



House of Representatives

General Assembly

File No. 346

January Session, 2025

Substitute House Bill No. 6831

House of Representatives, March 31, 2025

The Committee on Planning and Development reported through REP. KAVROS DEGRAW of the 17th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING TRANSIT-ORIENTED COMMUNITIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2025*) (a) As used in this section
2 and sections 2, 3 and 5 of this act:

3 (1) "Discretionary infrastructure funding" means any grant, loan or
4 other financial assistance program (A) administered by the state under
5 the provisions of sections 4-66c, 4-66g and 4-66h of the general statutes,
6 section 22a-477 of the general statutes to the extent said section provides
7 financial assistance for municipal drinking water or sewerage system
8 projects and sections 8-13m to 8-13x, inclusive, of the general statutes,
9 or (B) managed by the Secretary of the Office of Policy and Management,
10 the Commissioner of Economic and Community Development or the
11 Commissioner of Transportation for the purpose of transit-oriented
12 development, as defined in section 13b-79o of the general statutes;

13 (2) "Downtown area" means a central business district or other

14 commercial neighborhood area of a municipality that serves as a center
15 of socioeconomic interaction, characterized by a cohesive core of
16 commercial and mixed-use buildings, often interspersed with civic,
17 religious and residential buildings and public spaces, that are typically
18 arranged along a main street and intersecting side streets and served by
19 public infrastructure;

20 (3) "Middle housing development" means a residential building
21 containing not less than two dwelling units but not more than nine such
22 units, including, but not limited to, townhomes, duplexes, triplexes,
23 perfect sixes and cottage clusters;

24 (4) "Perfect six" means a three-story residential building with a central
25 entrance containing two dwelling units per story;

26 (5) "Qualifying bus transit community" means any municipality that
27 contains not less than one regular bus service station operating not less
28 than five days a week within a transit-oriented district adopted by such
29 municipality, provided such transit-oriented district is of reasonable
30 size, as determined by the secretary, or the secretary's designee, in
31 accordance with the provisions of subsection (e) of this section, and
32 either (A) includes land of such municipality located within a one-half-
33 mile radius of any such station, or (B) is located within a reasonable
34 distance, as determined by the secretary, or the secretary's designee, of
35 any other transit service, a commercial corridor or the downtown area
36 of such municipality;

37 (6) "Qualifying rapid transit community" means any municipality
38 that contains not less than one rapid transit station or a planned rapid
39 transit station, contained within a transit-oriented district adopted by
40 such municipality, provided such transit-oriented district is of
41 reasonable size, as determined by the secretary, or the secretary's
42 designee, in accordance with subsection (e) of this section, and either (A)
43 includes land of such municipality located within a one-half-mile radius
44 of any such station, or (B) is located within a reasonable distance, as
45 determined by the secretary, or the secretary's designee, of any other
46 transit service, a commercial corridor or the downtown area of such

47 municipality;

48 (7) "Qualifying transit-oriented community" means any municipality
49 that is a qualifying rapid transit community or qualifying bus transit
50 community;

51 (8) "Rapid transit station" means any public transportation station
52 serving any rail or rapid bus route;

53 (9) "Regular bus service station" means any fixed location where a bus
54 regularly stops, not less than once every sixty minutes during peak
55 operating hours, for the loading or unloading of passengers along a
56 defined route operating on a fixed schedule;

57 (10) "Secretary" means the Secretary of the Office of Policy and
58 Management, or the secretary's designee;

59 (11) "Transit-oriented district" means a collection of parcels of land in
60 a municipality designated by such municipality and subject to zoning
61 criteria designed to encourage increased density of development,
62 including mixed-use development and a concentration of developments
63 utilizing discretionary infrastructure funding; and

64 (12) "Zoning commission" means any zoning commission, a planning
65 commission in a municipality that has adopted a planning commission
66 but not a zoning commission, or a combined planning and zoning
67 commission.

68 (b) A qualifying transit-oriented community or municipality that has
69 adopted a resolution pursuant to subsection (c) of this section shall be
70 eligible for the receipt of discretionary infrastructure funding on a
71 priority basis, provided such community meets the eligibility criteria for
72 the discretionary infrastructure funding. Any funding provided on a
73 priority basis pursuant to this section shall be used exclusively for the
74 development, renovation, expansion, management or maintenance of
75 improvements located in a transit-oriented district. To receive such
76 funding on a priority basis, any such community or municipality shall
77 submit an application for such funding to the secretary in a form

78 developed by the secretary. The secretary shall make recommendations
79 to the state agency responsible for administering or managing such
80 funding and, if priority funding is permitted for such funding, such
81 agency may prioritize such community or municipality for the receipt
82 of such funding over any municipality that is not a qualifying transit-
83 oriented community or that has not adopted a resolution pursuant to
84 subsection (c) of this section, based on the secretary's recommendations.
85 Nothing in this subsection shall be construed to limit the use of funding
86 received pursuant to this section if the use of such funding to develop,
87 renovate, expand, manage or maintain improvements within a transit-
88 oriented district also benefits real property located outside of a transit-
89 oriented district.

90 (c) A municipality that is not a qualifying transit-oriented community
91 shall be eligible for discretionary infrastructure funding on a priority
92 basis pursuant to this section if the legislative body of the municipality
93 adopts a resolution stating that such municipality intends to enact
94 zoning regulations that enable such municipality to become a qualifying
95 transit-oriented community. Such municipality shall enact such zoning
96 regulations not later than eighteen months after the adoption of such
97 resolution. If such municipality does not enact such regulations within
98 eighteen months after the adoption of such resolution, unless the
99 secretary grants an extension to such municipality at the secretary's
100 discretion, such municipality shall return any discretionary
101 infrastructure funding provided to such municipality on a priority basis
102 pursuant to this section and such municipality shall be ineligible for
103 discretionary infrastructure funding on a priority basis until such
104 municipality enacts zoning regulations that enable the municipality to
105 become a qualifying transit-oriented community. Nothing in this section
106 shall be construed to make a municipality that is not a qualifying transit-
107 oriented community ineligible for discretionary infrastructure funding.

