

Newtown

Draft March 2022

Annex to the 2022 Western Connecticut Regional Affordable Housing Plan

Town History Relating to Affordable Housing

The Town began the process of creating mixed use housing after Land Use Agency staff attended a seminar presented by the Partnership for Strong Communities and Department of Housing that explained the concepts, programs, and the need for incentive housing.

At that time, Newtown Zoning only allowed Elderly Housing and Affordable Housing at a density of 4 dwelling units per usable acre and a Mixed Income Housing Development Zone (under a C.G.S. 8-30g appeal that allowed 5.75 units per gross acre of land). In response to the limited density of dwelling units, few housing developments were proposed. Since the Town is well below the 10% affordability criteria the Land Use Agency and Planning and Zoning Commission investigated possible amendments to the Zoning Regulations.

The Town of Newtown hired a consultant to complete an Incentive Housing Zone Study in 2010 to assess the current housing stock and demographic and economic trends. Utilizing this information, the Town Land Use Agency completed a review of our current affordable and multi-family zoning regulations.

The State Incentive Housing Program minimum housing density of 20 dwelling units per acre, was determined by the Planning and Zoning Commission to be excessive for the current land uses of Newtown. The Land Use Agency then conducted a series of staff meetings and discussions with Planning and Zoning Commissioners, land use attorneys, area planners and developers to create an affordable housing regulation that would suit the current land uses of Newtown, while encouraging diverse housing options that would be financially feasible for developers. The discussion included several attorneys and developers that would have previously utilized C.G.S. 8-30g to obtain approvals for affordable housing projects.

From these meetings, the Land Use Agency, with the assistance of all parties, developed the current Newtown Incentive Housing Overlay Zone Regulation that allows a maximum of 12 dwelling units per usable acre with 20% required as affordable units. The density compromise has resulted in the approvals of two affordable housing projects in Newtown; Riverwalk at Sandy Hook Village with 74 total dwelling units approved on September 4, 2015, and the Covered Bridge at Newtown with 180 total residential units approved December 18, 2015.

The Town of Newtown and the Borough of Newtown Zoning Commissions have amended their respective Zoning Regulations to include accessory apartments and parking requirements in compliance with the recently amended Connecticut General Statutes.

Newtown has three mobile home parks, three 55 and older multi-family developments, assisted living complexes and numerous accessory apartments in single family residences. The Newtown and Borough Zoning Commissions have also approved zoning amendments to allow a higher density of apartments above commercial properties. To facilitate more affordable smaller residential dwellings the Newtown Zoning Commission has approved subdivision regulations allowing Conservation Subdivisions and the Borough Zoning Commission has approved Cluster Housing. Both regulation amendments include small lots which result in more affordable housing choices.

The 2010 Incentive Housing Study designated the Town owned Fairfield Hills Campus as a prime area for affordable housing. At the time the Fairfield Hills Adaptive Reuse Zoning Regulation did not allow for residential housing at the campus. In 2013 and again in 2018 the Fairfield Hills Campus Master Plan Committees discussed the possibility of residential housing at the Campus.

After several public meetings discussing housing options including affordable components, the Town held a referendum in 2020, where a majority of the voters were in favor of adding housing as a limited use on the campus. The Planning and Zoning Commission subsequently amended the Fairfield Hills Adaptive Reuse Zone to include housing in two of the vacant buildings.

The development plans include the creation of over 160 units with one or two bedrooms which will provide unique and equitable opportunities for people to reside in Newtown. This project is an exciting opportunity to not only preserve these historic buildings but, also assist Newtown in meeting the municipal affordable housing goals.

Community Values Statement

- Strive for a more balanced supply of housing types that will accommodate the housing needs of Newtown residents and those working in Newtown.*
- Some aspects of housing affordability are beyond the control of a local municipality, while others are directly affected by a municipality's land use policies and regulatory practices.*
- Housing units in a multi-family complex are expected to be in a price range that would attract younger adults back to Newtown. Also a multi-family complex provides a life style that is more suitable for younger adults just starting their professions. The loss of this young working-age population over the past decade may have resulted from the price and/or type of housing available, although the location of jobs is also a factor for this demographic trend. (p. 64, Affordability of Housing)*

