

House of Representatives

General Assembly

File No. 274

January Session, 2025

Substitute House Bill No. 7112

House of Representatives, March 26, 2025

The Committee on Housing reported through REP. FELIPE of the 130th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING HOUSING AND HOMELESSNESS AND THE RENTAL ASSISTANCE PROGRAM.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (Effective from passage) The majority leaders' roundtable
- 2 group on affordable housing, established pursuant to section 2-139 of
- 3 the general statutes, shall conduct a study concerning the feasibility and
- 4 potential benefits of establishing and funding an Affordable Housing
- 5 Real Estate Investment Trust for the purpose of acquiring housing units
- 6 for long-term retention as affordable housing through deed restrictions
- 7 in order to reduce the cost of deed-restricted affordable units in the state.
- 8 Not later than January 1, 2026, the roundtable group shall submit a
- 9 report, in accordance with the provisions of section 11-4a of the general
- 10 statutes, on its findings and any recommendations to the joint standing
- 11 committee of the General Assembly having cognizance of matters
- 12 relating to housing.
- 13 Sec. 2. (Effective from passage) (a) There is established a task force to
- 14 conduct a study of the feasibility and potential benefits of providing a

15 housing opportunity tax credit to landlords who offer housing to

- 16 formerly incarcerated individuals that would be (1) applicable against
- any state income tax owed by a landlord, and (2) equal to twenty-five
- 18 per cent of the rental income a landlord receives from any tenant who is
- 19 a formerly incarcerated individual. The task force shall consider the
- 20 following in its study:
- 21 (A) The potential impact of such tax credit on the availability of
- 22 housing for formerly incarcerated individuals;
- 23 (B) The potential financial benefits to landlords who provide housing
- 24 to formerly incarcerated individuals;
- 25 (C) The potential impact of such tax credit on recidivism rates of
- 26 formerly incarcerated individuals and the potential financial benefits to
- 27 the state resulting from any such reduced recidivism rates;
- 28 (D) The potential administrative costs associated with implementing
- 29 the tax credit program; and
- 30 (E) The best practices for implementing a housing opportunity tax
- 31 credit program.
- 32 (b) The task force shall consist of the following members:
- 33 (1) One appointed by the speaker of the House of Representatives,
- 34 who is a formerly incarcerated individual;
- 35 (2) One appointed by the president pro tempore of the Senate, who is
- 36 a representative of a nonprofit entity that provides housing services;
- 37 (3) One appointed by the majority leader of the House of
- 38 Representatives;
- 39 (4) One appointed by the majority leader of the Senate;
- 40 (5) One appointed by the minority leader of the House of
- 41 Representatives, who is a landlord;

42 (6) One appointed by the minority leader of the Senate, who is a 43 representative of a nonprofit entity that provides services to formerly 44 incarcerated individuals;

- 45 (7) The Commissioner of Housing, or the commissioner's designee;
- 46 (8) The Commissioner of Revenue Services, or the commissioner's 47 designee; and
- 48 (9) The Commissioner of Correction, or the commissioner's designee.
- (c) Any member of the task force appointed under subdivision (1), (2), (3), (4), (5) or (6) of subsection (b) of this section may be a member
- of the General Assembly.

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- (d) All initial appointments to the task force shall be made not later
 than thirty days after the effective date of this section. Any vacancy shall
 be filled by the appointing authority.
- (e) The speaker of the House of Representatives and the president pro tempore of the Senate shall select the chairpersons of the task force from among the members of the task force. Such chairpersons shall schedule the first meeting of the task force, which shall be held not later than sixty days after the effective date of this section.
 - (f) The administrative staff of the joint standing committee of the General Assembly having cognizance of matters relating to housing shall serve as administrative staff of the task force.
- (g) Not later than January 1, 2026, the task force shall submit a report
 on its findings and recommendations to the joint standing committee of
 the General Assembly having cognizance of matters relating to housing,
 in accordance with the provisions of section 11-4a of the general statutes.
 The task force shall terminate on the date that it submits such report or
- 1 ne task force shall terminate on the date that it submits such report of
- 68 January 1, 2026, whichever is later.
- Sec. 3. Section 7-246 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) Any municipality may, by ordinance, designate its legislative body, except where the legislative body is the town meeting, or any existing board or commission, or create a new board or commission to be designated, as the water pollution control authority for such municipality. Any municipality located within the district of a regional water authority or regional sewer district established under an act of the General Assembly may designate such water authority or sewer district as the water pollution control authority for such municipality, with all of the powers set forth in this chapter for water pollution control authorities, provided such water authority or sewer district agrees to such designation. If a new board or commission is created, the municipality shall, by ordinance, determine the number of members thereof, their compensation, if any, whether such members shall be elected or appointed, the method of their appointment, if appointed, and removal and their terms of office, which shall be so arranged that not more than one-half of such terms shall expire within any one year. The water pollution control authority of the town within which there is a city or borough shall not exercise any power within such city or borough without the express consent of such city or borough, except that such consent shall not be required for any action taken to comply with a pollution abatement order issued by the Commissioner of Energy and Environmental Protection.

(b) Each municipal water pollution control authority designated in accordance with this section may prepare and periodically update a water pollution control plan for the municipality. Such plan shall designate and delineate the boundary of: (1) Areas served by any municipal sewerage system; (2) areas where municipal sewerage facilities are planned and the schedule of design and construction anticipated or proposed; (3) areas where sewers are to be avoided; (4) areas served by any community sewerage system not owned by a municipality; (5) areas to be served by any proposed community sewerage system not owned by a municipality; and (6) areas to be designated as decentralized wastewater management districts. Such plan may designate and delineate specific allocations of capacity to serve areas that are able to be developed for residential or mixed-use

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buildings containing four or more dwelling units. Such plan shall also describe the means by which municipal programs are being carried out to avoid community pollution problems and describe any programs wherein the local director of health manages subsurface sewage disposal systems. The authority shall file a copy of the plan and any periodic updates of such plan with the Commissioner of Energy and Environmental Protection and shall manage or ensure the effective supervision, management, control, operation and maintenance of any community sewerage system or decentralized wastewater management district not owned by a municipality.

- (c) (1) In addition to the requirements of subsection (b) of this section, any municipal water pollution control plan prepared by the water pollution control authority of a municipality in which single-family homes constitute not less than fifty per cent of such municipality's housing stock shall specify such municipality's plan for providing sewer service to promote the development of housing opportunities consistent with subdivisions (4) to (6), inclusive, of subsection (b) of section 8-2, including such municipality's (A) existing and planned sewer service area or areas, (B) existing or planned lots that allow for use as multifamily housing, and (C) allocations for specific daily sewage flow rates that may provide infrastructure to support the development of multifamily housing. The water pollution control authority of any municipality described in this subdivision shall post such municipal water pollution control plan on the Internet web site of such municipality.
- (2) Any water pollution control plan described in subdivision (1) of
 this subsection may be incorporated into such municipality's affordable
 housing plan adopted pursuant to section 8-30j or plan of conservation
 and development adopted pursuant to section 8-23.
 - (3) Each such water pollution control plan shall be submitted to the Secretary of the Office of Policy and Management in addition to the Commissioner of Energy and Environmental Protection. Any municipality with a water pollution control plan that creates a realistic

139 possibility, as determined by the Secretary of the Office of Policy and 140 Management, to provide sewer service to support the development of housing in conformance with the provisions of subparagraphs (C), (H) 141 and (I) of subdivision (2) of subsection (b) of section 8-2 and 142 143 subdivisions (4) to (6), inclusive, of subsection (b) of section 8-2, shall be 144 eligible for funding from the sustainable and equitable infrastructure 145 support program established pursuant to subsection (d) of this section. The secretary shall post each water pollution control plan submitted 146 147 pursuant to this subdivision on the Internet web site of the Office of 148 Policy and Management.

