Booklet #2
June 30, 2009

INCENTIVE HOUSING - PROGRAM OVERVIEW

EAST HAMPTON

The preparation of this report is supported by a grant from the State of Connecticut – Office of Policy and Management as part of the Incentive Housing Program.

Overview

In the 2007 legislative session, the Connecticut General Assembly established a program known as the "Incentive Housing Program" (part of Public Act 07-04). East Hampton is interested in investigating whether the Incentive Housing Program might be appropriate in the community.

This booklet is intended to provide an overview of the Incentive Housing Program for persons who may be interested.

Purpose

The overall purpose of the Incentive Housing Program is to encourage the creation of additional housing opportunities in Connecticut. In addition, the program is intended educate other communities about the types of housing that can be provided in communities of different sizes and types.

Process

Phase 1 of the program provides funding to communities so that they may evaluate the Incentive Housing Program within their community. It is a voluntary process. East Hampton applied for and received a grant to evaluate if and how the Incentive Housing Program might be appropriate in the community.

Upon completion of Phase 1, communities that propose to adopt regulations consistent with the program (see below) are eligible for monetary payments. Payment is dependent on review by the Office of Policy and Management, the availability of funding, and adoption of the regulations (Section 42).

In Phase 2 of the program, communities that approve developments consistent with the program (see below) are eligible for monetary payments determined by the number of units which obtain building permits.

A community becomes ineligible for additional payments if:

- The regulations are amended in ways not approved by the Office of Policy and Management (Section 42), or
- The community fails to file an annual report regarding the regulations adopted (Section 43).

A community may be required to repay all or part of the payments (Section 47) if the Office of Policy and Management determines that the municipality has:

- amended or repealed the designation of an incentive housing zone without the approval of the secretary; or
- acted to discourage incentive housing development or to impose arbitrary or unreasonable standards, requirements, delays or barriers to the construction of housing following approval of an incentive housing zone.

Program Parameters

Eligible Locations

The Incentive Housing Program promotes housing in the locations which are consistent with the state plan of conservation and development and are located in:

- An area near a transit station, including rapid transit, commuter rail, bus terminal, or ferry terminal;
- An area of concentrated development such as a commercial center, existing residential or commercial district, or village district (CGS 8-2j); or
- An area that, because of existing, planned or proposed infrastructure, transportation access or underutilized facilities or location, is suitable for development as an incentive housing zone.

Any designated area shall not exceed ten per cent of the total land area in the municipality and the aggregate land area of all designated areas shall not exceed twenty-five per cent of the total land area in the municipality.

Land Use Types

A development under the Incentive Housing Program may be a residential or mixed-use development (dwelling units and one or more commercial, public, institutional, retail, office or industrial uses).

Affordability Criteria

A deed restriction, covenant, or other restriction (see Section 38) shall be recorded on the land records of the municipality requiring that units be sold or rented in accordance with the following affordability provisions:

- Not less than twenty per cent of the dwelling units,
- At least thirty years after the initial occupancy of the development,
- At prices where persons earning eighty per cent or less of the median income pay no more than thirty per cent of their annual income for such housing.

"Median income" means, after adjustments for household size, the area median income as determined by the United States Department of Housing and Urban Development for the municipality in which the incentive housing zone or development is located.

An applicant may propose a higher percentage of units, a longer term, and/or a lower target income threshold and an application may not be denied on that basis.

Density Requirement

The minimum allowable density for incentive housing development, per acre of developable land (defined in the act), is:

- six units per acre for single-family detached housing;
- ten units per acre for duplex or townhouse housing; and
- twenty units per acre for multifamily housing,

The minimum density required shall be at least 25 percent greater than the density allowed by the underlying zone.

A municipality may request a waiver of the density requirements if the land for the incentive housing development is owned or controlled by the municipality itself, an agency thereof, or a land trust, housing trust fund or a nonprofit housing agency or corporation and one hundred percent (100%) of the proposed residential units will be subject to an incentive housing restriction.

Rural Density Requirements

For communities with less than 5,000 people, the minimum allowable density requirement for an incentive housing development is:

- four units per acre of developable land for single-family detached housing;
- six units per acre of developable land for duplex or townhouse housing; and
- ten units per acre of developable land for multifamily housing,

Regulation Requirements

The Incentive Housing Program requires that, for payments under the program, the zoning regulations be amended to permit an incentive housing development with the following provisions:

- An incentive housing development shall be permitted "as of right" (subject only to site plan or subdivision procedures)
- A public hearing is required for the development (Section 45 (a)).

Design Standards

A zoning commission may adopt design standards for incentive housing developments which standards may:

- ensure that construction within the incentive housing zone is complementary to adjacent and neighboring buildings and structures, and
- address the scale and proportions of buildings; site coverage; alignment, width and grade of streets and sidewalks; type and location of infrastructure; location of building and garage entrances; off-street parking; protection of significant natural site features; location and design of open spaces; signage; and setbacks and buffering from adjacent properties.

The legislation provides that a design standard shall not be adopted (and/or an incentive payment shall not be made) if the design standard will unreasonably impair the economic or physical feasibility of constructing housing at the minimum densities and with the required incentive housing restriction.

Payment Provisions

Assuming that state funding has been authorized and program requirements are complied with, the following payments may be authorized under the program (Section 44):

Technical Assistance Grant	Up to $50,000
Zone Adoption Payment	$2,000 for each unit of housing that can, as-of-right, be built as part of an incentive housing development.
Building Permit Payment	$2,000 for each multifamily housing unit, duplex unit or townhouse unit receiving a building permit within five years of regulation adoption. $5,000 for each single-family detached unit receiving a building permit within five years of regulation adoption.

Residential units that are part of a development that constitutes housing for older persons permitted by the federal Fair Housing Act, 42 USC 3607 or sections 46a-64c and 46a-64d of the general statutes, are not eligible for payments.

Additional Provisions

The act contains other provisions related to coordination between separate commissions (Section 39 (d)), circumstances related to historic districts (Section 39 (f)), requirements for requesting payment (Section 41), allowance for technical review fees (Section 45 (b)), and reasons for approval or denial (Section 45 (d))

Notes

Planimetrics
31 Ensign Drive, Avon, CT 06001 860-677-5267