OLR Bill Analysis

HB 8002

Emergency Certification

AN ACT CONCERNING HOUSING GROWTH.

TABLE OF CONTENTS:

§§ 11, 13 & 22 — ZONING FOR TRANSIT-ORIENTED DEVELOPMENT

Creates a framework in which adoption of zoning regulations that promote transit-oriented development may make the municipality eligible for grants under the bill's Housing Growth Program (§ 15), loans under the bill's sewer loan provisions (§ 46), and increased school construction reimbursements (§ 45)

§ 12 — TRANSIT-ORIENTED DISTRICTS QUALIFY AS HOUSING GROWTH ZONES

Makes transit-oriented districts established under the bill qualify as housing growth zones under the CMDA law

§ 15 — HOUSING GROWTH GRANT PROGRAM

Creates an OPM-administered housing growth program to provide grants to certain municipalities for costs related to constructing, improving, or expanding public infrastructure

§§ 16, 17 & 41 — SUMMARY REVIEW OF CERTAIN HOUSING DEVELOPMENTS

Requires municipalities zoning under CGS § 8-2 to allow certain middle housing and mixed-use developments on parcels zoned for commercial or mixed uses, subject only to summary review process; amends the existing definition of "summary review;" changes when a municipality is eligible for HUE points for middle housing developed pursuant to a local option

§ 18 — ZONING FOR 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

§§ 18, 19 & 53 — MINIMUM PARKING REQUIREMENTS

Generally prohibits conditioning approval of a smaller residential development on a minimum schedule of off-street parking requirements unless certain findings are made; for larger developments, allows developers to rebut parking schedule minimums; allows municipalities to designate districts where smaller developments are subject to this same rebuttal process

§ 20 — REQUIREMENTS FOR MUNICIPALITIES THAT EXERCISE ZONING AUTHORITY UNDER A SPECIAL ACT

Specifies the bill's minimum parking provisions apply to all municipalities, even those that zone under a special act (§§ 18-19); extends provisions on zoning for transit community middle housing developments (§ 16) to municipalities that exercise zoning authority under a special act

§ 21 — FEES IN LIEU OF PARKING

Narrows a provision in current law that allows planning and zoning bodies to adopt regulations on paying fees in lieu of providing parking

§ 23 — DOH PORTABLE SHOWER AND LAUNDRY FACILITIES PILOT PROGRAM

Requires DOH 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

§ 24 — PROTEST PETITIONS

Limits the impact of protest petitions filed on proposals to change zoning regulations or district boundaries and modifies who may sign these petitions

§ 25 — OPM GRANT PROGRAM FOR COGS

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

§ 26 — HOSTILE ARCHITECTURE

Prohibits municipalities from installing or constructing hostile architecture in or on any publicly accessible building or property they own; requires them to investigate alleged violations and remove any buildings or structures determined to be hostile architecture

§ 27 — DOH MIDDLE HOUSING DEVELOPMENT GRANT PROGRAM

Requires DOH to develop and administer a grant program supporting housing authorities in expanding middle housing availability in municipalities with a population up to 50,000

§ 28 — 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 these programs

§ 29 — OPEN CHOICE VOUCHER PILOT PROGRAM

Requires DOH to re-establish the Open Choice Voucher pilot program by June 15, 2026, and makes it available to any eligible families participating in the Open Choice program, rather than only to those from the Hartford region

§ 30 — REGIONAL SERVICES GRANT TO COGS

Starting in FY 26, increases by $400,000 the regional services grant amount that each COG annually receives and specifies the purposes for which it must be spent; for FY 26, allows OPM to prorate COG grants paid from the Regional Planning Incentive Account

§ 31 — 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

§ 32 — USE OF REVENUE MANAGEMENT DEVICES

Makes it an unlawful practice in violation of the Connecticut Antitrust Act to use a revenue management device to set rental rates or occupancy levels for residential dwelling units; subjects violators to certain existing investigation and enforcement provisions, including a civil penalty

§ 33 — STATE-WIDE WASTEWATER CAPACITY STUDY

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

§ 34 — AFFORDABLE HOUSING PROGRAM FOR CONSTRUCTION INDUSTRY EMPLOYMENT

Requires DOH to create a program that funds proposed affordable housing development projects creating employment opportunities in the construction industry and meeting certain affordability requirements

§ 35 — MUNICIPALITIES THAT MUST HAVE A FAIR RENT COMMISSION

Requires municipalities with a population of at least 15,000 to create a fair rent commission or join a joint or regional commission; allows two or more contiguous municipalities to form a joint commission and COGs to establish regional commissions

§ 36 — 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

§§ 37-39 — 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

§ 40 — ELEVATOR INSPECTIONS

Requires privately owned multifamily housing projects to have their elevators inspected at least once every 12 months by a DAS elevator inspector

§ 41 — 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 already eligible for HUE points if the unit was constructed by, or in conjunction with, a neighboring municipality's housing authority

§ 42 — MAJORITY LEADERS' ROUNDTABLE STUDY

Requires the majority leaders' roundtable on affordable housing to study changing the CGS § 8-30g exemption threshold from the percentage of qualifying dwelling units in a municipality to a flat number or another alternative model

§ 43 — DOH AFFORDABLE HOUSING REAL ESTATE INVESTMENT TRUST PILOT PROGRAM

Requires DOH to establish a pilot program awarding grants to housing authorities, CHFA, or nonprofits for acquiring dwelling units in certain municipalities and putting affordable housing deed restrictions on them

§ 44 — ANNUAL HOUSING AUTHORITY REPORTING REQUIREMENTS

Modifies housing authorities' annual reporting requirements by requiring them to (1) post these reports on their websites and (2) include new rental affordability information

§ 45 — MOBILE MANUFACTURED HOME PARK FIRE HYDRANT REPORTING

Requires mobile manufactured home park owners to annually submit a report to the local fire marshal disclosing the water capacity and flow of each of the park's fire hydrants; requires fire marshals to report insufficient fire hydrants (1) as a complaint to DCP and (2) to the Mobile Manufactured Home Advisory Council

§ 46 — SCHOOL CONSTRUCTION GRANT REIMBURSEMENT RATE

Beginning July 1, 2026, gives school boards or endowed academies in municipalities that meet certain housing- and planning-related requirements a five percentage point increase to their state school construction grant reimbursement rate; repeals a provision of current law that provides the same incentive to school boards in DOH-designated inclusive municipalities

§ 47 — OPM MUNICIPAL WATER QUALITY PROJECT LOAN PROGRAM

Requires the OPM secretary to create and administer a program providing loans to municipalities seeking to develop an eligible water quality project for sewer collection and conveyance system improvements; sets related eligibility criteria

§ 48 — DOH-DEVELOPED HOUSING PROJECTS

Expressly empowers the housing commissioner to develop housing projects on land the state owns or otherwise controls, sell or lease these projects, and provide for their management; requires the commissioner to (1) report to the Council on Housing Development before developing a project, (2) grant a right of first refusal to any housing authority with jurisdiction when a project is sold or leased, and (3) give preference to certain people when dwelling units in a project are sold or leased

§ 49 — DECD GREYFIELD REVITALIZATION PROGRAM

Extends priority funding under the greyfield revitalization program to municipalities that have already adopted zoning regulations allowing commercial buildings to be converted into residential developments subject only to a summary review and makes technical changes

§ 50 — CONNECTICUT MUNICIPAL DEVELOPMENT AUTHORITY MEMBER MUNICIPALITIES

Makes a minor clarifying change to effectuate PA 25-168, §§ 99-112, which among other things, allows additional municipalities to work with CMDA

§ 53 — BROADENING PURPOSES OF HEALTHY HOMES FUND

Broadens the purposes for which DOH may use a certain portion of the Healthy Homes Fund to additional purposes besides those related to lead

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.

EFFECTIVE DATE: Various, see below.

