

# Sherman

*Draft March 2022*

*Annex to the 2022 Western Connecticut Regional Affordable Housing Plan*

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## **Town History Relating to Affordable Housing**

For Sherman's more than 200-year history, affordable housing by the State's definition has been difficult to realize. However, as will be pointed out later in this report, Sherman has always had a diverse range of housing and, technically, has had affordable housing throughout its existence. (While this report will use the term "affordable housing" as defined by the State, the term does not necessarily pertain to housing that is, literally, "affordable".) Some past efforts to increase affordable housing have included zoning changes to include accessory apartments. In addition, to possibly attain a wider range of housing types, a Housing Commission was formed. However, as of 2022, that commission is dormant. Previous to its dormancy, the Housing Commission reported its findings to the Town. Its findings were obtained through surveys, mostly having to do with senior housing and, to a smaller degree, senior affordable housing. While there was a reasonably strong consensus for senior housing demonstrated by the survey, affordable housing was looked at less favorably by the residents polled.

Sherman is considered by the State a "rural" community. In actual terms, Sherman is a hybrid between rural and suburban. The primary and predominant housing is single family households. The essential nature of a rural town provides limited opportunity for the development of diverse housing opportunities. Sherman doesn't, for example, have public water or a

public sewage system. Also, Sherman lacks many of the amenities that are convenient for affordable housing such as a healthcare facility or clinic, a pharmacy, diverse shopping opportunities, and public transportation. Yet, it deserves to be said that Sherman is an unusually diverse Town with regard to socioeconomics. While most small towns in the United States (towns with less than 5,000 residents) rely on one key industry to employ a majority of residents, that is not the case at all in Sherman. Also, small towns tend to have more parity when it comes to incomes. This is not at all the case in Sherman. Our work force runs the gamut from all levels of blue collar and white collar, educators, artists, pilots, medical professionals, farmers, and entrepreneurs. Our income strata range from wealthy "one-percenters" to people on public assistance. Along the way, housing came about to satisfy all of these income groups, wide-ranging and diverse as it is. In other words, there is a diverse stock of housing, albeit mostly single-family, in Sherman.

There are opportunities for other ways to better meet the State's idea of affordable housing. They are:

- Accessory apartments are permitted, subject to Special Permit, within virtually every residential structure in the Town of Sherman. Although not meeting the State of Connecticut affordable housing standards, the presence of these apartments addresses a need for low-income and moderate-income housing within the Town of Sherman.
- Residential housing alternatives, provided that such alternatives are economically viable and fully able to meet their water supply and septic disposal needs on site, shall be encouraged.
- Permitting of open space development allowing houses to be located closer together in order to preserve larger areas of open space around the housing areas assuming it leads to no more housing units than a normal development would contain. This open space development more closely matches early Connecticut rural development patterns than does our current suburban development pattern.

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## **Community Values Statement**

The Town of Sherman is a rurally minded town, so designated both by the choice of its own citizens and the mandate of the State of Connecticut's plans of development and preservation. As a rural town, much of the Town's surface area comprises either land used for agricultural purposes or land left in its natural state. The primary developed use of land in the town is for residences.

