
OLR Bill Analysis

sHB 5362

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

TABLE OF CONTENTS:

SUMMARY

§ 1 — REDUCED DEED RESTRICTION DURATION FOR CERTAIN § 8-30G SET-ASIDE DEVELOPMENTS

Reduces, from 40 to 20 years, the required deed restriction under § 8-30g for set-aside developments built on municipal land or land a municipality transfers to a developer to build one

§ 2 — § 8-30G APPEALS STAYED WHEN MUNICIPALITY SEEKS MORATORIUM AND DISMISSED IF GRANTED

Requires courts to stay an § 8-30g appeals proceeding when a municipality applies for a moratorium; requires appeals proceedings to be dismissed if a moratorium is granted

§ 3 — EXTENDING § 8-30G MORATORIA TO ALIGN WITH HOUSING GROWTH PLAN SUBMISSION DEADLINES

Extends a municipality's moratorium on appeals taken under § 8-30g until the next applicable HGP deadline

§§ 3 & 5 — 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 when they are not eligible for other HUE points (§ 3); specifically allows units in these developments to earn additional HUE points for being deed-restricted affordable housing units (§ 5)

§ 4 — MUNICIPAL REPORTS TO STATE ON AFFORDABLE HOUSING DEVELOPMENT APPLICATIONS

Requires municipalities to submit information quarterly on developments that would qualify for an appeal under § 8-30g; requires DOH to post the information on its website

§ 6 — AFFORDABLE HOUSING GOALS IN HOUSING GROWTH PLANNING LAW

Prohibits revision of affordable housing goals after OPM approves a regional HGP due to a municipality opting out of it (this provision appears to have no legal effect as affordable housing goals are set for each municipality individually and once OPM approves them, only a municipality making its own HGP can set a different goal)

§§ 7 & 8 — CLARIFYING CHANGE TO HOUSING GROWTH PLAN REVIEW PROCESS

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

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

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

§ 10 — DOH COLLABORATION WITH LOCAL LAND USE AUTHORITY

Requires the DOH commissioner to work with the local planning and zoning authority to share information with the public about a proposed DOH project on state owned or controlled land

§§ 11-13 — HGP TAKES PRECEDENCE OVER OTHER LOCAL PLANS

Generally specifies that local POCDs and sewer plans can be disregarded when they unnecessarily limit an HGP; requires local POCDs to be consistent with HGPs

BACKGROUND

SUMMARY

This bill makes various changes in laws related to affordable housing, including the affordable housing land use appeals procedure (§ 8-30g) and housing growth plan requirements, as described in the section-by-section analysis below.

EFFECTIVE DATE: October 1, 2026

§ 1 — REDUCED DEED RESTRICTION DURATION FOR CERTAIN § 8-30G SET-ASIDE DEVELOPMENTS

Reduces, from 40 to 20 years, the required deed restriction under § 8-30g for set-aside developments built on municipal land or land a municipality transfers to a developer to build one

The bill changes the definition of “set-aside development” for purposes of the affordable housing land use appeals procedure (§ 8-30g) to reduce, in some circumstances, the required period of affordability.

Currently, a “set-aside development” is one in which, for at least 40 years after initial occupancy, at least 30% of the units are deed restricted for low- and moderate- income families. Under the bill, the required duration after initial occupancy is lowered to 20 years, if the set-aside

development is either (1) built on land owned by a municipality or (2) conveyed by a municipality to a developer in order to build a set-aside development.

Shortening the required deed restriction duration allows HUE (housing unit equivalent) points to be awarded for units that are not currently eligible for them, potentially making it easier for a municipality to qualify for a moratorium. (Municipalities with an active moratorium are not subject to appeals taken under § 8-30g, see § 2 below for more information.)

Shortening the required duration also expands the proposed developments that fall under § 8-30g's burden-shifting framework, which requires municipalities to defend their decisions to reject or condition affordable housing developments. (But presumably, most set-aside developments built on municipal land or formerly municipal land will be built without the developer using the appeals procedure.)

The definition of "set-aside development" is also used outside § 8-30g. To the extent other laws use the definition as it appears in § 8-30g, they are also affected by the bill. For example, the law on transit-oriented districts in a qualifying transit-oriented community, passed as part of PA 25-1, November Special Session, refers to set-aside developments, as defined in § 8-30g, for purposes of specifying which developments are allowed as of right in a district. Another law allows municipalities that have adopted a tax increment financing (TIF) district to use TIF revenue to pay for improvements outside the district to renovate or rehabilitate set-aside developments with expiring deed restrictions.

