House of Representatives

File No. 973

General Assembly

January Session, 2025 ***(Reprint of File No. 222)***

House Bill No. 5002
As Amended by House Amendment
Schedules "A" and "B"

Approved by the Legislative Commissioner
May 29, 2025

AN ACT CONCERNING HOUSING AND THE NEEDS OF HOMELESS PERSONS.

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

Section 1. Section 8-68d of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

Each housing authority shall submit a report to the Commissioner of Housing and the chief executive officer of the municipality in which the authority is located and post such report on the housing authority's Internet web site not later than March first, annually. The report shall contain (1) an inventory of all existing housing owned or operated by the authority, including the total number, types and sizes of rental units and the total number of occupancies and vacancies in each housing project or development, and a description of the condition of such housing, (2) a description of any new construction projects being undertaken by the authority and the status of such projects, (3) the number and types of any rental housing sold, leased or transferred during the period of the report which is no longer available for the purpose of low or moderate income rental housing, (4) the results of the

authority's annual audit conducted in accordance with section 4-231 if required by said section, (5) the rental price levels by income group, as defined in section 8-37aa, of rental units owned or operated by the housing authority, (6) the number of rental units at each such respective rental price level, displayed as a per cent of the area median income, for each respective housing project or development owned or operated by the housing authority, (7) the annual change in the rental price level of rental units owned or operated by the housing authority, (8) the dates when rental units qualified as affordable, and **[**(5)**]** (9) such other information as the commissioner may require by regulations adopted in accordance with the provisions of chapter 54.

Sec. 2. Subsections (b) to (d), inclusive, of section 8-2 of the general statutes are repealed and the following is substituted in lieu thereof (*Effective July 1, 2026*):

(b) Zoning regulations adopted pursuant to subsection (a) of this section shall:

(1) Be made in accordance with a comprehensive plan and in consideration of the plan of conservation and development adopted under section 8-23;

(2) Be designed to (A) lessen congestion in the streets; (B) secure safety from fire, panic, flood and other dangers; (C) promote health and the general welfare; (D) provide adequate light and air; (E) protect the state's historic, tribal, cultural and environmental resources; (F) facilitate the adequate provision for transportation, water, sewerage, schools, parks and other public requirements; (G) consider the impact of permitted land uses on contiguous municipalities and on the planning region, as defined in section 4-124i, in which such municipality is located; (H) address significant disparities in housing needs and access to educational, occupational and other opportunities; (I) promote efficient review of proposals and applications; and (J) affirmatively further the purposes of the federal Fair Housing Act, 42 USC 3601 et seq., as amended from time to time;

(3) Be drafted with reasonable consideration as to the physical site characteristics of the district and its peculiar suitability for particular uses and with a view to encouraging the most appropriate use of land throughout a municipality;

(4) Provide for the development of housing opportunities, including opportunities for multifamily dwellings, consistent with soil types, terrain and infrastructure capacity, for all residents of the municipality and the planning region in which the municipality is located, as designated by the Secretary of the Office of Policy and Management under section 16a-4a;

(5) Promote housing choice and economic diversity in housing, including housing for both low and moderate income households;

(6) Expressly allow the development of housing which will meet the housing needs identified in the state's consolidated plan for housing and community development prepared pursuant to section 8-37t and in the housing component and the other components of the state plan of conservation and development prepared pursuant to section 16a-26;

(7) Be made with reasonable consideration for the impact of such regulations on agriculture, as defined in subsection (q) of section 1-1;

(8) Provide that proper provisions be made for soil erosion and sediment control pursuant to section 22a-329;

(9) Be made with reasonable consideration for the protection of existing and potential public surface and ground drinking water supplies; **[**and**]**

(10) In any municipality that is contiguous to or on a navigable waterway draining to Long Island Sound, (A) be made with reasonable consideration for the restoration and protection of the ecosystem and habitat of Long Island Sound; (B) be designed to reduce hypoxia, pathogens, toxic contaminants and floatable debris on Long Island Sound; and (C) provide that such municipality's zoning commission

consider the environmental impact on Long Island Sound coastal resources, as defined in section 22a-93, of any proposal for development; and

(11) Allow for the as-of-right development of a middle housing development, as defined in section 19 of this act, on any lot that is zoned for commercial use, except that such regulations may require a determination that a site plan for such middle housing development conforms with applicable zoning regulations and that public health and safety will not be substantially impacted by such middle housing development.

(c) Zoning regulations adopted pursuant to subsection (a) of this section may:

(1) To the extent consistent with soil types, terrain and water, sewer and traffic infrastructure capacity for the community, provide for or require cluster development, as defined in section 8-18;

(2) Be made with reasonable consideration for the protection of historic factors;

(3) Require or promote (A) energy-efficient patterns of development; (B) the use of distributed generation or freestanding solar, wind and other renewable forms of energy; (C) combined heat and power; and (D) energy conservation;

(4) Provide for incentives for developers who use (A) solar and other renewable forms of energy; (B) combined heat and power; (C) water conservation, including demand offsets; and (D) energy conservation techniques, including, but not limited to, cluster development, higher density development and performance standards for roads, sidewalks and underground facilities in the subdivision;

(5) Provide for a municipal system for the creation of development rights and the permanent transfer of such development rights, which may include a system for the variance of density limits in connection

with any such transfer;

(6) Provide for notice requirements in addition to those required by this chapter;

(7) Provide for conditions on operations to collect spring water or well water, as defined in section 21a-150, including the time, place and manner of such operations;

(8) Provide for floating zones, overlay zones and planned development districts;

(9) Require estimates of vehicle miles traveled and vehicle trips generated in lieu of, or in addition to, level of service traffic calculations to assess (A) the anticipated traffic impact of proposed developments; and (B) potential mitigation strategies such as **[**reducing the amount of required parking for a development or**]** requiring public sidewalks, crosswalks, bicycle paths, bicycle racks or bus shelters, including off-site; and

(10) In any municipality where a traprock ridge or an amphibolite ridge is located, (A) provide for development restrictions in ridgeline setback areas; and (B) restrict quarrying and clear cutting, except that the following operations and uses shall be permitted in ridgeline setback areas, as of right: (i) Emergency work necessary to protect life and property; (ii) any nonconforming uses that were in existence and that were approved on or before the effective date of regulations adopted pursuant to this section; and (iii) selective timbering, grazing of domesticated animals and passive recreation.

(d) Zoning regulations adopted pursuant to subsection (a) of this section shall not:

(1) (A) Prohibit the operation in a residential zone of any family child care home or group child care home located in a residence, or (B) require any special zoning permit or special zoning exception for such operation;

(2) (A) Prohibit the use of receptacles for the storage of items designated for recycling in accordance with section 22a-241b or require that such receptacles comply with provisions for bulk or lot area, or similar provisions, except provisions for side yards, rear yards and front yards; or (B) unreasonably restrict access to or the size of such receptacles for businesses, given the nature of the business and the volume of items designated for recycling in accordance with section 22a-241b, that such business produces in its normal course of business, provided nothing in this section shall be construed to prohibit such regulations from requiring the screening or buffering of such receptacles for aesthetic reasons;

(3) Impose conditions and requirements on manufactured homes, including mobile manufactured homes **[**, having as their narrowest dimension twenty-two feet or more and**]** built in accordance with federal manufactured home construction and safety standards or on lots containing such manufactured homes, including mobile manufactured home parks, if those conditions and requirements are substantially different from conditions and requirements imposed on (A) single-family dwellings; (B) lots containing single-family dwellings; or (C) multifamily dwellings, lots containing multifamily dwellings, cluster developments or planned unit developments;

(4) (A) Prohibit the continuance of any nonconforming use, building or structure existing at the time of the adoption of such regulations; (B) require a special permit or special exception for any such continuance; (C) provide for the termination of any nonconforming use solely as a result of nonuse for a specified period of time without regard to the intent of the property owner to maintain that use; or (D) terminate or deem abandoned a nonconforming use, building or structure unless the property owner of such use, building or structure voluntarily discontinues such use, building or structure and such discontinuance is accompanied by an intent to not reestablish such use, building or structure. The demolition or deconstruction of a nonconforming use, building or structure shall not by itself be evidence of such property owner's intent to not reestablish such use, building or structure;

(5) Prohibit the installation, in accordance with the provisions of section 8-1bb, of temporary health care structures for use by mentally or physically impaired persons if such structures comply with the provisions of said section, unless the municipality opts out in accordance with the provisions of subsection (j) of said section;

(6) Prohibit the operation in a residential zone of any cottage food operation, as defined in section 21a-62b;

(7) Establish for any dwelling unit a minimum floor area that is greater than the minimum floor area set forth in the applicable building, housing or other code;

(8) Place a fixed numerical or percentage cap on the number of dwelling units that constitute multifamily housing over four units, middle housing or mixed-use development that may be permitted in the municipality;

(9) Require **[**more than one parking space for each studio or one-bedroom dwelling unit or more than two parking spaces for each dwelling unit with two or more bedrooms, unless the municipality opts out in accordance with the provisions of section 8-2p**]** a minimum number of off-street motor vehicle parking spaces for any residential development except as provided in section 3 of this act; or

(10) Be applied to deny any land use application, including for any site plan approval, special permit, special exception or other zoning approval, on the basis of (A) a district's character, unless such character is expressly articulated in such regulations by clear and explicit physical standards for site work and structures, or (B) the immutable characteristics, source of income or income level of any applicant or end user, other than age or disability whenever age-restricted or disability-restricted housing may be permitted.

Sec. 3. (NEW) (*Effective July 1, 2026*) (a) Except as provided in subsection (b) of this section, no zoning enforcement officer, planning commission, zoning commission or combined planning and zoning

commission shall reject an application for any development solely on the basis that such development fails to conform with any requirement for off-street parking unless such officer or commission finds that a lack of such parking will have a specific adverse impact on public health and safety.

(b) For any proposed residential development that contains twenty-four or more dwelling units, as defined in section 47a-1 of the general statutes, the proposed developer of such development shall submit to the zoning enforcement officer, planning commission, zoning commission or combined planning and zoning commission a parking needs assessment that conforms with the requirements of subsection (c) of this section. Such commission may condition the approval of such development on the construction of off-street parking not exceeding one hundred ten per cent of the parking requirements demonstrated by the submitted needs assessment.

(c) A parking needs assessment submitted pursuant to this section shall be paid for by the proposed developer and shall include an analysis of (1) available existing public and private parking that may be used by residents of the proposed development, (2) public transportation options that may be used by residents of the proposed development that mitigate the need for off-street parking, and (3) current needs and projected future needs for off-street parking for such proposed development.

Sec. 4. (*Effective from passage*) The Commissioner of Social Services shall, within available appropriations, develop and administer a pilot program to provide portable showers and laundry facilities to persons experiencing homelessness. Such program shall be implemented in not fewer than three municipalities and shall provide not less than three portable shower trailers and not less than three traveling laundry trucks. The commissioner may contract with one or more nonprofit organizations to administer the program. Not later than January 1, 2027, the commissioner shall submit a report on the success of the pilot program, in accordance with the provisions of section 11-4a of the

general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to housing. The pilot program shall terminate on January 1, 2027.

Sec. 5. Subsection (b) of section 8-3 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(b) Such regulations and boundaries shall be established, changed or repealed only by a majority vote of all the members of the zoning commission, except as otherwise provided in this chapter. In making its decision the commission shall take into consideration the plan of conservation and development, prepared pursuant to section 8-23, and shall state on the record its findings on consistency of the proposed establishment, change or repeal of such regulations and boundaries with such plan. If a protest against a proposed change is filed at or before a hearing with the zoning commission, signed by the owners of **[**twenty**]** (1) fifty per cent or more of the area of the lots included in such proposed change, (2) fifty per cent or more of the owners of the lots included in such area, or (3) fifty per cent or more of the lots within five hundred feet in all directions of the property included in the proposed change, such change shall not be adopted except by a majority vote **[**of two-thirds**]** of all the members of the commission.

Sec. 6. Section 8-30j of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) **[**(1) Not later than June 1, 2022**]** As used in this section:

(1) "Affordable housing plan" means a plan for the development of affordable housing units in a municipality pursuant to subsection (b) of this section;

(2) "Affordable housing unit" means a dwelling unit conveyed by an instrument containing a covenant or restriction that requires such dwelling unit, for at least forty years after the initial occupation of the unit, to be sold or rented at, or below, a price that will preserve the units as housing for which persons and families pay thirty per cent or less of

their annual income where such person or family is considered a low-income household, very low-income household or extremely low-income household;

(3) "Compliance implementation mechanisms" means (A) changes to a municipality's policies and procedures, and (B) proactive steps a municipality may take in order to allow for the development of affordable housing units, including, but not limited to, (i) redevelopment of a site, (ii) seeking funding for the development of affordable housing units or sewer infrastructure, (iii) donating municipal land for development, and (iv) entering into agreements with developers for a development that includes affordable housing units;

(4) "Developable land" means the area within the boundaries of a municipality that feasibly can be developed into residential or mixed uses, not including: (A) Land already committed to a public use or purpose, whether publicly or privately owned; (B) existing parks, recreation areas and open space that is dedicated to the public or subject to a recorded conservation easement; (C) land otherwise subject to an enforceable restriction on or prohibition of development; (D) wetlands or watercourses as defined in chapter 440; and (E) areas exceeding one-half or more acres of contiguous land that are unsuitable for development due to topographic features, such as steep slopes;

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

(6) "Dwelling unit" has the same meaning as provided in section 47a-1;

(7) "Extremely low-income household" means a person or family with an annual income less than or equal to thirty per cent of the median income;

(8) "Family units" means a dwelling unit whose occupancy is not restricted by age and has two or more bedrooms;

(9) "Low-income household" means a person or family with an annual income less than or equal to eighty per cent of the median income;

(10) "Median income" has the same meaning as provided in section 8-30g, as amended by this act;

(11) "Municipal affordable housing allocation" or "municipality's affordable housing allocation" has the same meaning as "municipal fair share allocation" as defined in section 4-68ii, as amended by this act;

(12) "Priority affordable housing plan" means a plan for the development of the number of affordable housing units allocated to a municipality pursuant to such municipality's affordable housing allocation pursuant to subsection (e) of this section;

(13) "Realistic opportunity" means utilizing (A) municipal powers, including, but not limited to, adopting planning and zoning regulations, and (B) municipal compliance implementation mechanisms, in order to remove barriers and constraints for the construction, rehabilitation, repair or maintenance of affordable housing units within a municipality and the administrative burdens to construct, rehabilitate, repair or maintain such affordable housing units on developable land for the benefit of low-income households, including fees and hearings, and in time frames that shall be consistent and comparable to those for single-family homes;

(14) "Secretary" means the Secretary of the Office of Policy and Management; and

(15) "Very low-income household" means a person or family with an

annual income less than or equal to fifty per cent of the median income.

(b) (1) In accordance with the provisions of subdivision (2) of this subsection, and at least once every five years thereafter, each municipality shall prepare or amend and adopt an affordable housing plan for the municipality and shall submit a copy of such plan to the Secretary of the Office of Policy and Management. Such plan shall specify how the municipality intends to **[**(A)**]** increase the number of affordable housing developments in the municipality. **[**, and (B) for any affordable housing plan submitted after October 1, 2023, improve the accessibility of affordable housing units for individuals with an intellectual disability or other developmental disabilities.**]** The secretary shall post such affordable housing plans submitted pursuant to this subsection on the office's Internet web site.

(2) Except as provided in subdivision (3) of this subsection, each municipality shall submit such municipality's initial affordable housing plan required pursuant to subdivision (1) of this subsection, and each municipality required to prepare a priority affordable housing plan pursuant to subsection (e) of this section shall additionally submit such municipality's initial priority affordable housing plan, in accordance with the following schedule:

(A) Not later than June 1, 2027, for municipalities that begin with the letters "A" to "F", inclusive;

(B) After June 1, 2027, but not later than June 1, 2028, for municipalities that begin with the letters "G" to "P", inclusive; and

(C) After June 1, 2028, but not later than June 1, 2029, for municipalities that begin with the letters "Q" to "Z", inclusive.

