

Sandy Hook

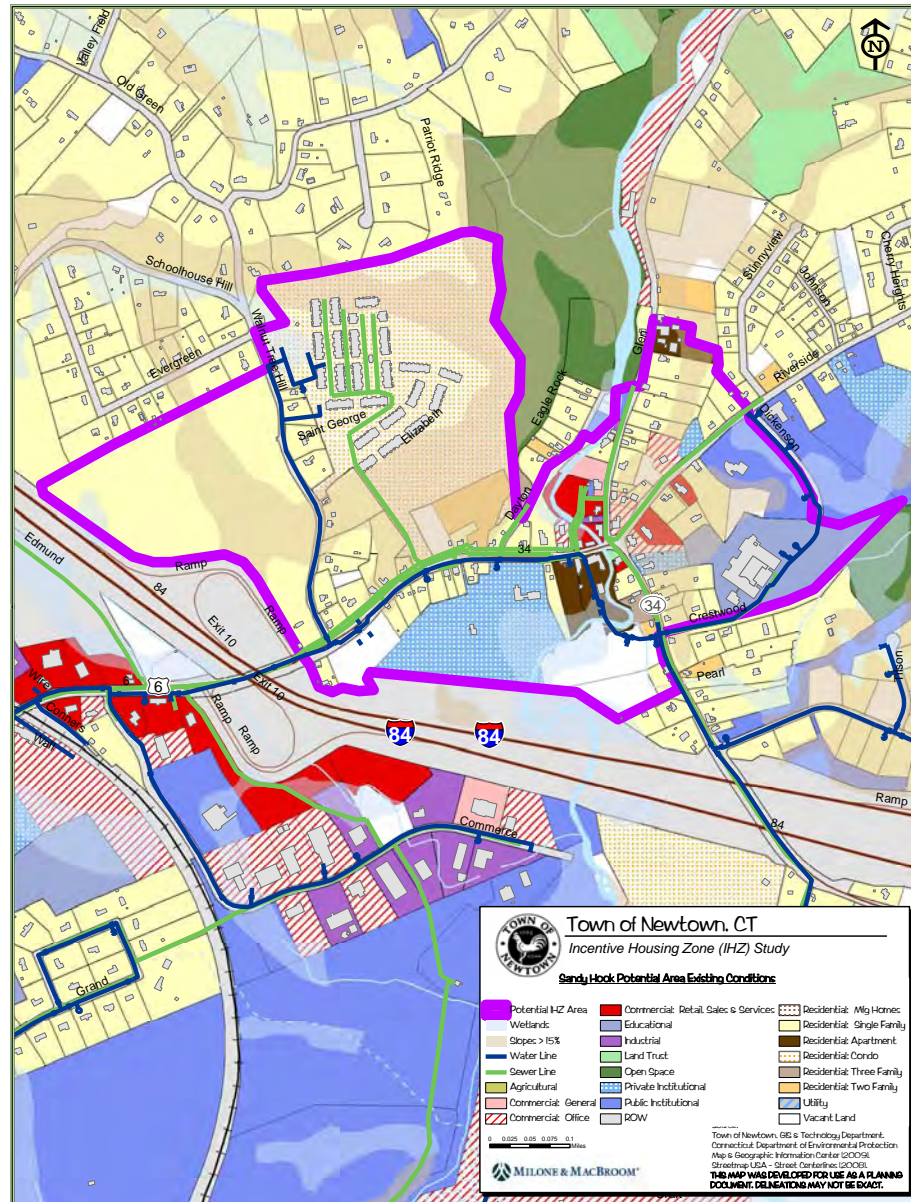
The Sandy Hook area is 194 acres extending from the Exit 10 ramp off I-84 east through the center of Sandy Hook to Dickenson Road. The State has designated the area Growth and Neighborhood Conservation, with some Preservation, Conservation and Rural Lands. The area contains a wide mix of uses: single-family residential and apartments, age-restricted condos, private and public institutional, industrial, and commercial uses including restaurants and retail. The existing Sandy Hook Design District regulations (which do not cover the entire study area) encourage a village district, mixed-use pattern.

The location is along Route 34, and abutting the I-84 interchange, where a private commuter bus service used to stop.

The heart of this area is zoned the Sandy Hook Special Design District, while the western portion includes Multi-Family Elderly and Farming and Residential.

Sewer and water service is available throughout the site. There is very limited vacant land available in the area, although there are some under-used, larger parcels with potential for redevelopment. Closer to the center, parcel sizes are small, such that significant development would require assembling lots.

The Sandy Hook area is conducive to an IHZ. It has sewer and water service, and good transportation features. The State has designated it primarily a development area. Also, it already contains a mixture of uses in a relatively dense land use pattern.



Route 25 Corridor

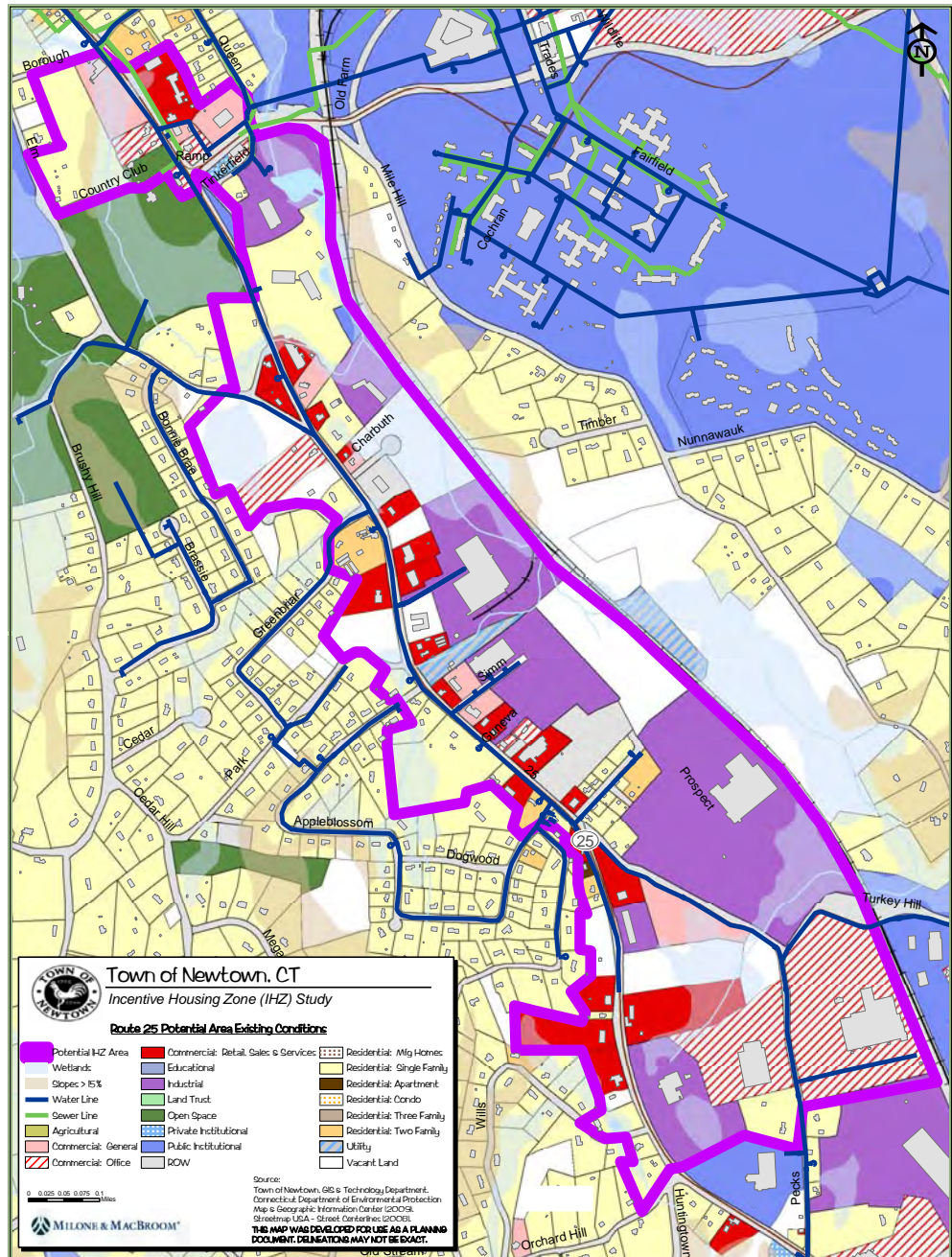
The Route 25 corridor is designated Neighborhood Conservation and Growth, except for small preservation areas that correspond to wetlands, on the State’s Locational Guide Map. The chosen study area terminates where the State Plan shows Aquifer Protection. Although residential uses are generally allowed in aquifer protection areas, the lack of sewer service in this area and the required density under the program statutes make the aquifer area a less desirable location for intense housing development.

The corridor consists of about 319 acres stretching from just north of the intersection of Mile Hill Road and Route 25 (Amaral Motors) south to Huntingtown Road.

The corridor is zoned for a mix of industrial and business uses.

Only the small area north of Mile Hill Road has sewer service. The Town is not likely to allow extensions of the sewer line further south on Route 25 in the near future. There is water service throughout most of the rest of the corridor.

Route 25 and the potential for regional bus service along this route are the main transportation advantages of this area. The northern portion of the corridor is only about 1.5 miles from an I-84 interchange.



The corridor contains a mixture of uses, from low-density residential to apartments, and from all types of commercial uses to industrial. While there is currently about 46 acres of vacant land in the corridor, all south of Elm Street, about 40% of that is wetlands.