(d) The Secretary of the Office of Policy and Management shall, within available appropriations, establish and administer the sustainable and equitable infrastructure support program. Pursuant to such program, the secretary shall provide grants to (1) any eligible developer of an affordable housing development for costs relating to sewerage system connection fees; (2) any eligible developer of an affordable housing development for costs relating to any infrastructure improvements to a municipal sewerage system necessary to support such development; (3) any municipality determined to be eligible by the secretary pursuant to subdivision (3) of subsection (c) of this section to support sewer infrastructure development and expansion and technical assistance concerning municipal sewer expansion, including sewer infrastructure improvement and expansion grant writing; and (4) any municipality seeking to update such municipality's water pollution control plan to conform with the requirements of subsection (c) of this section, in the form of a one-time planning grant not exceeding thirtyfive thousand dollars per municipality. Funds from the program shall be awarded by the secretary, at the secretary's discretion, on a competitive basis, with priority given to developers or municipalities based on (A) the cost efficiency of a proposed development, (B) for a municipality, the percentage of a municipality's housing stock that will be served by the municipality's water pollution control plan, and (C) for a municipality, the extent to which such plan advances the purposes of subparagraphs (C), (H) and (J) of subdivision (2) of subsection (b) of section 8-2 and subdivisions (4) to (6), inclusive, of subsection (b) of

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- 174 section 8-2.
- [(c)] (e) Any municipal sewer authority in existence prior to October
- 176 1, 1978, shall be deemed to be the water pollution control authority of
- such municipality unless the legislative body of the municipality, by
- 178 ordinance, determines otherwise, and such water pollution control
- authority shall be deemed the successor to such sewer authority for all
- of the purposes of this chapter. All acts of any such sewer authorities
- 181 from October 1, 1978, to June 1, 1979, are validated. The provisions of
- this subsection shall not apply to any action pending in any court or any
- right of appeal under this chapter existing on June 1, 1979.
- Sec. 4. Subsection (d) of section 8-2 of the general statutes is repealed
- and the following is substituted in lieu thereof (*Effective October 1, 2025*):
- 186 (d) Zoning regulations adopted pursuant to subsection (a) of this
- 187 section shall not:
- (1) (A) Prohibit the operation in a residential zone of any family child
- care home or group child care home located in a residence, or (B) require
- 190 any special zoning permit or special zoning exception for such
- 191 operation;
- 192 (2) (A) Prohibit the use of receptacles for the storage of items
- designated for recycling in accordance with section 22a-241b or require
- 194 that such receptacles comply with provisions for bulk or lot area, or
- similar provisions, except provisions for side yards, rear yards and front
- 196 yards; or (B) unreasonably restrict access to or the size of such
- 197 receptacles for businesses, given the nature of the business and the
- volume of items designated for recycling in accordance with section 22a-
- 199 241b, that such business produces in its normal course of business,
- 200 provided nothing in this section shall be construed to prohibit such
- 201 regulations from requiring the screening or buffering of such receptacles
- 202 for aesthetic reasons;
- 203 (3) Impose conditions and requirements on manufactured homes,
- 204 including mobile manufactured homes, having as their narrowest

dimension twenty-two feet or more and built in accordance with federal manufactured home construction and safety standards or on lots containing such manufactured homes, including mobile manufactured home parks, if those conditions and requirements are substantially different from conditions and requirements imposed on (A) single-family dwellings; (B) lots containing single-family dwellings; or (C) multifamily dwellings, lots containing multifamily dwellings, cluster developments or planned unit developments;

- (4) (A) Prohibit the continuance of any nonconforming use, building or structure existing at the time of the adoption of such regulations; (B) require a special permit or special exception for any such continuance; (C) provide for the termination of any nonconforming use solely as a result of nonuse for a specified period of time without regard to the intent of the property owner to maintain that use; or (D) terminate or deem abandoned a nonconforming use, building or structure unless the property owner of such use, building or structure voluntarily discontinues such use, building or structure and such discontinuance is accompanied by an intent to not reestablish such use, building or structure. The demolition or deconstruction of a nonconforming use, building or structure shall not by itself be evidence of such property owner's intent to not reestablish such use, building or structure;
- (5) Prohibit the installation, in accordance with the provisions of section 8-1bb, of temporary health care structures for use by mentally or physically impaired persons if such structures comply with the provisions of said section, unless the municipality opts out in accordance with the provisions of subsection (j) of said section;
- 231 (6) Prohibit the operation in a residential zone of any cottage food operation, as defined in section 21a-62b;
- 233 (7) Establish for any dwelling unit a minimum floor area that is 234 greater than the minimum floor area set forth in the applicable building, 235 housing or other code;
- 236 (8) Place a fixed numerical or percentage cap on the number of

dwelling units that constitute multifamily housing over four units, middle housing or mixed-use development that may be permitted in the municipality;

- (9) Require more than one parking space for each studio or onebedroom dwelling unit or more than two parking spaces for each dwelling unit with two or more bedrooms, unless the municipality opts out in accordance with the provisions of section 8-2p; [or]
- (10) Be applied to deny any land use application, including for any site plan approval, special permit, special exception or other zoning approval, on the basis of (A) a district's character, unless such character is expressly articulated in such regulations by clear and explicit physical standards for site work and structures, or (B) the immutable characteristics, source of income or income level of any applicant or end user, other than age or disability whenever age-restricted or disability-restricted housing may be permitted; or
- 252 (11) Require a lot size of greater than one acre for the construction of a residence.
 - Sec. 5. (NEW) (*Effective October 1, 2025*) (a) For the purposes of this section, "hostile architecture" means any building or structure that is designed or intended to prevent a person experiencing homelessness from sitting or lying in the building or on the structure at street level, provided "hostile architecture" does not include design elements intended to prevent individuals from skateboarding or rollerblading or to prevent vehicles from entering certain areas.
 - (b) No municipality shall install or construct hostile architecture in any publicly accessible building or on any publicly accessible real property owned by the municipality.
 - Sec. 6. (NEW) (*Effective from passage*) The Commissioners of Housing, Mental Health and Addiction Services and Children and Families shall annually collect data regarding youth and young adults eighteen to twenty-four years of age, inclusive, who are lesbian, gay, bisexual, queer

or another sexual orientation or gender identity. Such data shall include, but need not be limited to (1) the number of such youth and young adults in the care of the Departments of Housing, Mental Health and Addiction Services and Children and Families, (2) the age at which such youth and young adults are exiting the services provided by such departments, and (3) the destinations for such youth and young adults after exiting such services. Not later than January 1, 2026, and annually thereafter, the commissioners shall submit a report on such data, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committees of the General Assembly having cognizance of matters relating to housing, public health, children and human services.

Sec. 7. (Effective from passage) The majority leaders' roundtable group on affordable housing, established pursuant to section 2-139 of the general statutes, shall conduct a study concerning the feasibility and potential benefits of providing funding to individuals who renovate properties in areas with low appraisal values for the difference of the cost of renovating such property and the price such property is sold for when such difference results in a net loss for the individual. Not later than January 1, 2026, the roundtable group shall submit a report, in accordance with the provisions of section 11-4a of the general statutes, on its findings and any recommendations to the joint standing committee of the General Assembly having cognizance of matters relating to housing.

Sec. 8. (Effective from passage) The majority leaders' roundtable group on affordable housing, established pursuant to section 2-139 of the general statutes, shall conduct a study concerning the feasibility and potential benefits of establishing a (1) rental savings account program that establishes rental savings accounts that are similar to health savings accounts, and (2) tax credit for rent payments in order to assist tenants in the state. Not later than January 1, 2026, the roundtable group shall submit a report, in accordance with the provisions of section 11-4a of the general statutes, on its findings and any recommendations to the joint standing committee of the General Assembly having cognizance of

matters relating to housing.

Sec. 9. (Effective from passage) The majority leaders' roundtable group on affordable housing, established pursuant to section 2-139 of the general statutes, shall study the feasibility and potential benefits of establishing extreme temperature protocols in order to protect persons experiencing homelessness. Not later than January 1, 2026, the roundtable group shall submit a report, in accordance with the provisions of section 11-4a of the general statutes, on its findings and any recommendations to the joint standing committee of the General Assembly having cognizance of matters relating to housing.

- Sec. 10. (*Effective July 1, 2025*) (a) For the purposes described in subsection (b) of this section, the State Bond Commission shall have the power from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate _____ dollars.
- (b) The proceeds of the sale of such bonds, to the extent of the amount stated in subsection (a) of this section, shall be used by the Department of Housing for a housing choice voucher homeownership program, the purpose of which shall be to provide grants-in-aid to housing authorities that have established and administer a housing choice voucher homeownership program pursuant to 24 CFR 982.625 to 24 CFR 982.643, inclusive, or any housing authority that seeks to establish such program.
 - (c) Any housing authority that administers a housing choice voucher homeownership program may apply for a grant-in-aid pursuant to this section to the Commissioner of Housing in a form and manner prescribed by the commissioner, who may further prescribe additional technical or procurement requirements as a condition of receiving any such grant-in-aid.
 - (d) All provisions of section 3-20 of the general statutes, or the exercise of any right or power granted thereby, that are not inconsistent with the provisions of this section are hereby adopted and shall apply

to all bonds authorized by the State Bond Commission pursuant to this 334 335 section. Temporary notes in anticipation of the money to be derived 336 from the sale of any such bonds so authorized may be issued in 337 accordance with section 3-20 of the general statutes and from time to 338 time renewed. Such bonds shall mature at such time or times not 339 exceeding twenty years from their respective dates as may be provided 340 in or pursuant to the resolution or resolutions of the State Bond 341 Commission authorizing such bonds. None of such bonds shall be 342 authorized except upon a finding by the State Bond Commission that 343 there has been filed with it a request for such authorization that is signed 344 by or on behalf of the Secretary of the Office of Policy and Management 345 and states such terms and conditions as said commission, in its 346 discretion, may require. Such bonds issued pursuant to this section shall 347 be general obligations of the state and the full faith and credit of the state 348 of Connecticut are pledged for the payment of the principal of and 349 interest on such bonds as the same become due, and accordingly and as 350 part of the contract of the state with the holders of such bonds, 351 appropriation of all amounts necessary for punctual payment of such 352 principal and interest is hereby made, and the State Treasurer shall pay 353 such principal and interest as the same become due.

