OLR Bill Analysis

HB 5002 (as amended by House "A" and "B")*

AN ACT CONCERNING HOUSING AND THE NEEDS OF HOMELESS PERSONS.

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§ 41 — BROADENING PURPOSES OF HEALTHY HOMES FUND
Broadens the purposes for which DOH may use a certain portion of the Healthy Homes Fund

SUMMARY

This bill makes changes in laws related to housing and planning and zoning, among other things. It also makes various minor, technical, and conforming changes. A section-by-section analysis follows.

*House Amendment "A" replaces the underlying bill, which required the Department of Housing to study initiatives to lower housing costs, increase housing options, and better support people experiencing homelessness. It adds the provisions described below.

*House Amendment "B" makes changes to House Amendment "A," including (1) eliminating provisions on (a) housing authority board appointments, (b) school construction grant reimbursement rates, and (c) as-of-right commercial to residential conversions, and (2) modifying provisions on (a) zoning regulations on middle housing developments and parking requirements, (b) fair share allocations and planning for

them, (c) attorney's fees in § 8-30g appeals, (d) an affordable housing program for construction industry employment, (e) fair rent commissions, and (f) a study on § 8-30g's exemption threshold.

EFFECTIVE DATE: Various, see below.

§ 1 — ANNUAL HOUSING AUTHORITY REPORTING REQUIREMENTS

Modifies housing authorities' annual reporting requirements, beginning with reports due March 1, 2026, by requiring authorities to (1) post these reports on their websites and (2) include new rental affordability information

The bill modifies requirements related to the reports housing authorities must annually submit to the housing commissioner and their respective municipality's chief executive officer. It requires housing authorities, beginning with reports due March 1, 2026, to (1) post these reports on their websites and (2) include new rental affordability information. Specifically, the bill requires annual reports to include the following additional information:

1. rental price levels by "income group" (see below) for housing authority-owned or -operated rental units, and the annual change in the rental price level of these units;

2. the number of rental units at each respective rental price level for housing authority-owned or -operated housing projects or developments, as a percentage of area median income (AMI); and

3. the dates when rental units qualified as "affordable" (by law, "affordable housing" is that for which households earning no more than the federally determined AMI pay 30% or less of their annual income (CGS § 8-39a)).

Under the bill, an "income group" is one of the following household groups, adjusted for family size and based on AMIs established by the federal Department of Housing and Urban Development:

1. household income up to 25% AMI,

2. household income above 25% AMI and up to 50% AMI,

3. household income above 50% AMI and up to 80% AMI,

4. household income above 80% AMI and up to 100% AMI, and

5. household income above 100% AMI.

Existing law requires these annual reports to include various other metrics related to housing authorities' operation, such as (1) an inventory of existing housing authority-owned or -operated housing (e.g., total number of rental units, their types and sizes, and occupancies and vacancies in each housing project or development); (2) a description and status update for new construction projects an authority is undertaking; and (3) information on certain rental housing that an authority sold, leased, or transferred during the reporting period.

EFFECTIVE DATE: October 1, 2025

Background — Related Bill

sHB 6946 (File 69), reported favorably by the Housing Committee, has similar provisions.

§ 2 — AS-OF-RIGHT DEVELOPMENTS ON COMMERCIALLY ZONED LOTS

Generally requires regulations adopted under CGS § 8-2 to allow as-of-right middle housing development on lots zoned for commercial use

The bill requires zoning regulations adopted under CGS § 8-2, rather than a special act, to allow certain residential developments as of right on lots zoned for commercial use.

The bill requires zoning regulations to allow middle housing developments on any lot zoned for commercial use, as of right. Under the bill, "as of right" is the ability 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) the site plan conforms with applicable zoning regulations and (b) there will be no substantial impacts to public health and safety.

Under the bill, "middle housing" is a residential building with two to nine units, such as duplexes, triplexes, quadplexes, cottage clusters,

perfect sixes, and townhouses (as these terms are defined by law, CGS § 8-1a).

EFFECTIVE DATE: July 1, 2026

§ 2 — MANUFACTURED HOMES

For regulations adopted under CGS § 8-2, requires all manufactured homes meeting federal standards to be treated like other dwellings, regardless of how small they are

Current law prohibits regulations adopted under CGS § 8-2 from imposing on manufactured homes (including mobile homes) and associated lots and parks conditions that are substantially different from those imposed on single- or multi-family dwellings and associated lots, cluster developments, or planned unit developments. The prohibition currently applies to manufactured homes built to federal standards if their narrowest dimension is 22 feet or more. The bill eliminates this size requirement.

EFFECTIVE DATE: July 1, 2026

§§ 2, 3 & 42 — MINIMUM PARKING REQUIREMENTS

For regulations adopted under CGS § 8-2, generally prohibits having minimum off-street parking requirements for residential developments; requires parking needs assessments for certain larger residential developments; eliminates a current authorization for planning and zoning bodies to adopt regulations on paying fees instead of providing parking

The bill generally prohibits zoning regulations adopted under statutory authority (CGS § 8-2) from having minimum off-street parking requirements for residential developments unless there is a development-specific assessment of needed parking.

The bill also eliminates a provision in current law that broadly allows planning and zoning bodies to adopt regulations on paying fees in lieu of providing parking.

EFFECTIVE DATE: July 1, 2026

Minimum Parking Regulations

For municipalities exercising zoning authority under the statutes, the bill prohibits their zoning regulations from having minimum off-street parking requirements for residential developments. In practice, many

municipalities have zoning regulations with a schedule of off-street parking requirements that vary based on a proposed project's use (e.g., retail or housing) and size (e.g., square footage or number of bedrooms). Under the bill, these formulaic schedules are prohibited for residential developments. The bill also specifically prohibits the local zoning enforcement officer (ZEO) or planning, zoning, or combined planning and zoning commission from rejecting a proposed development solely due to a failure to conform to a requirement for off-street parking unless the lack of parking will have a specific adverse impact on public health and safety.

As under existing law, municipalities retain their general authority to adopt regulations designed to lessen congestion in the streets and promote health and general welfare. The bill requires applicants for residential developments with at least 24 units to pay for and submit a parking needs assessment to the ZEO or local planning, zoning, or combined planning and zoning commission. The commission may condition a development's approval on building an amount of parking that is not more than 110% of the parking the assessment deems necessary. Under the bill, the needs assessment must analyze (1) available existing public and private parking that may be used by the proposed development's residents, (2) public transportation options that the proposed development's residents may use that mitigate the need for off-street parking, and (3) current and projected future needs for off-street parking for the proposed development.

The bill also makes several conforming changes to reflect this prohibition on formulaic minimum parking requirements in regulations adopted under CGS § 8-2. This includes repealing provisions that allow municipalities to opt out of certain restrictions in current law on setting minimum parking requirements for housing developments.

Fees in Lieu of Parking

The bill also eliminates a provision in current law that authorizes planning and zoning bodies to adopt regulations on paying fees in lieu of providing parking. The authorization the bill eliminates applies to all zoning regulations (including those adopted under special act

authority) as well as subdivision regulations adopted by a planning commission under statutory authority. Under current law, planning and zoning bodies may adopt regulations allowing applicants subject to a minimum parking requirement to pay a fee instead of providing the required parking spaces, if they make certain findings. Specifically, current law requires the planning or zoning body to determine that the number of required parking spaces (1) cannot be physically located on the parcel or (2) would result in an excess number of parking spaces for the use or area.

Background — Related Bill

HB 7061 (File 596), reported favorably by the Planning and Development Committee, has provisions on formulaic minimum parking requirements and repeals the same laws on fees in lieu of parking.

§ 4 — DSS PORTABLE SHOWER AND LAUNDRY FACILITIES PILOT PROGRAM

Requires DSS to (1) develop and administer a pilot program providing portable showers and laundry facilities to people experiencing homelessness and (2) report on the program to the Housing Committee by January 1, 2027

The bill requires the Department of Social Services (DSS), within available appropriations, to develop and administer a pilot program providing portable showers and laundry facilities to people experiencing homelessness. The department must implement the program in at least three municipalities and use it to provide at least three portable shower trailers and traveling laundry trucks. The bill authorizes DSS to contract with nonprofits to administer the program.

The bill requires DSS, by January 1, 2027, to report on the program's success to the Housing Committee. It terminates the program on January 1, 2027.

EFFECTIVE DATE: Upon passage

Background — Related Bill

sHB 7112 (File 274), § 14, reported favorably by the Housing and Finance, Revenue and Bonding committees, has substantially similar

provisions.

§ 5 — PROTEST PETITIONS

Limits the impact of protest petitions filed on proposals to change zoning regulations or district boundaries; modifies who may sign these petitions

The bill generally limits the legal effect of protest petitions filed on proposals to change zoning regulations or district boundaries. It also modifies who may sign a protest petition.

By law, a proposal to establish, change, or repeal a zoning regulation or zoning district boundary is adopted if the zoning commission's members vote in favor of it, generally by a simple majority. However, under current law, the threshold increases to a two-thirds majority if a valid protest petition is filed, making it more difficult to approve the proposal. Under the bill, the voting threshold remains a simple majority even if a valid protest petition is filed.

