



# House of Representatives

General Assembly

**File No. 417**

February Session, 2024

Substitute House Bill No. 5473

*House of Representatives, April 10, 2024*

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

***AN ACT CONCERNING THE EXPANSION OF MUNICIPAL SEWERAGE SYSTEMS TO PROMOTE THE DEVELOPMENT OF HOUSING AND REQUIRING THE MAJORITY LEADERS' ROUNDTABLE GROUP ON AFFORDABLE HOUSING TO STUDY THE ELIMINATION OF MUNICIPAL DESIGN REVIEW PROCESSES.***

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

1 Section 1. Section 7-245 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2024*):

3 For the purposes of this chapter:

4 (1) "Acquire a sewerage system" means obtain title to all or any part  
5 of a sewerage system or any interest therein by purchase,  
6 condemnation, grant, gift, lease, rental or otherwise;

7 (2) "Affordable housing deed restrictions" means deed restrictions  
8 filed on the land records of the municipality containing covenants or  
9 restrictions that require a dwelling unit or dwelling units to be sold or  
10 rented at, or below, a price or rent equivalent to not more than thirty per  
11 cent of the annual income of individuals and families earning not more  
12 than eighty per cent of the median income in rent or mortgage payments  
13 for such unit, for a period of not less than forty years;

14     (3) "Affordable housing development" means a development  
15 containing ten or more dwelling units, as defined in section 47a-1,  
16 provided not less than twenty per cent of such units are subject to  
17 affordable housing deed restrictions, and any such unit subject to such  
18 restrictions contains two or more bedrooms and is not age-restricted;

19     [(2) "alternative sewage treatment system"] (4) "Alternative sewage  
20 treatment system" means a sewage treatment system serving one or  
21 more buildings that utilizes a method of treatment other than a  
22 subsurface sewage disposal system and that involves a discharge to the  
23 groundwaters of the state;

24     [(3) "community sewerage system"] (5) "Community sewerage  
25 system" means any sewerage system serving two or more residences in  
26 separate structures which is not connected to a municipal sewerage  
27 system or which is connected to a municipal sewerage system as a  
28 distinct and separately managed district or segment of such system, but  
29 does not include any sewerage system serving only a principal dwelling  
30 unit and an accessory apartment, as defined in section 8-1a, located on  
31 the same lot;

32     [(4) "construct a sewerage system"] (6) "Construct a sewerage system"  
33 means to acquire land, easements, rights-of-way or any other real or  
34 personal property or any interest therein, plan, construct, reconstruct,  
35 equip, extend and enlarge all or any part of a sewerage system;

36     [(5) "decentralized system"] (7) "Decentralized system" means  
37 managed subsurface sewage disposal systems, managed alternative  
38 sewage treatment systems or community sewerage systems that  
39 discharge sewage flows of less than five thousand gallons per day, are  
40 used to collect and treat domestic sewage, and involve a discharge to  
41 the groundwaters of the state from areas of a municipality;

42     [(6) "decentralized wastewater management district"] (8)  
43 "Decentralized wastewater management district" means areas of a  
44 municipality designated by the municipality through a municipal  
45 ordinance when an engineering report has determined that the existing

46 subsurface sewage disposal systems may be detrimental to public health  
47 or the environment and that decentralized systems are required and  
48 such report is approved by the Commissioner of Energy and  
49 Environmental Protection with concurring approval by the  
50 Commissioner of Public Health, after consultation with the local  
51 director of health;

52 [(7) "electronic equipment"] (9) "Electronic equipment" means any  
53 technology that facilitates real-time communication between two or  
54 more individuals, including, but not limited to, telephonic, video and  
55 other conferencing platforms;

56 (10) "Median income" means, after adjustments for household size,  
57 the lesser of the state median income or the area median income as  
58 determined by the United States Department of Housing and Urban  
59 Development;

60 (11) "Multifamily housing" has the same meaning as provided in  
61 section 8-13m;

62 [(8) "municipality"] (12) "Municipality" means any metropolitan  
63 district, town, consolidated town and city, consolidated town and  
64 borough, city, borough, village, fire and sewer district, sewer district  
65 and each municipal organization having authority to levy and collect  
66 taxes;

67 [(9) "operate a sewerage system"] (13) "Operate a sewerage system"  
68 means own, use, equip, reequip, repair, maintain, supervise, manage,  
69 operate and perform any act pertinent to the collection, transportation  
70 and disposal of sewage;