[(2)**]** (3) If, at the same time the municipality is required to submit to the Secretary of the Office of Policy and Management an affordable housing plan pursuant to subdivision (1) of this subsection, the municipality is also required to submit to the secretary a plan of conservation and development pursuant to section 8-23, such affordable

housing plan may be included as part of such plan of conservation and development. The municipality may, to coincide with its submission to the secretary of a plan of conservation and development, submit to the secretary an affordable housing plan early, provided the municipality's next such submission of an affordable housing plan shall be five years thereafter.

[(b)**]** (c) The municipality may hold public informational meetings or organize other activities to inform residents about the process of preparing the affordable housing plan and shall post a copy of any draft plan or amendment to such plan on the Internet web site of the municipality. If the municipality holds a public hearing, such posting shall occur at least thirty-five days prior to the public hearing. After adoption of the plan, the municipality shall file the final plan in the office of the town clerk of such municipality and post the plan on the Internet web site of the municipality.

[(c)**]** (d) Following adoption, the municipality shall regularly review and maintain such affordable housing plan. The municipality may adopt such geographical, functional or other amendments to the plan or parts of the plan, in accordance with the provisions of this section, as it deems necessary. If the municipality fails to amend and submit to the Secretary of the Office of Policy and Management such plan every five years, the chief elected official of the municipality shall submit a letter to the secretary that (1) explains why such plan was not amended, and (2) designates a date by which an amended plan shall be submitted.

(e) In addition to the affordable housing plan required pursuant to subsection (b) of this section, any municipality identified by the secretary to be in the highest eighty per cent of the adjusted equalized net grand list per capita, as defined in section 10-261, as of the fiscal year prior to the date the municipality's affordable housing plan is due pursuant to subdivision (2) of subsection (b) of this section, shall prepare a priority affordable housing plan. Such plan shall:

(1) Set forth how the municipality intends to create a realistic

opportunity for the development of the number of affordable housing units allocated to such municipality pursuant to such municipality's affordable housing allocation or the alternative number of affordable housing units offered by the municipality pursuant to subsection (f) of this section;

(2) Identify (A) specific zones or parcels within the municipality sufficient to build the municipality's affordable housing allocation as of right, and (B) the planned density for such zones or parcels;

(3) Detail how the municipality intends to change its zoning regulations and utilize compliance implementation mechanisms in order to allow for the development of the number of housing units allocated to such municipality pursuant to such municipality's affordable housing allocation or the alternative number of affordable housing units offered by the municipality pursuant to subsection (f) of this section; and

(4) Provide for the creation of a sufficient supply of the different types of affordable housing units required for meeting twenty-five per cent of the municipality's number of affordable housing units allocated to such municipality pursuant to such municipality's affordable housing allocation, including ensuring that:

(A) Not less than fifty per cent of the units are family units;

(B) Not less than twenty-five per cent of the units are rental units, provided at least fifty per cent of such twenty-five per cent are family units;

(C) Not more than twenty-five per cent of the units are restricted by occupant age or disability; and

(D) Not more than twenty per cent of the units are studios or one-bedroom units.

(f) Any municipality asserting that it is unable to satisfy the requirements of subdivision (4) of subsection (e) of this section shall

provide an explanation for why the municipality is unable to satisfy such requirements and the steps the municipality has taken or intends to take in order to overcome any impediments to the development of affordable housing units needed to achieve such municipality's affordable housing allocation, including providing an alternative number of affordable housing units the municipality is currently able to develop. Such explanation shall include any evidence of a lack of developable land, if applicable.

(g) (1) Any municipality required to submit a priority affordable housing plan pursuant to subsection (e) of this section shall submit such plan to the secretary for approval, in a form and manner prescribed by the secretary, in accordance with the provisions of subdivisions (1) and (2) of subsection (b) of this section, and at least once every five years thereafter.

(2) Not later than ninety days after receipt of such submission, the secretary shall either approve or reject such submission. Such approval or rejection shall be accompanied by a written statement of the reasons for approval or rejection, pursuant to the provisions of subsection (e) of this section. If the submission is approved by the secretary, the secretary shall issue a letter of approval to the municipality. If the secretary fails to either approve or reject the submission within such ninety-day period, such submission shall be deemed provisionally approved. Such provisional approval shall remain in effect unless the secretary subsequently acts upon and rejects the submission, in which case the provisional approval shall terminate upon notice to the municipality by the secretary.

(h) Following approval of a priority affordable housing plan pursuant to subsection (g) of this section, a municipality shall (1) amend its zoning regulation and implement compliance implementation mechanisms in accordance with such approved plan, and (2) any subsequent priority affordable housing plan submitted by such municipality shall detail how the municipality has amended its zoning regulations and implemented compliance implementation mechanisms

in accordance with the previously approved priority affordable housing plan.

(i) (1) The following municipalities shall be eligible for discretionary infrastructure funding on a priority basis, provided such municipality meets the eligibility criteria for such discretionary infrastructure funding:

(A) Any municipality not required to create a priority affordable housing plan pursuant to subsection (e) of this section; and

(B) Any municipality with an approved priority affordable housing plan pursuant to subsection (g) of this section, including municipalities with provisionally approved priority affordable housing plans.

(2) To receive such funding on a priority basis, any such municipality shall submit an application for such funding to the secretary in a form developed by the secretary. The secretary shall make recommendations to the state agency responsible for administering or managing such funding and, if priority funding is permitted for such funding, such agency may prioritize such municipality for the receipt of such funding over any municipality that is not a qualifying municipality pursuant to subdivision (1) of this subsection, based on the secretary's recommendations.

(3) Nothing in this subsection shall be construed to make a municipality that does not have an approved affordable housing plan pursuant to subsection (g) of this section ineligible for discretionary infrastructure funding.

Sec. 7. Section 4-68ii of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) As used in this section:

(1) "Affordable housing unit" means a dwelling unit conveyed by an instrument containing a covenant or restriction that requires such dwelling unit to be sold or rented at or below a price intended to

preserve such unit as housing for a low-income household;

(2) "Commission", "zoning commission" or "zoning authority" means a zoning commission, planning commission, planning and zoning commission, zoning board of appeals or other municipal agency exercising zoning or planning authority;

(3) "Commissioner" means the Commissioner of Housing, unless otherwise specified;

(4) "Dwelling unit" means any house or building, or portion thereof, which is occupied, is designed to be occupied, or is rented, leased or hired out to be occupied, as a home or residence of one or more persons;

(5) "Median income" is the state median income, as determined by the United States Department of Housing and Urban Development;

(6) "Multifamily housing" means a residential building that contains three or more dwelling units;

(7) "Municipal fair share allocation" means the portion of the minimum need for affordable housing units in a planning region, as determined pursuant to subsection (b) of this section, that is allocated to a municipality located within such planning region;

(8) "Planning region" means a planning region of the state, as defined or redefined by the Secretary of the Office of Policy and Management, or the secretary's designee, under the provisions of section 16a-4a, except the Metropolitan and Western planning regions shall be considered a single planning region; and

(9) "Secretary" means the Secretary of the Office of Policy and Management.

(b) (1) Not later than December 1, 2024, and every ten years thereafter, the secretary, in consultation with the Commissioners of Housing and Economic and Community Development and, as may be determined by the secretary, experts, advocates, state-wide organizations that

represent municipalities, organizations with expertise in affordable housing, fair housing and planning and zoning, shall establish a methodology for each municipality's fair share allocation by:

(A) Determining the need for affordable housing units in each planning region; and

(B) Fairly allocating such need to the municipalities in each planning region considering the duty of the state and municipalities to affirmatively further fair housing pursuant to section 8-2, as amended by this act, and 42 USC 3608. Such methodology shall rely on data from the Comprehensive Housing Affordability Strategy data set published by the United States Department of Housing and Urban Development, or from a similar source as may be determined by the secretary.

(2) Notwithstanding the provisions of this section, on and after October 1, 2025, until December 1, 2034, the secretary shall use the "Alternative Approach A" methodology specified in Appendix A of the Connecticut Fair Share Housing Study, Housing Needs Methodology and Allocation, dated May 2025, to determine each municipality's municipal fair share allocation, subject to the provisions of subdivision (3) of this subsection;

(3) (A) Not later than January 1, 2026, each municipality required to submit a priority affordable housing plan pursuant to subsection (e) of section 8-30j, as amended by this act, shall submit to the majority leader's roundtable established pursuant to section 2-139, in a form and manner established by the majority leader's roundtable, an inventory detailing vacant and developable land, as defined in section 8-30j, as amended by this act, in such municipality and as part of such submission, a municipality may propose an alternative municipal fair share allocation. If no alternative municipal fair share allocation is proposed by a municipality, the municipal fair share allocation for such municipality shall be as set forth in subdivision (2) of this subsection. For purposes of this subsection, "vacant" means land that is not developed or land that lacks essential appurtenant improvements,

above and below water, required for such land to serve a useful purpose, including land that may be an approved subdivision but is not presently being physically improved or sold as lots.

(B) Not later than February 1, 2026, the majority leader's roundtable shall analyze the information submitted pursuant to subparagraph (A) of this subdivision and make recommendations on whether any alternative municipal fair share allocations proposed by a municipality should be approved by the General Assembly. The majority leader's roundtable shall submit such recommendations, in accordance with the provisions of section 11-4a, to the joint standing committee of the General Assembly having cognizance of matters relating to housing, which shall report its approval or disapproval of such recommendations. Each house of the General Assembly, by resolution, shall confirm or reject the recommendations. If either such house rejects the recommendations, the recommendations shall be referred back to the joint standing committee of the General Assembly having cognizance of matters relating to housing for reconsideration.

[(2)**]** (4) The secretary shall ensure that the fair share allocation methodology:

(A) Is designed with due consideration for the duty of the state and each municipality to affirmatively further fair housing in accordance with section 8-2, as amended by this act, and 42 USC 3608;

(B) Relies on appropriate metrics of the minimum need for affordable housing units in a planning region to ensure adequate housing options, including the number of households whose income is not greater than thirty per cent of the area median income and whose housing costs constitute fifty per cent or more of such household's income;

(C) Relies on appropriate factors for fairly allocating such need to each municipality within each planning region, including a municipality's compliance with the requirements of sections 8-2, as amended by this act, and 8-23 with regard to promoting housing choice and economic diversity in housing, including housing for both low and

moderate income households, and encouraging the development of housing which meets the identified housing needs and the development of housing opportunities, including opportunities for multifamily housing, for all residents of the municipality and the planning region in which the municipality is located;

(D) Does not assign a fair share allocation to any municipality with a federal poverty rate of twenty per cent or greater based on data reported in the most recent United States decennial census or similar source; and

(E) Increases the municipal fair share allocation of a municipality if such municipality, when compared to other municipalities in the same planning region, has:

(i) A greater dollar value of the ratable real and personal property, as reflected by its equalized net grand list, calculated in accordance with the provisions of section 10-261a, for residential, commercial, industrial, public utility and vacant land;

(ii) A higher median income, based on data reported in the most recent United States decennial census or similar source;

(iii) A lower percentage of its population that is below the federal poverty threshold, based on data reported in such census or similar source; or

(iv) A lower percentage of its population that lives in multifamily housing, based on data reported in such census or similar source.

[(3)**]** (5) (A) Not later than December 1, 2024, and every ten years thereafter, the secretary, in consultation with the Commissioners of Housing and Economic and Community Development, shall, using the methodology established pursuant to this subsection, determine the minimum need for affordable housing units for each planning region and a municipal fair share allocation for each municipality within each planning region.

(B) No municipal fair share allocation determined pursuant to

subparagraph (A) of this subdivision shall exceed twenty per cent of the occupied dwelling units in such municipality.

(c) **[**The**]** Not later than January 1, 2035, and every ten years thereafter, the secretary shall submit the methodology established pursuant to subsection (b) of this section to the joint standing committees of the General Assembly having cognizance of matters relating to planning and development and housing, in accordance with the provisions of section 11-4a, and each chamber of the General Assembly for approval.

Sec. 8. (NEW) (*Effective October 1, 2025*) (a) For the purposes of this section, "municipality" has the same meaning as provided in section 7-148 of the general statutes and "hostile architecture" means any building or structure that is designed or intended primarily for the purpose of preventing a person experiencing homelessness from sitting or lying in the building or on the structure at street level, provided "hostile architecture" does not include design elements intended to prevent individuals from skateboarding or rollerblading or to prevent vehicles from entering certain areas.

(b) On and after October 1, 2025, no municipality shall install or construct hostile architecture in any publicly accessible building or on any publicly accessible real property owned by the municipality.

(c) Upon receipt of written notice from any person alleging that a building or structure violates the provisions of subsection (b) of this section, a municipality shall investigate such alleged violation. If after such investigation the municipality determines that such building or structure is hostile architecture in violation of the provisions of subsection (b) of this section, the municipality shall remove such building or structure not later than ninety days after making such determination.

(d) The provisions of this section shall not apply to any hostile architecture installed or constructed prior to October 1, 2025.

Sec. 9. (NEW) (*Effective July 1, 2025*) (a) For the purposes of this section, "middle housing" has the same meaning as provided in section 8-1a of the general statutes, "housing authority" has the same meaning as provided in section 8-39 of the general statutes, and "municipality" has the same meaning as provided in section 7-148 of the general statutes.

(b) The Commissioner of Housing shall, within available bond authorizations, develop and administer a middle housing development grant program to support housing authorities in expanding the availability of middle housing in municipalities having populations of fifty thousand or less persons as determined by the most recent decennial census. The commissioner shall develop and issue a request for proposals from housing authorities for purposes of this program.

(c) The commissioner may award grants under the middle housing development grant program to housing authorities to provide assistance for predevelopment, construction or rehabilitation of middle housing developments or to provide assistance for a land or building acquisition for the purposes of developing middle housing developments.

Sec. 10. (NEW) (*Effective July 1, 2025*) (a) As used in this section:

(1) "Authority" means any of the public corporations created by section 8-40 of the general statutes;

(2) "Commissioner" means the Commissioner of Housing;

(3) "Department" means the Department of Housing;

(4) "Direct rental assistance" means a cash payment made to, or on behalf of, a recipient for the purpose of securing or maintaining housing;

(5) "Direct rental assistance program" or "program" means a program managed by a nonprofit provider to provide direct rental assistance to, or on behalf of, a recipient;

(6) "Recipient" means an individual or household determined by a nonprofit provider to be eligible for its direct rental assistance program; and

(7) "Nonprofit provider" means (A) a nonprofit corporation incorporated pursuant to chapter 602 of the general statutes or any predecessor statutes thereto, having as one of its purposes philanthropy or the ownership or operation of housing, or (B) an authority.

(b) The commissioner, each authority, or one or more authorities acting jointly, may, within available appropriations or funding, provide financial assistance in the form of grants-in-aid to any nonprofit provider for the purpose of administering a direct rental assistance program, provided such program (1) conforms with the requirements of subsections (c) and (d) of this section, (2) is approved by the Commissioner of Social Services pursuant to subsection (e) of this section, and (3) is limited in duration to not later than July 1, 2028.

(c) Any nonprofit provider seeking a grant-in-aid to operate a program pursuant to this section shall develop a proposal to (1) implement program operations, (2) determine recipient eligibility, (3) process direct rental assistance payments, (4) establish privacy policies and procedures and collect data concerning the operation of the program pursuant to such policies and procedures, and (5) report on program operations to the commissioner. Such nonprofit provider shall submit such proposal to the commissioner or participating authority in a form and manner to be prescribed by the commissioner.

(d) (1) Recipients in any direct rental assistance program shall be limited to individuals or families that are (A) eligible for a rental assistance program certificate pursuant to section 8-345 of the general statutes, and (B) currently on the waiting list of the federal Housing Choice Voucher Program, 42 USC 1437f(o).

(2) Direct rental assistance provided by a nonprofit provider shall not exceed the greater of (A) the maximum rent levels established by the commissioner pursuant to section 8-345 of the general statutes, or (B) the

fair market rent established for the federal Housing Choice Voucher Program pursuant to 42 USC 1437f(o).

(3) Any nonprofit provider that implements a program pursuant to this section shall comply with state housing policy and program eligibility requirements.

(e) (1) The commissioner or any authority that receives a proposal to operate a program pursuant to this section shall submit such proposal to the Commissioner of Social Services for review. The Commissioner of Social Services shall review any submitted proposal and approve such proposal in accordance with the provisions of this subsection. In reviewing any such proposal, the Commissioner of Social Services shall ensure that any direct rental assistance provided under such program does not adversely affect a recipient's eligibility for, or the amount of, any benefit provided under a state-administered public assistance program, including any program administered by a state or municipal agency that receives federal funding or assistance.

