



# Regional Housing Plan

JULY 2022

## REGIONAL HOUSING PLAN

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# ACKNOWLEDGMENTS



**Lower Connecticut River Valley  
Council of Governments**

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# REGIONAL HOUSING PLAN

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## REGIONAL HOUSING PLAN

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# EXECUTIVE SUMMARY

### Introduction

The Lower Connecticut River Valley Region is characterized by its stunning open space preserves, bustling downtowns, quaint main streets, and access to the Connecticut River. The Region's natural resources, combined with its built environment, provide a quality of life that is unmatched. Unfortunately, development patterns over the last several decades have resulted in minimal opportunities for many of the state's residents to migrate to the Region, resulting in population and job stagnation. For the Region to thrive, it must focus on addressing the lack of diversity in its housing options and consider ways to shift toward more sustainable, affordable, and attractive development patterns. During the 2021 creation of the Lower Connecticut River Valley Plan of Conservation and Development 2021-2031 (RPOCD), it was acknowledged that Region must address housing options to increase diversity amongst the residents. In pursuit of this goal, RiverCOG created the Regional Housing Plan (RHP) as a comprehensive approach to addressing the Region's unmet housing needs.







The RHP functions as an extension of the RPOCD by focusing on proactive steps the Region can take to achieve that plan's vision. Specifically, the RHP looks at using the targeted creation of housing to diversify local demographics, grow jobs, and address the ever-changing housing need trends that are occurring across the state and nation in a sustainable and context sensitive way. The six objectives of the RHP are as follows:

1. Diversify the Region's population in terms of age, race, and socio-economic status.
2. Create a resilient workforce in the region.
3. Ensure that people who work in the Region can live in close proximity to their jobs.
4. Diversify housing stock for non-traditional households.
5. Examine ways to make the existing housing stock, office, and retail space in the Region functional for a changing population.
6. Encourage orderly creation of housing of different styles and types throughout the Region near existing areas of development, employment, and transit.

The RHP, one of the first plans of its kind in the state, was created in two parts. The first is the regional part of the plan, which uses a three-part methodology to assess the Region's housing needs and propose recommendations for addressing those needs in a way that furthers the RPOCD vision. The second is made up of 12 municipal 8-30j Affordable Housing Plans (AHP), which were created through a collaborative process and independently adopted by each of the participating towns. Each part of the RHP informs the other, as the regional assessment informed the municipal plans and the municipal recommendations informed the regional recommendations. This two-part process allowed the RHP to build a coalition around shared municipal housing goals and demonstrated areas of opportunity for regional collaboration, cooperation, and resource sharing to support the municipal plans.



Figure 1. Epoch Arts, East Hampton

## Methodology

The RHP utilizes a three-phase methodology to assess the Region's housing needs and establish a framework for addressing those needs: a baseline assessment, a suitability analysis, and an incorporation of the vision and goals from the RPOCD.

### Baseline Assessment

The baseline assessment first considers the Region's demographics, economic conditions, and current housing stock. This assessment helps determine the gap between those currently living and working in the Region and the type of housing that is readily available. The assessment provides a foundation for determining Region's existing housing needs.

The preliminary assessment highlighted the mismatch between the Region's population, its housing supply, and jobs. Unfortunately, all three have been in a stagnant to declining trend over the last several years, which is both a cause and effect of the existing housing stock. The Region's large, old, expensive, single-family units are not well matched to its aging demographic and shrinking household size. This existing stock is also unlikely to attract or retain the younger population that the Region will need to thrive. Another concern is that many of these units are simply unattainable to a significant portion of the population who work in the region. The assessment concluded that the Region needs to increase its supply of smaller, modern, and more affordable units in order to provide housing opportunity for each of these groups.



#### Population

174,225 people  
1% decline  
\$126k median income  
1-2 persons per household  
46.6 years old



#### Jobs

76,000 jobs  
31% residents  
Slow to no growth



#### Housing Supply

82,497 housing units  
\$303k median value  
31% cost burdened  
71% SFR  
63% Pre-1980

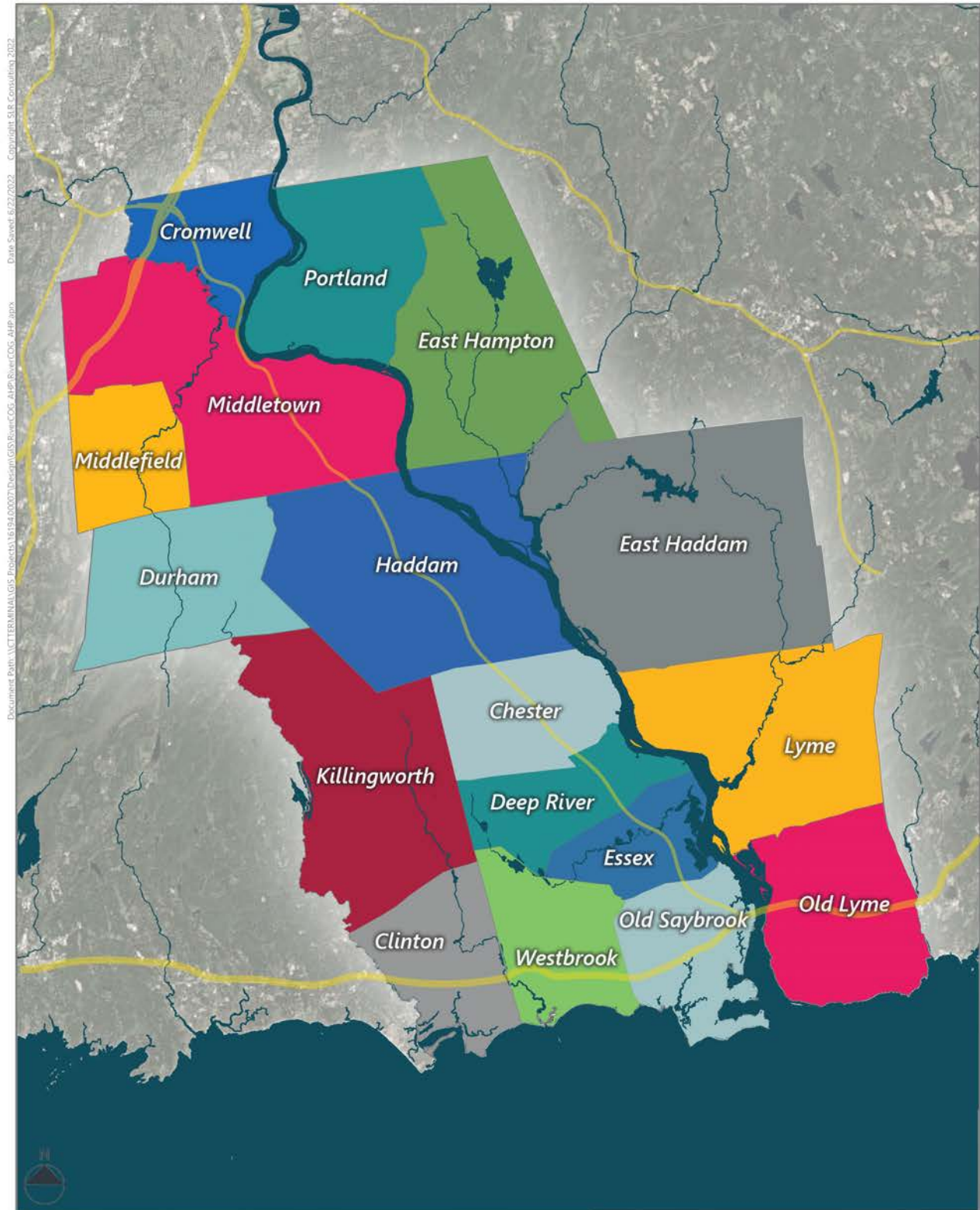
Source: See Appendix A "Housing Market Study"

### Suitability Analysis

Following the baseline assessment, a suitability analysis was performed to ensure that housing is addressed in a strategic and sustainable manner across the Region. This analysis considers environmental assets and constraints, zoning regulations, available infrastructure, along with access to transportation to help establish land in the Region that is suitable and available for housing development.

This analysis concluded that while large areas of the Region are zoned single family residential, not all of those areas are appropriate for building additional housing.





Much of that land contains important environmental resources, lacks infrastructure like sewer and water, and has limited access to alternative modes of transportation. With these areas set aside, the suitability analysis identifies areas that are more appropriate for sustainable housing growth.

## Regional Plan Visions and Goals

Where baseline assessment and suitability analysis provide a snapshot of current conditions, the RPOCD provides a blueprint for how the Region would like to grow in the future. Therefore, the methodology for the RHP incorporates the vision and goals set out in the RPOCD. Specifically, the RHP utilizes aspects from the RPOCD's Sustainable, Innovative, Connected, and Community themes to understand how they impact the Region's housing needs and inform the Region's approach to addressing them. The recommendations in the RPOCD inform the type of growth the Region needs, and directs that growth to target areas near transit access, downtown centers and main streets, and job centers as follows:

***Sustainable: Create a framework of policy recommendations that support a regional goal of improving diversity while focusing on preserving existing natural resources.***

Although the Region is largely rural suburban, focusing new housing development into targeted higher-density centers will shift the Region towards more sustainable development patterns. This development should be context sensitive and scaled appropriately to the surrounding community. Additional encroachment into open space should be avoided to the extent possible.

