

Affordable Housing in Andover

Jed Larson

Planning and Zoning Chair

May 14th, 2022

What we will discuss:

- What is affordable housing, who needs it and what are the Connecticut State Statutes that apply?
- What is the situation in Andover?
 - Population trends.
 - Current housing stock.
 - Is there a need in Andover?
 - What should Andover's affordable housing goal be?
- What are the recommendations coming from the Andover Affordable Housing Plan?
- What do you think?

What is affordable housing?

- Housing that is affordable to individuals and families making 80% or less than the area median income.
- A family at that income level can not spend more than 30% of total income on housing (mortgage, taxes and insurance)
- Andover's median family income is \$105,328.
- Can be rental or private ownership.
- Can be Condos, apartments or single family homes.
- Per the state definition, an affordable unit must be deed restricted for 40 years to limit appreciation to Consumer Price Index. (10 years for ADU)

Privately Developed Affordable Housing



CT DOH, CHFA grants
HUD - CDBG
LI tax credits
8-30g higher density
Exempt from local
regs



What aren't we talking about?

- Not Section 8 – Vouchers and Project Based
- Not Federal or State Housing “projects” managed by Housing Authorities.



Connecticut recognized an affordable housing problem existed in 1989 and adopted CGS 8-30g which required each town to have 10% of its housing affordable.

- Andover is subject to the provisions of CGS 8-30g and is required to have 10% of its housing units designated as affordable.
- Developments will have at least 30% of the units designated as affordable and 15% of those units affordable to families making less than 60% of the median income.
- The significance of 8-30g is that it allows developers to disregard zoning rules while also shifting the burden of proof to the town to justify a denial.
- It becomes very difficult for a town to deny an application, which does not meet current zoning but does meet the minimum standards found in the act.
- Essentially, in order to deny an application, the town is required to find documented and proven public health and or safety concerns.
- The problem really is that no matter how easy it is to gain approval of an affordable housing development, **a developer is not going to develop property unless it is profitable to do so.**

Little progress was made and in 2017, Ct General Statute 8-30j is adopted

- Sec. 8-30j... (a) At least once every five years, each municipality shall prepare or amend and adopt an affordable housing plan for the municipality. **Such plan shall specify how the municipality intends to increase the number of affordable housing developments in the municipality.**
- It was not specified what is required or who adopts it and no public hearing is required.
- Last year CT recognized it as unfunded mandate and used federal money to create a grant program.
- **Town plans are due to the State by 1 June 2022.**

Last year PA 21-29 was adopted

- Two items that pertain to affordable housing.
 - Accessory Dwelling Units
 - Allows manufactured mobile homes that exceed 22 feet in their narrowest dimension.

Lets look at Andover

Median Household Income by Age of Householder

	under 25 years	25 to 44 years	45 to 64 years	65 years and over
06232	\$-1	\$96,618	\$128,681	\$72,933
Andover	\$-1	\$96,618	\$128,681	\$72,933
Tolland County	\$26,034	\$95,818	\$111,491	\$60,904

Area Median Family income in Hartford/East
Hartford Region is \$104300
Andover Median Family Income is \$105,328

Family size	80% income limit
1	\$55,950
2	\$ 63,950
3	\$71,950
4	\$79,900

Andover's housing stock

- Total housing units in Andover- 1357
 - 92% (1254) are single family homes.
 - 62% (777) of those are 3 or more bedroom homes.
 - 82% (1079) of the single family homes are owner occupied.
 - 12% (156) are rental units.
 - 7% (87) units were vacant at the time of the survey.
- To have 10% of our housing affordable, would require 132 housing units.
- We currently have 51. This is a deficit of 81 affordable homes.

What is an affordable rent in Andover?

- For rental, state programs use the Fair Market Rent for the region as determined by HUD.

FY 2021 Fair Market Rent's by unit bedrooms				
Efficiency	One-bedroom	Two-bedroom	Three- bedroom	Four-bedroom
\$670	\$830	\$1020	\$1270	\$1480

- Actual rents reported in Andover are:

GROSS RENT	# OF UNITS
\$500 - \$999	114
\$1,000 - \$1,499	32
\$1,500 +	10

What about home ownership?