108 (d) The zoning commission of the municipality shall consult with the
109 inland wetlands agency of the municipality to establish the boundaries
110 of any proposed transit-oriented district within the municipality. If any
111 proposed activity in such proposed district may be a regulated activity,

112 as defined in section 22a-38 of the general statutes, such commission
113 shall collaborate with such agency to determine whether such proposed
114 activity would constitute a regulated activity for which a permit is
115 required.

116 (e) In determining whether a transit-oriented district is of reasonable
117 size, the secretary, or the secretary's designee, in consultation with the
118 zoning commission of the municipality, shall (1) determine whether the
119 area of such district is adequate to support greater density of
120 development in an equitable manner, as determined by the secretary, or
121 the secretary's designee, considering the geographic characteristics of
122 the municipality; (2) consider municipal and regional housing needs;
123 and (3) not require the inclusion of the following lands in any such
124 district: (A) Special flood hazard areas designated on a flood insurance
125 rate map published by the National Flood Insurance Program, (B)
126 wetlands, as defined in section 22a-38 of the general statutes, (C) land
127 designated for use as a public park, (D) land subject to conservation or
128 preservation restrictions, as defined in section 47-42a of the general
129 statutes, (E) coastal resources, as defined in section 22a-93 of the general
130 statutes, (F) areas necessary for the protection of drinking water
131 supplies, and (G) areas designated as likely to be inundated during a
132 thirty-year flood event by the Marine Sciences Division of The
133 University of Connecticut pursuant to the division's responsibilities to
134 conduct sea level change scenarios pursuant to subsection (b) of section
135 25-68o of the general statutes. The zoning commission may consult with
136 any other agency of the municipality to determine whether a transit-
137 oriented district is of reasonable size.

138 (f) (1) A qualifying transit-oriented community shall allow the
139 following developments as of right in any transit-oriented district: (A)
140 Middle housing developments, if such development contains nine or
141 fewer dwelling units; (B) developments that contain ten or more
142 dwelling units where not less than thirty per cent of such units qualify
143 as a set-aside development pursuant to section 8-30g of the general
144 statutes; and (C) developments on land owned by (i) the municipality in
145 which such land is located, (ii) the state, (iii) the public housing

146 authority of the municipality in which such district is located, (iv) any
147 not-for-profit entity, and (v) any religious organization, as defined in
148 section 49-31k of the general statutes, if such development is composed
149 entirely of units that are subject to a deed restriction that requires, for
150 not less than forty years after the initial occupation of the proposed
151 development, that such units be sold or rented at, or below, a cost in rent
152 or mortgage payments equivalent to not more than thirty per cent of the
153 annual income of individuals and families earning sixty per cent of the
154 median income of the state or the area median income as determined by
155 the United States Department of Housing and Urban Development,
156 whichever is less.

157 (2) A qualifying transit-oriented community shall allow for mixed-
158 use development, as defined in section 8-1a of the general statutes, on
159 any lot located in a transit-oriented district.

160 (3) Notwithstanding the provisions of this subsection, if a proposed
161 development is required to have a public hearing by the inland wetlands
162 agency of the municipality, such proposed development must receive
163 such public hearing prior to such development's approval.

164 (g) Each qualifying transit-oriented community shall require that any
165 proposed development within any transit-oriented district that contains
166 ten or more dwelling units that are not allowed as of right under
167 subsection (f) of this section be subject to (1) a deed restriction that
168 requires, for not less than forty years after the initial occupation of the
169 proposed development, that a percentage of dwelling units, as set forth
170 in subsection (h) of this section, be sold or rented at, or below, a cost in
171 rent or mortgage payments equivalent to not more than thirty per cent
172 of the annual income of individuals and families earning sixty per cent
173 of the median income of the state or the area median income as
174 determined by the United States Department of Housing and Urban
175 Development, whichever is less; or (2) a contribution agreement
176 pursuant to subsection (i) of this section.

177 (h) The percentage of deed-restricted dwelling units required
178 pursuant to subdivision (1) of subsection (g) of this section shall be

179 determined based upon sales market typologies as described in the most
180 recent Connecticut Housing Finance Authority Housing Needs
181 Assessment:

182 (1) Ten per cent for any municipality designated High
183 Opportunity/Heating Market;

184 (2) Ten per cent for any municipality designated High
185 Opportunity/Cooling Market; and

186 (3) Five per cent for any municipality designated Low
187 Opportunity/Heating Market.

188 (i) Any municipality that adopts a transit-oriented district containing
189 a rapid transit station or regular bus service station on or before October
190 1, 2025, may apply, in a form and manner prescribed by the secretary,
191 for determination as a qualifying transit-oriented community. In
192 making such determination, the secretary, or the secretary's designee,
193 shall determine if such municipality is in compliance with the
194 requirements of this section. Nothing in this section shall be construed
195 to (1) require that a municipality that has adopted a transit-oriented
196 district be determined to be a qualifying transit-oriented community, or
197 (2) authorize the secretary to deem a municipality a qualifying transit-
198 oriented community without the approval of such municipality.

199 (j) Each qualifying transit-oriented community shall be eligible for
200 additional funding pursuant to any program administered by the
201 secretary if such community implements additional zoning criteria,
202 including, but not limited to, higher density development, greater
203 affordability of housing units than is required in subsection (h) of this
204 section, the development of public land or public housing, the
205 implementation of programs to encourage homeownership
206 opportunities within such community and any additional criteria
207 determined by the secretary.