(2) The Commissioner of Social Services shall disregard any direct rental assistance received by a recipient pursuant to this section, or by a member of the recipient's household, to the extent such assistance is provided as part of a direct rental assistance program established pursuant to this section. Such disregard shall apply for the duration of the recipient's participation in such program and may be reauthorized by the Commissioner of Social Services.

(3) If the Commissioner of Social Services determines that a federal, state or local waiver or approval is necessary to authorize such income disregards under applicable benefits programs, the Commissioner of Social Services shall request and promptly pursue any such waiver or approval.

(4) The Commissioner of Social Services shall approve a proposal submitted pursuant to this subsection upon (A) obtaining waivers or approvals pursuant to subdivision (3) of this subsection, or (B) determining that such waivers or approvals are not required.

(f) (1) No nonprofit provider shall initiate the provision of direct rental assistance under a program until the Commissioner of Social Services has approved such provider's proposal pursuant to this subsection.

(2) A nonprofit provider shall provide each recipient participating in a program pursuant to this section with written notice, prior to the provision of direct rental assistance, informing such recipient of any potential impact of participation in the pilot program on the recipient's current or future eligibility for federal or state benefits. Such notice shall include contact information for the recipient to obtain additional information or guidance regarding such impacts.

(g) The commissioner may provide financial or technical support to any nonprofit provider operating a direct rental assistance program pursuant to this section.

(h) Any data collected from a recipient pursuant to policies and procedures implemented or regulations adopted pursuant to subsection (c) of this section shall be confidential and exempt from disclosure under the Freedom of Information Act, as defined in section 1-200 of the general statutes, except to the extent such information is included on an aggregated basis in the report required by subsection (e) of this section.

(i) Not later than July 1, 2029, any nonprofit provider that implements a program pursuant to this section shall submit a report to the commissioner concerning the implementation and outcomes of the program. The commissioner shall submit any such report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to housing. Any such report shall include, but need not be limited to: (1) An analysis of the number of recipients served by the program disaggregated by demographics, including household size, income level and housing insecurity status, (2) the impact of the program on recipients, including any changes in housing stability, ability to relocate to another housing unit, household income and access

to employment or educational opportunities, (3) a cost-effective analysis comparing the pilot program to the federal Housing Choice Voucher Program, 42 USC 1437f(o), and the state rental assistance program, (4) any feedback from recipients and landlords participating in the program, and (5) any recommendations for the continuation, expansion or modification of the program.

(j) Any program established pursuant to this section shall terminate not later than July 1, 2028. Any recipient who continues to require housing assistance at the conclusion of any such program may be issued a rental assistance program certificate, if available. Participation in any program pursuant to this section shall not affect a recipient's status on the federal Housing Choice Voucher Program or state Rental Assistance Program waiting list, and any recipient who is issued a federal or state voucher may elect to exit any such program at the time payment under the voucher begins. A recipient shall no longer be eligible to receive direct rental assistance under a direct rental assistance program during receipt of a rental assistance program certificate, a federal Housing Choice Voucher pursuant to 42 USC 1437f(o) or any other housing subsidy that partially or fully subsidizes such recipient's rental obligation. Any nonprofit provider administering a program pursuant to this section shall reallocate any unexpended funds or vacated program slots resulting from a recipient's exit or ineligibility to another eligible recipient, in accordance with the criteria established by the nonprofit provider for purposes of implementing the program.

Sec. 11. Section 1 of special act 21-26 is amended to read as follows (*Effective July 1, 2025*):

(a) Not later than June 15, **[**2022**]** 2026, the Commissioner of Housing, in consultation with the Commissioner of Education and housing, civil rights and education advocates, shall **[**establish**]** reestablish the Open Choice Voucher pilot program. Such pilot program shall designate twenty rental assistance program certificates under section 8-345 of the general statutes over a period of two years, for use by families who (1) qualify as low income under the rental assistance program, (2) have

participated for at least one year in the interdistrict public school attendance program, established under section 10-266aa of the general statutes, **[**in the Hartford region,**]** and (3) would like to move to the town where their child participating in the interdistrict public school attendance program attends school.

(b) The Commissioner of Housing shall develop procedures for landlord recruitment, family recruitment, housing search assistance and counseling for such pilot program. As existing rental assistance certificates become available, the commissioner shall make ten rental assistance certificates available during the school year commencing in **[**2022**]** 2026 and ten additional rental assistance certificates during the school year commencing in **[**2023**]** 2027 for such pilot program. All participants in the pilot program shall have access to the residence mobility counseling program established under section 8-348 of the general statutes.

(c) The Commissioner of Housing shall submit an interim report and final report concerning such pilot program, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committees of the General Assembly having cognizance of matters relating to housing and education. The commissioner shall submit the interim report on or before August 31, **[**2022**]** 2026, and a final report on or before August 31, **[**2023**]** 2027. Each report shall include, but need not be limited to: (1) A summary of program implementation, including efforts to inform and educate families about the program, recruit landlords and provide search assistance and counseling, and (2) assessment of program utilization rates, waiting list numbers, and the racial, ethnic and household composition and income demographics of the program participants and those on the waiting list. The final report shall include an assessment of program performance during the pilot period based on available data, including, but not limited to, data concerning both the implementation of the program by the Department of Housing and the use of the program, and any recommendations the commissioner may have regarding future implementation or an extension of the pilot program.

Sec. 12. Section 4-66k of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) There is established an account to be known as the "regional planning incentive account" which shall be a separate, nonlapsing account within the General Fund. The account shall contain any moneys required by law to be deposited in the account. Moneys in the account shall be expended by the Secretary of the Office of Policy and Management for the purposes of first providing funding to regional planning organizations in accordance with the provisions of this section, next providing grants for the support of regional election advisors pursuant to section 9-229c and then providing grants under the regional performance incentive program established pursuant to section 4-124s.

(b) (1) For the fiscal year ending June 30, 2014, funds from the regional planning incentive account shall be distributed to each regional planning organization, as defined in section 4-124i of the general statutes, revision of 1958, revised to January 1, 2013, in the amount of one hundred twenty-five thousand dollars. Any regional council of governments that is comprised of any two or more regional planning organizations that voluntarily consolidate on or before December 31, 2013, shall receive an additional payment in an amount equal to the amount the regional planning organizations would have received if such regional planning organizations had not voluntarily consolidated.

[(c)**]** (2) For the fiscal years ending June 30, 2015, to June 30, 2021, inclusive, funds from the regional planning incentive account shall be distributed to each regional council of governments formed pursuant to section 4-124j, in the amount of one hundred twenty-five thousand dollars plus fifty cents per capita, using population information from the most recent federal decennial census. Any regional council of governments that is comprised of any two or more regional planning organizations, as defined in section 4-124i of the general statutes, revision of 1958, revised to January 1, 2013, that voluntarily consolidated on or before December 31, 2013, shall receive a payment in the amount of one hundred twenty-five thousand dollars for each such regional

planning organization that voluntarily consolidated on or before said date.

[(d) (1)**]** (3) For the fiscal years ending June 30, 2022, and June 30, 2023, funds from the regional planning incentive account shall be distributed to each regional council of governments formed pursuant to section 4-124j, in the amount of one hundred eighty-five thousand five hundred dollars plus sixty-eight cents per capita, using population information from the most recent federal decennial census.

[(2)**]** (4) For the fiscal **[**year**]** years ending June 30, 2024, and **[**each fiscal year thereafter**]** June 30, 2025, funds from the regional planning incentive account shall be distributed to **[**the**]** each regional council of governments formed pursuant to section 4-124j, in the amount totaling seven million dollars. Such funds shall be distributed under a formula determined by the Secretary of the Office of Policy and Management in consultation with the regional **[**council**]** councils of governments, that includes (A) a base payment amount payable to each such regional council, and (B) a per capita payment amount to each such regional council based upon population data for each such regional council from the most recent federal decennial census. **[**Such formula shall be reviewed and updated every five years after the initial adoption of such formula.**]**

(5) For the fiscal year ending June 30, 2026, and each fiscal year thereafter, funds from the regional planning incentive account shall be distributed to each regional council of governments formed pursuant to section 4-124j as follows: (A) Each such regional council shall receive two hundred thousand dollars, for the purpose of funding positions within each such regional council to provide technical support and legal services for the planning and development of additional housing in each such regional council's region, (B) each such regional council shall receive two hundred thousand dollars, for the purpose of funding a regional stormwater management and flood mitigation coordinator position or a regional municipal solid waste and recycling coordinator position within each such regional council, and (C) an amount totaling

seven million dollars shall then be distributed pursuant to a formula determined by the Secretary of the Office of Policy and Management in consultation with the regional councils of governments that includes (i) a base payment amount payable to each such regional council, and (ii) a per capita payment amount to each such regional council based upon population data for each such regional council from the most recent federal decennial census. The secretary, in consultation with the regional councils of governments, shall review and update such formula every five years after the initial adoption of such formula.

[(3)**]** (c) Not later than July 1, 2021, and annually thereafter, each regional council of governments shall submit to the secretary a proposal for expenditure of the funds described in **[**subdivision (1) of this**]** subsection (b) of this section. Such proposal may include, but need not be limited to, a description of **[**(A)**]** (1) functions, activities or services currently performed by the state or municipalities that may be provided in a more efficient, cost-effective, responsive or higher quality manner by such council, a regional educational service center or similar regional entity; **[**(B)**]** (2) anticipated cost savings relating to the sharing of government services, including, but not limited to, joint purchasing; **[**(C)**]** (3) the standardization and alignment of various regions of the state; or **[**(D)**]** (4) any other initiatives that may facilitate the delivery of services to the public in a more efficient, cost-effective, responsive or higher quality manner.

Sec. 13. (NEW) (*Effective January 1, 2026*) (a) For the purposes of this section:

(1) "Account holder" means an individual who, either individually or jointly with another individual, establishes a first-time homebuyer savings account;

(2) "Allowable closing costs" means the disbursements listed on a settlement statement concerning a transaction involving the purchase of a one-to-four family residence in this state by a qualified beneficiary to serve as the qualified beneficiary's primary residence;

(3) "Commissioner" means the Commissioner of Revenue Services;

(4) "Eligible costs" means the down payment and all allowable closing costs paid or reimbursed by a qualified beneficiary to purchase a one-to-four family residence in this state to serve as the qualified beneficiary's primary residence;

(5) "Financial institution" means a bank, out-of-state bank, Connecticut credit union, federal credit union or out-of-state credit union, as those terms are defined in section 36a-2 of the general statutes, and any affiliate or third-party provider of such entities;

(6) "First-time homebuyer" means an individual who did not own or purchase, either individually or jointly with another person, a one-to-four family residence prior to the closing date of a real estate transaction involving the purchase of a one-to-four family residence in this state by the individual;

(7) "First-time homebuyer savings account" means an account established by one or more account holders with a financial institution that the account holders designate as an account exclusively containing funds to pay or reimburse eligible costs incurred by the qualified beneficiary of the account;

(8) "One-to-four family residence" means a residential dwelling consisting of not more than four dwelling units, including, but not limited to, a mobile manufactured home, as defined in section 21-64 of the general statutes, or a residential unit in a cooperative, common interest community or condominium, as such terms are defined in section 47-202 of the general statutes;

(9) "Qualified beneficiary" means a first-time homebuyer who (A) is an account holder and designated as the qualified beneficiary of a first-time homebuyer savings account, and (B) resides in the one-to-four family residence in this state that is purchased with the funds deposited in such account; and

(10) "Settlement statement" means the statement of receipts and disbursements for a transaction related to real estate, including, but not limited to, a statement prescribed pursuant to the Real Estate Settlement Procedures Act of 1974, 12 USC Section 2601 et seq., as amended from time to time, and regulations adopted thereunder.

(b) For purposes of implementing the deduction allowed under subparagraph (B) of subdivision (20) of subsection (a) of section 12-701 of the general statutes, as amended by this act, and the credit allowed under section 15 of this act, the commissioner shall prepare forms for (1) the designation of accounts as first-time homebuyer savings accounts, (2) the designation of qualified beneficiaries, and (3) account holders to submit to the commissioner the information described in subparagraph (B) of subdivision (1) of subsection (d) of this section and any additional information that the commissioner reasonably requires pursuant to the provisions of this section.

(c) An individual may establish one or more first-time homebuyer savings accounts with a financial institution. Two individuals may jointly establish and serve as the account holders of a first-time homebuyer savings account, provided such account holders shall file a joint return for the tax imposed under chapter 229 of the general statutes for each taxable year during which such account exists. The account holder or account holders shall, not later than April fifteenth of the taxable year immediately following the taxable year during which such account holder or account holders established a first-time homebuyer savings account, designate the qualified beneficiary of such account. The account holder or account holders of a first-time homebuyer savings account may designate a new qualified beneficiary of the account at any time, provided there shall not be more than one qualified beneficiary of such account at any time. No individual may establish or serve as an account holder of multiple first-time homebuyer savings accounts that have the same qualified beneficiary. First-time homebuyer savings accounts shall exclusively contain cash and there shall be no limit on the amount of contributions made to, or contained in, such accounts. Any person may contribute to a first-time homebuyer savings account,

including, but not limited to, employers of the account holder or account holders of such account. If an account holder of a first-time homebuyer savings account leaves employment with an employer that contributed to such account while such account holder was employed by such employer, such employer shall not seek reimbursement of any contribution to such account. The account holder or account holders may invest funds deposited in a first-time homebuyer savings account in money market funds.

(d) (1) Each account holder shall:

(A) Not use any portion of the funds deposited in a first-time homebuyer savings account to pay any administrative fees or expenses, other than service fees imposed by the depository financial institution, for such account; and

(B) Submit to the commissioner such account holder's tax return for each taxable year beginning on or after January 1, 2026, during which a first-time homebuyer savings account established by such account holder exists, along with:

(i) Any information required by the commissioner concerning such first-time homebuyer savings account for purposes of implementing the deduction allowed under subparagraph (B) of subdivision (20) of subsection (a) of section 12-701 of the general statutes, as amended by this act, and the credit allowed under section 15 of this act;

(ii) The Internal Revenue Service Form 1099 issued by the depository financial institution for such first-time homebuyer savings account; and

(iii) If such account holder withdrew funds from such first-time homebuyer savings account during the taxable year that is the subject of such return, a detailed accounting of all eligible costs and ineligible costs paid or reimbursed using such funds during such taxable year and the balance of funds remaining in such account.

(2) Each account holder may withdraw all, or any portion of, the

funds contributed to and deposited in a first-time homebuyer savings account and deposit such funds in another first-time homebuyer savings account established by such account holder at any financial institution.

(e) (1) The commissioner may require that financial institutions furnish certain information about each first-time homebuyer savings account.

(2) No financial institution shall be required to (A) designate an account as a first-time homebuyer savings account, (B) track the use of any funds withdrawn from a first-time homebuyer savings account, or (C) allocate funds in a first-time homebuyer savings account among account holders.

(3) No financial institution shall be liable or responsible for (A) determining whether, or ensuring that, an account satisfies the requirements established in this section concerning first-time homebuyer savings accounts or the funds in first-time homebuyer savings accounts are used to pay or reimburse eligible costs, or (B) disclosing or remitting taxes or penalties concerning first-time homebuyer savings accounts unless such disclosure or remittance is required by applicable law.

(4) Upon receiving proof of the death of an account holder and all other information required by any contract governing a first-time homebuyer savings account established by the account holder, the depository financial institution shall distribute the funds in the first-time homebuyer savings account in accordance with the terms of such contract.

(f) (1) Except as provided in subdivision (2) of this subsection, each account holder who withdraws funds from a first-time homebuyer savings account for any reason other than paying or reimbursing the qualified beneficiary of such account for eligible costs incurred by such qualified beneficiary shall be liable to this state for a civil penalty in an amount equal to ten per cent of the withdrawn amount. Such civil penalty shall be collectible by the commissioner. If such funds were

deducted by an account holder in accordance with subparagraph (B) of subdivision (20) of subsection (a) of section 12-701 of the general statutes, as amended by this act, then such withdrawn funds shall be considered income.