	Family of 2	Family of 4
Income	\$63,950	\$79,900
	30%	30%
Annual Housing payment	\$19,185	\$23,970
Monthly payment	\$1598.75	\$1997.50

	P&I	Taxes	Insurance	Total Payment
\$250,000 with 10% down	\$936	\$519	\$125	\$1580
\$300,000 with 10% down	\$1224	\$623	\$125	\$1872
\$350,000 with 10% down	\$1311	\$729	\$125	\$2164

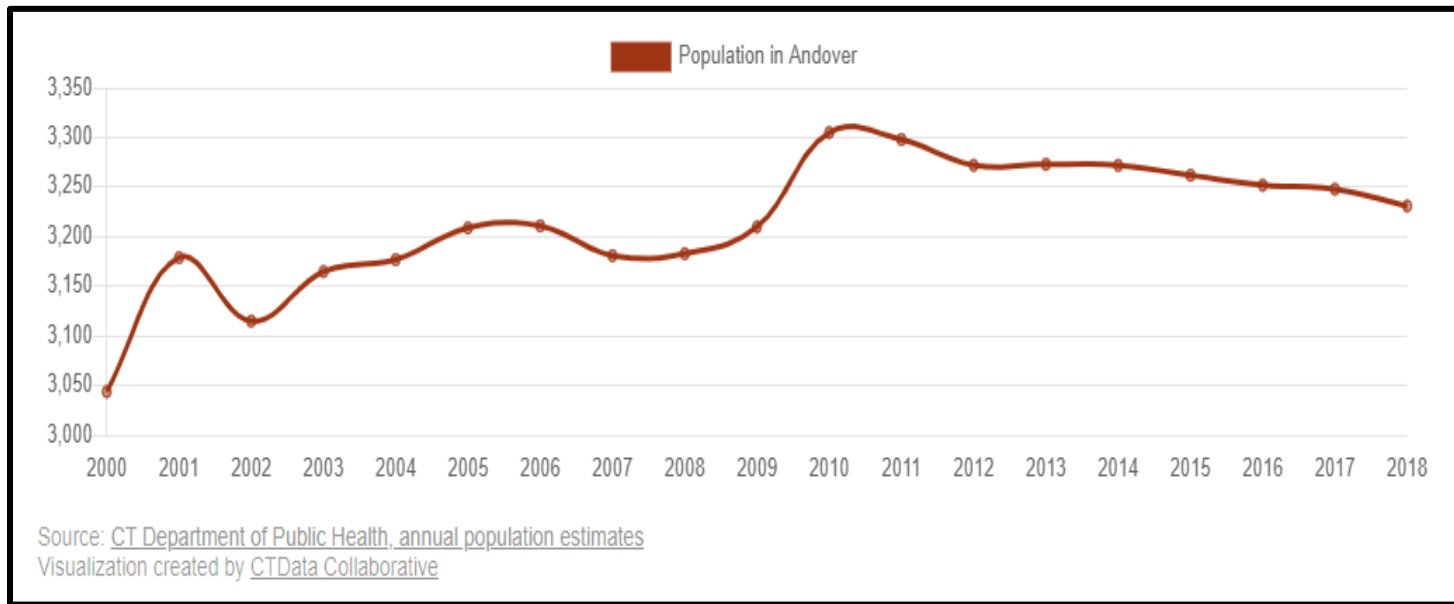
Naturally occurring affordable units

Year	Total Sales	Sales under \$250,000	Sales under \$300,000	% Under \$300,000
2018	54	33	42	78%
2019	65	35	47	72%
2020	47	18	34	72%
2021	58	22	33	57%

