PARTNERSHIP FOR STRONG COMMUNITIES

Partnership for Strong Communities promotes equitable change in Connecticut housing policy by coordinating advocacy, advancing research, and uniting diverse partners

TESTIMONY BEFORE THE HOUSING COMMITTEE
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PARTNERSHIP FOR STRONG COMMUNITIES
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Representative Felipe, Senator Marx, Representative Scott, Senator Sampson and distinguished members of the Housing Committee, thank you for the opportunity to submit testimony on HB 5002 and SB 12. I am Sean Ghio, Policy Director with the Partnership for Strong Communities. We are a statewide nonprofit research, policy and advocacy organization dedicated to ensuring everyone in Connecticut has a safe, stable home that is affordable to them in an equitable community of their choice.

We respectfully request that the committee **support H.B. No. 5002 AN ACT CONCERNING HOUSING AND THE NEEDS OF HOMELESS PERSONS and S.B. No. 12 AN ACT CONCERNING CONNECTICUT'S HOUSING NEEDS.**

We envision a Connecticut where everyone has a safe, stable home, that is affordable to them, in an equitable community of their choice. Our guiding principle is that housing is a human right, but Connecticut's families, our businesses, and our communities face a housing crisis.

Rising housing costs, insufficient supply, and outdated zoning laws are pushing families out of their communities, straining businesses struggling to attract and retain workers, and deepening economic and racial disparities. Without swift action, these challenges will continue to undermine our state's economic growth, workforce stability, and overall quality of life.

We must prioritize policies that expand housing supply across all income levels, streamline development processes, and invest in affordable housing solutions. This means reforming restrictive zoning practices that prevent multi-family housing in high-opportunity areas, increasing funding for affordable housing programs, and ensuring strong tenant protections that keep families stably housed.

The business community understands the stakes. Employers across industries—from healthcare to manufacturing—are finding it harder to recruit workers due to the lack of affordable housing.

Young professionals and families, the future of our workforce, are leaving Connecticut for states with lower housing costs and more inclusive housing policies.

A bold housing agenda is an economic necessity as well as a moral imperative. Addressing this crisis will drive business growth, stabilize families, and strengthen Connecticut's communities for generations to come.

How can Connecticut realize this vision?

A healthy housing system requires a holistic approach that integrates housing affordability, creation, choice, and stability. Everyone should be able to afford a home without sacrificing their other basic needs. We must expand the supply of homes in our state—plain and simple—and ensure a variety of housing options exist in every community. People deserve protection from instability, eviction, and homelessness. These are the necessary elements of a healthy housing system that truly supports the needs of our children, our families, and our communities.

Connecticut faces significant challenges with thousands of residents facing housing unaffordability and insecurity and increasing socio-economic and racial disparities. The root causes of this crisis include insufficient affordable housing stock, insufficient investment to make existing homes affordable, overly restrictive local regulations, and inadequate tenant protections.

Approximately 92,560 affordable housing units are needed to fill the housing gap for low-income renter households in the state.[1] There are approximately 149,475 extremely low-income renter households and only 51,331 affordable and available rental homes for them.[2] Housing demand has increased, with rental vacancy rates in every Connecticut metro area dropping significantly post-2020.[3]

Unfortunately, Connecticut's ability to meet this escalating demand has been hampered by a lack of new construction over the past two decades, compounded by a decline in annual build permit

[1] Bolger, A., Giordano, K., & Smith, Marcus. (2023). *2023 Housing Needs Assessment*. Connecticut Housing Finance Authority.
[2] *The Gap: Connecticut*. (2022). Retrieved from National Low Income Housing Coalition: https://nlihc.org/gap/state/ct
[3] Bolger, A. (2019, December). Examining the Long-Run Shifts in Connecticut's Rental Market. Connecticut Housing Finance Authority. https://www.chfa.org/assets/1/6/Examining_the_Longrun_Shifts_in_Connecticuts_Rental_Market.pdf

numbers since the 1980s and again in 2005.[4] In the wake of soaring housing prices in 2020, the median sales price for a single-family home reached $340,000 in 2022, further exacerbated by the growth in interest rates.[5] Housing prices are increasing rapidly. Approximately 40% of Connecticut residents experience some sort of cost burden from their housing (51% to 80% AMI).[6]

