



Town of Stonington, Connecticut
Economic Development Commission

Draft Affordable Housing Plan

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GOMAN+YORK
PLANNING AND DESIGN

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‘Prosperity Our Duty’

And what is true of the individual man, is true, even more emphatically, of a community. An industrious, enterprising, hopeful, prosperous community is far more easily moved by the demands of duty...than one that is drooping and running down. If prosperity is dangerous, decline is well, nigh fatal. ... We must be alive to all our opportunities, and be ready to act for the public good as for our own—to strike at the right time, and strike the right blow ... Public spirit is a great organic power in communities, and no community that is thoroughly animated by public love, can ever prostrate or be defeated in its purpose. We must feel that we have one interest, and all ranks and classes must unite heartily in the pursuit of it. We must encourage the weak and lend what aid we can to the virtuous struggles of industry. Our men of business must support and strengthen each other ... We must have union or we cannot have strength, and union implies something more than that we reside in the same city. There must be a fellow spirit, a social warmth, a living glow and a common aim ... Dismiss then, every discouraged thought. Take it as a fixed truth that [we] can prosper; therefore, that it ought; therefore, that it shall. Go then, every man to his own altar, and live a godly life, every man to his work, and do it manfully and well; and all together to the task of preserving the public virtue, and proving to mankind, in despite of all hindrance, the unalterable truth that growth and progress are the right...of every people that will do their duty.

The Reverend Horace Bushnell, Hartford, Connecticut, 1847



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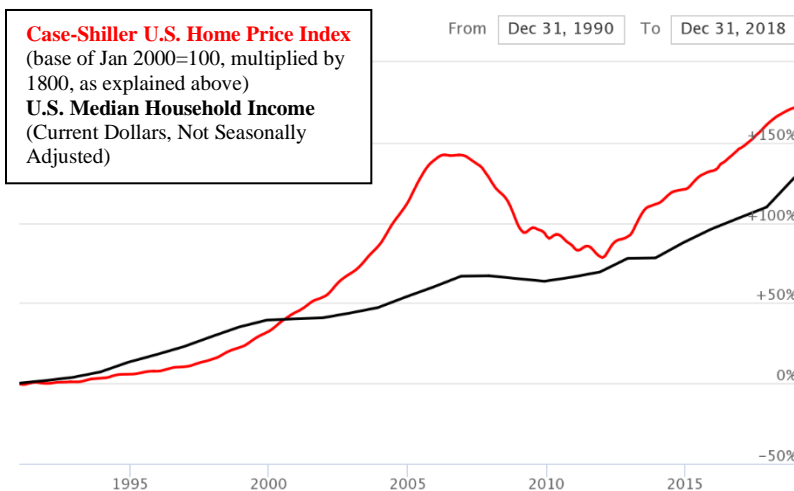


Introduction

The United States is experiencing a housing crisis and Connecticut is not immune. This is a crisis of housing affordability (i.e., the need for affordable housing) and the social and economic ramifications bestowed upon lower-income, working- and middle-income households who are unable to access affordable housing. Both nationally and locally, the cost of housing has outpaced income growth, especially for low-income households. This has undermined access to quality housing proximate to transportation infrastructure and economic opportunities at affordable prices.

Historically, an average house in the U.S. cost around 5 times the yearly household income. During the housing bubble of 2006 the ratio exceeded 7 - in other words, an average single-family house in the United States cost more than 7 times the U.S. median annual household income. Connecticut and Stonington have experienced similar increases in housing cost compared to income. The [Case-Shiller Home Price Index](#) seeks to measure the price level of existing single-family homes in the United States. Based on the pioneering research the index is generally considered the leading measure of U.S. residential real estate prices. The index has a base of Jan 2000=100 and is multiplied by 1800 in order approximate the [Average Sales Price of Houses Sold for the United States](#). This ratio is heavily influenced by mortgage interest rates. When interest rates go down the affordability of a house goes up, so people spend more money on a house.

Case-Shiller Home Price Index vs. US Median Annual Income



Stonington is not immune to the national trend of housing value increasing outpacing income. The economic and social ramifications of this affordable housing crisis are substantial. For example, many businesses struggle to retain and attract a qualified workforce because housing costs exceed the means of workforce salaries. Also, society and communities are becoming more segregated by both income and race. The poor, working, and even middle-income families are priced out of prosperous communities that provide opportunities for upward mobility. Most concerning, minority

populations are disproportionately excluded from prosperous communities, economic opportunities, and improved quality of life. This is due to the correlation between wealth and race in America. Collectively, the economic and social ramifications of our affordable housing crisis often result in lower-income populations being isolated in distressed urban and rural communities, with few chances of betterment.

Stonington, like many middle-income Connecticut communities, is not immune to this crisis or the negative consequences of a housing stock that is unaffordable to many households both in Stonington and the Southeastern Connecticut region. Stonington, a picturesque coastal community, is in part dependent on tourism and hospitality—an economic sector and industry that relies on a qualified workforce at modest wages. Most important, while residents of Stonington may not believe they are intimately connected to the economics of tourism and hospitality, it is the symbiotic relationships, in part, between artesian, patron, and amenities of place that enhance Stonington’s quality-of-life, with character and charm that so many residents cherish.

Stonington’s bucolic setting and wealthy households attract, support, and inspire the artists and crafts persons who provide amenities of place that nurture the tourism and hospitality industry. Without the wealth of patrons, the artisans cannot survive. Without the artisans, Stonington cannot maintain a cosmopolitan culture that attracts and retains residents and tourists alike. All of this, the dynamic and symbiotic relations between residents, businesses, workers, and tourists is dependent on the retention and attraction of a qualified workforce—a workforce that requires housing that is affordable—that provides the services the community needs and wants.



Stonington, as a desirable community and a tourist destination, has greater demand for second homes, seasonal rentals, and other short-term rentals than most communities in Connecticut. Demand for these *destination-dwellings* creates greater pressure on the local housing market, constraining supply and increasing demand. That means that Stonington needs to work harder and be more intentional in its efforts to maintain housing affordability.

Planning for affordable housing is foundational to maintaining a vibrant and prosperous community. Without safe, quality, affordable housing, Stonington cannot maintain its prosperity. This affordable housing plan is aimed at positioning Stonington to compete for wealth and investment and to maintain a vibrant and prosperous community for generations to come. Becoming and remaining a vibrant and prosperous community does not occur by happenstance. It requires hard work, dedication, constancy of purpose, and good governance. It also requires the community to provide and maintain a quality housing stock that is affordable. The more vibrant and prosperous the community, the less affordable the housing. Prosperity and unaffordable housing are a good problem to have because they are more easily solved than problems of community stagnation, decline, and an overabundance of affordable housing resulting from weak demand and disinvestment.

Good governance starts with managing mundane qualities of everyday community life, with a view toward continuous improvement. Good governance is about managing, not resisting change, and ensuring that a community can fend off threats, cope with disturbance, and mitigate the negative consequence of well-intended actions. Having an unaffordable housing stock is a negative consequence



of well-intended actions aimed at maintaining and growing prosperity. The more desirable a community becomes, the greater the demand for housing and the greater property values increase. However, when prosperity—wealth and property value—escalates, social, economic, and even racial exclusion threaten to undermine community well-being and place prosperity at risk. (If the community cannot attract and retain a qualified workforce to provide basic needs and satisfy wants, then desirability and demand suffer, and prosperity wanes. Therefore, Stonington must be intentional in its actions and work to maintain and further provide a stock of well-maintained affordable housing if it wants to retain and attract a qualified workforce, the next generation of property owners, and a social and economic future of vibrancy and prosperity. Otherwise, Stonington runs the risk of social and economic stagnation or decline.

Stonington, Why Affordable Housing Now?

Stonington's Affordable Housing Plan is the result of the Governor prioritizing Connecticut's need for affordable housing and the State Legislature's recent passing of legislation that requires *every municipality to prepare an affordable housing plan at least once every five years*. Also, the legislation requires that the affordable housing plan *specify how the community intends to increase the amount of affordable housing available in the community*.

