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## OLR Bill Analysis

### sSB 4

## **AN ACT CONCERNING CONNECTICUT'S PRESENT AND FUTURE HOUSING NEEDS.**

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#### § 3 — 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*

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*Requires the DEEP commissioner, in coordination with the DOH commissioner, to establish a pilot program providing grants for certain multi-family retrofitting projects that (1) improve energy efficiency or remediate health and safety concerns and (2) are undertaken in properties meeting certain requirements, including being located in an environmental justice community; appropriates \$600 million to DEEP for FY 24 from the General Fund for the program*

**§ 18 — DOH TEMPORARY HOUSING PILOT PROGRAM**

*Requires DOH, within available appropriations, to establish a pilot program to provide temporary housing to individuals experiencing homelessness and veterans who need respite care*

**§ 19 — TASK FORCE ON CONVERTING UNDERUTILIZED COMMERCIAL AND RETAIL PROPERTIES INTO AFFORDABLE HOUSING**

*Establishes a 10-member task force to study converting underutilized commercial and retail properties into affordable housing and requires it to report to the Housing Committee by January 1, 2024*

**SUMMARY**

This bill (1) makes changes to various laws on tenants and landlords, (2) establishes several new housing-related programs and pilot programs, and (3) creates a new task force to study converting underutilized commercial and retail properties into affordable housing. A section-by-section analysis follows.

The bill also makes technical and conforming changes.

EFFECTIVE DATE: Various, see below

**§§ 1 & 2 — PROHIBITION OF COLD-WEATHER EVICTIONS**

*Prohibits, between December 1 and March 1 of any year, and with the exception of serious nuisance, (1) landlords from initiating evictions and (2) state marshals from executing evictions*

The bill prohibits owners or lessors (i.e., landlords) and their legal representatives or attorneys, between December 1 and March 1 of any year, from delivering tenants a notice to quit possession for any reason other than serious nuisance (see *Background*). Additionally, it prohibits state marshals from executing evictions during this time period unless the court entered judgement against the tenant for serious nuisance.

EFFECTIVE DATE: October 1, 2023

**Background — Summary Process Procedure and Serious Nuisance**

By law, once a landlord has established a ground for eviction, he or she begins the process by serving the tenant with a notice to quit possession. If the tenant fails to respond to this notice by refusing to move from the rented premises, the landlord may start proceedings in Superior Court by filing a summons and complaint. The tenant may respond to the complaint; if he or she contests the action, the court may try the case and enter judgment. If the court rules for the landlord, it orders the judgment executed, and a state marshal removes the tenant and his or her belongings.

By law, serious nuisance occurs when a tenant:

1. assaults (or credibly threatens to do so) a landlord or another tenant,
2. purposefully causes substantial destruction to the premises,
3. engages in conduct that is an immediate and serious safety hazard for the landlord or another tenant, or
4. uses (or allows to be used) the leased premises for prostitution or to illegally sell drugs (CGS § 47a-15).

**§ 3 — 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 (1) pay any fees, charges, or payments for reviewing, processing, or accepting a rental application or (2) 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 give the prospective tenant a copy of the (1) screening report and (2) receipt or invoice from the entity that did the report. Additionally, the bill 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***

sHB 6781, § 4, reported favorably by the Housing Committee, contains nearly identical provisions.

**§§ 4 & 5 — LIMITS ON LATE CHARGES FOR OVERDUE RENT**

*Limits late charges that landlords may impose for overdue rent; prohibits rental agreements from requiring any late fees that exceed these amounts; requires landlords to apply any rent payments they receive to the most recent payment due*

By law, if a rental agreement includes a provision requiring tenants to pay a late charge for overdue rent, it must allow tenants a nine-day grace period (or four days for week-to-week tenancies), before imposing the charge. The bill limits the late charges landlords may impose after this grace period has passed. Under the bill, if a rental agreement contains a valid written agreement to pay late charges after the grace period, the charges may not exceed the lesser of (1) \$5 per day, up to a \$25 maximum, or (2) 5% of the overdue rent or 5% of the tenant's share of the rent in the case of rental agreements that are partially paid by a government or charitable entity.