Moreover, the housing crisis has unveiled an alarming racial equity gap. People of color in Connecticut are far less likely to own their own homes. Households identifying as Black or African American have just a 41% homeownership rate compared to 73% for White households.[7] Within our state, Connecticut's metropolitan areas, including Bridgeport and Hartford, remain among the most segregated in the nation in terms of the race and ethnicity index, and among the highest in income inequality even though levels of segregation and income inequality have decreased over the last 30 years.[8] This disparity deepens social inequalities and highlights the need for targeted policies that address both the quantitative and qualitative aspects of affordable housing, fostering a more inclusive and equitable housing landscape in our state.

Since 2021, rents in Connecticut have surged by 29%, making it even harder for families to stay afloat. Over 120,000 renter households, primarily Black and Latino, are paying more than half of their income just to keep a roof over their heads.

The average Fair Market Rent (or FMR) for a two-bedroom apartment is $1,779. This is a state average, and the cost is often significantly higher in certain parts of the state, with portions of Fairfield County exceeding $2,600. To afford this level of rent and utilities — without paying more than 30% of your income on housing — a household must earn over $5,850 monthly or more than $70,000 annually. This translates to an hourly wage of $34.54 to afford the average two-bedroom

[4] Bolger, A. (2019, December). Examining the Long-Run Shifts in Connecticut's Rental Market. Connecticut Housing Finance Authority. https://www.chfa.org/assets/1/6/Examining_the_Longrun_Shifts_in_Connecticuts_Rental_Market.pdf
[5] Bolger, A., Giordano, K., & Smith, Marcus. (2023). *2023 Housing Needs Assessment*. Connecticut Housing Finance Authority.
[6] *The Gap: Connecticut*. (2022). Retrieved from National Low Income Housing Coalition: https://nlihc.org/gap/state/ct
[7] Data and Policy Analytics. (2024, January). *Housing and Segregation Study*. State of Connecticut. Retrieved from: https://portal.ct.gov/datapolicy/-/media/datapolicy/general/final-ct-housing-and-segregation-study-2024.pdf
[8] Data and Policy Analytics. (2024, January). *Housing and Segregation Study*. State of Connecticut. Retrieved from: https://portal.ct.gov/datapolicy/-/media/datapolicy/general/final-ct-housing-and-segregation-study-2024.pdf

apartment in Connecticut. This is well above the CT minimum wage of $15.69 and well above the mean renter wage in Connecticut of $20.30.[9]

Many of us hear these facts on a regular basis. Many of us live these facts daily, and all of us are impacted as members of our local, regional, and state communities. Connecticut can set a powerful example for inclusive, community-centered solutions that address our most pressing housing needs. We can be a place where everyone has a home.

A healthy housing system is one that allows for the **creation** of an adequate supply of homes and offers households a **choice** of **affordable**, **stable** housing options to meet the needs of residents, communities, and the state. Our policy priorities across these four areas follow.

Housing Affordability

To ensure that all Connecticut residents can afford their homes while meeting their basic needs, we advocate for the **expansion and improvement of the state Rental Assistance Program** enhancing program effectiveness, and supporting innovative pilot models for direct cash rental assistance to better serve low-income households.

Governor Lamont's budget recognizes the critical importance of the state's Rental Assistance Program by including an estimated $26.1M in new RAP funding over the biennium ($8.7M FY26 and $17.4M FY27). FY26 includes an estimated $8.7M baseline adjustment to keep pace with rising rents but no expansion to serve additional families. FY 27 includes an estimated $8.7M baseline adjustment and a stated $8.7M expansion to serve 700 additional households--425 elderly and disabled renters at high risk of homelessness and 275 families with young children through HeadStart on Housing.

CT's 2024 Point-In-Time Count reported 3,410 individuals experiencing homelessness, a 13% rise from 2023--with 44% being children and those over 55. RAP certificates are a proven and vital tool to prevent homelessness.

