

## NOVEMBER 2023

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### In September...

#### Nonfarm Employment

Connecticut ..... 1,694,500  
Change over month ..... +0.19%  
Change over year ..... +1.26%

United States ..... 156,874,000  
Change over month ..... +0.21%  
Change over year ..... +2.08%

#### Unemployment Rate

Connecticut ..... 3.5%  
United States ..... 3.8%

#### Consumer Price Index

United States ..... 307.789  
Change over year ..... +3.7%

## The Evolution of Zoning

By Al Sylvestre, AICP, Research Analyst, Department of Labor

**O**noxious sounds, smells, and danger from manufacturing, farming, and mining are high on the list of things we want to keep from our bedrooms, kitchens, and living spaces. Methods for achieving this evolved over time to be embodied in what land use planners call Euclidean zoning that is by turns confounding, controversial, mystifying, and aspirational. What follows is a brief examination of how zoning has become a useful tool even as its application can become an economic trap for real estate developers, regulators, small businesses, and residents. While the challenges of housing affordability and sprawl are daunting, the aforementioned planners, together with public officials, real estate developers, and community financial institutions, are formulating responses designed to give rise to communities of human scale that encourage interaction among their inhabitants.

As people grew accustomed to living in group settlements, the walled cities of antiquity became places in which their denizens

lived, worshipped, and carried out their civic business. Land outside the walls was reserved for the slaughter and rendering of animals, waste disposal, brick firing, mining, and other forms of extraction; the aboriginal form of zoning that separated incompatible land uses as shown in illustration 1 thus came into being. As populations grew and occupied ever more land, the protozoan form of cities, suburbs, and rural areas began to take shape where earth, space, vegetation, or any combination thereof came to serve as buffers separating incompatible land uses. As most work took place within the home before the industrial revolution of 1760 to 1840, residential areas in settlements of the time were centers of labor and commerce that gave rise to an urban environment of mixed residential and commercial land uses. The industrial revolution brought with it more intensive land uses such as manufacturing that took place in single large structures, on campuses, and within interconnected complexes occupied by up to thousands of workers gathered for labor that included assembly, slaughter and rendering

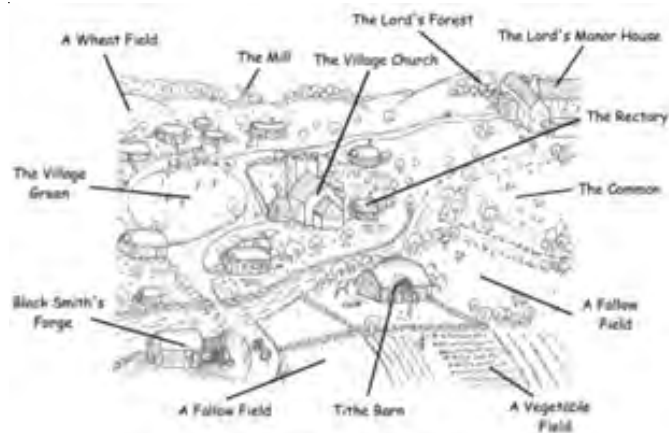


Illustration 1: Typical Medieval Village

*The Connecticut Economic Digest* is published monthly by the Connecticut Department of Labor, Office of Research, and the Connecticut Department of Economic and Community Development. Its purpose is to regularly provide users with a comprehensive source for the most current, up-to-date data available on the workforce and economy of the state, within perspectives of the region and nation.

The annual subscription is \$50. Send subscription requests to: *The Connecticut Economic Digest*, Connecticut Department of Labor, Office of Research, 200 Folly Brook Boulevard, Wethersfield, CT 06109-1114. Make checks payable to the Connecticut Department of Labor. Back issues are \$4 per copy. The Digest can be accessed free of charge from the DOL Web site. Articles from *The Connecticut Economic Digest* may be reprinted if the source is credited. Please send copies of the reprinted material to the Managing Editor. The views expressed by the authors are theirs alone and may not reflect those of the DOL or DECD.

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We would like to acknowledge the contributions of many DOL Research and DECD staff and Rob Damroth to the publication of the Digest.

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Illustration 2: Euclidean Zoning Diagram

of animals, and the processing of sewage and storm-water runoff. The scale at which industry did its work made the separation of working and living spaces a more urgent proposition; enter the concept of Euclidean zoning.

