



House of Representatives

General Assembly

File No. 264

February Session, 2026

Substitute House Bill No. 5396

House of Representatives, March 31, 2026

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

AN ACT CONCERNING AFFORDABLE HOUSING DEVELOPMENT ON CERTAIN LAND OWNED BY A RELIGIOUS ORGANIZATION.

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

1 Section 1. (NEW) (*Effective October 1, 2026*) (a) As used in this section:

2 (1) "Religious organization affordable housing development" means
3 a development proposed by a religious institution or jointly proposed
4 by a religious institution and any other developer that is located on real
5 property owned by such religious organization where not less than
6 twenty per cent of the proposed dwelling units are subject to affordable
7 housing deed restrictions;

8 (2) "Dwelling unit" has the same meaning as provided in section 47a-
9 1 of the general statutes;

10 (3) "Religious organization" has the same meaning as provided in
11 section 49-31k of the general statutes;

12 (4) "Affordable housing deed restriction" means a deed restriction
13 contained in an instrument filed on the land records of the municipality
14 in which the development is located that requires, for not less than forty
15 years after the initial occupation of the development, that certain
16 dwelling units in the development be sold or rented at, or below, a cost
17 in rent or mortgage payments equivalent to not more than thirty per
18 cent of the annual income of individuals and families earning sixty per
19 cent of the median income of the state or the area median income as
20 determined by the United States Department of Housing and Urban
21 Development, whichever is less; and

22 (5) "Summary review" has the same meaning as provided in section
23 8-2r of the general statutes.

24 (b) Notwithstanding the provisions of any zoning regulations
25 adopted pursuant to section 8-2 of the general statutes or any special act,
26 except as provided in subsection (c) of this section, any proposed
27 religious organization housing development shall be allowed subject
28 only to summary review.

29 (c) Any zoning regulations adopted pursuant to section 8-2 of the
30 general statutes or any special act may require that a religious
31 organization housing development have:

32 (1) A gross density of (A) thirty or fewer dwelling units per acre if
33 less than twenty-five per cent of the dwelling units in such development
34 are subject to an affordable housing deed restriction, or (B) fifty or fewer
35 dwelling units per acre if twenty-five per cent or greater of the dwelling
36 units in such development are subject to an affordable housing deed
37 restriction;

38 (2) A height not greater than the maximum allowable height for a
39 residential development in the municipality;

40 (3) Side and rear setbacks of not less than fifteen feet; and

41 (4) Notwithstanding the provisions of section 8-3n of the general
42 statutes, off-street motor vehicle parking if the development is greater

43 than one-half mile from any public transit station, provided such
44 parking requirements shall not exceed one parking space per dwelling
45 unit.

46 (d) The provisions of subsection (b) of this section shall not apply to
47 any real property:

48 (1) Owned by a religious organization for fewer than three years;

49 (2) Located in a special flood hazard area designated on a flood
50 insurance rate map published by the National Flood Insurance Program;

51 (3) Located within a radius of three thousand two hundred feet of any
52 facility that extracts or refines oil or natural gas;

53 (4) Lacking adequate access to water or sewerage infrastructure; or

54 (5) Used as a cemetery.

55 (e) The provisions of subsection (b) of this section shall not apply to
56 any development that would require the demolition of any property
57 listed in the (1) National Register of Historic Places, or (2) State Register
58 of Historic Places, provided such demolition may occur for property
59 listed in said state register if such demolition has been approved, in
60 writing, by the State Historic Preservation Officer.

61 (f) The summary review process specified in subsection (b) of this
62 section shall require that a decision on any application be rendered not
63 later than ninety days after receipt of such application by the planning
64 commission, zoning commission or combined planning and zoning
65 commission, except an applicant may consent to one or more extensions
66 of not more than an additional ninety days or may withdraw such
67 application.

68 (g) The provisions of this section shall not be construed to make any
69 portion of real property used for a religious organization affordable
70 housing development exempt from taxation pursuant to section 12-81
71 of the general statutes unless such development meets the requirements

72 of said section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2026	New section

Statement of Legislative Commissioners:

In Subdiv. (c)(1), "if twenty per cent" was changed to "if less than twenty-five per cent", for accuracy.

PD *Joint Favorable Subst.*

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

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 27 \$	FY 28 \$
All Municipalities	Potential Revenue Loss	Minimal	Minimal
All Municipalities	Potential Savings	Minimal	Minimal

Explanation

The bill requires municipalities to consider certain proposed affordable housing developments under summary review process. This results to a potential revenue loss to municipalities beginning in FY 27 to the extent fewer special permit fees are paid and a potential savings beginning in FY 27 to the extent fewer public hearings are held. It is anticipated any impact will be minimal as this bill only applies to affordable housing developments that a religious organization wants to build.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of affordable housing developments that are built.

