
OLR Bill Analysis

sHB 7112

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

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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

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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:

1. 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:

1. 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:

1. 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
3. 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
3. 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)