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## OLR Bill Analysis

sHB 5362 (as amended by House "A")\*

### **AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE MAJORITY LEADER'S ROUNDTABLE.**

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*Specifies that 0.25 HUE points are allocated to certain transit community middle housing developments as a base value, to which additional HUE points may be added if the units are deed-restricted affordable housing*

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*Requires municipalities to compile, and submit to DOH twice a year, information on certain proposed affordable housing developments that would qualify for an appeal under § 8-30g; requires DOH to create and maintain a database with this information on its website*

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*Clarifies that local regulations must provide a summary review process for both transit community middle housing developments and mixed-use developments on certain parcels; pushes out the date for compliance until June 1, 2027; limits the requirement as it applies to mixed-use developments to developments with 2 to 9 units; changes the definition of cottage cluster for purposes of this law and another municipal option zoning law*

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*Clarifies how COGs can use an earmarked regional service grant*

**SUMMARY**

This bill makes various changes in laws related to housing development, including the affordable housing land use appeals procedure (§ 8-30g), transit-oriented community zoning law, and housing growth plan (HGP) requirements, as described in the section-by-section analysis below. It also makes various minor, technical, and conforming changes.

EFFECTIVE DATE: October 1, 2026, unless noted otherwise below.

\*House Amendment "A" makes the following changes:

1. removes provisions (a) reducing the required deed restriction duration for certain § 8-30g set-aside developments built on municipal land, (b) on retaining affordable housing goals, (c) requiring the court to stay § 8-30g appeals when a municipality applies for a moratorium; (d) extending certain moratoria, and (e) on the Department of Housing's (DOH) collaboration with local land use authorities;
2. modifies provisions (a) on the interaction between certain local plans and HGPs and (b) requiring municipal reporting to DOH

on § 8-30g applications; and

3. adds the provisions (a) clarifying that local regulations must provide a summary review process for both transit community middle housing developments and mixed-use developments on certain parcels, extending the deadline for doing so, and changing certain related definitions; (b) making a minor change to the law on minimum parking requirements; (c) increasing housing unit equivalent (HUE) points for certain deeply affordable units; (d) on Council of Governments' (COG) regional coordinator positions; (d) sunsetting the Majority Leaders' Roundtable; and (e) reducing the set-aside and affordability requirements for certain housing built as-of-right in a transit-oriented district.

**§ 1 — INCREASED § 8-30G HUE POINTS FOR UNITS RESTRICTED TO FAMILIES WITH INCOMES UP TO 20% OF THE MEDIAN INCOME**

*Increases current law's HUE point allocations for certain deeply affordable housing*

The bill modifies housing unit equivalent (HUE) point allocations under § 8-30g. Specifically, it increases current law's point allocations for income-restricted family units (not age-restricted) by creating a higher-point allocation category for these units if they are restricted to households with incomes up to 20% of the median income. (Under existing law and the bill, "median income" means the lesser of the federally determined state or area median income, after family size adjustments.) The bill increases the base value these units are eligible for by 0.75 HUE points, as shown in the below table.

Under existing law, a municipality is generally eligible for a moratorium (temporary suspension) from appeals taken under § 8-30g each time it shows it has added a certain amount of qualifying housing units to its housing stock, measured in HUE points. The number of points required depends on certain factors, like the municipality's size and whether it adopted certain zoning regulations or has qualified for a moratorium before.

