



# 2024 ISSUES CONFERENCE

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December 13, 2024  
10:00 AM - 12:30 PM



OFFICE OF LEGISLATIVE RESEARCH





# Housing Developments: Recent Legislation on Building, Renting, and Buying in Connecticut

**2024 ISSUES CONFERENCE**

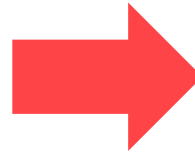
**OFFICE OF LEGISLATIVE RESEARCH**



# Many factors impact housing affordability and availability

## Housing Supply Factors

- Restrictive zoning regulations
- Local permitting processes
- Post-Great Recession construction dip
- Financing challenges for developers
- Land and construction costs
- Shifting demographics (e.g., increase in single-person households)



## Effects of Limited Supply

- Tight rental market (increasing rents)
- Competitive homebuying market (increasing purchasing costs)
- Stress on household budgets
- Increasing housing instability (e.g., eviction proceedings and homelessness)
- Difficulty housing workforce
- Limited housing options and residential mobility

# Presentation Overview

## Part I

### Zoning's Impact on Housing Supply

Presented by Jess Schaeffer-Helmecki, Senior Legislative Attorney

## Part II

### Renter Protections

Presented by Shaun McGann, Associate Legislative Analyst

## Part III

### Homebuyer Assistance and Incentives

Presented by George Miles, Senior Legislative Attorney

# Bird's Eye View

More comprehensive information on  
OLR's website

- [Issues Conference Page](#)
- [Acts Affecting Housing & Real Estate](#)
- [Acts Affecting Municipalities](#)
- [OLR Reports](#)

