Legislative History for Connecticut Act

PA 80-370

SB 290 Condominium Commission 1980

Senate 1390-1448, 1473-1508, 2080-2143, 2246-2260 174 p.

House 5309-5394 86 p

General Law 368-455 88 p

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o'clock, which will give us two hours and fifteen minutes to debate this important piece of legislation. I hope we can do it in that time.

THE PRESIDENT:

Thank you, Senator. Would you announce that we are about to begin consideration of the so-called condominium conversion bill, Mr. Clerk.

THE CLERK:

Will all senators please come to the chamber. The Senate is now going to take up Cal. 261, the condominium conversion bill.

The Clerk will now announce for the second time, Cal. 261, File 302. Substitute for Senate Bill 290. AN ACT CONCERNING CONDOMINIUM CONVERSION AND THE ENCOURAGEMENT OF NEW RENTAL HOUSING. Favorable report of the Committee on Judiciary. The Clerk has amendments.

THE PRESIDENT:

The Chair recognizes at this time, Senator Fauliso of the 1st.

SENATOR FAULISO: (1st)

Mr. President, will the Clerk please call the initial amendment.

THE CLERK:

The Clerk has Senate Amendment Schedule A, LCO 3265, offered by Senator Fauliso. Copies are on the senators' desks.

THE PRESIDENT:

Senator Fauliso.

SENATOR FAULISO: (1st)

Mr. President, I move for adoption of the amendment and ask that the reading be waived, and the bill willbe explained by Senator Leonhardt, who will give the initial explanation, and I yield to Senator Leonhardt, AT this time.

THE PRESIDENT:

The motion before the chamber is for the adoption of Senate A. The secondary motion is to waive the reading. Is there objection to the waiving of the reading? Hearing none, Senator Leonhardt, do you accept the yield from Senator Fauliso to explain Senate Amendment A.

SENATOR LEONHARDT: (5th)

I do, Mr. President. Thank you very much. What this amendment would do is, taking the file copy, attempt to provide on a balanced basis protection for the elderly and the poor yet recognizing the realities of the marketplace and addressing the underlying needs to build more housing in the State of Connecticut and the underlying shortages of housing in the State of Connecticut. The amendment is carefully tailored to deal, on the one hand, with the immediate problem, the immediate emergency, the short-term problem that impacts particularly, powerfully on

the elderly and the poor of the State of Connecticut, but it is also designed, with its bonding provisions, to address the underlying or long-term problems to construct more housing in the State of Connecticut.

Very briefly, going through the provisions of the amendment. The first section of the amendment essentially is a declaration of an emergency to give the courts legislative guidance on the Legislature's intent.

Section 1(b) of the amendment would establish for two and one-half years eviction for cause for those over age sixty-two, those who are blind and those who are physically disabled with an exception if the property is removed from the residential housing market, but at the same time allowing for persons who are in this protective class reasonable rent increases to be passed on to them by their landlord.

Other important provisions of the amendment which was passed out to every member of the Senate yesterday and only a very few minor changes have been made in it since that time are in line 67, to give informational relocation assistance to any one who is displaced, who does not buy into a condominium conversion and to give relocation expenses of one month's rent to persons who are below the one hundred and seventy-five percent of property level.

In Sec. 6, the amendment would extend the same

express and implied warranties to purchasers of condominium conversions as are presently afforded to purchasers of newly-constructed single family dwellings.

In Sec. 7, the committee, having cognizance of housing, would study the whole question in the next session of the General Assembly to see how this bill worked. It is in a test period, hopefully, if it is adopted, and would report back to the General Assembly to see if it should be continued.

In Sec. 8, the state gives mortgage loans to developers for the development of new rental units and for the renovation of existing rental units in the amount of ten million dollars.

Those, Mr. President, are the essential terms of the amendment. Since I believe the vote on this amendment will, in many respects, be the vote on the bill, I would like for a few moments to speak to the bill as a whole and to the whole concept of the bill.

What we are going to do here is saying that there is a rational basis for establishing a protective class. The elderly is a protective class. And that it is unfair, at that stage in people's life, once they are sixty-two, when they are often living on fixed incomes to tell them they have to leave their home. The trauma that is involved, the loss of friends, the loss of a sense of community, the displacement from long established homes, the displacement

from places of worship, from medical services. All these things create a very negative impact on elderly persons, and indeed in a study that has been recently completed by the Yale Medical School, it shows the effects of relocation on the elderly - an increase in arthritis in elderly persons who have to locate, more visits to doctors, significant increases in hypertensive heart disease, significantly more hospital stays. Many of these people, Mr. President, have made plans for living arrangements that they thought would have to be the last plans that they would make in their lifetimes. And now condominium conversion is coming along and telling them they would have to change these plans.

What we are talking about, Mr. President, is often widows, over age seventy-five, living on modest, fixed incomes, who have been living in a building or apartment for ten to fifteen years since their husband died and who often cannot afford to buy condominiums. We have put in the amendment exceptions for dwellings that are less than four units so that someone who owns just a small home and renting out a few units would be exempted from this protection. We have also put in the amendment income limits of twenty-one and twenty-five thousand dollars. So that very wealthy persons who can afford to buy into a condominium would not be given a protection that they don't honestly need. We are focusing on the people who do need the protection. And they need the protection because when you look at the statistics, you see

a tremendous increase in the monthly payments, even after people have made their down payments once you go from rental units to condominiums. And if the circle would permit me, for a second, I would like to give just one or two case studies.

A three room apartment in the North end of Hartford, the rental cost in 1979, prior to conversion, was $180.00. The condominium owner cost for that same unit, after it had been converted, once you had mortgage payments, maintenance, insurance, taxes, heat and utilities, $605, members of this circle, an increase of two hundred and thirty-six percent that you are asking these elderly people, living on fixed incomes, to absorb.

Another example, a two bedroom apartment in an outer suburb of Hartford - rental cost before condominium conversion, rent 389, utilities $20 for a total of $409. After conversion - condominium owner costs, $775 for the mortgage payment; $80 utilities, insurance, maintenance, property taxes and the like, a total of $1,090. An increase in monthly payments of one hundred and sixty-six percent for people on fixed incomes, at a time when we have had great inflation, and I also might add, at a time when we have not been able, in this circle and in the General Assembly, to increase the benefits in the circuit breaker program. So, I think because we have not been able to increase the benefits

in the circuit breaker program, it makes it particularly imperative to go forward in this area of protecting the elderly.

Some people may ask the question, "will landlords rent to tenants who are just beneath the threshold age - 59, 60, 61." I answer that question by saying, "we have a sunset provision in there." We are in a test period. We want to see what the ramifications are. Let's try it for two years. We do know that the need is immediate and the problem that people raise is only speculative. We also know that it is a violation of the anti-discrimination statute 53-35 to not rent to somebody on the basis of age. And I would also add that many landlords in the State of Connecticut are very eager to have elderly persons who are quiet tenants and who pay their rent on time and who are stable tenants and remain for an extended period of time.

The bill also provides important protections for the poor by giving another six months in the stay of execution, so you have a one hundred eighty day waiting period - the present six months plus another six months after that if a court finds it is justified that people cannot find another place to live. We are giving a decent protection to the poor but not going to such far extremes that would promote the abandonment of housing in the State of Connecticut.

The relocation assistance and the moving expenses give important benefits to poor persons as do the bonding

provisions. It is important to have these bonding provisions, Mr. President, so that we deal with the shortage of underlying, ah, of the underlying shortage of rental housing in the State of Connecticut. It's the shortage of rental housing that allows high prices to be charged for condominiums. We have to replace rental housing units which are going into condominiums, condominium conversion and we have to make it economically worthwhile to build rental housing in the State of Connecticut. And when we look at the bonding packages that have been reported in recent years, I would like to share, and copies have been put on every member of the circle's desk, the numbers that have been proposed and compare them to recent years.

This year, sixteen million dollars has been proposed for bonding for housing programs. Now when you adjust that to 1975 dollars, that's only eight point four million dollars. Last year we did eleven million. The year before we did fifteen million. The year before we did twenty-two million. The year before that we did twenty-one million and the year before that we did ten. But what this bill would do without these bonding provisions would mean the lowest bonding in the year of the great condominium prices. The year when we are very concerned about housing in the Sta-te of Connecticut. It would mean the lowest bonding for housing that the state has had in five years. And I think that we can

do better than that in the State of Connecticut. I think we owe it to the taxpayers of the state to do better than that. And when you look, people raise concerns about our overall bonded indebtedness and how much we are paying to retire bonded indebtedness and the overall bonded indebtedness of the state. But actually that bonded indebtedness, the amount we are paying when you adjust for 1975 dollars has gone down every year for the last five years. In 1976, 77, in 75 dollars, we were paying two forty two, for bonded indebtedness. Then the next year, 77-78, it was two twenty-nine. The year after that, 78-79, it was two zero six. The following year one eighty. And this year's 292 to pay for bonded indebtedness, when it is adjusted to 1975 dollars, is only one hundred thirty-eight million dollars. So we have pulled down our bonded indebtedness a great deal in the State of Connecticut. We can afford these bonding payments and we should do them.

Finally, Mr. President, in examining the cases in the State of Connecticut, every attorney knows that when you look at this type of legislation you are going to be balancing between the public interest that is being served, the health, safety and welfare of the community on the one hand versus the burden on the use of private property on the other. I think it is the standard of the Legislature to set public policy as long as it is not unconstitutional on its face. Then the courts will pass on constitutionality. That was

Madison's system - checks and balances. But when I look at the cases, when I look at Bridgeport Hydraulic Co. versus the Council of Water Company lands, the State of Connecticut, where a moratorium on the development and sale of all parcels of unimproved land in excess of three acres owned by water companies was upheld as constitutional, I believe this statute to be constitutional. When I look at Breckanoli (sp.?) versus the Commissioner of Environmental Protection, and an owner of land designated as a title wetland was denied permission to fill his tract, I believe this statute will be held constitutional. When I look at (?) Mortar Lake versus Town Plan and Zoning Commission and they said that a diminuition of value is not an absolute test and that reclassification of land from industrial to residential was upheld as constitutional even though the change was permanent, I believe this statute will be held constitutional. And I could cite other cases - Florentine versus Darien, where a new type of business zone reduced the value of land from seventy-five thousand dollars to thirty-five thousand dollars. And that was held to be constitutional in the State of Connecticut. So I think we can take this step.

In other jurisdictions, rent control has been held constitutional in New YOrk and in Connecticut. In New York, and I am not advocating rent control for Connecticut, I don't approve of it on many policy grounds, but it has been held constitutional. In New Jersey, a statute was adopted

that would give a three year grace period before any evictions could take place in condominium conversions and after that an additional five years of stays could be granted for a total of eight years. And in New Jersey you have to find alternative housing for your tenants in condominium conversion situation. Our bill is pale and mild in comparison to that. New York State has adopted protections for people aged sixty-two and older. All these statutes - the New Jersey statute went into effect in 1976, it hasn't even been litigated, no one even brought a case to declare it unconstitutional. New York has adopted legislation to protect sixty-two year old persons. And those statutes are in effect there.

From a policy point of view, I would point out to members of the circle that landlords, when they are protecting the elderly will continue to collect rent on their property. They will continue to collect reasonable rent. They will continue to have a reasonable return on their investment. So that it is not a taking of their property. Also, given the sad facts of life because we are talking about people who are sixty-two and older, this is not a permanent taking. This is just giving a life residency to people. After the person's demise, the property will revert to the landlord's possession to turn into a condominium conversion.

So for all these reasons, Mr. President, I think the

bill has been very considerably refined since it came out of committee with a great deal of valuable imput from many members of this circle. I think it is good social policy. I think it is good constitutional law. And Cliff Leonhardt didn't come to the State Senate to let the elderly and poor people of the State of Connecticut down and I hope you won't either.

THE PRESIDENT:

Senator Ruggiero.

senator RUGGIERO: (30th)

Mr. President, pursuant to Senate Rule 23, I would hereby request that the matter before this chamber which is in fact divisible be divided as follows: Section one through seven (1-7) be separated for both debate and for vote; section eight through ten (8-10) be separated for debate and vote.

THE PRESIDENT:

The Senate will stand at ease momentarily.

Will the Senate come back to order please. The Chair has read Rule 23 on Page 215 of our Rules and Item 23 clearly says, "if the question under debate consists of two or more independent propositions, any member may have the same divided." The Chair has read the amendment we are discussing, Senate Amendment Schedule A and does consider that, indeed, it is two separate propositions, but both propositions being germane

to the bill itself; as far as the question of germaneness it has not been raised, but without question, it is a separate item. Therefore, the Chair, looking for some research and precedents in our book of precedents as well on page 76, and this says, "the bill was read for the third time and discussed, a member moved that the question be divided." The president ruled that under the rules of the Senate it is not necessary to make a motion to divide the question and the question would be divided on a request from any senator. That was decided by Lieutenant Governor McConaughy in 1939.

So, Senator Ruggiero, the Chair at this time is willing to support your request for division. A motion need not be made. You are requesting a division of the question. The Chair rules that that is proper at this time to divide the question. And I understand that you want Sections 1-7 considered separately from Sections 8-9-10. Is that correct, Senator Ruggiero?

SENATOR RUGGIERO:

That is correct, Mr. President. Thank you.

THE PRESIDENT:

Senator Leonhardt.

SENATOR LEONHARDT:

Mr. President, I would like to try to understand the legal significance of your ruling.

THE PRESIDENT:

Yes, sir.

SENATOR LEONHARDT:

Does that mean that the bonding sections of this bill, of this amendment, have been dropped off?

THE PRESIDENT:

This means, Senator, that two propositions, the original condominium section is to be considered separately from the ten million dollar bond section of the amendment. Two votes would be needed, in other words, Senator. One on Sections 1 through seven; and one on Sections 8 through 10.

SENATOR LEONHARDT:

Thank you, Mr. President.

THE PRESIDENT:

The question is hereby divided unless an appeal of the Chair is taken. Hearing none, the sections of the bill under discussion are sections one through seven, sections of the amendment. Anyone at this time is eligible to remark on Sections 1-7 of the amendment. Hearing no remarks, are we ready to vote on Sections 1 through 7? Do you care to remark on Sections one through seven, Senator Skowronski?

SENATOR SKOWRONSKI: (17th)

Thank you very much, Mr. President. I would like to start out by congratulating the various members of the circle

that worked very hard on this bill. Senator Leonhardt, Senator Cutillo and many others. I would like to say that I, myself, was a member of the committee that worked on the bill and had submitted five different proposals, some of which are incorporated into the bill. Notwithstanding this hard work and the very strenuous efforts and good faith efforts to arrive at a good bill, I cannot support the amendment which is really a substitute for the bill.

My objections, primarily, center around Section 1(b) of the amendment that is pending before the Senate. Specifically, originally, the select committee was created and the legislative attempts were made to solve a condominium conversion problem, and that was what I thought this whole effort was about. But Section 1(b) which would create a four-cause eviction process for persons over sixty-two years of age, meeting certain criteria, applied not only to the condominium conversion situation but to all landlord-tenant relationships throughout the State of Connecticut whether they are related to condominium conversions or not. And in my view, this goes far beyond what the charge and intent of the committee was and far beyond what I can support. I will be proposing an amendment later on that would limit the four-cause eviction language of Section 1(b) to condominium conversions situations only. If we want to solve a condominium conversions situation, let's pass laws on condominium conversions and not a fact and what I think is to butcher the rest

of landlord-tenant law in the State of Connecticut.

With respect to Section 1(b), I am also very concerned about the income limits that are stated in the bill. That in order to qualify for the special treatment given to persons over sixty-two, you have to have an adjusted gross income of not more than twenty-one thousand dollars, if you are unmarried, or more than twenty-five thousand dollars, if you have a spouse. And I would like to direct a question to Senator Leonhardt, if I may, Mr. President, through you.

THE PRESIDENT:

Proceed, Senator Skowronski. Senator Leonhardt, Senator Skowronski has the floor. Proceed with your question.

SENATOR SKOWRONSKI:

Through you, Mr. President to Senator Leonhardt, Senator Leonhardt, in adjusted gross income for Federal income tax purposes, is social security income counted?

THE PRESIDENT:

Senator Leonhardt, if you care to respond.

SENATOR LEONHARDT:

Senator Skowronski, you and I have both known since we took our second year tax course that it is not. Second year law school, that is.

SENATOR SKOWRONSKI:

Thank you. Through you, Mr. President, to Senator Leonhardt, what other exclusions are there under the Federal

income tax laws that persons may exclusive from their gross income to arrive at an adjusted gross income?

THE PRESIDENT:

Senator Leonhardt, if you care to respond.

SENATOR LEONHARDT:

I will be happy to, Mr. President. There are various items that are exempt from adjusted gross income, as any student of elementary tax law knows, such as tax exempt municipal bonds and one or two other items. What I would say, if I could, Mr. President, in responding to the thrust of Senator Skowronski's questioning is that we have very different situations within the State of Connecticut and what may be a reasonable income limit, perhaps in your district or perhaps in mine, is a very different situation in Fairfield County or in Stamford, and I think when you look at the state as a whole, the income limits that we have arrived at are reasonable ones. The bill started with no income limits. Then we had an amendment that went to twenty-eight and twenty-two, and now we are down to twenty-five and twenty-one. I think we have hit a middle balance and in looking at census data, I would estimate that probably only sixty percent of the elderly persons in the State of Connecticut, this is very rough and no one really knows for sure because we haven't had a census in this country for ten years and we are having it done right now, but

probably about sixty percent of the elderly people would be covered. A full forty percent of the elderly people in the State of Connecticut would not receive this exemption including, frankly, many people that I have in my district. I would like to see them covered, but we have tried to be reasonable. We have tried to compromise. We are trying to hit a point of social equity and balance, and not have legislation which is directed towards a special interest of any individual legislator or individual areas. I have made many concessions that have made me very painful, frankly, and also so that we could build up in certain areas the protection for people who don't happen to live in my district in great numbers.

THE PRESIDENT:

Senator Skowronski, you have the floor.

SENATOR SKOWRONSKI:

Thank you, Mr. President, if I may continue. I am all in favor of trying to help the elderly. I think that we should try to do so in a reasonable and fair manner, but in my judgment, an elderly person, single person who has an adjusted gross income of twenty-one thousand dollars, which means they probably have a gross income, if you count three or four thousand dollars worth of social security and count in the exemptions, they will have a gross income of twenty-five or twenty-six thousand dollars, I don't see why a person with

that kind of income should be in a special protected class and be given what is essentially a lifetime lease, if they want it, on their apartment. I don't consider that a needy class. And for that reason, I think that the income limits are far too high. The concept may be good, but we are directing our effort at a class that, in my judgment, does not really need our help, and those would be AGI over twenty-one thousand and over twenty-five thousand. So, because of the breadth of the amendment, because it is going to create the four-cause eviction process for all tenants across the State of Connecticut, whether they are involved in condominium conversions or not, and we are going to be creating this class for people with AGI far in excess of what they ought to be, I will oppose the amendment. Thank you.

THE PRESIDENT:

Will you remark further on Senate A, Section 1-7. Senator Prete.

SENATOR PRETE: (14th)

Mr. President, there are several factors in this bill that trouble me greatly. In the first place, what we are doing essentially is depriving certain class of people of property rights and transferring those property rights to somebody else. We have just reason to do this, I think, because of the classes of people that we are dealing with,

number one, and because everyone in this State of Connecticut has the right to live comfortably housed as well as the right to own property. We are trying to deal with those people who cannot afford and because of the changing economic circumstances find themselves without a proper place to live. And so we have to take drastic action. Perhaps the greatest question is, having taken this action, what then is the total effect on the housing market and do we get the effect that we hope we will get? Or are we going to get an adverse effect and will that effect intensify the problem rather than resolve it. It seems to me the real redeeming value of this legislation is not the freeze that it places on property, not the deprivation of property rights, and there is no question that that is what we are doing, the redeeming value is the dollars that the State is willing to put up to ultimately resolve the problem. And that is supply more housing. Isn't that the real problem? Are we addressing the problem by depriving people's rights, or are we addressing the problem in the second part of the bill which is to supply the dollars that are needed to build the housing that's needed, so that we don't have to take action like this. That's the real answer. My feeling is that the ten million dollars that we are putting up in this bill is peanuts. It is not anywhere near adequate.

THE PRESIDENT:

Senator Prete, the Chair would remind you that we are discussing Sections one through seven of Amendment A.

SENATOR PRETE:

I will proceed on Sections one through seven.

THE PRESIDENT:

Thank you, Senator.

SENATOR PRETE:

And discuss the ten million dollars at a later time. There seems to be, or at least in my mind, very serious questions as to whether we are disrupting the housing market or whether we are not. In New York, there is no question that the state government there toiled in the fields, worked very hard, did their utmost and finally completely and thoroughly destroyed the housing market and created an enormous shortage and a tremendous problem in New YOrk. I hope that we are not following their lead. And again, the answer to the question is in Section 2, which I will not discuss at this time, but will discuss later, and that is put up or shut up. We have a problem, face it head on, courageously put up the dollars you need. The sunset provision, I think, in my mind, helps to justify what we are doing at least to some extent. That provision will allow us a test period if what we are doing is totally disastrous, then we will at least in a couple of years be able to review

the whole matter. But the essential point in my mind is our reaching the very people, taking the risk that we are going to damage the market. Are we reaching the people that we want to reach? And frankly, the answer in my mind is NO. The income limits are too high. There is no question in my mind that they are too high. We are talking about a husband and wife who could be making thirty thousand dollars, a great deal of it is tax exempt, and we are attempting to assist these people. There are greater priorities in the state, greater needs than the people who are able to earn this kind of income. They don't have a problem. I want to be able to help the people who really do have a problem and we are about to submit an amendment which will considerably reduce the income requirements and thereby address, take the risk that this bill entails and hopefully it will have a beneficial effect, WITHOUT destroying the market. So those are my comments on the bill in general. The amendment will come up and at that time I would urge everyone to support it.

THE PRESIDENT:

Will you remark further on Senate A, Sections 1-7. Senator Moano.

SENATOR MORANO: (36th)

Mr. President, In looking over the amendment which is the bill, there are two things that bother me and two questions that I ask myself. Do we want rent control? Think about this.

Think about what rent control has done in some of our sister states, such as New York, New York City, where buildings have been abandoned and left to ruin. Or do we want rent control for a special group? If you are going to have rent control, and that's what you want, you should have it for everyone. Not just for a special group.

I would like to address myself to the section of the bill that spells out the income, fixed income, of a single person and a married person with a spouse - twenty-one thousand for single and twenty-five for married couple. Now you might chuckle when I say that I think it should be greater. Or perhaps we should amend the bill to allow the towns to fix this. I live in a community where some of our elderly have been in an apartment dwelling for some twenty-five or thirty years. Now they are eight-five, eighty-eight and ninety years old and can afford to pay the rent but people if you were to force them to get out would be like the movie we all once saw long ago, "Born Yesterday." They wouldn't know where to turn. Money isn't everything. We must consider their feelings, their age, what they can do. Many of them have outlived their sons and daughters and we've got to have compassion for those people. So these are the sections and these are my remarks against this portion of the bill, the amendment.

THE PRESIDENT:

Will you remark further on Sections 1-7. Senator Post.

SENATOR POST: (8th)

Thank you, Mr. President. I think that there are some individual concerns and flaws in the overall amendment but I would like to make some brief general comments about the concept and suggest or invite a review of what it is now that we are trying to do.

I would like to suggest a framework that as we struggle to deal with this problem we put it in the right perspective. It may make some answers come easier. And I would like to suggest this on two levels.

First on the very specifieal level of housing and second, on a very general level of freedom. As far as housing is concerned, isn't the real problem to make sure there is adequate housing for everybody who lives in Connecticut. If that's true, then should we be taking steps here at the Legislature to try and work towards that goal? If that is true, then let's measure this bill against that concept. Will this bill do anything to increase the supply of adequate housing for everyone, or in the alternative, will it lead to a form of class war with one group of dwellers competing with some other group of dwellers for the same unit. Let me turn that over for thirty seconds more and just say that we ought to be providing an atmosphere where it is attractive for housing to be constructed. This bill fails on that yardstick. It is going to discourage further construction of dwelling units. There will either be

apartments or converted into condominiums.

Secondly, when we pick out one group to favor under this bill, are we not then automatically discouraging or hurting some other group. And who are they? They are the people who would live in these dwelling units as condominiums and who are they? They are also residents of Connecticut. And I would suggest some of them are elderly. Some of them are young families trying to get started and so forth. So in the name of housing and in the name of concern for the elderly and the disabled, are we not creating a form of war between competing groups and isn't the end result less housing for everybody. That's level number one.

Level number two is freedom. From time to time, shouldn't we stop and evaluate whether the actions we are taking here in the Senate restrict the liberties and freedoms of the people of Connecticut. I think so. And isn't it true that this bill, no matter how well-intended, no matter how compassionate we may all be or concerned, isn't the end result of this bill less freedom and less liberty and more government and more regulation than before. I would suggest that on two different levels, there are defects in this bill. And that we should be extremely cautious before we assume that the side of right and good is on the condo conversion bill, and anybody who is opposed to it is evil or malicious or anti-people. Thank you.

THE PRESIDENT:

Will you remark further. Senator Cutillo was on his feet previously. The Chair will recognize him.

SENATOR CUTILLO: (15th)

Thank you, Mr. President. Mr. President and members of the circle, I rise to oppose the amendment. I believe that government should direct, not take over. I would have hoped that when we started the subcommittee work after it was named by Senator Fauliso and Representative Abbate, Speaker Abbate, that we would have tried to compromise between owner's rights and the rights of renters. I would hope that we will do that today. Obviously, within the subcommittee, there were diverse opinions as to what should be done and for whom we should give the greater balance. You don't have to be on the subcommittee to know that there is a problem in condominium conversions. And you don't have to be on the subcommittee to know that the problem is housing. Now we see a problem today, and there is a problem today. There has been a problem for the past several months. But is it our duty to overkill on this issue. And that's what I see happening through much of the action that has happened both on the subcommittee and through the proposed amendment. Surely there will be, hopefully there will be, some government help in creating housing that we need within the next year to two years. I look at an amendment such as this and I look at the restraints of four apartments. I come from a city that

family-owned people have six, eight and ten apartments and have no place whatsoever in a piece of legislation such as this. I am a city guy from Waterbury where twenty-one thousand dollars is a lot of money in any age bracket. And that, Mr. President, members of the circle, is altogether too high. The age limit of sixty-two, I believe is prejudicial. And I believe that the amendment itself and the sections to which we are referring are really out of kilter. Certainly you want to help the poor, but I don't see that being addressed here. And the disadvantaged. I don't see that being addressed here. I do believe that we should separate the rights of ownership and the rights of renters. I think we have been looking at ownership as though it is a dirty word. That people who are in business and see the opportunity to convert, to make a dollar, and I don't know since when that has become a dirty word, unless everybody here is on welfare, and has become the wrong thing to do. I think there should be more protection for the rights of owners as we see this piece of legislation in front of us. We are going to try to correct the problem but let's not drive people out of business. Let's not do something and I have seen this time and time again, and mark my words, if this amendment passes as we see it, we are going to be back or somebody is going to be back next year and the year after correcting it and modifying it. It is far too liberal, if

I may. And if I may define liberal, it has been written that liberal is spending someone else's money. And that's the way I see this piece of legislation and this amendment. Certainly there is room for everybody in the State of Connecticut but for every extreme, there is moderation. I would ask for defeat of this amendment so we could have some other legislation that would be moderate. Thank you.

THE PRESIDENT:

You are welcome, Senator. Will you remark further? Senator Curry.

SENATOR CURRY: (9th)

Thank you, Mr. President. I will be brief. I wish only to respond to remarks of the two previous speakers remarks which I think were instructive and informed but from which I must personally dissent. A great deal has been said here about the idea that the proponents of this legislation may look upon landlords as evil, may look upon profits as evil or dirty, may look upon the opponents of this bill as being people who care little about the elderly or the poor. I am sure that I can speak for all the proponents of the bill when I say that all of us presumed, and the members of this circle on either side of this issue, an intense concern for the problems of older people and to the problems of the poor in this society.

Senator Post, my good friend to my left here in space,

as opposed to ideology (laughter).

SENATOR POST:

A point of order, Mr. president. I can't conceive of being to the left of Senator Curry, sir. I would ask that his remarks be stricken from the record. (Laughter)

THE PRESIDENT:

I didn't hear your point of order, Senator Post. Do you withdraw your point of order, Senator Post. Thank you, Senator Post. Senator Curry, you still have the floor.

SENATOR CURRY:

And yet, Mr. President, even this episode may underscore the charges I often have leveled against Mr. Post that his own arguments are more abstract than in the concrete since surely all of us here can observe that in reality he is, indeed, seated precisely to my left.

But I would just say, very briefly in response to cogent and persuasive points raised by Senator Post, which were nonetheless entirely in error. The first was that this bill would seek to engender a class warfare in this society. What this bill does is respond to the possibility of class warfare in the situation as it is left unappended. And what that phenomenon is clearly is the bitterness and chaos which results when a society is failing fairly to produce and distribute essential goods and services. In the housing market for the poor and the elderly in Connecticut, this society

has failed and continues to fail and may be predicted to fail in the provision of one of the most essential things that all human beings depend upon - adequate shelter. If we are, in fact, to avoid the very state of affairs to which Senator Post makes reference, then it is precisely incumbent upon the government to recognize that situation and to deal constructively with it. Senator Post, then, with equal eloquence refers to the question of freedom in this society and instructs us, as he has on so many previous occasions, upon his own perception of its essential erosion, and again this is a subject which concerns all of us equally and upon which each of us brings his or her respective convictions; I would just respond to that by saying that freedom for all of us is dependent upon, in the first, the obtainment of certain concrete needs and to argue for freedom in the abstract, when we are discussing people who have no practical choice as to whether or not they will be able to obtain the most essential things upon which a human being depends for his or her well-being, I think is to collide with the essential issue here. We have talked about government going too far. I would just point out in closing that this bill creates no great bureaucracy. What it does here is wrestle with an essential problem and that, I think, is what people require of us. They are tired of mere meddling. They are tired of our constant intervention after the fact in ways which are not essential and effective and successful in the deep, deep problems

which concern them. What they want is for us to demonstrate our ability and our willingness to go after the essential problems of this society and with some kind of innovation and some kind of courage in addressing them. And I think this bill does that. I will concede, as I am sure all of us will, that there are fundamental problems in this sector which this bill does not address and those problems are not likely to leave us soon. But among the practical options which we have before us, this, frankly, is as far as I could ever imagine seeing us go along the road of doing something as a state legislature to deal with those problems. What we are balancing here are the rights of landlords which have been talked about and explained very well and the needs of tenants. It's a delicate balance. I would commend Senator Leonhardt. In the two years I have been here, I have on very few occasions seen anyone work quite so hard on a piece of legislation, and I would suggest that this is a prudent and balanced reform which looks upon those needs and those rights and deals with them in a very responsible fashion.

THE PRESIDENT:

Senator Fauliso.

SENATOR FAULISO: (1st)

Mr. President, I support the amendment. Mr. President, I recognize that people have property rights. I

appreciate that we have freedom. Only a short time ago, we enacted a moratorium. Why did we do it? We did it because there is an emergency. The people who have come to the General Assembly, to all of the hearings, have expressed fear. Mr. President, I only have to go back to a report in The Hartford Courant, for the headline, "The Elderly Apartment Dwellers Urge Condominium Protection." "Who will take care of me, if I leave Milford," Ruth Bayline asked a General Assembly panel today. I lie awake at night wondering a praying.

This is typical what we heard in this General Assembly. I went downstairs in the function room of Commissioner Caldwell and heard the pleas of a number of people, people from the suburbs, people from the urban areas. And if one could only see these faces and the sincere urgings and pleadings and entreaties made by those people, we would respond.

Mr. President, I heard the argument that there is another defect. That we need more housing. There is no doubt that we do need more housing. And Mr. President, that takes money. And you cannot have it both ways. You cannot in one breath advocate spending cuts and then reject spending especially as it concerns housing. And we are caught in the same fix as all other states that have the same problem. The rush to conversion. And what do we do about it. So we did what was rational and sensible. We enacted a moratorium.

But that is only a measure to take care of the short-term proposition. Now we are asking or asked to do more. And Mr. President, one would only have to read the report of the Condominium Conversion on Interim Response. But even before I do that let me go back to that same story of The Courant where State Deputy Housing Commissioner Michael Sharp said last year's conversion ratein Connecticut was ten thousand units and is not expected to abate. So Mr. President, if that isn't an emergency or a crisis, then I don't know one that isn't. And then, what is the impact caused by the conversion. The impact of displacement of tenants. The destruction of neighborhoods. We impact a low moderate income family. We impact, according to Connecticut's Department on Aging, elderly tenants react with a sense of vulnerability, anxiety, insecurity and threat. So isn't it sensible that we, in the General Assembly, enact legislation to take care of a group of people, namely the elderly, the disadvantaged, the blind, the disabled. Isn't it sensible for us to protect them. Haven't we done that in the past in legislation that we have enacted. Mr. President, I think we are doing the right thing. I think those arguments that have been presented truly is representative of the broad brush approach. The reality is that we have a crisis. And in that crisis we must react to protect people. And these people are bing displaced and they are the victims of this condominium conversions. Mr. President,

I think this amendment that is being offered is the best remedy to take care of the situation. We do have a sunset provision. We don't know what the challenge will be. We don't know what the courts will say. But we have a responsibility to these people who are being victimized by the condominium conversion. And Mr. President, I think it would be irresponsible to turn our backs on the blind and the disadvantaged and the elderly. They look to us. We don't, I should say,they don't have lobbyists here. They have only the legislators, the people that they elected to protect them. That is why I support this amendment. And I hope that within our hearts we can find it, at least for a short term, until the sunset provision truly is operative, to take care of these people. To do nothing, means that we are leaving it to the free market where we do have and we all agree that there is a housing shortage. And there will be an opportunity to vote on another measure in which funding will be provided. Thank you, Mr. President.

THE PRESIDENT:

Will you remark further? Senator Mustone.

SENATOR MUSTONE: (13th)

Mr. President, I think when our senior citizens flocked to this great building and asked us to pass legislation on condominium conversions, it behooves us not to listen to them. I know there are thousands of people in this state presently who are undergoing condominium

conversions, who have had notices of intent given to them. I think we have got to provide some safety. We've got to provide some means so that they will not be turned away from their homes. They are living in fear and they have been victimized. The calvary ain't coming for them, ladies and gentlemen, and I think that this Senate, and this General Assembly have to come to their need. Thank you very much.

THE PRESIDENT:

Will you remark further on Sections 1 through 7. Senator Matthews.

SENATOR MATTHEWS: (26th)

Thank you, Mr. President. I think there is pretty clear consensus that we have our hearts in the right places in attempting to find a solution to an extremely complex problem. I personally believe that the answer to this, and you probably won't be surprised that my observation is that it comes through and with the full effort of the private enterprise system in cooperation with the government in a way in which we can really give help to the people who need help.

Let me identify one or two items quickly and then conclude with a quote. The landlords who own apartment houses or those people who may invest in apartment houses will not do so if they cannot be in a position to operate their enterprise on a reasonably free enterprise basis. If they can't raise rents because of other costs, they won't try to

build or continue to operate apartment houses. And this is the very thing that we don't want to happen. The South Bronx section of New York City is a prime example of this. We are all fully familiar with it. The people who own those apartments, apartment houses, were unable, in their eyes, to carry the expense or get the profit that they wanted, so they abandoned them. And that's exactly what is going to happen, in my estimation, if we go with the amendment as we find it written. I think that we have another item and that is that people who have apartments will not rent to people unless they are probably fifty-five or fifty-three or younger. Now you can say that's discrimination, and I understand that that is discrimination, but how in the world are we going to find out every single instance that comes along in that respect, and I think that you are asking the landlords of apartment houses to try to circumvent the very purposes we are trying to accommondate. We don't want to have those people say to a person who is sixty-one or sixty-two or sixty-four, some excuse so they don't rent to that person and rent to somebody much younger. This is exactly what we don't want to do. And I think when you push the free enterprise system into the corner, you are defeating the very purpose of the means of accommodating a way of finding a solution to the problem. I could go on as you well know on this free enterprise situation for a long time, but I want to

just conclude with one comment. Last year we set up a housing agency, and we appointed a man to run it, Mr. Canele. On Friday of last week, we renominated and reappointed him to that office. And if we, as a legislative body, believe that that man is the kind of a person in whom we place this responsibility, then I think we ought to listen to what he has to say. And this is what he has to say: With all due respect to government, the state's housing problems will never be solved by government. Private enterprise is going to have to solve them. They are the only ones big enough to be able to do it.

If we want to give this man the job, if we want to assign him the responsibility and reappoint him less than a week ago, he is telling us what we have to do. Free enterprise is the only answer to this problem. Thank you.

THE PRESIDENT:

Will you remark further? Senator Cunningham.

SENATOR CUNNINGHAM: (27th)

Mr. President, thank you. I would like to speak in support of the amendment. I do so not because I believe the amendment, even if passed, makes the bill palatable; simply that it makes it less unpalatable than the bill in its present form. I will support this amendment and I will support any amendment which I believe makes a bad bill less horendous. There are some good provisions in this amendment.

There are some which perhaps don't go far enough. But as I say, Mr. President, I would urge the members of this circle to support the amendment. Thank you.

THE PRESIDENT:

Will you remark further. Senator Knous.

SENATOR KNOUS: (33rd)

Thank you, Mr. President. Mr. President, very briefly, I again would like to commend Senator Leonhardt and all the other hard-working senators and other people who have worked on this particular bill. I think it is a compromise bill. I would like to see some of the sections modified, but it represents a true compromise and I certainly intend to support it.

My good colleague, Senator Matthews, did bring out a point I wish to address and that had to do with the fact that our Commissioner of Housing, Mr. Canele, did in fact appear before the Executive Nominations Committee recently, and during the questioning, although I don't have the testimony in front of me, the point was asked whether the condominium bill 290, would, in fact, be a worthwhile instrument for the State of Connecticut. And as I recall, Mr. Canele was generally supportive of the bill and I think the record should note that. Thank you, Mr. President.

THE PRESIDENT:

Will you remark further or are you ready to vote? Senator Cloud.

SENATOR CLOUD: (2nd)

Thank you, Mr. President. Mr. President, I rise to support this amendment and congratulate Senator Leonhardt for his dedication and hard work in trying to put what I describe is a compromise proposal for consideration before this body.

Just a couple of comments, I would like to say that I think it is important to be mindful, as Senator Matthews has indicated, of what our commissioner of housing, Joe Canele, has indicated with respect to the problems and how we go about dealing with housing problems in this state.

I also think that it is important, at the same time, to keep in mind that presently the problems that we face in the housing market today include the inability of the private market to increase rental housing supply and that the erosion of the present rental housing stock through conversion to condominiums as moderate rental income families who cannot afford single family homes protect themselves from inflation by buying condo units is a concern of Mr. Canele and he would agree that this is a problem that has reached such an emergency state to which government ought to respond. I believe that it is a mistake to suggest that and raise the fear that we will be creating a war, a class war between tenants, those who are protected under this piece of legislation and those who are not. It is clear to me that there are a number of segments of our

population that really ought to be protected under this law and to the extent that we have been able to receive support of this compromise proposal, I believe that a number of important segments of our population are, indeed, protected in different ways and different methods.

Let me comment upon the protection that we do attempt to provide for the elderly, the blind and the disabled. These are people with special problems. They represent a very important segment of our population and the protection that we are providing under this legislation really is no different from the kind of concern that we show when we attempt to deal with children as it relates to special education problems, or providing protection against discrimination on the basis of age, sex or race. I might add that we specifically in dealing with Senator Matthews' concern do have presently on the books of the State of Connecticut that there shall be no discrimination on the basis of age so that landlords do not have the ability to discriminate against someone on the basis of being sixty-two years of age. The issue of what we should be providing for low income family protection, particularly those low income families with children, it seems to me that we really ought to be providing the highest priority of protection for that segment of our population as we have with the elderly. But we try to put together a bill that represents a compromise and we attempt to provide the protection, it is

clear today that the people who would suffer the most would indeed be the elderly, the blind and the disabled. And so while low income families and families with children are, in fact, protected to a certain extent under this bill, the elderly and the blind and the disabled receive the highest form of protection. I think it is important to be mindful of the public interest that we are attempting to deal with in this particular piece of legislation, and it is stated so well, so clearly in the statement of need. It says that it is in the public interest to preserve a number of dwelling units as rentals for those persons who because of increasing age, infirmity or other functional limitations are least likely to be able to afford to purchase housing and are most susceptible to mental and physical health problems that may result from the trauma of being forced to search for housing in a market where the vacancy rate for residential rental units is approaching zero in many localities. For it is that public interest that we are trying to provide, by this amendment, and for those reasons, Mr. President, and members of the circle, I support the amendment.

THE PRESIDENT:

Will you remark further? Are you ready to vote on Senate A, Sections 1 through 7? Senator Leonhardt, for the second time.

SENATOR LEONHARDT:

Thank you, Mr. President. I will be very, very brief. I think all of us in the circle as we in good faith attempt to wrestle and share the problems of the State of Connecticut have certain observations, and I would like to very quickly respond to some of the points that have been raised. I know that the bonding sections have been separated out, but I would like to register agreement with Senator Prete about his remarks in terms of the long term nature of the problem. I would hope that he could still see his way towards voting for the first sections of the bill on the basis that we need a short term response to the immediate problem while the longer term provisions go into effect. You are dead right. That is the underlying problem. You are absolutely right. And if we don't address that we have failed. But that's not going to go in effect immediately. We need short term solutions to an immediate problem while the longer term solutions go into effect, in my personal judgment.

Responding to Senator Morano for a second. I don't see any extension in Connecticut to rent control beyond where we have gone because this bill will just tie into the Fair Rent Commissions which are already in effect. And so that I don't see any new extension into rent control. It is just tieing into preexisting machinery and not an extension in that regard.

Is Senator Post around? If Senator Post were here, I would ask him if he considered the bottle bill to be an infringement upon freedom that he has described so eloquently and whether environmental laws aren't, in effect, disrupting freedom of the market system to wreck our natural resources? I would ask him if security laws don't disrupt the freedom to cheat people in advertising and the sale of securities? I would ask him if, when we adopted statutes at the beginning of the century to protect small children working in sweat shops for long hours - oh, here is Senator Post, I am delighted.

Senator Post, through you, Mr. President.

THE PRESIDENT:

Senator Leonhardt, you have the floor.

SENATOR LEONHARDT:

Through you, Mr. President, I would like to ask Senator Post whether he considers the bottle bill to be an infringement upon freedoms in that it did change the freedom of the market system to wreck the natural resources of the State of Connecticut.

THE PRESIDENT:

Senator Post, if you care to respond.

SENATOR POST:

I would be so happy to respond. I can't believe that the question was asked. I am just so delighted. The answer

to that question is that what the bottle bill did was to get government out of the process. Instead of having government come along as maids to pick up everybody's litter and cart it around in trucks to various garbage dumps, it created a self-cleansing circle so that private enterprise and people could take care of their own mess. And it got rid of a very wasteful system that had a very large government involvemnt and as a result of the bottle bill government will be less involved. So I am very glad that you asked that question, and in my view, the bottle bill supports the private sector and gets government out of the business and I am glad we have it as a law in Connecticut and I hope we don't pass this one.

THE PRESIDENT:

Senator Leonhardt, you still have the floor.

SENATOR LEONHARDT:

In deference to some members of the Senate, who I know have schedules, I don't think we want to get into an extensive or extended debate on the bottle bill, so I think I will let it go at that except to say that it did put limitations on the private sector in terms of its freedom to deal with bottles.

And finally, just to respond to Senator Matthews that rent increases are allowed in this bill. I don't see the situation where weare taking property. I think there

was some illusion to freezing rent and so forth. I think that rent increases are properly allowed. So in these remarks I have tried to respond to some of the points that have been made around the circle. And I earnestly hope that I have your support for this amendment.

THE PRESIDENT:

Will you remark further? Senator Ciarlone.

SENATOR CIARLONE: (11th)

Thank you, Mr. President. Before we take a vote, I do want to make a few comments. I listened to the debate here very closely this afternoon. I will probably support the bill, but maybe the people that members of the circle are talking about, when they talk about elderly and disabled people, are different from the people that I see in New Haven. There is no question we need some condominium legislation, but as I hear the debate here today that this bill is going to be a panacea for the housing that is required for the elderly and disabled, is not what I hear from the people in New Haven. We talk about low income elderly. This bill is not going to address that group of people. The low income in New Haven, where we have our problems, are those people who require, who come from low income housing units. What is required there is the type ofhousing where it is subsidized by government. So this condominium legislation, though I am sure is needed, I have some reservations about it, and I don't think anyone should

dilude themselves here in thinking that this legislation will make more housing available for those low income elderly who are sixty-two years and over. So I would make those comments, Mr. President.

THE PRESIDENT:

Will you remark further or are you ready to vote? Would you please announce an immediate roll call in the Senate.

THE CLERK:

An immediate roll call has been called for in the Senate. Will all senators please be seated. An immediate roll call has been called for in the Senate. Will all senators take their seats.

THE PRESIDENT:

We are on Senate Amendment Schedule A, Sections 1 through 7, as the question was divided. You are voting on Sections 1 through seven at this time; on Senate A, the machine is open. Have all senators voted? The machine is closed. The Clerk will take a tally.

The vote on Sections 1 through 7 is 26 Yea - 10 Nay. THAT PART OF SENATE AMENDMENT SCHEDULE A IS ADOPTED.

THE PRESIDENT:

We are still on Senate Amendment Schedule A, second half of the question, second part of the question, Sections, 8, 9 and 10. At this point in time, they are subject for discussion.

SENATOR BECK: (29th)

Mr. President, I move that this be referred to the Finance Committee. Quoting from our rules on Standing Committees, the Committee on Finance, Revenue and Bonding shall have cognizance of all matters relating to the finance, revenue and capital bonding and taxation. This so refers and has not been voted upon by the Finance Committee.

THE PRESIDENT:

What sections are you quoting, Senator Beck?

SENATOR BECK:

3F, Mr. President. Page 189 of our Joint Rules.

THE PRESIDENT:

The Chair is prepared to rule. Having discussed the matter with the proponent of sending the item to the Committee on Finance, Revenue and Bonding and the opponent, and having read on Page 189, subsection (f), if, in fact, this particular motion to Refer to Finance was made at this point in time, it would be the Chair's interpretation that all matters, all amendments, carrying any fiscal note would have to be referred, such as matters on the appropriations act after deadlines, matters on the bond package after the deadlines, matters on tax matters after deadlines, which, in fact, would be absolutely and totally impractical and impossible. So, therefore, and I understand also that the Committee on Finance did consider this at one point in

time, as part of its deliberations, so, therefore, the Chair rules that this section does not have to be and should not be referred to the Committee on Finance at this point in time. Senator Beck.

SENATOR BECK:

Thank you, Mr. President. I would like to raise a point of order, namely that this bill does not contain a fiscal note. And perhaps inquire where it is.

THE PRESIDENT:

What sections are you quoting, Senator Beck?

SENATOR BECK:

Section 9 on Page 202 of our Joint Rules.

THE PRESIDENT:

The question, the Chair feels the question of fiscal note is absolutely proper to be raised by the chairman of the Committee on Finance, and does the proponent of the amendment, this section of the amendment, have a printed fiscal note? Senator Leonhardt.

SENATOR LEONHARDT: (5th)

Mr. President, the amendment itself is the fiscal note because on line 154, it says in the aggregate ten million dollars. It is very specific about the fiscal impact on the State of Connecticut and the amendment itself is a fiscal note.

THE PRESIDENT:

Senator Leonhardt, your example that you are citing

the Chair agrees that it does state an aggregate of ten million dollars in line 154, but the procedure of both houses of the chamber has been fiscal notes are issued and authorized only by the Office of Legislative Research Fiscal Analysis. We do not have a fiscal note from Fiscal Analysis. And you should have a fiscal note on this section of the amendment that we are under discussion.