* From Newtown POCD *(In future will include input from public and staff)*

Housing Market Trends

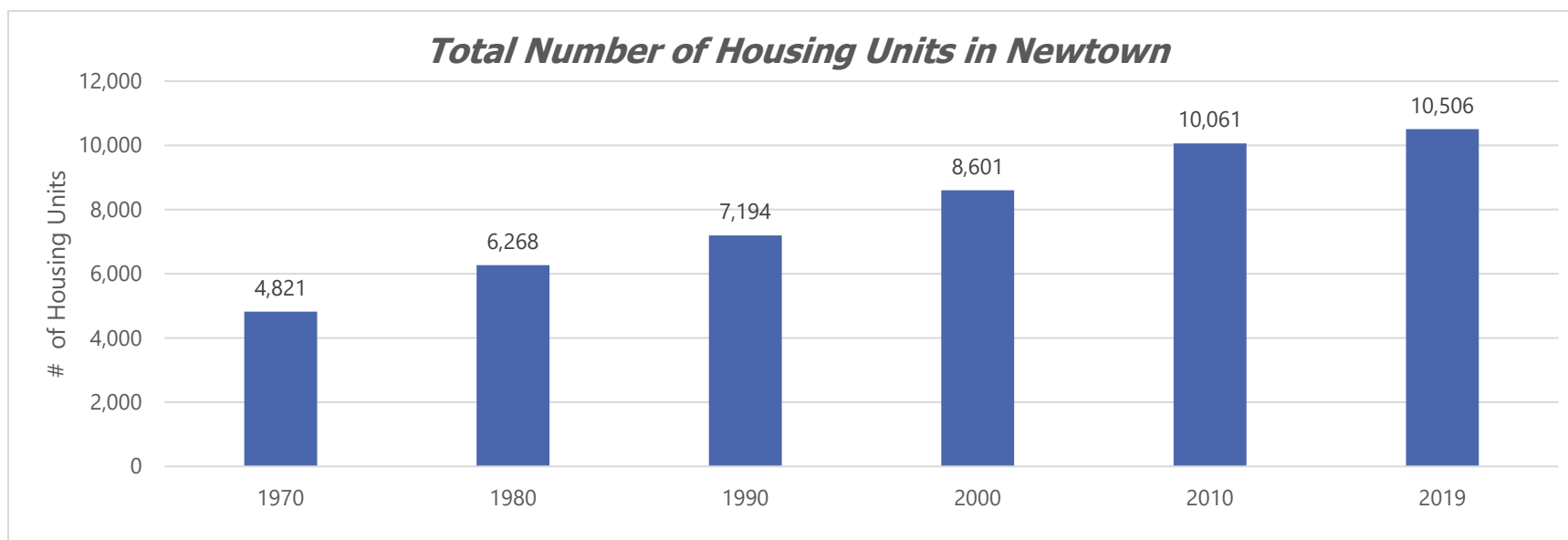
Progress Towards 10% Affordable Housing (C.G.S. 8-30g):

Over the last 15 years, affordable housing units have steadily increased in the town from 163 units in 2005 to 268 units in 2020. Most of the affordable housing created over the last 15 years have been increased usage of low interest mortgages offered by the state and federal government, as well as an increase in deed-restricted units.

YEAR	GOVERNMENTALLY ASSISTED UNITS	TENANT RENTAL ASSISTANCE	CHFA/USDA MORTGAGES	DEED RESTRICTED	TOTAL ASSISTED	CENSUS HOUSING UNITS	PERCENT AFFORDABLE
2002	245	-	27	15	287	8,601	3.34%
2005	136	-	12	15	163	8,601	1.90%
2010	138	-	18	15	171	8,601	1.99%
2015	134	3	43	15	195	10,061	1.94%
2020	134	7	95	32	268	10,061	2.66%