Under current law, to be valid, a protest petition must be signed by the owners of at least 20% of the (1) area of the lots included in the proposed change or (2) lots within 500 feet in all directions of the property included in the proposed change. Under the bill, it must be signed by the owners of at least 50% of the (1) area of the lots included in the proposed change, (2) total number of lots included in the proposal, or (3) lots within 500 feet in all directions.

Additionally, there may be narrow situations where a protest petition could lower the voting threshold required by law from a two-thirds majority to a simple majority, making it easier for the zoning commission to take certain actions.

EFFECTIVE DATE: July 1, 2025

Background — Related Bill

sHB 6996 (File 356), favorably reported by the Planning and Development Committee, contains similar provisions.

§§ 6 & 40 — DISCRETIONARY INFRASTRUCTURE FUNDING DEFINITION AND PRIORITIZATION

Requires that municipalities eligible for priority for certain discretionary infrastructure funding under both the bill's fair share allocation planning and transit-oriented development district provisions receive the highest priority for this funding

The bill specifies how prioritization for "discretionary infrastructure funding" must be determined if a municipality qualifies for priority funding under the bill's provisions on affordable housing plans and transit-oriented districts. Under the bill, municipalities that are eligible under both frameworks receive priority over municipalities that are eligible under only one framework. The Office of Policy and Management (OPM) secretary must make recommendations to the state agency responsible for administering or managing the discretionary infrastructure funding and, if priority funding is allowed for the funding, the agency must prioritize the funding as described above.

Under the bill, "discretionary infrastructure funding" is 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);

2. the state administers under the Urban Act Grant Program, Main Street Investment Fund, Small Town Economic Assistance Program, and Incentive Housing Zone Program; or

3. OPM or the economic and community development or transportation commissioners manage for transit-oriented development purposes (see *Background — Transit-Oriented Development*).

EFFECTIVE DATE: July 1, 2025, for the definition and October 1, 2025, for the prioritization provisions.

Background — Transit-Oriented Development

By law, transit-oriented development is 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).

§ 6 — PLANNING FOR MUNICIPAL FAIR SHARE ALLOCATIONS

Establishes a framework for prioritizing certain discretionary state funding to specified municipalities, including those with relatively high property wealth per capita with OPM-approved plans, to, among other things, allow for the creation of affordable housing units needed to meet 25% of their fair share allocation

The bill establishes a framework for giving certain municipalities priority for specified discretionary state funding (see above) if they (1) create a realistic opportunity for the municipality's fair share allocation (see *Background — Fair Share Allocation* and below) to be built or (2) are exempt from these planning requirements (because they have a relatively low per-capita property wealth). Municipalities must create the realistic opportunity under a priority affordable housing plan, which is a more detailed plan on the future development of affordable housing than current law requires of municipalities. Among other things, the plans must outline proposed "compliance implementation mechanisms," which include steps the municipality will take to support housing development, such as changing local policies, donating land, and seeking sewer funding. Under the bill, the priority plan requirement applies in addition to the existing affording housing plan requirement. The plans must be updated at least every five years.

Municipalities that do not have to adopt priority plans must still adopt affordable housing plans every five years, as existing law requires. But the bill eliminates the current requirement that the plans show how municipalities will improve the accessibility of affordable housing units for people with disabilities. The bill requires the OPM secretary to post affordable housing plans on OPM's website.

EFFECTIVE DATE: July 1, 2025

Priority Plan Submission Requirements

The bill's priority plan requirement applies to any municipality with an adjusted equalized net grand list per capita (AENGL) in the highest 80% for the fiscal year before the year the plan is due. The OPM secretary must determine whether a municipality is covered by the priority plan

requirement. (AENGL is a measure of town property wealth under the state's education cost sharing law.)

The bill sets the following due dates for the first priority plans:

1. by June 1, 2027, for municipalities that begin with the letters "A" to "F";

2. between June 1, 2027, and June 1, 2028, for municipalities that begin with the letters "G" to "P"; and

3. between June 1, 2028, and June 1, 2029, for municipalities that begin with the letters "Q" to "Z".

OPM Review. Municipalities must submit their initial and updated priority plans to the secretary for review. Within 90 days after receiving one, the secretary must approve or reject the submission and include a written statement explaining the decision. If approved, the secretary must issue an approval letter to the municipality.

If the secretary does not act within 90 days, the plan is deemed provisionally approved. The secretary can reject the plan at any point and the provisional approval is terminated when notice is sent to the municipality.

Implementing Plans and Reporting on Changes

If a plan is approved, the municipality must then amend its zoning regulations and set up compliance implementation mechanisms (see below) as proposed in the plan. Any updated priority plan submitted to OPM must detail these subsequent actions. (In most municipalities, zoning regulations are adopted by a commission of appointed or elected members.)

Priority Plan Content

The priority plans must:

1. specify how the municipality intends to create a "realistic opportunity" for developing the number of affordable housing units (a) allocated to the municipality in the fair share allocation

or (b) offered by the municipality as the alternative feasible number (see below);

2. detail how the municipality intends to change its zoning regulations and use "compliance implementation mechanisms" (see below) to allow for the development of the number of affordable housing units (a) allocated to the municipality by the fair share allocation or (b) offered by the municipality as the alternative feasible amount;

3. identify (a) specific zones or parcels sufficient to build the municipality's fair share allocation as of right and (b) the planned density for the zones or parcels; and

4. provide for the creation of a sufficient supply of the different types of deed-restricted affordable housing units, as specified under the bill, required to meet 25% of the municipality's fair share allocation.

Under the bill, "affordable housing units" are units that are deed-restricted for at least 40 years to preserve them as affordable to low income households (i.e. earning no more than 80% of the lesser of the state or area median income).

Realistic Development Opportunity. The plan must specify how the municipality will, among other things, create a "realistic opportunity" for developing the number of affordable housing units allocated to the municipality (or the alternative number the municipality suggests is feasible, see below).

Under the bill, a "realistic opportunity" is using municipal powers (e.g., planning and zoning powers) and "compliance implementation mechanisms" to remove barriers and constraints to the construction, rehabilitation, repair, or maintenance of affordable housing units. It also includes removing constraints to allow these actions on developable land for the benefit of low-income households, in a time frame and with administrative burdens (including fees and hearings) comparable to what the municipality imposes on applicants seeking to build single-

family homes.

Under the bill, "developable land" is an area identified as being feasible for residential or mixed uses. But it does not include:

1. land already committed to a public use or purpose, whether publicly or privately owned;

2. existing parks, recreation areas, and open space dedicated to the public or subject to a recorded conservation easement;

3. land otherwise subject to an enforceable restriction on, or prohibition of, development;

4. wetlands or watercourses as defined in state law; and

5. areas exceeding one-half acre of contiguous land that are unsuitable for development due to topographic features, such as steep slopes.

Compliance Implementation Mechanisms. Under the bill, "compliance implementation mechanisms" are (1) changes to municipal policies and procedures and (2) proactive steps taken to allow for the development of affordable housing units.

These proactive steps include (1) redeveloping a site, (2) seeking funding for affordable housing unit development or sewer infrastructure, (3) donating municipal land for development, or (4) entering into agreements with developers for a development that includes affordable housing units.

Unit Types Required. The bill specifies that the plan must provide for the creation of different types of affordable housing units, to meet 25% of the fair share goal. Specifically, the municipality must ensure that of any affordable housing units:

1. at least 50% are family units (i.e. not age-restricted and have at least two bedrooms);

2. no more than 25% of the units are age-restricted or preserved for

people with disabilities;

3. at least 25% are rental units, and of these at least 50% are family units; and

4. no more than 25% of units are studio or one-bedroom units.

Alternative Feasible Number. If a municipality opts to assert, when submitting its priority plan, that it cannot meet 25% of its fair share goal and provide for the creation of the unit types outlined above, then it must explain why. It must also explain what steps it will take to overcome any impediments to developing its fair share goal, including specifying an alternative number of units it is currently able to develop. (Presumably, the municipality would be addressing how it would encourage or promote such development.) The explanation the municipality submits must include evidence of a lack of developable land if that is a relevant concern.

Priority for Certain Discretionary Funding

Under the bill, municipalities are eligible for prioritized discretionary funding from certain state programs if they (1) have an approved or provisionally approved priority plan or (2) are exempt from making priority plans. The bill specifies that it should not be construed to make a municipality that does not have an approved priority plan ineligible for discretionary infrastructure funding.

To receive the funding on a priority basis, municipalities must apply to the OPM secretary on a form he prescribes. The bill requires the OPM secretary to make recommendations to the state agency responsible for the specified funding and allows the agency to prioritize an eligible municipality if the grant program allows for priority designation and the municipality is otherwise eligible for the funding.

Background — Fair Share Allocation

A 2023 law required the OPM secretary, in consultation with the housing and economic and community development commissioners, to create a methodology for each municipality's fair share allocation of affordable housing by generally (1) determining the need for affordable

housing units in each of the state's planning regions and (2) fairly allocating this need to each region's municipalities.

The OPM secretary must, in consultation with these commissioners, use the methodology to determine the minimum need for affordable housing units for each planning region and a municipal fair share allocation for each region's municipalities.

Background — Related Bill

sHB 6944, favorably reported by the Housing Committee, requires most affordable housing plans to "create a realistic opportunity" for developers to build the amount of affordable housing that is allocated to the municipality under the fair share allocation.