SENATOR LEONHARDT:

Mr. President, I would like to move that we P.T. the measure just for a few minutes and we will have a fiscal note hopefully in the room within a very brief period of time, within that fifteen or twenty minutes.

THE PRESIDENT:

Senator Beck, do you care to... Senator DePiano.

SENATOR DEPIANO: (23rd)

Mr. President, it is my understanding that this is just a warmup for the leghold trap that is coming next week. (Laughter)

THE PRESIDENT:

That is the trap you got your foot caught in, Senator? (More laughter, as Senator DePiano is limping around with a hurt foot.)

SENATOR DEPIANO:

I see that Senator Fauliso has been talking to you. He has been spreading that rumor.

THE PRESIDENT:

A lot of people have been talking to me. Senator Beck.

SENATOR BECK:

Mr. President, I wonder if you could clarify a point for us at this point. When the fiscal note arrives, if it shows that there will be an expenditure of money for bonding, would we then, ah, would you then rule on our request that it be sent back to Finance.

THE PRESIDENT:

No, Senator, I have already made that ruling that it had been considered by Finance. The amendment was properly before us, but also under the rules a fiscal note is a necessity if someone questions the necessity of a fiscal note on an amendment. So that's where we are at.

SENATOR BECK:

Mr. President, without setting a precedent here. I don't want to presume too much. I would be willing to withdraw the motion, ah, the request on this because I think at this point, it is dilatory and I think we should proceed with the vote on the amendment itself since there will be no further action in any case except to vote.

THE PRESIDENT:

Senator, I think the entire circle and certainly the Chair appreciates your consideration. Senator Beck.

SENATOR BECK:

Thank you, mr. President. If we can presume that is withdrawn and we could ask for a vote on the bill by roll call, I would appreciate being able to comment very briefly.

THE PRESIDENT:

We are discussing Sections 8, 9 and 10, and the Chair recognizes Senator Beck.

SENATOR BECK: (29th)

Mr. President, the purpose of myself, as chairman of the finance committee, opposing this and some members of the committee here is that this year we have provided a total amount of bonding of eight-seven million eight hundred forty thousand dollars (87,840,000). The addition of this ten million dollars to that eighty-seven million would raise the bond package by twelve percent for one single item. We would note for contrast that for the Department of Youth and Children Services, for children, we only provide two hundred and fifty-seven thousand dollars. That's only a quarter - ah, two hundred and fifty-seven million - that's only a quarter of abillion dollars and at the same time, the Department of Environmental Protection, only eight hundred. The point of what I am trying to make here, ah, the point I am trying to make here, Mr. President, is that we are providing virtually no funds for some major departments. We have done this because we have felt the

obligation to keep the bond package to a minimum and we have been doing this for the last six years. I would point out, Mr. President, that in an election year, the General Assembly tends to spend more on bonding than in nonelection years and we were particularly worried about what would happen this year. And I would note for the record that we have been able to pull down the annual bonding package from a time in 1972, when we were spending five hundred million, to a time last year when we spent thirty-eight million. Now we already more than doubled our authorization over last year.

I would further point out, Mr. President, that we provide thirteen million additional funding for moderate rental, elderly and for moderate income housing, rehabilitation, and that that thirteen million is certainly going to be adding to our housing stock.

Finally, Mr. President, I would note that the additional funds are going to be added to the required amortization of the bond package which will increase the appropriations side and could well ultimately increase taxes most especially because the bond market at this point in time is very tight. We are strongly considering cutting back on our bonding on a semiannual basis and the interest cost has skyrocketed.

For all of these reasons, Mr. President, I would urge the members of the circle to vote NO.

THE PRESIDENT:

Will you remark further? Senator Cloud, on Sections 8, 9 and 10.

SENATOR CLOUD: (2nd)

Thank you, Mr. President. Mr. President, I rise to support the latter sections of the bill dealing with the bonding provision and I rise in support of this aspect of the bill being mindful of the outstanding job that my colleague, Senator Beck, has always done on the Finance Committee and particularly in terms of her commitment for housing.

However, in terms of what we are faced with today I believe that it is important for you, Mr. President, members of the circle, to understand why an additional ten million dollars is, in fact, being suggested here to help meet this emergency crisis in housing. It is clear that this housing crisis particularly as it is impacted by the condominium conversions process that is taking place in the State of Connecticut can only be solved by the production of additional housing units and in particular the production of additional housing rental units. No amount of control to help slowdown the process of condominium conversion, no amount of protection for the elderly, disabled and the blind is going to be able to deal with the long-term solution of this problem. Let us examine why we need this money. Senator Beck has provided an explanation of what the Finance

Committee has done. Let me expand upon that explanation. One, the Finance Committee produced a package of sixteen millions of dollars for housing in this state for the next fiscal year. It should be clearly understood by the members of the circle that out of that sixteen million dollar package, three million dollars are allocated for additional costs for rental housing for the elderly, meaning that the money that is provided for that kind of housing really is for cost overruns. And that three million dollars is not going to produce any additional units. If we calculated out and assumed that the full package of sixteen million dollars were going to produce additional units knowing and understanding that in today's construction market, we are talking about the cost per unit being anywhere from twenty-eight thousand dollars per unit to forty thousand dollars per unit, depending on the kind of unit you are talking about, whether it be for elderly which would be at the lower end of the construction cost scale or units for family housing. We take an average cost of thirty-five thousand dollars per unit and allocate among that thirty-five thousand dollars per unit the sixteen million dollars bonding package, the State of Connecticut in the next fiscal year would only be able to produce an additional five hundred units of housing. If we more accurately projected the number of units that would be produced as additional units, we would have to take out

of consideration that three million dollars that has been allocated for additional cost overruns. And therefore, if you calculate thirty-five thousand dollars per unit with the thirteen million dollars net that is allocated for new additional units, we would be able to produce approximately four hundred new additional housing units in the State of Connecticut. So in a sense what we have in terms of net production of housing within the package that the Finance Committee has brought out of committee is an additional four hundred new units of housing to meet this housing crisis. And I suggest to you, Mr. President, and members of this circle that it, indeed, would be a farce for us to tell the public, to tell the elderly and the disabled, to tell the poor and low and moderate income families of this state that we have dealt with the condominium conversion crisis in this state simply by providing additional protections, when, in fact, the real solution to this problem is for the State of Connecticut to make a commitment to provide additional dollars to provide additional housing units in this state. And I suggest to you that the amount of units as allocated by the Finance Committee, which would produce an additional four hundred units, would in no way even be considered to be a good faith effort to address this crisis in housing as we have described it in this piece of legislation. In fact, the ten million dollars that we have added to this bonding program will only produce

an additional three hundred units on top of the four hundred units as has been produced by the Finance Committee; for a total of seven hundred additional units that, while allocated and is authorized for next year, will probably not get even into production in the next fiscal year. Probably will not get into production by the time that this piece of legislation if it should be adopted by this chamber and the House of Representatives by the sunset provision that is set forth in this piece of legislation. So all we have by a possibility of attempting to deal with the housing crisis that we have described in this bill is an additional seven hundred units for all kinds of housing supported by the State of Connecticut. And I think that with all due respect to the work of the Finance Committee with all due respect to my dear colleague, Senator Beck, I believe that the ten million dollar additional allocation is but a pittance to attempt to solve the housing crisis that we have here in the State of Connecticut. And I believe that if, in fact, the State of Connecticut is going to be able to tell the public of Connecticut that we, as members of this State Senate, have attempted in good faith to solve the housing crisis, then we ought least be prepared to provide an additional ten million dollars of bonding for this piece of legislation.

THE PRESIDENT:

Will you remark further or are you ready to vote? Senator Ballen.

SENATOR BALLEN: (28th)

Thank you, Mr. President. I rise to speak in opposition to the second half of this amendment. As a matter of fact, I thought that the main purpose of this entire bill

THE PRESIDENT:

Senator Leonhardt, for what purpose do you stand?

SENATOR LEONHARDT:

It has been brought to my attention that one of our distinguished colleagues has an urgent matter, personal business, that he would like to attend to which involves his family and in view of that I think that it would be best procedure for the whole Senate would be to P.R. the bill at this stage so that he could attend to his personal business.

SENATOR RUGGIERO: (30th)

Point of order, Mr. President.

THE PRESIDENT:

Just a moment, sir, you do not raise a point of order Senator Leonhardt because that point of order is not to P.R. a separate motion as to pass an item retaining its place on the Calendar. As long as you did not rise for a particular point of order or a motion for adjournment or some such motion that takes precedence over a pass retaining, Senator

Ballen still has the floor unless he wishes to relinquish the floor to you. Senator Ballen has the floor.

SENATOR BALLEN: (28th)

Mr. President, I will only be another minute or two, if there is not going to be any other speakers, we could finish it. I will leave it entirely up to the Chair.

THE PRESIDENT:

Senator Ballen, you have the floor.

SENATOR BALLEN:

Well, I will just finish my comments. I thought that the main intent of this legislation was to protect people who are renting apartments at the present time. People who are elderly and cannot afford to purchase, if, in fact, the building was converted to condominiums; and now we find a ten million dollar addition to the original bill. I just think it is incredible. It is unrealistic. And I think the entire thrust of the main purpose of the legislation will be endangered and put in jeopardy if we go along with the second half of this bill, the proposed amendment. For those reasons, Mr. President, I would oppose it.

THE PRESIDENT:

Will you remark further on Sections 8, 9 and 10 or are you ready to vote? Are you ready to vote? Hearing no further remarks, the machine is open.

THE CLERK:

An immediate roll call has been called for in the Senate. Will all senators please take their seats. An immediate roll call has been called for in the Senate. Will all senators please be seated.

THE PRESIDENT:

Have all senators voted? The machine is closed. The Clerk will take a tally.

The machine is closed. Senator Murphy, how do you wish tobe recorded?

SENATOR MURPHY: (19th)

In the negative, Mr. President.

THE PRESIDENT:

In the negative. The Clerk will so note. Senator Casey wishes to vote in the affirmative. Senator Murphy in the negative.

The vote is 15 Yea - 21 Nay. SECTIONS 8, 9, and 10 FAIL.

THE PRESIDENT:

Senator Lieberman.

SENATOR LIEBERMAN: (10th)

Mr. President, I move that we Pass Retain this matter until tomorrow.

THE PRESIDENT:

That motion is in proper order at this time. Any objections to Pass Retaining the item. Hearing none, it is so ordered.

THE CHAIR:

Is there objection to passing this item retaining its place? Hearing none, it is so ordered. The item is passed retaining its place. Proceed with the call of the Calendar please.

THE CLERK:

The Clerk is prepared to move with the Calendar, on page 7, Calendar 261, File 302, Substitute for Senate Bill 290, AN ACT CONCERNING CONDOMINIUM CONVERSATIONS AND THE ENCOURAGEMENT OF NEW RENTAL HOUSING, as amended by Senate Amendment, Schedule A, Sections 1-7 approved; Sections 8-10 rejected, with a Favorable Report of the Committee on the Judiciary and the Clerk has several Amendments.

THE CHAIR:

A motion is in order at this time to move the Bill, as amended by Sections 1-7 of Senate Amendment, Schedule A of yesterday. Senator Leonhardt.

SENATOR LEONHARDT:

Mr. President, are you simply asking for a motion to move the Bill?

THE CHAIR:

Right.

SENATOR LEONHARDT:

I so move, Mr. President.

THE CHAIR:

Thank you Senator. The item is properly before us.

THE CLERK:

The Clerk has Senate Amendment, Schedule B, LCO 3165, copies have been distributed, offered by Senator Barry.

THE CHAIR:

Senator Barry.

SENATOR BARRY:

Mr. President, to be very brief, with respect to LCO 3165, it does two things--

THE CHAIR:

Are you requesting the waiving of the reading, Senator?

SENATOR BARRY:

I would request that the reading of the Amendment be waived.

THE CHAIR:

Is there objection? Hearing none, proceed with the adoption.

SENATOR BARRY:

Thank you Mr. President. The first thing this Amendment would do Mr. President, is to delete the Amendment offered by Senator Leonhardt under the name of Senator Fauliso yesterday, which was passed. It would delete that Amendment in its entirety and it would vest in the communities of this State, the total authority to regulate by ordinance, the matter of the conversion of condominiums.

The second thing that it would do is, while making this law, should it pass, become effective immediately, it would extend to October 1, 1980 a moratorium on condominium conversion or the requirements in the so-called moratorium, that we passed during the energy session, so-called, of 1979 and that we earlier in this year, under Public Act 80-9, extended to May 7 of 1980. The reason for the extension of the moratorium is of course, to give those towns who wish to do so, the opportunity to pass ordinances pursuant to this legislation.

Mr. President, I sat through the debate yesterday and frankly theres very little that I can disagree with. There is a housing crisis in the State of Connecticut. It all depends

on how you look at whether or not the Amendment that passed yesterday addresses that problem in any substantive way and whether or not there's a better way. One of the things that I did not hear yesterday is that the housing problem in Connecticut is not limited to people who are 62 and older or people who are handicapped or blind or people who earn less than $21,000 or $25,000. Mr. President, there is a serious housing problem for young people in this state as well. There's a serious problem of young couples being able to raise enough money to buy a home and in some areas of this State, Mr. President, condominium development and conversion addresses that problem.

And I would say to you Mr. President, and to the other members of the Circle, that we are not here necessarily in the best position to know, what the situation is in each of the 169 towns in Connecticut and to address the very varied problems that exist in our towns. Who better knows the number of apartment complexes within its borders than the legislative leaders of those communities? And who will better hear from the people in apartment complexes, young and old, rich and poor, who will better hear from the tenants, who will

better hear more for forcefully from the developers, from the bankers and from the people who make things go in the housing industry and the people in need of housing in all categories than at the local level? I believe after looking at this legislation, after thinking about this problem for many months and looking into it, that people will express their needs far better at the Town Hall than at the State Capitol. And that towns will be responsive. In my town of Manchester, some weeks ago, a commission was put together, a committee made up of people from all social and economic strata, bankers, attorneys, tenants, tenants rights people, landowners and others, to try to get a handle on the pulse of the community and try to come up with regulations to address this problem.

Mr. President, they don't know where to go at this point because the law as it now stands, makes it very questionable that a community can really do anything to get at the problem. And I think we should do it and I think that towns where this is needed will form such committees, will have hearings before it, because there's a need in a great many towns and people who occupy these apartments that are under the gun to be con-

verted will come to their councilmen, will come to their first selectmen, will come to their town managers and their mayors and will make their feelings very clearly known as to what they need and that those communities will respond. I think that all we are doing here, with all due respect to the very substantial and thoughtful work down by others and in particular my friend Senator Leonhardt, is to assume that the situation is the same in each of our communities. I don't believe that it is and I think that it can far better be done by the people whoknow best their own problems and who will hear most forcefully and directly from the people are affected.

And so Mr. PRESident, for those reasons, I would move adoption of this Amendment. Thank you Mr. President.

THE CHAIR:

You're welcome, Senator. Will you remark further on Senate Amendment, Schedule B. Senator Cunningham.

SENATOR CUNNINGHAM:

Thank you Mr. President. Mr. President, I rise in opposition to this Amendment. I do believe that we should solve problems on the lowest possible governmental level, even

more so,preferably, on the level of individuals. I also could say that it would be very popular in my district to support this Amendment. We have a local board which presently is in the process of trying to adopt such regulations. As I say, it would be popular. Mr. President, it was also popular to adopt the Missouri Compromise. I do not believe we should have a difference in the basic nature of property rights between Hartford and between Stamford or varying between any communities in this State.

We're dealing with a subject which goes to the heart of our basic property rights which are stated to be preserved in our Connecticut State Constitution. I do not believe it is proper to delegate this to the municipality. It is something, which, if it is to be dealt with, must be dealt with here in the State Capitol. As I say Mr. President, it is in a sense reluctantly, because I know that the popular thing would be to back this Amendment. But I do not believe it would be right and I will not support it. Thank you.

THE CHAIR:

You're welcome Senator. Will you remark further? Senator Morano.

SENATOR MORANO:

Mr. President, I'd like to commend Senator Barry for sharing his wisdom with us. Once again he's come forth with an idea that I think hits the nail right on top of the head. A year ago, when I spoke of the plight of the apartment speculators converting to condominiums, some people here probably couldn't spell the word condominium. They never heard of it. When I introduced the coin word which I must admit came from Chicago, condomania, everything said Senator, why don't you take care of your own problem in Greenwich, why bring it up here? Well, since that time, we've learned that Greenwich does not have a patent on this problem; that it doesspring up in many parts of our State. I will say in some of the smaller towns, it does not. I think it does belong at home. At this very moment, the speculative apartment owners in Greenwich are increasing their rents 40 percent and if we have this vehicle, the legislation before us that is suggested by Senator Barry, we could do something about it immediately and, while I share a part of the Stamford; the City of Stamford, if Senator Cunningham chooses not to do anything about it, although he admits it's very popular, I will say, forthe City of Stamford, that they do need this kind of legislation. The Speaker of the House, Ernest Abate is very

interested in this problem in Stamford and so am I, and for that reason, I support the Amendment of Senator Barry.

THE CHAIR:

Will you remark further? Senator Cunningham for the second time.

SENATOR CUNNINGHAM:

Mr. President, I'm afraid that Senator Morano does not realize that I share equally, in the belief that there is a problem and I share as much as he does, the belief that we want to see such a problem solved. But the problem, Mr. President, is a question of the availability of housing and that problem will not be solved actually in these halls in the legislature and much less will it be solved in the chambers of our town halls. That problem will be solved when our interest rates at the national level are back down to a much more reasonable level and we will be producing the additional housing which our people need.

So long as that's the problem, nothing we do here will solve it; not one bit. Mr. President, Senator Barry indicated something which really troubled me and that is that in fact the politicians at the local level will listen to all the renters, fine. They will do so and what I greatly fear is that in communities where there is the highest level of renters, they

will act in a fashion which is popular, but they will act equally in a fashion which is greatly detrimental to the long term housing interests of those communities. Mr. President, I would submit that all the legislation we're dealing with here is in the long run detrimental and counter productive to that very thing we are trying to help solve. We are trying to help bring about a situation where people will have housing. What we are doing is discussing legislation which, if adopted, will mean that we will not be producing more rental housing in Connecticut, not just not today, not just not next year, but in the many years ahead.

We will be creating a housing shortage which will be of extreme detriment to the people of our state. What may be popular in the short run, may be popular today, or might be popular in an Amendment such as this one, may in the course of the years ahead, be the greatest error which this General Assembly has committed. I fear, Mr. President, that this Amendment instead of helping cities such as Hartford and New Haven, will lead to their very downfall. It is not because I don't like the cities. It is because I do Mr. President, that I oppose this Amendment. Thank you.

THE CHAIR:

You're welcome. Will you remark further? Senator Schneller.

SENATOR SCHNELLER:

Mr. President, through you, a question to Senator Barry.

THE CHAIR:

Proceed.

SENATOR SCHNELLER:

Senator Barry, if this Amendment were to be adopted, and enacted into law, would this permit a city or town to pass an ordinance placing a complete moratorium on any condominium conversions?

THE CHAIR:

Senator Barry if you care to respond.

SENATOR BARRY:

Mr. President, through you, this authority in section 1, would allow any municipality to pass any ordinance that it wanted to that was not unconstitutional. Now, whether or not such a moratorium would be declared unconstitutional is something that I'm not prepared to answer, but all this Amendment allows them to do is to do anything that is lawful and legal

any state law not to the contrary, but to the contrary notwithstanding. It does not allow them to do anything that would be violative of due process, to be violative of Constitutional rights relative to land ownership. So I don't see that it affects that at all.

THE CHAIR:

Senator Schneller, you have the floor.

SENATOR SCHNELLER:

Yes Mr. President, through you to Senator Barry, if enactment of this Amendment would allow a town or city to enact an ordinance placing a moratorium on any further condominiums or conversions to condominiums in your opinion, would this be a Constitutional act?

THE CHAIR:

Senator Barry, if you care to respond.

SENATOR BARRY:

Mr. President, I do not know all the case law on the very few moratorium cases around the country. I have heard that they've gone both ways. Until this is defined concretely by the courts, I'm not prepared to say whether a local ordinance

banning condominiums would be constitutional or unconstitutional. And I'm not going to venture an off the top of my head legal opinion on that. But I am saying, Mr. President, through you to Senator Schneller, that there appears to be very shakey grounds on which communities can do anything today because I think that the state has pre-empted the field and this would put that field back in the hands of the communities.

If the Town of Essex, for example, passed a moratorium ordinance, I can only assume that some developer in the Town of Essex would go to court and find out whether or not his very basic fundamental property rights, as enjoyed under the Constitution, have been violated and that's going to take two or three years. If we go with the Amendment that was passed yesterday, that's going to be fazed out by then anyway. So I think we ought to let it be tested in the court.

THE CHAIR:

Senator Schneller, you still have the floor.

SENATOR SCHNELLER:

Yes, Mr. President. If it is at all the intent of this General Assembly to provide some measure of protection to any class of people that might be adversely affected by a condominium

conversion or the establishment of a condominium from a rental property, then I think adoption of this Amendment would allow any town or city to totally eliminate that protection and therefore, while I have always been a strong advocate and proponent of local control, local decision making, I think this is an issue that should be dealt with on the state level and therefore, I'm going to oppose this Amendment.

THE CHAIR:

Will you remark further? Senator Leonhardt.

SENATOR LEONHARDT:

Thank you very much Mr. President. I'd like to commend Senator Schneller who I think in his dialogue with Senator Barry, has really gone to the essence of what this Amendment would do and in bringing out the problems and the fatal defects of the Amendment in a very effective way. I think this Amendment has a sort of an allure on the surface to all of us who live in New England with the tradition of home rule in municipalities; we like the idea of each town ordering its own affairs, but actually this Amendment would be a sort of a Trojan

horse that would allow, through the word restricts, on line 24 of the Amendment, it would allow each municipality in the State of Connecticut, to adopt total moratoriums on the conversion of any apartment buildings to condominiums. Anybody who might have been concerned about yesterday's Bill, in the Amendment, where we carved out a small, limited, carefully, well defined, protected class of people who we were going to protect from condominium conversion, I would say this Amendment would make your hair stand on end because this Amendment opens up the possibility for everyone to be a protected class; to have a total moratorium against any condominium conversion where all tenants would be in a protected class. The landlord could not evict anybody and there would be really a total taking of the landlord's property.

I think yesterday we had a balanced and tailored approach and this Amendment, I would have to characterize as a meat ax approach. Yesterday's Bill, by the way, does make it very clear if I may, contrary to Senator Barry's assertion, that the State is pre-empting the field in the area of condominium conversion. My friend Senator Barry spoke ofhis concern about young couples and poor not having housing in the State of Connecticut, but I have to note that he and some of his colleagues voted against the

bonding provision yesterday that would have made that type of housing available on a more general basis.

This Amendment, if it's adopted, will allow for unconstitutional moratoriums on the local level. This is an issue that has been litigated. In the case of Chicago Real Estate Board, Inc., vs. the City of Chicago, a moratorium for a mere 40 days, just a 40 day moratorium, was held to be unconstitutional; a moratorium statute in the District of Columbia was held to be unconstitutional. I heard Senator Barry assert that he had heard that rulings and jurisdictions on moratorium statutes had gone both ways. If I could, Mr. President, through the Chair, ask Senator Barry, in which jurisdiction has a moratorium statute been upheld?

THE CHAIR:

Senator Barry, if you care to respond.

SENATOR BARRY:

Mr. President, I cannot cite any particular case that a moratorium has been held Constitutional and I would hope that such a moratorium would not be Constitutional and I would say further, that those cases that have been cited here by Senator Leonhardt and Senator Schneller's opinion about such an ordinance, would certainly impede the communities of this

state from passing such an ordinance. Very probably in the State of Connecticut it would be held unconstitutional. It would be held improper. Now, are we going to stand here and fight or argue and try to sell a point of view that says that towns are deliberately going to go out and pass ordinances that are unconstitutional? Is that what we try to do here? I have more respect, Mr. President, for the intelligence of the members of this body than to stand up here and to say that we're going to give free license to people to pass unconstitutional ordinances.

The restrictions on what you can do, on real estate, are very clear in some areas. I say that it isn't all that clear in Connecticut because condominiums are a relatively new concept and the body of law is very small. I don't pretend to be a legal expert on the question of constitutionality of condominiums. When we get to my field, I'll talk and I'll cite cases and I don't presume to be a Constitutional lawyer on real estate, but I'll tell you this, Mr. President, that if these are unconstitutional, such moratoria on condominiums, and I would be willing to guess that they may well be. That you're not going to see a big rush among the various councilmen and selectmen of this state to do something that they know or that they know the odds are is unconstitutional; that they're

not going to say to the elderly of this state, in some kind of a cheap political manuveur, that they're doing something for them when they know that some developer who can hire the best counsel in town is going to get it struck down. I have more faith in the mayors and the town managers and the council men and women of this state, I think, than some of my colleagues. Thank you Mr. President.

THE CHAIR:

You're welcome Senator. Senator Leonhardt, you still have the floor.

SENATOR LEONHARDT:

Thank you very much Mr. President. Reading rhe newspapers of the State during the period before we enacted the moratorium in the special energy session, I had the very distinct impression that many times were already on the edge of adopting moratoriums; that it was under serious consideration. I had the impression reading the newspaper accounts in the town of Hartford and the town of Glastonbury, just in the Greater Hartford area, these statutes were under careful consideration at a time when it was already quite unclear whether the municipalities had

any authority to go into this field when it seemed that the state had pre-empted the field and the municipalities didn't have authority, even at that time, the municipalities seemed very eager to go into the field.

Another problem if we adopted this is what we would have, members of the Circle, is litigation for the various ordinances of each of the 169 towns that were adopted to deal with the moratorium field. In other words, each of the 169 towns or up to as many as 169 would adopt some sort of ordinance in the moratorium field, each ordinance would have to be tested individually in court, to see if the various constraints on private property rights were held Constitutional muster or not. I'd just suggest that that process alone would create a terrible hodge podge in the courts and a clogging of the courts. It's a much more orderly approach to deal with it at the state-wide level,in addition to the Constitutional infirmities that I've already described. And going beyond Constitutional infirmities, I would like to speak about social policies and what I would consider to be opening the door to poor social policy if this Amendment is adopted. Because if local municipalities are allowed to put such restraints on the

conversion of condominiums, I think what we will do is simply promote the abandonment of housing in the State of Connecticut. We already have several thousand units abandoned in the city of Hartford just in the last year. So, to put more of these restraints on, and move away from the carefully tailored, limited restraints that we adopted yesterday, allowing the municipalities to put a broad range of restraints on, and you're going to promote abandonment of housing.

The other thing that you will do by giving it to municipalities is that you will allow the condominium statutes to be used in suburban towns for exclusionary purposes in much the same manner as zoning has in many instances. You will be setting up barriers in suburban towns so that the condominium device will be used to keep poor people out of the suburbs and in that sense it would be a further negative impact if this Amendment is adopted. It's a meat ax approach and I think it opens the door to much greater restrictions on landlord's rights than the Amendment we adopted yesterday and I hope that every member of the Circle will join me in rejecting the Amendment.

THE CHAIR:

Will you remark further on Senate B? Senator Johnson.

SENATOR JOHNSON:

Mr. President, I rise in support of Senator Barry's Amendment and I hope everyone in the Circle will give it very careful consideration. Under the home rule laws of the State of Connecticut, a town or municipality has no power unless it has been specifically delegated. Senator Barry's Amendment would specifically delegate these powers to our municipalities and towns.

This would enable those towns and municipalities to meet in a precise way, local needs. As important, probably more important, it will allow those same towns and municipalities to adjust in a precise fashion to those changing needs. I believe that is a critical point here. The problem that we're facing now is not the problems that we're going to face necessarily in six months or twelve months or eighteen months or two years or four years and it is the mechanism of a local ordinance is simply a more sensitive governing mechanism that a state statute and I believe in this area we need to employ the most sensitive instrument that we have at our disposal.

I believe that my colleague's comment about Constitutionality and setting forth the 169 ordinances clogging the courts is greatly overdrawing the problem. I have much more faith in

our local governments than to assume that they will rush in and write unconstitutional ordinances. Furthermore, there are municipalities and towns in this state that have no need of an ordinance and will not write any ordinance. It will only take one ordinance to be tried in court that completely bans conversions for that test case to be a signal to other towns. So the kind of dramatic reaction that has been described, I do not believe is realistic.

In addition, I call your attention to the portion of the Amendment that we have adopted yesterday which I voted for, incidentally--I felt it was considerably better than the file copy. I consider Senator Barry's Amendment considerably superior to the approach of State statutes in this area. I call your attention in the Amendment we adopted yesterday, to the whole issue of income levels. Who will that protect in Fairfield County? Who will that protect out in Eastern Connecticut? Aren't the needs of Eastern Connecticut in terms of eligible income protection different needs than the needs of Fairfield County? I don't see how you can dispute that point and I don't think that up here we are doing what we are pretending to do in that section. We are not protecting people

in the way that they should be protected because it has no relevance to the variation of local need in the State of Connecticut. So I would urge your adoption of Senator Barry's Amendment. I believe home rule in Connecticut has proven its ability to regulate our lives, especially in such sensitive and changing areas as this.

THE CHAIR:

Will you remark further? Senator Ballen.

SENATOR BALLEN:

Thank you Mr. President. I rise to support Senator Barry's Amendment. I think Senator Barry has done it once again. He's come out with not only the easiest and the simplest way out but probably the best. I recall discussing this Bill yesterday for several hours and I'm sure if we do not accept Senator Barry's Amendment, we're going to discuss it for several more hours today. There are numerous Amendments that are going to follow unless this one is passed and I think when all is said and done, we are going to come out with a much inferior Bill than what Senator Barry's Amendment will result in. Senator Barry's Amendment puts this problem just where it belongs, right at the local level and I believe that the

selectmen and the zoning boards in each and every town are closer to the problem than we are here. They know what's good for their towns and I'm certain that they will pass better laws for each individual town than we can on a state-wide level. Senator Johnson hit upon some of the points. Yesterday there was an Amendment that would exempt people if they made over $20,000. I believe adjusted gross income. A great number of Senators thought that that was a tremendously high figure. I'm sure Senator Morano, Senator Matthews and myself thought that that was a very modest figure indeed, because people in Fairfield County perhaps do have more money to spend on housing and they need a higher figure to protect them from condominium conversion and I'm sure that if we leave it up to the local towns they will get what they are entitled to. They will have a much higher exemption figure.

I feel that the best laws are made by the people closest to the problem and in this case, that would certainly be your local zoning boards, your local selectmen, your locally elected representative town meetings or boards of aldermen or however the local government is constituted. I strongly feel, Mr.

President and members of the Circle, that Senator Barry has really made a very difficult problem quite simple and has come up with the best possible solution and I urge its adoption by the members of the Circle. Thank you sir.

THE CHAIR:

You're welcome Senator. Will you remark further? Senator Fauliso.

SENATOR FAULISO:

Mr. President, I oppose the Amendment. I have the highest regard for my colleague, Senator Barry. I think he's sincere. I think he has good intentions and good motives. I think Mr. President, it's the wrong approach and I think it was well articulated by Senators Schneller and Leonhardt. We have 169 communities. We cannot afford to wait for a decision on the local level. What is the genisus of this Bill? A year ago we felt it would be advisable to declare a moratorium. We felt it was important to legislate in this particular area. All of the towns were looking to us to provide remedy. A special committee was created and the product of that committee is found in legislation that we have under consideration.

Mr. President, we cannot afford to wait. This action indeed

would be dilatory. We are protracting and delaying a solution that is badly needed and needed now. Can you imagine a challenge to the communities to the ordinances adopted by these communities, 169 towns? 169 towns perhaps with different rules, different ordinances. I think we should have a law on the state level and the state should pre-empt this. It should be a law that has equal application and Mr. President, that is what we are dealing with now. This is what we've been talking about now for several days. And we admit that we have a problem of a proportion that has been represented; that there are several groups of people that need protection. These people cannot wait. They cannot wait for local action.

I know that the Amendment has attraction, Mr. President. In my opinion it constitutes a copout and we are doing an injustice to those very people that we are trying to protect. These people cannot wait. I ask this body to reject the Amendment.

THE CHAIR:

Will you remark further? Senator Curry.

SENATOR CURRY:

Mr. President, I want simply to respond to a couple of ideas which I've heard recurring in the remarks of a number of my colleagues. First, it seems to be a concern of the

Circle that different districts have different proportions of well to do citizens living within their boundaries and I would simply point out that while that certainly may be true and it certainly may be that some districts will have more people directly affected by what we're doing here than other districts will have, that certainly can't be the basis upon which we accept or reject the establishment of a comprehensive policy which sets rational categories across the board that we can agree upon here, for the treatment of individuals under this law.

The mere fact that it's going to affect greater proportions of the people in one county than in another, that's not a telling difference. That's not the kind of thing that I think our policy making should hinge upon.

Secondly, it's been indicated that different local towns have different philosophies about this issue. That's certainly true. Different towns have different philosophies often about all manners of issues. I would just point out that landlord tenant law in its essential workings, as we're dealing with here, has not been within the domain of those local towns. It

hasn't been the kind of thing that we leave to each town to set the different policy on. It really seems to me that we're clouding the issue by remind ourselves that different council people in different towns are going to have different feelings about the relationship between landlords and tenants. That's a prerogative of state action and it's proper that we're dealing with it here. I would say that the danger of Senator Barry's Amendment, and I really think that it does pose a danger, is that it would vulcanize our policy along town lines and class lines perhaps, in a way that would not be helpful and I think it would exacerbate what we discussed yesterday and what it is that we attempt to draft in the Bill which is that whole problem, in a sense,of the creation of a kind of war of all against all.

I think we want diffuse that. We want to conciliate that. We want to create a policy which will diminish the tendency of various competing groups to have to be pitted against one another in the pursuit of essential needs.

Lastly, I would simply say that a year ago we created here a Department of Housing and that was an important reform. It gave a public statement of our concern about this problem and it was therefore, commendable. This year, we've had much

discussion of the declaration of an emergency in housing and that again, gives public utterance to a concern that we feel, but public utterances are fine. Eventually, we have to actually do something and the bottom line problem with Senator Barry's Amendment is that it means that in fact, we will have looked at the problems of housing again and have decided to do in essence, nothing at all.

And once again, on a successive occasion, we will have come in here, discussed this problem and decided to make a kind of symbolic statement. We will have decided to make a kind of message. Well, I think in doing that, we will have disappointed the people who look to us for redress and I think that it will be perceived here, rightly, to have avoided not to have confronted a very difficult issue. So I would urge a rejection of the Amendment.

THE CHAIR:

Will you remark further or are you ready to vote? No one has requested a Roll Call as of yet. Senator Lieberman.

SENATOR LIEBERMAN:

Mr. President, I can't think of a better idea at the moment, and I so request.

THE CHAIR:

Announce an immediate Roll Call in the Senate please.

THE CLERK:

An immediate Roll Call has been called for in the Senate. Will all Senators please take their seats. An immediate Roll Call has been called for in the Senate. Will all Senators please be seated.

THE CHAIR:

The machine is open. Mr. Clerk, would you please clear the machine. Evidentally--the machine I'm not sure is functioning correctly. Don't anyone leave the seat here. We'll close the machine. This vote was taken in error. After the card is run off, we shall open the machine again. Clerk the machine. The machine is now open. Have all Senators voted? The machine is closed. Clerk will take a tally.

The vote is:

19 YEA

17 NAY

Senate B passed. The Bill is before us as amended by Senate Amendment, Schedule A, sections a through 7 and Senate B.

THE CLERK:

The Clerk has Senate Amendment, Schedule C. Senate Amendment

1503

Schedule C, LCO 3404, offered by Senator Cutillo. Copies have been distributed.

THE CHAIR:

Senator Cutillo.

SENATOR CUTILLO:

Mr. President, I withdraw the Amendment.

THE CHAIR:

That LCO has been withdrawn.

THE CLERK:

The Clerk has Senate Amendment, Schedule D, Senate Amendment Schedule D, LCO 3038 offered by Senator Cutillo. Copies have been distributed.

THE CHAIR:

Senator Cutillo.

SENATOR CUTILLO:

Mr. President, I withdraw the Amendment.

THE CHAIR:

The Amendment has been withdrawn.

THE CLERK:

The Clerk has Senate Amendment,Schedule E, offered by

Senator Cutillo, LCO 3726, 3726.

THE CHAIR:

Senator Cutillo.

SENATOR CUTILLO:

Mr. President, I don't know if this trip is necessary, whatever other Amendments I do have, I would at this time, request they be withdrawn.

THE CHAIR:

Any Amendments sponsored by Senator Cutillo and he alone, he has the right to have withdrawn, and is requesting so. Are there any other Amendments on the Clerk's desk?

THE CLERK:

The Clerk has Senate Amendment, Schedule F, LCO 3383. Copies have been distributed, offered by Senator Skowronski.

SENATOR SKOWRONSKI:

Mr. President, I withdraw the Amendment.

THE CHAIR:

That Amendment has been withdrawn.

THE CLERK:

Clerk has Senate Amendment, Schedule G--it has been withdrawn?

That's LCO 3728; that has been withdrawn, Senator Post?

SENATOR POST:

Yes. I think you have two Amendments, Mr. Clerk. I'd like to have them both withdrawn please.

THE CLERK:

The Clerk has no further Amendments.

THE CHAIR:

Senator Cutillo.

SENATOR CUTILLO:

Mr. President--

THE CHAIR:

Senator Leonhardt.

SENATOR LEONHARDT:

Thank you Mr. President. I'd like to make a motion that--or ask for a ruling that the Amendment is substantive and that the Bill be sent to the Legislative Commissioner's Office for reprinting and to appear back on the Senate Calendar.

THE CHAIR:

Stand at ease a moment. The question posed by Senator Leonhardt at this point in time was whether this was a substantive change from the file copy from Senate B that was adopted

previously or Senate A that was adopted previously or part of Senate A yesterday being adopted and without question, in the Chair's opinion, it is a substantive change and the Chair so rules that it shall be sent to the Legislative Commissioner's Office for reprinting. Senator Barry.

SENATOR BARRY:

Mr. President, with respect to that Amendment that just passed, I was on the prevailing side and I would at this time, move for reconsideration. I withdraw it.

SENATOR JOHNSON:

Mr. Chairman, I'd like to appeal the ruling of the Chair.

THE CHAIR:

You may do so. The Chair has ruled that the item is substantive in nature, has sent the item to the Legislative Commissioner's Office. An appeal has been taken by Senator Johnson on that ruling. Second to the appeal? Hearing no second, Senator Johnson, you're receiving no second, your appeal fails.

SENATOR JOHNSON:

I don't believe the appeal needs a seconding.

THE CHAIR:

Your appeal needs a second, Senator. Senator Bozzuto.

SENATOR BOZZUTO:

Excuse me. I'm confused here. Is Senator Johnson appealing your ruling or in connection with Senator Barry's request?

THE CHAIR:

Senator Johnson is appealing my ruling that rule to send this item to the Legislative Commissioner's Office for re-printing because it is a substantive change.

SENATOR BOZZUTO:

Mr. President, I would second Senator Johnson's motion.

THE CHAIR:

Announce an immediate Roll Call.

THE CLERK:

An immediate Roll Call has been called for in the Senate. Will all Senators please be seated? An immediate Roll Call has been called for in the Senate. Will all Senators please take their seats.

THE CHAIR:

The Chair ruled on a point of parliamentary inquiry from Senator Leonhardt that the Amendment that the chamber has just adopted, Senate Amendment, Schedule B, offered by Senator Barry is indeed, a substantive change from the file copy and from the Amendment previously adopted by this chamber. Hence, it should be sent to the Legislative Commissioner's Office for redrafting. An appeal of the Chair's ruling was made by Senator Johnson and seconded by Senator Bozzuto. If you care to uphold the Chair, you would vote no. If you care to support Senator Johnson, you would vote yes. She is appealing my ruling. No to support the Chair, yes to support Senator Johnson. The machine is open. Have all Senators voted? The machine is closed. The Clerk will take a tally.

Those voting to appeal the ruling of the Chair - 7; those voting not to 29, the appeal fails. Proceed with the Calendar.

THE CLERK:

Moving to page 1 of the Calendar, page one of the Calendar,

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CONNECTICUT
GEN. ASSEMBLY
SENATE

PROCEEDINGS
1980

VOL. 23
PART 7
1915-2229

THE CLERK:

Page thirty-four of the Calendar, on an item under the heading of Matters Returned from Legislative Commissioners. Cal. 261. Files 302 and 661. Substitute for Senate Bill 290. AN ACT CONCERNING CONDOMINIUM CONVERSION AND THE ENCOURAGEMENT OF NEW RENTAL HOUSING, as amended by Senate Amendment Schedules A and in Sections 1, 2, 4, 5, 6 and 7; Sections 8, 9 and 10 failed of Senate A. Senate Amendment Schedule B offered by Senator Barry passed. It was ruled substantive and was referred to LCO for reprinting, returning in the file as No. 661. And the Clerk has amendments.

THE PRESIDENT:

Will the Clerk please call the first amendment.

THE CLERK:

The Clerk has Senate Amendment Schedule C. LCO 3395, offered by Senator Fauliso. Copies have been distributed.

THE PRESIDENT:

Senator Fauliso.

SENATOR FAULISO: (1st)

Mr. President, I move adoption of the bill.

THE PRESIDENT:

The question is on the passage of the bill. Will you remark, Senator?

SENATOR FAULISO:

Mr. President, there is an amendment.

THE PRESIDENT:

Would you recall the amendment, Mr. Clerk, please.

THE CLERK:

The Clerk has Senate Amendment Schedule C. LCO 3395, offered by Senator Fauliso. Copies have been distributed.

SENATOR FAULISO:

Mr. President, I move adoption of the amendment. I ask that the reading be waived and I yield to Senator Leonhardt who will explain the amendment.

THE PRESIDENT:

The question is on adoption. Is there objection to the waiving of the reading? And allowing it to be explained? Hearing no objection, Senator Leonhardt.

SENATOR LEONHARDT: (5th)

Thank you, Mr. President.

THE PRESIDENT:

You are welcome, Senator.

SENATOR LEONHARDT:

Many provisions of this amendment are familiar and were debated extensively last week and I don't think that we need to reiterate or repeat the justifications for those provisions. They are basically to create a protection for

elderly persons, over age 62, and blind and disabled persons who could not be evicted except for cause so that they would not be evicted in condominium conversions situations. To create a stay of execution of an additional six months in the discretion of the court which would be protection particularly designed for poor persons to have informational relocation assistance, to give moving expenses to the poor who do not buy into condominium conversions, persons one hundred seventy-five percent or below of poverty; to give warranties similar to those for newly-constructed single family dwellings to purchasers of condominiums and give a right to terminate in the tenant in the event that a condominium conversion is declared. There are also a couple of other somewhat technical but important aspects of the landlord-tenant law that are in that amendment - that the public offerings statement must be with the notice so that the tenant would have a full opportunity to appraise whether they want to buy in, that the notice to the tenants have to be given prior to the declaration of a condominium conversion so that the one hundred eighty day period and the ninety day period have full intent.

In addition to those basic aspects to the amendment, several extremely important changes, Mr. President, have been made in the amendment. First of all, in lines 44 through fifty-three of the amendment, the income limits have been

designed so that they would be within a range and that range would be determined by the local governing body of each town within the State ofConnecticut as part of the concept that Senator Barry expoused of having some local control over the condominium conversion situation in Connecticut and in recognition of the fact that there are variations between the various towns, different degrees of wealth. So that the low end of the spectrum would be seventeen thousand for couples and thirteen thousand for singles and the high end of the spectrum would be twenty-five thousand for couples and twenty-one thousand for singles. And it would be within that range that the local governing body would decide whether or who should be protected, what the income limit for the protected class should be and people under that income level would be in the protected class.

Additionally, in lines 255 through 266, the moving expenses, the amount of the moving expenses are left to local discretion. Again, we felt in the debate that came out last week and in subsequent discussions that different towns might want to give different amounts of moving expenses to poor persons and there should be discretion at the local level to make that type of decision in the State of Connecticut. So that the range is between one month's rent, which was in the original bill, up to five hundred dollars which is in the amendment. And again, the local governing body will

make that decision. In order to give the local governing body opportunities to extend protection as far as they wish to, in lines 289 through 305, the moratorium provisions, the moratorium that is presently in effect would be extended for another sixty days after the date of passage of this bill.

Two last important changes that have been made. In line 39, the bill will apply to only buildings that have seven or more units; six or less are exempt. And this is in recognition to Senator Cutillo's important points concerning many of the multi-family dwellings that might be in the four, five and even six range.

And finally in lines 200, 201, a requirement is put in place that the, ah, even after a conversion, a tenant must give one month's notice to a landlord before vacating a premise. So even after a conversion, a tenant must give one month's notice to the landlord before vacating.

I think that with these changes that have been made, we are giving some discretion to the localities to make important decisions particularly in areas where there are variations within the state, and I think that we have, I hope, designed and crafted carefully a bill that will give important protections to elderly and poor persons in the State of Connecticut at the same time as we would not

be creating discentives for private developers to build rental housing or we would not be making any steps that would promote abandonment of housing in the State of Connecticut.

Mr. President, I move that when the vote be taken on this amendment it be taken by roll call.

THE PRESIDENT:

Will you remark further on the adoption? Senator Barry.

SENATOR BARRY: (4th)

Thank you, Mr. President. Mr. President, I rise in support of the amendment, and I should say to the other eighteen members of the circle who joined withme last Thursday in support of my amendment, which conferred total authority on the communities of this state with respect to condominium conversion, that over the last two or three days I have met several times with Senator Leonhardt and Senate and House leadership, and my support of this amendment is a combination of my having gone as far as I can in terms of negotiations to leave in as much local control as possible, and at the same time, recognizing the political realities of being able to come out of this session of the General Assembly with some bill.

I believe strongly that a bill in which Senate Amendment Schedule C just spoken to by Senator Leonhardt

will pass in both houses and willbe a constructive effort by this General Assembly to protect people in need of protection, and still maintaining some latitude in our local communities to make specific regulations. I would like to have for the record, and I would like Senator Leonhardt, if he cares to, through you, Mr. President, for purposes of legislative intent to, and for clarity for attorneys representing town councils and selectmen throughout the state, state for the record that the state has preempted all authority with respect to condominium conversions except those specific ones which are delegated to the communities as set forth in Senate Amendment Schedule C. And furthermore, Mr. President, the words "action of the legislative body" I believe it is in the amendment are not specific as to whether or not this should be by ordinance or by resolution. It would be my own feeling that our intention is that either ordinance or resolution of the community would be adequate; probably as a practical matter resolution would be easier because there is provision for change within the community of that selection of income levels. But I think we ought to say these things on the record so that legal advice on what probably will be a subject that might be litigated over the coming months would, at least, be known as a guidepost to the people working on this subject. Thank you, Mr. President.

THE PRESIDENT:

You are welcome, Senator. Senator Leonhard, would you care to respond to the thrust of the question by Senator Barry.

SENATOR LEONHARDT:

I would be very pleased to, Mr. President. Thank you very much.

I think Senator Barry has raised two very important questions that should be settled clearly in the legislative record. First of all, the state is preempting the field in the area of condominium conversion except as otherwise provided in this act. And for the record, I would like to read in lines 29 through 33 of the amendment in Sec. 1 declaring a statewide housing emergency the words - because towns, cities and boroughs may not regulate the conversion of residential rental property to condominium dwelling units, except as provided in this act, thre is a need for statewide action -. So I think that would put to rest that question, I think very effectively, but I think it is also very important that it be recorded in the debate of these proceedings.