§ 2 — § 8-30G APPEALS STAYED WHEN MUNICIPALITY SEEKS MORATORIUM AND DISMISSED IF GRANTED

Requires courts to stay an § 8-30g appeals proceeding when a municipality applies for a moratorium; requires appeals proceedings to be dismissed if a moratorium is granted

The bill requires a court hearing an appeal made under § 8-30g (the affordable housing land use appeals procedure) to stay the proceeding if the defendant-municipality applies for a moratorium and asks for the stay (presumably, in good faith that they are eligible). And if the

housing commissioner determines that a municipality is eligible for a moratorium, the bill requires the court to dismiss the stayed proceeding (the § 8-30g appeal).

Under existing law, a municipality is generally eligible for a four- or five-year 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.

§ 3 — EXTENDING § 8-30G MORATORIA TO ALIGN WITH HOUSING GROWTH PLAN SUBMISSION DEADLINES

Extends a municipality's moratorium on appeals taken under § 8-30g until the next applicable HGP deadline

Under the bill, if a municipality earns an § 8-30g moratorium (see § 2), it lasts until the next applicable housing growth plan (HGP) due date.

Existing law requires each municipality to either adopt its own HGP or opt to comply with a regional one (see *Background — Housing Growth Plans*). HGPs have staggered due dates by planning region, with the first plans due on June 1, 2028, and other plans due June 1, 2029.

Background — Housing Growth Plans

After the passage of the PA 25-1, November Special Session, the law requires each municipality to either adopt its own HGP or opt to comply with a regional housing growth plan developed by the local council of governments (COG) (CGS § 8-13aa et seq.). Broadly, HGPs outline policies and practices that promote or enable housing development to meet the municipal affordable housing goal (a numerical goal for developing affordable housing that is deed-restricted for at least 40 years). The plans cover a five-year period and must be updated every five years.

§§ 3 & 5 — 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 when they are not eligible for other HUE points (§ 3); specifically allows units in these developments to earn additional HUE points for being deed-restricted affordable housing units (§ 5)

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, it is eligible for HUE points for units built under that process (see CGS § 8-2s). “Transit community middle housing developments” are residential buildings with between two and nine units and generally include duplexes, triplexes, townhomes, cottage clusters, and perfect sixes. 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 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 a unit in a transit community middle housing development is eligible for both the base value HUE points and any additional HUE points the unit may qualify for.

The bill includes two provisions addressing this ambiguity. The first modifies the municipal option law to clarify 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 families at or below 80% of the median income (§ 5). (The number of HUE points depends on whether it is a rental or ownership unit.)

The other provision modifies § 8-30g to clarify that units in a transit community middle housing developments are eligible for 0.25 HUE points for being units built under the municipal option summary review process if they do not qualify for other HUE points (§ 3). However, the

bill is missing a conforming change to § 8-30g necessary to align it with the HUE point allocation set in the municipal option law.

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

§ 4 — MUNICIPAL REPORTS TO STATE ON AFFORDABLE HOUSING DEVELOPMENT APPLICATIONS

Requires municipalities to submit information quarterly on developments that would qualify for an appeal under § 8-30g; requires DOH to post the information on its website

The bill creates a new recordkeeping and reporting requirement for municipalities related to 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.)

Quarterly, municipalities must give the Department of Housing (DOH) information on affordable housing applications “submitted under” § 8-30g. Presumably, this means applications that would qualify for an appeal under the procedure (as determined locally), if not approved by the local commission.

Municipalities must give DOH information on the number of affordable housing applications received, and for each application, the:

1. developer’s name;
2. proposed number of set-aside units (presumably, units that will be preserved as affordable housing, whether in a set-aside or assisted housing development); and
3. proposed number of market-rate units.

DOH must post this information on its website quarterly.

§ 6 — AFFORDABLE HOUSING GOALS IN HOUSING GROWTH PLANNING LAW

Prohibits revision of affordable housing goals after OPM approves a regional HGP due to a municipality opting out of it (this provision appears to have no legal effect as affordable housing goals are set for each municipality individually and once OPM approves them, only a municipality making its own HGP can set a different goal)

The housing growth planning law makes COGs responsible for setting a recommended affordable housing goal (the number of deed-restricted units) for each municipality in their respective region, except those municipalities with relatively low property wealth and income per capita. By law, COGs' recommended goals are subject to the Office of Policy and Management (OPM) secretary's approval and serve as the default goals for regional and municipal HGPs. (COGs' recommended goals are based on OPM-set housing growth targets for the state and each planning region.)