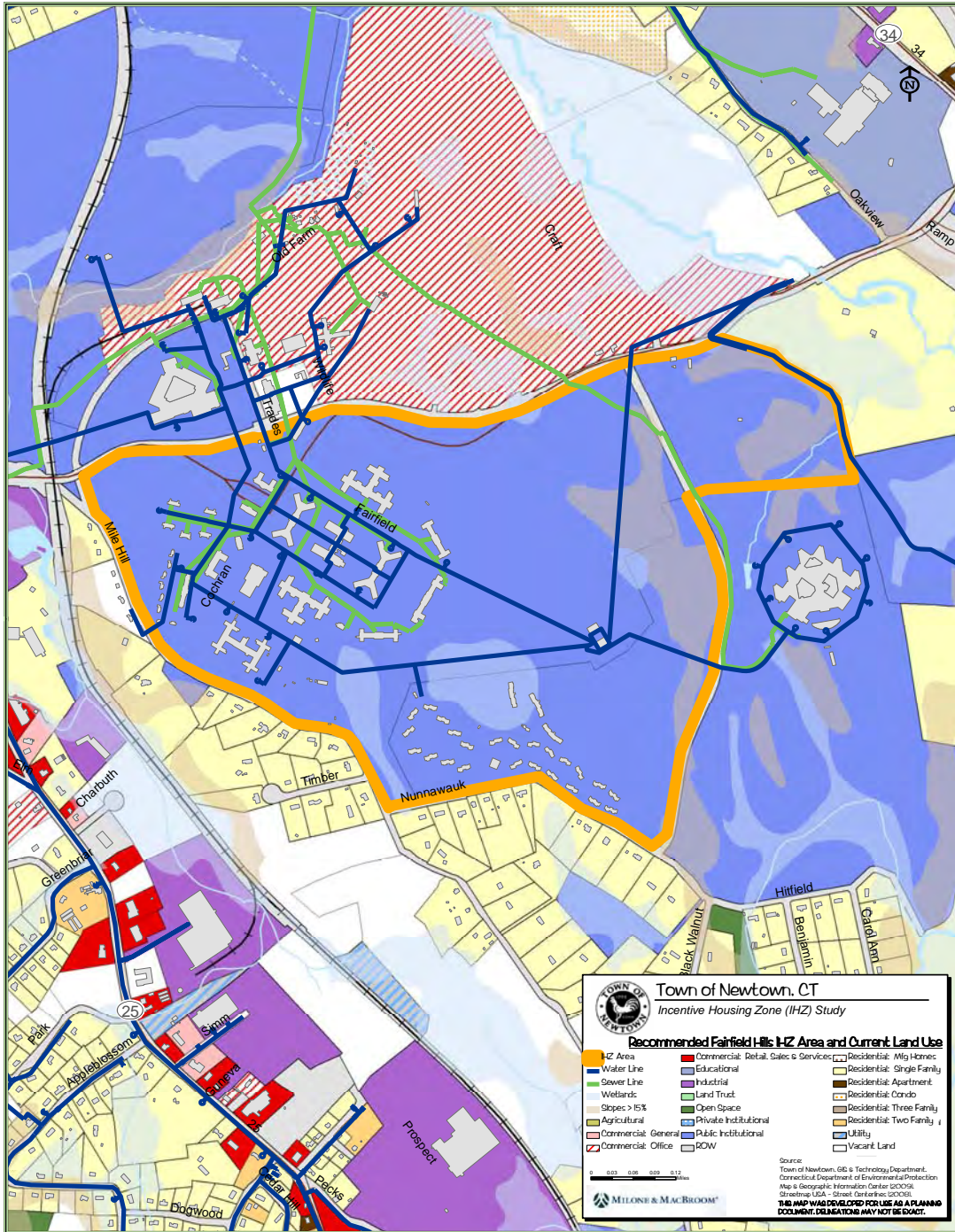
The very northern portion of this corridor, from the intersection of Mile Hill Road to the Borough Lane has some redevelopment potential for mixed-use projects that include incentive housing developments. The lack of sewer service in the rest of the corridor makes it less desirable for denser housing. The northern portion is closest to the Interstate, has sewer and water, and is designated Neighborhood Conservation, except for Preservation areas corresponding to wetland soils. This small portion of the entire corridor is conducive to an IHZ.

Recommended Locations

Based on the preceding review of conceptual IHZ locations, four potential sites stand out. The Route 302 area was eliminated from consideration for an IHZ because of its designation in state and local plans, its lack of potential transit and the current land uses in the area and on neighboring lands. The Fairfield Hills site is recommended based on its accessibility, availability of land and utilities, State Plan designation, potential for in-fill and new development, and the fact that it's under Town control. A portion of the Route 6 corridor is recommended, based on the availability of sewer and water, state and local plans, the potential for in-fill and new development, and accessibility. The recommended area concentrates on the north side of Route 6, and where there is the greatest development/redevelopment potential. Finally, just the northern node of the Route 25 corridor is recommended based on state and local plans, accessibility, the availability of sewer and water and the potential for mixed-use infill and redevelopment.

Following is a series of maps and information about each of the recommended areas.

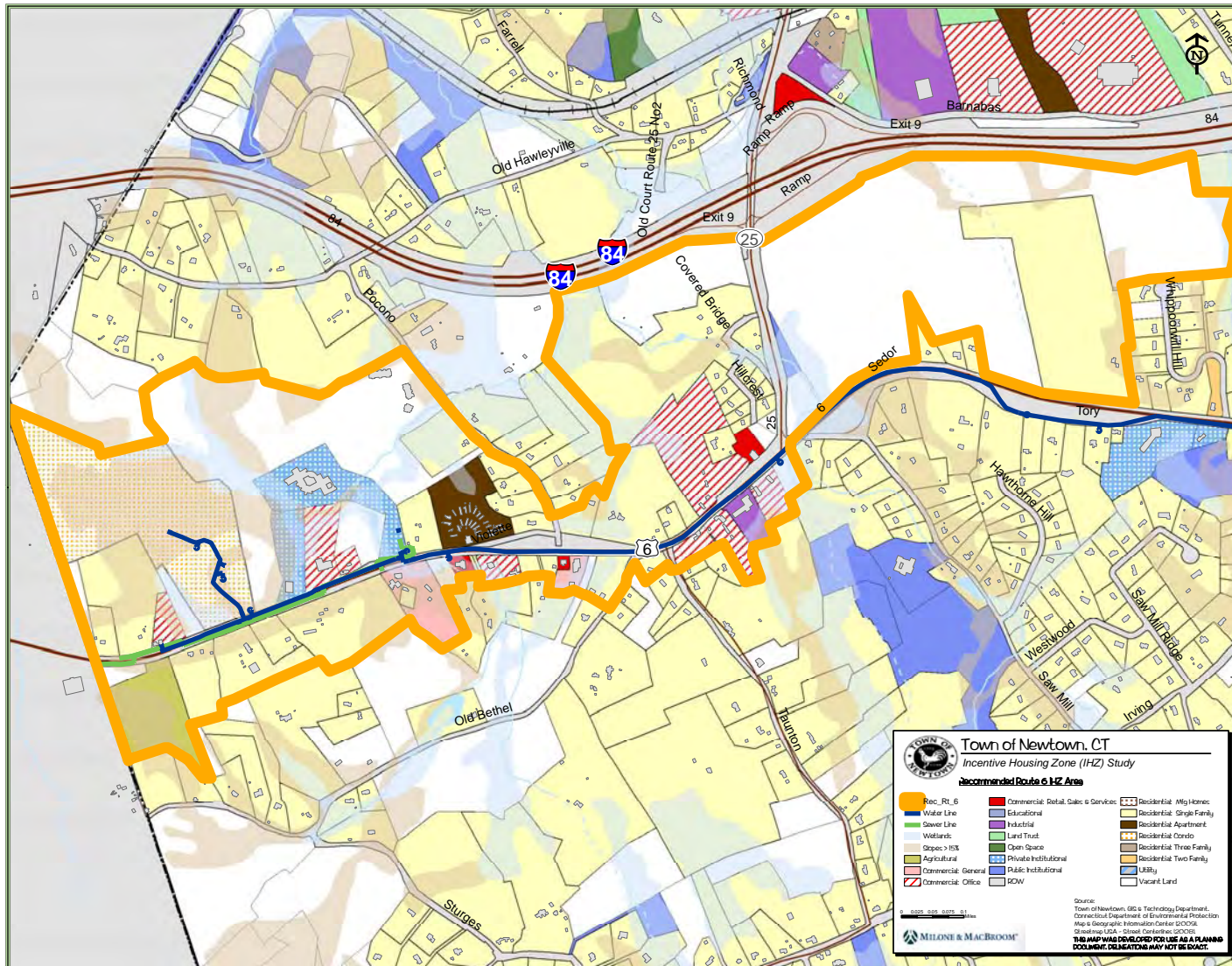
Fairfield Hills



- 278.9 acres
- 3 parcels
- all under Town's ownership

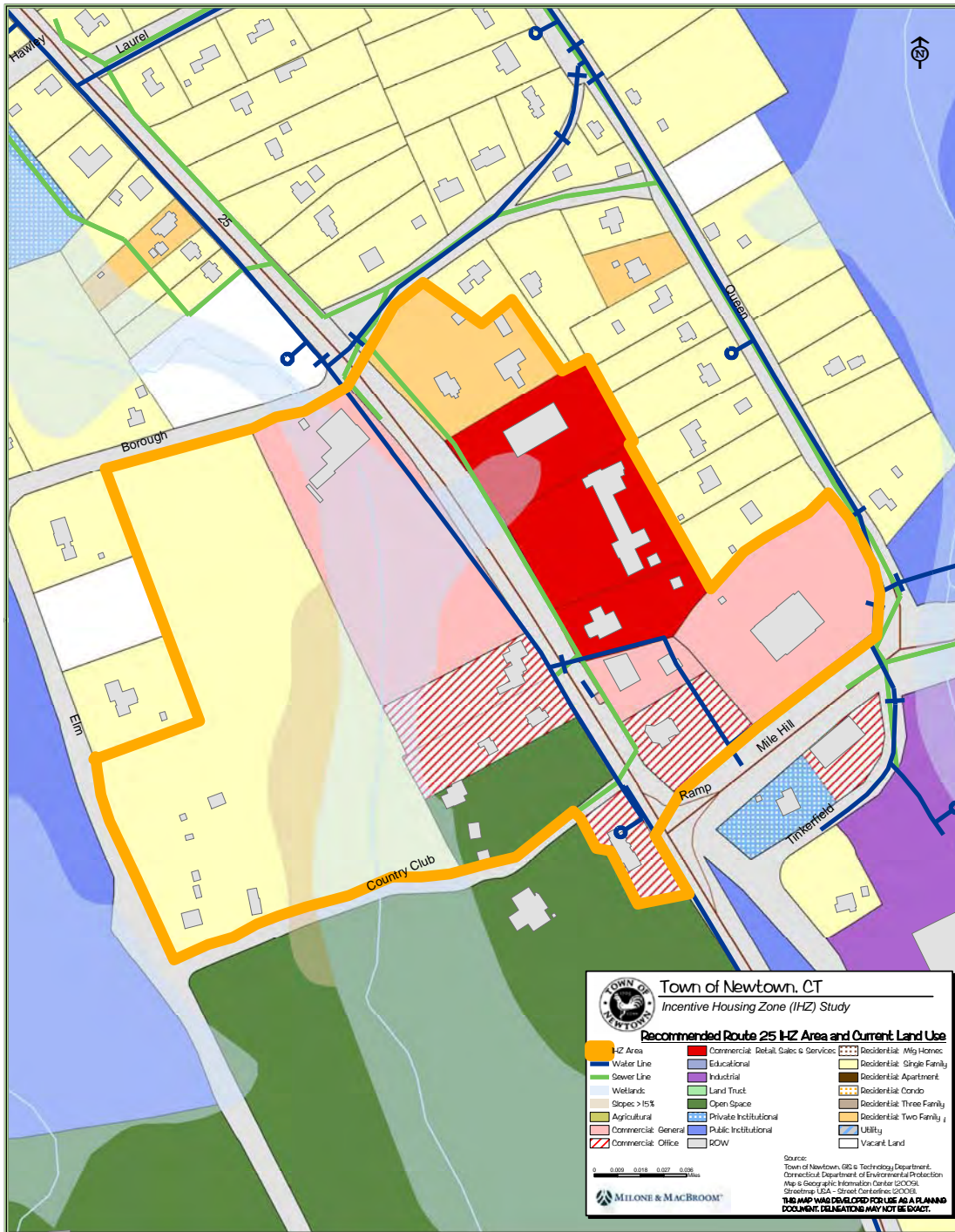
- Zoned Fairfield Hills Adaptive Reuse and Conservation – currently residential use not allowed

