
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)