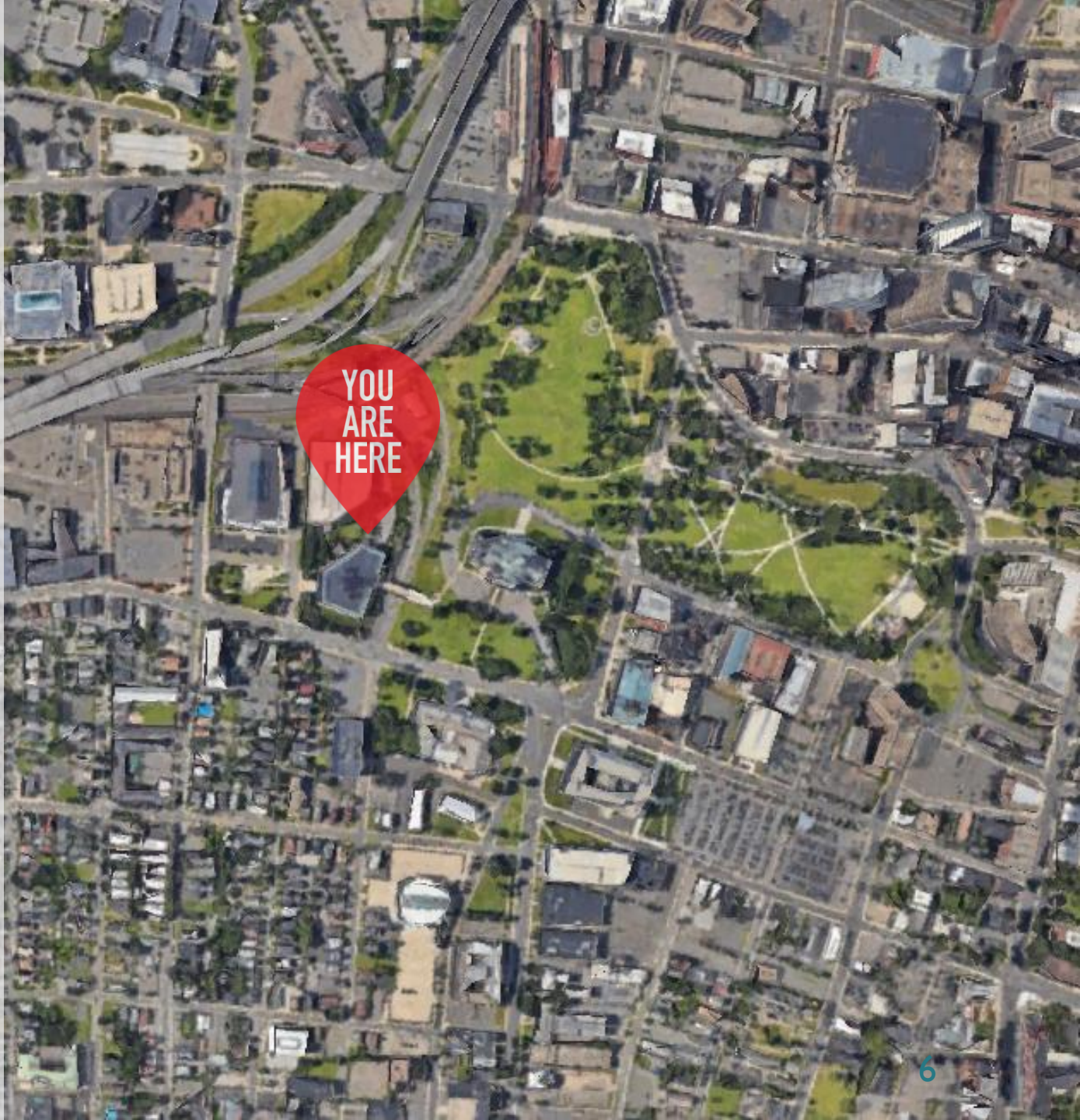




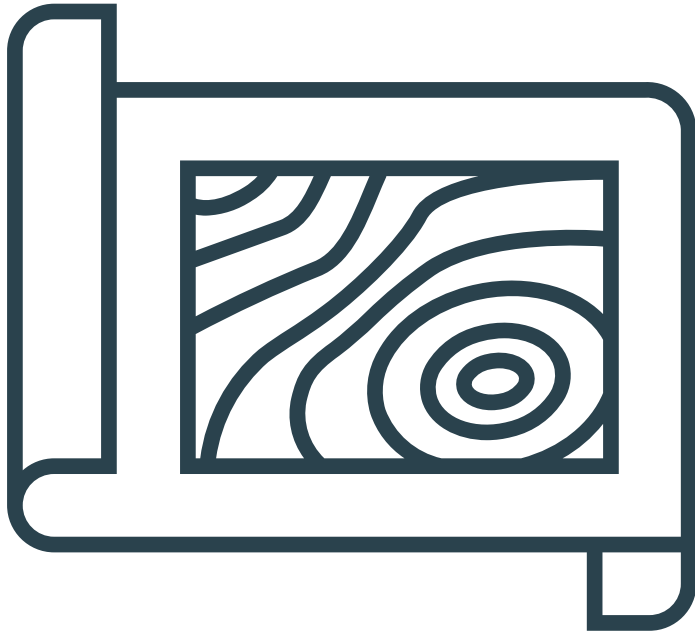


# Part I: Zoning's Impact on Housing Supply

Jess Schaeffer-Helmecki  
Senior Legislative Attorney







# Zoning 101

- Who has authority over zoning?
- What is zoning?
- How has it shaped Connecticut?
- The debate

# Municipalities have zoning authority (usually)

- **General principle: towns, as creations of the state, have only the powers that the state grants them** (e.g., *Simons v. Canty*, 195 Conn. 524 (1985))
- **State generally gives zoning authority to towns, with parameters (CGS § 8-2, special acts)**
  - Except, for example:
    - State building code
    - State fire safety code and state fire prevention code
    - Affordable Housing Land Use Appeals Procedure (or “8-30g”)





An isometric illustration of a city grid. The top-left quadrant is dominated by tall, blue and grey skyscrapers. The bottom-left quadrant features green spaces with trees and small blue ponds. The right half of the image shows a mix of building types, including smaller commercial buildings, residential houses with red roofs, and industrial structures with smokestacks. Roads with cars and buses are visible throughout the city.

# What is zoning?

- Municipal regulations that dictate what can go where, how it should look, and how it can be used
- Impacts amount of housing that is built and where it is built
- Minimum parking, minimum lot size, maximum building height

# How do towns zone?

- Elected zoning commission
- Set of rules and maps
- As-of-right developments vs. case-by-case

TOWN HALL





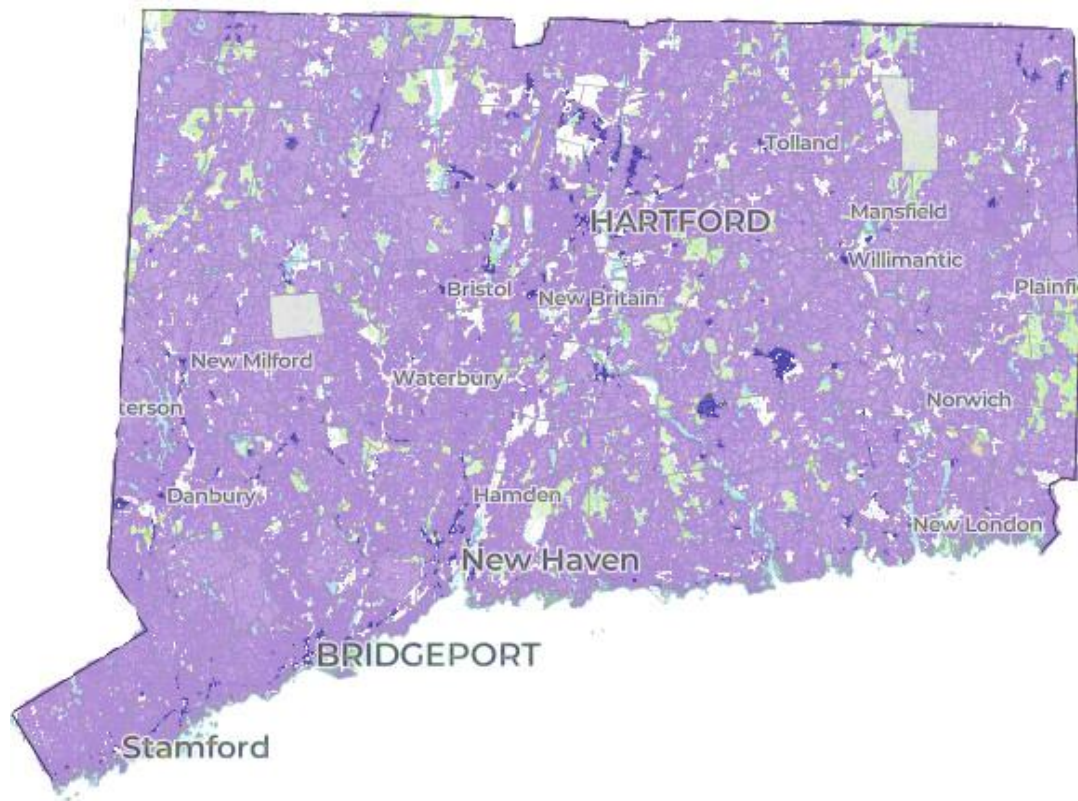
# Zoning concepts

- Mixed-use developments
- Middle housing
- Transit-oriented development (TOD)