To facilitate this prioritization of housing affordability and the requirements to plan for affordable housing, the State Department of Housing awarded the Town of Stonington a competitive grant to create an affordability plan. That said, it is important to recognize that requirements to plan for affordable housing are not new. Section 8-23 of the Connecticut General Statutes requires that the municipal plan of conservation and development:

- make provisions for the development of housing opportunities, including opportunities for multifamily dwellings, consistent with soil types, terrain, and infrastructure capacity, for all residents of the municipality and the planning region in which the municipality is located... [and to]
- promote housing choice and economic diversity in housing, including housing for both low- and moderate-income households, and encourage the development of housing which will meet the housing needs identified in the state's consolidated plan for housing and community development...

These longstanding requirements for affordable housing highlight the importance of residential development, housing, and affordable housing in all communities. *Housing is where jobs go at night*. Housing is where individuals and families live their lives. When a community considers land use issues, housing density, style, and tenure all contribute to its character and economic wellbeing. Homeownership, and the equity derived from homeownership, have been the foundation to creating American middle-income wealth for generations.



These characteristics of residential development and housing have shaped and contributed to Stonington and its rural-suburban character that has evolved. Today, Stonington's most common land use is single-family residential. Also, 69.7% of Stonington's housing stock is single-family detached, 2.7% single-family attached, 7.6% two-family, and 8.3% three- and four-unit housing. Less than 12% of Stonington's housing stock is multi-family housing (five units or more) and only 2% of Stonington's land is utilized for multi-family housing. While such high percentages of single-family housing are not uncommon, the overreliance on a single-family housing aimed at homeownership (73.4%) can undermine community resilience, creating a lack of housing diversity that is susceptible to disturbance and slow-moving changes in consumer preferences and housing market demand. Also, overreliance on single-family housing and homeownership favors middle- and high-income households over households of lesser means, resulting in social, economic, and racial exclusion. This overreliance on single-family housing and homeownership creates challenges for retaining and attracting a qualified workforce. The fact is Stonington will benefit by planning for greater housing diversity.

What Does "Affordable Housing" Mean?

Too often individuals and communities associate affordable housing with the public housing of decades past. It is important to recognize that affordable housing today is not public housing. The government learned valuable lessons from the failed policies and experience of past public housing and the negative consequences of clustering large numbers of low-income households into substandard housing. Today, affordable housing policies have moved away from both the public model and clustering. Affordable housing policy today focuses on public-private partnerships and inclusive mixed-income policies to provide much-needed affordable housing. As a result, most affordable housing hides in plain sight, blending into the community, to such an extent that most do not even know the difference between what housing units are market rate and what housing units are qualified affordable.

Housing is deemed unaffordable if a household pays more than 30% of their gross income for housing. For example, if a household earning \$75,000 per year is spending \$22,500 (30% gross income) or more per year (\$1,875/month) on rent/mortgage and utilities, then housing is unaffordable. The median household income for the Norwich-New London MSA is \$75,633 and the median household income for Stonington is \$79,250. Affordable rental in Stonington, based on the Department of Housing and Urban Development (HUD) Norwich – New London area range from \$648 per month for a studio to \$1,621 per month for a four-bedroom apartment.

The problem of affordable housing in Southeastern Connecticut and Stonington is more pronounced than most realize. For example, the Southeastern Connecticut Housing Needs Assessment (2018) conducted by the Southeastern Connecticut Council of Governments and the Southeastern Connecticut Housing Alliance found that 37.2% of households in the region and 34.8% of Stonington's households are cost-burdened—paying more than 30% of their income on housing costs. The study also found that 46.6% of rental households in Stonington are cost-burdened. That is a very significant figure.

Qualified affordable housing, as defined by the Connecticut General Statutes (CGS), Chapter 126a Affordable Housing Land Use Appeals, Section 8-30g, is:

housing [or households] that receive government assistance or are deed-restricted to be sold or rented at or below prices for which a household pays 30% or less of their income.

Qualified affordable housing is different than naturally occurring affordable housing, which is housing

Qualified Vs Naturally Occurring Affordable Housing

Qualified Affordable Housing is a specific statutory phrase to describe housing that meets the State definition of affordable housing regarding the requirements of Section 8-30g, which regulates specific land use applications for providing affordable housing. Just because housing does not meet the statutory definition of Qualified Affordable Housing, does not mean a community does not have housing that is affordable to households of lesser means. Most communities have naturally occurring affordable housing that does not meet the definition of Qualified Affordable Housing but serves populations of lower income.

that sells or rents at values affordable to households at or below 80% AMI but does not meet the criteria to be included as qualified affordable housing. In most cases, qualified affordable housing developments have 30% or less of the units dedicated as affordable. This low percentage of affordable units in affordable housing developments demonstrates the policy shift away from clustering lower-income households and ensures a mix of incomes to mitigate the potential negative effects of excessive clustering. CGS 8-30g also sets an affordable housing fair share threshold for communities, stating that Connecticut municipalities should maintain at a minimum, 10% of their housing as affordable. In Stonington, as of

2019, only 561 qualified affordable housing units, or 5.93% of Stonington's 9,467 housing units counted as qualified affordable housing.

Overall Residential Patterns

As a rural-suburban community with substantial protected open space (20%), low-density residential development, and limited public water and public sewer, it is reasonable to anticipate that Stonington will continue to maintain its current overall land use pattern and predominant character. It is important to maintain this development pattern, as it contributes so much to the *rural character* of Stonington and enhances the New England village and seaport aesthetic of the town. Most important, the rural, suburban, and village character of Stonington is highly desirable, an attractive quality to residents, potential residents, and tourists alike. The current contributes to Stonington's charm, vibrancy, and prosperity. However, that does not mean that Stonington cannot



encourage and accommodate higher density, multi-family, and mixed-use development that provides greater housing choice, affordability, and diversity of households.

Zoning for the lower density areas of Stonington was intentionally designed to reduce density, ensure that new housing blends with the landscape, and protect natural resources—to create the rural-suburban aesthetic. It is reasonable to protect and maintain these areas, development patterns, and character provided Stonington works to accommodate the need for affordable housing through higher density, multi-family, and mixed-use development in certain and suitable locations within the community. Stonington is fortunate to have suitable locations available to accommodate such developments. For example, portions of Mystic and much of Pawcatuck are not only suitable locations, but would also benefit from new investment, redevelopment, and infill development. Further examples are the I-95 interchanges at Exit 90 and 92. Exit 90 is a prime location for mixed-use development and the redevelopment of aging properties, while the Exit 92 area has ample land available for new development, including both multi-family and mixed-use (Map 1). Both locations have excellent access to the transportation network, and provide access to jobs and job centers throughout the region.

Map 1. Target Investment Areas





Changing Demographic Structure and Housing

Connecticut has been a slow-to-no-growth state for three decades. Job growth has been mostly stagnant and population growth has been anemic. This lack of statewide economic and demographic growth has resulted in changes to Connecticut's demographics and demographic structure. It is often said that demography is destiny. If that is true, then every community in Connecticut should be concerned. In Connecticut and Stonington, the primary outcome of our demographic destiny is that we are aging—growing older. Older populations require more government services, need to be supported by a labor force that is contracting in size proportionally, and resulting in fewer young families with fewer children—further reducing the next generation of our labor force.

One of the most notable community concerns related to any proposal for new residential housing development is the impact of new housing on municipal budgets—the potential for new public-school age children generated by new housing units. This fiscal concern results from the fact that funding for the local Board of Education makes up the largest portion of any municipal budget—typically between 50% and 65% of the total municipal budget. In Stonington, the Board of Education budget represents approximately 52% of the total municipal budget. However, and unfortunately, assumptions related to the number of public school-age children generated by new housing units are often higher than the actual number of school district enrollments that result from new housing. For example, it is not uncommon for persons or commissions to assume that each new housing unit produces one, two, or even more school district enrollments. These assumptions result from past experiences, memories of prior generations, and failure to understand that the same social-cultural forces that are contributing to the disruption of retail are also disrupting our communities, government services, and school district enrollments.