Route 6 Area



- 434.15 acres
- 66 parcels total
- 12 vacant parcels with about 181 acres
- Zoned Multi-Family Elderly, Farming & Residential - 2 and - 1, General Business and Industrial

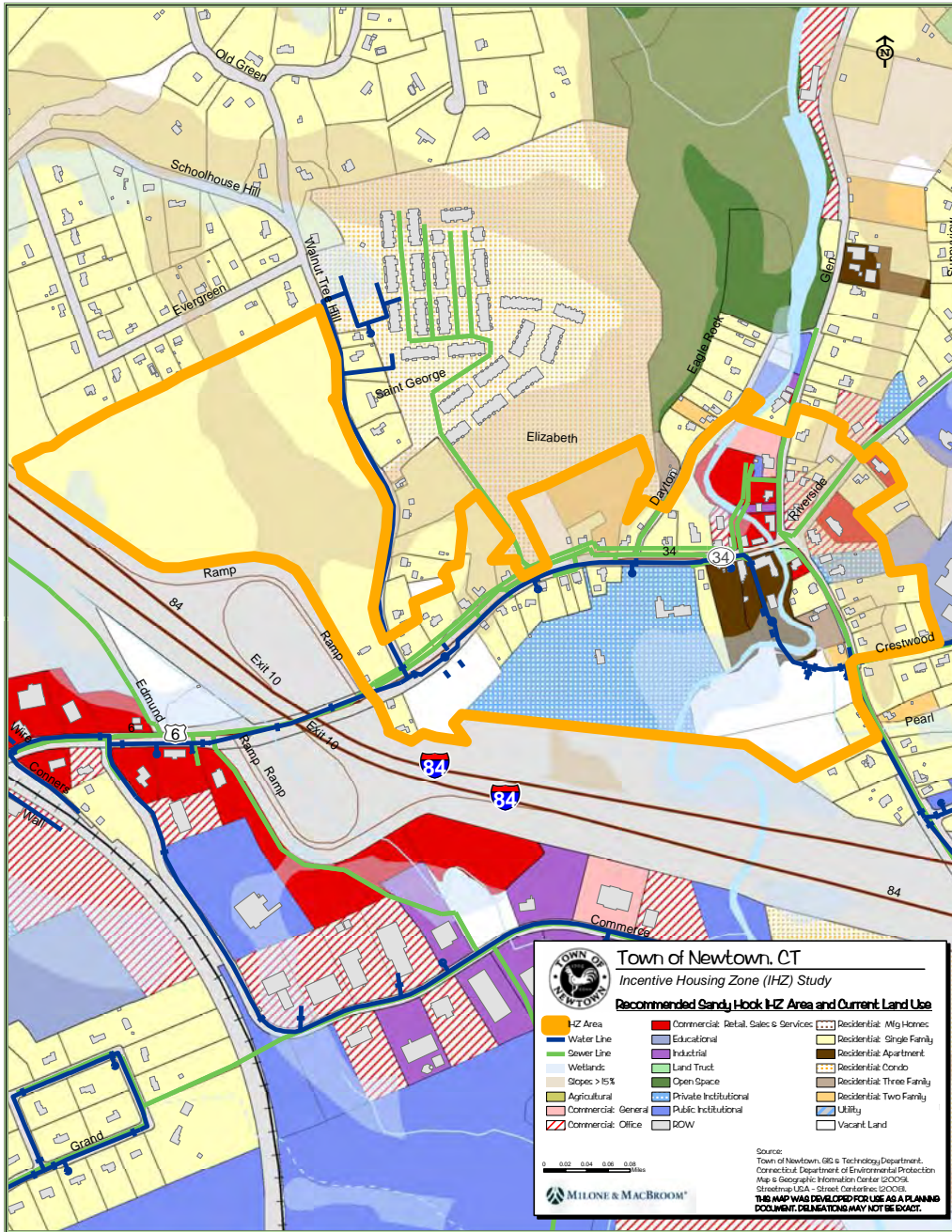
Route 25 Area



- 27.8 acres
- 13 parcels
- No vacant parcels

- Zoned General Business, Business, Retail, and Farming & Residential – 1 and – ½

Sandy Hook



- 98.9 acres
- Five vacant parcels with 12.5 acres
- Zoned Farming & Residential – 2 and – 1, and Sandy Hook Design District

Potential Regulatory Changes and Impacts

The Planning and Zoning Commission and Town Planning Staff requested an exploration of potential regulations for the identified locations and the results that might be expected from these regulations. The Commission had reservations with the densities required under the Housing for Economic Growth Program. Therefore, a preliminary framework for overlay zone regulations, which are consistent with the spirit of the Incentive Housing Zone program, in allowing greater density for mixed-income housing in smart-growth locations, but which do not necessarily meet the density requirements of *Connecticut General Statutes* Sections 8-13m through 8-13x was developed. Following that, build-out and financial development analyses were performed assuming various density levels to demonstrate the differences in output.

Overlay Zone Regulations

The following overlay zone regulations would apply to the Route 6 and Route 25 potential IHZ locations preliminarily, as these areas offer the most potential for development under current land uses, vacancies and parcel configurations. Please see the following page for a draft Zoning Map showing these two overlay districts.

The draft regulations are as follows, and would be a new section in Article II of the current Zoning Regulations.