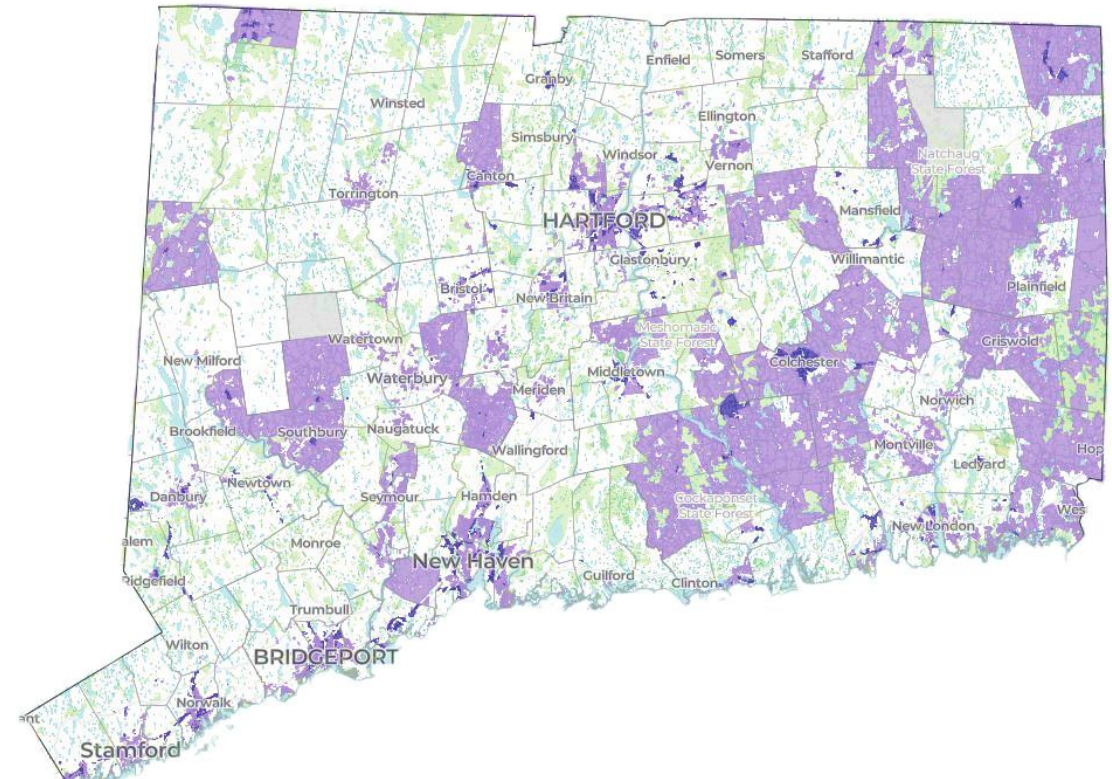


# Much of Connecticut is not zoned for multi-family housing

**Single Family Housing Allowed  
(as-of-right)**



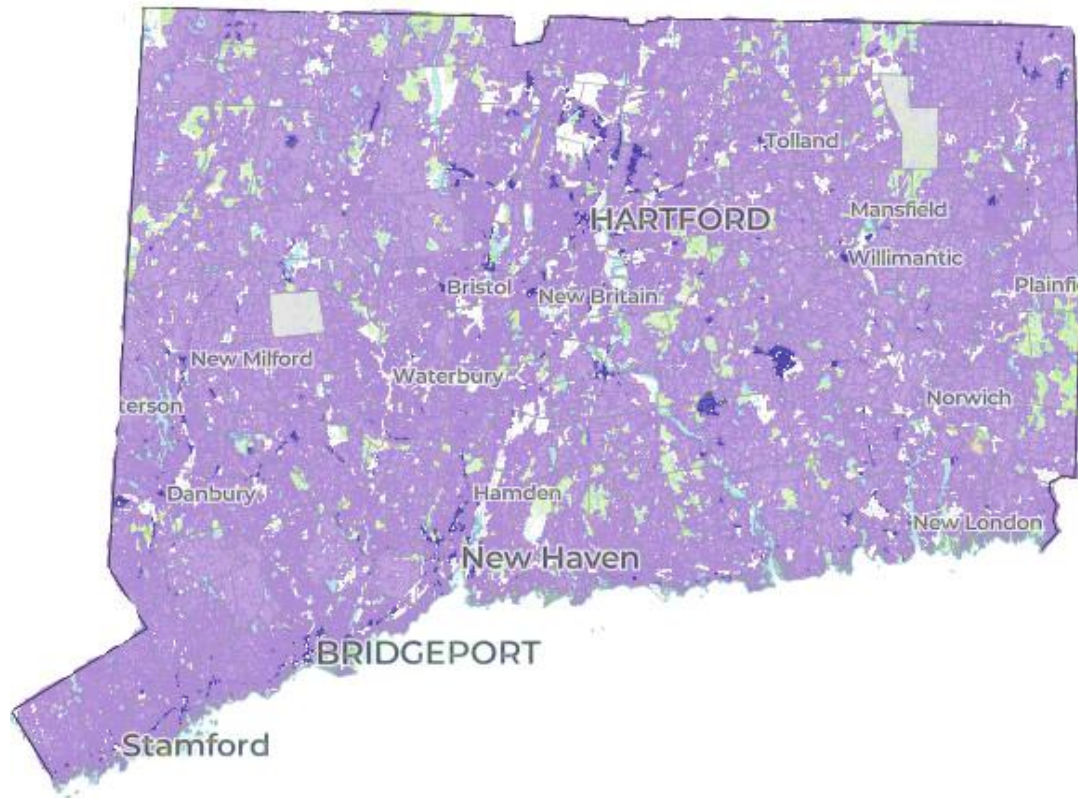
**Two-Family Housing Allowed  
(as-of-right)**