§§ 1-3 — FIRST-TIME HOMEBUYER SAVINGS PROGRAM

Creates a first-time homebuyer savings program, generally allowing individuals and employers to contribute into specialized savings accounts 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 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 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 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 and deposit them 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. Joint tax return filers 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 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 had 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 if the:

1. account holder did not claim the funds for a state income tax deduction,

2. withdrawn funds were subsequently deposited in another account under the first-time homebuyer savings program,

3. withdrawal was due to the death or disability of an account holder who established the account, or

4. 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 needed 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 savings 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, (a) an account holder meets the bill's requirements or (b) account funds are used to pay for or reimburse eligible costs; or

2. 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 according to the account's governing contract 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 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, 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, beginning with the 2027 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. 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 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.

§§ 4-6, 41 & 51-53 — HOUSING GROWTH PLANNING

Replaces current law's requirements on municipal affordable housing plans (CGS § 8-30j) with a new framework in which municipalities generally decide whether to opt into a regional COG-made plan or develop their own plan for increasing the number of affordable deed-restricted units; requires new plans to be submitted to OPM every five years; municipalities in compliance with the bill's planning and implementation requirements are eligible for grants under the Housing Growth Program the bill establishes (§ 15); establishes penalties for delinquent plans

The bill requires each municipality to either adopt its own housing growth plan (municipal HGP) or opt to comply with a regional housing growth plan (regional HGP) developed by the local council of governments (COG). Broadly, HGPs outline policies and practices that promote or enable housing development to meet the municipal affordable housing goal (i.e. a numerical goal for developing affordable housing that is deed-restricted for at least 40 years). (For more

information on how these goals are established, see § 7 below). The plans cover a five year period and must be updated every five years.

The bill correspondingly repeals current law's affordable housing planning requirements (CGS § 8-30j) and makes related conforming changes (see CGS §§ 7-148rr & 8-30g). This law requires each municipality to adopt an affordable housing plan and update it at least once every five years. The plan must specify how the municipality intends to increase its number of affordable housing developments.

Municipalities that comply with the bill's planning and implementation requirements are eligible for the Housing Growth Program, which the bill establishes to provide grants for public infrastructure projects (see § 15). Municipalities that do not timely submit their plans are ineligible for a new moratorium under CGS § 8-30g until the plan is submitted. Likewise, COGs that do not timely submit their plans are ineligible for regional services grants until their plan is submitted.

EFFECTIVE DATE: January 1, 2026

Municipal Authority to Choose Plan Type

Under the bill, municipalities may generally choose to either opt into a regional HGP or develop their own plan. But a municipality may elect to comply with the regional HGP only if:

1. the municipality does so within 30 days after being notified by the COG of its recommended affordable housing goal (these are issued every 10 years, see § 7); and

2. the regional HGP is approved by the municipality's chief executive officer and its planning commission or combined planning and zoning commission.

The 20 municipalities with the lowest adjusted equalized net grand lists per capita as of the fiscal year prior to the date the municipality's housing growth plan is due (AENGLC, which accounts for property tax base per person and income per person) cannot opt into a regional plan,

nor are the subject to the standard municipal HGP requirements. Instead, these municipalities must develop plans that:

1. prioritize rehabilitating and preserving existing affordable housing units;

2. identify policies to promote developing new dwelling units without displacing existing municipal residents;

3. identify infrastructure improvements to support existing municipal residents; and

4. identify specific opportunities for developing new affordable housing units in the municipality.

Regional HGPs

Every five years, each COG must develop a regional HGP covering municipalities that have opted into it. COGs develop and adopt these plans in coordination with the municipalities in their respective planning region that provide for the local adoption of "housing growth policies" (see above) and the development of additional dwelling units. Municipalities that opt into the regional HGP do so before the plan is formulated, but after the COG issues recommended housing growth goals.

Plan Contents. The bill specifies that the regional HGPs must include the following elements for each covered municipality and align with Office of Policy and Management (OPM)-developed guidelines on these plans:

1. "housing growth policies" (see below) each municipality has adopted or must adopt to reduce specific regulatory barriers to the development of dwelling units in the municipality and to promote the development of additional dwelling units in the municipality;

2. an explanation of the plan's consistency with (a) municipal, regional, and state plans of conservation and development and (b)

any applicable plans adopted by the local water pollution control (sewer) authorities;

3. identification, to the extent practicable, of (a) specific zones or parcels that could be developed via a "summary review" process (see § 17 below, which modifies current law's statutory definition) in order to meet each municipality's affordable housing goal and (b) the maximum residential density for each area;

4. strategies each municipality has adopted or will adopt to improve the access to affordable housing units by individuals with an intellectual disability or other developmental disability;

5. strategies a municipality has adopted or will adopt to promote the development of diverse housing types, considering factors like unit size, number of bedrooms, construction type, density of development, and ownership models;

6. an inventory of "developable land" (see below) within the municipality;

7. an explanation of how the plan conforms to, and implements, the requirements in the Zoning Enabling Act on addressing disparities in housing needs, affirmatively furthering the purposes of the federal Fair Housing Act, and promoting housing choice and economic diversity (see CGS § 8-2);

8. identification of the projected infrastructure needs and improvements needed to meet each municipality's housing goal; and

9. an implementation schedule for the policies, strategies, and other actions identified in the plan that is calculated to achieve each municipal affordable housing goal.

Under the bill, "housing growth policies" include policies, practices, ordinances, and regulations proposed or adopted by a COG or municipality that are designed to reduce or remove regulatory constraints on the construction, rehabilitation, repair, or maintenance of

deed-restricted affordable housing units. This may include zoning regulation amendments, fee waivers, fixed assessment agreements, tax abatements, and expedited housing development project approval processes. Housing growth policies also include regional or municipal actions intended to promote the development of affordable housing units, including, (1) seeking funding for affordable housing unit development or sewer infrastructure, (2) donating municipal land for development, or (3) entering into agreements with developers for a development that includes affordable housing units.

Under the bill, "developable land" includes any land, whether governmentally owned or not, which as of January 1, 2026, can be feasibly developed or redeveloped, based on commercially reasonable assumptions, 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. 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 (excluding municipally imposed restrictions adopted by ordinance or regulation);

4. wetlands or watercourses as defined in state law; and

5. areas of at least one-half acre of contiguous land that are unsuitable for development due to topographic features, such as steep slopes.

Public Engagement. In creating the regional plan, a COG may hold public informational meetings or other activities to inform residents about the plan. COGs must post a copy of any draft plan or amendment to it on their website at least 35 days before a meeting or other activity.

Additionally, a municipality may hold public informational meetings or other activities to inform residents about any proposed regional HGP and must post a copy of the draft plan or amendment to it on its website.

If the municipality holds a public hearing, these documents must be posted at least 35 days prior to it.

OPM Review. The bill requires COGs to submit their plans to the OPM secretary for approval as follows:

1. not later than June 1, 2028, and every five years thereafter, for the Capitol Region Council of Governments, the Northeast Connecticut Council of Governments, the Lower Connecticut River Valley Council of Governments, the Northwest Hills Council of Governments and the Southeastern Connecticut Council of Governments; and

2. between June 1, 2028, and June 1, 2029, and every five years thereafter, for the South Central Connecticut Council of Governments, the Connecticut Metropolitan Council of Governments, the Naugatuck Valley Council of Governments and the Western Connecticut Council of Governments.

If a COG does not submit the plan on time, its chair must submit a letter to the secretary that explains the reason for missing the deadline and specifies a date by which it will be submitted. That date cannot be more than 30 days after the deadline. COGs are ineligible for their regional services grant if they are delinquent in submitting their plans (until the plan is submitted).

The secretary must accept or reject a COG's plan within 120 after receiving it and, if rejecting it, must give the COG written notice with the reasons for doing so and suggested amendments to obtain approval. The bill specifies the OPM secretary must approve plans that conform with the bill's requirements. If the secretary does not act within this timeframe, the COG must instead submit it to the Council on Housing Development created by the bill (see § 14) for approval.

Under the bill, if the council rejects the plan, it must provide written notice to the COG, including its reasons for the denial and any proposed amendments required for approval. COGs have 30 days to submit an amended plan.