208 (k) (1) The secretary, in consultation with the interagency council on
209 housing development established pursuant to section 3 of this act, shall

210 develop guidelines concerning transit-oriented districts within transit-
211 oriented communities, including, but not limited to, prioritizing mixed-
212 use and mixed-income developments; increasing the availability of
213 affordable housing; ensuring appropriate environmental considerations
214 in the development of such districts, with an emphasis on the analysis
215 of any potential impacts on environmental justice communities, as
216 defined in section 22a-20a of the general statutes; increasing ridership of
217 mass transit systems; increasing the feasibility of walking, biking and
218 utilizing other means of mobility other than motor vehicle travel;
219 reducing the need for motor vehicle travel; maximizing the availability
220 of developable land; increasing the economic viability of development
221 projects; reducing the length of time to approve applications for
222 development; parking requirements; lot size; lot coverage; setback
223 requirements; floor area ratio; height restrictions; and inclusionary
224 zoning requirements. Such guidelines may include model ordinances,
225 regulations or bylaws that may be adopted by a municipality pursuant
226 to section 8-2 of the general statutes. Except as provided in subdivision
227 (2) of this subsection, regulations developed by a qualifying transit-
228 oriented community concerning transit-oriented districts within such
229 community shall substantially comply with the guidelines adopted by
230 the secretary. The secretary, or the secretary's designee, may offer
231 technical assistance to any qualifying transit-oriented community
232 concerning the adoption of such regulations.

233 (2) If a qualifying transit-oriented community seeks to adopt
234 regulations concerning a transit-oriented district that do not
235 substantially comply with the guidelines developed pursuant to
236 subdivision (1) of this subsection, or subsection (f) or (g) of this section,
237 such community shall seek an exemption by submitting an application,
238 in a form and manner prescribed by the secretary, that specifies the
239 reasons such community seeks to adopt regulations that do not
240 substantially comply with the guidelines developed by the secretary, or
241 subsection (f) or (g) of this section, except no community may seek an
242 exemption from the provisions of subsection (f) or (g) of this section
243 unless the secretary determines such community is a qualifying transit-
244 oriented community pursuant to subsection (i) of this section. Not later

245 than sixty days after the receipt of any such application, the secretary
246 shall approve or deny such exemption in writing. The secretary shall not
247 unreasonably withhold approval for any such exemption.

248 (3) If an application submitted pursuant to subdivision (2) of this
249 subsection is denied by the secretary, the transit-oriented community
250 that submitted such application may opt out of the provisions of this
251 section and no longer qualify for discretionary infrastructure funding
252 on a priority basis pursuant to this section, provided such community
253 shall return any discretionary infrastructure funding such community
254 received pursuant to this section.

255 (l) Notwithstanding the provisions of subsection (b) of this section,
256 any qualifying transit-oriented community with one or more transit-
257 oriented districts located in an activity zone, as identified in the state
258 plan of conservation and development adopted under chapter 297 of the
259 general statutes for the years 2025 to 2030, inclusive, shall be awarded
260 discretionary infrastructure funding by the agency administering any
261 such funding at a higher priority than a qualifying transit-oriented
262 community without any such district located in any such zone.

263 (m) The secretary, or the secretary's designee, may provide a
264 municipality with an interpretation or written guidance concerning
265 whether zoning regulations adopted or proposed to be adopted by such
266 municipality, if such regulations apply to a transit-oriented district,
267 comply with the requirements of this section or section 2 of this act.
268 Nothing in this subsection shall be construed to allow the secretary to
269 impose any additional requirement upon any such district or
270 municipality that is not specified in this section or section 8-2 of the
271 general statutes.

272 Sec. 2. (NEW) (*Effective October 1, 2025*) (a) For the purposes of this
273 section, "qualifying transit-adjacent community" means a municipality
274 (1) without a rapid transit station, (2) that borders a municipality that
275 has one or more rapid transit stations or regular bus service stations,
276 and (3) that designates a transit-oriented district in or adjacent to a
277 downtown area located in such municipality;

278 (b) A municipality may, by resolution of the municipality's legislative
279 body, request that the State Responsible Growth Coordinator deem such
280 municipality a qualifying transit-adjacent community. The coordinator
281 shall designate such municipality a qualifying transit-adjacent
282 community if the coordinator finds that such municipality (1) meets the
283 definition of such community provided in subsection (a) of this section,
284 and (2) is not a qualifying transit-oriented community.

285 (c) A municipality deemed by the coordinator to be a qualifying
286 transit-adjacent community shall be entitled to any discretionary
287 infrastructure funding available to a qualifying transit-oriented
288 community if such municipality adopts a transit-oriented district that
289 complies with the requirements concerning such districts provided in
290 section 1 of this act.

291 Sec. 3. (NEW) (*Effective from passage*) (a) There is established an
292 interagency council on housing development to advise and assist the
293 State Responsible Growth Coordinator in reviewing regulations,
294 developing guidelines and establishing programs concerning transit-
295 oriented districts to support the responsible growth of housing in the
296 state.

297 (b) The council shall consist of the following regular members: (1) The
298 State Responsible Growth Coordinator; (2) the Secretary of the Office of
299 Policy and Management, or the secretary's designee; (3) the
300 Commissioner of Housing, or the commissioner's designee; (4) the
301 Commissioner of Economic and Community Development, or the
302 commissioner's designee; (5) the Commissioner of Energy and
303 Environmental Protection, or the commissioner's designee; (6) the
304 Commissioner of Public Health, or the commissioner's designee; (7) the
305 Commissioner of Transportation, or the commissioner's designee; (8)
306 the chief executive officer of the Connecticut Housing Finance
307 Authority, or the chief executive officer's designee; and (9) the chief
308 executive officer of the Municipal Redevelopment Authority, or the
309 chief executive officer's designee.

310 (c) In addition to the regular members set forth in subsection (b) of

311 this section, the council may consist of any ad hoc members that the
312 State Responsible Growth Coordinator determines are necessary to
313 complete the work of the council.

314 (d) The chairperson of the council shall be the State Responsible
315 Growth Coordinator.

