



**HOME BUILDERS & REMODELERS ASSOCIATION
OF CONNECTICUT, INC.**

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*Your Home
Is Our
Business*

**HOUSING COMMITTEE
PUBLIC HEARING
02-20-2024**

TO: Chairpersons Khan and Moore, Ranking Members Polletta and Sampson,
and distinguished Members of the Housing Committee

FROM: Jim Perras, CEO

OPPOSE: S.B. No. 143 (RAISED) AN ACT CONCERNING EVICTIONS FOR CAUSE.

H.B. No. 5156 (RAISED) AN ACT REQUIRING NOTICES OF RENT
INCREASES.

SUPPORT: S.B. No. 142 (RAISED) AN ACT ESTABLISHING A HOUSING AUTHORITY
RESIDENT QUALITY OF LIFE IMPROVEMENT GRANT PROGRAM AND A
HOUSING CHOICE VOUCHER TASK FORCE.

S.B. No. 145 (RAISED) AN ACT APPROPRIATING FUNDS FOR THE
HOMELESS RESPONSE SYSTEM.

S.B. No. 146 (RAISED) AN ACT CONCERNING THE ADMINISTRATION OF
THE RENTAL ASSISTANCE PROGRAM AND OTHER HOUSING VOUCHER
PROGRAMS.

S.B. No. 147 (RAISED) AN ACT ESTABLISHING A TASK FORCE TO
STUDY THE IMPLEMENTATION OF RENTAL SAVINGS ACCOUNTS.

The Home Builders and Remodelers Association of Connecticut (HBRA-CT) is a professional trade association with eight hundred business members statewide, employing tens of thousands of Connecticut residents. Our association of small businesses consists of residential and commercial builders, land developers, remodelers, general contractors, subcontractors, suppliers and those businesses and professionals that provide services to our diverse industry. We build between 70% to 80% of all new homes and apartments in Connecticut each year and engage in countless home remodeling projects.

OPPOSE: S.B. No. 143.

Connecticut is in the midst of a housing affordability and accessibility crisis as a result of limited housing inventory and slow housing production. **The HBRA of CT appreciates the intent of SB 143 but asks the Housing Committee to reject this bill because of the harmful effects it could have on housing production.** Just Cause Eviction" laws are designed to protect tenants from being evicted without a

valid reason. While these laws aim to provide stability and security for renters, they can have negative impacts on housing production, disparately harming those most in need. It's important to note that the negative impact of these laws can be felt even more acutely in already tight housing markets. Here are some potential ways in which "Just Cause Eviction" laws might harm housing production, if passed, in Connecticut:

1. **Increased Landlord Risk Perception:** Landlords may perceive increased risks associated with renting out properties due to the limitations on eviction. This perception can affect their willingness to invest in or develop rental properties.
2. **Reduced Property Values:** Property values may be impacted if landlords believe they have less control over their property and tenants, potentially leading to a decrease in property investment and development.
3. **Negative Impacts on Financing:** Lenders and investors may be cautious about providing financing for rental property development in areas with stringent "Just Cause Eviction" laws, as these regulations can affect the predictability of rental income.
4. **Incentive for Short-Term Rentals:** Property owners may shift towards short-term rentals, such as Airbnb, where eviction laws are typically less restrictive. This can reduce the availability of long-term rental units, impacting the overall housing supply.
5. **Potential Rent Increase:** Landlords may raise rents to compensate for the perceived risks associated with "Just Cause Eviction" laws, potentially making housing less affordable for tenants.
6. **Stifling Property Upgrades:** Landlords may be less inclined to make significant property upgrades or renovations if they fear they may not have the ability to reclaim the property for personal use or other valid reasons.
7. **Impact on New Construction:** Developers may be hesitant to invest in new rental housing projects if they anticipate challenges in managing tenant issues or if they believe the laws restrict their ability to respond to changing market conditions.

It's important to strike a balance between tenant protections and the interests of property owners and developers to ensure a healthy and sustainable housing market.

Unfortunately, S.B. 143 does not strike such a balance and therefore the HBRA of CT respectfully requests that the Housing Committee reject this bill.

OPPOSE H.B. 5156:

The HBRA of CT appreciates the intent of HB 5156 but respectfully asks the Housing Committee to reject this bill because of the negative impacts it could have on an

already stressed rental market. The HBRA of CT fears, that if passed, HB 5156 would negatively impact the rental market in the following ways:

1. **Limits Flexibility for Landlords:** Implementing a 60-day notice period may restrict landlords' ability to respond quickly to changing market conditions. Property values, maintenance costs, and economic factors can fluctuate, and landlords should have the flexibility to adjust rental rates in a timely manner to ensure the financial viability of their investments.
2. **Impacts Market-driven Pricing:** The real estate market operates on the principles of supply and demand. By allowing landlords to adjust rents based on market conditions, it encourages efficient allocation of resources and helps maintain a balance between the demand for rental properties and their availability.
3. **Discourages Property Investments:** Investors may be more hesitant to invest in rental properties if they perceive rigid regulations that limit their ability to adapt to market dynamics. A more flexible environment can attract more investors, leading to increased housing supply, which can help address shortages and mitigate rising rental prices over the long term.
4. **Stymies Economic Growth:** Allowing landlords to make timely adjustments to rental rates can contribute to economic growth. A dynamic rental market supports a more efficient allocation of resources, incentivizes property owners to maintain and upgrade their properties, and fosters a healthier overall real estate market.
5. **Limits Risk Mitigation for Landlords:** Landlords face various risks, such as unexpected maintenance costs or changes in property taxes. Allowing them to adjust rents with shorter notice periods enables better risk management, ensuring that they can cover unforeseen expenses without risking financial instability.
6. **Higher Overall Rents:** Mandating a specific notice period creates additional administrative burdens for both landlords and government agencies responsible for oversight. It could result in increased paperwork and regulatory compliance costs, which may be passed on to tenants through higher rents.

A balanced approach should consider the interests of both landlords and tenants to ensure fair and equitable housing practices. **Unfortunately, HB 5156 does not appear to strike that balance. As such, the HBRA of CT respectfully requests the Housing Committee to reject this bill.**

SUPPORT S.B. 142, 145, 146 AND 147:

SB 142 would establish a resident quality of life improvement grant program and a housing choice voucher task force. SB 145 would appropriate funds to DOH and DHMAS for homelessness and housing programs. SB 146 would mandate certain

administrative changes to the rental assistance program that would allow more flexibility to program users and make it more user friendly for both tenants and landlords. Lastly, SB 147 would create a task force to study the implementation of a rental savings account.

Collective, the above bills would have a positive impact on tenants without limiting property rights nor compromising the landlord community's ability to provide healthy and safe housings to the citizens of Connecticut. **For these reasons, the HBRA of CT asks the Housing Committee to support S.B. 142, 145, 146, and 147.**