The bill prohibits rental agreements from requiring tenants to agree to late charges that exceed these limits. Additionally, the bill prohibits landlords from assessing more than one late charge on an overdue rent payment, regardless of the length of time for which the rent is overdue, and requires that they apply new rent payments to the most recent payment due.

EFFECTIVE DATE: October 1, 2023

## **§ 6 — 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 may 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 of, or owns more than 25% of, a business entity that owns rental property.

EFFECTIVE DATE: October 1, 2023

### ***Background***

***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. The U.S. Department of Housing and Urban Development (HUD) funds the program and it is administered locally by housing authorities and statewide by the Department of Housing (DOH).

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

**Related Bills.** SB 996, § 3, and sHB 6781, § 9, both reported favorably by the Housing Committee, contain nearly identical provisions regarding municipal landlord identification requirements.

### **§§ 7 & 8 — STANDARDIZED RENTAL AGREEMENT AND HOUSING CODE VIOLATION FORMS IN ENGLISH AND SPANISH**

*Requires (1) DOH to develop standardized rental agreement forms that landlords and tenants may use, (2) municipal code enforcement agencies to create housing code violation complaint forms for tenants, and (3) that both forms be made available in English and Spanish*

The bill requires the DOH commissioner, within existing appropriations, to develop standardized rental agreement forms that landlords and tenants may use. The forms must (1) contain the essential terms of a rental agreement; (2) be easily readable; and (3) include plain-language explanations of all the terms and conditions, including rent, fees, deposits, and other charges. DOH must post the forms on its website by July 1, 2024, and make them available in both English and Spanish. The bill requires the department to revise the forms at the commissioner's discretion.

The bill also requires agencies empowered to enforce municipal health and safety standards or the local housing code (i.e., the board of health or other designated authorities) to create and make available housing code violation complaint forms, in both English and Spanish, for tenants to use.

EFFECTIVE DATE: October 1, 2023

### **§§ 9-16 — WORKFORCE HOUSING DEVELOPMENTS**

*Establishes various state and local financial incentives for individuals and businesses investing in, and developing rental units set aside for, designated workforce populations and low- and moderate-income households under these programs*

The bill establishes various state and local financial incentives for individuals and businesses investing in and developing rental units set aside for designated workforce populations and low- and moderate-income households under these programs. Specifically, the bill does the following:

1. establishes a new tax credit against the personal income and corporation business taxes, administered by DOH, for individuals or entities making cash contributions to eligible developers constructing or rehabilitating eligible “workforce housing opportunity development projects” in federally designated opportunity zones (see *Background*) (§ 9);
2. expressly allows businesses making cash contributions to nonprofits developing eligible “workforce housing development projects,” including those in an opportunity zone, to qualify for tax credits under the Connecticut Housing Finance Authority’s (CHFA) Housing Tax Credit Contribution (HTCC) program (§ 11);
3. requires municipal tax assessors to assess workforce housing opportunity development projects using the capitalization of net income method based on actual rent received for property tax assessment purposes (§ 10);
4. exempts both of these categories of workforce housing projects from building permit application fees (§ 12);
5. allows municipalities to provide up to a seven-year, 70% property tax exemption for workforce housing development projects, offset by a 70% state grant in lieu of taxes (§§ 13 & 14);
6. requires CHFA to develop and administer a mortgage assistance program for developers of both categories of these projects (§ 15); and

7. requires DOH to conduct a workforce housing study and report to the Housing Committee (§ 16).

EFFECTIVE DATE: October 1, 2023, except for the DOH workforce housing study provision, which is effective upon passage; the property tax assessment requirements and local option exemption are applicable to assessment years beginning on or after October 1, 2023.

***Workforce Housing Opportunity Development Tax Credit (§ 9)***

***Administration.*** The bill requires DOH to administer a new program providing tax credit vouchers to individuals or entities making cash contributions to eligible developers constructing or rehabilitating eligible housing projects in opportunity zones. The department must begin accepting applications from eligible developers by January 1, 2024. Under the bill, the DOH commissioner must determine the program’s additional eligibility criteria, certification conditions, and application guidelines. The bill requires the commissioner to adopt regulations to implement the program, including conditions for certifying developers.