Required Municipal Action Following Approval. Following a regional HGP's approval, each municipality that has elected to comply with it must adopt and implement the plan's housing growth policies. Municipalities must also submit annual progress reports to the secretary. (Eligibility for housing growth program grants (§ 16) is contingent on a municipality demonstrating progress (see below) toward adopting and implementing the housing growth policies.)

After adoption of the regional plan, each municipality subject to it must file the adopted plan in the office of the town clerk and post it on its website.

Municipal HGPs

Municipalities that do not opt to comply with a regional HGP must create their own plan that includes nearly identical elements as a regional HGP must include for each municipality it covers (see above). However, municipal HGPs, when addressing projected infrastructure needs, must also identify projected wastewater capacity. Municipalities can choose to additionally include the elements that are required of low-ANGLEC municipal plans (e.g. identifying policies to promote the development units without displacing existing residents).

As part of the municipal planning process, the municipality must adopt a municipal affordable housing goal. If this goal differs from the one set by the COG, then the municipality must notify the COG in writing of the reason for the difference.

Under the bill, a municipality may hold public informational meetings or other activities to inform residents about any proposed municipal HGP and must post a copy of the draft plan or amendment to it on its website. If the municipality holds a public hearing, these documents must be posted at least 35 days prior to it.

Review and Approval Process. Like regional plans, municipal plans must be approved by the OPM secretary (or Council on Housing Development, if applicable). But municipalities must first submit them to their local COG at least 90 days before submitting them to the

secretary. The COG must review the plan and propose any necessary amendments in writing within 60 days of receipt. If a municipality does not accept a proposed amendment, it must give the COG a written explanation why.

Municipalities must submit their plans to OPM in the same frames as COGs must for the respective region, as follows:

1. not later than June 1, 2028, and every five years thereafter, for municipalities that are members of the Capitol Region planning region, the Northeastern Connecticut planning region, Lower Connecticut River Valley planning region, the Northwest Hills planning region and the Southeastern Connecticut planning region; and

2. between June 1, 2028, and June 1, 2029, and every five years thereafter, for municipalities that are members of Greater Bridgeport planning region, the Naugatuck Valley planning region,, the South Central Connecticut planning region and the Western Connecticut planning region.

If the deadlines align, the bill allows municipalities to include the HGP as part of its plan of conservation and development submission. Municipalities may also submit their HGP early to coincide with plan of conservation and development's submission, as long as the next submission is five years later.

If a municipality does not submit the HGP on time, its chief executive officer must submit a letter to the secretary that explains the reason for missing the deadline and specifying a date by which it will be submitted. That date cannot be more than 30 days after the deadline. Municipalities cannot obtain a new moratorium under CGS § 8-30g if they are delinquent in submitting their plans (until the plan is approved).

The OPM secretary's (or council's, if applicable) review and approval process for municipal HGPs is the same as it is for regional plans. Following approval of a municipal HGP, the municipality must adopt

and implement the plan's housing growth policies. Municipalities must also submit annual progress reports to the secretary; eligibility for housing growth program grants (§ 15) is contingent on a municipality demonstrating progress (see below) toward adopting and implementing the housing growth policies and attaining the affordable housing goal.

OPM Guidelines for Demonstrating Progress

As described above, after the planning process is complete, municipalities must generally work to adopt and implement the housing growth policies outlined in the applicable HGP, and annually report on their progress, to be eligible for housing growth program grants (see § 15).

By March 1, 2026, the bill requires the OPM secretary, in consultation with COGs and the Department of Housing (DOH) commissioner, to issue publicly available guidelines that specify formats, mapping standards, and standardized metrics for municipalities' annual reporting. These include permits issued, certificates of occupancy, and deed-restricted units by income level. The secretary may update the guidelines occasionally.

§§ 5, 6 & 14 — COUNCIL ON HOUSING DEVELOPMENT

Establishes a Council on Housing Development to, among other things, (1) review whether discretionary state grant programs adhere to the state Plan of Conservation and Development's goals, (2) create guidelines for transit-oriented districts, (3) act on certain municipal and regional housing growth plans, and (4) review housing growth grant applications

The bill establishes a 17-member Council on Housing Development to generally advise and help the ORG coordinator review regulations, develop guidelines, and establish programs on housing growth in the state. Among other specified responsibilities (see below), it also charges the council with approving or modifying any municipal or regional housing growth plans (HGPs) that the OPM secretary fails to act on within the time period the bill requires (i.e. within 120 days of receiving a plan; see §§ 4-6 above). Under the bill, if the council denies an HGP, it must provide (1) written notice to the municipality or COG as applicable, (2) a statement of the reasons for denial, and (3) any

amendments it proposes that are required for plan approval. The bill allows a municipality or COG to submit an amended HGP to the council for approval or denial within 30 days after it receives the council's denial.

EFFECTIVE DATE: Upon passage, except January 1, 2026, for provisions on denied HGPs and subsequent amendment submissions (§§ 5 & 6).

Purpose

The council must first meet by January 1, 2026, 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 on this to agencies and quasi-public agencies, including on ways to increase deed-restricted housing in transit-oriented districts and middle housing;

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); and

6. review grant applications under the housing growth program the bill creates (see § 15 below), including an applicant's supporting

materials that the OPM secretary submits to the council (if any).

Reporting Requirements

The bill requires the council, by January 1, 2027, to report to the Housing and Planning and Development committees on the recommendations and guidelines it creates according to the above-listed items 4 and 5 (and any other of its recommendations). Under the bill, the ORG coordinator must publish these recommendations and guidelines on OPM's website.

Members

Under the bill, in addition to the ORG coordinator, the council consists of the following ex officio members or their designees:

1. governor,
2. OPM secretary,
3. DOH commissioner,
4. Department of Economic and Community Development commissioner,
5. Department of Energy and Environmental Protection (DEEP) commissioner,
6. Department of Transportation commissioner,
7. CMDA executive director,
8. CHFA executive director,
9. Senate president pro tempore,
10. House speaker, and
11. House and Senate majority and minority leaders.

Additionally, the House and Senate chairpersons of the majority leaders' roundtable on affordable housing must each appoint a member

to the council.

Under the bill, the council chairpersons are the Senate president pro tempore and the House speaker, or their designees. CMDA's administrative staff also act in this capacity for the council.

§§ 7 & 53 — REGIONAL HOUSING NEEDS AND RECOMMENDED MUNICIPAL GOALS

Replaces current law's requirements on fair share allocations (CGS § 4-68ii) with a new framework in which (1) OPM identifies statewide and regional housing needs and (2) COGs use this information to assess regional needs and assign recommended affordable housing goals to municipalities

The bill repeals current law's requirement that the OPM secretary establish and apply a method for determining 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 (CGS § 4-68ii).

The bill instead requires the OPM secretary, in consultation with other officials and stakeholders, to establish a regional housing needs program to provide municipalities with information on anticipated statewide and regional housing needs. The bill makes COGs responsible for assessing these needs and setting a recommended affordable housing goal (i.e. how many deed-restricted units) for each municipality in their respective region, except those municipalities with relatively low property wealth per capita. In doing so, COGs must generally consider factors that are similar to those that current law requires the OPM secretary to use when setting the fair share methodology. Under the bill, the COGs' recommended goals are subject to the OPM secretary's approval and serve as the default goal for regional and municipal housing growth plans (see above).

The bill also requires, by July 1, 2026, and every five years thereafter, OPM's Geographic Information Systems Office, to consult and coordinate with COGs to develop statewide data tools for municipalities to use, together with local data, to compile an inventory of developable land (see above).

EFFECTIVE DATE: January 1, 2026

OPM's Assessment of Needs to Determine Housing Growth Targets

By December 1, 2026, and every ten years after that, the OPM secretary, in consultation with the commissioners of the Housing and Economic and Community Development departments, COGs, and statewide organizations and individuals with expertise in affordable housing, fair housing, and planning and zoning (as chosen by the secretary), must (1) evaluate the need for housing over the next 10 years and (2) determine housing growth targets for the state and each planning region.

