

Housing Committee JOINT FAVORABLE REPORT

Bill No.: SB-6

Title: AN ACT CONCERNING HOUSING.

Vote Date: 3/7/2024

Vote Action: Joint Favorable Substitute

PH Date: 3/5/2024

File No.:

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Housing Committee

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REASONS FOR BILL:

This bill would help to address the issues surrounding housing affordability in Connecticut. Specifically, S.B. 6 would encourage and enable the creation of affordable housing in the state by creating a "Housing Growth Fund" to be administered by the Department of Economic Community Development (DECD) in an effort to encourage municipalities to allow housing to be built. This legislation would also provide tax credits and tax breaks for building housing, expand housing authority jurisdictions, and appropriate funds to various programs to prevent homelessness.

SUBSTITUTE LANGUAGE:

Lines 1367-1382: Removes the appropriations sections at the end of the bill.

RESPONSE FROM ADMINISTRATION/AGENCY:

[Seila Mosquera-Bruno, Commissioner, Department of Housing \(DOH\)](#), testified in opposition to S.B. 6 on the grounds that Section 6 would increase the conveyance tax on property transfers, and they believe any increase to the total development cost is not in the best interests based upon the housing shortage. They oppose Section 10 due to not having the data nor the resources to conduct an extensive study to collect said data. Sections 25 and 26 are points of contention in the department's eyes on multiple different points including, issues of constitutionality, budget constraints, violations of statutory obligations, among others. Lastly, they oppose Sections 27 and 29 due to funding not allocated in the state budget.

[Daniel O'Keefe, Commissioner Designate, Department of Economic and Community Development \(DECD\)](#), testified in opposition to S.B. 6 on the grounds that the Housing Growth Fund is not allocated in the state budget and the agency does not have the requisite \$50 million a year nor the budget for the staff required to run this program. There are also concerns within the agency about the program's lack of direction for grants awarded to municipalities as well as the duplicative nature of this program to existing ones.

[Werner Oyanadel, Policy Director, Commission on Women, Children, Seniors, Equity & Opportunity \(CWCSEO\)](#), testified in support of S.B. 6 on the grounds that it will provide incentives to encourage the development of affordable new housing projects and makes the necessary regulatory adjustments to facilitate easier development.

NATURE AND SOURCES OF SUPPORT:

[Martin Looney, Senate President Pro Tempore, Connecticut General Assembly \(CGA\)](#), testified in support of S.B. 6 with commentary on different sections of the bill. They support the establishment of the Housing Growth Fund as it will reward municipalities to add affordable housing units. They also support the conversion of commercial property into residential use as this will increase the amount of housing units across the state and turn vacant commercial lots into places of use. They commented how this bill fills both humanitarian needs and economic needs as the state has averaged 100,000 open jobs but cannot convince prospective employees to move into the state due to issues of affordability. They also state that it is not an isolated issue, however, it is one that is interconnected with

education, health, and safety. There is also support for both the \$25 million allocated to the Rental Assistance Program and the \$20 million to fund housing and homeless services.

Liza Andrews, VP of Government & Public Relations, Connecticut Coalition Against Domestic Violence (CCADV), testified in support of S.B. 6 as it "offers a comprehensive approach to increasing the availability and affordability of housing in Connecticut." They have concerns with housing affordability regarding domestic violence with the lack of affordable housing having a negative consequence on survivors of domestic violence being able to leave their abusers.

Erin Boggs, Esq., Executive Director, Open Communities Alliance, testified in support of S.B. 6 as the Housing Growth Fund will reward municipalities in their role to create affordable housing with the \$50 million support fund.

Jennifer Dayton, Anne Hefter, Legislative Specialist, League of Women Voters of Connecticut (LWVCT), testified in support of S.B. 6 with commentary on different sections of the bill. They support Sections 1-3 as they believe the Housing Growth Fund would incentivize municipalities to create new affordable housing and encourage the hire of new municipal and school employees with the homes being affordable enough to support the new hires. They oppose Section 4 on the grounds that they believe it does not incentivize smaller municipalities that lack enough affordable housing. They also support Section 5 as it will allow for the repurposing of commercial spaces into residential ones.

Justin Elicker, Mayor, City of New Haven, testified in support of S.B. 6. He stated that since 2020 the City of New Haven has built 1,900 housing units and built and preserved approximately 900 units of affordable housing with an addition 3,500 units pending, 40% of them being affordable. He testifies to the high costs of redevelopment and states that S.B. 6 will be an important step to provide the tools to address the housing shortage.