SOURCE: CT DEPARTMENT OF HOUSING, AFFORDABLE HOUSING APPEALS LISTS

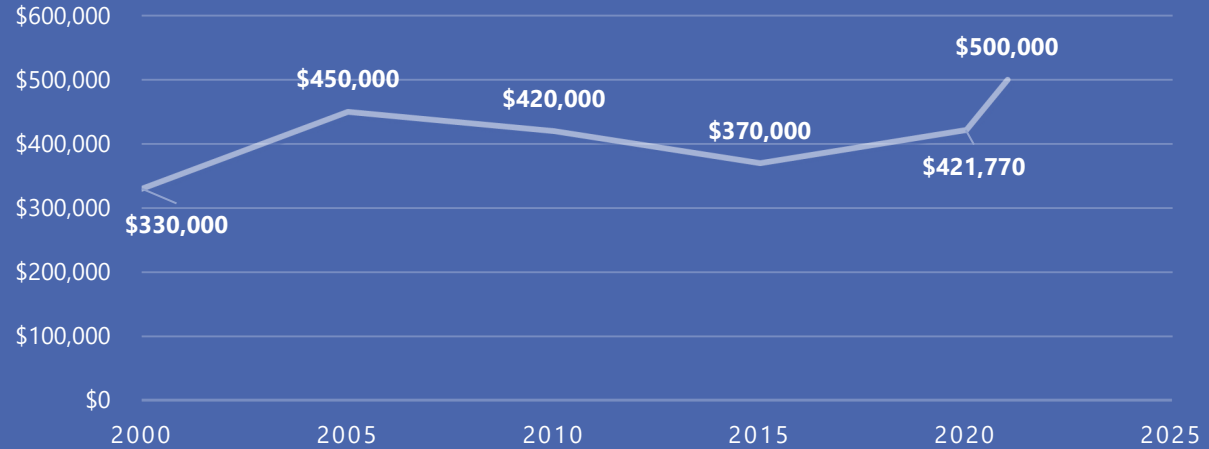
The overall number of housing units more than doubled from 1970 to 2010, since 2010 there has been a steadier growth in housing units with 445 units built in the last decade.



Source: 1970 to 2020 Decennial Censuses; 2015-2019 American Community Survey

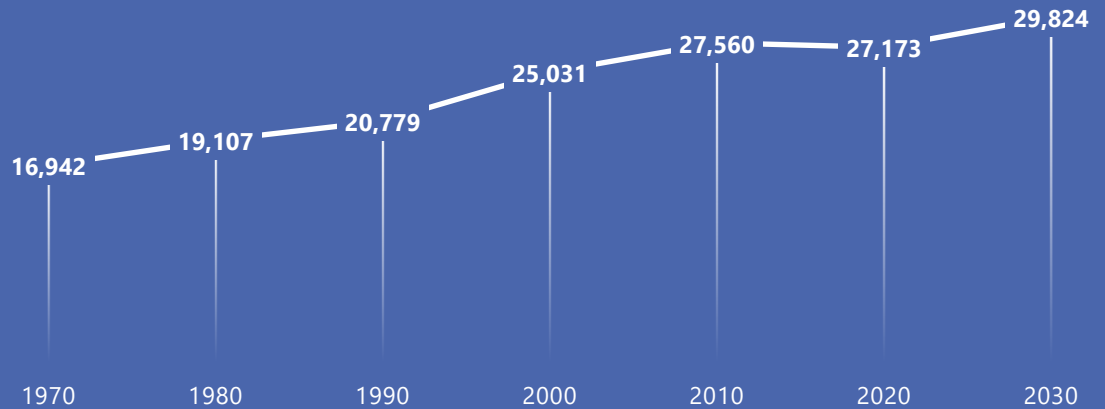
The median single family housing prices before the 2008 Great Recession were at a high of \$450,000. Afterwards, prices fell to \$370,000 in 2015 until the 2020 COVID Pandemic caused housing prices to surge beyond pre-recession prices to \$500,000.

MEDIAN SINGLE FAMILY HOUSING PRICES IN NEWTOWN FROM 2000 TO JULY 31, 2021



Source: Warren Group, 2021.

NEWTOWN POPULATION WITH 2030 PROJECTION



Source: 1970 to 2020 Decennial Censuses. NYMTC. WestCOG analysis

Housing Needs

There are 2,668 or 27.1% cost burdened households in Newtown (shown in red below), according to the 2015-2019 American Community Survey. 35.5% of renters are cost burdened, while only 25.9% of owners are cost burdened.

There are various thresholds a household or individual need to meet to qualify for affordable housing that depends on the program. For example, the C.G.S §8-30G set-aside development program is one of the least restrictive programs and requires prospective tenants to be low-income (ie. make 80% or less of the state median income) and be cost-burdened. There are 1,546 households as of 2019 in Newtown who meet these characteristics – accounting for 15% of households in need of affordable housing in Newtown. This showcases that the need for affordable housing outnumbers the statutory requirements of 1,006 units.