In doing the evaluation, the bill requires the secretary to at minimum consider the following factors:

1. housing replacement needs;
2. the availability of affordable and deeply affordable housing;
3. the number of household formations;
4. population demographic changes; and
5. measures of housing cost burden, including, households with incomes at or below 30% of the area median income (AMI) with housing costs at or above 50% of their income.

The OPM secretary must submit the statewide methodology and the regional allocations to the Planning and Development and Housing committees by December 1, 2026, and every 10 years after that. (Presumably this means he must submit information on how the evaluation was conducted, in addition to the housing growth targets.)

COGs' Recommended Goals for Municipalities

The bill requires each COG to use OPM's targets to assess regional housing needs and recommend an affordable housing goal for each municipality in the planning region, except those 20 municipalities (statewide) with the lowest adjusted equalized net grand lists per capita

(AENGLC).

In setting the municipal goals, COGs must generally consider factors that are similar to those that current law sets for purposes of establishing the fair share methodology. Specifically, under the bill, COGs must use a methodology that:

1. ensures no goal exceeds 20% of the occupied dwelling units in the municipality;

2. considers the duty of the state and municipalities to affirmatively further fair housing under the state Zoning Enabling Act and federal law;

3. relies on appropriate regional metrics of need for affordable housing units to ensure adequate housing options, including the number of households whose (a) income is no more than 30% of the area median income and (b) housing costs make up at least 50% of the household's income (using data from HUD's Comprehensive Housing Affordability Strategy data set or a similar source chosen by the OPM secretary);

4. used appropriate factors for fairly allocating this need among municipalities, including a municipality's compliance with provisions in the Zoning Enabling Act and local plan of conservation and development, including (a) the proximity of housing to current or planned public transportation projects, commercial or industrial zones in which significant employment opportunities exist (as identified by the COG), and downtown areas (as defined by the bill), (b) the availability of developable land (as defined by the bill, see above), and (c) a municipality's share of multifamily housing.

5. increases a municipality's goal if, relative to other municipalities in its planning region, it has a (1) higher equalized net grand list per capita, (2) higher median income, or (3) lower population share with income below the federal poverty rate, or living in multifamily housing (i.e. it has at least three units in a single

building).

COGs' regional housing needs assessments and recommended affordable housing goals for municipalities are subject to the OPM secretary's approval. But the secretary cannot reject either solely on the basis that they may result in a greater number of dwelling units being developed than he deems adequate.

Once approved, COGs must publish on their respective websites the recommended municipal goals and the input assumptions and data sources they used to set them. COGs must also notify each municipality what its recommended goal is.

§§ 8-10 & 41 — 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; these zones qualify as "housing growth zones" under Connecticut Municipal Development Authority law

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 housing densities and multifamily 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 other statutory or special act powers.

EFFECTIVE DATE: January 1, 2026

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 existing law sets (i.e. after adding less affordable housing stock, generally). But they are eligible for one only if, when they apply for the moratorium, the commissioner determines that they complied 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 certain 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's provisions on priority zones do not change the threshold applicable to certain larger municipalities applying for a subsequent moratorium.

Table: Moratorium Eligibility Thresholds

	Current 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
Subsequent Moratorium Threshold for Municipalities	1.5% of the housing stock, as of the last decennial census (if an	No change to threshold (other provisions in the bill replace current law's

	Current 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*
That Have at Least 20,000 Dwelling Units	affordable housing plan has been adopted)	planning requirement with a requirement that the municipality adopt a housing growth plan or opt into the regional plan)

Requirements for Local Zone Adoption

Regardless of conflicting provisions in a charter or special act, the bill allows a municipality's zoning commission (or body exercising zoning authority) to adopt regulations establishing 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 (a) local and regional housing growth plans and (b) 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 needed 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 act's requirements and (b) the uses are consistent with as-of-right residential development and the densities the bill specifies; and

3. overlay the priority zone over all or part of an existing historic district.

Under the bill, "developable land" includes any land, whether governmentally owned or not, which as of January 1, 2026, can be feasibly developed or redeveloped, based on commercially reasonable assumptions, 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. 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 (excluding municipally imposed restrictions adopted by ordinance or regulation);

4. wetlands or watercourses as defined in state law; and

5. areas of at least one-half acre of contiguous land that are

unsuitable for development due to topographic features, such as steep slopes.

Minimum Density Requirements

Under the bill, the following minimum housing densities must be allowed in a priority zone, per acre of developable land:

1. four units per acre for single-family detached housing,

2. six units per acre for duplexes 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.

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 about new districts within seven days (see below). If the district's requirements or regulations will 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 must request from the housing commissioner a final letter of eligibility. (The bill also allows (1) a municipality to apply for, and the commissioner to issue, a preliminary letter of eligibility, based on its proposed zoning

modifications and (2) the commissioner to subsequently issue a final letter of eligibility when the municipality implements the proposed modifications and met the bill's priority zone requirements.)

The commissioner must review requests within 90 days after 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 about 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 were sufficient building permits or other indicators of progress toward constructing dwellings in the zone. If she determines that was not the case, she may 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 is "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 the 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
Certain middle housing dwelling units built under local option regulation		0.25
Unit Type		***Bonus HUE Value***

Unit Type	*Base HUE Value (per Unit)*
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

§§ 11, 13 & 22 — ZONING FOR TRANSIT-ORIENTED DEVELOPMENT

Creates a framework in which adoption of zoning regulations that promote transit-oriented development may make the municipality eligible for grants under the bill's Housing Growth Program (§ 15), loans under the bill's sewer loan provisions (§ 46), and increased school construction reimbursements (§ 45)

The bill creates a framework in which a municipality's eligibility for the bill's new Housing Growth Program grants, which are administered by OPM, (see § 15), is tied to its designation as a qualifying transit-oriented community (TOC). Additionally, municipalities that become TOCs may be eligible for (1) loans for sewer projects under a new program the bill creates (see § 46) and (2) higher rates of reimbursement for school construction projects (see § 45).

Under the bill, a municipality with a regular bus service station or rapid rail or bus transit station generally can become a TOC by adopting zoning regulations creating a transit-oriented district (or "district") around the station that meet certain requirements, including allowing certain housing developments "as of right" (see *Background — As-of-Right Developments*).

A municipality that lacks a rapid transit station or regular bus service station can become a TOC if it (1) borders a municipality that has one or more rapid transit stations or regular bus service stations, and (2) creates a transit-oriented district in or adjacent to a downtown area in its jurisdiction.

The bill also 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 than what the bill

specifically requires in certain larger proposed developments, (3) developing public land or public housing, (4) implementing programs to encourage homeownership, and (5) other criteria the OPM secretary sets.

The bill additionally makes any municipality that adopts a transit-oriented district by January 1, 2026, eligible for Housing Growth Program grant (§ 15) funding for developments within the district. The municipality need not qualify as a TOC.

EFFECTIVE DATE: January 1, 2026

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 and downtown areas. The bill also restricts the regulations a municipality can adopt for its districts.

The OPM secretary must determine a municipality's compliance with the bill's 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) but 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) consistent with the bill's provisions.

TOCs are municipalities that have adopted a reasonably sized, as determined by the OPM secretary, transit-oriented district situated around a rapid transit station, regular bus service station, or downtown area.

For municipalities with a rapid transit station ("qualifying rapid transit communities"), this generally means the district must contain a rapid transit station or a planned station (i.e. any public transportation station serving any rail or rapid bus route). Additionally, a qualifying rapid transit community's 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).

The same parameters apply to "qualifying bus transit communities," except their districts must encompass all the land within a one-half mile radius of 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.

Alternatively, municipalities that border a municipality with a rapid transit or regular bus station may instead designate a district in or adjacent to a downtown area in their jurisdiction.

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 has to (1) determine whether the area could 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 could 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. transit community 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 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, "transit community middle housing developments" generally are 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 (as of right) into any of the above-listed development types.

For any of these as-of-right developments that result in the development of at least 10 units, a municipality may enact zoning regulations that require commercial uses to be allowed on the ground level of any multistory development. Any local regulations must comply with the secretary's guidelines (see below). This provision does not apply to developments by a nonprofit religious organization.

