

# Newtown

***May 2022***

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

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

The Town began the process of creating affordable 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, (Farrell Communities), 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.

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## **Community Values Statement**

The town of Newtown recognizes the value of an inclusive community that provides all of its residents the opportunity to obtain housing that is financially feasible, at or below the HUD 30% rule. The town will work toward a more balanced supply of housing types that will accommodate the housing needs of Newtown residents and those working in Newtown. The loss of our young working-age population over the past decade may have resulted from the price and/or type of housing available. Multi-family developments allow for price ranges that would attract younger adults back to Newtown, as well as providing the opportunity for senior residents to remain in Newtown.

## Housing Market Trends

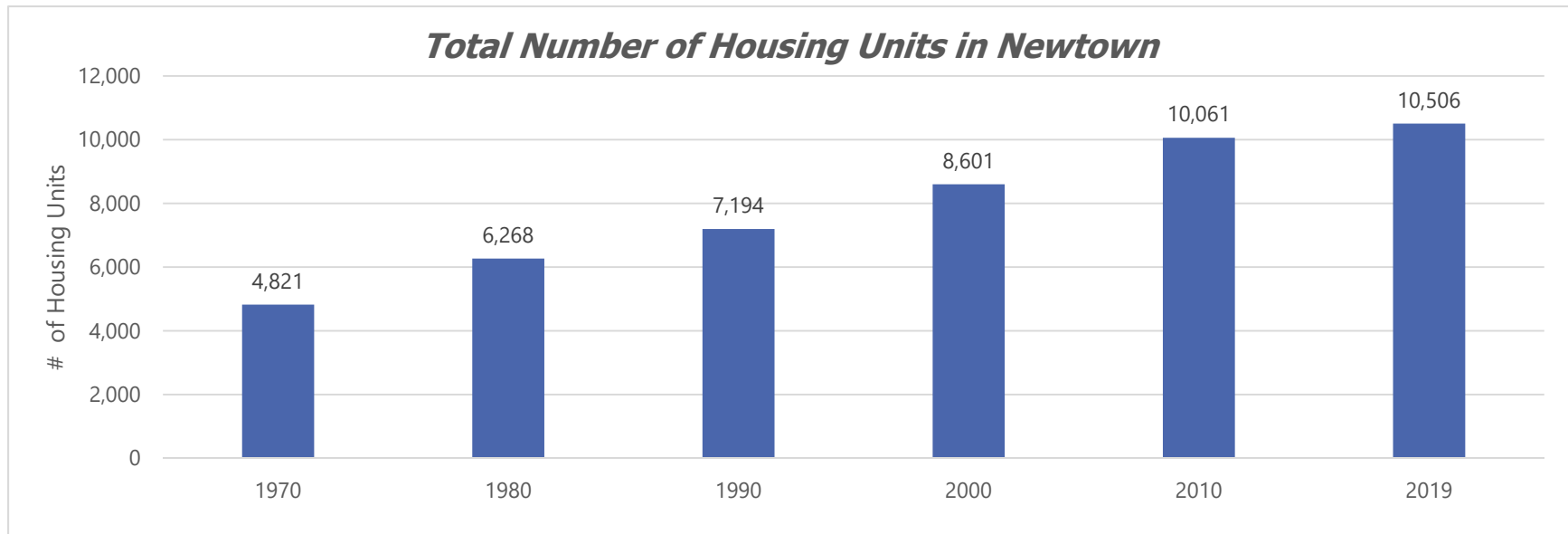
### *Progress Towards 10% Affordable Housing (C.G.S. 8-30g):*

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.

<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>	245	-	27	15	287	8,601	3.34%
<b>2005</b>	136	-	12	15	163	8,601	1.90%
<b>2010</b>	138	-	18	15	171	8,601	1.99%
<b>2015</b>	134	3	43	15	195	10,061	1.94%
<b>2020</b>	134	7	95	32	268	10,061	2.66%