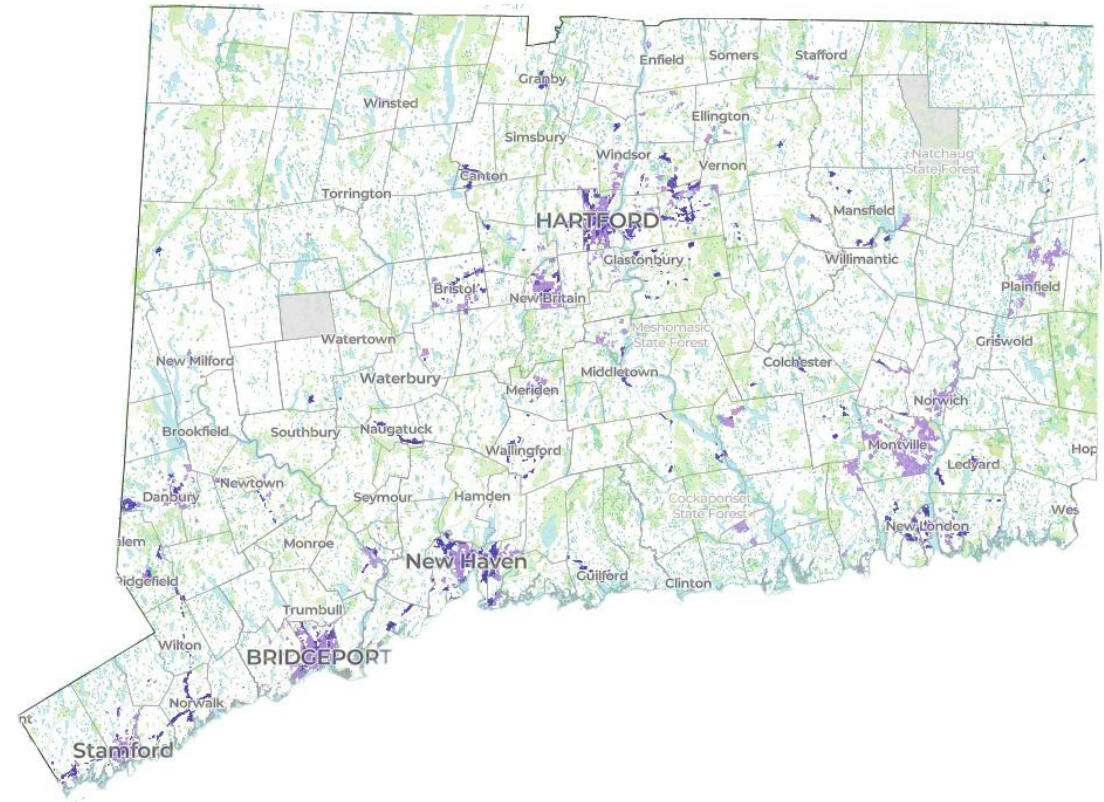


# Much of Connecticut is not zoned for multi-family housing

**Single Family Housing Allowed  
(as-of-right)**



**Housing With 4+ Units Allowed  
(as-of-right)**



# The debate

Most people agree we need **more housing** ...

Fewer local zoning restrictions =  
more housing = more affordable  
housing

Towns know what they need and  
should retain local control over  
zoning

Encourage a variety of housing types (middle  
housing, low- and moderate-income housing)

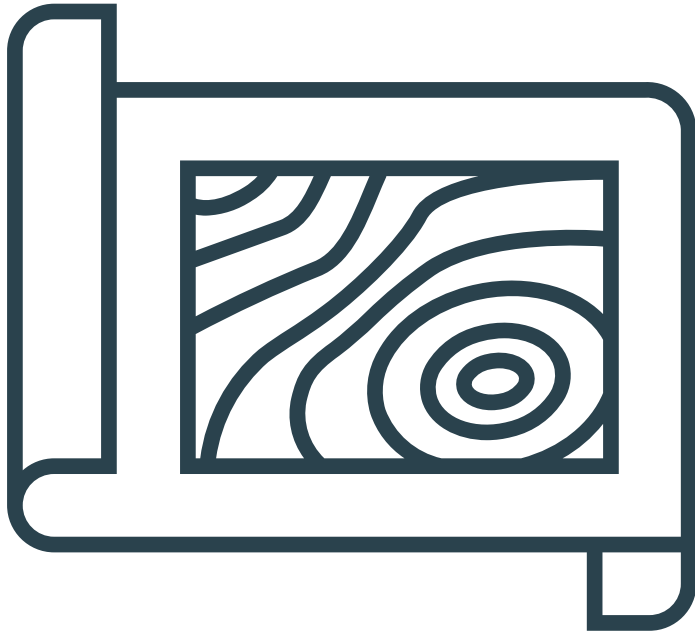
Preserve local character

We should have walkable, mixed-  
use development near public transit  
stations

Our infrastructure can't handle  
denser development

but stakeholders often have **different priorities**





# Recent Changes to Zoning Laws

- **Overarching Zoning Authority**
- **Development Assistance for Municipalities**
- **As-of-Right Developments**

# Recent Change: Overarching Authority

- **Changes to the Zoning Enabling Act**
  - Statutes that govern most towns' zoning authority
  - In 2021, reorganized to clarify what zoning regulations must, can, or cannot require
  - Many changes focused on clarifying local responsibility for providing housing opportunities (PA 21-29, §§ 3-5)





# Recent Changes: Development Assistance

- **Municipal Redevelopment Authority (MRDA)**
  - In 2023, began funding quasi-public agency to stimulate economic and transit-oriented development
  - Provide financial support and technical assistance
  - To participate, municipality must designate a “housing growth zone” (e.g., PA 23-204, §§ 1, 31 & 194-198 and PA 24-81, §§ 82-85 & 243)



# Recent Changes: As-of-Right Developments

- **Conversions of vacant nursing homes to multifamily housing**

Municipality must allow if the nursing home is a freestanding building that has been vacant for at least 90 days and is not a nonconforming use (PA 24-143, § 3)

- **“Middle housing” developments**

If town allows middle housing developments as of right and units are built, it receives credit toward an 8-30g moratorium (PA 24-143, §§ 10-12)

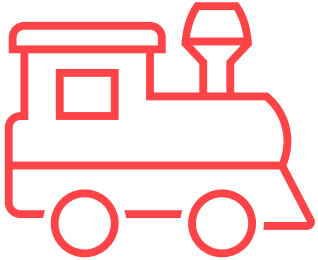
- **Accessory dwelling units (or “ADUs” or “accessory apartments”)**

Requires most municipalities to allow ADUs as of right on the same lot as single-family homes, unless the municipality opted out before 2023 (PA 21-29)





