



Town of Simsbury

933 HOPMEADOW STREET

SIMSBURY, CONNECTICUT 06070

Planning and Development Community Department

MEMORANDUM

To: Simsbury Zoning Commission

From: George K. McGregor, Planning Director
Brittany MacGilpin, Assistant Town Planner

CC: Marc Nelson, Town Manager
Simsbury Planning Commission

Date: January 29, 2024

RE: Affordable Housing Set Asides and Inclusionary Zoning

Introduction

The newly adopted Plan of Conservation and Development (POCD) seeks to “increase the number of affordable housing units in Simsbury” (pg. 98). A primary strategy is to require, through the Zoning Regulations, developments to “set-aside” affordable units as part of the project. The POCD, echoing the adopted Affordable Housing Plan, sets forth implementation action steps to amend the Zoning Regulations to require residential projects to include an affordable component. Otherwise referred to as “Inclusionary Zoning,” this approach can help achieve Simsbury’s affordable housing goals.

This memo provides information on strategies other Connecticut towns are using in order to meet affordable housing goals, specifically those utilizing State Statute Section 8-2i. This Statute allows for towns to create an ordinance that promotes the development of housing affordability to persons and families of low and moderate income, including, but not limited to, (1) the setting aside of a reasonable number of housing units for long-term retention as affordable housing through deed restrictions or other means; (2) the use of density bonuses or; (3) in lieu of or in addition to such other requirements or donations, the making of payments into a housing trust fund to be used for construction, rehabilitating or repairing housing affordable to persons and families of low and moderate income.

Housing Set-Asides

The City of Stamford has an ordinance called the *Below Market Rate Housing Program* that aims to create additional mixed-income communities. The program states that all new residential developments with ten or more dwelling units, or conversions of existing residential and mixed-use buildings that increase the total number of residential units to ten or more, must permanently create and deed restrict the

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number of rental or for sale units. The amount of Below Market Rate (BMR) set-aside units is dependent on the zoning district but according a chart provided in Stamford's regulations, the range is between 3-12% of total units. There is a fee-in-lieu option for developers that wish not to set aside BMR units. Proceeds from the fee-in-lieu are transferred into a fund dedicated to affordable housing initiatives.

The Town of Canton recently approved an affordability mandate as well. This program states that 15% of units for developments proposing six or more units require an affordability designation, deed restricted for 40 years. Further, of that 15%, half must meet the 60% affordability threshold (and the rest 80%). This mirrors the percentage guidance in the 8-30g statute.

The Town of Greenwich has a hybrid set-aside/density bonus program where, for residential or mixed-use developments comprising between 11 and 24 units, at least 15% of the total number of units shall be deed restricted as affordable housing. For projects above 25 units, 20% of the units shall be affordable.

The Town of Tolland has an Affordable (Inclusionary) Housing Section that states all residential development of ten units or more that require site plan, special permit, or subdivision approval shall include a minimum of 5% of the proposed units as qualified affordable housing. The units shall be sold or rented to households with incomes at or below 80% median household income.

Density Bonuses

The Town of East Granby's Multi-Family Designed Residence Zone (MFDR) provides density bonuses--density above a set maximum--for affordable housing projects done within the zone. Language in the regulation states that density may be increased to 6 dwelling units per buildable acre (from 4.0 unites) if the developer elects to add one standard dwelling unit and one dwelling unit of comparable size and workmanship which is designated as affordable housing.

In the Town of Greenwich, there is an incentive for residential units proposed in Business Zones including increased FAR, height and story allotments depending on the number of BMR units proposed.

The Town of Bloomfield's Blue Hill Gateway District provides a density bonus. The maximum number of dwelling units to be permitted is four dwelling units per acre. For existing parcels greater than eight acres in area, the maximum number of dwelling units to be permitted is sixteen dwelling units per acre provided that at least ten percent (10%) of the units meet the State of CT definition of affordable and assures long-range affordability.

We note that these density bonus offerings are incentives for projects voluntarily providing affordable units. They are not mandatory provisions. Currently, Simsbury does not overtly include density maximums or minimums in any zones.

Housing Trust Fund & Fee in Lieu Options

There are a number of town's that have implemented a housing trust fund, including the Town of Greenwich, the Town of Westport, the Town of Groton and the City of New London. This approach to a housing trust fund can require, in lieu of the actual provision of units, a payment be made by the developer.

The Town of Greenwich has Greenwich Affordable Housing Trust Fund, which is currently funded by private donations, with other funding sources being explored.

The City of Stamford has a Fee-in-Lieu payment option as part of the City's Below Market Rate Program. In lieu of construction, a cash contribution to a fund, to a non-profit, or for-profit organization dedicated to affordable housing initiatives is permitted.

The Town of Tolland has a fee-in-lieu option for their affordable housing requirement and the funds are to be deposited in the Town of Tolland Affordable Housing Trust Fund. The fee-in-lieu formula is the total proposed units multiplied by 5%, multiplied by \$50,000. If the applicant chooses to construct at least one affordable housing unit and pay a fee-in-lieu for any remaining balance, \$50,000 will be subtracted from the fee-in-lieu for each affordable unit proposed to be constructed.

Challenges

Oversight and Reporting. An article from the CT Examiner dated 4.28.2022 discussed the status of Stamford's program and cited administrative challenges in implementing the program. The amount of city staff assigned to the program was insufficient especially after the City saw an abrupt increase in housing projects. Challenges include keeping track of when the affordable housing units for developments came online and therefore, ensuring they were following the program.

Current 8-30g procedures require an affordable plan and reporting mechanism either by the developer or a third party. Aspen Green in Simsbury provides an annual report to Planning Staff for their rental property. More difficult is tracking ownership only projects where individual property owners often do not report (in the case of Hendricks Lane) after initial sale.

Market Viability. The Assistant Town Planner for Canton stated that multiple developers have indicated that requiring affordable units at or below 60% AMI is a challenge to project feasibility. Ensuring that the regulations can actually be implemented by the marketplace without additional subsidy is an important issue to resolve. Also, members of the building industry should be included as stakeholders in the text amendment process.

Bonus Density. It is not always a given that developers can achieve any density bonus due to other zoning regulations such as height restrictions, impervious coverage, parking, or other site constraints.

Fee in Lieu. Offering a fee in lieu option requires broader local housing infrastructure, a housing trust fund, and other Town resources, including Staff administration. It often requires a municipal commitment.

Summary

Staff intended this memo to introduce the concept of affordable residential unit set asides (inclusionary zoning) to the Zoning Commission. Section 8-2i authorizes local Zoning Regulations to include these measures. An inclusionary zoning standard is a POCD action step and can further affordable housing goals. Staff recommends continued discussion on the topic.