OLR Bill Analysis

sHB 6781

AN ACT ADDRESSING HOUSING AFFORDABILITY FOR RESIDENTS IN THE STATE.

TABLE OF CONTENTS:

§§ 10-22 — PROHIBITION OF HOUSING DISCRIMINATION BASED ON CERTAIN EVICTION RECORDS

Makes it a discriminatory housing practice for a housing provider, based on an individual's prior eviction that occurred more than five years before a rental application or any summary process action that did not result in an eviction, to (1) refuse to rent a unit after making a bona fide offer, (2) refuse to negotiate for the rental unit, or (3) otherwise make unavailable or deny a dwelling unit or deny occupancy in the unit; authorizes anyone aggrieved by such an action to file a complaint with CHRO

§ 23 — OPM OFFICE OF RESPONSIBLE GROWTH

Establishes in statute the Office of Responsible Growth within OPM and assigns it various responsibilities, including coordinating municipalities' submissions of plans to affirmatively further fair housing, as required under the bill

§ 24 — MUNICIPAL PLANS TO AFFIRMATIVELY FURTHER FAIR HOUSING

Replaces the municipal affordable housing planning requirement under current law with a requirement that municipalities (1) adopt plans, in consultation with the OPM State Responsible Growth Coordinator, to affirmatively further fair housing and (2) submit the plans to the growth coordinator pursuant to a schedule he or she sets, or be required to expend certain state funding on developing affordable housing

§ 25 — SEWER CAPACITY TASK FORCE

Establishes a task force to create an inventory of existing sewer capacity in the state and a plan to expand it in accordance with the state plan of conservation and development

§§ 26 & 27 — 8-30G MORATORIA POINTS FOR MIDDLE HOUSING AND AFFH PLANS

Awards municipalities points toward a moratorium from the 8-30g appeals procedure for certain middle housing units (1) developed as of right and (2) located within a ¼ mile of a transit district; authorizes municipalities to qualify for a lower 8-30g moratorium threshold for adopting an AFFH plan, rather than an affordable housing plan

§ 28 — COMMON APPLICATION FOR RENTAL ASSISTANCE

Requires the housing commissioner, in consultation with CHFA and housing authority representatives, to develop and implement a standardized application form for affordable housing programs in the state

§ 29 — DOH PROGRAM TO INCENTIVIZE LANDLORD PARTICIPATION IN TENANT-BASED RENTAL ASSISTANCE PROGRAMS

Requires the DOH commissioner, within available appropriations and in consultation with CHFA and housing authority representatives, to establish a program to incentivize landlord participation in various tenant-based rental assistance programs

§§ 30 & 31 — DOH RAP STUDY AND PROGRAM EXPENDITURES

Requires the DOH commissioner to (1) conduct a study, within available appropriations, on methods to improve the efficiency of processing applications under RAP and (2) affirmatively seek to spend all funds appropriated to the program annually

§ 32 — DOH PILOT PROGRAM TO PROVIDE RELIEF TO LANDLORDS PARTICIPATING IN TENANT-BASED RENTAL ASSISTANCE PROGRAMS

Requires the DOH commissioner to establish a landlord relief pilot program to provide financial assistance to qualifying landlords for eligible expenses incurred by renting to, or seeking to rent to, a recipient of (1) a RAP certificate, (2) an HCV voucher, or (3) any other state rental subsidy; caps this assistance at the lesser of $5,000 per tenancy or $10,000 per dwelling unit

§ 33 — REMOVAL OF CERTAIN EVICTION RECORDS FROM THE JUDICIAL BRANCH WEBSITE

Requires the judicial branch to remove from its website records or identifying information related to eviction proceedings within specified time periods based on an action's disposition; prohibits the judicial branch from selling or transferring these removed records for commercial purposes, such as consumer reporting or tenant screening

§§ 34-36 — REAL ESTATE CONVEYANCE TAX

Increases state real estate conveyance tax rates for conveyances of residential dwellings to specified business entities; exempts conveyances of property with deed-restricted affordable housing dwelling units from the tax; and requires the comptroller to transfer conveyance tax revenue the state receives in excess of $180 million each fiscal year, annually adjusted for inflation, to the Housing Trust Fund

§§ 36 & 37 — BOND AUTHORIZATION FOR HOUSING TRUST FUND

Authorizes up to $75 million in state GO bonds for DOH to provide grants for converting hotels, malls, and office buildings to multifamily dwellings in nondistressed municipalities

§§ 38-45 — DOH AND OPM APPROPRIATIONS

Makes appropriations from the General Fund, for FYs 24 and 25, to DOH and OPM for various housing-related purposes

SUMMARY

This bill makes various changes to laws related to landlords and tenants and housing. It also establishes a new Office of Responsible Growth within the Office of Policy and Management (OPM), makes changes related to the real estate conveyance tax, authorizes general obligation bonds for the Department of Housing (DOH), and makes appropriations to DOH and OPM for housing-related purposes. A section-by-section analysis follows.