§ 7 — FAIR SHARE METHODOLOGY AND LAND INVENTORY

Changes requirements related to selecting and applying the fair share methodology, which is used to formulate housing need assessments and allocations; establishes a process by which municipalities can seek a legislative change of their fair share allocation; requires most municipalities to submit information on vacant and developable land to the majority leader's roundtable

Current law requires OPM to establish and apply a methodology for (1) determining the need for affordable housing units in each of the state's planning regions and (2) fairly allocating this need to each region's municipalities. The bill makes changes to this process.

The bill also (1) requires most municipalities to report to the legislature on vacant and developable land and (2) creates a process for municipalities to seek an adjustment of their fair share allocation. (The priority planning requirement, as described above, also has a process for municipalities to contest their fair share allocation.)

EFFECTIVE DATE: October 1, 2025

Selecting and Applying Methodology

The bill requires the OPM secretary to update the methodology used every 10 years, and correspondingly requires the secretary to apply the methodology every 10 years to establish affordable housing needs by region and fair share allocations for each municipality.

Under current law, establishing the methodology is a one-time requirement due December 1, 2024. But in practice, the secretary has not yet established a methodology nor submitted it to the legislature. The bill supersedes current law's requirements and instead requires the secretary to use a specified methodology outlined in a May 2025 report submitted to OPM by a consultant hired to review methodology options. Under the bill, from October 1, 2025, until December 1, 2034, the secretary must use Alternative Approach A, as outlined in Appendix A of this report, when establishing fair share allocations.

Additionally, the bill makes a conforming change to clarify that existing law's legislative approval requirement for the selected methodology does not apply until the second time a methodology is selected (i.e. by January 1, 2035).

Land Inventory and Alternative Fair Share Allocation

The bill creates a one-time reporting requirement for municipalities subject to the priority affordable housing plan requirement (i.e. fair share planning, see above). By January 1, 2026, each municipality must submit to the majority leader's roundtable, in a form it specifies, an inventory of vacant and developable land in the municipality. Under the bill, "vacant" land is not developed or lacks essential ancillary improvements, above and below water, required for it to serve a useful purpose (including an approved subdivision that is not being physically improved or sold as lots). "Developable" land is the same as under the fair share planning provisions (see above). When submitting this information, the municipality may also propose an alternative fair share allocation (as part of the priority planning process, as described above, municipalities also have an opportunity to propose an alternative allocation, for approval by OPM).

By February 1, 2026, the majority leader's roundtable must analyze the submitted information and make recommendations on whether the alternative allocation proposed should be approved by the legislature. Its recommendations must be submitted to the Housing Committee in the same manner as task force reports. The Housing Committee must report its approval or disapproval. Each chamber must confirm or reject

the recommendations by resolution. If rejected, the recommendations must be referred back to the Housing Committee for reconsideration (it is unclear if while reconsidering, the committee can modify the recommendations).

The bill specifies that if a municipality does not propose an alternative allocation, the OPM calculated allocation applies.

§ 8 — HOSTILE ARCHITECTURE

Beginning October 1, 2025, prohibits municipalities from installing or constructing hostile architecture in or on any publicly accessible building or property they own; requires municipalities to investigate alleged violations and remove any buildings or structures it determines are hostile architecture within 90 days after this determination

Beginning October 1, 2025, the bill prohibits municipalities from installing or constructing "hostile architecture" in or on any publicly accessible building or property they own. Under the bill, "hostile architecture" includes any building or structure designed or intended primarily to prevent a person experiencing homelessness from sitting or lying in or on them at street level. The term excludes design elements meant to prevent skateboarding, rollerblading, or vehicles from entering certain areas.

Under the bill, after a municipality receives written notice from anyone alleging that a building or structure violates the bill's provisions, the municipality must (1) investigate the alleged violation and (2) if the municipality determines the building or structure is hostile architecture, remove it within 90 days after making this determination.

The bill specifies these provisions do not apply to hostile architecture that was installed or constructed before October 1, 2025.

EFFECTIVE DATE: October 1, 2025

Background — Related Bill

sHB 7112 (File 274), § 5, reported favorably by the Housing and Finance, Revenue and Bonding committees, has similar provisions.

§ 9 — DOH MIDDLE HOUSING DEVELOPMENT GRANT PROGRAM

Requires DOH to develop and administer a middle housing development grant program supporting housing authorities in expanding middle housing availability in municipalities with a population of no more than 50,000

The bill requires the Department of Housing (DOH), within available bond authorizations, to develop and administer a middle housing development grant program supporting housing authorities in expanding middle housing availability in municipalities with a population of no more than 50,000 (based on the most recent decennial census). Under existing law and the bill, "middle housing" is:

1. duplexes, triplexes, and quadplexes;

2. cottage clusters (a group of at least four detached housing units, or live work units per acre, located around a common open area); and

3. townhouses (a residential building built in a group of three or more attached units, each of which shares at least one common wall with an adjacent unit and has exterior walls on at least two sides).

The bill requires DOH to develop and issue a request for proposals from housing authorities for the program. Under the program, DOH may give these housing authorities grants for providing middle housing development assistance related to (1) pre-development, construction, or rehabilitation, or (2) land or building acquisition.

EFFECTIVE DATE: July 1, 2025

Background — Related Bill

sHB 7112 (File 274), § 12, reported favorably by the Housing and Finance, Revenue and Bonding committees, has similar provisions.

§ 10 — DIRECT RENTAL ASSISTANCE PROGRAMS

Allows DOH and municipal housing authorities to give certain nonprofit providers grants to administer direct rental assistance programs meeting specified requirements; requires DSS to review and approve these programs; terminates all the programs on July 1, 2028

The bill allows DOH and municipal housing authorities (or authorities acting jointly), within available appropriations or funding,

to give nonprofit providers grants to administer direct rental assistance programs meeting specified requirements. Under the bill, these are programs making cash payments to, or on behalf of, eligible households ("recipients") to secure or maintain housing. Recipients must be (1) eligible for assistance under the state Rental Assistance Program (RAP) and (2) on a waiting list for the federal Housing Choice Voucher (HCV) program (see *Background — Tenant-Based Rental Assistance*).

The bill requires these programs to end by July 1, 2028. As described below, it sets various requirements related to the termination of the programs and their interaction with other types of housing assistance.

Direct rental assistance under a provider's program cannot exceed the greater of (1) DOH's maximum allowable rent schedule for RAP or (2) fair market rent under the HCV program. Additionally, providers must meet certain data privacy and reporting requirements.

Under the bill, "nonprofit providers" are housing authorities or nonprofit corporations that engage in philanthropy or owning or operating housing. The bill requires nonprofit providers seeking a grant to submit program proposals meeting certain requirements and the Department of Social Services (DSS) commissioner to review and approve them.

EFFECTIVE DATE: July 1, 2025

Nonprofit Providers

The bill requires nonprofit providers seeking a grant to operate a direct rental assistance program to develop a proposal and submit it to DOH or the participating housing authority. The proposal must include information on how the provider will do the following:

1. implement program operations,
2. determine recipient eligibility,
3. process direct rental assistance payments,
4. establish privacy policies and procedures and accordingly collect

data on program operation, and

5. report on program operations to DOH.

Under the bill, nonprofit providers that implement a program must comply with the bill's eligibility requirements and state housing policy. Additionally, they must give each recipient written notice, before providing direct rental assistance, of any potential impact of program participation on their current or future eligibility for federal or state benefits (see below). This notice must include contact information for recipients to get additional information or guidance.

The bill allows DOH to give financial or technical support to any provider operating a program.

Data Privacy. Under the bill, any data a nonprofit provider collects from a recipient according to the provider's program policies, procedure, or regulations must be confidential and is exempt from disclosure under the Freedom of Information Act, except for aggregated information included in the report discussed below.

DSS Review and Approval

The bill (1) requires DOH and housing authorities to submit any direct rental assistance program proposals to the DSS commissioner for review and (2) prohibits nonprofit providers from making direct rental assistance payments until the commissioner approves the proposal. In undertaking the review, the commissioner must ensure the direct rental assistance does not impact a recipient's eligibility for, or the amount of, any benefits under state-administered assistance programs, including any program a state or municipal agency administers with federal funding or assistance.

The DSS commissioner must disregard direct rental assistance a recipient receives under the bill, meaning she must exclude it as income when determining a recipient's eligibility for certain benefits. The disregard applies for the duration of a recipient's participation in a direct rental assistance program and the commissioner may reauthorize it. Under the bill, if the commissioner determines that a waiver or

approval (federal, state, or local) is needed to authorize the income disregards under applicable benefits programs, she must request and promptly pursue it. The bill requires the DSS commissioner to approve program proposals after obtaining the needed waivers or approvals or finding they are not required.

Program Termination and Other Tenant-Based Rental Assistance

Direct rental assistance programs implemented under the bill must end by July 1, 2028. Under the bill, any recipient who still needs housing assistance may be issued a RAP certificate, if available. The bill specifies that a recipient's participation in a program does not impact their status on an HCV or RAP waiting list. It allows any recipient who is issued a federal or state voucher to exit the direct rental assistance program when voucher payment begins.