OLR Bill Analysis**sHB 5396*****AN ACT CONCERNING AFFORDABLE HOUSING DEVELOPMENT
ON CERTAIN LAND OWNED BY A RELIGIOUS ORGANIZATION.*****SUMMARY**

The bill requires all municipalities to consider proposed affordable housing developments that a religious organization wants to build on its own land under a summary review process. This requirement applies regardless of conflicting zoning regulations. The bill (1) defines qualified developments, (2) lists certain restrictions municipalities can put on them, and (3) excludes certain parcels from its requirements.

By law, 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). The bill requires municipalities to make a decision on a religious organization’s application within 90 days of receiving it, unless the organization agrees to one or more extensions totaling up to 90-days or withdraws the application.

The bill’s summary review process appears to align with the federal Religious Land Use and Institutionalized Persons Act, which prohibits land use regulations that substantially burden religious exercise, but by providing a process applicable only to religious organizations it is unclear whether it may violate the First Amendment’s Establishment Clause (see BACKGROUND).

EFFECTIVE DATE: October 1, 2026

QUALIFYING AFFORDABLE HOUSING DEVELOPMENTS

Under the bill, qualifying affordable housing developments must be proposed by a religious organization, but they may do so jointly with any developer. Religious organizations must be religious nonprofits under federal tax law.

Under the bill, at least 20% of the dwellings in a qualifying proposed development must be deed-restricted for at least 40 years to preserve them as affordable for people earning no more than 60% of the lesser of the federally determined state or area median income. They may be rental or ownership units.

(Unless at least 30% of the units are preserved for low-income households, these developments will not qualify as set-aside developments for purposes of bringing suit under the Affordable Housing Land Use Appeals Procedure (§ 8-30g). But deed-restricted units in these developments generally would qualify for points toward a moratorium (see BACKGROUND).)

Housing developed under the bill's summary review process is subject to the property tax unless it otherwise qualifies for an exemption under existing law.

Eligible Parcels

A qualifying development must be proposed on property that the institution has owned for at least three years and with access to adequate water and sewer infrastructure. The development cannot require demolishing a property on the national or state registers of historic places, unless the state historic preservation officer gives written approval. Also, the property to be developed cannot be:

1. a cemetery;
2. in a special flood hazard area (as shown on National Flood Insurance Program's rate map); or
3. within 3,200 feet of a natural gas or oil refinery or extraction facility.

SPECIFICALLY AUTHORIZED ZONING RESTRICTIONS

Under the bill, municipal zoning authorities must generally allow qualified affordable housing developments on an organization's property subject only to a summary review (which by law includes checking whether the proposal meets specified requirements, like those on lot size and building frontage).

The bill specifies certain restrictions on density, setbacks, building height, and parking that may be included in zoning regulations. (Presumably, local regulations cannot conflict with the restrictions the bill permits.)

The bill specifically allows zoning regulations to:

1. limit a development's gross density to (a) 30 units per acre when fewer than 25% of them are deed-restricted affordable units or (b) 50 units per acre when at least 25% are deed-restricted affordable units;
2. set side and rear setbacks of up to 15 feet;
3. set a maximum height for buildings, if it is no lower than the maximum for other residential developments in the municipality; and
4. regardless of the law on setting off-street parking requirements, require one off-street parking space per dwelling unit if the development is over 1/2 mile from a public transit station (the bill does not define "public transit station").

BACKGROUND***Affordable Housing Land Use Appeals Procedure (CGS § 8-30g)***

The procedure generally requires municipal land use commissions to defend their decisions to reject affordable housing development applications or approve them with restrictions that would have a substantial adverse impact on the project's viability or the affordability of income-restricted units. (In traditional land use appeals, the appellant

(for example, a developer) must convince the court that the commission acted illegally or arbitrarily or abused its discretion.)

Generally, a prospective developer can use the appeals procedure to contest a commission's decision on an application if (1) fewer than 10% of the municipality's housing units are affordable, based on certain statutory criteria, and (2) the municipality has not qualified for a moratorium.

Religious Land Use and Institutionalized Persons Act (RLUIPA)

Broadly, this federal law prohibits the government from implementing a land use regulation that imposes a substantial burden on the religious exercise of any person, including a religious organization, unless it furthers a compelling governmental interest and is the least restrictive means of doing so. RLUIPA may also be violated when a land use regulation treats a religious use less favorably than secular uses (42 U.S.C. § 2000cc et seq.).

U.S. Constitution's Establishment and Free Exercise Clauses

The First Amendment has two provisions concerning religion: the Establishment Clause and the Free Exercise Clause. Broadly, the Establishment Clause limits the government from becoming intertwined with religion by establishing, sponsoring, or supporting it. The Free Exercise Clause limits government interference with religious beliefs.

Courts have taken different approaches to evaluating Establishment Clause claims, including looking to historical practices and understandings and considering whether governmental actions benefiting a religious group serve a secular purpose and avoid entanglement.

Related Bills

sHB 5502, favorably reported by the Planning and Development Committee, extends the law on approving certain middle housing and mixed-use developments under a summary review process to proposed developments on (1) lots that were previously zoned for residential use

and (2) certain lots zoned for industrial use.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 13 Nay 8 (03/13/2026)