- Sec. 11. Section 32-285a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):
- 356 (a) As used in this section:
- 357 (1) "Administrative costs" means the costs paid or incurred by the 358 administrator of the Community Investment Fund 2030 Board 359 established under subsection (b) of this section, including, but not 360 limited to, allocated staff costs and other out-of-pocket costs attributable 361 to the administration and operation of the board;
- 362 (2) "Administrator" means the Commissioner of Economic and Community Development, or the commissioner's designee;
- 364 (3) "Eligible project" means:

(A) A project proposed by a municipality, community development corporation or nonprofit organization, for the purpose of promoting economic or community development in the municipality or a municipality served by such corporation or organization, such as brownfield remediation, affordable housing, establishment of or improvements to water and sewer infrastructure to support smaller scale economic development, pedestrian safety and traffic calming improvements, establishment of or improvements to energy resiliency or clean energy projects and land acquisition, capital projects to construct, rehabilitate or renovate public facilities such as libraries and senior centers and to facilitate or enhance home rehabilitation programs; and

- (B) Such project furthers consistent and systematic fair, just and impartial treatment of all individuals, including individuals who belong to underserved and marginalized communities that have been denied such treatment, such as Black, Latino and indigenous and Native American persons; Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender and queer persons and other persons comprising the LGBTQ+ community; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality; and
- (4) "Municipality" means a municipality designated as a public investment community pursuant to section 7-545 or as an alliance district pursuant to section 10-262u.
- 389 (b) (1) There is established a Community Investment Fund 2030 390 Board, which shall be within the Department of Economic and 391 Community Development. The board shall consist of the following 392 members:
- 393 (A) The speaker of the House of Representatives and the president 394 pro tempore of the Senate;
- 395 (B) The majority leader of the House of Representatives, the majority 396 leader of the Senate, the minority leader of the House of Representatives

- 397 and the minority leader of the Senate;
- 398 (C) One appointed by the speaker of the House of Representatives
- and one appointed by the president pro tempore of the Senate, each of
- 400 whom shall be a member of the Black and Puerto Rican Caucus of the
- 401 General Assembly;
- (D) The two chairpersons of the general bonding subcommittee of the
- 403 joint standing committee of the General Assembly having cognizance of
- 404 matters relating to finance, revenue and bonding;
- 405 (E) Two appointed by the Governor; and
- 406 (F) The Secretary of the Office of Policy and Management, the
- 407 Attorney General, the Treasurer, the Comptroller, the Secretary of the
- 408 State and the Commissioners of Economic and Community
- 409 Development, Administrative Services, Social Services and Housing, or
- 410 their designees.
- 411 (2) All initial appointments shall be made not later than sixty days
- 412 after June 30, 2021. The terms of the members appointed by the
- Governor shall be coterminous with the term of the Governor or until
- 414 their successors are appointed, whichever is later. Any vacancy in
- appointments shall be filled by the appointing authority. Any vacancy
- occurring other than by expiration of term shall be filled for the balance
- 417 of the unexpired term.
- 418 (3) Notwithstanding any provision of the general statutes, it shall not
- 419 constitute a conflict of interest for a trustee, director, partner, officer,
- 420 stockholder, proprietor, counsel or employee of any person to serve as
- a member of the board, provided such trustee, director, partner, officer,
- 422 stockholder, proprietor, counsel or employee abstains and absents
- himself or herself from any deliberation, action and vote by the board in
- 424 specific respect to such person. The members appointed by the
- Governor shall be deemed public officials and shall adhere to the code
- of ethics for public officials set forth in chapter 10.
- 427 (4) The speaker of the House of Representatives and the president pro

tempore of the Senate shall serve as the chairpersons of the board and shall schedule the first meeting of the board, which shall be held not later than January 1, 2022. The board shall meet at least quarterly.

- (5) Eleven members of the board shall constitute a quorum for the transaction of any business.
 - (6) The members of the board shall serve without compensation, but shall, within the limits of available funds, be reimbursed for expenses necessarily incurred in the performance of their duties.
- (7) The board shall have the following powers and duties: (A) To review eligible projects to be recommended to the Governor under subsection (c) of this section for approval; (B) to establish bylaws to govern its procedures; (C) to review and provide comments to the Department of Economic and Community Development on projects funded through the state's Economic Action Plan as provided under section 32-4p; and (D) to perform such other acts as may be necessary and appropriate to carry out its duties described in this section.
 - (8) The administrator shall hire such employee or employees as may be necessary to assist the board to carry out its duties described in this section.
 - (c) (1) The Community Investment Fund 2030 Board shall establish an application and review process with guidelines and terms for funds provided from the bond proceeds under subsection (d) of this section for eligible projects. Such funds shall be used for costs related to an eligible project recommended by the board and approved by the Governor pursuant to this subsection but shall not be used to pay or to reimburse the administrator for administrative costs under this section. The Department of Economic and Community Development shall pay for administrative costs within available appropriations.
 - (2) The chairpersons of the board shall notify the chief elected official of each municipality when the application and review process has been established and shall publicize the availability of any funds available

under this section. Each such official or any community development corporation or nonprofit organization may submit an application to the board requesting funds for an eligible project. The board shall meet to consider applications submitted and determine which, if any, the board will recommend to the Governor for approval.

- (3) (A) The board shall give priority to eligible projects (i) that are proposed by a municipality that (I) has implemented local hiring preferences pursuant to section 7-112, or (II) has or will leverage municipal, private, philanthropic or federal funds for such project, (ii) that have a project labor agreement or employ or will employ exoffenders or individuals with physical, intellectual or developmental disabilities, and (iii) on and after the date the ten-year plan developed under section 32-7z is submitted to the General Assembly, that are included in such plan. The board shall give additional priority to an application submitted by a municipality that includes a letter of support for the proposed eligible project from a member or members of the General Assembly in whose district the eligible project is or will be located.
- (B) In evaluating applications for an eligible project described in subparagraph (A)(ii) of subdivision (3) of subsection (a) of this section, the board shall (i) consider the impact of the eligible project on job creation or retention in the municipality, (ii) consider the impact of the eligible project on blighted properties in the municipality, and (iii) consider the overall impact of the eligible project on the community.
- (4) (A) Whenever the board deems it necessary or desirable, the chairpersons of the board shall submit to the Governor a list of the board's recommendations of eligible projects to be funded from bond proceeds under subsection (d) of this section. The board may recommend state funding for eligible projects, provided the total cost of such recommendations shall not exceed one hundred seventy-five million dollars in any fiscal year. Such list shall include, at a minimum for each eligible project described in subparagraph (A) of subdivision (3) of subsection (a) of this section, a description of such project, the

municipality in which such project is located, the amount of funds sought for such project, any cost estimates for such project, any schematics or plans for such project, the total estimated project costs and the applicable fiscal year to which such disbursement will be attributed.

- (B) The Governor shall review the eligible projects on the list and may recommend changes to any eligible project on the list. The Governor shall determine the most appropriate method of funding for each eligible project and shall provide to the members of the board, in writing, such determination for each eligible project on the list and the reasons therefor. The board may reconsider at a future meeting any eligible project for which the Governor recommends a change. Each eligible project for which the Governor recommends the allocation of bond funds shall be considered at a State Bond Commission meeting not later than two months after the date such eligible project was submitted to the Governor pursuant to subparagraph (A) of this subdivision.
- (5) Funds for an eligible project approved under this section may be administered on behalf of the board by a state agency, as determined by the Secretary of the Office of Policy and Management, provided a memorandum of understanding between the administrator of the Community Investment Fund 2030 Board and the state, acting by and through the Secretary of the Office of Policy and Management, has been entered into with respect to such funds and project.
- (6) Not later than August 31, 2023, the board shall submit a report, in accordance with the provisions of section 11-4a, to the General Assembly, the Black and Puerto Rican caucus of the General Assembly, the Auditors of Public Accounts and the Governor, for the preceding fiscal year, that includes (A) a list of the eligible projects recommended by the board and approved by the Governor pursuant to this section, (B) the total amount of funds provided for such eligible projects, (C) for each such eligible project, a description of the project and the amounts and terms of the funds provided, (D) the status of the project and any balance remaining of the allocated funds, and (E) any other information the board deems relevant or necessary. The board shall submit such

report annually for each fiscal year in which the funds specified in subparagraph (A) of subdivision (3) of this subsection are disbursed for eligible projects.