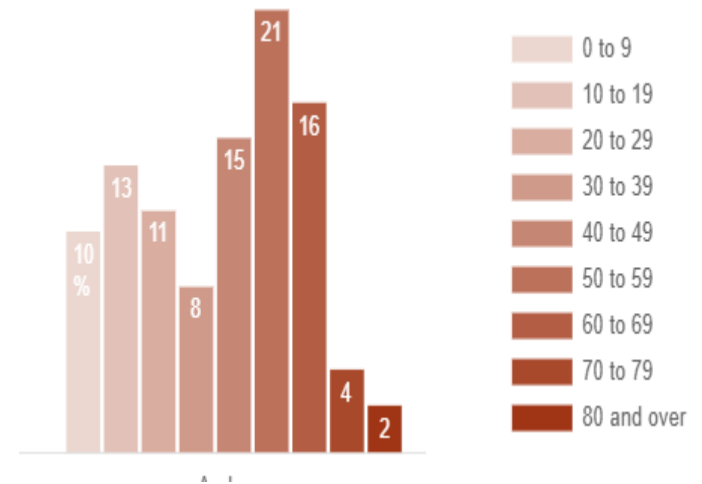
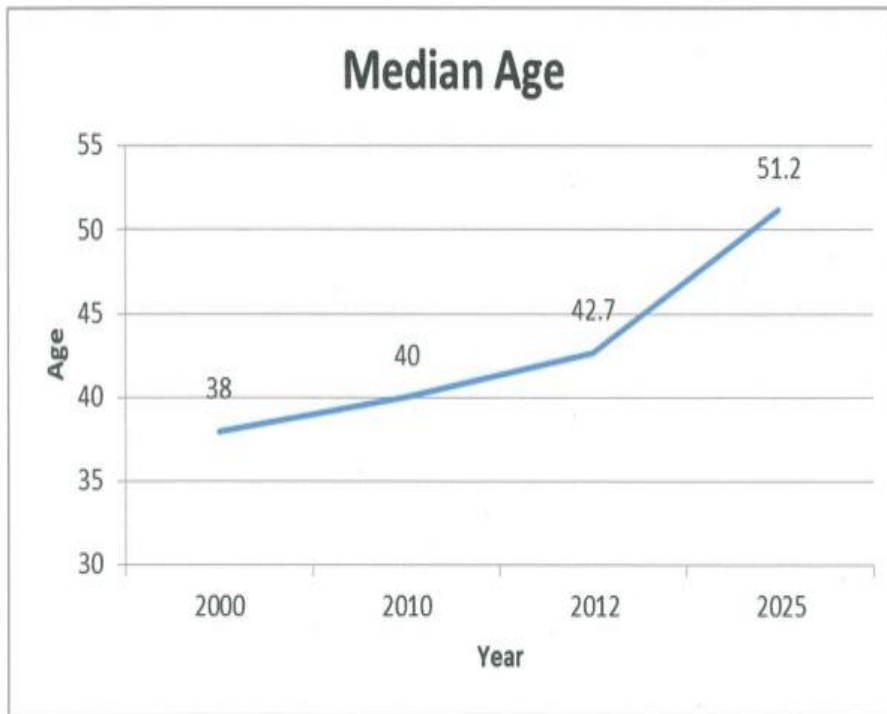
Population Growth (Decline)

Between 2000 and 2018, Andover's population increased by 187 people, or 6.1%.

Between 2010 and 2020 Andover's population declined by 4.5%



Median Age – Much older than County and State



43% of Population over 50

Number of building permits per year, 1990-2017

Note: y axis varies between locations



- Prior to 2010 - 20-35 permits per year
- After 2010 - 3-5 permits per year

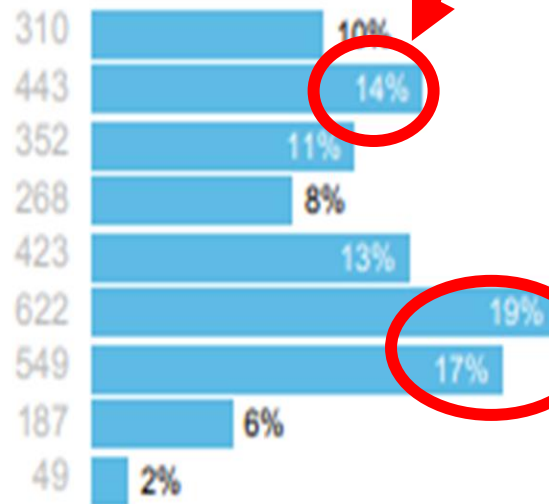
Speculative Market has not existed since Great Financial Crisis in 2010

- It will be difficult for Andover to reach the 10 % goal - 1990's 20-30 units- 2009 forward less than 10.
- Need 81 additional affordable units. 272 new units – 191 market rate 81 affordable,
- Andover will always be subject to 8-30g.
- Gap between Affordable and Market is not conducive to 8-30g.
- Lack of public sewer makes density very challenging.
- CGS 8-30g application very unlikely in Andover.

