A large, two-story yellow house with a prominent white porch and a curved balcony. The house features decorative brackets under the eaves and a small cupola on the roof. The porch has white columns and a white railing. The house is surrounded by green grass and some autumn-colored trees in the background.

Town of Cromwell

Affordable Housing Plan (AHP)

Public Workshop
2.1.2022

Project Team



Lower Connecticut River Valley
Council of Governments



 **TYCHE**
PLANNING & POLICY GROUP

GOMAN+YORK
ADVISORY SERVICES

TONIGHT'S AGENDA

1. Introduction

- Regional Housing Plan & Municipal Annexes
- What is Affordable Housing and Affordable Housing Plans?
- What is does this mean in Cromwell?

2. Existing Conditions Related to Housing

- Zoning / Planning / Infrastructure
- Available Land / Buildable Land / Suitable Land
- Demographics / Housing Trends

3. Housing Needs Assessment

4. Potential Strategies & Live Polling



TONIGHT'S AGENDA

Your primary role tonight is to:

- Learn more about affordable housing and why it is important to your community
- Provide us with input on potential affordable housing strategies for your community
- Ask questions you may have on the subject. Please type them in the chat - questions will be answered at the end of the workshop

Live Polling will be conducted later so have your phone or a 2nd web browser window open



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McGraw-Hill Education

INTRODUCTION

RELATIONSHIP TO REGIONAL HOUSING

REGIONAL HOUSING PLAN

- Follow up to Regional Plan of Conservation and Development (RPOCD)
- Completed in two parts:
 - Regional Housing Analysis
 - Focus on region-wide trends / challenges
 - Recommendations focus on how the region can assist the towns in housing coordination and creation
 - Municipal 8-30j Plans (Annexes)
 - Focus on town specific affordability conditions and strategies



Each part of the process will inform the other



WHAT IS AN AFFORDABLE HOUSING PLAN?

Under CGS 8-30j, passed in 2017, all communities in Connecticut are required to create and adopt an affordable housing plan by June 2022 and update it every five years.

- Bottom-up approach to increase the State's affordable housing supply
- Show actionable progress towards meeting State goals
- Each community decides what strategies are best for their community



This is an opportunity to create
a Housing Affordability Plan
that reflects **Cromwell's** values
and priorities.

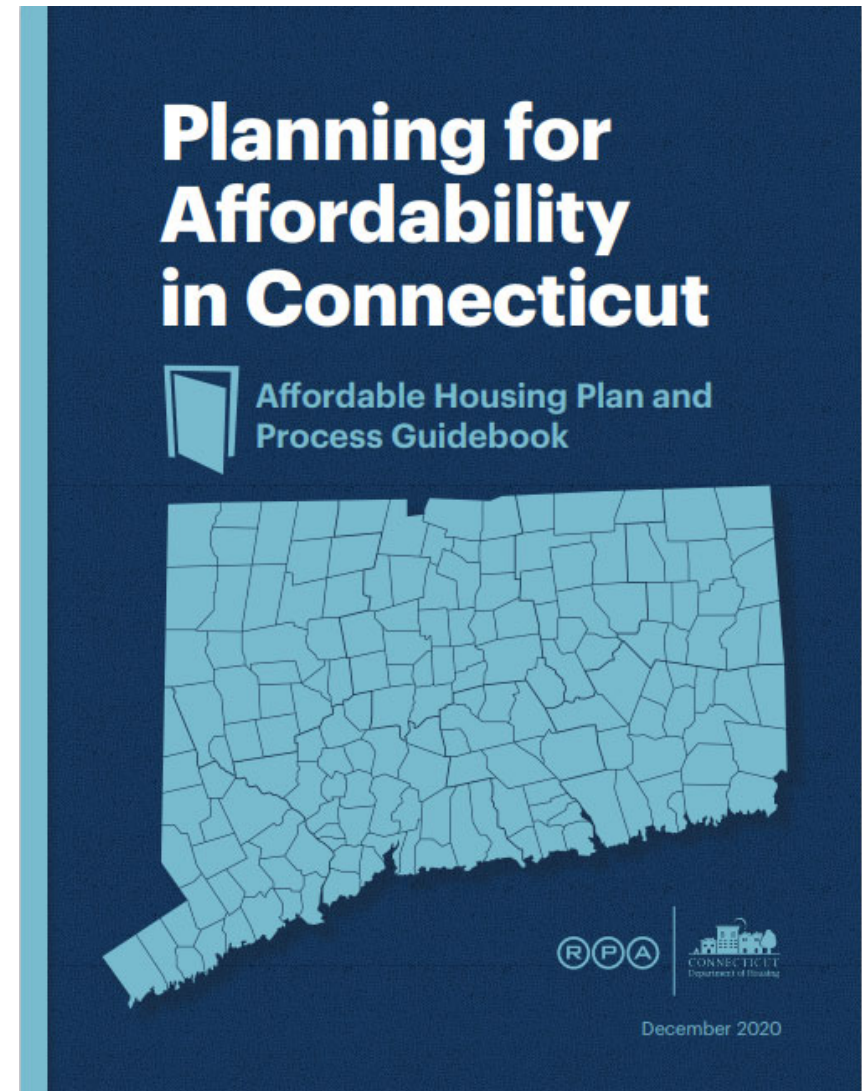


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AFFORDABLE HOUSING PLAN GUIDANCE

*Released by State Department of
Housing in December 2020*

- Create a **community values statement**
- Conduct a **housing needs assessment**
- Evaluate local land use and zoning to **identify barriers** to affordable housing development
- Develop plan **goals, strategies and actions**
- Apply **best practices** to implement



WHAT IS AFFORDABLE HOUSING?

Affordable housing is typically defined as housing that costs no more than 30% of a household's income

- Under 8-30g, "affordable housing" is housing which, due to deed restriction or subsidy, costs a low-income household no more than 30% of their income.
 - A goal of state law is for 10% of housing units in every town to be "affordable," per this definition
 - "Low-income household" is a household making <80% of State or Area Median Income (AMI), whichever is less. Note this standard is used by HUD and the State.
- In Cromwell, **based on this definition**:
 - A **family of 4** making **<\$79,900** per year or an **individual** making **<\$55,950** per year would **qualify as low-income** based on AMI.
 - Housing costs include rent or mortgage payments, property taxes, utilities, HOA fees, and maintenance costs. Income-based calculation. Does not include wealth, assets, or benefits.

Maximum Monthly Housing Budget



\$1,399/month
for an individual
\$55,950 annual income



\$1,998/month
for a family of 4
\$79,900 annual income

Source: FY 2021 Income Limits, Hartford-West Hartford HUD Metro FMR Area



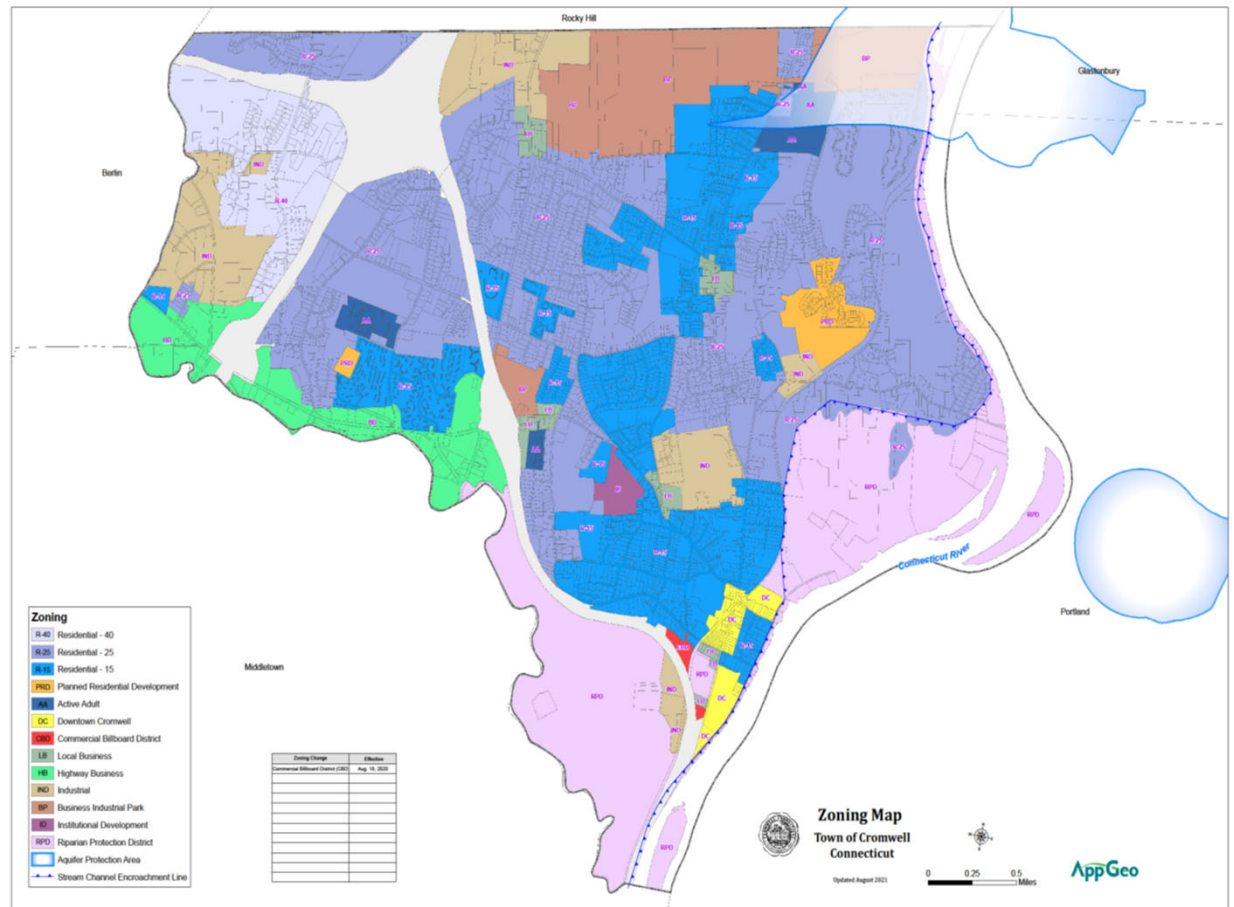
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EXISTING CONDITIONS:

