



House of Representatives

General Assembly

File No. 251

February Session, 2026

Substitute House Bill No. 5395

House of Representatives, March 30, 2026

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 MODULAR OR PREFABRICATED HOMES.

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

1 Section 1. (NEW) (*Effective October 1, 2026*) (a) As used in this section:

2 (1) "Modular or prefabricated home" or "unit" means a completely
3 assembled and erected building or structure containing one dwelling
4 unit, as defined in section 47a-1 of the general statutes, including
5 prefabricated unit service equipment, of which the structural parts
6 consist of prefabricated units or prefabricated subassemblies. "Modular
7 or prefabricated home" does not include any mobile manufactured
8 home, as defined in section 21-64 of the general statutes;

9 (2) "Prefabricated subassembly" means a built-up combination of
10 several structural elements designed and fabricated as an assembled
11 section of wall, ceiling, floor or roof to be incorporated into a building
12 or structure by on-site erection of two or more such subassemblies;

13 (3) "Prefabricated unit" means a built-up section forming an
14 individual structural element of a building or structure, such as a beam,
15 girder, plank, strut, column or truss, the integrated parts of which are
16 prefabricated, including the necessary means for erection and
17 connection at the site to complete the structural frame;

18 (4) "Prefabricated unit service equipment" means mechanical units,
19 fixtures and accessories comprising a complete service unit of
20 mechanical equipment, including bathroom and kitchen plumbing
21 assemblies, unit heating and air conditioning systems and loop-wiring
22 assemblies of electric circuits which may be either prefabricated or
23 constructed on site; and

24 (5) "Prefabricated" means fabricated prior to erection or installation
25 in a building or structure.

26 (b) No zoning regulations adopted pursuant to section 8-2 of the
27 general statutes or any special act shall impose conditions and
28 requirements on any modular or prefabricated home or on lots
29 containing any such home if those conditions and requirements are
30 substantially different from conditions and requirements imposed by
31 the municipality on (1) single-family dwellings, or (2) lots containing
32 single-family dwellings.

33 (c) Upon the adoption of zoning regulations that allow for the
34 development of a modular or prefabricated home as described in
35 subsection (b) of this section, a municipality shall be awarded one-
36 quarter housing unit-equivalent point pursuant to subdivision (6) of
37 subsection (l) of section 8-30g of the general statutes, as amended by this
38 act, for each such unit for which a certificate of occupancy has been
39 issued by the municipality if such unit does not qualify for any other
40 housing unit-equivalent points pursuant to said subdivision.

41 Sec. 2. Subdivisions (6) and (7) of subsection (l) of section 8-30g of the
42 2026 supplement to the general statutes are repealed and the following
43 is substituted in lieu thereof (*Effective October 1, 2026*):

44 (6) For the purposes of this subsection, housing unit-equivalent
45 points shall be determined by the commissioner as follows: (A) No
46 points shall be awarded for a unit unless its occupancy is restricted to
47 persons and families whose income is equal to or less than eighty per
48 cent of the median income, except that one-quarter point shall be
49 awarded for each (i) unrestricted [units] unit in a set-aside development,
50 [shall be awarded one-quarter point each, and] (ii) dwelling [units] unit
51 in a transit community middle housing [developments] development
52 developed pursuant to subdivision (2) of subsection (a) of section 8-2s,
53 [shall be awarded one-quarter point each] and (iii) modular or
54 prefabricated home unit, as specified in subsection (b) of section 1 of this
55 act; (B) family units restricted to persons and families whose income is
56 equal to or less than eighty per cent of the median income shall be
57 awarded one point if an ownership unit and one and one-half points if
58 a rental unit; (C) family units restricted to persons and families whose
59 income is equal to or less than sixty per cent of the median income shall
60 be awarded one and one-half points if an ownership unit and two points
61 if a rental unit; (D) family units restricted to persons and families whose
62 income is equal to or less than forty per cent of the median income shall
63 be awarded two points if an ownership unit and two and one-half points
64 if a rental unit; (E) elderly units restricted to persons and families whose
65 income is equal to or less than eighty per cent of the median income shall
66 be awarded one-half point; (F) a set-aside development containing
67 family units which are rental units shall be awarded additional points
68 equal to twenty-two per cent of the total points awarded to such
69 development, provided the application for such development was filed
70 with the commission prior to July 6, 1995; (G) a mobile manufactured
71 home in a resident-owned mobile manufactured home park shall be
72 awarded points as follows: (i) One and one-half points when occupied
73 by persons and families with an income equal to or less than eighty per
74 cent of the median income, (ii) two points when occupied by persons
75 and families with an income equal to or less than sixty per cent of the
76 median income, and (iii) one-fourth point for the remaining units; and
77 (H) any unit described in subparagraphs (A) to (G), inclusive, of this
78 subdivision shall be awarded an additional one-quarter point, provided