Recipients are not eligible for direct rental assistance if they are also receiving assistance through a RAP certificate, HCV voucher, or any other housing assistance that partially or fully subsidizes their rent. The bill requires nonprofit providers to reallocate unexpended funds or vacated slots resulting from a recipient's exit or ineligibility to another eligible recipient based on the provider's program implementation criteria.

Program Reporting

The bill requires any nonprofit provider that implements a direct rental assistance program, by July 1, 2029, to submit a report to DOH on program implementation and outcomes. DOH must submit these reports to the Housing Committee. The bill requires the reports, at a minimum, to include the following information:

1. an analysis of the number of recipients served disaggregated by demographics, including household size, income level, and housing insecurity status;

2. the impact of the program on recipients, including changes in housing stability, ability to relocate to another housing unit, household income, and access to employment or education

opportunities;

3. a cost-effective analysis comparing the program to the HCV program and RAP;

4. feedback from recipients and landlords participating in the program; and

5. recommendations for continuing, expanding, or modifying the program.

Background — Tenant-Based Rental Assistance

Tenant-based rental assistance is generally rental subsidies to help low-income households rent privately owned homes that meet certain guidelines. The federal Department of Housing and Urban Development's HCV program (42 U.S.C. § 1437f(o)) and RAP (CGS § 8-345) are two examples of programs that offer this type of assistance.

Background — Related Bill

sHB 7112 (File 274), § 15, reported favorably by the Housing and Finance, Revenue and Bonding committees, has similar provisions.

§ 11 — OPEN CHOICE VOUCHER PILOT PROGRAM

Requires DOH to re-establish the Open Choice Voucher pilot program by June 15, 2026, and makes the pilot program available to any eligible families participating in the Open Choice program, rather than only to those from the Hartford region

The bill (1) requires the DOH commissioner, in consultation with the education commissioner and housing, civil rights, and education advocates, to re-establish the Open Choice Voucher pilot program by June 15, 2026, and (2) makes the pilot program available to any eligible families participating in the Open Choice program, rather than only to those participating in the Hartford region as the original program required.

SA 21-26 originally established this pilot program, under which the DOH commissioner was required to designate 20 RAP certificates over a two-year period (the 2022-2023 and 2023-2024 school years) for families who (1) qualified as low-income under RAP, (2) had participated in the Open Choice program for at least one year in the

Hartford region, and (3) wanted to move to the municipality where their child was attending school through Open Choice. The bill requires the commissioner to make another ten existing certificates available to program participants (in any district, not just the Hartford region) during each of the 2026-2027 and 2027-2028 school years.

As under the expired pilot program, the bill also requires the DOH commissioner to submit interim and final reports on the re-established pilot to the Education and Housing committees. She must do so by August 31, 2026, and August 31, 2027, respectively.

The bill otherwise retains the original Open Choice Voucher pilot program's parameters, such as requiring DOH to (1) develop certain program procedures (e.g., on landlord and family recruitment); (2) give participants access to mobility counseling; and (3) include specified information in the interim and final program reports (e.g., a summary of program implementation and an assessment of program performance).

EFFECTIVE DATE: July 1, 2025

Background — Open Choice Program

The Open Choice Program is a voluntary interdistrict attendance program that allows students from large urban districts to attend suburban schools and vice versa, on a space-available basis. Its purpose is to reduce racial, ethnic, and economic isolation; improve academic achievement; and provide public school choice.

Background — Related Bill

HB 7030 (File 240), reported favorably by the Housing Committee, contains identical provisions.

§ 12 — REGIONAL SERVICES GRANT TO COGS

Increases the regional services grant amount that each COG annually receives and specifies the purposes for which it must be spent

Beginning with the 2026 fiscal year, the bill increases by $400,000 the regional services grant amount that each regional council of governments (COG) annually receives from the Regional Planning

Incentive Account. Each COG must use $200,000 of this additional amount to fund positions providing technical support and legal services for planning and developing housing. Each COG must use the other $200,000 to fund either a (1) regional stormwater management and flood mitigation coordinator position or (2) regional municipal solid waste and recycling coordinator position.

By law, the regional services grants to the nine COGs must total $7 million each year, with each receiving a base amount and per-capita amount. Under current law, the OPM secretary updates the distribution formula every five years. Under the bill, he must do so in consultation with the COGs.

EFFECTIVE DATE: July 1, 2025

Background — Regional Planning Incentive Account

The Regional Planning Incentive Account is a separate, nonlapsing General Fund account funded by 6.7% of the revenue generated by the room occupancy tax and 10.7% of the revenue generated by the rental car tax (CGS § 12-411(1)(J)).

Background — Related Bills

SB 1186 (File 201), favorably reported by the Planning and Development Committee, primarily increases the per-capita portion of the regional services grant calculation if the consumer price index increases.

HB 7144 (File 623), favorably reported by the Planning and Development Committee, contains similar provisions increasing the grant amount to COGs, but specifies different spending requirements.

§§ 13-15 — FIRST-TIME HOMEBUYER SAVINGS PROGRAM

Creates a first-time homebuyer savings program, generally allowing individuals and employers to contribute into specialized savings accounts to be used for a beneficiary's eligible homebuying expenses and receive tax benefits for doing so

The bill creates a first-time homebuyer savings program, generally allowing individuals and employers to contribute into specialized savings accounts to be used for a beneficiary's eligible homebuying

expenses and receive tax benefits for doing so.

Specifically, the bill creates (1) personal income tax deductions for certain individuals who contribute to, or are the qualified beneficiaries of, funds deposited into a first-time homebuyer savings account and (2) a tax credit for employers who similarly contribute to the accounts of their employees. It requires the Department of Revenue Services (DRS) commissioner to implement the tax deduction and credit, including by preparing associated forms, and allows him to adopt implementing regulations.

Under the bill, individuals may open at financial institutions (i.e. banks, out-of-state banks, credit unions, or their affiliates or third-party providers) savings accounts that are dedicated to paying for or reimbursing the down payment and closing costs of an account holder who is a first-time homebuyer and resides in a Connecticut one- to four-family residence purchased with account funds (i.e. the "qualified beneficiary"). The bill designates "first-time homebuyers" as those who have not previously owned or purchased, either individually or with someone else, a one- to four-family residence (including a mobile manufactured home or a unit in a cooperative, common interest community, or condominium).

To qualify for the bill's tax deductions, account holders must have a federal adjusted gross income (AGI) below $125,000 for single filers or $250,000 for joint filers. They may deduct (1) the contributions deposited in the account, generally capped at $2,500 for single filers and $5,000 for joint filers annually; (2) accrued interest; and (3) for an account holder who is also the account's qualified beneficiary, the amount withdrawn that is used to pay or reimburse him or her for program eligible costs. For the bill's tax credit, employers may annually claim 10% of their contributions to employees' accounts against the corporation business or personal income tax, but the amount is capped at $2,500 for any specific employee. Deductions and credits start in the 2027 tax or income year, as applicable, but the 2027 deduction or credit may include contributions made in the 2026 tax or income year.

If funds are withdrawn from a first-time homebuyer savings account for a reason other than an allowed purpose, the bill generally imposes a civil penalty of 10% of the withdrawn amount.

EFFECTIVE DATE: January 1, 2026

Account Contributions

The bill allows anyone to contribute to a first-time homebuyer savings account with no limit on contributions made to, or contained in, an account. Accounts must only contain cash, but account holders may invest the funds in money market funds.

It prohibits employers of account holders from seeking reimbursement for contributions they make to an employee's account if his or her employment is terminated.

Use of Account Funds

The bill limits the use of account funds to (1) a qualified beneficiary's down payment and closing costs to purchase a one- to four-family residence in the state as his or her primary residence (i.e. "eligible costs") and (2) the financial institution's account service fees. Allowable closing costs are the disbursements listed on the settlement statement associated with the home purchase. The bill allows an account holder to withdraw funds from an account to be deposited into another account established for the same purpose.

Account Holder Powers and Responsibilities

Establishing the Account. Under the bill, an individual may establish one or more accounts. Individuals who file a joint tax return may jointly establish and hold accounts, so long as they jointly file tax returns for each taxable year that the account exists.

The bill prohibits an account holder from using any funds deposited into an account for administrative fees or expenses, other than the financial institution's service fees.

Designating the Beneficiary. The bill requires individual or joint account holders to designate the account's qualified beneficiary. They

must do so by April 15 of the year immediately after the taxable year during which the account was established.

Under the bill, account holders may designate a new qualified beneficiary at any time, but there may be only one qualified beneficiary associated with an account at a time. In addition, the bill prohibits anyone from establishing or holding more than one account with the same qualified beneficiary.

Tax Reporting. The bill requires an account holder to submit to the DRS commissioner the following information for each tax year during which the holder has a first-time homebuyer savings account:

1. his or her tax return;

2. any information the commissioner requires about the account to implement the tax deduction and credit;

3. the IRS Form 1099 issued by the financial institution for the account; and

4. if the account holder withdrew funds from the account during the taxable year, (a) a detailed accounting of the eligible and ineligible costs paid or reimbursed with account funds and (b) the remaining account balance.