Planning + Zoning Review

ZONING

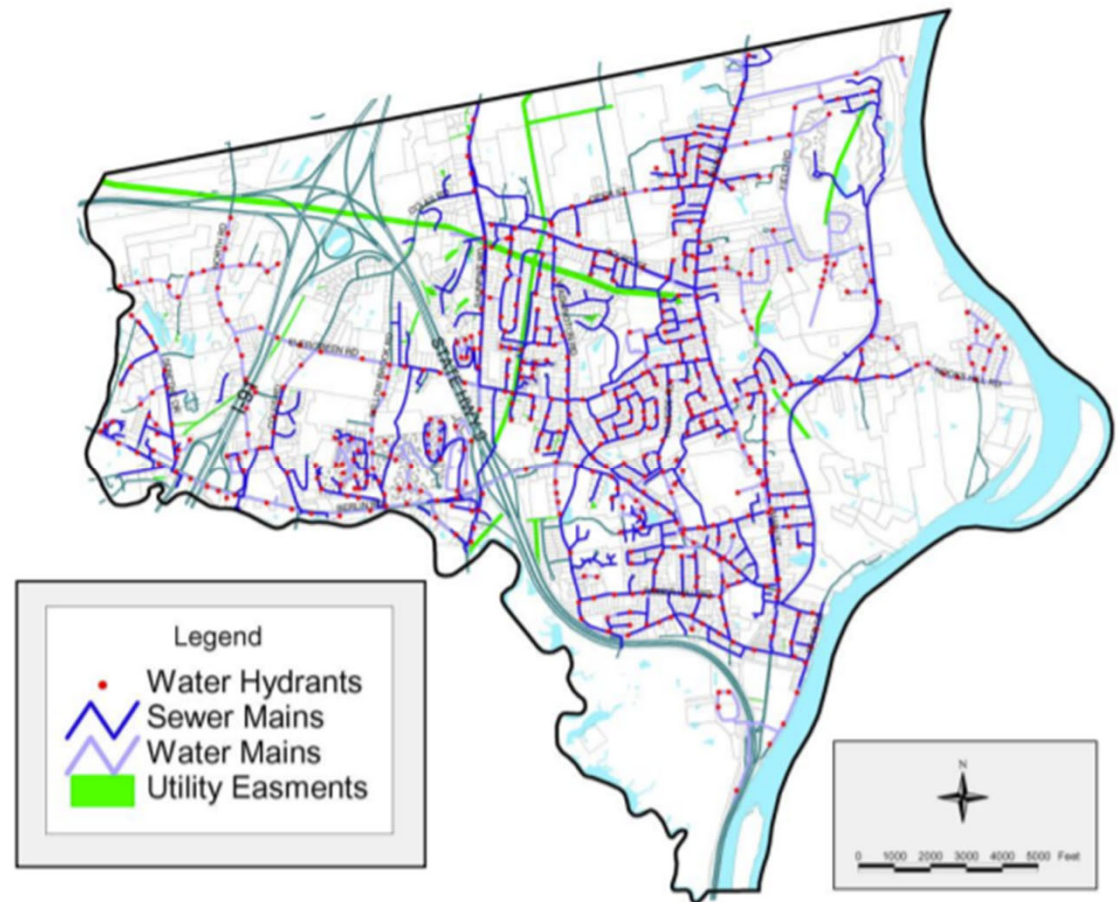
- 3 Primary Residential Zones: R-15, R-25, R-40
- Two-family dwellings allowed by-right
- Active Adult Housing Zone
- Planned Residential District (PRD)
- Mixed-Use District – “live, work, play” environments



Source: Cromwell Planning Dept.

INFRASTRUCTURE

- Approximately 75% of the Town has public sewers; remainder use private septic tanks.
- A significant portion of Town on public sewer = Housing Type variety and potential for future housing development options
- Public water service is similar

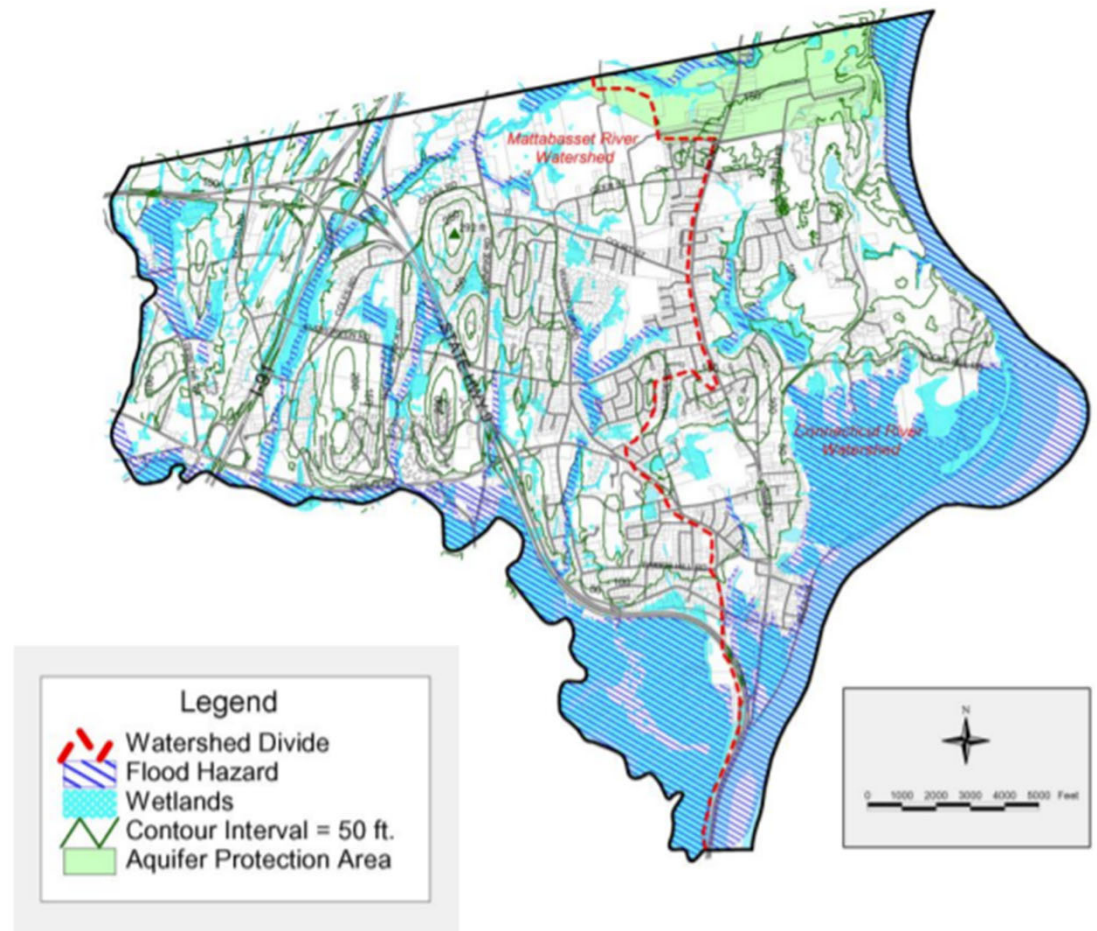


Source: 2012 POCD



AVAILABLE LAND VS. BUILDABLE/SUITABLE LAND

- Limited available land / fully developed
- Cromwell is a small town compared to others – approx. 12 sq. miles
- Natural constraints to development include:
 - bedrock, ridges, topography, soils, wetlands, floodplains, aquifer protection areas
- Cromwell is within the Connecticut River and the Mattabasset River Watersheds
- 17% of Town is within the Connecticut River Flood Plain Zoning District (which includes some agriculture land)
- 19% of Town is comprised of parks and open space



