



General Assembly

January Session, 2025

**Substitute Bill No. 12**



**AN ACT CONCERNING CONNECTICUT'S HOUSING NEEDS.**

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

1       Section 1. (*Effective from passage*) (a) There is established a working  
2       group to study existing barriers at both the state and municipal level to  
3       building additional starter homes in the state. Such study shall include,  
4       but need not be limited to, an examination of zoning restrictions,  
5       subdivision requirements, building and fire safety codes and common  
6       interest community regulations. For purposes of this section, "starter  
7       homes" means affordable single-family residential dwellings.

8       (b) The working group shall consist of the chairpersons of the joint  
9       standing committee of the General Assembly having cognizance of  
10      matters relating to housing, who shall serve as chairpersons of the  
11      working group, and any individuals who such chairpersons believe  
12      may serve as sources of information and data to accomplish the  
13      purposes of this section, including, but not limited to, the Commissioner  
14      of Housing, or the commissioner's designee, and any professionals with  
15      expertise in the areas of housing and state, regional or local planning.

16      (c) The chairpersons shall schedule the first meeting of the working  
17      group, which shall be held not later than sixty days after the effective  
18      date of this section.

19      (d) The administrative staff of the joint standing committee of the

20 General Assembly having cognizance of matters relating to housing  
21 shall serve as the administrative staff of the working group.

22 (e) Not later than January 1, 2026, the working group shall submit a  
23 report on its findings and recommendations to the joint standing  
24 committee of the General Assembly having cognizance of matters  
25 relating to housing, in accordance with the provisions of section 11-4a  
26 of the general statutes. The working group shall terminate on the date  
27 that it submits such report or January 1, 2026, whichever is later.

28 Sec. 2. Section 10-285a of the general statutes is amended by adding  
29 subsection (l) as follows (*Effective July 1, 2025*):

30 (NEW) (l) On and after July 1, 2025, for applications submitted  
31 pursuant to subsection (a) of section 10-283, the percentage of school  
32 building project grant money a local board of education may be eligible  
33 to receive shall be increased for a five-year period in accordance with  
34 this subsection if, prior to December first of the year in which the board  
35 submits an application for a grant, such board submits a written  
36 determination issued by the Commissioner of Housing within such year  
37 finding that the municipality in which the school building project is to  
38 occur meets one of the thresholds of affordable housing, as provided in  
39 section 8-30g, specified in subdivisions (1) to (3), inclusive, of this  
40 subsection. A local board of education shall be eligible to receive the  
41 following increase in such grant money: (1) Twenty per cent, if the  
42 municipality for such board meets or exceeds a ten per cent threshold of  
43 affordable housing, (2) eight per cent, if the municipality for such board  
44 meets at least eight per cent but less than ten per cent of such threshold  
45 of affordable housing, and (3) five per cent, if the municipality for such  
46 board meets at least six per cent but less than eight per cent of such  
47 threshold of affordable housing.

48 Sec. 3. (*Effective July 1, 2025*) (a) For the purposes described in  
49 subsection (b) of this section, the State Bond Commission shall have the  
50 power from time to time to authorize the issuance of bonds of the state  
51 in one or more series and in principal amounts not exceeding in the

52 aggregate fifty million dollars.

53 (b) The proceeds of the sale of such bonds, to the extent of the amount  
54 stated in subsection (a) of this section, shall be used by the Department  
55 of Housing for the purpose of financing approved projects to create  
56 employment opportunities in the construction industry to develop  
57 affordable housing pursuant to section 4 of this act.

58 (c) All provisions of section 3-20 of the general statutes, or the exercise  
59 of any right or power granted thereby, that are not inconsistent with the  
60 provisions of this section are hereby adopted and shall apply to all  
61 bonds authorized by the State Bond Commission pursuant to this  
62 section. Temporary notes in anticipation of the money to be derived  
63 from the sale of any such bonds so authorized may be issued in  
64 accordance with section 3-20 of the general statutes and from time to  
65 time renewed. Such bonds shall mature at such time or times not  
66 exceeding twenty years from their respective dates as may be provided  
67 in or pursuant to the resolution or resolutions of the State Bond  
68 Commission authorizing such bonds. None of such bonds shall be  
69 authorized except upon a finding by the State Bond Commission that  
70 there has been filed with it a request for such authorization that is signed  
71 by or on behalf of the Secretary of the Office of Policy and Management  
72 and states such terms and conditions as said commission, in its  
73 discretion, may require. Such bonds issued pursuant to this section shall  
74 be general obligations of the state and the full faith and credit of the state  
75 of Connecticut are pledged for the payment of the principal of and  
76 interest on such bonds as the same become due, and accordingly and as  
77 part of the contract of the state with the holders of such bonds,  
78 appropriation of all amounts necessary for punctual payment of such  
79 principal and interest is hereby made, and the State Treasurer shall pay  
80 such principal and interest as the same become due.