Pete Harrison, Director, Desegregate CT, testified in support of S.B. 6 with commentary on two sections of the bill. They highlight Section 2 which they believe will meaningfully incentivize municipalities to build more affordable housing and this should be funded and encouraged. They also support Section 13 that expands the jurisdiction of Municipal Housing Authorities as they believe they are important beacons of home builders and public wellbeing.

Dara Kovel, CEO, Beacon Communities, testified in support of S.B. 6 with commentary on different sections of the bill. They are proponents of the Housing Growth Fund as it will allow municipalities to promote multi-family housing and allow them to predict the types of developments to prioritize them. They would encourage the amendment of green building standards. They support the Rental Assistance Program as it can be used in conjunction with state housing finance tools to create more affordability. They are supportive of Commercial to Residential conversions as this would stand to increase the amount of housing available using already built vacant units. They support the tax breaks for affordable housing development; however, they believe it should be amended to be 50% of units that are affordable to allow for different sized projects.

Agustin Lopez, Senior Director of Specialized Community Services, Mental Health Connecticut, testified in support of S.B. 6 with commentary on different sections of the bill. They are supportive of the \$25 million allocation of funding for the Rental Assistance Program

as it will help families match rising rental costs and cover an additional 1,350 low-income families.

Mag Morelli, President, Leading Age Connecticut, testified in support of S.B. 6 on the grounds that Section 11 would attempt to exempt workforce and affordable housing from the property tax thereby reducing rent burdens on elderly tenants.

Jim Perras, CEO, Home Builders & Remodelers Association of Connecticut, INC. testified in support of S.B. 6 with amendments. They testified to striking Section 6 as they believe that the conveyance fees would not differentiate between good and bad actors. This, in their eyes, could potentially exacerbate the housing shortage and affordability issues for renters. They also state that Sections 7 and 8 should be amended to eliminate the 50 unit minimum to allow smaller developers the opportunity to take advantage of these tax incentives.

Raphael Podolsky, Attorney and Policy Advocate, Connecticut Legal Services, testified in support of S.B. 6 with commentary on different sections of the bill. They support Sections 1 through 9 and Section 11 which looks to promote new rental housing construction. They testified in support of Sections 12 through 24, as they believe it will encourage more diverse housing in suburban towns and give housing authorities the same zoning and development rules as other developers when developing outside their home municipalities. They support Sections 25 and 26 to require an annual review of fair market rent. They also testified to support Sections 27 and 28 that provide funding for homelessness services. They support Section 29 which provides funding and prevent the Rental Assistance program from shrinking. They oppose Section 10 as they believe the 2-month maximum on security deposits is too high and there is no need to study the cap raising.

Chelsea Ross, Executive Director, Partnership for Strong Communities, testified in support of S.B. 6 with commentary on different sections of the bill. They are supportive of the Rental Assistance Program as the program would maintain the existing families served, and help an additional 1,350 low-income families. They support Section 25 but urge the language be amended to make sure the total number of certificates available through RAP is not reduced by any provisions in the section. They support Section 6 but recommend the current threshold for transfer to the Housing Trust Fund be altered as it is set too high at \$300 million and should be lowered to \$200 million. They state that if the threshold was lowered to \$200 million it would have "allocated nearly 25%, \$420 million over 7 years, of all revenue towards affordable housing creation." They are supportive of Sections 1 through 4 as they believe the Housing Growth Fund will help stagnate rent growth through an increase in housing supply and cite the New Haven Public Housing Authority showing that 45 cities and towns would have received grants under this program in the past five years amounting to 25% of the state.

Carol Scully, Director of Advocacy, The Arc of Connecticut Inc., testified in support of S.B. 6 on the grounds that they believe this bill will be an important step in providing affordable housing, especially in relation to individuals with disabilities. They support Section 1-4 with the creation of the Housing Growth Fund. They also support Sections 7 and 9 with an amendment to remove the 50 unit minimum. They're also in support that Section 25 be amended that the Rental Assistance Program is not reduced and increased by \$25 million.