Changes in demographics and generational lifestyle changes are resulting in fewer traditional households and fewer school-age children (school district enrollments). For example, some simple calculations can dispel the myth of one or more school enrollments per housing unit. Statewide, Connecticut has 527,829 children enrolled in public schools (State Dept. of Education, 2020) and 1,377,166 households. Divide statewide enrollments (527,829) by households (1,377,166) and several public-school district enrollments equals 0.38 enrollments per household (or occupied housing units). The same calculation can be applied to Stonington. Stonington has 8,100 households and 1,901 school district enrollments (1,901 / 8,100) or 0.23 school district enrollments per household (or occupied housing unit). Enrollments of 0.38 per household statewide and 0.23 per household in Stonington are well below the assumed one or more school district enrollments per new housing unit.

Statewide, and in most Connecticut communities, school district enrollments have declined for over a decade. For example, in 2008 statewide school district enrollments were 574,848 compared to 527,829 in 2020 (a loss of 47,019 statewide school district enrollments). In 2008, Stonington's school district enrollment was 2,549, compared to 1,901 in 2020 (a loss of 648 school district enrollments or a 24.48% decline). Locally, Stonington has closed one elementary school and one middle school over the past few years.



The disconnect between perceived enrollments from new housing and actual enrollments, should cause us to pause, think, and stop opposing housing based on the potential of new school district enrollments. The fact is the demographic structure of our population has changed and the chances of returning to the higher enrollments of the past are little to none.

Demographics and Demographic Structure

School enrollments are not driven by housing—as seen in the data discussed above. School enrollments are driven by demographics and demographic structure. Housing units (and the number of bedrooms within housing units) are simply vessels that can and may house school-age children—but there is no guarantee they will house children or generate school enrollments. Demographics and demographic structure as the driver of school-age children and school district enrollments, informs us that as a population grows older, the number of births (the total fertility rate) and a resultant number of children decrease. A decreasing number of children overall typically results in declining school district enrollments. Declining fertility rates are the primary driver of low and declining school district enrollments. This is the very reason why Stonington’s school district enrollments are declining.

The total fertility rate is the average number of children that would be birthed by a woman if all women lived to the end of their childbearing years. Since only women have children, and since all women do not live to the end of their childbearing years, the replacement level of the fertility rate is between 2.1 and 2.3 (births per women) to maintain a stable population—higher rates result in population growth and lower rates result in population decline. Another way of understanding this is to understand how the fertility rate relates to the death rate. The equation for population growth (not including immigration and migration) is births plus deaths equals growth. If births are higher than deaths, the population grows. If births are lower than deaths, the population declines. The United States fertility rate is 1.73, well below the minimum fertility replacement rate of 2.1. Connecticut’s fertility rate is even low at 1.57. Connecticut’s low fertility rate means, in Connecticut, 27 fewer persons are born for every 100 persons who die. Excluding immigration and migration, given enough time at a 1.57 fertility rate, Connecticut’s population will decline to zero.

Declining fertility rates, nationally and in Connecticut, are not simply the result of an aging population. Declining fertility rates are also tied to, and the result of, increased economic opportunity (wealth), greater education, and the associated changes in social-cultural behaviors that come with wealth and education. Most importantly, these structural changes in our demographics can be traced across generations. For example, if you are of the Baby-Boom generation (born between 1946 and 1964), you likely have more siblings than you have children. It is also more likely, as a Baby Boomer, you moved out of your parent’s home, got married, and had your first child at a younger age than those in Generation X (born between 1965 and 1980) and the Millennial Generation (born between 1981 and 1996). These slow-moving changes in the way we live and behave are often hard to notice in real-time. However, by studying demographics and social behaviors over time (generation by generation), the changes become noticeable, and their collective impacts can be profound. These changes (and other



demographic and social changes) are why school district enrollments have been declining statewide for over a decade and why Stonington’s enrollments declined by 25% since 2008.

Stonington is an aging community. In 2000, Stonington’s median age was 42, in 2017 the median age increased to 49.4—well above the national and state median age (Table 1). In short, older populations have fewer children, resulting in fewer school enrollments. Also, older households spend less on goods and services, and less in retail establishments.

Table 1. Median Age

	USA	CT	Stonington
2017	37.8	40.8	49.4
2000	35.3	37.4	42.0

Stonington’s demographic structure has been transformed by the increasing age of the population. Also, changes in demographics and socioeconomics have transformed household structure. For example, in 1960 only 13.0% of housing units in the United States were occupied by 1-person households. Today, 28% of our nation’s housing stock is occupied by 1-person households. As of 2017, 31.9% of Stonington’s occupied housing stock was occupied by 1-person households. Also, 47.7% of Stonington’s renter-occupied housing units were 1-person households—that means that 47.7% of rental housing in Stonington is not producing any school district enrollments.

Another important change can be seen in married-couple households with children (under the age of 18). In the United States, from 1970 to 2012, the percent of married-couple households with children declined from 40.3% to 19.6%. Stonington is similar. The total family households with children (under the age of 18) in Stonington today account for only 17.4% of total households. These changes in household structure result from both an aging population and social-cultural trends. Today, compared to the decades and generations before, we marry later, marry less, and have fewer children. This explains why Stonington’s school district enrollments have declined substantially.

The Impact of Multi-Family and Affordable Housing on Property Values

Concerns over the potential of negative impacts of new residential development, especially negative impacts on property values, are common in planning and the land use approval process. One of the foundational concepts of zoning in the original Zoning Enabling Act (1922) is that “such regulations shall be made with reasonable consideration...to the character of the district...with a view to conserving the value of buildings.” The concept of *a view to conserving the value of buildings* needs to be contextualized to the time when it was written and the problems that zoning was designed to solve. The 1920’s context was the harsh conditions of the industrial city and the lack of regulatory provisions to deal with incompatible uses and the negative consequences of proximity. In addition to the *character of the district* and *conserving the value of buildings*, zoning was intended to protect us from *fire, panic, and other dangers*, conditions that no longer threaten us in the ways they did in the 1920’s industrial city. Simply stated, zoning (along with other policies and regulations) has successfully solved the problem of the industrial city and has created stability and predictability in real property markets. Therefore, today, how we need to conceptualize *the character of the district* and *conserving the value of buildings* has changed. That is, the dissimilarity in uses has been greatly reduced. Also, the negative impacts on the proximate property have been mostly reduced to the most undesirable land uses. For example, undesirable land uses such as airports, landfills, superfund sites, etc., and their impact on residential and other nearby uses have been extensively studied and documented as having potentially negative impacts on adjacent and proximate property values.



However, such concerns and claims of the negative impact created by other less noxious and dissimilar uses have persisted, especially concerns regarding multi-family and affordable housing development adjacent and proximate to existing residential properties. It is even not uncommon to hear claims that new single-family residential development will negatively impact the value of existing single-family residential properties. Fortunately, such concerns and claims have led to academic and industry research on the impacts of new development on existing residential property values. Most importantly, the abundance of academic research has shown that such claims are not substantiated.

For example, a notable and comprehensive longitudinal study by the MIT Center for Real Estate, *Effects of Mixed-Income, Multi-Family Rental Housing Developments on Single-Family Housing Values* (2005), of seven high-density affordable housing developments adjacent to medium- and low-density single-family residential areas in six communities spread across Metropolitan Boston. The researchers stated that the findings “in all seven case study towns lead us to conclude that the introduction of larger-scale, high-density, mixed-income rental developments in single-family neighborhoods *does not* affect the value of surrounding homes. The fear of potential asset-value loss amongst suburban homeowners is

misplaced.” A study by Harvard’s Joint Center for Housing Studies, *The Vitality of America’s Working Communities* (2003), found that apartments posed no threat to surrounding single-family house values.