***Innovative: Create a housing plan that functions as an economic driver for attracting new residents and businesses and supporting workers for existing local businesses.***

Stimulating the Region's economy and attracting new workers will require the Region to simultaneously plan for and provide new housing opportunities. A portion of the new housing opportunities should be of the style and type that appeal to young professionals, which will also support and attract quality employers.

Further, in order to support the Region's essential workers, it will be important to create a diverse range of housing options that will provide the opportunity for those who work in the Region to live near their jobs.

***Connected: Provide housing in such a way that encourages ease of access to jobs, services, and amenities by all modes of travel and for all types of people.***

Multi-modal transportation is central to issues of equity. In areas where vehicle ownership rates may be low, providing transit options allows those without cars or those who don't drive the ability to live in the Region. In addition, the impacts of increasing gas and car prices disparately impact lower income individuals, making proximity to

reliable alternative modes of transportation critical. In pursuing the goal of attracting a wider diversity of residents, such as those across a range of incomes, increasing housing opportunities with access to a broad range of transportation alternatives will be important.

***Community: Provide housing that is attractive to a diversity of residents, including new residents, while supporting and providing existing residents with potential new options.***

Creating more diverse and vibrant communities will require the creation of a range of housing options in and around the Region's community centers that are supported by multimodal transportation options. This new housing should be attractive to younger residents, support the senior population, be affordable for a variety of income levels, and suitable to varying household sizes and types.

## Regional Housing Market Capacity

Because the Region will be largely reliant on private developers to create additional housing opportunities, it is important to understand the amount of housing that the real estate market will support. The demand drivers for real estate development are jobs, population, household formations, and income. A full Housing Market Analysis was completed as part of the RHP and is attached as Appendix A.

Based on the Region's current trajectory of jobs, population, household formation, and income, the Region's housing market is weak. This means that while the need for new housing that is affordable, diverse, and accessible, is real, it will be challenging to incentivize new housing development of any kind when the market does not justify the investment. However, even in weak housing markets there is a degree of demand for new housing.

By strategically and intentionally adding a diverse, accessible, and affordable housing product and repurposing the Region's existing housing supply in a way that appeals to the Region's lost population, a modest amount of additional market share could be captured.

Using historic trends of low growth and high growth in the Region, the Housing Market Analysis projected the Region's future housing demand at a high estimate of 600 units per year if the Region moves toward its RPOCD vision, and a low estimate of 200 units per year if the Region continues its current trajectory.

These are estimates intended to inform future planning efforts and ensure that the Region is strategic in its creation of housing units. This will allow greater capture new market share and coordination with the Region's economic and environmental goals.



## Recommendations

Each municipality in the Region has a unique combination of attributes, values, and constraints. Therefore, while it is imperative that each municipality provide additional housing opportunity, the type and amount of housing will vary greatly among them based on projected population growth, access to jobs, available infrastructure, access to transit, and location of important natural resources and constraints. To implement this plan, and shape sustainable growth and housing opportunity into the future, on-going coordination and cooperation among the municipalities is essential.

Areas of alignment among the Region's municipalities, determined based on the goals and recommendations of their 8-30j plans, are an easy place to begin regional coordination efforts to address housing needs. To that end, the following regional recommendations are proposed:

### Create a Housing Toolkit

Many of the goals in the municipal Affordable Housing Plans require regulatory and policy changes. Enacting these changes typically involve significant time and resources. It is recommended that RiverCOG create a Housing Toolkit that includes a background summary, best practices analysis, and sample language for the regulatory and policy changes proposed by the Region's municipalities in their plans. This toolkit would be web-based and available for municipalities to use as they work to implement their Affordable Housing Plans.

### Study Capacity for Transit Oriented Development

Creating housing opportunity near the Region's transit stations is a key component of sustainable growth in the Region. This concept is featured prominently in the RPOCD and is woven throughout this plan. Locating new housing development with a mixture of office and retail uses, near transit, when well planned, can lower the impact of that development on the Region's land and resources, make transit a more viable alternative to cars, and create more vibrant and accessible places to live and work across the Region. It is recommended that RiverCOG, in coordination with the towns where Shoreline East Lines are located, conduct a Transit Oriented Development Study that would analyze the capacity of the land around those transit stations to accommodate walkable, bikeable, mixed use development, as well as considering alternative solutions for using those stations to create better access and connectivity in the Region.

## Establish a Regional Housing Commission

One of the easiest ways to ensure regional coordination on housing issues is to create a Regional Housing Commission. Of the Region's 17 municipalities, 76 percent were interested in, or had already created, a standing housing commission or committee to implement their Affordable Housing Plans, as well as this Regional Housing Plan. A Regional Housing Commission should be created as a voluntary association of the Region's municipalities with representation from each community. This Commission could be hosted by RiverCOG, which would provide staffing and support. It is envisioned that the Commission would grow in scope and responsibility over time but remain focused on supporting local efforts to diversify housing stock. Growth would occur in the Phases as described below.

### *Phase 1 – Education, Outreach, and Partnership*

Once created, the Regional Housing Commission should serve as an information resource on housing and community development for each of the Region's municipalities and their residents. The Regional Housing Commission should also serve as the primary point of contact for partnering and coordinating efforts with non-profits like the HOPE Partnership and Habitat for Humanity as well as for developers looking to create affordable housing in the Region.



Figure 2. Train Station Westbrook

### ***Phase 2 – Data Collection and Analysis***

The Regional Housing Commission should be tasked with creating a Regional Housing Needs Assessment every 5 years, to support future updates of municipal affordable housing plans. The Commission should develop a methodology that considers factors like projected population growth, job markets, access to transportation, access to infrastructure, and environmental assets and constraints, like the analysis performed as part of this plan. Using that methodology, the Regional Housing Commission should determine how many housing units the Region needs in order to accommodate the projected population and provide a framework for municipalities to coordinate those needs across the Region in a sustainable way.

### ***Phase 3 – Expanding Operations***

Once the Regional Housing Commission is established, the municipalities may choose to give the Commission additional authority to undertake activities for the municipalities. For example, it could function as or partner with a regional land bank, create and administer a regional housing trust fund, operate as or with a regional housing land trust, and/or act as or partner with a regional or with municipal housing authorities.

These recommendations are all designed to support the Region in moving toward its housing goals and support municipalities in improving diversity and opportunity.



*Figure 3. Ground Breaking in Old Lyme*





*The Connecticut River, shown here from the Town of Essex, is a connecting feature that defines the Lower Connecticut River Valley. RiverCOG was the only Council of Governments to be formed around a natural resource.*

## SECTION 1

# INTRODUCTION

## Overview and Background

The Regional Housing Plan (RHP) for the Lower Connecticut River Valley Region (Region) is a comprehensive approach to understanding and addressing the Region's housing needs within the context of its physical, demographic, and economic conditions. It considers the Region's geography, housing drivers (jobs, household formation, and income), and demographic trends and provides a framework for meeting the Region's housing needs.

The scope of the RHP grew out of the *Lower Connecticut River Valley Plan of Conservation and Development 2021 – 2031* (RPOCD), which was adopted in September 2021. The RPOCD highlighted key challenges of the Region as "shifting demographics, shrinking workforce, wavering economy, and a housing market that is unattainable to portions of the state's population that earn less than the area's average income." It identified these challenges as an opportunity to "make important planning choices ... and create a stronger Region that supports quality of life for all" (RPOCD: 1).

The RPOCD identified the symbiotic relationship between regional demographics, workforce, economy, transportation network, and housing market. It made several recommendations related to increasing housing diversity and opportunity and identified housing as an area that required regional coordination. By encouraging coordinated efforts, the RHP seeks to build upon the RPOCD and the cooperative relationship between the Region's municipalities to better serve the current and future population.

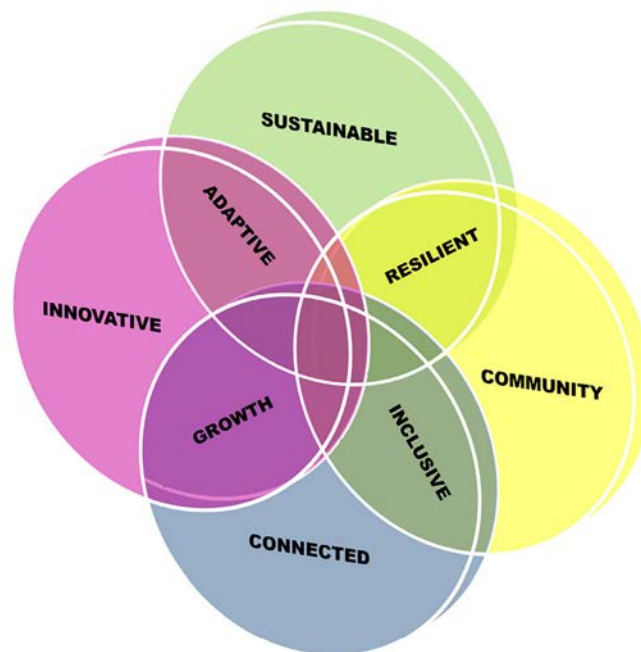


Figure 4. RPOCD Venn Diagram from Executive Summary

## Purpose of the Regional Housing Plan

The RHP is intended to comprehensively address the Region's housing needs and understand how they relate to and impact the goals and challenges identified in the RPOCD.