# Potential Legislation on Zoning



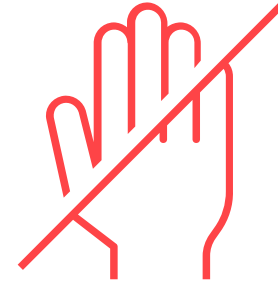
## Transit-Oriented Development

- Work, Live, Ride



## As-of-Right Development

- Commercial to residential
- Temporary shelters on religious organizations' property



## Limiting Individuals' Interventions in Land Use Proceedings

- Protest petitions
- Standing to challenge residential building permits
- Land use decision appeals

# Part II: Renter Protections

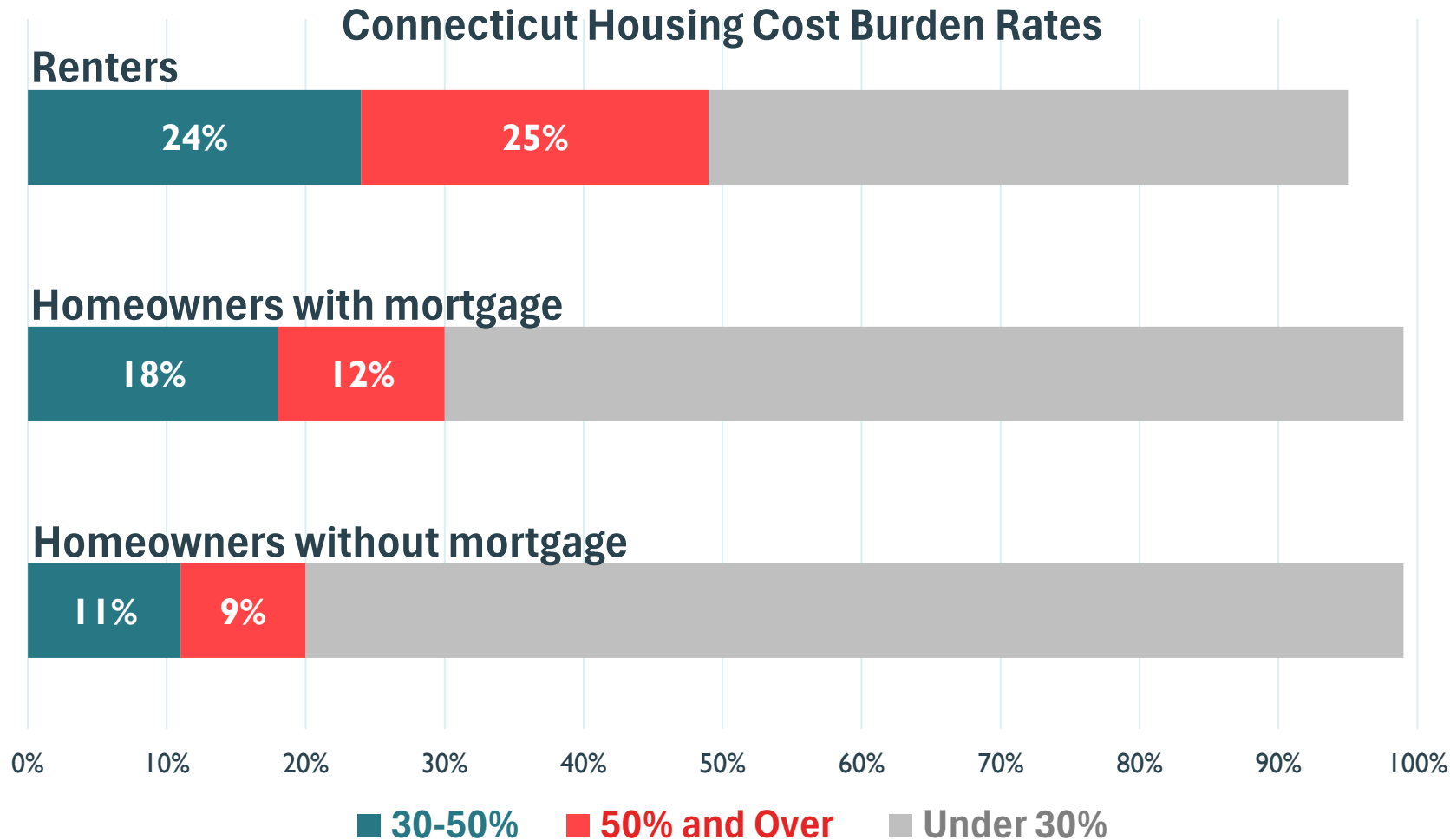
Shaun McGann

Associate Legislative Analyst





# Renters typically spend more of their income on housing than homeowners



HUD considers households spending **30% or more** of their income on housing costs as “cost burdened.”

Those spending **50% or more** are considered “severely cost burdened.”

In Connecticut, **nearly half** of renter households are cost burdened.

# The Debate:

## Renter Protections vs Landlord Business Environment

While renters and landlords may agree more housing is needed, they sometimes voice different concerns.

Tenants & Advocates	Landlords & Property Managers
Excessive rent increases	Costs of regulation being passed on to renters
No-fault or retaliatory evictions	Problematic tenants; eviction process cost/timeframe; and property rights
Rental unit safety conditions	Programmatic delays (e.g., inefficient inspection processes for rental assistance programs)
Housing access and discrimination	Safety and quality of life for current tenants
Enforcement of existing landlord-tenant laws and local housing codes	Excessive regulation resulting in reduced housing supply and increased rents



# Current Protections Against Rent Increases

## Fair Rent Commissions

- Towns are authorized to establish fair rent commissions to “control and eliminate” excessive rental charges
- Towns with a population of at least 25,000 must have a commission
- Among other things, commissions can receive rent complaints and issue rent reduction orders based on specified considerations (e.g., rents for comparable units and necessary repairs)

