



ECONOMIC IMPACT

The experience of other states, regions and cities, considered alongside survey data from Connecticut, suggests substantial economic impact throughout Connecticut resulting from the establishment of a **Housing Trust Fund for Economic Growth & Opportunity**. It is estimated that over 10 years, Connecticut could see \$1.4 billion in economic impact from the increasing availability of housing that is affordable for Connecticut's working families.

Housing Trust Fund = Leveraging

It is estimated that each \$1 of new state funding will leverage an additional \$10 to \$12 of additional housing development. Thus, a \$10 million investment from the Housing Trust Fund could create, on an annual basis:

- \$120 million of additional housing development:
- 750 housing units
- 1,290 jobs
- Nearly \$42 million in wages paid

Those numbers do not include the benefits to towns and cities through increases in the municipal Grand List. It is also estimated that the \$10 million annual state investment would leverage:

- \$38 million in private investment
- \$18 million in federal funds
- \$64 million in construction loans and mortgages

Establishment of the Housing Trust Fund would create a funding source making it possible for housing that is currently planned, but unfunded or underfunded, to be built. It would also encourage and assist in the financing of additional housing throughout Connecticut.

How Connecticut's Economy Flourishes

State investment in the production of housing brings economic benefits to Connecticut in two primary ways:

- Developers can leverage considerable federal and private resources, bringing more investment dollars to Connecticut, and
- Construction of housing generates other economic activity, producing jobs, investment and tax revenue.

Under the Community Reinvestment Act, financial institutions are charged with the responsibility of providing community development related loans, services and investments for the creation of affordable housing and for the revitalization and stabilization of low- and moderate-income communities. These funds will be used to provide the impetus and in some cases necessary credit enhancement to increase bank lending and investment and leverage existing financing.

Economic Consequences

Each housing development undertaken supports construction jobs and permanent jobs in banking, real estate, property management and maintenance, insurance, legal services, utilities and related fields. The construction and operation of housing also generated increased sales in building materials and appliances, all of which are taxable.