Accessory Apartments Allowed. Under the bill, a person who owns real property in a transit-oriented district, and has owned it for at least three years, may build an accessory apartment as of right on his or her property.

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, an "accessory apartment" is 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 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.

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 have to 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 the Council on Housing Development

The OPM secretary, in consultation with the council on housing development (see below), has to develop guidelines on TOC districts. The guidelines must at least 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 and residential off-street parking;

6. maximizing the availability of developable land;

7. increasing the economic viability of development projects;

8. reducing the length of time needed 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 decide within 60 days after receiving the application and is prohibited from "unreasonably withholding" exemption approvals. If the request is denied, the municipality may opt out of the bill's TOC provisions and must return any housing growth program funding it already received.

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 the affordable housing land use appeals procedure (referred to as "§ 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 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.

§ 12 — TRANSIT-ORIENTED DISTRICTS QUALIFY AS HOUSING GROWTH ZONES

Makes transit-oriented districts established under the bill qualify as housing growth zones under the CMDA law

The bill makes transit-oriented districts (see above) housing growth zones under the CMDA law. Under existing law, municipalities cannot receive certain financial assistance from the authority until they enact approved housing growth zone regulations.

EFFECTIVE DATE: January 1, 2026

§ 15 — HOUSING GROWTH GRANT PROGRAM

Creates an OPM-administered housing growth program to provide grants to certain municipalities for costs related to constructing, improving, or expanding public infrastructure

By July 1, 2028, the bill requires the OPM secretary to establish and administer a housing growth program to provide grants to municipalities for costs related to constructing, improving, or expanding public infrastructure. These infrastructure projects may include, among others: water and sewer lines, roads, bicycle and pedestrian infrastructure, and transit infrastructure associated with developing new dwellings. Municipalities must return unspent funds to

OPM at the conclusion of a project for which the money was given.

EFFECTIVE DATE: January 1, 2026

Eligibility

Municipalities are eligible for grants under the bill's new program if they do at least one of the following:

1. comply with the bill's housing growth planning provisions, including demonstrating progress toward implementing the applicable adopted plan (see §§ 4-6);

2. are deemed by the OPM secretary to be a qualifying transit-oriented community after adopting zoning regulations that promote transit-oriented development (see § 11);

3. adopt a development district under a MOA with CMDA; or

4. meet additional eligibility criteria the secretary develops.

By law, CMDA as a quasi-public agency authorized to stimulate economic development and transit-oriented development in development districts by, among other things, developing property and managing facilities. By law, a "development district" is an area encompassing a transit station or downtown in which zoning regulations create a "housing growth zone" to facilitate housing development (CGS § 8-169hh et seq.). (The bill makes transit-oriented districts (§ 11) qualify as housing growth zones under this law (see § 12).

Application and Review

With the Council on Housing Development's approval, the OPM secretary must set the grant program's eligibility criteria, application process, evaluation criteria, guidelines for grant expenditures, and municipal reporting requirements. The secretary must publish this information on OPM's website.

While the secretary is responsible for approving applications, he must first submit applications and supporting materials to the Council on Housing Development for its review.

OPM's Report to Legislature

Beginning July 1, 2028, the secretary must annually report to the Planning and Development Committee on the program's grant applications for the prior fiscal year. Specifically, the report must include for each municipality that applied for a grant:

1. a description of the public infrastructure projects for which the municipality applied for a grant,
2. whether the grant was partially or totally awarded, and
3. the grant amount.

§§ 16, 17 & 41 — SUMMARY REVIEW OF CERTAIN HOUSING DEVELOPMENTS

Requires municipalities zoning under CGS § 8-2 to allow certain middle housing and mixed-use developments on parcels zoned for commercial or mixed uses, subject only to summary review process; amends the existing definition of "summary review;" changes when a municipality is eligible for HUE points for middle housing developed pursuant to a local option

Required Zoning Change

Current law allows municipalities exercising zoning powers under CGS § 8-2 to adopt regulations providing for as-of-right development of middle housing on lots zoned for residential, commercial, or mixed use. (Under current law, middle housing can be a development of any size as long as it qualifies as a duplex, triplex, quadplex, cottage cluster, or townhome.) Under the bill, beginning July 1, 2026, these municipalities' zoning regulations (1) must allow transit community middle housing developments and mixed-use developments, subject only to a summary review, on any parcel that is zoned for commercial or mixed-use development and (2) may allow transit community middle housing developments, subject only to a summary review, on any parcel that allows for residential use. (See also § 20, which applies these provisions, and others described below, to municipalities that exercise zoning authority under a special act.)

Under the bill, "transit community middle housing developments" are residential buildings with two to nine units, such as duplexes, triplexes, cottage clusters, perfect sixes, and townhouses (as these terms

are defined by law, see CGS § 8-1a). As under existing law, a mixed-use development contains residential and nonresidential uses in a single building. A "summary review" is the process used under the law on converting vacant nursing homes into multifamily housing. Under this process, a project can be approved if (1) it complies with zoning regulations, without requiring a public hearing, variance, special permit or exception, or any other discretionary zoning action, except for a determination that a site plan conforms with the applicable regulations and (2) public health and safety will not be substantially impacted. (The latter consideration is not part of the as-of-right review process.)

The bill additionally specifies, for purposes of the bill's requirements and the law on converting nursing homes, that the zoning regulations a project must comply with include those on setbacks, lot size, and building frontage.

Optional Zoning Change With HUE Point Incentive

Under current law, municipalities that adopt regulations providing for as-of-right development of middle housing on lots zoned for residential, commercial, or mixed use are eligible for 0.25 HUE point per dwelling under the Affordable Housing Land Use Appeals Procedure law (see § 41 below) for middle housing built as-of-right. The bill changes this HUE point incentive to reflect the new requirement for parcels zoned for commercial or mixed-uses (see above).

Under the bill, the HUE point incentive is available only if a municipality opts allow transit community middle housing developments on any lots zoned for residential use, subject only to a summary review. (In line with current law, the bill specifies that a municipality cannot repeal or substantially amend its regulation on middle housing on residentially zoned parcels while it has a moratorium that it qualified for in part using HUE points awarded for middle housing.)

(For additional information on HUE points, see §§ 8-10 & 41, *Background — HUE Points*).

EFFECTIVE DATE: January 1, 2026, for the revised definition of summary review and July 1, 2026, for the other provisions.

§ 18 — ZONING FOR 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

Existing law prohibits regulations adopted under CGS § 8-2 from imposing on manufactured homes (including mobile homes) and associated lots and mobile home 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

§§ 18, 19 & 53 — MINIMUM PARKING REQUIREMENTS

Generally prohibits conditioning approval of a smaller residential development on a minimum schedule of off-street parking requirements unless certain findings are made; for larger developments, allows developers to rebut parking schedule minimums; allows municipalities to designate districts where smaller developments are subject to this same rebuttal process

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). Current law generally specifies that for dwellings , these requirements cannot require more than one or two parking spaces per unit, depending on the number of bedrooms. Although current law also permits a municipal opt out of this limitation on parking space requirements.

The bill repeals the provisions on allowable parking requirements for dwellings and replaces them with new parameters for determining parking requirements for residential developments that vary depending on the development's size and location.

The new requirements apply to all municipalities, whether they exercise zoning authority under CGS § 8-2 or a special act. (The

provisions the bill repeals apply only to towns that zone under CGS § 8-2.)

EFFECTIVE DATE: July 1, 2026

General Rule for Developments With 16 or Fewer Units

Beginning July 1, 2026, the bill prohibits the local zoning enforcement officer (ZEO) or planning, zoning, or combined planning and zoning commission from rejecting a proposed residential development with fewer than 17 units 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 that cannot be mitigated through approval conditions that have no substantial adverse impact on the project's viability. But the bill creates an exception to this prohibition for projects in areas locally designated as conservation and traffic mitigation districts (see below).

Rule for Developments With at Least 17 Units

The bill specifically allows municipalities to adopt parking requirements for residential developments with at least 17 units. However, these requirements are rebuttable by the proposed developer.