## Protected Tenants

- State law allows certain “protected tenants” living in a town with no fair rent commission to bring action in court to contest an excessive rent increase
- “Protected tenants” are generally those who (1) live in a building with at least five separate units and (2) are age 62 or older or have a disability
- These tenants also cannot be evicted solely because their lease has expired

**State law does not allow towns to adopt rent control ordinances**



# Recent Renter Protection Laws

- **Rental Affordability**
- **Housing Quality & Code Enforcement**
- **Landlord-Tenant (e.g., leases and eviction process)**



# Recent Laws: Rental Affordability

Topic	Summary
<b>Fair Rent Commissions</b> (PA 22-30)	Required municipalities with populations of at least 25,000 to have a fair rent commission (by July 1, 2023)
<b>Rent Increase Notice</b> (PA 24-143, §§ 16 & 17)	Required landlords to give residential tenants at least 45 days' written notice of proposed rent increases, or an amount of notice that equals the full length of the lease for tenants with lease terms of one month or less



# Recent Laws: Rental Affordability

Topic	Summary
<b>Tenant Fees &amp; Charges</b> (PA 23-207, §§ 5-8)	Set limits on the (1) rental application-related fees and payments that landlords may require from prospective tenants and (2) late fees that landlords may impose for overdue rent
<b>Security Deposits</b> (PA 23-207, §§ 38 & 39)	Generally shortened the timeframe for landlords to return a tenant's security deposit and interest on deposits

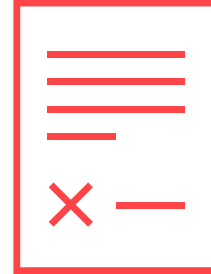




# Other Recent Renter Protection Laws



**Pre-Occupancy  
Inspections**



**Standardized Leases**



**Housing Code Violations**



**Eviction Record  
Removal**

# Renter Protections: Potential Legislation

- Rental Affordability
- Housing Access (tenant screening)
- Eviction Protections
- Housing Code Enforcement
- Streamlining Assistance Programs  
for Lower-Income Renters





# Potential Legislation: Rental Affordability

Topic	Summary
<b>Fair Rent Commissions</b> (e.g., SB 907(2023))	Reduce the population threshold (currently 25,000) that requires towns to have a fair rent commission
<b>Rent Control</b> (e.g., HB 6588 (2023))	Establish statewide rent control by limiting allowable rent increases for occupied units (e.g., Oregon) or authorize towns to adopt rent control ordinances within certain parameters (e.g., New Jersey)



# Potential Legislation: Rental Affordability

Topic	Summary
<b>Rental Savings Accounts</b> (e.g., SB 147 (2024))	Establish tax-advantaged rental savings accounts that tenants may use for rental expenses
<b>Rental Assistance</b>	Expand or provide additional funding for existing state programs providing assistance to lower-income renters (e.g., DOH's Rental Assistance Program (RAP))

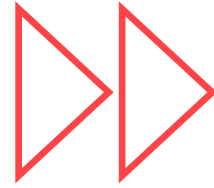




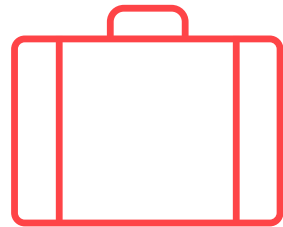
# Other Potential Renter Legislation Topics



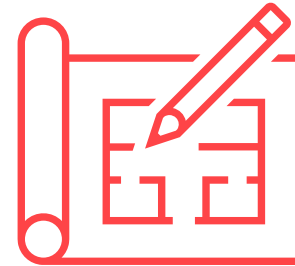
**Tenant Criminal History**



**Streamlining Rental Assistance**



**No-Fault Evictions**



**Housing Code Enforcement**

# Part III: Homebuyer Assistance and Incentives

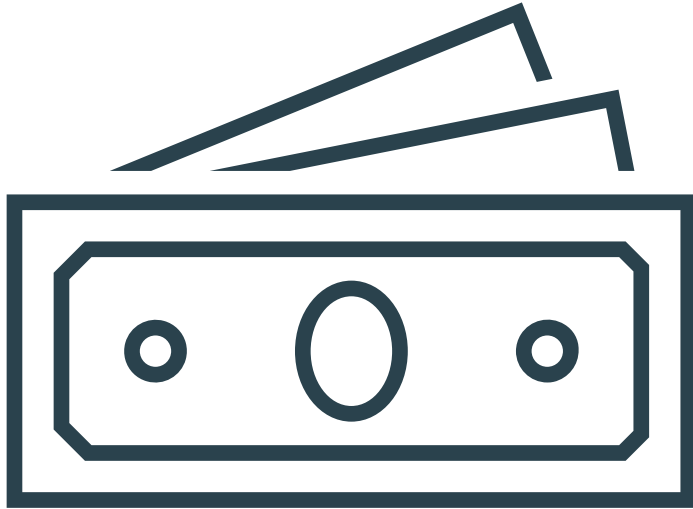
George Miles

Senior Legislative Attorney





# Current Assistance



Connecticut Housing Finance  
Authority Act (CGS Chapter 134)

Connecticut Housing Finance  
Authority (CHFA)

# Current Assistance: CHFA

- Quasi-public agency with a 16-member board of directors
- Main purpose: alleviate the shortage of housing for low- and moderate-income individuals and families in Connecticut
- Authorized to borrow and raise money through bonding
- Empowered to make housing-related loans and grants, including mortgage loans and assistance with down payments, closing costs, and mortgage insurance premiums





# Current Assistance: CHFA's Programs

Downpayment Assistance Program	Time To Own	HFA Preferred™ Loan Program	HFA Advantage® Loan Program
Government Insured Mortgage Programs	FHA 203(k) Standard and 203(k) Limited Rehabilitation Mortgage Programs	Home of Your Own Mortgage Program	Homeownership Mortgage Program
Military Homeownership Program	Police Homeownership Program	Teachers Mortgage Assistance Program	Mobile Manufactured Home Mortgage Program