**Table: HUE Points Under Current Law and the Bill**

<b>Unit Type</b>		<b>Base HUE Value (per Unit) Current Law</b>	<b>Base HUE Value (per Unit) HB 5362</b>
Market-rate unit in a set-aside development		0.25	No change
Middle housing dwelling units built under local option regulation		0.25	No change*
Owned family unit restricted to households earning no more than:	80% of median income	1.00	No change
	60% of median income	1.50	No change
	40% of median income	2.00	No change
	20% of median income	2.00	2.75
Rented family unit restricted to households earning no more than:	80% of median income	1.50	No change
	60% of median income	2.00	No change
	40% of median income	2.50	No change
	20% of median income	2.50	3.25
Owned or rented elderly unit restricted to households earning no more than 80% of the median income		0.50	No change
Owned or rented homes in resident-owned mobile manufactured home parks occupied by households earning 80% or less of the median income		1.50	No change
Owned or rented homes in resident-owned mobile manufactured home parks occupied by households earning 60% or less of the median income		2.00	No change
Owned or rented homes in resident-owned mobile manufactured home parks not otherwise eligible for points		0.25	No change
<b>Unit Type</b>		<b>Bonus HUE Value Current Law</b>	<b>Bonus HUE Value HB 5362</b>
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	No change
Unit that is eligible for a base HUE allocation, as described above, and was constructed by (or with) a neighboring municipality's housing authority		0.25 per unit	No change

\*The bill clarifies that the law broadly awards these units 0.25 HUE points as a base value (see §§ 1 & 4 below)

### **Background — Related Bills**

The Housing, Insurance and Real Estate, and Planning and Development committees favorably reported several other bills impacting § 8-30g, including: sSB 338 (File 208) (prohibits the allocation of HUE points after § 8-30g litigation, under certain circumstances); sHB

5364 (File 198) (redefines “set-aside development” to reduce required affordability periods and aligns HUE point allocations with them); sHB 5365 (File 113) (modifies HUE point allocations, including for accessory apartments and certain deeply affordable housing (the latter is identical to the allocation change discussed above)); sHB 5376 (File 244) (adds an additional ground for a local commission to defend its decision on an affordable housing application); and sHB 5395 (File 251) (allocates HUE points to modular and prefabricated homes that do not otherwise qualify for points).

### **§§ 1 & 4 — ALLOCATING § 8-30G HUE POINTS FOR TRANSIT COMMUNITY MIDDLE HOUSING**

*Specifies that 0.25 HUE points are allocated to certain transit community middle housing developments as a base value, to which additional HUE points may be added if the units are deed-restricted affordable housing*

By law, if a municipality opts to allow transit community middle housing developments on any lots allowing residential use subject only to a summary review (see *Background*), it is eligible for § 8-30g HUE points for units built under that process (see CGS § 8-2s). “Transit community middle housing developments” are generally residential buildings with between two and nine units (see §§ 3-4 & 12, below). Existing law, unchanged by the bill, does not require any units in these developments to qualify as affordable housing.

It appears that current law requires each unit in a transit community middle housing development built under the process described above to be awarded a base value of 0.25 HUE points, to which additional points may be added if a unit qualifies for them (like by being deed-restricted to maintain affordability). But in practice, it has been deemed unclear whether units in these developments are eligible for both these base value HUE points and any additional HUE points the unit may qualify for.

The bill addresses this ambiguity by clarifying that units in a transit community middle housing development built under the municipal option process are eligible for a base value of 0.25 HUE points, to which additional HUE points may be added if the units qualify as affordable housing for households at or below 80% of the median income. (The

number of HUE points depends on the affordability restriction and whether it is a rental or ownership unit, see table above.)

The bill also makes conforming changes in § 8-30g related to determining which units, under existing law, can be counted toward a moratorium.

EFFECTIVE DATE: October 1, 2026, for the changes to § 8-30g and July 1, 2026, for the changes to the municipal option law.

***Background — Summary Review***

Under a summary review process, a project that complies with local zoning regulations is approvable without a public hearing, variance, special permit or exception, or other discretionary zoning action (other than a review of a site plan for regulatory compliance and a determination that public health and safety will not be substantially impacted) (CGS § 8-2r).

***Background — Related Bills***

The Housing, Insurance and Real Estate, and Planning and Development committees favorably reported several bills impacting § 8-30g, as described in the prior *Related Bills* section above.

**§ 2 — MUNICIPAL REPORTS TO STATE ON AFFORDABLE HOUSING DEVELOPMENT APPLICATION DECISIONS**

*Requires municipalities to compile, and submit to DOH twice a year, information on certain proposed affordable housing developments that would qualify for an appeal under § 8-30g; requires DOH to create and maintain a database with this information on its website*

The bill creates a new recordkeeping and reporting requirement for municipalities related to § 8-30g affordable housing applications. (By law, these are proposals submitted to a local land use commission for “assisted housing” or a “set-aside development,” as defined in law.)