Withdrawing Funds. The bill establishes a civil penalty, collectible by the DRS commissioner, of 10% of the withdrawn amount for an account holder who withdraws account funds for a reason other than transferring the funds to another such account or paying or reimbursing the qualified beneficiary for the home purchase down payment or closing costs. If the account holder deducted these withdrawn funds for state income tax purposes, the withdrawn funds are considered income.

The bill waives the withdrawal penalty and does not consider the withdrawn funds as income under the following circumstances:

1. the account holder did not claim the funds for a state income tax deduction,

2. the withdrawn funds were subsequently deposited in another account under the first-time homebuyer savings program,

3. the withdrawal was due to the death or disability of an account holder who established the account, or

4. the withdrawal is considered an asset disbursement as part of a bankruptcy proceeding.

Commissioner Responsibilities. To implement the deduction and credit, the bill requires the DRS commissioner to prepare forms to:

1. designate (a) accounts as first-time homebuyer savings accounts and (b) qualified beneficiaries and

2. collect from account holders information for tax purposes and any other information the commissioner needs to perform his program duties.

Financial Institution Responsibilities. The bill authorizes the DRS commissioner to require that financial institutions provide certain unspecified information about each first-time homebuyer account. However, it limits the role of financial institutions by specifying that they are not required to:

1. designate an account as a "first-time homebuyer savings account,"

2. track the use of funds withdrawn from an account, or

3. allocate account funds among account holders.

Additionally, under the bill, a financial institution is not liable or responsible for:

1. determining if, or ensuring that, an account meets the bill's requirements;

2. determining if account funds are used to pay for or reimburse eligible costs; or

3. disclosing or remitting taxes or penalties unless applicable law requires it.

However, the bill requires a financial institution to distribute funds in a first-time homebuyer savings account in accordance with the contract governing the account when it receives proof of an account holder's death and all other information required by the contract.

Tax Benefit — Individual Deduction

Beginning with the 2027 tax year, the bill establishes three tax deductions for first-time homebuyer account holders for (1) qualifying contributions, (2) accrued interest, and (3) withdrawals. The deductions apply only to the extent the income is included in the taxpayer's federal AGI.

Income Thresholds. To qualify for the deductions, account holders must meet the following income thresholds:

1. for single filers (i.e. unmarried individuals, married individuals filing separately, and heads of household), a federal AGI of less than $125,000 and

2. for joint filers, a federal AGI of less than $250,000.

Deduction Amounts: Contributions, Accrued Interest, and Qualified Beneficiary Deductions. The bill establishes a deduction for contributions that generally equals the amount contributed to an account during the applicable tax year, minus any funds withdrawn during the tax year that were not already claimed for a deduction, up to $2,500 for single filers and $5,000 for joint filers for each such tax year.

For the 2027 tax year only, account holders may deduct the amount contributed (less withdrawals) for both the 2026 and 2027 tax years, so allowing an aggregate deduction of up to $5,000 for single filers and $10,000 for joint filers.

The bill allows account holders to deduct the total interest accrued on their accounts during each tax year.

For an account holder who is a qualified beneficiary, the bill establishes a tax deduction in the amount of any withdrawal from an account that is used to pay, or reimburse, the eligible costs he or she incurs (i.e. the income from a withdrawal used to pay eligible expenses is offset by this tax deduction).

Tax Benefit — Employer Credit

Beginning with the 2027 tax or income year, as applicable, the bill establishes a tax credit for employers that contribute to a current employee's first-time homebuyer savings account, which they may claim against the corporation business tax or personal income tax (but not the withholding tax). The bill sets the annual credit amount at 10% of the employer's contributions to the employees' accounts, capped at $2,500 for any specific employee. (Corresponding with the bill's individual deductions, the 2027 credit includes contributions made during the 2026 and 2027 tax or income years.)

Under the bill, if the employer is an S corporation or a partnership for federal income tax purposes, the employer's shareholders or partners may claim the credit. For a single-member limited liability company that is disregarded as an entity separate from its owner, the owner may claim the credit if he or she is subject to business corporation or income tax. Taxpayers claiming the credit must provide DRS supporting documentation, as the commissioner requires.

Background — Related Bill

sHB 6876 (File 189), reported favorably by the Banking and Finance, Revenue and Bonding committees, has substantially similar provisions.

§ 16 — RELIEF AVAILABLE IN PUBLIC ACCOMMODATION AND HOUSING DISCRIMINATION CASES

Extends to the attorney general existing judicial relief that is available to CHRO under the state's housing and public accommodation anti-discrimination laws

The bill extends to the attorney general existing judicial relief that is available to the Commission on Human Rights and Opportunities (CHRO) under the state's housing and public accommodation anti-discrimination laws. It specifically authorizes the attorney general to ask

for certain injunctive relief, punitive damages, or civil penalties against anyone who violates these anti-discrimination laws.

The judicial relief under the bill is available for actions brought by the attorney general against a person for a pattern or practice of violations or as the result of his investigation into a potential violation. The bill allows the attorney general to petition for the relief from the Superior Court for the judicial district where the violation or alleged violation occurred.

EFFECTIVE DATE: October 1, 2025

Attorney General's Authority

The law authorizes the attorney general to investigate, intervene, or bring a civil or administrative action on the state's behalf, seeking relief and damages, whenever anyone is or has engaged in a practice or pattern of conduct that (1) deprives or causes the deprivation of a person's legal rights or immunities or (2) interferes, or attempts to interfere, by threats, intimidation, or coercion, with a person's exercise or enjoyment of their rights, privileges, or immunities secured by the laws or constitutions of Connecticut and the United States.

Petition for Relief, Damages, and Civil Penalties

Under the bill, the attorney general's petition may seek certain remedies available under a CHRO statute, which generally include:

1. appropriate injunctive relief, including temporary or permanent orders or decrees restraining and enjoining the violator from selling or renting to anyone other than the person adversely affected by the violation pending the court's decision;

2. an award of damages based on a specific calculation that accounts for, among other things, the adversely affected person's alternative housing, storage, and moving costs;

3. an award of punitive damages payable to the adversely affected person, up to $50,000;

4. a civil penalty up to $10,000, $25,000, or $50,000 payable to the state, generally depending on the violator's number of prior discriminatory housing practices; or

5. a combination of these remedies.

CHRO Jurisdiction

Existing law, which extends to the bill's provisions, also:

1. maintains an adversely affected person's right to file a complaint with CHRO,

2. prohibits the attorney general from bringing an action concurrent with a case before CHRO that involves the same parties and alleged facts and circumstances,

3. allows the attorney general to refer cases to CHRO as appropriate, and

4. requires the attorney general to post information on his office's website about properly filing a CHRO complaint.

Background — Related Bill

sHB 7209 (File 753), § 1, reported favorably by the Judiciary Committee, has identical provisions.

§ 17 — ATTORNEY'S FEES UNDER AFFORDABLE HOUSING LAND USE APPEALS PROCEDURE

Generally allows the court to award reasonable attorney's fees to an applicant under the CGS § 8-30g appeals procedure if it finds, after a hearing, that the municipal planning or zoning agency's decision was made in bad faith or to cause undue delay

The affordable housing land use appeals procedure (i.e. CGS § 8-30g) generally requires municipal planning and zoning agencies to defend their decisions rejecting qualifying affordable housing development applications or approving them with restrictions that would have a substantial adverse impact on the project's viability or the affordability of income-restricted units. Specifically, applicants (e.g., developers) can use the appeals procedure to contest these decisions in court and the procedure places the burden of proof on the municipal planning or

zoning agency. (In traditional land use appeals, the appellant instead must convince the court that the agency acted illegally or arbitrarily or abused its discretion.)

Under the bill, if the court finds, after a hearing, that the agency's decision was made in bad faith or to cause undue delay, the court may award reasonable attorney's fees to the applicant (if the court orders the construction of a total number of (1) units in an affordable housing development or (2) affordable units in a set-aside development equaling at least 90% of the units proposed in the original application to the commission).

EFFECTIVE DATE: October 1, 2025

Background — Related Bill

sHB 7209 (File 753), § 2, reported favorably by the Judiciary Committee, has similar provisions.

§ 18 — USE OF REVENUE MANAGEMENT DEVICES

Makes it an unlawful practice in violation of the Connecticut Antitrust Act for anyone to use a revenue management device to set rental rates or occupancy levels for residential dwelling units; subjects violators to the act's investigation and enforcement provisions, including a civil penalty

The bill makes it an unlawful practice in violation of the Connecticut Antitrust Act for anyone to use a revenue management device to set rental rates or occupancy levels for residential dwelling units. It subjects violators to the act's investigation and enforcement provisions, which authorize the attorney general to investigate and bring action against violators on behalf of the state and its residents.

Under the bill, a "revenue management device" is a device commonly known as revenue management software that uses one or more programmed or automated processes to calculate nonpublic competitor data on local or statewide rents or occupancy levels, to advise a landlord on (1) whether to leave a unit vacant or (2) the amount of rent he or she could get. It includes a product that incorporates a revenue management device, but does not include a:

1. report that publishes existing rental data in an aggregated

manner but does not recommend rental rates or occupancy levels for future leases or

2. product used for establishing rent or income limits under the affordable housing program guidelines of a local, state, or federal program.

