



Housing Supply and Municipal Design Review

Connecticut General Assembly

Majority Leader's Roundtable on Affordable Housing

August 26, 2024

At A Glance: Our National Housing Crisis

Supply Side Considerations

- Nationwide shortage of 1.5 million housing units.
- No state has a sufficient supply of affordable rental housing.
- Lack of adequate housing affects both renters and homeowners.
- Construction challenges
 - Rising materials costs.
 - Lengthy permitting processes.
 - Construction workforce shortages.
 - Restrictive zoning and regulations.

Demand Side Considerations

- Home prices have jumped 47% since early 2020 and 115% since 2010 (not adjusted for inflation).
- The total monthly payment of a median-priced home is \$3,096, only affordable by:
 - 8% of Black households.
 - 13% of Hispanic households.
 - 16% of white households.
 - 29% of Asian households.
- Cost-burdened households reached record highs in 2022.
 - Nearly 1 in 4 homeowners.
 - 1 in 2 renters.

Recent Trends in State Housing Policy

- Incentivizing more housing construction.
- Expediting permitting processes.
- Revising zoning regulations and permitting more density.
- Updating and standardizing building codes.
- Expanding transit-oriented development.
- Preserving naturally existing affordable housing.
- Preventing displacement and strengthening eviction protections.



Housing Construction Barriers and Opportunities

Barriers

- Rising construction and building material costs.
- Workforce shortages and increased labor costs.
- Lengthy permitting processes.
- Complicated administrative procedures.
- Minimum parking requirements.

Opportunities

- Provide tax abatements and low-income housing tax credits to help stimulate housing supply.
- Offer financial incentives to developers to offset construction costs.
 - May require a portion of the project be reserved for income-restricted residents.
- Streamline and simplify permitting and administrative processes.
- Reduce or eliminate parking requirements.



Policies to Incentivize and Expedite Housing Construction

Enacted

- **Alabama** [HB 346](#) (2024) established the State Workforce Housing Tax Credit for qualified workforce housing projects.
- **Guam** [B 348](#) (2022) created an affordable housing assistance fund and authorized tax incentives for eligible businesses that construct a minimum number of affordable housing units.
- **Maine** [HP 1244](#) (2022) created a comprehensive permitting process that allows for a single application to be submitted for the construction of affordable housing.
- **Pennsylvania** [HB 581](#) (2022) permits local taxing authorities to provide tax exemptions for improvements to deteriorated areas and dwellings. This incentivizes the creation and preservation of affordable housing units.

Building Codes and Design Standards

Barriers

- Some construction standards and building codes may be outdated or impose unnecessary requirements.
- Lack of standardization across localities.
- Burdensome construction requirements can drive up costs.
 - Prohibiting prefabricated materials.
 - Requiring certain façade treatments.
 - Restricting roofing products.

Opportunities

- Revise building codes to increase flexibility in construction and reduce costs while still ensuring safety.
- Allow for prefabricated building components.
- Permit single-stair design.
- Reduce requirements for costly materials.
- Standardize and streamline review processes.



Building Codes and Design Standards Legislation

Enacted

- **Arkansas** [SB 170](#) (2019) prevents county and municipal governments from regulating building design elements.
- **Louisiana** [SB 183](#) (2023) created an income tax deduction for taxpayers who retrofit their residences and bring them into compliance with the [State Uniform Construction Code](#).
- **Texas** [HB 2439](#) (2019) prevents local governments from prohibiting the use of building materials, products or construction methods if they are permitted in the national model code.
- **Utah** [SB 168](#) (2024) adopted a statewide building code for modular building units.
- **Virginia** [HB 368](#) (2024) requires the state's Board of Housing and Community Development to study whether it can safely allow one staircase for four- to six-story buildings.

Zoning Barriers and Opportunities

Barriers

- Zoning restrictions often prohibit housing types other than single-family homes.
- Approximately 75% of land is zoned exclusively for single-family housing.
 - Limits supply.
 - Keeps prices high for renters.
 - Reduce homeownership opportunities.

Opportunities

- Permit a variety of property types.
- Expand transit-oriented development.
- Create housing options for all income levels.
- Leverage high market demand from multiple generations of potential tenants and homebuyers.
- Bolster economic mobility by connecting housing and employment.



Zoning Policy Legislation

Enacted

- **Maryland** [HB 538](#) (2024) prohibits a local legislative body from restricting the placement of a manufactured home or modular dwellings in a zoning district that allows single-family residential uses.
- **Montana** [SB 382](#) (2023) enacted the comprehensive Land Use Planning Act which offers a menu of housing initiatives municipalities must select from to increase housing supply and reduce housing costs.
- **Rhode Island** [SB 1037](#) (2023) created procedures for the construction of low- and moderate-income housing, including zoning incentives local governments can offer to developers.
- **Washington** [HB 1110](#) (2023) requires cities to increase [middle housing](#) and permit more density in areas zoned for residential properties.

NCSL Resources

- [Housing and Homelessness Toolkit](#)
- [Housing and Homelessness Legislation Database](#)
- [Increasing the Housing Supply by Reducing Costs and Barriers](#)
- [Housing Supply Webinar Series](#)
- [Middle Housing: Filling a Gap in Available Housing Options](#)
- [Manufactured Homes: An Underutilized Source of Affordable Housing?](#)
- [State Taxation of Short-Term Rentals](#)
- [State Policy Considerations for Disaster Risk and Resilience](#)



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Questions? Need Support?

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- Child Support & Family Law
- Child Welfare & Prevention of Child Maltreatment
- Early Childhood
- Economic Security & Mobility
- Food Security
- Housing and Homelessness