With reference to the second question, Senator Barry is far more experienced than I with reference to the operations of town governments, but I share his view that the preferable manner for towns to set the income limits and

to set the extent of moving expenses would be for resolution though not excluding the possibility of ordinance. And I think that we should establish today here in conformity with his suggestion some legislative intent that resolution would be the preferable way for towns to settle these two areas that are left to local discretion.

THE PRESIDENT:

Will you remark further? Senator Morano.

SENATOR MORANO: (36th)

Mr. President, it was just about a year ago when we talked about condominiums that there was very little interest. Two or three senators in the chamber shared my views, others said why don't you go home and take care of your own problem, and I never forgot that remark, " go home and take care of your problem" because that's what I want to do today.

On line 44, in this amendment, we refer to our local legislative body of our respective towns, and I rise now to question the amendment before us because it sets a cap on the income of married people as well as single people, and when I asked that the cap be removed, there were many chuckles and comments. "Why do people with a lot of money need to worry?" "Why don't they buy their condominium?" Well, I don't know that there are many people 85 or 86 years old who want to buy a condominium. And I don't know that I

would be representing them well at all if I didn't bring my thoughts to you today and tell you that we have got to be just as concerned about 85 year old people who are wealthy, who demand two or three servants around the clock to watch them at night and treat them like human beings and we must consider them just as much as we do the couple that is sixty-two and sixty-five. I remind you that some of these people have outlived their sons and daughters and live alone in these apartments and they are fed and clothed and washed by attendants around the clock. And to fix the cap in this amendment, when we could leave it up to the local body to make that determination and adopting the minimum of thirteen thousand merely removing the cap so that the local legislative body could take care of the problem that exists in your or my town. Now I am going to tell you that Greenwich is different than Derby and Greenwich is different than Bristol and Greenwich is different than Norwalk, but they are people. No matter what town we represent we are representing people. And I am representing people who have this problem. I hope that you will support a further amendment, but I felt that I should at this time address myself to what I believe is the unfairness of this amendment before us. Thank you, Mr. President.

THE PRESIDENT:

Will you remark further on Senate C. Will you remark. Senator Matthews.

SENATOR MATTHEWS: (26th)

Thank you, Mr. President. I support the position that Senator Morano has taken. To give a further example of his comments, a person with some wealth who is requested to buy a condominium which may run, in our areas, as high as two hundred to three hundred thousand dollars, and is elderly, if they need income and the money that they have to take out of their potential income producing equity to buy the condominium can reduce their income quite considerably, but probably or maybe not below a twenty-five thousand bracket. Now I know that that is a sizable amount of income to have but at the same time, if you've got to have a tenants involving your personal life, that amount of money goes rather quickly.

I also feel concerned about the areas of line 71, in which it talks about reasonable rent increases which to me, I believe, basically formulates a form of rent control. And I don't know what reasonable rent increases are. It would be taken to court and a judge would make that determination. It may, in my mind, be an unfair element to contend with. I don't think that we should process a rent control mandate on all communities in the state. If they wish to have one within their community, such as I believe Stamford has or something very close to that, I think that should be their prerogative. But to enforce it on every

community, I think has detrimental effects to the degree that the builders of apartment houses or owners of apartment houses will very probably decide not to permit elderly people over 60 or 61 or 62 or thereabouts to come into their apartments. They will probably rent them to people who are much younger; thereby defeating the very purpose of the bill. In another instance that they do provide the opportunities that I think that they ought to have, then they would be in a position to rent their apartments and also build new apartments. There are many people that I have spoken to in our area who indicate to me that to sell condominiums today is not all that easy and that they would prefer to retain their apartment houses, but because we, in Hartford, are pressing to have something done, they are rushing right now to identify to their tenants that they are going to propose conversion. And they make this a very clear statement even to those people who are in the apartment houses, that it is not necessarily their fault or their full desire to do something of this order, but because Hartford is, and that means us, pushing this upon them that they have no alternative. If they cannot increase their rents or are rent controlled, it is uncertain to them what their future will be and it is, of course, a problem to try to devise a system to work this entire matter through. But I think by providing the local community with the

opportunity to at least have something to say about the amount of money that a couple or a single person should earn or have as income, and whether or not they are going to have rent control, seems to me realistic.

There were in the south Bronx, as you well know, although I am very understanding that you cannot compare the same kinds of apartment houses in conversion potentials as you can in the south Bronx but the principle is still the same. And the principle is that many of the people in that area have abandoned their apartment houses and just left them because they could not and were unable to continue to use them at the kind of rentals and under the circumstances that were imposed on them by regulation of statute.

Those are two observations that I would have. I think there is another one in which the amendment provides that there shall be a six month's extension but then that six month's extension can go on for another two months and then reviewed again. This makes, I think, for uncertainty on both sides as to whether or not there is going to be a finality to it and under what circumstances. My basic feeling about it is that we have a problem that we all know exists. The manner in which it is solved is to me very important and I have made the point on the floor here before that with the interest rates the way they are today and what goes on in the money markets today and how we will be involved

six months or eight months from today has a great deal of meaning in this. There is no contractor who is going to go out and borrow money to get his building materials at eighteen or twenty percent. Now it is very feasibly possible that in six or eight months, it may be down to fourteen percent or fifteen percent, and if we are locked into this kind of an understanding, I think we thereby again have a problem with those people who have obligated themselves. It would be my preference, and I think a realistic one and a fair one and an equitable one, to give the local communities the opportunity to set the income caps into, ah, decide in their own right whether they would care to have some form of what I refer to as rent control. Those two items are extremely serious to me and I have mentioned one or two others.

The question of whether we are going to be helping the future of those people who need to be taken care of in dwellings that are available or whether we are going to stop the flow of these available places to live, I think is a point at hand. In our area, if one looks at the Norwalk newspaper or some of the other papers in that area you can find numerous rentals that are available. And as I have indicated, the condominium conversion situation is not moving desperately forward because both the apartment owners and those people who may want to buy, if they are

offered, don't coincide. It is a very critical matter and I wish we would be agreeable to amending this so that we have the possibility certainly within the next year; if it were desired, we could amend this so that the cap on the income and the reasonable rent situation could be capped or controlled for say six months or a year at the most. It seems to me that would be more equitable and I think it would be more helpful in the long run. Thank you.

THE PRESIDENT:

You are welcome, Senator. Will you remark further? Senator Fauliso.

SENATOR FAULISO: (1st)

No. It is the first time, sir.

THE PRESIDENT:

Oh, pardon, you yielded your right, Senator.

SENATOR FAULISO:

Mr. President, I support the amendment, and I share the concerns of Senator Morano and Senator Matthews, but I am sure they appreciate that this bill represents the work of many, many people. It is impossible to tailor a bill to the needs of every individual. So we have to measure this bill by the rule of reasonableness. Is it reasonable? Bearing in mind that we are trying to protect certain groups or certain classes of people - the blind, disabled, poor, elderly. And we are also talking about units,dwellings that have seven or more units. We are talking about people

who come within certain income, a certain range. You can argue that we should that the outer limits should be eliminated entirely. But there are legal impediments when you argue that point. So that measured by that standard of reasonableness, I submit that this bill meets the needs, the general needs, of the citizens of our community. Recognizing that we have a housing shortage, recognizing that there is an emergency, mindful that over ten thousand units have been converted into condominiums, we must deal with this problem. And I want to take this opportunity to compliment and congratulate Senator Leonhardt and also Senator Barry and others who have contributed in the product that we have before us. So that it wasn't an easy task as you will recognize. It was one of the most difficult undertakings that we have had in the General Assembly. We are mindful also of the property rights. We have tried to balance all of these things and I submit, Mr. President, that this is a reasonable product that will meet the general needs of the people of our state.

THE PRESIDENT:

Will you remark further? Are you ready to vote? Senator Matthews, second time.

SENATOR MATTHEWS:

Yes, thank you, Mr. President, for the second time. If the real answer to this problem overall is through the

free market area. And I believe that we in the circle havebeen thinking in a negative way about how to solve the problem. It is my belief that the positive way of solving the problem is to provide incentives, incentives to the people who are involved with building or holding apartment houses for rent. If we were in a position then, I think we could be, to provide some means by which there is an incentive to the apartment owner or to the builder to provide a way of giving him or them the right to build at a fair price and for the apartment owner to contain his problems so that he doesn't have to worry about whether or not the rentals orhis ownership is going to be changed. This is the thing that I feel is important in the overall needs that we have. We are negative in what we are talking about and that we should be positive and that the free marketplace is the place where the give and take would come and would work itself out and I do not think that that would place anybody in an awkward or embarrassing position. I am in full agreement that the handicapped, blind and the elderly should be cared for and they should be cared for properly and fairly, and I think that most landlords, if not all landlords, if they knew that they were in a position to be given some incentive to continue their apartment dwelling, I think they would do so. But as I said earlier, the problem is that because we in

Hartford are pressing all the apartment owners and builders to do something, they are automatically notifying their people that they are going to convert because they are terrified of what else to do. And I think they are reasonably justified in that. So if we had an incentive and a positive position to offer, I think we would be much better off. That might be a tax abatement. It might be some other program. Thank you.

THE PRESIDENT:

Will you remark further? Senator Skowronski.

SENATOR SKOWRONSKI: (17th)

Thank you very much, Mr. President. Very briefly, I rise to support the amendment with some reservations, but I think a good faith effort has been made here by Senator Leonhardt and others to compromise the various positions that were expressed here in the Senate. My main concern throughout has been with Sec. 1(b) which creates a protected class of tenants and provides that they may be evicted only for cause. And my concern throughout has been that I was willing to establish this protected class of people over sixty-two years old or disabled people within certain income levels or limits provided that the protected class would be only those people that were in condominium conversion situations. Unfortunately, this bill goes beyond that and extends the protected class to

tenants that are both in the condominium conversion situations and are not in the condominium conversion situations. So, in effect, what we are doing is creating a protected class in all tenant situations throughout the entire state of Connecticut. I felt, and I still feel, that this is overly broad and far beyond what we intended to do and what the original charge of the committee was, but I have decided I will support this concept mainly because there have been good faith efforts to limit this concept primarily by making the four-cause eviction provisions applicable to only those buildings that have seven or more dwelling units. Also because there is a sunset proviision on this particular section of the bill which, I think, is very important. And thirdly, because the income limits that I and Senator Smith and Senator Prete had proposed have been adopted in the bill. And by way of reply and rejoinder to Senators Morano and Matthews, I strongly feel that we ought to have the present income limits that are in the amendment in the bill. That we ought to put a cap on the so-called protected class. If we were limiting the protected class only to those in condominium conversions situations, I would be more willing to remove the caps and allow people with greater income to qualify for the protected class. But inasmuch as we are opening the protected class to all tenants in the State of Connecticut,

regardless of whether they are in condominium conversions or not, I feel it is appropriate for us to put income caps on the bill.

So I am a little concerned about the precedent here of creating a protected class of tenants in non-condominium conversions situations but I strongly feel that there has been a very sincere and diligent effort to come up with a bill which I recognize a need for an attempt to find some reasonable, moderate, middle, fair ground on this thing, and I, in this circle, have always supported any efforts to be reasonable and fair and moderate and compromise. So inasmuch as I am satisfied that those efforts have been made, I will support the bill. I just would like to make one point and pose a question to Senator Leonhardt, if he cares to respond, to establish a little bit of legislative intent and history here. I am a little concerned and this problem was raised by Senator Ruggiero with respect to the language in line 39 of the amendment. In line 39 of the amendment, after the word"units", there is no word "and" before the number (2) and I would like to make clear and I believe Senator Ruggiero feels the same way that we would like to ask Senator Leonhardt whether it is the intent of Sec. 1(b) of the amendment that in order for a tenant, a leasee, to qualify for the benefits of Sec. 1(b), that is to become a member of the so-called protected class of tenants, must he

satisfy requirement (1) in line 37 and requirement (2) beginning in line 39 and requirement (3) beginning in line 42. Must he meet all of those three conditions consecutively to qualify for the benefits conferred in Section 1(b).

THE PRESIDENT:

Senator Leonhardt, if you care to respond.

SENATOR LEONHARDT:

Thank you, Mr. President. I am always delighted to respond to Senator Skowronski, the philosopher of the Valley. And the answer to his question is Yes, that each of the requirements must be met. No single one is sufficient to put you into the protected class. You must comply with all three of those requirements. And I think that any concerns that Senator Ruggiero and yourself have should be settled on that point.

THE President:

Senator Skowronski.

SENATOR SKOWRONSKI:

Thank you very much. So those are cumulative requirements.

SENATOR LEONHARDT:

That's correct.

SENATOR SKOWRONSKI:

Thank you. And one further point of clarification, by way of legislative history. Directing, if Senator Leonhardt

would respond, through you, Mr. President, to line 75 through 77 - these lines provide that any lessee aggrieved by a rent increase shall submit his complaint to the fair rent commission of the town, if any exists, where such dwelling unit is located. The problem here is that I understand that there are only about ten cities in the state that have fair rent commissions out of the 169 towns in the State of Connecticut. And the question, through you, Mr. President to Senator Leonhardt, for those lessees that reside in towns that do not have fair rent commissions and are aggrieved by a rent increase, where do they pursue their remedy?

THE PRESIDENT:

Senator Leonhardt, if you care to respond.

SENATOR LEONHARDT:

Thank you, Mr. President. Hopefully, in the vast bulk of cases, the landlord and the tenant would be able to work out that rent increase as a private matter and without recourse to anythird party or any public agency. But in the event that a fair rent commission does not exist either the landlord or the tenant would have the right, under the general jurisdiction of the Superior Court of the State of Connecticut to bring any cause of action and a certainly a violation of the state statute would be a cause of action to the court. And a court would have to resolve

that if the private party were unable to and if a fair rent commission did not exist. We put the fair rent commission provision in there. It already exists under present law as a permissive matter, Sec. 7-148(b), but this would make it mandatory with the view towards of not clogging the courts and the view towards the concept that one has from administer of law, exhausting administer of remedies before going to a higher court of appeal.

SENATOR SKOWRONSKI:

Then if there were no fair rent Commission, the remedy or the place where an aggrieved person would go would be to the Superior Court?

SENATOR LEONHARDT:

That's correct.

SENATOR SKOWRONSKI:

Thank you very much. No further questions, Mr. President.

THE PRESIDENT:

Further remarks on Senate Amendment C. Senator Morano, I believe for the second time.

SENATOR MORANO:

Speaking for the second time, Mr. President. Mr. President, I listened very carefully when Senator Fauliso spoke and I believe he is very sincere in what he said when he said that they tried very hard to bring out a bill that

would be reasonable to meet the needs of people. And I believe that this bill does meet the needs of some people. And I could very readily support this bill if it met the needs of the group that I address myself to when I spoke earlier by removing the cap and would be glad to support it and I plan to after voting on this amendment to introduce an amendment that will take care of the problems that I feel has been overlooked for people who do have need for this type of legislation. Thank you.

THE PRESIDENT:

Will you remark further. The Chair recognizes Senator Bozzuto at this time.

SENATOR BOZZUTO: (32nd)

mr. President, would you please note and that the Calendar might reflect that I have been here today for the entire course of the day. It is now six twenty and regrettably that I must excuse myself because I have other important business to attend to. I would very much appreciate being here and I know the votes are very important. It bothers me to a great extent, but regrettably I have no choice. On the Consent Calendar, I have been here most of the day and if the Calendar could reflect that I was here during that debate, I would be very appreciative. Thank you, Mr. President.

THE PRESIDENT:

Thank you, Senator Bozzuto. The Journal will so note the time Senator Bozzuto left this chamber for other matters of state.

Will you remark further? Hearing no remarks, a roll call has yet to be requested. Sorry, a roll call has been requested. The Clerk announce an immediate roll call in the Senate.

THE CLERK:

An immediate roll call has been called for in the Senate. Will all senators please take their seats. An immediate roll call has been called for in the Senate. Will all senators please be seated.

THE PRESIDENT:

The machine is open. Have all senators voted? The machine is closed and the Clerk will take a tally.

The vote is 31 Yea - 4 Nay. SENATE AMENDMENT C IS ADOPTED.

THE CLERK:

The Clerk has Senate Amendment Schedule D, offered by Senator Morano. LCO 3784. Copies have been distributed.

THE PRESIDENT:

Senator Morano.

SENATOR MORANO: (36th)

Mr. President, I move adoption of the amendment.

THE PRESIDENT:

The question is on the adoption of the amendment.

SENATOR MORANO:

Mr. President, may I summarize briefly the intent of the amendment, what it will do, rather than read the' entire thing?

THE PRESIDENT:

Is there objection to the waiving of the reading? Hearing no objections, proceed Senator Morano with the explanation of the amendment.

SENATOR MORANO:

Mr. President, members of the circle, a few moments ago I stood here and told you why I objected to portions of the previous amendment that was passed. And when we voted on the amendment, in sincerity, I wanted to show my good faith and voted for it so that I would have this opportunity to introduce an amendment that would make it a better bill. A bill that would address the needs of all the people who have problems regardless of how much wealth they have and leaving it up to the local legislative body in our towns and cities to make that determination of the cap. The amendment before you removes the cap, and allows the local legislative body of the town in which such persons live to make that determination. It does nothing to affect the minimum amount of thirteen thousand dollars. It merely takes the cap off of twenty-five thousand dollars and

allows people who fall in that category to enjoy the few years of their lives that God has intended for them, and I would ask you now, my colleagues, to please give this some consideration. Senator Fauliso talked about the needs of everybody. I think he left our a few. This amendment takes care of it and I ask your support to make a bill before us a better bill. Thank you.

THE PRESIDENT:

You are welcome, Senator. Will you remark further on Senate Amendment D. Senator Leonhardt.

SENATOR LEONHARDT: (5th)

Thank you, Mr. President. I had some very informative discussions with my colleague, Senator Morano, during the course of the day and regrettably I must rise to oppose this amendment and ask the members of the circle to oppose the amendment. I think that, as in many aspects of life, we hear in talking about a question of the perfect world versus what is attainable. And I think that in the perfect world, we would all like for every citizen of the State of Connecticut to have housing of the type that they want. We would like no one to have any risk in their life. No one to have any unhappy moment or unpleasant effect. Then I think we have to talk about, on the other hand, what is attainable in terms of passage of a bill in this circle, in this Legislature, and also, I think it is important that we keep in mind a balance in the bill between elderly persons

and poor persons. We are already treating the needs of the poor to a limited extent really. I think in a positive way, but I would not consider it an over broad way in terms of the moving expenses, in terms of the stay of execution, in terms of the relocation assistance and in terms of the bonding effort that the State of Connecticut will be making this year. But I do think that in order to keep a balance between elderly and poor persons, particularly recognizing that towns such as perhaps Greenwich, other well to do communities in the State will be able to exercise the prerogative of putting income limits up to twenty-five thousand and twenty-one thousand for couples and singles, and that is adjusted gross income, not including social security, not including various forms of tax-exempt income, that I think we have gone to a point of good protection for the elderly and at a certain point, we would be saying that we would be giving more protection to them that would be out of balance to other groups in the society that we are trying to treat in crafting a law that deals equitably with all segments.

THE PRESIDENT:

Senator Morano, for the second time.

SENATOR MORANO:

Mr. President, a few moments ago, I heard Senator Leonhardt call Senator Skowronski the philosopher of the

Valley and now I have just listened to the philosopher from West Hartford. We are not here to philosophize. We are here to use common sense. We are here not to guess how much income a person has and suppose that they have a portfolio of tax-exempt bonds, tax-exempt securities. We don't know that. But we do know that they are 85 and 90 years old. We do know that they are human beings. We do know that at their stage in life, 85 or 86, they are not going to buy a condominium. They are alone in this world and there are many of them. I have talked to them and they have people working around the clock to help them and while their incomes are more than what you say in this amendment or bill before us, I will agree it is, but what business is it of anyone in this chamber, if the problem exists in Greenwich and does not exist in Hartford or New Haven, why should we confuse the issue? Why should we cloud it? Why don't we address the problem? The problem is to let the Greenwich legislative body take care of their own problem. I am not asking for anything impossible here. I supported the previous amendment. And I supported it because I was going to ask the people in this chamber to consider the problem that I face in Greenwich. They are people just like people up here. They don't wear gold earrings all day long or diamond studded slippers. They are old people who we must care for and love. And when we say here that we

think they have enough, that they have a little portfolio and they've got social security, some of them are so old that they were never qualified to get social security in the days that they worked. So I think that I am not asking for anything that is impossible or unreal. I am only asking for something that I believe to be human, something that we should address ourselves to today, as we have in the past. Now you talk about the poor. What poor can afford to live in one of these rental apartments that we are addressing ourselves to tody that earns thirteen or fourteen thousand dollars. I don't think any of them can. And if you get up into twenty-one and twenty-five thousand, you are getting up to the little white collar workers; so you don't classify him poor. He is not getting food stamps or welfare. And neither are these old persons, eighty-five and ninety year old people that I am addressing myself to. They are too proud to do that. They have their own income and all I am asking you to do is let the town body determine what the cap should be. We can analyze that better at home than you can here today for us. We speak of local autonomy. We believe in preserving it. Here's a step right here that tells you that it's a local problem. I'll admit that my problem is unique and I am asking you to help me solve it. It is not an unusual request. So members of the circle, I would appreciate your support. It doesn't throw anything out

of balance. I spoke with the Speaker of the House today. He is my neighbor in the Town of Stamford. He wants a condominium bill. And so do I. We were the first two to address ourselves to it a year ago. And he doesn't want us to do anything here that the House will not pass. I think the House will certainly listen to my request. It certainly will read the amendment, if you will pass it. It certainly will consider it. They do that down there, you know. I was there sixteen years and they are not that all unreasonable. But give them something to look at and you will find out how reasonable they are. I ask you to be that reasonable this afternoon. Thank you.

THE PRESIDENT:

Will you remark further on Senate D. Senator Ballen.

SENATOR BALLEN: (28th)

Thank you, Mr. President. I rise to support Senator Morano's amendment. It was just last week that Senator Barry came in with what I thought to be an excellent solution to the entire problem and apparently so did the majority of the members of this body because his resolution and amendment passed. And that was complete local control of this problem in every aspect, every facet of it to be determined by legislative bodies. Apparently, his solution is not to be the one that we are finally going to act upon. But I think we should take heed of his recommendations of

last week and at least, in this one particular area of income, let the local municipalities decide what they feel to be an adequate, fair, just and reasonable amount to allow people to determine whether or not they will have to purchase a condominium unit. It is not only the incomes of people that vary so greatly in different parts of this state, but it is the prices that are being asked for and paid for various condominium units. Just to hazard a guess, Mr. President, I would say that condominium units in this state sell anywhere from fifteen thousand dollars a unit to three hundred thousand dollars a unit depending on what area of the state you are located in. Similarly, incomes vary in those amounts. And I think that local autonomy and local control and people at the local level know best what the income problems are of the people who reside in those towns and they should be the ones to determine what income figure should be used and not us sitting up here in Hartford. And therefore, I would strongly support Senator Morano's amendment and request, Mr. President, that when the vote is taken it be by roll.

THE PRESIDENT:

It shall be ordered when appropriate. Will you remark further? Senator Matthews.

SENATOR MATTHEWS: (26th)

Thank you, Mr. President. A question, through you to

Senator Leonhardt. Senator Leonhardt, there has been a great deal of discussion, as a preface to my question, last year about people living together but being unmarried. Now this may sound ridiculous in older people, but just what, under your bill, would happen if a person was living together and they decided for the sake of this bill that they would get separated and live together, what amounts could they expect - supposing I have a wife and I say, under this bill if we are married, the maximum is twenty-five thousand dollars; now she has an income of twenty thousand and I have an income of twenty thousand (next two words unintelligible), but supposing that couple had just twenty-five thousand dollars, what would happen under the circumstances?

THE PRESIDENT:

Senator Leonhardt, if you care to respond to the question.

SENATOR LEONHARDT:

With all due respect, I am going to have to ask that the question be clarified.

THE PRESIDENT:

Will you restate the question, Senator Matthews?

SENATOR MATTHEWS:

The question is if a married couple decided in order to retain their privileges under this bill, otherwise their

income would be in excess, so they separated, but still lived together or divorced and still lived together, what would happen?

THE PRESIDENT:

Senator Leonhardt, if you care to respond. Do you understand the question?

SENATOR LEONHARDT:

First of all, I frankly have real trouble seeing a couple that has perhaps been married successfully for forty years divorcing as a result of this statute. Just at a commonsense level. Beyond that, I point out that the single level of twenty-one thousand, if you take the highest or thirteen, if you take the lowest, is really justbelow the, it's only four thousand below the couple. So that if two people as a couple would exceed the couple's limit, it is extremely unlikely that one would not exceed the single one.

THE PRESIDENT:

Senator Matthews, you have the floor.

SENATOR MATTHEWS:

I am not in agreement with that response, but let me point out that it is my understanding that in Florida there are a great many people who have been married for many years who have decided quote to be divorced unquote but still live together in order to overcome many of these kinds

tax problems or condominium problems or whatever. I don't know that it would be done, and I would hope that it wouldn't be done, but as Senator Morano points out, if a person is seventy-five years old and he is married and he is going to be thrown out of a place he has been living in for years because of a monetary thing, because they are married, but if he is single quote unquote, then he can stay there, I am not so sure that we aren't tending to destroy the family life in this country, in this state. And I worry about that.

THE PRESIDENT:

Will you remark further on Senate D? Will you remark? Hearing no further remarks. Senator Leonhardt.

SENATOR LEONHARDT:

Mr. President, I will comment, just very briefly. There are incentives to stay married because the limits for couples are higher than the limits for singles. But I really have to, aside from this arithmetic, question whether any couple would seriously consider separating in order to keep this apartment after they have been married for forty years. I think that pushes commonsense to perhaps its very limit.

THE PRESIDENT:

Will you remark further? Senator Matthews, for the second time.

SENATOR MATTHEWS:

Just in response to that. It's conceivable that they aren't necessarily married for forty years. They could still be seventy or seventy-two and be married only two or three years, or they could not even be married. But the income could stillbe double what it might be if they both have an income as a single person of seventeen thousand dollars. Then that's a thirty-four thousand dollar limit living together. You get my point, I think.

THE PRESIDENT:

Will you remark further? Senator Fauliso.

SENATOR FAULISO: (1st)

Mr. President, let me assure Senator Matthews that the state has a legitimate interest in the institution of marriage and that this bill actually promotes that goal, and it promotes domestic tranquility at the same time.

THE PRESIDENT:

Will you remark further on Senate Amendment D or are you ready to vote? Announce an immediate roll call in the Senate, Mr. Clerk, please.

THE CLERK:

An immediate roll call has been called for in the Senate. Will all senators please take their seats. An immediate roll call has been called for in the Senate. Will all senators please be seated.

THE PRESIDENT:

The machine is open. Have all senators voted? The machine is closed. The Clerk will take a tally.

The vote is 11 Yea - 22 Nay. SENATE AMENDMENT D FAILS.

THE CLERK:

The Clerk has Senate Amendment Schedule E. LCO 3788 offered by Senator Post. Copies have been distributed.

THE PRESIDENT:

Senator Post.

SENATOR POST: (8th)

Mr. President, I move adoption of this amendment and ask that the reading of the amendment be waived.

THE PRESIDENT:

The question is on adoption of the amendment and the waiving of the reading. Is there objection to waiving the reading? Hearing no objection, it is so ordered. Proceed, Senator Post, with the adoption and the explanation.

SENATOR POST:

Thank you, sir. This is a relatively minor amendment trying to correct, what I believeis, a techncial error in one section of the bill. In the amendment we were distributed today, over the name of Senator Fauliso, LCO 3395, in lines 170 to 176, there is a reference to a certificate by an engineer that asks that engineer to certify not only

to the structure of the condominium but also to other things such as the replacement cost of various items in the building. And I don't believe that an engineer has the ability to certify to those. I think we would be asking an engineer to do things that he can't do. I don't think this particular amendment is not designed to affect the substantive thrust of the bill but merely to limit what it is you are asking an engineer to certify to.

And I would move adoption of the amendment, sir.

THE PRESIDENT:

Will you remark further on Senate Amendment E. Senator Leonhardt.

SENATOR LEONHARDT: (5th)

Thank you, Mr. President. I would ask the members of the circle to reject this amendment. The first thing I would like - but before I do that, however, I would like to express my personal thanks and appreciation to Senator Post in helping me to get the gist of his amendment in terms of reading long amendments that become available just a couple of minutes before we take them up in a very technical bill, and I very much appreciate his willingness to point out to me the specific changes so that I wouldn't have to go through long pages to see if a single word was deleted and in assisting me to see what the import of the amendment was so that we could have a well-focused debate.

Having said that, I respectfully request the members of the circle to reject this amendment. The first point that I would like to make about this amendment is that this amendment would repeal present law. This amendment is not going to any area of the condominium statutes which is an extension or creates new rights for tenants or landlords or in fact any real change. This amendment deletes law that is presently on the books. That is the first point that I would like to leave with you.

I do think that in the immediate prior language that Senator Post has left in his amendment, certifying that certain findings be found by professional engineer registered in the state is a good step forward, and Senator Post has incorporated that in his amendment, because it means that an objective third party, without an interest, financial interest in the building rather than the seller of the building, will be making judgments as to its condition, as to its structural integrity, as to its major components. The language that Senator Post's amendment would ask us to reject would include very important information which is given in the public offering statement and that includes the approximate date of the construction of the building which I think is something very important for somebody who is going to buy a condominium to know; the installation and major repairs only, not minor repairs and

the useful, ah, the expected useful life of each item. I think that's an important thing for someone to know when they are buying a condominium. It is something that is required now under present law, let's not go backwards. Let's not lose it. And also together with the estimated cost in current dollars of replacing any of these things. So I think that we should keep these disclosure items to a potential condominium purchaser on the books so that people know what they are getting into and they know what they are buying. The engineer is only certifying to the major components of the building. And I would like to point out to the members of the circle that in this whole area of the public offerings statement, Connecticut law is still extremely mild compared to the law of other states. In the State of New York, the public offering statements have to, each one, each public offering statement for every condominium conversion has to be reviewed by the Attorney General of that state. Now to me, I don't think we need to go that far in the State of Connecticut. That's a lot of bureaucracy to have the Attorney General's office reviewing every one of these public offering statements. I don't think we want to do that. But let's do keep the basic information in there that we want to disclose to people who are going to purchase condominiums and let's also keep as Senator Post's own amendment would the certification

by a professional engineer who is an objective third party as to structural integrity of this unit. Because at the present time, the declarant, the person selling the condominium obviously has a financial interest in minimizing any problems that might exist with the unit. Thank you, Mr. President.

THE PRESIDENT:

You are welcome, Senator. Will you remark further on Senate E. Will you remark. Has a roll call been requested? I shall try your minds. All those in favor of Senate Amendment Schedule E, signify by saying Aye. Those in opposition to. SENATE AMENDMENT SCHEDULE E fails.

THE CLERK:

The Clerk has Senate Amendment Schedule F, offered by Senator Post. LCO 4201. Copies have been districuted.

THE PRESIDENT:

Senator Post.

SENATOR POST: (8th)

Thank you, sir. Mr. President, I would move adoption of Senate Amendment Schedule F and ask that the reading of that amendment be waived, sir.

THE PRESIDENT:

The question is on adoption. Is there objection to the waiving of the reading? Hearing none, proceed.

SENATOR POST:

LCO 4201. It deals with the, to summarize it, right herein granted for a tenant to cancel his lease without cause. We have in the bill, in lines 198 through 205, a provision which would allow a tenant who has entered into a lease on one month's notice to cancel it. I do not see why the State of Connecticut should interfere in the contractual right between people if in good faith the landlord and the tenant have entered into a lease for a period of time. I don't know why the conversion to a condominium, which does not necessarily affect the tenant, that those tenants who are not affected by a condominium conversion should have the right to renege on their contract. We would, here, for the first time be adopting a state policy that authorizes people who enter into a contract to rescind them without cause. I ask why? And I would offer to yield to any one who wants to answer that question. Hearing none. Mr. President, I have offered to yield and I think Senator Leonhardt has picked up on my challenge to answer the question as to why the State of Connecticut should condone and sanction and authorize and encourage to cancel the contracts that are entered into in good faith. Why should a tenant who has entered into a contract and who is not affected by the conversion have the right to, during the term of that contract, on one month's notice to walk away from the contract? Why, sir?

THE PRESIDENT:

senator Leonhardt.

SENATOR LEONHARDT: (5th)

Thank you, Mr. President. I don't consider it a challenge, Senator Post, I consider it a friendly dialogue where we can find justice, ah, truth and beauty here in the statute.

Under the original bill, a tenant had the ability to abandon the apartment at any time immediately after receiving notice of a condominium conversion. That's the way the bill was originally drafted. As I listened to the logic of Senator Cutillo, I became convinced that was perhaps a bit overbroad in protecting the rights or in expanding rights to tenants. And so that's why the amendment offered today does require, even after a condominium conversion has been declared, the tenant to give thirty day's notice to a landlord before evacuating and before leaving the premises. But the reason, to answer Senator Post's question, that it does make sense to abrogate the contract is that we don't want to create a situation where tenants might have two leases at a time when there are very low vacancy rates in the State of Connecticut. Very few apartments available and somebody gets a notice of a condominium conversion, they are going to go out immediately and begin to look for a new apartment because

it might take them quite while to find a new apartment. Perhaps in the first or second month of the six month period, before they have to leave, they might find a new apartment that is adequate and suitable and they might figure, "well, I may not get another apartment that is adequate, so I had better take this one." So in the first or second month, they would sign the lease to have that apartment but at the same time, if this amendment carried, they would be bound to be paying the rent on the previous apartment that they were being kicked out of because a condominium conversion was taking place. In other words, people would be called upon to pay the rent for two apartments at the same time and for people who were going after the condominium conversion had been declared to a situation where they were going to perhaps buy a home, particularly young couples who have been living in apartments and when a condominium conversion is declared they decide to buy a home. This is a very, very difficult period for them because they are looking to get together their money for a down payment. And so to tie them into a lease in an old apartment that they have to stick with for another six months even when a condominium conversion has been declared, I think is an undue hardship. And because the landlords are making tremendous profits on the conversion, this minor ability of the tenant to cut short a lease, particularly when

there will be no renewal of leases for tenants, I think is eminently defensible.

THE PRESIDENT:

Will you remark further? Senator Post.

SENATOR POST:

Continuing, sir, with my remarks, I am really not persuaded by that answer and would be willing to raise the challenge again. A person who faces the loss of their apartment to a condominium conversion is in the same position as any of us might be if we rent a building or a summer vacation or an apartment or hotel room. You have a term when you have the right to use that structure and you know that at the end of that term, you may have to find other or another place to live or to go. And the answer Senator Leonhardt gave was a nonanswer. He, in effect, says that merely because you may have aproblem finding your next place, you now have the right to renege on your agreement. The State of Connecticut, in effect, is saying, without this amendment, in the file copy we now have that it is O.K. for a tenant who has entered into a lease for a year in good faith and the landlord who is counting on that, in order to meet his expenses and pay his fuel oil and everything else, now the tenant on one month's notice can renege on his contract. The state is condoning the reneging of contracts. And we did not get an answer.

A person who is in that position is no different than any other person who is a renter of a building be it for a day at a hotel, a week in the summer or a year. And it is wrong. If a deal is made in good faith between two people, why, why should the state say that it is O.K, with or without notice which is irrelevant, now to renege on your contracts. That is wrong. We teach our children to keep their word. We state in the circle that our word is our bond. We make agreements and we live by them. This provision now says, "you don't have to." You can make a deal and unilaterally renege on it. It's got nothing to do with condominium conversions. It has nothing to do with the decision to convert condominiums or to protect the elderly and the handicapped. It says - any tenant who is in one of these structures where conversion is to take place in the future, can now renege on his contract. That's really no different from turning and saying any tenant who knows that he is going to have to leave the premises at the end of the year or two years or five years or six months can renege on his contract. Our word is our bond. We honor contracts. I am not even talking about the constitutionality, ah, the constitutional questions of this law. I am only talking that it is wrong. Why should we authorize a party to a good faith contract, no fraud, no inducement, no undue influence, a good faith, honest, above

the board contract, and now we step in and say it is O.K. to renege, to break our word, to walk away, to leave the landlord high and dry. Why is that good public policy? I don't think it is. And this amendment which doesn't threaten the bill, it doesn't undermind the concerns you have about protecting the elderly and the handicapped, this amendment says - delete that one section that allows people to renege on their contracts. And I ask that you support the amendment and I ask that when the vote be taken, sir, it be taken by roll call. Thank you.

THE PRESIDENT:

It will be so ordered when appropriate. Will you remark further? Senator Leonhardt.

SENATOR LEONHARDT:

Yes, thank you, Mr. President. I think Senator Post has used a very forceful rhetoric when he uses words like walk-away, renege, giving a sense that a word is being broken. Obviously, none of these forms of conduct or forms of conduct that any member of this circle or any decent person would subscribe to. I would like to say that that would not be the case under this amendment. Landlords after this statute is passed would be on notice. They would know the rules of the road. They would be on notice that if they declare a condominium conversion that tenants can leave after thirty days. That's part of the deal. Those are

the rules of the road. That's the state law. It is clear to everybody. There is no reneging. Everybody knows what the rules of the road would be. There is no misunderstanding about what the relative rights would be. And the state does often in many circumstances regulate the terms of contracts. All of landlord-tenant law regulates the terms of contracts. So, I think it is reasonable for us to put this small additional restriction on landlords who are making, really, very, very large profits. Just saying that if somebody after the conversion has been declared, if somebody wants to leave because they have got to get a new place to live, they have a right to leave. That's all we are saying. That's a pretty reasonable thing. And because there is not going to be any renewal of the contract because of the condominium conversion, we are going to guarantee people six months so that they have another chance to find another place to live. That's a common and decent thing to do. I don't see any reneging. I don't see any walking away. I don't see any breaking of deals. And I strongly urge the rejection of this amendment.

THE PRESIDENT:

Will you remark further? Hearing no further remarks, announce an immediate roll call in the Senate, please.

THE CLERK:

An immediate roll call has been called for in the

Senate. Will all senators please take their seats. An immediate roll call has been called for in the Senate. Will all senators please be seated.

THE PRESIDENT:

The machine is open. Have all senators voted? The machine is closed. The Clerk will take a tally. Senator Owens, do you wish to be recorded?

SENATOR OWENS: (22nd)

Mr. President, I'm sorry I was up in my office. May I be recorded in the negative, please.

THE PRESIDENT:

In the negative. Will the Clerk so note please. Senator Martin.

SENATOR MARTIN: (18th)

Mr. President, I would also like to be recorded in the negative.

THE PRESIDENT:

Senator Martin is to be recorded in the negative. Will the Clerk so note, please.

The vote is 13 Yea - 21 Nay. SENATE AMENDMENT SCHEDULE F FAILS.

THE CLERK:

The Clerk has Senate Amendment Schedule G. LCO 3197 offered by Senator Post. Copies have been distributed.

THE PRESIDENT:

Senator Post.

SENATOR POST: (8th)

Mr. President, I would like to move adoption of Senate Amendment Schedule G and ask that the reading of that amendment be waived.

THE PRESIDENT:

The question is on adoption. Is there objection to the waiving of the reading? Hearing no objection, proceed with the explanation, Senator.

SENATOR POST:

Thank you, sir. This amendment deals with rent control. We have, in this bill, tucked away on an issue dealing with condominium conversion step one towards rent control. It occurs in the latest copy in lines 70 through 77. It is a provision which refers to reasonable rent increases and it creates in Connecticut for the first time the right of tenants to challenge a rent through a court action. If you believe in rent controls, if you believe that government should establish rents, if you believe that Connecticut will be better off through government dictated levels of rent, then you would want this clause. If you believe as I do that at the marketplace the ability of free people to choose their contracts, in good faith, then you don't want this clause. I do not think we should be creating

in Connecticut, at this time, the right of a tenant to create a court action asking a judge to determine the rent for an apartment. I am a strong believer in the marketplace and in the free enterprise system. I am saddened that in the name of protecting people we seem willingly to give up some of the rights, liberties and freedom we have and we ask government to do our bargaining for us. Don't think that those are the principles that most of us stand for if we stop for the moment and focus in on what we are doing, but that is exactly what we are doing. We are willingly giving up our right to enter into a bargain, good or bad. We are giving up our right to decide for ourselves what price we are going to pay for a particular good or service. And we are asking judges to do it for us. Quietly, I suggest that you need not take that step in order to step into the problem of condominium conversions and suggest that we will be freer, stronger for the brighter future if we stop from time to time and focus on some of those issues and realize that we need not ask government to do this for us. And therefore, I recommend that we delete lines 70 through 77 and leave it up to each of us whether landlord or tenant, to bargain in our own best interests as to what are reasonable rents. I move adoption of the amendment and ask that when the vote is taken it be taken by roll call. Thank you.

THE PRESIDENT:

It shall be so ordered, when appropriate. Will you remark further on Senate Amendment G. Senator Leonhardt.

SENATOR LEONHARDT: (5th)

Thank you very much, Mr. President. Senator Post was right on the last amendment that it was a relatively minor question in the structure of the whole bill. But make no mistake about it, this amendment, if it were adopted, would gut the entire bill in terms of the elderly protection. The Trojan Horse Amendment, I am going to call this amendment.

That would happen in the following manner because if there was no regulation of the landlord's ability to pass increases, rent increases, on to tenants and protected classes, that is the elderly below a certain income limits, the blind and the physically disabled, what a landlord simply would do would take a two hundred and fifty dollar month property and jack the rent up and say, "O.K., starting at the end of the lease period, your rent is now nine hundred and fifty dollars, or it is fifteen hundred dollars." And the tenant would have no ability to argue with that. The tenant would have to accept that. So there really wouldn't be any protection for elderly or for blind or for disabled persons because the landlord would be able to use the device of the rent increase to get people out of the building. So, in effect, the deletion of these few lines between lines

70 and 77 would really end up, ah, you might as well delete the whole section 1, if you are going to do that, because it would create a gaping loophole where through rent increases, after a lease has expired, landlords would be able to get people in the protected classes out of the buildings.

Now I would like to suggest that this is a reasonable provision that was put in here to give reasonable protection to landlords. We didn't want to have a situation where landlords were required to continue to have tenants at the rent that was last in effect before the statute went into effect. In other words where the tenant's rent is frozen. We know that in this inflationary age, rents go up and that they are going to continue to go up and we shouldn't kid people about that, and that they are going to have to go up for the landlord to make a reasonable return on his property. We know that. And we wanted to guarantee that right. So that what we are doing, really,in this section is protecting the landlord's right to have a reasonable rent increase. I do not see these lines in this section as any significant increase past the rent regulation appartus that is already in place through Connecticut's Fair Rent Commissions. As everyone knows, we already have the apparatus on the books for fair rent commissions where third parties, the State of Connecticut through its towns comes in

and reviews rents and says whether they are reasonable or high or low. So we already do that in the State of Connecticut. This would only be doing it in the case of these protected classes.

I would like to suggest that in calling this rent control that Senator Post is on what we used to call a slippery slope or the parade of horribles, a sort of the logical fallacy that if we take one small step in a given direction that we necessarily are going to go all the way to a whole extreme down the road. One little tiny step does not mean that we will end up ten miles down the road. It means we have gone one little step. And in this case, I don't even view it as a step because we are using the Fair Rent Commission mechanism that is already in place. So for these reasons, again to reiterate for the members of the circle, this would gut the entire bill because through the device of rent increases, there would be no protection for elderly persons at all. The landlord would say for a two hundred and fifty dollar apartment, your rent is now nine hundred and fifty dollars, pay it or leave, and there would be no protection for the protected class. Please, reject this amendment.

THE PRESIDENT:

Will you remark further? Senator Cunningham.

SENATOR CUNNINGHAM: (27th)

Thank you, Mr. President. Mr. President, I find two things objectionable in what Senator Leonhardt has just stated. First of all, his comment on the inevitability of rent increases. They are only going to be inevitable in the years ahead if we continue having the kind of inflation we have caused by the incompetence on the national level. It will also only be inevitable if we don't produce more housing and I believe if we pass legislation such as this, we won't have further rental housing produced. But if we pass amendments like this, if we defeat the bill, then I believe we will have more housing and in the long run we will stop having further rent increases. I believe that the economy can stabilize with interest rates being much lower, without the rise of inflation, we will have stable rents. I believe also that the objection to the amendment on the basis that it guts the bill is placed to rest by the very comments that Senator Leonhardt closed with, and that is that certain municipalities, including my district, have fair rent commissions. There is no need for placing the reasonable clauses in this bill Unless we just want to foster further litigation, we are better off leaving the present law as it is. I don't believe you will have situations of grave increases or anything which is unfair. We don't need to throw in another clause, putting in the term

reasonable increases and so forth to bring about more litigation. The amendment is a good one and I support it. Thank you, Mr. President.

THE PRESIDENT:

You are welcome, Senator. Will you remark further on Senate Amendment Schedule G. Senator Skowronski.

SENATOR SKOWRONSKI: (17th)

Thank you, Mr. President. Through you to Senator Post, one question.

THE PRESIDENT:

Proceed, Senator Skowronski.

SENATOR SKOWRONSKI:

Yes. Assuming that Senator Leonhardt's overall amendment passes and it has passed, and assuming your amendment passed, Senator Post, so that all the language want deleted would be deleted, what would happen in the following situation: You have a tenant in a condominium conversion situation with, let's say, a three-year lease. The rent is two hundred dollars a month. That tenant is in a so-called protected class. At the end of year one, there is a condominium conversion and since that tenant is in a protected class, they now have a lifetime tenantcy. The lease expires in year three and under the lease the rent was two hundred dollars. What would the rent be in year four? And how would the rental figure be arrived at in year four?

THE PRESIDENT:

Senator Post, if you care to respond.

SENATOR POST:

Mr. President, the rent would be determined by the tenant and the landlord just the way it would in every other situation such as a three-year lease, unrelated to a condominium conversion that expires, the new rent for year number four would have to be determined by landlord and tenant, and free people without interference of fraud or undue influence arrive at what is free market price for that dwelling unit. It would be no different in the condominium situation than it would be in any other apartment as has been the case in Connecticut for decades.

THE PRESIDENT:

Senator Skowronski.

SENATOR SKOWRONSKI:

Thank you, Mr. President. I find that answer inadequate because in year four we no longer have the free marketplace, we have a tenant that is in a protected class that can no longer be evicted. So we are no longer in a free market situation because one party, namely the tenant in the protected class is in a protected class and cannot be evicted. Through you, Mr. President, how does Senator Post respond to that?

THE PRESIDENT:

Senator Post, if you care to respond.

SENATOR POST:

I see how you are focusing your question, it would be like any other seller, in this case the landlord is a seller of a term in his dwelling unit would establish the price, and if the buyer doesn't want to buy, the buyer is free to buy elsewhere. And that is true here as it' has been in all dwelling unit situations. If the lease expired, forget condominium conversions, if the lease expired, the landlord puts a price on his apartment or on his house, and says three hundred dollars a month and if the tenant says, "I won't pay it" the landlord says, " well, how about two seventy-five." The tenant says, "I won't pay it." The landlord says, "I'll find somebody else who will." That's the beauty of the American system and it is a magnificent, pure system of people arriving at what they think is a reasonable deal for them. And you and I may look at the same deal and say it is a bad rent, it's a bad deal. It's too much, too little. You shouldn't buy that car. You shouldn't buy that Encyclopedia Brittanica. You shouldn't do this, you shouldn't do that. But the people have the right to make deals whether you and I think they are good or bad. Or whether we would pay the same price for it. And in this situation, if the landlord wants to put a rent of four hundred dollars on the apartment, the tenant says, " I won't pay," he may have an empty apartment on his hands. That's the American system. And it is a beautiful system.

THE PRESIDENT:

Senator Skowronski.

SENATOR SKOWRONSKI:

So then, through you, Mr. President, in year four the landlord would be free to impose a rent on the tenant. Assuming there could be no agreement, and the landlord said five hundred dollars a month, and the tenant said No, what would happen in that situation?

