

OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◇ (860) 240-0200
<http://www.cga.ct.gov/ofa>

sHB-7112

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

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 \$300,000	at least \$200,000
Policy & Mgmt., Off.	GF - Potential Cost	See Below	See Below
Policy & Mgmt., Off.	GF - Cost	189,500	125,200
State Comptroller - Fringe Benefits ¹	GF - Cost	76,100	76,100
Various	GF - Indeterminate	See Below	See Below

Note: GF=General Fund

Municipal Impact:

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

Explanation

The bill (1) authorizes a total \$550 million in new General

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.

Obligation (GO) bonds, (2) appropriates \$2.23 million to the Department of Housing (DOH) for a direct rental assistance pilot program, (3) creates 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

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.

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.

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.

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.