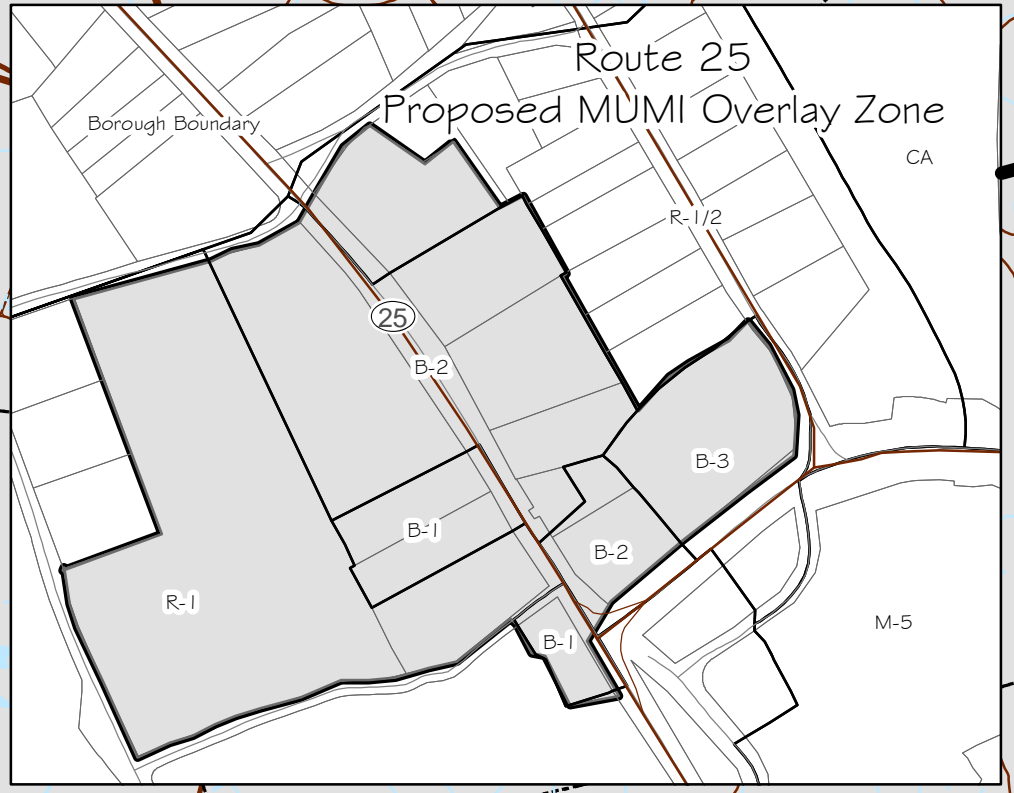
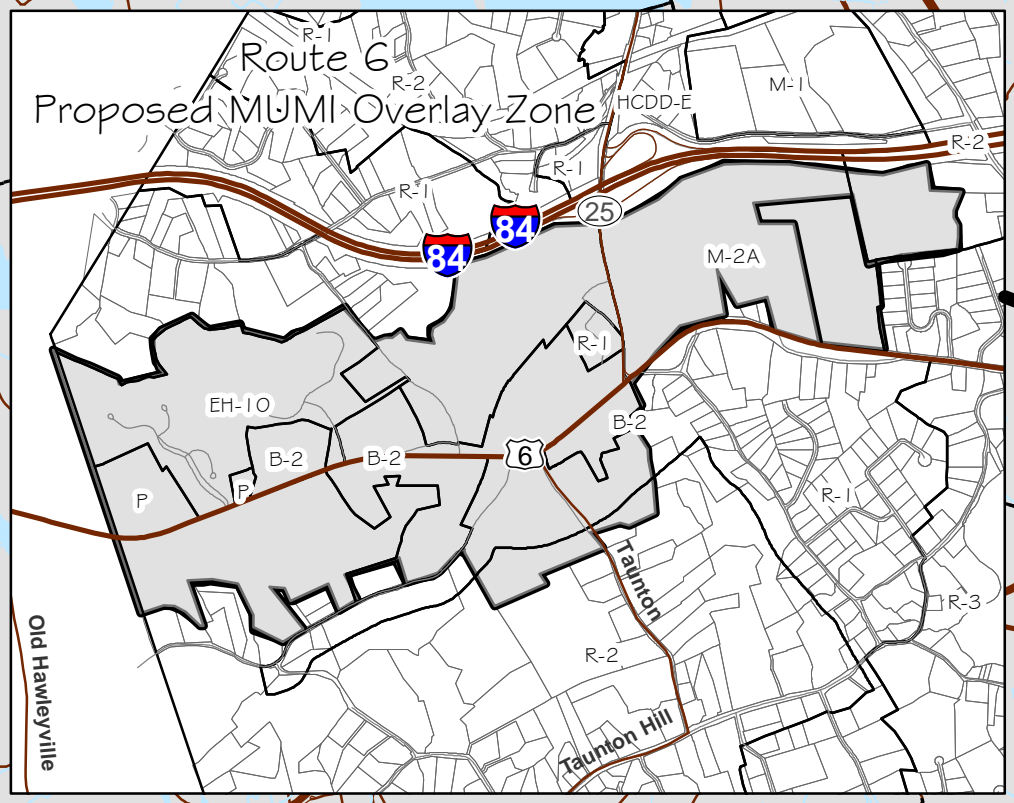
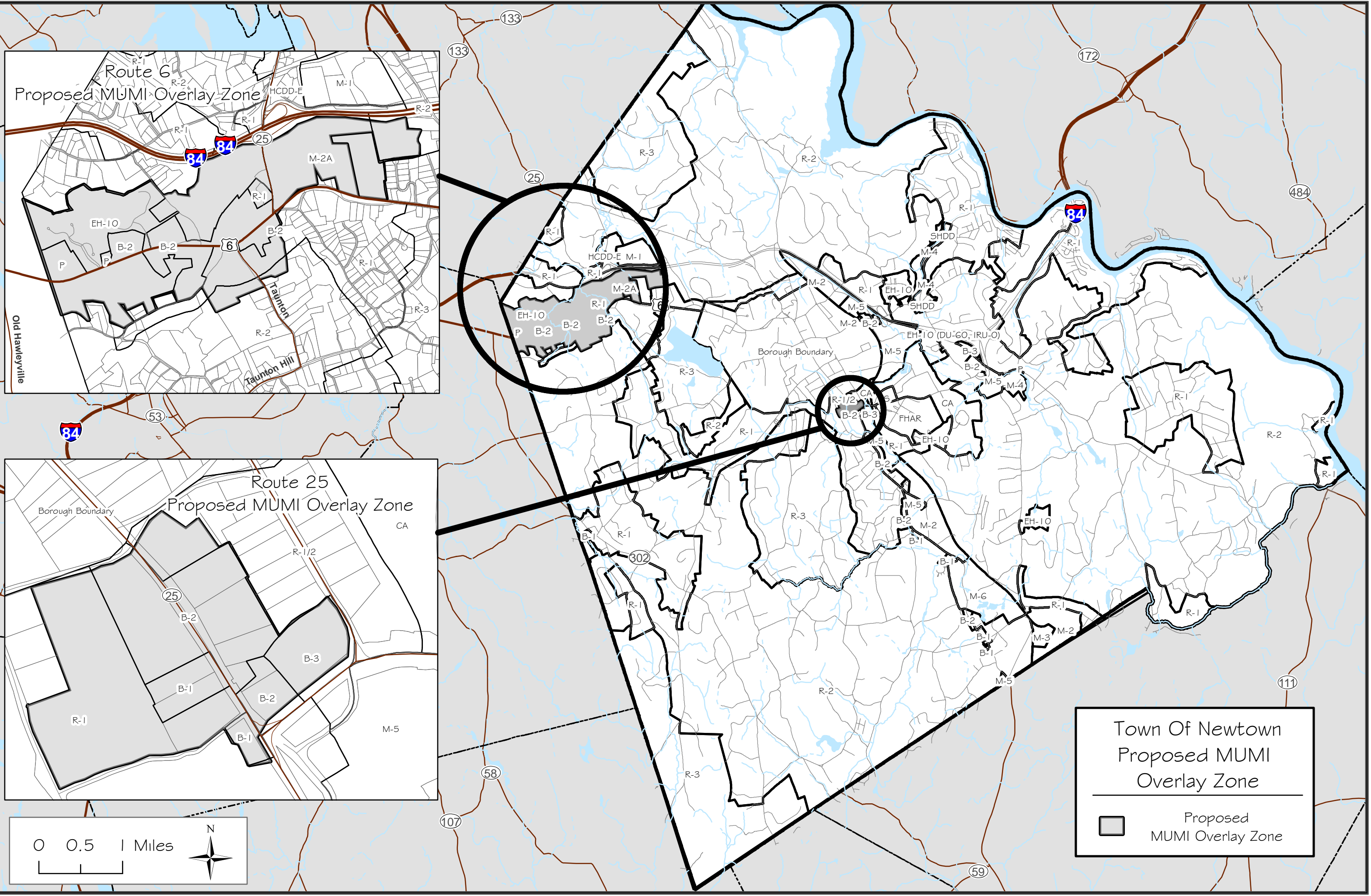
Section 3 - Mixed-Use, Mixed-Income Overlay Zone

2.03 Mixed-Use, Mixed-Income Overlay Zone (MUMI -1)


2.03.100 Purpose and Intent. The intent of this zone is to allow affordable housing in mixed-use developments at locations with adequate transportation and utility services, in order to provide housing choice and variety for those working in Newtown, single-parent households and aging households, among others. It is a further intent of these regulations to protect open spaces and rural areas of the community by encouraging development in smart growth locations.

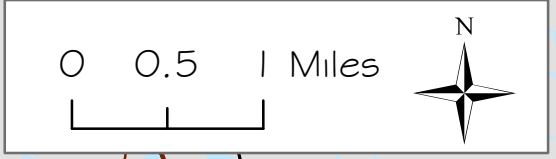
The purpose of this zone is to promote the inclusion of affordable housing units in mixed-use, mixed-income developments consistent with topography, soil types and infrastructure capacity. Another purpose is to ensure high-quality design that is sensitive to the rural character of the community and the neighborhood surrounding the development in particular.

As an overlay zone, the MUMI offers additional regulations to the applicable underlying zoning district regulations. Except as modified in this Section 3, the provisions of the underlying district will govern.



Town Of Newtown
Proposed MUMI
Overlay Zone

 Proposed
MUMI Overlay Zone



2.03.200 Location Criteria

Applications for a MUMI-permitted use must meet the following criteria:

- a) Location within a MUMI Overlay District, as depicted on the Official Zoning Map, as may be amended.
- b) Minimum lot size of one (1) acre.
- c) All parcel(s) must have frontage on a principal arterial or State Route.
- d) Applicants must obtain preliminary approval from the Water Sewer Authority for the number and type of units proposed, and demonstrate that all parcels have access to public sanitary sewer and public water or that the applicant has the ability to acquire such access prior to construction.

2.03.300 Permitted Uses

In all MUMI developments, not less than twenty percent (20%) of the dwelling units will be conveyed by deeds containing covenants or restrictions which shall require that, for at least thirty years after the initial occupation of the proposed development, such dwelling units shall be sold or rented at, or below, prices which will preserve the units as housing for which persons and families pay thirty percent or less of their annual income, where such income is less than or equal to eighty percent of the area median income. Each application will require an affordability plan, which shall describe in detail how the development will comply with these regulations, and how the affordability covenants and restrictions will be administered.

2.03.310 The following MUMI uses are permitted by Special Exception

- a) Townhouses and Garden Apartments. There shall be no more than ten (10) units per usable acre based upon deduction of area as applicable. Such density shall be calculated as usable using the total site acreage. Acreage having a slope of 25 percent (25%) or more shall be calculated using 50 percent (50%) of such area. Acreage having wetlands, watercourses or area within base flood elevation as determined by the Federal Emergency Management Agency shall be calculated as usable using 25 percent (25%) of such areas. All other acreage is considered usable site and density shall be calculated at 100 percent (100%).
- b) Mixed-Use Buildings. Mixed-use buildings must contain commercial and residential uses, and meet the following provisions:
 - 1) Residential uses are not permitted on the first floor.

2) Commercial uses in such buildings are limited to retail, professional office, restaurant, financial institutions, and personal service establishments.

3) No more than 10 dwelling units per usable acre are allowed. Such density shall be calculated as usable using the total site acreage. Acreage having a slope of 25 percent (25%) or more shall be calculated using 50 percent (50%) of such area. Acreage having wetlands, watercourses or area within base flood elevation as determined by the Federal Emergency Management Agency shall be calculated as usable using 25 percent (25%) of such areas. All other acreage is considered usable site and density shall be calculated at 100 percent (100%).

c) Mixed-Use Developments. Mixed-use developments are developments of multiple buildings on a parcel or adjacent parcels under unified ownership or control that includes at least one building containing residential use and at least one building containing commercial use(s). Mixed-use developments shall meet the following provisions:

1) Residential units are permitted in townhouse and garden apartment structures only.

2) Commercial uses are limited to retail, professional office, restaurant, financial institutions, and personal service establishments.

3) No more than 10 dwelling units per usable acre are allowed. Such density shall be calculated as usable using the total site acreage. Acreage having a slope of 25 percent (25%) or more shall be calculated using 50 percent (50%) of such area. Acreage having wetlands, watercourses or area within base flood elevation as determined by the Federal Emergency Management Agency shall be calculated as usable using 25 percent (25%) of such areas. All other acreage is considered usable site and density shall be calculated at 100 percent (100%).