***Eligible Projects.*** Under the bill, an eligible workforce housing opportunity development project is a project to build or substantially rehabilitate rental housing that is (1) located in an opportunity zone in the state and (2) partially designated for certain targeted residents (see “Rental Requirements”). Additionally, the bill requires that these projects, to the extent feasible, incorporate renewable energy and be transit-oriented.

In the case of rehabilitation projects, the bill requires that (1) a building’s repairs, replacements, or improvements exceed 25% of the building’s value when rehabilitation is complete or (2) the project replace two or more major components of the building (i.e., roof structures, wall or floor structures, plumbing systems, heating and air conditioning systems, electrical systems, ceilings, or foundations).

***Eligible Developers.*** The bill authorizes developers to apply to DOH, as the commissioner prescribes, to be certified to receive credit-



eligible cash investments under the program. Under the bill, the following entities may qualify as eligible developers:

1. nonprofits and business corporations incorporated in Connecticut and other business entities (i.e., partnerships, limited partnerships, limited liability partnerships, joint ventures, trusts, limited liability companies (LLCs), or associations) that (a) construct, rehabilitate, own, or operate housing and (b) are either certified by DOH under the program or whose articles of incorporation or organizational documents, as applicable, have been approved by DOH in keeping with its regulations for the moderate rental housing or moderate cost program;
2. municipal housing authorities (and the Connecticut Housing Authority, although it is no longer active); and
3. municipal developers.

Under the bill, a “municipal developer” is the legislative body of a municipality that has not established a housing authority; it may be the municipality’s board of selectmen if the town meeting or representative town meeting authorized the board to act as a developer.

***Rental Requirements.*** The bill requires that completed workforce housing opportunity development projects be rented as follows:

1. 50% of the units at market rate (i.e., the rate the property would most probably command on the open market based on current comparable rentals in the opportunity zone);
2. 40% of the units to a designated workforce population (as described below) at a rate of up to 20% of the prevailing rent of the opportunity zone in which the development is located (the bill does not specify how the prevailing rent is measured); and
3. 10% of the units to low- and moderate-income households (i.e., those that lack the income to rent mixed-income housing without financial assistance, as determined by the DOH commissioner)

that also receive rental assistance through certain state programs or HUD's federal section 8 program.

Under the bill, the program must establish a method for selecting tenants who meet the income criteria that does not discriminate on the basis of race, creed, color, national origin, ancestry, sex, gender identity or expression, age, or physical or intellectual disability.

***Designation of Workforce Population.*** The bill requires that eligible developers receive municipal approval for proposed workforce housing opportunity development projects from zoning commissions and other applicable municipal agencies. No later than 30 days after a municipality approves a project, its legislative body (or board of selectmen if its legislative body is a town meeting) may vote to designate the workforce population the project will serve. The bill allows developers to make this designation if municipalities fail to do so within the given time limit. Under the bill, the designated workforce population may include volunteer firefighters, teachers, police officers, emergency medical personnel, and any other professions working in the town where the project is located.

***Timeframe for Completion.*** The bill requires eligible developers to (1) schedule the workforce housing opportunity development projects for completion within three years of DOH's project approval and (2) submit quarterly progress reports and a final report to the DOH commissioner. If a project is not completed within the three-year timeframe, or at any time if the DOH commissioner determines that it is unlikely to be completed, the bill allows the commissioner to ask the attorney general to reclaim any remaining contributions made by individuals and entities to the developer and reallocate the funds to another eligible project.

***Tax Credits for Qualifying Contributions.*** The bill requires the DOH commissioner to administer the tax credit vouchers, similar to CHFA's existing HTCC program, for individuals or entities that make a cash contribution of at least \$250 to an eligible developer for the eligible projects described above. The vouchers may be claimed against state

corporation business and personal income taxes, except for the withholding tax, for taxable income years beginning in 2025 (presumably, for tax years or income years beginning in 2025). The Department of Revenue Services must grant the credits in the amount specified by DOH in the tax credit vouchers.

