

Housing Committee JOINT FAVORABLE REPORT

Bill No.: SB-4
AN ACT CONCERNING CONNECTICUT'S PRESENT AND FUTURE HOUSING
Title: NEEDS.
Vote Date: 3/2/2023
Vote Action: Joint Favorable Substitute
PH Date: 2/28/2023
File No.:

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SPONSORS OF BILL:

HOUSING COMMITTEE

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Rep. Maryam Khan, 5th Dist.
Rep. David Michel, 146th Dist.
Rep. Josh Elliott, 88th Dist.
Rep. Anne M. Hughes, 135th Dist.

REASONS FOR BILL:

To promote fair and equitable housing opportunities in every community in the state.

SUBSTITUTE LANGUAGE:

The substitute language made the following changes: it removes the sections referencing rent stabilization, it moves the winter eviction moratorium from March 1 to March 31 and it increases appropriations for the pilot environmental justice program to \$600 million that would terminate September 30, 2028.

RESPONSE FROM ADMINISTRATION/AGENCY:

DOH, Commissioner, Seila Mosquera-Bruno commends the committee for addressing affordable housing she states the following: Rather than codifying specific complicated types of workforce housing projects into statute and requiring CHFA to develop a program of mortgage assistance for them as Senate Bill 4 proposes to do, I would recommend that you strike sections 13-19 from the bill. Instead, I am proposing that my staff and I work with CHFA to design and administer a program based on the policy priorities of the Governor.

Connecticut Council on Developmental Disabilities, Executive Director, Walter Glomb states the Council appreciates the protection for renters, the creation of workforce development housing opportunity development projects and increased housing opportunities for persons experiencing homelessness as outlined in the bill. The testimony goes on to say that there is more is needed.

Town of Bloomfield, Mayor, Danielle C. Wong supports the language in S.B. 4 that among other things, makes various changes regarding Connecticut housing needs including provisions that would promote workforce housing. The testimony also states that the Town of Bloomfield would support the following changes:

- Add a onetime grant program for brownfield sites that qualify as a workforce housing project
- Add a second tier for workforce housing that would consist of 40% market rate, 40% workforce, 20% low income and increase tax credit caps for those entities that elect to develop based on that second tier.
- Explore workforce housing options for municipalities that are not in federally designated opportunity zones.
- Increase the amount of time from 30 days to at least 60 days a municipality has to designate a workforce population.
- Create a mechanism for developers to submit a waiver extension to the Housing Department if a project is not completed within three years after date of approval.

NATURE AND SOURCES OF SUPPORT:

Connecticut Voices for Children, Research & Policy Fellow, Samaila Adelaiye states support for this bill and the significant reforms and investments it would make to increase housing affordability in Connecticut.

Essex Housing Authority, Chair, Janice Atkeson states strong support of S.B. 4. Ms. Atkeson states Connecticut has an opportunity to make real progress towards fixing the housing crisis with this bill.

New Haven Federation of Teachers, President, Leslie Blatteau states that they fully support this bill and a rent cap. She goes on to outline how important this bill could be in the lives of many students.

Black Infinity Collective, Executive Director, Ashley Blount supports this bill because she when residents have stable housing how much easier it is to manage their lives. Discussed the various ways that the current housing climate in CT is Anti Black. This bill will help address this.

The American Institute of Architects, CEO, Gina Calabro states that the AIA supports governmental policies, programs and incentives that promote design, construction, renovation, preservation, and stabilization of affordable and sustainable housing. Additionally, we heartily endorse Section 23b, investing in a pilot program retrofitting residential properties in Connecticut's environmental justice communities. As a strong advocate for affordable housing, we also ask for a seat at the table on the proposed task force to study the potential growth of affordable housing in the state.

Connecticut Roundtable on Climate and Jobs, Executive Director, Aziz Dehkan

supports the bill stating that the organization seeks to build a worker-orientated movement committed to securing a fair and just transition that protects both the environment and the livelihood of workers and their communities. The bill also states the following:

- Housing instability disrupts education and employment and negatively impacts public health. SB 4 would improve housing stability and quality for renters across the state.
- It will also help us meet our state's greenhouse gas reduction targets.
- This bill will also create job opportunities for Connecticut residents who will be trained and placed in clean energy jobs.
- To further strengthen the bill, the winter eviction moratorium must include a provision for enforcement, such as a fine for landlords who evict their tenants during the winter.