Every six months, municipalities that do not have a moratorium or exemption from appeals under § 8-30g must give DOH certain information on affordable housing applications that would qualify for an appeal under the procedure.

Municipalities must compile and give DOH information on affordable housing applications rejected or conditionally approved – specifically, for each such application: the developer’s name, proposed location, conditions imposed (if any), and reasons for rejection or imposing conditional approval.

The DOH commissioner must create a database of these affordable housing decisions and post it on the department’s website. The bill requires DOH to update the database at least every six months.

**Background — Related Bills**

The Housing, Insurance and Real Estate, and Planning and Development committees favorably reported several bills impacting § 8-30g, as described in the *Related Bills* section (§ 1) above.

**§§ 3-4 & 12 — SUMMARY REVIEW OF DEVELOPMENTS ON PARCELS ZONED FOR COMMERCIAL OR MIXED-USE DEVELOPMENT**

*Clarifies that local regulations must provide a summary review process for both transit community middle housing developments and mixed-use developments on certain parcels; pushes out the date for compliance until June 1, 2027; limits the requirement as it applies to mixed-use developments to developments with 2 to 9 units; changes the definition of cottage cluster for purposes of this law and another municipal option zoning law*

**Later Compliance Deadline and Clarifying Change**

Currently, beginning July 1, 2026, municipal zoning regulations must provide a summary review process for any proposed transit community middle housing development or mixed-use development, if it will be located on a parcel zoned for commercial or mixed-use development. The bill (1) clarifies that both development types (transit community middle housing and mixed-use) are entitled to summary review and (2) delays, until June 1, 2027, the deadline for adopting conforming regulations. (“Summary review” is explained above, see §§ 1 & 4.)

**Mixed-Use Development Limited to Smaller Developments**

By law, a mixed-use development contains residential and nonresidential uses in a single building (CGS § 8-1a). The bill specifies that current law’s provisions on providing for summary review of proposed mixed-use developments apply only when the development contains two to nine dwelling units. (Current law does not specify a

minimum or maximum number of dwellings for a mixed-use development eligible for the summary review process.)

### ***Cottage Cluster Definition***

Currently, a transit community middle housing development is defined as a residential building with two to nine units, such as a duplex, triplex, cottage cluster, perfect six, or townhouse.

The bill changes when a cottage cluster qualifies as transit community middle housing to generally align it with the definition of cottage cluster applicable to the Zoning Enabling Act, which requires cottage clusters to consist of at least four detached dwellings per acre, built around a common open area. Under the bill, to qualify as a transit community middle housing development, a cottage cluster must (1) consist of four to nine dwellings and (2) be built around a common area at a minimum density of four units per acre.

(This definitional change also applies to the municipal option transit-oriented community zoning law (CGS § 8-13hh), which requires qualifying districts to allow transit community middle housing developments (including cottage clusters) as-of-right. The bill makes other changes to that law as well, see § 13.)

### ***Townhouse Defined***

As described above, townhouses are a type of transit community middle housing development. The bill specifies that the definition of townhouse that applies to the Zoning Enabling Act also applies for purposes of defining allowable types of transit community middle housing developments. (This specification also applies to the transit-oriented community zoning law (which the bill makes other changes to, see § 13).)

Under the Zoning Enabling Act, a “townhouse” is a residential building built in a group of at least three attached units, each sharing at least one common wall with an adjacent unit and having exterior walls on at least two sides (CGS § 8-1a).

**Background — Related Bill**

sHB 5502 (File 274), favorably reported by the Planning and Development Committee, delays until January 1, 2027, the deadline for adopting conforming regulations providing a summary review process for certain transit community middle housing developments and mixed-use developments.