71 [(10) "person"] (14) "Person" means any person, partnership,  
72 corporation, limited liability company, association or public agency;

73 [(11) "remediation standards"] (15) "Remediation standards" means  
74 pollutant limits, performance requirements, design parameters or  
75 technical standards for application to existing sewage discharges in a  
76 decentralized wastewater management district for the improvement of

77 wastewater treatment to protect public health and the environment;

78 [(12) "sewage"] (16) "Sewage" means any substance, liquid or solid,  
79 which may contaminate or pollute or affect the cleanliness or purity of  
80 any water; and

81 [(13) "sewerage system"] (17) "Sewerage system" means any device,  
82 equipment, appurtenance, facility and method for collecting,  
83 transporting, receiving, treating, disposing of or discharging sewage,  
84 including, but not limited to, decentralized systems within a  
85 decentralized wastewater management district when such district is  
86 established by municipal ordinance pursuant to section 7-247.

87 Sec. 2. Section 7-246 of the general statutes is repealed and the  
88 following is substituted in lieu thereof (*Effective October 1, 2024*):

89 (a) Any municipality may, by ordinance, designate its legislative  
90 body, except where the legislative body is the town meeting, or any  
91 existing board or commission, or create a new board or commission to  
92 be designated, as the water pollution control authority for such  
93 municipality. Any municipality located within the district of a regional  
94 water authority or regional sewer district established under an act of the  
95 General Assembly may designate such water authority or sewer district  
96 as the water pollution control authority for such municipality, with all  
97 of the powers set forth in this chapter for water pollution control  
98 authorities, provided such water authority or sewer district agrees to  
99 such designation. If a new board or commission is created, the  
100 municipality shall, by ordinance, determine the number of members  
101 thereof, their compensation, if any, whether such members shall be  
102 elected or appointed, the method of their appointment, if appointed,  
103 and removal and their terms of office, which shall be so arranged that  
104 not more than one-half of such terms shall expire within any one year.  
105 The water pollution control authority of the town within which there is  
106 a city or borough shall not exercise any power within such city or  
107 borough without the express consent of such city or borough, except  
108 that such consent shall not be required for any action taken to comply  
109 with a pollution abatement order issued by the Commissioner of Energy

110 and Environmental Protection.

111 (b) Each municipal water pollution control authority designated in  
112 accordance with this section may prepare and periodically update a  
113 water pollution control plan for the municipality. Such plan shall  
114 designate and delineate the boundary of: (1) Areas served by any  
115 municipal sewerage system; (2) areas where municipal sewerage  
116 facilities are planned and the schedule of design and construction  
117 anticipated or proposed; (3) areas where sewers are to be avoided; (4)  
118 areas served by any community sewerage system not owned by a  
119 municipality; (5) areas to be served by any proposed community  
120 sewerage system not owned by a municipality; and (6) areas to be  
121 designated as decentralized wastewater management districts. Such  
122 plan may designate and delineate specific allocations of capacity to  
123 serve areas that are able to be developed for residential or mixed-use  
124 buildings containing four or more dwelling units. Such plan shall also  
125 describe the means by which municipal programs are being carried out  
126 to avoid community pollution problems and describe any programs  
127 wherein the local director of health manages subsurface sewage  
128 disposal systems. The authority shall file a copy of the plan and any  
129 periodic updates of such plan with the Commissioner of Energy and  
130 Environmental Protection and shall manage or ensure the effective  
131 supervision, management, control, operation and maintenance of any  
132 community sewerage system or decentralized wastewater management  
133 district not owned by a municipality.

134 (c) (1) In any municipality in which single-family homes constitute  
135 not less than fifty per cent of such municipality's housing stock, any  
136 municipal water pollution control plan prepared by the water pollution  
137 control authority of the municipality shall specify such municipality's  
138 plan for providing sewer service to promote the development of  
139 housing opportunities consistent with subdivisions (4) to (6), inclusive,  
140 of subsection (b) of section 8-2, including such municipality's (A)  
141 existing and planned sewer service area or areas, (B) existing or planned  
142 lots that allow for use as multifamily housing, and (C) allocations for  
143 specific daily sewage flow rates that may provide infrastructure to

144 support the development of multifamily housing. The water pollution  
145 control authority of any municipality described in this subdivision shall  
146 post such municipal water pollution control plan on the Internet web  
147 site of such municipality.