81 Sec. 4. (*Effective July 1, 2025*) (a) The Commissioner of Housing shall,  
82 within available bond authorizations, develop and establish a four-year  
83 pilot program to provide funding for proposed projects that create  
84 employment opportunities in the construction industry to develop

85 affordable housing.

86 (b) On and after July 1, 2025, a sponsor of a proposed project that is  
87 eligible to receive funding under this section may submit an application,  
88 in a form and manner provided by the commissioner, to receive funds  
89 from the pilot program for such project. The commissioner shall  
90 establish criteria for awarding funds pursuant to this section, including,  
91 but not limited to, a requirement that (1) an applicant secure  
92 coinvestment funding in the proposed project by a union pension fund  
93 or comingled fund of union pension fund investments with a  
94 demonstrated record of successful investment in the construction of  
95 affordable housing, (2) the proposed project be covered by a project  
96 labor agreement, and (3) an applicant be committed to workforce  
97 training by adhering to state-registered apprenticeship standards and  
98 apprenticeship readiness programs.

99 (c) All housing built with funds received from the pilot program  
100 pursuant to this section shall remain affordable, through the use of  
101 deeds containing covenants or restrictions that require such housing be  
102 sold or rented at, or below, prices that will preserve the unit as housing,  
103 for a period of not less than forty years, for which persons and families  
104 pay thirty per cent or less of income, where such income is less than or  
105 equal to eighty per cent of the median income or other means selected  
106 by the commissioner.

107 (d) Not later than six months following the date of completion of the  
108 pilot program, the Commissioner of Housing shall submit a report, in  
109 accordance with the provisions of section 11-4a of the general statutes,  
110 to the joint standing committee of the General Assembly having  
111 cognizance of matters relating to housing. Such report shall include an  
112 analysis of the efficacy of the pilot program administered pursuant to  
113 this section and any recommendations for legislation to expand such  
114 program or implement such program on a permanent basis.

115 Sec. 5. Section 47a-4 of the general statutes is repealed and the  
116 following is substituted in lieu thereof (*Effective July 1, 2025*):

117 (a) A rental agreement shall not provide that the tenant: (1) Agrees to  
118 waive or forfeit rights or remedies under this chapter and sections 47a-  
119 21, 47a-23 to 47a-23b, inclusive, 47a-26 to 47a-26g, inclusive, 47a-35 to  
120 47a-35b, inclusive, 47a-41a, 47a-43 and 47a-46, or under any section of  
121 the general statutes or any municipal ordinance unless such section or  
122 ordinance expressly states that such rights may be waived; (2)  
123 authorizes the landlord to confess judgment on a claim arising out of the  
124 rental agreement; (3) agrees to the exculpation or limitation of any  
125 liability of the landlord arising under law or to indemnify the landlord  
126 for that liability or the costs connected therewith; (4) agrees to waive  
127 [his] such tenant's right to the interest on the security deposit pursuant  
128 to section 47a-21; (5) agrees to permit the landlord to dispossess [him]  
129 such tenant without resort to court order; (6) consents to the distraint of  
130 [his] such tenant's property for rent; (7) agrees to pay the landlord's  
131 attorney's fees in excess of fifteen per cent of any judgment against the  
132 tenant in any action in which money damages are awarded; (8) agrees  
133 to pay a late charge prior to the expiration of the grace period set forth  
134 in section 47a-15a or to pay rent in a reduced amount if such rent is paid  
135 prior to the expiration of such grace period; (9) agrees to pay a late  
136 charge on rent payments made subsequent to such grace period in an  
137 amount exceeding the amounts set forth in section 47a-15a; [or] (10)  
138 agrees to pay a heat or utilities surcharge if heat or utilities is included  
139 in the rental agreement; or (11) agrees to pay for utilities if no separate  
140 meter for such utilities exists for such tenant's dwelling unit.