- (7) The Auditors of Public Accounts shall audit, on a biennial basis, all eligible projects funded under this section and shall report their findings to the Governor, the Secretary of the Office of Policy and Management and the General Assembly.
- (d) (1) The State Bond Commission may authorize the issuance of bonds of the state, in accordance with the provisions of section 3-20, in principal amounts not exceeding in the aggregate [eight hundred] one billion seventy-five million dollars. The amount authorized for the issuance and sale of such bonds in each of the following fiscal years shall not exceed the following corresponding amount for each such fiscal year, except that, to the extent the State Bond Commission does not provide for the use of all or a portion of such amount in any such fiscal year, such amount not provided for shall be carried forward and added to the authorized amount for the next succeeding fiscal year, and provided further, the costs of issuance and capitalized interest, if any, may be added to the capped amount in each fiscal year, and each of the authorized amounts shall be effective on July first of the fiscal year indicated as follows:

T1	Fiscal Year Ending June 30,	Amount	
T2	2023	\$175,000,000	
T3	2024	175,000,000	
T4	2025	175,000,000	
T5	2026	[175,000,000] <u>275,000,000</u>	
T6	2027	[175,000,000] <u>275,000,000</u>	
T7	Total	[\$875,000,000] \$1,075,000,000	

(2) The proceeds of the sale of bonds set forth in this subsection shall be used for the purpose of funding eligible projects for which the Governor has determined under subsection (c) of this section that bond funding is appropriate and that no other bond authorization is available, provided:

(A) For the fiscal year ending June 30, 2026, one hundred million dollars of such proceeds shall be used for affordable housing projects, fifty million of which shall be used for any such projects with project labor agreements; and

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- (B) For the fiscal year ending June 30, 2027, one hundred million dollars of such proceeds shall be used for affordable housing projects, fifty million of which shall be used for any such projects with project labor agreements.
- (e) (1) Upon the agreement of the Governor and the Community Investment Fund 2030 Board, and subsequent to the adoption of a resolution by the General Assembly affirming the reauthorization of the board and the program provided for under this section, the State Bond Commission may authorize the issuance of bonds of the state, in accordance with the provisions of section 3-20, in principal amounts not exceeding in the aggregate one billion [two] five hundred fifty million dollars. The amount authorized for the issuance and sale of such bonds in each of the following fiscal years shall not exceed the following corresponding amount for each such fiscal year, except that, to the extent the State Bond Commission does not provide for the use of all or a portion of such amount in any such fiscal year, such amount not provided for shall be carried forward and added to the authorized amount for the next succeeding fiscal year, and provided further, the costs of issuance and capitalized interest, if any, may be added to the capped amount in each fiscal year, and each of the authorized amounts shall be effective on July first of the fiscal year indicated as follows:

T8	Fiscal Year Ending June 30,	Amount
T9	2028	[\$250,000,000] <u>\$350,000,000</u>
T10	2029	[250,000,000] <u>350,000,000</u>
T11	2030	[250,000,000] <u>350,000,000</u>
T12	2031	250,000,000
T13	2032	250,000,000
T14	Total	[\$1,250,000,000] <u>\$1,550,000,000</u>

(2) The proceeds of the sale of bonds set forth in this subsection shall be used for the purpose of funding eligible projects for which the

Governor has determined under subsection (c) of this section that bond

- funding is appropriate and that no other bond authorization is available,
- 580 provided:
- 581 (A) For the fiscal year ending June 30, 2028, one hundred million
- dollars of such proceeds shall be used for affordable housing projects,
- 583 fifty million of which shall be used for any such projects with project
- 584 labor agreements;
- (B) For the fiscal year ending June 30, 2029, one hundred million
- dollars of such proceeds shall be used for affordable housing projects,
- 587 <u>fifty million of which shall be used for any such projects with project</u>
- 588 <u>labor agreements; and</u>
- 589 (C) For the fiscal year ending June 30, 2030, one hundred million
- 590 dollars of such proceeds shall be used for affordable housing projects,
- 591 fifty million of which shall be used for any such projects with project
- 592 labor agreements.
- (f) All provisions of section 3-20, or the exercise of any right or power
- 594 granted thereby, that are not inconsistent with the provisions of this
- section are hereby adopted and shall apply to all bonds authorized by
- 596 the State Bond Commission pursuant to this section. Temporary notes
- in anticipation of the money to be derived from the sale of any such
- 598 bonds so authorized may be issued in accordance with said section, and
- from time to time renewed. All bonds issued pursuant to this section
- shall be general obligations of the state and the full faith and credit of
- the state of Connecticut are pledged for the payment of the principal of
- and interest on said bonds as the same become due, and accordingly
- and as part of the contract of the state with the holders of said bonds,
- appropriation of all amounts necessary for punctual payment of such principal and interest is hereby made, and the Treasurer shall pay such
- (0) principal and interest as the same become due
- principal and interest as the same become due.
- Sec. 12. (NEW) (Effective July 1, 2025) (a) The Connecticut Housing
- 608 Finance Authority shall, within available bond authorizations, develop
- and administer a middle housing development grant pilot program to

support public housing authorities in expanding the availability of middle housing. The Connecticut Housing Finance Authority shall develop and issue a request for proposals from public housing authorities.

- (b) The Connecticut Housing Finance Authority may award grants under the middle housing development grant pilot program to public housing authorities to provide assistance for predevelopment, construction or rehabilitation of middle housing developments or to provide assistance for a land or building acquisition for the purposes of developing middle housing developments.
- Sec. 13. (*Effective July 1, 2025*) (a) For the purposes described in subsection (b) of this section, the State Bond Commission shall have the power from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate fifty million dollars.
 - (b) The proceeds of the sale of such bonds, to the extent of the amount stated in subsection (a) of this section, shall be used by the Department of Housing for the Connecticut Housing Finance Authority to administer the middle housing development grant pilot program established pursuant to section 12 of this act.
 - (c) All provisions of section 3-20 of the general statutes, or the exercise of any right or power granted thereby, that are not inconsistent with the provisions of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section. Temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with section 3-20 of the general statutes and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of such bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization that is signed

by or on behalf of the Secretary of the Office of Policy and Management 643 644 and states such terms and conditions as said commission, in its 645 discretion, may require. Such bonds issued pursuant to this section shall 646 be general obligations of the state and the full faith and credit of the state 647 of Connecticut are pledged for the payment of the principal of and 648 interest on such bonds as the same become due, and accordingly and as 649 part of the contract of the state with the holders of such bonds, 650 appropriation of all amounts necessary for punctual payment of such 651 principal and interest is hereby made, and the State Treasurer shall pay 652 such principal and interest as the same become due.

- Sec. 14. (*Effective from passage*) The Commissioner of Social Services shall, within available appropriations, develop and administer a pilot program to provide portable showers and laundry facilities to persons experiencing homelessness. Such program shall be implemented in not fewer than three municipalities and shall provide not fewer than three portable shower trailers and not fewer than three traveling laundry trucks. The commissioner may contract with one or more nonprofit organizations to administer the program. Not later than January 1, 2027, the commissioner shall submit a report on the pilot program, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to housing. The pilot program shall terminate on January 1, 2027.
- Sec. 15. (NEW) (Effective July 1, 2025) (a) As used in this section:
- (1) "Commissioner" means the Commissioner of Housing;
- (2) "Direct rental assistance" means direct cash assistance transferred to a recipient for the purposes of securing or maintaining housing, including, but not limited to, assistance provided under any stateadministered pilot program that evaluates alternatives to traditional housing or financial aid programs; and
 - (3) "Recipient" means an individual or household determined to be eligible for participation in the pilot program established in subsection

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675 (b) of this section.

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(b) The commissioner shall, within available appropriations, establish a pilot program to provide recipients who are eligible for a state rental assistance program certificate and are currently on the federal Housing Choice Voucher Program, 42 USC 1497f(o) waiting list with direct rental assistance in lieu of a housing choice voucher. Such rental assistance shall not exceed the maximum rent levels established by the commissioner pursuant to section 8-345 of the general statutes. The pilot program shall serve no more than one hundred fifty qualifying recipients. The commissioner, in consultation with the Commissioner of Social Services, shall ensure the funds received by recipients of direct rental assistance under the pilot program do not affect such recipients' eligibility for other state-administered assistance programs. The commissioner may contract with a third-party vendor to provide direct rental assistance and gather any necessary data needed for implementation of the program. The commissioner may apply for and accept funds, including, but not limited to, grants, donations and any other source of funding, from public or private entities, including federal funding sources, in order implement to provisions of this section. Any funds received pursuant to this section and any appropriations pertaining to the pilot program shall be used solely for the purposes set forth in this section.