148 (2) Any water pollution control plan described in subdivision (1) of  
149 this subsection may be incorporated into such municipality's affordable  
150 housing plan adopted pursuant to section 8-30j or plan of conservation  
151 and development adopted pursuant to section 8-23.

152 (3) Each water pollution control plan shall be submitted to the  
153 Secretary of the Office of Policy and Management. Any municipality  
154 with a water pollution control plan that creates a realistic possibility, as  
155 determined by the Secretary of the Office of Policy and Management, to  
156 provide sewer service to support the development of housing in  
157 conformance with the provisions of subparagraphs (C), (H) and (J) of  
158 subdivision (2) of subsection (b) of section 8-2 and subdivisions (4) to  
159 (6), inclusive, of subsection (b) of section 8-2, shall be eligible for funding  
160 from the sustainable and equitable infrastructure support program  
161 established pursuant to subdivision (d) of this section. The secretary  
162 shall post each water pollution control plan submitted pursuant to this  
163 subdivision on the Internet web site of the Office of Policy and  
164 Management.

165 (d) The Secretary of the Office of Policy and Management shall,  
166 within available appropriations, establish and administer the  
167 sustainable and equitable infrastructure support program. Funds from  
168 such program shall be available (1) to any developer of an affordable  
169 housing development for costs relating to sewerage system connection  
170 fees; (2) to any developer of an affordable housing development for  
171 costs relating to any infrastructure improvements to a municipal  
172 sewerage system necessary to support such development; (3) to any  
173 municipality determined to be eligible by the secretary pursuant to  
174 subdivision (3) of subsection (c) of this section to support sewer  
175 infrastructure development and expansion and technical assistance  
176 concerning municipal sewer expansion, including sewer infrastructure

177 improvement and expansion grant writing; and (4) for one-time  
178 planning grants not exceeding thirty-five thousand dollars per  
179 municipality to any municipality seeking to update such municipality's  
180 water pollution control plan to conform with the requirements of  
181 subsection (c) of this section. Funds from the program shall be awarded  
182 by the secretary, at the secretary's discretion, on a competitive basis,  
183 with priority given to developers or municipalities based on (A) cost  
184 efficiency of a proposed development, (B) for a municipality, the  
185 percentage of a municipality's housing stock that will be served by the  
186 municipality's water pollution control plan, and (C) for a municipality,  
187 the extent to which such plan advances the purposes of subparagraphs  
188 (C), (H) and (J) of subdivision (2) of subsection (b) of section 8-2 and  
189 subdivisions (4) to (6), inclusive, of subsection (b) of section 8-2.

190 [(c)] (e) Any municipal sewer authority in existence prior to October  
191 1, 1978, shall be deemed to be the water pollution control authority of  
192 such municipality unless the legislative body of the municipality, by  
193 ordinance, determines otherwise, and such water pollution control  
194 authority shall be deemed the successor to such sewer authority for all  
195 of the purposes of this chapter. All acts of any such sewer authorities  
196 from October 1, 1978, to June 1, 1979, are validated. The provisions of  
197 this subsection shall not apply to any action pending in any court or any  
198 right of appeal under this chapter existing on June 1, 1979.

199 Sec. 3. (*Effective from passage*) The majority leaders' roundtable group  
200 on affordable housing, established pursuant to section 2-139 of the  
201 general statutes, shall conduct a study concerning the potential  
202 elimination of any municipal design review process required in  
203 connection with residential developments. The study shall include, but  
204 need not be limited to, (1) an analysis of current required design review  
205 processes and the impact of such processes on the cost and development  
206 time of affordable housing, as defined in section 8-39a of the general  
207 statutes, (2) the identification of barriers within such design review  
208 processes that may hinder the construction or renovation of such  
209 affordable housing, and (3) the examination of successful models from  
210 other jurisdictions that have streamlined or eliminated such design

211 review processes for such affordable housing. Not later than January 1,  
 212 2025, the roundtable group shall submit a report, in accordance with the  
 213 provisions of section 11-4a of the general statutes, on its findings and  
 214 any recommendations to the joint standing committees of the General  
 215 Assembly having cognizance of matters relating to planning and  
 216 development and housing.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2024	7-245
Sec. 2	October 1, 2024	7-246
Sec. 3	from passage	New section