The elegance of Euclidean<sup>1</sup> zoning's logic ends where its encouragement of sprawl and the sowing of exclusionary zoning's seeds begins. Because only one type of land use—to the exclusion of all others—per zone is permitted by this zoning scheme shown in illustration 2, it's easy to see how this can generate sprawl as residential zones exclude commercial uses such as offices, shops, and services (hair stylists, tailors, and similar personal services) while commercial zones cluster micro-manufacturing, retail businesses, and offices together. The resulting sprawl turns what would otherwise be a short walk downstairs or a bike ride to the end of the block for a gallon of milk into a ten- to fifteen-minute cross-town excursion. Euclidean zoning's logic extends to residential zones where only single-family houses are acceptable to the exclusion of duplexes, triplexes, and apartment buildings.

Sprawl, nurtured by Euclidean zoning that forced businesses serving locals out of residential neighborhoods, (illustration 3) exacerbated dependence on automobiles for commuting, taking the children to school—so they would be safe from the hazards of the traffic congestion resulting from everyone driving the children to the neighborhood school to which school

children in the not-so-distant past would walk or ride their bikes—and daily errands. The result worsens air pollution, exacerbates climate change, and made the transportation sector a major cause of greenhouse gas emissions.<sup>2</sup>

One of Euclidean zoning's ironies is its introduction was hailed as a means to increase the availability of light and air as spacing between residences encouraged the use of more and larger windows. However, its exclusionary effects resulted in housing discrimination and racial segregation. Connecticut's whitest and wealthiest suburbs and semi-rural towns have large lot requirements that are barriers to developing housing for teachers, law enforcement, municipal professionals, and firefighters. Eighty-one percent of residential land requires one acre of land per home, 49% requires two acres per single-family residence. Real estate developers and home builders must price their projects to cover the high cost of land fueled by the large-lot requirement for home construction. Euclidean zoning's use restrictions introduce further impediments to housing affordability by encouraging towns to allow multi-family housing only by special-use permit; public hearing requirements for special permits all but foreclose the possibility of bringing two- to four-family houses to town as such hearings are well known for bringing out opposition to affordable housing. Desegregate CT's Zoning Atlas shows that single-family housing is



Illustration 3: Land-Consuming Sprawl

allowed as of right<sup>3</sup> on 90.6% of land in Connecticut while 27.6% of developable land is available for duplexes, 2.5% for triplexes, and 2.2% for fourplexes or greater.

Among the starkest illustrations of the cost spiral that single-use zoning and its spawn—parking requirements, minimum lot size requirements, nature-preservation regulations, and prospective neighbors who know how to use these tools—can visit on real estate developers and home buyers, unfolded over the course of 18 years on San Diego’s temperate shores nestled within the Connecticut-sized San Diego County. In 2008, then 33-year-old Ginger Hitzke sought to establish herself as an affordable housing developer in Solana Beach, a San Diego suburb where the median home price is \$2 million. She started with \$14,000 in the bank and a newspaper clipping about ten units of affordable housing the City of Solana Beach wanted built on an

erstwhile municipal parking lot to fulfill the terms of a settlement with a landlord whose tenants were evicted 16 years earlier when the landlord chose to demolish the property occupied by those tenants rather than make city-mandated repairs. Hitzke managed to assemble \$10 million in financing to earn the opportunity to build 18 apartments affordable to households earning up to 80% of area median income on the site of the Solana Beach municipal parking lot (illustration 4) as long as she could provide 31 parking spots to make up for the loss of the public parking plus 22 spaces for residents. The price of constructing the underground 53-space garage—a \$36,000 additional cost per dwelling unit—would be offset by parking fees. Beyond its parking requirements, The Pearl of Solana Beach’s 1,000-foot distance from the Pacific Ocean subjected it to the jurisdiction of the California Coastal Commission, an organization whose purpose of protecting natural areas

joined the toolkit of exclusion that includes parking requirements, single-family zoning, historic preservation, minimum lot sizes, and lawsuits under (your state’s name here) environmental law to exclude new neighbors in the name of preserving neighborhood character.<sup>4</sup> Twelve years after Hitzke and the City of Solana Beach reached an agreement on its construction in 2008, The Pearl at Solana Beach—named for the landlord who chose to evict his tenants rather than fix their rundown apartments—was dead. Its cause of death was the thousand cuts ultimately rooted in Euclidean zoning: parking requirements, density limits (in the form of minimum lot size requirements), proximity to pristine nature, and deep-pocketed prospective neighbors with the time, inclination, and resources to fund costly litigation. What started as a per-unit construction cost of \$414,000 had ballooned to \$1.1 million by the time Hitzke threw in the towel in 2020.