Who should this affordable housing plan target?

Age Distribution

Under 10
10 to 19
20 to 29
30 to 39
40 to 49
50 to 59
60 to 69
70 to 79
80 and over



443- Young people
potentially interested in
staying in town

1,171 empty nesters
potentially
Looking to downsize and stay
in Town

How Many Units are potentially needed ?



10-19 years old

443 residents

4% of 443- 18 residents

18% of 443 – 80 residents

50-69 years old

1,171 residents / 2.6 HH size = 450 households

4% of 450 households = 18 household

18% of 450 households = 81 households

Potential Need

High End

80+81 = 161 units

Low end

18 + 18 = 36 units

CGS 8-30g Requirement
Total Units-1,324
10% is 133 affordable units

Year	Total Units	Gov. Assisted	CHFA/ USDA	Total	% Affordable
2015	1317	24	31	55	4.18%
2020	1324	18	32	51	3.85%

- 8-30 g project requires 30% of the units to be affordable
- We need 81 additional affordable units to reach 10%

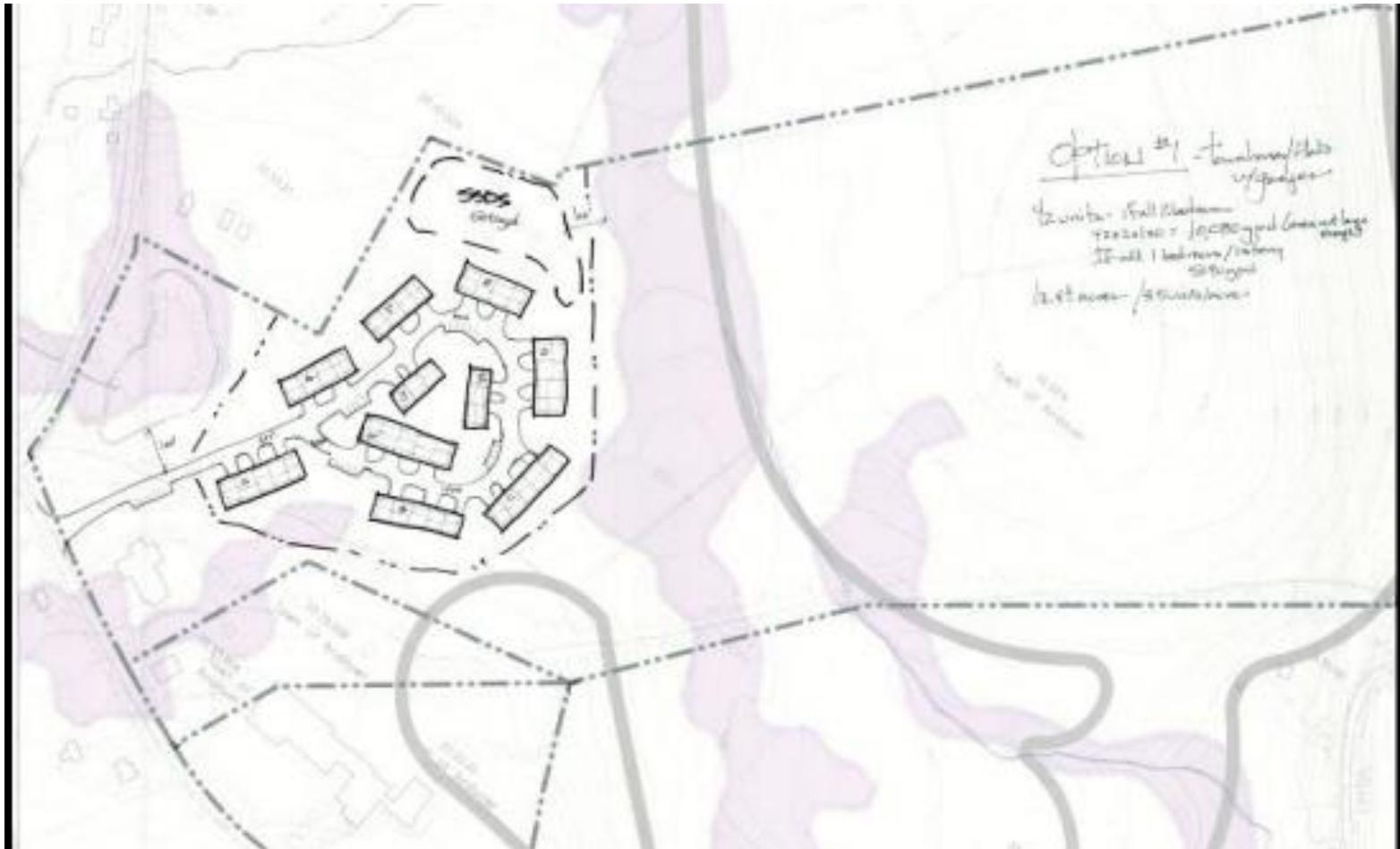
Andover's Affordable Housing Goal

- Create 5 to 15 affordable units in the next 10 years.
- Targeted to:
 - Andover's seniors interested in downsizing.
 - Andover's 10-19 year old age cohort (Gen Z).

Potential Development Sites

- Phelps Property on Shoddy Mill Road- 9.4 acres
- Rosewood Acres Lindholm's Corner-16.4 acres
- Town of Andover property behind town hall- 70 acres

Town of Andover property behind the new Senior/Community Center



Town of Andover property behind the new Senior/Community Center



Implementation:
Creating Affordable Housing
A Path Forward

A Path Forward

Organization and Awareness

- Present the plan
- Create an Affordable Housing Committee
- Assign a permanent staff member to the committee

The Affordable Housing Committee

- Identify and work with residents in need of affordable housing.
- Work with realtors to promote CHFA and USDA mortgage and down payment assistance programs.
- Work with the Finance Committee to establish a Housing Trust Fund.
- Apply for CDBG Small Cities funding.
- Work with seniors to age in place.
- Consider Tax Abatement programs.

Modify existing housing stock

- Use Housing Trust Fund to support aging in place.
- Create a program that creates “affordable” accessory dwellings.
- Expand senior housing at Riverside Drive.
- Make sure seniors in need are aware of CGS8-1bb Temporary Health Care Structures.