Under the bill, "nonpublic competitor data" is information that is not available to the general public, including information about actual rent amounts, occupancy levels, lease start and end dates, and other similar data, regardless of whether the information is (1) attributable to a specific competitor or anonymized and (2) derived from or otherwise provided by another person that competes in the same or a related market.

EFFECTIVE DATE: October 1, 2025

Background — Related Bill

sHB 7209 (File 753), § 3, reported favorably by the Judiciary Committee, has substantially similar provisions.

§§ 19, 20, 24 & 25 — ZONING FOR TRANSIT-ORIENTED DEVELOPMENT

Creates a framework in which a municipality's priority for receiving certain discretionary state funding may be tied to its adoption of zoning regulations that promote transit-oriented development

The bill creates a framework in which a municipality's priority for receiving certain discretionary infrastructure funding (see above) may be tied to its designation as a qualifying transit-oriented community (TOC) or its plans to become one. 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 — As-of-Right Developments*).

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 on a priority basis, but they are not TOCs themselves.

EFFECTIVE DATE: October 1, 2025

Priority for Discretionary Infrastructure Funding

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; (3) has a transit-oriented district by October 1, 2025; or (4) is a transit-adjacent community. Under the bill, this funding must be used exclusively on improvements located within a district (but they may also benefit property outside a district).

Under the bill, to receive prioritized discretionary infrastructure funding, eligible municipalities must generally 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 generally may give these municipalities priority status over other applicants.

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.

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

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 its 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 to the statute under which most municipalities exercise zoning powers (CGS § 8-2).

The secretary may waive certain requirements by granting an exemption (see below). The secretary cannot impose requirements additional to those in the bill and CGS § 8-2.

The bill specifies that the secretary cannot deem a municipality a qualifying TOC without its consent.

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).

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.

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.

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).

The bill additionally specifies that municipalities must, within a district, allow existing residential or commercial properties to be converted into any of the above-listed developments (and they must be allowed as of right).

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).

Required Set-Asides. 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's) 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

CHFA's Census Tract Designation	*Restricted Units*
High Opportunity/Heating Market	10%
High Opportunity/Cooling Market	10%
Low Opportunity/Cooling Market	5%

District Guidelines Adopted in Consultation With Interagency Housing Development Council

The secretary, in consultation with the interagency council on housing development (see below), 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. 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.

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.

Qualifying by Establishing a District by October 1, 2025

The bill makes any municipality that adopts a transit-oriented district by October 1, 2025, eligible for discretionary infrastructure funding on a priority basis for developments within the district. The municipality need not qualify as a TOC.

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 on a priority basis.

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).

Background — § 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.

Background — 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.

sHB 6831 (File 346), favorably reported by the Planning and

Development and Appropriations committees, contains substantially similar provisions.

§ 21 — INTERAGENCY COUNCIL ON HOUSING DEVELOPMENT

Establishes an interagency council on housing development to, among other things, review whether discretionary state grant programs adhere to the state Plan of Conservation and Development's goals and create guidelines for transit-oriented districts

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.

EFFECTIVE DATE: Upon passage

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 Housing and Planning and Development 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 (DOH) 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 chief executive officer, and
8. CHFA chief executive officer.

Background — Related Bill

sHB 6831 (File 346), favorably reported by the Planning and Development and Appropriations committees, contains an identical provision.

§ 22 — OPM GRANT PROGRAM FOR COGS

Allows OPM to establish a grant program for COGs to support certain transit and pedestrian infrastructure projects

The bill allows the OPM secretary to establish, within available funding, a program providing grants to regional councils of government (COGs) for public transit, bicycle, or pedestrian infrastructure projects.

EFFECTIVE DATE: October 1, 2025

Background — Related Bill

sHB 6831 (File 346), favorably reported by the Planning and Development and Appropriations committees, contains an identical provision.

§ 23 — TRANSIT-ORIENTED DISTRICTS QUALIFY AS HOUSING GROWTH ZONES

Qualifies transit-oriented districts, as established under the bill, as housing growth zones for purposes of the Connecticut Municipal Redevelopment Authority law

The bill 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.

EFFECTIVE DATE: October 1, 2025

Background — 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.).

Background — Related Bills

sHB 6831 (File 346), favorably reported by the Planning and Development and Appropriations committees, contains an identical provision.

§ 26 — STATE-WIDE WASTEWATER CAPACITY STUDY

Requires the OPM secretary to study wastewater capacity in the state, including identifying areas underserved by wastewater infrastructure

The bill requires the OPM secretary, within available appropriations and in coordination with the interagency council on housing development (see above), to conduct a state-wide wastewater capacity study. The study must evaluate publicly and privately owned wastewater infrastructure's capacity, flows, physical conditions, regulatory compliance, and vulnerabilities to natural hazards.

In conducting the study, the secretary must identify (1) areas "underserved" by wastewater infrastructure and (2) existing wastewater capacity limitations. He must also make recommendations for efficient investments in wastewater infrastructure to support housing and economic development while protecting public and environmental health.

The secretary must submit the report to the Commerce, Environment, Housing, and Planning and Development committees by July 1, 2026. The secretary must also submit it to the members of the interagency council on housing development.

EFFECTIVE DATE: Upon passage

§ 27 — AFFORDABLE HOUSING PROGRAM FOR CONSTRUCTION INDUSTRY EMPLOYMENT

Requires DOH to (1) create a program that funds proposed affordable housing development projects creating employment opportunities in the construction industry and meeting certain affordability requirements and (2) set criteria for awarding funds under the program

The bill requires DOH, within available bond authorizations, to develop and administer a program that funds proposed affordable housing development projects creating employment opportunities in the construction industry. It also (1) requires DOH to set criteria for awards and (2) sets related housing affordability requirements.

Under the bill, beginning July 1, 2026, eligible project sponsors can apply, as prescribed by DOH, to receive program funding for a proposed project.

EFFECTIVE DATE: January 1, 2026

Criteria for Awarding Funds

The bill requires DOH to set criteria for awarding funds, which at a minimum must require the following:

1. the applicant to secure co-investment funding from a union pension fund (or comingled fund of union pension fund investments) with a demonstrated record of successful investment in affordable housing construction,

2. the proposed project to be covered by a project labor agreement, and

3. the applicant to be committed to workforce training by following state-registered apprenticeship standards and apprenticeship readiness programs.

Under the bill, DOH cannot approve financing for a proposed project later than three years after the department is allocated funds for the program.

Affordability Requirements

The bill requires all housing built with program funding to have affordability restrictions (i.e. deed restrictions) that apply for at least 40 years and limit occupancy to households earning up to 80% of the median income, or other means DOH selects. These affordability restrictions must require the housing to be sold or rented at a price that is not more than 30% of an eligible household's income. (Presumably, DOH must determine whether "median income" means state or area median income.)

Background — Related Bills

sSB 12 (File 251), § 4, reported favorably by the Housing; Finance,

Revenue and Bonding; and Appropriations committees, has similar provisions.

sSB 1247 (File 901), § 105, reported favorably by the Finance, Revenue and Bonding Committee, authorizes up to $50 million in GO bonds for DOH to finance projects to create employment opportunities in the construction industry by developing affordable housing.

§ 28 — MUNICIPALITIES THAT MUST HAVE A FAIR RENT COMMISSION

Requires municipalities with a population of 15,000, by January 1, 2028, to create a fair rent commission or join a joint or regional commission; allows (1) two or more contiguous municipalities to form a joint fair rent commission and (2) a COG to establish a regional fair rent commission

The bill requires the legislative body of municipalities (i.e. towns, cities, or consolidated towns and cities) with a population of 15,000 or more, by January 1, 2028, to adopt an ordinance creating a fair rent commission, establishing or joining a joint fair rent commission, or joining a regional fair rent commission (see *Background – Fair Rent Commissions*). It also allows other municipalities below this population threshold to do so. Current law (1) required all municipalities with a population of at least 25,000 to have a commission by July 1, 2023, and (2) allows others to have them.

Under the bill, two or more contiguous municipalities may form a joint fair rent commission by adopting concurrent ordinances through their legislative bodies. Current law (1) limits this option only to municipalities under the population threshold discussed above and (2) does not require that the municipalities be contiguous. The bill specifies that a municipality contiguous to a joint fair rent commission member municipality may join the joint commission by adopting an ordinance through its legislative body. Relatedly, it allows a municipality to leave a joint commission by vote of its legislative body, provided the withdrawing municipality creates its own fair rent commission or joins another joint or regional fair rent commission according to the bill's requirements.

The bill also allows (1) a COG to establish a regional fair rent

commission and (2) any municipalities that are members of the COG to join the regional commission by adopting an ordinance through their legislative body. It requires regional commissions to set the way in which complaints are submitted to it. Additionally, under the bill, a party to a pending regional commission matter may request that the commission conduct any meeting (or portion of a meeting) virtually (i.e. using any technology that facilitates real-time public access to meetings) if the party's attendance is required. Regional commissions must do so in conjunction with an in-person meeting.

The bill prohibits municipalities that are required to establish a fair rent commission and had done so before July 1, 2025, from abolishing their commission before January 1, 2028, unless the municipality joins a joint or regional fair rent commission.

Existing law requires a municipality's chief executive officer to notify DOH that the municipality has established a fair rent commission and send the department a copy of its ordinance within 30 days after it is adopted. The bill specifies that these requirements also apply to municipalities that join joint or regional commissions.