The purpose of the RHP is threefold:

### **1. To assess the Region's existing housing stock and its ability to meet changing housing demands**

A key purpose of the RHP is to assess the Region's existing housing stock, to gain an understanding of the Region's current position, and to provide a guide for addressing future housing demand. This plan will analyze the regional housing stock's ability to meet the needs of current and future residents. The analysis identifies gaps in the Region's housing and provides strategies for municipalities to address housing gaps in a coordinated way.

### **2. To build upon the vision and goals of the Regional Plan of Conservation and Development**

The RPOCD was organized into four overarching themes – **Sustainable, Innovative, Connected,** and **Community**. These themes were used as a tool to help address often multifaceted and interrelated planning issues and goals. The themes were also used to better tie plan recommendations to the vision for the Region. The RHP will build on the vision and goals of the RPOCD by considering housing recommendations through the lens of the four themes as follows:

**Sustainable:** Create a framework of policy recommendations that supports a regional goal of improving diversity while focusing on preserving existing natural resources.

**Innovative:** Create a housing plan that functions as an economic driver for attracting new residents and businesses and supporting workers for existing local businesses.

**Connected:** Provide housing in such a way that encourages ease of access to jobs, services, and amenities by all modes of travel and for all types of people.

**Community:** Provide housing that is attractive to a diversity of residents, including new residents.



### 3. To create a regional housing strategy and framework through which municipalities can plan for the expansion of affordable housing stock consistent with CGS Section 8-30j

Section 8-30j of the Connecticut General Statutes (CGS § 8-30j) requires all Connecticut municipalities to create affordable housing plans that demonstrate how they will increase their supply of state-defined affordable housing (see Appendix B). The RPOCD established a recommendation (under RPOCD “Community” Goal 3) that the Lower Connecticut River Valley Council of Governments (RiverCOG) should “assist towns in creating affordable housing plans as mandated by CGS Section 8-30j” (RPOCD: 52). The RHP creates a regional housing strategy and a framework through which municipalities can plan for local housing needs. It also includes CGS § 8-30j compliant affordable housing plans for 12 participating RiverCOG member municipalities consistent with the regional framework.



Figure 5. RIVERCOG participating towns

## Objectives of the Regional Housing Plan

In furtherance of the stated purposes for the RHP, six regional objectives were identified that can be supported by housing policy. These objectives were formed in response to public input received during the RPOCD and RHP planning processes and through the analysis of regional trends, patterns, and data. Working toward these objectives will support the long-term resiliency and vitality of the Region.

### 1. Diversify the Region's population in terms of age, race, and socio-economic status.

Socio-economic factors have a strong impact on housing preference. While owning a single-family home may have been a housing goal 50, or even 20, years ago, the current population is less likely to consider homeownership due to student loan debt, low credit scores, generally lower incomes, and the flexibility to change jobs, which may require moving to another community or state. Similar factors also influence the types of homes that today's population would choose to purchase. Instead of owning a larger single-family home, many seniors, singles, young families, and low- and moderate-income groups would prefer to rent or purchase housing that is small, modern, and conveniently located. This is a type of housing that our Region currently lacks, but its development will be critical to diversifying and strengthening the Region.

The variety of housing options, or lack thereof, directly influence who can live in our Region. Due to the relatively high cost of living in the Region, and the overwhelmingly detached single-family housing stock, young people may not be able to live in the towns where they grew up, older residents may not be able to downsize, and people employed in the Region may not be able to live where they work. Diverse housing options support a more diverse population.

### 2. Create a resilient workforce in the region.

The number of residents across the Region that are 65 and older is growing while the number of residents in their 20s, 30s, and 40s is shrinking. As the Baby Boomer generation (birth years 1946 to 1964) ages and retires from the workforce, the Region must try to attract and retain younger generations – the most productive working-age segment of the population – who have been leaving small communities for larger, urban employment centers. Failure to do so will result in a depleted regional workforce.

This plan acknowledges that not every community in the Region is suitable to every job sector, and there are certain job sectors that are not a good fit for the Region overall. Instead, the Plan builds on the Innovative theme of the RPOCD in recommending housing types to support and grow employment sectors that are well suited to the Region. These sectors include tourism, remote/self-employed work, and cottage industries as well as businesses that can partner with our Region's existing institutions.

Innovative thinking around how the modern workforce operates, including shared, remote, and home workplaces, will be key as emphasized throughout the COVID-19 pandemic.

### **3. Ensure that people who work in the Region can live in close proximity to their jobs.**

It cannot be overstated that the job market and housing market are closely intertwined. Currently, those who live outside the Region and commute into the Region to work are more likely to have lower incomes while those residents who live within the Region and commute outside the Region to work have higher incomes.

This is likely because service industry workers; municipal workers such as teachers, firefighters, and police officers; and young professionals starting their careers cannot afford, or have lifestyles not suited for, the Region's housing. This results in long commutes, less time spent with family, and high transportation costs, in addition to the missed opportunity to integrate themselves more fully into the Region's communities.

### **4. Diversify housing stock for nontraditional households.**

In many ways, today's households differ from larger nuclear family of previous generations, but the Region's housing options have remained largely unchanged. This Plan recognizes the benefits that diverse household types can bring to the Region, and strategies in the Plan will be aimed at providing housing options to support and adapt to a variety of household types.

### **5. Examine ways to make the existing housing stock, office, and retail space in the Region functional for a changing population.**

The COVID-19 pandemic, entering its third year at the time of writing this Plan, has accelerated the already shifting changes in the way we utilize space. Our population's changing needs for housing, office, and retail in the Region necessitates innovative planning to adapt and reuse existing buildings.

Communities can create new and diverse housing opportunities through promoting the sensitive conversion of historic industrial buildings and large single-family homes to multifamily units and revamping underutilized commercial, office, and hotel spaces into flexible live-work and mixed-use developments. This Plan examines the changing ways today's population uses space and explores ways to adapt for our shifting needs.

### **6. Encourage orderly creation of housing of different styles and types throughout the Region near existing areas of development, employment, and transit.**

Sustainability was an overarching theme of the RPOCD. Although this Plan acknowledges the need for additional housing in the Region, it also emphasizes the importance of locating this housing in a strategic and sustainable way. The RHP recommends that new development be located in close proximity to existing areas of development, employment, and transit, implementing RPOCD Community Goal 2 (Create vibrant, equitable communities within established city, town, and village centers and in proximity of Shore Line East stations [RPOCD: 51]).

In addition, development should utilize, to the extent feasible, existing utility and infrastructure connections, particularly sewer and public water. This infrastructure tends to be located near existing town centers and along major arterial roads, which the RPOCD and this Plan support as preferred locations for housing.

The RHP examines strategies to direct housing development of a variety of styles and types toward existing downtowns and village centers. Encouraging housing in areas of existing infrastructure with connections to employment centers and transportation options will not only prevent sprawl and preserve natural resources but can also address the Region's job-related objectives.





*The Salt Meadow unit of Stewart B McKinney Wildlife Preserve in Westbrook is an example of the beautiful and important natural habitat areas in the Region which must be considered and protected as the Region grows its supply of housing.*

## SECTION 2

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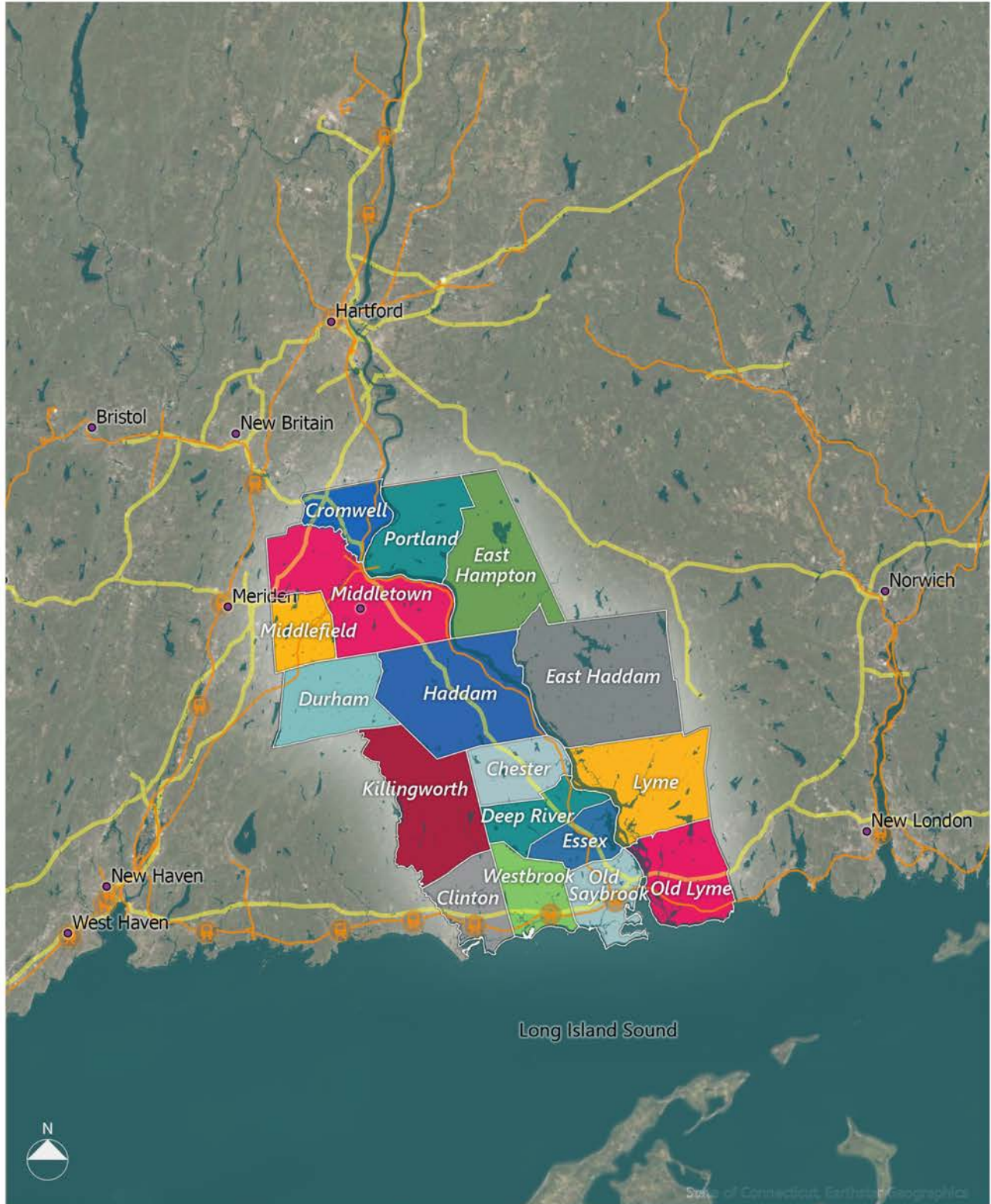
# METHODOLOGY