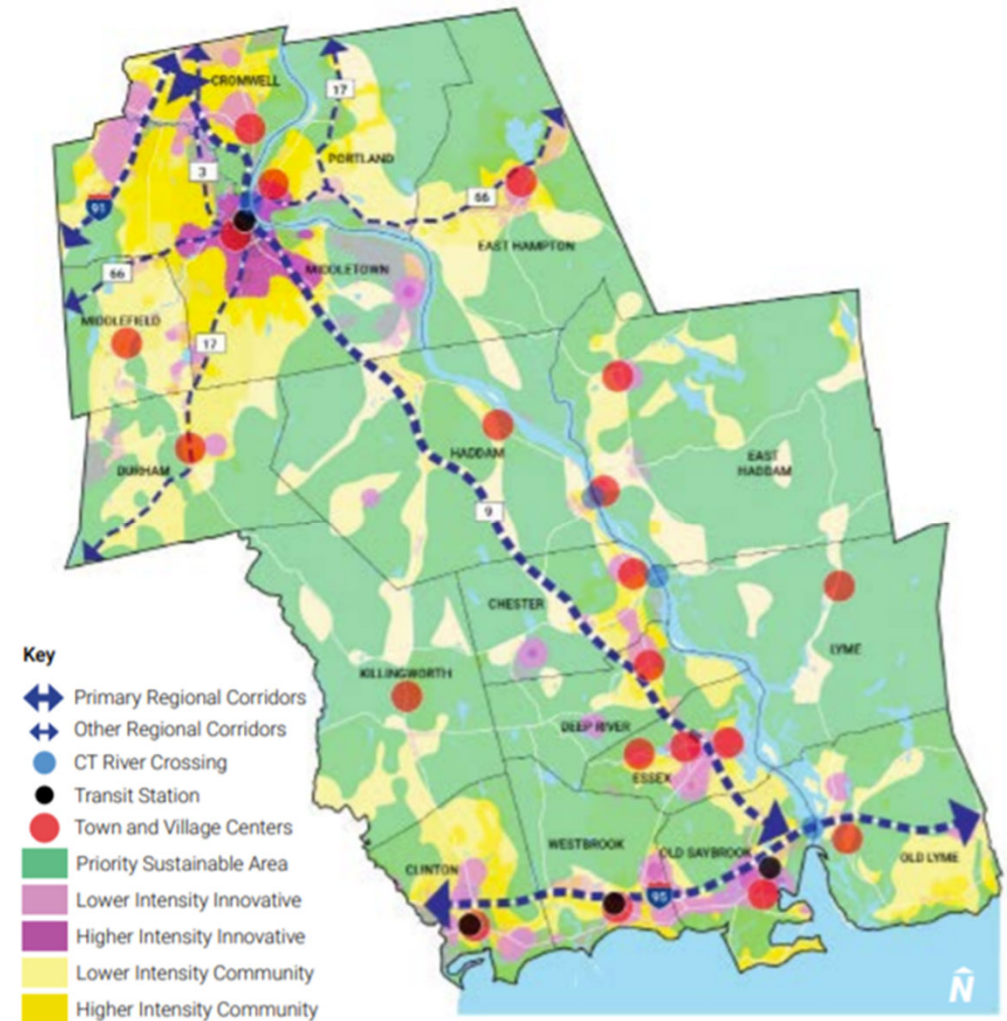
Source: 2012 POCD



RPOCD FUTURE LAND USE

RPOCD Future Land Use Map

- Concept map of future land use in the region
- Sustainable strategy
- Focus growth away from:
 - Wildlife Habitat and Natural Resource Protection Corridors
 - Protected Open Space
 - Watershed Areas and Aquifer Protection Areas
 - Flood Zones
- Focus growth towards
 - Existing developed areas
 - Infrastructure
 - Access to transit



TOWN POCD OPPORTUNITIES

The POCD is being updated soon and updated housing recommendations can be included.

The current 2012 Plan of Conservation and Development (POCD) outlines various guiding principals for housing opportunities.

Goal 8 - Recognize potential impacts of increasing residential growth & manage growth

- To ensure that **new housing is appropriate in type, location and density to minimize environmental and aesthetic impacts** and **maintain community character**.
 - Ensure that new housing is in areas that can be supported by roads and infrastructure while protecting the natural environment.
 - Promote the preservation of historic structures throughout the Town.
- To promote **housing choice** and **meet the needs** of potential **residents from all socio-economic levels**.
 - Provide housing opportunities while protecting the character of our communities.
 - Use existing / seek new sources of funding, for rehabilitation and/or demolition of dilapidated homes.



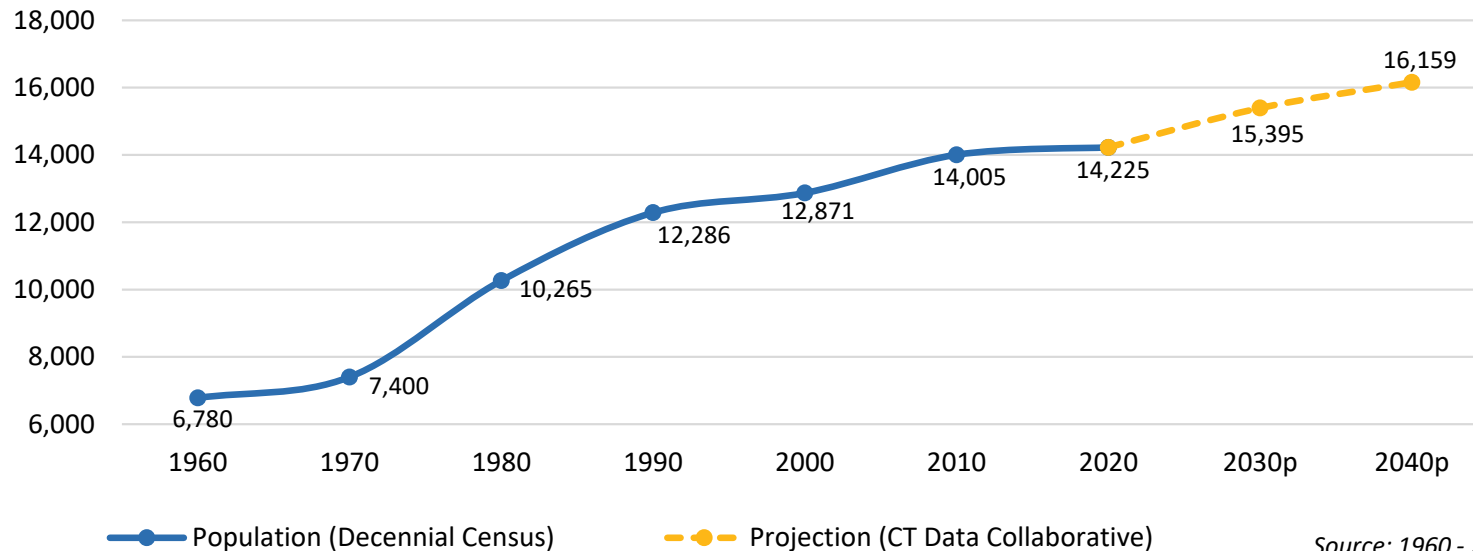
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EXISTING CONDITIONS:

Demographic Trends

POPULATION TRENDS

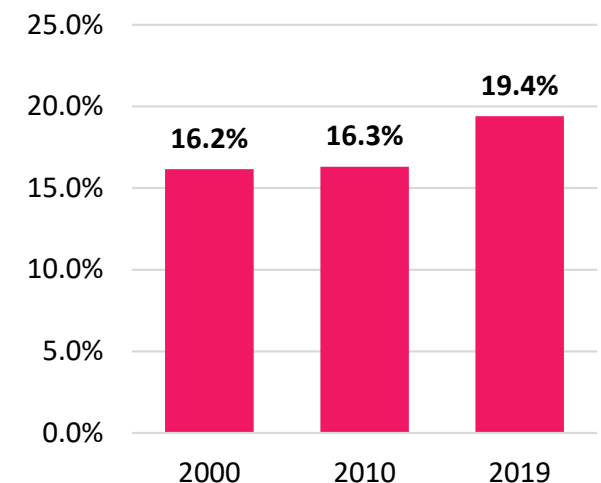
Cromwell Historic & Projected Population: 1960-2040