2.03.400 Area, Height, Yard and Building Coverage Requirements. Article VII, Area, Height and Yard Requirements and all other applicable sections of these regulations apply, in addition:

a) Street frontage. Each lot shall have a minimum frontage of 100 feet.

b) Front yard setback. The minimum setback from the street shall be 75 feet from the street line or 100 feet from the centerline of the street, whichever is greater.

c) Side and Rear Setbacks. The minimum side yards shall be 25 feet, and the minimum rear yard shall be 50 feet.

d) Building Height: No building shall exceed thirty-five (35) feet in height above the average finished ground level at the side of the building closest to the street

or private road and no portion of the structure shall be more than ten (10) feet below the average finished ground level at the front of the building.

e) Building coverage: Building coverage shall not exceed thirty percent (30%).

2.03.500 Building Design Standards

Each dwelling unit shall have an entrance providing direct access to the exterior, which access shall not be shared in common with any other dwelling unit.

No building shall contain more than ten (10) dwelling units.

No exterior wall shall exceed 60 feet in length in an unbroken plane without an offset of at least 10 feet.

Dwelling units shall contain no less than one bedroom and no more than three bedrooms.

Affordable units shall be of a construction quality that is comparable to market-rate units within the development, and shall be dispersed throughout the development. The set-aside units shall contain at least thirty percent (30%) of the total bedrooms proposed for the project.

2.03.600 Site Design Standards

2.03.610 Parking. Parking shall conform to the requirements of Article VIII, Section 3 in general.

Shared parking for mixed-use buildings and mixed-use developments is encouraged to reduce impervious surfaces. Applicants should submit a Parking Demand Study conducted by a qualified firm, which details peak parking demand by uses and recommends a shared parking arrangement.

The minimum number of parking spaces required shall generally comply with Section 8.03.600, except where modified by the Commission based on a Parking Demand Study.

2.03.620 Private roads. Private roads within MUMI developments shall be ____ feet wide with a surface that meets Town standards (may want to encourage/incentivize pervious surfaces).

2.03.630 Pedestrian Circulation. In Mixed-Use developments, sidewalks and pedestrian pathways shall be located to encourage park and walk activity between commercial uses and between commercial and residential uses.

2.03.640 Landscaping. Existing vegetation and natural changes in topography shall be maintained to the greatest extent possible in designing site development. Screening from adjacent properties shall be enhanced by maintaining existing vegetation and topography shall be supplemented with fences, walls, berms and dense landscaping which will adequately screen MUMI developments from adjacent properties year round.

Zoning Regulation Amendments

Amendments to the Fairfield Hills Adaptive Reuse District regulations were also explored to demonstrate how residential uses could be incorporated in this area. The amendments are shown in red in the following:

ARTICLE VI - SPECIAL DISTRICTS

SECTION 3 - FAIRFIELD HILLS ADAPTIVE REUSE (FHAR)

6.03 Fairfield Hills Adaptive Reuse

6.03.100 Purpose and Intent. The purpose of this zone is to permit the conversion and reuse of the former Fairfield Hills Hospital campus in a manner that is in harmony with the character of the existing campus and surrounding neighborhood. The zone is designed to allow the economic reuse of the site so as to contribute to the well being of the community while at the same time encourage the conservation of the overall site design and cohesive layout of the main campus. The zone encourages the maintenance of the historic integrity of the campus and existing structures located there.

The intent of the FHAR zone is to focus on a campus setting and encourage use of the property, existing buildings and new structures that will reinforce and contribute to the overall cohesiveness of the area. A campus setting is typically characterized by an integrated site design with complementary land uses that work together as a whole.

The property has a unique central location in the community and Fairfield Hills Hospital played a major role in Newtown's overall development and history. The property is environmentally sensitive and has areas located within the aquifer protection district. The reuse of the property should be planned, new structures should blend in with existing historic structures, and the environmental integrity of the site should be maintained.

6.03.200 Procedure. The Fairfield Hills site possesses unique circumstances that shall require multiple steps and approvals for the reuse of the campus as outlined herein.

6.03.210 The first step involves the creation of a master planned development proposal for the entire campus **or the adaptive reuse of an existing building or buildings** and the submission of such plan to the Commission for its consideration and action.

6.03.211 A master planned development proposal shall provide the following information and studies as set forth below.

- (1) An overall development scenario, a description of the project phasing, potential impact on historic factors and natural resources and the capacity of the infrastructure.
- (2) An environmental impact study concerning the effect the master planned development will have upon the environment in general, the aquifer, and the campus character.
- (3) A plan for vehicular and pedestrian circulation patterns and parking areas. The plan shall be designed to demonstrate a harmonious integration of traffic and parking within the campus and the area immediately surrounding the campus. Shared parking areas are desirable and encouraged.
- (4) A landscaping plan.

6.03.212 Following receipt of a master plan, or subsequent modifications, the Commission may hold a public hearing. If a public hearing is held, it shall commence within 65 days following receipt. The Commission shall take action to approve, modify and approve or disapprove the master planned development proposal within sixty-five (65) days following the close of a public hearing should one be held.

6.03.213 The Commission may refer the master plan, for review and comment, to any other appropriate agency as deemed necessary.

6.03.214 In making its decision, the Commission shall consider the suitability of the particular uses and general layout of the campus plan. The master plan, and any subsequent modifications to the plan, shall be approved by the Commission upon its finding that the plan:

- (1) is consistent with the FHAR, C&A and APD zones, as applicable;
- (2) will not cause unacceptable congestion or traffic hazards on neighboring streets;
- (3) will not substantially impair property values in the neighborhood;
- (4) will not create a health or safety hazard to persons or property on or off the campus;
- (5) is consistent with the Newtown Plan of Conservation and Development.

6.03.220 Subsequent to the Commission's approval of a master plan or any modifications thereof, development shall be subject to obtaining a site development plan approval in accordance with Article X hereof, if so required, or in lieu thereof, when such development is located in the aquifer protection district, then subject to obtaining a special exception in accordance with the standards, criteria, conditions, and procedures as set forth in Article XI hereof and the additional standards, criteria, conditions and procedures set forth in Section 2.01.600. Uses shall be consistent with the approved master plan and all applicable sections of these regulations.

6.03.221 No Site Development Plan application shall be approved if the Commission finds that it is not consistent with the approved master plan for the Fairfield Hills Campus.

6.03.222 Notwithstanding Section 10.01.200 hereof, the development of outdoor recreational or sport fields shall require Site Development Plan approval in accordance with Article X hereof or in lieu thereof, when such development is located in the aquifer protection district, then subject to obtaining a special exception in accordance with the standards, criteria, conditions, and procedures as set forth in Article XI hereof and the additional standards, criteria, conditions and procedures set forth in Section 2.01.600.

6.03.223 Interior renovations and adaptive reuse of existing buildings consistent with the approved master plan shall not be subjected to Site Development Plan approval.

6.03.230 Amendments to the approved master plan may be considered by the Commission upon application by the Town of Newtown or its authorized representatives. Any such amendments and subsequent uses shall be subjected to the same procedures, standards, and criteria set forth in Sections 6.03.200 through 6.03.223 herein.

6.03.300 Permitted Uses. The following principal and accessory uses and structures are permitted. Uses that are not listed as permitted shall not be permitted by variance.

- (1) Recreational or sport facilities and fields, indoor or outdoor
- (2) Museums, art galleries, cultural centers
- (3) Performing art theatres
- (4) Public library
- (5) Senior center
- (6) Teen center
- (7) Municipal Town Hall complex and government uses but not including dumps, incinerators, recycling centers, transfer stations and other garbage disposal or handling areas, municipal garages or public works storage yards.
- (8) Educational facility, including accessory housing and sport facilities
- (9) Shops and stores for retail sales, limited to no more than 10,000 square feet per tenant
- (10) Shops where personal services are offered including, beauty salon or barber shop, day spa, dry cleaning services that do not conduct on-site cleaning, gymnastics, fitness centers, shoe repair, tailoring or dressmaking, photographic studio, copy center, rental services, counseling services
- (11) Restaurants, including outside service, but excluding drive-thru facilities
- (12) Banks, financial institutions
- (13) General, professional, governmental, Town and Board of Education offices
- (14) Medical, dental offices
- (15) Research and development facilities dedicated to the development and/or testing of products or specimens
- (16) Corporate headquarters for one or more corporations
- (17) Publishing establishments
- (18) Hospitals

- (19) Conference center or meeting halls
- (20) Child day care centers
- (21) Elderly day care centers
- (22) Nursery, greenhouse, provided that such is clearly incidental to a permitted use
- (23) Crop farming in open space areas
- (24) Structured parking, providing that such parking is clearly incidental to a principal permitted use

(25) Multi-specialty veterinary hospital providing, but not limited to, surgical, emergency, medical and oncology treatments for animals referred by outside veterinarians. Such a hospital does not provide routine or general veterinary services (i.e. vaccines, boarding or grooming). No outdoor runs are permitted and such a hospital shall be connected to public sewer. (Added effective October 14, 2008)

(26)) Farmer's Market – A Certified Farmer's Market as defined by the Connecticut Department of Agriculture in CGS 22-6r and in compliance with the Newtown Zoning Farmer's Market definition, to be located at a site designated by the Fairfield Hills Authority. A banner sign of 30 square feet in front of the Fairfield Hills Campus, and two sandwich signs on Wasserman Way will be allowed as temporary advertisement from the Friday before the event to the market on Tuesday. Exact locations of signs to be determined by the Zoning Enforcement Officer (added effective 7/26/10).