# REGIONAL CONTEXT

The Lower Connecticut River Valley Region is a 445-square-mile area located in southeastern Connecticut. It is defined predominantly by the natural features of the Connecticut River, glacial deposit and bedrock landscape, and the Long Island Sound. The Region is comprised of 17 municipalities: Cromwell, Portland, East Hampton, Middletown, Middlefield, Durham, Haddam, East Haddam, Killingworth, Chester, Lyme, Deep River, Essex, Clinton, Westbrook, Old Saybrook, and Old Lyme. Middletown, the Region's only city, contains anchor institutions such as Wesleyan University, Middlesex Community College, and Middlesex Hospital. The other 16 towns in the Region provide a diversity of landscapes, including historic centers, beach communities, regional shopping destinations, important manufacturing hubs, and rural agricultural settings. Because each of the Region's municipalities is unique, it is not expected that each will have the same housing needs and will be able to support and attract different segments of the Region's population.







## Overview

This plan utilizes a three-phase methodology to assess the Region's housing needs and establish a framework for addressing those needs: a baseline assessment, a suitability analysis, and an incorporation of the vision and goals from the RPOCD.

## Baseline Assessment

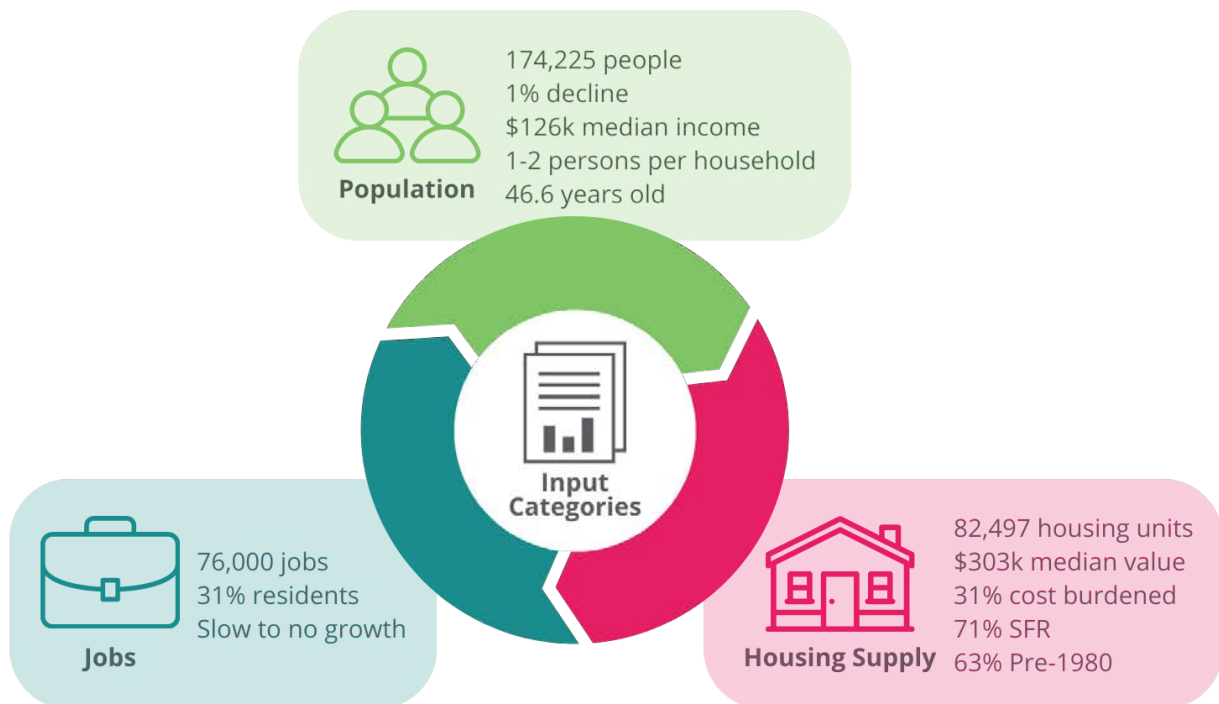
The baseline assessment considers the demographics and economic conditions of the Region as well as the Region's current housing stock. This assessment establishes the gap between those currently living and working in the Region and the type of housing the Region currently provides, forming the baseline for the Region's housing needs.

## Demographics

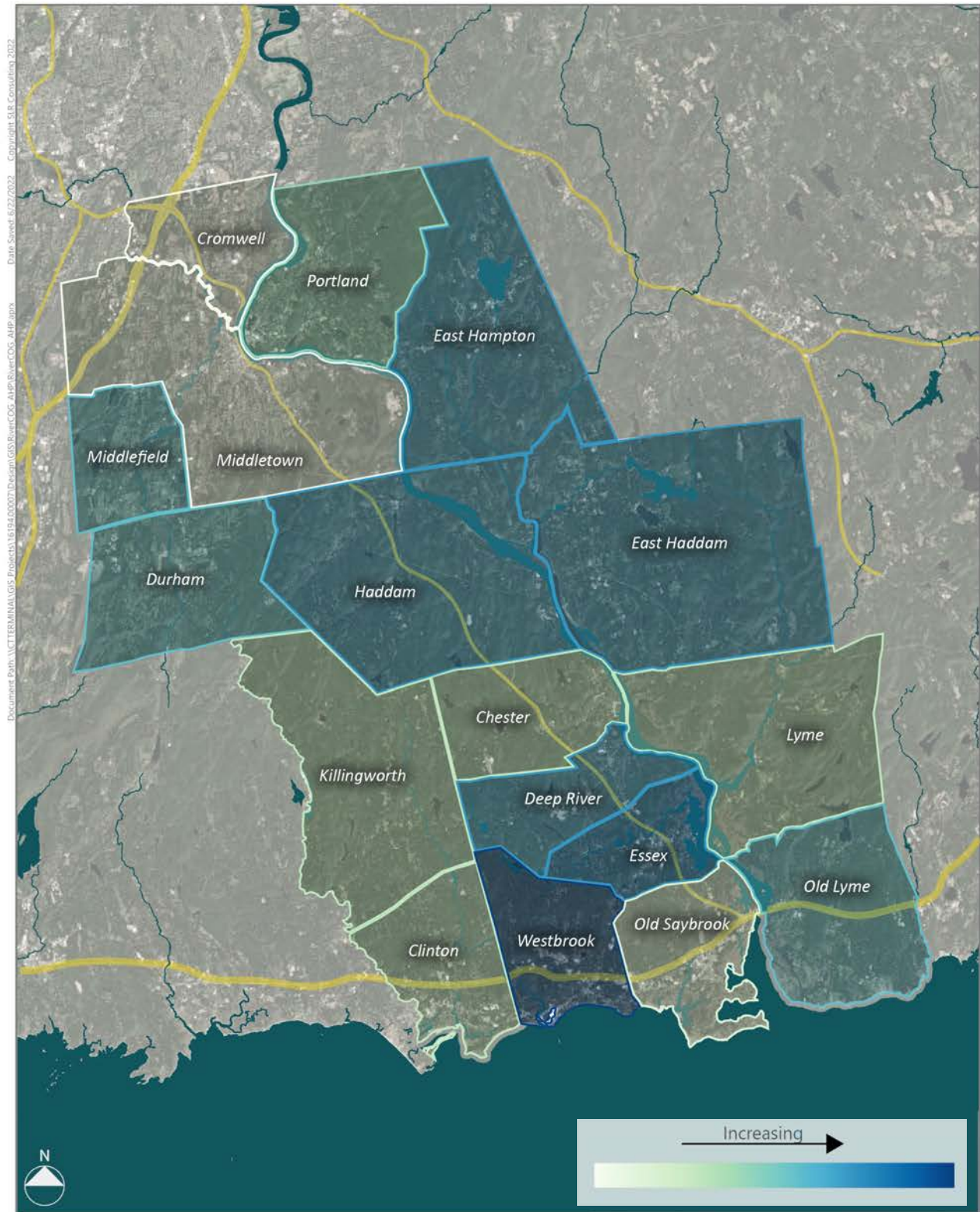
### Population

**The Region's population is stagnant and verging on decline.** As of 2020, the Region was home to 174,225 residents. This is a decrease of 1 percent from 2010. This 1 percent population decrease over a 10-year period is modest and not necessarily worrying. However, within that 1 percent, the Region lost 18 percent of its population under the age of 18 – a fact that correlates to a 21.4 percent decrease in the Region's

