



**Governor Ned Lamont  
State of Connecticut**



FACT SHEET  
2023 Legislative Session

**SENATE BILL 985  
*AN ACT INCENTIVIZING HOUSING PRODUCTION***

**The Problem**

Connecticut faces a housing supply shortage, affecting families across the income spectrum. Nearly 1/3 of households spend more than 30% of their income on housing, including approximately 80% of very- and extremely-low income households. According to the 2021 American Community Survey, Connecticut has the lowest vacancy rate for all housing units in the entire country. Census data from 2022 shows that three CT metro areas represent three of the top ten lowest rental vacancy rates in the country. Census data also shows that yearly housing starts are still less than half the pre-2008 Recession levels. The state can and must do more to incentivize the production of new housing units for low- and middle-income families.

**Governor Lamont's Solution**

Leveraging New Funding for MRDA

Among other housing investments, Governor Lamont's budget will include significant new bond funding for the Municipal Redevelopment Authority (MRDA), the quasi-public agency authorized to stimulate economic and transit-oriented development across the state. MRDA was established in 2019, but never received funding. The Governor's budget will fund MRDA staff to coordinate the effort.

To ensure that state funds are used with maximum leverage, this proposal will direct the MRDA board to collect proposals from towns that develop housing growth zones that establish clear rules of the road and provide certainty to developers. Housing growth zones must be centered on a downtown development district that includes a train station or rapid bus station.

For municipalities that choose to apply to MRDA, the board will determine whether the housing growth zone is likely to substantially increase housing production. The board will prioritize proposals that allow middle housing as of right within the housing growth zone and use one-stop-shop permitting. The board must also consider parking requirements and affordable housing requirements.

Once a housing growth zone is established and a municipality formally joins MRDA, MRDA will be able to assist with housing projects contained within the zone.

Better Data Reporting

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Efforts to improve housing production are hampered by inadequate data. DECD currently publishes data collected by the U.S. Census Bureau on monthly housing starts, but such data has a poor response rate and is thus inaccurate.

This proposal will require reporting by all municipalities on at least an annual basis for more detailed housing production and demolition data, as a requirement of receiving discretionary DECD funding.

#### Studying the Use of State-Owned Property

The state will lead by example in this effort. As a first step, OPM will conduct a study, in collaboration with DAS, DOT, and other agencies, to identify underutilized state-owned property which could be leveraged for housing development, particularly transit-oriented development and affordable housing production.