The bill caps the total amount of credits allowed per fiscal year at \$5 million. Taxpayers may claim the credits in the taxable income year in which they made the cash contribution and may carry unused credits forward or back for five years. In the case of S corporations or entities treated as a partnership for federal tax purposes, the entity's shareholders or partners may claim the credits. If the entity is a single-member LLC that is disregarded as an entity separate from its owner, only the owner may claim the credit.

#### ***CHFA HTCC Program (§ 11)***

The bill expressly makes investments in "workforce housing development projects" eligible for HTCC tax credits. Under this program, CHFA administers tax credit vouchers for businesses that make cash contributions of at least \$250 to nonprofits that develop, sponsor, or manage housing programs benefiting low- and moderate-income households (e.g., affordable housing developments). The credits apply against various business taxes, including the insurance premiums, corporation business, and utility companies taxes.

Under the bill, "workforce housing development projects" are generally similar to the workforce housing opportunity projects described above, except that they are not limited to opportunity zones. (It is unclear whether projects that meet the eligibility criteria for both programs would qualify for both credits for the same cash contributions.) Starting with tax or income years beginning on or after January 1, 2024, workforce housing development projects must be scheduled for completion within three years of approval.

Specifically, workforce housing development projects are to construct or substantially rehabilitate rental housing where:

1. 50% of the units are market rate units (i.e., the rate the unit would probably command on the open market based on comparable units in the same area);
2. 40% are rented to the workforce population designated by the developer in consultation with the host municipality; and
3. 10% are affordable housing (i.e., when 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).

Under the bill, "substantial rehabilitation" has the same definition as described above for workforce housing opportunity development projects. An eligible "workforce housing opportunity development" project is also considered an eligible "workforce housing development" project.

By law, unchanged by the bill, the total amount of tax credits allowed to businesses under the program is capped at \$10 million per fiscal year, and \$1 million of these credits must be set aside each year for workforce housing as defined in CHFA's written procedures (i.e., affordable housing for low- and moderate-income wage or salaried workers in the municipalities where they work). The bill also makes various conforming changes to the HTCC program.

***Property Tax Assessment for Workforce Housing Opportunity Development Projects (§ 10)***

The bill requires assessors to determine the value of workforce housing opportunity development projects for property tax purposes by using the capitalization of net income method based on actual rent received. This means assessors must consider net rental income, rather than market rent for similar property, when determining the project's gross potential income. Under the capitalization of net income method, all else being equal, a property with a lower gross potential income will also have a lower valuation.

Under current law, assessors must consider three methods when

assessing the fair market value of rental properties (with certain exceptions):

1. replacement cost less depreciation, plus the land's market value;
2. capitalization of net income based on market rent for similar property; and
3. comparable sales.

For property tax assessment purposes, the bill treats workforce housing opportunity development projects the same as properties used solely for housing low- or moderate-income individuals and families located in municipalities that have chosen to abate property taxes on these properties (CGS §§ 8-215 & 8-216a).

***Building Permit Fee Exemption (§ 12)***

The bill exempts both categories of workforce housing development projects (i.e., workforce housing development and workforce housing opportunity development projects) from all building permit application fees. In doing so, it supersedes any municipal charters, home rule ordinances, and special acts.

***Local Option Property Tax Exemption and State Reimbursement (§§ 13 & 14)***

The bill allows a municipality's legislative body (or board of selectmen if the legislative body is a town meeting) to provide up to a seven-year, 70% property tax exemption to the workforce housing development projects eligible for the HTCC credit. Under the bill, the property tax exemption may begin in the first full assessment year after the project's construction or rehabilitation is complete.

Additionally, the bill requires the Office of Policy and Management (OPM) secretary, beginning in FY 26, to pay a state grant in lieu of taxes to municipalities that (1) provide this local option exemption and (2) submit an annual grant application to OPM, as the secretary prescribes. OPM must determine the amount due to these municipalities annually by January 1.

Under the bill, the grant in lieu of taxes equals 70% of the property taxes that would have been paid for the assessment year two years before the fiscal year in which the grant is paid (excluding exemptions for certain housing authority properties). The grants are payable for a maximum of seven assessment years and may be reduced proportionately if the total of all grants in a fiscal year exceeds state appropriations for the grants.