The bill also makes technical and conforming changes.

EFFECTIVE DATE: Various, see below

§ 1 — INCREASED FINES FOR HOUSING VIOLATIONS

Allows (1) municipalities to prescribe civil penalties of up to $2,000 for each violation of their rules on maintaining safe and sanitary housing and (2) landlords to appeal these fines to the municipality's zoning board of appeals, under certain circumstances

Existing law allows municipalities to set penalties, of up to $250, for violations of their regulations and ordinances adopted pursuant to their statutorily enumerated general powers. (It also specifically authorizes other municipal fines for housing blight; see *Background*). The bill additionally allows municipalities to prescribe civil penalties of up to $2,000 for each violation of their rules on maintaining safe and sanitary housing.

The bill allows an owner who is assessed this penalty to appeal to the municipality's zoning board of appeals (ZBA), or the municipality's chief executive officer if no ZBA exists, on the grounds that the violation was due entirely to a tenant's deliberate action. (Existing law generally requires a municipality to notify individuals of their right to contest a citation before a hearing officer, whose decision can be appealed in Superior Court (CGS § 7-152c).)

EFFECTIVE DATE: October 1, 2023

Background

Fines for Housing Blight. By law, municipalities are authorized to (1) establish fines of between $10 and $100 per day for housing blight, which constitute a lien on the property if unpaid (CGS §§ 7-148(c)(7)(H)(xv) & 7-148aa), and (2) enact an ordinance imposing a special assessment on blighted housing to cover blight enforcement and remediation costs (CGS § 7-148ff).

Related Bill. HB 6666, § 2, reported favorably by the Housing Committee, contains a provision allowing municipalities to prescribe civil penalties of up to $1,000 for each violation of their rules on maintaining safe and sanitary housing.

§§ 2 & 3 — PRE-OCCUPANCY WALK-THROUGHS

Beginning January 1, 2024, requires landlords to give tenants the opportunity to request and complete a pre-occupancy "walk-through" of a dwelling unit after or at the time of entering into a rental agreement; prohibits landlords from keeping any portion of a

tenant's security deposit or seeking payment for conditions specifically identified during the walk-through

Beginning January 1, 2024, the bill requires landlords to give tenants the opportunity to request and complete a pre-occupancy "walk-through" of a dwelling unit after or at the time of entering into a rental agreement.

Under the bill, a "walk-through" means a joint, in-person inspection of a dwelling unit by the landlord and tenant or their designees to note and list the unit's existing conditions, defects, or damages using a DOH checklist. The bill requires the DOH commissioner to prepare this standardized, pre-occupancy walk-through checklist and make it available on DOH's website by December 1, 2023. During the walk-through, the landlord and tenant or their designees must note the unit's existing conditions, defects, or damages. Afterwards, they must each sign and receive duplicate copies of the checklist.

When a tenant vacates the dwelling unit, the bill prohibits their landlord from keeping any portion of the tenant's security deposit or seeking payment for a condition, defect, or damage noted in the preoccupancy walk-through checklist. In administrative or judicial proceedings, this checklist is admissible, subject to the rules of evidence. But it is not conclusive as evidence of the unit's condition at the beginning of a tenant's occupancy.

The bill specifies that these provisions do not apply to tenancies under rental agreements entered into before January 1, 2024. It also makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2023

§§ 3 & 4 — LIMITS ON RENTAL APPLICATION-RELATED FEES

Limits rental application-related fees and payments that landlords may require from prospective tenants to reimbursements for tenant screening reports and security deposits; requires landlords to (1) provide prospective tenants with these reports and a receipt or invoice and (2) waive the fee if the prospective tenant provides a recent screening report that is satisfactory to the landlord

The bill generally prohibits landlords from requiring prospective tenants to pay any fees, charges, or payments for the reviewing,

processing, or accepting of a rental application, or make any other payments before or at the start of tenancy. The bill excludes from this prohibition a security deposit and the fee for a tenant screening report, except that in the latter case it limits the fee to the landlord's actual cost for the report. Under the bill, a "tenant screening report" means a credit report, a criminal background report, an employment history report, a rental history report, or any combination of these that a landlord uses to determine a prospective tenant's suitability.

The bill prohibits landlords from collecting a tenant screening report fee until after they provide the prospective tenant with a copy of the (1) screening report and (2) receipt or invoice from the entity that conducted the report. The bill also requires landlords to waive the tenant screening report fee if a prospective tenant provides a copy of a screening report that is satisfactory to the landlord and was done within 30 days of his or her rental application.

EFFECTIVE DATE: October 1, 2023

Background — Related Bill

sSB 4, § 3, reported favorably by the Housing Committee, contains generally identical provisions.