(c) The commissioner shall implement policies and procedures necessary to administer the provisions of this section, provided the commissioner holds a public hearing prior to implementing the policies and procedures and posts notice of intent to adopt regulations on the department's Internet web site and the eRegulations System not later than twenty days after the date of implementation. Such policies and procedures shall include, but need not be limited to, criteria for the issuance of direct rental assistance, guidance for public housing authorities, necessary data sharing agreements and any other provisions necessary to support the implementation of the program established in subsection (b) of this section.

(d) Any data collected from a recipient pursuant to policies and procedures adopted pursuant to subsection (c) of this section shall be confidential and exempt from disclosure under the Freedom of Information Act, except to the extent such information is included on an aggregated basis in the report required by subsection (e) of this section.

- (e) The commissioner shall submit a report on the pilot program, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to housing not later than July 1, 2028. Such report shall include, but need not be limited to: (1) An analysis of the number of recipients served by the pilot program disaggregated by demographics, including household size, income level and housing insecurity status, (2) the impact of the pilot program on recipients, including any changes in housing stability, household income and access to employment or educational opportunities, (3) a cost-effective analysis comparing the pilot program to the federal Housing Choice Voucher Program, 42 USC 1497f(o), and the state rental assistance program, (4) any feedback from recipients and landlords participating in the pilot program, and (5) any recommendations for the continuation, expansion or modification of the pilot program.
- (f) The pilot program shall terminate on July 1, 2029. At the conclusion of the pilot program, any recipient of direct rental assistance under the pilot program who is still in need of housing assistance shall either be (1) provided a rental assistance program certificate, if available, or (2) placed back on the federal Housing Choice Voucher Program, 42 USC 1497f(o) waiting list.
- (g) On and after July 1, 2029, cash, notes, receivables and all other assets, liabilities, appropriations, authorizations, allocations and attributers then pertaining to the pilot program shall be transferred to the rental assistance program established pursuant to section 8-345 of the general statutes.
- Sec. 16. (*Effective July 1, 2025*) The sum of _____ dollars is appropriated to the Department of Social Services from the General Fund, for the

fiscal year ending June 30, 2026, for purposes of the pilot program established pursuant to section 14 of this act.

Sec. 17. (*Effective July 1, 2025*) The sum of _____ dollars is appropriated to the Department of Housing from the General Fund, for the fiscal year ending June 30, 2026, to provide a grant-in-aid to Habitat for Humanity for the purpose of constructing affordable housing in the state.

Sec. 18. (*Effective July 1, 2025*) The sum of two million two hundred thirty thousand dollars is appropriated to the Department of Housing from the General Fund, for the fiscal year ending June 30, 2026, for purposes of the direct rental assistance pilot program established pursuant to section 15 of this act.

Sec. 19. (*Effective July 1, 2025*) The sum of _____ dollars is appropriated to the Department of Social Services from the General Fund, for the fiscal year ending June 30, 2026, to provide grants-in-aid to local food pantries for the purpose of matching funds provided to such food pantries by municipalities.

This act shall	ll take effect as follows an	d shall amend the following
sections:		
Section 1	from passage	New section
Sec. 2	from passage	New section
Sec. 3	October 1, 2025	7-246
Sec. 4	October 1, 2025	8-2(d)
Sec. 5	October 1, 2025	New section
Sec. 6	from passage	New section
Sec. 7	from passage	New section
Sec. 8	from passage	New section
Sec. 9	from passage	New section
Sec. 10	July 1, 2025	New section
Sec. 11	July 1, 2025	32-285a
Sec. 12	July 1, 2025	New section
Sec. 13	July 1, 2025	New section
Sec. 14	from passage	New section
Sec. 15	July 1, 2025	New section
Sec. 16	July 1, 2025	New section

Sec. 17	July 1, 2025	New section
Sec. 18	July 1, 2025	New section
Sec. 19	July 1, 2025	New section

Statement of Legislative Commissioners:

Section 3(c)(1) was rewritten for clarity, in Section 3(c)(3) "in addition to the Commissioner of Energy and Environmental Protection" was added for consistency and in Section 15(b), "by the commissioner" was added for clarity.

HSG Joint Favorable Subst.

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Treasurer, Debt Serv.	GF - Cost	See Below	See Below
Department of Housing	GF - Cost	2.23 million	See Below
Social Services, Dept.	GF - Cost	at least	at least
		\$300,000	\$200,000
Policy & Mgmt., Off.	GF - Potential	See Below	See Below
	Cost		
Policy & Mgmt., Off.	GF - Cost	189,500	125,200
State Comptroller - Fringe	GF - Cost	76,100	76,100
Benefits ¹			
Various	GF -	See Below	See Below
	Indeterminate		

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 26 \$	FY 27 \$
All Municipalities	Potential Savings	Minimal	Minimal
Various Municipalities	Grand List	None	See Below
_	Increase/Decrease		
Various Municipalities	Potential Cost	See Below	See Below
Various Municipalities	Potential Revenue	See Below	See Below
	Gain		

Explanation

The bill (1) authorizes a total \$550 million in new General Obligation (GO) bonds, (2) appropriates \$2.23 million to the Department of Housing (DOH) for a direct rental assistance pilot program, (3) creates

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 40.71% of payroll in FY 26.

a laundry and shower facilities pilot which results in a cost of at least \$300,000 in FY 26 and at least \$200,000 in FY 27 to the Department of Social Services (DSS), (4) creates a sewer planning and grant program which results in a cost of \$189,500 in FY 26 and \$125,200 in FY 27 to the Office of Policy and Management (OPM), (5) limits minimum lot sizes resulting an grand list impact to municipalities, (6) prohibits municipalities from constructing hostile architecture which results in a potential savings to municipalities, (7) makes various unspecified appropriations and GO bond authorizations, (8) requires the majority leaders' round table to conduct various studies and creates a taskforce relating to housing, and (9) requires various agencies to collect and report on data related to sexual orientation and gender identity.

The following describes these impacts in more detail by program.

GO Bonds Authorizations

Sections 11, 12, and 13 authorize a total of \$550 million of new GO bonds (\$150 million for FY 26 and \$100 million annually from FY 27 through FY 30). Of this, \$500 million is an increase to bonds previously authorized for the Community Investment Fund 2030 program and \$50 million is a new authorization for the middle housing development grant pilot program created in section 12, to be administered by the Connecticut Housing Finance Authority. To the extent the bonds are fully allocated when available, total debt repayment is anticipated to be \$787 million, with the earliest annual payment of up to \$7.5 million possible in FY 27 and final payment as early as FY 50.

Direct Rental Assistance Pilot

Section 15 requires DOH to establish a pilot program for direct rental assistance. Section 18 appropriates \$2.23 million in FY 26. DOH will contract with their vendor, JDA, to meet the requirements of the bill.²

 $^{^2}$ DOH's vendor for RAP is J. D'Amelia & Associates (JDA). DOH compensates JDA through a monthly fee (currently \$48) for each unit under administration. These RAP admin fees totaled \$3,757,056 in FY 24.

This cost is likely to continue into FY 27 and beyond. DOH typically does not remove households from the RAP program unless the household is no longer eligible for the RAP certificate. Therefore, it is likely that once this pilot expires, households will receive a RAP certificate.

Laundry and Shower Facilities Pilot

Section 14 results in a cost to DSS associated with developing and administering a pilot program to provide portable showers and laundry facilities to persons experiencing homelessness in at least three municipalities. The pilot program terminates on January 1, 2027. DSS will incur cost of at least \$300,000 in FY 26 and \$200,000 in FY 27 to administer the pilot program. Section 16 appropriates an unspecified level of funding to the support the program in FY 26.

Sewer Planning and Grant Program

Section 3 requires municipal water pollution control authorities in certain municipalities to specify information related to sewer service to promote housing opportunities and requires these plans to be submitted to OPM. This results in a potential cost to municipalities beginning in FY 26 to the extent that additional resources are needed to prepare and update these plans.

The section also establishes a grant program administered by OPM, to (1) award grants to municipalities with realistic possibilities to provide sewer service to support housing opportunities and (2) award one-time grants of \$35,000 per grant for municipalities seeking to update their sewer plan. This results in a potential revenue gain to municipalities beginning in FY 26 and corresponding cost to OPM to the extent that grants are awarded.