### Overview of Input Categories



Source: See Appendix A "Housing Market Study"

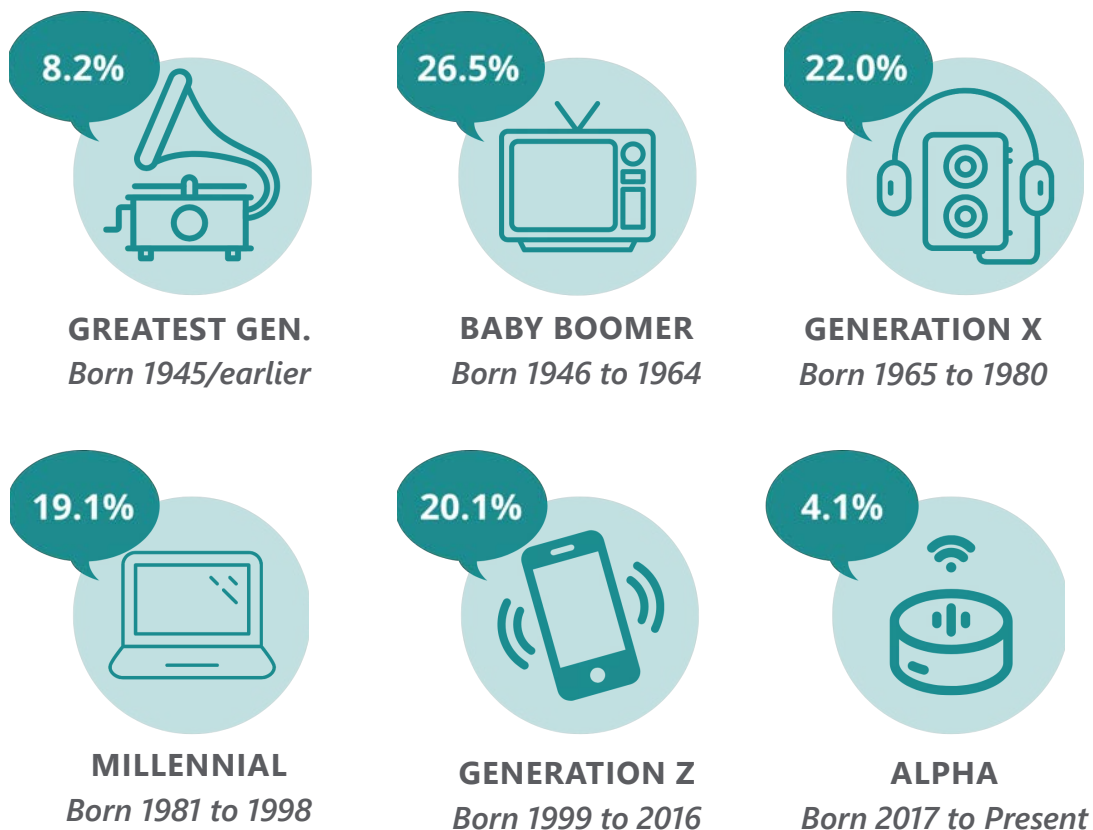


school district enrollments. This means that as the Region's population has aged, new, young residents, particularly those with school-aged children, have not moved in to replace them.

## Age

**The Region is aging.** The median age of the Region's population is 46.6. Middletown provides the largest portion of the Region's young people and brings down the median age. Cohorts of the Baby Boomer generation (born 1946 to 1964) make up the largest portion of the Region's residents. In 2020, 26.5 percent of the Region's population belonged to this group, up from 16 percent in 2010, and the number is expected to grow.

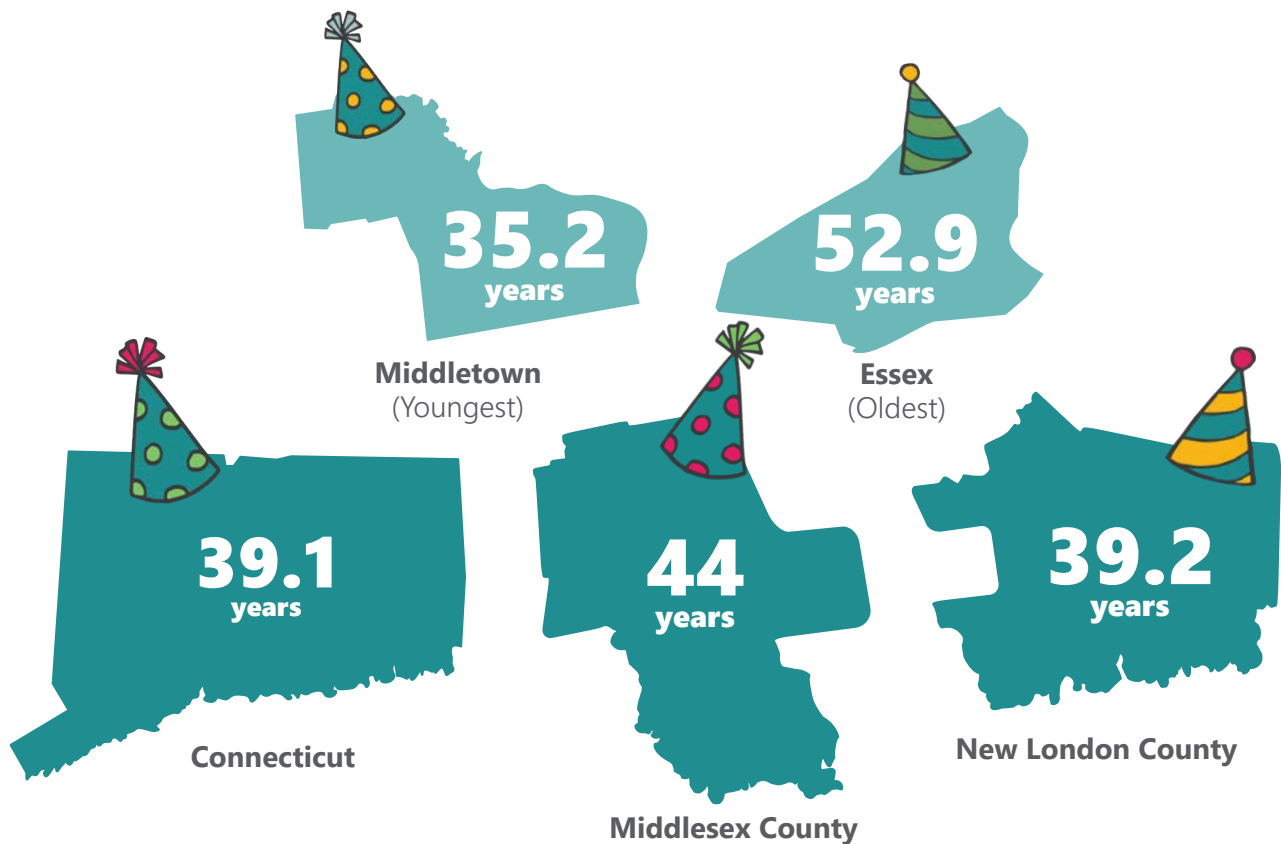
### Generation Breakdown of the Region



Source: CT Data Collaborative - Population by Age by Town



### Median Ages for Towns and Counties



Source: CT Data Collaborative Tables - Median Age by County & Median Age by Town

### Household Size and Composition

Within the Region, as well as across the state and greater U.S., **the number of single- and two-person households are growing while the number of three-person or larger households is shrinking.** The average household size in the Region is 2.37 persons. Shrinking household size has reduced demand for larger homes and increased demand for smaller homes, which the Region does not readily have.

### Income

The average household income for the Region, as of 2019, is \$126,708, with a median income of \$95,032. **This is significantly higher than the United States median income** of \$64,944 as well as the state median income of \$79,855.



The **baseline assessment** considers the **demographics and economic conditions** of the Region as well as the Region's **current housing stock**. This assessment establishes **the gap between those currently living and working** in the Region and **the type of housing the Region currently provides**, forming the baseline for the Region's housing needs.

## Jobs and Workforce

### Jobs and Employment Sectors

**Job creation in the Region and across the state has been declining since the 1990s.** In the 5-year period from 1985 to 1990, Connecticut's total number of jobs increased by 105,700. By comparison, in the 30-year period from 1990 to 2020, Connecticut's total employment increased by 130,400.

As of 2019, there were roughly 67,000 jobs in the Region, with an additional 24,000 self-employed workers. Middletown accounts for over one-third of these jobs. There are also employment centers in Cromwell, the Region's various main streets and downtowns, industrial parks, and large commercial developments located along I-95 and Route 9. The largest employment sectors in the Region include manufacturing, tourism, and small businesses.

### Regional Workforce

The Region lacks jobs that are attractive to many of its residents and also lacks housing that is attractive or affordable to many of the Region's workers. The Region has a workforce population of over 118,000 residents (age 15 to 64) and approximately 76,000 jobs. **Approximately 23,300 (31 percent) of the Region's workforce population is employed within the Region.**

**71.9%** *Single-family detached*

**1.1%**  
*Mobile home*

**3.6%**  
*Single-family attached*

**5.3%**  
*2-Family*

**4.1%**  
*3- or 4-family*



Source: S2504 PHYSICAL HOUSING CHARACTERISTICS FOR OCCUPIED HOUSING UNITS – 2020 ACS 5-Year US Census



The approximately 52,600 remaining jobs are filled by commuters, primarily from the Meriden, New Britain, New Haven, and Hartford areas.