Source: 1960 - 2020 Decennial Censuses;
CT Data Collaborative projections

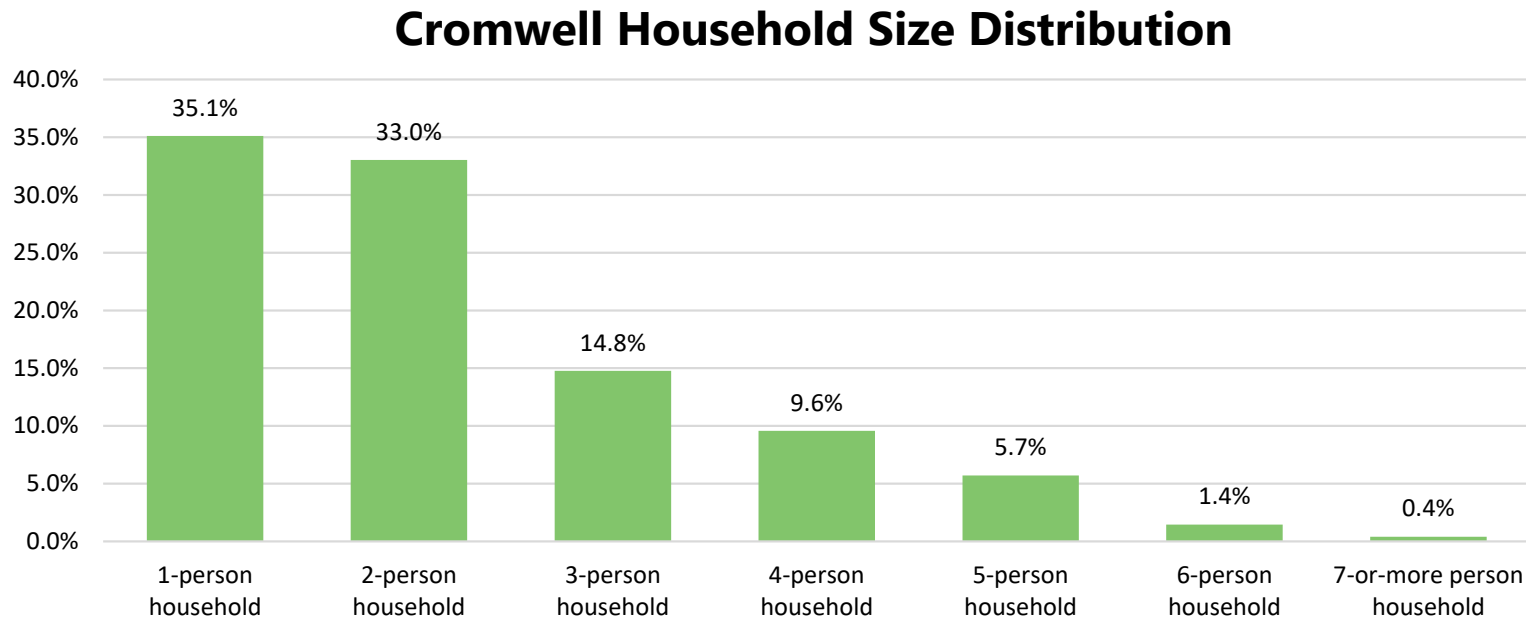
- Cromwell's population increased by 1.6% from 2010 to 2020
- Current projections show increasing growth thru 2040
- Future population drivers will likely be housing turnover and housing construction
- Aging of large "baby boomer" group coinciding with growth in population age 65
 - Up to 19.4% of the total population in 2019
- Decrease in young population is <other communities in Region

% of Population Age 65 years old and over



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HOUSEHOLD COMPOSITION



Source: 2019 ACS 5-Year Estimates, Tables B01001, B11016

- Cromwell's household distribution is very similar to Middlesex County and Connecticut
- Cromwell's proportion of people living alone is higher at 35%
- Nearly half of all Cromwell households are married couples
- **In 2019, 68% of Cromwell's households are made up of one or two people**



HOUSING WAGE

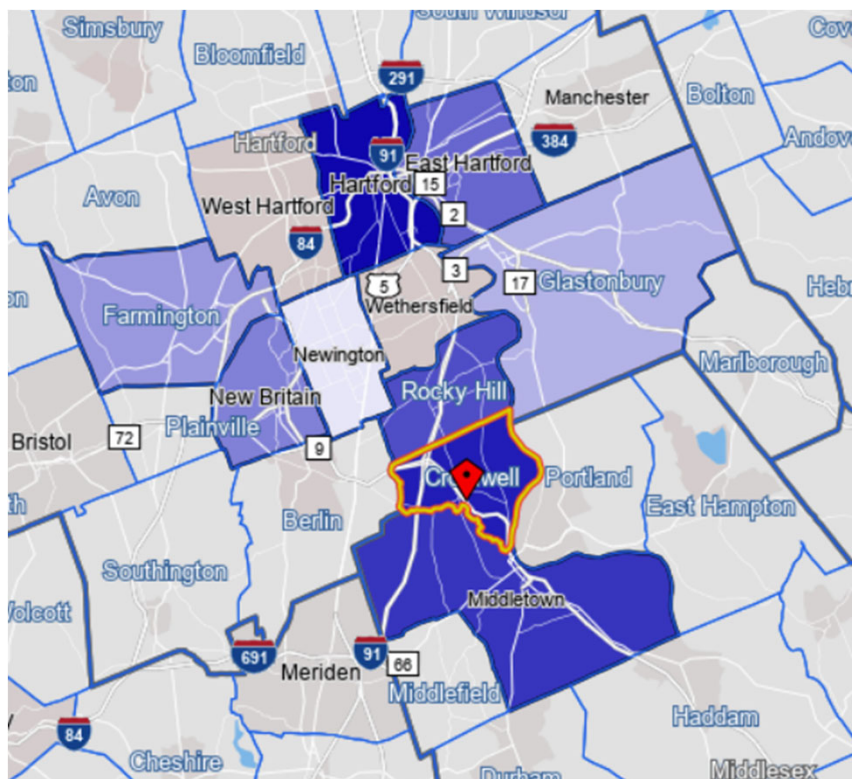
- The “housing wage” in Cromwell is **\$23.65/hour**
- “Housing wage” is the wage needed to **afford a 2-bedroom rental home** without paying more than 30% of income on housing (per the National Low Income Housing Coalition).
- According to indeed.com, estimated average salaries in Cromwell are:
 - Elementary teacher (entry level): **\$21.29/hour**
 - Nurse: **\$29.15/hour**
 - Grocery clerk: **\$12.73/hour**



PEOPLE WHO WORK IN CROMWELL

Major Employers (CERC 2021)

- Walmart
- Adelbrook Behavioral & Developmental
- Stop And Shop
- Covenant Village
- GKN Aerospace Services



Where People Who Work in Cromwell Live (ACS 2019)

	Count	Share
Hartford	969	14.2%
Cromwell	594	8.7%
Middletown	575	8.4%
Rocky Hill	340	5.0%
East Hartford	247	3.6%
New Britain	213	3.1%
Farmington	200	2.9%
Glastonbury	193	2.8%
New Haven	189	2.8%
Newington	187	2.7%
All Other Locations	3,106	45.6%

Most people employed in Cromwell are from out of Town, typically from places with more affordable housing such as Middletown, New Britain and Hartford.