(2) No account holder shall be liable for a penalty under subdivision (1) of this subsection, nor shall funds withdrawn from a first-time homebuyer savings account be considered income, if the funds withdrawn from the first-time homebuyer savings account:

(A) Are deposited in another first-time homebuyer savings account pursuant to subdivision (2) of subsection (d) of this section;

(B) Are withdrawn due to the death or disability of an account holder who established such account;

(C) Constitute a disbursement of the assets of such account pursuant to a filing for protection under the United States Bankruptcy Code, as amended from time to time; or

(D) Are not claimed as a deduction pursuant to subparagraph (B) of subdivision (20) of subsection (a) of section 12-701 of the general statutes, as amended by this act, by the account holder on a return for the tax imposed under chapter 229 of the general statutes.

(g) The commissioner may adopt regulations, in accordance with the provisions of chapter 54 of the general statutes, to implement the provisions of this section.

Sec. 14. Subparagraph (B) of subdivision (20) of subsection (a) of section 12-701 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective January 1, 2026*):

(B) There shall be subtracted therefrom:

(i) To the extent properly includable in gross income for federal income tax purposes, any income with respect to which taxation by any state is prohibited by federal law;

(ii) To the extent allowable under section 12-718, exempt dividends paid by a regulated investment company;

(iii) To the extent properly includable in gross income for federal income tax purposes, the amount of any refund or credit for overpayment of income taxes imposed by this state, or any other state of the United States or a political subdivision thereof, or the District of Columbia;

(iv) To the extent properly includable in gross income for federal income tax purposes and not otherwise subtracted from federal adjusted gross income pursuant to clause (x) of this subparagraph in computing Connecticut adjusted gross income, any tier 1 railroad retirement benefits;

(v) To the extent any additional allowance for depreciation under Section 168(k) of the Internal Revenue Code for property placed in service after September 27, 2017, was added to federal adjusted gross income pursuant to subparagraph (A)(ix) of this subdivision in computing Connecticut adjusted gross income, twenty-five per cent of such additional allowance for depreciation in each of the four succeeding taxable years;

(vi) To the extent properly includable in gross income for federal income tax purposes, any interest income from obligations issued by or on behalf of the state of Connecticut, any political subdivision thereof, or public instrumentality, state or local authority, district or similar public entity created under the laws of the state of Connecticut;

(vii) To the extent properly includable in determining the net gain or loss from the sale or other disposition of capital assets for federal income tax purposes, any gain from the sale or exchange of obligations issued by or on behalf of the state of Connecticut, any political subdivision thereof, or public instrumentality, state or local authority, district or similar public entity created under the laws of the state of Connecticut, in the income year such gain was recognized;

(viii) Any interest on indebtedness incurred or continued to purchase or carry obligations or securities the interest on which is subject to tax under this chapter but exempt from federal income tax, to the extent that such interest on indebtedness is not deductible in determining federal adjusted gross income and is attributable to a trade or business carried on by such individual;

(ix) Ordinary and necessary expenses paid or incurred during the taxable year for the production or collection of income which is subject to taxation under this chapter but exempt from federal income tax, or the management, conservation or maintenance of property held for the production of such income, and the amortizable bond premium for the taxable year on any bond the interest on which is subject to tax under this chapter but exempt from federal income tax, to the extent that such expenses and premiums are not deductible in determining federal adjusted gross income and are attributable to a trade or business carried on by such individual;

(x) (I) For taxable years commencing prior to January 1, 2019, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than fifty thousand dollars, or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than fifty thousand dollars, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for such taxable year is less than sixty thousand dollars or a person who files a return under the federal income tax as a head of household whose federal adjusted gross income for such taxable year is less than sixty thousand dollars, an amount equal to the Social Security benefits includable for federal income tax purposes;

(II) For taxable years commencing prior to January 1, 2019, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is fifty thousand dollars or more, or as a married individual filing

separately whose federal adjusted gross income for such taxable year is fifty thousand dollars or more, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income from such taxable year is sixty thousand dollars or more or for a person who files a return under the federal income tax as a head of household whose federal adjusted gross income for such taxable year is sixty thousand dollars or more, an amount equal to the difference between the amount of Social Security benefits includable for federal income tax purposes and the lesser of twenty-five per cent of the Social Security benefits received during the taxable year, or twenty-five per cent of the excess described in Section 86(b)(1) of the Internal Revenue Code;

(III) For the taxable year commencing January 1, 2019, and each taxable year thereafter, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars or a person who files a return under the federal income tax as a head of household whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, an amount equal to the Social Security benefits includable for federal income tax purposes; and

(IV) For the taxable year commencing January 1, 2019, and each taxable year thereafter, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is seventy-five thousand dollars or more, or as a married individual filing separately whose federal adjusted gross income for such taxable year is seventy-five thousand dollars or more, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income from such taxable year is one hundred thousand dollars or more

or for a person who files a return under the federal income tax as a head of household whose federal adjusted gross income for such taxable year is one hundred thousand dollars or more, an amount equal to the difference between the amount of Social Security benefits includable for federal income tax purposes and the lesser of twenty-five per cent of the Social Security benefits received during the taxable year, or twenty-five per cent of the excess described in Section 86(b)(1) of the Internal Revenue Code;

(xi) To the extent properly includable in gross income for federal income tax purposes, any amount rebated to a taxpayer pursuant to section 12-746;

(xii) To the extent properly includable in the gross income for federal income tax purposes of a designated beneficiary, any distribution to such beneficiary from any qualified state tuition program, as defined in Section 529(b) of the Internal Revenue Code, established and maintained by this state or any official, agency or instrumentality of the state;

(xiii) To the extent allowable under section 12-701a, contributions to accounts established pursuant to any qualified state tuition program, as defined in Section 529(b) of the Internal Revenue Code, established and maintained by this state or any official, agency or instrumentality of the state;

(xiv) To the extent properly includable in gross income for federal income tax purposes, the amount of any Holocaust victims' settlement payment received in the taxable year by a Holocaust victim;

(xv) To the extent properly includable in the gross income for federal income tax purposes of a designated beneficiary, as defined in section 3-123aa, interest, dividends or capital gains earned on contributions to accounts established for the designated beneficiary pursuant to the Connecticut Homecare Option Program for the Elderly established by sections 3-123aa to 3-123ff, inclusive;

(xvi) To the extent properly includable in gross income for federal income tax purposes, any income received from the United States government as retirement pay for a retired member of (I) the Armed Forces of the United States, as defined in Section 101 of Title 10 of the United States Code, or (II) the National Guard, as defined in Section 101 of Title 10 of the United States Code;

(xvii) To the extent properly includable in gross income for federal income tax purposes for the taxable year, any income from the discharge of indebtedness in connection with any reacquisition, after December 31, 2008, and before January 1, 2011, of an applicable debt instrument or instruments, as those terms are defined in Section 108 of the Internal Revenue Code, as amended by Section 1231 of the American Recovery and Reinvestment Act of 2009, to the extent any such income was added to federal adjusted gross income pursuant to subparagraph (A)(xi) of this subdivision in computing Connecticut adjusted gross income for a preceding taxable year;

(xviii) To the extent not deductible in determining federal adjusted gross income, the amount of any contribution to a manufacturing reinvestment account established pursuant to section 32-9zz in the taxable year that such contribution is made;

(xix) To the extent properly includable in gross income for federal income tax purposes, (I) for the taxable year commencing January 1, 2015, ten per cent of the income received from the state teachers' retirement system, (II) for the taxable years commencing January 1, 2016, to January 1, 2020, inclusive, twenty-five per cent of the income received from the state teachers' retirement system, and (III) for the taxable year commencing January 1, 2021, and each taxable year thereafter, fifty per cent of the income received from the state teachers' retirement system or, for a taxpayer whose federal adjusted gross income does not exceed the applicable threshold under clause (xx) of this subparagraph, the percentage pursuant to said clause of the income received from the state teachers' retirement system, whichever deduction is greater;

(xx) To the extent properly includable in gross income for federal income tax purposes, except for retirement benefits under clause (iv) of this subparagraph and retirement pay under clause (xvi) of this subparagraph, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or as a head of household whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, (I) for the taxable year commencing January 1, 2019, fourteen per cent of any pension or annuity income, (II) for the taxable year commencing January 1, 2020, twenty-eight per cent of any pension or annuity income, (III) for the taxable year commencing January 1, 2021, forty-two per cent of any pension or annuity income, and (IV) for the taxable years commencing January 1, 2022, and January 1, 2023, one hundred per cent of any pension or annuity income;

(xxi) To the extent properly includable in gross income for federal income tax purposes, except for retirement benefits under clause (iv) of this subparagraph and retirement pay under clause (xvi) of this subparagraph, any pension or annuity income for the taxable year commencing on or after January 1, 2024, and each taxable year thereafter, in accordance with the following schedule, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, or as a head of household whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars:

Federal Adjusted Gross Income	Deduction
Less than $75,000	100.0%
$75,000 but not over $77,499	85.0%
$77,500 but not over $79,999	70.0%
$80,000 but not over $82,499	55.0%
$82,500 but not over $84,999	40.0%
$85,000 but not over $87,499	25.0%
$87,500 but not over $89,999	10.0%
$90,000 but not over $94,999	5.0%
$95,000 but not over $99,999	2.5%
$100,000 and over	0.0%

(xxii) To the extent properly includable in gross income for federal income tax purposes, except for retirement benefits under clause (iv) of this subparagraph and retirement pay under clause (xvi) of this subparagraph, any pension or annuity income for the taxable year commencing on or after January 1, 2024, and each taxable year thereafter, in accordance with the following schedule for married individuals who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for such taxable year is less than one hundred fifty thousand dollars:

Federal Adjusted Gross Income	Deduction
Less than $100,000	100.0%
$100,000 but not over $104,999	85.0%
$105,000 but not over $109,999	70.0%
$110,000 but not over $114,999	55.0%
$115,000 but not over $119,999	40.0%
$120,000 but not over $124,999	25.0%
$125,000 but not over $129,999	10.0%
$130,000 but not over $139,999	5.0%
$140,000 but not over $149,999	2.5%
$150,000 and over	0.0%

(xxiii) The amount of lost wages and medical, travel and housing

expenses, not to exceed ten thousand dollars in the aggregate, incurred by a taxpayer during the taxable year in connection with the donation to another person of an organ for organ transplantation occurring on or after January 1, 2017;

(xxiv) To the extent properly includable in gross income for federal income tax purposes, the amount of any financial assistance received from the Crumbling Foundations Assistance Fund or paid to or on behalf of the owner of a residential building pursuant to sections 8-442 and 8-443;

(xxv) To the extent properly includable in gross income for federal income tax purposes, the amount calculated pursuant to subsection (b) of section 12-704g for income received by a general partner of a venture capital fund, as defined in 17 CFR 275.203(l)-1, as amended from time to time;

(xxvi) To the extent any portion of a deduction under Section 179 of the Internal Revenue Code was added to federal adjusted gross income pursuant to subparagraph (A)(xiv) of this subdivision in computing Connecticut adjusted gross income, twenty-five per cent of such disallowed portion of the deduction in each of the four succeeding taxable years;

(xxvii) To the extent properly includable in gross income for federal income tax purposes, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or as a head of household whose federal adjusted gross income for such taxable year is less than seventy-five thousand dollars, or for a husband and wife who file a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, for the taxable year commencing January 1, 2023, twenty-five per cent of any

distribution from an individual retirement account other than a Roth individual retirement account;

(xxviii) To the extent properly includable in gross income for federal income tax purposes, for a person who files a return under the federal income tax as an unmarried individual whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, or as a married individual filing separately whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, or as a head of household whose federal adjusted gross income for such taxable year is less than one hundred thousand dollars, (I) for the taxable year commencing January 1, 2024, fifty per cent of any distribution from an individual retirement account other than a Roth individual retirement account, (II) for the taxable year commencing January 1, 2025, seventy-five per cent of any distribution from an individual retirement account other than a Roth individual retirement account, and (III) for the taxable year commencing January 1, 2026, and each taxable year thereafter, any distribution from an individual retirement account other than a Roth individual retirement account. The subtraction under this clause shall be made in accordance with the following schedule:

Federal Adjusted Gross Income	Deduction
Less than $75,000	100.0%
$75,000 but not over $77,499	85.0%
$77,500 but not over $79,999	70.0%
$80,000 but not over $82,499	55.0%
$82,500 but not over $84,999	40.0%
$85,000 but not over $87,499	25.0%
$87,500 but not over $89,999	10.0%
$90,000 but not over $94,999	5.0%
$95,000 but not over $99,999	2.5%
$100,000 and over	0.0%

(xxix) To the extent properly includable in gross income for federal income tax purposes, for married individuals who file a return under

the federal income tax as married individuals filing jointly whose federal adjusted gross income for such taxable year is less than one hundred fifty thousand dollars, (I) for the taxable year commencing January 1, 2024, fifty per cent of any distribution from an individual retirement account other than a Roth individual retirement account, (II) for the taxable year commencing January 1, 2025, seventy-five per cent of any distribution from an individual retirement account other than a Roth individual retirement account, and (III) for the taxable year commencing January 1, 2026, and each taxable year thereafter, any distribution from an individual retirement account other than a Roth individual retirement account. The subtraction under this clause shall be made in accordance with the following schedule:

Federal Adjusted Gross Income	Deduction
Less than $100,000	100.0%
$100,000 but not over $104,999	85.0%
$105,000 but not over $109,999	70.0%
$110,000 but not over $114,999	55.0%
$115,000 but not over $119,999	40.0%
$120,000 but not over $124,999	25.0%
$125,000 but not over $129,999	10.0%
$130,000 but not over $139,999	5.0%
$140,000 but not over $149,999	2.5%
$150,000 and over	0.0%

(xxx) To the extent properly includable in gross income for federal income tax purposes, for the taxable year commencing January 1, 2022, the amount or amounts paid or otherwise credited to any eligible resident of this state under (I) the 2020 Earned Income Tax Credit enhancement program from funding allocated to the state through the Coronavirus Relief Fund established under the Coronavirus Aid, Relief, and Economic Security Act, P.L. 116-136, and (II) the 2021 Earned Income Tax Credit enhancement program from funding allocated to the state pursuant to Section 9901 of Subtitle M of Title IX of the American Rescue Plan Act of 2021, P.L. 117-2;

(xxxi) For the taxable year commencing January 1, 2023, and each taxable year thereafter, for a taxpayer licensed under the provisions of chapter 420f or 420h, the amount of ordinary and necessary expenses that would be eligible to be claimed as a deduction for federal income tax purposes under Section 162(a) of the Internal Revenue Code but that are disallowed under Section 280E of the Internal Revenue Code because marijuana is a controlled substance under the federal Controlled Substance Act;

(xxxii) To the extent properly includable in gross income for federal income tax purposes, for the taxable year commencing on or after January 1, 2025, and each taxable year thereafter, any common stock received by the taxpayer during the taxable year under a share plan, as defined in section 12-217ss;

(xxxiii) To the extent properly includable in gross income for federal income tax purposes, the amount of any student loan reimbursement payment received by a taxpayer pursuant to section 10a-19m;

(xxxiv) Contributions to an ABLE account established pursuant to sections 3-39k to 3-39q, inclusive, not to exceed five thousand dollars for each individual taxpayer or ten thousand dollars for taxpayers filing a joint return; **[**and**]**

(xxxv) To the extent properly includable in gross income for federal income tax purposes, the amount of any payment received pursuant to subsection (c) of section 3-122a;

(xxxvi) For an account holder, as defined in section 13 of this act, who files a return under the federal income tax as an unmarried individual, a married individual filing separately or a head of household, whose federal adjusted gross income for the taxable year is less than one hundred twenty-five thousand dollars or who files a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for the taxable year is less than two hundred fifty thousand dollars:

(I) To the extent not deductible in determining federal adjusted gross income, for the taxable year commencing January 1, 2027, an amount equal to the contributions deposited during the taxable years commencing January 1, 2026, and January 1, 2027, in a first-time homebuyer savings account established pursuant to subsection (c) of section 13 of this act, less any amounts withdrawn during said taxable years by the account holder from such account under subparagraph (D) of subdivision (2) of subsection (f) of section 13 of this act. The amount claimed under this subclause shall not exceed two thousand five hundred dollars for each such taxable year for an unmarried individual, a married individual filing separately or a head of household and five thousand dollars for each such taxable year for married individuals filing jointly;

(II) To the extent not deductible in determining federal adjusted gross income, for the taxable year commencing January 1, 2028, and each taxable year thereafter, an amount equal to the contributions deposited during the taxable year in a first-time homebuyer savings account established pursuant to subsection (c) of section 13 of this act, less any amounts withdrawn during the taxable year by the account holder from such account pursuant to subparagraph (D) of subdivision (2) of subsection (f) of section 13 of this act. The amount allowed to be claimed under this subclause for the taxable year shall not exceed two thousand five hundred dollars for an unmarried individual, a married individual filing separately or a head of household and five thousand dollars for married individuals filing jointly; and

(III) To the extent properly includable in gross income for federal income tax purposes, for the taxable year commencing January 1, 2027, and each taxable year thereafter, an amount equal to the sum of all interest accrued on a first-time homebuyer savings account, established pursuant to subsection (c) of section 13 of this act, during the taxable year; and

(xxxvii) To the extent properly includable in gross income for federal income tax purposes, for an account holder who is a qualified

beneficiary of a first-time homebuyer savings account, as those terms are defined in section 13 of this act, and who files a return under the federal income tax as an unmarried individual, a married individual filing separately or a head of household, whose federal adjusted gross income for the taxable year is less than one hundred twenty-five thousand dollars or who files a return under the federal income tax as married individuals filing jointly whose federal adjusted gross income for the taxable year is less than two hundred fifty thousand dollars, for taxable years commencing on or after January 1, 2027, an amount equal to any withdrawal from such account that is used to pay or reimburse such qualified beneficiary for eligible costs, as defined in section 13 of this act, incurred by the qualified beneficiary.