Under the bill, municipalities must allow developers to submit a parking needs assessment to the ZEO or commission with oversight. They must then condition the project's approval on the construction of the lesser of these two options:

1. one space per dwelling of less than two bedrooms and two spaces per dwelling with at least two bedrooms; or

2. the number of such spaces recommended by the parking needs assessment.

Under the bill, the parking needs assessment, which must be paid for by the developer, 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, (3)

projected future needs for off-street parking for the proposed development, and (4) any relevant local traffic, parking, or safety study.

Authority to Adopt Traffic Mitigation Districts

The bill allows municipalities to adopt up to two conservation and traffic mitigation districts. In these districts, municipalities can impose minimum parking requirements on residential developments with up to 15 units, generally subject to the same requirements regarding parking needs assessments that apply to larger developments.

These locally designated districts each cannot account for more than 4% of municipality's land area but may be contiguous. Once adopted, the municipality must submit a property description of them to the OPM secretary. Within 90 days of receiving a description, the secretary must report on the district to the Council on Housing Development (see § 14 above).

Municipalities that impose minimum parking requirements on residential developments of 15 or fewer units in a district must allow the proposed developer to submit a parking needs assessment to the ZEO or commission with oversight. The assessment the developer submits must analyze the same items described above for developments with at least 17 units. Likewise, once an assessment is submitted, municipalities must condition the project's approval on the construction of the lesser of these two options:

1. one space per dwelling of less than two bedrooms and two spaces per dwelling with at least two bedrooms; or

2. the number of such spaces recommended by the parking needs assessment.

§ 20 — REQUIREMENTS FOR MUNICIPALITIES THAT EXERCISE ZONING AUTHORITY UNDER A SPECIAL ACT

Specifies the bill's minimum parking provisions apply to all municipalities, even those that zone under a special act (§§ 18-19); extends provisions on zoning for transit community middle housing developments (§ 16) to municipalities that exercise zoning authority under a special act

The bill makes the minimum parking provisions in CGS § 8-2, which

is the statutory authority many municipalities exercise zoning powers under, applicable to municipalities that zone pursuant to a special act. It does so by specifying that the bill's new requirements on minimum parking requirements (see § 18-19) also apply to municipalities that exercise zoning authority under a special act. Thus the new parking provisions apply to all municipalities that exercise zoning powers in the state.

Additionally, the bill requires municipal zoning regulations adopted under special act authority to conform to the bill's provisions on allowing transit community middle housing developments subject only to summary review (see § 16, above, for a description of these provisions).

EFFECTIVE DATE: July 1, 2026

§ 21 — FEES IN LIEU OF PARKING

Narrows a provision in current law that allows planning and zoning bodies to adopt regulations on paying fees in lieu of providing parking

The bill narrows a provision in current law that authorizes planning and zoning bodies to adopt regulations on paying fees in lieu of providing parking. Under existing law, this authorization 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 this provision, 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. The bill narrows the authority to collect fees to the following projects: (1) commercial developments and (2) residential or mixed-use developments with at least 16 dwelling units. (By law, mixed-use developments contain both residential and nonresidential uses (CGS § 8-1a)).

As under existing law, the bill requires the planning or zoning body to determine, before accepting a fee, 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.

EFFECTIVE DATE: January 1, 2026

§ 23 — DOH PORTABLE SHOWER AND LAUNDRY FACILITIES PILOT PROGRAM

Requires DOH 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

The bill requires DOH, 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. Under the bill, DOH is authorized to contract with nonprofits to administer the program.

The bill also (1) requires DOH, by January 1, 2027, to report on the program to the Housing Committee and (2) terminates the program on January 1, 2027.

EFFECTIVE DATE: Upon passage

§ 24 — PROTEST PETITIONS

Limits the impact of protest petitions filed on proposals to change zoning regulations or district boundaries and modifies who may sign these petitions

The bill 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, 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 needs to 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.

EFFECTIVE DATE: January 1, 2026

§ 25 — 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 appropriations, a program awarding grants to COGs for public transit, bicycle, or pedestrian infrastructure projects.

EFFECTIVE DATE: January 1, 2026

§ 26 — HOSTILE ARCHITECTURE

Prohibits municipalities from installing or constructing hostile architecture in or on any publicly accessible building or property they own; requires them to investigate alleged violations and remove any buildings or structures determined to be hostile architecture

Beginning January 1, 2026, 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" is 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 or rollerblading or vehicles from entering certain areas.

Under the bill, after a municipality receives written notice from anyone 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.

The bill also specifies that these provisions do not apply to hostile architecture installed or constructed before January 1, 2026.

EFFECTIVE DATE: January 1, 2026

§ 27 — DOH MIDDLE HOUSING DEVELOPMENT GRANT PROGRAM

Requires DOH to develop and administer a grant program supporting housing authorities in expanding middle housing availability in municipalities with a population up to 50,000

The bill requires DOH, within available bond authorizations (see *Background — Related Act*), to develop and administer a middle housing development grant program supporting housing authorities in expanding middle housing availability in municipalities with a population of up to 50,000 (based on the most recent decennial census). By law, "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 and 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: January 1, 2026

Background — Related Act

This year's bond act (PA 25-174, § 119) authorizes up to $100 million in general obligation (GO) bonds for DOH to administer a middle housing development grant program.

§ 28 — 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 these programs

The bill allows DOH and municipal housing authorities (or authorities acting jointly), within available appropriations or funding, to give nonprofit providers (i.e. generally housing authorities and certain nonprofits) 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 caps direct rental assistance under a provider's program at the greater of (1) DOH's maximum allowable rent schedule for RAP or (2) fair market rent under the HCV program. It also (1) requires providers to meet certain application, data privacy, and reporting requirements; (2) requires DSS to review providers' program proposals, including ensuring the direct rental assistance does not impact a recipient's eligibility for other government benefits; and (3) sets various requirements on program interaction with other types of housing assistance and program termination. The bill ends these programs by July 1, 2028.

EFFECTIVE DATE: January 1, 2026

Nonprofit Providers

Under the bill, "nonprofit providers" include housing authorities or nonprofit corporations that engage in philanthropy or owning or operating housing. The bill requires providers seeking a direct rental assistance program grant 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.

The bill requires nonprofit providers implementing a program to comply with its eligibility requirements and state housing policy. Additionally, they must give each recipient written notice, before providing direct rental assistance, about 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 or procedures 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 approval or rejection 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 bill requires the DSS commissioner to disregard direct rental

assistance a recipient receives, 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 commissioner to approve program proposals she deems complete after obtaining the needed waivers or approvals or finding them not required.

Program Termination and Other Tenant-Based Rental Assistance

Direct rental assistance programs implemented under the bill must end by July 1, 2028, and any recipient who still needs housing assistance at a program's conclusion may be issued a RAP certificate, if available. Under the bill, a recipient's participation in a program does not have impact their status on an HCV or RAP waiting list. It allows any recipient issued a federal or state voucher to exit the direct rental assistance program.

Under the bill, 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 with a direct rental assistance program, by July 1, 2029, to report to DOH on program implementation and outcomes. DOH must compile and submit these reports to the Housing Committee, which must at least 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 program's impact 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.

§ 29 — OPEN CHOICE VOUCHER PILOT PROGRAM

Requires DOH to re-establish the Open Choice Voucher pilot program by June 15, 2026, and makes it 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 it available to any eligible families participating in the Open Choice school program (see *Background — Open Choice Program*), rather than only to those participating in the Hartford region as the original program required.

SA 21-26 first established this pilot program, which required the DOH commissioner 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 10 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 (by August 31, 2026, and August 31, 2027, respectively).

EFFECTIVE DATE: January 1, 2026

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.

§ 30 — REGIONAL SERVICES GRANT TO COGS

Starting in FY 26, increases by $400,000 the regional services grant amount that each COG annually receives and specifies the purposes for which it must be spent; for FY 26, allows OPM to prorate COG grants paid from the Regional Planning Incentive Account

The bill (1) increases by $400,000 the regional services grant amount that each regional council of governments (COG) annually receives from the Regional Planning Incentive Account and (2) for FY 26, allows the OPM secretary, in consultation with the COGs, to distribute funds from this account on a prorated basis (see *Background*).