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

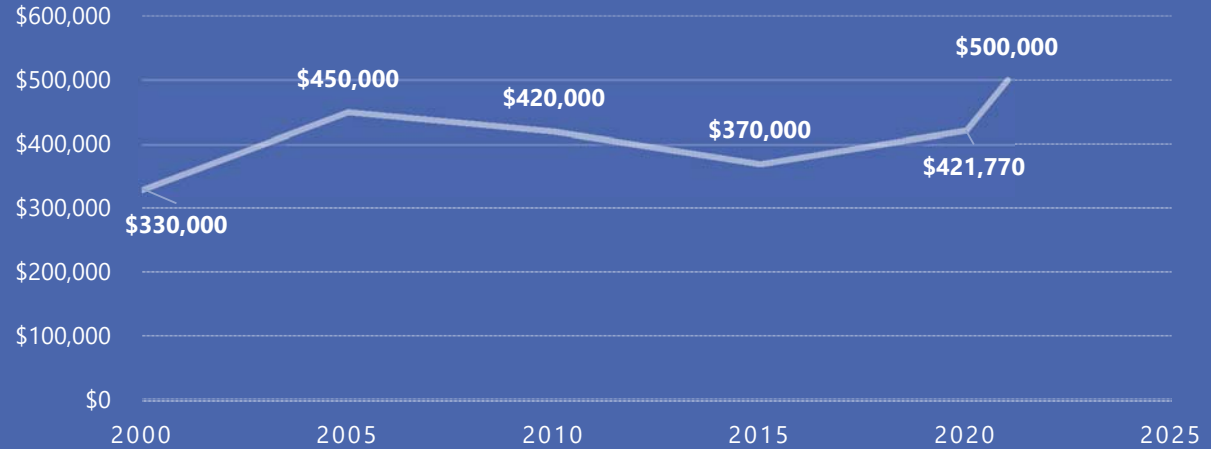
The overall number of housing units more than doubled from 1970 to 2010, since 2010 there has been a steadier growth in housing units with 445 units built in the last decade.



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

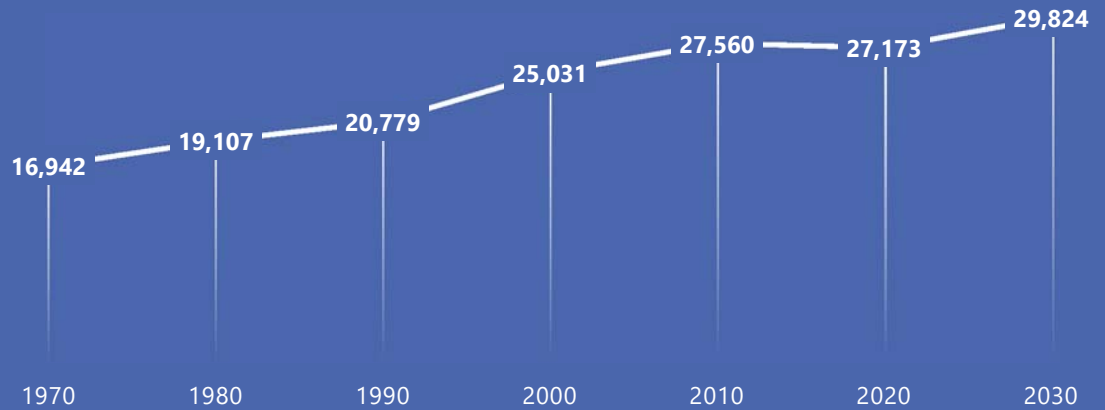
The median single family housing prices before the 2008 Great Recession were at a high of \$450,000. Afterwards, prices fell to \$370,000 in 2015 until the 2020 COVID Pandemic caused housing prices to surge beyond pre-recession prices to \$500,000.

## 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

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## 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 (i.e. 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.



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

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## 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 review 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.

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## Strategies

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

1. Encourage the review of business (tax) incentive applications for developments that include affordable housing.
2. Support the review of business (tax) incentive applications for businesses as defined in the business incentive program that will create new moderate-income jobs.
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. Promote public awareness that the Town of Newtown and the Borough of Newtown Zoning Commissions have amended their respective Zoning Regulations to include accessory dwelling units (ADUs) and explore incentive opportunities for individual owners of rental properties that qualify as affordable to consider deed restrictions.
6. Explore the possibility of working with neighboring towns to create 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.
8. Continue the installation of sidewalks to create walkable communities within Newtown that allow residents to walk to work and stores.
9. Review the town's Incentive Housing Overlay Zone for opportunities to expand affordable housing.