Wall Street Pilot Overlay — Proposed Components

For discussion — seeking input on approach and implementation

Wall Street's physical form — zero lot lines, historic buildings, walkable grid, transit proximity — is distinct from any other neighborhood in Norwalk. The current zoning regulations were written for standard lots with setbacks and driveways, or for large new construction. A targeted overlay would allow the existing form-based standards (height, setbacks, lot coverage, design) to do the regulating while providing flexibility where the current rules conflict with the neighborhood's built reality. Below are three proposed components for discussion.

1. District Parking Management

Manage Wall Street's parking as a shared district resource under TMP rather than requiring per-property compliance on lots where on-site parking is physically impossible.

- **Why it makes sense:** The 105 naturally affordable apartments built in this neighborhood over the past decade were possible because of a prior rule exempting renovations within 1,000 feet of a municipal parking facility. That rule worked. The 2023 zoning rewrite eliminated parking requirements citywide, but a year later the city reinstated them with no relief for Wall Street. The current rules are now worse than they've been in over a decade.
- **Why it makes sense:** A Redniss & Mead study (May 2025) documented 1,700+ parking spaces in the district at 48% peak occupancy — over 800 surplus spaces at the busiest hour. 73% of properties already have zero or limited on-site parking.
- **Why it makes sense:** HB 8002 eliminates parking minimums statewide for projects under 16 units and requires needs assessments for larger projects. The R&M study provides exactly that assessment.
- **Why it makes sense:** District management gives TMP more oversight and control than the current system, where non-compliance is the norm and the city has no mechanism to manage shared supply.

2. Form-Based Unit Flexibility

Allow building envelope standards to govern — not arbitrary unit counts. Currently, a 300 SF studio and a 2,500 SF four-bedroom both count as one "unit" against the same cap. This incentivizes fewer, larger, more expensive apartments rather than the smaller units the neighborhood's market naturally demands.

- **Why it makes sense:** Norwalk already regulates every other use in the district by building form, not by counting units. Retail, office, and restaurant uses are not capped by occupant count. Extending the same approach to residential aligns the rules.
- **Why it makes sense:** The building envelope doesn't change. Height, setbacks, lot coverage, and design standards remain as adopted. The skyline stays the same.
- **Why it makes sense:** Consistent with HB 8002's direction of removing barriers to housing production while preserving local design authority.

3. Small-Scale Workforce Housing Fee-in-Lieu

Expand Norwalk's existing 1% fee-in-lieu option (currently available for projects up to 10 units) to cover projects up to 20 units within the overlay. Larger projects continue under current workforce housing requirements.

- **Why it makes sense:** The workforce housing threshold has been lowered three times (from 20 to 12 to 10 units). Each reduction caused developers to build just under the threshold. The city gets fewer units and zero fee revenue.
- **Why it makes sense:** Small-scale projects in the district already produce rents below CHFA 80% AMI limits without subsidies or deed restrictions. Compliance costs at 12 units are the same as at 200 — that math kills small projects.
- **Why it makes sense:** The fee generates revenue for the city's affordable housing fund. The current system generates nothing from projects that stay under the threshold to avoid it.

> **Implementation:** We believe a Wall Street overlay incorporating these components is logical and well-supported by the data. We'd like to discuss the specifics with you, gather your input, and determine whether this is best pursued as a text amendment filed on behalf of the neighborhood or as a staff-initiated text change — similar to how the Golden Hill overlay was handled.

Prepared by Adam Blank on behalf of the Wall Street Neighborhood Association