Sec. 15. (NEW) (*Effective January 1, 2026*) (a) (1) For the taxable or income year commencing on or after January 1, 2027, but prior to January 1, 2028, there shall be allowed a credit against the tax imposed under chapter 208 or 229 of the general statutes, other than the liability imposed by section 12-707 of the general statutes, for contributions deposited by the employer of an account holder in a first-time homebuyer savings account established pursuant to subsection (c) of section 13 of this act during the taxable or income years commencing on or after January 1, 2026, but prior to January 1, 2028, provided such account holder was employed by such employer at the time such contributions were made.

(2) For the taxable or income years commencing on or after January 1, 2028, there shall be allowed a credit against the tax imposed under chapter 208 or 229 of the general statutes, other than the liability imposed by section 12-707 of the general statutes, for contributions deposited by the employer of an account holder in a first-time homebuyer savings account established pursuant to subsection (c) of section 13 of this act during the taxable or income year, provided such account holder was employed by such employer at the time such contributions were made.

(3) The amount of the credit allowed under subdivisions (1) and (2)

of this subsection shall be equal to ten per cent of the amount of the contributions made by the taxpayer into the first-time homebuyer savings accounts of account holders of such accounts during the income or taxable year, provided the amount of the credit allowed for any income or taxable year with respect to a specific account holder shall not exceed two thousand five hundred dollars.

(b) If the taxpayer is an S corporation or an entity treated as a partnership for federal income tax purposes, the credit may be claimed by the shareholders or partners of the taxpayer. If the taxpayer is a single member limited liability company that is disregarded as an entity separate from its owner, the credit may be claimed by such limited liability company's owner, provided such owner is a person subject to the tax imposed under chapter 208 or 229 of the general statutes. Any taxpayer claiming the credit shall provide to the Department of Revenue Services documentation supporting such claim in the form and manner prescribed by the Commissioner of Revenue Services.

Sec. 16. Section 3-129g of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) The Attorney General may investigate, intervene in or bring a civil or administrative action in the name of the state, seeking injunctive or declaratory relief, damages, and any other relief that may be available under law, whenever any person is or has engaged in a practice or pattern of conduct that:

(1) Subjects, or causes to be subjected, other persons to the deprivation of any rights, privileges or immunities secured by the constitutions or laws of this state or the United States; or

(2) Interferes, or attempts to interfere, by threats, intimidation or coercion, with the exercise or enjoyment by other persons of any rights, privileges or immunities secured by the constitutions or laws of this state or the United States.

(b) In conducting any investigation under this section, the Attorney

General may issue subpoenas and interrogatories, and otherwise gather information, in the same manner and to the same extent as is provided in section 35-42. No information obtained pursuant to the provisions of this subsection may be used in a criminal proceeding.

(c) If the Attorney General prevails in a civil action brought pursuant to this section, the court shall order the distribution of any award of damages to the injured person. In a matter involving the interference or attempted interference with any right protected by the constitutions of this state or the United States, the court may also award civil penalties against each defendant in an amount not exceeding two thousand five hundred dollars for each violation, provided such violation has been established by clear and convincing evidence. Any civil penalty that is received pursuant to this subsection shall be deposited in the General Fund.

(d) In lieu of bringing a civil action under this section, the Attorney General may accept an assurance of the discontinuance of any allegedly unlawful or unconstitutional practice from any person engaged in such practice. Thereafter, any evidence of a violation of such assurance shall constitute prima facie proof of violation of the applicable law or right in any action commenced by the Attorney General.

(e) Nothing in this section shall limit the right of a person adversely affected by a violation of chapter 814c to file a complaint with the Commission on Human Rights and Opportunities.

(f) Nothing in this section shall limit the jurisdiction of the Commission on Human Rights and Opportunities under chapter 814c.

(g) The Attorney General shall not bring an action under the provisions of this section during the pendency of a matter involving the same parties and the same alleged facts and circumstances before the Commission on Human Rights and Opportunities.

(h) Nothing in this section shall permit the Attorney General to bring an action that would otherwise be barred under the applicable statute

of limitations or repose.

(i) The Attorney General shall post on the Attorney General's Internet web site information on how to properly file a complaint with the Commission on Human Rights and Opportunities. The Attorney General may, as appropriate, refer cases to the Commission on Human Rights and Opportunities.

(j) Nothing in this section shall permit the Attorney General to assert any claim against a state agency or a state officer or state employee in such officer's or employee's official capacity, regarding actions or omissions of such state agency, state officer or state employee. If the Attorney General determines that a state officer or state employee is not entitled to indemnification under section 5-141d, the Attorney General may, as relates to such officer or employee, take any action authorized under this section.

(k) With regard to any action brought pursuant to this section against a person for a pattern or practice of conduct in violation of section 46a-64, 46a-64c, 46a-81d or 46a-81e, or, as a result of an investigation conducted pursuant to this section, of a potential violation of section 46a-64, 46a-64c, 46a-81d or 46a-81e, the Attorney General may petition the superior court for the judicial district in which the violation or alleged violation occurred for any relief available under section 46a-89.

Sec. 17. Subsection (g) of section 8-30g of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(g) Upon an appeal taken under subsection (f) of this section, the burden shall be on the commission to prove, based upon the evidence in the record compiled before such commission, that the decision from which such appeal is taken and the reasons cited for such decision are supported by sufficient evidence in the record. The commission shall also have the burden to prove, based upon the evidence in the record compiled before such commission, that (1) (A) the decision is necessary to protect substantial public interests in health, safety or other matters

which the commission may legally consider; (B) such public interests clearly outweigh the need for affordable housing; and (C) such public interests cannot be protected by reasonable changes to the affordable housing development, or (2) (A) the application which was the subject of the decision from which such appeal was taken would locate affordable housing in an area which is zoned for industrial use and which does not permit residential uses; and (B) the development is not assisted housing. If the commission does not satisfy its burden of proof under this subsection, the court shall wholly or partly revise, modify, remand or reverse the decision from which the appeal was taken in a manner consistent with the evidence in the record before it. In addition, if the court finds, after a hearing, that the commission's decision denying an affordable housing application or approving such application with restrictions which have a substantial adverse impact on the viability of the affordable housing development or the degree of affordability of the affordable dwelling units in a set-aside development was made in bad faith or to cause undue delay, the court may award reasonable attorney's fees to the person who filed the appeal under subsection (f) of this section, provided the total number of units in the affordable housing development or affordable dwelling units in the set-aside development ordered by the court to be built is at least ninety per cent of the units proposed in the original application of such person to the commission.

Sec. 18. (NEW) (*Effective October 1, 2025*) (a) As used in this section:

(1) "Revenue management device" means a device commonly known as revenue management software that uses one or more programmed or automated processes to perform calculations of nonpublic competitor data concerning local or state-wide rents or occupancy levels, for the purpose of advising a landlord on (A) whether to leave a unit vacant; or (B) the amount of rent that the landlord may obtain for a unit. "Revenue management device" includes a product that incorporates a revenue management device, but does not include: (i) A report that publishes existing rental data in an aggregated manner but does not recommend rental rates or occupancy levels for future leases; or (ii) a product used for the purpose of establishing rent or income limits in accordance with

the affordable housing program guidelines of a local, state or federal program.

(2) "Nonpublic competitor data" means 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 (A) attributable to a specific competitor or anonymized, and (B) derived from or otherwise provided by another person that competes in the same or a related market.

(b) It shall be an unlawful practice in violation of chapter 624 of the general statutes for any person to use a revenue management device to set rental rates or occupancy levels for residential dwelling units.

(c) Any violation of subsection (b) of this section shall be subject to the investigation and enforcement provisions of chapter 624 of the general statutes.

Sec. 19. (NEW) (*Effective October 1, 2025*) (a) As used in this section and sections 20 and 21 of this act:

(1) "Discretionary infrastructure funding" has the same meaning as provided in section 8-30j of the general statutes, as amended by this act;

(2) "Downtown area" means a central business district or other commercial neighborhood area of a municipality that serves as a center of socioeconomic interaction, characterized by a cohesive core of commercial and mixed-use buildings, often interspersed with civic, religious and residential buildings and public spaces, that are typically arranged along a main street and intersecting side streets and served by public infrastructure;

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

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

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

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

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

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

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

defined route operating on a fixed schedule;

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

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

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

(b) A qualifying transit-oriented community or municipality that has adopted a resolution pursuant to subsection (c) of this section shall be eligible for the receipt of discretionary infrastructure funding on a priority basis, provided such community meets the eligibility criteria for the discretionary infrastructure funding. Any funding provided on a priority basis pursuant to this section shall be used exclusively for the development, renovation, expansion, management or maintenance of improvements located in a transit-oriented district. To receive such funding on a priority basis, any such community or municipality shall submit an application for such funding to the secretary in a form developed by the secretary. The secretary shall make recommendations to the state agency responsible for administering or managing such funding and, if priority funding is permitted for such funding, such agency may prioritize such community or municipality for the receipt of such funding over any municipality that is not a qualifying transit-oriented community or that has not adopted a resolution pursuant to subsection (c) of this section, based on the secretary's recommendations. Nothing in this subsection shall be construed to limit the use of funding received pursuant to this section if the use of such funding to develop, renovate, expand, manage or maintain improvements within a transit-

oriented district also benefits real property located outside of a transit-oriented district.

(c) A municipality that is not a qualifying transit-oriented community shall be eligible for discretionary infrastructure funding on a priority basis pursuant to this section if the legislative body of the municipality adopts a resolution stating that such municipality intends to enact zoning regulations that enable such municipality to become a qualifying transit-oriented community, provided such municipality meets the eligibility criteria for the discretionary infrastructure funding. Such municipality shall enact such zoning regulations not later than eighteen months after the adoption of such resolution. If such municipality does not enact such regulations within eighteen months after the adoption of such resolution, unless the secretary grants an extension to such municipality at the secretary's discretion, such municipality shall return any discretionary infrastructure funding provided to such municipality on a priority basis pursuant to this section and such municipality shall be ineligible for discretionary infrastructure funding on a priority basis until such municipality enacts zoning regulations that enable the municipality to become a qualifying transit-oriented community. Nothing in this section shall be construed to make a municipality that is not a qualifying transit-oriented community ineligible for discretionary infrastructure funding.

(d) The zoning commission of the municipality shall consult with the inland wetlands agency of the municipality to establish the boundaries of any proposed transit-oriented district within the municipality. If any proposed activity in such proposed district may be a regulated activity, as defined in section 22a-38 of the general statutes, such commission shall collaborate with such agency to determine whether such proposed activity would constitute a regulated activity for which a permit is required.

(e) In determining whether a transit-oriented district is of reasonable size, the secretary, or the secretary's designee, in consultation with the zoning commission of the municipality, shall (1) determine whether the

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

(f) (1) A qualifying transit-oriented community shall allow the following developments as of right in any transit-oriented district: (A) Middle housing developments, if such development contains nine or fewer dwelling units; (B) developments that contain ten or more dwelling units where not less than thirty per cent of such units qualify as a set-aside development pursuant to section 8-30g of the general statutes, as amended by this act; and (C) developments on land owned by (i) the municipality in which such land is located, (ii) the state, (iii) the public housing authority of the municipality in which such district is located, (iv) any not-for-profit entity, and (v) any religious organization, as defined in section 49-31k of the general statutes, if such development is composed entirely of units that are subject to a deed restriction that requires, for not less than forty years after the initial occupation of the proposed development, that such units be sold or rented at, or below, a cost in rent or mortgage payments equivalent to

not more than thirty per cent of the annual income of individuals and families earning sixty per cent of the median income of the state or the area median income as determined by the United States Department of Housing and Urban Development, whichever is less.

(2) A qualifying transit-oriented community shall allow, as of right, the conversion of any residential development or commercial development into any development described in subdivision (1) of subsection (f) of this section on any lot located in a transit-oriented district.

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

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

(h) The percentage of deed-restricted dwelling units required pursuant to subdivision (1) of subsection (g) of this section shall be determined based upon sales market typologies as described in the most recent Connecticut Housing Finance Authority Housing Needs Assessment:

(1) Ten per cent for any municipality designated High

Opportunity/Heating Market;

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

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

(i) Any municipality that has adopted a transit-oriented district before October 1, 2025, shall be eligible for the receipt of discretionary infrastructure funding on a priority basis for developments in such district, regardless of whether such municipality is a qualifying transit-oriented community, provided such municipality meets the eligibility criteria for the discretionary infrastructure funding. Nothing in this section shall be construed to (1) require that a municipality that has adopted a transit-oriented district be determined to be a qualifying transit-oriented community, or (2) authorize the secretary to deem a municipality a qualifying transit-oriented community without the approval of such municipality.

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

(k) (1) The secretary, in consultation with the interagency council on housing development established pursuant to section 21 of this act, shall develop guidelines concerning transit-oriented districts within qualifying transit-oriented communities, including, but not limited to, prioritizing mixed-use and mixed-income developments; increasing the availability of affordable housing; ensuring appropriate environmental considerations in the development of such districts, with an emphasis

on the analysis of any potential impacts on environmental justice communities, as defined in section 22a-20a of the general statutes; increasing ridership of mass transit systems; increasing the feasibility of walking, biking and utilizing other means of mobility other than motor vehicle travel; reducing the need for motor vehicle travel; maximizing the availability of developable land; increasing the economic viability of development projects; reducing the length of time to approve applications for development; lot size; lot coverage; setback requirements; floor area ratio; height restrictions; and inclusionary zoning requirements. Such guidelines may include model ordinances, regulations or bylaws that may be adopted by a municipality pursuant to section 8-2 of the general statutes, as amended by this act. Except as provided in subdivision (2) of this subsection, regulations developed by a qualifying transit-oriented community concerning transit-oriented districts within such community shall substantially comply with the guidelines adopted by the secretary. The secretary, or the secretary's designee, may offer technical assistance to any qualifying transit-oriented community concerning the adoption of such regulations.

(2) If a qualifying transit-oriented community seeks to adopt regulations concerning a transit-oriented district that do not substantially comply with the guidelines developed pursuant to subdivision (1) of this subsection, or subsection (f) or (g) of this section, such community shall seek an exemption by submitting an application, in a form and manner prescribed by the secretary, that specifies the reasons such community seeks to adopt regulations that do not substantially comply with the guidelines developed by the secretary, or subsection (f) or (g) of this section, except no community may seek an exemption from the provisions of subsection (f) or (g) of this section unless the secretary determines such community is a qualifying transit-oriented community pursuant to subsection (i) of this section. Not later than sixty days after the receipt of any such application, the secretary shall approve or deny such exemption in writing. The secretary shall not unreasonably withhold approval for any such exemption.