SENATOR POST:

Willing buyer, willing seller concept. The landlord establishes the rent for which he will rent to you, the tenant. If you want to pay it, fine. If you don't want to pay it, fine. That's between you and the landlord. If the landlord can't rent to someone else, he's got a liability on his hands. If he can rent to someone else, five hundred dollars, that's the American system.

SENATOR SKOWRONSKI:

Mr. President, a brief comment. As I see the bill, I think if we pass Senator Post's amendment, we are going to create a contradiction and a confusion in the bill because earlier in the bill we are creating a protected class, and if we were to pass Senator Post's amendment, as interpreted by him, he would say that notwithstanding the creation of the protected class earlier in the bill, the landlord would be able to get around that by imposing whatever rent increase he

felt would be appropriate. So we would be sitting with the bill that would be saying two things at once. On the one hand we have a protected class, on the other hand we have the unfettered ability of a landlord to impose whatever rent increase he wanted. And I don't know how we could pass that kind of a bill and how that bill could ever be administered by any judge or any town or anyone else in the State of Connecticut. So I am concerned that the bill sets up a contradiction. The amendment would set up a contradiction within the bill which would make the whole bill unworkable.

THE PRESIDENT:

Will you remark further or are you ready to vote. Senator Fauliso.

SENATOR FAULISO: (1st)

Mr. President, I didn't want to enter the debate but I think some things have to be said in the colloquy that existed between Senator Post and Senator Leonhardt. It is quite apparent to me that the amendments offered, some of the amendments that have been offered, are purely negative. I do not see any merit to them. If we recognize that there are so many units, ten thousand units, that have been converted. If we recognize that there are people out there, the poor and the blind and the infirmed who are looking for help, then we must concern ourselves with the condominium

conversion bill. We can be offer many negative amendments. We are tearing this thing apart. And I think without reason. There is nothing rational about these amendments. Say how you stand. You are against a proposition of condominium conversion, say so. That you offer that we are living in a free enterprise system, of course, we do. But there comes a time, such as this, when we recognize that there is a housing shortage, when we recognize there is an urgency. We've got to offer help to these special groups of people. That's what we are doing here. We can project and advance legalistic arguments that will best serve our own personal interests, but, my God, we have to transcend those parochial interests and say, "do something." We have done this for years. We have protected people. In any emergency, we cannot tolerate this rush to condominium conversion. Something has to be done. So let's not tear this apart by offering this amendment and that amendment that seeks only one purpose, that only defines your own position, namely that you are against condominium conversion. I could present to you the most perfect bill satisfying every element, but it may not satisfy one individual who says, "well, I look at this particular contract as sacred." Of course, contracts are sacred. Who says that they are not? But do we recognize that we have to help these people? Do we recognize that we have an emergency?

Do we recognize the condominium conversion is upon us? Then let's do something about it and not delay this any longer.

THE PRESIDENT:

Are you ready to vote? Hearing no further remarks announce an immediate roll call please.

THE CLERK:

An immediate roll call has been called for in the Senate. Will all senators please take their seats. An immediate roll call has been called for in the Senate. Will all senators please be seated.

THE PRESIDENT:

The machine is open. Have all senators voted? The machine is closed. The Clerk will take a tally. Senator Owens.

SENATOR OWENS: (22nd)

Mr. President, may I be recorded in the negative please.

THE PRESIDENT:

The Clerk shall so note. Senator Owens in the negative.

SENATOR OWENS:

Thank you, Mr. President.

THE PRESIDENT:

You are welcome, Senator Owens.

The vote is 8 Yea - 26 Nay. SENATE AMENDMENT G IS DEFEATED.

SENATOR LEONHARDT:

Mr. President, I move passage of the bill.

THE PRESIDENT:

The question is on the bill. Will you remark further or are you ready to vote? Senator Cunninghmam.

SENATOR CUNNINGHAM: (27th)

Mr. President, I would like to raise a point of order here. I believe it should be sent to LCO. I believe the bill, as amended, ah, we had a substantive amendment. It should be referred to LCO.

THE PRESIDENT:

The Senate will stand at ease for a moment. Senator Cunningham, exactly what was your point? I didn't catch it completely. Will you restate, please.

SENATOR CUNNINGHAM:

Yes, Mr. President. My point is the amendment we adopted today is substantive. I would request a ruling that the amendment adopted is substantive and that the bill be referred to LCO.

THE PRESIDENT:

Senator Cunningham.

SENATOR CUNNINGHAM:

At the request of several of the members of this chamber, no, I will not reconsider. Go ahead with the ruling, Mr. President.

THE PRESIDENT:

The Chair is prepared to rule. The point of order raised by Senator Cunningham is the amendment substantive to the original file copy, and, indeed, to the further amendments that were done in the original Senate A and Senate Amendment B, it is the Chair's opinion the point of order is well-taken and the matter is substantive, and, therefore, rules that it should be referred to the Legislative Commissioners Office for redrafting and printing.

THE CLERK:

Proceeding with the Calendar on page thirty-six. Cal. 89. File 85. Senate Bill 488. AN ACT CONCERNING THE TRANSFER OF GREENWICH HOUSE AT FAIRFIELD HILLS HOSPITAL, as amended by House Amendment Schedule A. Favorable report of the Committee on Human Services. The Senate passed the bill on March 26, 1980.

THE PRESIDENT:

Senator Martin.

SENATOR MARTIN: (18th)

Mr. President, I move the committee's favorable report and passage of the bill as amended by House Amendment A.

THE PRESIDENT:

The question is on acceptance and passage as

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SENATE

PROCEEDINGS
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THE CLERK:

The Clerk is prepared to move on today's Calendar, Calendar 261, on page 27, under the heading of Matters Referred to Legislative Commissioner, Calendar 261, File 302, 661 and 791, Substitute for Senate Bill 290, AN ACT CONCERNING CONDOMINIUM CONVERSIONS AND THE ENCOURAGEMENT OF NEW RENTAL HOUSING, as amended by Senate Amendment, Schedule A, Sections 1, 2, 4, 5, 6, and 7. Sections 8, 9 and 10 failed. Senate Amendment B and Senate Amendment, Schedule C, with a Favorable Report of the Committee on the Judiciary.

THE CHAIR:

Senator Leonhardt.

SENATOR LEONHARDT:

Mr. President, I move adoption of Senate Bill 290, as Amended, which I believe will give protection to the elderly and poor tenants in the best tradition of a sensitive and humane government, but which, at the same time, will not create unreasonable disincentives to the construction of housing in Connecticut. I move that when the vote be taken, that it be taken by Roll Call.

THE CHAIR:

Thank you Senator. Will you remark further or are you ready to vote? Senator Cunningham.

SENATOR CUNNINGHAM:

Mr. President, I'd like to remark unfavorably on this Bill.

THE CHAIR:

Proceed.

SENATOR CUNNINGHAM:

Thank you Mr. President. Mr. President, I want to begin my remarks by referring to the Bill as it now is, using the line numbers as it was in the Amendment that we had on our desks yesterday. In Line 21, the Bill says the current rate of which residential rental units are being converted into condominiums has created a state-wide housing emergency. Mr. President, it is not the rate at which units are being converted which has created any emergency. The truth of the matter is, Mr. President, that we in government have created this emergency. We in government have created the problem. If there was a problem in November, that problem is greater today and it is greater today, not because of anything in the private sector. It is greater today because what we did and what we have been suggesting doing in the time since then.

Mr. President, to the extent we have a housing problem in Connecticut, it's caused by a combination of circumstances, primarily related to government and among those circumstances

are high rates of interest which make it difficult to foster additional construction of any kind of housing today. And also among those governmental elements are the very discouragement of housing which we have done and thirdly, as a major governmental factor here in the rental market, is a change a couple of years ago, in our Federal Tax structure. The elimination, if you will, of a tax loophole. Our system in the past has in fact through our tax structure, kept rental rates below what they ought to have been reflecting the true value of housing. We are now in a situation where we are approaching a new equilibrium. The rate of conversion will virtually cease once a new equilibrium is reached, where the value of a condominium conversion unit is no longer substantially in excess of the value of the same unit as rental housing.

What, Mr. President, have we done in response to this situation? What we've done is to give every clear signal we could to the private sector, not that we want more housing, but we have given every clear signal that we're going to discourage it because we're going to say that we're going to regulate it; we're going to tell you when and when you cannot change the form

of ownership of your property. This Bill, Mr. President, will not solve any problem. It will only, in the long term, make the problem worse. This Bill is counter-productive. Now, also in Section 1, the Bill states that it is in the public interest to preserve a number of dwelling units, etc. Well, the basic point, Mr. President, is that it will not do that in this Bill, because in fact, what we are going to do is perpetuate a situation of a shortage of housing.

Now, let's examine some of the other sections of this Bill, I want to reflect, in looking at Section 1b, back to a piece of legislation passed a couple of years ago. It had to do with the Sunday Blue Laws. Well, the General Assembly in its wisdom decided to say well, we aren't going to say no businesses may be open so we excluded this and we excluded that and we excluded the other and the courts determined that we couldn't do that. It served no legitimate purpose to make all of these exclusions and therefore, the law was unconstitutional. Well, here, I think with a fair amount of reason, we excluded smaller apartment units; smaller apartment buildings from this law. I wonder how the courts will see that. And we find also, in Section 1b, a situation where we're going to determine that

at age 62 a person is elderly enough to fall under the protection here. I wonder, Mr. President, how the courts are going to look on it when they not only look on the legislative history and they'll look at our debates here today, they also may even look at thehearings on which we based our opinions and our conclusions and find that in those hearings, the testimony as to age problems is to the elderly who have been living for many years in a unit; elderly who are truly adversely affected, not only because of the matter of income and so forth, but the psychological problem of having to move. The truly elderly, those 75, 80 and 85. Yes, we had testimony for that, but age 62 and the older, mind you Mr. President, of the spouses, not the younger, the older being 62 hits a magic number and we're protecting it.

Mr. President, it cannot be legitimately justified on the basis of the testimony we heard. And I do not believe on that basis it would be held to be Constitutional. Mr. President, we decide kindly enough in measuring the different rights in different communities, to allow different communities to set different income limits. Mr. President, that means your rights will vary between one town and another. I question that. I

question whether that is wise. I don't think it is. And then we get into, also, on line 71, where we start discussing what Senator Post has referred to as a step toward rent control and indeed it is. I don't believe it's a first step. I believe we've had a few other steps along the way. It's one more step, but it's perhaps a crucial one because at some point along the way, it snowballed and it snowballed for this reason - because of the steps that we take you still the construction of rental units. And you can say, well, there aren't any going up today. Yes, because of economic reasons. But we're going to add a reason which even in better economic times, which I'm sure will come in the next couple of years, we're adding a reason so that even then, even in those better economic times, we will not see the construction of new rental housing.

And what happens then, Mr. President? We get even a tighter and tighter rental market and as it becomes that tight, the push, the drive for rent control will grow. It will not reduce. It will grow, that push for rent control. And rent control, just like this section of the Bill which we decide to sunset in two years, just like that, becomes very hard as the

difference between the actual market and what we place in this kind of Bill grow to become harder, not easier, to change. I submit, Mr. President, that this step toward rent control is truly dangerous to the State of Connecticut because I know in my own district, the housing market is tight enough now. Any further tightening will push for rent control.

I remember a few years ago in the State of New York, in the City of New York, when then Mayor Lindsay decided that, well, it was absolutely vital to save the city, to eliminate rent control. Well, the difference between the rents and the real market value was so great that a public outcry was so great that he couldn't do that. And I submit we'd better not follow in such paths. Yet this Bill does so. It is another and critical step. It is a major mistake and there it says legitimate and reasonable rents so now we're going to be determining that. It doesn't say the market value, the market rent. If it said that, I would perhaps say well, at least it has some reasonable value to it. But it doesn't say market value. It doesn't go to the marketplace to determine what is reasonable. Instead it goes with legitimate and reasonable

rent increases and I wonder how that's going to be interpreted. It's probably going to say well, if the taxes go up on the unit, then they can pass along the tax increase. It's going to create a growing differential between the rent that can be charged from this unit and the actual marketplace. It is a mistake, Mr. President. Mr. President, on page 3, beginning at line 94, we get into this question again raised very well and very ably yesterday by Senator Post. His question of extension of a six month stay of execution. We've already provided that you can get a six month stay, but now we're providing that mind you not generally, but in the case of a condominium conversion, you can get an additional six month stay.

Mr. President, this acts not only unfairly to the present owner of the property who if he converts will be looking for buyers, but it operates contrary to the interest of the potential buyers of these units. Mr. President, this section cannot be justified. It cannot be supported legitimately. It is in error.

Mr. President, on page 6, we get again into that question, beginning at line 198, of the option of tenants to pull out. If it's converted they can skip out immediately. Well, what is the difference, as brought out again, so ably by Senator Post.

What is the difference between a person in this situation who signed a contract? And I believe there is a certain sanctity to the rights to contract inour society. It is a Constitutional right and we should preserve it. What is the difference between the person in our society when it comes to the end or he is approaching the end of his lease, he has to fulfill it. He knows that the end of that time, if he cannot renew it, he must find another place to live. What is the difference between that and the conversion case? It isn't a difference, Mr. President. It is simply a discrimination. It is simply a matter of our legislative abuse if we are to pass this.

Mr. President, on page 7, beginning at line 213, there's a deletion of the present section which is reasonable, which is placed in the law reasonably to protect individuals who have signed a contract allowing for early termination if there's conversion and we provide a 30 day notice. That was reasonable, but not what we are doing now. That deletion is a mistake. And then we provide a beginning of an opening here, beginning in line 233 where we start going into areas such as relocation assistance. Mr. President, I cannot believe that

this legislature is going to be forcing people to have a right to contract, whose right to contract is not being adversely affected by the present situation, to force the landowners to provide this relocation assistance, to provide money for people who we discriminate against on how much they earn.

I find that hard to believe, that we would even try to justify such a conclusion. If we want to help people, if we feel that we've got to help on government, to relocate people, then let us pass legislation to provide public funds, if we feel that relocation should be provided, but let us not force this upon property owners in Connecticut. Mr. President, I believe that this Bill is a most unwise piece of legislation and I believe it is counter-productive. The passage of this will not build one stick of housing in Connecticut. But mark my words, if it passes, we can expect less housing to be built in the years ahead. And if you think you're helping people, if you think you're helping the individuals in the State of Connecticut, think again, because what you are doing is not helping them, but hurting them in the long run.

I do not lean back and say, but my constituents want it. That public opinion favors it. Mr. President, if public

opinion favors tyranny, I would still oppose it. If public opinion favors taking away property rights, I would oppose it. Mr. President, if public opinion wrongly favored a Bill which is unwise, which is unconstitutional, I would oppose it and each of us here is sworn to uphold the Constitution. I believe we are sworn to uphold our views on that Constitution.

If you believe as I do, these Bills will not meet the test in court, they indeed violate the Constitution and that they are unwise and counter-productive, do not try to justify your vote on the basis of that's what the people want. Justify your vote instead in the negative. Justify your vote on what you believe to be right. I urge you, I urge the members of this chamber to vote against this Bill. Thank you Mr. President.

THE CHAIR:

You're welcome Senator. Will you remark further or are you ready to vote? Announce an immediate Roll Call in the Senate please.

THE CLERK:

An immediate Roll CAll has been called for in the Senate. Will all Senators please take their seats. An immediate Roll Call has been called for in the Senate. Will all Senators please be seated.

THE CHAIR:

Senator Post, I did not see you standing. Do you want to remark, Senator Post?

SENATOR POST:

Very briefly, and you did not see me standing because I was not standing here. I was waiting for Senator Cunningham to finish and I came rushing over here as soon as he did.

I do not expect to be able to change the mind of a single member of this Circle on this issue at this time. I would like to make three statements.

THE CHAIR:

Proceed.

SENATOR POST:

First, I think we're operating under some myths and as we discuss this issue and comparable issues that are coming on our Calendar, I'd just like to state what I think the myths are for the benefit of anybody else who cares.

One, it's been said that landlords are making very, very large profits. Be careful of that myth. It leads us to thinking that landlords are bad guys and we should punish them where in fact, landlords today are being squeezed which is one of the reasons they no longer want to be landlords and want to convert

and get out of the market. Secondly, we're operating under the myth that condominiums are bad. That's not necessarily accurate either. Condominiums are a form of ownership and sometimes those who own condominiums may take care of them better than those who rent them for a short period of time. So let us not perpetuate that myth and pretend that condominiums are an evil form of ownership. They may not be.

And thirdly, the myth is that condominiums are creating a housing shortage and of course, that's false. Condominiums is a question of whether you rent or you own, but the housing shortage is a question of how many units are available for all of us. No housing shortage is created by condominiums, it's a question of which form of ownership or which form of use is desireable. And on the Bill itself, I intend to vote against it. I'd like to take 30 seconds to explain why to anybody who cares.

I'm doing it for two reasons. Number one, I have yet to hear anyone say that the Bill that we have before us will actually increase the amount of housing available to the citizens of Connecticut. I do not think it will. I think this particular Bill, if passed, will lead to fewer dwelling units

being available to the people of Connecticut; whether they be condominiums or apartments or cooperatives. And secondly, and very fundamentally, I think that this Bill takes away some of the freedoms that we in Connecticuthave in terms of the free marketplace. And it's an interference by government in terms of how people run their lives. Sadly, because I think there is great concern by people here for the problems associated with condominium conversions and I think in the process we are exascerbating the housing crisis and giving away our freedom. I think that's wrong and I'll vote against the Bill. Thank you sir.

THE CHAIR:

Senator Morano.

SENATOR MORANO:

Mr. President, I'm convinced that the time for condominium bill is right now. I wish we'd done it a year ago. While there is a Bill before us that kind of tears me apart a little, I must admit that the need will take precedence over my--when I try to be practical and carry out the things I believe, I must say that the need for this Bill forces me to support it. However, I'd like to go on record to say that while some areas have been

cleaned, I think the fact that seven units, six units or less are not included in the Bill, I am unhappy about the income cap. I am disturbed by the rent control inuendos on lines 70 and 70 through 76. However, the need is so great, the consideration for people is so great that I will, with reluctance, support the Bill. Thank you.

THE CHAIR:

Are you ready to vote? The machine is open. Announce the Roll Call.

THE CLERK:

Roll Call is in progress in the Senate. Roll Call is in progress in the Senate.

Have all Senators voted? Have all Senators voted? The machine is closed. The Clerk will take a tally.

The vote is:

32 YEA

3 NAY

The Bill is passed. Senator Lieberman.

SENATOR LIEBERMAN:

Mr. President, I move for a Suspension of the Rules to allow for immediate transmittal to the House.

THE CHAIR:

Is there objection? Hearing none, the Rules are suspended.

H-267

CONNECTICUT
GEN. ASSEMBLY
HOUSE

PROCEEDINGS
1980

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PART 18
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Have all the members voted? Have all the members voted? Would the members please check the roll call machine to determine if their vote is properly recorded? The machine will be locked. The Clerk will take the tally.

Would the Clerk please announce the tally.

CLERK:

Senate Bill No. 739.

Total number voting	143
Necessary for passage	72
Those voting yea	141
Those voting nay	2
Those absent and not voting	8

SPEAKER ABATE:

The bill passes.

CLERK:

Calendar, page 17. Calendar No. 676. File 302, 661, and 791. Substitute for Senate Bill No. 290. AN ACT CONCERNING CONDOMINIUM CONVERSION AND THE ENCOURAGEMENT OF NEW RENTAL HOUSING. (As amended by Senate Amendment Schedules "A", "B", and "C"). Favorable Report of the Committee on Judiciary.

REP. TULISANO: (29th)

Mr. Speaker.

SPEAKER ABATE:

Rep. Richard Tulisano.

REP. TULISANO: (29th)

Mr. Speaker, I move for acceptance of the Joint Committee's Favorable Report and passage of the bill in concurrence with the Senate.

SPEAKER ABATE:

The question is on acceptance of the Joint Committee's Favorable Report and passage of the bill in concurrence with the Senate. Will you remark, sir?

REP. TULISANO: (29th)

Yes, Mr. Speaker. Mr. Speaker, as indicated by the Clerk there are three amendments, the final amendment being the final file copy before us. As you all know, the Senate went through a number of votes on this bill and in order to get to the file copy of the bill before us, I hope we can vote for Senate Amendments "A" and "B" and then get to "C" in that order, so that we follow the same procedure that was used in the Senate.

Accordingly, Mr. Speaker, I ask the -- the Clerk has an amendment LCO No. 3265, Senate Amendment Schedule "A".

SPEAKER ABATE:

The Clerk has in his possession an amendment, LCO No. 3265, previously designated Senate Amendment Schedule "A". Would the Clerk please call the amendment.

CLERK:

LCO No. 3265, offered by Senator Fauliso of the 1st.

SPEAKER ABATE:

Would the gentleman -- is seeking leave of the Chamber to summarize the amendment in lieu of Clerk's reading. Is there objection? Is there objection? Hearing none, you may proceed with summarization, Rep. Tulisano.

REP. TULISANO: (29th)

Mr. Speaker, as indicated, this is the first of the votes that was taken by the Senate. I move adoption of the amendment so we can get along to Amendment "C".

SPEAKER ABATE:

The question is on adoption of Senate Amendment Schedule "A". Will you remark further on its adoption.

If not, all those in favor, please indicate by saying.

REPRESENTATIVES:

All those opposed, nay.

The ayes have it. It's adopted and ruled technical.

Will you remark further on this bill as amended by Senate "A".

REP. TULISANO: (29th)

Mr. Speaker.

SPEAKER ABATE:

Rep. Tulisano.

REP. TULISANO: (29th)

The Clerk has an amendment, LCO 3165, Senate Amendment "B".

SPEAKER ABATE:

The Clerk has in his possession an amendment, LCO No. 3165, previously designated Senate Amendment Schedule "B". Would the Clerk please call the amendment.

CLERK:

LCO 3165, offered by Senator Barry of the 4th.

REP. TULISANO: (29th)

Mr. Speaker.

SPEAKER ABATE:

Rep. Tulisano.

REP. TULISANO: (29th)

Permission to summarize.

SPEAKER ABATE:

Is there objection to summarization? Hearing none, you may proceed.

REP. TULISANO: (29th)

Mr. Speaker, I move the amendment as the second of the votes that were taken in the Senate which also results in us reaching Senate Amendment Schedule "C".

SPEAKER ABATE:

Will you remark further on the adoption of Senate Amendment Schedule "B".

If not, all those in favor of its adoption, please indicate by saying, aye.

REPRESENTATIVES:

Aye.

SPEAKER ABATE:

All those opposed, nay.

The ayes have it. It's adopted and ruled technical.

Will you remark further on the bill as amended by Senate Amendment Schedule "A" and "B"?

REP. TULISANO: (29th)

Yes, Mr. Speaker. Mr. Speaker, the Clerk has an amendment, Senate Amendment Schedule "C", LCO No. 3395.

SPEAKER ABATE:

The Clerk has in his possession an amendment, LCO No. 3395, previously designated Senate Amendment Schedule "C". Would the Clerk please call the amendment.

CLERK:

LCO No. 3395, offered by Senator Fauliso of the 1st.

REP. TULISANO: (29th)

Mr. Speaker.

SPEAKER ABATE:

Rep. Tulisano.

REP. TULISANO: (29th)

Permission to summarize.

SPEAKER ABATE:

Is there objection to summarization in lieu of Clerk's reading? Hearing no objection, you may proceed with summarization, Rep. Tulisano.

REP. TULISANO: (29th)

Yes, Mr. Speaker. The Senate Amendment Schedule "C" is in fact the reprint which is of the File No. 791 and which is in fact the substance of the legislation we are addressing today. It deals with condominium conversion and is a result of the progenitor, if you will, the result of the Interim Study Commission which studied the problem of condominium conversion and after its report worked its way through three of the committees in this General Assembly, not without some debate, if I might say and ultimately after two weeks of debate in the Senate, became Senate Amendment Schedule "C".

Mr. Speaker, ultimately, this legislation was worked upon in the Senate and much negotiation of people on all sides of the issue and finally approved by the Senate by a vote of 32 to 3, with one individual absent. Mr. Speaker, the amendment first begins with a number of issues declaring the housing shortage that does exist in the state in citing legislation findings which

in fact are legislation history, so to explain to future courts of the reason why this bill was developed. It also indicates that no person who is over 62 years of age, blind or physically disabled and with certain income limit, can in fact be evicted from any residential property.

There are some -- I'm sorry, for termination of lease, if one doesn't pay their rent or if one has done something which material effects the health and safety of others or one does not comply with the rental agreement, then there could be an eviction. This is a very narrow, for cause of eviction process and it goes out of existence on January 1, 1983, giving this Legislature more opportunity to look at the problem in the interim.

This would also not apply to anyone who currently removes the going unit from the rental market. These income limits within the range specified in the statutes, may be determined by between $13,000 on the low side and $21,000 on the high, for singles and $17,000 for the low and $25,000 on the high for married couples over 62 years of age.

Another major provision is that in a condominium conversion unit should one end up being evicted who was not over 62, an additional six month day of execution, in addition to that already existing in the statutes, may be obtained if in fact there is not enough housing in the area and there is a number of standards set

out in the statutes for the size of family, etc. It does not restrict the raising of rents of individuals who are still in the unit. It also requires that there be given to the decrement in a condominium conversion, not only the statement as to the condition or a statement that is certified by professional engineers, as to the condition of the premises. It also would require that no expenses for repairs or reconstruction can be passed on as common charges.

There are a number of other provisions dealing with the 180 day notice provision in condomimium conversion as well as giving someone a real option to purchase as now exists in the statutes by requiring that they in fact be given an offering statement before the 180 day period begins to run.

Mr. Speaker, this is a very important piece of legislation for us to deal with this year. As you know, and as members of this body know, we have in fact in the past, passed temporary measures dealing with heating units which may in fact be energy -- not energy constructive, but have a negative fact in energy and really has left a number of people in limbo.

We think this is well balanced. There are some aspects of it which some of us would like to have stronger, some would like to have weaker. A number of us have made compromises. A number of us have thought long and deep over this matter.

I would like to move the amendment and cite also for everyone's background a number of findings that were found by the Task Force and generally agreed upon which have been circulated to the members of the General Assembly. Also, which gave rise to the basis for making proposal before us today, and I move the amendment.

SPEAKER ABATE:

The question is on adoption of Senate Amendment Schedule "C". Will you remark further on its adoption.

REP. VAN NORSTRAND: (141st)

Mr. Speaker.

SPEAKER ABATE:

Rep. VanNorstrand.

REP. VAN NORSTRAND: (141st)

Mr. Speaker, since Senate "C" is, as I understand it and if I'm wrong, I presume Rep. Tulisano can correct me, this File No. 791 now is reprinted and since that would then become the bill, I just had a couple of question I wanted to ask, if I might of Rep. Tulisano.

SPEAKER ABATE:

State your first question, please, sir.

REP. VAN NORSTRAND: (141st)

Through you, Mr. Speaker. Rep. Tulisano, I'm referring

File 791. In line 58, it indicates the provisions about notice and the like, do not apply to any landlord who permanently removes the dwelling unit of such lessee from the housing market. Is that intended that one could never offer the premises for lease again?

REP. TULISANO: (29th)

Through you, Mr. Speaker. That provision was debated in one of the sub-committees, I think it was a Task Force Committee and will just relate for the record and for Rep. VanNorstrand of how that has -- was interpreted by the committee during that debate.

And while it was indicated that if one were to purposely and intentionally and have a mind to remove permanently at that time from the rental market, then they may do so. That is not to say that at some time in the future, that could not be removed and put back on the rental market. I would say that in the event one were to make the declaration that it was to be permanently removed from the rental market and then three months later, or three weeks later putting it back on, would be a sign and indication to prospective persons who were buying or to a title insurance company that was an attempt to evade the statutes and that would not be effective.

But I would think that, say if it was off the market for

two, three or four years, then there was a change of heart and as long as the person's intent was to originally remove from the housing market, then it would be a valid removal. That is the way the two aspects or the way the sub-committee discussed it and I think they generally intepreted that language.

REP. VAN NORSTRAND: (141st)

Through you, Mr. Speaker.

SPEAKER ABATE:

Rep. VanNorstrand.

REP. VAN NORSTRAND: (141st)

I gather and I do appreciate the explanation of the Chairman, but you would agree that permanently does not exactly equate with three or four years or some other short period. I gather that is contra-distinguished from the next section or the next line there which talks about or intends to use it as his residence. That I gather is a present intent, rather like the state of mind accompanying domicile.

SPEAKER ABATE:

Rep. Tulisano.

REP. TULISANO: (29th)

Through you, Mr. Speaker, that's correct. And I might also add that this only, however, applies to buildings consisting of seven or more dwelling units, so there is another limitation on how this becomes applied.

REP. VAN NORSTRAND: (141st)

Through you, Mr. Speaker. In lines 209 to 211 of the File 791, there is a requirement that one additional or an additional requirement that those required in a statement instance to a conversion condominium is that the statement of the declared be certified by a professional engineer registered exempted under Chapter 391 as to the present condition.

Through you, my question is, do you find that likely to be a workable thing in terms of your dealing within an existing structure?

REP. TULISANO: (29th)

Through you, Mr. Speaker.

SPEAKER ABATE:

Rep. Tulisano.

REP. TULISANO: (29th)

It would be my impression that that would be workable. In fact, at the present time, if one were representing residents of a building, you in fact would as the check on the statement hire a professional engineer or to suggest to that groups to hire a professional engineer to infact verify statements made by the decrement.

This in fact would then in effect, shift the burden to have the statements that are made certified by an engineer.

I think it is workable and we're talking about the structural and major mechanical components of the condominium. That can be examined. The scance of the heating system could be examined, the roof, the structure and that is what his initial statement is on. This is just verification of statements hoping that in the future when there is in fact a conversion that a conveyance that they buyer, the perspective buyers, will have a -- will have property which is in fact somewhat upgraded or they will be aware of if there are some major structural problems.

REP. VAN NORSTRAND: (141st)

Through you, it is your belief that all the major structural components of a building are visible and capable of that?

SPEAKER ABATE:

Rep. Tulisano.

REP. TULISANO: (29th)

Through you, Mr. Speaker. Not being an engineer, I do think, however, that an engineer is capable. They do make structural inspections of buildings today and I think they will be able to do so under this.

REP. VAN NORSTRAND: (141st)

Mr. Speaker, I appreciate the fact that the Senate has

kept doing this till they got it right and I don't necessarily oppose the file. I just think that we are likely to get some reservations from engineers and the like as to disclaimers, as to certification and the like.

If I might ask one other question to make sure I understand it. They last sub-section of the bill, Section 8b, lines 384 or sub-section of the amendment if you like, to 392, is my reading of that correct, that the heating plant requirement would expire 60 days after the effective day of this act?

SPEAKER ABATE:

Rep. Tulisano.

REP. TULISANO: (29th)

Mr. Speaker, just -- may I have one second to re-read it. Through you, Mr. Speaker. I believe the language indicates that within 60 days after this act, the heating plant requirement will go out of existence.

REP. VAN NORSTRAND: (141st)

Thank you, Mr. Speaker.

SPEAKER ABATE:

Will you remark further. Will you remark further on the adoption of Senate Amendment Schedule "C" which appears in File No. 791. Will you remark further on the adoption of Senate Amendment Schedule "C".

If not, all those in favor of its adoption, please indicate by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER ABATE:

All those opposed, nay.

The ayes have it. It's adopted and ruled technical.

Will you remark further on this bill as amended. Will you remark further on the bill as amended.

REP. GLICKSON: (137th)

Mr. Speaker.

SPEAKER ABATE:

Rep. Andrew Glickson.

REP. GLICKSON: (137th)

Mr. Speaker, could the Clerk please call and read an amendment designated LCO 4230.

SPEAKER ABATE:

The Clerk has in his possession an amendment. LCO No. 4230, designated House Amendment Schedule "A". Would the Clerk please call and read the amendment.

CLERK:

LCO No. 4230, offered by Rep. Glickson of the 137th.

In line 26, strike out the word "building" and insert the words "conversion dondominium" in lieu thereof.

SPEAKER ABATE:

The amendment is in your possession, sir. What is your pleasure?

REP. GLICKSON: (137th)

Mr. Speaker, I move adoption of the amendment and I would like to remark on it.

SPEAKER ABATE:

The question is on adoption of House Amendment Schedule "A". Will you remark now, sir?

REP. GLICKSON: (137th)

Yes, Mr. Speaker. The file copy now before us contains many provisions relating to the protection of people who are caught up in condominium conversion situations and speaking as a general opponent of this sort of legislation in the past, I have to say they are not unreasonable.

However, I would point out to the body that although the Act is entitled An Act Concerning Condominium Conversion and the Encouragement of New Rental Housing, there is one aspect in which the bill has nothing to do with condominium conversion and certainly does not encourage new rental housing, and that is that the protection that the bill affords to the elderly and

the disabled, etc., applied not only to the conservation condominium situation, which was the ostinsible purpose of the whole bill, but to those types of -- those classes of tenants in any apartment building and I would suggest that while many of these protections might be quite reasonable in the context of people suddenly being forced to buy apartments which they had been renting, that it is indeed a very radical step for us to start enacting tenure laws for tenants in general.

What we're doing is we are making a radical increase in the restrictions on the ability of a landlord to control the tenancy and his property. We are saying people have vested rights to continue as tenants in their apartment buildings. Now, while it's one thing to make protections for conversion condominiums, I think this takes the bill much too far.

I think it may in fact hinder elderly people from securing adequate accomodations by making landlords realize that it will be practically impossible to remove them and I think in general that acts as a serious discouragement to rental housing and certainly if this is a case of the type of tenant protection legislation which we might expect in forthcoming years, I think it represents a very pernicious development.

I would, Mr. Speaker, request that the vote be taken by roll at the appropriate time.

SPEAKER ABATE:

The question is on a roll call vote. All those in favor, please indicate by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER ABATE:

In the opinion of the Chair, the requisite 20% having been satisfied, when the vote is taken, it will be taken by roll.

Will you remark further on the adoption of House Amendment Schedule "A".

REP. MOYNIHAN: (10th)

Mr. Speaker.

SPEAKER ABATE:

Rep. Moynihan.

REP. MOYNIHAN: (10th)

Mr. Speaker, will the Journal please note that I'm absenting myself for a possible conflict of interest.

SPEAKER ABATE:

The Journal will so note, sir.

Will you remark further on the adoption of House Amendment Schedule "A".

REP. TULISANO: (29th)

Mr. Speaker.

REP. TULISANO: (29th)

Mr. Speaker, I would rise to oppose House Amendment Schedule "A". I think I understand what Mr. Glickson wants to do. However, if in fact we are to give the protection of special class to the elderly, the handicapped and the blind, as are in the file copy, then it is absolutely necessary that we do not leave a loophole as wide as the doors are into this House, for people to get around the -- our intent.

It would seem to me, that if in fact, we do not believe -- we pass that amendment, it would be very easy for people to evade the intent of this legislation. This legislation goes out of existence on January 1, 1983 as to the eviction process being addressed by this amendment.

It will give us further time to study this area. But, as was indicated in the findings that I mentioned earlier, one of the major problems that we are dealing with in condominium conversion in this whole area, is displacement. We indicated it to the elderly, displacement becomes onerous because of their age, lack of income capacity, they become psychologically ill prepared for changes in living circumstances.

All one needs to do to evade this legislation, if this amendment would be adopted, was to just evict for termination of lease.

Many of these individuals and the testimony we heard, being only on tenancy from day to day, from month to month. Evict, have an empty building and then convert. We would have protected no one. We would not have done the job we were directed to do and I really hope this amendment would be rejected by the House of Representatives. Thank you, Mr. Speaker.

SPEAKER ABATE:

Will you remark further on the adoption of House Amendment Schedule "A".

If not, would all the members please be seated. Staff and guests, to the well of the House, please. The machine will be opened.

The House of Representatives is voting by roll at this time. Would the members please return to the Chamber immediately. The House of Representatives is voting by roll at this time. Would the members please return to the Chamber immediately.

Have all the members voted? Have all the members voted? Would the members please check the roll call machine to determine if their vote is properly recorded? The machine will be locked. The Clerk will take the tally.

Would the Clerk please announce the tally.

CLERK:

House Amendment Schedule "A", to Senate Bill No. 290:

Total number voting	139
Necessary for adoption	70
Those voting yea	43
Those voting nay	96
Those absent and not voting	12

SPEAKER ABATE:

The amendment fails.

Will you remark further on this bill as amended.

If not, would all the members please --

REP. GLICKSON: (137th)

Mr. Speaker.

SPEAKER ABATE:

Rep. Glickson.

REP. GLICKSON: (137th)

Mr. Speaker, I'd like to comment briefly on one aspect of this bill. It does put the owner of an apartment building or the delarant of a conversion condominium in a rent control situation with respect to elderly tenants and there is language for example, like line 71 to 72 concerning -- allowing only legitimate and reasonable rent increases, which I think is an inevitable consequence for the type of regulation which we're attempting.

In other words, if we're going to protect elderly tenants from eviction, we have to protect them from arbitrary increases in rents, which would allow them to be evicted for not paying exorbitant rents. But I am somewhat troubled by the language referring to legitimate and reasonable rent increases, in that I'm concerned that a landlord that is currently losing money on an apartment building, might not be able to, under this language, increase his rents adequately so that the property at least had a positive cash flow. And I think that would -- if that were true, that would be a very destructive thing.

Could I ask a question, through you, to the proponent of the bill, please.

SPEAKER ABATE:

State your question, please, sir.

REP. GLICKSON: (137th)

Through you, Mr. Speaker. Is it the intention of the bill that the landlord be able to pass through only increases in costs, beyond costs at the time of the -- at the time the act is passed or if the property is currently losing money, would he be able to get himself up to zero and then pass through subsequent increases?

SPEAKER ABATE:

Rep. Tulisano.

REP. TULISANO: (29th)

Through you, Mr. Speaker. I think legitimate and fear doesn't -- the language legitimate and reasonable, does not limit itself to only passing on increases in cost so that you don't have a loss. I point out sections -- lines 79, 78 and 79, in which unless they agree by any increase, may submit any complaint to a Fair Rent Commission, where commissions are located and do exist.

I think that is a standard by which one can look at as to what is fair and reasonable. For the demise premises, at what a rent would be for a demised premise. If you look at the statutes dealing with Fair Rent Commission, you will note, there are some standards as to reasonableness that goes to rents which are comparable to units of like nature in the same neighborhood and a number of other areas which I am not familiar with them all, but I do know some of them.

And it seems to me those standards already do exist and that this does no more than reiterate standards that are already in the statutes.

REP. GLICKSON: (137th)

Through you, Mr. Speaker. Since it appears that every town which might enact these restrictions would have a Fair Rent Commission. Could I just clarify some of the items that might

be allowed in computing a reasonable rent under the Fair Rent Statutes and under this bill. Through you, Mr. Speaker, what it allow full recovery of all property taxes affecting the unit for example?

SPEAKER ABATE:

Rep. Tulisano, will you respond, sir?

REP. TULISANO: (29th)

Through you, Mr. Speaker. I think it would.

REP. GLICKSON: (137th)

Through you, Mr. Speaker, liability insurance, fire insurance, casualty insurance of usual sorts?

REP. TULISANO: (29th)

Through you, Mr. Speaker, I believe it would.

REP. GLICKSON: (137th)

Through you, Mr. Speaker, fuel and utility charges? If not paid separate by the tenant?

REP. TULISANO: (29th)

Mr. Speaker, through you. I believe it would, because there's nothing in here that indicates a landlord must suffer a loss, when you have anybody in there.

REP. GLICKSON: (137th)

Through you, Mr. Speaker. Debt service on mortgages affecting the unit?

REP. TULISANO: (29th)

Through you, Mr. Speaker. If it's a converted unit, it may in fact carry on assessments for common expenses, not already included in the rent. Those are lines 73 and 74. Theoretically, however, therefore debt services already included in the rent and therefore that's already built in and persumably if there were addtional debt service charges which would be passed equal to all tenants in the building, and it is a converted building, obvisouly, than the landlord could in that case could pass it on to them.

REP. GLICKSON: (137th)

Through you, Mr. Speaker, if I could clarify my last question. It's quite possible that the conversion condominium would be subject to a blanket mortgage and as individual units were sold to outside purchasers, those units would be released but the mortgage would still cover the units which the declarant held and I'd like to clarify that any mortgage still covering the declarant's units, that debt service on that mortgage would be -- could be passed through into the rent to the hold over tenant.

SPEAKER ABATE:

Rep. Tulisano.

REP. TULISANO: (29th)

Mr. Speaker. I'm not sure I understand the question. I think what we're talking about is that if the unit was converted and then the decrement refinances for purposes of increasing profit in that area, he could pass that on. If I were sitting on the Rent Commission, I would probably say, the purpose between -- before the refinancing should be taken into consideration. If it were designed for purposes of evading the statute, it could not be passed on.

If in fact, there was an individual who bought the unit, and was leasing it to the individual who was holding over under this section, then at least a fair portion of that increased debt service could be passed on.

REP. GLICKSON: (137th)

Through you, Mr. Speaker.

SPEAKER ABATE:

Rep. Glickson.

REP. GLICKSON: (137th)

Through you, Mr. Speaker. Would the rent contain a reasonable allowance for the declarance overhead and a reasonable profit for the delarant on the rental of the unit?

REP. TULISANO: (29th)

Through you, Mr. Speaker. The statute clearly says, you may pass on common charges, which is what Mr. Glickson means

by the cost of operating or overhead. Those are put into the common charges. Generally in condominiums or presumably since it's very clear that you may do that, you can do it. That's in lines -- that's on line 73. Their profit is reasonable.

SPEAKER ABATE:

Rep. Glickson.

REP. GLICKSON: (137th)

Mr. Speaker, I think the answers to the inquiries are reasonable. I ask the questions to illustrate to the members the extreme complexity of what it is we're doing. I'm not sure we're entirely aware of the kind of structure we may be setting up. It's a very difficult and complex thing to control rents in any situation. And we have several pages of text in front of us. I just would point out that the State of New York which has been in the rent control business for many years has many hundreds of pages governing the computation of fair rent and in many cases these regulations and laws operate to discourage the maintenance of rental housing because they do not allow -- make adequate allowance for legitimate costs of the landlord, and one of the primaries in which legitimate costs can't be passed through is financing.

The cost of interest on the mortgages covering the property. So I just would like the members to be aware that we're putting our feet in something that's a lot deeper and a lot stickier than many of us may realize.

SPEAKER ABATE:

Will you remark further on this bill as amended.

REP. BERMAN: (19th)

Mr. Speaker.

SPEAKER ABATE:

Rep. John Berman.

REP. BERMAN: (19th)

A question, sir. In lines 76 through 81 where it enables the lessee to take his case to the Fair Rent Commission, would you agree that in communities which either don't have a Fair Rent Commission or those in which the Rent Commission's powers are purely voluntary and conciliatory that in fact the lessee is not in a position to argue with the landlord who seeks to raise his rent?

SPEAKER ABATE:

Rep. Tulisano, will you respond to the question, sir.

REP. TULISANO: (29th)

Yes, Mr. Speaker. Through you, Mr. Speaker, I don't agree.

SPEAKER ABATE:

Will you remark further on this bill as amended.

REP. BERMAN: (19th)

Mr. Speaker.

SPEAKER ABATE:

Rep. Berman.

REP. BERMAN: (19th)

Yes. I would ask another question, if Rep. Tulisano would tell me in those cases, what remedies the lessee has?

SPEAKER ABATE:

Rep. Tulisano.

REP. TULISANO: (29th)

Through you, Mr. Speaker. What I think would happen in a case, just as in cases today that occur, when there's a dispute as to what the rent -- a dispute as to rent when a landlord requests a rent increase, although this statute is a little different, and if a lessee thinks it's not fair reasonable, he would then cite to the landlord saying he doesn't believe it was fair and reasonable and I believe he should tender the rent that they believe to be fair and reasonable and if the landlord began an eviction proceeding and we're talking about a very limited class of tenants by the way, just remember that, were to begin an eviction proceedings based on non-payment of rent then that would be defense that if in fact the rent increase requested was not fair and reasonable.

SPEAKER ABATE:

Will you remark further.

REP. MC MANUS: (88th)

Mr. Speaker.

SPEAKER ABATE:

Rep. J. McManus.

REP. MC MANUS: (88th)

Mr. Speaker. Through you. Two very brief questions of Rep. Tulisano. And I believe this is similar to the question just asked, but to clarify it. We in Hamden have a goodly number of rental units. On one street alone, I believe, we have somewhere in the neighborhood of 2,000 apartment units for potential condominium conversion units. In the event of problems, questions which may arise and to preface this, most of the owners are out-of-state owners, larger corporations.

Where does that tenant go when there are complaints? To the recently formed Fair Rent Commission in Hamden?

SPEAKER ABATE:

Rep. Tulisano.

REP. TULISANO: (29th)

Through you, Mr. Speaker. The statutes points to the Fair Rent Commission as the rental -- rent increase problem, if there is one in the community and I agree, many units should have a Fair Rent Commission. That's exactly where the tenants would go for determination as to the fairness or the reasonableness of the rent increase.

REP. MC MANNUS: (88th)

And secondly, through you, Mr. Speaker. Because of the

problems that we are having with this Commission, what if the community does not have a Commission of this sort. Where then does that person go and I hate to be redundant, but it's pretty important.

REP. TULISANO: (29th)

Through you, Mr. Speaker. If that should be the case, if there is no Fair Rent Commission, then I believe, as I indicated to Rep. Berman, that it would be a defense that would be used in any eviction case. Remember this issue that we're talking about is indicating that when -- that no elderly person with certain income limits can be evicted but for cause, however, the landlord may raise the rent.

And what we're saying is in those few cases, if the tenant believes it is unreasonable rent, and they do not pay the rent, tend to what they consider to be fair, in any eviction because that's what we're trying to protect against and any eviction, the defense would be raised that the attempted increase in the rent was not reasonable and I think they would use as a standard and as part of the legislative history, I would hope that any court would use as a standard, the same standards that are applied, that are set out in the statutes for Fair Rent Commissions. Thank you.

SPEAKER ABATE:

Will you remark further on this bill.

REP. CANDELORI: (23rd)

Mr. Speaker.

SPEAKER ABATE:

Rep. William Candelori.

REP. CANDELORI: (23rd)

Through you, Mr. Speaker. A question to the proponent of the bill.

SPEAKER ABATE:

State your question please, sir.

REP. CANDELORI: (23rd)

Thank you. Rep. Tulisano, a question if I might, on Section E or more specifically in lines 290 of the file copy to 308. It seems to me as I read that, there are going to be a considerable number of task that are going to be performed by the Department of Housing. In addition to the tasks, there's going to be a charge of $2.00 per unit for those that are going to be converted in terms of a filing fee.

Let me ask you this. Is there a fiscal note on this bill?

SPEAKER ABATE:

Rep. Tulisano.

REP. TULISANO: (29th)

Through you, Mr. Speaker. I'm looking at the back of this page and I don't see a fiscal note.

However, if I may continue, Mr. Speaker, I can suggest that this information was requested, that this kind of language was requested by the Housing Department to be inserted because one, they stated they could do the job and two, in order to conform to what they believe to be their duties as part of the housing -- Department of Housing, they feel this is the kind of information that is necessary to them.

SPEAKER ABATE:

Rep. Candelori.

REP. CANDELORI: (23rd)

Thank you, Mr. Speaker. Through you, again. Then, if I understand your comments, Rep. Tulisano, the Department of Housing has suggested that they can handle these functions without any additional cost?

REP. TULISANO: (29th)

Through you, Mr. Speaker. Yes, they did.

REP. CANDELORI: (23rd)

My last question, Mr. Speaker, through you.

SPEAKER ABATE:

Rep. Candelori, you have the floor.