- Help homebuyers purchase single-family residences or condominium units or middle housing (i.e., two- to four-unit homes)
- Over \$500 million loaned annually



# Current Assistance: CHFA Program Eligibility

- Based on state statutes, administrative procedures, and federal law
- Must be (1) a “first-time homebuyer” (i.e., someone who has never purchased a house before or who has not had an ownership interest in a principal residence for the past three years) OR (2) purchasing a home in a federally designated area targeted for revitalization
- Must satisfy income and sales price limits





# Current Assistance: CHFA Program Eligibility

## Income Limits (as of 5/13/24)

NEW HAVEN COUNTY	Household Size	
	1 or 2	3 or more
*Ansonia, Beacon Falls, Derby, Milford, Oxford, Seymour.	\$130,300	\$149,845
Bethany, Branford, Cheshire, East Haven, Guilford, Hamden, Madison, *Meriden, Middlebury, Naugatuck, *New Haven, North Branford, North Haven, Orange, Prospect, Southbury, Wallingford, *Waterbury, *West Haven, Wolcott, Woodbridge.	\$122,300	\$140,645
<b>*TARGET AREAS - (Eligible Census Tracts on page 3)</b>		
Ansonia,	\$156,360	\$182,420
Meriden, New Haven, Waterbury, West Haven.	\$146,760	\$171,220

HARTFORD COUNTY	Household Size	
	1 or 2	3 or more
Avon, Berlin, Bloomfield, *Bristol, Burlington, Canton, East Granby, *East Hartford, East Windsor, Enfield, Farmington, Glastonbury, Granby, *Hartford, Hartland, *Manchester, Marlborough, *New Britain, Newington, Plainville, Rocky Hill, Simsbury, Southington, South Windsor, Suffield West Hartford, Wethersfield, Windsor, Windsor Locks.	\$122,300	\$140,645
<b>*TARGET AREAS - (Eligible Census Tracts on page 3)</b>		
Bristol, East Hartford, Hartford, Manchester, New Britain.	\$146,760	\$171,220

MIDDLESEX COUNTY	Household Size	
	1 or 2	3 or more
Chester, Cromwell, Durham, East Haddam, East Hampton, Haddam, Middlefield, *Middletown, Portland.	\$122,300	\$140,645
Clinton, Deep River, Essex, Killingworth, Old Saybrook, Westbrook.	\$145,400	\$167,210
<b>*TARGET AREAS - (Eligible Census Tracts on page 3)</b>		
Middletown	\$146,760	\$171,220
TOLLAND COUNTY	Household Size	
	1 or 2	3 or more
Andover, Bolton, Columbia, Coventry, Ellington, Hebron, Mansfield, Somers, Stafford, Tolland, Union, *Vernon, Willington.	\$122,300	\$140,645
<b>*TARGET AREAS - (Eligible Census Tracts on page 3)</b>		
Vernon	\$146,760	\$171,220

# Current Assistance: CHFA Program Eligibility

## Income Limits (as of 5/13/24)

NEW LONDON COUNTY	Household Size	
	1 or 2	3 or more
Bozrah, East Lyme, Franklin, *Griswold, *Groton, Ledyard, Lisbon, Lyme, Montville, *New London, North Stonington, *Norwich, Old Lyme, Preston, Salem, Sprague, Stonington, Voluntown, Waterford.	\$122,300	\$140,645
Colchester, Lebanon.	\$148,500	\$170,775
<b>*TARGET AREAS - (Eligible Census Tracts on page 3)</b>		
Griswold, Groton, New London, Norwich.	\$146,760	\$171,220

FAIRFIELD COUNTY	Household Size	
	1 or 2	3 or more
Bethel, Brookfield, *Danbury, New Fairfield, Newtown, Redding, Ridgefield, Sherman.	\$147,700	\$169,855
*Bridgeport, Easton, Fairfield, Monroe, Shelton, Stratford, Trumbull.	\$133,590	\$153,630
Darien, Greenwich, New Canaan, *Norwalk, *Stamford, Weston, Westport, Wilton.	\$180,500	\$207,575
<b>*TARGET AREAS - (Eligible Census Tracts on page 3)</b>		
Bridgeport	\$146,760	\$171,220
Danbury	\$177,240	\$206,780
Norwalk, Stamford	\$216,600	\$252,700

LITCHFIELD COUNTY	Household Size	
	1 or 2	3 or more
Barkhamsted, Bethlehem, Bridgewater Canaan, Colebrook, Cornwall, Goshen, Harwinton, Kent, Litchfield, Morris, New Hartford, New Milford, Norfolk, North Canaan, Plymouth, Roxbury, Salisbury, Sharon, Thomaston, *Torrington, Warren, Washington, Watertown, Winchester, Woodbury.	\$122,300	\$140,645
<b>*TARGET AREAS - (Eligible Census Tracts on page 3)</b>		
Torrington	\$146,760	\$171,220

WINDHAM COUNTY	Household Size	
	1 or 2	3 or more
Ashford, Brooklyn, Canterbury, Chaplin, Eastford, Hampton, Killingly, Plainfield, Pomfret, Putnam, Scotland, Sterling, Thompson, *Windham, Woodstock.	\$122,300	\$140,645
<b>*TARGET AREAS - (Eligible Census Tracts on page 3)</b>		
Windham	\$146,760	\$171,220