Sierra Club, State Director, Samantha Dynowski strongly supports this bill and discusses the effects of the high energy burden in our state and how it pertains to section 21 of the bill. It goes onto lay out some recommendations for this section.

Connecticut Legal Rights Project, Executive Director, Kathy Flaherty supports the consideration of this bill and discusses the following:

- Section 7 would require the Department of Housing to develop a standard lease that landlords and tenants could choose to use. It would not require residents to use this form, but if they did that the form, but if they did that terms in the standard lease are not contrary to Connecticut's current laws.
- Section 8 would require creation of housing code complaint forms in both English and Spanish. This would make it easier for tenants to make complaints.

Partnership for Strong Communities, Senior Policy Advisor, Sean Ghio supports the consideration of this bill and asks to consider amending S.B. 4 to explicitly include lower wage workers in the definition of workforce. The rest of the testimony does on to outline this request and provides statistics to show how the lowest earners in the state are unable to afford rent.

CWEALF, MSW Policy Practice Intern, Ariana Gonzalez states that eviction cases disproportionately filed against female renters and even more disproportionately against Black and Hispanic/Latin women.

Desegregate CT, Director, Pete Harrison supports S.B. 4 because it protects residents from cost increases and spikes. It goes on to stress that the long-term solution is a bevy of smart land use reforms that will unlock a large, diverse supply of new homes. In the short-term, home renters need a measure of predictability that this bill provides through its ban on evictions in the winter months

Career Resources Inc., Chief Strategic Officer, Rob Hebert supports the bill and adds testimony focused on the struggles that people with criminal records face in regard to affordable housing.

LISC, Executive Director, Jim Horan supports the bill and asks that the bill be amended to explicitly include lower wage workers in the definition of workforce. It goes on to give an example of what a low-income worker in Connecticut can afford for rent.

CCM, Senior Legislative Associate, Zachary McKeown supports the bill and addresses section 13 which addresses the growing need for affordable housing for workforces in the municipalities in which they serve. The testimony goes on to outline changes they would like to see in the future.

CT Legal Services, Raphael L. Podolsky supports S.B.4 and made comments on the following two parts of the bill that deal with landlord-tenant relations:

- Late fees (Secs. 8-9)
- Rent stabilization (Secs. 1-4) with suggested changes

Wesleyan University, Professor, Rob Rosenthal states creating affordable housing will require new approaches from the government, nonprofit, and private sectors. But rent stabilization will make no difference, as numerous studies have already found.

The ARC CT, Director of Advocacy, Carol Scully states her support for S.B. 4. She believes living as independently as possible in the community are among the most important values and goals shared by people with disabilities especially persons with Intellectual, Developmental Disabilities (IDD), their families and advocates. A statewide housing crisis contributes to the barriers to housing. Without affordable, accessible housing in every town across Connecticut, persons with IDD are at risk of institutionalization, living in a noninclusive setting or homelessness.

The following people submitted testimony in support of the section of the bill concerning rent stabilization. However, the substitute language eliminated these provisions:

Ruth Alcabes
Catherine Benner
Michael Johnson
Sandra Wood Forand

Immanuel Congregational
Church
Linda Bronstein
Thomas Buckley
Mario Chiappetti

Robert Dakers
Larissa Forsythe
Christine Graesser
Judith Levy
William Marut

Joshua Pawelek
Lisa Sementilli
Patti Specter
Ellen Thomson
Monica van Beusekom
Steven Wilco
Jermaine Woodard
Gary Case
Patricia Spring
Marissa Argueta
Arturo Avila
Imelda Barajas
Lina Cardona
Damaris Delgado
Jeremias Domingo
Nataly Flores
Xiomara Fugon
Flor Galindo
Sandra Hercules
Anabel Hernández
Katia Hernandez
Veronica Martinez
Eslly Mejia
Mayra Melendez
Juana Mendez
Gabriel Moncada
Martina Perez
Victoria Ramos \
Irelys Rivera
Nilsa Santiago
Sharon Terrell
Ruth Valera
Xiomara Fugon
Jose Leon Vicente
Julia Beebe
James Calabresi
Bryan Chong
Thomas Gilbertie
John Willis
Angelina Campos
Claudine Wilkins-
Chambers
Elias Estabrook
Thomas Catricala
Rebecca Corbett
Victoria Dancy
Sue Feldman --
Saladin Hasan
Ray Jackson