Conversely, approximately 52,750 of the Region's residents, or 45 percent of the Region's workforce, is not employed within the Region and commutes to cities such as New London, Hartford, and New Haven. "Workers employed in the Region, but living outside the Region, have an overall lower monthly income than the workers that live in the Region. A significant share (62 percent) of the Region's resident workers earns more than \$3,333 per month."

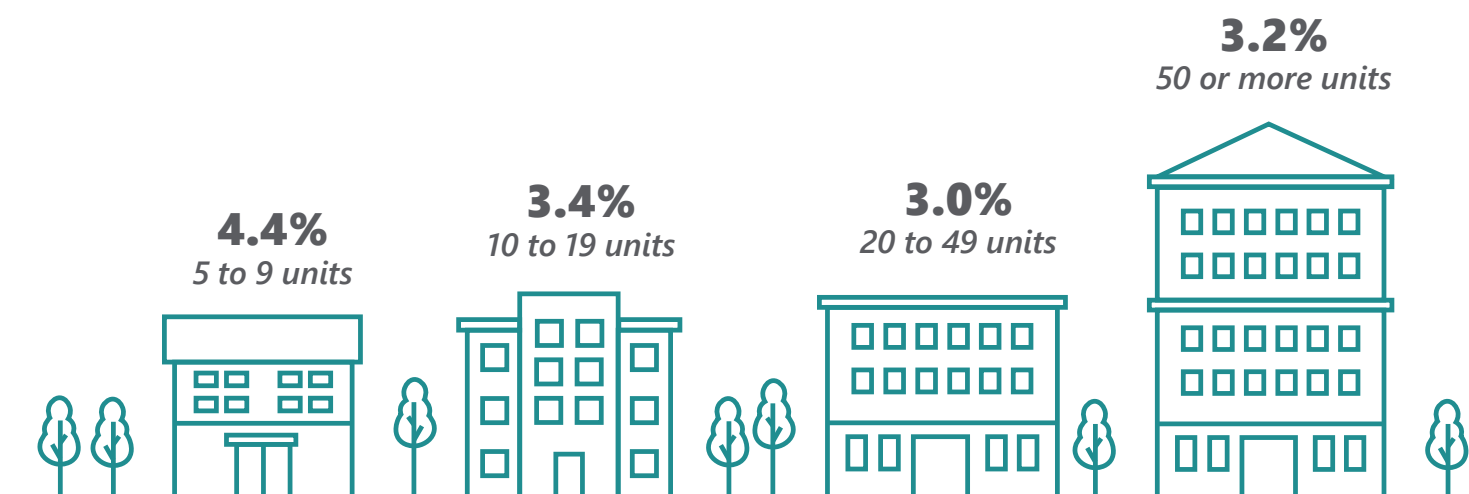
## Housing Profile

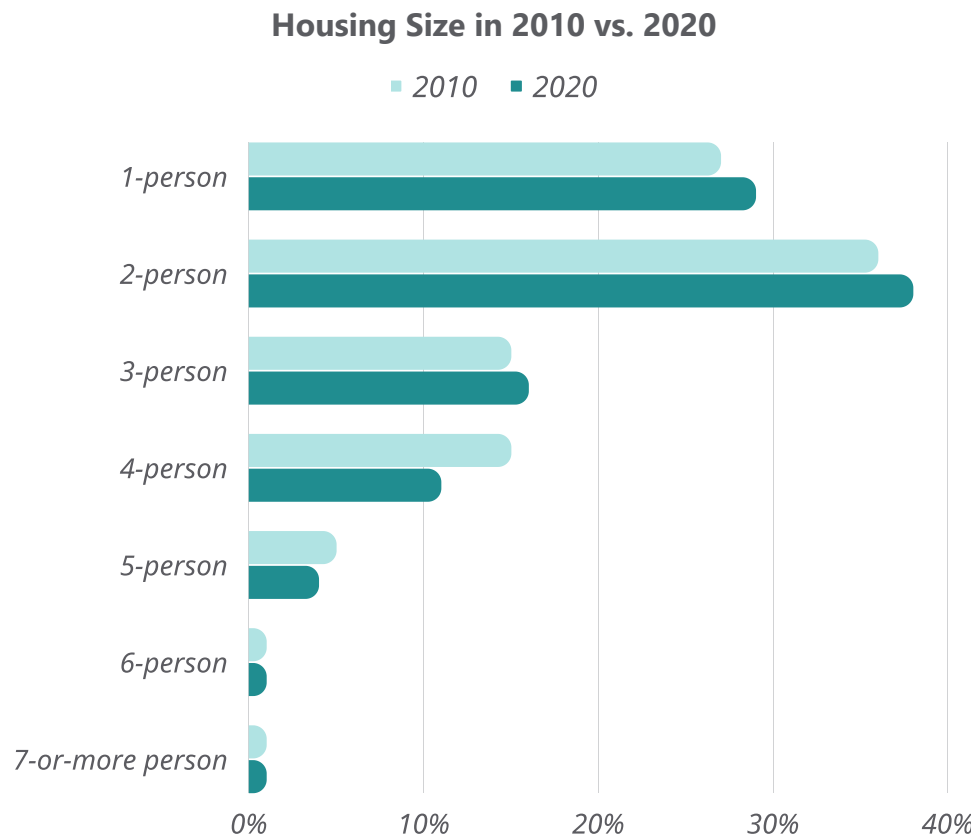
### Housing Type

**The Region's dominant housing type is single-family detached houses.** As of 2020, the Region had a supply of 82,497 total housing units. Single-family detached housing units account for 71 percent of this supply. Conversely, multifamily housing units make up only 25 percent. The City of Middletown accounts for 81 percent of the Region's total multifamily housing stock. For all communities not including Middletown, single-family housing makes up 81 percent of all units, with only 15 percent multifamily units. Unless corrected, the overall lack of diversity in the Region's housing stock will continue to impact our ability to attract and retain households as demands and preferences change.

Housing Size	2010	2020
1-person	27%	29%
2-person	36%	38%
3-person	15%	16%
4-person	15%	11%
5-person	5%	4%
6-person	1%	1%
7-or-more person	1%	1%

Source: American Community Survey - Table S2501 OCCUPANCY CHARACTERISTICS US Census - 2020 ACS 5 Year





Source: S2501 OCCUPANCY CHARACTERISTICS US Census – 2020 ACS 5 Year & 2010 ACS 5 Year

### Age and Condition

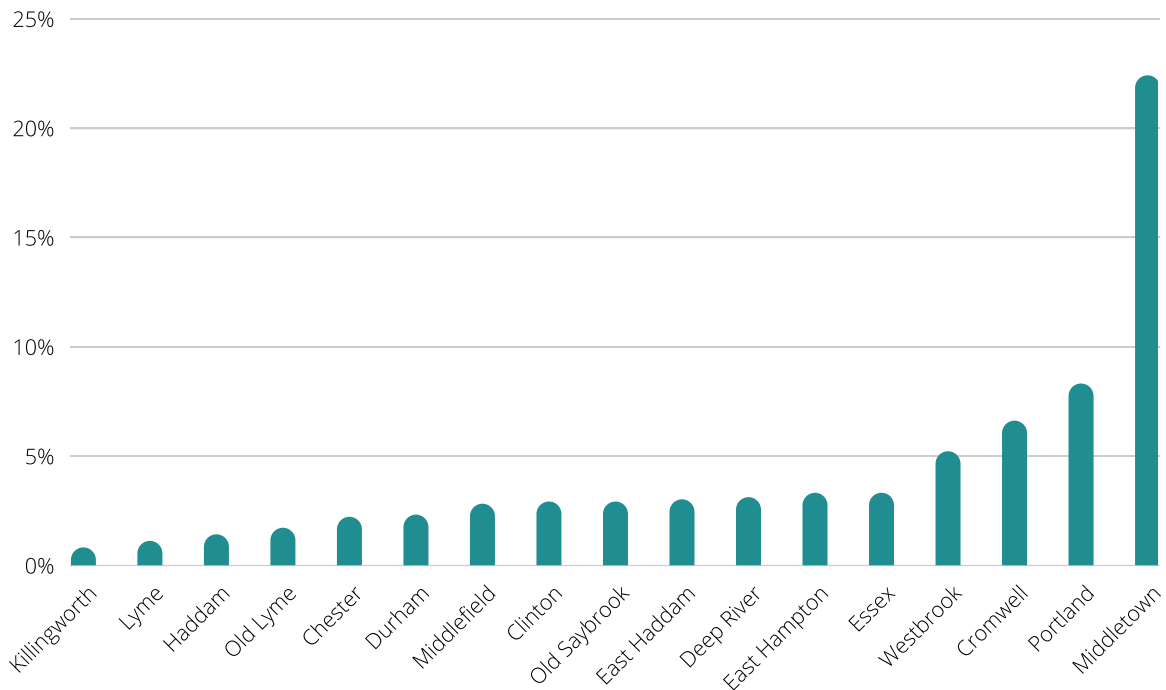
#### **The Region's housing supply is old, and new construction has been limited.**

Housing age is commonly used to estimate the rehabilitation needs of an area's housing stock. Most homes begin to require major repair after 30 or 40 years. Housing that is not maintained can discourage reinvestment, depress surrounding property values, and can negatively impact the quality of life in a neighborhood. Approximately 63 percent of the Region's housing stock was built prior to 1980, and 20 percent was built prior to 1940. Further, between 2000 and 2020, every municipality, except for Clinton and Old Saybrook, saw the number of new houses being built drop by 50 percent or more. In fact, four of the Region's municipalities experienced an over 85 percent decrease in new houses built in that time.