The findings of the MIT and Harvard studies are further substantiated in a recent study by Kem C. Gardner Policy Institute at the University of Utah. The study, *The Impact of High-Density Apartments on Surrounding Single-Family Home Values in Suburban Salt Lake County* (2021), analyzed the construction of 7,754 units between 2010 and 2018 and the impact of these multi-family rental developments on single-family home values within a half-mile of the new apartments. The researchers found:



...apartments built between 2010 and 2018 have not reduced single-family home values in suburban Salt Lake County [...] However, denser development continues to be a politically controversial topic on city council agendas as existing residents often bring up negative impacts on home values. Single-family homes located within 1/2 mile of a newly constructed apartment building experienced higher overall price appreciation than those homes farther away.

Overall, academic research shows that multi-family development, which is most often of a higher density than single-family residential development, either has no impact or a positive impact on adjacent and proximate single-family residential property values. For example, a study by the University of Washington, *Denser Development is Good for Single-Family Home Values* (2012), found single-family home values increase when located near denser development.

The National Association of Homebuilders, *Market Outlook: Confronting the Myths about Apartments with Facts* (2001), found that single-family residential property values within 300 feet of multi-family rental housing increased by 2.9%. Researchers at Virginia Tech University, in a study titled *Price Effects of Apartments on Nearby Single-Family Detached Residential Homes* (2003) concluded, multi-family rentals that were well-designed, attractive, and well-landscaped, increased the value of nearby single-family residential housing. What was most interesting about the Virginia Tech study, as explained by Eskic (2021), were the researchers three possible reasons to explain their findings:

1. new construction serves as a potential indicator of positive economic growth;
2. new apartments increase the pool of future homebuyers for current homeowners; and
3. apartments with mixed-use development often increase the attractiveness of nearby communities as they provide more housing and amenity choices.

These three possible explanations are important. They highlight the importance of continuous investment in a community, providing a modern, diverse, and competitive housing stock—the positive economic growth, the need to attract newcomers to the community to create a pool of future homebuyers, and the amenity value of diverse housing stock that offers housing alternatives for other



residents already in the community—retaining young adults and empty-nesters who seek to remain in the community but need and want housing other than larger single-family homes.

While claims of negative property impacts are likely to persist in the local land use approval process, the unbiased academic research is clear in its findings, *apartments posed no threat to surrounding single-family house values* and *the fear of potential asset-value loss among suburban homeowners is misplaced*. This is important for Stonington, especially the land use boards and commissions, to understand and embrace. New housing development, including multi-family and affordable housing, when well designed and aesthetically pleasing, does not negatively impact the value of adjacent and nearby housing.

Homelessness and Short-Term Housing

Homelessness is defined as lacking a fixed, regular, and adequate nighttime residence or has a primary night residency that is a supervised operated shelter designed to provide temporary living accommodations, an institution that provides a temporary residence, or a public or private place not designed for regular sleeping accommodation. However, homelessness can also include individuals and families who are forced to stay with friends or relatives because they have no means of accessing adequate housing. Homelessness is typically categorized as:

- **Transitional:** persons who experience homelessness occasionally or for the first time. Their principal need is for housing, access to affordable housing, or housing assistance.
- **Chronic:** persons who often experience long-term homelessness, frequently rotating through shelter facilities or living on streets. The chronic homeless often suffer from health and substance abuse problems and are living in extreme poverty. This population is best served by permanent supportive housing, which combines housing with intensive rehabilitation, treatment, and other social services.

The challenges of homelessness are vast and complex, often exceeding the capabilities and capacity of local government alone. This is especially true for local land use planning and zoning agencies. Homelessness cannot be solved, or adequately addressed, through land use plans and regulations alone. However, that does not forgive land use agencies for their responsibility to work toward addressing homelessness.

Homelessness results from a complex set of social, economic, and health circumstances in which people are forced to choose between the basic needs of food and shelter and other critical needs such as medicine and preventive health care. The primary causes of homelessness are poverty, unemployment, underemployment, and a lack of affordable housing. Secondary causes of homelessness include substance abuse, mental illness, domestic violence, and the lack of affordable health care. Collectively, these causes of homelessness demonstrate that the solutions to homelessness—the policies and strategies we can employ to address the issue of homelessness—go well beyond the capability of municipal land



use planning and zoning. The solutions must include policies and strategies aimed at social, economic, and health care.

Where local land use planning and zoning can intervene and be part of the solutions to solve the problem of homelessness is by encouraging and providing for more affordable housing. The more safe, clean, and quality affordable housing available for persons and families of lesser means, the less likely the potential of homelessness. In addition to affordable housing, local communities must encourage and provide supportive housing. Supportive housing is housing that provides both shelter and support services needed to lift persons out of poverty and homelessness. Supportive housing can be temporary and transitional or long-term, depending on the populations served.

When there is a lack of affordable and supportive housing, the housing market often attempts to serve the most vulnerable populations through transient housing—short-term rooming and boarding housing. Such facilities are often substandard and the source of socio-economic ills for adjacent properties and surrounding neighborhoods. The economic viability of such housing is marginal at best—hence the deteriorating conditions and excessive evidence of deferred maintenance. By providing more quality affordable housing and supportive housing to serve the needs of vulnerable populations, the private market demands for transient housing are decreased, undermining the long-term economic viability of such housing.

Finding Balance – Housing, Flood Hazards, and Coastal Area Management

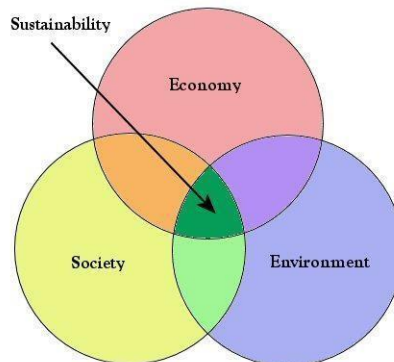
In land-use planning, especially in the land use application process, it is all too common for environmental issues to be pitted against social or economic issues. This either-or perspective creates tension, misses the bigger picture, and often creates more harm, at the expense of others.

Stonington has very comprehensive Flood Hazard and Coastal Area Management provisions in the Zoning Regulations. Most important, such regulatory provisions meet or exceed the requirements of state and federal law. Stonington also has a recent and robust Coastal Resilience Plan that confronts the challenges of climate change and sea-level rise and plans for the needs of the community. Simply put, Stonington has done what is needed and required of a coastal community to evaluate, plan, and regulate the conditions associated with sea-level rise and coastal flooding.

Sea level rise and coastal flooding are real issues and reasonable concerns, especially in the context of new development in coastal areas. Therefore, the challenge for Stonington is to continuously work toward finding the right balance between economic, environmental, and social issues and goals. Striking such a balance is the essence of sustainability. For example, the United Nations, World Commission on the Environment and Development (Brundtland Report, 1987), explains:

Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Doing so must integrate and balance economic, environmental, and social goals.

While environmental concerns need to be considered as part of development proposals in coastal areas, such as Mystic, said concerns should not favor the environment over economic and social issues or goals. Nor should environmental concerns be used as impediments to deter or prevent development, especially housing and affordable housing that are of equal importance as a social need of society.



Finding the balance between economic, environmental, and social goals, means that Stonington and its land-use commission *must* trust in the governing regulations to guide and direct the decision-making process. Applications that comply with flood zone and coastal area management regulatory requirements must be approved. Decision-makers must resist the temptations of speculative considerations and projections of yet-to-be-realized future conditions that color the merit of the application and reasonableness of the regulations in place at this moment in time.

