



## HR 6611: What is Fair Share Zoning?

*In so many ways, Connecticut is a fabulous place to live, but our state faces challenges in the form of economic stagnation, excessively high housing costs, deep segregation, and racial disparities. Fair Share Zoning is a strategy to create, over 10 years, almost 300,000 units of market rate and affordable housing that will address these urgent needs in a way that maintains municipal planning autonomy while breaking through the political logjam that has for years prevented the development of housing essential to the economic vitality of our state.*

*Fair Share Zoning, modeled after a successful law in New Jersey, involves taking a hard look at our state's true need for affordable housing and then, together, planning to meet it, with each municipality working to reach a specially developed goal designed to be meaningful, achievable, and sustainable. Each town is asked to plan for that goal and can seek certification of its plan, giving it safe harbor protection from enforcement. Enforcement measures are only applied to towns that do not create effective plans.*

### *Why do we need Fair Share Zoning?*

Connecticut is in dire need of an economic kick in the pants. Even prior to the COVID-19 health pandemic, our state was struggling. In 2019, U.S. News and World Report ranked Connecticut 46th out of 50 states for infrastructure and fiscal stability and in the bottom third for economic growth and economic mobility.

Our state's economic struggles are connected to the need for affordable housing. Connecticut has the 10<sup>th</sup> highest housing wage in the nation, meaning a family would have to work for 96 hours a week at minimum wage to afford a two-bedroom apartment. Connecticut is also one of the most racially segregated states in the nation which denies all our children access to the diversity that represents our nation's future. Our current housing patterns also ask communities that are historically Black and Latino to host the overwhelming majority of the affordable housing need in the state, contributing in some places to increased poverty rates and in others to intense pressure on the housing market that drives displacement and gentrification.

### *How does Fair Share Zoning Work?*

*Step 1: Determine the need for affordable housing.* The starting point of Fair Share Zoning is figuring out how much affordable housing the state needs. There are a number of estimates out there. The Department of Housing released a report assessing the need at 166,000 units. Other reports put the number somewhat lower. Open Communities Alliance commissioned a housing need expert analysis and determined that over the next ten years the need for affordable housing is 135,000 units.

*Step 2: Allocate the regional need to towns in a fair way = Municipal Fair Share Goal.* This need is then allocated to Council of Government regions, considering the number of people in each region, and from there allocated into a Fair Share Goal for each town considering the following factors:

- A town's "wealth" as defined by its equalized grand list (so taxes on commercial, residential, and vacant property).
- A town's median income compared to other towns in its region.
- The percentage of the town's housing stock that is multifamily housing.
- The percentage of poverty in a town.

The more resources a town has, the greater proportion of the regional need for affordable housing goes into its goal. Towns with 20% poverty or greater have already substantially helped meet the need for affordable housing, so they have no Fair Share Goal. No town is expected to grow by more than 20% to meet its Fair Share goal, so a 20% cap is applied to the allocation to each town.

*Step 3: Each town develops a Fair Share Plan.*

- The town Fair Share Plan is guided by a few basic requirements to ensure that it is realistic and producing housing needed by the market. For example, no more than half of the planned units can be designated homeownership to account for the deep need for rental housing. Priority is also put on non-age-restricted housing and units with deeper affordability. Extra points are available for supportive housing and larger bedroom-count units.
- A town's final plan is complete when it outlines how it will meet its Fair Share Goal and the town has adjusted its planning and zoning accordingly.
- In the plan, each town sets out specific 2, 3, 5, and 10-year production benchmarks.

*Step 5: Town Options. A town has three options.*

- A town may seek a safe harbor certificate of compliance from state court declaring that the town's Fair Share Plan creates a realistic opportunity for the development of affordable housing. This provides a safe harbor from enforcement if the town's plan is working to create affordable housing.
- A town may submit its plan to the state, but not seek court approval. In this case, a town's plan can be challenged or a developer proposing housing needed to reach the town's Fair Share Goal may seek a court's approval to build it.
- A town may disregard the law and not submit a plan. In this instance, which would hopefully be rare, a claim may be made against the town compelling it to create a plan, a developer seeking to build housing that would assist with reaching the goal may get a court's approval to build it, and the town would not be entitled to a moratorium under 8-30g.

*How would Fair Share Zoning create almost 300,000 units of housing over 10 years?*

- In New Jersey, towns have met their fair share goals with a combination of inclusionary zoning and government housing subsidies.
  - Inclusionary zoning is a town zoning policy that allows developers to build denser housing than is typically allowed if they set aside a portion of units, usually between 10-20%, as affordable.
  - If Connecticut followed the trend in NJ where 30% of the Fair Share Goal was met with affordable inclusionary units, this is how CT would reach almost 300,000 units:
- These are just some of the tools can be used to reach a town's Fair Share Goals:
  - Inclusionary zoning
  - Land Trusts
  - Main Street revitalization that includes plans for housing
  - Permitting accessory dwelling units
  - Leveraging town-owned or donated land
  - Applying for state or federal housing subsidies, including additional resources made available through this bill