### Unit Size

**Housing units in the Region have more bedrooms than are needed for shrinking household sizes.** The number of bedrooms in a housing unit can be an indicator of its size, price, and suitability for different household types. Within the Region, 40 percent of housing units have three bedrooms, and 20 percent have four bedrooms or more. Nonetheless, most single-family units in the Region tend to be average in size and may be suitable for smaller households.

### Protected Affordable Housing Units as a Percentage of Total Units



Source: State of Connecticut Department of Housing (2020)

### Tenure

**There are very few rental opportunities in the Region.** Younger residents, older residents, and one- or two-person households tend to prefer rental units due to their flexibility, lack of maintenance requirements, and absence of a down payment. The ratio of homeowners to renters in the Region is approximately 3:1. Middletown has the largest percentage of renter-occupied units (47.7 percent) followed by Deep River (30.1 percent) and Essex (26.6 percent). These municipalities also have the highest overall number of housing units and the greatest housing diversity.

### Home Value

**Home values across the Region are moderate but vary greatly between municipalities.** As of 2020, the median home value in the Region was \$303,031. This is higher than the median home value for the State of Connecticut (\$280,700). Lyme has the highest median home value in the Region (\$576,100), more than double that of Middletown, which has the lowest regional median home value (\$231,300).

### Rents

As of 2019, the average rental rate in the Region was \$1,174 per month. This rate varies by municipality, with Old Saybrook having the highest rate of \$1,631 and Haddam





having the lowest rate of \$881. Approximately 31 percent of the Region’s rental housing (5,837 units) rented below \$1,000, and about 39 percent (7,224 units) rented between \$1,000 and \$1,500 per month. However, the small number of existing rental units across most of the Region skew these numbers. **Rental units make up 26 percent of all units in the Region**, which indicates that 74 percent – almost three-quarter of all units – are owner-occupied.

## ***Affordability***

### ***Housing Cost Burden***

**Approximately one-third of the Region’s households are considered burdened by housing costs.** Households spending more than 30 percent of their income on household expenses (including rent/mortgage, utilities, taxes, and maintenance) are considered to be housing cost burdened. As of 2020, 31.1 percent of households in the Region pay more than 30 percent of their income on housing. This includes 48 percent of renters and 27 percent of homeowner households. Using 30 percent of household income to determine whether housing is affordable is a useful way to standardize measurement of affordability across all income levels and household types.

### ***Qualified Affordable Housing (CGS 8-30g)***

Less than 10 percent of the Region’s total housing stock qualifies as affordable pursuant to state statute. The state defines Affordable Housing under CGS 8-30g as: 1) publicly “assisted housing”; 2) housing financed by Connecticut Housing Finance Authority (CHFA) or U.S. Department of Agriculture mortgages; 3) housing that is subject to deeds and conditions restricting its sale or rental to households earning less than 60 percent or 80 percent of the area median income (AMI); and 4) mobile homes or accessory apartments subject to similar deed restrictions. **As of 2020, there were 6,733 total units that qualify as state- defined Affordable Housing in the Region, and Middletown accounts for roughly 71 percent.** Without Middletown, the percentage of qualified Affordable Housing in the Region drops from 8 percent to 3.31 percent. However, percentage of qualified Affordable Housing may not be the best measure of affordability for the Region. A unit that is affordable for someone making 80 percent of AMI may cost more than a market rate unit.

## Summary of Baseline Assessment

This baseline assessment demonstrates a mismatch between the Region's population, its housing supply, and its jobs. All three have been in a stagnant to declining trend over the last several years. The existing housing stock is both a result and a cause of the trend.

The housing stock of large, old, expensive, single-family units is not well matched to the Region's aging demographic and shrinking household size, is not likely to attract or retain the younger population the region needs in order to thrive, and is not attainable to many who work in the Region. The Region needs to increase its supply of smaller, modern, and more affordable units in order to provide housing opportunity for each of these groups.

## Suitability Analysis

To address housing needs in a strategic and sustainable manner, a suitability analysis was performed to determine what land in the Region is available and suitable for housing. This analysis considers environmental assets and constraints, zoning regulations, available infrastructure, and access to transportation.

## Environmental Assets and Constraints

The Region is notable for its natural resources and amenities. While there is an abundance of undeveloped land, a significant portion of this land is not suitable or desirable for development due to natural amenities or constraints. Examples include steep slopes, ridges of bedrock, wetlands, floodplains, land surrounding public water supplies, and important natural habitats with conservation value.

- 32,000 acres in 100-year flood zone
- 2% of land impacted by sea level rise (1 ft sea level rise by 2050)
- 13% of the Region (36,600 acres) are Connecticut Department of Energy & Environmental Protection lands
- 4% under land trust or nonprofit organizations (10,000 acres)
- 31% in a Natural Diversity Area (Natural Diversity Database)
- 43,000 acres of inland and tidal wetlands (16% of the Region)

Choosing land for housing development that is closer to existing centers and infrastructure, particularly redevelopment of existing developed properties, will have less negative impact on open space and natural resources and will provide better outcomes during hazardous weather events (i.e., stormwater generation from impervious surfaces).

## Zoning Regulations

Throughout the Region, zoning is not consistently compatible with housing diversity, which has prevented the development of housing needs that meets changing needs. Most land is zoned for residential uses – approximately 243,515 acres, or 86 percent of the Region, and the development pattern is sparse. Low-density zoning is often intended to preserve open space but can contribute to sprawl. In most rural towns, low-density residential districts are the de facto rural zoning district.

Approximately 171,480 acres, or 60 percent of the Region, is zoned low-density residential (less than one dwelling unit per acre) compared to 56,684, acres or 20 percent, medium-density residential (one to two dwelling units per acre) and 15,351 acres, or 5 percent, higher-density residential (more than two dwelling units/acre). Medium-density and high-density residential zones are concentrated in the northern part of the Region (Middletown, Cromwell, and Portland) and the shoreline towns (Clinton, Westbrook, Old Saybrook, and Old Lyme), with clusters in East Haddam and near village centers along the Connecticut River.

Only 30 percent of all land within a ½ mile of transit stations in the Region is zoned medium-density residential, which is inconsistent with state objectives regarding transit-oriented development to encourage walkable, dense, and mixed-use around transit. Only 15 percent of land around these transit stops is zoned for mixed-use development.

## Available Infrastructure

The Region has limited existing infrastructure for sewer and public water. Existing infrastructure influences where future, denser housing development can occur. Higher-density development requires the ability to connect to services such as public sewer and water. Approximately 11 percent, or 45,000 acres, of the Region is served by sewer. This reaches approximately 35 percent of the Region's population. Sewer infrastructure is largely concentrated in the northern portion of the Region around Middletown and Cromwell. Smaller areas of Chester, Deep River, East Haddam, East Hampton, Middlefield, Old Lyme, and Portland also have sewer service. Sewer systems most commonly exist in town centers, major commercial areas, and along major arterials. Areas not served by sewer are reliant on septic systems, which greatly limit the density of development because they are dependent on soil capacity and land for leach fields.

Approximately 46 percent (79,873) of residents in the Region are served by public water systems. The main water suppliers in the Region, based on number of people served, are the Middletown Water Department (41,019), Cromwell Fire District Water Department (14,316), and the Connecticut Water Company (CTWC), which supplies 11,714 residents in the towns of Chester, East Haddam, East Hampton, Essex, Killingworth, Old Lyme, and Portland. Four municipalities have less than 1 percent of their population served by public water systems. These are Killingworth, Haddam,



East Haddam, and Lyme. Five municipalities have over 50 percent of their population served by public water systems. These are Chester, Cromwell, Middletown, Old Lyme, and Portland. The remaining municipalities have between 2 percent and 23 percent of their populations served by public water systems.

