OLR Bill Analysis

sSB 1252

AN ACT ESTABLISHING PRIORITY HOUSING DEVELOPMENT ZONES.

SUMMARY

This 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). 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 generally (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

§ 4 — 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).

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

§§ 1-3 — PRIORITY HOUSING DEVELOPMENT ZONES

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

2. 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); and

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

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 Allowable Density Requirements

Under the bill, unless the housing commissioner in her discretion waives these requirements after determining the proposed priority zone

provides for "similar housing development" and satisfies the bill's other requirements for the zone, 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 the municipality may establish a historic district within an approved priority zone. However, 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 after receiving a preliminary or final letter of eligibility, it must notify the commissioner of the modifications within seven days. The commissioner may rescind the letter if the changes do not comply with the bill's requirements.

BACKGROUND

§ 8-30g

The affordable housing land use appeals procedure is a set of rules that allows developers to appeal local planning and zoning commission decisions denying affordable housing developments or approving them with costly conditions to Superior Court. 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.

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.

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 existing 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
Owned family unit restricted to households earning no more than:	80% of median income	1.00
	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

Related Bills

sHB 6831, favorably reported by the Planning and Development Committee, makes municipalities that plan to adopt zoning regulations allowing certain housing developments to be built as-of-right in a transit-oriented district eligible to have state infrastructure funding prioritized for use within the district.

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

COMMITTEE ACTION

Housing Committee

Joint Favorable
Yea 14 Nay 4 (03/06/2025)