DEMOGRAPHIC TRENDS: TAKEAWAYS

- Modest growth between 2010 and 2019 – Increasing population growth projected through 2040
- Aging community – increasing population +65 years old - 19.4% in 2019
- Younger populations are seeing lower growth trends - but less decline than other parts of the Region
- 68% of Cromwell households are made up of one or two people
 - Need to ensure housing types match household size needs

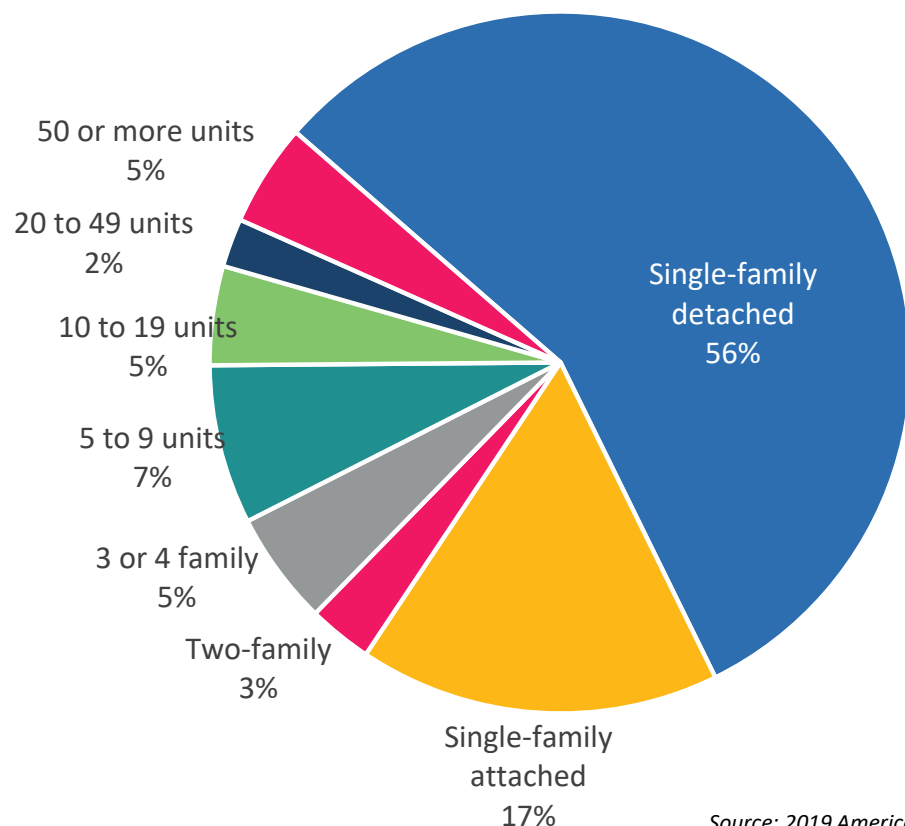


EXISTING CONDITIONS:

Housing Market Trends

HOUSING TYPOLOGY & TENURE

Cromwell Dwelling Types



Source: 2019 American Community Survey, 5-Year Estimates, Table B25075

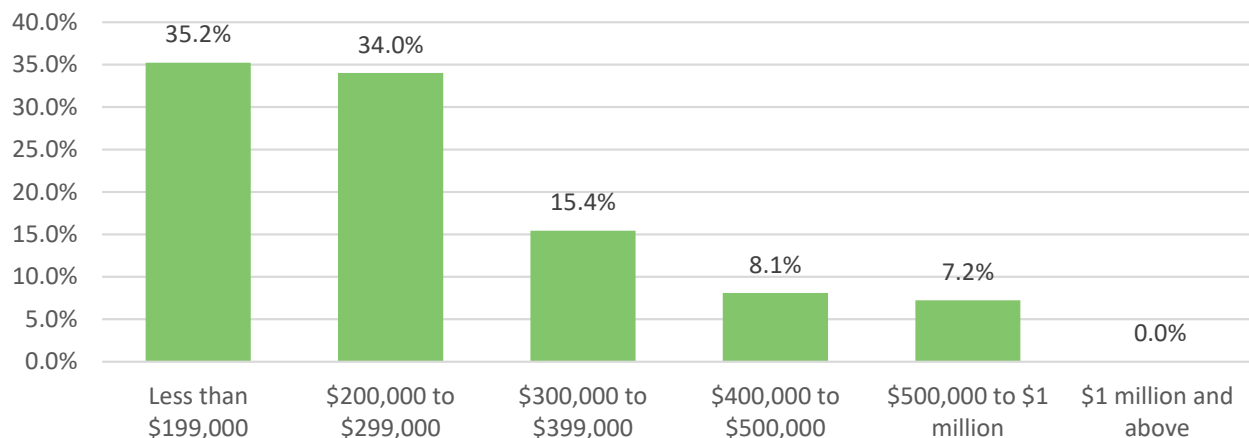
- 56% of dwellings are detached single-family homes
- A variety of multi-family type units comprise the rest
- A more diverse housing stock than region with more multi-family options
- Homeowners comprise 76.2% / Renters 23.8% Slightly higher than County

- 56% of housing units are ≥ 3 bedrooms. The number of 2-bedroom units is $>$ / 1-bedroom units is $<$ County and State
- Size of units largely suited to families with children - which have been declining



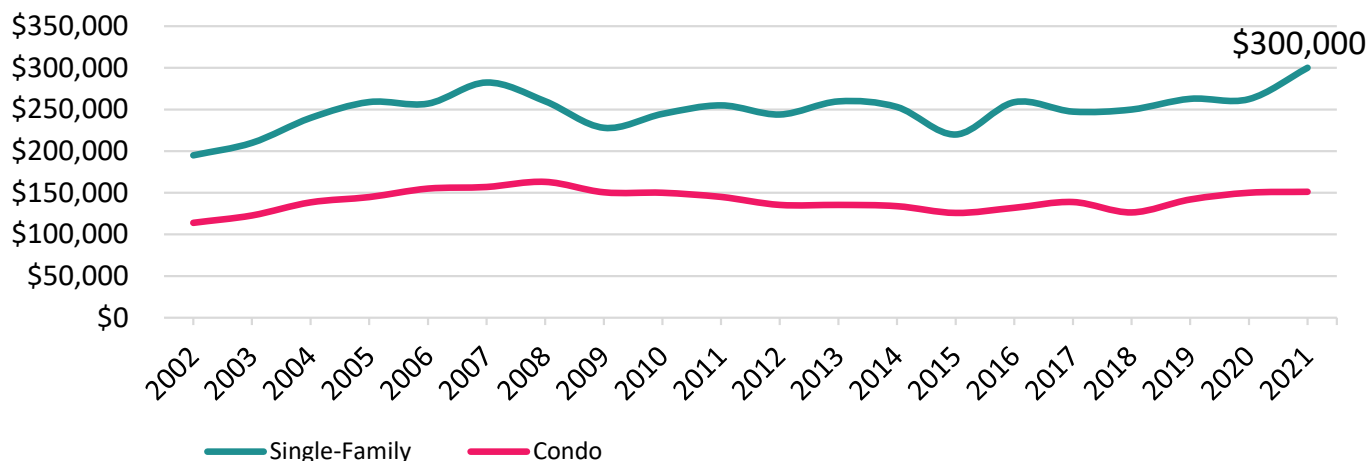
HOME VALUES / HOME PRICES & SALES

Distribution of Owner-Occupied Home Values



Source: 2019 American Community Survey, 5-Year Estimates, Table B25075

Median Home Sale Price: 2002 to 2021



Source: The Warren Group

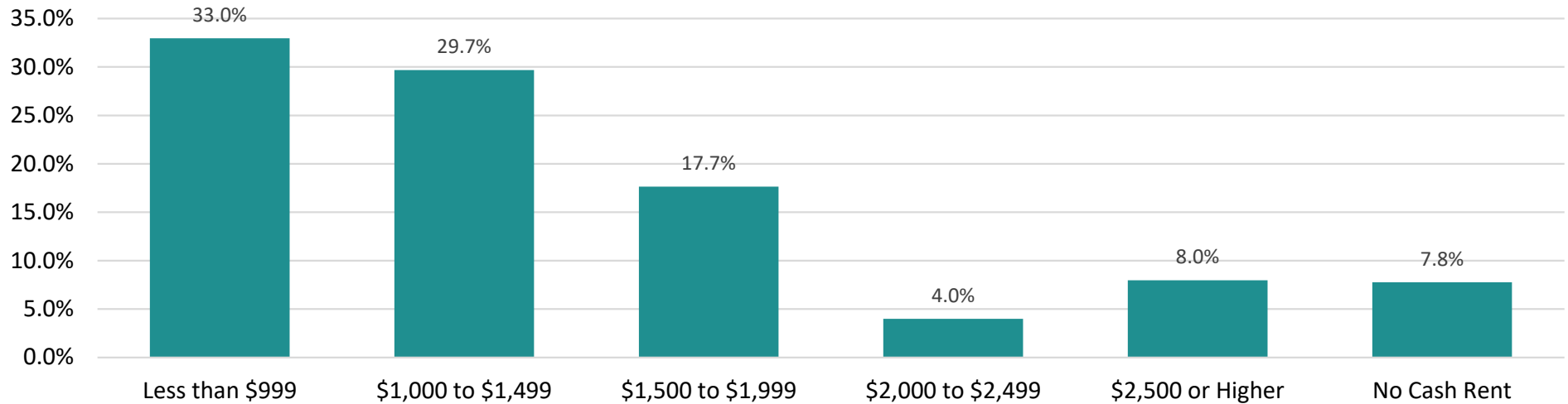


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- **Home Values** - Provide naturally affordable options with 70% valued under \$300,000; homes valued at +\$500,000 is rising
- **Sale Prices** - Median price rising since 2017 for single-family homes with larger rise in 2021
- **Home Sales** - stable and rising overall since a low in 2010 / Not at pre-2008 levels
- However, not all needs for all population and income groups are being met