[Eli Sabin, Legislative Coordinator, Connecticut Voices for Children \(CT Voices\)](#),

testified in support of S.B. 6 and commented positively on certain sections of the bill. They support the provision of the Housing Growth fund and believe it would encourage more towns since just 10 municipalities have constituted 40% of the total housing construction. They think it would reward towns for creating affordable mixed-use housing developments. They support the expansion of Municipal Public Authority Jurisdiction as they think these housing authorities are skilled at effectively developing affordable housing to a community's needs. They are in support of strengthening the Rental Assistance Program as it is an important measure to keep families from being displaced. They are also in support of funding to be allocated towards the homelessness response system and encourage the funding be raised from \$18 million to \$20 million.

[Chris Senecal, Senior Public Policy Officer, Hartford Foundation for Public Giving](#),

testified in support of S.B. 6 with positive commentary on different sections of the bill. They support the \$25 million increase to the Rental Assistance Program as it will allow the program to keep pace and add additional families. They also support the \$20 million in funding towards the homelessness response system and find that "This amount mirrors the proposal of the Connecticut CAN End Homelessness coalition."

[Karen DuBois-Walton, President, Elm City Communities](#),

testified in support of S.B. 6 on the grounds that it would create the housing Growth Fund and incentivize municipalities to build more funding and give them "the flexibility to decide if and how they want to contribute." They state that according to their estimate, about 45 municipalities would have benefited from the fund from the past 5 years.

Numerous organizations and residents from different municipalities across the state testified in support of S.B. 6 due to the allocation of \$20 million dollars to combat homelessness. Many of the organizations supporting this provision ask it to be amended to ensure that the funding becomes annualized. There is also the overall sentiment that S.B. 6 would be an important resource to allow the creation of new affordable housing. There is also support for the \$25 million increase in funding for the Rental Assistance Program:

- **[Anonymous](#)**
- **[Anonymous, Mothers and others for justice](#)**
- **[Nakitta Brown, Community Member](#)**
- **[Thomas Burr, Public Policy and Affiliates Relations Manager, NAMI Connecticut](#)**
- **[Kara Capone, CEO, Community Housing Advocates](#)**
- **[Lisa Cesario, Communications Specialist, Columbus House](#)**
- **[Zoeann Day](#)**
- **[Kelly Fitzgerald, VP of Economic Mobility, United Way of Greater New Haven](#)**
- **[Sarah Fox, CEO, Connecticut Coalition to End Homelessness \(CCEH\)](#)**
- **[Leonardo Ghio, Northwest CAN CCEH Co-Chair](#)**
- **[Rose Kelly, Interim Director of HMIS and Strategic Analysis, CCEH](#)**
- **[Margaret LeFever, GNH CAN Director, United Way of Greater New Haven](#)**
- **[Adam Lytton, Interim Associate Director, Prime Time House Inc.](#)**
- **[Rachel Merva, Board Member, Beth El Center and resident of Milford](#)**
- **[Jeanne Milstein, Co-Convener, New London Human Services Network](#)**
- **[Matthew Morgan, Executive Director, Journey Home](#)**
- **[Silvia Narvaez, Housing Exits Director, Alpha Community Services YMCA](#)**

- [Danielle Osullivan](#)
- [Ashley Robles, Senior Data Analyst, School and State Finance Project](#)
- [Caitlin Rose, CEO, Friendship Service Center Inc.](#)
- [William Rybczyk, President/CEO, New Opportunities Inc.](#)
- [Jeff Shaw, Senior Public Policy Advisor, The Alliance](#)
- [Tonishia Signore, Policy Director, She Leads Justice](#)

NATURE AND SOURCES OF OPPOSITION:

[Kelly DeMatteo, President, Connecticut Apartment Association \(CTAA\)](#), testified in opposition to S.B. 6 on the grounds that Section 6 would increase the conveyance tax and would therefore increase transaction costs and higher rent rates in their view. They also find issues with Sections 7 and 8 due to the unit minimum for tax breaks.

[Samuel Gold, Executive Director, Lower Connecticut River Valley Council of Governments \(RiverCOG\)](#), testified in opposition to S.B. 6. They support two concepts in the bill but do not support their current iteration. The first concept is they support a reduction in sales tax on building construction materials found in Section 6, but they suggest that the builder be allowed to submit for reimbursement from the Department of Revenue Services. The other concept supported in theory but not execution is Sections 13-15 that would allow one municipality's housing authority to work in other municipalities. They are concerned with the language allowing the housing authorities to work without the permission of the new municipality.