Alternatives to Euclidean zoning include Form-Based Codes, Transit-Oriented Development, and the abolition of exclusive single-family zoning. Connecticut is seeing the introduction and practice of two of these alternatives. The first, Form-Based [zoning] Codes, were most famously put into practice in 2017 when the City of Hartford rewrote its entire zoning ordinance, reducing its 63 pages of permitted use tables to just three pages. In addition, the city all but eliminated its minimum parking requirement. The table on page 4 illustrates the differences between a traditional Euclidean zoning ordinance and Form-Based Codes. The bottom-line difference is that the Form-Based Codes function within the context of the built environment rather than attempting to reshape their surroundings. Simplicity, flexibility, and human scale are the hallmarks of Form-Based Codes. Prescribed uses that encourage resource-intensive sprawl and fracture communities are characteristics of Euclidean zoning. Small towns such as Canton to mid-size towns such as Manchester to cities as populous as Hartford have adopted Form-Based Codes. Other towns



Illustration 4: The Pearl at Solana Beach (rendering)



EUCLIDEAN ZONING	FORM-BASED CODES
Separates land uses	Allows for the mixing of uses. Use is a secondary factor in regulating development. Separates noxious uses as directed by community vision and market
Favors leapfrog development	Permits and encourages compact, contiguous development based on community vision
Favors strip development	Favors vertical development over long, single-story buildings
Favors low-density development	Allows for increased development density where it is appropriate
Poor accessibility	Encourages compact, walkable development. Favors planning for the pedestrian over the automobile.
Functional open space is lacking	Enables communities to mandate civic-oriented places such as parks and plazas
Incomprehensible ordinances	Using simple, graphics-based guidelines with minimal text allows for a more complete understanding of the regulations.
Inflexible uses	Regulatory flexibility permits changes of use over time as without the need for regulatory review.

such as West Hartford and Hamden use special development districts, also known as floating zones, in redevelopment areas to allow for context-appropriate uses that would be out of conformance with the underlying zone.

The introduction of bus rapid transit (BRT) systems such as CT Fastrak and the expansion of commuter rail embodied by the CTrail system have laid the groundwork for Transit-Oriented Development (TOD). TOD has generated its share of excitement in the Connecticut planning, real estate, and economic development communities because it encourages density, diversity, walkable street design, and development within a 10-minute walk of a transit center or station that features high frequency and speed of transit while functioning as a micro-mobility<sup>5</sup> hub. TOD is a model of sustainable design because of its environmental, economic, and social benefits. A partial list of cities and towns with numerous projects constructed, under construction, financed and ready for construction, and in planning queues can be found in Berlin, Bridgeport, Enfield, Glastonbury, Hartford, Madison,

Mansfield-Storrs, Meriden, Milford, New Britain, New Haven, Newington, Norwalk, Stamford, Stratford, Vernon, West Hartford, Windsor, and Windsor Locks. Within a year of completion, most TOD projects enjoy occupancy rates in the mid- to upper-nineties demonstrating significant demand for this type of development.

A third alternative to exclusively Euclidean zoning that calls for the removal of single-family zoning is far less radical than it sounds. Putting aside the often-heated debate over the concept, it is useful to examine the proposition for what it is not. Elimination of single-family zoning does not mean the elimination of single-family homes; rather, it eliminates the exclusion of all other types of housing that includes duplexes, triplexes, and fourplexes. In states such as Oregon, it means that for any duplex, triplex, or fourplex footprint that fits the buildable envelope of a plot of land with a single-family form (as highlighted in illustration 5<sup>6</sup>), it is permitted as of right.<sup>3</sup> With the addition of Minnesota and California adopting

the elimination of exclusive-use single-family zoning, we have the opportunity to see how the idea plays out over time. Everyone's single-family home is safe now and forever regardless of whether any jurisdiction decides that single-family-only zoning has outlived its usefulness.

The introduction of Euclidean zoning alternatives has brought us almost full circle to the earliest days of settlements that recognized the utility of keeping incompatible land uses separate. As municipalities, regions, and states adopt the principles embodied in Form-Based Codes and Transit Oriented Development, opportunities will abound for communities to discover new uses for spaces such as downtown offices where the changing rules of workplace geography were abruptly accelerated by the coronavirus pandemic. As the hybrid model of office work takes root, not only will some office spaces become residences, but others will accommodate new or expanded ways for people to get together for work or recreation. Changes introduced by mixed-use zoning will eventually bring a proliferation of community centers where people can gather indoors and out in areas where human-scale activity pushes automobile-centric land uses to physical spaces where they are less dominant thus giving city- and town-center streets back to the people. ■



Illustration 5: Forms of Multi-Family Housing

1 Named for the city of Euclid, Ohio, plaintiff in the US Supreme Court

case (Euclid against Ambler) decided in 1926 in which the court held that local governments have the [police] power to determine which properties or zones are most suitable for specific uses. Euclid's legal legacy controls the use and development of land in almost every city in the United States.