The bill modifies a provision that allows municipalities to opt into a regional HGP within 30 days of receiving their affordable housing goal. It does so by specifying that once the OPM secretary approves a regional HGP, the affordable housing goal cannot be revised to reflect that one or more municipalities opted out of regional planning and into making a municipal HGP. This provision appears to have no legal effect because affordable housing goals are set and approved before the process of drafting HGPs begins. Additionally, affordable housing goals are set for each municipality individually and once OPM approves them, only a municipality making its own HGP can set a different goal.

§§ 7 & 8 — CLARIFYING CHANGE TO HOUSING GROWTH PLAN REVIEW PROCESS

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

By law, unchanged by the bill, regional and municipal HGPs must be submitted to the 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.

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

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

The bill requires DOH to begin submitting an annual report 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.

§ 10 — DOH COLLABORATION WITH LOCAL LAND USE AUTHORITY

Requires the DOH commissioner to work with the local planning and zoning authority to share information with the public about a proposed DOH project on state owned or controlled land

PA 25-1, November Special Session, § 48, authorized the DOH commissioner to develop housing projects on land the state owns or otherwise controls, sell or lease these projects, and provide for their management. Before the commissioner develops a housing project under this authority, she must report to the Council on Housing Development on how a suitable property was identified and what type of project is proposed, among other things.

The bill additionally requires the commissioner, before beginning development, to coordinate with the local planning and zoning authority (or, presumably, authorities if these powers are exercised by separate commissions) to share the report with the public and hold a public hearing on the proposed project.

By law, unchanged by the bill, the state is not subject to local land use

controls.

§§ 11-13 — HGP TAKES PRECEDENCE OVER OTHER LOCAL PLANS

Generally specifies that local POCDs and sewer plans can be disregarded when they unnecessarily limit an HGP; requires local POCDs to be consistent with HGPs

Currently, a municipal or regional HGP must address the plan's consistency with (1) the municipal plan of conservation and development (POCD) and (2) any applicable plans adopted by the 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 HGP (§§ 11 & 12)

Under the bill, while an HGP must still address its consistency with local POCDs and sewer plans, the bill generally allows conflicting provisions in these plans to be disregarded if they impose unnecessary requirements. Specifically, the bill allows disregarding local POCDs and sewer plans if they require "adopting measures" in the HGP that are otherwise unnecessary. (Presumably, this means that the disregarded provisions constrain development that has been deemed prudent and feasible as part of the HGP process.)

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 to disregard their local POCD or sewer plan. (It is unclear what this means.)

Municipal POCDs (§ 13)

The bill also changes the law on making municipal POCDs to specify

that beginning with the date the first HGPs are due, any subsequently adopted local POCD must be consistent with the relevant HGP. The bill requires these local POCDs to be consistent with the submitted HGP, not the state-approved plan.

The bill also specifies that the local planning commission, when making the POCD, may choose to allow the HGP to take precedence over conflicting provisions in the POCD. (The permissive authorization in this provision is unclear given that the bill also requires the POCD to be consistent with the HGP.)

BACKGROUND

Related Bills

HB s5502, favorably reported by the Planning and Development Committee, makes changes to the law on mandatory summary review procedures for certain transit community middle housing developments and mixed-use developments.

The Housing, Insurance and Real Estate, and Planning and Development committees reported favorably several bills impacting § 8-30g, including: sSB 338 (prohibits the allocation of HUE points after § 8-30g litigation, under certain circumstances); sHB 5364 (redefines “set-aside development” to reduce required affordability periods and aligns HUE point allocations with them); sHB 5365 (modifies HUE point allocations, including for accessory apartments and certain deeply affordable housing); sHB 5376 (adds an additional ground for a local commission to defend its decision on an affordable housing application); and sHB 5395 (allocates HUE points to modular and prefabricated homes that do not otherwise qualify for points).

COMMITTEE ACTION

Housing Committee

Joint Favorable Substitute

Yea 17 Nay 2 (03/10/2026)