**Statement of Legislative Commissioners:**

In Section 2(c)(1), "each" was changed to "any" for conformance with drafting standards, and "adopted by such" was changed to "prepared by the water pollution control authority of the" for consistency; in Section 2(c)(1)(C), "Any municipality that adopts a water pollution control plan pursuant to this subdivision shall post such" was changed to "The water pollution control authority of any municipality described in this subdivision shall post such municipal water pollution control" for clarity and consistency; in Section 2(c)(2), "required to be adopted pursuant to" was changed to "described in" for accuracy; in Section 2(c)(3), "available through" was changed to "from" for conciseness; in Section 2(d)(1), "to cover any" was changed to "for costs relating to" for clarity; in Section 2(d)(2), "to cover the cost of" was changed to "for costs relating to" for clarity; in Section 2(d)(3), "subdivision (3) of subsection (b)" was changed to "subdivision (3) of subsection (c)" for accuracy; and in Section 2(d)(4), "per municipality" was added after "thirty-five thousand dollars" for clarity; and "the requirements of" was added before "subsection (c)" to conform with drafting standards.

**PD**      *Joint Favorable Subst.*



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

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Policy & Mgmt., Off.	GF - Cost	See Below	See Below
Policy & Mgmt., Off.	GF - Cost	81,000	80,000
State Comptroller - Fringe Benefits <sup>1</sup>	GF - Cost	33,000	33,000

Note: GF=General Fund

**Municipal Impact:**

Municipalities	Effect	FY 25 \$	FY 26 \$
Municipal Water Companies; Various Municipalities	Cost	See Below	See Below
Municipal Water Companies; Various Municipalities	Revenue Gain	See Below	See Below

**Explanation**

The bill requires municipal water pollution control authority (WPCA) plans in certain municipalities to: (1) include a plan for providing sewer service to promote the development of housing opportunities, and (2) submit these plans to the Office of Policy and Management (OPM). The bill also requires OPM to create and administer a sustainable and equitable infrastructure and support program to provide funding for sewer infrastructure-related costs and provide planning grants of up to \$35,000 to municipalities.

This results in a cost of \$81,000 in FY 25 and \$80,000 in FY 26 to OPM

<sup>1</sup>The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.25% of payroll in FY 25.

for one environmental analyst 1 to assist with the requirements of the bill. There is a corresponding cost of \$33,000 in FY 25 and FY 26 to the Office of the State Comptroller for associated fringe benefits.

There is an additional cost to OPM beginning in FY 25 to provide funding and one-time grants up to \$35,000 to qualifying municipalities.

The bill results in a cost to WPCA in various municipalities beginning in FY 25 for updating plans to meet these requirements. This cost may be partially or fully offset to the extent that municipalities are awarded grants from OPM.

The bill also requires the majority leaders' roundtable group on affordable housing to conduct a study of the potential elimination of municipal design review processes, which is not anticipated to have a fiscal impact. Members of the roundtable have expertise in the subject area and research staff that can assist as needed.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis****sHB 5473*****AN ACT CONCERNING THE EXPANSION OF MUNICIPAL SEWERAGE SYSTEMS TO PROMOTE THE DEVELOPMENT OF HOUSING AND REQUIRING THE MAJORITY LEADERS' ROUNDTABLE GROUP ON AFFORDABLE HOUSING TO STUDY THE ELIMINATION OF MUNICIPAL DESIGN REVIEW PROCESSES.*****SUMMARY**

This bill requires municipal water pollution control authority (WPCA) plans in certain municipalities to include a plan for providing sewer service to promote developing specified housing opportunities. The bill's requirement applies to any municipality in which (1) single-family homes make up at least half of the housing stock and (2) its WPCA prepares and periodically updates a WPCA plan for the municipality (i.e., covered municipalities).

The bill also requires the Office of Policy and Management (OPM) secretary, within available appropriations, to create and administer a "sustainable and equitable infrastructure support program" that provides (1) funding to qualifying affordable housing developers and municipalities for eligible sewer infrastructure-related costs and (2) planning grants of up to \$35,000 to municipalities seeking to update their WPCA plans to conform with the bill's requirements.

Lastly, the bill requires the majority leaders' roundtable group on affordable housing to study the potential elimination of required municipal design review processes for residential developments and, by January 1, 2025, report its finding and recommendations to the Planning and Development and Housing committees.

EFFECTIVE DATE: October 1, 2024, except the study provision is effective upon passage.