2 Streetlight Data's "2020 U.S. Transportation Climate Impact Index" that ranks the 100 largest metropolitan areas on climate impact using performance-based transportation metrics in which the rankings reflect the difference between car travel and low-carbon alternative modes of travel. The three most polluting metropolitan areas in descending order are New York City-Newark-Jersey City, San Francisco-Oakland-Hayward, and Madison, Wisconsin.

3 As of right means project applications are reviewed by city or town staff with no public hearing requirements.

4 Public Act 21-29 prevents towns from enacting zoning regulations that:

- Discriminate on the basis of income source (including public assistance), income level, or **"immutable characteristics" (other than age and disability)** [emphasis supplied].
- Cap the number of multi-family housing units.
- Charge unreasonable or different fees for multifamily affordable housing, or impose onerous consulting fees on property owners.
- Require housing units to be a minimum square footage, except for public health reasons like those enshrined in building and housing codes.

5 With no standardized definition, micro mobility generally describes small vehicles that can navigate highly populated urban areas. Micro mobility vehicles that include bicycles, scooters (human and electric powered), skateboards, mopeds, and motor scooters are designed for short trips of up to a few miles and travel at low speeds, typically under 15 MPH and are often thought of as first- or last-mile transportation from the start of terminus of one's transit journey.

6 The term Missing Middle was coined to describe the shortage of two- to six-family housing forms that could be constructed or converted to address the housing shortage that has spread throughout the United States.

## GENERAL ECONOMIC INDICATORS

(Seasonally adjusted)	2Q 2023	2Q 2022	YoY CHG NO. %		1Q 2023	QoQ CHG NO. %	
<b>General Drift Indicator (2007=100)*</b>							
<b>Leading</b>	111.5	115.4	-3.9	-3.4	117.5	-6.1	-5.2
<b>Coincident</b>	96.0	96.4	-0.4	-0.5	96.0	-0.1	-0.1
<b>Real Gross Domestic Product**</b> (Millions of chained 2012 dollars)	1Q 2023	1Q 2022	YoY CHG NO. %		4Q 2022	QoQ CHG NO. %	
<b>Connecticut</b>	252,809	254,011	-1,202	-0.5	252,611	198	0.1
<b>United States</b>	20,282,760	19,924,088	358,672	1.8	20,182,491	100,269	0.5
<b>New England</b>	1,040,673	1,031,578	9,096	0.9	1,036,456	4,218	0.4
<b>Per Capita Personal Income**</b> (Current \$, SAAR)	2Q 2023	2Q 2022	YoY CHG NO. %		1Q 2023	QoQ CHG NO. %	
<b>Connecticut</b>	86,674	82,001	4,673	5.7	85,925	749	0.9
<b>United States</b>	68,279	64,972	3,307	5.1	67,640	639	0.9
<b>New England</b>	81,904	77,778	4,126	5.3	81,085	819	1.0
<b>Philadelphia Fed's Coincident Index (2007=100)***</b>	Sep 2023	Sep 2022	YoY CHG NO. %		Aug 2023	MoM CHG NO. %	
<b>Connecticut</b>	125.31	121.43	3.89	3.2	121.43	3.89	3.2
<b>United States</b>	139.21	134.99	4.23	3.1	138.81	0.40	0.3

Sources: \*Dr. Steven P. Lanza, University of Connecticut, <https://steven-landa.uconn.edu/the-connecticut-green-sheet/>  
\*\*U.S. Bureau of Economic Analysis \*\*\*Federal Reserve Bank of Philadelphia

**General Drift Indicators** are composite measures of the four-quarter change in three coincident (Connecticut Manufacturing Production Index, nonfarm employment, and real personal income) and three leading (housing permits, manufacturing average weekly hours, and initial unemployment claims) economic variables, and are indexed so 2007 = 100.

The **Philadelphia Fed's Coincident Index** summarizes current economic condition by using four coincident variables: nonfarm payroll employment, average hours worked in manufacturing, the unemployment rate, and wage and salary disbursements deflated by the consumer price index (U.S. city average).