The Stonington Housing Study

To produce the Stonington Affordable Housing Plan, an extensive housing study was conducted to assess the local and regional housing market, determine affordable housing needs, identify impediments to housing and affordable housing, and identify potential strategies that Stonington could implement to promote, encourage, and provide for qualified affordable housing. In doing so, the study reviewed and gave due consideration to state and regional planning efforts by reviewing and considering the State of Connecticut *2020-24 Consolidated Plan for Housing and Community Development* (Draft), the Southeastern Connecticut Council of Governments (SCCOG) *2017 Regional Plan of Conservation and Development*, the SCCOG *2018 Southeastern Connecticut Housing Needs Assessment*, and the State of Connecticut *2018-2023 Conservation & Development Policies: The Plan for Connecticut* (Revised Draft). Also, past studies by the Town of Stonington were reviewed, and the most recent Stonington Plan of Conservation and Development (2015) and current Zoning Regulations were also reviewed and considered.

This comprehensive housing study resulted in four reports that provided the foundation for this Affordable Housing Plan and are considered as part of this Plan. The reports include the following reports:



- Housing Market Affordability Study
- Technical Memorandum One: Recommended Modifications to Land Use Regulations
- Technical Memorandum Two: Housing Needs Assessment
- Technical Memorandum Three: Housing and Affordable Housing Incentive Programs

In addition to conducting these studies and issuing these reports, public workshops were conducted with the Economic Development Commission—who advised the process of creating the Affordable Housing Plan—in October, November, and December of 2020. As part of the public engagement, a community conversation hosted by the Economic Development Commission was held in January of 2021. This virtual public forum was designed to inform the public of the planning process, educate the public about affordable housing, present the findings of the studies and reports, and gain further input and insights from the public participants into housing and affordable housing in Stonington. The following are short summaries of the four reports produced as part of this Plan.

Housing Market Affordability Study – Summary

A Housing Market Study (regional and local) was conducted as part of this Affordable Housing Plan. The study was approached as if we were trying to determine the demand for new housing development in Stonington. The study found, consistent with the housing needs assessment, the greatest housing demand is for rental housing serving households at or below 80% Area Median Income (AMI) or \$78,500 for a family of four based on HUD Fair Market Rents. Also, the study revealed demand is greatest for one-bedroom units serving one- and two-person households. By utilizing the HUD Fair Market Rents—a different metric than the one used in the housing needs assessment—it was determined that demand exists for 1,347 units, with 611 at 80% AMI, 191 at 50% AMI, and 545 at 30%. These findings provide a framework for both strategies and the review and assessment of applications to develop affordable housing. Stonington should encourage one-bedroom rental units aimed at households at or below 80% AMI.

FY 2020 Income Limit Area	FY 2020 Income Limit Category	Persons in Family				TOTAL
		1 BR (1 - 2)	2 BR (3 - 4)	3 BR (5 - 6)	4+ BR (7)	
Stonington Affordable Housing Gap	Extremely Low-Income Units	(545)	39	141	39	(327)
	Very Low (50%) Units	(191)	323	289	95	516
	Low (80%) Units	(611)	151	622	306	468
TOTAL		(1,347)	512	1,052	439	657



Recommended Modifications to Land Use Regulations – Summary

The comprehensive review of the Zoning Regulations identified provisions that likely create impediments to the production of housing and affordable housing in Stonington. The impediments and potential changes and improvements included:

- **Accessory Apartments:** Remove or reduce square foot minimums and provide an Affordable Qualified Housing Provision that allows accessory apartment units to be deed-restricted for household incomes at or below 80% AMI.
- **Duplex Units:** Remove specific provisions that treat duplexes differently than single-family residential units to encourage more duplex units.
- **Multi-Family Residential:** Allow multi-family residential housing in zoning districts served by public sewer and water and target the I-95 interchanges at Exit 90 and 92.
- **Attached (multi-family) Housing Regulation:** Reduce the required minimum lot size and increase height (number of stories) allowed to encourage higher density multi-family development in more locations.
- **Mixed-Use Developments:** Remove the barriers (limited units and excessive parking requirements) to mixed-use development and encourage mixed-use as a primary means of providing multi-family residential development, including affordable housing units. Target the I-95 interchanges at Exit 90 and 92, utilizing mixed-use development as a means of redeveloping existing sites and developing undeveloped sites.
- **Minimum Residential Standards:** Remove the minimum floor area requirements, allowing the building and public health codes to determine minimums. This is an important and required change that results from case law—*Builders Service Corp. vs E. Hampton*—from the Connecticut Supreme Court that considered such minimum standards are illegal.
- **Parking Standards:** Reduce the minimum required parking and loading for multi-family residential units.
- **Lot Size & Non-Conforming Lots:** Study the RH-10 district and adjust dimensional requirements, including a reduction in minimum lot size requirements to mitigate the large number of non-conforming lots and encourage infill development.

Housing Needs Assessment – Summary

The below table provides a summary of findings from the affordable housing needs assessment that calculated the need (demand) for affordable housing. To accomplish this, the needs assessment compares the number of housing units available to the number of households in specific income cohorts.

- The negative values (in red) indicate where there are *fewer housing units available* than there are households that need housing affordable at the respective income level.



- The positive value indicates where there are more housing units available than there are households that need housing affordable at the respective income level.

Household Income	<\$15,000	\$15,000- \$24,999	\$25,000- \$34,999	\$35,000- \$49,999	\$50,000- \$74,999	\$75,000- \$99,999	\$100,000- \$149,999	\$150,000+
Owner-Occupied Households	-468	-336	-293	-116	142	791	-229	-1,641
Renter-Occupied Households	-451	208	126	-443	-1,338	-1,036	-1,192	-1,903
Total-Occupied Households	-230	374	350	170	222	832	-174	-1,641

The findings of the housing needs assessment are as follow:

- **Owner-Occupied Housing:** Below household incomes of \$50,000 there are 1,243 more households than there are affordable ownership housing units—demand outpaces supply, demonstrating housing affordability need.
- **Renter-Occupied:** Below household incomes of \$15,000 there are 451 more households and between household incomes of \$35,000 and \$74,999 there are 1,781 more households than there are affordable rental housing units—demand outpaces supply, demonstrating housing affordability need.
- **Total-Occupied:** Total-occupied housing/household accounts for both owner- and renter-occupied housing/households. This calculation accounts for the overlap of owner and renter households in the calculation above Owner- and Renter-Occupied Households and demonstrates that the owner-occupied housing market primarily serves higher-income households (above \$75,000 in household incomes) and the renter-occupied housing market serves lower-income households (below \$75,000 in household incomes). *At household incomes below \$15,000, there are 230 more households than there are affordable housing units—demand outpaces supply and demonstrates that is the segment of the housing market with the greatest need for housing affordability.*

The greatest need for affordable housing is at incomes below \$15,000 (20% AMI). At incomes below the poverty level (approximately 30% AMI), affordable housing cannot be addressed simply through the removal of impediments in the local land use, regulatory, and permitting system. Addressing this market segment requires intentional and specific government interventions. Even though the greatest need is at the lowest income segment of the housing market, the needs assessment reveals that need exists in Stonington at or below household incomes of \$75,000, which is approximately 95% AMI. Most important, encouraging and providing affordable housing for households at or below \$75,000 of annual income, would also serve the regional need for affordable housing.



Housing and Affordable Housing Incentive Programs – Summary

The exploration and review of potential housing incentive tools and programs that the Town of Stonington could employ to proactively encourage and provide affordable housing revealed several opportunities and viable approaches to intervene in the affordable housing market. The following is a summary of the tools and programs that could be implemented in Stonington.

- **Density and Density Bonuses:** Implementing the recommended zoning regulation changes aimed at removing impediments to affordable housing. This includes two additional recommendations beyond those discussed above:
 - Create an Affordable Housing Overlay Zone for areas served by public water and sewer and/or an affordable housing provision in the Neighborhood Development District.
 - Create an inclusionary zoning provision that requires all residential development of 10 units or more to provide a percent of the total units as qualified affordable units.
 - This provision could include a fee-in-lieu-of affordable housing provision to provide funding for the Housing Trust Fund.
- **Efficient Permitting:** Create a more efficient permitting process. Specifically, reduce overreliance on special permit uses for multi-family residential and mixed-use developments.
- **Permitting Fee Reduction or Waivers:** Amend the permitting fee ordinance to allow for reductions or waivers of permitting fees for affordable housing.
- **Property Tax Abatements:** Allow and grant tax abatements for affordable housing developments.
- **Housing Trust Fund:** Create an affordable housing trust fund to raise and capture funding to aid in the development of affordable housing and target the funds and support for affordable housing that serves households at or below 50% median income (i.e., supportive housing).

