



HOME BUILDERS ASSOCIATION OF CONNECTICUT, INC.
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*Your Home
Is Our
Business*

May 14, 2007

To: All Legislators
From: Bill Ethier, CAE, Executive Vice President
Re: **Please SUPPORT SB 1057, An Act Establishing a Program of Housing for Economic Growth**

With only three weeks to go in the 2007 session, this is to urge you to pass SB 1057, the critically important HOMEConnecticut legislation.

Why is this legislation critically important?

Because Connecticut faces a severe housing shortage crisis. In 2006, the nation saw over 1.5 million new housing units, yet Connecticut's share was only 8,073 new units – for the entire state. From 2000 – 2004, Connecticut ranked 48th in the nation for the number of new housing units permitted per capita. The very low new housing supply is the reason our housing prices are so high. Housing is not immune from the basic laws of economics. As supply has been limited, prices have increased because demand has been relatively steady (even if low).

Because homes are where jobs go at night. Connecticut's economy depends on lots of things, but one critically important factor is the supply of moderately priced homes for employees taking new jobs. As an industry we have been unable to build enough housing to supply our economy due primarily to the incredibly difficult and time-consuming local land use approval process. The HOMEConnecticut legislation directly addresses this issue by providing incentives to local governments to zone for and permit higher density housing. The program is voluntary and only those municipalities who want the housing need participate. They also choose where they want it and have some control over it's design.

Because home building and renovation is a great economic engine. Housing can lead – again – our economic recovery to new highs. SB 1057's higher housing densities will allow us to lower the prices of new homes to fill the need of the moderate priced housing market. **We see tremendous market potential in the type of housing the HOMEConnecticut legislation will promote and our industry has the capacity to build it.** We are also convinced that municipalities will participate. Not only are they supporting SB 1057 but also the Massachusetts' experience, which has a similar program, is creating housing in numerous municipalities there.

Because Connecticut's economy and job growth cannot wait. Our young people, who are leaving the state at a faster rate than any other, cannot wait. It takes time for this program to work – municipalities need to rezone areas to housing incentive zones, builders need to develop housing designs and business plans to apply for and build the housing – this doesn't happen over night. The longer we wait, the more Connecticut loses. This needs to be done NOW!

Because this program pays for itself, producing a 2:1 pay back in state revenue for every dollar invested. Driving the economy higher is the best way to raise state revenues.

Many municipalities want this housing. We can build it! Our citizens and our economy need it! So, we ask you to Please SUPPORT SB 1057 and fund it this year! Thank you!

Representing the Home Building, Remodeling and Land Development Industries In Connecticut
"Enhancing Our Member's Value to Their Customers and Our Industry's Value to Society"