Table 1. Rental Assistance Program Budget Proposed Adjustments and Expansions

[9] *Out of Reach, Connecticut*. (2024). Retrieved from National Low Income Housing Coalition: https://nlihc.org/oor/state/ct

	FY 26			**FY 27**			**Biennium**
Proposal	Baseline Adjustment	Expansion	**Total FY**	Baseline Adjustment	Expansion	**Total FY**	**Total**
Partnership's	$11.5M	$8.5M	**$20M**	$11.5M	$8.5M	**$20M**	**$40M**
Governor's	$8.7M	$0	**$8.7M**	$8.7M	$8.7M	**$17.4M**	**$26.1M**
Difference	*-$2.8M*	*-$8.5M*	***-$11.3M***	*-$2.8M*	*+$.2M*	***-$2.6M***	***-$13.9M***

Increase Investment And Provide FY26 Expansion

We ask the legislature to allocate expansion funding in FY26 rather than waiting until FY27. A delay in additional funding means a delay in relief for families and vulnerable renters who are experiencing homelessness—or at great risk of entering homelessness without support now. Issuing a voucher, locating an available and affordable home, and the lease-up process take time. Waiting until FY27 for new vouchers means those 700 families will face continued housing instability for a year longer than necessary. A phased-in approach to expansion would be more effective. By allocating some expansion funds in FY26, the state can ensure a smoother ramp-up and avoid administrative bottlenecks in FY27.

Include An Income Disregard For Earnings Of Young Adults

We support H.B. 6941 which would create an income disregard for earnings of employed, non-head of household young adults, ages 18 to 26, in consideration for participation in RAP. The earnings of young adults over 18 is part of eligibility determination for RAP and is included when calculating a household's rental contribution. Including a young adult's income in total household income can result in a household suddenly no longer being eligible for RAP (benefits cliff) or cause an increase in the amount the household must pay for rent. As a result, young adults may refrain from entering the workforce.

These young adults are in critical stages of professional development and are likely participating in the labor market, positively contributing to the economy and their communities. An income disregard for employed young adults allows households to maintain stable housing while contributing to their household's economic viability and mobility, while decreasing long term dependability on vouchers. Based on 2021 data, we estimate the state would need an additional

$1.5-$2M in RAP funds to support an income waiver for employed non-heads of household between 18-26 years old.

Housing Creation

To ensure that all Connecticut residents can have an affordable place to call home, we advocate for **investment in the creation and preservation of more affordable homes**. This includes expanding state bonding commitments and leveraging federal resources to support the construction and rehabilitation of more affordable homes. We ask the legislature to invest in the creation and preservation of more affordable homes by maintaining investments in the **Housing Trust Fund at $200M per year and the Affordable Housing Program (FLEX) at $250M per year, including targeting $150M for rental homes affordable to our state's lowest income families.**

Department of Housing's housing investments through bonding largely flow through two programs. The **Affordable Housing Program (FLEX)** is the state's primary affordable housing production program and provides funding to a range of housing types up to 100% of an area's median income (AMI) - including single-family homes, multifamily rentals, new construction, adaptive re-use of historical structures, and development of vacant properties.

Connecticut's **Housing Trust Fund (HTF)** provides gap financing in the form of grants, loan guarantees, and low- and no- interest loans via a competitive application process creating affordable housing for households in CT up to 120% AMI.

In the 2024-2025 Biennial Budget, the General Assembly **authorized $890M** over two years to the Department of Housing, $430M in FY24 and $460M in FY25. In our review of the past 1.5 years of Bond Commission meetings, the Bond Commission has prioritized the Governor's flagship initiatives Build for CT and Time to Own – programs that more typically target middle-income households.

While Connecticut has made significant investments in housing in recent years, those investments have not kept pace with the realities facing low-income households — leaving our most vulnerable residents without the affordable homes they need. Nearly half of all state bonding for housing has

been directed to programs that primarily serve middle-income versus low-income households. While these programs have an important impact, they are not creating the deeply affordable housing we desperately lack.

From the 2024-2025 biennial budget, the Bond Commission has allocated **approximately one-third ($221.5M) of new authorizations**.

- $150M of $200M authorized for Build for CT middle income housing, which targets moderate income households with incomes of 60-120% of Area Median Income;
- $115M of $150M authorized for Time to Own downpayment assistance, of which roughly half of households served are below 60% of State Median Income (SMI) and only 3% of households served were below 30% SMI
- Other allocations include $50M for Crumbling Foundations (direct pass-through to the captive insurance company, Connecticut Foundations Solutions Indemnity Company, Inc.) and $6.5M for supportive housing for individuals with intellectual disabilities (transferred funds from Department of Developmental Services)

In addition to its allocation of current biennial authorizations, the Bond Commission has made additional allocations from prior-year bond authorizations.