§ 5 — REQUIRED NOTICE OF PROTECTED TENANT STATUS

Beginning January 1, 2024, requires landlords to provide tenants with a written DOH notice summarizing the rights of protected tenants (i.e., generally certain tenants at least age 62 or with a disability) whenever they rent, or enter or renew an agreement to rent, certain dwelling units

State law provides more protections against evictions and rent increases to certain "protected tenants" residing in a (1) building or complex consisting of five or more separate dwelling units, (2) mobile manufactured home park (including certain conversion tenants), or (3) dwelling unit in a common interest community where the landlord owns five or more units. To qualify for this protection, a tenant must:

1. be at least age 62,

2. have a physical or intellectual disability,

3. permanently reside with a spouse or specified relative that (a) is at least age 62 or (b) has a disability meeting certain requirements, or

4. be a conversion tenant in a mobile home park meeting certain requirements.

Beginning January 1, 2024, the bill requires landlords or their agents to give a written DOH notice summarizing these protections to any tenant that rents, or enters or renews an agreement to rent, one of the units described above.

Existing law, unchanged by the bill, prohibits protected tenants from being evicted solely for their lease expiring (i.e., lapse of time). It also requires that their rent only be increased by an amount that is fair and equitable and allows those aggrieved by a rent increase, and residing in a municipality without a fair rent commission, to bring action to contest the increase in Superior Court.

Under the bill, the DOH commissioner must create the one-page, plain-language summary of protected tenants' rights and post it on the department's website by December 1, 2023. The bill requires that the notice be available in other languages in addition to English, as determined by the commissioner.

EFFECTIVE DATE: October 1, 2023

§§ 6-8 — HOUSING AUTHORITY TRAINING, INFORMATION, AND AUDIT REQUIREMENTS

Requires housing authorities (1) receiving state assistance to annually give tenants specified information and (2) subject to the State Single Audit Act, to include the audit results in their annual reports; and requires all current and new housing authority commissioners to participate in a federal training

The bill requires (1) existing housing authority commissioners to participate in a federal Department of Housing and Urban Development (HUD) commissioner training by January 1, 2024, and (2) new commissioners to participate in the training upon appointment (§ 6).

Additionally, it requires housing authorities receiving state

assistance and the Connecticut Housing Finance Authority (CHFA) (if it or its subsidiaries are successor owners to housing previously owned by a local authority) to annually provide tenants, beginning when they sign their initial lease, with the following information: (1) contact information for the authority's management, local health department, and Commission on Human Rights and Opportunities (CHRO) and (2) a copy of the judicial branch's guidance on tenants' and landlords' rights and responsibilities (§ 7).

Under the bill, housing authorities subject to the state's Single Audit Act (i.e., those with annual revenue of more than $1 million and that spend more than $300,000 in a fiscal year) must include the audit results in the annual reports they must submit by law to the housing commissioner and their respective municipality's chief executive officer (§ 8). (Existing law, unchanged by the bill, also requires the housing commissioner to ensure local housing authorities are audited biennially, with the authority covering the audit's costs, if the commissioner requires it (CGS § 7-392(d)).)

EFFECTIVE DATE: October 1, 2023

§ 9 — MUNICIPAL LANDLORD IDENTIFICATION REQUIREMENTS

Modifies the current municipal landlord identification requirements, including generally extending the requirements for landlords participating in the federal Housing Choice Voucher program to nonresident rental property owners

Under existing law, generally unchanged by the bill, municipalities can require nonresident owners and landlords renting to Housing Choice Voucher (HCV) program participants (also known as project-based housing providers or PBHPs) to provide (1) their current residential addresses or (2) the current residential address of the agent in charge of the building if the owners are a business entity that owns rental property (i.e., a corporation, partnership, trust, or other legally recognized entity).

Current law includes an additional "controlling participant" requirement for PBHPs. It requires that they provide identifying information and the current residential address of each controlling participant associated with the property, meaning an individual or

entity that exercises day-to-day financial or operational control. If a controlling participant is a business entity, the PBHP must identify and provide the residential address for a natural person who exercises control over that entity.

The bill modifies this "controlling participant" disclosure requirement by (1) limiting it to PBHPs that are business entities and (2) extending it to nonresident owners that are business entities. It also redefines controlling participant to mean a natural person who (1) is not a minor and (2) directly or indirectly and through any contract, arrangement, understanding, or relationship exercises substantial control, or owns more than 25%, of a business entity that owns rental property.

EFFECTIVE DATE: October 1, 2023

Background

Resident Advisory Boards. Federal law generally requires public housing agencies (PHAs) to establish at least one resident advisory board to assist and make recommendations on the development of a PHA's public housing agency plan (42 U.S.C. § 1437c-1(e)). A housing authority located in Connecticut that does not administer any HUD programs or receive HUD funding is not considered a PHA and is not subject to this requirement.

HCV Program and PBHPs. The HCV program is the federal government's main program for helping very low-income families afford private market housing (42 U.S.C. § 1437f(o)). Eligible households that are issued a housing voucher must find housing that meets the program's requirements. HUD funds the program and it is administered locally by PHAs and statewide by DOH.