Cost-Burdened Households in Newtown						
MONTHLY HOUSING COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME IN THE PAST 12 MONTHS	Occupied housing units	%	Owner-occupied housing units	%	Renter-occupied housing units	%
Less than \$20,000	327	3.3%	218	2.5%	109	9.5%
Less than 20 percent	0	0.0%	0	0.0%	0	0.0%
20 to 29 percent	25	0.3%	0	0.0%	25	2.2%
30 percent or more	302	3.1%	218	2.5%	84	7.3%
\$20,000 to \$34,999	593	6.0%	417	4.8%	176	15.4%
Less than 20 percent	21	0.2%	0	0.0%	21	1.8%
20 to 29 percent	82	0.8%	42	0.5%	40	3.5%
30 percent or more	490	5.0%	375	4.3%	115	10.1%
\$35,000 to \$49,999	811	8.2%	553	6.3%	258	22.6%
Less than 20 percent	130	1.3%	80	0.9%	50	4.4%
20 to 29 percent	198	2.0%	94	1.1%	104	9.1%
30 percent or more	483	4.9%	379	4.3%	104	9.1%
\$50,000 to \$74,999	920	9.3%	781	8.9%	139	12.2%
Less than 20 percent	250	2.5%	219	2.5%	31	2.7%
20 to 29 percent	399	4.0%	356	4.1%	43	3.8%
30 percent or more	271	2.7%	206	2.4%	65	5.7%
\$75,000 or more	7,115	72.0%	6,738	77.1%	377	33.0%
Less than 20 percent	3,762	38.1%	3,500	40.0%	262	22.9%
20 to 29 percent	2,231	22.6%	2,154	24.6%	77	6.7%
30 percent or more	1,122	11.4%	1,084	12.4%	38	3.3%
Zero or negative income	35	0.4%	35	0.4%	0	0.0%
No cash rent	84	0.8%	(X)	(X)	84	7.3%

Discussion

Over the years, the Town of Newtown has adopted practices that support the development of affordable housing. In a continuation of this effort, the Town will propose the expansion of the existing sewer system southward down South Main Street which will provide the infrastructure that supports affordable housing development.

The Town will also continue to support affordable funding programs including the Affordable Housing FLEX fund and Affordable Housing Trust Fund program.

Affordable Housing FLEX fund was effective July 1, 2001, and provides grants, loans, loan guarantees, deferred loans or any combination thereof for the development and preservation of affordable housing (CT Department of Housing).

The Affordable Housing Program, otherwise known as FLEX is DOH's primary housing production program and is frequently referred to as the "flexible" housing program. The program provides quality, affordable housing for Connecticut residents, promotes and supports homeownership and mixed income developments, and assists in the revitalization of urban and rural centers.

The Affordable Housing Trust Fund program was effective on July 1, 2005. The program provides gap financing, grants, loan guarantees, low-and no-interest loans, and funding for the Connecticut Individual Development Account housing program. Additionally, an Advisory Committee advises the Commissioner on the management and objectives of the program, and on the development of regulations, procedures, and rating criteria for the program. The Housing Trust Fund Program is administered by the DOH and is designed to create affordable housing for low- and moderate-income households. The funds are awarded as loans and/or grants to eligible sponsors of affordable housing. The program encourages the creation of homeownership housing for low- and moderate-income families, promotes the rehabilitation,

preservation and production of rental housing and the development of housing which aids the revitalization of communities.

Strategies

The following are key strategies that the Town of Newtown will work toward achieving over the next five years:

1. Encourage the approval of business (tax) incentive applications for developments that include affordable housing.
2. Support the approval of business (tax) incentive applications for businesses that will provide appropriate new jobs especially in targeted industries.
3. Provide the public with education and access to information on available assistance such as CHFA loans, affordable housing locations, USDA Home Loans, and rental voucher programs.
4. Support the preservation of the Affordable Housing FLEX Fund and state Housing Trust Fund.
5. Determine appropriate incentives for individual owners of rental properties that qualify as affordable to consider deed restrictions.
6. Work with neighboring towns toward creating a regional housing authority that would aid affordable property owners and/or potential tenants in the application and income verification processes.
7. Continue to look for public transportation opportunities that are appropriate for a municipality as geographically large and spread out as Newtown. The town expects to pursue grant funding to improve public transportation.