[Francis Pickering, Executive Director, Western Connecticut Council of Governments \(WestCOG\)](#), testified in opposition to S.B. 6 on the grounds that Sections 13-15 would allow housing authorities to usurp the control of local municipalities on this matter. They have general comments on Section 2 in which they support the definition of affordable housing and give other considerations of amendments to this section. They support Section 5 as they view there being an excess of vacant commercial spaces that could be used to maximize the construction of affordable housing. They have questions regarding the language in Section 6 regarding conveyance tax. They raise more questions on Sections 7-8 and suggest that "instead of a new sales tax rate...it allow homebuilders an annual refund on their state taxes equivalent to what their savings under the new sales tax rate would have been."

[Dondre Roberts, Connecticut Apartment Association](#), testified in opposition to S.B. 6 on the grounds that Section 6 would increase the conveyance tax and put a burden on housing providers. They do support Section 5 as they believe the introduction of tax credit vouchers to transition commercial spaces into residential space is a great way for revitalization.

[John Souza, President, Connecticut Coalition of Property Owners \(CCOPO\)](#), testified in opposition to S.B. 6 on the grounds that Section 6 would raise conveyance tax on housing providers. They do support Section 10 as they believe more information on the topic is a good thing and request to add a small housing provider to the group. They also support Section 17 as it would lower the sales tax to build affordable units but state that the minimum number of units needs to be lowered.

Numerous residents from different municipalities across the state testified in opposition to S.B. 6 on similar grounds of the perceived notion that this bill would usurp local zoning control

to the state, issues of the conveyance tax, issues with Section 3 and the points system to track growth. Some constituents sent in a template opposing the bill and outlining the revisions on the following subjects: Housing Voucher allocations, waitlists, and portability.

- [Jonathan Arnow](#)
- [Karen Banks](#)
- [Kathryn Braun](#)
- [David Brown, Stonington Odd Fellows Lodge #26](#)
- [Gary Corigliano](#)
- [Penny Cozza](#)
- [Greg Dal Piaz](#)
- [Douglas Davison](#)
- [Ellen Jacob](#)
- [Glenn Frishman](#)
- [Joseph Fuscaldo](#)
- [John Hair](#)
- [Kenneth Huwer, Zoning Commission Alternate Zoning New Fairfield, CT](#)
- [Marilina Imperati](#)
- [Lawrence Kiel](#)
- [John Ijams](#)
- [Nora Maloney](#)
- [Peter McGuinness](#)
- [Greg Mullen](#)
- [David Parisier, Managing Director, Paredim Partners LLC](#)
- [Anthony Petrella](#)
- [Julie Price](#)
- [Brian Rathbun](#)
- [Andrea Sandor](#)
- [Warren Serenbetz](#)
- [Diana Severo](#)
- [George Skakel](#)
- [Jessica Stauder](#)
- [Lauren Tagliatela, CCO, Franklin Communities](#)
- [Patricia Thatcher](#)
- [Maria Weingarten, Co-Founder, CT169Strong.org](#)

GENERAL COMMENTS:

[Betsy Gara, Executive Director, Connecticut Council of Small Towns \(COST\)](#), testified to some general comments about various sections in S.B. 6. They support the intent of Section 2 however they are unsure how the program will interact with preexisting ones. They also have concerns with growth-score based grants which could hinder smaller towns from getting grants due to ineligibility. They oppose Section 4 as it "imposes a duplicative reporting requirement on municipalities to provide certain housing data to DECD." They oppose Sections 13-15 as they have concerns regarding the ability of housing authorities expanding beyond their designated jurisdiction.

[Jim Heckman, General Counsel, Connecticut Realtors](#), testified to some general comments about various sections in S.B. 6. They support Section 5 as the tax credits would be an incentive to homebuilders. They oppose Section 6 on the grounds that the conveyance tax would stand to make the affordability crisis worse in their beliefs. They also oppose the study outlined in Section 10 as the benefit to tenants known already and the resources dedicated to the study would therefore be wasted.

[Francis Palasieski, Director of Government Affairs, Northeastern Retail Lumber Association](#), testified to some general comments about various sections in S.B. 6. They support the reduction in sales tax on goods purchased for new residential developments as it aligns with their goals. They do have issues with the "potential burden placed on small businesses tasked with administering this tax rate reduction." They believe that it should be implemented in the form of a tax credit as it will facilitate easier implementation.

Reported by: Murray Cento

Date: 3/20/2024