***CHFA Mortgage Assistance Program (§ 15)***

The bill requires CHFA to (1) develop and administer a mortgage assistance program for developers of both categories of workforce housing projects under the bill (i.e., workforce housing development and workforce housing opportunity development) and (2) use any appropriate housing subsidies in providing this mortgage assistance.

***DOH Workforce Housing Study (§ 16)***

The bill requires DOH to conduct a study, within available appropriations, on ways to (1) increase housing options for apprentices and newly hired employees and (2) enable this population to live in the municipalities where they work. The DOH commissioner must submit a report to the Housing Committee, including recommendations and legislation necessary for implementation, by January 1, 2024.

***Background — Opportunity Zones***

The federal Opportunity Zone program, created as part of the 2017 federal Tax Cuts and Jobs Act (P.L. 115-97), is designed to spur economic development and job creation in distressed communities by providing federal tax benefits for private investments in the zones. The program's tax benefits are available to investors that reinvest gains earned on prior investments in a qualified opportunity zone fund that invests in zone businesses. Investors may receive additional tax benefits if they hold their investments in the fund for at least five, seven, or 10 years.

Connecticut has 72 opportunity zones in 27 municipalities that were approved by the U.S. Treasury Department in 2018.

**§§ 17 & 20 — PILOT GRANT PROGRAM FOR MULTI-FAMILY RETROFITTING PROJECTS IN ENVIRONMENTAL JUSTICE COMMUNITIES**

*Requires the DEEP commissioner, in coordination with the DOH commissioner, to establish a pilot program providing grants for certain multi-family retrofitting projects that (1) improve energy efficiency or remediate health and safety concerns and (2) are undertaken in properties meeting certain requirements, including being located in an environmental justice community; appropriates \$600 million to DEEP for FY 24 from the General Fund for the program*

The bill requires the Department of Energy and Environmental Protection (DEEP) commissioner, in coordination with the DOH commissioner, to start a pilot program providing grants for retrofitting projects in units located in multi-family homes built before 1980 and located in environmental justice communities (see *Background*). These projects must improve a home's energy efficiency (e.g., by installing heat pumps, solar power generating systems, improved roofing, storm doors and windows, and improved insulation) or remediate health and safety concerns (e.g., mold, vermiculite, asbestos, lead, and radon).

Under the bill, the DEEP commissioner must (1) begin accepting grant applications from owners of eligible units, in the form she specifies, by January 1, 2024, and (2) submit a report on the pilot program to the Housing Committee by October 1, 2027, that (a) analyzes the program's success and (b) recommends whether to make the program permanent, including any related legislative proposals.

The bill (1) appropriates \$600 million to DEEP from the General Fund for FY 24 for the program and (2) requires the commissioner attempt to expend these pilot program funds equally on an annual basis for the program's duration. Under the bill, the pilot program terminates on September 30, 2028.

EFFECTIVE DATE: October 1, 2023, except the FY 24 DEEP appropriation is effective July 1, 2023.

***Eligibility Criteria and Priority Populations***

To be eligible for a grant under the pilot program, a dwelling unit must be:

1. subject to a binding affordable housing deed restriction, which is filed on the municipality's land record and requires that units be sold or rented only to low-income residents;
2. not owner-occupied; and
3. currently occupied by a tenant, or will be occupied by a tenant within 180 days after the commissioner awards the owner a grant. (The bill requires an owner to repay DEEP all grant funds he or she receives under the program if this criteria is not met.)

Under the bill, the DEEP commissioner must exclude from the program any landlords that have violated their statutory responsibilities. It also requires the commissioner to prioritize grants that benefit current or prospective residents who are:

1. low-income (i.e., households with an income of no more than 80% of the state or area median income, whichever is less, as determined by HUD);
2. veterans;
3. family violence victims (i.e., victims of (1) an incident between family or household members resulting in physical harm, bodily injury, or assault or (2) an act of threatened violence between family or household members causing fear of imminent physical harm, bodily injury, or assault); or
4. currently experiencing, or have previously experienced, homelessness.

(It is unclear how the DEEP commissioner would attain this information on current or prospective tenants.)