State law defines PBHPs as property owners who contract with HUD to provide housing to tenants under the HCV program.

Related Bills

sSB 4, § 6, and SB 996, § 3, both reported favorably by the Housing Committee, contain generally identical provisions regarding municipal

landlord identification requirements.

§§ 10-22 — PROHIBITION OF HOUSING DISCRIMINATION BASED ON CERTAIN EVICTION RECORDS

Makes it a discriminatory housing practice for a housing provider, based on an individual's prior eviction that occurred more than five years before a rental application or any summary process action that did not result in an eviction, to (1) refuse to rent a unit after making a bona fide offer, (2) refuse to negotiate for the rental unit, or (3) otherwise make unavailable or deny a dwelling unit or deny occupancy in the unit; authorizes anyone aggrieved by such an action to file a complaint with CHRO

The bill generally prohibits housing providers from refusing to rent to a prospective tenant based on a person's (1) prior eviction that occurred more than five years before the rental application or (2) status as party to a summary process action that did not result in an eviction. Specifically, the bill makes it a discriminatory housing practice for housing providers, based on this information, to (1) refuse to rent a unit after making a bona fide offer, (2) refuse to negotiate for the rental unit, or (3) otherwise make unavailable or deny a dwelling unit or deny occupancy in the unit.

The bill's prohibition of these practices applies to landlords and rental property owners or their agents, realtors, property managers, housing authorities, and other entities that provide dwelling units to potential tenants (i.e., housing providers). Additionally, the bill specifically requires housing authorities to limit their consideration of an applicant's or proposed occupant's eviction history to the five-year time period described above, except as otherwise provided by law.

The bill authorizes anyone aggrieved by a violation of its prohibition on housing discrimination based on certain eviction records to, within 300 days of the alleged act, file a complaint with CHRO pursuant to the existing statutory procedure for doing so. CHRO must investigate and grant relief just as it would for other discriminatory housing practices. By law and under the bill, discriminatory housing practice violations are a class D misdemeanor, punishable by up to 30 days in prison, up to a $250 fine, or both (CGS § 46a-64c(g)).

The bill provides that its provisions do not limit the applicability of any reasonable state statute or municipal ordinance restricting the

maximum number of people allowed to occupy a dwelling.

EFFECTIVE DATE: October 1, 2023

§ 23 — OPM OFFICE OF RESPONSIBLE GROWTH

Establishes in statute the Office of Responsible Growth within OPM and assigns it various responsibilities, including coordinating municipalities' submissions of plans to affirmatively further fair housing, as required under the bill

The bill establishes in statute the Office of Responsible Growth within OPM's Intergovernmental Policy Division (the office was created by executive order in 2006; see *Background*). It assigns the office the following responsibilities, for which OPM is generally responsible under existing law:

1. preparing the state plan of conservation and development and reviewing, for consistency with the plan, state agency plans, projects, and bonding requests;

2. coordinating the administration of the Connecticut Environmental Policy Act;

3. facilitating interagency coordination related to land and water resources and infrastructure improvements;

4. providing staff support to the (a) Connecticut Water Planning Council and (b) Advisory Commission on Intergovernmental Relations;

5. coordinating the neighborhood revitalization zone program;

6. helping the state's chief data officer oversee the statewide geographic information system's (GIS) data and resources and participating in the system's user-to-user network to develop GIS data standards and initiatives;

7. serving as the state liaison to the state's region councils on government;

8. administering incentive grant programs for (a) responsible growth and transit-oriented development and (b) regional

performance;

9. coordinating municipalities' submissions of plans to affirmatively further fair housing (see § 24 below), including compiling necessary data; and

10. annually preparing the public investment community index.

The bill requires the OPM secretary to (1) adopt related regulations and (2) designate a member of his staff to serve as the State Responsible Growth Coordinator and oversee the Office of Responsible Growth.

EFFECTIVE DATE: October 1, 2023

Background — Office of Responsible Growth

Executive Order No. 15, signed by Governor Rell in October 2006, created the Office of Responsible Growth within OPM's Intergovernmental Policy Division and assigned it various responsibilities. The order additionally required (1) the OPM secretary to designate a staff member as the State Responsible Growth Coordinator and (2) two additional planning staff members to be added to the division.

§ 24 — MUNICIPAL PLANS TO AFFIRMATIVELY FURTHER FAIR HOUSING

Replaces the municipal affordable housing planning requirement under current law with a requirement that municipalities (1) adopt plans, in consultation with the OPM State Responsible Growth Coordinator, to affirmatively further fair housing and (2) submit the plans to the growth coordinator pursuant to a schedule he or she sets, or be required to expend certain state funding on developing affordable housing

Current law requires all municipalities to adopt an affordable housing plan and submit a copy to OPM by June 1, 2022, and then at least once every five years afterwards. The plan must detail how the municipality will increase its number of affordable housing developments, as defined under CGS § 8-30g.