GROSS RENT DISTRIBUTION

Distribution of Gross Monthly Rental Costs



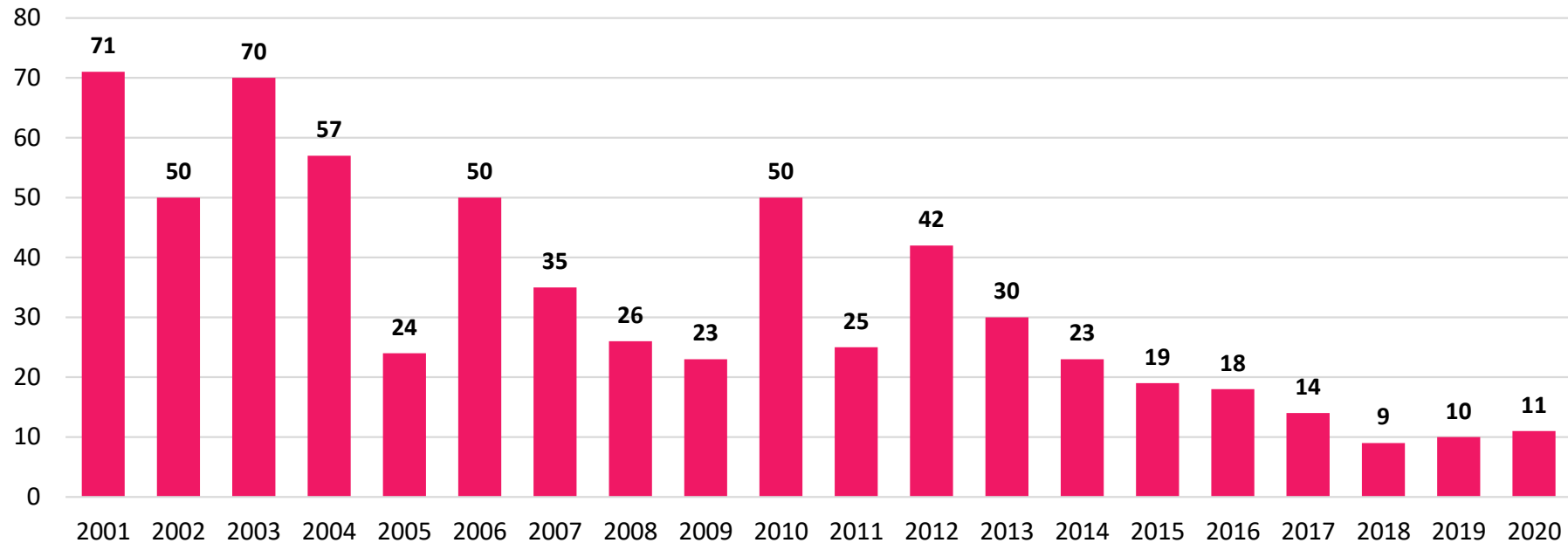
2019 American Community Survey 5-Year Estimates, Table B25063

- 80% of rental units in Cromwell cost < \$2,000 per month
- 33% of rental units are under \$1,000
- More expensive units and associated costs have increased in recent years
- Naturally affordable rental options - but all needs are not necessarily being met



HOUSING PERMITS

Town of Cromwell Housing Permit Activity: 2001 to 2020



Source: CT Department of Economic and Community Development

- New housing construction has fluctuated but generally a downward trend
- The 5-year average is 14 permits per year
- 2021 had 7 SFR permits with 1 multi-family project (7 buildings with 160 units)
- 2022 and next several years could see several other new multi-family projects



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HOUSING MARKET TRENDS: TAKEAWAYS

- Cromwell has a relatively **diverse housing stock** compared to the Region - **27% multi-family units**
- **56% of housing units are ≥ 3 -bedroom** which may be mismatched with 1- and 2-person household majority (68%)
- **Median sale price** increased to **\$300,000** in 2021
- Net new housing permit activity is low at about 14 per year
- Currently, both home values and home/rent prices tend to indicate there are naturally “affordable” units in Town
 - However, needs of all population groups are not necessarily being met and trend is showing values/prices increasing



HOUSING NEEDS ASSESSMENT

AFFORDABLE HOUSING NEEDS

How many Cromwell Families Need Affordable Housing?

Low Income*

51% to 80% of AMI

<\$55,950 for an individual
<\$79,900 for a family of 4



795

Low-income Households



480

Homeowners



315

Renters

Very Low Income*

31% to 50% of AMI

<\$36,550 for an individual
<\$52,150 for a family of 4



460

Very Low-income HHs



285

Homeowners



175

Renters

Extremely Low Income*

30% of less of AMI

<\$21,950 for an individual
<\$31,300 for a family of 4



435

Extremely Low-income HHs



125

Homeowners



310

Renters

Source: U.S. Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Survey (CHAS): 2014-2018 * HUD/State Standards

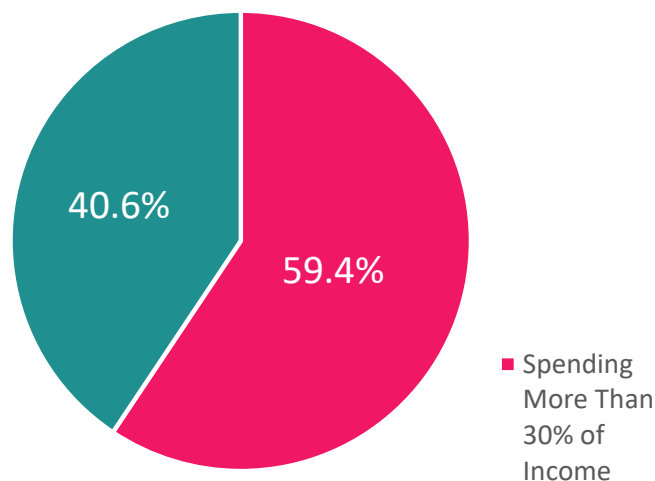
- There are **1,690 households** in Cromwell (**29%** of the total 5,827 households) who meet the definition of low income (household income <80% of AMI)



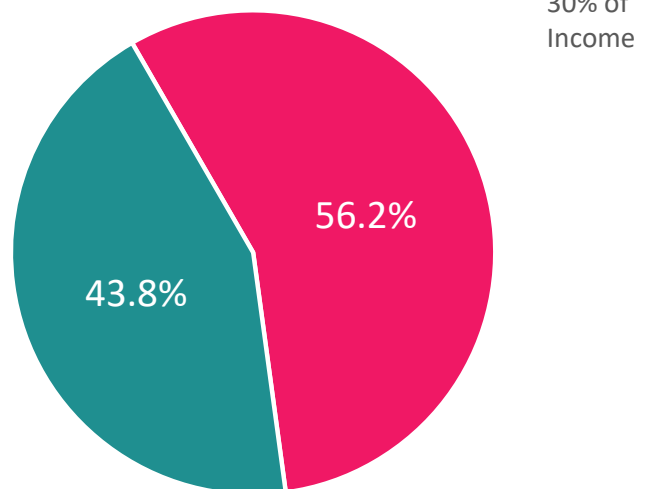
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COST BURDENS: EXISTING CONDITIONS

Low-Income Renters by Income Spent on Housing



Low-Income Homeowners by Income Spent on Housing



■ Spending More Than 30% of Income

■ Spending Less Than 30% of Income

- **Cost Burden = Households spending >30% of income on housing**
 - These households may have difficulty affording necessities such as food, clothing, transportation, and medical care
- **Cost Burden for Low Income Households**
 - In 2018 59.4% of L.I.H. Renters & 56.2% of L.I.H. Owners are spending >30% of Income on housing costs - Compared to 13% for non-L.I.H.
- **Cost Burden for Other Populations**
 - Senior households are more likely to be cost-burdened (59.6%) compared to younger households
 - Renters are more likely to be cost-burdened (54.5%) compared to homeowners



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AFFORDABLE HOUSING: HOMEOWNER NEEDS

