

General Assembly

Committee Bill No. 5326

January Session, 2023

LCO No. 4628



Referred to Committee on HOUSING

Introduced by: (HSG)

AN ACT CONCERNING THE AFFORDABLE HOUSING APPEALS PROCESS AND REMOVING THE MUNICIPAL OPT-OUT DEADLINE FOR ACCESSORY APARTMENTS.

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

- 1 Section 1. Subsections (a) to (k), inclusive, of section 8-30g of the
- 2 general statutes are repealed and the following is substituted in lieu
- 3 thereof (Effective October 1, 2023):
- 4 (a) As used in this section and section 8-30j:
- 5 (1) ["Affordable housing development" means a proposed housing
- 6 development which is (A) assisted housing, or (B) a set-aside
- 7 development] "Affordable housing application" means any application
- 8 made to a commission in connection with an affordable housing
- 9 development by a person who proposes to develop such affordable
- 10 housing;
- 11 (2) ["Affordable housing application" means any application made to
- 12 a commission in connection with an affordable housing development by
- a person who proposes to develop such affordable housing] <u>"Affordable"</u>
- 14 housing development" means a proposed housing development that is

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- 15 (A) assisted housing, or (B) a set-aside development;
- 16 (3) "Assisted housing" means housing [which] that is receiving, or
- 17 will receive, financial assistance under any governmental program for
- 18 the construction or substantial rehabilitation of low and moderate
- income housing, and any housing occupied by persons receiving rental
- 20 assistance under chapter 319uu or Section 1437f of Title 42 of the United
- 21 States Code;
- 22 (4) "Average prime offer rate" has the same meaning as provided in
- 23 12 CFR 1026.35, as amended from time to time, effective annually on
- 24 January first and applied for each calendar year;
- 25 [(4)] (5) "Commission" means a zoning commission, planning
- 26 commission, planning and zoning commission, zoning board of appeals
- or municipal agency exercising zoning or planning authority;
- 28 <u>(6) "Commissioner" means the Commissioner of Housing.</u>
- 29 (7) "Median income" means, after adjustments for family size, the
- 30 lesser of the state median income or the area median income for the area
- 31 in which the municipality containing the affordable housing
- 32 <u>development is located, as determined by the United States Department</u>
- 33 <u>of Housing and Urban Development;</u>
- [(5)] (8) "Municipality" means any town, city or borough, whether
- 35 consolidated or unconsolidated; and
- [(6)] (9) "Set-aside development" means a development in which not
- 37 less than thirty per cent of the dwelling units will be conveyed by deeds
- 38 containing covenants or restrictions which shall require that, for at least
- 39 forty years after the initial occupation of the proposed development,
- 40 such dwelling units shall be sold or rented at, or below, prices which
- 41 will preserve the units as housing for which persons and families pay
- 42 thirty per cent or less of their annual income, where such income is less
- 43 than or equal to eighty per cent of the median income. In a set-aside
- 44 development, of the dwelling units conveyed by deeds containing

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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.]

- (b) (1) Any person filing an affordable housing application with a commission shall submit, as part of the application, an affordability plan which shall include at least the following: (A) Designation of the person, entity or agency that will be responsible for the duration of any affordability restrictions, for the administration of the affordability plan and its compliance with the income limits and sale price or rental restrictions of this chapter; (B) an affirmative fair housing marketing plan governing the sale or rental of all dwelling units; (C) a sample calculation of the maximum sales prices or rents of the intended affordable dwelling units; (D) a description of the projected sequence in which, within a set-aside development, the affordable dwelling units will be built and offered for occupancy and the general location of such units within the proposed development; and (E) draft zoning regulations, conditions of approvals, deeds, restrictive covenants or lease provisions that will govern the affordable dwelling units.
- (2) The commissioner shall, within available appropriations, adopt regulations pursuant to chapter 54 regarding the affordability plan. Such regulations may include additional criteria for preparing an affordability plan and shall include: (A) A formula for determining rent

levels and sale prices, including establishing maximum allowable down payments to be used in the calculation of maximum allowable sales prices; (B) a clarification of the costs that are to be included when calculating maximum allowed rents and sale prices; (C) a clarification as to how family size and bedroom counts are to be equated in establishing maximum rental and sale prices for the affordable units; and (D) a listing of the considerations to be included in the computation of income under this section.