(3) If an application submitted pursuant to subdivision (2) of this

subsection is denied by the secretary, the transit-oriented community that submitted such application may opt out of the provisions of this section and no longer qualify for discretionary infrastructure funding on a priority basis pursuant to this section, provided such community shall return any discretionary infrastructure funding such community received pursuant to this section.

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

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

Sec. 20. (NEW) (*Effective October 1, 2025*) (a) For the purposes of this section, "qualifying transit-adjacent community" means a municipality (1) without a rapid transit station, (2) that borders a municipality that has one or more rapid transit stations or regular bus service stations, and (3) that designates a transit-oriented district in or adjacent to a downtown area located in such municipality;

(b) A municipality may, by resolution of the municipality's legislative body, request that the State Responsible Growth Coordinator deem such municipality a qualifying transit-adjacent community. The coordinator

shall designate such municipality a qualifying transit-adjacent community if the coordinator finds that such municipality (1) meets the definition of such community provided in subsection (a) of this section, and (2) is not a qualifying transit-oriented community.

(c) A municipality deemed by the coordinator to be a qualifying transit-adjacent community shall be entitled to any discretionary infrastructure funding available to a qualifying transit-oriented community on a priority basis if such municipality adopts a transit-oriented district that complies with the requirements concerning such districts provided in section 19 of this act.

Sec. 21. (NEW) (*Effective from passage*) (a) There is established an interagency council on housing development to advise and assist the State Responsible Growth Coordinator in reviewing regulations, developing guidelines and establishing programs concerning transit-oriented districts to support the responsible growth of housing in the state.

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

(c) In addition to the regular members set forth in subsection (b) of this section, the council may consist of any ad hoc members that the State Responsible Growth Coordinator determines are necessary to

complete the work of the council.

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

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

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

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

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

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

(5) Develop guidelines, in consultation with the Secretary of the Office of Policy and Management and consistent with the requirements of subsection (l) of section 19 of this act, concerning the adoption and development of transit-oriented districts within qualifying transit-oriented communities.

(f) Not later than October 1, 2026, the council shall submit a report, in

accordance with the provisions of section 11-4a of the general statutes, to the joint standing committees of the General Assembly having cognizance of matters relating to planning and development and housing, concerning the recommendations and guidelines developed by the council pursuant to subdivisions (4) and (5) of subsection (e) of this section. The coordinator shall publish such recommendations and guidelines on the Internet web site of the Office of Policy and Management.

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

Sec. 22. (NEW) (*Effective October 1, 2025*) The Secretary of the Office of Policy and Management may, within available appropriations, establish a program to provide grants to regional councils of governments for the development of projects related to public transit infrastructure, bicycle infrastructure or pedestrian infrastructure.

Sec. 23. Subsection (a) of section 8-169tt of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) As used in this section, "housing growth zone" means (1) any area within a municipality in which applicable zoning regulations adopted pursuant to section 8-2, as amended by this act, are designed to facilitate substantial development of new dwelling units consistent with subsection (c) of this section, or (2) any transit-oriented district established by a municipality pursuant to section 19 of this act. Any housing growth zone shall encompass an entire development district and may include areas outside such district.

Sec. 24. Subsection (f) of section 8-2o of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October*

1, 2025):

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

Sec. 25. Section 8-2o of the general statutes is amended by adding subsection (g) as follows (*Effective October 1, 2025*):

(NEW) (g) Notwithstanding any prior action of the municipality to opt out of the provisions of subsections (a) to (d), inclusive, of this section, pursuant to subsection (f) of this section, any owner of real property located within a transit-oriented district, as defined in section 19 of this act, who has owned real property in the municipality for not fewer than three years may construct an accessory apartment as of right on such real property, provided such accessory apartment complies with any structural or architectural requirements imposed by any zoning regulations adopted pursuant to section 8-2, as amended by this act.

Sec. 26. (*Effective from passage*) The Secretary of the Office of Policy and Management shall, within available appropriations and in coordination with the interagency council on housing development established pursuant to section 21 of this act, conduct a state-wide wastewater capacity study that evaluates the capacity, flows, physical conditions, regulatory compliance and vulnerabilities to natural hazards of publicly and privately owned wastewater infrastructure. In conducting the study, the secretary shall identify areas underserved by wastewater infrastructure and existing wastewater capacity limitations and make recommendations for efficient investments in wastewater infrastructure to support housing and economic development while protecting public and environmental health. Not later than July 1, 2026, the secretary shall submit a report, in accordance with the provisions of section 11-4a of the general statutes, on the secretary's findings and recommendations to the joint standing committees of the General Assembly having cognizance of matters relating to planning and development, housing, economic development and the environment. The secretary shall also submit such report to the members of the interagency council on housing development.

Sec. 27. *(Effective January 1, 2026)* (a) The Commissioner of Housing shall, within available bond authorizations, develop and administer a program to provide funding for proposed projects that create employment opportunities in the construction industry to develop affordable housing.

(b) On and after July 1, 2026, an eligible project sponsor may submit an application, in a form and manner provided by the commissioner, to receive funds from the program for a proposed project. The commissioner shall establish criteria for awarding funds pursuant to this section. Such criteria for awarding funds pursuant to this section shall include, but need not be limited to, a requirement that (1) an applicant secure coinvestment funding in the proposed project by a union pension fund or comingled fund of union pension fund investments with a demonstrated record of successful investment in the construction of affordable housing, (2) the proposed project be covered

by a project labor agreement, and (3) an applicant be committed to workforce training by adhering to state-registered apprenticeship standards and apprenticeship readiness programs.

(c) All housing built with funds received from the program established pursuant to this section shall remain affordable, through the use of deeds containing covenants or restrictions that require such housing to be sold or rented at, or below, prices that will preserve the unit as housing, for a period of not less than forty years, for which persons and families pay thirty per cent or less of income, where such income is less than or equal to eighty per cent of the median income or other means selected by the commissioner.

(d) The commissioner shall not approve financing for a proposed project later than three years after the Department of Housing is allocated funds for the program established pursuant to this section.

Sec. 28. Section 7-148b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) For purposes of this section and sections 7-148c to 7-148f, inclusive, "seasonal basis" means housing accommodations rented for a period or periods aggregating not more than one hundred twenty days in any one calendar year, **[**and**]** "rental charge" includes any fee or charge in addition to rent that is imposed or sought to be imposed upon a tenant by a landlord, and "municipality" means a town, city or consolidated town and city.

(b) Any **[**town, city or borough**]** municipality may, and **[**any town, city or borough**]** each municipality with a population of **[**twenty-five**]** fifteen thousand or more, as determined by the most recent decennial census, shall, through its legislative body, adopt an ordinance that (1) creates a fair rent commission, (2) establishes or joins the municipality in a joint fair rent commission pursuant to subsection (d) of this section, or (3) joins the municipality in a regional fair rent commission pursuant to subsection (e) of this section. Any such commission shall make studies and investigations, conduct hearings and receive complaints

relative to rental charges on housing accommodations, except those accommodations rented on a seasonal basis, within its jurisdiction, which term shall include mobile manufactured homes and mobile manufactured home park lots, in order to control and eliminate excessive rental charges on such accommodations, and to carry out the provisions of sections 7-148b to 7-148f, inclusive, as amended by this act, section 47a-20 and subsection (b) of section 47a-23c. The commission, for such purposes, may compel the attendance of persons at hearings, issue subpoenas and administer oaths, issue orders and continue, review, amend, terminate or suspend any of its orders and decisions. The commission may be empowered to retain legal counsel to advise it.

(c) Any **[**town, city or borough**]** municipality required to create a fair rent commission pursuant to subsection (b) of this section shall adopt an ordinance creating **[**such**]** a fair rent commission, or joining a joint fair rent commission or regional fair rent commission, on or before **[**July 1, 2023**]** January 1, 2028. No municipality required to create a fair rent commission pursuant to subsection (b) of this section that has created a fair rent commission prior to July 1, 2025, shall abolish such commission before January 1, 2028, unless such municipality joins a joint fair rent commission or regional fair rent commission pursuant to this section. Not later than thirty days after the adoption of such ordinance, the chief executive officer of such **[**town, city or borough**]** municipality shall (1) notify the Commissioner of Housing that such commission has been created or joined by such municipality, and (2) transmit a copy of the ordinance adopted by the **[**town, city or borough**]** municipality to the commissioner.

(d) **[**Any two**]** Two or more **[**towns, cities or boroughs not subject to the requirements of subsection (b) of this section**]** contiguous municipalities may, **[**through their legislative bodies, create**]** by concurrent ordinances adopted by their legislative bodies, establish a joint fair rent commission. Any municipality that is contiguous to a municipality that is a member of an existing joint fair rent commission may become a member of such joint fair rent commission upon the adoption of an ordinance by such municipality's legislative body. Any

municipality that is a member of a joint fair rent commission may, by vote of its legislative body, elect to withdraw from such commission, provided such withdrawing municipality creates its own fair rent commission or joins another joint fair rent commission or regional fair rent commission in compliance with the requirements of this section.

(e) A regional council of governments formed pursuant to section 4-124j may establish a regional fair rent commission. Any municipality that is a member of such council may join such regional fair rent commission upon the adoption of an ordinance by such municipality's legislative body. Any regional fair rent commission shall prescribe a form and manner in which complaints to such commission shall be made.

(f) Upon the request of a party to a matter pending before a regional fair rent commission, a meeting or a portion of a meeting during which the participation of such party is required shall be conducted by means of electronic equipment, as defined in section 1-200, in conjunction with an in-person meeting of such commission.

Sec. 29. (*Effective July 1, 2025*) The Connecticut Housing Finance Authority shall, as part of the homeownership loan program, and within the resources allocated by the State Bond Commission to the Department of Housing for the purposes of said program, expand the pilot program known as the Smart Rate Pilot Interest Rate Reduction Program to provide additional mortgage borrowers who are eligible for such pilot program with the benefits provided pursuant to the pilot program.

Sec. 30. Subsection (a) of section 47a-23 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) When the owner or lessor, or the owner's or lessor's legal representative, or the owner's or lessor's attorney-at-law, or in-fact, desires to obtain possession or occupancy of any land or building, any apartment in any building, any dwelling unit, any trailer, or any land

upon which a trailer is used or stands, and (1) when a rental agreement or lease of such property, whether in writing or by parol, terminates for any of the following reasons: (A) By lapse of time; (B) by reason of any expressed stipulation therein; (C) violation of the rental agreement or lease or of any rules or regulations adopted in accordance with section 47a-9 or 21-70; (D) nonpayment of rent within the grace period provided for residential property in section 47a-15a, as amended by this act, or 21-83, as amended by this act, except this subparagraph shall not apply if the owner or lessor's online rental payment system prevents such payment of rent within the grace period provided for residential property in section 47a-15a, as amended by this act, or 21-83, as amended by this act; (E) nonpayment of rent when due for commercial property; (F) violation of section 47a-11 or subsection (b) of section 21-82; (G) nuisance, as defined in section 47a-32, or serious nuisance, as defined in section 47a-15 or 21-80; or (2) when such premises, or any part thereof, is occupied by one who never had a right or privilege to occupy such premises; or (3) when one originally had the right or privilege to occupy such premises but such right or privilege has terminated; or (4) when an action of summary process or other action to dispossess a tenant is authorized under subsection (b) of section 47a-23c for any of the following reasons: (A) Refusal to agree to a fair and equitable rent increase, as defined in subsection (c) of section 47a-23c, (B) permanent removal by the landlord of the dwelling unit of such tenant from the housing market, or (C) bona fide intention by the landlord to use such dwelling unit as such landlord's principal residence; or (5) when a farm employee, as described in section 47a-30, or a domestic servant, caretaker, manager or other employee, as described in subsection (b) of section 47a-36, occupies such premises furnished by the employer and fails to vacate such premises after employment is terminated by such employee or the employer or after such employee fails to report for employment, such owner or lessor, or such owner's or lessor's legal representative, or such owner's or lessor's attorney-at-law, or in-fact, shall give notice to each lessee or occupant to quit possession or occupancy of such land, building, apartment or dwelling unit, at least three days before the termination of the rental agreement or lease, if any,

or before the time specified in the notice for the lessee or occupant to quit possession or occupancy.

Sec. 31. Section 47a-15a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) If rent is unpaid when due and the tenant fails to pay rent within nine days thereafter or, in the case of a one-week tenancy, within four days thereafter, the landlord may terminate the rental agreement in accordance with the provisions of sections 47a-23 to 47a-23b, inclusive, as amended by this act, except that such nine-day or four-day time period shall be extended an additional five days if a landlord's online rental payment system prevented the payment of rent when due. For purposes of this section, "grace period" means the nine-day or four-day time periods or the extension of such time periods identified in this subsection, as applicable.

(b) If a rental agreement contains a valid written agreement to pay a late charge in accordance with subsection (a) of section 47a-4 a landlord may assess a tenant such a late charge on a rent payment made subsequent to the grace period in accordance with this section. Such late charge may not exceed the lesser of (1) five dollars per day, up to a maximum of fifty dollars, or (2) five per cent of the delinquent rent payment or, in the case of a rental agreement paid in whole or in part by a governmental or charitable entity, five per cent of the tenant's share of the delinquent rent payment. The landlord may not assess more than one late charge upon a delinquent rent payment, regardless of how long the rent remains unpaid.

Sec. 32. Section 21-83 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) An owner and a resident may include in a rental agreement terms and conditions not prohibited by law, including rent, term of the agreement and other provisions governing the rights and obligations of the parties. No rental agreement shall contain the following:

(1) Any provision by which the resident agrees to waive or forfeit rights or remedies under this chapter and sections 47a-21, 47a-23 to 47a-23b, inclusive, as amended by this act, 47a-26 to 47a-26h, inclusive, 47a-35 to 47a-35b, inclusive, 47a-41a, 47a-43 and 47a-46, or under any section of the general statutes or any municipal ordinance, unless such section or ordinance expressly states that such rights may be waived;

(2) Any provision which permits the owner to terminate the rental agreement for failure to pay rent unless such rent is unpaid when due and the resident fails to pay rent within (A) nine days thereafter, or (B) fourteen days thereafter if an online rental payment system prevented the payment of rent when due;

(3) Any provision which permits the owner to collect a penalty fee for late payment of rent without allowing the resident a minimum of nine days beyond the due date in which to remit or which provides for the payment of rent in a reduced amount if such rent is paid prior to the expiration of such grace period;

(4) Any provision which permits the owner to charge a penalty for late payment of rent in excess of five per cent of the total rent due for the mobile manufactured home space or lot or four per cent of the total rent due for the mobile manufactured home and mobile manufactured home space or lot;

(5) Any provision which allows the owner to increase the total rent or change the payment arrangements during the term of the rental agreement;

(6) Any provision allowing the owner to charge an amount in excess of one month's rent for a security deposit or to retain the security deposit upon termination of the rental agreement if the resident has paid his rent in full as of the date of termination and has caused no damage to the property of the owner or to waive the resident's right to the interest on the security deposit pursuant to section 47a-21;

(7) Any provision allowing the owner to charge an entrance fee to a

resident assuming occupancy;

(8) Any provision authorizing the owner to confess judgment on a claim arising out of the rental agreement;

(9) Any provision which waives any cause of action against or indemnification from an owner, by a resident for any injury or harm caused to such resident, his family or his guests, or to his property, or the property of his family or his guests resulting from any negligence of the owner, his agents or his assigns in the maintenance of the premises or which otherwise agrees to the exculpation or limitation of any liability of the owner arising under law or to indemnify the owner for that liability or the costs connected therewith;

(10) Any provision permitting the owner to dispossess the resident without resort to court order;

(11) Any provision consenting to the distraint of the resident's property for rent;

(12) Any provision agreeing to pay the owner's attorney's fees in excess of fifteen per cent of any judgment against the resident in any action in which money damages are awarded;

(13) Any provision which denies to the resident the right to treat as a breach of the agreement, a continuing violation by the owner, substantial in nature, of any provision set forth in the rental agreement or of any state statute unless the owner discontinues such violation within a reasonable time after written notice is given by the resident by registered or certified mail.