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## Housing Market Trends

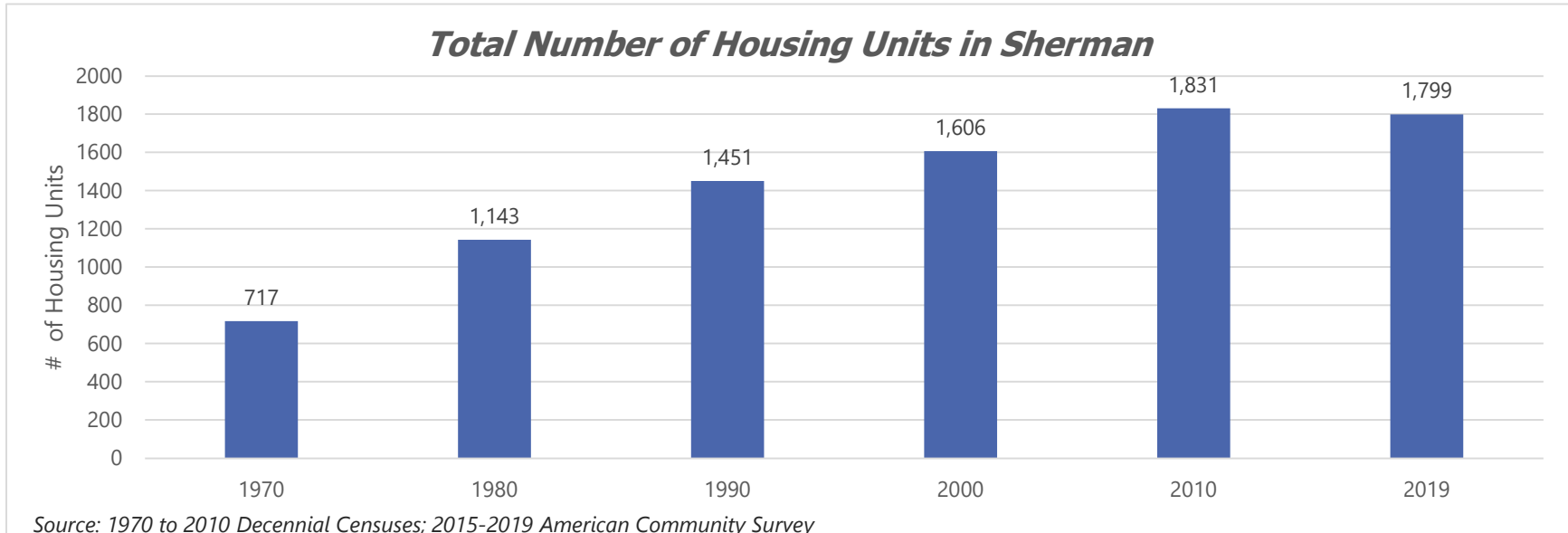
### ***Progress Towards 10% Affordable Housing (C.G.S. 8-30g):***

There are eight affordable housing units in Sherman as of 2020, with the vast majority qualifying for affordable housing using the federal and state low-interest programs.

| <b>YEAR</b> | <b>GOVERNMENTALLY ASSISTED UNITS</b> | <b>TENANT RENTAL ASSISTANCE</b> | <b>CHFA/USDA MORTGAGES</b> | <b>DEED RESTRICTED</b> | <b>TOTAL ASSISTED</b> | <b>CENSUS HOUSING UNITS</b> | <b>PERCENT AFFORDABLE</b> |
|-------------|--------------------------------------|---------------------------------|----------------------------|------------------------|-----------------------|-----------------------------|---------------------------|
| <b>2002</b> | 0                                    | -                               | 3                          | -                      | 3                     | 1,606                       | 0.19%                     |
| <b>2005</b> | 0                                    | -                               | 1                          | -                      | 1                     | 1,606                       | 0.06%                     |
| <b>2010</b> | 0                                    | -                               | 2                          | -                      | 2                     | 1,606                       | 0.12%                     |
| <b>2015</b> | 0                                    | 2                               | 4                          | 0                      | 6                     | 1,831                       | 0.33%                     |
| <b>2020</b> | 0                                    | 1                               | 7                          | 0                      | 8                     | 1,831                       | 0.44%                     |