The Stonington Affordable Housing Plan

This section is the Affordable Housing Plan—the specific policies, programs, and strategies to implement to encourage and provide more Qualified Affordable Housing in the town of Stonington. It is important to recognize, it is not enough to simply adopt this plan and implement the recommended strategies. Encouraging and providing affordable housing is challenging and difficult work. It is easy to lose momentum and the political will required to achieve the desired outcomes of inclusion and investment. Therefore, Stonington must embrace this plan, the need for affordable housing, and the desired outcome as a new philosophy of improvement, inclusion, and betterment for the community. This requires a constancy of purpose to implement the plan and achieve the desired outcomes. Stonington must work, continuously and passionately to provide affordable housing.



Stonington's Strengths, Aspirations, & Values

The following are a set of guiding principles that frame the Stonington community and the aim of this plan to create inclusion and wellbeing for all members of the community.

Stonington should be:

- Not only a great place to live – with its villages, seacoast, and rural farmland – Stonington is a diverse place to live.
- A welcoming community that cares for each other—creates a sense of belonging that is a substantial part of Stonington's character.
- A community that values social, economic, and environmental diversity.
- A community where residents enjoy a small-Town vibe with historic villages, maritime heritage, coastal setting, and scenic rural farm country.
- A community that wants to provide the opportunity to persons of all incomes to enjoy the benefits the community has to offer.
- A community where the town's actions promote and celebrate diversity, ensuring persons from all walks of life can afford to live in Stonington.

Who We Are & Strive to Be?

- *Anyone living in Stonington should have access to clean, safe, and quality affordable housing.*
- Stonington, as a community and municipality, seeks to provide housing that is affordable such that *those who work in Stonington, irrespective of income, can afford to live in Stonington.*
- Our village centers should continue to offer inclusive mixed-income housing close to shops and services, and where public transportation, utilities, water, and sewer are available.

Targeting Investment

The implementation of this Affordable Housing Plan provides Stonington a unique opportunity to leverage housing investment to encourage and create new investment in the community. By strategically targeting investment into well-defined areas (locations) of the community where investment has been deferred, Stonington will create the greatest potential for overall community improvement, betterment, and the physical upgrading of those areas. In Stonington, the areas with the most deferred maintenance and lack of investment that will most benefit from a targeted new investment are the area around Exit 92 (new investment), Pawcatuck (reinvestment), and Exit 90, in Mystic (reinvestment). Exit 90 in Mystic is a gateway to the community with substantial commercial development. While this area is vibrant, much of the development is from decades past, and today, many of the buildings and designs are dated. In

some cases, deferred maintenance is evident, signaling possible waning confidence in the market. As a gateway, this area presents visitors with their first (also last) impression of Stonington. Therefore, this area needs new investment, special attention, and high-quality design. This area must also be a top priority and a location where development is encouraged. Incentivizing new investment through the removal of regulatory impediments and financial incentives (tax abatements) from the Town would likely spur new investment in the area, creating greater confidence, and resulting in further private investment.

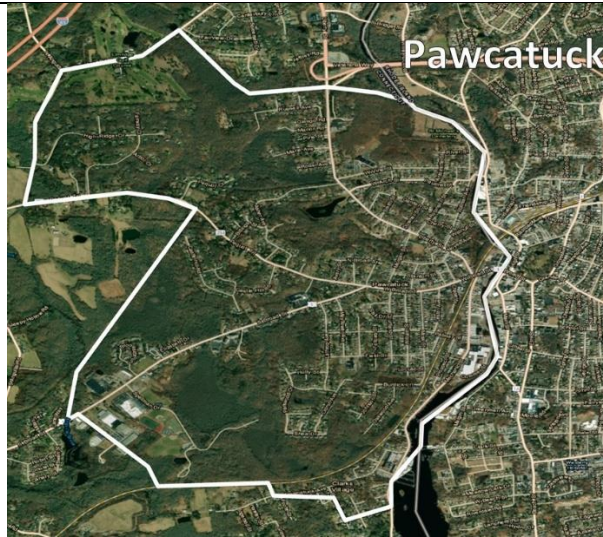
Map 2. Villages of Stonington



Pawcatuck, a post-industrial urban village, is the softest market in Stonington with the greatest degree of deferred maintenance. Therefore, Pawcatuck is the location that will benefit the most from new investment. Also, Pawcatuck's household incomes are below the median household income of Stonington (\$79,250). This means that affordable housing at 60% to 80% of Stonington's household income is approximately 80% to 100% of the median income in Pawcatuck. Therefore, leveraging affordable housing to create new investment in Pawcatuck should not place undue burdens of income on Pawcatuck, and the benefits of new investment should result in much-needed improvement. In other words, Qualified Affordable Housing in Pawcatuck would be targeting the same households as the existing market.



Map 3. Pawcatuck

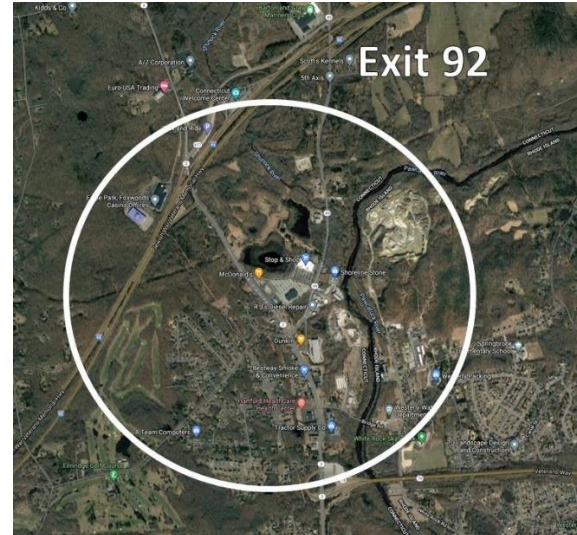


The Exit 92 area is the best location for new construction, with ample land, infrastructure, and easy access to the Interstate Highway. This makes the area ideal for both mixed-use commercial and residential and multi-family residential. Mystic, the historic seaport village, is a vibrant and prosperous focal point of the community and tourism in Southeastern Connecticut. While the market is strong, outside of the historic district, the area is older with a mixture of property conditions and deferred maintenance. While Mystic is not distressed, it can and will benefit from new investment and redevelopment—provided such investments and developments are appropriately designed to fit with and further enhance the historic character of the village.

Map 4. Mystic



Map 5. Exit 90 & Exit 92



Removing Regulatory Impediments – Recommended Modifications of Land Use Regulations

The following are specific recommendations for modifications and improvements to the Stonington Zoning Regulations aimed at removing impediments to housing, investment, and the creation of affordable housing. These recommendations are derived from *Technical Memorandum One: Recommended Modifications to Land Use Regulations*. By implementing such changes, Stonington will create a more predictable land-use system, ensure greater confidence in housing developers and investors, and encourage greater investment, in the form of infill development, redevelopment, and new development within the areas of the community that can accommodate development and best serve the needs moderate- and lower-income household in Stonington and the region.



Accessory Apartments

- Remove or substantially reduce the minimum of 2,000 square foot total area provision from the existing regulation to expand the opportunity for accessory apartments in smaller single-family residential properties.
- Create a Qualified Affordable Accessory Apartment provision that encourages such units to be deed-restricted to maintain affordability. Such a provision should be voluntary for the



applicant and requirements for Qualified Affordable Units should be following affordability requirements of CGS 8-30g.