Planning and Zoning Commission

- Adopt the Affordable Housing Plan as part of POCD.
- Recommend to BOS that we opt out of ADU regs.
- Incorporate desired ADU changes with incentives to encourage deed restrictions for affordable housing.
- Amend the ARD zone to allow 2-4 unit structures on larger lots.
- Eliminate mobile homes and mobile home parks from the prohibited use section consistent with state requirements.
- Amend the Planned Residential Development for older persons to eliminate the need for a special permit and add a density bonus in exchange for affordable units.

- Amend Mixed Use Floating Zone to incorporate an optional affordable component.
- Increase the density allowed in the Incentive Housing Zones allowed by septic capacity increase.
- Rezone the 3 incentive housing zones using an overlay technique to allow Incentive Housing development as of right.
- After rezoning the property, PZC and Affordable Housing Committee advocate that the Town open discussions with for profit and non profit developers.

Conclusions

- Affordable housing is a good thing and a necessary for our towns future.
- There is a growing need for affordable housing in Andover.
- There is a lot of grant money available to support affordable housing efforts.
- There are steps Andover can take to encourage affordable housing development.
- Affordable housing development is already well underway in many towns.
- We need some champions to lead the effort.
I know you are out there!

Backup Slides

Andover's Housing Stock

- Total housing units in Andover- 1324
 - 91% are single family homes
 - 75% are owner occupied
 - 43% of units built before 1970
 - Virtually no rental stock
- To have 10% of our housing affordable, this would be 132 housing units.
- We currently have 51. This is a deficit of 81 affordable homes.

A Path Forward

- FIND CHAMPIONS – Establish an Affordable Housing Committee.
- STAFFING – most successful committees have day to day staff. Assign and compensate an existing staff member who has passion and interest in subject.
- EDUCATE – Public Officials, Church groups, Civic Clubs, residents.
- Create a HOUSING TRUST FUND.
- Allocate COVID Relief funds, end of year surplus funds, annual budget funds to the HOUSING TRUST FUND.
- APPLY- for Small Cities Community Development Block Grants funding to enhance HOUSING TRUST FUND.