Maximum Home Value Affordable to Low Income Homeowners

Low Income

51% to 80% of AMI

<\$55,950 for an individual

<\$79,900 for a family of 4



\$191,000

for an individual



\$273,000

for a family of 4

Very Low Income

31% to 50% of AMI

<\$36,550 for an individual

<\$52,150 for a family of 4



\$125,000

for an individual



\$178,000

for a family of 4

Extremely Low Income

30% of less of AMI

<\$21,950 for an individual

<\$31,300 for a family of 4



\$75,000

for an individual



\$107,000

for a family of 4

Source: U.S. Department of Housing and Urban Development (HUD) Income Limits. Based on income limits for the Hartford, CT HUD Metro FMR Area Calculation assumes 20% down payment, 30-year mortgage at 5% interest, annual property tax payments, and 1.5% carrying costs for insurance and utilities

30% Rule: HUD recommends that households spend <30% of their income on housing costs including rent or mortgage payments, property taxes, utilities, HOA fees, and maintenance costs



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AFFORDABLE HOUSING: RENTER NEEDS

Maximum Monthly Costs for Low Income Renters

Low Income

51% to 80% of AMI

<\$55,950 for an individual
<\$79,900 for a family of 4



\$1,273/month
for an individual



\$1,818/month
for a family of 4

Very Low Income

31% to 50% of AMI

<\$36,550 for an individual
<\$52,150 for a family of 4



\$832/month
for an individual



\$1,187/month
for a family of 4

Extremely Low Income

30% of less of AMI

<\$21,950 for an individual
<\$31,300 for a family of 4



\$500/month
for an individual



\$713/month
for a family of 4

Source: U.S. Department of Housing and Urban Development (HUD) Income Limits. Based on income limits for the Hartford, CT HUD Metro FMR Area

30% Rule: HUD recommends that households spend <30% of their income on housing costs including rent or mortgage payments, property taxes, utilities, HOA fees, and maintenance costs

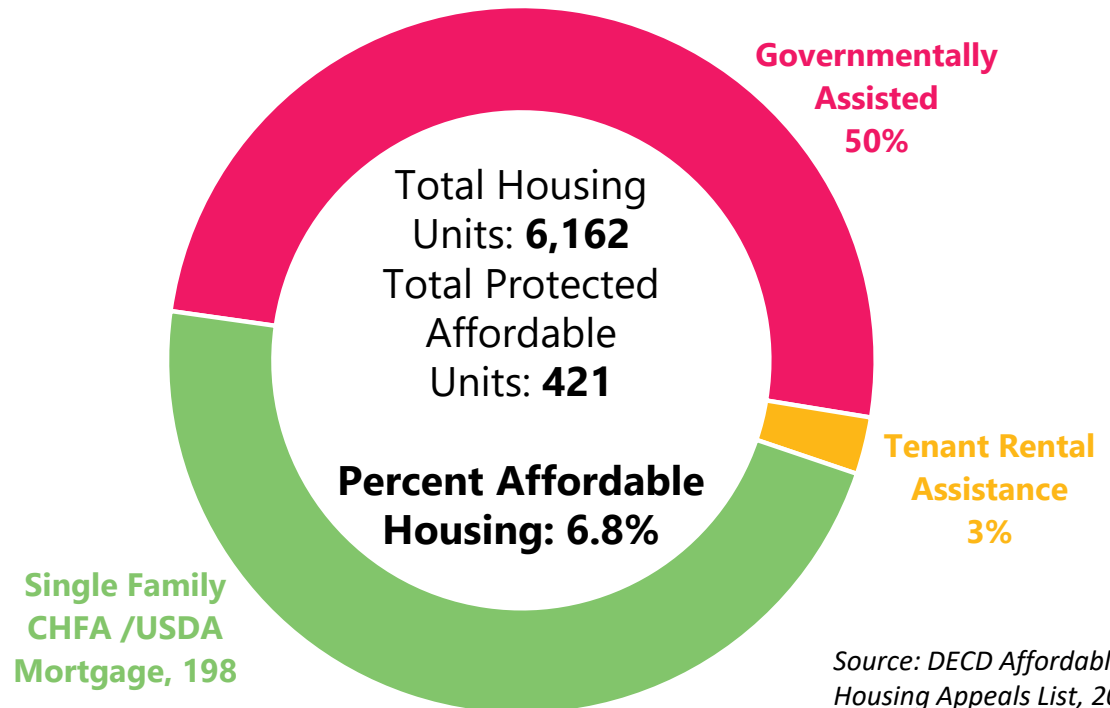


PROTECTED AFFORDABLE HOUSING

Protected Affordable Housing Units in Cromwell by Type: 2020

Protected Affordable Housing Units =

Statutory definition of affordable housing & restricted to households that make <80% of AMI, so they spend <30% of their income on housing



- In 2020, **421 units (6.8%)** of the Town's total housing units are protected affordable units.
- The State has a goal for all towns to reach 10%



AFFORDABLE HOUSING GAP ANALYSIS

Affordable Housing Supply - Affordable Housing Demand = Housing Gap

- Compares housing demand to housing supply
- Information on low-income household estimates is provided by U.S. Dept. of Housing & Urban Development (HUD), Comprehensive Housing Affordability Survey (CHAS)
- Information on naturally occurring affordable housing uses 2019 American Community Survey 5-Year Estimates – Home Value Distribution and Gross Rent Distribution
- HUD recommends reviewing a family of four and single-person households

Cromwell's Affordable Housing Gap Analysis identified the following:

- For Family of 4 Households - No Housing Gap (a surplus of units) was identified for any of the 3 low-income groups for units to buy or rent
- For Single-Person Households – Housing Gap (needed units) was identified for Very Low Income & Extremely Low-Income Households (units to buy or rent
- More detail is available in the Data Analysis for Cromwell AHP



HOUSING NEEDS ASSESSMENT: TAKEAWAYS

- **Moderate affordable housing needs in Cromwell**
 - **less need** than other nearby communities & Region as a whole
 - **1,690 households** in Cromwell (**29%** of total) are classified as **low-income households** and could be eligible for affordable housing
 - **58% of low-income households** are spending >30% of their income on housing costs (**cost burdened**)
- **Cromwell has made substantial progress towards the State's 10% goal: 6.8% of housing units are protected affordable**
- **Populations with greater cost burdens and housing needs include:**
 - Low-income households making less than 80% AMI
 - Senior households
 - Renters
 - Single-person/ single-income households



POTENTIAL STRATEGIES & LIVE POLLING

AUDIENCE POLLING INTRO

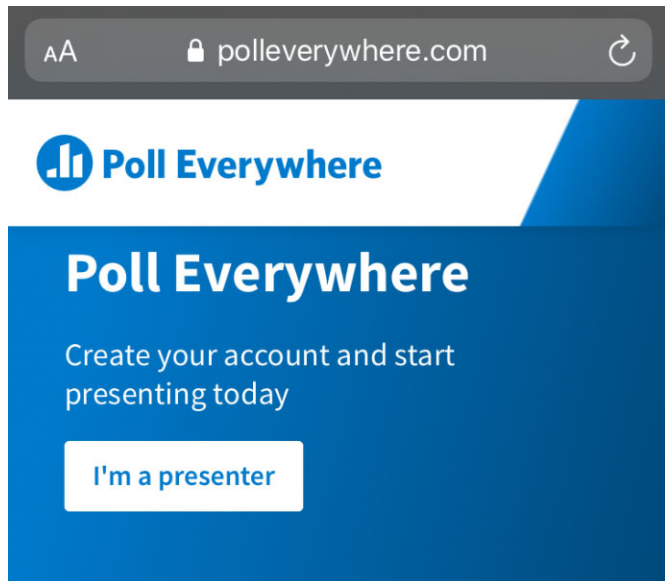
*We are going to use interactive polling during this workshop.
You will need access to an additional webpage,
or you can use your phone.*

Let's get started!

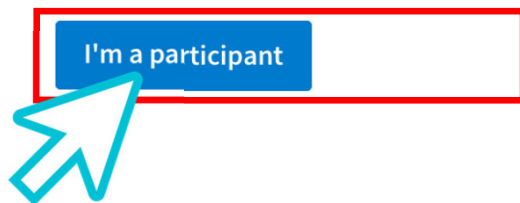
Go to pollev.com/SLR2021



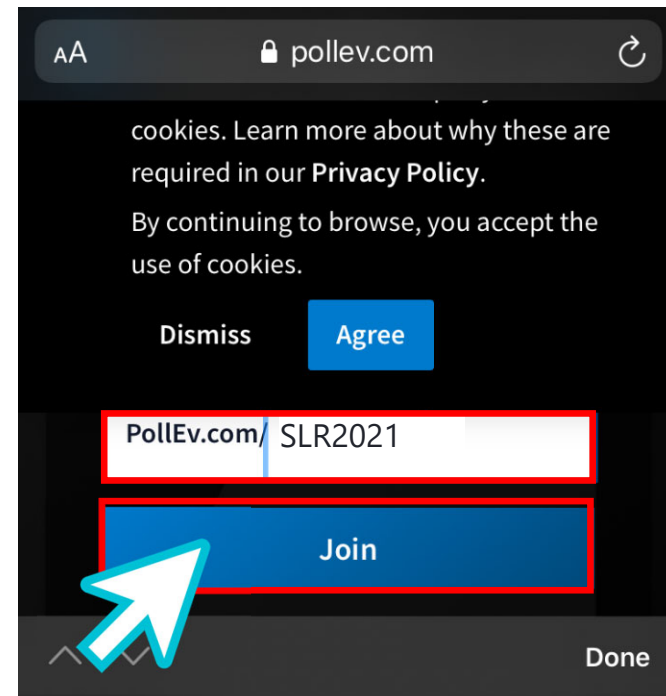
AUDIENCE POLLING INTRO



**Participate in
a presentation**



Click "I'm a participant"



Type **SLR2021 after the
backslash and hit "Join"**

What is your favorite flavor of ice cream?

