General Assembly

February Session, 2026

Raised Bill No. 5363

LCO No. **2188**

Referred to Committee on HOUSING

Introduced by:
(HSG)

AN ACT CONCERNING THE INCOME THRESHOLD FOR TENANTS RENTING A DWELLING UNIT IN A SET-ASIDE DEVELOPMENT.

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

Section 1. Subsection (a) of section 8-30g of the 2026 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2026*):

(a) As used in this section:

(1) "Affordable housing development" means a proposed housing development which is (A) assisted housing, or (B) a set-aside development;

(2) "Affordable housing application" means any application made to a commission in connection with an affordable housing development by a person who proposes to develop such affordable housing;

(3) "Assisted housing" means housing which is receiving, or will receive, financial assistance under any governmental program for the construction or substantial rehabilitation of low and moderate income

housing, and any housing occupied by persons receiving rental assistance under chapter 319uu or Section 1437f of Title 42 of the United States Code;

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

(5) "Municipality" means any town, city or borough, whether consolidated or unconsolidated;

(6) "Set-aside development" means a development in which not less than thirty per cent of the dwelling units will be conveyed by deeds containing covenants or restrictions which shall require that, for at least forty years after the initial occupation of the proposed development, such dwelling units shall be sold or rented at, or below, prices which will preserve the units as housing for which persons and families pay thirty per cent or less of their annual income, where such income is less than or equal to eighty per cent of the median income, except as provided in subdivision (1) of subsection (d) of this section. In a set-aside development, of the dwelling units conveyed by deeds containing covenants or restrictions, a number of dwelling units equal to not less than fifteen per cent of all dwelling units in the development shall be sold or rented to persons and families whose income is less than or equal to sixty per cent of the median income and the remainder of the dwelling units conveyed by deeds containing covenants or restrictions shall be sold or rented to persons and families whose income is less than or equal to eighty per cent of the median income;

(7) "Median income" means, after adjustments for family size, the lesser of the state median income or the area median income for the area in which the municipality containing the affordable housing development is located, as determined by the United States Department of Housing and Urban Development; and

(8) "Commissioner" means the Commissioner of Housing.

Sec. 2. Subsection (d) of section 8-30g of the 2026 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2026*):

(d) (1) A person renting a covenant or deed-restricted dwelling unit in a set-aside development shall be permitted to enter an agreement with the landlord to continue renting such dwelling unit at the affordable rental rate the person or family was previously entitled to for not more than three years after such person's or family's income exceeds either sixty per cent or eighty per cent of the median income, as applicable, provided such set-aside development has not been allocated any federal low-income housing tax credits.

(2) Notwithstanding the income ineligibility of a person or family renting a covenant or deed-restricted dwelling unit in a set-aside development under subdivision (1) of this subsection, such dwelling unit shall count toward the set-aside percentage required to be rented to persons or families within the income limits specified in subdivision (6) of subsection (a) of this section.

(3) Nothing in subdivision (1) of this subsection shall be construed to (A) expand the rights of a person or family to occupy a dwelling unit beyond the terms of the applicable rental agreement, or (B) limit the rights of the owner of a set-aside development under chapter 832.

[(d)**]** (4) For any affordable dwelling unit that is rented as part of a set-aside development, if the maximum monthly housing cost, as calculated in accordance with subdivision (6) of subsection (a) of this section, would exceed one hundred per cent of the Section 8 fair market rent as determined by the United States Department of Housing and Urban Development, in the case of units set aside for persons and families whose income is less than or equal to sixty per cent of the median income, then such maximum monthly housing cost shall not exceed one hundred per cent of said Section 8 fair market rent. If the maximum monthly housing cost, as calculated in accordance with

76 subdivision (6) of subsection (a) of this section, would exceed one
77 hundred twenty per cent of the Section 8 fair market rent, as determined
78 by the United States Department of Housing and Urban Development,
79 in the case of units set aside for persons and families whose income is
80 less than or equal to eighty per cent of the median income, then such
81 maximum monthly housing cost shall not exceed one hundred twenty
82 per cent of such Section 8 fair market rent.

This act shall take effect as follows and shall amend the following sections:		
Section 1	*October 1, 2026*	8-30g(a)
Sec. 2	*October 1, 2026*	8-30g(d)

Statement of Purpose:

To allow an individual whose income newly exceeds the set-aside development income threshold to continue renting a set-aside dwelling unit at the affordable rate.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]