EFFECTIVE DATE: July 1, 2026, except the conforming changes related to special act zoning powers (§ 3) are effective upon passage and the cottage cluster and townhouse definition provisions (§ 12) are effective October 1, 2026.

**§§ 5 & 6 — CLARIFYING CHANGE TO HOUSING GROWTH PLAN REVIEW PROCESS**

*Extends to the Council on Housing Development a requirement that regional or municipal HGP's may only be rejected if they do not conform to the law's requirements*

By law, unchanged by the bill, regional and municipal HGP's must be submitted to the Office of Policy and Management (OPM) secretary for approval. The secretary must accept or reject a plan within 120 days after receiving it. But he cannot reject plans that meet the HGP law's requirements.

If the secretary does not act within this timeframe, a plan must instead be submitted to the Council on Housing Development for approval. The bill clarifies that like the OPM secretary, the council may only reject a plan if it does not meet the HGP law's requirements.

**§ 7 — ANNUAL REPORT ON FAIR HOUSING CHOICE AND RACIAL AND ECONOMIC INTEGRATION**

*Requires DOH to annually submit a report to the General Assembly on fair housing choice and racial and economic integration in its housing programs*

The bill requires DOH to begin submitting an annual report to the General Assembly on fair housing choice and racial and economic integration in its programs. Under current law, the Connecticut Housing Finance Authority and the Connecticut Housing Authority (which is not active) are required to submit a report on these topics, as they relate to their programs.

Under existing law, this annual report must include, among other things, (1) by income group and race, households served by the agency's housing construction, substantial rehabilitation, purchase, and rental assistance programs; and (2) efforts made to promote fair housing choice and racial and economic integration.

### **§§ 8-10 — HGP TAKES PRECEDENCE OVER OTHER LOCAL PLANS**

*Generally specifies that local POCDs and sewer plans can be disregarded when they constrain development that has been deemed prudent and feasible in developing an HGP; makes a clarifying change to conform the laws on regional and municipal HGPs to one another*

Currently, a municipal or regional HGP must address the plan's consistency with (1) the municipal plan (or plans) of conservation and development (POCD) and (2) any applicable plans adopted by local water pollution control (sewer) authorities.

By law, local POCDs are made by the municipal planning commission for a 10-year period. POCDs must address certain conservation and development concerns, including: (1) the municipality's need for affordable housing; (2) physical, social, economic, and governmental conditions and trends; (3) objectives for energy-efficient development patterns; (4) the protection of agriculture and water sources; and (5) sea level change. Local sewer plans are optional plans that, among other things, identify areas where sewer service is planned or should be avoided.

#### ***Considering Local Plans When Making HGPs (§§ 8 & 9)***

Under the bill, while an HGP must still address its consistency with local POCDs and sewer plans, the bill allows conflicting provisions in these plans to be disregarded when they constrain development that has been deemed prudent and feasible in the development of the HGP.

For regional HGPs, a POCD or sewer plan can be disregarded only if the affected municipality agrees to it. The bill specifies that these municipalities may correspondingly opt not to implement provisions in a local POCD or sewer plan that were disregarded.

***Municipal POCDs (§ 10)***

The bill specifies that if a local planning commission determines that an HGP conflicts with an adopted POCD, it may choose to allow the HGP to take precedence over conflicting provisions in the POCD. (Under existing law, local planning commissions may adopt amendments to the POCD as deemed necessary.)

***Clarifying Change (§ 8)***

The bill also makes a clarifying change to the law on municipal housing growth plans. It does so by specifying that like regional HGPs, municipal plans must outline the housing growth policies the municipality has adopted or will adopt to reduce regulatory barriers to housing development and promote additional development. This requirement is generally implied in other parts of the HGP law.

EFFECTIVE DATE: October 1, 2026, except the change in § 10 to the law on adopting POCDs is effective July 1, 2026.

**§ 11 — MINOR CHANGE TO OFF-STREET PARKING LAW**

*Makes a minor change to align provisions in the off-street parking law*

The bill makes a minor change to the law on off-street parking minimums, passed as part of the 2025 November Special Session housing legislation (and codified in CGS § 8-3n). Specifically, the bill aligns the provision on setting parking minimums in conservation and traffic mitigation districts with the provision broadly limiting minimums for developments with fewer than 17 dwellings.