John Lee
Eluned Li
Jaime Myers-McPhail
Brittiany Niblack –
Lynelle Schmidt
Samara Source
Charli Taylor
Sahand Dailamipour
Luke Melonakos-Harrison
Alexander Speiser
Haugabook Antwan
Jocelyn Ault.
Liam Bambery
Rossana Barnaby
Gabrielle Barnes
Janet Bellamy
Bobby Berriaultj
Elaine Betoncourt
Thomas Birmingham.
Annalisa Boerner
Amy Boratko
Paul Boudreau
Nancy Bowden
Zenia Castillo.
Andrew Christie
Katherine Clarke
Wayne Cobleigh
Chelsea Connery
Dominic Consiglio
Nketiah Berko, A.J.
Hudson, and Kyle
Richmond-Crosset
Thalia Daigle
Colleen Dana
Maybeth Morales-Davis
Phyllis Delorme
Joseph DiZoglio
Brian Donahue
Ila Duncan
Robert E Bailey
Susan Eastwood
Edy Tubac –.
Richard Eldridge
Tami Elliott Goodman
Win Evarts
Christine Feely
Gregg Feitel
Ada Fenick

Darrell k. Fennell
discussed.
Carolyn Ferland
William Ferree
Magdalena Fin
Joelle Fishman
Andi Fliegel
Jordan Force
Peter Fousek
Timothy Gabriele
Ann Gardner
Edward Goetz
Laurel LaPorte-Grimes
Bethany Gugliemino
Sochil Guillen
Riena Harker
Annie Harper.
Leanne Harpin
Amy Harris
Molly Harris
Arthur Helmus
Elizabeth Hines
Sarah Holt
Shannon Houston
Taylor Ikehara
Zoe Jensen
Estela Jimenez
Margaret Kearney
Danya Keene
Eui Young Kim.
Martha Klein
Ratan Koneru
Melissa Kops
Carmen Lanche
Anika Singh Lemar
Anthony Lima
Prague Limoncelli
David Liscinsky
Charles Litty
Julissa Lopez
Karen MacKinnon-
Samuels
Doris Maldonado Mendez
Constance Marcucci
Molly Markowitz.
Lori McAdam
Emily McEvoy
Patrick McKenna
Alexandra McKnight

Gail McNair
Barbara Mechler
Lana Melonakos-Harrison
Sarah Mervine
Susan Miller
Jeanne Milstein
Catherine Mirakian
Beatriz Moncada
Katharine Morris
Sue Murphy
Peter Myers
Giselle Nino.
Joseph J. Osborne
Abdul Osmanu
Judith Paz.
Mariana Pelaez
Jim Perras
Alexander Petals
Kasia Phillips
Stephen Poland
Jacob Pudlin
Alix Rachman

Ethan Rodriguez-Torrent
Dahlia Romanow.
Julia Rosenberg
Silvia Salinas
Najeily Sanchez
Alison Sanchirico
Constanza Segovia
Amani Shirley
Karen Siegel
Ben Smith.
Caroline Tanbee Smith
Sharaya Smith
Allison Steele
Annie Stutzman
Michael Sullivan
William Maxwell Sutter
Sara Swetzoff --
Bilal Tajildeen
Kevin Taylor
Stephen Monroe
Tomczak.
Tania Torres

Patricia Treloar
Michael Uhl
Black and Brown United in
Action
Bryan Uyaguari
Caterina Valente
Carmine A. Vincenzo
Will Viederman
Karen DuBois-Walton.
Claire Weihe.
Ryan Wilkinson
Thomas Wilmarth
Sharon Wirt
Aicha Woods
Travis Woodward
United Auto Workers
Region 9A
Nat Wyse
Alejandra Zapata
Patricia Zavaleta

NATURE AND SOURCES OF OPPOSITION:

CCOPO, President, John Souza opposes the first half of the bill and specifically address the subject of fair housing commissions. He points out that these were established in the last year in the larger cities and towns, and we should see how effective these commissions are, once up and running. He goes onto state that he supports the second half of the bill which outlines good incentives to increase the housing supply in the state.