Beginning with FY 26, each COG must use $200,000 of the additional amount to (1) fund COG positions and (2) provide technical support and legal services for planning and developing housing in their regions. They must use the other $200,000 to fund a position to regionally coordinate either stormwater management and flood mitigation or municipal solid waste and recycling.

These amounts are in addition to a formula-based grant. Under

existing law and the bill, the COGs each receive a portion of $7 million according to a formula (including a base amount and a per-capita amount) the OPM secretary sets in consultation with the COGs. The OPM secretary must update the formula every five years. The bill specifies he must consult with the COGs when he does so.

EFFECTIVE DATE: January 1, 2026

Background

The Regional Planning Incentive Account is a separate, nonlapsing 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)). By law, OPM must use funds from this account to provide COGs with regional service grants, regional election advisor grants, and regional performance incentive program grants.

§ 31 — 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 him to seek certain injunctive relief, punitive damages, or civil penalties against violators of these laws.

The judicial relief under the bill is available for actions brought against a person for a pattern or practice of violations or from the attorney general investigating 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: January 1, 2026

Existing Attorney General Authority

Under existing law, the attorney general may investigate, intervene, or bring a civil or administrative action on the state's behalf 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. The attorney general may seek injunctive or declaratory relief, damages, and any other relief available under law.

Petition for Relief, Damages, and Civil Penalties

Under the bill, the attorney general's petition may seek remedies available under his existing authority described above, in addition to certain specific remedies available under an existing CHRO statute, such as:

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.

§ 32 — USE OF REVENUE MANAGEMENT DEVICES

Makes it an unlawful practice in violation of the Connecticut Antitrust Act to use a revenue management device to set rental rates or occupancy levels for residential dwelling units; subjects violators to certain existing investigation and enforcement provisions, including a civil penalty

The bill makes it an unlawful practice in violation of the Connecticut Antitrust Act 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 and makes violators liable for a civil penalty of up to (1) $100,000 for an individual and (2) $1 million for any other violator (e.g., a business) (CGS § 35-38).

The bill defines "revenue management device" as 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) how much rent he or she could get. It includes a product that incorporates a revenue management device, but not a:

1. report that publishes existing rental data in an aggregated way, but that does not recommend rental rates or occupancy levels for future leases or

2. product used to establish rent or income limits under a local, state, or federal affordable housing program's guidelines.

Under the bill, "nonpublic competitor data" is information

unavailable to the general public, including information about actual rent amounts, occupancy levels, lease start and end dates, and other similar data, regardless of whether it 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: January 1, 2026

§ 33 — STATE-WIDE WASTEWATER CAPACITY STUDY

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

The bill requires the OPM secretary, within available appropriations and in coordination with the Council on Housing Development (see § 14 above) and DEEP commissioner, 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 or with "excess" wastewater capacity and (2) existing wastewater capacity limitations. He must make recommendations for efficient investments in wastewater infrastructure to support housing and economic development while protecting public and environmental health.

The bill requires the secretary to 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 Council on Housing Development.

EFFECTIVE DATE: Upon passage

§ 34 — AFFORDABLE HOUSING PROGRAM FOR CONSTRUCTION INDUSTRY EMPLOYMENT

Requires DOH to create a program that funds proposed affordable housing development projects creating employment opportunities in the construction industry and meeting certain affordability requirements

The bill requires DOH, within available bond authorizations (see *Background — Related Act*), 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 state 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.

Background — Related Act

This year's bond act (PA 25-174, § 117) authorizes up to $50 million in GO bonds over four years for DOH to finance projects to create employment opportunities in the construction industry by developing affordable housing.

§ 35 — MUNICIPALITIES THAT MUST HAVE A FAIR RENT COMMISSION

Requires municipalities with a population of at least 15,000 to create a fair rent commission or join a joint or regional commission; allows two or more contiguous municipalities to form a joint commission and COGs to establish regional commissions

The bill requires the legislative body of municipalities (i.e. towns, cities, or consolidated towns and cities) with a population of at least 15,000, 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 (i.e. towns, cities, or boroughs) 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, as long as 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. Under the bill, except as otherwise provided by law, a regional fair rent commission is not liable for damages to persons or property caused by:

1. an employee, officer, or agent's acts or omissions that constitute criminal conduct, fraud, actual malice, or willful misconduct; or

2. negligent acts or omissions requiring the exercise of judgment or discretion as an official function of authority granted by law.

The bill prohibits municipalities that are required to establish a fair rent commission and had done so before January 1, 2026, 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: January 1, 2026

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.).

§ 36 — 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. CHFA 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 an unpaid principal balance of at least $15,000; (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: January 1, 2026

§§ 37-39 — 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. It also specifies that such an extension only applies for the week or month, as applicable, when the rental payment system prevented timely payment.

EFFECTIVE DATE: January 1, 2026

§ 40 — ELEVATOR INSPECTIONS

Requires privately owned 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 an elevator inspector that is employed or engaged by the Department of Administrative Services (DAS). Following each inspection, the inspector must submit a report to the state building inspector describing 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 generally must be inspected at least once every 18 months and their operation certificates must be renewed every two years; however, elevators located in private residences are exempt from these requirements and instead must be inspected at the owner's request.

EFFECTIVE DATE: January 1, 2026

§ 41 — 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 already eligible for HUE points 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 (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 already eligible for HUE points if the unit was constructed by, or in conjunction with, a neighboring municipality's housing authority. (For additional information on HUE points, see §§ 8-10 & 41, *Background — HUE Points*).

EFFECTIVE DATE: January 1, 2026

§ 42 — MAJORITY LEADERS' ROUNDTABLE STUDY

Requires the majority leaders' roundtable on affordable housing to study changing the CGS § 8-30g exemption threshold from the percentage of qualifying dwelling units in a municipality to a flat number or another alternative model

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 the percentage of qualifying dwelling units in a municipality to (1) a flat numerical value or (2) an alternative model, including those other states have adopted for calculating affordable housing need. (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

§ 43 — DOH AFFORDABLE HOUSING REAL ESTATE INVESTMENT TRUST PILOT PROGRAM

Requires DOH to establish a pilot program awarding grants to housing authorities, CHFA, or nonprofits for acquiring dwelling units in certain municipalities and putting affordable housing deed restrictions on them

The bill requires DOH, within available resources (see *Background — Related Act*), to create and administer an Affordable Housing Real Estate Investment Trust pilot program. The program's purpose is to award grants to housing authorities, CHFA, or nonprofits DOH selects for (1) acquiring dwelling units and (2) implementing "affordable housing deed restrictions" on these units. The bill requires that the units 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.

Under the bill, "affordable housing deed restrictions" are those filed on a municipality's land records that require dwelling units to be sold or rented as affordable housing to households whose income is no more than 80% of the AMI or state median income, whichever is less. Affordable housing means housing for which these households pay no more than 30% of their annual income.

EFFECTIVE DATE: January 1, 2026

Background — Related Act

This year's bond act (PA 25-174, § 13) authorizes up to $2 million in GO bonds for an Affordable Housing Real Estate Investment Trust pilot program.

§ 44 — ANNUAL HOUSING AUTHORITY REPORTING REQUIREMENTS

Modifies housing authorities' annual reporting requirements by requiring them 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. Beginning with a report due July 1, 2026 (and then annually by existing law's March 1 report deadline), it requires housing authorities 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);

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)); and

4. the number of individuals on the waiting list for housing authority-owned or -operated rental units.

By law, 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: January 1, 2026

§ 45 — MOBILE MANUFACTURED HOME PARK FIRE HYDRANT REPORTING

Requires mobile manufactured home park owners to annually submit a report to the local fire marshal disclosing the water capacity and flow of each of the park's fire hydrants; requires fire marshals to report insufficient fire hydrants (1) as a complaint to DCP and (2) to the Mobile Manufactured Home Advisory Council

The bill requires mobile manufactured home park owners, beginning by October 1, 2026, to annually submit a report to the local fire marshal

that discloses the water capacity and flow of each of the park's fire hydrants. After reviewing a report, if the fire marshal finds that any of these fire hydrants have insufficient water capacity or flow (or are not in working order), he or she must report this (1) as a complaint to the Department of Consumer Protection and (2) to the Mobile Manufactured Home Advisory Council.

