



CONNECTICUT REALTORS®
111 Founders Plaza, Suite 1101 • East Hartford, CT 06108
Tel: (860) 290-6601 • ctrealtor.com

Statement on

HB 6521

**AN ACT CONCERNING CHANGES TO ZONING AND AFFORDABLE HOUSING
REQUIREMENTS CONCERNING ACCESSORY DWELLING UNITS AND
PROHIBITING LIST-BACK AGREEMENTS**

SUPPORT

Submitted to the Housing Committee
March 4, 2021

By
Connecticut REALTORS®

Connecticut REALTORS® (CTR) appreciates the opportunity to testify in support to **HB 6521, AN ACT CONCERNING CHANGES TO ZONING AND AFFORDABLE HOUSING REQUIREMENTS CONCERNING ACCESSORY DWELLING UNITS AND PROHIBITING LIST-BACK AGREEMENTS** before the Housing Committee. CTR represents over 17,800 members involved in all aspects of real estate in Connecticut. CTR works with many thousands of buyers, sellers, landlords and tenants annually. My name is Joanne Breen, the immediate past president of Connecticut REALTORS® and I've practiced real estate in Connecticut for over forty years.

HB 6521 includes proposals addressing the significant transformation of housing needs for individuals, their families and the workforce as a result of the pandemic. The bill also seeks to provide options to expedite the creation of affordable units as well as the proposal for two studies to be performed.

The first section of the proposal is to provide for Accessory Dwelling Units (ADUs) by creating the opportunity for expanded independent living and work space by making owner-occupied, attached ADUs allowable by right. It establishes the baseline of standards for adoption by a municipality. This language addresses the enhanced needs of homeowners who need more space to accommodate generational living options for elderly parents or

even millennial children who cannot afford other housing options. It can also provide a limited way to have rental income for those who need it.

The next sections are related to better defining affordable housing, increasing the potential for a zoning proposal to be approved, and reducing construction costs by eliminating the imposition of taxes before construction is completed.

- By equalizing the value of non-deed restricted units in affordable housing calculations, municipalities can add more points to the formula for calculating affordable housing units to meet the state's criteria. This language includes providing the same number of affordable housing points when there is a low-income purchaser at low income purchase prices although the property may not be in a deed restricted development. This action could also apply to a low income tenant in an ADU when such tenant has the same rent and income criteria as the tenant in a deed restricted rental unit.
- Lowering the voting threshold for protests of Zoning Commission proposed changes reduces the statutory requirement for a zoning commission vote on a proposed change when neighbors have filed a protest. The requirement would be reduced from a two-thirds vote to a majority vote.
- Preventing the imposition of municipal taxes on residential dwellings before construction is completed: This action removes the ability for a municipality to tax a residential dwelling while it is being built and cannot receive a certificate of occupancy or when it is completed but is not yet inhabited. The premature imposition of a municipal tax reduces housing affordability by driving up construction costs which must then be passed through to the first time owner or tenant.

The next proposal limits the duration of deed restrictions to promote generational wealth. This section applies to owned units in developments that are not under restrictive federal government provisions, such as private developments that included restrictive requirements in municipalities. This proposal reduces those lengthy deed restrictions for such properties under Section 8-30g and establishes a scale for how a property owner, after at least five years of ownership in such a unit, can realize a percentage of market value and improvements to the property at the time of sale. When such a sale occurs, the provision still preserves for municipalities the housing unit equivalent points the municipality was originally awarded for the purpose of establishing eligibility for a moratorium.

Two sections of HB 6521 seek to address fair housing issues:

- CTR proposes increasing penalties for the unlicensed practice of real estate in hopes this will be a greater deterrent most particularly in the area of rentals. Real estate licensees learn about fair housing requirements as part of pre-license education and mandatory continuing education for license renewal. This proposal would increase the fine from \$1000 to \$10,000. The collection of these fines could provide funds for enhanced enforcement against unlicensed real estate practice.
- Prohibiting List-Backs: This action would prohibit a deed or agreement to require subsequent sales of a property be made through a specific real estate brokerage agency. List-backs agreements limit consumer choice, fee options and even can create the potential for bias toward purchasers.

Lastly, the proposal requests two studies:

- Study Bill – Identifying opportunities for housing units: This study would identify how to expand notification of opportunities to obtain affordable housing units. Many persons seeking affordable housing units, especially rental units, never have the opportunity to learn these units are available because local demand can fill a unit without any need to further advertise or promote the units.
- Study Bill – Correctly Identifying Demographics: Demographic data is often presented as an accurate reflection of a municipality when the source of the data may be outdated, based primarily on models or simply unrelated to the true picture. Many data sources have extensive margins of error that are not provided when presented to legislators and others. A review of what demographic data may be most accurate and what type of disclaimer must be provided indicating the margin of error in understandable terms is important.

Thank you for your attention to this important legislation and we ask for your **support** of **HB 6521, AN ACT CONCERNING CHANGES TO ZONING AND AFFORDABLE HOUSING REQUIREMENTS CONCERNING ACCESSORY DWELLING UNITS AND PROHIBITING LIST-BACK AGREEMENTS.**