The bill eliminates this requirement and related provisions. Instead, beginning June 1, 2024, it requires all municipalities to adopt a plan to affirmatively further fair housing (AFFH) in consultation with OPM's

State Responsible Growth Coordinator ("growth coordinator") (see § 23). Under the bill, an AFFH plan must be designed to:

1. develop additional affordable housing (the bill does not define "affordable housing"),

2. overcome patterns of segregation and promote equity in housing and community assets (see below), and

3. foster inclusive communities without barriers restricting access to opportunities based on protected characteristics.

The bill requires these plans to specify how a municipality will meet the goals the plan sets.

It also sets requirements on the municipal AFFH planning process, adoption schedule, compliance reporting, and noncompliance.

EFFECTIVE DATE: October 1, 2023

Definitions

Under the bill, "segregation" means a comparative geographic concentration of people by race, color, national origin, religion, sex and sexual orientation, gender identity and nonconformance with gender stereotypes, and familial or disability status.

"Equity" means treatment of all individuals, regardless of protected characteristics, that is consistently and systematically fair, just, and nondiscriminatory. It includes concerted actions to overcome past discrimination against underserved communities that have been denied equal opportunity or otherwise adversely affected due to protected characteristics, by public and private policies and practices that perpetuated inequality, segregation, and poverty.

Municipal Planning Process and Adoption Schedule

The bill requires the growth coordinator, by January 1, 2024, to develop and make available a data set for each municipality on its demographic trends, including segregation trends.

As under the current law on municipal affordable housing planning, the bill (1) allows a municipality to hold public informational meetings or other activities to inform residents about the AFFH planning process and (2) requires that it post a copy of any draft plan or amendment on its website. The posting must occur at least 35 days before any public hearings the municipality opts to hold on the plan. Also, following adoption, a municipality must file the final plan in the town clerk's office and post the plan on its website.

A municipality must (1) adopt its AFFH plan by the date the growth coordinator sets in schedule, and then at least once every five years afterwards, and (2) submit a copy to the coordinator each time the plan is amended or adopted. The AFFH planning schedule the growth coordinator sets must require approximately 20% of the state's municipalities to submit a plan each year. Under the bill, AFFH plans are subject to the coordinator's approval.

Compliance Reporting and Noncompliance

Beginning by December 1, 2024, the bill requires the chief executive officer of each municipality to annually submit a sworn statement to the Office of Responsible Growth that the municipality is compliant with its adopted AFFH plan (see COMMENT). Starting on this date, noncompliant municipalities (i.e., those that have failed to adopt a plan pursuant to the growth coordinator's schedule or submit a sworn compliance statement) must use any Urban Act Grant Program or Small Town Economic Assistance Program (STEAP) funding received related to any economic and community development project for (1) developing affordable housing or (2) infrastructure to support affordable housing development. (It is unclear whether these funds may be repurposed without prior approval from the State Bond Commission for Urban Act grants, or administering agency for STEAP grants.)

Background — Related Bill

HB 6592, reported favorably by the Housing Committee, contains provisions expanding the municipal affordable housing planning requirement by requiring plans to specify how the municipality will improve affordable housing unit accessibility for people with

developmental disabilities.

Comment — Conflict Between Reporting Deadlines

The bill requires the State Responsible Growth Coordinator, starting June 1, 2024, to set a five-year schedule for municipalities to submit their AFFH plans so that approximately 20% submit their plans each year. However, the bill also requires each municipality to report to OPM each year, beginning December 1, 2024, that they are complying with the AFFH plan they adopted. It is unclear how municipalities can do so if they have not yet adopted their plans under the five-year schedule.

§ 25 — SEWER CAPACITY TASK FORCE

Establishes a task force to create an inventory of existing sewer capacity in the state and a plan to expand it in accordance with the state plan of conservation and development

Membership

The bill establishes an 11-member task force to create an inventory of existing sewer capacity in the state and a plan to expand it in keeping with the state plan of conservation and development.

Under the bill, task force members must include (1) the commissioners of the Department of Energy and Environmental Protection, Department of Public Health, and Department of Economic and Community Development, or their designees; (2) two each appointed by the House speaker and Senate president pro tempore; and (3) one each appointed by the four other legislative leaders. Legislative appointees may be members of the General Assembly.

The legislative leaders must make the initial task force appointments no later than 30 days after the bill's passage and appointing authorities fill vacancies.

Administration and Reporting Requirement

The bill requires the House speaker and Senate president pro tempore to select task force members to serve as chairpersons. The chairpersons must schedule the task force's first meeting and hold it no later than 60 days after the bill's passage.

The bill requires the task force, by January 1, 2024, to report its finding

and recommendations to the Planning and Development Committee. The task force terminates when it submits this report or January 1, 2024, whichever is later. The Planning and Development Committee's administrative staff serves as the task force's administrative staff.