There is also an annual cost of approximately \$185,200 beginning in FY 26 to OPM for two additional staff and a one-time equipment cost of \$4,300 in FY 26 to review the municipal plans and administer the grant program. There is a corresponding annual cost of approximately \$76,100

beginning in FY 26 to the Office of the State Comptroller for associated fringe benefits.

Minimum Lot Sizes

Section 4 prohibits municipalities that exercise zoning powers under statutes from requiring a lot size of over one acre to construct a residence. This may result in a grand list increase or decrease beginning in FY 27 that is dependent on how the land would have otherwise been developed.

Hostile Architecture

Section 5 prohibits municipalities from installing or constructing certain hostile architecture. This may result in a potential savings to municipalities beginning in FY 26 to the extent they would have otherwise installed this architecture.

Unspecified Appropriations and Bond Authorizations

Sections 10, 16, 17, and 19 result in an indeterminate fiscal impact, as the sections appropriate funds or authorize General Obligation bonds, but do not specify amounts that are to be appropriated or authorized.

Sections 17 and 19 make unspecified appropriations to (1) Habitat for Humanity through DOH to build affordable housing in Connecticut and (2) DSS for matching grants by municipalities for food pantries.

Section 19 results in a potential revenue gain and potential cost to municipalities to the extent towns receive funds for local food pantries or expend funds to match these grants from DSS.

Roundtable Studies and Taskforce

Sections 1, 7, 8 and 9 require the majority leaders' roundtable on affordable housing to conduct several studies and report on their findings. This is not anticipated to result in a fiscal impact as the members of the roundtable have the expertise and capacity to meet the requirements of the bill.

Section 2 creates a taskforce to study various subjects related to housing which is not anticipated to result in a fiscal impact as the members of the roundtable have the expertise and capacity to meet the requirements of the bill.

Sexual Orientation and Gender Identity Data Collection

Section 6 requires DOH, the Department of Mental Health and Addiction Services (DMHAS), and the Department of Children and Families (DCF) to collect certain data related to sexual orientation and gender identity and to report on this data. This is not anticipated to result in a fiscal impact to the state or to municipalities as it is expected that the agencies will be able to incorporate this data collection into existing forms and that the agencies have the expertise to report on such data collection.³

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, grants awarded, and terms of any bonds issued.

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³ It is anticipated that DCF will accommodate Section 6's annual data collection and reporting mandate through planned IT systems development. The agency expects to launch its new automated child welfare case management system (CT-KIND) in August 2025. At the outset, CT-KIND will not incorporate information regarding sexual orientation. However, DCF intends to roll out secondary systems enhancements that could enable the agency to begin to methodically collect and compile the required data before January 2026.

OLR Bill Analysis sHB 7112

AN ACT CONCERNING HOUSING AND HOMELESSNESS AND THE RENTAL ASSISTANCE PROGRAM.

TABLE OF CONTENTS:

SUMMARY

§§ 1 & 7-9 — MAJORITY LEADERS' ROUNDTABLE STUDIES

Requires the majority leaders' roundtable on affordable housing to do several studies and report its findings and any recommendations to the Housing Committee by January 1, 2026

§ 2 — HOUSING OPPORTUNITY TAX CREDIT TASK FORCE

Establishes a task force to study the feasibility and potential benefits of providing a housing opportunity tax credit to landlords who offer housing to formerly incarcerated people; requires the task force, by January 1, 2026, to report to the Housing Committee

§ 3 — SEWER PLANNING AND RELATED GRANT PROGRAM

Requires local sewer plans for certain municipalities with single-family homes making up the majority of their housing stock to address housing opportunities; requires OPM to create a sewer infrastructure and planning grant program, within available appropriations, for (1) municipalities that create or want to create sewer plans addressing housing opportunities and (2) affordable housing developers

§ 4 — MINIMUM LOT SIZE REQUIREMENTS IN ZONING REGULATIONS

Prohibits most municipalities from adopting zoning regulations requiring more than one acre per residence constructed

§ 5 — HOSTILE ARCHITECTURE

Prohibits municipalities from installing or constructing hostile architecture in or on any publicly accessible building or property they own

§ 6 — SEXUAL ORIENTATION AND GENDER IDENTITY DATA COLLECTION

Requires the DOH, DMHAS, and DCF commissioners to annually collect certain data on 18- to 24-year-olds who are (1) lesbian, gay, bisexual, queer, or another sexual orientation or gender identity and (2) receiving care from these departments; requires these commissioners, starting by January 1, 2026, to annually report on the data to legislative committees

§ 10 — HOUSING CHOICE VOUCHER HOMEOWNERSHIP PROGRAM

Authorizes an unspecified amount in new GO bonding and requires DOH to use the proceeds for a program providing grants to municipal housing authorities that offer the federal HCV homeownership program

§ 11 — ADDITIONAL COMMUNITY INVESTMENT FUND 2030 BONDING FOR AFFORDABLE HOUSING

Authorizes \$200 million in new GO bonding under the CIF 2030 program for affordable housing projects in FYs 26 and 27; authorizes another \$300 million for this purpose in FYs 28-30, which, as under existing law, is contingent on the governor, board, and General Assembly reauthorizing the program

§§ 12 & 13 — CHFA MIDDLE HOUSING DEVELOPMENT GRANT PILOT PROGRAM

Requires CHFA to develop and administer a middle housing development grant pilot program supporting housing authorities in expanding middle housing availability; authorizes \$50 million in new GO bonding and requires DOH to use the proceeds for CHFA's administration of the pilot program

§§ 14 & 16 — DSS PORTABLE SHOWER AND LAUNDRY FACILITIES PILOT PROGRAM

Requires DSS to (1) develop and administer a pilot program providing portable showers and laundry facilities to people experiencing homelessness and (2) report on the program to the Housing Committee by January 1, 2027; appropriates, for FY 26, an unspecified sum from the General Fund to the department for the program

§§ 15 & 18 — DOH DIRECT RENTAL ASSISTANCE PILOT PROGRAM

Requires DOH to create a pilot program providing direct cash rental assistance (rather than a housing choice voucher) to up to 150 eligible households; sets various pilot program requirements, including those related to program funding and payments, implementation,

reporting, and program termination; appropriates for FY 26 \$2.23 million from the General Fund to DOH for the program

§§ 17 & 19 — DOH AND DSS APPROPRIATIONS

Makes FY 26 appropriations of unspecified sums from the General Fund to (1) DOH for a grant to Habitat for Humanity and (2) DSS for matching grants to local food pantries

SUMMARY

This bill, among other things, (1) requires the majority leaders' roundtable on affordable housing to do several studies and creates a task force to study a housing opportunity tax credit for landlords who offer housing to formerly incarcerated people; (2) establishes several housing- and homelessness-related pilot programs and programs, and makes related appropriations and bond authorizations; (3) generally prohibits municipalities from (a) adopting zoning regulations requiring more than one acre per residence constructed and (b) installing or constructing hostile architecture in or on any publicly accessible building or property they own; and (4) requires certain agencies to annually collect data on young people receiving services from them who are lesbian, gay, bisexual, queer, or another sexual orientation or gender identity. A section-by-section analysis follows.

EFFECTIVE DATE: Various, see below.

§§ 1 & 7-9 — MAJORITY LEADERS' ROUNDTABLE STUDIES

Requires the majority leaders' roundtable on affordable housing to do several studies and report its findings and any recommendations to the Housing Committee by January 1, 2026

The bill requires the majority leaders' roundtable on affordable housing to do several studies, including on the feasibility and potential benefits of the following:

 creating and funding an affordable housing real estate investment trust to acquire housing units, subject them to affordability deed restrictions, and retain ownership of the units (to reduce the cost of this type of housing in the state);

2. providing funding to people who renovate properties in areas with low appraisal values, to cover the difference between a property's renovation cost and sales price when this gap results in a net loss;

- 3. establishing a rental savings account program and tax credit for tenants' rent payments; and
- 4. establishing extreme temperature protocols to protect people experiencing homelessness.

The bill requires the roundtable, by January 1, 2026, to submit a report on its findings and any recommendations from these studies to the Housing Committee.

EFFECTIVE DATE: Upon passage

§ 2 — HOUSING OPPORTUNITY TAX CREDIT TASK FORCE

Establishes a task force to study the feasibility and potential benefits of providing a housing opportunity tax credit to landlords who offer housing to formerly incarcerated people; requires the task force, by January 1, 2026, to report to the Housing Committee

The bill establishes a nine-member task force to study the feasibility and potential benefits of providing a housing opportunity tax credit to landlords who offer housing to formerly incarcerated people, in an amount equal to 25% of the rental income a landlord receives from these tenants (to be claimed against the state income tax). The bill requires the task force to consider the potential (1) impact of the tax credit on (a) housing availability for formerly incarcerated people and (b) recidivism rates, and any resulting state financial benefits; (2) financial benefits to landlords who provide housing to these individuals; and (3) administrative implementation costs. It must also consider best practices for implementing the program.