Under current law, an exception to the broadly applicable limitation on setting formulaic parking minimums generally allows municipalities to set minimum parking requirements for developments with fewer than 16 units in conservation and traffic mitigation districts. Under the bill, this exception applies to developments with fewer than 17 dwellings. (As under existing law, municipalities that impose minimum parking requirements on these smaller developments must allow the proposed developer to submit a parking needs assessment to contest the locally set requirements.)

**§ 13 — HOUSING BUILT ON CERTAIN LAND IN A TRANSIT-ORIENTED DISTRICT**

*Reduces the set-aside and affordability requirements for certain housing built in a transit-oriented district as-of-right*

Under the municipal option transit-oriented community zoning law (CGS § 8-13hh), passed during the 2025 November Special Session, qualifying districts must allow certain housing developments as-of-right (see *Background*). Specifically, the following currently must be allowed as-of-right (after an inland wetlands public hearing, if one is required):

1. transit community middle housing developments;
2. developments with 10 or more units, if at least 30% of the units qualify as a § 8-30g “set-aside development” (see *Background*);
3. developments, with any number of units, if they are (a) built on land owned by the municipality, 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 (costing no more than 30% of the household’s annual income) for renters or buyers earning 60% or less of the federally determined state or area median income, whichever is less; and
4. the conversion of existing residential or commercial properties into any of the above-listed development types.

The bill reduces the set-aside and affordability requirements for housing developments built on land owned by the municipality or its housing authority, a nonprofit, or a religious organization. Under the bill, at least 33%, rather than 100%, of the units must be set aside as affordable units. And instead of being set aside for households at or below 60% of the median income, they must be set aside for households at or below 80% of the median income.

(As noted above, § 12 changes the definition of “transit community middle housing development.” These changes generally align the definitions of “cottage cluster” and “townhouses” with the Zoning

Enabling Act.)

EFFECTIVE DATE: October 1, 2026

**Background — As-of-Right Developments**

For the laws on zoning, an “as-of-right development” is a development that may 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 § 8-30g, a set-aside development is a development in which at least 30% of the units are deed-restricted for at least 40 years after initial occupancy. Specifically, at least (1) 15% of the units must be deed-restricted to households earning 60% or less of the area median income (AMI) or state median income (SMI), whichever is less, and (2) 15% of the units must be deed-restricted to households earning 80% or less of AMI or SMI, whichever is less.

**§§ 14 & 15 — SUNSETTING THE MAJORITY LEADERS’  
ROUNDTABLE GROUP**

*Sunsets the majority leaders’ roundtable group on affordable housing on June 30, 2026*

The bill sunsets the majority leaders’ roundtable group on affordable housing on June 30, 2026, and specifies its last required report to the Housing Committee was the one due January 1, 2026.

The bill makes conforming changes in the law on the Council on Housing Development. Specifically, instead of having the roundtable group’s chairs (the Senate and House majority leaders) each appoint a member to the council, the bill requires the Senate president pro tempore and House speaker to each make an appointment.

EFFECTIVE DATE: Upon passage, except the conforming changes to the Council on Housing Development are effective on July 1, 2026.

**§ 16 – CLARIFYING REGIONAL COORDINATOR GRANT’S USE**

*Clarifies how COGs can use an earmarked regional service grant*

Beginning with FY 26, current law requires each COG to use \$200,000 of its annual regional service grant to fund a regional coordinator position for either (1) stormwater management and flood mitigation or (2) municipal solid waste and recycling. The bill allows COGs to use this money for one or both of these positions.

EFFECTIVE DATE: July 1, 2026

***Background — Related Bill***

HB 5390 (File 250), favorably reported by the Planning and Development Committee, contains identical changes.

**COMMITTEE ACTION**

Housing Committee

Joint Favorable Substitute

Yea 17    Nay 2    (03/10/2026)