(27) Residential Dwelling Units by Special Exception provided that the following requirements are met:

- a) Such units are allowed only in existing buildings with a gross floor area of greater than 15,000 square feet, or on the footprint of existing buildings with greater than 15,000 gross square feet of floor area;
- b) In a mixed-use building development scenario, commercial uses may occupy the ground floor; residential units are limited to second and/or third stories only;
- c) For new construction on existing footprints, building architecture must be consistent with existing campus buildings, using similar architectural materials, features and fenestration;
- d) The size of dwelling units shall be no less than 750 square feet, and no more than 1,250 square feet;
- e) Not less than twenty percent (20%) of the dwelling units will be conveyed by deeds containing covenants or restrictions which shall require that, for at least thirty years after the initial occupation of the proposed development, such dwelling units shall be sold or rented at, or below, prices which will preserve the units as housing for which persons and families pay thirty percent or less of their annual income, where such income is less than or equal to eighty percent of the area median income;
- f) Each applicant must provide an affordability plan that details the administration, monitoring, and enforcement of the designated affordable dwelling units to be sold or rented at below-market rates as described above. The plan will include proposed deed restrictions or covenants, lease agreements, common interest ownership documents, bylaws, rules and regulations, sample income calculations, and any other information as the Commission may require to establish compliance with this Section.

(28) Public Transit Shelters

6.03.400 Area, Height and Yard Requirements.

Article VII of these regulations and the following limitations shall apply:

6.03.410 Minimum lot area. The minimum lot area shall be at least 150 acres of contiguous land owned or controlled by the applicant. Town roads located in the Fairfield Hills campus shall not divide the property into separate lots.

6.03.420 Minimum setbacks. Any structure shall be setback 100 feet from the street line or 125 feet from the centerline of the street, whichever is greater. Minimum setbacks shall only apply to Wasserman Way, Nunnawauk Road and Mile Hill Road South. All structures shall be setback 100 feet from the nearest property line. The right of way for the roads within the campus streets shall not be considered property lines.

6.03.430 Number of stories. All structures shall be limited to three stories.

6.03.440 Building height. Building height shall comply with Article VII of these regulations. The conversion of existing structures shall be encouraged. If any existing structures in the zone now exceed or breach the requirements of Article VII, the nonconformity shall not be expanded but may be altered to facilitate the reuse of existing buildings.

6.03.450 Maximum structural coverage. The maximum building coverage shall be 10% of the entire lot. The maximum building, storage loading, paved areas, parking, roadways, driveways and sidewalk coverage shall be 20% of the entire lot.

6.03.500 Parking and Pedestrian Walkways. Sections 8.03.320, 8.03.430, 8.03.600 and 8.03.720 of these regulations concerning parking shall apply. **Each application must include a Parking Demand and Management Study, performed by a qualified firm. The Study should analyze peak parking demand by proposed use(s) and existing parking provisions and demand on the Fairfield Hills campus to identify appropriate shared parking arrangements.** The placement of parking areas and pedestrian walkways shall allow convenient passage for motor vehicles and pedestrians upon the campus. Parking areas, whether structured parking areas or not, shall be landscaped to buffer the parking from the sight of neighboring properties. Parking areas shall be located so as to maintain the main campus character but to allow for expansive lawn and planted areas to be incorporated into the design.

6.03.600 Signs.

In addition, Section 8.03.610 would require an amendment to clarify that:

Residential dwellings within a commercial structure located in a commercial, professional, design, or **FHAR** district 1 space per dwelling in addition to the commercial spaces.

Build-Out Analysis

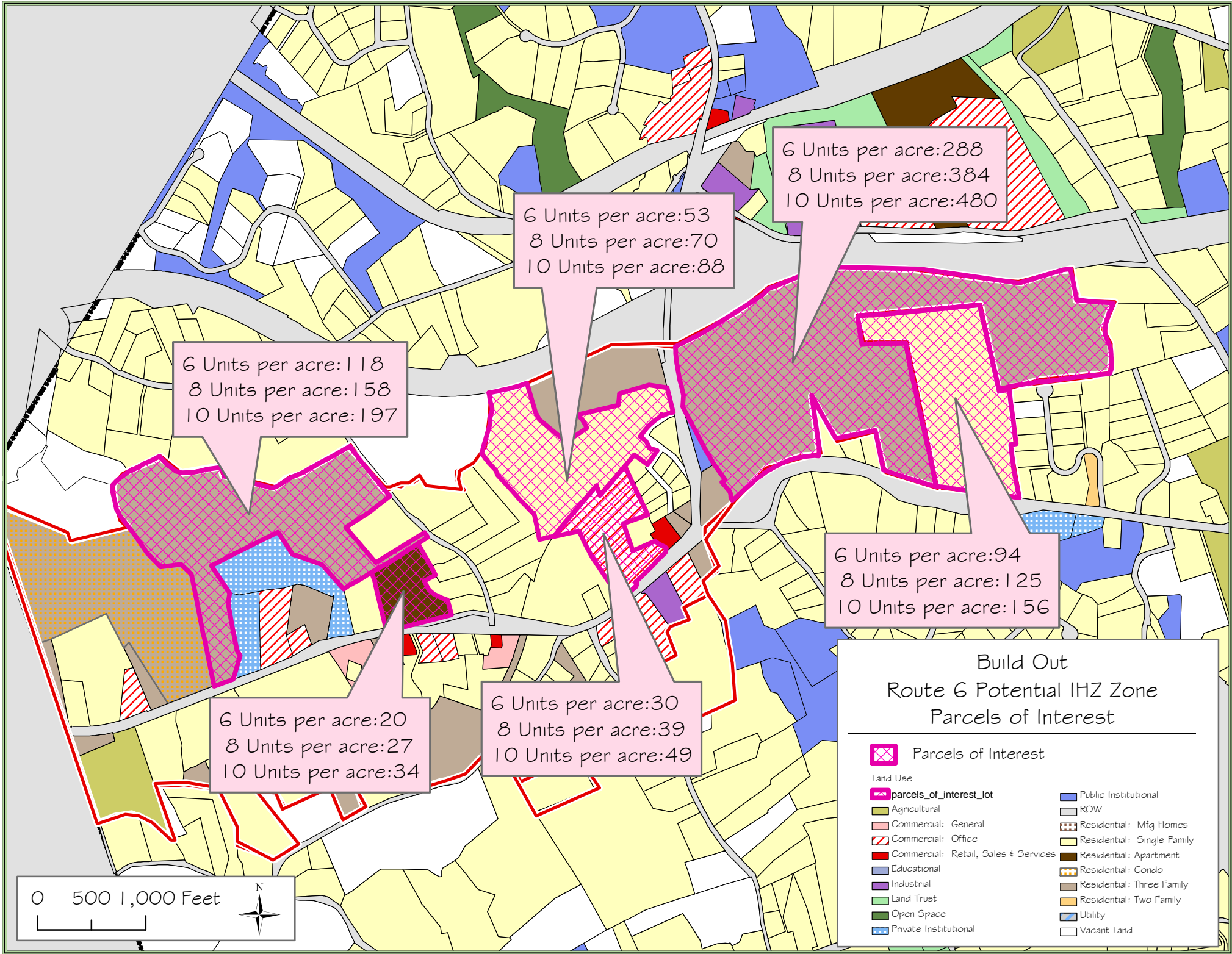
Following the development of the overlay regulations, a build-out analysis of key parcels was conducted at various densities to illustrate the impacts of changes in the regulations. As written, a density of up to 10 units per acre is permitted. To demonstrate the potential impacts of these regulations, the build-out analysis assumed three different permitted densities: 6, 8 and 10 units per acre.

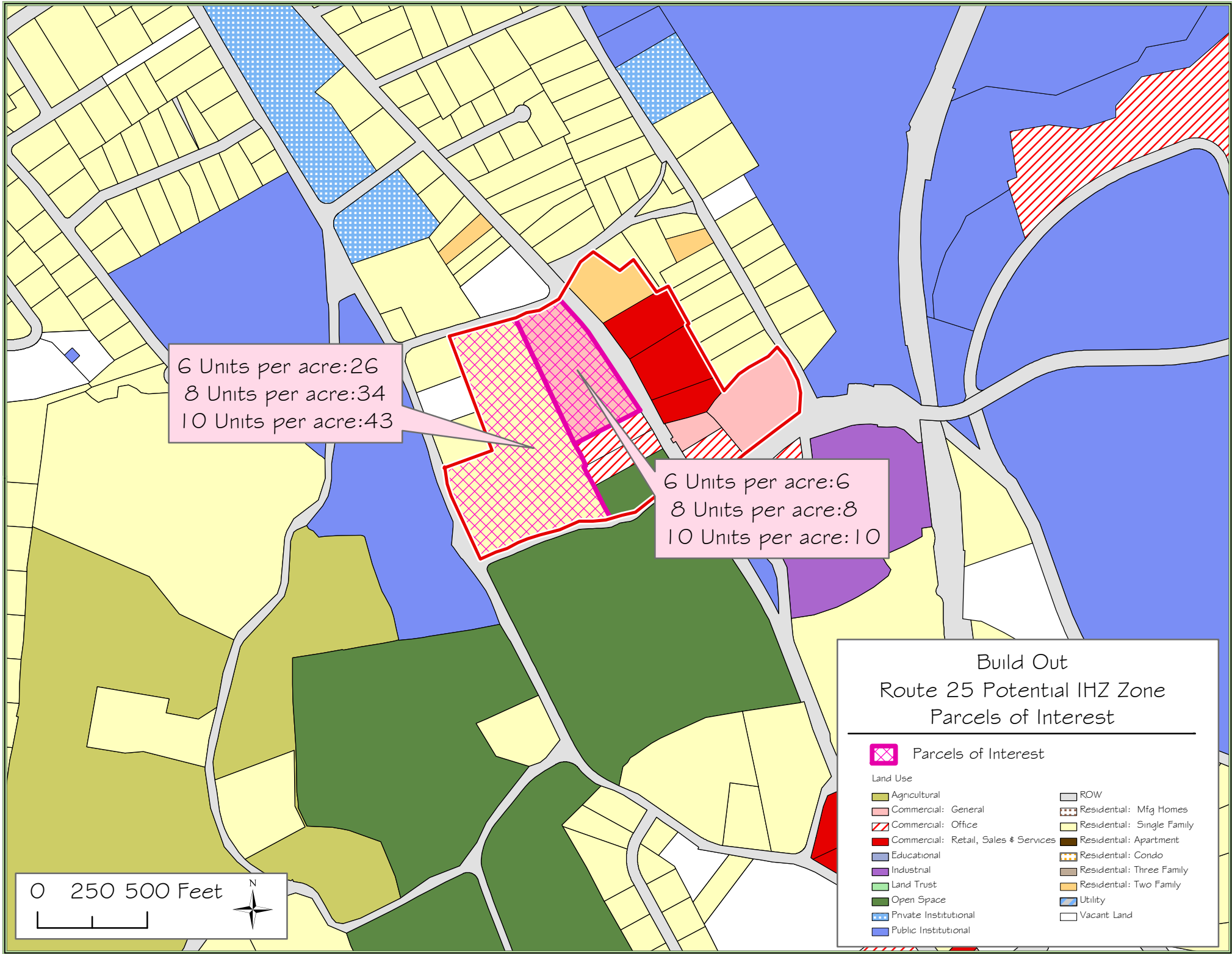
GIS was used to calculate the buildable area, as defined by the regulations, to determine a net square footage of key vacant, under-utilized and/or significantly sized parcels in the overlay areas.