141 (b) A provision prohibited by subsection (a) of this section included  
142 in a rental agreement is unenforceable.

143 Sec. 6. Section 7-148b of the general statutes is repealed and the  
144 following is substituted in lieu thereof (*Effective July 1, 2025*):

145 (a) For purposes of this section and sections 7-148c to 7-148f,  
146 inclusive, "seasonal basis" means housing accommodations rented for a  
147 period or periods aggregating not more than one hundred twenty days  
148 in any one calendar year and "rental charge" includes any fee or charge  
149 in addition to rent that is imposed or sought to be imposed upon a

150 tenant by a landlord.

151 (b) Any town, city or borough [may, and any town, city or borough  
152 with a population of twenty-five thousand or more, as determined by  
153 the most recent decennial census,] shall, through its legislative body,  
154 adopt an ordinance that creates a (1) fair rent commission, (2) joint fair  
155 rent commission, pursuant to subsection (d) of this section, or (3)  
156 regional fair rent commission, pursuant to subsection (e) of this section.  
157 Any such commission shall make studies and investigations, conduct  
158 hearings and receive complaints relative to rental charges on housing  
159 accommodations, except those accommodations rented on a seasonal  
160 basis, within its jurisdiction, which term shall include mobile  
161 manufactured homes and mobile manufactured home park lots, in  
162 order to control and eliminate excessive rental charges on such  
163 accommodations, and to carry out the provisions of sections 7-148b to  
164 7-148f, inclusive, as amended by this act, section 47a-20 and subsection  
165 (b) of section 47a-23c. The commission, for such purposes, may compel  
166 the attendance of persons at hearings, issue subpoenas and administer  
167 oaths, issue orders and continue, review, amend, terminate or suspend  
168 any of its orders and decisions. The commission may be empowered to  
169 retain legal counsel to advise it.

170 (c) Any town, city or borough [required to create a fair rent  
171 commission pursuant to subsection (b) of this section] shall adopt an  
172 ordinance creating such fair rent commission on or before [July 1, 2023]  
173 January 1, 2028. Not later than thirty days after the adoption of such  
174 ordinance, the chief executive officer of such town, city or borough shall  
175 (1) notify the Commissioner of Housing that such commission has been  
176 created, and (2) transmit a copy of the ordinance adopted by the town,  
177 city or borough to the commissioner.

178 (d) Any two or more towns, cities or boroughs [not subject to the  
179 requirements of subsection (b) of this section] may, through their  
180 legislative bodies, create a joint fair rent commission.

181 (e) Any towns, cities or boroughs that are members of a regional

182 council of governments formed pursuant to section 4-124j may, through  
183 their legislative bodies and such regional council of governments, create  
184 a regional fair rent commission.

185       Sec. 7. (NEW) (*Effective July 1, 2025*) (a) As used in this section:

186       (1) "As of right" has the same meaning as provided in section 8-1a of  
187 the general statutes;

188       (2) "Commercial building" means a structure primarily designed or  
189 used for nonresidential purposes, including, but not limited to, hotels,  
190 retail space and office space. "Commercial building" does not include an  
191 industrial building;

192       (3) "Dwelling unit" has the same meaning as provided in section 47a-  
193 1 of the general statutes;

194       (4) "Industrial building" means a structure that is used primarily for  
195 industrial activity and is generally not open to the public, including, but  
196 not limited to, warehouses, factories and storage facilities; and

197       (5) "Residential development" means a structure or structures, or a  
198 portion of a structure, that contains one or more dwelling units.

199       (b) Any zoning regulations adopted pursuant to section 8-2 of the  
200 general statutes shall allow the conversion or partial conversion of any  
201 commercial building into a residential development as of right.

202       (c) No municipality shall condition the approval of the conversion or  
203 partial conversion of a commercial building into a residential  
204 development on the correction of a nonconforming use, structure or lot.