Vanilla

Chocolate

Strawberry

Mint Chocolate Chip

Other

POTENTIAL STRATEGIES

- 1) Continue to promote and maintain existing housing diversity and its benefits
 - Preserve entry level housing stock
 - Single-family housing: Promote and educate on State mortgage and financing programs
 - Multi-family housing: Promote existing rental opportunities
- 2) Preserve and encourage “middle housing” – especially two-family units allowed by right
- 3) Amend zoning regulations to allow for Accessory Dwelling Units (ADUs)
- 4) Include affordable units in new multi-family developments



STRATEGY #1: PROMOTE AND MAINTAIN EXISTING HOUSING DIVERSITY

What is this strategy?

- Cromwell has a diverse and varied housing stock
 - Post WWII capes and ranches
 - Condominiums
 - Single-family homes in a variety of sizes
- Promote naturally-occurring affordable housing as an option
- Promote rental assistance opportunities in multi-family communities
- Promote financing/mortgage opportunities for first-time homebuyers through CT Housing and Finance Authority (CHFA) and other sources



When poll is active, respond at **pollev.com/slr2021**

Text **SLR2021** to **22333** once to join

What type of housing unit do you live in?

Single-family home

Two- or three- family home

Condominium

4+ unit apartment building

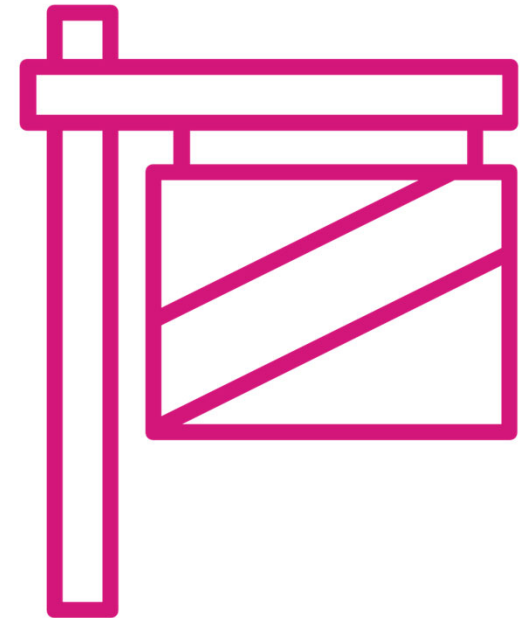
Senior/assisted living

Other

STRATEGY #1: PROMOTE AND MAINTAIN EXISTING HOUSING DIVERSITY

How could we achieve it?

- Cromwell can encourage these types of programs to match residents to housing that will fit their needs
- Potential strategies to promote programs include:
 - Educate local landlords about opportunities for tenant assistance
 - Educate local realtors to promote options such financing through CHFA and similar organizations



**Cromwell could explore ways to educate
realtors or landlords about opportunities
for rental or homebuyer programs to attract
a wide range of residents.**

Agree

Neutral

Disagree

STRATEGY #2: PRESERVE AND ENCOURAGE “MIDDLE HOUSING”

What is this strategy?

- “Middle Housing” = multi-family units compatible in scale and form with single-family homes and located in walkable areas
- Cromwell allows two-family houses as of right
- Continue to promote two-family homes, including conversion of single-family homes to two-family homes
- Allows for creation of additional housing while preserving historic structures



STRATEGY #2: PRESERVE AND ENCOURAGE “MIDDLE HOUSING”

How could we achieve it?

- Encourage more middle housing by continuing to support two-family units by right
- Consider adding option of three-family units, where appropriate.
- Higher density housing can be encouraged in walkable neighborhoods closest to amenities, shops and restaurants.
- Large single-family homes in Cromwell could be converted to include 3 units
- Potential future zoning change could codify this change.



Would you be interested in seeing three-family units permitted in neighborhoods in Cromwell where it would be appropriate?

Yes

No

STRATEGY #3: ACCESSORY DWELLING UNITS (ADUs)

What is this strategy?

- ADUs are small dwellings on the same property as a single-family home.
- ADUs can provide affordable housing options and provide homeowners with additional income, which can reduce their overall housing costs.
- Deed restriction requirements can ensure that these meet statutory definition of "affordable."
- PA 21-29 requirements



▲ Accessory dwelling units (or ADUs) come in many shapes and styles.

STRATEGY #3: ACCESSORY DWELLING UNITS (ADUs)

Case Study: Town of Mansfield Zoning Regulations

- Permitted with Zoning Permit in single-family residential zones.
- ADU can be detached or attached.
- ADU or principal dwelling must be owner-occupied for >6 months/yr.
- Size limits of 1,000 square feet or 50% of the area of the principal dwelling, whichever is less.
- Must have separate kitchen, bathroom, and entrance from main dwelling. If attached to the main dwelling, entrance can't be located on the front façade.
- Maximum occupancy requirements.
- Certification with Town Planner required every 5 years.



STRATEGY #3: ACCESSORY DWELLING UNITS (ADUs)

How could we achieve it?

- Cromwell currently allows for **attached** ADUs as of right
- Cromwell could consider updating its zoning regulations to comply with PA 21-29 by 2023.
 - **Detached** ADUs would be permitted
 - Additional flexibility regarding size, location, appearance, etc.
- Zoning regulations would be updated to reflect these changes



**Cromwell currently allows attached ADUs.
Would you support allowing detached ADUs
for single-family homes?**

Yes

No

STRATEGY #4: INCLUDE AFFORDABLE UNITS IN NEW DEVELOPMENT VOLUNTARILY

What is this strategy?

- A developer recently discussed a development in Cromwell that would voluntarily include a portion of affordable units
- Similar type agreements could be made for future developments
- These opportunities will enable additional deed-restricted units to be created in Cromwell
- Numerous potential options exist for encouraging these volunteer agreements



STRATEGY #4: INCLUDE AFFORDABLE UNITS IN NEW DEVELOPMENT VOLUNTARILY

How could we achieve it?

- Create a set of affordable housing guidelines
 - Help standardize types of affordable housing to be offered and provide guidance to developers on Cromwell's affordable housing needs and goals
 - Can set standard policy for approaching multi-family developments
 - Will help to ensure mutually beneficial outcomes
- Handout or brochure, web link
- Zoning regulation component



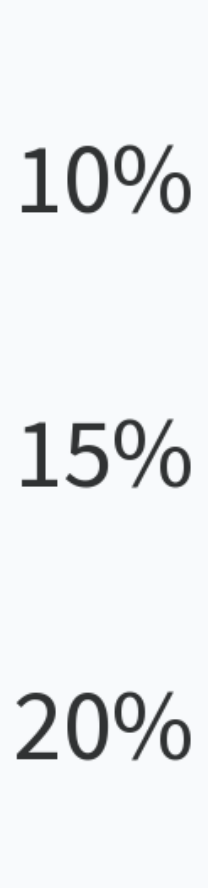
Cromwell could work with developers to encourage them to voluntarily provide some affordable units in new multi-family developments.

Agree

Neutral

Disagree

What percentage of units would you like to see set aside as affordable in new developments?



Of these four potential strategies, which are you most interested in seeing Cromwell pursue? (You can choose more than one).

Education on tenant assistance
and mortgage financing

Two- and three-family units

Accessory Dwelling Units
(ADUs)

Include affordable units in new
multi-family development

NEXT STEPS

- Based on input from this workshop, we will continue to develop the strategies
- Prepare Cromwell 8-30j plan – March/April
- Draft will be available for public review in mid-spring
- Finalize 8-30j plan
- Adoption of plan & submission to state by June 1, 2022
- Email any questions to: spopper@cromwellct.com



QUESTIONS AND ANSWERS

If you have any questions or comments, please type them in the chat.



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Thank You!



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