(b) A provision prohibited by this chapter included in a rental agreement is unenforceable.

Sec. 33. Section 29-195 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) Each elevator or escalator shall be thoroughly inspected by a

department elevator inspector at least once each eighteen months, except (1) elevators located in private residences shall be inspected upon the request of the owner, and (2) as provided in subsection (b) of this section. More frequent inspections of any elevator or escalator shall be made if the condition thereof indicates that additional inspections are necessary or desirable.

(b) Each elevator at a privately owned multifamily housing project, as defined in section 29-453a, shall be thoroughly inspected by a department elevator inspector at least once each twelve months. For each such inspection, the department elevator inspector shall submit a report to the State Building Inspector that describes the status of each elevator at such housing project, describes the status of any elevator repair and estimates the duration of time during which any inoperable elevator at such housing project is expected to remain inoperable.

Sec. 34. Subsection (l) of section 8-30g of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(l) (1) Except as provided in subdivision (2) of this subsection, the affordable housing appeals procedure established under this section shall not be applicable to an affordable housing application filed with a commission during a moratorium, which shall commence after (A) a certification of affordable housing project completion issued by the commissioner is published in the Connecticut Law Journal, or (B) notice of a provisional approval is published pursuant to subdivision (4) of this subsection. Any such moratorium shall be for a period of four years, except that for any municipality that has (i) twenty thousand or more dwelling units, as reported in the most recent United States decennial census, and (ii) previously qualified for a moratorium in accordance with this section, any subsequent moratorium shall be for a period of five years. Any moratorium that is in effect on October 1, 2002, is extended by one year.

(2) Such moratorium shall not apply to (A) affordable housing

applications for assisted housing in which ninety-five per cent of the dwelling units are restricted to persons and families whose income is less than or equal to sixty per cent of the median income, (B) other affordable housing applications for assisted housing containing forty or fewer dwelling units, or (C) affordable housing applications which were filed with a commission pursuant to this section prior to the date upon which the moratorium takes effect.

(3) Eligible units completed before a moratorium has begun, but that were not counted toward establishing eligibility for such moratorium, may be counted toward establishing eligibility for a subsequent moratorium. Eligible units completed after a moratorium has begun may be counted toward establishing eligibility for a subsequent moratorium.

(4) (A) **[**The**]** Except as provided in subparagraph (B) of this subdivision, the commissioner shall issue a certificate of affordable housing project completion for the purposes of this subsection upon finding that there has been completed within the municipality one or more affordable housing developments which create housing unit-equivalent points equal to (i) the greater of two per cent of all dwelling units in the municipality, as reported in the most recent United States decennial census, or seventy-five housing unit-equivalent points, or (ii) for any municipality that has (I) adopted an affordable housing plan in accordance with section 8-30j, as amended by this act, (II) twenty thousand or more dwelling units, as reported in the most recent United States decennial census, and (III) previously qualified for a moratorium in accordance with this section, one and one-half per cent of all dwelling units in the municipality, as reported in the most recent United States decennial census.

(B) If a municipality has received a final letter of eligibility from the commissioner pursuant to sections 38 and 39 of this act, the commissioner shall issue a certificate of affordable housing completion to such municipality at such time as, upon application, the commissioner determines, in the commissioner's discretion, that the

municipality is in compliance with the following conditions: The municipality remains in compliance with all requirements for a final letter of eligibility, and there has been completed within the municipality one or more affordable housing developments which create housing unit-equivalent points equal to (i) the greater of one and three-quarter per cent of all dwelling units in the municipality, as reported in the most recent United States decennial census, or sixty-five housing unit-equivalent points, or (ii) for any municipality that (I) has adopted an affordable housing plan in accordance with section 8-30j, as amended by this act, (II) has twenty thousand or more dwelling units, as reported in the most recent United States decennial census, and (III) previously qualified for a moratorium in accordance with this section, one and one-half per cent of all dwelling units in the municipality, as reported in the most recent United States decennial census.

[(B)**]** (C) A municipality may apply for a certificate of affordable housing project completion pursuant to this subsection by applying in writing to the commissioner, and including documentation showing that the municipality has accumulated the required number of points within the applicable time period**.** Such documentation shall include the location of each dwelling unit being counted, the number of points each dwelling unit has been assigned, and the reason, pursuant to this subsection, for assigning such points to such dwelling unit**.** Upon receipt of such application, the commissioner shall promptly cause a notice of the filing of the application to be published in the Connecticut Law Journal, stating that public comment on such application shall be accepted by the commissioner for a period of thirty days after the publication of such notice. Not later than ninety days after the receipt of such application, the commissioner shall either approve or reject such application. Such approval or rejection shall be accompanied by a written statement of the reasons for approval or rejection**,** pursuant to the provisions of this subsection. If the application is approved, the commissioner shall promptly cause a certificate of affordable housing project completion to be published in the Connecticut Law Journal. If the commissioner fails to either approve or reject the application within

such ninety-day period, such application shall be deemed provisionally approved, and the municipality may cause notice of such provisional approval to be published in a conspicuous manner in a daily newspaper having general circulation in the municipality, in which case, such moratorium shall take effect upon such publication. The municipality shall send a copy of such notice to the commissioner. Such provisional approval shall remain in effect unless the commissioner subsequently acts upon and rejects the application, in which case the moratorium shall terminate upon notice to the municipality by the commissioner.

(5) For the purposes of this subsection, "elderly units" are dwelling units whose occupancy is restricted by age, "family units" are dwelling units whose occupancy is not restricted by age, and "resident-owned mobile manufactured home park" has the same meaning as provided in subsection (k) of this section.

(6) For the purposes of this subsection, housing unit-equivalent points shall be determined by the commissioner as follows: (A) No points shall be awarded for a unit unless its occupancy is restricted to persons and families whose income is equal to or less than eighty per cent of the median income, except that (i) unrestricted units in a set-aside development shall be awarded one-quarter point each, **[**;**]** and (ii) dwelling units in middle housing developed as of right pursuant to section 8-2s shall be awarded one-quarter point each; **[**.**]** (B) **[**Family**]** family units restricted to persons and families whose income is equal to or less than eighty per cent of the median income shall be awarded one point if an ownership unit and one and one-half points if a rental unit; **[**.**]** (C) **[**Family**]** family units restricted to persons and families whose income is equal to or less than sixty per cent of the median income shall be awarded one and one-half points if an ownership unit and two points if a rental unit; **[**.**]** (D) **[**Family**]** family units restricted to persons and families whose income is equal to or less than forty per cent of the median income shall be awarded two points if an ownership unit and two and one-half points if a rental unit; **[**.**]** (E) **[**Elderly**]** elderly units restricted to persons and families whose income is equal to or less than eighty per cent of the median income shall be awarded one-half point;

[.**]** (F) **[**A**]** a set-aside development containing family units which are rental units shall be awarded additional points equal to twenty-two per cent of the total points awarded to such development, provided the application for such development was filed with the commission prior to July 6, 1995; **[**.**]** (G) **[**A**]** a mobile manufactured home in a resident-owned mobile manufactured home park shall be awarded points as follows: (i) One and one-half points when occupied by persons and families with an income equal to or less than eighty per cent of the median income, **[**;**]** (ii) two points when occupied by persons and families with an income equal to or less than sixty per cent of the median income, **[**;**]** and (iii) one-fourth point for the remaining units; and (H) any unit described in subparagraphs (A) to (G), inclusive, of this subdivision shall be awarded an additional one-quarter point, provided such unit was constructed by or in conjunction with a housing authority, as defined in section 8-40, of a neighboring municipality.

(7) Points shall be awarded only for dwelling units which (A) were newly-constructed units in an affordable housing development, as that term was defined at the time of the affordable housing application, for which a certificate of occupancy was issued after July 1, 1990, (B) were newly subjected after July 1, 1990, to deeds containing covenants or restrictions which require that, for at least the duration required by subsection (a) of this section for set-aside developments on the date when such covenants or restrictions took effect, such dwelling units shall be sold or rented at, or below, prices which will preserve the units as affordable housing for persons or families whose income does not exceed eighty per cent of the median income, or (C) are located in a resident-owned mobile manufactured home park.

(8) Points shall be subtracted, applying the formula in subdivision (6) of this subsection, for any affordable dwelling unit which, on or after July 1, 1990, was affected by any action taken by a municipality which caused such dwelling unit to cease being counted as an affordable dwelling unit.

(9) A newly-constructed unit shall be counted toward a moratorium

when it receives a certificate of occupancy. A newly-restricted unit shall be counted toward a moratorium when its deed restriction takes effect.

(10) The affordable housing appeals procedure shall be applicable to affordable housing applications filed with a commission after a three-year moratorium expires, except (A) as otherwise provided in subsection (k) of this section, or (B) when sufficient unit-equivalent points have been created within the municipality during one moratorium to qualify for a subsequent moratorium.

(11) The commissioner shall, within available appropriations, adopt regulations in accordance with chapter 54 to carry out the purposes of this subsection. Such regulations shall specify the procedure to be followed by a municipality to obtain a moratorium, and shall include the manner in which a municipality is to document the units to be counted toward a moratorium. A municipality may apply for a moratorium in accordance with the provisions of this subsection prior to, as well as after, such regulations are adopted.

Sec. 35. (*Effective from passage*) The majority leaders' roundtable group on affordable housing, established pursuant to section 2-139 of the general statutes, shall review the potential issues and benefits of changing the exemption threshold provided in subsection (k) of section 8-30g of the general statutes from a percentage of certain dwelling units located in a municipality to a flat numerical value. Not later than February 1, 2026, the roundtable group shall submit a report, in accordance with the provisions of section 11-4a of the general statutes, on its findings and any recommendations to the joint standing committee of the General Assembly having cognizance of matters relating to housing.

Sec. 36. (*Effective July 1, 2025*) The Commissioner of Housing shall, within available resources, establish and administer an Affordable Housing Real Estate Investment Trust pilot program. Such pilot program shall be for the purpose of providing grants to entities for purposes of acquiring housing units that are subject to long-term deed

restrictions requiring the units to be maintained as affordable housing, provided such units are located in municipalities in the state with populations of at least one hundred thirty thousand but less than one hundred forty thousand, as determined by the most recent federal decennial census. Participation in such pilot program shall be by application, submitted in a form and manner prescribed by the commissioner. For the purposes of this section, "municipality" has the same meaning as provided in section 7-148 of the general statutes.

Sec. 37. (NEW) (*Effective July 1, 2025*) As used in this section and sections 38 and 39 of this act:

(1) "Approved priority housing development zone" means a priority housing development zone for which a final letter of eligibility has been issued by the Commissioner of Housing pursuant to section 38 of this act.

(2) "Developable land" means the area within the boundaries of an approved priority housing development zone that feasibly can be developed into residential uses consistent with the provisions of this section. "Developable land" does not include: (A) Land already committed to a public use or purpose, whether publicly or privately owned; (B) existing parks, recreation areas and open space that is dedicated to the public or subject to a recorded conservation easement; (C) land otherwise subject to an enforceable restriction on or prohibition of development; (D) wetlands or watercourses as defined in chapter 440 of the general statutes; and (E) areas of one-half or more acres of contiguous land that are unsuitable for development due to topographic features, such as steep slopes.

(3) "Dwelling unit" has the same meaning as provided in section 47a-1 of the general statutes.

(4) "Eligible location" means an area within existing residential or commercial districts suitable for development as a priority housing development zone.

(5) "Historic district" means a historic district established pursuant to chapter 97a of the general statutes.

(6) "Priority housing development zone" means a zone adopted by a zoning commission pursuant to this section and sections 38 and 39 of this act as an overlay to one or more existing zones in an eligible location.

(7) "Letter of eligibility" means a preliminary or final letter issued to a municipality by the commissioner pursuant to section 39 of this act.

(8) "Multifamily housing" means a building that contains or will contain three or more residential dwelling units.

(9) "Open space" means land or a permanent interest in land that is used for or satisfies one or more of the criteria listed in subsection (b) of section 7-131d of the general statutes.

(10) "Commissioner" means the Commissioner of Housing, or the commissioner's designee.

(11) "Townhouse housing" means a residential building consisting of single-family dwelling units constructed in a group of three or more attached units in which each unit extends from foundation to roof and has exterior walls on at least two sides.

(12) "Zoning commission" means a municipal agency designated or authorized to exercise zoning powers under chapter 124 of the general statutes or a special act and includes an agency that exercises both planning and zoning authority.

Sec. 38. (NEW) (*Effective July 1, 2025*) (a) Notwithstanding the provisions of any charter or special act, a zoning commission may adopt regulations, as part of any zoning regulations adopted under section 8-2 of the general statutes, as amended by this act, or any special act, that establish a priority housing development zone in accordance with the provisions of this section.

(b) A priority housing development zone shall satisfy the following requirements:

(1) The zone shall be consistent with the state plan of conservation and development and be located in an eligible location.

(2) The commissioner determines, in the commissioner's discretion, that the regulations establishing a priority housing development zone are likely to substantially increase the production of new dwelling units necessary to meet housing needs within the zone, including addressing the provisions identified in subdivisions (4) to (6), inclusive, of subsection (b) of section 8-2 of the general statutes, as amended by this act.

(3) The regulations establishing a priority housing development zone shall permit, as of right, multifamily housing, as provided in this section.

(4) The minimum allowable density for a priority housing development zone, per acre of developable land, shall be: (A) Four units per acre for single-family detached housing; (B) six units per acre for duplex or townhouse housing; and (C) ten units per acre for multifamily housing.

(5) The minimum densities prescribed in subdivision (4) of this subsection shall be subject only to site plan or subdivision procedures, submission requirements and approval standards of the municipality and shall not be subject to special permit or special exception procedures, requirements or standards.

(6) A priority housing development zone may consist of one or more subzones, provided each subzone and the zone as a whole comply with the requirements of this section.

(7) A priority housing development zone shall be not less than ten per cent of the total developable land within a municipality.

(8) The regulations establishing a priority housing development zone

shall satisfy the provisions set forth in section 8-2 of the general statutes, as amended by this act, including, but not limited to, subdivisions (4) to (6), inclusive, of subsection (b) of said section.

(c) A zoning commission may modify, waive or eliminate dimensional standards contained in the zone or zones that underlie a priority housing development zone in order to support the minimum or desired densities, mix of uses or physical compatibility in the priority housing development zone. Standards subject to modification, waiver or elimination by a zoning commission include, but shall not be limited to, building height, setbacks, lot coverage, parking ratios and road design standards.

(d) The regulations of a priority housing development zone may allow for a mix of business, commercial or other nonresidential uses within a single zone or for the separation of such uses into one or more subzones, provided that the zone as a whole complies with the requirements of this section, and such uses are consistent with as-of-right residential uses and densities required under this section.

(e) A priority housing development zone may overlay all or any part of an existing historic district, and a municipality may establish a historic district within an approved priority housing development zone, provided, if the requirements or regulations of such historic district render the approved priority housing development zone out of compliance with the provisions of this section, the commissioner shall deny or revoke a preliminary or final letter of eligibility and deny or revoke a certificate of affordable housing project completion, as provided in subdivision (4) of subsection (l) of section 8-30g of the general statutes, as amended by this act, as applicable.

(f) The provisions of this section shall not be construed to affect the power of a zoning commission to adopt or amend regulations under chapter 124 of the general statutes or any special act.

Sec. 39. (NEW) (*Effective July 1, 2025*) (a) Any municipality that has adopted a priority housing development zone consistent with this

section and sections 37 and 38 of this act may request a final letter of eligibility from the commissioner.

(b) The commissioner may issue a preliminary letter of eligibility upon a municipality's request, provided such municipality has submitted proposed modifications that would allow it to create a priority housing development zone. The commissioner may issue a final letter of eligibility when a municipality has implemented such proposed modifications and is in compliance with the requirements of a priority housing development zone set forth in this section and sections 37 and 38 of this act.

(c) The commissioner shall review such requests not later than ninety days after receipt of such a request. The commissioner may approve, reject or request modifications concerning a priority housing development zone consistent with the requirements of this section and sections 37 and 38 of this act.

