

# OFFICE OF FISCAL ANALYSIS

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sHB-5335

AN ACT CONCERNING THE DEVELOPMENT OF MIDDLE  
HOUSING.

## AMENDMENT

LCO No.: 4748

File Copy No.: 109

House Calendar No.: 105

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### ***OFA Fiscal Note***

#### ***See Fiscal Note Details***

The amendment eliminates section 3 which awards municipalities points toward moratorium for middle housing. This removes any potential savings to municipalities associated with legal costs to the extent that more municipalities were awarded a moratorium.

The amendment creates an exception under which a municipality is not subject to the affordable housing appeals procedure for certain affordable housing applications. Under this exception, municipalities have the option to purchase certain real property identified as an affordable housing development from an applicant at 102% the value of the property.

This results in a potential cost to municipalities beginning in FY 25 to the extent property is purchased by a municipality pursuant to this affordable housing appeals procedure exception. There is also a potential savings associated with legal and administrative costs to the extent that municipalities are not subject to the affordable housing appeals procedure for this property.

To the extent municipalities: (1) elect to purchase a proposed affordable housing development, as permitted by the amendment, and (2) fail to issue certificates of occupancy for at least 75 percent of the

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planned units within eight years of acquiring the property, the amendment results in a potential revenue gain to the Housing Trust Fund (HTF) and corresponding cost to the municipality beginning in FY 33.<sup>1</sup> In that scenario, the municipality would have to pay, for deposit into the HTF, an amount equal to five percent of the purchase price the municipality paid to the applying developer.

*The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does 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.*

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<sup>1</sup>The Department of Housing uses funding in the HTF to support affordable housing development in the state.