EFFECTIVE DATE: Upon passage

Membership, Initial Appointments, and Vacancies

The bill's task force must include the following members, and those who are appointed may be General Assembly members:

- the housing, revenue services, and correction commissioners, or their designees;
- 2. one each appointed by the majority leaders of the House and Senate;
- 3. one landlord and one representative of a nonprofit providing services for formerly incarcerated people, appointed by the minority leaders of the House and Senate, respectively; and
- 4. one formerly incarcerated person and one representative of a nonprofit housing services provider, appointed by the House speaker and Senate president pro tempore, respectively.

The legislative leaders must make their initial task force appointments within 30 days of the bill's passage and appointing authorities fill vacancies.

Chairpersons and Reporting Requirement

The bill requires the House speaker and Senate president pro tempore to select the chairpersons from the task force members. The chairpersons must schedule the task force's first meeting and hold it within 60 days of the bill's passage. The Housing Committee's administrative staff serves as that of the task force.

The bill requires the task force, by January 1, 2026, to report on its findings and recommendations to the Housing Committee. The task force terminates when it submits this report or on January 1, 2026, whichever is later.

§ 3 — SEWER PLANNING AND RELATED GRANT PROGRAM

Requires local sewer plans for certain municipalities with single-family homes making up the majority of their housing stock to address housing opportunities; requires OPM to create a sewer infrastructure and planning grant program, within available appropriations, for (1) municipalities that create or want to create sewer plans addressing housing opportunities and (2) affordable housing developers

Existing law allows municipal water pollution control (sewer) authorities to prepare and periodically update a sewer plan for the municipality. For municipalities in which at least 50% of the housing stock is single-family homes, the bill requires these plans, if prepared, to specify how the municipality will provide sewer service to promote housing opportunities, specifically considering certain zoning requirements.

If sewer authorities opt to create these plans, they must be submitted to the Office of Policy and Management (OPM) secretary. If the secretary determines the plan creates a "realistic possibility" to provide sewer service to support the development of varied housing opportunities, the municipality is deemed eligible for a new OPM-administered grant program. The competitive grant program, which is also open to affordable housing developers, generally provides funding for costs related to sewer expansion and infrastructure improvements. Grant funds can also be used by municipalities for technical assistance and sewer planning.

EFFECTIVE DATE: October 1, 2025

Requirements for Plans Addressing Housing Opportunities

If a sewer authority opts to prepare a sewer plan, and it must address housing opportunities because of the percentage of single-family housing stock in the municipality, then the bill requires the plan to specifically address how the municipality will provide sewer service to comply with certain zoning requirements. These requirements in existing law are applicable to municipalities exercising zoning authority under the statutes (i.e. CGS § 8-2) and require municipal zoning regulations to:

- promote housing choice and economic diversity in housing, including housing for low- and moderate-income families;
- 2. provide for the development of housing opportunities for all residents of the municipality and local planning region, including opportunities for multifamily dwellings, consistent

with soil types, terrain, and infrastructure capacity;

3. expressly allow housing that meets the needs identified in the state's Consolidated Plan for Housing and Community Development and Plan of Conservation and Development.

Sewer plans required to address housing opportunities must also address the municipality's:

- 1. existing and planned sewer service areas,
- 2. existing or planned lots which are or may be developed with multifamily housing, and
- allocations for specific daily sewage flow rates that may provide infrastructure to support multifamily housing development.

The sewer authority must post any sewer plan developed under these provisions on the relevant municipality's website. The bill also specifies that these plans may be included in the municipal affordable housing plan or plan of conservation and development.

Submission to OPM

Sewer authorities must submit any sewer plans to the OPM secretary, who must post them on OPM's website. The secretary must review submitted plans to determine if they create a "realistic possibility" to provide sewer service to support the development of housing opportunities, as the bill requires.

The secretary must also consider whether the plans (1) promote health and general welfare; (2) address significant disparities in housing needs and access to educational, occupational, and other opportunities; and (3) affirmatively further the purposes of the federal Fair Housing Act. (The bill does not require sewer plans addressing housing opportunities to address these considerations, but existing law requires zoning regulations adopted under CGS § 8-2 to be designed to meet those goals.)

If the secretary determines the plans create a realistic possibility to provide sewer service to support housing development as the bill requires, the municipality is eligible for Sustainable and Equitable Infrastructure Support Program grants (see below).

OPM Grant Program for Municipalities and Developers

The bill requires the OPM secretary, within available appropriations, to establish and administer the Sustainable and Equitable Infrastructure Support Program. The program must give grants:

- 1. to "eligible developers" (the bill does not specify eligibility criteria) of an "affordable housing development" (the bill does not specify which developments qualify) for costs relating to sewer system connection fees;
- 2. to eligible developers of an affordable housing development for infrastructure improvements to a municipal sewer system necessary to support the development; and
- 3. eligible municipalities (see above) to support (a) sewer infrastructure development and expansion and (b) technical assistance concerning municipal sewer expansion, including sewer infrastructure improvement and expansion grant writing.

The program must also support one-time grants of up to \$35,000 per grant for municipalities seeking to update their sewer plan to conform with the bill's housing opportunity planning requirements.

Under the bill, the secretary awards funds on a competitive basis and in his discretion, but must give priority to developers or municipalities based on:

- 1. the cost efficiency of a proposed development;
- 2. for a municipality, the percentage of its housing stock that will be served by the municipality's sewer plan (presumably, served by sewer, based on the plan); and

3. for a municipality, the extent to which the sewer plan advances housing opportunity goals specified in the zoning enabling law (i.e. CGS § 8-2), as described above.

Background — Related Bill

HB 6960, favorably reported by the Planning and Development Committee, requires OPM (within available funding) to administer a grant program for municipal public infrastructure projects associated with affordable housing construction.

§ 4 — MINIMUM LOT SIZE REQUIREMENTS IN ZONING REGULATIONS

Prohibits most municipalities from adopting zoning regulations requiring more than one acre per residence constructed

The bill prohibits zoning regulations adopted by a municipality exercising zoning powers under the statutes (i.e. CGS § 8-2), rather than a special act, from requiring a lot size of over one acre to construct a residence.

EFFECTIVE DATE: October 1, 2025

§ 5 — HOSTILE ARCHITECTURE

Prohibits municipalities from installing or constructing hostile architecture in or on any publicly accessible building or property they own

The bill prohibits municipalities from installing or constructing "hostile architecture" in or on any publicly accessible building or property they own. It defines hostile architecture to include any building or structure that is designed or intended to prevent a person experiencing homelessness from sitting or lying in or on them at street level. The term does not cover design elements intended to prevent skateboarding, rollerblading, or vehicles from entering certain areas.

EFFECTIVE DATE: October 1, 2025

§ 6 — SEXUAL ORIENTATION AND GENDER IDENTITY DATA COLLECTION

Requires the DOH, DMHAS, and DCF commissioners to annually collect certain data on 18- to 24-year-olds who are (1) lesbian, gay, bisexual, queer, or another sexual orientation or gender identity and (2) receiving care from these departments; requires these

commissioners, starting by January 1, 2026, to annually report on the data to legislative committees

The bill requires the commissioners of the Department of Housing (DOH), Department of Mental Health and Addiction Services (DMHAS), and Department of Children and Families (DCF) to annually collect certain data on individuals ages 18 to 24 who are (1) lesbian, gay, bisexual, queer, or another sexual orientation or gender identity and (2) receiving care from these departments. At a minimum, each department's data must include the following:

- 1. the number of these individuals in their care,
- 2. the age at which they are exiting the provided services, and
- their destinations after exiting these services.

The bill requires the commissioners, starting by January 1, 2026, to annually report on this data to the Housing, Public Health, Human Services, and Children committees.

EFFECTIVE DATE: Upon passage

§ 10 — HOUSING CHOICE VOUCHER HOMEOWNERSHIP PROGRAM

Authorizes an unspecified amount in new GO bonding and requires DOH to use the proceeds for a program providing grants to municipal housing authorities that offer the federal HCV homeownership program

The bill authorizes an unspecified amount of new general obligation (GO) bonds and requires DOH to use the proceeds for a program providing grants to municipal housing authorities that offer the federal Housing Choice Voucher (HCV) homeownership program or are seeking to do so. It specifies that any housing authority that administers this program may apply to DOH for a grant, as the commissioner prescribes. The bill allows her to set additional conditional technical or procurement requirements for grantees. Under the bill, the bonds are subject to standard statutory bond issuance procedures and repayment requirements.