REP. CANDELORI: (23rd)

Do we have any idea, Rep. Tulisano, what type of revenue the $2.00 per unit for filing fee would bring in?

REP. TULISANO: (29th)

Through you, Mr. Speaker.

SPEAKER ABATE:

Rep. Tulisano.

REP. TULISANO: (29th)

I don't have any idea what that -- that -- one of the purposes of this section is to enable the Housing Department to monitor the kinds of units and the number of units that are being converted throughout the State of Connecticut and since they don't have a handle on how many is going on right now, they've been unable to give us that kind of information. That's the purpose of this section altogether.

So next year, when the question is asked, we'll be able to give that information to anybody in the room.

REP. BARNES: (21st)

Mr. Speaker.

SPEAKER ABATE:

Rep. Candelori, you still have the floor.

REP. CANDELORI: (23rd)

Thank you, Mr. Speaker.

SPEAKER ABATE:

Will you remark further. Rep. Dorothy Barnes.

REP. BARNES: (21st)

Mr. Speaker, through you, a question to the proponent of the bill. At the present time, how many Fair Rent Commissions are there in the state?

SPEAKER ABATE:

Rep. Tulisano, can you answer the question? The lady asked at the present time, how many Fair Rent Commissions are there in the state.

REP. TULISANO: (29th)

Through you, Mr. Speaker. I don't know. I think every major city has one, that I know of, every major city does have them plus the town of West Hartford.

SPEAKER ABATE:

Rep. Barnes, you have the floor, madam.

REP. BARNES: (21st)

So the major cities and West Hartford have Rent Commissions in the state and maybe some other towns we don't know about. I understand then if there are not Rent Commissions that the alternative is to go to court. Is that what it sounded as if you were saying?

REP. TULISANO: (29th)

Through you, Mr. Speaker. I did not indicate at all that the tenant would go to court. Presumably he would only

go court in defense of an eviction brought to him, is the way -- I hope that's clear. I mean, the tenant doesn't go to court to protest the rent increase. The tenant would just tender what they believe to be reasonable and if the landlord did not like that, they would have to bring the tenant to court. And this would be his defense.

REP. BARNES: (21st)

Through you, Mr. Speaker.

SPEAKER ABATE:

Rep. Barnes.

REP. BARNES: (21st)

I would assume that was so. On the other hand, one would assume also that if the tenant were to defend himself in court, he would have legal counsel? Through you, Mr. Speaker.

SPEAKER ABATE:

Rep. Tulisano.

REP. TULISANO: (29th)

Through you, Mr. Speaker. I hope so, but if they don't and I hope they read the record of this proceeding today. It indicates that they should look to the Fair Rent Commission standards for what they should present before the court, if they're going to be pro se.

REP. BARNES: (21st)

Through you, Mr. Speaker. How many Housing Courts do

we have in the state at the present time?

REP. TULISANO: (29th)

Through you, Mr. Speaker.

SPEAKER ABATE:

Rep. Tulisano.

REP. TULISANO: (29th)

How many Housing Courts, did I hear?

SPEAKER ABATE:

The lady did ask the question, how many Housing Courts do we have in place in the state of Connecticut at the present time?

REP. TULISANO: (29th)

There's one Housing Court in the State of Connecticut including most of Greater Hartford.

SPEAKER ABATE:

Rep. Barnes, you have the floor, madam.

REP. BARNES: (21st)

Through you, Mr. Speaker. And I believe, New Britain. It seems to me, that what has been placed here apparently to provide some protection to certain elderly tenants may be a nightmare in disguise. That if a town have a Fair Housing Commission that the relief might be somewhat expeditious and perhaps equitable. But in cases, where there is no Fair Housing

Commission, where there is no Housing Court, the burden that will eventually fall upon the defendant, excuse me, tenant, not to bring an action but defend himself against one, seems severe enough that the relief that is sought in line 71 and following seems more punitive than helpful.

SPEAKER ABATE:

Will you remark further on the bill. Will you remark further on this bill.

REP. SARASIN: (105th)

Mr. Speaker.

SPEAKER ABATE:

Rep. Warren Sarasin.

REP. SARASIN: (105th)

A question, through you, sir, to the proponent.

SPEAKER ABATE:

State your question, please, sir.

REP. SARASIN: (105th)

Rep. Tulisano, according to the wording on line 23 through 32, we're talking about the section where no action can be brought by a landlord against any lessee, who is 62 years of age or older or whose spouse or sibling is 62 years of age or older. In your opinion, sir, would the spouse or sibling be required to be a lessee, according to this wording?

SPEAKER ABATE:

Rep. Tulisano.

REP. TULISANO: (29th)

Through you, Mr. Speaker. I think according to this wording, they would not be a lessee, but they would have to be living in the residence. What I'm saying is that one may not necessarily have signed the lease, but they have to be a person who is living there with them.

REP. SARASIN: (105th)

Again, through you, sir. Another question. Would this spouse or sibling be required to have been residing in the -- in this case, condominium conversion for any period of time to qualify under the provisions of this section?

REP. TULISANO: (29th)

Through you, Mr. Speaker. I think they have to be living there with the individual and not moved in for purposes of evading the statute again.

REP. SARASIN: (105th)

Again, through you, sir. Is there anything in this section that specifies that what you just said to be the case?

REP. TULISANO: (29th)

Through you, Mr. Speaker. No more than there is anything that says about the 62 year old lessee can sign up the day before the statute would apply.

REP. SARASIN: (105th)

Okay, well that aside, sir.

SPEAKER ABATE:

Rep. Sarasin.

REP. SARASIN: (105th)

The confusion I had over that part of the wording of the bill led me to offer what the Clerk has in his hands right now is LCO No. 4642 and if the Clerk would please call and read.

SPEAKER ABATE:

The Clerk has in his possession an amendment. LCO No. 4642, designated House Amendment Schedule "B". Would the Clerk please call and read this amendment.

CLERK:

LCO No. 4642, offered by Rep. Sarasin of the 105th.

In line 32, after the word "older" insert ", which spouse or sibling was residing in the dwelling unit of the lessee on the date on which the term of the lease then in effect commenced."

SPEAKER ABATE:

The amendment is in your possession, sir. What is your pleasure?

REP. SARASIN: (105th)

To move adoption, sir.

SPEAKER ABATE:

The question is on adoption of House Amendment Schedule "B". Will you remark now on its adoption?

REP. SARASIN: (105th)

Yes. Rep. Tulisano pointed out and really agreed with me that there was nothing specified in lines, 32 especially, regarding how long a spouse or sibling has to reside in a condominium conversion in order to qualify, in this case, to be exempted from the sections of this bill which requires the landlord to keep you in the building if you are over 62 years of age.

I think the problem with this and if I can give you an example, that for some reason I were the lessee of the apartment and I received a statement from the landlord saying I was going to have to leave my apartment because I was not 62 years of age, and I decided upon reading his statement that there was no reason that I couldn't bring my aging, but still youthful looking brother who happened to be 65 years or 63 years of age, into the apartment, then I would qualify under this section as not to be able to be evicted from that apartment. I would qualify under the section of this bill.

So I think the amendment would only ensure that no one can do as Rep. Tulisano pointed out and would ensure that no one

can try to work around the law by bringing someone in after the period of the time that the lease was signed. Your name should be on the lease along, -- you should be a lessee along with whoever signed it or your name should be on the lease as one of the people who resides in the apartment at the time of signing the most current lease.

And with that, sir, I would move adoption, and urge passage of the amendment.

SPEAKER ABATE:

The question is on adoption of House Amendment Schedule "B". Will you remark further on its adoption.

REP. TULISANO: (29th)

Mr. Speaker.

SPEAKER ABATE:

Rep. Tulisano.

REP. TULISANO: (29th)

I rise to oppose the amendment. First of all, it is not common practice for everyone who happens to live in a house as a spouse or as a sibling necessarily to sign a lease. It is not unfrequent for either a husband or a wife to sign a lease because they're negotiating, they're the one who is available and then they move in. So I don't think it's necessary. I think it's very clear what we're talking about, is a matter of

reasonableness, that in any of these cases what we're really talking about are eviction proceedings. That if, in fact, the most extreme position were taken in one who has moved into a premises to evade, or to be, or to take advantage of to the detriment of another, I think the equitable powers of the court would prevail, and I think reasonableness is the basic standard which should apply.

I don't think this is necessary. I think the legislative intent has been well established on the Floor today and I again hope that anybody that uses the statute will read it and that I would hope that we would reject this Amendment and get this Bill on the books as is necessary because we have delayed long enough as it is. And I hope that we will not delay any longer with the particular bill. Thank you, Mr. Speaker.

SPEAKER ABATE:

Will you remark further on the adoption of House Amendment Schedule "B"? If not, all those in favor of its adoption, please indicate by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER ABATE:

All those opposed, nay.

REPRESENTATIVES:

No

SPEAKER ABATE:

The Amendment fails. Will you remark further on the bill as amended?

REP. JAEKLE: (122nd)

Mr. Speaker.

SPEAKER ABATE:

Rep. Robert Jaekle.

REP. JAEKLE: (122nd)

Thank you, Mr. Speaker. A question through you to the proponent of the Bill, please.

SPEAKER ABATE:

State your question, please, sir.

REP. JAEKLE: (122nd)

Rep. Tulisano, I recall when Rep. Van Norstrand was questioning you on the contents of Senate Amendment "C", he pointed out new language which, in the file copy of the Bill appears on line 377 and 388. The language which deals with the present law's requirements that when converting a condominium the condominium, by the time it is conveyed, will have to have a separate heating plant. A part of the individual unit, the condominium being conveyed, and the new language which appeared

for the first time in Senate Amendment Schedule "C", said that that requirement would exist within 60 days after the effective date of this act. And my question, through you, Mr. Speaker is, is it the intention of this legislation to end 60 days after the effective date of this act, the requirements that each condominium have a separate heating unit? Through you, Mr. Speaker.

SPEAKER ABATE:

Rep. Tulisano.

REP. TULISANO: (29th)

Through you, Mr. Speaker. I believe that's what it says and as I understand legislative interpretation, we mean what we say whether we know what we meant when we said it. And I think that is correct. This language says that it ends within 60 days after.

REP. JAEKLE: (122nd)

Thank you, Rep. Tulisano and thank you Mr. Speaker. That causes me some alarm because I thought that provision, while I realize it was adopted in the energy, the special energy session of the General Assembly in '79, was a back door approach to limiting condominium conversion. It was an approach which seemed to make sense to me and others have commented that it was truly an energy saving requirement for condominium conversion to require that each condominium have a separate heating

plant so that the individual condominium dweller would have control over his thermostat, would lower his thermostat, therefore save energy, because he'd be paying the bills. Rather than on a common heating system where those who waste energy pay no more than those who conserve and it was truly an energy conservation device, albeit, in the context of limiting condominium conversion.

Accordingly, since I haven't had any tremendous explanation as to why we are doing this change, other than we are indeed removing the requirement that there be a separate heating unit, I'd like the Clerk to please call an Amendment, LCO No. 4643.

SPEAKER ABATE:

The Clerk has in his possession an Amendment, LCO No. 4643, designated House Amendment Schedule "C". Would the Clerk please call the Amendment.

CLERK:

LCO NO. 4643, offered by Rep. Jaekle of the 122nd and Rep. Barnes of the 21st.

REP. JAEKLE: (122nd)

Mr. Speaker, may I have permission to summarize in lieu of Clerk's reading?

SPEAKER ABATE:

Is there objection to summarization? Hearing none, you may proceed to summarize the Amendment.

REP. JAEKLE: (122nd)

Thank you, Mr. Speaker. The Amendment makes two changes in the file copy of the Bill, namely on line 377 and 388, removing the words within 60 days so the requirement that each condominium have a separate heating plant would exist both under current law which expires May 7 of this year and after the effective date of this act. Rather than ending 60 days after the effective date of the act. And it also makes one other change.

Present law requires a separate heating unit in each condominium unit. The Amendment would provide that either the unit would have to have a separate heating plant or would have to have a method by which -- where the consumption of heating fuel or power could be separately metered and therefore, prorated on a per unit basis.

And Mr. Speaker, I move adoption of the Amendment.

SPEAKER ABATE:

The question is on adoption of House Amendment Schedule "C". Will you remark on its adoption?

REP. JAEKLE: (122nd)

Yes, Mr. Speaker. In my question to Rep. Tulisano, I think I outlined some of the reasons why we went to the requirement of a separate heating plant in the condominiums, at least in the context of conversion condominiums. The idea is if the tenants have to be responsible for the bills, his heating bills incurred from his unit, he'll be more likely to keep the thermostat down and therefore conserve energy. And while I know this isn't a special energy session of the General Assembly, the energy crisis is still with us today as much, if not more so than it was back in October of '79.

What I think we might have missed a little in the energy session is an alternative to requiring a separate heating plant for each unit an alternative that would also reward people who wished to conserve energy within their condominiums and not require the expense of a separate heating unit in each condominium. And that is the method where you could have a central heating system heating several condominium units, but there are devices on the market that will meter the individual usage of heating fuels in each condominium unit and therefore allow prorating the cost of heating the entire condominium to reflect higher bills to those tenants, or condominium owners that have been demanding more energy for their units and a smaller amount of

the bill for those tenants or condominium owners that have been conserving energy, keeping their thermostats down, and I think it's a good incentive to make them do that.

You reward them with a lower heating bill. That is the purpose of this amendment. It is two-fold. One, to allow the alternative to a separate heating plant of a separate device capable of metering energy usage in a condominium and also to keep intact the requirement which is the law of this state today, that conversion condominiums have a separate heating plant, softening it somewhat with the alternative that separate metering devices could be installed in lieu of seperate heating plants.

Frankly I think that makes as much sense as the rest of the Bill. I know today we're talking about limiting condominium conversions. Let's remembers where we were just a few short months ago, when our concerns were with the energy crisis in this state and nation and here is a change where we can keep intact one of the few pieces of legislation that can truly provide the incentives to conserve energy in the context of the condominium conversion. We have a chance, too, to kill two birds with one stone and I would support and urge support of the Amendment.

SPEAKER ABATE:

Will you remark further on the adoption of House "C"?

REP. TULISANO: (29th)

Mr. Speaker.

SPEAKER ABATE:

Rep. Tulisano.

REP. TULISANO: (29th)

Mr. Speaker, I rise to oppose the Amendment. Frankly, during the energy session, if one will look at the record, although I voted with it, I stood up here and said it was probably one of the silliest things we were doing through the whole session, because it really wasn't going to do anything about energy. It was going to do something about condominium converstion, and did, to some extent.

There's enough evidence to indicate, and I'm glad for the opportunity to respond, that, in fact, the separate heating plant provision that we passed was counter-productive in energy conservation. That in fact, it may have encouraged the use of electric energy, electric source for heat, rather than other kinds. In fact, if we had the language which is in this Amendment, or method to which separate consumption, it may, in fact, encourage the use of electric power even greater.

And remember, we only require this in conversion units, not in new units. There is enough evidence that when we were

doing that bill last time to indicate that really that one could be most cost effective use of energy. Remember, energy is just conservation of a source itself, but is combined with cost effectiveness. We need to have a central power plant, that the differences between amount people use is not so great in terms of cost as in relationship to what it would be to include separate plants for each and every unit.

So Mr. Speaker, on that basis, on the same basis, I really wasn't too happy with the energy session bill. I hope we will reject this amendment. We have a comprehensive bill. We have a comprehensive piece of legislation. That was a stop-gap measure. We now have something more permanent, at least until 1983 when we do it again. And I hope we will vote now to reject the amendment.

SPEAKER ABATE:

Will you remark further on the adoption of House Amendment Schedule "C"?

REP. BARNES: (21st)

Mr. Speaker.

SPEAKER ABATE:

Rep. Barnes.

REP. BARNES: (21st)

Through you, a question to the proponent of the Bill, please.

SPEAKER ABATE:

State your question, please, madam.

REP. BARNES: (21st)

Mr. Speaker, through you, do you know how much the cost of a meter is to place in a particular unit?

SPEAKER ABATE:

Rep. Tulisano, can you respond?

REP. TULISANO: (29th)

Mr. Speaker, can I yield to Mr. Jaekle.

SPEAKER ABATE:

Rep. Jaekle, will you accept the yield, sir?

REP. JAEKLE: (122nd)

Yes, Mr. Speaker, I will accept the yield. It is my understanding there are various types of clock devices that hook-up in between a thermostat in the unit and the central furnace and when the thermostat signals for heat and therefore puts current through the line, the clock starts running. And I have been told that the cost of these devices could range somewhere between $30 and $100 and that is a ballpark figure. Through you, Mr. Speaker.

SPEAKER ABATE:

Rep. Barnes.

REP. BARNES: (21st)

Thank you, Mr. Speaker. I hope we all learned from that. Mr. Speaker, I'd like to address another question to the proponent of the bill, a hypothetical question. If there is one central heating plant in a building, and if that building has multiple units, and if that building is an old building without very much insulation, and if that building is converted, and if an owner in Apartment A decides that he wants thoroughly to winterize his unit to conserve as much energy as possible, and if the owner in Unit B decides that that is not very important to him, so that he chooses not to pay much attention to whether he closes the windows on a winter's evening, is there equity involved when each person in that condominium owns a unit, to have owner in Apartment B opening his windows with no meter on his thermostate whereas Owner A conserves and must pay for the profligate heat use of Owner B?

Through you, once again, Mr. Speaker, do you consider that equity?

To the proponent of the Bill.

SPEAKER ABATE:

Rep. Tulisano.

REP. TULISANO: (29th)

Through you, Mr. Speaker.

No way can I keep up with the ifs that were in that hypotehtical that were posed.

If we had a break in between them, I might be able to respond, but I think I get to the basis of the question. It was if one person insulated their walls and took this major engineering effort versus another person in the condominium, I cite to you the fact that one person cannot do that.

Those would be part of the common areas. The tenant or the owner of the unit does not have the right to do that. The condominium association would do that.

In that kind of a unit, I would suspect, with central heating, that would be part of the common charges which all would pay and as part of the common charges, all of the units would be upgraded in the same manner.

Because, in fact, those are common areas which the individual condominium owners should not be tampering with -- if not common, at least limited common areas.

SPEAKER ABATE:

Rep. Barnes, you still have the Floor.

REP. BARNES: (21st)

Thank you, Mr. Speaker. Another 'if' question to the

proponent of the bill.

If there are a number of elderly people in that building in that case, so that they are paying rent to a landlord and if somehow the landlord has to pro-rate the heating charges, how does he do it when there is ownership and profligacy in Apt. B. and conservation in Apt. A? And who knows what-all in the rental units? Does everyone just pay a fair share regardless of consumption?

SPEAKER ABATE:

Rep. Tulisano.

REP. TULISANO: (29th)

Through you, Mr. Speaker. Again, we're not talking about apartment houses. We're talking about condominium units. The references continuously made to apartment houses -- so let's limit the discussion to the condominium unit that is converted which this proposal would apply to. One, that those would, in fact, be this one landlord who has all these, they would be part of the common charges, and common charge costs are passable under the prior section we discussed on to the tenants.

I really think we're talking about an imaginary situation. We're making a mountain out of a molehill. If you are going to have the situation described by the proponent of the question, you, in fact, would have someone with such an expense who would, in that conversion unit, upgrade as to insulation, etc. every bit

of that unit so as those common charges which are applicable to all would be limited, since the condominium association would be the one who would make those changes and probably would control the situation for the individual tenant. I think that we're really imagining things that could happen.

And again, we're talking about a very limited area when we talk about that elderly person, with only certain income limits and for a period of time, which is short in duration, and gives this legislature continuing jurisdiction and opportunity to review the question as time goes on.

SPEAKER ABATE:

Rep. Barnes.

REP. BARNES: (21st)

Mr. Speaker, I do think that the proponent is quite right. He is having trouble with my "ifs". I am not seeming to get answers that are responsive to the questions, but I think probably the marketplace will move in and with the failure of this amendment, the condominium owners will probably impose these meters themselves in order to protect their own conservation efforts. So that while I think that we stand here tonight making amendments uselessly, at least in the marketplace, the market will prevail.

SPEAKER ABATE:

Will you remark further?

REP. VAN NORSTRAND: (141st)

Mr. Speaker.

SPEAKER ABATE:

Rep. Van Norstrand.

REP. VAN NORSTRAND: (141st)

Mr. Speaker, I was somewhat disappointed with the response of the House Judiciary Chairman to this amendment. Frankly, when he was answering questions earlier that I asked, I felt that he was somewhat surprised as to what subsection 8(b) says of this bill. This amendment before us would, in fact, I think, make this bill say what he thought it said. And I think he was chagrined to find out it didn't say that. And it does, as Rep. Jaekle said, kill two birds with one stone.

When we enacted the -- and I feel that the section on separate heating plants has become somewhat of an old shoe. It's out of its usefulness, so we get rid of it. I never thought it was too workable when we enacted it because I still don't know what a heating plant is. But the fact is this wouldn't reach equitable reasons and do as I think Rep. Jaekle made clear, provide for an efficient energy usage in terms of a central plant and get separate metering to do equity between the various condominium owners.

Now, it has not been said in this debate, Mr. Speaker, as to the credit of Rep. Tulisano, that it hasn't, and I know you're

pretty concerned that legislation be enacted in this area. And I understand that, and I am supportive of it. But I'm getting the feeling that an amendment that makes sense on two counts should not be enacted because there'll be trouble with the bill. It has not been said, and I don't say it is, -- I'm fearful it might be implicit in this debate, and I don't want that to happen.

As I understand it, there is nine more days. The Senate went through an awful lot of hoops to get 791 here, and I think they could handle a modest amendment that would do what was intended to be done in the first place. And I support the amendment.

SPEAKER ABATE:

Will you remark further?

REP. PATTEN: (119th)

Mr. Speaker.

SPEAKER ABATE:

Rep. Gerard Patten.

REP. PATTEN: (119th)

I must contradict, if I may, Rep. Jaekle. In truth, that amendment that we're suggesting now, a separate heating plant is not a good idea. In reality, the only separate heating plant that is likely to be installed in any apartment that is being converted is, in almost all cases, electric heating. And that's the least efficient heating system that is available today.

And yet that's the only kind of heating system you can install in most of these buildings if you are going to convert. It is very common on those few conversions that have occurred since our last bill went through, that tenants that were enjoying a cost of heating that could easily be in the fifty to seventy dollars per month range had their apartments converted to electric heating and their heating costs went from one hundred to one hundred and twenty-five dollars a month because, again, electric heating is the least efficient heating, and the major heating system that is in most of the larger buildings, large gas heating systems, or large oil heating systems are surely the most efficient heating systems that you can get.

The other point that was made about the condominium owner who will insulate his unit and next door to him is a condominium unit owner who likes a lot of fresh air and opens a window, -- well, quite frankly, apartment owner A or condominium owner A is just going to be very warm. If that owner insulates his apartment to the best of their ability, they are going to be warm, warmer, and if the other does not insulate and in truth, leaves windows open, they are, in fact, going to be cooler because the heat provided to each apartment is rather uniform.

The energy that is distributed to the apartment through the radiator system is going to be equal in most apartments. And if one tenant wastes their heat provided to their apartment,

they are simply going to be cold. And if the other contains all of that heat with good insulation, they are going to be warm. But both tenants are essentially going to get the same amount of heat energy because the heat energy is derived by the amount of radiator space you have, rather than just the water flowing through it.

So, really, we don't have that inequity that was suggested and if we did try to go back to this dumb law that we passed that is the conversion, it really is going to do a great deal more harm than good. And in fact, it has done only as relates to heating systems, it's done more harm than good. In truth, of course, it did stop the conversions in many cases. So, I would urge us just not to retain this requirement of separate heating systems because it really doesn't do any good.

And the other thing, if there is a thermostat in the particular unit, then in truth, I think these measuring devices can work. But there are many, many of the apartments that do not have thermostats, particularly, the very large complexes. They only have one heating system that provides heat for the whole building. Inidividual tenants do not have the ability to measure and dictate their own, and so you do have a lot of properties in a lot of units where you cannot have separate heat control and separate metering. And to that extent, I think we'd best pass on that too for that reason.

SPEAKER ABATE:

Will you remark further on the adoption of House Amendment Schedule "C".

REP. GRANDE: (79th)

Mr. Speaker.

SPEAKER ABATE:

Rep. Andrew Grande.

REP. GRANDE: (79th)

Yes. Mr. Speaker, a question, through you, to Rep. Jaekle.

SPEAKER ABATE:

State your question please, sir.

REP. GRANDE: (79th)

These devices, Rep. Jaekle, that you are talking about, how available are they? And what type of heat would they be applied to?

SPEAKER ABATE:

Rep. Jaekle.

REP. JAEKLE: (122nd)

Yes, Mr. Speaker. Through you. It is my understanding that these devices can be applied on any thermostat to any type furnace using a thermostat which would include gas heat, oil heat, electric heat, coal and probably wood burning furnaces as they start to proliferate. And in addition, I'm afraid I do not have information on the number of these units that are available.

Suffice it to say that this was a proposal considered, I believe, before the Judiciary Committee in a special energy session, as an approach, and I have seen a brochure on the availability of these devices. Through you, Mr. Speaker.

SPEAKER ABATE:

Rep. Grande.

REP. GRANDE: (79th)

Through you, Mr. Speaker. The reason I posed that question was because, as everyone knows, I work for a utility company, and I deal with this on a daily basis. And I have yet to come across any of these devices installed, and I don't know what the cost -- I think you indicated between thirty and a hundred dollars as to what these costs would be -- and I have yet to run across any one of these devices in my travels in my business.

Excuse me, through you, Mr. Speaker. Do you know if any of them are currently installed in the State of Connecticut?

SPEAKER ABATE:

Will you respond?

REP. JAEKLE: (122nd)

Yes. Through you, Mr. Speaker. It is my understanding that at least one heating supply store has represented to a member of this body that they are just beginning installing these metering devices, and I will, through you, Mr. Speaker, indicate to the

distinguished Chairman of the General Law Committee that these devices are essentially electric clocks, and I know I am very familiar with what an electric clock is. Through you, Mr. Speaker.

SPEAKER ABATE:

Rep. Grande, you have the floor, sir.

REP. GRANDE: (79th)

Thank you, Mr. Speaker. It still doesn't satisfy me as much -- as I indicated before -- I'm familiar with a lot of the applications in the heating business, and I have yet to see one in operation or one installed. The type of clocks I have been dealing with recently are the time of day metering that has been mandated by the DPUCA that the utilities install for all electric heated customers. Thank you, Mr. Speaker.

SPEAKER ABATE:

Will you remark further?

REP. MATTIES: (20th)

Mr. Speaker.

SPEAKER ABATE:

Rep. Matties.

REP. MATTIES: (20th)

Thank you, Mr. Speaker. Possibly, I'm the person that Bob Jaekle was referring to. During the energy session, the special session, I did make a call, and I unfortunately can't

remember the name of the concern, but it's located on Murphy Road in Hartford. We were assured at that time, that the devices were in plentiful supply. They retailed for about thirty to thirty-five dollars each, and if you figured installation, they would go to about one hundred and twenty-five dollars per unit. It's a very simple device that's actuated when heat started to flow through the pipe or water, whichever form it took.

I think this is a good amendment that does deserve support, and can assure you that based on the information we received in a phone call several months ago, it would not hinder conversion. It would simply enable the occupant to be charged in a more equitable manner for heat consumed. Thank you.

SPEAKER ABATE:

Will you remark further on the adoption of House C"?

REP. KIPP: (41st)

Mr. Speaker.

SPEAKER ABATE:

Rep. Kipp.

REP. KIPP: (41st)

Thank you, Mr. Speaker. Just a point of interest to answer Mr. Grande. We have a new complex in the Town of Mystic, Steamboat Wharf. It's a very -- well, a good sized building, and houses some apartments in buildings. We have some condominiums going up, and this is what they've been using, and it's only about

a year old. Thank you, Sir.

SPEAKER ABATE:

Will you remark further?

REP. JAEKLE: (122nd)

Mr. Speaker.

SPEAKER ABATE:

Rep. Jaekle.

REP. JAEKLE: (122nd)

Mr. Speaker, I would like to address some of the comments made by some of the opponents of this amendment. And some of the supporters, too. The entire amendment has to be considered. And it is two things. It continues the requirements concerning having a separate heating plant, but it gives an alternative to that requirement, and that alternative is the separate metering for each unit. So, it will not -- and I hate to differ with my distinguished colleague, Rep. Patten, -- it will not require the installation of new heating plants in each condominium unit upon conversion. If you don't put a separate heating plant in, it would require a separate meter. Both separate heating plants and separate metering enable a tenant to reep the benefits of his conservation efforts, and I'll agree, if somebody keeps his window open and keeps the thermostat at 70, he'll be at seventy and he'll use more energy. I'm talking about the tenant who is going to keep his thermostat at 75 versus another who wishes to abide by

national guidelines on energy conservation, public service ads on TV to keep your thermostats at 65.

I keep mine at 65. I don't do it just because I'm a patriotic citizen. I do it because it saves me money on my heating bill. Well, money talks, and money is the incentive to encourage people to save energy. And if a tenant in Condominium Unit A versus B keeps his thermostat at 65 or 75 and he doesn't have a separate heating plant or his usage isn't being separately metered, I don't know why they don't keep them up at 85 if that's the temperature that they like because their heating bills will be the same as someone who is keeping it at 65.

We have quite an opportunity here to continue a program and also lessen the hard impact of the requirement of a separate heating plant which are expensive and may result in increasing electrical usage in the state, although when I hear from some of our nuclear power facilities, they say, we use this for energy, electric energy, instead of oil. I don't know whether I'm completely convinced at this point that shifting towards electric energy away from oil and gas in the long run may not be the way to go for the State of Connecticut.

But putting that issue aside, Rep. Tulisano was right. This statute will come back January 1, 1983. My concern is, if we don't adopt this amendment, we are going to be losing this incentive to conserve energy in every converted condominium between

today and January 1, 1983, and only until 1983 if we take action to put this requirement into the condominium conversion law.

I think this is an important enough amendment. I think it has merit. I understand the concerns of those who don't want to see this go through the Senate again. The Senate has worked long and hard. Frankly, they've made a much better bill than the bills that came through both General Law and Judiciary. I cannot see how if this amendment has merit, and I think it obviously does, how the Senate could not adopt it. And I think it's important enough that we do not lose three years of providing a separate metering devices in newly converted condominiums, that I'd like to request that when the vote is taken on this amendment, that it be taken by roll call.

DEPUTY SPEAKER FRANKEL:

The question is on a roll call vote. All those in favor, please signify by saying, aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER FRANKEL:

In the opinion of the Chair, the requisite twenty percent has been met. A roll call will be called at the appropriate time. Will you remark further on House "C"? Will you remark further? If not, staff and guests please come to the well of the House.

Members please be seated. Staff and guests to the well of the House. Members please be seated. The machine will be opened.

The House of Representatives is now voting by roll. Would all members please return to the Chamber. There is a roll call vote in progress in the Hall of the House. Would the members please return to the Chamber immediately?

Have all the members voted? If so, the machine will be locked and the Clerk will take a tally.

REP. GRANDE: (79th)

Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. Grande.

REP. GRANDE: (79th)

In the negative, please.

DEPUTY SPEAKER FRANKEL:

The Clerk please note.

Will the Clerk please announce the tally?

CLERK:

House Amendment Schedule "C" to Senate Bill No. 290.

Total number voting	138
Necessary for adoption	70
Those voting yea	63
Those voting nay	76
Those absent and not voting	13

DEPUTY SPEAKER FRANKEL:

The amendment fails.

DEPUTY SPEAKER FRANKEL:

Will you remark further on this bill as amended? Will you remark further?

REP. JAEKLE: (122nd)

Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. Jaekle.

REP. JAEKLE: (122nd)

Thank you, Mr. Speaker. A question through you to the proponent of the bill please.

DEPUTY SPEAKER FRANKEL:

Please frame your question.

REP. JAEKLE: (122nd)

Yes, through you, Mr. Speaker. In Section 1b of this legislation, on line 52, there is an exception to the protection we are providing to our blind, disabled and elderly, the protection from eviction, and one of those exceptions in addition to non-payment of rent is material non-compliance with the rental agreement. I question through you, Mr. Speaker, if a pre-existing lease, prior to condominium conversion or to affect landlord-tenant law generally, if an existing lease provides that a tenant is to vacate the premises at the end of, say, a one year lease, and that is specifically indicated in the lease, if that tenant-- and I'm talking about one of the protected classes of tenants --

fails to vacate the premises in the time specified in the lease, is that material non-compliance with the rental agreement? Through you, Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. Tulisano.

REP. TULISANO: (29th)

Through you, Mr. Speaker, just for clarifcation. One part, I did not hear. The question was, through you, Mr. Speaker, limited to those who are part of the protected class?

DEPUTY SPEAKER FRANKEL:

Rep. Jaekle, perhaps you could repeat your question, sir.

REP. JAEKLE: (122nd)

Excuse me, Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Excuse me, Rep. Jaekle. House please come to order. Please proceed.

REP. JAEKLE: (122nd)

Mr. Speaker, section 1b of the bill creates a protected class of tenants, blind, disabled, elderly within certain income limits and within certain types of dwelling units. Those individuals are protected from a landlord evicting those individuals. However, I notice starting on line 45, there are exceptions to this protection that we are affording tenants in this protected class. One of those being non-payment of rent, so an elderly

citizen, a tenant of a unit, could be evicted for non-payment of rent.

And another exception is being created such as, and I cite on line 52, if a tenant is in material non-compliance with the rental agreement. My question is, if one of the protected tenants has a lease that calls for him to vacate the premises at the end of the term specified in the term of the lease, and that protected class of tenant does not vacate the premises at the end of the lease as required in the lease, is that non-compliance with the rental agreement such as to allow eviction of the protected individual. Through you, Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. Tulisano.

REP. TULISANO: (29th)

Through you, Mr. Speaker. Termination of lease will no longer be allowed for eviction. This language in the statute this section closely parallels existing language in the general statutes dealing with eviction except there one other part which is complementary to this language which is termination of lease. Termination of lease is, in effect, what is removed from the statutes as to the protected classes. They may continue on. Therefore, termination of lease is not what is considered material non-compliance with the rental agreement for purposes of this act, as it is also already distinguished in our general

statutory scheme of things dealing with eviction.

DEPUTY SPEAKER FRANKEL:

Rep. Jaekle, you have the floor.

REP. JAEKLE: (122nd)

Thank you, Mr. Speaker. Through you. Could you give the Chamber some examples of situations that would be considered material non-compliance with the rental agreement, that are not already specified in the other sections of this bill? Through you, Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. Tulisano.

REP. TULISANO: (29th)

Through you, Mr. Speaker. Yes, because one of the most -- ran through my mind an example, I thought the question would come would be that if one were to say you only may keep household pets and one kept a lion maybe in your -- or a tiger in your apartment. That might be a reason to evict somebody under material non-compliance with the agreement.

DEPUTY SPEAKER FRANKEL:

Rep. Jaekle, you have the floor.

REP. JAEKLE: (122nd)

Thank you, Mr. Speaker. I think one last question, through you to the proponent. Section 7 of the bill, line 358-368 calls for one of our standing committees to report to the General Assembly

not later than January 15, 1982, on the effect of Section 1 of this act, my question, through you, Mr. Speaker, is why wouldn't the Committee report on the effects of the entire act concerning condominium conversion, rather than limit it only to Section 1 of the act. Through you, Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. Tulisano.

REP. TULISANO: (29th)

Through you, Mr. Speaker, that would not be outside of the purview of that standing committee; however, Section 1, particularly Section 1B deals primarily with the summary process statutes and how this protected class, how they're working in conjunction with the protected class. And I think the intent of the framers of that Section to really look for some input as to whether or not some of the fears that have been expressed were based on fact or not.

Whether or not this should be changed, dealing particularly with the issue of the summary process area as applies not only to conversion units but rental units generally, for the protected class. I think that's the intent of the framers.

DEPUTY SPEAKER FRANKEL:

Rep. Jaekle, you have the floor.

REP. JAEKLE: (122nd)

Thank you, Mr. Speaker. On the same section, Rep. Tulisano,

since you are, indeed, the Chairman of the Joint Standing Committee of the General Assembly having cognizance of matters relating to conveyancy and the rights and responsibilities of landlord and tenant, would it be your intention, and I'm reading from the Bill, would it be your intention to have the Judiciary Committee, which is the Committee I'm sure is referred to in this language, would it be your intention, through you, Mr. Speaker, to have the Judiciary Committee study the entire affects of this act rather than merely Section 1.

DEPUTY SPEAKER FRANKEL:

Rep. Tulisano.

REP. TULISANO: (29th)

Through you, Mr. Speaker, I think it is almost impossible when dealing in the area to get that kind of input. I would think the Judiciary Committee would, in fact, make those recommendations if they found that information in the General Assembly. And I suspect, in addition to, this is so limited a bill that mere fact of information, since there has been discussion dealing with so-called, for cause eviction for everybody, that would be, and probably should be, part of the areas that are investigated in the interim, the next year or so by the Judiciary Committee.

And if I would be Chairman, I certainly would be looking

at that without any commitments one way or the other. That would be a duty that obviously would be something we should be looking at.

DEPUTY SPEAKER FRANKEL:

Rep. Jaekel.

REP. JAEKEL: (122nd)

Thank you, Rep. Tulisano, and thank you, Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Will you remark further on this Bill as amended?

REP. VARIS: (90th)

Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. Varis.

REP. VARIS: (90th)

A question through you to Rep. Tulisano.

DEPUTY SPEAKER FRANKEL:

Please frame your question.

REP. VARIS: (90th)

Rep. Tulisano, you have protected certain classes up to January 1983 if I understand the legislation correctly. And this legislation was enacted because of the tight housing market among other things, is there any conditions that you see that would let a landlord out of his holding if one of the

tenants were one of the protected classes during the next two years and seven months?

DEPUTY SPEAKER FRANKEL:

Rep. Tulisano, can you respond?

REP. TULISANO: (29th)

Through you, Mr. Speaker, I ask Rep. Varis to please reframe the question.

DEPUTY SPEAKER FRANKEL:

Rep. Varis, would you rephrase your question, please, sir.

REP. VARIS: (90th)

Mr. Tulisano, as I understand the Bill, a landlord who is involved with a condominium may not dispossess anyone in the protected classes for at least two years and seven months, except for some of the exceptions. Is that correct?

DEPUTY SPEAKER FRANKEL:

Rep. Tulisano, will you respond?

REP. TULISANO: (29th)

Through you, Mr. Speaker, that is correct.

DEPUTY SPEAKER FRANKEL:

Rep. Varis, you have the Floor, sir.

REP. VARIS: (90th)

Yes. Mr. Chairman, as one of the drafters of this Bill,

I assume that you would extend the bill past January 1, 1983 if the housing market then were in the same state of condition that it is now.

DEPUTY SPEAKER FRANKEL:

Rep. Tulisano.

REP. TULISANO: (29th)

Through you, Mr. Speaker, that is the purpose of the end section of the statute recently discussed with Rep. Jaekle and which certainly would be looked at as to the effects on the housing market, whether or not in fact dried it up or not. Whether it was, in fact, accomplishing the goals we set to achieve.

I think at this time I would say that I would extend it beyond that date or not, I think that is too premature at this time. It may very well be something that we feel we would not want to do.

DEPUTY SPEAKER FRANKEL:

Rep. Varis.

REP. VARIS: (90th)

Yes, I can understand the answer. I wonder if it is fair, though, in this case, to lock someone into an investment for two years and seven months. Particularly in a large complex if there was only one remaining unit under these conditions

it seems to me perhaps to violate the fairness doctrine.

DEPUTY SPEAKER FRANKEL:

Will you remark further on this bill as amended by Senate "A", "B" and "C".

REP. TRUGLIA: (145th)

Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. Truglia.

REP. TRUGLIA: (145th)

Thank you, Mr. Speaker. A quick question to the proponent of the bill if I may, Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Please frame your question.

REP. TRUGLIA: (145th)

Rep. Tulisano, on line 28 of this bill, it says the vacancy rate for residential rental units is approaching zero. I'm confused by that. What do we mean by approaching zero? Because you could start from 100 and we could start approaching zero. Or we could start say from 5 or 6 and approach zero. How does one define that so that it becomes a little more specific?

DEPUTY SPEAKER FRANKEL:

Rep. Tulisano, would you respond?

REP. TULISANO: (29th)

Through you, Mr. Speaker. I'd like to have the reference again, line 28, file 791 --

REP. TRUGLIA: (145th)

I'm talking, excuse me, through you, Mr. Speaker, if I may, I'm talking about the amendment we had here and I believe it's line 28.

DEPUTY SPEAKER FRANKEL:

Rep. Tulisano, will you respond?

The Chair would observe the stated line which appears to be on lines 14 and 15 in the file copy.

REP. TRUGLIA: (145th)

My error, Mr. Speaker, excuse me.

REP. TULISANO: (29th)

Through you, Mr. Speaker, the langauge deals with the availability of housing. If I understand the question correctly, it is only as a matter of legislative intent and the findings of the General Assembly. It has no, as law, there is nothing that will be implemented in the statutes. It's a matter of findings that this General Assembly did find, that housing, the availability of rental units is approaching nil in many communities in the state. I think that's what it means.

DEPUTY SPEAKER FRANKEL:

Rep. Truglia, you have the floor, sir.

REP. TRUGLIA: (145th)

Thank you.

DEPUTY SPEAKER FRANKEL:

Will you remark further on this bill as amended.

REP. BERMAN: (19th)

Mr. Speaker, Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. John Berman.

REP. BERMAN: (19th)

Just commenting on the Bill briefly, I think its most significant aspect is that it provides a rent control for blind and disabled and elderly, but without any regulations, without any enforcement procedures which are real, so that we have some kind of a short cutted rent control or a back door approach to rent control.

And yet we also provide some escape hatches in the bill because what we say in line 58 is that a landlord can refuse to rent to the elderly and so on if he intends to permanently remove the housing from the market.

It's very obvious that the bill creates a cleavage, a divergence between the potential elderly tenant and your landlord.

So what does the landlord do? He's almost obliged to say to an elderly person who comes to him, well, I'm certainly considering taking this property and converting it into a condominium and that may or may not be true. But if he's considering it, what is he going to do?

He's not going to rent it to the elderly, he's got to use all his wiles and all his cleverness to avoid renting it to an elderly prospective tenant. So I'm thinking, Mr. Speaker, as we are trying to help a class by interfering with the market forces here, we're probably causing the elderly and the disabled more harm than good.

And I think it's a shame.

And then the second aspect is the condominium conversion aspect of the bill which I think, in reality, is going to take a backseat to this rent freeze.

DEPUTY SPEAKER FRANKEL:

Will you remark further on this Bill? Will you remark further?

REP. VAN NORSTRAND: (141st)

Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. Van Norstrand.

REP. VAN NORSTRAND: (141st)

Just very briefly, Mr. Speaker, I understand the concerns of many members of this Chamber which has brought this forth, the efforts made in the Senate. But I would just point out one thing. The name of the Bill, the title of the Bill is somewhat of a misnomer because it is not going to encourage one unit of rental housing to be constructed in this state.

And in fact it is going to do everything it can to dry up the prospects of rental housing. So let's not make any mistake about what we're doing here.

REP. CASEY: (118th)

Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. Casey.

REP. CASEY: (118th)

Mr. Speaker, I think that one point that we all seem to be missing, Rep. Varis tried to do it, that this goes to 1983. This is a temporary bandaid. It is a bandaid approach, it's a drastic bandaid approach, it does affect the free enterprise system, but we also have to take the responsibility of the blind, of the handicapped, of the physically disabled, of the 62 years, our senior citizens. I've got 244 that this bill came six months too late. They're going to have to find a place

but the vacancy rate in both places are nil. Just like the bill says, or approaching a 5% vacancy rate which the Department of Housing considers critical. I think this is a good bill. It is sunsetted for 1983, although it might mean rent control.

Well, I still think we have to protect the interests of those that are going to hurt the most and hope that the housing market and rental market will break by 1983, and I urge everybody to support the bill.

DEPUTY SPEAKER FRANKEL:

Will you remark further on this Bill?

REP. RITTER: (6th)

Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. George Ritter.

REP. RITTER: (6th)

Mr. Speaker, along with Rep. Berman and others, I served on the Task Force that held several hearings and ultimately came up with the grandfather of this Bill. I am quite chagrined that we don't have such things as windfall profits. I'm chagrined that we don't have a much stronger condominium bill. But it's also true that this is what we have before us and it's either this or nothing at this session. And for that reason, I certainly will support this. I hope also that it will provide

enough of a basis for people of good will and for people who are interested in law enforcement, to make sure that this Bill does have teeth in it. To make sure that it is the foundation for a better bill which I'm sure has to come from the very next session of the legislature.

On that basis, I will support the bill.

DEPUTY SPEAKER FRANKEL:

Will you remark further on this Bill? Will you remark further?

If not, staff and guests please come to the Well of the House.

Members, please be seated.

Staff and guests to the Well of the House. Members please be seated. The machine will be opened.

The House of Representatives is now voting by roll. Would the members please return to the Chamber.

There is a roll call vote in progress in the Hall of the HOuse. Would the members return to the Chamber immediately.

Have all the members voted? Have all the members voted?

If so, the machine will be locked. The Clerk will please take a tally.

REP. SWEENEY: (46th)

Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. Sweeney.

REP. SWEENEY: (46th)

In the affirmative, please.

DEPUTY SPEAKER FRANKEL:

The Clerk please note.

REP. SWEENEY: (46th)

Thank you.

REP. MAZZA: (115th)

In the affirmative, please.

DEPUTY SPEAKER FRANKEL:

Rep. Mazza in the affirmative.

The Clerk please announce the tally.

CLERK:

Senate Bill 290, as amended by Senate Amendments "A", "B" and "C".

Total number Voting	135
Necessary for Passage	68
Those voting Yea	123
Those voting Nay	12
Those absent and not Voting	16

DEPUTY SPEAKER FRANKEL:

The Bill as amended, passes.

CLERK:

Calendar Page 18, Calendar 680, File 733, Substitute for Senate Bill 611, AN ACT CONCERNING ASSESSMENT FOR PURPOSES OF PROPERTY TAX FOLLOWING REVALUATION IN CERTAIN MUNICIPALITIES. As amended by Senate Amendment Schedules "A", "B" and "D".

Favorable Report of the Committee on Finance, Revenue and Bonding.

REP. CARRAGHER: (5th)

Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. Carragher.

REP. CARRAGHER: (5th)

Mr. Speaker, I move acceptance of the Joint Committee's Favorable Report and passage of the bill in concurrence with the Senate.

DEPUTY SPEAKER FRANKEL:

The question is on acceptance of the Joint Committee's Favorable Report and passage of this bill. Will you remark, sir?

REP. CARRAGHER: (5th)

Yes, Mr. Speaker. Mr. Speaker, the Clerk has Senate

JOINT
STANDING
COMMITTEE
HEARINGS

GENERAL
LAW
PART 2
368-742

1980

State Capitol
Room 4 1/2
March 11, 1980
10:00 A.M.

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GENERAL LAW

PRESIDING CHAIRMEN: Senator Cutillo
Representative Grande

COMMITTEE MEMBERS PRESENT:

SENATORS: Casey, Santaniello

REPRESENTATIVES: Della Vecchia, Atkin, Sarasin, Mazza, C. Parker, Masters, Zajac

SEN. CUTILLO: May I have your attention, please. I would like
Belt to call today's hearing to order. We have several
#1 legislators to speak first, and several commissioners. And then we'll get into the public segment. I would ask that those people who are not public related, that is the legislators and commissioners, to be concise so that the rest of the day may be dedicated to what we call a public hearing to the public.

The first speaker, Senator Leonhardt.

SEN. LEONHARDT: Thank you very much, Senator Cutillo, it's a pleasure to be before you this morning on Senate Bill 290.