79 such unit was constructed by or in conjunction with a housing authority,
80 as defined in section 8-40, of a neighboring municipality.

81 (7) [Points] Except as otherwise provided in subparagraph (A) of
82 subdivision (6) of this subsection, points shall be awarded only for
83 dwelling units which (A) were newly-constructed units in an affordable
84 housing development, as that term was defined at the time of the
85 affordable housing application, for which a certificate of occupancy was
86 issued after July 1, 1990, (B) were newly subjected after July 1, 1990, to
87 deeds containing covenants or restrictions which require that, for at
88 least the duration required by subsection (a) of this section for set-aside
89 developments on the date when such covenants or restrictions took
90 effect, such dwelling units shall be sold or rented at, or below, prices
91 which will preserve the units as affordable housing for persons or
92 families whose income does not exceed eighty per cent of the median
93 income, or (C) are located in a resident-owned mobile manufactured
94 home park.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2026	New section
Sec. 2	October 1, 2026	8-30g(1)(6) and (7)

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: None

Municipal Impact:

Municipalities	Effect	FY 27 \$	FY 28 \$
Various Municipalities	Potential Savings	See Below	See Below

Explanation

The bill expands the type of housing units that qualify for housing unit-equivalent points toward a moratorium under the affordable housing land use appeals procedure.¹ This results in a potential savings to municipalities beginning in FY 27 for legal costs to the extent that more municipalities are awarded a moratorium.²

The bill makes other various changes to zoning laws that do not result in a fiscal impact as they do not impact the cost of administering zoning laws.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and the number of moratoriums that are awarded.

¹ As of August 2025, five municipalities have an active moratorium granted under CGS 8-30g.

² Several municipalities reported spending up to \$215,000 on legal costs, appeals, and litigation related to CGS 8-30g projects within the past few years.

OLR Bill Analysis**sHB 5395*****AN ACT CONCERNING MODULAR OR PREFABRICATED HOMES.*****SUMMARY**

This bill generally requires all municipal zoning regulations to treat modular and prefabricated homes like traditionally built homes (“stick-built homes”). Broadly, the bill defines these as single-family units that are partially fabricated off-site but do not qualify as mobile manufactured homes.

The bill also makes each of these dwellings eligible for a base value of 0.25 HUE (housing unit equivalent) points toward an § 8-30g moratorium (see BACKGROUND – § 8-30g *Moratoria*). The 0.25 HUE point is awarded only if the modular or prefabricated home does not qualify for HUE points under another eligibility category.

Under the bill, a “modular or prefabricated home” is a completely assembled and erected building or structure with one dwelling unit. It may include prefabricated unit service equipment made of prefabricated units or prefabricated subassemblies. “Prefabricated unit service equipment” generally is a complete unit of mechanical equipment and related fixtures and accessories, whether prefabricated or assembled on-site (for example, bathroom and kitchen plumbing assemblies and loop-wiring assemblies of electric circuits).

Broadly, a “prefabricated unit” is a built-up section forming an individual structural element (for example, a beam, girder, plank, strut, column, or truss), with prefabricated integrated parts. Broadly, a “prefabricated subassembly” is a combination of multiple structural elements designed and fabricated as an assembled section of wall, ceiling, floor, or roof that can be incorporated into a building or structure on-site, by combining at least two subassemblies.