EFFECTIVE DATE: July 1, 2025

Background — Fair Rent Commissions

By law, fair rent commissions are generally empowered to (1) control and eliminate excessive (i.e. harsh and unconscionable) rental charges and (2) enforce landlord-tenant statutes prohibiting landlord retaliation and establishing eviction protections for certain protected tenants. Among other things, commissions may receive rent complaints and hold hearings on them (CGS § 7-148b et seq.). According to DOH, 38 municipalities currently have a fair rent commission.

Background — Related Bills

sSB 12 (File 251), § 6, reported favorably by the Housing; Finance, Revenue and Bonding; and Appropriations committees, has similar provisions.

sSB 1264 (File 203), reported favorably by the Housing Committee,

requires (1) a fair rent commission to notify parties to any of its proceedings of their rights and the scope of the commission's lawful authority and (2) DOH to create a model notice.

sSB 1266 (File 72), reported favorably by the Housing Committee, (1) requires municipalities with a fair rent commission to post on their website a copy of the commission's adopted bylaws and (2) specifies that fair rent commission hearings must be open to the public.

HB 6892 (File 265), reported favorably by the Housing Committee, modifies the factors that fair rent commissions must consider when determining whether a rental charge or proposed rent increase is excessive (to include consideration of the percentage of rent increase for an accommodation that changed ownership within the last year).

sHB 6943 (File 233), § 3, reported favorably by the Housing Committee, requires a landlord's rent increase notice to include a statement that the tenant has the right to file a complaint with the fair rent commission to dispute the increase if the dwelling unit is in a municipality with a commission.

§ 29 — CHFA SMART RATE PILOT INTEREST RATE REDUCTION PROGRAM

Requires CHFA to expand its Smart Rate Pilot Interest Rate Reduction Program to provide benefits to additional eligible mortgage borrowers

The bill requires CHFA to expand its Smart Rate Pilot Interest Rate Reduction ("Smart Rate") Program to provide benefits to additional eligible mortgage borrowers. It must do so as part of its homeownership loan program and within resources allocated to DOH by the State Bond Commission for this program.

CHFA's Smart Rate program offers eligible mortgage borrowers an additional interest rate reduction of 1.125%. To be eligible, borrowers must, among other requirements, (1) have combined student loan debt with at least $15,000 unpaid principal balance; (2) be a first-time homebuyer or have not owned a home in the past three years, unless purchasing in certain targeted areas; and (3) meet certain income and sales price limitations.

EFFECTIVE DATE: July 1, 2025

Background — Related Bill

sSB 12 (File 251), § 8, reported favorably by the Housing; Finance, Revenue and Bonding; and Appropriations committees, has similar provisions.

§§ 30-32 — ONLINE RENTAL PAYMENT SYSTEMS AND EVICTIONS

Prohibits residential landlords from starting an eviction proceeding for nonpayment of rent if their online rental payment system prevents the tenant from paying his or her rent during the applicable grace period; extends these grace periods by an additional five days if an online rental payment system prevented a tenant's timely rent payment

The bill prohibits residential landlords from starting an eviction proceeding for nonpayment of rent if their online rental payment system prevents the tenant from paying his or her rent during the law's grace periods, which the bill extends under these circumstances.

Existing law allows a landlord (i.e. owner or lessor) or his or her legal representative or attorney to start an eviction proceeding by serving a notice to quit possession when a residential tenant does not pay his or her rent within a nine-day grace period beginning the day after rent is due. This grace period also generally applies to residents of mobile manufactured home parks. (The grace period is four days for one-week tenancies.) The bill extends these grace periods for an additional five days if a landlord's online rental payment system prevented a tenant's timely rent payment.

EFFECTIVE DATE: July 1, 2025

Background — Beginning an Eviction Proceeding

By law, once a landlord has a ground for eviction, he or she begins the process by serving the tenant with a notice to quit possession. The landlord must serve it at least three days before a rental agreement is terminated or before the time the notice to quit specifies (in other words, the landlord must give the tenant at least three full days to move out).

If the tenant fails to respond to this notice by refusing to move from the rented premises, the landlord may start proceedings in Superior Court by filing a summons and complaint. The tenant may respond to

the complaint; if he or she contests the action, the court may try the case and enter judgment. If the court rules for the landlord, it orders the judgment executed, and a state marshal removes the tenant and his or her belongings.

Background — Related Bill

sSB 1302 (File 205), reported favorably by the Housing Committee, has similar provisions.

§ 33 — ELEVATOR INSPECTIONS

Requires certain multifamily housing projects to have their elevators inspected at least once every 12 months by a DAS elevator inspector

The bill requires all "privately owned multifamily housing projects" to have their elevators inspected at least once every 12 months by a Department of Administrative Services (DAS) elevator inspector. Following each inspection, the inspector must submit a report to the state building inspector that describes the status of (1) each elevator on the premises and (2) any ongoing elevator repair, including how long any elevator is expected to remain inoperable.

A privately owned multifamily housing project is a property that is at least 15 stories tall, contains age-restricted dwelling units, and is subject to a mortgage insured under the National Housing Act (12 U.S.C. § 1701 et seq.).

Under existing law, elevators and escalators must be inspected at least once every 18 months, and elevators in private residences must also be inspected at the owner's request.

EFFECTIVE DATE: October 1, 2025

Background — Related Bill

sHB 7119 (File 410), § 14, reported favorably by the Public Safety and Security Committee, has a similar provision.

§§ 34 & 37-39 — DIFFERENT MORATORIUM THRESHOLD AFTER ADOPTING PRIORITY HOUSING DEVELOPMENT ZONE

Creates an alternative standard for a municipality to qualify for a moratorium under CGS § 8-30g if it creates an overlay zone meeting specific requirements

The bill creates an alternative standard for a municipality to qualify for a temporary suspension of the affordable housing land use appeals procedure (i.e. CGS § 8-30g). Under existing law, a municipality qualifies for this temporary suspension (i.e. moratorium) each time it shows it has added a certain amount of affordable housing units over the applicable period (see *Background — § 8-30g*). Under the bill, if a municipality adopts zoning regulations creating an overlay zone meeting specific requirements, a lower moratorium threshold generally applies. The bill designates these zones "priority housing development zones" (hereinafter priority zones).

Among other requirements, the priority zone must (1) cover at least 10% of the municipality's developable land and (2) allow specific minimum densities of housing development as-of-right. The bill makes the housing commissioner responsible for reviewing these priority zones for conformity with the bill's requirements and approving them through letters of eligibility.

The bill specifies that its provisions on the required content of priority zone regulations must not be construed to affect the power of local zoning commissions, or the body exercising zoning authority, to adopt or amend regulations under their statutory or special act powers.

EFFECTIVE DATE: July 1, 2025

Reduced Moratorium Threshold

Under the bill, municipalities that adopt a commissioner-approved priority zone generally qualify for a § 8-30g moratorium under a lower threshold than current law sets (i.e. after adding less affordable housing stock, generally). But they are only eligible for one if, when they apply for the moratorium, they comply with the requirements in the final letter of eligibility (see below).

By law, a municipality is eligible for a moratorium each time it shows it has added a certain amount of affordable housing units over the applicable period, measured in housing unit equivalent (HUE) points. A moratorium typically lasts four years, except that municipalities with

at least 20,000 dwelling units are eligible for moratoria lasting for five years if they are applying for a subsequent moratorium (i.e. they previously qualified for a moratorium).

In addition to showing current law's moratorium thresholds, the table below shows the bill's reduced threshold for municipalities that adopt an approved priority zone. The bill does not change the threshold applicable to certain larger municipalities with an affordable housing plan applying for a second or subsequent moratorium, even if they adopt a priority zone.

Table: Moratorium Eligibility Thresholds

	Existing Law's Requirements for Added Housing Units, Measured in HUE Points	***Requirements for Municipalities that Adopt a Priority Zone as Provided by the Bill, Measured in HUE Points***
Generally Applicable Moratorium Threshold	Greater of 2% of the housing stock, as of the last decennial census, or 75 HUE points	Greater of 1.75% of the housing stock, as of the last decennial census, or 65 HUE points
Second or Subsequent Moratorium Threshold for Municipalities That Have at Least 20,000 Dwelling Units and Adopt an Affordable Housing Plan	Greater of 1.5% of the housing stock, as of the last decennial census, or 75 HUE points	No change

Requirements for Local Zone Adoption

Regardless of conflicting provisions in a charter or special act, the bill allows any municipality that adopts zoning regulations to amend them to establish a priority zone as an overlay zone. The zone may consist of one or more subzones, as long as each subzone and the zone as a whole comply with the bill's requirements.

The bill specifies that any regulation creating a priority zone must:

1. be consistent with CGS § 8-2 (the law most municipalities exercise zoning authority under), including its provisions on varied housing opportunities;

2. ensure the zone is consistent with the state plan of conservation and development and located in an "eligible location" (i.e. within an existing residential or commercial district and suitable for development as a priority zone);

3. allow "multifamily housing" (i.e. buildings with three or more residential dwelling units) as of right within the zone, generally subject to minimum density requirements the bill establishes (see below);

4. ensure the zone encompasses at least 10% of the municipality's total developable land (see below); and

5. be likely to substantially increase the production of new dwelling units necessary to meet housing needs within the zone (as determined by the housing commissioner).