316 (e) The council shall convene not later than July 1, 2025, and meet not
317 less than once every six months and more often upon the call of the
318 chairperson, to:

319 (1) Review and evaluate the plans, programs, regulations and policies
320 of state or quasi-public agencies for opportunities to combine efforts and
321 resources of such agencies to increase housing development;

322 (2) Develop consistent reporting methods concerning data and
323 documentation related to housing development;

324 (3) Provide a forum to develop approaches to housing growth that
325 balance both needs for conservation and development, including the
326 need for additional housing and economic growth, the protection of
327 natural resources and the maintenance and support for existing
328 infrastructure;

329 (4) Review existing discretionary grant programs to make
330 recommendations to state or quasi-public agencies concerning the
331 adherence of such programs with the goals established in the state plan
332 of conservation and development adopted under chapter 297 of the
333 general statutes. Such recommendations shall include, but need not be
334 limited to, methods to increase the development of deed-restricted
335 housing in transit-oriented districts and middle housing, as defined in
336 section 8-1a of the general statutes; and

337 (5) Develop guidelines, in consultation with the Secretary of the
338 Office of Policy and Management and consistent with the requirements
339 of subsection (k) of section 1 of this act, concerning the adoption and
340 development of transit-oriented districts within qualifying transit-
341 oriented communities.

342 (f) Not later than October 1, 2026, the council shall submit a report, in
343 accordance with the provisions of section 11-4a of the general statutes,
344 to the joint standing committees of the General Assembly having
345 cognizance of matters relating to planning and development and
346 housing, concerning the recommendations and guidelines developed by
347 the council pursuant to subdivisions (4) and (5) of subsection (e) of this
348 section. The coordinator shall publish such recommendations and
349 guidelines on the Internet web site of the Office of Policy and
350 Management.

351 (g) Not later than October 1, 2026, and annually thereafter, the council
352 shall submit a report, in accordance with the provisions of section 11-4a
353 of the general statutes, to the joint standing committees of the General
354 Assembly having cognizance of matters relating to planning and
355 development and housing, concerning the recommendations of the
356 council.

357 Sec. 4. (NEW) (*Effective October 1, 2025*) The Secretary of the Office of
358 Policy and Management may establish, within available appropriations,
359 a program to provide grants to regional councils of governments for the
360 development of projects related to public transit infrastructure, bicycle
361 infrastructure or pedestrian infrastructure.

362 Sec. 5. (NEW) (*Effective October 1, 2025*) There is established an
363 account to be known as the "public water and sewer rehabilitation or
364 expansion account" which shall be a separate, nonlapsing account
365 within the General Fund. The account shall contain any moneys
366 required by law to be deposited in the account. Moneys in the account
367 shall be expended by the Commissioner of Public Health, or the
368 commissioner's designee, for the purposes of rehabilitating or
369 expanding public water and sewerage infrastructure for any transit-
370 oriented district established by a municipality pursuant to section 1 of
371 this act. Proceeds from such account may be provided to any qualifying
372 rapid transit community, a qualifying bus transit community or any
373 owner of real property in a development approved for such funding at
374 the discretion of the Commissioner of Public Health located within a

375 transit-oriented district.

376 Sec. 6. Subsection (a) of section 8-169tt of the general statutes is
377 repealed and the following is substituted in lieu thereof (*Effective October*
378 *1, 2025*):

379 (a) As used in this section, "housing growth zone" means (1) any area
380 within a municipality in which applicable zoning regulations adopted
381 pursuant to section 8-2 are designed to facilitate substantial
382 development of new dwelling units consistent with subsection (c) of this
383 section, or (2) any transit-oriented district established by a municipality
384 pursuant to section 1 of this act. Any housing growth zone shall
385 encompass an entire development district and may include areas
386 outside such district.

387 Sec. 7. Subsection (f) of section 8-2o of the general statutes is repealed
388 and the following is substituted in lieu thereof (*Effective October 1, 2025*):

389 (f) Notwithstanding the provisions of subsections (a) to (d), inclusive,
390 of this section, the zoning commission or combined planning and
391 zoning commission, as applicable, of a municipality, by a two-thirds
392 vote, may initiate the process by which such municipality opts out of
393 the provisions of said subsections regarding the allowance of accessory
394 apartments, provided such commission: (1) First holds a public hearing
395 in accordance with the provisions of section 8-7d on such proposed opt-
396 out, (2) affirmatively decides to opt out of the provisions of said
397 subsections within the period of time permitted under section 8-7d, (3)
398 states [upon its] in the records of such commission the reasons for such
399 decision, and (4) publishes notice of such decision in a newspaper
400 having a substantial circulation in the municipality not later than fifteen
401 days after such decision has been rendered. Thereafter, the
402 municipality's legislative body or, in a municipality where the
403 legislative body is a town meeting, [its] such municipality's board of
404 selectmen, by a two-thirds vote, may complete the process by which
405 such municipality opts out of the provisions of subsections (a) to (d),
406 inclusive, of this section, except that, on and after January 1, 2023, no
407 municipality may opt out of the provisions of said subsections.

408 Sec. 8. Section 8-2o of the general statutes is amended by adding
409 subsection (g) as follows (*Effective October 1, 2025*):

410 (NEW) (g) Notwithstanding any prior action of the municipality to
411 opt out of the provisions of subsections (a) to (d), inclusive, of this
412 section, pursuant to subsection (f) of this section, any owner of real
413 property located within a transit-oriented district, as defined in section
414 1 of this act, who has owned real property in the municipality for not
415 fewer than three years may construct an accessory apartment as of right
416 on such real property, provided such accessory apartment shall comply
417 with any structural or architectural requirements imposed by any
418 zoning regulations adopted pursuant to section 8-2.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2025</i>	New section
Sec. 2	<i>October 1, 2025</i>	New section
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>October 1, 2025</i>	New section
Sec. 5	<i>October 1, 2025</i>	New section
Sec. 6	<i>October 1, 2025</i>	8-169tt(a)
Sec. 7	<i>October 1, 2025</i>	8-2o(f)
Sec. 8	<i>October 1, 2025</i>	8-2o(g)

Statement of Legislative Commissioners:

In Section 1(a)(1), a duplicate instance of "22a-477" was deleted for accuracy.