EFFECTIVE DATE: Upon passage

§§ 26 & 27 — 8-30G MORATORIA POINTS FOR MIDDLE HOUSING AND AFFH PLANS

Awards municipalities points toward a moratorium from the 8-30g appeals procedure for certain middle housing units (1) developed as of right and (2) located within a ¼ mile of a transit district; authorizes municipalities to qualify for a lower 8-30g moratorium threshold for adopting an AFFH plan, rather than an affordable housing plan

The bill awards a municipality 1.5 housing unit-equivalent (HUE) points toward a moratorium under the CGS § 8-30g affordable housing appeals procedure ("8-30g appeals procedure") for a middle housing unit in a set-aside development that (1) was developed as of right and (2) is located within ¼ mile of a transit district (see *Background*). (Presumably, this distance would be measured based on the boundaries of the municipality or municipalities the transit district serves.)

Under existing law and unchanged by the bill, a set-aside development means a development in which, for at least 40 years after initial occupancy, at least 30% of the units are deed restricted. Specifically, at least (1) 15% of the units must be deed restricted to households earning 60% or less of the area median income (AMI) or state median income (SMI), whichever is less, and (2) 15% of the units must be deed restricted to households earning 80% or less of the AMI or SMI, whichever is less.

Under the bill, "middle housing" includes duplexes, triplexes, quadplexes, cottage clusters, and townhouses. Housing developed "as of right" can be approved in keeping with zoning regulations without requiring a public hearing, variance, special permit or exception, or any other discretionary zoning action, except for a determination that a site plan conforms with the applicable regulations.

By law, a municipality is generally eligible for a temporary suspension of the 8-30g appeals procedure (i.e., a moratorium) each time

it shows it has added a certain number of affordable housing units over the applicable time period (since July 1, 1990, for first moratoria). To be granted a moratorium, a municipality must achieve the greater of (1) 75 HUE points or (2) HUE points equaling more than 2% of their total housing stock, as determined by the most recent decennial census. However, current law provides an exception for certain municipalities. Under the exception, the 2% threshold drops to 1.5% for municipalities that have at least 20,000 dwelling units, adopt an affordable housing plan, and apply for a second or subsequent moratorium. To qualify for this exception, the bill requires a municipality to adopt an AFFH plan, rather than an affordable housing plan (see § 24).

The bill also makes technical changes.

EFFECTIVE DATE: October 1, 2023

Background

Transit Districts. Transit districts are regional transportation organizations formed by one or more municipalities and authorized by law to acquire, operate, and finance land transportation, such as bus lines and transit terminals. The transit districts can operate their own services or contract with a private operator to provide services. A transit district assumes the same regulatory and supervisory functions over transit systems in its district that the state Department of Transportation (DOT) would exercise, as long as the transit system would otherwise be subject to DOT supervision.

Related Bill. sHB 6777, reported favorably by the Housing Committee, includes a provision awarding municipalities two HUE points toward a moratorium under the 8-30g appeals procedure for residential properties subject to certain affordable housing deed restrictions that qualify for tax abatement under the bill.

§ 28 — COMMON APPLICATION FOR RENTAL ASSISTANCE

Requires the housing commissioner, in consultation with CHFA and housing authority representatives, to develop and implement a standardized application form for affordable housing programs in the state

The bill requires the DOH commissioner, in consultation with CHFA

and housing authority representatives that she selects, to develop and implement a standardized application form (i.e., common application) for households seeking affordable housing program benefits in the state. The commissioner must do so by July 1, 2024. Beginning on this date, entities in the state administering affordable housing programs must accept the common application.

Under the bill, "affordable housing program" means DOH's Rental Assistance Program (RAP), the federal HCV program, or any other state-administered programs providing rental payment subsidies (these types of programs are commonly referred to as "tenant-based rental assistance"). (Housing authorities administering vouchers under the HCV program are subject to federal regulations on, among other things, program admission and the administration of waiting lists (24 C.F.R. § 982.201-.207).)

The bill allows the DOH commissioner to adopt implementing regulations.

EFFECTIVE DATE: Upon passage

Background — Related Bill

SB 1049, reported favorably by the Housing Committee, contains provisions requiring (1) housing authorities to provide DOH with a list of applicants for their housing projects and (2) the department to adopt regulations on creating and maintaining a statewide waiting list for these applications.

§ 29 — DOH PROGRAM TO INCENTIVIZE LANDLORD PARTICIPATION IN TENANT-BASED RENTAL ASSISTANCE PROGRAMS

Requires the DOH commissioner, within available appropriations and in consultation with CHFA and housing authority representatives, to establish a program to incentivize landlord participation in various tenant-based rental assistance programs

The bill requires the DOH commissioner, within available appropriations and in consultation with CHFA and housing authority representatives that she selects, to establish a program to encourage and recruit landlords to accept from prospective tenants HCV vouchers,

RAP certificates, or payments from any other state-administered programs providing rental payment subsidies. The program can include advertisements, community outreach events, and communications with landlords who participate in other state housing programs.

Under the bill, the housing commissioner must, beginning by October 1, 2024, report annually to the Housing Committee on (1) the program, including its effectiveness, and (2) related recommendations.