A Path Forward

- Affordable Housing Committee and staff will:
 - Find ALICE families, identify the needs
 - Educate and build awareness of the problem
 - Apply for grants
 - Create and administer a Housing Rehab program to aid in aging in place and creating affordable units.
 - Work with realtors to educate qualified buyers about USDA & CHFA mortgages and down payment assistance programs

A Path Forward

- Expand Senior Housing at Riverside Drive
 - There are currently 24 units of affordable senior housing at Riverside Drive Senior Housing. Management reports that there is a waiting list of applicants and it may be several years before a unit will become available.
 - It is anticipated that the lack of senior housing units will get worse over time. This is exactly at the time when more and more seniors are realizing they need low cost housing and do not want to leave their hometowns.
 - The Town should work with management at Riverside Drive Senior Housing to evaluate the feasibility of an expansion.
 - There are state and federal funds to assist with such expansions.

A Path Forward

- Using Housing Trust Fund create a program to incentivize the creation of affordable accessory units.
- The Affordable Housing Committee should advocate that the Town seriously consider opening discussions with for profit and not for profit housing developers who might be interested in the development of a neighborhood on the Town property adjacent to Town Hall and Fire House, including senior and affordable units.

A Path Forward

- Considering Andover's demographics helping Seniors comfortably Age in Place will be a huge issue to avoid social isolation. This includes:
 - A properly sized and staffed Senior Center
 - Meals on Wheels
 - Dial a Ride
 - Visiting Nurse program
 - Handyman Service
 - Enhanced tax abatement programs as allowed in State Statutes

A Path Forward

- Affordable Housing Committee needs to use the HOUSING TRUST FUND to create an Aging in Place fund to assist with:
 - Ramps, accessible bathrooms, kitchens, laundry facilities
 - Creation of affordable accessory units for relative, health care provider, additional rental income. Requires 10 year deed restriction of rent rate. Funds recaptured at sale of home and reprogrammed into FUND
 - Temporary Health Care structures

A Path Forward

- The Planning and Zoning Commission controls use and density throughout town. We need to:
 - Adopt the Affordable Housing Plan as an addendum to our POCD.
 - Recommend to BOS that they opt out of the requirements of P.A. 21-29 for Accessory Dwelling Units. This is recommended because complying could be detrimental to Andover Lake.
 - After opting out amend regulations to comply with P.A. 21-29 in the Andover Rural Design (ARD) zone. Most significantly allow units up to 1,000 sq.f.t and remove special permit requirements for detached units.
 - Amend the ARD zone to allow as of right 2-4 unit structures on larger lots, including design guidelines to protect rural, single family residential character.
 - Eliminate mobile homes and mobile home parks, meeting definition in state statute, from prohibited use section as required by P.A. 21-29.
 - Amend Section 4.14, Planned Residential Development for Older Persons to eliminate the need for special permit and add a density bonus in exchange for a certain percentage of affordable units.

A Path Forward

- Amend Andover Mixed Use Floating zone to incorporate an optional affordable component in exchange for higher density and a more straight forward less risky approval process
- Review and consider revising the Incentive Housing Zone, perhaps increasing density in recognition of state Dept of Health's septic capacity increase per property to 7,500.
- Proactively rezone the 3 Incentive Housing Zones discussed in the Affordable Housing Plan using an overlay zone technique which preserves the existing zoning but allows the Incentive Housing Zone developments as of right.

**347 CABIN ROAD, COLCHESTER
HOUSING OPPORTUNITY DISTRICT
8-30 G PROPERTIES**

Affordable homes for sale in Colchester CT, with applicable income restrictions. A total of Twenty-Four Single family new construction homes, offering approximately 1600 square feet, 3 bedrooms, 2 baths. Of the Twenty-four homes to be developed, four are available to those persons whose total household income does not exceed 60 % of the Area Median Income and four homes are available for those persons whose total household income does not exceed 80 % of the Area Median Income. For additional information contact: Kristin Merrill, Listing Agent, at 860-942-6680 or via email: kristen@countrysiderealtyct.com.

**TOWN OF COLCHESTER
LEGAL NOTICE**

At its meeting of February 2, 2022, the Planning and Zoning Commission made the following decisions:

1.) NIAN TIC BAY GROUP LLC – Resubdivision (2021-015) –

The Commission **APPROVED** the application for a Resubdivision pursuant to CGS 8-30g for Affordable Housing at 347 Cabin Road (MBL 03-00-001-005), in the Suburban Use District.

