

Connecticut Housing Trust Fund – DECD Analysis

\$57M investment resulted in:

- \$519M in **leveraged funds**
- 2,200 **units**

A Partnership for Strong Communities analysis of the Housing Trust Fund using NAHB and Boston Foundation models found it created:

- Over 4,000 **jobs**
- Up to \$28M one-time and \$14M recurring **state & local revenue**
- Hundreds of millions in **economic activity**

Connecticut Housing Finance Authority

\$75M in capital funding for affordable housing would produce:

- 2,600 **jobs**, 800 **units**, \$340M **economic activity**, \$29M **state revenue** if leveraged with 9% LIHTC
- 1,700 **jobs**, 2,000 **preserved units**, \$198M **economic activity**, \$18M **state revenue** if leveraged with 4% LIHTC
- 880 **jobs**, 260 **units**, \$115M **economic activity**, \$9.6M **state revenues** if funding entire development cost

CT Housing Tax Credit Contribution Program - DECD Study

\$40M in state tax credits generated:

- 6,100 **jobs**
- \$58M **net state revenue**
- 2,664 **housing units**
- \$573M in **leveraged funds**

National Association of Home Builders

1 housing unit creates:

- **Jobs:** up to 3.24 short-term and 0.53 long-term
- **Personal, Business Income:** \$73K to \$221K one-time, \$23K to \$31K recurring
- **State, Local Revenue:** up to \$22K one-time, up to \$7,400 recurring

Boston Foundation

Study for Partnership for Strong Communities shows:

- 1 SF Unit = \$12,400 one-time **state revenue** (income, sales tax), \$4,000 recurring
- 1 MF Unit = \$7,400 one-time **state revenue** (income, sales tax), \$4,000 recurring

Summary of Studies on the Economic Impact of Housing Development

Housing Creation Results in More Jobs, More Economic Activity & More State and Local Revenues

Housing construction and rehabilitation has been shown to have a substantial positive impact on the state's economy, including the ability to help the state generate new revenues. Housing development creates jobs, particularly jobs in the construction and service industries. It also provides much needed housing for Connecticut's moderate and low income households, making the state more attractive for workers and businesses. A number of economic models demonstrate these benefits:

Connecticut Housing Trust Fund

DECD Analysis, Partnership for Strong Communities Analysis

In the five years since CT's Housing Trust Fund was created, DECD reports that \$57 million has been invested to create over 2,200 units of housing, leveraging \$519 million in funding from other federal, state, local and private sources. Using the NAHB model and conservative estimates from a Boston Foundation study done for the Partnership for Strong Communities, the Partnership estimates that the state's investment in the Housing Trust Fund has resulted in over 4,000 jobs, approximately \$12 million to \$28 million in one-time government revenue, \$7 million to \$14 million in ongoing government revenue, and hundreds of millions in economic activity.

Connecticut Housing Finance Authority

Memo to the CHFA Board of Directors

CHFA, using REMI modeling, recently estimated that \$75 million in capital funding for affordable housing could result in the following:

- If leveraged with 9% LIHTC – 800 units of affordable housing, \$340 million in economic activity, 2,600 jobs (including 1,500 construction jobs) and \$29 million in state revenues.
- If leveraged with 4% LIHTC and used to preserve existing housing units – 2,000 units, \$198 million in economic activity, 1,700 jobs (including 900 construction jobs) and \$18 million in state revenues.
- If used to fund the entire cost of development – 260 units, \$115 million in economic activity, 880 jobs (including 500 construction jobs) and \$9.6 million in state revenues.

CT Department of Economic and Community Development

An Assessment of Connecticut's Tax Credit and Abatement Programs - December 2010

A recent DECD evaluation, using the REMI model, of the state's Housing Tax Credit Contribution program for the years 2006-2009 found that the \$40 million of tax credits invested by the state over those four years resulted in:

- State revenues of \$58 million.
- \$573 million in funds leveraged from other sources, including federal, state, local, and private funding.
- A total of 2,664 units of housing (95% rental).
- An estimated 6,100 jobs.
- An increase in state GDP of \$406 million, an increase in state personal income of \$364 million, and an increase in the value of shipments/sales by all industries of \$757 million.

National Association of Home Builders Studies

The Local Impact of Home Building in a Typical Metro Area: Income, Jobs and Taxes Generated - June 2009

The Local Economic Impact of Typical Housing Tax Credit Developments - March 2010

The National Association of Home Builders (NAHB) has created a model that provides estimates on the local impacts of housing development. The NAHB has provided multipliers for single-family and multifamily units, as well as multipliers for affordable housing developments using Low Income Housing Tax Credits, which are broken out by family developments and elderly developments. The impact of these units depends on the type of unit, with single family producing the greatest impacts and the three types of multifamily developments producing less. The NAHB studies estimate that each unit of housing created results in the following:

- Between 1.13 and 3.24 short-term jobs and 0.3 to 0.53 ongoing jobs.
- One-time local income of \$221,000 for single-family unit and between \$73,000 and \$79,000 for each multi-family unit. Recurring local income of \$31,000 for single family unit and about \$23,000 for each multi-family unit. Local income encompasses the income generated by the various people who work on these projects, as well as the local businesses that benefit from purchases of goods and materials.
- One-time government taxes and revenues (includes sales, income and property tax revenues) of \$22,000 for each single-family unit and \$8,000 for every multi-family unit. Recurring government taxes and revenues between \$4,000 and \$7,400.
- More detail is available in this chart:

Construction - Per Unit Analysis	Per Unit Local Income	Per Unit Government Taxes & Revenue	Per Unit # of Local Jobs
One-Year Impacts			
Single-Family Home	\$211,000	\$22,000	3.24
Multi-Family Rental Unit	\$79,000	\$8,270	1.22
Affordable Multi-Family Rental Unit	\$79,000	\$8,270	1.22
Affordable Elderly Rental Unit	\$73,000	\$7,680	1.13
Recurring Impacts			
Single-Family Home	\$31,000	\$7,430	0.53
Multi-Family Rental Unit	\$23,000	\$3,950	0.32
Affordable Multi-Family Rental Unit	\$24,000	\$4,410	0.3
Affordable Elderly Rental Unit	\$23,000	\$3,950	0.32

Boston Foundation

Study for the Partnership for Strong Communities

This study looked at the state revenues generated by housing creation. Using conservative assumptions, this model estimates that the state can expect \$12,415 in one-time income and sales tax revenues for every single-family unit created and \$7,449 for every multi-family unit created. Ongoing income and sales tax revenues for the occupation of housing are \$4,107.