### ***Background***

#### ***Environmental Justice Communities***

By law, an "environmental justice community" is (1) any U.S. census block group, as determined by the most recent census, for which at least 30% of the population consists of low-income people who are not



institutionalized and have an income below 200% of the federal poverty level or (2) a distressed municipality (CGS § 22a-20a).

The Department of Economic and Community Development annually designates distressed municipalities, based on high unemployment and poverty, aging housing stock, and low or declining rates of job, population, and per capita income growth (CGS § 32-9p). The current (2022) distressed municipalities are Ansonia, Bridgeport, Bristol, Chaplin, Derby, East Hartford, East Haven, Griswold, Groton, Hartford, Meriden, Montville, New Britain, New London, North Stonington, Norwich, Plainfield, Putnam, Sprague, Sterling, Torrington, Waterbury, West Haven, Winchester, and Windham (CGS § 22a-20a).

Towns with current designated census blocks (that are not also distressed municipalities) are Bethel, Bloomfield, Branford, Brooklyn, Canaan, Clinton, Columbia, Coventry, Cromwell, Danbury, East Haddam, East Lyme, East Windsor, Ellington, Enfield, Essex, Fairfield, Farmington, Glastonbury, Greenwich, Haddam, Hamden, Killingly, Ledyard, Lisbon, Manchester, Mansfield, Middletown, Milford, Naugatuck, New Fairfield, New Haven, New Milford, Newington, North Canaan, Norwalk, Plainville, Portland, Preston, Ridgefield, Rocky Hill, Sharon, Shelton, Simsbury, Southington, Stafford, Stamford, Stonington, Stratford, Thomaston, Thompson, Vernon, Wallingford, Waterford, Watertown, West Hartford, Wethersfield, Willington, Windsor Locks, and Windsor.

## **§ 18 — DOH TEMPORARY HOUSING PILOT PROGRAM**

*Requires DOH, within available appropriations, to establish a pilot program to provide temporary housing to individuals experiencing homelessness and veterans who need respite care*

The bill requires DOH, within available appropriations, to start a pilot program to provide temporary housing to individuals experiencing homelessness and veterans who need respite care. Under the bill, the program must (1) be implemented in at least three municipalities with populations of 75,000 or more and (2) provide at least 20 housing units for eligible individuals in need of respite care due to injury or illness. The bill requires the DOH commissioner to establish

program eligibility criteria and allows the department to contract with nonprofit organizations to administer it.

The bill terminates the pilot program on January 1, 2025, by which time DOH must report on the pilot program to the Housing Committee.

EFFECTIVE DATE: Upon passage

## **§ 19 — TASK FORCE ON CONVERTING UNDERUTILIZED COMMERCIAL AND RETAIL PROPERTIES INTO AFFORDABLE HOUSING**

*Establishes a 10-member task force to study converting underutilized commercial and retail properties into affordable housing and requires it to report to the Housing Committee by January 1, 2024*

The bill establishes a 10-member task force to study converting underutilized commercial and retail properties (e.g., shopping malls, hotels, and warehouses) into affordable housing.

EFFECTIVE DATE: Upon passage

### ***Membership, Initial Appointments, and Vacancies***

Under the bill, the task force members must include the DOH and Department of Economic and Community Development commissioners, or their designees, and eight members whom the legislative leaders appoint, as shown in the table below. The legislative appointees may be General Assembly members. 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.

**Table: Task Force Members — Legislative Appointees**

<b><i>Appointing Authority</i></b>	<b><i>Number of Appointments</i></b>	<b><i>Required Qualifications</i></b>
House speaker	2	One must represent an affordable housing advocacy organization
Senate president pro tempore	2	One must represent a community development corporation
House majority leader	1	None
Senate majority leader	1	None

House minority leader	1	Must represent retail or commercial property owners
Senate minority leader	1	Must represent a local chamber of commerce

***Chairpersons, Meetings, and Reporting Requirement***

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

The bill requires the task force, by January 1, 2024, to report on its findings and recommendations to the Housing Committee. The task force terminates when it submits this report or January 1, 2024, whichever is later. The Housing Committee's administrative staff must serve as the task force's administrative staff.

**COMMITTEE ACTION**

Housing Committee

Joint Favorable Substitute

Yea 10    Nay 5    (03/02/2023)