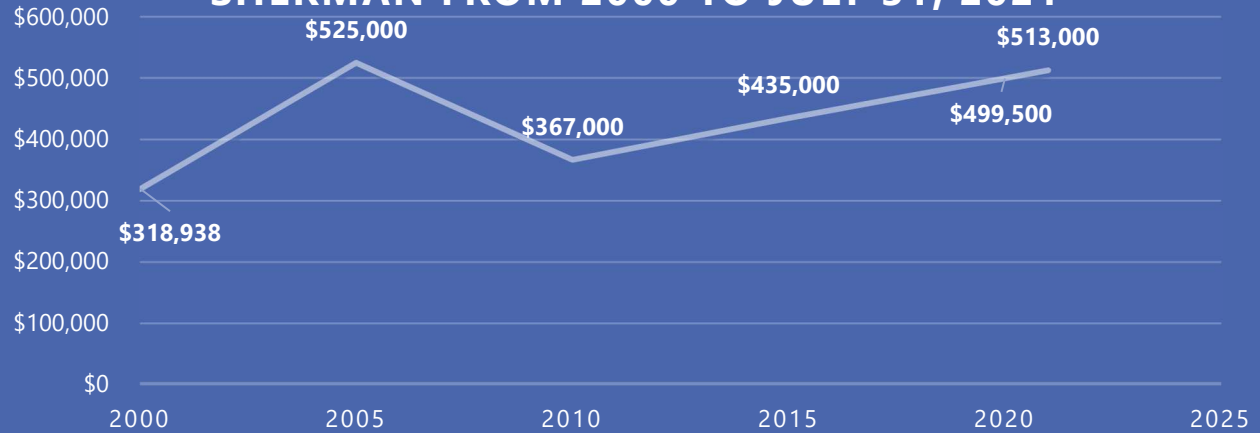
*SOURCE: CT DEPARTMENT OF HOUSING, AFFORDABLE HOUSING APPEALS LISTS*

The overall housing stock more than doubled between 1970 and 1990, matching the population growth over the same time period. In the following three decades, the rate of housing production slowed as the population declined.



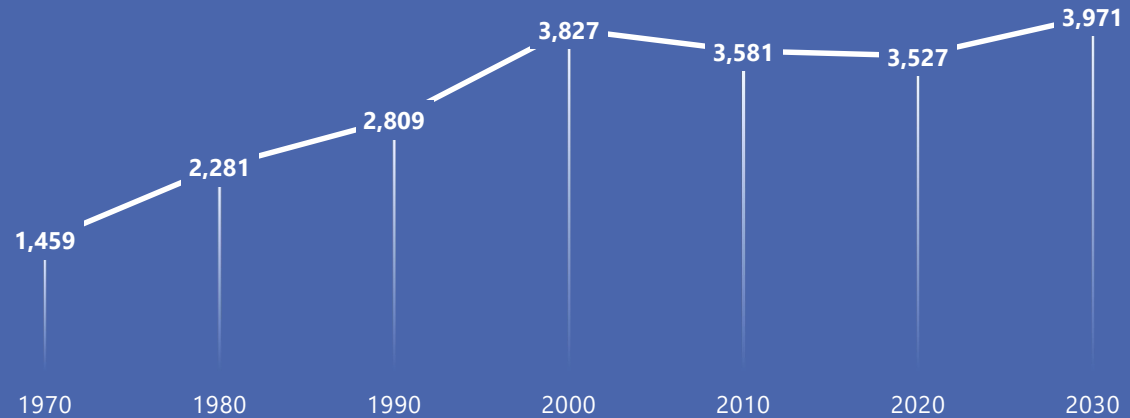
The median single family housing prices before the 2008 Great Recession were at a high of \$525,000. Afterwards, prices fell to \$367,000 by 2010 and have grown gradually since to \$513,000 in 2021.

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



Source: Warren Group, 2021.

## SHERMAN POPULATION WITH 2030 PROJECTION



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

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## Housing Needs

Sherman has the second largest share of seniors in the Western Connecticut region, with seniors making up 21% of the total population. Nearly a quarter of the households in Sherman are single persons, living alone. Emphasizing a need for smaller housing options. Additionally, only 24% of the households in Sherman have school aged children.

There are 474 or 32.3% cost burdened households (shown in red below) in Sherman, according to the 2015-2019 American Community Survey; 24.3% of renters are cost burdened and 33.5% of owners are cost burdened.

There are various thresholds a household or individual need to meet to qualify for affordable house 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 (i.e., make 80% or less of the state median income) and be cost-burdened. There are 356 households as of 2019 in Sherman who meet these characteristics – accounting for 19% of households in need of affordable housing in Sherman. This showcases that the need for affordable housing outnumbers the statutory requirements of 175 units.