- (c) Any commission, by regulation, may require that an affordable housing application seeking a change of zone include the submission of a conceptual site plan describing the proposed development's total number of residential units and their arrangement on the property and the proposed development's roads and traffic circulation, sewage disposal and water supply.
- (d) For any affordable dwelling unit that is rented as part of a setaside development, if the maximum monthly housing cost, as calculated in accordance with subdivision [(6)] (9) 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 subdivision [(6)] (9) of subsection (a) of this section, would exceed one hundred twenty 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 eighty per cent of the median income, then such maximum monthly housing cost shall not exceed one hundred twenty per cent of such Section 8 fair market rent.
 - (e) For any affordable dwelling unit that is rented [in order] to comply

with the requirements of a set-aside development, no person shall impose on a prospective tenant who is receiving governmental rental assistance a maximum percentage-of-income-for-housing requirement that is more restrictive than the requirement, if any, imposed by such governmental assistance program.

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(f) Except as provided in subsections (k) and (l) of this section, any person whose affordable housing application is denied, or is approved with restrictions [which] that have a substantial adverse impact on the viability of the affordable housing development or the degree of affordability of the affordable dwelling units in a set-aside development, may appeal such decision pursuant to the procedures of this section. Such appeal shall be filed within the time period for filing appeals as set forth in section 8-8, 8-9, 8-28 or 8-30a, as applicable, and shall be made returnable to the superior court for the judicial district where the real property which is the subject of the application is located. Affordable housing appeals, including pretrial motions, shall be heard by a judge assigned by the Chief Court Administrator to hear such appeals. To the extent practicable, efforts shall be made to assign such cases to a small number of judges, sitting in geographically diverse parts of the state, so that a consistent body of expertise can be developed. Unless otherwise ordered by the Chief Court Administrator, such appeals, including pretrial motions, shall be heard by such assigned judges in the judicial district in which such judge is sitting. Appeals taken pursuant to this subsection shall be privileged cases to be heard by the court as soon after the return day as is practicable. Except as otherwise provided in this section, appeals involving an affordable housing application shall proceed in conformance with the provisions of section 8-8, 8-9, 8-28 or 8-30a, as applicable.

(g) Upon an appeal taken under subsection (f) of this section, the burden shall be on the commission to prove, based upon the evidence in the record compiled before such commission, that the decision from which such appeal is taken and the reasons cited for such decision are supported by sufficient evidence in the record. The commission shall

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also have the burden to prove, based upon the evidence in the record compiled before such commission, that (1) (A) the decision is necessary to protect substantial public interests in health, safety or other matters which the commission may legally consider; (B) such public interests clearly outweigh the need for affordable housing; and (C) such public interests cannot be protected by reasonable changes to the affordable housing development, or (2) (A) the application which was the subject of the decision from which such appeal was taken would locate affordable housing in an area which is zoned for industrial use and which does not permit residential uses; and (B) the development is not assisted housing. If the commission does not satisfy its burden of proof under this subsection, the court shall wholly or partly revise, modify, remand or reverse the decision from which the appeal was taken in a manner consistent with the evidence in the record before it.

(h) Following a decision by a commission to reject an affordable housing application or to approve an application with restrictions [which] that have a substantial adverse impact on the viability of the affordable housing development or the degree of affordability of the affordable dwelling units, the applicant may, within the period for filing an appeal of such decision, submit to the commission a proposed modification of its proposal responding to some or all of the objections or restrictions articulated by the commission, which shall be treated as an amendment to the original proposal. The day of receipt of such a modification shall be determined in the same manner as the day of receipt is determined for an original application. The filing of such a proposed modification shall stay the period for filing an appeal from the decision of the commission on the original application. The commission shall hold a public hearing on the proposed modification if it held a public hearing on the original application and may hold a public hearing on the proposed modification if it did not hold a public hearing on the original application. The commission shall render a decision on the proposed modification not later than sixty-five days after the receipt of such proposed modification, provided, if, in connection with a modification submitted under this subsection, the applicant applies for

a permit for an activity regulated pursuant to sections 22a-36 to 22a-45, inclusive, and the time for a decision by the commission on such modification under this subsection would lapse prior to the thirty-fifth day after a decision by an inland wetlands and watercourses agency, the time period for decision by the commission on the modification under this subsection shall be extended to thirty-five days after the decision of such agency. The commission shall issue notice of its decision as provided by law. Failure of the commission to render a decision within said sixty-five days or subsequent extension period permitted by this subsection shall constitute a rejection of the proposed modification. Within the time period for filing an appeal on the proposed modification as set forth in section 8-8, 8-9, 8-28 or 8-30a, as applicable, the applicant may appeal the commission's decision on the original application and the proposed modification in the manner set forth in this section. Nothing in this subsection shall be construed to limit the right of an applicant to appeal the original decision of the commission in the manner set forth in this section without submitting a proposed modification or to limit the issues which may be raised in any appeal under this section.