We then calculated the density of 6, 8, and 10 units per acre based upon the net square footage of the parcels along with an overall 50% deduction in acreage in order to factor in 20% of area for infrastructure needs and to account for the 30% maximum building coverage. The full build-out of major parcels in the Route 6 area would yield from 606 units, at 6 units/acre, to 1,004 units, at 10 units/acre. It is important to remember that the draft regulations encourage mixed-use development; therefore, the development of these numbers of housing units is especially unlikely to occur.

For the Route 25 area, build-out assumes that the two parcels of significance could be combined to meet the frontage on a state road requirement of the draft regulations. The two parcels together would yield from 32 to 53 units, at 6 and 10 units per acre. The following maps display the results of the build-out analysis.

The results of the build-out analysis are shown in the maps on the following pages.

























6 Units per acre: 26
 8 Units per acre: 34
 10 Units per acre: 43

6 Units per acre: 6
 8 Units per acre: 8
 10 Units per acre: 10


Build Out Route 25 Potential IHZ Zone Parcels of Interest

 **Parcels of Interest**

Land Use

 Agricultural	 ROW
 Commercial: General	 Residential: Mfg Homes
 Commercial: Office	 Residential: Single Family
 Commercial: Retail, Sales & Services	 Residential: Apartment
 Educational	 Residential: Condo
 Industrial	 Residential: Three Family
 Land Trust	 Residential: Two Family
 Open Space	 Utility
 Private Institutional	 Vacant Land
 Public Institutional	

0 250 500 Feet



Financial Analysis

To illustrate the impact that density levels have on potential incentive housing projects, pro formas were prepared for three hypothetical developments. These are simplified analyses based on conceptual developments; however, they provide insight in to the significant difference changes in density levels can make on a project.

The analyses focused on a parcel located in the Route 6 corridor that is currently zoned industrial for several reasons. First, the parcel happens to be on the market at the time of this writing, which helps provide a reasonable estimate of land costs. Secondly, the Town appears interested in having the sewer line extended further east along Route 6. These financial analyses could assist the Planning & Zoning Commission determine whether allowing high-density mixed-use development in this small industrial district will provide enough incentive for a developer to extend the line. Lastly, because the area is currently zoned for industrial, allowing townhouse-style housing at a minimum of 10 units per acre would satisfy the statutory requirements for incentive housing zones and incentive housing developments.

For each development scenario pro forma, a table of assumptions is provided. These assumptions are based on the best available data for construction and financing industry standards, the Connecticut Regulations for State Agencies, and recent Newtown housing sales data. In each scenario, the entire parcel was assumed to be developable in order to simplify the analysis, and the cost of extending the sewer line along Route 6 is factored in. The Assumptions and Pro Forma Tables for each scenario are provided on the following pages.

Scenario A

This scenario envisions garden apartment style housing developed at 10 units per acre. This results in 330 total units, 66 of which are designated affordable. The average unit size is only 1,400 square feet, and each unit is assumed to have 2 bedrooms. The market-rate units in this scenario sell for \$375,000 and the affordable units sell for \$184,800, the maximum allowed under the State's formula.

This development scenario would yield a 12.9% profit for the developer and a 51.3% return on equity. The industry standard for profit from development projects is roughly 10%, so this development scenario would be reasonably attractive to private development.

Scenario B

This scenario on the same parcel as in Scenario A envisions townhouse-style housing developed at 8 units per acre, or 264 total units, 53 of which are designated affordable. The average unit size is assumed to be 2,000 square feet, and each unit contains three bedrooms. The market-rate units' sales price is \$400,000, while the affordable units' sales prices remain at \$184,800.

While the total number of units is fewer under this scenario, some of the construction and development costs are fixed. No matter the number of units, the cost to extend the sewer will be about half a million dollars. In addition, the increased size of the dwelling units drives up the cost of building construction. Finally, the financing costs under this scenario are higher. Therefore, this development scenario ends up costing more to develop than Scenario A.

This Scenario also brings in less sales revenue than under Scenario A because it has fewer total units. Even when the market units are sold for more than under Scenario A, the increase is not enough to offset the increased construction costs and limitation of the pricing on affordable units.

Scenario B, therefore, yields a loss of 12.6% for the developer. A developer would have to rely on subsidies and/or other financial incentives in order to make a project such as this work.

Scenario C

This scenario contemplates a development of detached single-family dwellings at six units per acre, resulting in 198 total units, 40 of which are affordable. The average unit size is assumed to be 3,000 square feet, with each unit containing three bedrooms. The sales price for market units is set at \$450,000, though this may be high for three-bedroom houses. The affordable units are still just \$184,800.

As with the difference between Scenarios A and B, the construction and development costs under Scenario C are higher than both the other scenarios because of fixed costs, increased financing costs and increased construction costs because of the increased size of the units. This scenario is therefore the costliest to develop.

This development scenario also brings in the least revenue from sales, even with an increase in the market-rate units' prices. This project would result in a loss of about 33%. As with Scenario B, a private developer would not proceed with such a project without subsidies. However, under this scenario, there is a more substantial financing gap which could make subsidizing a project such as this difficult.

As these financial analyses have shown, small changes in density levels have significant ramifications in development financing, especially in affordable housing developments where there is limited to no flexibility in pricing on a portion of the product. Therefore, if Newtown wants to create a true incentive for incentive housing developments, the Town has to ensure that it permits adequate density in housing units.

Scenario A

ASSUMPTIONS				
Total Units	330			Affordable Sales Price
Total Market Rate Units	264			State MFI \$86,200
Total Affordable Units	66			2 BR Adjustment Factor 0.9
				Adjusted MFI \$77,580
Market Rate Unit Sales Price	\$375,000			80% of Adjusted MFI \$62,064
Affordable Unit Sales Price	\$184,800			Housing Costs (30% of MFI) \$18,619
Average Unit Size	1,400	s.f.		Monthly \$1,552
				Taxes \$300
Land Purchase Price	\$6,600,000			Common Charges/Insurance \$175
Closing Costs	3.0%	of loan amount		Utilities \$250
Land Loan, Loan to Value Ratio	0.5			P&I \$827
Land Loan, Interest Rate	7.5%			Mortgage Amount \$154,000
Construction Loan, Loan to Cost Ratio	0.75			Down Payment (20% max.) \$30,800
Construction Loan, Interest Rate	3.5%			Sales Price \$184,800
Interest on Equity	3.0%			
CONSTRUCTION COSTS				
Off-Site Sewer (4,000 l.f.)	\$115	per linear foot		
On-Site Overhead	\$7,500	per unit		
Building	\$140	per square foot		
Parking	\$4,500	per unit		
Landscaping, Signage & Lighting	\$150,000			
Contingency	2.5%	Of construction costs		
DEVELOPMENT COSTS				
A & E	4.0%	Of construction costs		
Other Consultants	0.5%	Of construction costs		
Project Development Mgmt.	1.0%	Of construction costs		
Construction Mgmt.	1.0%	Of construction costs		
Legal	\$1,000	per unit		
Finance Fee	0.75%	Of construction costs		
Survey, research & accounting	\$30,000			
Insurance	\$50,000			
Permits	\$12	per \$1,000 construction cost		
Property Taxes	\$110,880	Mill Rate = 24		
Overhead	1.5%	Of construction costs		
Contingency	10.0%	Of construction costs		
MARKETING COSTS				
Marketing and advertising	\$5,000	per unit		
Commission	3.0%	of sales price per unit		

Scenario A

PRO FORMA			
DEVELOPMENT CHARACTERISTICS		DEVELOPMENT COSTS, cont'd	
Site Area	33 acres	Insurance	\$50,000
Total Units	330	Permits	\$860,908
<i>Total Market Rate Units</i>	264	Property Taxes	\$332,640
<i>Total Affordable Units</i>	66	Overhead	\$1,076,135
Market Rate Unit Sales Price	\$375,000	SUBTOTAL	\$7,881,000
Affordable Unit Sales Price	\$184,800	Contingency	\$788,100
Parking Spaces per Unit	1.5	TOTAL	\$8,669,100
Average Unit Size	1,400 s.f.		
		INTEREST COSTS	
MARKETING ASSUMPTIONS		Equity Interest Cost	\$2,227,350
Construction/Sales Period	36 months	Land Loan Interest Cost	\$742,500
		Construction Loan Interest Cost	\$6,725,039
CONSTRUCTION LOAN		TOTAL	\$9,694,888
Hard & Soft Costs	\$85,397,317		
Loan Amount at 75% LTC	\$64,047,987	MARKETING COSTS	
		Marketing and advertising	\$1,650,000
EQUITY		Commissions	\$3,335,904
Land	\$3,399,000	TOTAL	\$4,985,904
Hard & Soft Costs	\$21,349,329		
TOTAL	\$24,748,329	TOTAL PROJECT COSTS	\$98,491,205
LAND COSTS		VALUE UPON COMPLETION	
Land Loan Amount	\$3,300,000	Net Sales Income	\$111,196,800
Closing Costs	\$99,000	Profit	\$12,705,595
TOTAL	\$3,399,000	Profit as % of Project Costs	12.9%
		Return on Equity	51.3%
CONSTRUCTION COSTS			
Off-Site Sewer	\$460,000		
On-Site Overhead	\$2,475,000		
Building	\$64,680,000		
Parking	\$2,227,500		
Landscaping, Signage & Lighting	\$150,000		
SUBTOTAL	\$69,992,500		
Contingency	\$1,749,813		
TOTAL	\$71,742,313		
DEVELOPMENT COSTS			
A & E	\$2,869,693		
Other Consultants	\$358,712		
Project Development Mgmt.	\$717,423		
Construction Mgmt.	\$717,423		
Legal	\$330,000		
Finance Fee	\$538,067		
Survey, research & accounting	\$30,000		