I'd first of all like to commend the Chairman of this Committee, and Chairman Tulisano of the Judiciary Committee for all the work that I know has gone into putting 290 together and bringing the bill this far, and to point out that there are many fine features in this bill. I think the protection of the elderly and the ban against evicting persons over age 62 as part of a condominium conversion is particularly critical in terms of protecting persons at a time in their life when it would be very traumatic and not fair and simply not decent for them to be displaced. And I'd like to commend the Chairmen and the members of the Committee for that positive provision of the bill.

The low interest loans to stimulate the construction of more rental housing is also a very positive feature because the underlying problem is a housing shortage in general and a shortage of rental housing in particular. The low interest loans for downpayment assistance so that tenants can buy into condominiums are another positive feature.

SEN. LEONHARDT: (continued):

However, there is always a but, as some of you know, my own proposal for low interest loans to assist in the monthly mortgage payments to tenants in buildings converted to condominiums was to feed it on a tie 6 to 6 vote, in the select condominium committee. Basically this proposal, and I have delivered copies to the clerk and I hope she has distributed them to every member of the committee, does every member of the committee have it in writing? Yes. Thank you very much. Basically this proposal which you have in writing and documented in greater detail is to use the state's bonding power to boost the federal tax exemption which stands behind CHFA and the Department of Housing Bonding so that interest rates on a very low interest basis could be extended to tenants in buildings which are being converted to condominiums so they can have assistance with their monthly payments.

Now, as we all know, anybody who has been having even a casual interest in public affairs in recent weeks, interest rates are fluctuating weekly and daily basis and now the average mortgage rate for a single family dwelling is up to 13 1/2%. Let's just say for consistency with the written document that I circulated to you, because really the problem is worse now than it was in December when I put the document together. To be consistent with the numbers I projected in there let's say 11 1/2% private rate, the CHFA Mortgage would bring it down to -- the CHFA bonding authority and the federal tax exemption would bring it down to 9 1/2% and I am very hopeful with this committee to adopt provisions so that using the state bonding power so that the interest rates could be dropped to 6 1/2% for mortgage payments for tenants.

REP. MAZZA: Excuse me, Senator, I have to interrupt you on this point. How would we be able to bring the interest rates down to 6 1/2 when CHFA has to go to the public market to borrow funds. As you know the prevailing prime rate right now is 17 3/4% and CHFA will not be able to borrow 6 1/2%, that virtually impossible. As a matter of fact your municipalities that are going out to bid now are paying for short term money, 8 1/2, 9 and 9 1/2% so I'm wondering where you got the 6 1/2%. That's an unrealistic figure.

SEN LEONHARDT: What I'd basically like to do is instead of knocking 2% of the commercial rate, I can knock 5% off and as I said the interest rates are fluctuating on a day to day basis and you're right today to say I was trying to be consistent with

SEN. LEONHARDT: (continued)

the numbers that were in December 28, that were current, as of that time and 6 1/2% your're right would not be that low today. Today you would be knocking 5% of 13 1/2%.

Frankly since the interest rates have gone up since December 28, since the memo that I delivered to you I think it makes it even more imperative that we do this type of program. Really what I'm doing is asking this committee is to take a page out of the Chester Bowles Book what we did for veterans who came back from World War II in the State of Connecticut and make it possible for housing to be available on a broader basis to the citizens of the state.

Naturally in the proposal, there would be income limits for eligibility for such mortgage and I point out that a thousand such mortgages would only cost the state 1.62 million in interest on the bonds and a thousand mortgages would finance 20% of the 5,000 of the condominium conversions which took place last year. So it would really go a long way toward solving the problem.

Now, you might say why help people with mortgage payments when they are already paying rent before. I mean, you know if they paid the rent before why do we need to help them with the mortgage payments. The answer to that question is a new research and it is in the Hugh-McGuire Memo that I circulated to you dated February 29, 1980 which brings together aspects of the study that was done by the housing department in 1979 and it shows where the carrying charges as compared to rents are increasing in five cases between 56% to 236% and if we could just very briefly consistent with the chairman's request which I would like to honor and I know how difficult it is to run these Public Hearings, If we could just look at that memo for a second. A three room apartment in the North End of Hartford, Rental cost $160, utility total rental before conversion $180.00. After conversion $360.00 for the mortgage payment, $80.00 for maintenance, $15.00 for insurance, $80.00 for taxes, $50.00 for heat, $20.00 for utilities. $605.00 for monthly payments or an increase of 236% in the monthly carrying costs for a person to live in that North End building after it has been converted from a rental unit to a condominium.

Let's take a look at another case. A two room apartment in the outer area suburb of Hartford. Rental before $389.00, Utilities $20.00. Total $409.00. Then it goes to condominium in 1979. Mortgage payment $775.00, utilities and heat $80.00.

SEN. LEONHARDT: (continued)

$15.00 insurance, $120.00 for maintenance, $100.00 property tax. $1,090.00 in monthly carrying charges. A 166% increase in monthly payment increase in monthly payments that it would be necessary for a person to live there. I could go on and on. There are more in the written documents submitted. I don't want to take too much of the committee's time. I will leave the others for you to study. There are other equally examples.

I think we see these carrying charges are going to be much greater than the rents have been and we have to subsidize, not just the down payment and I think the bill is good in the way it subsidizes the down payment to allow people to buy condos, but also the monthly mortgage payments. I have tried to do that with this proposal on the December 28, memo that unfortunately in the Select Committee failed on a 6 to 6 vote in a way that gets hopefully the best of both worlds.

SEN. CUTILLO: Senator, can I interrupt for a moment?

SEN. LEONHARDT: Yes.

SEN. CUTILLO: In your presentation you are talking about something that would probably be more appropriate in the Finance Committee As you know, the bill has a long way to go. We are going to have a, and I say this for you and all people interested in this particular legislation. After the bill, and hopefully we will get it out of the committee tomorrow, has to go to Planning and Development, after Planning and Development it has to go to Judiciary and after Judiciary it has to go to Finance. It is my intention to ask the committee at that time, tomorrow, to get the bill out as it is. We are not going to put any amendments on it, change it whatsoever, because of the committee deadlines first of all, I don't want to start a discussion in this committee that may drag it on into next week which is very possible, and secondly I would like to get over Planning and Development so they could give it it's over view and get it out of that committee as soon as possible because their deadline is next week also and to Judiciary whose deadline is later than ours and finally into Finance. So what I'm saying in the long run is, I do appreciate your remarks but what I'm going to do is convey the thoughts and any changes that are being proposed at this particular time to the other committees, particularly the Judiciary Committee because they do have a longer time span in getting out their joint favorables than either General Law or Planning and Development, so everybody will know where we stand on it.

SEN. CUTILLO: (continued)

Where General Law is Concerned it would be my intention not to make any changes in this committee but I will say Judiciary and Finance will have the last say.

SEN. LEONHARDT: That's interesting Mr. Chairman, I react to that by saying I'm glad to know some of the parameters within which you are working and I would like to say I have a great deal of respect for the difficult job you have getting this bill through four or five committees in a short session, it's not easy matter and you're up against a very real problem and I'm well aware of that and I want to be sensitive to that in a fair way.

I would, myself respectfully urge you to put what you consider to be positive provisions to the bill now, with a little different philosophy there. But the one further point I would like to make, I'm going to take only 2 or 3 more minutes of the committee's time to try and sum up. I believe this will be the last public hearing on the bill so that I'll have a chance to speak to Sandy Cloud privately, as I have already done and I will have a chance to be chatting with my good friend Representative Tulisano but I think it is important that the public case be made for these provisions and that's why I ask for a couple of more minutes of your committee's indulgence because I don't think the other committees will be having hearings.

SEN. CUTILLO: Are there many other people interested in actually what the course this bill will be taking.

SEN. LEONHARDT: We will be following it every step of the way. We have gone through some of those case studies and basically what I'm trying to do with this proposal is get the best of both worlds. We must provide for low and moderate income tenants who live in buildings which are be converted to condominiums. At the same time we must avoid short sighted governmental interventions in the private sector which in the long term do more harm than good. In a society that relies basically on the private sector to produce housing we must maintain an incentive for developers to build the housing that our people are going to need.

The condominium phenomenon as it was going on last fall before the stop gap semi-moritorium measure was a harsh phenomenon indeed, Mr. Chairman. Government must take the rough edges

SEN. LEONHARDT: (continued)

off this private sector phenomenon that we had and protect persons who were being ruthlessly displaced. At that same time if proper government subsidies are provided, and only then with the proper government subsidies the condominium conversion phenomenon with the proper protection for the elderly in the bill, and I commend you for that, the condominium conversion can be a positive thing which enables low and moderate income persons to develop an equity and ownership in their own residence for the first time in their lives in which they would not otherwise be able to have.

I think we are getting to a situation in this country where many Americans can no longer afford to live out in the tract suburbia, out in the outer reaches of suburbia and the condominium will come to be seen and has a legitimate role as a proper replacement for that tract suburbia that people can no longer afford. Additionally, with the low interest loan subsidy, with proper protection for the elderly the condominium conversion phenomenon can add to local property tax and with more ownership stabilize communities. What I would like to urge the members of this committee very strongly, is to preserve the American ideal of home ownership at a time when we are witnessing a decline in housing buying power. We are witnessing this decline in housing buying power and the State of Connecticut has got to take proper steps to preserve this American ideal of home ownership. Thank you.

SEN. CUTILLO: Thank you Senator. Representative Joan Kendler, to be followed by Commissioner Shealy and followed by Commissioner Sharp.

REP. KENDLER: Thank you Mr. Chairman. I will be very, very brief. I don't want to take any time away from all the people who came to testify today. I am very pleased to hear that you will be acting very quickly on passing legislation, you know how disruptive condominium conversion was, especially to people in West Hartford and I would hate to think there would be any hiatus between April 1, when the present legislation goes off the books and a new action is taken by this legislature.

I simply want to urge this committee that the sine qua non the non negotiable part of this legislation and I would hope would be life time tenancy for our senior citizens so that they will not be evicted from apartments which are

REP. KENDLER: (continued)

being converted into condominiums. I think we owe our elderly the peace of mind and the permanency of a dwelling place and if you pass legislation that allows for life time tenancy I think you will be making a great contribution to the senior citizens and the disabled in our state. Thank you very much.

SEN. CUTILLO: Ladies and Gentlemen if we are going to expidite this hearing, unless you want to stay here until 4 or 5 we won't have any outbursts either pro or con. Thank you.

COMM. SHEALY: Thank you, I will be very brief. Representive Kemler said it very articulately. I am here to represent as Commissioner on the Aging, the elderly, I am not knowledgable on all aspects of the bill, I just did want to say that the Department on Housing and the Department on Aging have been working together on many aspects and I know they are represented here to answer specific questions in the technical (inaudible-tape skips) Bill 290 about the elderly as a group of people, which certainly I agree with Representative Kemler has said, "that they have earned the right to live in peace or they have chosen to leave". I think there is another aspect I would like to touch on lightly even though it is a serious aspect. Transfer trauma with the elderly is a known fact and when you are dealing with people who are uprooted and they are older, frail, this is not being emotional, this is being realistic. The very fact that you are transferring elderly is,indeed, more than upsetting to many of them. Many of them do not make this transfer and stay well.

I do not want to be overly dramatic, but many of them do not live long if they are very frail, very elderly. That is something else to be considered.

I hear all the time the right of free enterprise and certainly in a system such as ours I would be remiss if I would spoke against it but I think there comes a time in the name of profit when people's right to be left undisturbed has to be recognized. With that in mind I would like to just briefly speak to section 3D, of Committee Bill 290 which gives a person 62 years of age or older the blind and physically disabled the right to remain in their apartments as long as they want to, as long as they do not violate specific conditions.

We support this provision, however, we believe that the notice requirement of Section 7c should include information sufficient

COMR. SHEALY: (continued)

to inform persons of the provisions of Section 3(d). And, also, I'd like to indicate that in this legislative process if, for any reason at all this Section 3(d) should be watered down, which we strongly hope it won't, we would support a provision for financial support, counseling, and relocation assistance paid by the developer for the benefit of the elderly disabled blind renters -- that, because we notice there is no provision there nor should there be if the 62 age category blind disabled remains.

But I'm very fearful because I know the pressures that are out in amending this kind of thing, that should it ever be amended so that people can be forced out -- whether it's 120, 180 days -- it doesn't make any difference -- there are no provisions there as to what will happen to them, and I think that it's a balancing act. If you put the provisions in, then perhaps it weakens the bill. I, of course, don't want to see that change come about but I did want to speak to that. We see any amendment to this section would eliminate the right of the older person to remain in his or her apartment.

I also support Section 7(a) which requires approval by 35 percent of the residents prior to conversions in a municipality with a vacancy right of less than 5 percent. However, I know -- I'm very familiar with what happens in the urban sections but I also am very familiar with what happens in the small towns where there just also are no rentals available, and there are even fewer apartments available, so I would again urge that you not amend that first section. And I thank you for your consideration of what I'm saying and for the rights of those who have earned the right to not be dislocated.

SEN. CUTILLO: Thank you, Commissioner. Any questions of the Commissioner from the Committee?

COMR. SHEALY: I've left testimony.

SEN. CUTILLO: Thank you very much. Commissioner Sharpe to be followed by Herbert O'Neil. Commissioner.

COMR. MICHAEL SHARPE: Thank you. Members of the General Law Committee. The Connecticut General Assembly passed Public Act No. 79-598 effective October 1, 1979 and in doing so created the Department of Housing. The legislature designated the Department of Housing as a lead state agency for all

COMR. SHARPE: (continued)

matters relating to housing. The act states that the department shall be responsible, at the state level, for all aspects of policy, development, redevelopment, preservation, maintenance and improvements of housing in neighborhoods.

This act goes on to further direct the Commissioner to conduct, encourage and maintain reserach and studies leading to housing, as well as to inform and advise the Governor, make recommendations to the General Assembly, state agencies, municipalities, regional planning agencies and other appropriate private and nonprofit entities concerning housing matters.

Although there are efforts presently afoot to eliminate these very important services from our department, which has had a corresponding demoralizing impact on my staff, we're still with vigor our legislative charge to serve the people of the State of Connecticut who are faced with one of the most severe housing crisis periods since post World War II.

My name is Michael Sharpe. I'm Deputy Commissioner for the State Department of Housing representing Commissioner Joseph Cannale. I would like to speak to Raised Committee Bill 290 concerning condominium conversions and the enforcement of new rental housing -- the encouragement of new rental housing.

I must first commend the Special Legislative Subcommittee on Condominium Conversions for their excellent work in seeking out the issues, problems and potential solutions for what has become the exploited symptom for a far greater problem and that is a severe housing shortage. The result of that Subcommittee's work is, I believe, reflected in the excellent structure and depth contained in Raised Bill 290. The bill reflects a clear attempt to balance the long-standing constitutional rights of ownership against the equally recognized right of every American citizen to have a decent home in which to live -- be it rental or purchased.

And even stronger signal of its potential acceptability are its great similarities to the recommendations outlined by the Department of Housing and the proposed legislative changes put forth by Governor Grasso.

There are, however, a few important points that deserve special comment and possible clarification. First I'll deal with the technical points in this particular raised bill. Section 1 dealing with optional leases I think is very position inclusion. The problem -- but the potential problem

COMR. SHARPE: (continued)

is how that optional lease will be enforced. What that says is the tenant or the landlord has the right to ask for a one-year lease and the real problem is if the landlord -- or the tenant asks for that lease and the landlord doesn't want to give it, or vice versa, you really run into an enforcement problem the way the legislation is structured.

Points for consideration --

SEN. CUTILLO: Commissioner, can I interrupt just for a moment, please. Have you appraised -- apprised the Judiciary Committee and Tulisano of your critique on this bill? You may have heard my remarks, it's my intention to get the bill out and ultimately any changes would be made in the Judiciary Committee, so I would ask you -- although we appreciate --

COMR. SHARPE: It's not to critique the --

SEN. CUTILLO: That's okay. I don't mind your doing it because that's what your here for, but ultimately we would hope that therein is where any changes would be made, subject to anything that happened on the floor of the House or the Senate, so would you please, although we respect your remarks because we're all going to have a shot at this in either the House or Senate -- Tulisano, Representative Tulisano should get these remarks as soon as possible after you're through here.

COMR. SHARPE: Okay. Would it be an interest of this Committee to hear the critique or simply to --

SEN. CUTILLO: Oh, definitely. Please continue. I just want to make sure that you do that.

COMR. SHARPE: Okay. That would be the first technical point. A point for consideration on that would be to include a 30-day cancellation clause where either the tenant or the landlord, after the first 30 days, would not have to honor that year lease because the problem is you're basically forcing a landlord to say that he or she will accept a one-year lease, although they may not want one and there may not be a compatibility between the tenant and landlord, which should be able to be determined in about a 30-day period.

The second point for consideration is -- I think this, perhaps, should only be applicable for apartments that have three dwelling units or more. When you're talking about a two-family structure, you're almost -- you're very close to the single-family home.

COMR. SHARPE: (continued)

Section 3(d), Protection for Elderly and Handicapped -- I think that's an excellent recommendation. It's very positive. I would, however, caution -- I don't see in the audience too many of the representatives that I run across from Social Service groups that are very concerned about the need for family housing and the need for protection for our families with children, but, nonetheless, I think the Section 3(d), Protection for Elderly and Handicapped, is an excellent provision.

Section 3 dealing with evictions for the above with cause is, again, positive. A point for consideration is to allow an additional cause for regaining property by an owner for use by a relative. I think that, in ownership, that is a very important that an owner should have.

Section 3(d-4) allowing reasonable and legitimate rent increases is a positive inclusion. However, I would ask that the bill define or set standards for determining what reasonable or legitimate increase would be.

And I would give the same suggestion for Section 4 where it allows the court -- would allow the court to have discretion in determining reasonably comparable housing. In this section the court can determine whether or not an alternative housing location is a comparable selection. That should be defined and standards set.

Section 7 (4-c), I think it's very important where it indicates notice to tenant concerning conversions -- there's a tremendous amount of problem with determining when exactly the 90-180 days
lt #3 begin to run, and that is determining -- we receive a lot of phone calls -- "I received a notice of conversion, when does my 180 days start running."

I think the bill should clarify at what point that notice starts to run.

Section 7, the Availability of Tenants to Terminate Lease Upon Receiving Notice of Conversion -- I think this is very positive. We've had that problem across the state where tenants have received notice of conversion and have found an additional place, or an alternative place to live, and have found that they have been unable to break their lease, although they know that later on they probably would not have that place available to them. So I think the ability to terminate a lease upon receiving a notice of conversion is a positive inclusion.

COMR. SHARPE: (continued)

Section 7 (f) where it states no eviction during a 180-day period other than justifiable reasons ordinary to landlord rights where a written lease exists is positive. However, it states "where a written lease exists" and I think that should be clarified as to whether or not you're excluding those who have oral leases or you're simply including only those who have written leases. We have problems with that as well presently.

Section 7 (g) regarding certificate of occupancy -- the department -- we react to that negatively. No. 1, you're not changing the use of that apartment, or that premise, you're simply changing the ownership form and to require certificate of occupancy is basically cost inflationary. You're requiring a certificate which would approve the living in that unit of someone that's already living in there. Now, if the place is vacant that would be understandable, but if there's a family living in there, then after the fact you decide you're going to have a certificate of occupancy, that's really unnecessary -- it seems to be cost inflationary. And we would have problems in that area.

The intent of the condo regulations as far as the department is concerned is to provide an orderly process and not to burden unnecessarily the owner or the tenant.

Section 7, line 126 to 129, which states that the condominium conversions cannot be made in any municipality where a vacancy rate below five percent exists unless 35 percent of the tenants approve of the conversion. It then goes on to say that the vacancy rate is to be performed by the Department of Housing. Well, the first response is that if a vacancy rate is below the norm, or the accepted rate, we think that would be positive because if there is a housing shortage you don't want to put people out on the street.

However, when you tie that ino 35 percent of the tenant's approving, you run into some additional problems. A study done by the United States Department of HUD indicates that the normal acceptance on the part of a tenant living in a building which is being converted ranges around 35 percent. That's the norm in the first place. So you're going to find that where most conversions occur that you're going to have 35 percent of the families on the average accepting anyway.

So to tie that into the vacancy rate is really kind of -- it's not related. The reason you want to stop the conversion

COMR. SHARPE: (continued)

when you're below five percent is because there are no available units, and then to go and make it 35 percent then you can convert is kind of defying, you know, the common sense we use in coming to the five percent factor.

As far as the Department of Housing determining the vacancy rate, there are some major problems there. A study that we did recently indicates that 6,196 conversion occurred during 1979. We have since made corrections on that and we're closer to the number of 10,000 conversions occurred during 1979, and we do not see a reduction in that trend. So if we are to determinine the vacancy factor across Connecticut with 160 some communities, the cost impact could be very significant.

At minimum we would have to have three additional staff members, which we would break down into three regions: south southwest Connecticut, central northern Connecticut and eastern Connecticut, at an average cost of approximately $15,000 per staff person to implement. This recommendation would be a cost to the state, at minimum, of $45,000.

SEN. CUTILLO: Excuse me, what section is that, again, that you're referring to?

COMR. SHARPE: We looked at that if we had to determine the vacancy factor across the state for where conversions were occurring --

SEN. CUTILLO: Well, that's in Appropriations; I'm glad you brought that to our attention. Thank you.

COMR. SHARPE: Do you want these areas again or --

SEN. CUTILLO: No, I just want to know if you determined that as a cost factor --

COMR. SHARPE: That definitely is a cost factor.

SEN. CUTILLO: We're talking about another committee, which is Appropriations, and we're talking about costs and I don't think we want to get into that. We don't have that kind of time. Thank you.

COMR. SHARPE: Okay. Section 14, line 537 through 544 -- this is positive with an exception. What it's calling for is a

COMR. SHARPE: (continued)

condominium displacement counseling program provided by the Department of Housing. In the bill it reads that the program would provide relocation of systems for those persons displaced by the conversion of rental units.

Our problem is this. Counseling for displaced tenants is excellent and that's been established through numerous studies across the United States and, in particular, by the Department of HUD and other federal agencies. The cost for the Department of Housing, or the State of Connecticut, to provide this counseling is significant. Again, if we're talking about maintaining the same rate of conversion as last year -- of 10,000 units -- we would be expected to only -- if we counseled 50 percent of those 10,000, we would, again, have to increase our staff by a significant number.

More cost effective, we feel, would be to --

SEN. CUTILLO: Commissioner, excuse me, in the last two issues you brought up cost factors. Are there any figures on this? And if you don't have them, will you get them?

COMR. SHARPE: We have a figure on the first -- on the five percent vacancy at a minimum of $45,000. On the second area, in terms of the counseling, we can only project that if 10,000 conversions occurred next year and we counseled 50 percent of those conversions, we'd be talking additional five or six staff persons.

SEN. CUTILLO: Which is -- in terms of dollars?

COMR. SHARPE: In terms of dollars, you could probably use an average of $14,000.

SEN. CUTILLO: Okay, thank you.

COMR. SHARPE: I think more cost effective would be if the Department of Housing and the Governor has recommended that nonprofit agencies or housing counseling agencies from around the state would be allowed to counsel these tenants, with the cost being paid by the developer of that particular conversion project, and this would provide the same type of counseling at a much more cost effective measure.

Moving into Section 8, line 229 through 236 -- this is requiring the Commissioner of the Department of Housing to

COMR. SHARPE: (continued)

enter into contracts with eligible developers for state financial assistance for the construction of rental units or the renovation of existing rental units.

This is consistent with the Governor's recommendation and with the department's recommendation, and the Governor presently has a legislative proposal which we feel would be appropriate to incorporate in this -- doing the same thing, providing monies for housing programs to increase construction of rental units and the rehabilitation of existing or substandard or abandoned apartments. I think that is necessary and very positive.

Section 11, line 459 through 456 -- this is authorizing the Commissioner to enter into agreements with eligible individuals to make down-payment loans for converted units. I think that's positive; it's certainly what we see an an eligible expense. We would caution whether or not those individuals whose units are being converted should receive priority in our program. And the reason we question that is if we give priority to someone whose unit is being converted, we, in effect, are encouraging and subsidizing the conversion of apartment units in the State of Connecticut.

It's not clear at this time as to whether or not that is a positive or necessary venture on the part of the state. Also, and directly, we are possibly bringing into the play the Uniform Relocation Act which would cause the state to be responsible for paying relocation costs to families, because we are subsidizing as a public or state agency, the displacement of individuals. So we have to be very careful if we are to list this as a priority. Certainly to make them eligible is a positive consideration.

SEN. CUTILLO: Are you referring to 11 (a) and (b)?

COMR. SHARPE: Yes.

SEN. CUTILLO: Thank you.

COMR. SHARPE: Seciton 15, line 545 through 552 -- I hate to say this but we're neutral on this. What it states is that the Commissioner can enter into an agreement with the developer, or any others, for the purchase by the state of a unit in a converted condo at a discounted rate. The units would be maintained as state assisted housing.

COMR. SHARPE: (continued)

We're unclear as to whether or not this would be cost effective, what the advantages would be for the state and whether or not this money could be better utilized in rehab or new construction or in other programs. So we really were unable to determine that, so we kind of just are mutual, if you will.

SEN. CUTILLO: Okay.

COMR. SHARPE: Additional recommendations we would have -- we are requesting, as is the Governor, that developers, or converters, be required to file their intent to convert with the State Department of Housing. We feel that this is very, very important because it allows us to monitor and understand what's happening across the state in terms of conversion, how many rental units are being taken off the market.

It took an incredible amount of effort and work for the department to come up with figures and statistics on how many units have been converted just during 1979. There is no process by which that information is recorded in a central place that presently exists, and we think that would be a very major and important addition to this particular bill.

Those are some of the areas we think need some corrections or expansions on, and I would just comment briefly on a comment made earlier -- if conversions is a means for providing housing for low and moderate income families across the state. I think if we're honest with ourselves, that's not necessarily true.

The condominium is an alternative -- an alternate source of housing and it's a necessary one. It was bound to happen in the United States; it's been occurring in European countries for decades and we're finally getting to the point where it's necessary in the United States. It may be cheaper but it does not reduce the cost to the point where low and moderate income families are thus brought into the housing market without subsidy. And if we're talking about subsidy, then we can talk about single families and duplexes and all the rest.

We did several case studies where units were converted and the families that were living in those apartment units, once the costs for the condominiums were put together, they could not afford it. So I think we have to very careful about the argument that this provides additional housing for low and moderate income families.

COMR. SHARPE: (continued)

lt #4 An additional to make is the legislation passed in October has not effectively slowed down conversions. I think conversions are here to stay. We're going to have to encourage if this bill speaks to the increased construction of rental units, I don't think again, if we're honest with ourselves, that we're talking about the increased construction of condominium units. A lot of people argue that while if we increase the condominium stock, this will take the burden off the rental housing.

I think what's needed in the State of Connecticut presently is increased new rental construction and the revitalization of abandoned housing across the -- in the urban areas.

SEN. CUTILLO: Commissioner, you don't think that ought to be addressed in this bill, do you?

COMR. SHARPE: Which?

SEN. CUTILLO: Your present remarks in terms of new constructions.

COMR. SHARPE: Well, the bill attempts to address it.

SEN. CUTILLO: How far do we go?

COMR. SHARPE: Well, I think the bill has taken the necessary steps in terms of, you know, where it's at. I'm just cautioning that we not, you know, deceive ourselves into thinking that the condo process is the answer to low or moderate income housing. I think the answer to low and moderate income housing is the construction and the proper subsidizing of it. If you have any questions --

SEN. CUTILLO: Any questions of the Commitee of the Commissioner? Hearing none, we thank you very much. Thank you. We'll now get onto the 45 minutes of the public segment. This is a public hearing. We have a pro and con sign-up sheet. Yes, can I help you?

I'm going to deviate and I'll take the responsibility of not going -- the reason for a sign-up sheet is to those people who sign up first are going to speak first. I'm going to take the responsibility of deviating from that at this time so that the people that you're referring to -- the elderly that have come to speak on this particular issue would have that opportunity.

SEN. CUTILLO: (continued)

I do have a pro and con sign-up sheet. I notice you're on the con sign-up sheet. Are you against? Is that right?

MS. JOSEPH BARRETT: We were not clear whether it was against condominiums or against the bill. We are, consequently --

SEN. CUTILLO: What is your name?

MS. BARRETT: Josephine Barrett.

SEN. CUTILLO: Oh, you're Josephine Barrett. All right, I'm going to ask then that you step forward. You have one, two, three, four people who signed up?

MS. BARRETT: Yes, sir, they have written themselves a very brief statement.

SEN. CUTILLO: I would hope so. Thank you. Please start. Go ahead.

MS. BARRETT: Thank you for allowing us to come ahead. I was more concerned because she's 85 years old and has come a long way for this hearing. I am Josephine Barrett. I live in Milford, Connecticut, in the Point Beach Neighborhood and my friend, Mrs. Bayline, has been my next door neighbor for about 20 years.

When she moved to Breaker Beach Apartments, it was so that I could watch over her and so could other neighbors. In fact, all the senior citizens in the Breaker Beach Apartemnts are watched over by their families and their relatives. Now, the Breaker Beach Apartments are across from a grocery store, a drugstore, a fire house -- they're by the buses to senior citizen activities, shopping -- all the things that support units that are so important to senior citizens.

Now, I did some investigating when last week they received notice of having to leave their apartments because they are being converted to condominiums and that was approved by the Fire Plan Zone Board last week. When I began look for apartments, of course, for my friend, there are no apartments available for them. I called the Plan Zone Board and they tell me there are 2200 apartments in the City of Milford and 1400 of them have already applied for conversion.

There are 100- according to the Housing Authority in the City of Milford, there are 160 elderly on the waiting list for

MS. NORSE: (continued)

that way; who wants a mother-in-law in their home. I am still capable of taking care of myself and home. I'm just one of them.

SEN. CUTILLO: Thank you very much. Go ahead.

MRS. ANNE PRICE: My husband passed away in December 1978.

SEN. CUTILLO: You're Anne Price, are you?

MRS. PRICE: What's that?

SEN. CUTILLO: You're Anne Price?

MRS. PRICE: Anne Price.

SEN. CUTILLO: Thank you.

MRS. PRICE: My husband passed away December 1978. I was living in Queens, New York, and my daughter did not want me to live there alone. She and her family live in Milford and she was able to get me an apartment. It was very convenient for me as for shopping, transportation and she lives close by.

Now that they are converting these apartments into condominiums, I don't know what to do or where to go. I would very much to be independent as long as it is humanly possible. I surely cannot afford to buy this apartment, as I am living on a fixed income. The thought of being uprooted just now sickens me. That's all I have to say.

SEN. CUTILLO: I thank you for your comments. Ruth Bayline.

MRS. RUTH BAYLINE: My name is Ruth Bayline. I have lived at Point Beach for 21 years and I love it there. My husband died in 1975, then I sold my home because of its being too large and very lonely. My neighbors got me an apartment at Breaker Beach, right in my own neighborhood.

Many of my old neighbors watch out for me as I have no family here. Last fall I was hit by a car and had three broken bones in my foot. When I came home from the hospital, my neighbors took care of me. One even slept at my house every night until I could take care of myself again.

Who will take care of me if I leave Milford? Where can I go? I am at my wit's end. I lie awake at night, worrying and praying.

SEN. CUTILLO: Thank you very much and I want to thank -- thank you ladies -- and I want to thank everybody else who has signed up previously to give these women the opportunity to express their opinions. We'll now go bacl to the sheet as we started. I believe I called Herbert O'Neill to be followed by Robert Anderson. Thank you.

MR. HERBERT O'NEILL: Hi, Commissioner Chairman. Never thought I'd give up my seat to an elderly so as --

SEN. CUTILLO: Thank you. I knew you were gentleman right from the start.

MR. O'NEILL: Mr. Chairman, fellow members of the Committee, I'm Mr. O'Neill. I'm President of the Colonial Quadrangle Association.

SEN. CUTILLO: Excuse me. Pardon me, I notice it's getting a little warm in here. Is there anyone who knows how to turn on the air conditioning? Thank you, sir.

MR. O'NEILL: I'm a 100 percent disabled American veteran. I'm also a senior citizen like these other ladies who have already made a note. My comments have to be short due to my lung problem, so I'll make them very brief.

I understood that this was to be pertaining to this only, no additions, because if this bill doesn't get out as it is, it isn't going to be any help to anybody. I refer to Section 1 of page 1. If I may, I approve of that. It will give us tenants at least a start in the say, and maybe put a stop as to what is happening here today down in Clinton, Connecticut, where we have no control of rent escalation after our leases expire, period.

With reference to Section No. 2 and 3 on page 2, I respectfully request a life tenancy and a rent freeze -- or price freeze -- retroactive to the date of any landlord making his initial intent after the moratorium was in effect. This is Bill --

SEN. CUTILLO: Sir, I'm sorry. I'm going to have to interrupt. We have a lot of movement here. I'm going to ask that Committee members be given the prerogative to sit at the chairs here and I would ask the cooperation of everyone else to see that this is done. It's a warm room, it's not the best place for public hearings, but it's what we have to live with and I would ask your cooperation in giving the speaker your attention so that we may expedite the hearing. Thank you very much. I'm sorry for the interruption.

MR. O'NEILL: That's quite all right, Commissioner. I'll start again. Reference Section 2 and 3 -- I respectfully request a life tenancy and a price freeze to be retroactive. Now, any landlord that recorded his intent to convert after Bill 79-1 was in effect, be granted to all blind, disabled and make it a point that it be followed as your bill under Section 1-1(f), and also senior citizens.

Gentlemen, in reference to line 52 and 53, Section 1, let me state loud and clear -- and I wouldn't be here today if I couldn't see private enterprise or the landlord legitimate and reasonable rent increases, but let me be real grim. On the other hand, I will not stand for it, nor will our group stand for it -- price gouging, profiteering -- quick profiteering. I believe in substantial increases due to taxes, maintenace and energy costs, which should be prorated over the whole annual layout, period.

lt #5 Rent increases in the minimum gross amount of 54 units at $6,000 a month, it's, I think, over the top, period.

I'm going to be breif, Commissioner --

SEN. CUTILLO: ...you have four pages there, are you going to --

MR. O'NEILL: Section 4, page 3, lines 54 and 85, inclusive -- this I fully endorse as this may be the tenant's only real help, especially lines 82 and 83. I made these up in notes, if I am incorrect on these lines -- I'm going to try to move fast because I know there are a lot of speakers here.

Going on to Section 7, page 4, under lines 126 to line 136 on page 5 -- I believe this is -- there is regulation in the full complete bill of it -- 290 here -- bill, sir. In Clinton the rent ratio is zero, period. Rent vacancy is, period. And the rent is going up. As soon as the conversion notice hit the paper, rents went sky high. I fully agree -- continued on Section 7, lines 162 and 181 -- I fully agree and respectfully request that this be made to read respectively to cover all declaration on file, again, prior to the moratorium.

One lines 182- to 184, I do not agree -- here is where I'm told maybe I'm too liberal; I do not agree. I believe the tenant has a moral obligation -- once he signs his lease to keep his lease, but then I will switch -- Am I going too fast for you?

SEN. CUTILLO: No, sir. Please continue. Thank you.

MR. O'NEILL: This is line -- I'll go back and be as of line 184 and 186, I agree again this is very important, as to your bill of 290.

Concerning Section 7, page 7 (e) and (f), lines 205 to 223, I fully agree with your Committee and fully support it.

Under Section G, lines 225 to 229 -- again, this is a very, very, very big part of this bill. Why? Because I have 100 percent sure and I stand on my word, and my word is my bond. That the complex that I am now living in cannot come up to the present state code of fire, health building codes, that is lawfully on the books of today. This apartment complex was built 15 to 18 years ago when down in Clinton they just didn't even keep records -- they didn't even know what zoning or building codes were in those days. We're sitting on a wetland, tideland, down there.

Let me go one step further. I would greatly support the above section to continue and to read: "if each section that is to be converted in a rural area, have its own" -- if we're buying a unit, I want to buy that unit, I don't want to buy somebody else's septic problem, therefore, I believe each unit should have its own septic system unless it's connected, you people up here in Hartford have your own septic tanks. That's fine but down here mine is connected with nine or ten other tenants. What's going to happen? We're going to have a "McCoy" shooting outfit down there if somebody blocks mine.

Actually, what happens if the roof leaks four units down, so and so forth? I'm going to pass on, I don't -- my lungs can only last so long.

SEN. CUTILLO: You're doing pretty good so far.

MR. O'NEILL: Thank you, sir. In posting a bond receipt of my landlord's notice on 19, the first time you give it to me in hand, I contacted the United States Veterans Department -- the Loan Officer -- the Service Officer -- because I still have my World War II GI eligibility to purchase. On explaining to them the complete as good as I could, and as honestly as I could, as I have put it forth to you today, gentlemen, the Veterans Department -- the gentleman I talked to -- states that he doubts very, very much if I could get a VA loan, due to the condition of the -- my own and several other units down there in Clinton, Connecticut.

So this leaves me powerless, and, yet, without your urgent and immediate help we are left powerless -- nothing to do as

MR. O'NEILL: (continued)

I can see it -- let's the landlord and the owner escalate the rent -- it's our leases run out unless Section 1 back here is enacted. God Bless You for that section -- I don't want any changes in this bill, I want it go through as quick as possible because our rent is going up and up and up.

Again, all I'm asking for -- and I believe it's covered under the United States amendment, this United States that I fought for -- the Fifth and Fourteenth Amendments. I have a right to speak up. I have a right to decent living, clean living and at a decent price, or maybe I fought for the wrong country. I believe I've still got the system because here you people are listening to me. God Bless You and thank you.

SEN. CUTILLO: Well, thank you. You didn't fight in vain, sir, I'll tell you that. Any questions.

MR. O'NEILL: Any questions you Committee members would like to ask, ask because I'm a fighting Irishman.

SEN. CUTILLO: Thanks a lot, Mr. O'Neill. Thank you very much.

MR. O'NEILL: Any questions?

SEN. CUTILLO: No.

MR. O'NEILL: Thank you, Committee.

SEN. CUTILLO: Your lungs are doing all right. You want questions now?

MR. O'NEILL: ....inside, I could talk.

SEN. CUTILLO: Thank you. Robert Anderson to be followed by Attorney Randell.

MR. ROBERT ANDERSON: Good morning, Mr. Chairman, Committee members. My name is Robert Anderson. My address is 936 Cylestine Highway in Wethersfield. I endorse the bill with several corrections, technical corrections, and some economic considerations I would like you to consider.

As to the matter of language I would just respectfully suggest that bills of this nature refer to owners of property as owners or owner's representative and not as the archaic term herein described as "landlord". This is a term that is looked

MR. ANDERSON: (continued)

upon with a little disdain and really does not convey the present ownership of investment real estate, which is what we're talking about here.

Addressing Section 1 -- the language wherein either a landlord or a tenant could request a term of a rental agreement for at least one year. Well, I'm an owner of property and before the condominium craze came in, we terminated our leases after six months and we provided for month to month occupancy. The reason for it was primarily economic. With the changing costs and structures that were in our economy, we found it was necessary to review the income stream and expenses more regularly than once a year.

We also found that tenants had all of the cards in their favor -- to use that terminology -- in that they could break a lease by merely leaving the apartment and the recourse on the part of an owner was to attempt to collect the unpaid portion of the lease, and in order to do so you would have to make every effort to rent the apartment, and only if you were unsuccessful in the re-renting, would you be able to pursue the case against the tenant who may or may not be available, accessible, financially able to pay. So it has been determined by most people practicing ownership and management of property that it's impractical to attempt to collect from a tenant who has left an apartment. The only recourse left might be a security deposit.

SEN. CUTILLO: May I ask a question?

MR. ANDERSON: Surely, sure.

SEN. CUTILLO: We have defined elderly as age 62 and if we use that as a basis, have you found that many elderly have done what you just ran by us?

MR. ANDERSON: No.

SEN. CUTILLO: Thank you.

MR. ANDERSON: Not at all. I'm not addressing this to the elderly --

SEN. CUTILLO: Well, I thought I would clear it up.

MR. ANDERSON: Good. So I interpret -- and I may be wrong in my interpretation -- let's say that a lease was written for

MR. ANDERSON: (continued)

six months, at the end of that time does this language state that this tenant could then say I want another term?

SEN. CUTILLO: Correct.

MR. ANDERSON: ...six months to a year, whatever it may be?

SEN. CUTILLO: Correct. It would be going one year, yes.

MR. ANDERSON: And I have to object to this for the economic reasons that I've mentioned.

SEN. CUTILLO: That's why you're here, sir.

MR. ANDERSON: Going on -- I'll keep this brief -- I know everybody --

SEN. CUTILLO: You have your right.

MR. ANDERSON: Going over to line 50, which is on page 2, it sounds too much like rent control in that there's going to be some determination on the -- or conflict as to who is going to make a determination as to what is a legitmate and reasonable rent increase. I think that, as an owner who has had difficult times in the past with maintaing a reasonable cash flow for an investment return, that the balance may now be that we can recoup some of those losses by passing onto our residents and tenants increases for rent, which will have to be competitive in any event, but I don't think there should be anything in this legislation which would sound like rent control.

Section 4, line 70 to 73 -- this is on the extension of judgments for apartments to be returned to the control of the owner. This is so broad that even a tenant evicted for a cause, such as nuisance or failure to pay the rent, could be allowed to be extended -- his rental period. Line 78 says, "such conditions in terms may include the requirement that the applicant shall pay to the plaintiff" -- it just says "may". In any event, if any language like this is written into this bill, it should be very clear that all rentals would have to be paid.

SEN. CUTILLO: That would be for the court to decide.

MR. ANDERSON: Yes. Lines 98 and 100 -- this is where we're talking about occupancy by hold-over tenants where the owner/converter may prorate the common expenses against the units that have

MR. ANDERSON: (continued)

not been converted among the other unit owners of the condominium. This is unfair, inequitable, not to the converter but to the people who have converted and bought the units that are available. All the expenses, in all fairness, would have to be prorated among all the occupants, whether they were owners or new -- or tenants.

SEN. CUTILLO: You see that as unfair?

MR. ANDERSON: Yes.

SEN. CUTILLO: Okay.

MR. ANDERSON: Some of the comments that have been made under Section 7(a), I've listened to and, again, we're talking about a very difficult area to control, understand and police, where we're trying to say who can convert and who can't convert. We're allowing tenants to make a decision which is the priority right of an owner -- that 35 percent of the people have to agree to a conversion or that there's five percent or two percent or ten percent vacancy rate takes away the rights of private ownership, and the risks that have brought about this.....

lt #6 .....lines 182 to 186, we talk about tenants breaking a rental agreement. Well, as I stated initiatly, there's not much you can do about it anyway but I don't think it should be written into law that the lease either can be terminated or it can be extended. It may be in a period of time that there was no lease, and it might be necessary to raise rents for whatever reason there might be. Again, this removes the right of private ownership.

Lines 459 to 466, I think are the most important, positive part of this bill. To this I would add, however, and I saw no consideration of it -- and it would solve a lot of the problems that have been evidenced by the elderly here today -- that some arrangement should be made wherein investors could buy the units and rent them to the elderly who are in those units, perhaps with some form of Section 8 subsidy already available, with financing possible from the state funds that you are suggesting might be available. Investor ownership of elderly housing with some sort of subsidy payment.

Under 545 and 550, Section 15 -- I object to the state having the discount rate of purchase because a discount rate of purchase to one individual is going to have to be made up by others. So if the state wishes to buy, and that's the plan of the state, I think it would have to be on a prorata basis.

MR. ANDERSON: (continued)

Other than that, I concurred with many of the things Senator Leonhardt said. I think he addressed the bill very correctly and with these technical corrections, I certainly would support it.

SEN. CUTILLO: We appreciate your remarks. Any questions from Committee members? We thank you very much for your testimony, sir.

MR. ANDERSON: Thank you.

SEN. CUTILLO: Attorney Randell to be followed by James O'Brien.

ATTY. JAMES RANDELL: Members of the Committee, my name is Jim Randell and I am a member of several partnerships which own apartment buildings in the Fairfield County area. In that regard, I obviously speak here out of self-interest. However, I also have a commitment to the private sector providing housing, rental housing, in this state, throughout the country. I'd hopefully like to take a few minutes of your time to illustrate some of the dangers, which I perceive and have experienced just in the last six months, presented by your bill.

Rental housing is a business -- it's a business where people risk capital, take risks of their own personal property, invest their time and energy and expect to make a profit. Like any other businesses, there are reputable and disreputable people. Of the partnerships which I'm a member, we have made a commitment to the elderly. In many of our buildings, we give rent concessions to the elderly. Several times these rent concessions are $100 or more a month less than market rentals.

Other people do other things. There's an individual here -- I don't know if he's speaking today -- but he's the largest converter in Fairfield County. Several years before the current B conversions, he always said to the elderly, "You will not be asked to leave, you can stay as long as you wish, notwithstanding the conversion." These are the people whom I believe you need. These are the people, I believe, may be driven from rental housing, rental development, conversion, because of the current bill.

Just a second as to why the big boom in conversions. One, there obviously people out there looking to make a quick and immediate profit -- there's no question about it,but there are other factors. There's a demand. Many of us are asked

ATTY. RANDELL: (continued)

all the time, "Are you going to convert? What would be your prices? When would you convert? What would you do?" There are great increases in the primary costs of operation of rental apartments, those being the cost of money -- the mortgage is probably your biggest factor -- also, heating. We all know what's happened to heating oil. Those are pressuring landlords. They make making a profit more difficult.

There's also competition in rental housing, which I'm not sure has been discussed today, and it has nothing to do with the vacancy rate. Notwithstanding a low vacancy rate, there is competition in rental housing and it's not from other rental housing, it's from the ownership concept.

For example, let's say we rent a one-bedroom apartment in Norwalk, Connecticut, for $400 a month. And let's say inflation this year is 20 percent, and we go to that tenant and we say we have to get $480 because our costs have gone up 20 percent. He says, "Jeez, at $480 I've got to look for something to buy. It's crazy, I can't go to $480 -- I might as well buy." That's our competition, that's where we lose most of our tenants.

The vacancy rate is a very, very small factor in the overall operational cost of an apartment. So there is competition and it's from the ownership entity and it certainly makes economic sense for someone to buy at some point rather than rent. That's what we experience.

One of the major reasons for the flurry of conversions in my opinion -- and this is something I'd like you to consider -- is what's coming out of the General Assembly. There's tremendous anxiety from my end -- tremendous anxiety with developers, with owners, with investors. What are they going to do tomorrow? We've got to get out of rental housing. I hear it all the time. I go to my people and I say, "Look, let's try this idea." "No, we don't want to be in rental housing anymore. Any commercial deals, office buildings, shopping centers, we're there. We don't want rental housing. We don't know what the state's going to do."

And no matter what you do, the creation of this anxiety is a tremendous deterrent effect to getting people involved in rental housing, trying new approaches, innovating, creating, investing. This is what we need.

Why is conversion intertwined with the ownership and operation of rental housing? Well, it's really a "fail safe". Let me give you an example.

ATTY. RANDELL: (continued)

I have recently become a member of a partnership which bought a 40-unit apartment building and we intended to operate this building for seven years and we had this long-range program of improvements and renovations -- the building had dilapidated over a time, it had really been ignored. Well, we couldn't immediately recoup our investment, particulary in the renovations, by rent increases. It was just impossible.

We felt, however, well, look if we've got the option of not converting -- because most owners don't want to convert, they'd rather sell to a converter, get a capital gain, not ordinary income -- but we felt now, my, look now if we've got this option, we can sell to a converter or to someone who thinks the same way as us. It might not be a converter but it might be someone who says, "Hey, I'll hold it for seven years and then in seven years maybe I'll sell to a converter or to someone who thinks the same way." With this option, we were willing to take the risk and expend the money of improving the property.

We were also willing to grant rent concessions to the elderly. We said, "Look, if we lose hundreds of dollars a month, so what. We'll make it up at the end." That's our thinking, but what's coming out of your Committee deters that type of thing. We're not sure if that --

SEN. CUTILLO: Sir, I've got to interrupt there. I commend you on the way you're operating but everybody doesn't do that.

