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To: Senate Committee on Natural Resources

From: Alex Farrell, Commissioner, Department of Housing & Community Development

Date: May 1, 2025

Subject: S.133, Sections 3 & 4

Dear Chair Watson and members of the Committee,

I am submitting these comments on S.133 following my in-person testimony provided on Friday, April 25.

Sec. 3. REPORT; INCLUSIONARY ZONING TOOL

This section directs the production of a report on “the development of a density algorithm for calculating inclusionary zoning unit amounts that can be used in municipalities with inclusionary zoning.” Based on conversations that I have had with the Bill sponsors, the tool they are describing is related to density, but not related to inclusionary zoning. It is our understanding that the use of the term “inclusionary zoning” in the drafting of this section is inconsistent with the intent of the sponsors. References to “inclusionary zoning” in this section may be replaced with “residential development density” in order to better reflect the interest of the sponsors.

Regarding the report itself, we have the following questions which we would need answered in order to better understand the goals of this report:

- Who would be using this tool, and to what would it apply?
 - For example:
 - Is this a tool to be used by a municipality in order to apply density bonuses which a residential development could benefit from to increase the density of a residential development beyond that in the zoning district?
 - Would this be a tool for the State to use to compel municipalities to enable greater density in their zoning?
- Are there particular factors that should be considered in this tool, such as height, adjacent conserved lands, portions of a parcel that a developer is leaving undisturbed, or various permitting encumbrances?

Sec. 4. MINIMAL DESIGN STANDARDS REPORT

The Department of Housing and Community Development is undertaking an effort, currently referred to as *Homes for All, Phase III*, which we believe accomplishes the goals of this report, making the report established in this section unnecessary.





The *Homes for All* initiative is a three-phase effort, the first of which was a workbook known as the *Homes for All Toolkit*. This workbook is a Missing Middle Home builders' how-to workbook that provides a comprehensive roadmap to real estate development for first time developers. This workbook will provide guidance on a variety of considerations including regulations and zoning, financing, infrastructure, and design, as well as advice on potential partners that can help beginner developers achieve success. The second phase will involve direct training and the development of a cohort of new and emerging small-scale developers.

The third, and most relevant phase to this section – currently referred to as *Homes for All Phase III* – aims to develop pre-approved, construction-ready plan sets for Accessory Dwelling Units (ADUs) and small-scale multi-unit dwellings, both offsite (modular and panelized) and traditional construction types. The goal is for municipalities to adopt these designs as pre-approved for local permitting. Similar approaches have been successfully deployed in cities and states across the country—including South Bend, IN and Kalamazoo, MI—to increase the efficiency, clarity, and certainty of development review, and in turn reduce the amount of time and cost it takes to develop new homes.

I would be happy to return to the committee to discuss any of this in greater detail or to engage with Committee members or other Senators to better define the reports requested in these sections.

Thank you for your time.

Alex Farrell
Commissioner, Department of Housing & Community Development