- To encourage and incentivize homeowners who are applying for accessory apartments to utilize the qualified affordable provision, the zoning provision should be paired with the recommendations below for an affordable housing tax abatement program. Therefore, the tax abatement offered for the qualified affordable accessory unit would be the incentive to voluntarily use the provision.

Duplex Units

- Allow duplex units on minimum lot sizes that are the same as the minimum lot sizes for single-family residential units in the zoning districts where duplex units are allowed.
 - For example, if the minimum lot size for a single-family house is 10,000 square feet, then the minimum lot size for the duplex unit should also be 10,000 square feet.
- In addition to duplex housing units, allow semi-detached single-family housing with a zero-lot-line provision. This would allow two-unit or townhouse units to be developed on individual lots but designed where the property line splits the wall separating the units.
 - Such a provision would require a reduction in the minimum lot size and zero side-yard provision to accommodate such a form of development.
- Allow duplexes, three-family, and semi-detached single-family (townhouse) units through an as-of-right permitting process.

Multi-Family in Residential Zones

- Allow multi-family residential uses in the conventional residential zoning districts that are served by public sewer and water.
- Consider allowing multi-family residential uses in commercial zoning districts.
- Change the Attached Housing provision to Multi-Family Housing.
 - Reduce the minimum lot area requirement to 3 acres.
 - Remove the integral area per unit provision.
 - Increase the density (units per acre) to 6 or 8 units per acre.
 - Increase the maximum stories to 3 or 4 stories.
 - Remove the number of units per building (min and max) requirements.
 - Change the common recreation area provision to active and passive open space.

Residential Use Growth Management (Section 7.5)

- Delete this entire section from the Zoning Regulations.



Minimum Residential Standards (Section 7.9)

- Delete this entire section from the Zoning Regulations.

Residential Mixed-Use (Section 6.6.21)

- Eliminate the unit maximums and allow site characteristics, market demand, and design to drive the unit totals.
- Remove the lot area requirements per unit and allow coverage and parking to constrain unit yield.
- Reduce or provide flexibility to the 33% commercial use requirement to better allow market demand to determine the mix of uses.
- Expand the applicability of Residential Mixed-Use provision to allow such uses in the commercial zoning districts serviced by public water and sewer.
- Reduce the building size in the “Rehabilitation of Existing Buildings” provision (Section 6.6.14) and increase density allowed under this section in the PV-5 zone to encourage redevelopment of existing buildings.
- Add a provision to require Qualified Affordable Units as a percentage of total units.
- Consider an additional zoning provision to allow residential uses above the ground floor in commercial zones as of right. This can simply be a use provision that allows ‘Residential Above Commercial’ in any commercial zoning district.

Site Development Standards – Parking (Section 7.10)

- Reducing the required parking for multi-family housing to 1.5 per unit with no additional requirements for visitor parking.
- As an alternative to the reduced parking ratio above, consider a flexible standard that allows the applicant to demonstrate parking needs and set the required parking based on need.
- Reduce or eliminate the requirement for Off-Street Loading Berths in Section 7.10.5.
- For mixed-use developments, reduce the required parking to 1.25 spaces per unit since parking can be shared with other uses.

Lot Size and Non-Conforming Use and Bulk

- Study and analyze the RH-10 zoning district and explore the possibility of reducing the minimum lot size and/or adding a provision to allow investments and renovations that modernize the housing stock regardless of the non-conforming status of properties.
- Consider further study and analysis of the RH-10, RA-15, RA-20, RM-15, and RM-20 zoning districts to explore opportunities for increased residential densities and multi-family housing.



Efficient Permitting and Permitted Use

- Conduct a comprehensive review use allowed by zone. In doing so, consider the following:
 - Reduce the numbers of uses that require special permits—especially multi-family and mixed-use residential.
 - Allow residential units above the ground floor in existing buildings via staff review and approved zoning permit.

Inclusionary Zoning

- Create an inclusionary zoning provision that requires all residential developments of 10 units or more to provide a minimum of 10% and a maximum of 20% of the units as qualified affordable housing.
 - Provision should apply to single-family subdivisions and multi-family housing.
 - Single-family subdivisions to provide 10% qualified affordable housing units at 80% AMI or pay a fee-in-lieu of affordable housing.
 - Multi-family housing developments to provide 15% qualified affordable housing units for developments of less than 50 units and 20% qualified affordable units for developments of 50 or more units. Of the qualified affordable housing units, 75% provided at 80% AMI and 25% provided at 60% AMI.
 - Multi-family shall include mixed-use developments.
- Create a Qualified Affordable Housing provision to be utilized with Neighborhood Development District, which allows an increase in density to 10 or 12 units per acre provided 20% of the units are qualified for household incomes of 80% AMI.

Permitting Fee Reductions or Waivers

- Amend the Land Use and Building Permitting Fee Schedules to provide for reductions in permitting fees for multi-family, mixed-use, and qualified affordable housing units.
- Provision to allow permitting fees for qualified affordable housing units to be waived. Alternatively, waivers could be structured to specifically address end-user housing costs. In doing so, consider the following:
 - Application and permitting fees for all multi-family and mixed-use housing developments, regardless of affordable units, be reduced by 50%.
 - Qualified affordable housing unit application and permitting fees waived—zero fees for the qualified units.
 - For housing developments that provide qualified affordable housing units at or below 50% AMI, all application, permitting, and certificate of compliance fees are reduced by 90%, and all fees for qualified affordable housing units are waived.



Providing Incentives – Housing and Affordable Housing Incentive Programs

The following are specific recommendations for incentives to create housing and affordable housing in Stonington. These recommendations are derived from *Technical Memorandum Three: Housing and Affordable Housing Incentive Programs* and additional research into Tax Increment Financing Districts. By implementing such incentives, Stonington can and will proactively intervene in the housing market by providing resources that can mitigate the fiscal barriers to housing and affordable housing productions.

Property Tax Abatement

- Create a Qualified Affordable Housing tax abatement policy following Section 12-65b (Agreements between municipality and owner...of real property...fixing the assessment of such property...) of the Connecticut General Statutes to provide tax abatement consideration for multi-family and mixed-use housing developments that provide qualified affordable housing units.
- The following is a framework for thinking about the Qualified Affordable Housing tax abatement policy and how it is be structured to incentivize affordable housing development:
 - The policy should be flexible in its structure and utilization to avoid binding the Town or applicants to tax abatements that may not work.
 - Structure all abatements to fix the current tax value for tax paid so that Stonington does not lose the existing taxes paid by the property.
 - Allow tax abatements for mixed-use and multi-family housing developments regardless of the inclusion of qualified affordable housing units. Such a policy can be targeted at the area near Exit 90 in Mystic and throughout Pawcatuck where the aims of creating new investment and redevelopment are as important as providing affordable housing.
 - Allow tax abatements to be considered for the entire project, including market-rate units and commercial property in mixed-use development. Such a policy could offer different degrees of abatements in terms of the number of years and percent value of abatements for market-rate housing and commercial developments than the qualified affordable housing units.
 - Consider a flexible sliding scale abatement structure that utilizes the number of years the abatement is available for and the percent value of abatements offered considered against the percent of qualified affordable units provided and the household incomes those units will serve. For example:
 - The more qualified affordable housing units are provided, the more years taxes are abated for.
 - The lower the household income required for qualified affordable housing units, the more years and higher percent of abatement value offered.