The bill also makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2026

ZONING REGULATIONS

The bill prohibits all zoning regulations from imposing conditions and requirements on modular and prefabricated homes that are substantially different from those imposed on other single-family dwellings. It similarly prohibits regulations from treating lots on which these homes are built substantially differently from other single-family lots.

Existing law prohibits regulations adopted under statutory authority from imposing on manufactured homes (including mobile homes) and associated lots and mobile home parks conditions that are substantially different from those imposed on single or multi-family dwellings and associated lots, cluster developments, or planned unit developments. This provision in existing law applies to manufactured homes built to federal manufactured home construction and safety standards.

HUE POINTS FOR MODULAR AND PREFABRICATED HOMES

The bill awards each modular or prefabricated home a base value of 0.25 HUE points if it was built under a zoning regulation that conforms to the bill's requirements (see above). The bill specifies that the 0.25 HUE point is not a bonus awarded in addition to other points a unit may qualify for. Instead, it can only be awarded if a unit does not qualify for any other HUE points (such as HUE points for being deed-restricted to maintain affordability).

By law, unchanged by the bill, the 0.25 HUE points is the lowest point allocation for any unit type. Other dwellings that are eligible for a base value of 0.25 HUE points include market-rate units in a set-aside development or resident-owned mobile home park, and certain middle housing built under a local option summary review procedure.

BACKGROUND**§ 8-30g**

The affordable housing land use appeals procedure is a set of rules requiring local land use commissions to defend their decisions denying affordable housing developments or approving them with certain conditions. In traditional zoning appeals, the developer must convince the court that the municipality acted illegally or arbitrarily, or abused its discretion by rejecting the proposed development. The procedure instead places the burden of proof on municipalities.

By law, a developer cannot appeal under the procedure in a municipality (1) in which the Department of Housing determines at least 10% of the housing stock is affordable or (2) that obtains a moratorium.

§ 8-30g Moratoria

By law, a municipality is generally eligible for a four- or five-year moratorium (temporary suspension) from appeals taken under § 8-30g each time it shows it has added a certain amount of qualifying housing units to its housing stock, measured in HUE points. The number of points required depends on certain factors, like the municipality's size and whether it adopted certain zoning regulations or has qualified for a moratorium before.

Generally, newly built affordable housing developments count toward the moratorium, as do units subjected to certain deed restrictions. But the law also awards HUE points to certain market-rate units. The law awards HUE points to units based on various factors, including how deeply affordable they are and whether they were built in a municipality that adopted certain zoning regulations. By law, some dwelling types are awarded "bonus" HUE points in addition to base HUE points. This means that the law explicitly awards them a "bonus" for falling into multiple eligibility categories.

Related Bills

sHB 5507, favorably reported by the Planning and Development

Committee, among other things, requires the Department of Housing to develop a program promoting standardized accessory dwelling unit designs.

sHB 5376, favorably reported by the Insurance and Real Estate Committee, changes § 8-30g by adding an additional ground for a local land use commission to defend its decision to reject or deem incomplete an affordable housing application when the application uses nonstandard, prefabricated, or proprietary construction assemblies, and the applicant did not provide a preliminary life safety report.

The Housing and Planning and Development committees favorably reported several other bills impacting § 8-30g, including: sSB 338 (prohibits the allocation of HUE points after § 8-30g litigation, under certain circumstances); sHB 5362 (reduces required affordability period for set-aside developments on municipal land, requires the court to stay appeals when a municipality applies for a moratorium, extends moratoria to align with housing growth plans, requires towns to report on affordable housing applications, and clarifies middle housing HUE point allocations); sHB 5364 (redefines “set-aside development” to reduce required affordability periods and aligns HUE point allocations with them); and sHB 5365 (File 113) (modifies HUE point allocations, including for accessory apartments and certain deeply affordable housing).

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 21 Nay 0 (03/13/2026)