EFFECTIVE DATE: Upon passage

§§ 30 & 31 — DOH RAP STUDY AND PROGRAM EXPENDITURES

Requires the DOH commissioner to (1) conduct a study, within available appropriations, on methods to improve the efficiency of processing applications under RAP and (2) affirmatively seek to spend all funds appropriated to the program annually

The bill requires the DOH commissioner, within available appropriations, to conduct a study on methods to improve the efficiency of processing applications under RAP. The study must include the following components:

1. an analysis of current RAP application processing time, including inspection timelines;

2. an assessment of the application process, including barriers or challenges to applicants or landlords;

3. recommendations for improving the efficiency of the application process, including the use of technology and alternative processing methods; and

4. an estimate of the cost associated with implementing recommended improvements.

Under the bill, the housing commissioner must submit a report on the study's findings and recommendations to the Housing Committee by January 1, 2024.

Additionally, the bill requires the commissioner to affirmatively seek to spend all funds appropriated to the program annually.

EFFECTIVE DATE: Upon passage, except the appropriations provision is effective October 1, 2023.

Background — Related Bill

sHB 6706, reported favorably by the Housing Committee, contains provisions making various changes to RAP, including, among other things, (1) increasing the amount of time a participant is given to find housing and execute a rental agreement under the program and (2) setting statutory timelines for unit inspection and landlord payment.

§ 32 — DOH PILOT PROGRAM TO PROVIDE RELIEF TO LANDLORDS PARTICIPATING IN TENANT-BASED RENTAL ASSISTANCE PROGRAMS

Requires the DOH commissioner to establish a landlord relief pilot program to provide financial assistance to qualifying landlords for eligible expenses incurred by renting to, or seeking to rent to, a recipient of (1) a RAP certificate, (2) an HCV voucher, or (3) any other state rental subsidy; caps this assistance at the lesser of $5,000 per tenancy or $10,000 per dwelling unit

The bill requires the DOH commissioner to establish a landlord relief pilot program to give financial assistance to qualifying Connecticut landlords for eligible expenses incurred by renting to, or seeking to rent to, a recipient of (1) a RAP certificate, (2) an HCV voucher, or (3) any other state rental subsidy (i.e., a program-eligible tenant). The bill caps this assistance at the lesser of $5,000 per tenancy or $10,000 per dwelling unit. Assistance must be prorated based on the time between a program-eligible tenant's application and the date tenancy begins.

The bill requires the commissioner, on December 1, 2023, to begin accepting landlord applications for financial assistance under the pilot program, in a form she specifies. It also appropriates $5 million to DOH from the General Fund for FY 24 for the pilot program (see § 44).

EFFECTIVE DATE: July 1, 2023

Eligible Expenses

Under the bill, "eligible expenses" include the following:

1. up to two months of lost rent incurred while holding a dwelling unit for a program-eligible tenant while he or she seeks required

tenancy approval,

2. up to one month of lost rent incurred due to a vacancy caused by a required unit inspection and any resulting needed repairs,

3. up to one month's rent to cover the cost of repairing damages caused by a program-eligible tenant that exceed normal wear and tear, and

4. up to one month of lost rent due to a program-eligible tenant's early lease termination.

Inspections and Additional Eligibility Criteria

The bill requires the housing commissioner to set dwelling unit inspection criteria for landlords applying to the pilot program. Regular unit inspections are required for participating landlords.

The bill allows the commissioner to adopt any additional landlord eligibility criteria she deems appropriate for program administration, including criteria based on the amount of rent a landlord charges.

Reporting Requirement

The bill requires the housing commissioner, beginning by December 1, 2024, to annually submit a program report to the Housing Committee (1) analyzing the pilot program's impact on the number of program-eligible tenants successfully obtaining tenancy and (2) recommending whether to permanently establish the program, including related legislative proposals. Both the reporting requirement and pilot program terminate on December 31, 2026.

§ 33 — REMOVAL OF CERTAIN EVICTION RECORDS FROM THE JUDICIAL BRANCH WEBSITE

Requires the judicial branch to remove from its website records or identifying information related to eviction proceedings within specified time periods based on an action's disposition; prohibits the judicial branch from selling or transferring these removed records for commercial purposes, such as consumer reporting or tenant screening

The bill requires the judicial branch to remove from its website any records or identifying information ("records") related to a summary process action (i.e., eviction proceeding) that is withdrawn, dismissed

or nonsuited, or decided in the defendant's (i.e., tenant's) favor. The judicial branch must do so within 30 days after the action's disposition. If an action is decided in favor of the plaintiff (i.e., landlord), the judicial branch must remove the records not more than two years after judgment is entered unless directed to do so sooner by court order.