ATTY. RANDELL: I understand that and I feel that your bill has to protect against the disreputable, but you're also going to drive out the reputable, and, in doing so, you're going to drive out the force you need.

Now, I would like to make one or two specific comments to the bill in just a minute where I think you can make that distinction.

Also, the development of rental housing could be encouraged. For example, in this same property, we have room on the land to create another twenty units. So it was our plan to go in and ask for permission from the City of Norwalk to create units. Again, rental housing cannot be constructed on an economic basis but we felt, look, five, six, seven years from now, if we sell it we'll make it up then. So here's the area where, again, you're deterring certain construction of units.

ATTY. RANDELL: (continued)

The fear that comes out of the present proposal deters not only people like us but it deters substantial investment. Many large buildings in our area, and I believe the whole state, are owned in limited partnerships. A general partner puts together a group of people; limited partners are just investors -- doctors, lawyers, accountants, whatever. These people are intelligent people and their money will flow where they best they can realize a safe return. These people are now reluctant to give us money to get into rental housing.

I hear it several times. I heard it in the last week. One of our largest investors says, "I just won't go into rental housing anymore. I'm not sure what the state is going to do. We cannot take the risk." This loss of investment capital could be in the millions of dollars in the State of Connecticut and, again, I'm talking about large limited partnerships which own property in this state.

The serum that I'm proposing, that is that you can have a deterrent effect, is not just hypothesis. Rent control has been the scourge of parts of New York City -- the South Bronx experts believe -- housing experts -- was at least in part as a result of rent control. The profit incentive was taken out of rental housing, and what happened? Abandoned buildings, deteriorated buildings, no new construction. It's been documented, it's a fact -- the same thing can happen here.

Speaking specifically to the bill, I am in favor of protecting the elderly. There is no question that there is not sufficient housing for these people. I think you've got to protect them. I think 62 is reasonable. I'm not concerned really with what the proper ages are, that's unimportant -- but I think you've also got to focus on protecting the investor. One thing that concerns me about your -- I guess it's Section 1, the clause regarding -- excuse me, Section 3, regarding the elderly -- is language of "legitmate and reasonable rent increase". That is rent control talk.

That means that if we're renting for $400 a month and our costs go up 20 percent, can we then rent it for $480? Are we going to have to dispute that with the elderly? It also deters what we do. We give rent concessions. For example, we have a $400 a month apartment which we're presently renting for $260 to an elderly man and we raise his rent $5 a year -- $5 a month every year. Okay? We don't want to do that anymore if you're going to tell us that rent increases only mean that percentage of your total cost. Perhaps a fairer standard would be so long as you can rent the apartment at its fair market value.

ATTY. RANDELL: (continued)

Secondly, the certificate of occupancy -- I believe that's Section 7(g). We strongly oppose that. There are many buildings which are more than ten years of age which could never comply with the current state building code. In these buildings, there are people who would love to buy their units, but if you're going to force us to comply with the code we're going to have to spend hundreds of thousands of dollars in making what I consider to be somewhat irrelevant improvements, since this building has been lived in for 50 years or more, and the cost, at least in part, has got to go onto the purchasers -- onto the tenant. We don't want it, the tenant doesn't want it. To try to comply with building code seems to me to make no sense.

Finally, the 35 percent rule -- this, of course, is the New York City rule and maybe some of you are aware of some of the tremendous problems that they have in New York City with this. There are deals between owners and tenants to get their consent. There are professional tenants. Maybe you know that people go from building to building hoping it will be co-op so they can then get a deal on their unit, which they immediately turn around and resell.

There are fights between tenants -- some who want it, some who don't. I don't have a specific proposal. I would ask that that seciton be withdrawn and reconsidered.

In summary, I believe you can make distinctions between reputable and disreputable operation of apartment buildings, but you're going too far, in my opinion, and you're driving out all people -- investors, reputable owners, people who would come in and create new ideas, who would innovate. I ask that you consider not driving the private sector out of rental housing but working in cooperation. Thank you.

SEN. CUTILLO: Thank you very much for your comments. Do we have any questions from Committee members first before you leave?

REP. MAZZA: Sir, Representative Mazza. I just would like to say that your presentation should be probably in writing to the Judiciary Committee, also, who's going to be -- are they going to be the final determiner of the bill?

SEN. CUTILLO: As I look over the bill and listen to some of the testimony, I would probably tomorrow ask that we delete some of these sections that have to do with Appropriations, but let it go at that, and the final action would be in Judicary; I think we may have transcribed this in time to send it over

SEN. CUTILLO: (continued)

elt #7 to Judiciary if you want, because your testimony was certainly succinct and to serve your purpose, I would recommend that you send the thrust of your remarks to Representative Tulisano in the Judiciary Committee. Thank you.

REP. ATKINS: Mr. Chairman.

SEN. CUTILLO: Excuse me, yes, another question.

REP. ATKINS: Yeah, I have one quick question. You and several others mentioned the 35 percent rule -- I am in support of that rule in the special subcommittee we had and I wonder if you think 35 percent is just a wrong figure, or do you think that the tenants should not have a say at all in the conversion?

ATTY. RANDELL: Well, philosophically, I'm against a tenant having a say at all. I think it's an invasion of private property and I think it's one of the things that raises great concern with the developers with the investors, because maybe today it will be 35 percent but maybe the state next year will determine that it should be 55 percent and it raises a great deal of concern from our end.

However, as a practical matter, 35 percent does not bother me. My own opinion is that, in any of our buildings -- and I can only speak for mine and those that I am familiar with, the greatest number in Fairfield County -- 35 percent would be quite easy to achieve. That's approximately the number -- perhaps, 30, 40 percent of people who favor conversion in any given building. Now, I'm excluding the elderly and in all our calculations we have always assumed that the elderly would stay.

REP. ATKINS: Thank you.

SEN. CUTILLO: Further questions? Hearing none, we thank you very much. James O'Brien, Connecticut Association of Realtors, who is both pro and con. I thought that was left to politicians to walk both sides -- you're a politician right? To be followed by Robert Cohn.

Kennedy.

SEN. CUTILLO: Kennedy. Well, wait a minute, no. What I'm doing, I'm going pro and con on the issue. Robert Kennedy will follow Mr. Cohn unless you're together --

MR. ROBERT KENNEDY: We are together.

SEN. CUTILLO: Do you want to testify together?

MR. ROBERT KENNEDY: Yes, sir.

MR. JAMES O'BRIEN: Mr. Chairman and members of the Committee, my name is Jim O'Brien. I'm President for the Connecticut Association of Realtors which represents over 10,000 people whose prime interest involves the protection of the rights of the property owners, the tenants, the buyers and the sellers.

With some major exceptions, we find the bill contains provisions which will help solve the problem surrounding condominium conversion. We also feels that it indeed opens a segment of the market to purchase housing, at the present conditions existing, because of the high cost of building and the high cost of borrowing. Unless condominium conversion continues, these people will no longer have the right to purchase because of the high cost.

Some of the provisions are in line with earlier recommendations we made to you folks, and at this time we'd like to compliment you for drafting the bill for your efforts to address a complicated issue that really involves the rights of property owners, tenants and buyers and sellers.

SEN. CUTILLO: Thank you for the compliment. Up here compliments are hard to come by. Thank you.

MR. O'BRIEN: At this particular time, I would like to turn the more technical part of our program over to a member of our legislative committee, Bob Kennedy.

SEN. CUTILLO: Certainly. Just move the microphone so he --

MR. ROBERT KENNEDY, JR: My name is Robert Kennedy, Jr. I'm a co-chairman of the Connecticut Association of Realtors Legislative Committee. The difficult nature of the bill is really the reason why we had both pro and con on our sheet. Such a lengthy bill, I think requires such a hedge, but we do, in fact, favor the attempt and the -- what is being accomplished here.

I'd like to make some comments -- both pros and cons -- basically, we strongly support Section 8 of the bill as the key to solving problems of the tenants being displaced by condominium conversions.

MR. KENNEDY: (continued)

That section provides the state financial assistance to developers for construction of new rental units or the renovation of existing rental units. Our organization has constantly maintained that the true cause of difficulties experienced by tenants from fighting rental units is not solely due to the condominium conversions, but an acute shortage of affordable housing. And I think that has been well pointed out today in another hearing.

We do oppose Section 7(a) which would require the owner of rental property to obtain the consent of at least 35 percent of the tenants of his building before being able to convert. This is proposed for any municipality in which the vacancy rate is less than five percent as determined by the Department of Housing. The reasons for that position: (1) This section is a flagrant violation of the owner's private property rights as guaranteed by the constituion. The tenants do not have an ownership interest in the property and should not have the right to deprive the owner of his or her lawful rights. The tenants don't participate in the benefits for liabilities of ownership.

Published vacancy rates are not necessarily accurate at times and do not necessarily represent the availability of housing units at any given time. They do not take into account the turnover factor whereby tenants constantly move out of apartments due to such reasons as marriage, job change, death, etc.

(3) This would be another procedure that would create costly delays for developers even where the 35 percent consent could be obtained.

Our other feelings about the bill are as follows: Section 7(c), we support the requirements that the public offering statement be accompanied -- statement accompany the 180-day notice of conversion to tenants. Such early disclosure should help the occupants make better informed decisions as to whether or not to purchase.

We oppose, however, giving the tenants the right to abandon his unit after receiving this notice without incurring any liability for breaching his rental agreement. The right to unilaterally cancel a contract should not be permitted. It should be approved by the landlord. That cash flow may be

MR. KENNEDY: (continued)

essential to insure the soundness of the venture. If units are sold and the market softens, loss of rent could force the landlord converter into bankruptcy. This could hurt the consumers who purchase the units. If the unit is not sold, the tenant will not be forced to leave.

SEN. CUTILLO: On that issue, may I address that?

MR. KENNEDY: Yes, sir.

SEN. CUTILLO: We have admitted, I guess, as we've gone along on all the hearings we've had until today that there is a housing problem. How many of those -- I mean, can you see wholesale breaking of leases in conversions?

MR. KENNEDY: I think the -- what we are opposed to is that the tenant be given the -- in the law or the act -- being given the unilateral right to cancel his lease.

SEN. CUTILLO: Principally, you're probably right but considering the market, you know I don't want to be on both sides either, but considering the market, can you see people who are having a difficult time finding adequate housing or comparable housing doing that -- maybe you'll find one or two out of a 40 unit, maybe -- ah, is it on principal that you are addressing this or just because you do see wholesale flaunting of this law, should it pass, by a renter when a conversion comes about?

MR. KENNEDY: I am not too sure that I understand your question.

SEN. CUTILLO: Are you speaking on principal alone?

MR. KENNEDY: We are -- I'm speaking from the fact that this law would allow a person to unilaterally cancel a contract, number one, and that also without the developer being able to depend upon contractual agreements for cash flow during the interim, it would put an undue burden upon him because of this lack of cash flow or potential problem with cash flow.

I can see the intent -- what the law is addressing, I presume, is that the tenant now has been given notice of conversion so the law is saying, well, we'd better let this guy cut bait and go somewhere else. There probably is some degree of reliability on that premises and --

SEN. CUTILLO: Would notice be sufficient? What kind of a notice would you say would be sufficient to cover what you consider --

MR. KENNEDY: I think any notice would improve it -- improve the position of the developer/converter, to give him some time lag. In other words, the way the law presently reads is that the contracts that he presently has to rely upon to project his cash flow during an interim, he can't rely upon that so the longer the notice the better off he is.

SEN. CUTILLO: Thank you.

MR. KENNEDY: Seciton 7(g) -- we oppose requiring a certificate of occupancy for the buildings which already received a certificate unless they are significant code violations. It may be prohibitive for some developers to bring older properties up to the demanding standards of the new state building code. We oppose any attempts to view the converting condominium as a change in use. It is simply a change in form of ownership.

Section 1 -- rather than require a minimum one-year lease at the option of either landlord or tenant, we recommend six months which would be more realistically taking into account changing operating costs of the owner, especially fuel costs.

Section 3 -- limiting evictions under summary process for the blind, physically disabled, those 62 years of age or older, or those spouses are of that age to -- for cause only as outlined (nonpayment for rent,etc.) seems to unfairly create a protected class.

If an elderly renter, for example, is sufficiently endowed with income or other assets, does this mean that the building owner who gave the tenant the proper advanced notification of the conversion of his unit to a condominium,with the first option to buy, cannot require him to leave after the proper period has expired? This provision may work against the very people it intends to protect. Some owners may not wish to rent to elderly or handicapped persons, even if they have no immediate intention of converting but they feel that doing so would restrict their ability to put their property on the market at some future date.

In other words, it doesn't -- the act doesn't necessarily address the need, it addresses the fact of age, disabled and that doesn't necessarily mean that there is a need for assistance.

MR. KENNEDY: (continued)

Section 4 -- an additional six months stay of execution in summary process will not necessarily solve any problems.

Section 5 -- we oppose this requirement forcing the home owners who have bought converted condominiums to pay for the common expenses of hold-over tenants and other tenants enjoying the stay of execution in summary process. This is patently unfair. Why should nonpurchasing tenants have a free ride at the expense of the condominium owners -- home owners?

Section 8(c) -- we recommend a change in the wording, "to encourage investors to partipate in this new state-assisted program to finance the construction and renovation of the rental units." Conditions should be spelled out whereby the investor can turn over his investment earlier than twenty years. For example, if he agrees to reinvest by building additional units.

Section 11 and 12 -- we support this special down-payment assistance program administered by the Department of Housing to help eligible persons whose rental units are converted to purchase such condominium units. We make the following comments: The eligibility requirements should be carefully spelled out so that only those occupants of buildings undergoing conversion, who are truly in need of assistance, qualify. There still remains the need for a fund specifically set up for low interest rate mortgages for those people subsidized by the state.

Down payments are only part of the problem. There is a need to assist purchasers in their monthly carrying costs.

Section 15 -- we support giving power to the Commissioner of Housing to negotiate with the private sector for purchase by the state of units in conversion condominiums to be used as state-assisted housing for elderly and low and moderate income
elt #8 persons. This would help us spread out those units throughout the housing industry.

I thank you and your Committee for the opportunity to present my views. We will also have written testimony submitted to you.

SEN. CUTILLO: Okay, and would you form those opinions, also, although the Judiciary Committee will have the context of the entire hearing. I think it would be worthwhile to have that forwarded to Representative Tulisano of the Judiciary Committee.

MR. KENNEDY: Yes, sir.

SEN. CUTILLO: Any questions of the speakers from members of the Committee?

REP. GRANDE: I have one.

SEN. CUTILLO: Representative Grande.

REP. GRANDE: In the area that you mentioned that you were opposed to the six-month summary process on a six month -- on what basis are you opposed to that?

MR. KENNEDY: We just don't see any need as such for the additional six-month stay in that with the present housing court it seems to be fairly flexible as it is.

REP. GRANDE: Even if the judge has the option to continue any increased costs during the summary process. We have this in the mobile home park type of agreement, you know, any eviction aspect of it and for the judge to decide any increased cost that might occur during that period that the tenant would have to pay.

MR. KENNEDY: Correct, but the way it's tied in with Sections four and five there, where the additional six months also requires that the homeowners pay for, or support the nonbuying tenant during that six-month stay, it's a combination of reasons that we object to it.

SEN. CUTILLO: Further questions?

Yeah, I have --

SEN. CUTILLO: No, sir, you can't. Legislators may. Go right ahead, Representative Zajac.

REP. ZAJAC, JR: On the 35 percent -- or whatever percentage back there -- I'd like to know why you feel that that's not acceptable in this vein? When I look at condominium living versus, let's say, tenement living or apartment living in a two-family, or a three-family, or a smaller apartment building, the lifestyle is completely different. When one lives in a condominium, he feels, at least, that he "owns a piece of the rock" even though he's renting there. He's part of a big association. He pays his association dues. He pays in parcel for -- he, in different ways -- snow removal. If it has a pool or whatever, he pays his association dues completely

REP. ZAJAC, JR: (continued)

different than someone that lives in a two- or three-family flat. With than, I feel, at least, that he should have a little more rights of protection and have a voice in that type of living rather than someone who lives in an apartment with a landlord -- if he doesn't like it, the tenant can move out.

Here it becomes a little different and I think that a group of this nature should have a little protection, a little say of what's going to happen inasmuch as they pay in total for these maintenance fees and this type of thing, so I'd like to have your comments on that.

I'm also concerned, as I listen to testimony, about the pros and cons on both things down the road, what this turnover rate and mix may be, not only this year but two or three or four years down the line, if, in fact, there's not a percentage agreement or whatever. Meaning this, that if the 62 age limit is passed, they're protected temporarily, but down the road the turnover -- if someone buying or moving -- and they buy, once they buy they then have the privilege to sell two or three years down the line. And what you're going to have is a thrash of turnovers much more different than what you do when a few tenants move because of relocation or job location, or whatever -- much different. You're going to have a condominium that is a certain percentage owned by people that have bought.

You're going to have some people in the middle income bracket that are saying, I'm waiting until I'm 62 then they can't throw me out. And you're going to have the 62 that are protected under the law, so you're going to have a mishmash or fiasco of different kinds of age groupings and tenement living, that not only one year looks like it good on paper -- on black and white -- but three, four or five years down the road, I wonder what it's all going to mean -- one group fighting the other group within that condominium complex.

MR. KENNEDY: Okay --

REP. ZAJAC, JR: You know, the youngers will say, "Let's party it up" and somebody will strive to say, "Let's not have eleven o'clock curfew on parties and noise, or whatever" and the older people will say, "Gee, I'm protected. I can live here but I can't tolerate the stereos and the hi-fi's, etc." I wonder what this bill is going to open up in the way of a condominium complex with the different options of purchase

REP. ZAJAC, JR: (continued)

and that. I should -- I mean, my way of thinking, perhaps it should be a 100 percent one way or the other. It either stays all rental or 100 percent all up for grabs for buying, and then you buy and you know what you're buying into and you live with it -- or, you say you don't want to buy.

MR. KENNEDY: I hope I can answer those questions. Reverse order, if I may, ah, the turnover and the problems of cluster housing, apartment building living, condominium living, is not necessarily affected by the style of ownership. It's the occupancy that we go back and forth to. Your occupancy -- the problems you discussed between -- the difficulties between the elderly and those, let's say, with large young families, or even the handicapped -- whether it be young or old -- each age group or physically oriented group would have different lifestyles which don't necessarily mesh with one another.

I don't think that's going to be -- or can it be -- addressed with this law, or by this law. I don't think it should attempt to set aside a protected class -- any one of those classes. I think, yes, there will be conflicts and that's just a matter of everyday livelihood and living, and wherever you get the high density residential occupancy, you will, in fact, have those difficulties which are, hopefully, worked out by majority vote.

In today's society, majority rules, and whatever is best for the majority, hopefully, will apply to the minority group. With that statement, that may be tempered somewhat where, through court action, legislation, those problems be addressed to protect those that are unable to protect themselves and to provide for the basic needs -- housing, shelter, food -- that type of thing.

I'll address the 35 percent, if I may, and then if you have another question on that, we can go back to it.

The 35 percent is proposed by the act -- basically, the Association is opposed to this in that it is interjecting a party that does not own the property into ownership decisions. And it is felt that interjection is really an infringement upon free enterprise and free property rights. The tenants, or nonowners, in fact, don't share in the benefits and liabilities of property ownership.

MR. KENNEDY: (continued)

Several years ago, when there were 40 percent vacancy rates in the City of Hartford and the banks were taking over property, there was no hue and cry. It was the property owner that was losing money, losing his properties, and, yet, with no protection. Granted, it's now reversed itself where a vacancy rate is nil and now everybody wants to participate in the property owner's "profits" and never the liabilities, so I think there's good cause for that.

The real estate business in the past has been very cyclical and it's now just reaching the point where rental rates are matching the equity costs, equity returns, financing costs, in the costs of operating a building.

SEN. CUTILLO: Thank you very much. Excuse me. Further questions? Hearing none, we thank you very much for your testimony.

MR. KENNEDY: Thank you very much.

SEN. CUTILLO: I have Robert Cohn, I believe -- C O H N, and Mr. Mayo. Robert Cohn first, to be followed by Mr. Mayo. Mr. Mayo to be followed by Spencer Reynolds. Robert Cohn, thank you, go ahead. Would you take the microphone for me, please?

MR. GLENDON R. MAYO: Members of the Committee, I'm speaking here --

SEN. CUTILLO: Name for the record, please.

MR. MAYO: Ah, on --

SEN. CUTILLO: Your name for the record, please.

MR. MAYO: On Raised Committee Bill 290. My name is Glendon R. Mayo. I'm the President of the Glendon R. Mayo Professional Corporation, a consulting engineering firm, here in the City of Hartford. I'm speaking not truly in opposition to Raised Committee Bill 290, but I am speaking to bring to your attention one section in connection with this bill.

First I'd like to identify myself. I'm a practitioner. I am quite intimately involved in the design industry. I'm a professional engineer. I am a code consultant. I am the past chairman of the State Building Codes Standards Committee, which is charged with the writing of the building code for the State of Connecticut. I'm a member of the State Bar Safety

MR. MAYO: (continued)

Code Committee, which is in charge of the State Bar Safety Code for the state. I'm currently quite intimately involved with preparing condominium documents as a practitioner to meet the requirements of Section 47-88.

I am a recent condominium purchaser. I am the past president of the Connecticut Society of Professional Engineers and a member of the Connecticut Engineers in private practice, as well as several engineering organizations.

I am here to bring to your attention Section 7(g) on which several have spoken today. Seven (g) appears to be a very simple statement but I would like to explain some of the problems involved. Seven (g) very specifically states that no condominium conversion unit may be conveyed, occupied or used, in all or in part, until a certificate of occupancy has been issued by a local building official certifying that such unit, along with the common elements, conformed to provisions of the state building cod e and the regulations lawfully adopted under said code.

What I would like to bring to your attention is not the economics involved in the act, but the situation that would be created if this section were adopted as it is proposed. I do not believe that the legislators understand what is involved in the issuance of a certificate of occupancy under existing statutory law and code in this state.

This is the building code of the State of Connecticut -- thick -- applying to all buildings and all portions of all buildings. And this code is not retroactive; it is not a retroactive code. As the person who was in charge of preparation of this code after your enabling legislation in 1969, I can assure you that I'm somewhat familiar with the contents of the code and the requirements for a certificate of occupancy.

In addiiton to that, we have another building code which is mandatory in the State of Connecticut which is called the State Fire Safety Code. It is retroactive and it applies to all buildings and has been in effect since 1971.

In the issuance of a certificate of occupancy, which is covered under Section 120 of the basic building code -- that's the certificate of occupancy to which you refer in Section 7(g)-- very briefly, if your Committee wishes to look at it, you will find the requirements, but you will find that the building official, in issuing a certificate of occupancy, as stated in

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MR. MAYO: (continued)

this section must go into this building that is to be converted, we must gain access to every unit, as well as the common areas. It is a person who is involved in condominium document perforation for hire, I can assure you this is not an easy job. He must go in and after he has inspected that unit, undo this provision, he must force that building to be brought into complete compliance with the current provisions of the code in order to certify as you indicate in this section. This is a problem, the problem is this, it is required that each community in this state have a building official. His abilities and capabilities are very prescribed. He is not completely competent in all sections of all design requirements. This would require access, it would require time, where no building official in this state actually has the time to perform additional duties. It would require personnel to be retained by the communities in order to comply with this. If the building official, under statutory law goes into a building and he find a violation he must order it corrected. He has no choice. He also must, if a finds a violation of the fire code, bring the fire people in and order it corrected.

Legal action is then required. In many instances it would require eviction, if he finds something that is hazardous to people he must order eviction. And, of course, an expenditure of his time in order to make the inspection to issue the Certificate of Occupancy, if this conversion goes on.

I simply wish to point out that that's what's incorporated in 7G by that simple inclusion in your statement as it presently is written, it can have a tremendous economic impact. Incidentally I am also a building official, I was the Head of the Department for the City of Hartford for 17 years so I am somewhat familiar with what we do in building inspection. I also instruct inspectors in this state.

What, I find, and I'd like to bring to your attention in this section is that should you adopt 7G as it is written, I can guarantee that there will be no condominium conversion anyway, that does not seem to be the statement of intent of raised committee bill #290. There just will not be any because there will not be any Certificates of Occupancy issued within any reasonable period of time.

REP. ZAJEC: Can I interrupt you there, please. Rep. Zajec. Why is that? Would they not in fact pass then, I mean you made some comments on this in that the local building inspector would, in fact, have to make inspection and eyeball the situation, but if, in fact, it complies and it has 100 watt service and the plumbing is okay, and so forth, so on, it wouldn't really take much of an investigation and you just said it wouldn't be any conversions, leads me to believe that they wouldn't pass the Certificate of Occupancy test. Whether it's a condominium or a single family home on a repurchase, at least where I come from the inspection is made and a minimum of 100 watt amp service has to be installed before purchase and before the bank will approve if it has an older 30 amp service and so forth, so on. Certain conditions of improvements have to be made before the bank will even entertain lending the mortgage. Therefore, I see no problem with that, I have some people who live in condominiums who've called me and said that the plumbing is all stopped up, the commode won't back up and their faced with a possibility of purchase or move out and have moved out and wouldn't even entertain purchasing at least that particular unit because of several factors that they believe improvements were not made and do in fact claim that they would not pass a test of Certificate of Occupancy inspection by the building inspector.

Now, with that being said, would you inspect, would you really inspect anyone to buy either a single family home or a condominium apartment without a Certificate of Occupancy and certain minimum standards being certified?

MR. MAYO: In answer to your three questions, sir, as briefly as I can, I predicated my remarks with the effect that this code become effective in 1970, this code become effective in 1971. There are relatively few condominium conversions in buildings less than 10 years old. There are some in those instances, presumably, after a thorough inspection by the building official, a Certificate of Occupancy could be issued. A thorough inspection which is not the inspection that the code requires be made under construction buildings. A cursury inspection is what this code calls for. 7G calls for a thorough, because now the building official must certify to the affect that everything meets all of the present requirements of the code. Question one. Question two, I am a practitioner, I deal in design and condomimium conversions and I challenge your statements, sir, that the bank will not issue mortgages unless there is a Certifcate of Occupancy. I've been in this business for 25 years, 30 years, I'm sorry...

REP. ZAJEC: We're not here to cross swords, sir. Okay...

MR. MAYO: No, I just I wish to make the point that this is an assumption...

REP. ZAJEC: The president of the bank, which I could name if necessary and a youngster that I know applied for a mortgage on an older single family home and possibly was a two family, I'm not sure, right now, said only under the condition that certain renovations were made would they close the mortgage, okay, and that was, as I say, certain electrical improvements had to be brought up to par and so forth, so on...

MR. MAYO: Now that is not in connection with the building code, that is the desire of the lending institution.

REP. ZAJEC: Yes.

MR. MAYO: I'm talking about what happens to the building official going in and trying to make someone comply. It's the time involved, the effort involved, compliance with something that's only 10 years old, which would preclude the issuance of a Certificate of Occupancy unless there was sufficient personnel in each of the towns to go in and make this type of inspection. Effectively, it would stop and I believe that's in response to your question.

REP. ZAJEC: Thank you, you answered my question.

MR. MAYO: The economics, very briefly, as I pointed out, would result in a lessening of the stock, because of the various things that could occur, that is to the housing. This, incidentally, has a spin-off on other conversions that are occuring. Conversions not to condominiums. I'd like to bring your attention, however, something that is already in the law which may accomplish the same thing that you are trying to achieve because I happen to be in favor of giving the protection to the people who are going to purchase condominiums. In the present law, statutes, General Statutes, Section 47-88b4, which you will find in your print out on line 155, from 155 to 160, this now has new number, it could have a new number, but it's Section 7b(4), currently in this state to have a condominium conversion, there is a requirement, a statement of the declarence as to the present condition of all structural and major mechanical components

MR. MAYO: (continued)

in the condominium, which statement shall include the approximate date of construction, installation and major repairs, sir, your plumbing and the expected useful life of each item, together with the estimated cost incurred dollars of replacing each of the same. This requirement in the law, at the moment, is only that the declarent furnish the statement to the perspective owners. There is no requirement that this work be done by any qualified person. There is just no such statement in this law, it just a declarant prepares a statement and this is what he says and he's not held liable.

I might suggest that perhaps you could accomplish what you're trying to provide, which is actually protection for the buyer, information to that buyer, and the pressure on the declarant to make a safe environment, by taking that section and indicating that it has to be prepared by a qualified person. That this information has to be prepared by a qualified person who would be a registered architect or a registered engineer in the practice, be amended to require that the required information be prepared by a registered professional, then the declarant would be furnishing the statement that the only result from detailed analysis which must, of course, identify clearly and technically, those items are of major concern to the perspective buyer. And, could, include the two major items which are not in this at the moment, which are energy conservation or energy costs and public safety.

By doing that, you do not insert into this framework of your bill an almost improbable requirement. One that cannot be carried through. This Certificate of Occupancy provided by a building official. This gentlemen and ladies is what I wanted to bring to your attention. I'd be perfectly willing to answer any questions?

SEN. CUTILLO: Very good testimony. Questions? Yes, we have questions, Sen. Santaniello?

SEN. SANTANIELLO: Mr. Mayo, if I could ask you and I think that the jist of your testimony of sub-section G is that the certification is really the problem, this makes it impractical as far as seals are concerned?

MR. MAYO: Yes.

SEN. CUTILLO: Further questions? We thank you very much for your testimony, sir. I have Robert Cohn, did I call him, okay, Spencer Reynolds, to be followed by Attorney Harry Becker.

SPENCER REYNOLDS: Senator Cutillo, Rep. Grande and members of the General Law Committee, I am Spencer Reynolds, Chairman of the Joint State Committee of the National Retired Teachers Association and American Association of Retired Persons, representing over 276,000 elderly citizens in the State of Connecticut. For the past two or three years the subject of conversion of apartment complexes to condominiums has been mentioned at meetings which our committee members hold with the presidents and legislative chairmen of the chapters and units throughout the state. But it was not until last October that the matter came into focus. The current Alderman, D.S. Hayes House discrimination law suit. Which was highly publicized at that time, made our people realize that legislation is needed to prevent elderly from being evicted from their homes, simply because they are unwilling or unable to buy them at prices comparable to or greater than their life savings.

Legislation to permit elderly to continue to live in buildings being converted to condominiums, without being forced to buy their units is badly needed, and has become a top priority item of the NRTA ARP State Legislative Committee. Forcing people to buy their rental units at today's prices is a problem to a tenant at any age, and I'm sure I need not elaborate on the special hardship that forced conversion imposes upon the elderly who are less flexible in their living habits and who have much less chance to recover from the financial impact of having to move to what is usually a higher priced apartment when they are not able to buy the one in which they are living.

You members of the General Law Committee, as well as the members of the Judiciary Committee, who initially became involved in the appropriation of S.B. 290, understand the many problems involved, as indicated by the contents of this
BELT comprehensive and rather complex proposal. We are especially
#10 pleased with Section 3 started on line 37, which provides that no persons 62 or over may be evicted from a rent apartment simply because of refusal to buy it as a condominium. The State of New York passed similar legislation apply to

ATTORNEY HARRY BECKER: My name is Harry L. Becker, I'm an attorney at law, not in active practice, but permitted to practice by reason of paying the State of Connecticut $150 each year as an occupation tax. With reference to Bill #290, I am particularly interested in that portion of the bill which reads, "the blind, physically disabled and the elderly are given protection from eviction from a converted unit." Any renter who is blind, physically disabled or 62 years of age or older or who's spouse is 62 or older may only be evicted for cause because this would be non-payment of rent and from material non-compliance with rules and regulations.

Now in my opinion, and I happen to be 84 years old and I most assuredly would not be in a position to acquire a unit in a condominium and people even 62 or over may not and most of them would not, be financially able to pay 20% of the cost of the condominium, in cash, and a mortgage for the balance for 25 years at 12½%. In view of those facts, as I've just it, it becomes important and necessarily important that the elderly, not all of them are as old as I am, but those who are 62 and older, are entitled to the requests they make of your committee, that they be protected where they live.

Now, where I live right now, it's going to be turned condominium. I can't buy it and I don't intend to. I say, frankly, if I don't move the landlord will be confronted by the fact that he'll have to bring a summary process law, which brings me now to the second point I want to discuss. The bill does provide for an additional period of six months, that a judge, after judgement entered may grant as a stay of execution. We all know housing is short. Now I spoke to a builder the other day and he said to me, why should I build an apartment house when I can get 14.5% on the amount of money that I'd have to use to construct the apartment house. That's one of the big reasons we have no more housing. However, when you get down to basic facts, who, what people are suffering most. I can't work. People in the age bracket of 62-70 have difficulty in working and some don't work.

The only point I make to this committee is, the law should be passed protecting us senior citizens so that if an apartment house is converted to a condominium, notwithstanding that they have filed a declaration, this law will mean specifically you cannot evict or remove a tenant who is 62 years or older

ATTY. BECKER: (continued)

who has been living there for a period of a minimum of two years. I happen to live in a compound for the past 17 years, and now I'm beset with a situation that they want my apartment. Well, they won't get it, and if your committee undertakes to do what this bill #290 says, with reference to us 62 year olds, you will have accomplished something for the senior citizens.

The other fact I want to impress upon your committee, is that the stay of execution law should not be increased only by six months. A judge should be given discretion predicated upon the facts and evidence submitted to him as to whether or not a stay of execution could be granted for two years and the reason for the two years is possibly we could get more housing within that two year period and senior citizens would not be affected that way. Thank you, so much.

SEN. CUTILLO: Any questions? Thank you very much. I did call a Matthew Perlstein and the next speaker, Attorney Frank Dineen, New Haven. Okay, please continue.

MATTHEW PERLSTEIN: My chairman, my name is Matthew Perlstein, I'm an attorney, I reside in the City of Hartford and I practice in West Hartford. I'm speaking here as an individual but one who is represented condominium developers, the owners of buildings that have been converted to condominiums, as well as...

SEN. CUTILLO: Could we please, understandably when you're moving about and leaving it's going to make a little noise, but could be confine our discussions to give attention to this speaker. Thank you.

ATTY. PERLSTEIN: Mr. Chairman, I was saying that I represent developers, owners of apartment complexes and condominium associations. I would only today, briefly like to call the committee's attention to one situation and how this proposed bill, which on the whole I feel is a very good one, will impact on it. It is this. Conversion condominiums, among other things, may be, and I say specifically conversion condominiums may be the last source of cheap housing right now in Connecticut. The fact of the matter is it is possible to require buildings built more than 10 but less than

ATTY. PERLSTEIN: (continued)

50 years ago, that have been maintained to rehabilitate them and to sell them as condominium units for prices under $30,000. This is not true for new condominium construction. An example of this would be the Asylum Hill area in Hartford, where a large number of apartment buildings, built since 1960 are susceptible to this kind of conversion and in fact one of them, 20 May Street, recently was converted. This is not a project which I had any concern, but I offer it as an example. The thing that concerns me here is that some of the requirements of the proposed bill will render it so difficult or so expensive for a developer to convert some of these buildings that what you're saying basically, is inexpensive rental housing, and if you want to buy a condominium people, want to own your own home, you can either buy the VA specials that were built in the 50', which now cost $45,000 and up. Or you can buy a condominium that costs $45,000 and up.

But for a single person, for a young couple, people I don't want to classify unnecessarily as low and moderate income in the technical sense, but people of moderate incomes for whom inexpensive condominium housing would be the first step they're being closed out.

If I may direct comments just to a few sections of the bill to illustrate my point. For example, on page 3, line 94 and following this would be Section 5(b) the section that allows a developer to shift the carrying costs of the tenants who are remaining are allowed to remain to the purchasers. What that does, of course, is drive up the purchase price. It subsidizes the present tenants without regard to their classification, at the expense of the purchasers. Similarly, the section that has been discussed before Section 7A, line 126 and following that refers to the tenant's, the percentage of permission to be obtained by the tenants, the 35%, as another speaker has said, in New York this has been around for years.

What it does, what is done in New York is you go and you buy permission. I can go into an apartment house, I can offer tenants first 35% to sign up $1,500 for your signature on this piece of paper and I could get it. The only person who would pay for it in the long run would be the purchaser. Because one thing that must be kept in mind, the fellow who

ATTY. PERLSTEIN: (continued)

is doing the converting is not the owner of the building who has already sold it at a profit and cashed out. The Federal Tax Law requires that he do so. He can't convert himself profitably. So you have a converter who is basically a builder developer who is making money, but as any other builder makes it in part by passing his costs on to the purchaser. So if I have to pay $1,500 an apartment to get these permissions, I will get them, if I am a developer. But it will be the buyer who will pay, if will not benefit the tenant all of the tenants, and it will not benefit society in providing inexpensive housing.

Similarly, the provision that has been discussed before 7G, line 225, that requires that the building be brought up to current building code, creates a similar problem. What it does is say either that I -- a building that we all concede is viable housing, it's a good apartment, whether it's owned by the tenant or rented. This building, all of a sudden, isn't a good condominium, it means one of two things. Either I've got to bring it up to code at the expense of the buyer, if I'm a developer or in the alternative, I won't develop that building. That will result in existing residential areas remaining rental and new areas becoming condominium.

One advantage of condominium ownership is that it does in many ways stabilize the neighborhoods. As was mentioned, back in the early 70's many neighborhoods, good solid buildings such again as Asylum Hill in Hartford, were subject to considerable deterioration because of extreme softening of the rental market. If these were owned as condominiums, they would presumably not experience as much pressure. They would have gone through that period as many of the suburban neighborhoods went through where homes are individually owned. So what you're doing by this, if you allow at least some buildings in these neighborhoods to be converted you've assisted in stabilizing the neighborhood to the benefit of all of the residents of the neighborhood and of the city.

If you don't, you are dooming the older neighborhoods to this boom or bust cycle that we're seeing now, while the suburbs
BELT which because of transportation costs, because of higher land
#11 costs, now, may be economically and ecologically less suitable for development, will be developed. You'll simply be encouraging deterioration of the older city to the benefit of the new.

ATTY. PERLSTEIN: (continued)

There are two other minor technical points I would like to mention in mindful of what you said, Mr. Chairman, I will also see that a copy of these comments goes to the submitted to the Judiciary Committee. But those two are this. First of all, Section 3d on line 39 on page 2, I am aware there is a raised committee bill #5301, modifying the, which was heard last week, which has been proposed to add additional grounds for eviction.

Basically, it's for...

(Speaker Inaudible)

ATTY. PERLSTEIN: I believe that's correct. The only comment I would make is that if Section 3d be adopted, and raised committee bill #5301 be adopted, that 3d be modified to conform with this. I expect they will, Mr. Chairman. And one final comment, if I may, and that's on page 4, at line 115, or more particularly 121, it's says not cost for repair or reconstruction of units in a conversion condominium shall be passed on as common expenses. As a drafter of condominium declarations, I have a concern there because there are two kinds of repair and reconstruction expenses. One is the kind that the declarant does when the condominium is started and I think that is what this was directed to. The other, however, is in case of a casualty loss, windstorm, fire and so on, where there is a procedure for a trustee to distribute insurance proceeds. And this is quite properly, to the extent that it isn't covered by insurance proceeds under the present condominium act, is to be paid out of common expenses, and I would request that if that is the intention of the committee that it be made clear that these repairs or reconstructions are the rehab at the time the building is converted and not the repairs or reconstruction to take place after the building is converted because it remains in name, at least, a conversion condominium if there were a fire. Am I making myself clear?

SEN. CUTILLO: Yes, you have. I'm just thinking of wording, but your points well made.

ATTY. PERLSTEIN: Those are all the comments I have, Mr. Chairman.

SEN. CUTILLO: Very good comments, thank you very much. Any questions? I believe we have the fellow from New Haven, who can identify himself, then after that we have Leonard Blum.

FRANCIS X. DINEEN: My name is Frances X. Dineen, I'm an attorney with New Haven Legal Assistance Association in New Haven. I want to address simply four sections, actually the first four sections in the bill. Section 1 of the bill speaks about if either a landlord or a tenant so requests the term of the rental agreement shall be for at least for one year. Presently the law in Connecticut, as you know, is that the term of the rental agreement is something that's fixed by agreement of the parties and that neither party has a unilateral right to impose a term of a rental agreement upon the other. This would apparently...

SEN. CUTILLO: I have to interrupt, is everybody comfortable enough, so we can shut that air conditioner. I don't know if you would please, get Clem and shut that thing off. Thank you very much, I'm sorry to interrupt.

ATTY. DINEEN: This particular provision would apparently give either party a unilateral right to impose a year on the other. That is to say, if a tenant has come to the end of his lease term, the landlord could then request that the new term of the lease be for a full year, rather than it going into what we now have as the month to month tenancy that would result from the holding over. I think what's intended here is rather than to give a landlord that kind of a unilateral right to impose an additional year term or continue to impose year terms on a tenant who may not want that additional term, I think what's intended is that really a landlord not be able to discriminate against tenants who does want a years term. I think the simple way to do that would be simply to take from that particular sentence the words, either a landlord or simply leave the right...

SEN. CUTILLO: Would you give me a line on that?

ATTY. DINEEN: Take from that sentence the words...

SEN. CUTILLO: What lines are you on?

ATTY. DINEEN: I'm on lines 25 and 26, so out of 25 if we remove the words, either a landlord or, so that the sentence would

ATTY. DINEEN: (continued)

then read, if a tenant so requests. Allowing the tenant that option so that the tenant then would not be discriminated against by a landlord, but if he's requesting a term for more than a month, say, but up to the year, as he's entitled to agree to orally under the provisions of our current statutes of fraud, that can be agreed to orally. We would then have the result of legislation which simply prohibited a landlord from discriminating against the tenant and would require the landlord to give either from a month to a years term, but not at the same time, give a landlord that unilateral power to impose upon a tenant a years term each time. If a tenant is holding over as I said, and wants to leave after a month or two he could be stuck simply upon the request of a landlord for that full balance of the year if he moved out after the next two months, so he would always be set for a years term. And I don't think that's what the intent is of this particular section, but it does give that unilateral right.

With respect to Section 2, the sentence on lines 35 and 36, providing that during a holding over period the landlord may increase the rent only after giving the notice on months advance notice. I think it's simply the language that creates the problem rather than the intent. The language might imply that a landlord has a unilateral right to increase the rent upon giving the notice. Currently under Connecticut law the landlord does not have a unilateral right to increase the rent. The landlord may propose the rent, if the rent is to be effective both parties must agree. This doesn't talk in terms of agreement, it just talks in terms of giving a notice. I think what's intended is by this sentence that a landlord before opposing or before going into effect with the rent increase, must give one months advance notice of that proposal. Rather than up until the last minute when the tenants say is holding over and the landlord wants to increase saying the day before the rent for the next month is going to be $150 as opposed to $100.

So what happens in those instances is the tenant doesn't know that he can reject and is only given a very short period of time to either agree or not to tender at all out of fear because he can't pay the full amount and then be stuck with a non-payment of rent summary process case.

So I think what I would do with this language which I think would comport with the intent of the legislature here would

ATTY. DINEEN: (continued)

be to change lines 35 and 36 to read as follows; I would keep that same initial phrase, during such holding over period, a landlord and then I would add this language, "must give a lessee at least one months advance notice of any proposed increased in rent," I think that's what's intended. That he must give the one months advance notice and it's of the proposed increase in rent.

Turning to Section 3, I agree with the general intent of this section, my difficulty is with lines 52 and 53, which allows for the passing on to a lessee of a legitimate and reasonable rent increase. I think there's a difficulty, of course, with the word legitimate at being circular, we don't know what's going to be legitimate until after it's litigated. But the reasonable rent increase, two things about that. One is it does again seem to apply that the landlord may impose unilaterally the rent increase, whereas present Connecticut law provides that a rent increase is only going to be effective if the parties have agreed to it. The lease being a contract and that requiring agreement of both parties.

There's nothing that defines the rent increase and giving the landlord this kind of power as is implied in lines 52 and 53 to pass on the rent increase means that a landlord will probably impose the rent increase and then rely on sub-section 1 of d to evict for non-payment. The tenant in that instance will be at his risk at all times, because clearly under any extensive tenancy there are going to be increases in the rent, so long as they're fair and reasonable, that's perfectly understandable. But a tenant will never know what's a reasonable rent under this particular wording, unless either he agrees and then goes along with that rental increase or objects and says I will pay only so much is reasonable and then the landlord brings the non-payment of rent case and then the court decides after the fact, was it reasonable or not and the tenant has acted at risk and risked his whole tenancy to determine whether it's reasonable after the fact.

There doesn't seem to be a way here unless the tenant were to bring a declaratory judgement action, which is very unlikely in these situations. There doesn't seem to be a way in the statute for the tenant to protect his tenancy and still go along with the reasonable rental knowing in advance that this is reasonable. I think reasonable rental ought to be defined

ATTY. DINEEN: (continued)

and I think there ought to be some mechanism for a tenant to have made some determination that this is reasonable so that he will know in advance whether to go along with it or whether to run that risk of the summary process, because it's a -- obviously as you've heard from the testimony it's a very substantial risk and the tenant is not going to run that risk unless there's some way of assuring themself in advance that this increase is reasonable or not reasonable and he knows then that it's a risk worth taking.

I would define the reasonable rent increase, as follows; that is I would say, I would add to that sentence, with respect to a rent increase, a rent increase based upon a fair allocation and pro rata apportionment of increased operating expenses, since the date of the last rent increase. That is to say the increase ought to involve a pro rata apportionment of the increased operating expenses and it ought to be based on a fair allocation of those increased operating expenses. But the mechanism for allowing a tenant in advance to be able to see what those operating expenses were and whether this proposed increase is a fair pro rata apportionment, I don't have language for at the moment, but I think something like ought to be made available to the tenant so that the tenant then can decide, I'll agree with that and I won't run the risk of a non-payment or decide based on the facts that have been given to me, this is not a fair and reasonable increase and I'm not going to pay it, I'm only going to pay, I'll tender what's fair and I'll take my risk with the non-payment of rent summary process, because I have been given the facts by the landlord and I can see that what is being proposed here is not reasonable and I'll take my risk.

But as it's written now, as I say, there isn't any basis for a tenant to really be able to determine whether to take risk or not and in most instances, probably will not take the risk and will take whatever increase and pay it that's been passed on to him by the landlord.

Now with respect to Section 4, from my experience on the problems that people face trying to find rental housing when they're being faced with eviction. I strongly agree with allowing the court the opportunity to give additional periods

ATTY. DINEEN: (continued)

of time for the stay of execution for a tenant to find a place to move to. One gentleman who testified here talked in terms of two years and in some instances that is certainly the kind of time that may be needed. I would agree with the six months, in fact, I would go further and allow the court some discretion in terms of an indefinite period or without a time limitation, that is that the court may give such additional time as it sees fit under all the circumstances. In this particular section the court can consider all the circumstances and I think the legislation could simply not put a time limit on the court but allow the court to give such additional time without limitation based upon all the circumstances. Thank you.

SEN. CUTILLO: Could I ask you as I have other speakers who have come up with some pertinent information to forward this. Although the Judiciary Committee will have the whole context of this hearing, to forward your recommendations in synopsis form to Rep. who's the chairman or co-chairman of the condominium conversion and chairman of the Judiciary Committee. Any questions? Leonard Blum to be followed by Mr. Lavissiore.

BELT
#12

LEONARD BLUM: Mr. Chairman, members of the commission, I thank you for your endurance, it's been a long morning. My name is Leonard Blum, I'm an attorney my office is in Bridgeport. I am involved in many aspects of condominium work. This legislation, I guess, is labeled consumer legislation and I'd just like to point out that from my prior trips up here in I think appearance in '76, when you passed the last comprehensive condominium bill it was pointed out that it probably wasn't consumer legislation, it was passed, the industry stopped for about a year and one half because the banks wouldn't make any mortgages. It built up a tremendous demand with no supply and then when the law was fixed you had a tremendous inflationary cost in condominium units because of the pent up demand that could't be met while this legislative imposed moratorium was on the books. This past November in your wisdom you passed a law that said, if you don't have a separate heating plan, you can't be a conversion condominium. I don't know, energy standpoint if it's logical if a 100 unit building has one boiler, that it's more efficient to have 100 boilers, but be that as it may...