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- (i) Nothing in this section shall be deemed to preclude any right of appeal under the provisions of section 8-8, 8-9, 8-28 or 8-30a.
- (j) A commission or its designated authority shall have, with respect to compliance of an affordable housing development with the provisions of this chapter, the same powers and remedies provided to commissions by section 8-12.
- (k) The affordable housing appeals procedure established under this section shall not be available if the real property which is the subject of the application is located in a municipality in which at least ten per cent of all dwelling units in the municipality are (1) assisted housing, (2) currently financed by Connecticut Housing Finance Authority mortgages, (3) subject to binding recorded deeds containing covenants or restrictions which require that such dwelling units 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 income, where such income is less than or equal to eighty per cent of the median income, (4) not deed restricted, but for which a projected loan amount equal to the appraised value of each such dwelling unit, as determined by the local tax assessor for the current grand list year, combined with the average prime offer rate, would result in a monthly mortgage payment not greater than thirty per cent of the annual income of an individual or family, provided (A) the income of such individual or family is not greater than eighty per cent of the median income, and (B) such mortgage payment is calculated on the basis of equal monthly principal and interest installments for the duration of a thirty-year fixed rate mortgage, (5) mobile manufactured homes located in mobile manufactured home parks or legally approved accessory apartments, which homes or apartments are subject to binding recorded deeds containing covenants or restrictions which require that such dwelling units be sold or rented at, or below, prices which will preserve the units as housing for which, for a period of not less than ten years, persons and families pay thirty per cent or less of income, where such income is less than or equal to eighty per cent of the median income, or [(5)] (6) mobile manufactured homes located in resident-owned mobile manufactured home parks. For the purposes of calculating the total number of dwelling units in a municipality, accessory apartments built or permitted after January 1, 2022, but that are not described in subdivision [(4)] (5) of this subsection, shall not be counted toward such total number. The municipalities meeting the criteria set forth in this subsection shall be listed in the report submitted under section 8-37qqq. As used in this subsection, "accessory apartment" has the same meaning as provided in section 8-1a, and "resident-owned mobile manufactured home park" means a mobile manufactured home park consisting of mobile manufactured homes located on land that is deed restricted, and, at the time of issuance of a loan for the purchase of such land, such loan required seventy-five per cent of the units to be leased to persons with incomes equal to or less than eighty per cent of the median income, and

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either (A) forty per cent of said seventy-five per cent to be leased to persons with incomes equal to or less than sixty per cent of the median income, or (B) twenty per cent of said seventy-five per cent to be leased to persons with incomes equal to or less than fifty per cent of the median income.

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Sec. 2. Subsection (f) of section 8-20 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2023*):

(f) Notwithstanding the provisions of subsections (a) to (d), inclusive, of this section, the zoning commission or combined planning and zoning commission, as applicable, of a municipality, by a two-thirds vote, may initiate the process by which such municipality opts out of the provisions of said subsections regarding allowance of accessory apartments, provided such commission: (1) First holds a public hearing in accordance with the provisions of section 8-7d on such proposed optout, (2) affirmatively decides to opt out of the provisions of said subsections within the period of time permitted under section 8-7d, (3) states upon its records the reasons for such decision, and (4) publishes notice of such decision in a newspaper having a substantial circulation in the municipality not later than fifteen days after such decision has been rendered. Thereafter, the municipality's legislative body or, in a municipality where the legislative body is a town meeting, its board of selectmen, by a two-thirds vote, may complete the process by which such municipality opts out of the provisions of subsections (a) to (d), inclusive, of this section. [, except that, on and after January 1, 2023, no municipality may opt out of the provisions of said subsections.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2023	8-30g(a) to (k)
Sec. 2	October 1, 2023	8-2o(f)

Statement of Purpose:

To include dwelling units that meet certain income requirements into the calculation of the ten per cent threshold for the affordable housing appeals procedure and to remove the deadline for any municipality to opt-out of the as-of-right allowance of accessory apartments.

[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.]

Co-Sponsors: REP. CANDELORA V., 86th Dist.; REP. O'DEA, 125th Dist.

REP. RUTIGLIANO, 123rd Dist.; REP. ACKERT, 8th Dist. REP. PERILLO J., 113th Dist.; REP. ZUPKUS, 89th Dist. REP. ZAWISTOWSKI, 61st Dist.; REP. CARNEY, 23rd Dist. REP. ANDERSON, 62nd Dist.; REP. NUCCIO, 53rd Dist.

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