205       (d) Nothing in this section shall be interpreted or enforced to exempt  
206 the conversion or partial conversion of a commercial building into a  
207 residential development from the requirements of any applicable  
208 building code, fire safety code or fire prevention code. No municipality  
209 shall unreasonably delay any inspection required in connection with  
210 such conversion or partial conversion.

211 (e) The as-of-right permit application and review process for  
212 approval of the conversion or partial conversion of a commercial  
213 building into a residential development shall require that a decision on  
214 any such application be rendered not later than sixty-five days after  
215 receipt of such application by the applicable zoning commission, except  
216 that an applicant may consent to one or more extensions of not more  
217 than an additional sixty-five days or may withdraw such application.

218 (f) Notwithstanding the provisions of section 12-62 of the general  
219 statutes, no municipality shall subject a commercial building that has  
220 been converted or partially converted under this section to a  
221 revaluation, as defined in section 12-62 of the general statutes, for a  
222 period of not less than three years after a certificate of occupancy is  
223 issued in connection with such conversion or partial conversion.

224 Sec. 8. (NEW) (*Effective July 1, 2025*) (a) The Connecticut Housing  
225 Finance Authority shall, as part of the homeownership loan program  
226 established pursuant to section 8-286 of the general statutes, and within  
227 the resources allocated by the State Bond Commission to the  
228 Department of Housing for the purposes of said program, develop and  
229 administer a pilot program for certain mortgage borrowers with unpaid  
230 student loan debt. Such program shall authorize the authority to  
231 provide a rate reduction to eligible mortgage holders in the amount of  
232 up to one and one hundred twenty-five thousandths per cent.

233 (b) The Connecticut Housing Finance Authority shall establish  
234 guidelines for the program established pursuant to subsection (a) of this  
235 section. Such guidelines shall include the eligibility requirements for  
236 program participants and other guidelines as deemed necessary by the  
237 authority.

238 (c) To be eligible for the program, a borrower shall:

239 (1) Be a first-time homebuyer or have not owned a home in the past  
240 three years unless purchasing in a targeted area, as defined in Section  
241 143 of the Internal Revenue Code of 1986, or any subsequent  
242 corresponding internal revenue code of the United States, as amended



243 from time to time;

244 (2) Meet the income guidelines as established by the authority's  
245 income limits based on household size and have a gross income at or  
246 below one hundred per cent of the area median income;

247 (3) Have a combined student loan debt with at least a fifteen-  
248 thousand-dollar unpaid principal balance, provided such loan is in  
249 good standing with no past due amounts and may be in repayment or  
250 deferment status; and

251 (4) Meet other eligibility requirements as deemed necessary by the  
252 authority.

253 Sec. 9. (*Effective July 1, 2025*) The sum of four million two hundred  
254 thousand dollars is appropriated to the Department of Housing from  
255 the General Fund, for the fiscal year ending June 30, 2026, to increase  
256 rental assistance certificates issued to elderly or disabled persons  
257 pursuant to section 8-119kk of the general statutes by at least four  
258 hundred twenty-five certificates.

259 Sec. 10. (*Effective July 1, 2025*) The sum of four million five hundred  
260 thousand dollars is appropriated to the Department of Housing from  
261 the General Fund, for the fiscal year ending June 30, 2026, to provide a  
262 grant-in-aid to the Head Start on Housing Program in order to increase  
263 rental assistance program certificates issued to families participating in  
264 Head Start by at least two hundred seventy-five certificates.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	New section
Sec. 2	<i>July 1, 2025</i>	10-285a(l)
Sec. 3	<i>July 1, 2025</i>	New section
Sec. 4	<i>July 1, 2025</i>	New section
Sec. 5	<i>July 1, 2025</i>	47a-4
Sec. 6	<i>July 1, 2025</i>	7-148b
Sec. 7	<i>July 1, 2025</i>	New section

Sec. 8	<i>July 1, 2025</i>	New section
Sec. 9	<i>July 1, 2025</i>	New section
Sec. 10	<i>July 1, 2025</i>	New section

***Statement of Legislative Commissioners:***

Sections 1(a) and 4(b) were rewritten for clarity, and in Section 7(f), "not less than" was added for clarity.

**HSG**      *Joint Favorable Subst. -LCO*