- $150M spend down of FLEX fund authorizations from FY21-FY23 (income targeting unknown)
- ~$45M spend down of HTF authorizations from pre-2020 fiscal years (income targeting unknown)
- $9M for CHFA's downpayment assistance program and $5M for the Healthy Homes Program

Table 2. Authorizations and Allocations of the 2024-2025 Biennial Budget

Program	**FY24 Authorization**	**FY24 Allocations**	**FY25 Authorization**	**FY25 Allocations To Date**
New Bonding from FY24-25 Biennial Budget				
Housing Development and Rehabilitation programs, aka FLEX	$100M	-	$100M	-
Housing Trust Fund – Build CT	$100M	$100M	$100M	$50M
Housing Trust Fund - Other	$100M	-	$100M	-
Time to Own Program	$75M	$75M	$75M	$40M
Time to Own capital improvements	$5M	-	$5M	-
Crumbling Foundations	$25M	$25M	$25M	$25M
Housing Receivership Revolving Fund	$25M	-	$25M	-
Capital Improvements to Homeless Shelters	-	-	$15M	-
Supportive housing for individuals with intellectual disabilities	-	-	$15M (transferred from DDS to DOH)	$6.5M
Total	$430M	$200M	$460M	$121.5M
Carryover Bond Authorizations from Previous Budgets				
Program	**Authorization Year**		**Authorization Year**	
Downpayment Assistance Program	FY21	$9M	-	-
Healthy Homes program	FY18	$5	-	-
Housing Development and Rehabilitation programs, aka FLEX	FY21 and FY22	$94M	FY22	$56M
Housing Trust Fund - Other	-	-		~$44M
Totals		$108M		$100M
Total	**$430M**	**$308M**	**$460M**	**$221.5M**

Note: This information is not readily accessible in a single report. This table represents a cross analysis of the Office of Fiscal Analysis' "Analysis of State Bond Commission Agenda Items" and "Bond Authorizations Available for Allocation" reports; the Bond Commission Agendas; and the text of bond bills from 2018 through 2024. Any errors are unintentional.

Based on data from the National Low Income Housing Coalition's 2024 Connecticut Housing Profile, the distribution of severe housing cost burdens among renter households in Connecticut is highly concentrated among our lowest income households.

Income Group	Percentage of Severely Cost-Burdened Households
Extremely Low Income (≤30% of AMI)	71.1%
Very Low Income (31% - 50% of AMI)	30.9%
Low Income (51% - 80% of AMI)	6.6%
Middle Income (81% - 100% of AMI)	1.8%

These figures highlight the pressing need for affordable housing solutions for households earning less than 50% of the area median income, where severe cost burdens are most prevalent.[10]

We urge the legislature to dedicate at least $150M in bond authorizations for affordable housing targeted at very low-income households.

Housing Choice

To ensure that all Connecticut residents can choose where and how they live, we advocate for **policies that support a variety of housing types in all communities**. This includes the development of affordable housing in high-opportunity neighborhoods to promote housing choice and mobility.

Pass Transit-Oriented Development Policies

Expanding the supply of accessible and affordable homes near all Connecticut transit stations is a sustainable, inclusive, and impactful growth strategy for our state. That is why we **support H.B. 6831 (Work Live Ride)** as it will aid municipalities in creating the kinds of diverse, walkable homes and jobs that we need in places with public transit options. Work Live Ride will result in more accessible jobs, more affordable homes, and safer streets for all of us.

Expanding transit-oriented development can increase housing stability for Connecticut's low- and moderate-income families. After housing, transportation is the second highest cost in a household budget. For low-income households, transit, access to jobs, and a walkable neighborhood all affect

[10] *Connecticut Housing Preservation Profile*. (2024). Retrieved from National Low Income Housing Coalition: https://nlihc.org/sites/default/files/SHP_CT.pdf

whether households can choose lower cost alternatives to a car to get around. Multifamily housing development, affordable to people at varying income levels, can reduce reliance on cars, shorten lengthy commutes, promote walking, and improve air quality — all of which benefit residents.