EFFECTIVE DATE: January 1, 2026

§ 46 — SCHOOL CONSTRUCTION GRANT REIMBURSEMENT RATE

Beginning July 1, 2026, gives school boards or endowed academies in municipalities that meet certain housing- and planning-related requirements a five percentage point increase to their state school construction grant reimbursement rate; repeals a provision of current law that provides the same incentive to school boards in DOH-designated inclusive municipalities

Beginning July 1, 2026, the bill gives local or regional boards of education or State Board of Education-approved endowed academies, in certain municipalities, a five percentage point increase to their state school construction grant reimbursement rate. It specifies that the increase cannot result in a reimbursement rate of more than 100%. To receive this rate increase, a municipality must meet at least one of the following conditions:

1. comply with the bill's housing growth planning requirements and demonstrate steps taken to implement its housing growth policies (see §§ 4-6 above);

2. be a qualifying transit-oriented community under the bill (see § 11 above); or

3. adopt a development district through a memorandum of agreement with CMDA (see *Background — Development Districts*).

The bill also repeals a provision of current law that generally gives school boards in "inclusive municipalities," as determined by the housing commissioner, a five percentage point increase to their state school construction grant reimbursement rate. To qualify as an inclusive municipality, a municipality must meet certain population and housing-

and zoning-related eligibility requirements.

EFFECTIVE DATE: January 1, 2026

Background — Development Districts

By law, municipalities working with CMDA must enter into an agreement with it to establish at least one development district near existing infrastructure, such as an existing or planned transit station. A district cannot extend into a municipality that has not opted to work with CMDA.

§ 47 — OPM MUNICIPAL WATER QUALITY PROJECT LOAN PROGRAM

Requires the OPM secretary to create and administer a program providing loans to municipalities seeking to develop an eligible water quality project for sewer collection and conveyance system improvements; sets related eligibility criteria

The bill requires the OPM secretary, beginning by July 1, 2028, to create and administer a program providing loans to municipalities seeking to develop an "eligible water quality project" for sewer collection and conveyance system improvements. As under state law on the Clean Water Fund, these are projects that include the planning, design, development, construction, repair, extension, improvement, remodeling, alteration, rehabilitation, reconstruction, or acquisition of a water pollution control facility approved by the DEEP commissioner. A program loan cannot exceed an eligible water quality project's total cost and must be made at an annual interest rate of 1.5% for a 20-year term.

Under the bill, to be eligible for a program loan, a municipality seeking to develop one of these projects must (1) have a population of no more than 50,000; (2) get a letter from OPM confirming that the proposed project is consistent with the state's Plan of Conservation and Development; and (3) demonstrate that the eligible sewer collection and conveyance system improvement is (or will be) funded, designed, and constructed in compliance with applicable state and federal law and regulations. Additionally, a municipality must meet at least one of the following conditions:

1. demonstrate, to the satisfaction of the OPM secretary, that it has

taken steps to implement an approved housing growth plan or regional housing growth plan (see §§ 4-6 above);

2. be a qualifying transit-oriented community under the bill (see § 11 above); or

3. adopt a development district through a memorandum of agreement with CMDA (see § 46 *Background — Development Districts* above).

EFFECTIVE DATE: January 1, 2026

§ 48 — DOH-DEVELOPED HOUSING PROJECTS

Expressly empowers the housing commissioner to develop housing projects on land the state owns or otherwise controls, sell or lease these projects, and provide for their management; requires the commissioner to (1) report to the Council on Housing Development before developing a project, (2) grant a right of first refusal to any housing authority with jurisdiction when a project is sold or leased, and (3) give preference to certain people when dwelling units in a project are sold or leased

The bill expressly empowers the housing commissioner to develop "housing projects" on land the state owns or otherwise controls and, according to terms and conditions she deems appropriate, (1) sell or lease these projects (or their dwelling units) or (2) provide for their management. It also makes several minor and technical changes.

Before developing a housing project, the commissioner must submit a report to the Council on Housing Development the bill creates (see § 14 above) that includes the following information:

1. the process for identifying real property suitable for the development, including that the development is consistent with a municipal or regional HGP (see §§ 4-6 above);

2. the location of the property;

3. income targets for the population the development will serve;

4. tenant selection priorities, if any; and

5. any other preferences or factors, which the commissioner applied or considered, related to households that may live in the

development.

Under the bill, when a DOH-developed housing project is sold or leased, the commissioner must grant a right of first refusal to any housing authority whose area of operation encompasses the project (i.e. generally the housing authority of the municipality where the project is located). Additionally, when dwelling units in these projects are sold or leased, she must give preference to certain people.

As under existing law, a "housing project" generally means any work or undertaking to provide decent, safe, and sanitary housing for low- or moderate-income households, which includes various related components (e.g., buildings, land, equipment, various infrastructure, site preparation, etc.). The term also broadly applies to, among other things, planning; property acquisition; demolition; construction, re-construction, alteration, and repair of improvements; and various work on existing buildings.

EFFECTIVE DATE: January 1, 2026

Housing Authority Right of First Refusal

Under the bill, when a purchase agreement is executed for a DOH-developed housing project, the commissioner must give written notice to the housing authority with jurisdiction (see above). Within 60 days after receiving this notice, a housing authority that chooses to exercise its right of first refusal must give the commissioner written notice. When a housing authority does not exercise this right, the bill requires the commissioner to give preference for the project's sale or lease to a nonprofit.

Prioritization When Selling or Leasing Dwellings Units

When a dwelling unit in a DOH-developed housing project is sold or leased, the bill requires the commissioner to give preference to certain people (as existing law requires when a moderate rental housing project is sold). Specifically, for one- or two-family dwelling units or shares in a cooperative or condominium association purchasing a project (or part of a project), preference must be given based on the following schedule:

1. first preference to project tenants whose incomes are below the levels for continued occupancy;

2. second preference to other project tenants;

3. third preference to applicants who (a) are community residents, (b) are on the waiting list for moderate rental housing projects in the community, and (c) have an income that qualifies them for admission to these projects;

4. fourth preference to veterans who are community residents and have an income that qualifies them for admission to these projects; and

5. fifth preference to other residents of the municipality, including certain occupants of publicly assisted housing projects.

§ 49 — DECD GREYFIELD REVITALIZATION PROGRAM

Extends priority funding under the greyfield revitalization program to municipalities that have already adopted zoning regulations allowing commercial buildings to be converted into residential developments subject only to a summary review and makes technical changes

The bill extends priority funding under the greyfield revitalization program to municipalities that have already adopted zoning regulations allowing commercial buildings to be converted into residential developments subject only to a summary review. The law already gives this preference to municipalities that adopt these zoning regulations.

The bill also makes a technical change to correct a reference to this greyfield revitalization program, which DECD is authorized to create and administer under the bond act (PA 25-174, §§ 112 & 113).

EFFECTIVE DATE: Upon passage

§ 50 — CONNECTICUT MUNICIPAL DEVELOPMENT AUTHORITY MEMBER MUNICIPALITIES

Makes a minor clarifying change to effectuate PA 25-168, §§ 99-112, which among other things, allows additional municipalities to work with CMDA

PA 25-168 made various changes to the CMDA law, including to allow any municipality except Hartford and East Hartford to work with

CMDA. The bill makes a conforming change to the definition of "joint member entity." This membership type allows two or more eligible municipalities to join CMDA together.

(Prior law prohibited Hartford and municipalities in the Capital Region Development Authority "capital region" from becoming "member municipalities" or joining through a "joint member entity.")

EFFECTIVE DATE: Upon passage

§ 53 — BROADENING PURPOSES OF HEALTHY HOMES FUND

Broadens the purposes for which DOH may use a certain portion of the Healthy Homes Fund to additional purposes besides those related to lead

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 (CGS § 8-446a) that limits the scope of DOH's residential 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: January 1, 2026