### Cost Burdened Households in Sherman

| MONTHLY HOUSING COSTS<br>AS A PERCENTAGE OF<br>HOUSEHOLD INCOME IN THE<br>PAST 12 MONTHS | Occupied<br>housing<br>units | %           | Owner-occupied<br>housing units | %            | Renter-occupied<br>housing units | %            |
|--|------------------------------|-------------|---------------------------------|--------------|----------------------------------|--------------|
| <b>Less than \$20,000</b>  | 10                           | 0.7%        | 10                              | 0.8%         | 0                                | 0.0%         |
| <b>Less than 20 percent</b>  | 0                            | 0.0%        | 0                               | 0.0%         | 0                                | 0.0%         |
| <b>20 to 29 percent</b>  | 0                            | 0.0%        | 0                               | 0.0%         | 0                                | 0.0%         |
| <b>30 percent or more</b>  | <b>10</b>                    | <b>0.7%</b> | <b>10</b>                       | <b>0.8%</b>  | <b>0</b>                         | <b>0.0%</b>  |
| <b>\$20,000 to \$34,999</b>  | 152                          | 10.3%       | 152                             | 12.0%        | 0                                | 0.0%         |
| <b>Less than 20 percent</b>  | 0                            | 0.0%        | 0                               | 0.0%         | 0                                | 0.0%         |
| <b>20 to 29 percent</b>  | 9                            | 0.6%        | 9                               | 0.7%         | 0                                | 0.0%         |
| <b>30 percent or more</b>  | <b>143</b>                   | <b>9.7%</b> | <b>143</b>                      | <b>11.3%</b> | <b>0</b>                         | <b>0.0%</b>  |
| <b>\$35,000 to \$49,999</b>  | 126                          | 8.6%        | 86                              | 6.8%         | 40                               | 19.4%        |
| <b>Less than 20 percent</b>  | 11                           | 0.7%        | 11                              | 0.9%         | 0                                | 0.0%         |
| <b>20 to 29 percent</b>  | 23                           | 1.6%        | 23                              | 1.8%         | 0                                | 0.0%         |
| <b>30 percent or more</b>  | <b>92</b>                    | <b>6.3%</b> | <b>52</b>                       | <b>4.1%</b>  | <b>40</b>                        | <b>19.4%</b> |
| <b>\$50,000 to \$74,999</b>  | 235                          | 16.0%       | 207                             | 16.4%        | 28                               | 13.6%        |
| <b>Less than 20 percent</b>  | 47                           | 3.2%        | 47                              | 3.7%         | 0                                | 0.0%         |
| <b>20 to 29 percent</b>  | 77                           | 5.2%        | 59                              | 4.7%         | 18                               | 8.7%         |
| <b>30 percent or more</b>  | <b>111</b>                   | <b>7.6%</b> | <b>101</b>                      | <b>8.0%</b>  | <b>10</b>                        | <b>4.9%</b>  |
| <b>\$75,000 or more</b>  | 892                          | 60.7%       | 799                             | 63.2%        | 93                               | 45.1%        |
| <b>Less than 20 percent</b>  | 523                          | 35.6%       | 503                             | 39.8%        | 20                               | 9.7%         |
| <b>20 to 29 percent</b>  | 251                          | 17.1%       | 178                             | 14.1%        | 73                               | 35.4%        |
| <b>30 percent or more</b>  | <b>118</b>                   | <b>8.0%</b> | <b>118</b>                      | <b>9.3%</b>  | <b>0</b>                         | <b>0.0%</b>  |
| <b>Zero or negative income</b>   | 10                           | 0.7%        | 10                              | 0.8%         | 0                                | 0.0%         |
| <b>No cash rent</b>  | 45                           | 3.1%        | (X)                             | (X)          | 45                               | 21.8%        |



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## Discussion

One way that Sherman can help meet the 10% affordable housing mandate from the State is for more homeowners to hold federally subsidized mortgages. This is information that the Town government will make more effort to propagate to the Sherman public. In addition, the Town may entertain ideas such as subsidizing loan origination fees for this type of home financing to place Sherman closer to the 10% mandate.

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## Strategies

The following strategies will be used to increase affordable housing in Sherman in the next 5 years:

1. Educate existing and potential new residents, as well as relators, about the various mortgage programs offered through USDA and CHFA.
2. Work with the Danbury Housing Authority on offering the Homeownership Voucher Program in Sherman.
3. Educate the availability of Connecticut Rental Assistance Program and Section 8 Rental Assistance Program to new and existing residents.
4. Reinitiate discussions of providing senior housing near Town Center (as recommended by the Housing Commission). A new senior housing development can be constructed privately and deed restricted or use government funding to construct or provide rental assistance to residents or any combination of the above. All of these options would increase qualifying affordable housing in Sherman.
5. Create overall affordability in town by updating Accessory Dwelling Regulations to comply with Public Act 21-29.