Manufactured Community Owner, Mark Asnes states his opposition for this bill and Any type of rent cap. He goes onto to state that the state's rent and housing problems come down to constrained supply; and that recent studies point to a widespread housing shortage. The shortage exists because many towns try to prevent new construction resulting in five years or more to get approval for a development in CT. This is evident by the fact that manufactured housing only makes up 1% of the housing stock in the State. The many and disparate CT local planning and zoning rules and regulations have been finely honed to stymie construction. C.G.S §8- 30(g) has been the prime force to break through the logjam of local zoning. Rather than rent control, we should expand 8-30(g) by increasing the percentage requirement in towns with sewer and water, so that more dense development can be incentivized in those locations. Increasing supply will moderate rental costs.

Pro Property Management, Property Owner and Property Manager, Adrienne Angel opposes this bill and states that less government interference will attract additional property owners and the market will the stabilize to increase the housing supply in the state.

CT Property Owners Alliance, President, Bob De Cosmo states that he opposes S.B. 4. He believes that providing rental housing is a business and the private sector does it better than the government. We need to protect the owners of private rental housing to allow them to provide their service to the public. This proposal doesn't protect them but instead it puts owners and good tenants in danger. He outlines the following in his testimony:

- We got into this housing crisis because we capped the supply of rents by shutting down the housing courts for almost 20 months and this prevented about 50,000 rental units from normally turning over.
- Rent caps are not needed and never worked anywhere they were tried.
- There should be assistance in paying expenses because of the moratorium on serving eviction notices, which could have tenants living for free for extended time periods.
- Section 7 regarding Tenant Screening must be removed.
- Who will invest in new housing when the rest of bill allows for people to live rent free for extended periods.

CBG Real Estate, CEO, Neil Godfrey opposes this bill and states that the solution to the problem is to increase the housing supply. We should incentivize building and capital investment and not penalize the current landlords.

Landlord, Marc Gottesdiener opposes S.B. 4 and addresses the issue of landlords being put at risk regarding jake screening reports if they are not receiving original ones.

Greater Enfield Landlords Association, President, Paul Januszewski opposes S.B. 4 and states the following:

- Disagrees with portion of bill that prevents rent increases before and after public health emergency.
- Directs landlords to violate their Credit Bureau reporting regulations. By regulation, we cannot provide a copy of the report to the applicant.
- Critically limits late rent fees to a non-punitive amount.

He goes onto to state that the provisions above and the other items outlined in his testimony will do nothing to improve Connecticut's housing needs. The provisions in the bill will not increase or promote the increase of the number of housing unit available in the state. He also believes the bill makes the landlords out to be the bad actors in the tenant-landlord relationship, and that is simply not the case.

Multifamily Housing Developer and Landlord, Brian Liistro opposes S.B. 4 and states that that membership in various national associations keep landlords from taking advantage of tenants in the various ways listed in the bill through accountability and reputation. Additionally, more housing units need to become available, as rental rates are a function of supply and demand.

CTAA, Lauren Tagliatela states her opposition of S.B. 4 for the following reasons:

- It will suppress new investment in CT development of multifamily housing which will in turn hurt the mission to have more affordable housing.
- The elimination of lapse of time evictions is another way the state is eliminating our property rights.

GAIA Real Estate, Managing Director, Yvonne Sun opposes S.B. 4 since costs have seen significant increases such as property taxes and insurance, utilities, payroll, and costs for services including janitorial, building mechanicals, unit turnover costs and capital improvements to maintain the physical assets and any type of a rent cap would be harmful to the residents and the physical condition of the apartments.

Mobilehome Parks Inc, President, Marcia Stemm opposes S.B. 4 stating that there are already fair rent commissions to control and eliminate excessive rental charges. What the state needs is more affordable housing units built throughout.

