Housing Committee
JOINT FAVORABLE REPORT

Bill No.: SB-1361
Title: AN ACT ESTABLISHING A HOUSING GROWTH FUND FOR A MUNICIPAL GRANT PROGRAM.
Vote Date: 3/6/2025
Vote Action: Joint Favorable Substitute
PH Date: 2/27/2025
File No.: 212

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SPONSORS OF BILL:

Housing Committee

REASONS FOR BILL:

SB-1361 will address the state-wide housing crisis in Connecticut as our citizens are facing the consequences of unaffordable housing. This bill incentivizes cities and towns to increase construction of affordable housing to provide more available units throughout the state.

This bill will create a Housing Growth Fund to increase the availability of affordable housing for low to moderate income families and maximize the amount of residential, commercial, and leisure space that is in walking distance to transit facilities.

RESPONSE FROM ADMINISTRATION/AGENCY:

None expressed.

NATURE AND SOURCES OF SUPPORT:

Karmen Cheung, New England Regional Vice President, Pennrose - Karmen Cheung supported this bill. Cheung estimated that if the FLEX Program funded 7,500 homes over the next two years, "building at that rate would take 15 years to close the affordable housing gap." Cheung concluded that there are many groups of people struggling to pay "30% of their incomes on housing," including seniors and young adults, and for their sake, we must close this gap quicker.

Justin Elicker, Mayor, City of New Haven - Justin Elicker is in support of this bill and states that Connecticut has a statewide issue in the housing market that needs to be fixed. He

appreciates: “the state’s continued investment in housing—including the Governor’s proposed $400 million for the FLEX program and $300 million for the Housing Trust Fund (HTF) over the biennium.” However, Elicker estimates that it would take Connecticut 30 years to close the gap at our current construction rate. Elicker further points out that in cities such as New Haven, this housing crisis can be even more of an issue due to many contributing factors that include systemic barriers to development and historic disinvestment. Even though New Haven is a hub in Connecticut, many of the businesses and residents find it extremely difficult to build due to the high construction costs and interest rates: resulting in an increase of homelessness. SB-1361 would assist municipalities like New Haven that wish to build, but do not have the resources to do so. Although, New Haven partnered with regional and state partners to expand housing opportunities and have succeeded in: “leading the state with over 500 new housing permits this past year and bringing 1,000 new housing units online – with over 40 percent of them affordable”, more support is essential.

Jim Perras, CEO, Home Builders & Remodelers Association of Connecticut, Inc. - Jim Perras testified in support of the bill. Perras correlated the workforce shortage to high housing costs, as “businesses struggl[e] to attract employees.” SB-1361 would provide incentives for towns who addressing the housing crisis and increasing local supply.

Francis R. Pickering, Executive Director, Western Connecticut Council of Governments - Francis R. Pickering supported this bill because it will cover the financial gap that is holding municipalities and towns back from creating affordable housing and transit-oriented developments.

Carmen N. Clarkin, MPH, Research and Policy Associate & Eli Sabin, Legislative Coordinator, Connecticut Voices for Children - Carmen N. Clarkin and Eli Sabin supported this bill that would create a “$50 million grant fund” to incentivize new housing construction in towns and cities. Since the Covid-19 Pandemic, residents of Connecticut have faced a housing crisis that leaves few affordable options and difficulty to meet their basic needs. Residents often make the tough decision either to pay for their housing or for, “essentials like food and health care.” They continued: “According to preliminary findings from the state-commissioned Fair Share Housing study, Connecticut has the most constrained housing supply in the country, with only a 7% vacancy rate and extremely high housing demand.” They concluded by acknowledging the growing homelessness epidemic and that passing SB-1361 is a necessary investment for new housing.

Arlevia T. Samuel, M.S. CPM, Deputy Administrator, Housing Administration and Community Development, City of New Haven - Arlevia T. Samuel supported this bill because there is currently a: “shortage of 110,000 units in Connecticut.” Samuel appreciated what Connecticut is doing with the FLEX Program and the Housing Trust Fund but claimed that even with the estimated funding of 7,500 affordable homes over the biennium, it would take “15 years to close the gap” at this rate. Samuel also described that 45 municipalities and over 45 organizations “could have qualified for Housing Growth funding, if it had been in place over the last five years.”

Chris Senecal, Senior Public Policy Officer, Hartford Foundation - Chris Senecal supported the bill and believes that with the $50 million annual allocation, “the Housing Growth Fund can create incentives for municipalities to increase affordable housing availability, promote housing production for low and moderate-income families, and maximize residential, commercial, and leisure space near transit facilities.” Senecal and the Hartford Foundation

also appreciate the legislature for the annual report that will begin in 2027 and will detail which municipalities were awarded certain grants.

The following testimonies expressed general support of the bill:
Joshua Caskey

NATURE AND SOURCES OF OPPOSITION:

None expressed.

Reported by: Arianna Tsikitas, Clerk **Date: 3/20/2025**
Anthony Matarazzo, CGA Intern