SEN. CUTILLO: The purpose was for a moratorium...

ATTY. BLUM: Well, be that as it may I haven't represented it but I've seen it happen, the developer goes in and puts in electric baseboard heating, plugs it in, raises the price $2,000, the consumer pays. The last two times you've gotten involved in condominium legislation you forced up prices. And I think that would be the result of 290, there are many aspects of this legislation that will increase prices. Granted...

SEN. CUTILLO: Well, maybe I'm not here as legislator...

ATTY. BLUM: Okay, there is some displacement in the housing market, I grant you that. But it's the substitution. Commissioner Sharp appeared, I think in Bridgeport the other day and the headline in the paper was his comments said a housing crisis. Conversion condominium doesn't create the reduction in housing units. It either keeps it at its current level or increases it by taking abandoned buildings and making them into housing units. So the crisis is not the result of conversions. And even though there is displacement you have a large lobby of elderly people who come up here, there is a tremendous need that's met by conversions of middle income, moderate income people who can find a place to live at a price they can afford. And that's been said before but it should be pointed out. They have no lobby, they don't know that they are going to next year be looking for a place to live at this point in time.

It stabilizes neighborhoods, it stabilizes communities to have conversion condominiums of buildings that are on the fringes of deteriorating and becoming non-productive or abandoned. The South Bronx, which is a very horrid example...

SEN. CUTILLO: May I interrupt. We appreciate your remarks, we've had many hearings that encompass the philosophy of condominium conversions, pro and con, the purpose of today's hearing though is to make your remarks applicable to what we have in front of us, I'd appreciate that.

ATTY. BLUM: Okay, I will try to be more specific, I was trying to avoid specifics because last time I wrote about a 10 page letter that pointed out...

SEN. CUTILLO: But now we do have something before us, prior to this we had not.

ATTY. BLUM: Okay, with regard to section, the section dealing with the 35% consent and lifetime tenancy and the Certificates of Occupancy. These are items that are the first step to a rent control situation. They are going to be unproductive as far as conversions are concerned. A 35% consent factor is philosophically wrong. It takes away the right of private property and it places the tenant in a co-decision making process with the owner of the building. If you have the 35% consent necessary and you don't get it you get involved in a stalemate. You get involved in the continued decay and decline of your housing stock.

I would think that the legislature would want to foster and create investment in the rehabilitation of older in city housing. I want to make specific reference to condominium projects called Knob Hill in Bridgeport. 372 units that was converted over a 3 year period starting about '75. Those units sold, the building was about 30 years old, the units sold $19,000, $20,000, $25,000. It gave the housing to people, blue collar people, people who needed housing and couldn't afford anything else. Now those units are selling in the $30's and $40's and it gave them equity.

On the specific on this bill, what would be the effective date of the bill, I don't see it in the legislation...

SEN. CUTILLO: We haven't set it.

ATTY. BLUM: Let's say it's passage of October 1, because of your April 1st bill, but it should be pointed out, I think, that the new amended section should only apply to condominiums declared after the effective date. Because that's a hang up we had 4 years ago, where it applied to condominiums in process. Like you saying a unit shall not be sold without co. Now if a condominium was declared last year and it's still in the sales process and they've sold half the units, without complying with that specific reference, but there's others. You're going to blow apart the entire marketing concept and you're going to really keep people out on a limb as to what's doing.

Again I wasn't prepared to go through the specifics I just want to say I think this is the wrong road. I think once you start this road you're talking about rent control, you're talking about tenant's decision making process and private property and you're going down the road towards the south Bronx.

ATTY. BLUM: (continued)

I'm not saying this is going to result in the south Bronx, but there are many areas in our major cities that given this first legislative step. that could be the ultimate result. Thank you.

SEN. CUTILLO: You've made yourself clear, but if I may pursue that -- you critique the bill in several sections, you mean to say the bill in total doesn't do anything constructive in terms of safeguarding the rights of the renter. I mean would you agree, or would you give us some of your thoughts on the right of the renter as compared to what we have right now.

ATTY. BLUM: The rights of a renter are, as defined in the contractual relationship, that a renter has with the landlord. I'm not saying that they should be any greater and they should not be any lesser.

SEN. CUTILLO: You're saying we don't need a bill at all.

ATTY. BLUM: I can see that it's beneficial to protect the elderly. There is displacement. But if you want to have a viable private sector housing market, you have to let the private sector work. If this is a social problem, the displacement of the elderly people and it is, then it should be a public sector problem. Not a private sector problem. Why put that housing problem of the elderly on the owners of apartment buildings, as opposed to the owners of a single family residence with a spare room. Once you start this, once you start legislating what someone can do with their property, with regard to people who have no vested interest in that property, other than a contractual relationshiop to occupy a number of rooms for a said period of time, you can go anyplace you'd like. You can say to the people in suburbia that have a 4-bedroom house and the children are gone, you've got 2 spare rooms. You have to put in some elderly people.

I know that's an absurd example, but it's a step in that direction.

SEN. CUTILLO: You think we might get there, huh?

ATTY. BLUM: Well, I don't know, but I think there is a problem with the elderly that I don't think can be legislatively corrected in this fashion.

SEN. CUTILLO: Further questions? Thank you for your testimony. I believe it was Mr. Lavissiore, Robert Cohn, Frank Smith.

FRANK SMITH: Mr. Chairman and members of the committee, I'm Frank Smith a member of the Board of Directors of the Hartford Property Owners Association. Mr. Krandall hit many of the spots that I was going to talk about today and I realize you've been here all day and there's another member of the Hartford Property Board that's going to speak momentarily. However, I'm amazed that this bill doesn't address itself to financing. And I must commend or we must commend Senator Leonhardt for proposing the bill that he did propose. The financial sector has been completely exhausted of funds at the banks for the provision of making mortgages at the current interest rates.

The money market, the tax free bonds, have exhausted from our banks in the United States a sum of $1 billion a month for the last 18 months. Making funds available for mortgages for those who couldn't afford the current rates, merely nonexistent. So we sympathize with the tenant that's being displaced. Not having funds made available to him through the banking sector, however, he can't even afford the interest rates for the added cost of a condominium conversion. He was a customer paying out $350 a month and now he's faced with $700 or $750. The state must take a role, must take an affirmative action in helping that individual. Not because he's being displaced, because he needs housing. Now in our history in the last 10 years, let's go back 20, we did not build family accommodations. Because 20 years ago an individual go out an buy a house in Newington, Wethersfield, surrounding the Hartford area with a $98 mortgage.

So it's ludicrous for the banks to provide funding to provide multiple family housing and it would have been ludicrous for our investors to invest in multiple family housing. The construction boom which you may recall took place from the 60's through the early 70's and the interest rates, the cost of land, acquisition, became prohibitive.

There should be some financing lines paralleling Mr. Leonhardt's proposal to helping the investor build. There's no financing. Also we'd like to suggest that along with all the stuff you're passing to the other committees, you might add, for the Banking Committee an exception that the Banking Committee turned

MR. SMITH: (continued)

around and say to the banks, you'll be able to pay whatever interest you want at the passbook. Which will entice people to put money back into the passbook, making mortgaging available again to those who can afford. Nobody's speaking about the person who can afford mortgaging at the current rates. But it's highly nonexistent. We've had banks close down for periods of time, throughout the whole state. We have no funding. Let's put the money back in the banks where it can work for the Connecticut citizens.

There was another comment, if I find my notes. With reference to the 35% that we've been talking about here all morning. It encroaches the right of ownership. It will eliminate the viability of the investor wanting to own. So we propose the elimination of the 35%, elimination of any percentage whatever. Thank you.

SEN. CUTILLO: Thank you very much for your comments and your patience. I believe George Guertin, to be followed by Stephen Mednick.

GEORGE GUERTIN: Mr. Chairman, members of the committee, my name is George Guertin, I'm the President of the Hartford Property Owners Association and at this time I'd like to say that our association is made up of members who own perhaps in the area of 10,000 apartment units in the greater Hartford area. Many of the members are rather concerned with legislation going down the pike concerning the using of private funds for the development of public need. We feel that we are being made the scapegoat. The property owners in our organization are getting rather disenchanted with ownership of multi-family units and many of them are trying to refinance or have people buy them, take them off their hands. But as you perhaps know,
BELT the banking institutions are strictly against this. They
#13 don't have the money to do it, subsequently many of the members are turning towards the route of condominium change over or conversion. We regret to see that in this bill #290, as proposed, that there is nothing that addresses the problem of the institutions, mostly -- we'll take for instance the City of Hartford, of which I'm very familiar. We take institutions like the Hartford Hospital who recently have taken a whole group of housing off the market. Nothing in your bill addresses to that. Trinity College owned all the

MR. GUERTIN: (continued)

apartment buildings located around their facilities. Take Allen Place, Burn Street, New Britain Avenue, several other streets and these are buildings which are all built in the last 15 to 20 years. The ink is not dry in the newsprint yet. Hartford University buys a 157 unit modern apartment building on Assonut Avenue, now this was absolutely a crime for the simple reason that it's in -- it came at a time when everybody was complaining about a lack of housing, especially in the metropolitan areas such as Hartford, yet here we are talking about conversions and the objections to people forming condominiums. Alright, in Newington where I own a rather large complex, I own by the way about 250 apartments and I have no intention of converting to anything to condominiums at this time.

But, in Newington there are at least 6 units, 6 big complexes that I know of that have converted or have the okay to go ahead. Yet, there is one alongside mine, not too far away, will say within a block and one half, which is comprised of about 144 units. Now they had okays to convert as of last August and yet there are less than 5 units that have been bought out. So I think there's a lot of overreacting to this phase of condominium conversions. Maybe in certain sections of the State of Connecticut there are problems because of lack of housing, lack of participation on the part of the members of the City Council to allow apartment building at the time that perhaps people wanted to build them.

You know you have to blame the local citizen league for a lot of this because there are many, many towns who are really hands off of the building of apartment houses. Right now we have people living in the existing housing, the few that perhaps house in those cities, and right now the shortages are there and everybody's up in arms about conversions. But I think a lot of the responsibility is with the people that forced those types of regulations in the first place.

At this time I'd like to also state, I'll go along with everything that Mr. Randall of Stanford mentioned earlier and I won't elaborate on that in order to save a little time. You've been here a long time. I'd like to address to question, of Section 3d and this has to do with the 62 year old and

MR. GUERTIN: (continued)

the infirm and invalid, which are perhaps -- our organization maybe feel that the infirm and invalid should perhaps be let out of any immediate displacement from apartment. But we do feel that under the statutes as they now exist or some of the recommendations under Bill #290, a person is allowed to continue the balance of the term of this lease. Will assume that he's got three or four months. If he is notified that the unit is going to be converted he's given an additional 180 days in order to decide, or 3 months to decide whether he's going to buy and another 3 months to decide where he's going to live.

If there's a hardship case and I imagine most elderly people would have a hardship case, you give him another 180 days. I think that is a reasonable thing. We're talking maybe 15 months, maybe close to 2 years, and in that time you know there's still 4 major columns of apartments for rent in the newspapers and the Hartford Currant especially. If you read the paper you'll find that there are a lot of units, in fact I have some in Hartford myself that are still not occupied and to say that it's a nill deal is just stating facts the way they are not. Because you know if things are that bad I don't think we'd be advertising for a month at a $120 column to fill apartments.

The next item has to do with the Section 7, which is line 126, the unrealistic request that if a town has less than 5% vacancies, well as I mentioned a minute ago many, many towns because of their past practices have a zero vacancy. You know because they've never allowed apartments to be built there in the first place. So I think that is a rather unreasonable request. Also it makes the private sector provide a public need and I don't think we need that. The other question there is to do with the 35%. You know allowing a renter to be in the same category on the same terms as the developer or owner, I don't think this is fine, you know, the way we'd like to see it either.

Now also in Section 7b4, which is around line 155, this has to do with a request which I believe is unreasonable to expect the length of the time before breakdown of major equipment and the cost of replacement, you know, at the rate of inflation now and the knowledge that was required to determine how long

MR. GUERTIN: (continued)

a heating plant is going to last, I don't know which magician anywhere is going to determine those things. I have buildings that are 20 years old, properly maintained, you know, these things perhaps would last another 20 years. But there's a certain amount of maintenance that is required. Sometimes the chambers have to be rebuilt and things of that nature. But to indiscriminately state that you have to in a conversion area to tell a person or tell, hey you're equipment is going to last 3 more years, subsequently you know we're going to maybe reduce your cost or maybe by a certain amount, whatever. That's just asking for miracles and I don't think anybody's able or capable of handling or answering that kind of question.

I would like to -- now my last statement would have to do with the temporary injunction on the conversions of units in the City of Hartford, well I say throughout the state. I am permitted one complex in the City of Hartford, I know, it was some hasty legislation that was put through that expires April 1st, but one developer that I know of who's developing 40 units just a few blocks away from here went ahead and he's putting in individual gas units in every apartment. Now, this is going to cost and you guys are not familiar with this or if you people are not familiar with this it's going to cost the average buyer 31% more for his heating of those units, for the simple reason that the Connecticut natural gas have a factor, it's a decreasing cost per number of 100 btu, 100 cubic feet of gas that you're using.

The worst area is the first 50-100 cubic feet, because you pay a service charge and in the next 100 cubic feet is the highest. Then you have a tremendous drop off for the next 450 cubic feet and then it levels off.

Now I took a 104 unit complex that I own and just arrived at 31% figure because of the fact that the people having their own individual heating units would be paying the greater amount which happens to be the 31%. Because all of them are using less than 50-100 cubic feet of gas which is the highest that the Connecticut Natural Gas have on their list. Alright, so you didn't do anybody a favor. Yet this guys turned around and he's got all these units in there and it's

MR. GUERTIN: (continued)

just gonna cost those poor people buying them that 31% increase, which I didn't think was the way you wanted it to go.

SEN. CUTILLO: No, it was a back door to a moratorium, I made that clear in the senate report. Thank you.

MR. GUERTIN: Thank you very much. Next speaker is Mednick, Steven Mednick, to be followed by Attorney Marvin Farbman.

STEVEN MEDNICK: I was going to say good morning, but good afternoon, Mr. Chairman, members of the committee. My name is Steven Mednick, I'm special counsel to the Mayor in the State of New Haven for legislative affairs, to my right is Rhoda Zolar, who works with the City Plan Department in the City of New Haven. First of all, I'd like to start off by again commending the chairman of this committee, who co-chaired the special committee on condominium conversions for the meticulous work and that that committee performed in the last two or three months.

We're please to have this opportunity to present testimony on S.B. #290 concerning the regulation of condominium conversions and I have an 11 page statement which we will submit, for the record, and I will try to summarize it for your benefit.

First of all, we feel that if massive conversions do take place, many long term tenants, especially the elderly may be unable to find rentals within their means. In addition the unit found may not be in the same neighborhood which they have lived forcing a change which many people, elderly or otherwise might find traumatic. We feel that any statute regulating condominium conversion must contain provisions designed to protect the elderly, handicapped and lower incomed tenants, who would be displaced by such conversions. The needs of these groups have been and continue to be a severe problem and we cannot afford socially, economically or morally to ignore their needs. I believe the legislation does address their needs in some regard.

We appear before this committee to support state legislation, which would balance both the development needs of the city, the needs of the investors and property owners and the housing

MR. MEDNICK: (continued)

needs of our citizens. We follow with interest the deliberations of the special committee on condominium conversion and support its several components of that committee's multi-tiered proposal. We have urged adoption of legislation which would simultaneously control evictions, open the option of condominium purchased to households with low or moderate income residence and discourage speculative sale of rental units for conversions.

Mayor Delito in a letter about two or three weeks ago to Senator Cutillo and Rep. Tulisano recommended a 7. program which I will simply submit again for the record. Within the context of Senate Bill #290 we'd like to make the following observations.

First, we would like to express our support for Sections 1-7, which the exception of Section 7a. These sections of the bill thoroughly address the crucial issues of protecting elderly and disabled tenants, as well as potential condominium owners. However, we are deeply concerned that low and moderate income tenants, who are not elderly or handicapped are not adequately protected. Second, we would like to express some questions regarding Section 7a of the proposed bill. This section acknowledges the fact that rental markets are considered tight when the vacancy rate falls below 5%. Under such circumstances the bill proposes that 35% of the tenants must consent to conversion. We find this proposal to be totally unacceptable, since it would force 65% of the tenants in low or moderate rental units to be dislocated in a tight housing market. One of the things we did point out in the testimony which I skipped over is the fact that New Haven's rental vacancy rate, right now, is at 4%.

We would propose to this committee, consideration of two alternatives to this problem. First, if the vacancy rate falls below 5%, we figure a higher figure, we pose the figure 65%, because that is a figure that is used in other areas. An low or moderate income rental units must consent to the conversion, or that if the vacancy rate falls below 5%, that the general assembly allow the municipalities to enact ordinances to regulate conversions. Third, our concern for displaced low and moderate income tenants leads us to

MR. MEDNICK: (continued)

also question the appropriateness of Sections 8-12. We are concerned that the bonding programs, which are currently at unspecified levels and I assume that's something for the Finance Committee to deal with, to create a rental units construction and renovation fund and a condominium purchase fund would not help the displaced tenants most in need of assistance. More specifically there is no provision that the proposed mortgage loans would be used to create additional low or moderate income rental units. While there is certainly a need in our cities for investment in both construction and renovation of rental units for all income levels, we cannot pretend that this approach would remedy the plight of low and moderate income tenants, displaced by conversion.

As an alternative to that approach, we would recommend that the state require that at least 25% of the new or rehabilitated rental units, within any development financed through this program, be made available to low or moderate income tenants. Possibly through Section 8 set asides.

In similar vein, there should be clear provisions to enable low and moderate income tenants to qualify for the proposed second mortgage program, again a Section 8 set aside might provide an answer.

Finally, we would like to raise some questions concerning Section 15 of the proposed bill. Which proposes that the state purchase units and conversion condominiums that are converted. These units would be maintained as state assisted housing for the elderly and low and moderate income families. Aside from questions regarding funding sources for such an ambitious program, we question the advisability of in effect, subsidizing the conversion process. As an alternative to this approach, we would propose either an incentive program to encourage developers to maintain a specified percentage of units for low and moderate income residents, or public/ private partnership approach. This latter approach would provide that the state and developers share the economic burden of providing a percentage of condominiums at discounted rates to both low and moderate income tenants. While the details of our suggestions need further refinement, our
BELT underlying assumption in this discussion is that we have an
#14 obligation, not only to guarantee low and moderate income

MR. MEDNICK: (continued)

tenants a decent place to live, but to minimize their dislocation due to condominium conversions. We hope that you will share this concern as you evaluate the bill before this committee. We would like to urge the general assembly to act swiftly as you are, to assure passage of this legislation to replace the temporary law which expires on April 1, 1980.

We would like to reiterate in the last analysis the concern that should be underscored. The handicapped, the elderly and the poor are the most obvious victims in the trend away from rental housing to the most, to tenant owned units. In New Haven, many such people live in old substantial centrally located buildings. These buildings are the prime targets and their inhabitants are the most obvious victims of condominium conversion. At a minimum the general assembly must enact legislation which affords protection for these citizens. One remark that we didn't include in the testimony that we believe your committee did debate to some extent was the question of a windfall profits tax in the speculative area of condominium conversions. We have people who are merely coming in in a speculative sense. You have -- there's an argument to be made for the property owners who face the same inflationary spiral that all consumers face, but we don't feel that the argument goes over to the otherside where you have people who speculate, come in and take advantage of the economic situation simply for the purpose of conversion and we would hope that at some level, perhaps at the Finance Committee, that type of issue can be debated and discussed.

SEN. CUTILLO: Thank you, Steve. I'm sure you heard my remarks about the fact that we may make some deletions here pertaining to the Appropriations Committee, but if you would summarize your remarks for judiciary, for any other additions or deletions, we'd appreciate it.

MR. MEDNICK: We'll have remarks prepared for judiciary planning and development...

SEN. CUTILLO: We just want you to move it along. Any questions?

REP. MAZZA: I have a question, Steve, you talked about some of transitions or some of the conversions should be approved

REP. MAZZA: (continued)

by a higher percentage then 35% and you talked about 65%, now as an attorney, wouldn't you say that that would be under the constitution a violation of the owners' rights to have a decision made by people who are not sharing the responsibility, the expenses of that particular unit to you know, to have to be affective by 60% to 65% of those people living...

MR. MEDNICK: Yeah, will number one we have -- I use the 65% figure that's the figure that's been used by several local communities. As an attorney I could certainly make an argument that would justify the position you just aspoused, but also as an attorney I could probably create an argument on the other side. When people go into the housing business, when you're in the multi-family housing business, sure they have constitutional property rights, but they also have tremendous public responsibilities. I think that one of the reasons we're talking about regulation or the condominium conversion phenomenon is in recognition of the fact that property owners, as well as tenants and all citizens, have public responsibilities and when you buy multi-family units, you're going to have, you have to recognize that you no longer a free agent. You've got public health codes, you've got safety codes, you're going to have energy conservation requirements that I'm hoping the state legislature will be more vigilant on. There are a whole series of regulatory schemes that property owners are subjected to. They've all passed the mustard under the constitution and I think that an argument can certainly be suggested that would support this kind of provision.

Now Rhoda Zolar might have more information on what has happened particularly in areas that have imposed this type of ordinance or statute...

SEN. CUTILLO: Rhoda will you stand up as a speaker, Rhoda is with the City of New Haven, she's in the City Plan Department...

RHODA ZOLAR: The only further information I can shed on that point is that there are other municipalities throughout the country which have had similar kinds of percentages to try to protect tenants and the tight housing market from being thrown out of their homes and these percentages which range from 35% up to 80% is the highest I know of, have held up.

REP. MAZZA: Would that be New York City...

MS. ZOLAR: New York, I believe, has a 35%. The higher percentages I know of are in California.

REP. MAZZA: Would you attribute the deterioration of the south Bronx, let's say to some of those kinds of requirements and/ or the problems inherent in rent control. Would you say that the problem would be related to an area of the south Bronx in relation to the requirement of 35% or more for conversion?

MS. ZOLAR: I've heard several people mention the south Bronx today. It's you know, it's a scare tactic. People are afraid that regulations, some people say even mentioning the fact that there can be guidelines and rent increases would lead to the south Bronx. I think there's a whole range of activities that the public sector can engage in in regulating condominium conversion and there are developers who would say that to have any kind of bill at all would lead to the south Bronx. It is, you know, certainly not in the interest of citizens of New Haven or any citizens in the state or any governing body to create a south Bronx. We have to look at the proposed legislation, weight it in terms of, you know, who is going to be help who is going to be hindered. I think that the demand for housing in New Haven and in the cities and towns of Connecticut is such that people want places to live and there is going to be a market for condominiums, there's a market for rental units. People, you know, aren't going to be leaving, you know they really have no place to go right now.

So I don't think that, you know, a stiffer kind of regulation will create a south Bronx. I don't think that's our problem right now.

SEN. CUTILLO: Any comments? Thank you, Rhoda. Attorney Marvin Farbman, to be followed by Diane Crouse.

ATTORNEY MARVIN FARBMAN: My name is Marvin Farbman and I'm a member of the Housing Task Force with the Connecticut Legal Services. I've submitted to the committee a 7 page written testimony which I'll try to summarize as briefly as I can. The growing number of condominium conversions in Connecticut threatens to deplete the state's already short supply of low to moderate cost housing. The consequences of this depletion

ATTY. FARBMAN: (continued)

will be serious. More people would be forced to choose between paying more than they can afford for shelter or accepting sub-standard shelter. The rent's of substandard units, the rent's of more substandard units will become inflated. Enforcement officers would more often be reluctant to condemn buildings that need to be condemned. The state would have to spend more money for providing emergency shelter for welfare recipients. That the condominium conversion boom threatens these consequences can be seen from two facts. One is that low to moderate cost housing complexes are being converted. The other fact is that the without controls the, that is the conversion of rental units to condominiums increases the monthly cost to their occupants. Put these two facts together and we get the housing market is scued upward and lower income tenants are left in a lurch.

As evidence of the fact that low to moderate cost units are being converted, one needs only to look around at Hartford, look at 14-16 Essex St., 195-197 Maple Avenue and other buildings being converted in Hartford. There is one, however, I do want to make, stress one point, because I don't think its been mentioned, at least I'm not worried that it has been mentioned in earlier hearings on this bill, this issue. That is that there's a large source of potential conversions of low to moderate cost units in Connecticut. That source is the state's roughly 19,000 units of federally subsidized 221D3 and 236 projects.

Under HUD regulations, Section 223D3 and 236 housing projects may be converted to private projects, roughly speaking, after they've been in existence 20 years. Most of the 77 223D3 projects in Connecticut will reach a 20 year mark by 1985. Most of the Section 236 projects will reach the 20 year mark by 1980.

In a recent case involving an attempt to convert a southern Connecticut 221D3 project into a condominium complex before the 20 year mark had been reached. A person who has ownership interest in more than 10 such projects in New England, testified that it is his intention to convert all of his projects to condominium complexes when he can. I was in Washington not to long ago on a case on a deposition in the

ATTY. FARBMAN: (continued)

hallway I spoke with the high official at HUD who said to me -- we were talking about condominium conversions, he said I hope they do something in Connecticut because we can keep the lid on it before 20 years, but after 20 years who knows what's going to happen. I think this is a serious potential problem.

SEN. CUTILLO: Marvin, may I ask, we appreciate your comments and knowledge, but address yourself to the bill...

ATTY. FARBMAN: Right, this is all by way of backup because I do think when people often talk about the fact that condo conversions will cause massive displacement, what is I think somewhat underemphasized is the threat of depletion of the housing stock. That's what I'm trying to, especially the low to moderate income housing stock. I appreciate it's 1:20 and we're all hungry...

SEN. CUTILLO: You know, I've said it before, address the bill itself.

ATTY. FARBMAN: Two possible kinds of responses to the threat to low to moderate cost housing which I would like to outline. One is to restrict condominium conversions during times of housing shortage. The other is to build low to moderate cost housing. In my views, Committee Bill #290 does not adequately either restrict condo conversions or provide for new low to moderate cost housing. So let me go over some of the sections as briefly as I can.

Let's take Section 7A for example. A section on which there's been a lot of testimony in some form. Those and this is the section which says that when the vacancy rate, local vacancy rate is below 5%, you can't convert unless you get 35% of the tenants to agree to that. I think that this section may have trouble passing constitutional mustard, in my own view.

Without becoming too technical, I think it is accurate to say that for it to pass constitutional mustard, it must be construeable as a rational attempt to protect the public during periods when the housing supply is tight. Now it's difficult to see how a rule which allows a mere 35% of the

ATTY. FARBMAN: (continued)

tenants in a housing complex to determine whether or not it should be converted can be construed as protecting the public from the bad consequences which flow both from displacement, that is the displacement of 65 tenants, say 100 tenants per complex and from the other bad consequence of depletion. The depletion of low to moderate cost housing by 100 units, not 65 units. If in fact, for this kind of restriction on the rights of private property seems to me you have -- I think the cases are clear on this -- you have to keep to an emergency situation. This 7A as currently drafted does not have the flavor of a response to an emergency and I think that may be a problem.

A more responsive version of Section 7A would, for example, forbid conversions of low to moderate cost units, defined for example as units affordable by persons or families with incomes at or below medium income. It would forbid such conversions of, now I'm not talking about conversions of all of any kinds of conversions of low to moderate cost units, when the local vacancy rate is 5% or below, unless all
BELT the tenants who don't want to purchase can be shown to have
#15 been relocated to apartments of comparable price, comparable location, comparable quality to convert units before conversion. I think this, unless clause gives the developer an opportunity to rebutt two presumptions.

One is HUD's determined presumption that HUD's determination that when you have a 5% vacancy rate tenants will have to pay more for shelter than shelter's really worth, is correct. The other determination, the other presumption, you've got a 5% vacancy rate which the municipality indicates, in fact indicates a shortage of low to moderate cost housing.

One final point concerning Section 7A seems to me that rather than posing on the Department of Housing the big expensive job of determining rental vacancy rates for each municipality in Connecticut, it might be better to require each owner wishing to convert a low to moderate cost housing complex to prove that the rental vacancy rate in the relative municipalities above 5%. Owners could do this by gathering data from HUD from the Census Bureau, from Utility Company records or from scientific random samplings. It seems to me also to be a good idea to grant tenants and other interested

ATTY. FARBMAN: (continued)

persons the right to challenge an owner's proof of rental vacancy rate through some kind of public procedure. This is partly directly relevant to Michael Sharp earlier today.

Okay, regarding Sections 8-10, sections which provide for low market interest rate low mortgage loans for construction of multi-family housing. Without going into detail I think this section must be emphasized that if the interest rates are that the current bond cost, interest cost on bonds in the State of Connecticut is about 8¼%. If the interest rates charged for these mortgages say were 8¼%, for example, a two bedroom unit according to figures provided to me by the Home Builder's Association of Connecticut, I'm sorry a one-bedroom unit constructed in Connecticut today would rent for $432.93. Now clearly this kind of a rent is just not, lower income people simply can't afford this kind of a rent.

What I'm simply making is that Section 8 will not provide lower cost housing, Section 8 of this bill.

REP. MAZZA: Excuse me, attorney, you said that Section 8 will not provide, what is the maximum or does Section 8 not have a maximum?

ATTY. FARBMAN: I'm talking about Section 8 of Bill #290, not the other Section 8.

REP. MAZZA: Oh, okay, I thought you were talking about HUD Section 8.

ATTY. FARBMAN: No, HUD's section 8 is a different kind of subsidy all together. Section 8 subsidizes rents. Under Section 8 the tenants pays 25% of his adjusted monthly income for rent, HUD pays the rest up to a fair market value.

REP. MAZZA: Is there a maximum on the Section 8 HUD rents?

ATTY. FARBMAN: There is a limit for eligibility rents, for example, in Hartford County, for existing Section 8 complex programs for the so-called existing Section 8 program for a family of two the income limit is about $11,500.

REP. MAZZA: I know there are income limits but I'm talking about the limits on the amount of the rent that HUD will let you go into is it $350...

ATTY. FARBMAN: Well, there are two kinds of limits. There is a limit on the existing housing program and then there's a limit on Section 8 new construction. The limits for new construction are much higher than they are for existing...

REP. MAZZA: Okay, thank you.

ATTY. FARBMAN: I want to address for a moment Section 3D. This I think is a well intentioned section. But I have some worry about it. That is this, that under 3D4 owners are allowed, of converted complexes, are allowed to pass on legitimate and reasonable rent increases to elderly and disabled tenants to protect them under 3D. Presumably this means that costs like increased principal and interest which the owner must pay as a result of conversion may be passed on to the tenants. If this is so then rents will be likely to rise sharply to levels which many lower income, elderly and disabled tenants would be unable to pay. They would therefore have to move or be evicted under Section 3D1. I think this is a concern that warrants your consideration.

Closing, I would recommend first that Section 7A be amended to prevent the conversion of low to moderate income housing complexes when the rental vacancy rate is 5% or below. I would suggest that Sections 8-10 need to be balanced by a program for increasing the supply of low cost housing. One interesting idea worth consideration would have the state renovate abandoned buildings owned by municipalities, but rent them out at rents based solely on the cost of operating buildings, for example, maintenance, property tax, insurace and deposits. This program would obviously require a large initial expenditure but the return would be more low cost housing, revitalized neighborhoods and increased local property taxes. I guess I'll...

SEN. CUTILLO: Any further questions? Thank you very much, Marvin. I believe I asked Diane Crouse, thank you for being patient, to be followed by Robert Andersen.

DIANE CROUSE: Thank you for remaining and giving us the opportunity, I would have been awfully disappointed if I came all the way

MS. CROUSE: (continued)

from Stanford and hadn't had a chance to speak. My name is Diana Crouse, I serve as Director of the Stanford Fair Rent Commission and Chairperson of the State Federation of Fair Rent Commissions and I also serve on the Special State Commission to Study the Housing Problems of Southwestern Connecticut. In my work with the Fair Rent Commission I deal with both landlords and tenants. We council over 3,000 landlords and tenants per year. Contrary to what some people think about Fair Rent Commissions, we bend over backwards to be completely fair to both landlords and tenants. Some of my testimony will be concerning fairness towards landlords and some will be fairness towards tenants.

SEN. CUTILLO: As it applies to this bill?

MS. CROUSE: Yes, we are particularly concerned with the practical application of the legislation in trying to help people solve their problems. I would like to refer to Section 1, line 25, this means that a tenant can demand a 1-year lease even if the landlord doesn't want to give one. I question the practicality and the constitutionality of that.

Section 2, in terms of practical application I see this change from a month to month tenancy to a three month tenancy as creating a great deal of confusion and I fail to see any real benefits derived from it.

With regard to line 35 and 36 of that section pertaining to one months' advance notice of a rent increase, I submitted a proposed bill last year and again this year. The speaker Ernest Debate has asked the Judiciary Committee to raise the bill which I drafted which would simply require 30 days' notice of a rent increase period. In your bill here your reference is to one months' advance notice of a rent increase in a specific situation referring to such hold over period, quote unquote. Whereas my proposal simply says that whenever the landlord wants to raise the rent he should simply give 30 days notice. Numerous other states in the country have this law and it is incredible that it has taken Connecticut all these years to even consider establishing such a sinful because there's just a matter plain and simple fairness that if they're going to get a big increase, they should at least have some advance warning about it. This

MS. CROUSE: (continued)

has come to our attention in Stanford, in particularly numerous occassions when the landlord comes up to the door on the first day of the month and says starting today I want a $100 more. And if you don't pay me by the 10th you'll get the eviction notice under the door. So that's laws very much needed and I would urge you to pass that.

Under the subject of condominium conversion, with regard to any and all proposed legislation concerning conversion of apartment buildings to condominiums, I urge you to make the effective date immediate, upon enactment. There are many landlords who will rush to convert their buildings quickly in order to avoid being affected by legislation designed to control conversions. Another problem is enforcement of legislation. Numerous laws can be passed by your committee and others concerning condominium conversions, but if there's no means of enforcing them, then they will be useless.

For example, two large apartment buildings with central heating systems have been converted in the past two months, in Stanford, even though there is presently a law saying that a building should have separate heating units for each apartment. Since there is no means of enforcing that law which is presently in existence this landlord who happened to own both of those buildings, just said the heck with it I don't care if it is a state law, I'm going to go ahead and convert. He filed his declarations with the town clerk and there was no way of stopping him. So enforcement, it seems a very important factor in all this. Of course, the reason for rushing to file those declarations is probably to beat any new legislation that you might pass concerning regulations of conversions, so they're thinking every minute to rush to convert as soon as possible to avoid being controlled by anything you might pass during this session of the legislature.

Page 4, Section 7, line 126, I fully support this provision to require 35% of the tenants to consent to conversion when the vacancy rate is below 5%. I have been informed that Washington, D.C. and New York and also certain cities in California want this and that it does work. The Washington, D.C. regulation does include a provision which you might want

MS. CROUSE: (continued)

to consider to prevent coersion of tenants, because they've found through experience that the tenants were pressured into signing a sheet of paper so you might need a protection against coersion where they're desparately trying to come up with that 35% in order to convert.

Page 5, Section 7C, line 162, the Special State Commission on Policy Problems in Southwestern Connecticut, on which I serve, included in this report to the governor, recommendation that the period of notice to tenants be extended from 180 days to 1 year when the vacancy rate is less than 3%. This proposal could be especially important if you encounter difficulty in passage of Section 7A requiring 35% of the tenants to agree to a conversion. If you do not succeed in the passage of Section 7A then I would urge you to change that 180 days to 1 year. In Stanford a total of 268,000 units have been converted to condominiums. The vacancy rate is less than one tenth of one percent. The cheapest roach infested condominium is selling for no less than $50,000. With present mortgage rates, common charges and taxes, this would require an income of $30,000 per year in order to purchase even the cheapest converted unit on the market.

This refutes the myth that conversions provide an affordable opportunity for homeownership for those who cannot afford to buy a private house. The question is affordable for whom. Affordable for anyone making over $30,000. Excuse me. But now its reached the point where our concern for housing used to be only for the poor, now it's anyone under $30,000, is practically out in the cold.

With this kind of a situation even 180 days is not really sufficient time to find a vacant apartment. Page 6, Section 7C, line 182, this provision is especially needed because of hardships created by conversions. Many tenants have suffered severe financial losses when landlords refused to return security deposits after a tenant has found a vacant apartment before his lease expired in a building being converted. My office, whenever a building is being converted, my office is flooded with calls from tenants asking about their rights and this is something which has come up again and again. It appears to me that the converter wants to have his cake and eat it too. On the one side he is putting pressure on the

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MS. CROUSE: (continued)

(Belt inaudible) you can't get out until your lease is up, because I've got to keep collecting rent on that apartment. If the tenant is fortunate enough to be able to find a vacant apartment, of course, they are advised to start looking six months in advance because it may take them six months to find something. If they are fortunate enough to find something then they are subject to all the liabilities of that lease. They are threatened with court action, they lose security deposits with an average monthly rent of $350 for a 4-room apartment with 2 months rent as security. We're talking about losing $700, which that tenant really needs to be able to relocate in the first place.

I would suggest that you amend that provisision, to not only refer to liabilities but to also protect those security deposits in accordance with the present law regarding the tenants responsibilities as far as deducting damages and so forth. So I would like to suggest that you add after the word liability, "or loss of security deposit", because I don't see the term...

SEN. CUTILLO: What line are you on?

MS. CROUSE: Section 7C, line 182, is it, yeah 183 the line that I would like to amend, 182 it starts, "after receiving such notice a tenant may abandon his unit and terminate his tenancy without incurring any liability," and after liability I would like to suggest that you also include, "or loss of security deposit," in accordance with the present laws pertaining to security deposits. That is they could deduct for damages and so forth. But to hold back the security deposit just because the tenant has been fortunate enough to find another apartment because he's being forced out, really is grossly unfair.

Okay, page 7, Section 7G, line 225, I fully support this provision requiring a Certificate of Occupancy for converted units. This would provide some much needed local control over the situation. We have suggested in Stanford that they require permits in order to convert because there's no local control whatsoever, right now. As I say if we had required a permit, if they had had to go to the planning board to get a permit to convert those two buildings with their central heating systems, the city government in Stanford

MS. CROUSE: (continued)

could have said no you can't convert there's a state law that says you can't convert if you have a central heating system in the building. So it will provide some local control over the situation.

Page 7, Section 8, I wholeheartedly support and urge passage of this section to provide state financial assistance for construction of new rental housing. It is absolutely essential that you prohibit conversions of such buildings into condominiums for an absolute minimum of 20 years. I'm all in favor of construction of new housing and encouraging developers to participate in this program, but you've got to include in there they can't use state money and then turn around and convert and make windfall profits. So that's got to be in there.

Page 15, Section 11, line 459, I question whether efforts to assist tenants in purchasing converted units may encourage further conversions. The present high mortgage rates may discourage some landlords from converting if they feel they will have great difficulty in selling their units. This has served as a discouragement in Stanford where a building containing 200 units is having a great deal of difficulty selling those units. They're afraid they're going to get stuck with them because the tenants can't get the mortgages, so in a way the market is it's slowing down a little bit as some of the other landlords say well gee maybe I won't convert if I'm going to have trouble selling those units. However, if the state makes it easier for tenants to purchase units, those landlords may be encouraged to convert when they might otherwise not have done so. Therefore, I suggest that this section be amended to provide assistance to tenants who wish to purchase units in buildings which were converted prior to the passage of this act. In other words, you will provide assistance to the ones that already converted previously but you won't be contributing to further conversions.

Page 17, Section 14, line 536, I fully support this proposal for a counseling program for persons displaced by condominium conversions. My office is trying to do its best at that right now. However, this section does not mention how this counseling would be provided to tenants at the local level. I think that's important if the counselors can't be up in

MS. CROUSE: (continued)

Hartford and in the Housing Department, so that simply is not mentioned there.

In summary bill #290 addresses many of the serious problems regarding rental housing and should be passed. I hope that my comments and suggestions might be helpful in terms of practical application of the law.

SEN. CUTILLO: We thank you very much for your testimony. We do have questions?

SEN. SANTANIELLO: It troubles me when you say that units converted long ago (speaker inaudible)

MS. CROUSE: Well, as I understand it, I'm not a lawyer, of course, but as I understand it the only way they can be stopped is for the tenants to get together chip in some money hire a lawyer, to go to court to get an injunction to stop them.

SEN. SANTANIELLO: There is a remedy that's obviously available you said, I think you indicated it was to rather large buildings.

MS. CROUSE: Yes, each one contains at least 100 units.

SEN. SANTANIELLO: It seems incredible to me that nobody would take that avenue...

MS. CROUSE: Well, when there's no existing tenant association, you're talking about senior citizens who are frightened and worried about...

SEN. SANTANIELLO: But all those people allow themselves to be dispossessed, that's 200 people, 100 units at least per building, that troubles me...

MS. CROUSE: One thing too, they're not aware of the law the ones who call the office we made them aware of it and suggested they call...

SEN. SANTANIELLO: I'm sure you did...

MS. CROUSE: But none of the ones who called my office even new of the existence of this present law.

SEN. SANTANIELLO: I could realize that but after being informed it seems amazing that nobody out of all those people in both buildings took any definitive steps. The second thing that bothers me, the trouble with the state, that you made that $50,000, and I'll take that face value is the cheapest condominium you can get, knowing the prices in that area I can appreciate that. But the $30,000 income to support that $50,000 purchase, what did you base that figure on?

MS. CROUSE: Okay, I did talk to two local assessors. One who works directly with a bank and the other, not assessor appraiser, the other is a private appraiser. Based on the information we received regarding these buildings that converted they were offering 11 3/4% mortgage, 20 per cent down, and so forth. The way the figures broke down it would come to $425 a month, for the monthly mortgage payments, $115 a month for the common charges, because it had central heat and hot water and so forth. That would bring it to $500 and something and then the difference is made up in taxes which are very high on condominiums in Stanford. So you're talking about approximately $600 a month, monthly. And if you're talking about a person paying 25% of their income toward housing, $600 a month would be 25% of the $30,000 income.

SEN. SANTANIELLO: I just see a lot of people, and maybe my private experience as an attorney, buy with far less income than that to buy in excess of $50,000, I just wondered where you got those figures, thank you.

SEN. CUTILLO: Further questions, thank you very much. Sir, did you want to testify. Please identify yourself, I guess you're the only two left, so no sense in calling...

DAVID BLUM: My name is David Blum I'm on the Board of Representatives in the City of Stanford. I'm on the Legislative and Rules Committee and we're now working on a condominium conversion in our committee. I'm also one of those who's just come out of an apartment through a force eviction because my apartment went condominium. I think this law is a long time coming and we need it right away. There are some items I'd like to speak about and I'd like to ask about. In the process by which I was forced to move the owner at one time said don't take his rent, so I look at the law of condominium conversion

MR. BLUM: (continued)

to find that he was using this law where it says, for cause, the owner was ready to take me to court because for nonpayment of rent. I eventually found an apartment within my District.

SEN. CUTILLO: Sir, I'm going to interrupt. You waited a long time, we've been here a long time. Please direct your remarks to the bill.

MR. BLUM: In regard to for cause the purpose I think that you should really look when it comes to this rental that a person can be evicted because of nonpayment of rents that the owner should not be allowed to use that part and say stop the payment of rents. I don't know how to put it but that's what they used. Now he wants his rent back and he's going to go to court because I'm going with him. I would like to go on record supporting Section 7A, only to the extent that where in a municipality in which the rent vacancy rate is below 5% as determined by the State Department of Housing. Therefore, we should not convert in this particular municipality. In Stanford, where the vacancy, you heard from our Fair Rent Commissioner is less than 1%, certainly if you allowed 35% of the tenants residing in an apartment to select, I think that the 35% in the City of Hartford can be found very easily in a particular, based on the rentals that are in the City of Stanford.

I also would like to support the part where no condominium conversion units may be conveyed, occupied or used in whole, in part, until a Certificate of Occupancy. I would like, also, if it is at all possible to have within your bill enabling legislation where a municipality. I've heard here today 4%, I've heard 5% and I think there's other communities that probably have a larger vacancy rate. But in Stanford where there's one tenth of one percent has a different situation then you would find probably in Hartford, New Haven or Bridgeport -- and I think that enabling legislation within a municipality where they know their needs would be something I would like to see in this legislation. Thank you.

SEN. CUTILLO: Point well made, thank you. Sir, identify yourself for the record.

JOE HODGSEN: It will be brief. My name is Joe Hodgsen and I'm here represented as the Chairman of the HOusing Task Force of the Coalition on Aging and I also work for a healthcare research project called, Triog. With the Coalition on Aging, I basically support Committee Bill #290. Particularly, the priorities that we've established as far as condominium legislation is concerned reflected well in Sections 3, 11, 12 and 15. We feel, obviously from the testimony here today, that you will be doing some revision of the bill and the
BELT reason that I stuck around to add to comment is just to
#17 plead with you to be sure that the revision of the bill will include at least the following items.

We feel that it's imperative that any condominium conversion enable current tenants who are unable to purchase their units to continue to stay there. That there should be a rent subsidy of some sort for those people who are unable to purchase the units, that there should be a cap on the amount of rent to which an individual unit can be raised, particularly for elderly and handicapped who are on severely limited incomes, many of them, and that there be asset limitations for such persons. I will conclude essentially by saying I think it is imperative to recognize that first of all we're not simply talking about problems so far as condominium conversion is concerned with low and moderate income units, but we are talking about it in the whole host of sections of this state -- that the impact of transfer trauma on the aging and I'm speaking now from my position in Triog has a significant impact upon the ability of that individual to function independently in the community. That it's not simply a question of finding another unit, but as people have testified here today it's an issue of people maintaining there own support systems and that moving from one unit to another, one place to another, can in fact result in physical deterioration. I appreciate the fact you allowed me to stay here and thank you.

SEN. CUTILLO: I appreciate your candor and shortness of testimony. We have come to the end of this speaking program please step forward identify yourself.

SARA ELLISON: Just very briefly, I'm Sara Ellison, Executive Director of the Connecticut Association for Human Services. We too, support the basic thrust of Senate Bill #290. We'd like to comment on several specific sections of the bill.

MS. ELLISON: (continued)

First, in Sections 1 and 2 we support the two recommended changes, but we would ask that you consider it to have the notice of increase be 2 months, rather than 1.

In Section 3, while we would support the requirement for just cause evictions for all tenants, if this is not achieveable this year we would suggest that you at least amend it to read 60 rather than 62 so that we can have uniformity across the elderly programs in the state.

In Section 5, we would recommend deletion of line 98-101, because we think that the owner who shares in the profits on a condominium should also share on a costs.

In Section 6, we don't understand why the cost for repairs or reconstruction cannot be passed on unless it's assumed there being capitalized.

In Section 7 we certainly support the issue of protection of tenants in municipalities with vacancy rate is at that level.

In Section 8, we would support a clarification that loans would go for the development or rehabilitation of housing for low and moderate income families, because of the problems of limitations and the problem of the amount that we can bond. We would suggest that Section 14 you consider to delete from the bill because it's our concern given the constraints of time in this session that if you leave Section 14 in the bill then it seems to me you could arguably have to go to government administration and elections and appropriations and you're just going to have too many hurdles. So that it ought to be if you want to do it, a separate bill, send it on its way. I thank you.

SEN. CUTILLO: Point well made. We've come to that conclusion a long time ago. At this time we're going to call a closing to this hearing unless you want to testify. I want to thank all the committee members that have stayed, all of you, you're beautiful.