The bill specifically allows a municipality's zoning commission (or body exercising zoning authority) to:

1. modify, waive, or eliminate dimensional standards applicable to any underlying zone in order to support the minimum or desired densities, mix of uses, or physical compatibility in the priority zone (e.g., building height, setbacks, lot coverage, parking ratios, and road design standards);

2. in a priority zone, allow for a mix of business, commercial, or other nonresidential uses within a single zone or for the separation of these uses into one or more subzones, if (a) the zone as a whole complies with the bill's requirements and (b) the uses are consistent with as-of-right residential development at the densities the bill specifies; and

3. overlay the priority zone over all or part of an existing historic district.

Minimum Density Requirements

Under the bill, the following minimum housing densities must be allowed, per acre of developable land:

1. four units per acre for single-family detached housing,

2. six units per acre for duplexes (the bill does not define "duplex") or "townhouse housing" (i.e. a residential building constructed in a group of at least three attached single-family dwelling units in which each unit extends from foundation to roof and has exterior walls on at least two sides), and

3. 10 units per acre for multifamily housing.

The bill specifies that municipalities (1) may only subject these minimum densities to site plan or subdivision procedures, submission requirements, and approval standards and (2) cannot subject them to special permit or special exception procedures, requirements, or standards.

Developable Land Defined

Under the bill, developable land is the area within the boundaries of an approved zone that can feasibly be developed into residential uses consistent with the bill. It excludes:

1. land already committed to a public use or purpose, whether publicly or privately owned;

2. "open space" (i.e. land or a permanent interest in land that is used for or satisfies at least one of the criteria listed in an existing law on grants for acquiring open space and watershed land), existing parks, and recreation areas that are dedicated to the public or subject to a recorded conservation easement;

3. land otherwise subject to an enforceable restriction or prohibition on development;

4. wetlands or watercourses (as defined under state law); and

5. areas of at least a half acre of contiguous land that are unsuitable

for development due to topographic features, such as steep slopes.

Parameters for Establishing New Historic Districts

The bill specifies that a municipality may establish a historic district within an approved priority zone. Municipalities must notify the commissioner of new districts within seven days. If the district's requirements or regulations would render the approved priority zone out of compliance with the bill's requirements, the commissioner must (1) deny or revoke a preliminary or final letter of eligibility and (2) deny or revoke a certificate of affordable housing project completion (i.e. the eligibility determination for an § 8-30g moratorium).

Priority Zone Approval Process

Once a municipality adopts a priority zone, it may request from the housing commissioner a final letter of eligibility. (The bill also allows a municipality to apply for, and the commissioner to issue, a preliminary letter of eligibility, based on its proposed zoning modifications.)

The commissioner must review requests within 90 days of receiving them and may approve, reject, or request modifications to them.

If a municipality modifies a proposed or adopted priority zone (including creating an overlapping historic district) after applying for or receiving a preliminary or final letter of eligibility, it must notify the commissioner of the modifications within seven days. The commissioner may deny or rescind the letter if the changes do not comply with the bill's requirements.

Reviewing Progress in the Zone

The bill allows the housing commissioner, at least a year after providing a final letter of eligibility, to review market conditions in a municipality and the state and, in her discretion, determine whether there are sufficient building permits or other indicators of progress toward constructing dwellings in the zone. If she determines that is not the case, she can rescind a letter of eligibility or current certificate of affordable housing completion.

Background — § 8-30g

The affordable housing land use appeals procedure is a set of rules that allows developers to appeal to Superior Court local planning and zoning commission decisions denying affordable housing developments or approving them with costly conditions. In traditional zoning appeals, the developer must convince the court that the commission (i.e. municipality) acted illegally or arbitrarily, or abused its discretion, by rejecting the proposed development. The § 8-30g appeals procedure instead places the burden of proof on the municipality. Only municipalities in which less than 10% of the housing stock is affordable, and that have not qualified for a moratorium, are subject to the procedure.

Background — Affordable Housing Developments

By law, an affordable housing development under § 8-30g means "assisted housing" or a "set-aside development." The former is generally certain government-assisted housing or housing occupied by people receiving rental assistance. The latter is a development in which, for at least 40 years after initial occupancy, at least 30% of the units are deed-restricted based on specified household income limits.

Background — HUE Points

A municipality is eligible for a moratorium on appeals taken under the § 8-30g procedure each time it shows it has added a certain amount of affordable housing units over the applicable period (since July 1, 1990, for first moratoria), measured in HUE points. Generally, newly built set-aside and assisted housing developments count toward the moratorium, as do units subjected to certain deed restrictions. The table below shows current law's HUE point allocation by unit type.

Table: Base and Bonus HUE Points

Unit Type		*Base HUE Value (per unit)*
Owned or rented market-rate unit in a "set-aside development"		0.25
Owned or rented elderly unit restricted to households earning no more than 80% of the median income		0.50
	80% of median income	1.00

Owned family unit restricted to households earning no more than:	60% of median income	1.50
	40% of median income	2.00
Rented family unit restricted to households earning no more than:	80% of median income	1.50
	60% of median income	2.00
	40% of median income	2.50
Owned or rented homes in resident-owned mobile manufactured home parks occupied by households earning 80% or less of the median income		1.50
Owned or rented homes in resident-owned mobile manufactured home parks occupied by households earning 60% or less of the median income		2.00
Owned or rented homes in resident-owned mobile manufactured home parks not otherwise eligible for points		0.25
Dwelling units in "middle housing" developed as-of-right (see CGS § 8-1a)		0.25
Unit Type		***Bonus HUE Value***
Rental family units in a set-aside development, if the developer applied for local approval before July 6, 1995		Bonus equal to 22% of the total points awarded to the development

Background— Related Bill

sSB 1252 (File 253), favorably reported by the Housing Committee, contains substantially similar provisions.

§ 34 — BONUS MORATORIUM POINTS FOR PROJECTS WITH A NEIGHBORING TOWN'S HOUSING AUTHORITY

Provides a 0.25 point per unit bonus toward a CGS § 8-30g moratorium for units eligible for HUE points under existing law if the unit was constructed by, or in conjunction with, a neighboring municipality's housing authority

Under existing law, a municipality qualifies for a temporary suspension (i.e. moratorium) of the affordable housing land use appeals procedure (i.e. CGS § 8-30g) each time it shows it has added a certain amount of affordable housing units over the applicable period, measured in HUE points. The bill provides a 0.25 point bonus for units eligible for HUE points under existing law if the unit was constructed by, or in conjunction with, a neighboring municipality's housing authority. (For additional information on HUE points, see §§ 34 & 37-39 *Background — HUE Points* above).

EFFECTIVE DATE: July 1, 2025

§ 35 — MAJORITY LEADERS' ROUNDTABLE STUDY

Requires the majority leaders' roundtable on affordable housing to study the potential issues and benefits of changing the CGS § 8-30g exemption threshold from a percentage of qualifying dwelling units in a municipality to a flat numerical value

The bill requires the majority leaders' roundtable on affordable housing to review the potential issues and benefits of changing the CGS § 8-30g exemption threshold from a percentage of qualifying dwelling units in a municipality to a flat numerical value. (By law, municipalities are exempt from the § 8-30g appeals procedure if at least 10% of their housing units are affordable, based on certain criteria.)

The bill requires the roundtable to report its findings and recommendations to the Housing Committee by February 1, 2026.

EFFECTIVE DATE: Upon passage

§ 36 — DOH AFFORDABLE HOUSING REAL ESTATE INVESTMENT TRUST PILOT PROGRAM

Requires DOH, within available resources, to establish a pilot program providing grants to entities for acquiring housing units that are subject to long-term affordability deed restrictions and located in certain municipalities

The bill requires DOH, within available resources, to create and administer an Affordable Housing Real Estate Investment Trust pilot program. The program's purpose is to provide grants to entities for acquiring housing units that are subject to long-term deed restrictions requiring they be maintained as affordable housing. Under the bill, these units must be located in municipalities with populations of at least 130,000 but less than 140,000, based on the most recent federal decennial census (i.e. Stamford and New Haven). Program participation is by application, as DOH prescribes.

EFFECTIVE DATE: July 1, 2025

§ 41 — BROADENING PURPOSES OF HEALTHY HOMES FUND

Broadens the purposes for which DOH may use a certain portion of the Healthy Homes Fund

By law, 15% of the money in the Healthy Homes Fund (i.e. the portion that does not go to the Crumbling Foundations Assistance Fund) is used by DOH for lead removal, remediation, and abatement. The bill repeals

a provision in law that limits the scope of DOH's hazard abatement activities under the Healthy Homes Fund to lead, thus allowing DOH to use the fund to abate other contaminants or conditions (e.g., radon) affecting dwellings.

EFFECTIVE DATE: July 1, 2025

COMMITTEE ACTION

Housing Committee

Joint Favorable
Yea 13 Nay 5 (03/06/2025)

Finance, Revenue and Bonding Committee

Joint Favorable
Yea 38 Nay 14 (05/05/2025)

Appropriations Committee

Joint Favorable
Yea 36 Nay 13 (05/16/2025)