
OLR Bill Analysis

HB 5681

AN ACT CONCERNING MUNICIPAL OPPORTUNITY REIMBURSEMENT AND EDUCATIONAL EQUITY.

SUMMARY

This bill increases the rate at which the state reimburses certain towns for school building projects. Specifically, it increases a town's reimbursement rate by 10 percentage points for projects approved on or after July 1, 2023, if the Department of Housing (DOH) deems the town an "inclusive municipality" (e.g., a project that would normally receive a 50% reimbursement rate for eligible project costs would instead receive 60%). The bill establishes criteria for DOH to use in determining whether a town is an inclusive municipality but does not appear to establish any deadlines or frequency for DOH to make this determination.

By law, the Department of Administrative Services (DAS) provides towns and regional school districts with reimbursement grants for school building projects on a sliding scale depending on the town's property wealth (wealthy towns receive a lower reimbursement rate, while poorer towns receive a higher rate). Generally, for new construction, these rates range from 10% to 70% of eligible costs (CGS § 10-285a(a)). However, it is unclear how DAS would know that a town is considered an inclusive municipality, since the bill does not require DOH to notify DAS about eligible towns.

EFFECTIVE DATE: Upon passage

INCLUSIVE MUNICIPALITY

The bill defines an inclusive municipality as a town that has:

1. a population exceeding 6,000 people;
2. fewer than 10% of its housing units deemed affordable by DOH;

3. adopted and maintained zoning regulations that (a) promote fair housing, as determined by DOH, (b) provide a streamlined process for multifamily housing of at least three units, (c) permit mixed-use development, and (d) allow accessory dwelling units; and
4. constructed new affordable housing units (deed-restricted for households earning 80% of the state's median income or less) that equal at least 1% of the municipality's total housing units over the three years immediately preceding the municipality's application.

COMMITTEE ACTION

Housing Committee

Joint Favorable

Yea 15 Nay 0 (03/11/2021)