The bill prohibits the judicial branch from including removed records in any sale or transfer of bulk case records to a person or entity purchasing the records for commercial purposes (e.g., selling the records, providing consumer reporting- and prospective tenant screening-related services, or using the records for any other financial gain). It also expressly prohibits these commercial purchasers from disclosing a removed record. However, the bill exempts from this prohibition the use of the records for governmental, scholarly, educational, journalistic, or other noncommercial purposes.

The bill requires the judicial branch to restore a case to its website, including any associated records that were previously removed, if there is any activity in the case. Similarly, the judicial branch must retain records on its website beyond their removal date if there is an ongoing appeal. Under the bill, restored or retained records remain on the judicial branch website until the later of (1) 30 days after the associated case's disposition or (2) the applicable time period from the original disposition.

Finally, the bill specifies that its requirements do not prevent the judicial branch or a case reporting service from publishing any formal written judicial opinions.

EFFECTIVE DATE: January 1, 2024, and applicable to any summary process action disposed of either before or after this date.

§§ 34-36 — REAL ESTATE CONVEYANCE TAX

Increases state real estate conveyance tax rates for conveyances of residential dwellings to specified business entities; exempts conveyances of property with deed-restricted affordable housing dwelling units from the tax; and requires the comptroller to transfer conveyance tax revenue the state receives in excess of $180 million each fiscal year, annually adjusted for inflation, to the Housing Trust Fund

Rate Increase for Certain Conveyances to Businesses (§ 34)

Under current law, all conveyances of residential dwellings are subject to the state real estate conveyance tax at the following marginal rates:

1. 0.75% on the first $800,000 of the sales price;

2. 1.25% on any portion of the sales price that exceeds $800,000 and is less than or equal to $2.5 million; and

3. 2.25% on any portion of the sales price that exceeds $2.5 million.

Beginning July 1, 2023, the bill increases these rates to 1%, 1.5%, and 2.5% for conveyances of residential dwellings where the buyer is a business entity other than a sole proprietorship, limited liability company, or limited liability partnership. (By law, the seller pays the tax when he or she conveys the property.)

Conveyance Tax Exemption (§ 35)

The bill exempts from the real estate conveyance tax any deeds of property with dwelling units where all of the units are deed-restricted as affordable housing (i.e., housing where households earning no more than the host municipality's area median income, as determined by HUD, spend 30% or less of their annual income on it). For property in which only a portion of the units are deed-restricted affordable housing, the exemption must be proportionately reduced based on the number of unrestricted units.

Transfer of Conveyance Tax Revenue to Housing Trust Fund (§§ 34 & 36)

Starting in FY 24, the bill requires the comptroller to transfer, from the General Fund to the Housing Trust Fund, any conveyance tax revenue the state receives each fiscal year in excess of $180 million. Beginning with FY 25, the bill requires the threshold amount for this transfer to be adjusted annually for inflation (i.e., the percentage increase in the consumer price index for all urban consumers during the preceding calendar year, calculated on a December over December basis using U.S. Bureau of Labor Statistics data).

The bill also makes minor and technical changes to the Housing Trust Fund law to allow these funds (as well as the bond funds described in § 37) to be deposited there.

EFFECTIVE DATE: July 1, 2023

§§ 36 & 37 — BOND AUTHORIZATION FOR HOUSING TRUST FUND

Authorizes up to $75 million in state GO bonds for DOH to provide grants for converting hotels, malls, and office buildings to multifamily dwellings in nondistressed municipalities

The bill authorizes up to $75 million in state general obligation (GO) bonds for DOH to provide grants for construction and renovation costs for converting hotels, malls, and office buildings to multifamily dwellings in nondistressed municipalities. (The bill does not define "nondistressed municipality.") It directs these bond proceeds to the Housing Trust Fund.

Under the bill, the bonds are subject to standard statutory bond issuance procedures and repayment requirements.

EFFECTIVE DATE: July 1, 2023

§§ 38-45 — DOH AND OPM APPROPRIATIONS

Makes appropriations from the General Fund, for FYs 24 and 25, to DOH and OPM for various housing-related purposes

The bill appropriates funds from the General Fund to DOH and OPM for various purposes, as shown in the table below.

Table: DOH and OPM General Fund Appropriations

Recipient	*FY*	*Amount*	*Purpose*
DOH	FYs 24 & 25	$20,000,000	Coordinated Access Networks
	FYs 24 & 25	$83,000,000	Rental assistance programs
	FYs 24 & 25	$2,000,000	2-1-1 program
	FYs 24 & 25	$5,000,000	Diversionary and flexible housing programs
	FY 24	$5,000,000	Landlord relief pilot program (see § 32)
	FYs 24 & 25	$5,000,000	Assisting housing subsidy recipients to find eligible housing units
OPM	FY 24	$250,000	Hiring a consultant to develop model codes that municipalities may adopt

	FYs 24 & 25	$5,000,000	Providing grants to any regional council of governments for developing regional housing inspection programs

EFFECTIVE DATE: July 1, 2023

COMMITTEE ACTION

Housing Committee

Joint Favorable Substitute
Yea 10 Nay 5 (03/02/2023)