PD Joint Favorable Subst.

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Policy & Mgmt., Off.	GF - Cost	216,500	212,300
State Comptroller - Fringe Benefits ¹	GF - Cost	87,200	87,200
Policy & Mgmt., Off.	GF - Potential Cost	See Below	See Below
Public Health, Dept.	GF - Potential Cost	410,300	524,100
State Comptroller - Fringe Benefits ²	GF - Potential Cost	151,900	207,800

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 26 \$	FY 27 \$
All Municipalities	Potential Cost	See Below	See Below
All Municipalities	Potential Revenue Gain	See Below	See Below

Explanation

The bill results in a potential revenue gain to various municipalities beginning in FY 26, and a potential cost to the following agencies beginning in FY 26: (1) Office of Policy and Management (OPM), (2)

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 40.71% of payroll in FY 26.

²The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 40.71% of payroll in FY 26.

Department of Public Health (DPH), and (3) Office of the State Comptroller (OSC). These impacts are described below.

Office of Policy and Management

The bill requires OPM to: (1) determine if transit-oriented communities (TOCs) are compliant with certain requirements and meet the restrictions on reasonable size, and (2) establish a grant program to regional councils of government for certain transit projects.

This results in an annual cost of approximately \$212,300 to OPM beginning in FY 26 for two additional positions and a one-time cost of \$4,200 in FY 26 for equipment. There is also a corresponding annual cost of \$87,200 to OSC beginning in FY 26 for fringe benefits.

There is also a potential cost to OPM beginning in FY 26 for a grant program to regional councils of government. The bill does not specify a source of funds for the grants.

Municipalities

The bill: (1) establishes requirements for TOCs, (2) requires the communities to be prioritized for discretionary infrastructure funding, (3) makes TOCs that adopt additional zoning criteria eligible for additional bonus funding that OPM administers, (4) makes municipalities eligible for funds from DPH to defray any costs associated with establishing TOCs.

This may result in a potential revenue gain to municipalities beginning in FY 26 to the extent they qualify for additional bonus funding or receive funds from DPH. This may also result in a potential cost to municipalities associated with establishing and meeting the requirements for a TOC. Any costs may be partially offset by funds from DPH.

There may also be a revenue shift that is dependent on how

discretionary infrastructure is prioritized as a result of TOCs.³

Department of Public Health

The bill also establishes a Public Water and Sewer Rehabilitation or Expansion account within the General Fund, to be managed by the Department of Public Health (DPH). The account will be used to help defray these costs for transit-oriented districts. The bill does not identify a funding source for this new account.

DPH would incur costs of \$410,300 in FY 26 and \$524,100 in FY 27 (and annually thereafter), with an estimated cost to the Office of State Comptroller for associated fringe benefits of \$151,900 in FY 26 and \$207,800 in FY 27 (and annually thereafter), should significant program funding become available. If funding is minimal, it is expected that costs will be substantially lower.

The costs to DPH reflect the need for six new full-time positions to support the administration of a robust grant program, at an annualized salary cost⁴ of \$510,600. These positions would be: (1) two Environmental Engineer 3 positions to evaluate, review, and approve projects as well as ensure regulatory compliance, at an annual salary of \$85,800 each (plus \$34,900 annualized fringe benefits each); (2) a Health Program Associate to facilitate projects as well as community and stakeholder engagement, at an annual salary of \$71,700 (plus \$29,200 annualized fringe benefits); (3) a Fiscal Administrative Officer to evaluate and oversee funding agreements, at an annual salary of \$78,000 (plus \$31,800 annualized fringe benefits); (4) an Associate Accountant to provide fiscal management and oversight, at an annual salary of \$90,000 (plus \$36,600 annualized fringe benefits); and (5) a Supervising

³ The discretionary funding includes (1) Urban Act, (2) Small Town Economic Assistance Program, (3) Main Street Investment Fund, (4) Incentive Housing Zone Program, and (5) Town Aid Road, to the extent such programs are (A) permitted to include a priority designation and (B) recommended to include prioritizations by the OPM Secretary.

⁴ FY 26 total salary costs are projected to be approximately \$373,100, with \$151,900 in associated fringe benefits. This reflects 19 pay periods given the bill's October 1, 2025, effective date.

Environmental Engineer to hire and manage program staff, provide infrastructure planning and development, and lead project collaboration and coordination efforts, at an annual salary of \$99,300 (plus \$40,400 annualized fringe benefits).

Additional costs to DPH are anticipated to total \$37,200 in FY 26 and \$13,500 in FY 27 (and annually thereafter). One-time equipment costs in FY 26 include \$23,700 for laptops and related hardware. Ongoing costs for both FY 26 and FY 27 (which continue with inflation into development (\$12,000); and (2) ongoing minor equipment, software, and office supply costs of \$1,500.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and grants and funding awarded.

OLR Bill Analysis**sHB 6831*****AN ACT CONCERNING TRANSIT-ORIENTED COMMUNITIES.*****SUMMARY**

This bill creates a framework in which a municipality's priority for receiving certain discretionary state funding may be tied to its designation as a qualifying transit-oriented community (TOC). A municipality with a rapid transit station or bus station generally becomes a TOC by adopting zoning regulations creating a transit-oriented district (or "district") around the station that meets certain requirements, including allowing certain housing developments "as of right" (see BACKGROUND).

The bill allows certain municipalities without a rapid transit station to request that the Office of Responsible Growth (ORG) coordinator deem them qualifying transit-adjacent communities, after they create a district that meets the requirements applicable to TOC districts. If they are deemed qualifying transit-adjacent communities, they are entitled to any discretionary infrastructure funding that is available to TOCs, but are not TOCs themselves.