- For qualified affordable housing units serving household incomes at or below 50% AMI, offer the maximum number of years (10-years) and maximum percent abatement (100% abatement).
- If paired with a provision in zoning to allow Qualified Affordable Accessory Dwellings, the offer of tax abatements could be used as an incentive to encourage owners to deed restrict accessory dwelling units as qualified affordable housing units.
- The incentive of tax abatements could be offered to owners of existing naturally occurring affordable multi-family housing units (including duplex and three-family units) to deed restrict those units as *qualified affordable housing units*.
- Such a policy could also be utilized to incentivize the rehabilitation of such units as part of the tax abatement—longer and larger abatement for naturally occurring affordable housing units that are renovated before the tax abatement for the qualified affordable housing deed restrictions are applied.
- In Mystic and Pawcatuck, tax abatements could be used as a means of incentivizing all investment in housing. Being older, these areas are in constant need of investment and renovations, otherwise, they run the risk of disinvestment and deterioration. Therefore, providing property owners with tax abatements for substantial renovations provides a meaningful incentive for investment and improvement.

Tax Increment Financing (TIF) Districts

Tax Increment Financing utilizes the anticipated future increases in property taxes to pay for current and needed improvements (typically infrastructure improvements) or to repay debt issued for such improvements. Connecticut state law (CGS Section 7-339cc – Section 7-339kk) authorized local municipalities to create Tax Increment Districts for the utilization TIF in a manner that geographically targeted,

- Create Tax Increment Financing Districts in the area around Exit 90, Exit 92, Pawcatuck, and Mystic Village to fund infrastructure improvements to support affordable housing production and to assist with financing affordable housing developments that need capital. This will require a TIF District study and the creation of TIF District Master Plans for each of the TIF areas/districts.
- The following is a framework for thinking about the Tax Increment Financing Districts and policies and how to structure a TIF program to incentivize affordable housing development:
 - The TIF policy should be flexible in its structure and utilization to avoid binding the Town or applicants to requirements that may not work.
 - State law provides great latitude in what TIF funds can be utilized to accomplish. This includes public infrastructure, technical assistance, predevelopment planning

and design, property acquisition, financing costs, and much more. Structure the TIF policies to be flexible, allow any of the TIF statutory authorized costs to be considered, while emphasizing the aim of TIF to promote and support housing and affordable housing.

- Allow tax abatements for mixed-use and multi-family housing developments regardless of the inclusion of qualified affordable housing units. Such a policy can be targeted at the area near Exit 90 in Mystic and throughout Pawcatuck where the aims of creating new investment and redevelopment are as important as providing affordable housing.
- Establish a TIF Advisory Board (CGS Sec. 7-339kk) made up of owners and occupants of the Districts and designate the Advisory Board as sub-committee of the Economic Development Commission.
- Allow TIF funds to be considered for the entire project, including market-rate units and commercial property in mixed-use development. Such a policy could offer different degrees of TIF funding support depending on the amount of qualified affordable housing being provided.
- Consider the utilization of TIF to fund renovations to existing housing, including naturally occurring affordable multi-family housing.
- TIF Districts can be a powerful tool for overcoming market impediments real estate development and financing. TIF Districts are also a powerful policy tool for targeting investment in specific areas of the community, while utilizing tax value from those areas to fund the investments.

Housing Trust Fund

- Following the Connecticut General Statutes, Chapter 98, Section 7-148(c)(2)(K) (and Chapter 124, Section 8-2i. Inclusionary Zoning), establish a Stonington Affordable Housing Trust Fund intended to raise funds to encourage and support the production of qualified affordable housing.
- The Trust Fund should be utilized for providing loans or grants to affordable housing developments for the creation of qualified (deed restricted) affordable housing units (and supportive housing) that target households at or below 50% AMI.
- The Trust Fund, when established, should include clear language as to what affordable housing activities the trust fund can be used to fund and how the funds can be utilized. This could include new construction and rehabilitation of qualified affordable housing, rehabilitation of existing naturally occurring affordable housing. Uses of the funds could include loans, grants, pre-development costs, or down payment assistance for qualified home buyers.



- The following is a framework for policies that can be utilized to raise revenue for the Trust Fund, administration, and dispersion of funds to incentivize the production of qualified affordable housing.
 - Create a line item in the Town of Stonington budget to fund the Trust Fund each year. It is recommended that a minimum amount is established for yearly funding to ensure that Trust Fund receives revenues. However, Stonington should seek to fund more than the minimum amount.
 - Capture a Percentage of building and land use permitting fees to be allocated to the Trust Fund. Alternatively, create a surcharge on all building and land use permitting fees to be allocated to the Trust Fund.
 - Promote the Trust Fund for tax-deductible donations from residents and businesses, including organizing and hosting yearly fundraising drives and events.
 - Pair the Trust Fund with the inclusionary zoning provision that requires a fee-in-lieu of affordable housing for all residential developments of 10 units or more that do not provide qualified affordable housing units.
 - Designate the Economic Development Commission as the Affordable Housing Trust Fund Advisory Committee, to make recommendations to the Board of Finance and Board of Selectman, on administering the Trust Fund and related activities.
 - Develop an application process for private and non-profit affordable housing developments to apply for grants to incentivize the production of qualified affordable housing units that target households at or below 50% AMI.

Confronting Homelessness

Chronic homelessness cannot be solved through land use regulations or simply by providing more affordable housing. The section recommends a framework for a comprehensive approach to confronting homelessness.

Homelessness and Short-Term Housing

Any strategy to address homelessness must be comprehensive and across government agencies. Comprehensive means the strategy must address social, economic, and health care issues associated with homelessness. Create a Homelessness Committee and utilize the following as a framework for creating a comprehensive strategy to address homelessness:

- *Comprehensive Economic and Community Development Strategy*: Create an investment strategy aimed at supporting economic growth, prosperity, and targeting public investment in infrastructure, education, and workforce training/development.



- *Adopt a One-Stop Approach to Services:* People struggling with poverty and homelessness will most likely not find a way out of poverty without intentional and well-coordinated government assistance. Stonington’s aim must be for people struggling with poverty to enter the economic mainstream and fully participate in the community, not of staying impoverished but with less discomfort. This requires integrated and coordinated social services—local, regional, state, and non-profit.
- *Cross-Sector Collective Impact:* Create a culture of cross-sector (and agency) collective impact and implement a fully integrated and well-coordinated approach to health and human services delivery. This means working together, across sectors and targeting resources.
- *Youth and Education:* Work to break the cycle of generational poverty through interventions aimed at creating opportunities for those in-need and at-risk youthful populations. Targeted investments at early childhood through adolescence programs.
- *A Culture of Constant Improvement:* Just good enough is, in fact, not good enough. For Stonington (and the region) to improve and prosper, the community must create a culture of constant improvement, where working continually to improve is part of everything we do.



Implementation Schedule

Implementation of the Plan is a gradual and continual process—a continuous process of working towards improvement through achieving the goals and objectives of the Plan. While some recommendations can be carried out in a relatively short period, others may only be realized towards the end of the plan implementation period, and some may be even more long-term in nature. Furthermore, since some recommendations may involve additional study or a commitment of fiscal resources, their implementation may take place over several years or occur in stages or phases.

The following chart identifies the specific strategy, the agency responsible, and the recommended priority for implementation. In many instances, the responsibilities are shared by more than one agency.

Affordable Housing Plan				
Strategies	PZC	EDC	BOS	BOF
Accessory Apartments	High			
Duplex Units	Medium			
Multi-family in Residential Zones	Medium			
Residential Growth Management	Low			
Minimum Residential Standards	Low			
Residential Mix Use	Medium			
Site Development Standards - Parking	Medium			
Lot Size and Non-Conforming Use & Bulk	Medium			
Efficient Permitting & Permitted Uses	High			
Inclusionary Zoning	Medium			
Permitting Fee Reductions & Waivers	Medium	Low	Low	Low
Property Tax Abatement		Low	Low	Low
Tax Increment Financing Districts (TIF)	Medium	Low	Low	Low
Housing Trust Fund	Medium	Low	Low	Low
Homelessness and Short-Term Housing			Medium	

Implementation Schedule Legend

Agency	Abbreviation
Planning & Zoning Commission	PZC
Economic Development Commission	EDC
Board of Selectmen	BOS
Board of Finance	BOF

Priority	
High	Year 1
Medium	Years 2 to 3
Low	Years 4 to 5