**WPCA PLANS*****Required Housing Development Plan***

Under the bill, the WPCA plan for a covered municipality must include the municipality's plan for providing sewer service to promote developing certain housing opportunities. Specifically, these housing opportunities must be consistent with the Zoning Enabling Act's provisions on the following:

1. providing for the development of housing opportunities for all of the municipality's and local planning region's residents (including multifamily dwellings consistent with soil types, terrain, and infrastructure capacity);
2. promoting housing choice and economic diversity in housing (including housing for both low- and moderate-income households); and
3. expressly allowing for housing development that meets the needs identified in the state's consolidated plan for housing and community development and plan of conservation and development.

This plan must also include the municipality's (1) existing and planned sewer service areas, (2) existing or planned lots allowing for multifamily housing, and (3) allocations for specific daily sewage flow rates that may provide infrastructure to support multifamily housing development.

***Affordable Housing Plans and Local Plans of Conservation and Development***

Under the bill, municipalities may incorporate these WPCA plans in their local plans of conservation and development or affordable housing plans (i.e., the plans they must adopt at least once every five years specifying how they will increase the number of affordable housing developments in their jurisdiction).

***Submission to OPM***

The bill requires WPCAs to submit their plans to the OPM secretary. If he determines that a plan creates a realistic possibility of providing sewer service to support housing development that meets certain conditions, the bill makes the municipality eligible for funding from the sustainable and equitable infrastructure support program described below.

The secretary must base his determination on whether the potential for housing development conforms with the Zoning Enabling Act provisions described above, as well as provisions requiring zoning regulations to (1) promote health and general welfare; (2) address significant disparities in housing needs and access to educational, occupational, and other opportunities; and (3) affirmatively further the federal Fair Housing Act's purposes.

### ***Posting Requirements***

The bill requires (1) WPCAs to post their plans on their respective municipalities' websites and (2) the OPM secretary to post the plans submitted to him on the agency's website.

## **SUSTAINABLE AND EQUITABLE INFRASTRUCTURE SUPPORT PROGRAM**

Under the bill, OPM may award funds from the sustainable and equitable infrastructure support program on a competitive basis to the following:

1. qualifying affordable housing developers for costs related to (a) sewer system connection fees and (b) municipal sewer system infrastructure improvements needed to support the development;
2. eligible municipalities to (a) develop and expand sewer infrastructure and (b) fund technical assistance for this expansion, including related grant writing; and
3. one-time planning grants of up to \$35,000 to any municipality seeking to update its WPCA plan to conform to the bill's

requirements.

To qualify for the funding, the “affordable housing development” must have at least 10 dwelling units and at least 20% of its units must be subject to affordable housing deed restrictions. These units must have at least two bedrooms and not be age restricted. An “affordable housing deed restriction” is generally one that lasts 40 years and requires the dwelling unit to be sold or rented only to households earning no more than 80% of the area or state median income, whichever is less, and for which they pay 30% or less of their annual income.

The OPM secretary must award these funds at his discretion and prioritize developers or municipalities based on (1) a proposed development’s cost efficiency or (2) for a municipality, the percentage of its housing stock that will be served by the WPCA plan and extent to which the plan advances the Zoning Enabling Act provisions on which he based the municipality’s eligibility determination.

#### **DESIGN REVIEW PROCESS STUDY**

PA 23-207, § 36, established the 24-member majority leaders’ roundtable group on affordable housing and required it to study various topics related to promoting and developing affordable housing in the state. The bill requires this group to do a separate study that at least does the following:

1. analyzes the current required design review processes and their impact on affordable housing’s cost and development time,
2. identifies barriers within these processes that may hinder building or renovating affordable housing, and
3. examines successful models from other jurisdictions that have streamlined or eliminated these processes for affordable housing.

By law, and under the bill, “affordable housing” is that for which households earning no more than the federally determined area median income pay 30% or less of their annual income.

**BACKGROUND**

***Municipal WPCA Plans***

By law, municipal WPCAs may prepare and periodically update a WPCA plan for the municipality. These plans must set the boundaries of areas:

1. currently served by a municipal sewer system or proposed to be served by one (including the expected schedule for designing and building these proposed systems),
2. where sewers will be avoided,
3. served by a community sewer system not owned by the municipality or proposed to be served by one, and
4. to be designated as decentralized wastewater management districts.

**COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable Substitute

Yea 13    Nay 8    (03/22/2024)