The bill also:

1. establishes an interagency council on housing development to advise and assist the ORG coordinator (§ 3);
2. allows the Office of Policy and Management (OPM) secretary to establish, within available funding, a program providing grants to regional councils of government for public transit, bicycle, or pedestrian infrastructure projects (§ 4);
3. establishes a public water and sewer rehabilitation or expansion

account to fund water and sewer infrastructure projects for transit-oriented districts (§ 5); and

4. makes transit-oriented districts, as established under the bill, housing growth zones for the purposes of the Connecticut Municipal Redevelopment Authority (under existing law, municipalities cannot receive certain financial assistance from the authority until they enact approved housing growth zone regulations; see BACKGROUND) (§ 6).

The bill also makes conforming and technical changes.

EFFECTIVE DATE: October 1, 2025, except the provision establishing the interagency council is effective upon passage.

§§ 1 & 8 — PRIORITIZED FUNDING FOR TRANSIT-ORIENTED COMMUNITIES

The bill makes qualifying TOCs eligible for prioritized discretionary infrastructure funding (“discretionary funding”) for use exclusively on improvements located within the district (but they may also benefit property outside the district). This funding includes certain state grants, loans, and other financial assistance, described below.

A municipality generally becomes a TOC by establishing a transit-oriented district meeting certain requirements the bill establishes, as described below. These requirements are generally aimed at enabling varied housing types to be developed near transit stations. The bill also restricts the regulations a municipality can adopt for their districts.

The OPM secretary, or his designee, determines a municipality’s compliance with the bill’s eligibility requirements. (The OPM secretary may delegate this and his other TOC-related authority under the bill to a designee.) To help a municipality adopt a conforming district, OPM may give (1) technical assistance on adopting regulations that substantially comply with OPM’s guidelines, described below, or (2) an interpretation or written guidance on whether a municipality’s regulations conform.

The secretary may waive certain requirements by granting an exemption (see below). The secretary cannot impose requirements additional to those in the bill and the law under which most municipalities exercise zoning authority (i.e. CGS § 8-2).

The bill also specifies that the secretary cannot deem a municipality to be a qualifying TOC without the municipality's approval.

Discretionary Infrastructure Funding

Under the bill, to receive prioritized discretionary funding, TOCs (and municipalities that have adopted a resolution stating their intent to become one; see below), must apply to the OPM secretary in a form he sets. The secretary then makes recommendations to the agency that administers or manages the funding. If the funding type is permitted to be prioritized, and the municipality is eligible for the funding, the agency may give these municipalities priority status over other applicants that are not TOCs (or have not adopted a resolution). (As described below, it is unclear how this requirement aligns with the provisions in the bill concerning qualifying transit-adjacent communities, which under the bill are entitled to "any" discretionary infrastructure funding that is available to TOCs (§ 2, see below).)

Additionally, the bill requires administering agencies to give higher priority for discretionary funding to TOCs with a transit-oriented district located in an activity zone as designated in the state Plan of Conservation and Development for 2025-2030. In other words, it requires agencies to prioritize TOCs in which the district is in an activity zone above other TOCs as well as municipalities that are not TOCs.

Under the bill, "discretionary infrastructure funding" means any grant, loan, or other financial assistance that:

1. the state administers under the Clean Water Fund (to the extent it pays for municipal drinking water or sewerage system projects), Urban Act Grant Program, Main Street Investment Fund, Small Town Economic Assistance Program, and Incentive Housing Zone Program; or

2. OPM or the economic and community development or transportation commissioners manage for transit-oriented development purposes (see BACKGROUND).

The bill specifies that it does not make any municipalities ineligible for discretionary funding, even if they are not TOCs eligible for prioritized funding.

Bonus Funding. The bill makes TOCs eligible for additional funding under any program the OPM secretary administers if the TOC adopts additional zoning criteria (in addition to meeting all other TOC requirements discussed below), including (1) higher density development, (2) requiring greater housing unit affordability in certain larger proposed developments not allowed as of right than what the bill specifically requires, (3) developing public land or public housing, (4) implementing programs to encourage homeownership, and (5) other criteria the OPM secretary may set.

Qualifying as a TOC

Under the bill, a municipality is eligible for prioritized discretionary funding if it (1) qualifies as a TOC by establishing a reasonably sized transit-oriented district, (2) adopts a resolution stating its intent to become one, or (3) has a transit-oriented district that meets certain requirements by October 1, 2025.

Transit-Oriented Districts

Under the bill, a transit-oriented district is an area the municipality designates that is subject to zoning criteria designed to encourage increased development density (including mixed-use development) and a concentration of discretionary state investments.

TOCs are municipalities that have adopted a reasonably sized, as determined by the OPM secretary, transit-oriented district containing at least one of the following:

1. a regular bus service station (i.e. a bus stop with a bus stopping at least every 60 minutes during peak hours) operating no less

than five days per week or

2. a rapid transit station or a planned station (i.e. any public transportation station serving any rail or rapid bus route).

Additionally, the district must (1) encompass all the land within a one-half mile radius of these stations or (2) be located within a reasonable distance, as determined by the OPM secretary, of any other transit service, a commercial corridor, or the municipality's downtown area (i.e. a central business district or other commercial area that, among other things, serves as a center of socioeconomic interaction).

Reasonably Sized District. To qualify as a TOC, a municipality's transit-oriented district must be a reasonable size. Under the bill, the OPM secretary, in consultation with the zoning commission, is responsible for determining whether a district meets this requirement. To do so, the secretary must (1) determine whether the area can equitably support greater development density, based on the municipality's geographic characteristics, and (2) consider the municipality's and region's housing needs.