A copy of this notice has been filed in the Town Clerk's office.

Planning and Zoning Commission

Joseph Mathieu, Chair

What is affordable housing and what
are the Connecticut State Statutes
that apply?

Affordability	18%	4%	\$23.65
Andover	of households spend between 30% and 50% of their income on housing	of households spend more than half of their income on housing	the hourly wage needed to afford a 2-bedroom apartment

Andover has 1,324 households
22% of these households paying over 30% on housing
291 households (670 people) right here in Andover are cost
burdened households

Meet ALICE



ALICE is:

- Asset Limited, Income Constrained, Employed
- ALICE is a childcare worker, cashier, gas attendant, employee at big box store, waitress, ambulance driver, DUNKIN worker, home health aide, office clerk, postal employee.
- ALICE is above the Federal Poverty Level, but not enough to afford a bare-bones household budget.
- ALICE struggles to keep their households from financial ruin.
- ALICE cannot always pay the bills and has little or nothing in savings.
- ALICE struggles to manage even their most basic needs - housing, food, transportation, childcare, health care, and necessary technology.
- ALICE makes tough choices every day. Childcare or paying the rent, filling a prescription or fixing the car, healthy food or less expensive and less healthy food.
- One unexpected car repair or medical bill can push these financially strapped ALICE families over the edge.

A Typical ALICE family budget for a family of 4

Income	Annual	Monthly	Weekly
Income	\$ 62,400	\$ 5,200	\$1,200
Retirement			
College savings			
Health Ins - Pre-tax	\$ 7,800	\$ 650	\$ 150
Taxable Income	\$ 54,600	\$4,550	\$1,050
Withholding State			
Fed 15%	\$ 9,360	\$ 780	\$ 180
Medicare	\$ 936	\$ 78	\$ 18
Social Security	\$4,212	\$ 351	\$ 81
Total Deductions	\$ 14,508	\$1,209	\$ 279
Take Home	\$47,892	\$ 3,341	\$ 771

No Student
loan debt

All Bills	30%	RENT
Mortgage / Rent	\$1,560	\$1,000
Cable/Internet	\$ 200	\$ 200
Phone	\$ 200	\$ 200
Heating Oil	\$ 200	\$100
CL&P	\$180	\$ 150
Auto Insurance	\$306	\$306
Life Insurance	\$ -	\$ -
Retirement /		
College	\$ -	\$ -
Gasoline	\$ 200	\$ 200
Daycare	\$ 800	\$ 800
Car loans	\$ 250	\$ 250
Groceries / Clothes	\$ 800	\$ 800
Total bills	\$ 4,696	\$ 4,006
Remainder	\$ (1,355)	\$ (665)

**Who should we target for new
affordable housing and how many
units should we create in next 10
years?**

Lets be realistic !

What can be accomplished in next 10 years

Market Rate
Units
2009 – 4
2010 - 3
2011 – 0
2012 – 7
2013 – 5
2014 – 2
2015 - 4
2016 – 3
2017 – 3
2018 – 5
2019 – 7
2020 - 4
2021 – 2 (thru
Aug.)

2009 – 2021 : 49 new single-family homes

Average 5 new single-family homes per year

CGS 8-30g says 10 % of all units in town should be affordable

CGS 8-30g projects requires 30% of units to be affordable

10% - Average .5 new affordable unit per year.

30% - Average 1.5 new affordable units per year

Goal – create 5 to 15 affordable units in the 10 years 2023-2033

Build Awareness

It's a local problem !

It's your neighbors !

It's people right here in Andover!

Make it personal !!!

What is Affordable to families at 80% of Andover Median Income?

Home Value	\$250,000	\$300,000	\$350,000
70% assessed value	\$175,000	\$210,000	\$245,000
Mill Rate	0.03588	0.03588	0.03588
Monthly tax	\$523	\$625	\$733
Home Insurance	\$125	\$125	\$125

Supply is a big issue right now.

Currently on Realtor.com

- Ten single family homes listed for sale.
- 6 of the 10 homes are under \$300,000.
- While 10 are listed, seven are under contract.

[illegible]

Phelps Property on Shoddy Mill Road



Rosewood Acres Lindholm's Corner



Rosewood Acres Lindholm's Corner