The HCV homeownership program generally allows families who

are assisted under the federal HCV program to use their voucher to buy a home and receive monthly assistance to meet homeownership expenses. According to the U.S. Department of Housing and Urban Development (HUD), any housing authority that administers the HCV program has the option to establish an HCV homeownership program.

EFFECTIVE DATE: July 1, 2025

§ 11 — ADDITIONAL COMMUNITY INVESTMENT FUND 2030 BONDING FOR AFFORDABLE HOUSING

Authorizes \$200 million in new GO bonding under the CIF 2030 program for affordable housing projects in FYs 26 and 27; authorizes another \$300 million for this purpose in FYs 28-30, which, as under existing law, is contingent on the governor, board, and General Assembly reauthorizing the program

The bill authorizes \$200 million in new GO bonds under the Community Investment Fund (CIF) 2030 program. Of this amount, \$100 million takes effect in each of FYs 26 and 27. The bill earmarks this new bonding for affordable housing projects and requires half to be used for those with project labor agreements. (By law, (1) affordable housing projects that meet the CIF program's requirements for eligible projects are eligible for CIF funding and (2) CIF's board must prioritize eligible projects that, among other things, are proposed by a municipality and have a project labor agreement.)

Current law also authorizes an additional five years and \$1.25 billion of CIF 2030 bonding from FYs 28-32 but makes the authorization contingent on agreement between the governor and board, and the legislature reauthorizing the program. The bill increases this authorization by \$300 million, with \$100 million taking effect in each of FYs 28-30. It earmarks this bonding in the same manner described above.

CIF 2030 is a five-year, state bond-funded program for financing qualifying economic and community development projects in eligible municipalities (i.e. those designated as public investment communities or alliance districts). The CIF 2030 board located within the Department of Economic and Community Development directs these investments. Eligible municipalities, community development corporations, and

nonprofits may submit funding proposals for eligible projects to the board.

EFFECTIVE DATE: July 1, 2025

§§ 12 & 13 — CHFA MIDDLE HOUSING DEVELOPMENT GRANT PILOT PROGRAM

Requires CHFA to develop and administer a middle housing development grant pilot program supporting housing authorities in expanding middle housing availability; authorizes \$50 million in new GO bonding and requires DOH to use the proceeds for CHFA's administration of the pilot program

The bill requires the Connecticut Housing Finance Authority (CHFA), within available bond authorizations (see below), to develop and administer a middle housing development grant pilot program supporting public housing authorities in expanding middle housing availability. (Presumably, (1) public housing authorities are municipal housing authorities established under CGS § 8-40 and (2) "middle housing" means duplexes, triplexes, quadplexes, cottage clusters, and townhouses, as defined in CGS § 8-1a.)

The bill requires CHFA to develop and issue a request for a proposal from public housing authorities. Under the program, CHFA may give grants to these housing authorities for providing middle housing development assistance related to (1) pre-development, construction, or rehabilitation, or (2) land or building acquisition.

The bill authorizes \$50 million in new GO bonds and requires DOH to use the proceeds for CHFA's administration of the pilot program. The bonds are subject to standard statutory bond issuance procedures and repayment requirements.

EFFECTIVE DATE: July 1, 2025

§§ 14 & 16 — DSS PORTABLE SHOWER AND LAUNDRY FACILITIES PILOT PROGRAM

Requires DSS to (1) develop and administer a pilot program providing portable showers and laundry facilities to people experiencing homelessness and (2) report on the program to the Housing Committee by January 1, 2027; appropriates, for FY 26, an unspecified sum from the General Fund to the department for the program

The bill requires the Department of Social Services (DSS), within available appropriations, to develop and administer a pilot program providing portable showers and laundry facilities to people experiencing homelessness. The department must implement the program in at least three municipalities and use it to provide at least three portable shower trailers and traveling laundry trucks. The bill (1) authorizes DSS to contract with nonprofits to administer the program and (2) appropriates, for FY 26, an unspecified sum from the General Fund to the department for the program.

The bill requires DSS, by January 1, 2027, to report on the program to the Housing Committee. It terminates the program on January 1, 2027.

EFFECTIVE DATE: Upon passage, except the related appropriation is effective July 1, 2025.

§§ 15 & 18 — DOH DIRECT RENTAL ASSISTANCE PILOT PROGRAM

Requires DOH to create a pilot program providing direct cash rental assistance (rather than a housing choice voucher) to up to 150 eligible households; sets various pilot program requirements, including those related to program funding and payments, implementation, reporting, and program termination; appropriates for FY 26 \$2.23 million from the General Fund to DOH for the program

The bill requires DOH to create a pilot program providing "direct rental assistance" (rather than a housing choice voucher) to up to 150 program-eligible households (i.e. recipients), meaning those that are eligible for a state Rental Assistance Program (RAP) certificate and are also on a waiting list for the federal HCV program (see *Background — Tenant-Based Rental Assistance*). The bill requires the department to do so within available appropriations and correspondingly makes a \$2.23 million FY 26 appropriation to DOH from the General Fund for the pilot program.

Under the bill, "direct rental assistance" is direct cash assistance given to a recipient for getting or keeping housing. The bill specifies this includes assistance given under a state-administered pilot program for evaluating alternatives to traditional housing or financial assistance programs.

The bill also sets various pilot program requirements, including those related to program funding and direct rental assistance payments, implementation, reporting, and program termination.

EFFECTIVE DATE: July 1, 2025

Program Requirements

Direct rental assistance under the bill's pilot program cannot be more than the amounts set in DOH's maximum allowable rent (MAR) schedule for RAP. (MAR is not equal to the amount of housing assistance RAP participants receive; rather, it is the amount generally needed to rent a moderately priced dwelling unit in the local housing market. Under RAP, participants pay a share of their rental costs.)

The bill requires DOH, in consultation with DSS, to ensure funds recipients receive under the pilot program do not impact their eligibility for other state-administered assistance programs. Additionally, it allows DOH to contract with a third-party vendor to provide the direct rental assistance and gather any data needed for program implementation.

Under the bill, DOH may apply for and accept funds to implement the program, including grants, donations, and any other public or private funding (including federal funding). It specifies that any funding DOH receives under the bill's pilot program provisions or related appropriations must be used only for the pilot.

Policies and Procedures

The bill requires DOH to (1) implement policies and procedures needed for program administration, (2) hold a public hearing before doing so, and (3) post a notice of its intent to adopt regulations on the department's website and the eRegulations System within 20 days after implementation. (Presumably the bill allows DOH to implement these policies and procedures in the process of adopting them in regulation form.) Under the bill, these policies and procedures must at least include (1) criteria for giving direct rental assistance, (2) guidance for public housing authorities (presumably public housing agencies), (3) needed

data sharing agreements, and (4) any other provisions needed for program implementation.

The bill specifies that any data a program recipient provides based on these policies and procedures is confidential and exempt from Freedom of Information Act disclosure, except for aggregated information included in the report discussed below.

Reporting

The bill requires DOH, by July 1, 2028, to submit a pilot program report to the Housing Committee that includes the following:

- 1. the number of recipients served broken down by certain demographics, including household size, income level, and housing insecurity status;
- 2. the program's impact on recipients, including changes to their housing stability, household income, and access to employment or educational opportunities;
- 3. an analysis of the program's cost-effectiveness in comparison to RAP and the federal HCV program;
- 4. feedback from program recipients and their landlords; and
- 5. any recommendations for continuing, expanding, or changing the pilot program.

Pilot Termination

The bill ends the pilot program on July 1, 2029. It requires program recipients who are still "in need of housing" to either be (1) provided with a RAP certificate, if available, or (2) placed back on a federal HCV program waiting list. (Presumably, "in need of housing" means that the household meets the eligibility criteria for RAP and the HCV program.) When the pilot program ends, program assets and liabilities are transferred to RAP, including cash, notes, receivables, appropriations, authorizations, allocations, and attributers.

Background — Tenant-Based Rental Assistance

Tenant-based rental assistance is generally rental subsidies to help low-income households rent privately owned homes that meet certain guidelines. HUD's HCV program (42 U.S.C. § 1437f(o)) and RAP (CGS § 8-345) are two examples of programs that offer this type of assistance.

§§ 17 & 19 — DOH AND DSS APPROPRIATIONS

Makes FY 26 appropriations of unspecified sums from the General Fund to (1) DOH for a grant to Habitat for Humanity and (2) DSS for matching grants to local food pantries

The bill makes the following appropriations of unspecified sums from the General Fund for FY 26:

- 1. funding to DOH for providing Habitat for Humanity a grant for constructing affordable housing in Connecticut; and
- 2. funding to DSS for providing matching grants to local food pantries (matched by municipal grants).

EFFECTIVE DATE: July 1, 2025

COMMITTEE ACTION

Housing Committee

Joint Favorable Substitute Yea 12 Nay 6 (03/06/2025)