee Chairs Senator Cassano, Representative McCarthy Vahey, and distinguished members of the Planning and Development Committee for the opportunity to submit this testimony.

My name is Sam Giffin, I am the Policy and Data Analyst at Open Communities Alliance. I am testifying today in support of Raised Bill 6611, also known as Fair Share Housing.

The Executive Director of Open Communities Alliance has addressed the reasons that Fair Share Housing for Connecticut is the right thing to do. I am going to briefly elaborate on the promise that Fair Share Housing is the smart thing to do for Connecticut, because of the vast economic benefits to our local and state economy that passage of Raised Bill 6611 would bring about.

The research is unequivocal: building housing both market rate and affordable has positive economic impacts, both direct and indirect.¹

These impacts come directly from:

- The businesses responsible for doing the development
- The businesses in Connecticut that make up much of the supply chain for development
- The employment both part time and full time in the construction industry
- The building permit and impact fees and local property taxes derived from construction and ownership of new housing developments

¹ Edward Moscovitch, "Recipe for Growth: Analysis of 242 Metro Areas Shows Most Common Ingredients for Job Creation and Why Housing Is Key to Massachusetts' Economic Future" (Massachusetts Housing Partnership, 2009); Edward Glaeser and Joseph Gyourko, "The Economic Implications of Housing Supply," *Journal of Economic Perspectives* 32, no. 1 (February 2018): 3–30, <https://doi.org/10.1257/jep.32.1.3>; David Schwartz, "The Importance of Affordable Housing to Economic Competitiveness," *Economic Development Journal* 15, no. Winter 2016 (n.d.): 40–46; Chang-Tai Hsieh and Enrico Moretti, "Housing Constraints and Spatial Misallocation," *American Economic Journal: Macroeconomics* 11, no. 2 (April 2019): 1–39, <https://doi.org/10.1257/mac.20170388>.



They also come indirectly from:

- The incomes from those construction jobs being spent with businesses in our local and state economy
- The economic growth that a greater supply of affordable housing would bring to our regions
- The in-migration (and cessation of out-migration) that greater housing affordability would allow²
- The increased spending of families that occupy affordable housing and that are no longer cost-burdened, that is spending far too much on housing costs

While the research draws a direct line between housing production and economic growth, it is worth estimating some of these impacts. Fair Share housing will promote both affordable housing and mixed income housing which includes both market rate and deed-restricted units for low income residents.

Conservative estimates of the aggregate ten-year impact of just the market rate units that Fair Share could bring about are:

- over 60 billion dollars in income for Connecticut residents
- over 12 billion dollars in state and local tax revenue
- approximately 80,000 jobs over ten years³

The economic gains from the affordable units would also be substantial:

- State-subsidized housing units create nearly one job per affordable unit created
- The average subsidized housing unit has at least one member that is employed, increasing spending in the local economy where they reside⁴

Importantly, all these benefits are in addition to undoing the economic damage that a lack of affordable housing is causing to our state.⁵

Imagine for a moment that you are an entrepreneur. You hope to start a business in Connecticut, a wonderful place to live. But you need to hire workers with advanced skills, managers and entry level or low skilled workers. A minimum wage worker in Connecticut would have to work two full time jobs to be able to afford an average one-bedroom apartment.⁶ You struggle to find

² "2019 National Movers Study," United Van Lines, accessed March 12, 2021, <https://www.unitedvanlines.com/newsroom/movers-study-2019>.

³ "The Economic Impact of Home Building in Connecticut: Income, Jobs and Taxes Generated" (National Association of Home Builders, April 2019).

⁴ Sherry Lambert, "Economic Impact of Housing Investment by CHFA," November 15, 2018.

⁵ Ally Schwietzer, "Why The Housing Crisis Is A Problem For Everyone — Even Wealthy Homeowners," *NPR.Org*, January 13, 2020, <https://www.npr.org/local/305/2020/01/13/795427706/why-the-housing-crisis-is-a-problem-for-everyone-even-wealthy-homeowners>.

⁶ "Out of Reach 2020: Connecticut," National Low Income Housing Coalition, 2021, <https://reports.nlihc.org/oor/connecticut>.



workers that form the backbone of your business, because these workers cannot afford to live where you want to start your business. Frustrated, you end up forced to look elsewhere, for a regional economy with a housing supply that can support a diversity of incomes and skill levels.

Yes, Fair Share housing is the right thing to do because our state is segregated and unequal; but it is the smart thing to do because it will bring about economic growth and shared prosperity.

I would be happy to answer any questions on this testimony and Fair Share Housing.

Thank you,

Sam Giffin, M.C.P.
Policy and Data Analyst
Open Communities Alliance
860-610-6040 ext. 3512
sgiffin@ctoca.org