When making his determination, the OPM secretary cannot require the following land types to be included in the transit-oriented district:

1. special flood hazard areas on the National Flood Insurance Program's flood insurance rate map;
2. inland wetlands, as defined in state law;
3. existing or planned public park land;
4. land subject to conservation or preservation restrictions (e.g., an easement);
5. coastal resources protected by the Coastal Management Act;
6. areas needed to protect drinking water supplies; and
7. areas likely to be inundated during a 30-year flood event, as

shown in the sea level change scenarios UConn's Marine Sciences Division publishes.

The zoning commission may consult with any town agency to determine whether the district is a reasonable size.

Inland Wetlands Agency Consultation. A municipality's zoning commission must consult with its inland wetlands agency when establishing the district's boundaries. If a proposed activity in the district may qualify as a "regulated activity" under state law (e.g., filling or obstructing wetlands or watercourses), the commission must collaborate with the agency to determine whether it requires a permit.

Qualifying by Resolution

A municipality that is not a qualifying TOC is still eligible for prioritized discretionary funding if its legislative body adopts a resolution stating it intends to enact zoning regulations enabling it to qualify. It must actually enact the regulations within 18 months after adopting the resolution. A municipality that fails to do so must return any prioritized discretionary funding it received, unless the OPM secretary grants an extension at his discretion, and is also ineligible for additional prioritized funding until it enacts these zoning regulations.

Districts Established by October 1, 2025

Upon request, the OPM secretary may also deem a municipality a qualifying TOC if he determines that the municipality has a reasonably sized transit-oriented district containing a rapid transit station or regular bus service station by October 1, 2025.

To be a qualifying TOC, the bill generally requires that a district's regulations substantially comply with OPM's guidelines (see *Substantial Compliance Requirement and Exemptions* below). Although these guidelines may not necessarily be prepared by October 1, 2025 (making it unclear whether these early-adopted districts could comply with them), the OPM secretary can waive this requirement for any district, as described below. The bill additionally allows the secretary to waive as-of-right housing development and minimum set-aside requirements,

but only for these early-adopted districts.

The bill specifies that a municipality's adoption of a transit-oriented district does not require that it be determined a qualifying TOC.

Requirements for Developments in TOCs

As-of-Right Developments. Qualifying TOCs must allow the following developments as of right (after an inland wetlands public hearing, if one is required) in the district:

1. middle housing developments with up to nine units;
2. developments with 10 or more units, at least 30% of which qualify as a § 8-30g set-aside development (see BACKGROUND); and
3. developments, with any number of units, if they are (a) built on land owned by the municipality, the state, the local public housing authority, a nonprofit, or a religious organization and (b) deed-restricted for at least 40 years to preserve them as units priced affordably for renters or buyers earning 60% or less of the lesser of the federally determined state or area median income (SMI or AMI) (i.e. for which these households would pay no more than 30% of their annual income).

Under the bill, “middle housing developments” generally include duplexes, triplexes, townhomes, and perfect sixes (three-story buildings with two units per story).

Accessory Apartments Allowed. Under the bill, a person who owns real property in a transit-oriented district, and has owned property in the municipality for at least three years, may build an accessory apartment as of right on his or her property. (It appears that the accessory apartment must be built on property in the district, but the bill does not specify this.)

These property owners may do so even if the municipality voted to opt out of the state law generally allowing accessory apartments as of

right on lots with single-family homes in all municipalities. Under the bill, the accessory apartment must comply with any structural or architectural zoning requirements adopted pursuant to CGS § 8-2, which is the law most municipalities exercise zoning authority under.

Under existing law, “accessory apartment” means a separate dwelling unit that (1) is located on the same lot as a principal dwelling unit of greater square footage; (2) has cooking facilities; and (3) complies with or is otherwise exempt from any applicable building code, fire code, and health and safety regulations (CGS § 8-1a).

Developments Not Allowed as of Right and Required Set-Asides.

TOCs must allow for mixed-use development (i.e. a building containing both residential and non-residential uses) on any lot in a district, subject to an inland wetlands hearing if one is required (but the bill does not specifically require mixed-use development to be allowed as of right).

TOCs must require developers proposing developments with 10 or more units (unless allowed as of right as described above) to either (1) deed-restrict a certain percentage of the units for 40 years after initial occupancy (see the table below) so they are affordable for renters or buyers earning no more than 60% of the lesser of the SMI or AMI or (2) enter into a contribution agreement. (The bill does not include a framework for these contribution agreements.)

Under the bill, the percentage of units that a developer must deed-restrict (set aside) varies with the strength of the area’s housing market and its quality of life (“opportunity”), as determined by the Connecticut Housing Finance Authority’s (CHFA) most recent Housing Needs Assessment. The table below shows the classifications and corresponding percentages of units that must be restricted under the bill.

Table: Deed-Restriction Requirements

<i>CHFA’s Census Tract Designation</i>	<i>Restricted Units</i>
High Opportunity/Heating Market	10%
High Opportunity/Cooling Market	10%

Low Opportunity/Cooling Market	5%
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District Guidelines Adopted in Consultation With Interagency Housing Development Council

The secretary, in consultation with the interagency council on housing development (see § 3), must develop guidelines on TOC districts. The guidelines must, at minimum, address:

1. prioritizing mixed-use and mixed-income developments;
2. increasing affordable housing availability;
3. ensuring appropriate environmental considerations are made, with an emphasis on analyzing potential impacts on environmental justice communities (as defined in state law);
4. increasing (a) ridership of mass transit systems and (b) the feasibility of walking, biking, and other means of mobility other than motor vehicle travel;
5. reducing the need for motor vehicle travel;
6. maximizing the availability of developable land;
7. increasing the economic viability of development projects;
8. reducing the length of time necessary to approve development applications;
9. parking requirements, lot size, lot coverage, setback requirements, floor area ratio, and height restrictions; and
10. inclusionary zoning requirements.

The bill specifies that the guidelines may include model ordinances, regulations, or bylaws for municipalities exercising zoning powers under CGS § 8-2.