# Current Assistance: CHFA Program Eligibility

## Sales Price Limits (as of 5/13/24)

NEW HAVEN COUNTY		HARTFORD COUNTY		MIDDLESEX COUNTY	
Existing & New		Existing & New		Existing & New	
*Ansonia, Beacon Falls, Bethany, Branford, Cheshire, Derby, East Haven, Guilford, Hamden, Madison, *Meriden, Middlebury, Milford, Naugatuck, *New Haven, North Branford, North Haven, Orange, Oxford, Prospect, Seymour, Southbury, Wallingford, *Waterbury, *West Haven, Wolcott, Woodbridge.		Avon, Berlin, Bloomfield, *Bristol, Burlington, Canton, East Granby, *East Hartford, East Windsor, Enfield, Farmington, Glastonbury, Granby, *Hartford, Hartland, *Manchester, Marlborough, *New Britain, Newington, Plainville, Rocky Hill, Simsbury, Southington, South Windsor, Suffield West Hartford, Wethersfield, Windsor, Windsor Locks.		Chester, Clinton, Cromwell, Deep River, Durham, East Haddam, East Hampton, Essex, Haddam, Killingworth, Middlefield, *Middletown, Old Saybrook, Portland, Westbrook.	
\$510,935		\$510,935		\$510,935	
*TARGET AREAS - (Eligible Census Tracts on page 3)		*TARGET AREAS - (Eligible Census Tracts on page 3)		*TARGET AREAS - (Eligible Census Tracts on page 3)	
Ansonia, Meriden, New Haven, Waterbury, West Haven.		Bristol, East Hartford, Hartford, Manchester, New Britain.		Middletown	
\$624,480		\$624,480		\$624,480	
TOLLAND COUNTY		Existing & New		Existing & New	
Andover, Bolton, Columbia, Coventry, Ellington, Hebron, Mansfield, Somers, Stafford, Tolland, Union, *Vernon, Willington.		\$510,935		\$510,935	
*TARGET AREAS - (Eligible Census Tracts on page 3)		*TARGET AREAS - (Eligible Census Tracts on page 3)		*TARGET AREAS - (Eligible Census Tracts on page 3)	
Vernon		\$624,480		\$624,480	



# Current Assistance: CHFA Program Eligibility

## Sales Price Limits (as of 5/13/24)

NEW LONDON COUNTY	Existing & New
Bozrah, Colchester, East Lyme, Franklin, *Griswold, *Groton, Lebanon, Ledyard, Lisbon, Lyme, Montville, *New London, North Stonington, *Norwich, Old Lyme, Preston, Salem, Sprague, Stonington, Voluntown, Waterford.	\$510,935
<b>*TARGET AREAS - (Eligible Census Tracts on page 3)</b>	
Griswold, Groton, New London, Norwich.	\$624,480

FAIRFIELD COUNTY	Existing & New
Bethel, *Bridgeport, Brookfield, *Danbury, Darien, Easton, Fairfield, Greenwich, Monroe, New Canaan, New Fairfield, Newtown, *Norwalk, Redding, Ridgefield, Shelton, Sherman, *Stamford, Stratford, Trumbull, Weston, Westport, Wilton.	\$650,000
<b>*TARGET AREAS - (Eligible Census Tracts on page 3)</b>	
Bridgeport, Danbury, Norwalk, Stamford.	\$650,000

LITCHFIELD COUNTY	Existing & New
Barkhamsted, Bethlehem, Bridgewater, Canaan, Colebrook, Cornwall, Goshen, Harwinton, Kent, Litchfield, Morris, New Hartford, New Milford, Norfolk, North Canaan, Plymouth, Roxbury, Salisbury, Sharon, Thomaston, *Torrington, Warren, Washington, Watertown, Winchester, Woodbury.	\$510,935
<b>*TARGET AREAS - (Eligible Census Tracts on page 3)</b>	
Torrington	\$624,480
WINDHAM COUNTY	Existing & New
Ashford, Brooklyn, Canterbury, Chaplin, Eastford, Hampton, Killingly, Plainfield, Pomfret, Putnam, Scotland, Sterling, Thompson, *Windham, Woodstock.	\$510,935
<b>*TARGET AREAS - (Eligible Census Tracts on page 3)</b>	
Windham	\$624,480

# Recent Developments: CHFA

## Small Multifamily Lending Program (PA 23-45, § 9)

- Helps community development financial institutions and others acquire certain small multifamily properties (generally those with between two and 20 units)

## Smart Rate Pilot Interest Rate Reduction Program

- Provides a 1.125% interest rate reduction on a CHFA mortgage to borrowers with unpaid student loan debt balance of at least \$15,000

## Time to Own Program

- Allocated an additional \$40 million through a State Bond Commission authorization



# Potential Legislation – Recurring Proposals



**Learn Here,  
Live Here**



**First-time Homebuyer  
Savings Accounts**



**Property Tax  
Abatements**

- Proposals heard or voted out of: Appropriations; Banking; Commerce; Finance, Revenue & Bonding; Higher Education & Employment; Housing; Insurance & Real Estate; and Planning & Development



# Recurring Proposal: Learn Here, Live Here

## Latest Iteration – SB 160 (2024)

- Required the program to be created (existing law has allowed for this since 2011)
- Allowed eligible graduates to divert up to \$2,500 per year from their income tax payments for up to 10 years after graduation towards purchasing their first home
- Extended eligibility beyond graduates of certain in-state postsecondary institutions to those of in-state public and private high schools
- Limited eligibility to people whose annual federal adjusted gross income is \$75,000 or less (existing law does not have an income limit)



# Recurring Proposal: Savings Account

## Latest Iteration – HB 5344 (2024)

- Created personal income tax deductions up to \$2,500 for single filers and \$5,000 for joint filers for funds deposited into a savings account dedicated to purchasing a first home provided the account holders have a federal adjusted gross income below \$100,000 for single filers or \$200,000 for joint filers
- Established a business tax credit for employers who similarly contribute to the account of their employees, up to \$2,500 per employee
- Required the Department of Revenue Services to implement the tax deduction and credit, including by preparing associated forms



# Recurring Proposal: Property Tax Abatements

## Latest Iteration – HB 5167 (2024)

- Allowed municipalities to abate up to \$500 in property taxes per assessment year on a residential property owned by someone who purchased it with a CHFA-issued mortgage for first-time homebuyers
- Required the property to be encumbered by such a mortgage
- Capped abatements at five assessment years





# Questions?

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# 2024 ISSUES CONFERENCE

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10:00 AM - 12:30 PM



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