Garden Homes Management, General Counsel, Brian Daley states his opposition for S.B. 4 for the following reasons:

- In Sections 5 & 6, the moratorium would be devastating to rental housing in the State of Connecticut, counterintuitively leading to an increase in both evictions and rental rates.
- Further, an annual prohibition for four months would trigger a backlog of evictions each year which would have ripple effects for far longer than four months.
- It would also embolden bad actor tenants to not pay any rent for four months every single year

Workforce Partners LLC, Founder, Marshal Edward Gormbley states his opposition of S.B. 4 citing many municipalities have experimented with rent control over the years, only to relax them later and thereby immediately enhance access to affordable housing and improve the economic dynamics of the local area on a variety of measures.

CT Realtor, General Counsel, Jim Heckman provided the following in depth testimony regarding S.B. 4: 1 (oppose), 4 (Oppose), 6 (Oppose), 7 (Opposes), 13 (Opposes), and 14/15/16 (All support with amendments)

Elyas Khojandi opposes S.B. 4 and states that the market will revert back to normal and customary increases (and sometimes decreases). Those supporting this legislation need to realize that it is not broken and does not require being

Connecticut Resident, Neil Kupferman opposes the implementation of rent control. He states it would lead to a decrease in property values, which would adversely affect property tax revenues for local governments. It is also important to note that universal rent control would also have a disproportionate impact on small landlords

State Marshal Association of CT AFSCME Local 2193, President, Brian Mezick opposes sections 5 and 6 of the bill, indicating the potential negative effect it would have on the state marshals and the eviction process.

Gives the perspective of a state marshal, who is highly involved with the eviction process. In summary, aspects of this bill would make their job much harder to do. The bill could also have unintended consequences for state marshals and their jobs.

JNM Property Management, Housing Provider, Joseph Mollica states his overall opposition of this bill. He goes onto say he believes there are a few good items in the bill, but this bill is just another attempt to hide the same old antihousing-provider stuff in a larger bill.

All of these things increase housing provider risk and expenses, so they will drive up rents and they will make the tenant selection process stricter. The result is "less" affordable housing.

CHFA, Chief Executive Officer-Executive Director, Nandini Natarajan wants to express some concerns about the sections of the bill that pertain to workforce housing projects. We would recommend that you strike sections 13-19 from the bill. Instead, CHFA proposes that we work with DOH to design and administer a program based on the policy priorities of the Governor.

L E Properties LLC, Manager, Eric Polinsky opposes the proposed legislation because it places an undue burden on property owners and creates an environment for tenant abuse. She points out the following:

- Most credit reporting is 7 years - landlords should have the right to consider all 7 years of history, especially any legal history. If the State wants to limit this ability, the State should move to purge legal and credit history reports for all citizens and businesses so that everyone is treated equally.
- Fining a property owner \$2,000 per day for maintenance issues is excessive and unreasonable, especially if caused by tenant abuse of the property.

CT Association of Real Estate Investors, CT Property Owners Alliance and CT Coalition of Property Owners, Eric Rogers states many sections of S.B. 4 that need some further review and modifications.

The following people submitted the same testimony in opposition of this bill:

Jean Backman
Michael Barton
Jeff Becker
Edith Bodman
Adam Bonoff
Allison Bonoff.
Susan Bradford
Michele O'Brien
Kathryn Chester
Kelly DeMatteo
Debbieann Durkin.
Samuel Eddinger
Michael Flaherty
Paula Flaherty
Ross Friedel
Justin Gaboury

Bill Garbati
Howard Grayson
David Haberbeld
Robert Hinners.
Annitta Ingraham
Rob Jackson.
Westley Klockner
Roberta Lauria -
John Lynch
Jason Malagutti
Marnie McKay
August Miller
Kathleen Misset
Kenneth Mita
Evon Muschinsky
Matthew Nadelson
Chris Nelson

Helen Nixon
Cameron Norfleet
Nancy M. Palmisano
David Parisier
Samuel Pollak
Tara Ramlal.
Kathy Riding
Eric Santini.
Scott Saradin
Alise Scott
Michael Sheehy
Vin Soares -
Alan St George
John Tartaglia
Catherine Townsend
Shlomo Tress
Lin Yang

Reported by: matt Lombardo and Rick O'Neil

Date: March 20, 2023