(d) If a municipality modifies a priority housing development zone or a new historic district is created within or overlapping such zone after application for or receipt of a letter of eligibility, the municipality, not later than seven days after such modification, shall notify the commissioner of such modification, and the commissioner may deny or rescind such letter of eligibility, as applicable, if the commissioner determines that such modifications do not comply with the requirements of this section and sections 37 and 38 of this act.

(e) If after one year following the date on which a municipality received a final letter of eligibility from the commissioner, the commissioner determines, in the commissioner's discretion, that, considering market conditions in the municipality and the state, there exists a lack of building permits or other indications of progress towards construction of dwelling units in the zone, the commissioner may rescind such final letter of eligibility.

(f) If any letter of eligibility is rescinded pursuant to this section, the commissioner shall also rescind any current certificate of affordable

housing completion awarded to the municipality pursuant to subparagraph (B) of subdivision (4) of subsection (l) of section 8-30g of the general statutes, as amended by this act.

Sec. 40. (NEW) (*Effective October 1, 2025*) Any municipality eligible to receive discretionary infrastructure funding, as defined in section 8-30j of the general statutes, as amended by this act, pursuant to the provisions of both section 8-30j of the general statutes, as amended by this act, and section 19 of this act, shall be given preference in the award of such funding over any municipality that is eligible for such funding under either section 8-30j of the general statutes, as amended by this act, or section 19 of this act, but not both. The Secretary of the Office of Policy and Management shall make recommendations to the state agency responsible for administering or managing such funding and, if priority funding is permitted for such funding, such agency shall prioritize such funding in accordance with this section.

Sec. 41. Section 8-446a of the general statutes is repealed. (*Effective July 1, 2025*)

Sec. 42. Sections 8-2c and 8-2p of the general statutes are repealed. (*Effective July 1, 2026*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	*October 1, 2025*	8-68d
Sec. 2	*July 1, 2026*	8-2(b) to (d)
Sec. 3	*July 1, 2026*	New section
Sec. 4	*from passage*	New section
Sec. 5	*July 1, 2025*	8-3(b)
Sec. 6	*July 1, 2025*	8-30j
Sec. 7	*October 1, 2025*	4-68ii
Sec. 8	*October 1, 2025*	New section
Sec. 9	*July 1, 2025*	New section
Sec. 10	*July 1, 2025*	New section
Sec. 11	*July 1, 2025*	SA 21-26, Sec. 1
Sec. 12	*July 1, 2025*	4-66k

Sec. 13	*January 1, 2026*	New section
Sec. 14	*January 1, 2026*	12-701(a)(20)(B)
Sec. 15	*January 1, 2026*	New section
Sec. 16	*October 1, 2025*	3-129g
Sec. 17	*October 1, 2025*	8-30g(g)
Sec. 18	*October 1, 2025*	New section
Sec. 19	*October 1, 2025*	New section
Sec. 20	*October 1, 2025*	New section
Sec. 21	*from passage*	New section
Sec. 22	*October 1, 2025*	New section
Sec. 23	*October 1, 2025*	8-169tt(a)
Sec. 24	*October 1, 2025*	8-2o(f)
Sec. 25	*October 1, 2025*	8-2o(g)
Sec. 26	*from passage*	New section
Sec. 27	*January 1, 2026*	New section
Sec. 28	*July 1, 2025*	7-148b
Sec. 29	*July 1, 2025*	New section
Sec. 30	*July 1, 2025*	47a-23(a)
Sec. 31	*July 1, 2025*	47a-15a
Sec. 32	*July 1, 2025*	21-83
Sec. 33	*October 1, 2025*	29-195
Sec. 34	*July 1, 2025*	8-30g(l)
Sec. 35	*from passage*	New section
Sec. 36	*July 1, 2025*	New section
Sec. 37	*July 1, 2025*	New section
Sec. 38	*July 1, 2025*	New section
Sec. 39	*July 1, 2025*	New section
Sec. 40	*October 1, 2025*	New section
Sec. 41	*July 1, 2025*	Repealer section
Sec. 42	*July 1, 2026*	Repealer section

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

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 $	FY 27 $
Department of Revenue Services	GF - Cost	None	Up to 175,000
Department of Housing; Treasurer, Debt Serv.; Policy & Mgmt., Off. ; Social Services, Dept.	GF - Potential Cost	See Below	See Below
Department of Administrative Services	GF - Cost	205,000	205,000
Social Services, Dept.	GF - Cost	at least 300,000	at least 200,000
State Comptroller - Fringe Benefits[1]	GF - Cost	170,656	170,656
Resources of the General Fund	GF - Potential Revenue Gain	See Below	See Below
Policy & Mgmt., Off.	GF - Cost	3,816,500	3,812,300

Note: GF=General Fund

Municipal Impact: See below

Explanation

The bill results in various impacts described below.

Section 1, which makes various changes to reporting requirements for housing authorities, is not anticipated to have a fiscal impact on the state or municipalities.[2]

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

[2] Local housing authorities are autonomous public corporations, which are generally funded by the U.S. Department of Housing and Urban Development (HUD) but may also receive state funding.

Section 2 allows middle-housing developments on lots zoned for commercial use to be developed if it meets certain requirements. This may result in a grand list increase or decrease beginning in FY 27 which is dependent on how the land would have otherwise been used.

This section makes other various zoning requirements that do not result in a fiscal impact.

Section 3 prevents development applications from being rejected by local planning or zoning commissions on the basis that they do not conform with off-street parking requirements. Any impact is dependent on if the applications would have otherwise been rejected.

Section 4 results in a cost to the Department of Social Services (DSS) associated with developing and administering a pilot program to provide portable showers and laundry facilities to persons experiencing homelessness in at least three municipalities. The pilot program terminates on January 1, 2027. DSS will incur cost of at least $300,000 in FY 26 and $200,000 in FY 27 to administer the pilot program.

Section 5 makes various changes to zoning regulations and the protest petitions process, which does not result in a fiscal impact.

Section 6 (1) changes requirements for municipal affordable housing plans, (2) requires that municipalities additionally submit a priority affordable housing plan, and (3) prioritizes municipalities for discretionary funding based on certain criteria.[3]

This may result in a cost to municipalities beginning in FY 26 to the extent they require additional resources to update the municipal affordable housing plans and priority affordable housing plans.

There is also a potential revenue shift associated with prioritizing

[3] The discretionary funding includes (1) Urban Action, (2) Small Town Economic Assistance Program, and (3) Main Street Investment Fund, to the extent such programs are (A) permitted to include a priority designation and (B) recommended to include prioritization by the OPM Secretary.

discretionary funding. This may result in some towns receiving larger grants and some receiving smaller grants. Any shift is dependent on how funding is prioritized.

Section 6 also (1) makes the Office of Policy and Management (OPM) responsible for reviewing municipal affordable housing plans, and (2) allows them to require municipalities to submit a priority affordable housing plan. This results in a potential cost to OPM to the extent they require additional resources to review the municipal priority housing plans.

Section 7 requires OPM to determine a municipality's fair share of housing every ten years. The section also requires OPM to use a specified methodology established by "Connecticut Fair Share Housing Study, Housing Needs Methodology and Allocation." This may result in a potential cost to OPM beginning in FY 26 to the extent additional resources are necessary to meet these requirements.

The section also requires municipalities to submit a priority affordable housing plan by January 1, 2026. This may result in a potential cost to municipalities to the extent they require additional resources to meet these requirements.

Section 8 prohibits municipalities from installing or constructing certain hostile architecture. This may result in a potential savings to municipalities beginning in FY 26 to the extent they would have otherwise installed this architecture.

The section also requires municipalities to investigate alleged violations and remove any buildings or structures that are deemed in violation. This results in a potential cost to municipalities beginning in FY 26 to the extent they must investigate and remove structures.

Section 9 requires the Department of Housing (DOH) to develop and administer a middle housing developing grant program. The cost of the program is contingent upon the provision of a funding source for the grant program.

Section 10 may result in a cost to DSS associated with the direct rental assistance pilot program. The section requires DSS to ensure that any direct rental assistance provided under the program does not adversely affect a recipient's eligibility for, or the amount of, any benefit provided under a state-administered public assistance program, including any program administered by a state or municipal agency that receives federal funding or assistance. DSS may incur related administrative costs to the extent they are required to assess the impact to benefits not provided directly by DSS. To the extent DSS disregards the direct rental assistance income and it makes participants eligible to participate in certain programs or provides higher benefits than they otherwise would have, the state or municipalities will incur related costs. The disregard will remain in place for the duration of the pilot.

Section 11 re-establishes the Open Choice Voucher pilot program and is not anticipated to result in a fiscal impact to the state or to municipalities. These vouchers will be reserved for certain students and their families as part of the Rental Assistance Program (RAP). RAP issues new certificates based upon available funding. This pilot may change which households receive a RAP certificate, but it does not make changes to the cost of such certificates.

Section 12 results in a cost of $3.6 million to OPM beginning in FY 26 to increase the regional service grant each Council of Government receives from the Regional Planning Incentive Account by $400,000.[4]

Sections 13 – 15 establish a first-time homebuyer savings account program and associated personal income tax deduction and business tax credit. This results in (1) a General Fund revenue loss of up to $713,000 in FY 28 and up to $970,000 in FY 29[5] and (2) a one-time cost of up to $175,000 to the Department of Revenue Services in FY 27 associated with programming updates to the CTax tax administration system and myconneCT online portal, form modification, and printing/mailing

[4] There are nine regional councils of government in Connecticut.

[5] The revenue loss will grow in FY 30 and beyond subject to program utilization rates.

costs.

Section 16 expands the office of the Attorney Generals (OAG) existing judicial relief for the states housing and public accommodation antidiscrimination laws, which includes issuing a civil penalty of $10,000 to $50,000, resulting in a potential revenue gain to the state to the extent violations occur.

Section 17 may result in a cost to municipalities beginning in FY 26 to the extent they are required to pay attorney's fees.

Section 18 makes it a violation of the Connecticut Antitrust Act to use a revenue management device to set rental rates or occupancy levels, and subject's violators to a civil penalty of up to $100,000 for an individual and up to $1 million for a business resulting in a potential revenue gain to the state to the extent violations occur.

Sections 19 – 25 require OPM to: (1) determine if transit-oriented communities (TOCs) are compliant with certain requirements and meet the restrictions on reasonable size, and (2) establish a grant program to regional councils of government for certain transit projects.

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

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

The sections also: (1) establish requirements for TOCs, (2) require the communities to be prioritized for discretionary infrastructure funding, and (3) make TOCs that adopt additional zoning criteria eligible for additional bonus funding that OPM administers. This may also result in a potential cost to municipalities associated with establishing and

meeting the requirements for a TOC.[6]

There may also be a revenue shift that is dependent on how discretionary infrastructure is prioritized as a result of TOCs.

Section 26 requires OPM to conduct a study in coordination with the interagency council on housing development of wastewater and submit a report by July 1, 2026. This may result in a potential one-time cost to OPM in FY 26 to the extent they require a consultant to assist in the study.

Section 27 requires DOH to develop and establish a four-year pilot program to create employment opportunities within the field of affordable housing construction and requires DOH to submit a report on the efficacy of the program after the pilot is completed. The cost of the program is contingent upon the provision of a funding source for the grant program.

Section 28 expands a provision that requires all municipalities with a population of 25,000 or more to include all municipalities with a population of 15,000 or more, to adopt an ordinance creating a fair rent commission or a joint fair rent commission by January 1, 2028.[7] This may result in a cost to municipalities beginning in FY 28 to the extent they do not already have a fair rent commission. The bill allows two or more municipalities to form a joint fair rent commission which may reduce any cost associated with this provision.

Section 29 expands a Connecticut Housing and Finance Authority (CHFA) homeownership program under CGS 8-286 by allowing CHFA to lower mortgage rates for borrowers with eligible student loan debt. The cost of the program is contingent upon the provision of a funding

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

[7] According to the Department of Public Health 2023 population estimates, 44 municipalities have a population of 25,000 or more and 76 municipalities have a population of 15,000 or more.

source for the loan subsidy.[8]

While there are no bond fund authorizations specific to the proposed program, there are several bond-funded housing programs that may be used for the purpose described. Should those existing authorizations be used for this program, future General Fund debt service costs may be incurred sooner under the bill to the degree that it causes authorized GO bond funds to be expended or to be expended more rapidly than they otherwise would have been. The bill does not change GO bond authorizations available for this program.

Sections 30 – 32 may result in a potential savings to municipalities associated with storing less possessions of evicted tenants, beginning in FY 26 to the extent the section results in fewer evictions.

Section 33 results in a cost of $205,000 to the Department of Administrative Services (DAS) in FY 26 and FY 27 for salary expenses and $83,456 in FY 26 and FY 27 to the State Comptroller – Fringe Benefits to hire two elevator inspectors to inspect each elevator in privately owned multifamily projects in the state every twelve months.

Section 34 allows (1) municipalities that have received a final letter of eligibility from DOH for priority housing development zones to qualify for a moratorium under the affordable housing appeals procedures, and (2) certain housing constructed by or in conjunction with a housing authority of a neighboring municipality to be awarded an additional one-quarter point toward a moratorium under the affordable housing appeal procedures. This results in a potential savings to municipalities beginning in FY 26 for legal costs to the extent that more municipalities are awarded a moratorium.[9,10]

[8] CHFA is a quasi-public authority that issues its own federally tax-exempt and taxable mortgage revenue bonds. The authority pays its operating expenses using funds derived from the excess of interest income from loans over bond interest expenses.
[9] Several municipalities reported spending up to $215,000 on legal costs, appeals, and litigations related to CGS 8-30g projects within the past two years.
[10] As of 2024, 28 towns had at least 10% affordable housing.

Section 35 requires the majority leader's roundtable group on affordable housing to conduct a study resulting in no fiscal impact to the state because the roundtable has the expertise to meet the requirements of the section.

Section 36 requires DOH to establish and administer an Affordable Housing Real Estate Investment Trust pilot program. The cost of the program is contingent upon the provision of a funding source for the grant program.

Sections 37 – 39 establishes guidelines for priority housing development zones. This may result in a potential cost to municipalities beginning in FY 26 to the extent that they require additional resources to develop plans for the priority housing development zone. This may also result in a potential grand list increase or decrease beginning in FY 27 that is dependent on how the land would have otherwise been developed.

The sections will have no impact on any municipality that does not elect to establish a priority housing development zone.

Section 40 makes certain municipalities prioritized for discretionary infrastructure funding over others. This may result in a revenue shift that is dependent on how discretionary infrastructure is prioritized as a result.

Section 41 which expands the purpose of the Healthy Homes Fund to include radon mitigation, is not anticipated to result in a fiscal impact to the state or to municipalities.

The Healthy Homes Fund currently supports 1) the Crumbling Foundations Assistance Fund and 2) a program for lead removal, remediation, and abatement activities. By expanding the allowable use to include radon mitigation, this bill potentially reduces the funds available for these programs.

Section 42 eliminates a provision that allows municipalities to adopt

regulations on paying fees in lieu of providing parking. This may result in a revenue loss to municipalities beginning in FY 26 to the extent fewer fees are collected.

The section also eliminates a provision that allows municipalities to opt out of limitations on parking spaces which does not result in a fiscal impact.

House "A" strikes the underlying bill and its associated fiscal impact resulting in the fiscal impact described above.

House "B" makes various change to the underlying bill as amended by House "A" including eliminating various sections.

The Out Years

The annualized ongoing fiscal impact identified above will continue into the future subject to 1) inflation, 2) grants issued, 3) income subject to disregard, 4) actual revenue lost due to home buyer savings accounts, 5) violations of the provisions of the bill, and 6) the discretion of various state agencies and municipalities.

OLR Bill Analysis

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

AN ACT CONCERNING HOUSING AND THE NEEDS OF HOMELESS PERSONS.

TABLE OF CONTENTS:

SUMMARY

§ 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

§ 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

§ 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

§§ 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

§ 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

§ 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

§§ 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

§ 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

§ 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

§ 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

§ 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

§ 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

§ 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

§ 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

§§ 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

§ 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

§ 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

§ 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

§§ 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

§ 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

§ 22 — OPM GRANT PROGRAM FOR COGS

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

§ 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

§ 26 — STATE-WIDE WASTEWATER CAPACITY STUDY

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

§ 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

§ 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

§ 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

§§ 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

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

§§ 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

§ 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

§ 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

§ 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

§ 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
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

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)