H.B. 6831 will contribute to reducing the racial and economic segregation that continues to define our state. Too few Connecticut transit stations are accessible to low- and moderate-income households. In 14 municipalities with transit stations less than 5% of the town's housing supply is affordable. Connecticut's average population density is about 740 residents per square mile. One would expect the density of housing to be greater near public transit stations, and that is the case for many transit station areas. However, population density varies widely near the state's transit stations. There are twenty station area Census block groups with a population density lower than the state average.[11]

Without expanded housing opportunities near transit, resident demand for better access to jobs near transit will continue to drive home prices and rents higher over time, continuing to reduce the economic and social health of the state.

Preserve the Affordable Housing Appeals Procedure and Reform Local Zoning.

The Affordable Housing Appeals Procedure (Section 8-30g) is a critically important zoning law that allows developers of government-assisted housing and housing subject to long-term affordability deed restrictions to challenge a zoning denial in towns with relatively low amounts of government-assisted or deed-restricted housing. For a developer to use this statute, the statute requires that a very substantial percentage of the units must provide targeted affordability for a long period of time. While the town can require changes to the design of the development, it can reject it outright only if the development would have an identifiable adverse impact on health, safety, or other matters within the authority of a zoning commission that outweighs the need for affordable housing in the town. Because the Procedure can be used only if a developer has an actual proposal to build the housing, there is a high probability that such a development, if approved, will

[11]Ghio, S. *Affordable Housing Near Transit*. (2022) Partnership for Strong Communities. https://pschousing.org/affordable-housing-near-transit-in-connecticut-an-analysis-and-recommendations/

be built. This distinguishes it from more conventional inclusionary zoning ordinances, which may produce a plan for more housing but without any assurance that any such housing will be built.

Section 8-30g is often the only tool available to allow for the construction of affordable housing in communities that otherwise refuse to permit it. We advocate for the following changes to Section 8-30g and the Zoning Enabling Act that will improve compliance with the law and better balance the influence of opposition to the creation of affordable housing with the need for it.

- Remove the industrial zone exemption to allow affordable housing development in areas where industrial use is nominal, but housing is viable use.
- Strengthen moratorium rules to ensure four-year moratoriums are based on actual increases in affordable homes. Require municipalities to maintain compliance with affordability criteria for claimed units and reduce points for demolishing existing affordable homes.
- Remove the protest petition provision of § 8-3(b) that allows owners of 20% or more of the land within 500 feet of a proposed zoning change or amendment to force a two-thirds supermajority vote. A small number of residents should not have undo power over others' property or the economic development of a community.

Housing Stability

To ensure that all Connecticut residents can find quality, safe, stable places to call home, we advocate for policies that support individuals and families to maintain secure, long-term housing. This includes policies that focus on prevention, intervention, and support to end housing instability, eviction, and homelessness. **We support expanding Just Cause eviction protections for all tenants in complexes of 5+ units, after the first 12 months of tenancy.** Elderly and disabled tenants already covered by Just Cause maintain their current protections.

Most Connecticut renters have no protection against no-fault evictions. Tenants with month-to-month leases can be evicted with only 30 days' notice – leaving no time to find replacement housing. Evictions have traumatic and lasting effects on families. Evictions worsen housing security, increase homelessness, and make our communities less stable, cohesive, and safe.

To add to the challenges renters face, renter income has not increased at the same pace as skyrocketing rents, putting low-income renters at a distinct disadvantage and at high risk of housing instability, eviction, and homelessness. Research demonstrates that once median rent surpasses 30% of an area's median income, the rate of homelessness begins to increase more rapidly. Fairfield County has already surpassed that threshold with median rent costing 32% of median income.[12]

Connecticut's housing crisis has been decades in the making. Your recognition of its urgency will lead us to a better, more healthy housing system. We urge you to support these policies and others that will ensure every resident can afford to live and thrive in our state. Thank you for your leadership and commitment to this urgent issue. We welcome any questions and look forward to working together on solutions.

[12] County level median rent figures taken from https://www.zillow.com/research/data/. Median income figures from https://www.census.gov/quickfacts/fact/table/fairfieldcountyconnecticut,CT/PST045221