Scenario B

ASSUMPTIONS				
Total Units	264		Affordable Sales Price	
Total Market Rate Units	211		State MFI	\$86,200
Total Affordable Units	53		3 BR Adjustment Factor	1.04
			Adjusted MFI	\$89,648
Market Rate Unit Sales Price	\$400,000		80% of Adjusted MFI	\$71,718
Affordable Unit Sales Price	\$184,800		Housing Costs (30% of MFI)	\$21,516
Average Unit Size	2,000	s.f.	Monthly	\$1,793
			Taxes	\$300
Land Purchase Price	\$6,600,000		Common Charges/Insurance	\$175
Closing Costs	3.0%	of loan amount	Utilities	\$250
Land Loan, Loan to Value Ratio	0.5		P&I	\$1,068
Land Loan, Interest Rate	7.5%		Mortgage Amount	\$154,000
Construction Loan, Loan to Cost Ratio	0.75		Down Payment (20% max.)	\$30,800
Construction Loan, Interest Rate	3.5%		Sales Price	\$184,800
Interest on Equity	3.0%			
CONSTRUCTION COSTS				
Off-Site Sewer (4,000 l.f.)	\$115	per linear foot		
On-Site Overhead	\$7,500	per unit		
Building	\$140	per square foot		
Parking	\$4,500	per unit		
Landscaping, Signage & Lighting	\$150,000			
Contingency	2.5%	Of construction costs		
DEVELOPMENT COSTS				
A & E	4.0%	Of construction costs		
Other Consultants	0.5%	Of construction costs		
Project Development Mgmt.	1.0%	Of construction costs		
Construction Mgmt.	1.0%	Of construction costs		
Legal	\$1,000	per unit		
Finance Fee	0.75%	Of construction costs		
Survey, research & accounting	\$30,000			
Insurance	\$50,000			
Permits	\$12	per \$1,000 construction cost		
Property Taxes	\$110,880	Mill Rate = 24		
Overhead	1.5%	Of construction costs		
Contingency	10.0%	Of construction costs		
MARKETING COSTS				
Marketing and advertising	\$5,000	per unit		
Commission	3.0%	of sales price per unit		

Scenario B

PRO FORMA			
DEVELOPMENT CHARACTERISTICS		DEVELOPMENT COSTS, cont'd	
Site Area	33 acres	Insurance	\$50,000
Total Units	264	Permits	\$962,992
<i>Total Market Rate Units</i>	211	Property Taxes	\$332,640
<i>Total Affordable Units</i>	53	Overhead	\$1,203,740
Market Rate Unit Sales Price	\$400,000	SUBTOTAL	\$8,661,445
Affordable Unit Sales Price	\$184,800	Contingency	\$866,145
Parking Spaces per Unit	1.5	TOTAL	\$9,527,590
Average Unit Size	2,000		
		INTEREST COSTS	
MARKETING ASSUMPTIONS		Equity Interest Cost	\$2,419,200
Construction/Sales Period	36 months	Land Loan Interest Cost	\$742,500
		Construction Loan Interest Cost	\$7,396,516
CONSTRUCTION LOAN		TOTAL	\$10,558,216
Hard & Soft Costs	\$93,924,013		
Loan Amount at 75% LTC	\$70,443,010	MARKETING COSTS	
		Marketing and advertising	\$1,320,000
EQUITY		Commissions	\$2,827,123
Land	\$3,399,000	TOTAL	\$4,147,123
Hard & Soft Costs	\$23,481,003		
TOTAL	\$26,880,003	TOTAL PROJECT COSTS	\$107,881,229
LAND COSTS		VALUE UPON COMPLETION	
Land Loan Amount	\$3,300,000	Net Sales Income	\$94,237,440
Closing Costs	\$99,000	Profit	(\$13,643,789)
TOTAL	\$3,399,000	Profit as % of Project Costs	-12.6%
		Return on Equity	-50.8%
CONSTRUCTION COSTS			
Off-Site Sewer	\$460,000		
On-Site Overhead	\$1,980,000		
Building	\$73,920,000		
Parking	\$1,782,000		
Landscaping, Signage & Lighting	\$150,000		
SUBTOTAL	\$78,292,000		
Contingency	\$1,957,300		
TOTAL	\$80,249,300		
DEVELOPMENT COSTS			
A & E	\$3,209,972		
Other Consultants	\$401,247		
Project Development Mgmt.	\$802,493		
Construction Mgmt.	\$802,493		
Legal	\$264,000		
Finance Fee	\$601,870		
Survey, research & accounting	\$30,000		

Scenario C

ASSUMPTIONS				
Total Units	198		Affordable Sales Price	
Total Market Rate Units	158		State MFI	\$86,200
Total Affordable Units	40		3 BR Adjustment Factor	1.04
			Adjusted MFI	\$89,648
Market Rate Unit Sales Price	\$450,000		80% of Adjusted MFI	\$71,718
Affordable Unit Sales Price	\$184,800		Housing Costs (30% of MFI)	\$21,516
Average Unit Size	3,000	s.f.	Monthly	\$1,793
			Taxes	\$300
Land Purchase Price	\$6,600,000		Common Charges/Insurance	\$175
Closing Costs	3.0%	of loan amount	Utilities	\$250
Land Loan, Loan to Value Ratio	0.5		P&I	\$1,068
Land Loan, Interest Rate	7.5%		Mortgage Amount	\$154,000
Construction Loan, Loan to Cost Ratio	0.75		Down Payment (20% max.)	\$30,800
Construction Loan, Interest Rate	3.5%		Sales Price	\$184,800
Interest on Equity	3.0%			
CONSTRUCTION COSTS				
Off-Site Sewer (4,000 l.f.)	\$115	per linear foot		
On-Site Overhead	\$7,500	per unit		
Building	\$140	per square foot		
Parking	\$4,500	per unit		
Landscaping, Signage & Lighting	\$150,000			
Contingency	2.5%	Of construction costs		
DEVELOPMENT COSTS				
A & E	4.0%	Of construction costs		
Other Consultants	0.5%	Of construction costs		
Project Development Mgmt.	1.0%	Of construction costs		
Construction Mgmt.	1.0%	Of construction costs		
Legal	\$1,000	per unit		
Finance Fee	0.75%	Of construction costs		
Survey, research & accounting	\$30,000			
Insurance	\$50,000			
Permits	\$12	per \$1,000 construction cost		
Property Taxes	\$110,880	Mill Rate = 24		
Overhead	1.5%	Of construction costs		
Contingency	10.0%	Of construction costs		
MARKETING COSTS				
Marketing and advertising	\$5,000	per unit		
Commission	3.0%	of sales price per unit		

Scenario C

PRO FORMA			
DEVELOPMENT CHARACTERISTICS		DEVELOPMENT COSTS, cont'd	
Site Area	33 acres	Insurance	\$50,000
Total Units	198	Permits	\$1,065,075
<i>Total Market Rate Units</i>	158	Property Taxes	\$332,640
<i>Total Affordable Units</i>	40	Overhead	\$1,331,344
Market Rate Unit Sales Price	\$450,000	SUBTOTAL	\$9,441,891
Affordable Unit Sales Price	\$184,800	Contingency	\$944,189
Parking Spaces per Unit	1.5	TOTAL	\$10,386,080
Average Unit Size	3,000		
		INTEREST COSTS	
MARKETING ASSUMPTIONS		Equity Interest Cost	\$2,611,942
Construction/Sales Period	36 months	Land Loan Interest Cost	\$742,500
		Construction Loan Interest Cost	\$8,071,112
CONSTRUCTION LOAN		TOTAL	\$11,425,554
Hard & Soft Costs	\$102,490,310		
Loan Amount at 75% LTC	\$76,867,732	MARKETING COSTS	
		Marketing and advertising	\$990,000
EQUITY		Commissions	\$2,357,942
Land	\$3,399,000	TOTAL	\$3,347,942
Hard & Soft Costs	\$25,622,577		
TOTAL	\$29,021,577	TOTAL PROJECT COSTS	\$117,314,863
LAND COSTS		VALUE UPON COMPLETION	
Land Loan Amount	\$3,300,000	Net Sales Income	\$78,598,080
Closing Costs	\$99,000	Profit	(\$38,716,783)
TOTAL	\$3,399,000	Profit as % of Project Costs	-33.0%
		Return on Equity	-133.4%
CONSTRUCTION COSTS			
Off-Site Sewer	\$460,000		
On-Site Overhead	\$1,485,000		
Building	\$83,160,000		
Parking	\$1,336,500		
Landscaping, Signage & Lighting	\$150,000		
SUBTOTAL	\$86,591,500		
Contingency	\$2,164,788		
TOTAL	\$88,756,288		
DEVELOPMENT COSTS			
A & E	\$3,550,252		
Other Consultants	\$443,781		
Project Development Mgmt.	\$887,563		
Construction Mgmt.	\$887,563		
Legal	\$198,000		
Finance Fee	\$665,672		
Survey, research & accounting	\$30,000		

Conclusion

Newtown has a need for more affordable housing units of various styles to accommodate diverse households, including Newtown employees and younger working-age residents, single-parent families, the elderly and others. This study examined the potential for Incentive Housing Zones as a means of encouraging the development of more affordable and diverse housing units in the community.

Due to limited sewer capacity, there are only a few locations in Newtown that are appropriate for Incentive Housing Zones. This study identified three main areas that are suitable for Incentive Housing Zones and would comply with the State Statutes: the western Route 6 corridor, central Route 25, and the Fairfield Hills campus. These locations have access or the potential for access to sewer and water infrastructure and transportation facilities, and are near areas of existing concentrated development.

Overlay zone regulations with some design standards were drafted for the Route 6 and Route 25 areas to permit mixed-use developments with townhomes and/or garden apartments at a density of 10 units per acre. In addition, amendments to the Fairfield Hills Adaptive Reuse District regulations were drafted to permit housing in certain existing buildings. These regulations coupled with the build-out and financial analyses provide a framework for the Planning & Zoning Commission to consider its options in providing incentives for more diverse and dense housing, and affordable units within a style consistent with the character and desires of the community.