Substantial Compliance Requirement and Exemptions. The bill generally prohibits TOCs from adopting any regulations for their transit-oriented districts that do not substantially comply with OPM's guidelines on these districts. However, the OPM secretary may approve conflicting regulations, upon a municipality's application, based on factors the application identifies. The secretary must make a decision within 60 days of receiving the application and is prohibited from "unreasonably withholding" exemption approvals. If the request is denied, the municipality can opt out of the bill's TOC provisions and must return any discretionary infrastructure funding it already received.

§ 2 — QUALIFYING TRANSIT-ADJACENT COMMUNITIES

The bill allows certain municipalities to request, by resolution of their legislative bodies, that the ORG coordinator deem them qualifying transit-adjacent communities, after they adopt a transit-oriented district that meets the requirements applicable to TOCs as described above.

Specifically, a qualifying transit-adjacent community must (1) lack a rapid transit station, (2) border a municipality that has one or more rapid transit stations or regular bus service stations, and (3) create a transit-oriented district in or adjacent to a downtown area in its jurisdiction. The community cannot be a TOC.

If the ORG coordinator deems it a qualifying transit-adjacent community, it is entitled to any discretionary infrastructure funding that is available to TOCs. The bill does not specify whether they are prioritized for this funding, as TOCs are.

§ 3 — INTERAGENCY COUNCIL ON HOUSING DEVELOPMENT

The bill establishes an interagency housing development council to advise the ORG coordinator and help her review regulations, develop guidelines, and establish programs on transit-oriented districts to support responsible housing growth in the state.

Purpose

The council must first meet by July 1, 2025, and then at least every six months, to:

1. evaluate state and quasi-public agencies' plans, programs, regulations, and policies for opportunities to combine their efforts and resources to increase housing development;
2. develop methods to consistently report and document housing development data;
3. develop approaches to housing growth that balance conservation needs (e.g., natural resources protection) and development needs (e.g., housing, economic growth, and infrastructure);
4. review whether discretionary state grant programs adhere to the state Plan of Conservation and Development's goals and make recommendations to agencies and quasi-public agencies, including on ways to increase deed-restricted developments in transit-oriented districts and middle housing; and
5. create guidelines, in consultation with the OPM secretary and as described above, on adopting and developing transit-oriented districts within TOCs (e.g., prioritizing mixed-use and mixed-income developments and reducing the need for motor vehicle travel).

Reporting Requirements

Beginning by October 1, 2026, the council must annually submit its recommendations to the Planning and Development and Housing committees. By the same date, the council must also submit its recommendations on the above-listed items 4 and 5 (including its district guidelines) to these legislative committees and post this information on OPM's website.

Members

In addition to the ORG coordinator (who serves as the chairperson) and any ad hoc members she determines are needed, the council consists of the following ex officio members or their designees:

1. OPM secretary,
2. Department of Housing commissioner,
3. Department of Economic and Community Development commissioner,
4. Department of Energy and Environmental Protection commissioner,
5. Department of Public Health commissioner,
6. Department of Transportation commissioner,
7. Municipal Redevelopment Authority (see BACKGROUND) chief executive officer, and
8. CHFA chief executive officer.

§ 5 — PUBLIC WATER AND SEWER REHABILITATION OR EXPANSION ACCOUNT

The bill establishes a public water and sewer rehabilitation or expansion account within the General Fund. This separate, nonlapsing account must be funded with any moneys the law requires and the public health commissioner or her designee must use it to rehabilitate or expand public water and sewer infrastructure for transit-oriented districts established under the bill. The account's proceeds may go to TOCs or certain property owners in transit-oriented districts at the commissioner's discretion (presumably, property developers in transit-oriented districts that receive OPM approval for this funding).

BACKGROUND***As-of-Right Developments***

For purposes of the laws on zoning, an “as-of-right development” is a development that is able to be approved without requiring (1) a public hearing; (2) a variance, special permit, or special exception; or (3) other discretionary zoning action, other than a determination that a site plan conforms with applicable zoning regulations (CGS § 8-1a).

Housing Growth Zones

The Connecticut Municipal Redevelopment Authority, which in practice is now officially referred to as the Connecticut Municipal Development Authority, is a quasi-public agency authorized to stimulate economic development and transit-oriented development, including by giving financial support and technical assistance to municipalities to develop “housing growth zones.” These are areas around a central business district or passenger transit station in which local zoning regulations facilitate substantial new housing development (CGS § 8-169hh et seq.).

Transit-Oriented Development

By law, transit-oriented development is defined as developing residential, commercial, and employment centers within one-half mile or walking distance of public transportation facilities (including rail and bus rapid transit and services) that meet transit supportive standards for land uses, built environment densities, and walkable environments, in order to facilitate and encourage the use of transit services (CGS § 13b-79o).

§ 8-30g Set-Aside Development

Under the affordable housing land use appeals procedure (referred to as “§ 8-30g”), a set-aside development means a development in which, for at least 40 years after initial occupancy, at least 30% of the units are deed-restricted. Specifically, at least (1) 15% of the units must be deed-restricted to households earning 60% or less of the AMI or SMI, whichever is less, and (2) 15% of the units must be deed-restricted to households earning 80% or less of the AMI or SMI, whichever is less.

Related Bills

sSB 1313 (File 255), favorably reported by the Planning and Development Committee, requires most municipalities to allow proposed housing developments with a minimum density of 15 units per acre as of right within a one-half-mile radius of certain transit stations.

HB 6960 (File 269), favorably reported by the Planning and Development Committee, requires, in years in which funding is available, OPM to administer a grant program for municipal public infrastructure projects associated with affordable housing construction.

sHB 7112 (File 274), § 3, favorably reported by the Housing Committee, requires OPM, within available appropriations, to administer a grant program giving funds to certain municipalities and developers to connect affordable housing to sewer infrastructure, among other things.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 12 Nay 8 (03/12/2025)