

OFFICE OF FISCAL ANALYSIS

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sHB-5475

AN ACT CONCERNING THE DEVELOPMENT OF HOUSING,
CHALLENGES TO CERTAIN DECISIONS OF MUNICIPAL
AGENCIES, AND THE CONVERSION OF VACANT NURSING
HOMES INTO MULTIFAMILY HOUSING.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Department of Housing	GF - See Below	See Below	See Below

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 25 \$	FY 26 \$
All Municipalities	Potential Cost	See Below	See Below
All Municipalities	See Below	See Below	See Below

Explanation

The bill results in potential costs for municipalities and increases the likelihood that the Department of Housing (DOH) will incur a cost, beginning in FY 25.

The bill allows municipalities to adopt an ordinance to exempt certain developments from inland wetlands agency reviews. There is a potential cost to municipalities as the bill requires them to hold a public hearing prior to adopting the ordinance. There is no impact to municipalities that choose not to adopt this ordinance.

The bill requires municipalities that exercise their zoning powers under the statutes to allow nursing homes that meet certain criteria to be converted to multifamily housing as of right. Any impact to

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municipalities is dependent on the number of facilities and changes to the value of the facilities that are converted.¹

The bill requires DOH, beginning October 1, 2024, to develop a detailed plan for creating affordable housing from surplus state property when appropriate parcels become available for review, whether or not the agency is interested in utilizing the property itself. As under current law when the agency is interested in utilizing the property for that purpose, DOH will incur costs of approximately \$50,000 per parcel for an environmental review and other inspections by consultants. By removing DOH choice, the bill makes it more likely that DOH will incur the \$50,000 cost when a suitable parcel of surplus state property is available. However, no parcels have been suitable in at least the past five years.²

The Out Years

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

¹This may result in a grand list increase or decrease to municipalities. Any grand list impact is dependent on how a building is valued before and after a conversion.

²DOH reviews surplus state property to assess its suitability for developing affordable housing approximately twice a month.