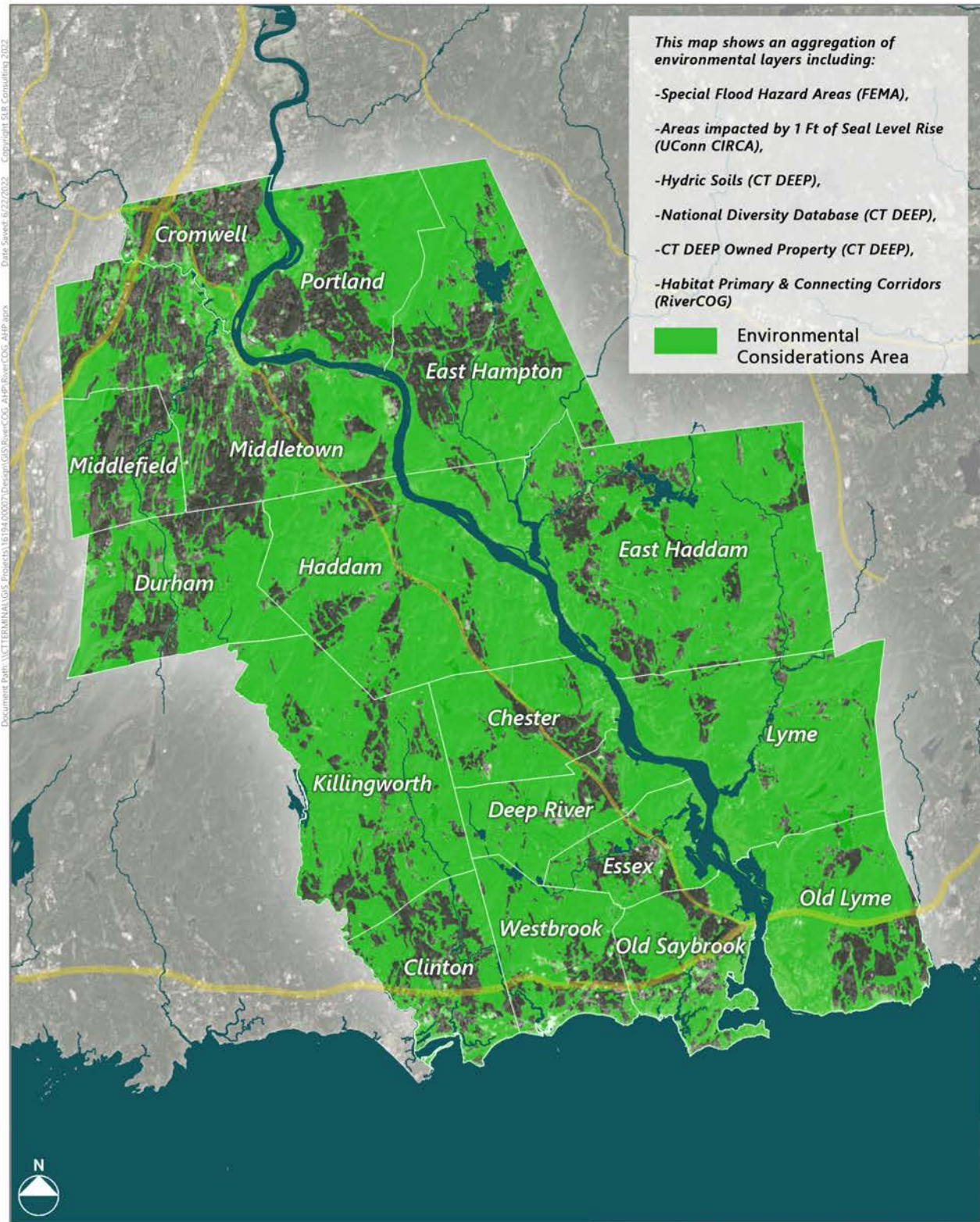
## **Access to Transportation**

The Region is heavily car dependent with limited access to public transit and active transportation. The Region is easily accessible via three major roadways: I-95, which provides access from east to west along the coast; Route 9, which transects the Region from north to south; and I-91, which connects the Region to New Haven, Hartford, and Springfield, Massachusetts. Because of relative ease of roadway access, the Region is heavily car dependent. The reliance on cars is compounded by the relative lack of reliable and comprehensive infrastructure for alternative modes of transportation.

Local public bus service is provided by the Estuary Transit District (ETD), which recently merged with Middletown Area Transit (MTD). In addition, Shoreline East (SLE), a commuter rail service of the Connecticut Department of Transportation, provides service between New Haven, Old Saybrook, and New London with stations in Clinton, Westbrook, and Old Saybrook. SLE also connects the Region to New York, New York, and Springfield, Massachusetts, via connections to Metro-North and CTRail. However, the current lack of frequency, coordination, and diversity of routes make these options less efficient than driving for regular commutes in most instances. Similarly, bicycle and pedestrian infrastructure remain insufficient in the Region to support safe daily commuter trips for the average person.

## **Summary of Suitability Analysis**

The suitability analysis demonstrates that although large areas of the Region are zoned single-family residential not all of those areas are appropriate for additional housing. Much of that land contains important environmental resources, lacks infrastructure like sewer and water, and has limited access to alternative modes of transportation. With these areas set aside, the suitability analysis identifies areas that are more appropriate for sustainable housing growth.



## Regional Plan Vision and Goals

The baseline assessment and suitability analysis provide a snapshot of the Region's current conditions but do not consider the Region's plans for the future. The RPOCD provides a blueprint for how the Region would like to grow and change over a 10-year period. Therefore, this section incorporates the vision and goals set out in the RPOCD from the plan's Sustainable, Innovative, Connected, and Community themes to understand how they will impact the Region's housing needs and inform the Region's approach to addressing housing needs in order to implement the RPOCD.

***Sustainable: Create a framework of policy recommendations that support a regional goal of improving diversity while focusing on preserving existing natural resources.***

The Sustainable theme of the RPOCD recognizes that the Region's environmental assets are a key part of what attracts people to the Region and must be protected and highlighted as housing growth occurs. The Region's natural resources are its defining features, particularly the Connecticut River and Long Island Sound, but also many state forests and parks, wildlife habitats, and publicly accessible protected open spaces. Protecting these natural resources, as well as farmland, is key to maintaining our Region's attractiveness and quality of life. A proliferation of new housing development can have negative impacts on natural resources if not carefully planned to protect these assets. New housing can often result in the development of open space as developers look for cheaper available land on the periphery of communities – edging closer to the Region's open spaces and natural amenities. Conversely, working to create compact development within existing centers that focuses on walkability, transit and live/work environments will increase the Region's sustainability by preserving open space, reducing dependence on fossil fuels, and reducing greenhouse gas emissions.

Although the Region is largely rural suburban, **focusing new housing development into targeted higher-density centers will shift the Region toward more sustainable development patterns.** This development should be context sensitive and scaled appropriately to the surrounding community. Additional encroachment into open space should be avoided to the extent possible.

***Innovative: Create a housing plan that functions as an economic driver for attracting new residents and businesses and supporting workers for existing local businesses.***

### ***Attracting New Residents and Businesses***

The RPOCD recommends growing and supporting the Region's business community for the long-term health of the Region. The Innovative theme focuses on attracting and supporting innovative industries in amenity-rich environments that are integrated into the surrounding communities. The goal is to establish the Region as a "unique



enclave that provides a high quality of life combined with an environment that is supportive of innovation” (Innovative Goal 1).

These amenity-rich environments, termed “innovation hubs,” often contain a mixture of research-oriented anchor institutions, supporting businesses, and creative startups as well as housing, restaurants, and retail opportunities. Innovation hubs are highly attractive to both workers and businesses. Young professionals have shown a preference for these mixed-use, walkable communities where they can live, work, and recreate. Employers also seek out innovation hubs in order to attract young talent and to generate new ideas through proximity and synergy with nearby businesses.

This land use environment cannot only draw high-wage employment opportunities to the Region but also creates an ecosystem of economic drivers. When employees reside where they work, they stimulate the local economy by shopping, eating, recreating, and paying property tax to the municipality. Increasing the number of younger workers living in our communities will also support the functioning of municipal volunteer emergency services (fire and ambulance), community service organizations, and municipal government commissions.

Stimulating the Region’s economy and attracting new workers in this way will require the Region to simultaneously plan for and provide new housing opportunities. **A portion of these new housing opportunities should be of the style and type that appeal to young professionals,** which will also support and attract quality employers.

### ***Supporting Workers for Existing Businesses***

The RPOCD recognizes the link between jobs and housing. One challenge for the Region is the large number of residents who leave the area to work and the large number of the Region’s workers who commute into the area from a distance. This indicates a mismatch between regional jobs and regional housing, resulting in long commute times from outside the region.



*Figure 6. Remington Rand Building Middletown*





*Figure 7. Swing Bridge East Haddam*

These trends have economic impacts on the Region's municipalities, particularly their downtown or town centers. Businesses rely on an accessible supply of workers; however, workers, particularly for entry-level jobs and the service industry, must live further from employment centers when nearby housing is too expensive for their income. Economically and socially vibrant communities have a supply of workforce housing that allows employees to live where they work and invest more fully in the community. The increasing cost of automobiles and gasoline, and limited transit services, further hinders the ability to attract workers from outside the region.

In order to support the Region's essential workers, it will be important to **create a diverse range of housing options that will provide the opportunity for those who work in the Region to live near their jobs.**

***Connected: Provide housing in such a way that encourages ease of access to jobs, services, and amenities by all modes of travel and for all types of people.***

The RPOCD recommends increasing connectivity for all modes of travel between and within the Region's municipalities, creating viable alternatives to cars for certain daily trips. This includes improving the frequency and coordination of public transit routes, as well as building out a connected network of sidewalks and bike lanes, and creating a variety of land uses (housing, jobs, services, amenities) that are accessible by each. This increased connectivity will not only lower the impact on the Region's land and resources but will be a draw for businesses and residents seeking a vibrant and accessible place to live and work.

These transportation options will be important for enabling the Region to compete for workers. Young people are increasingly attracted to the convenience and mobility of denser, more vibrant areas of Connecticut that provide transit options. In addition, the COVID-19 pandemic has hastened a national shift to full or partial remote work. The Region has a great potential to become attractive to remote workers because it

provides convenient access to rail travel for those who must occasionally commute to New York, Boston, or Washington, DC as well as those who commute to Hartford, New Haven, and New London. However, housing and reliable broadband internet are essential prerequisites.

Multimodal transportation is also central to issues of equity. In areas where vehicle ownership rates may be low, providing transit options allows those without cars or those who do not drive the ability to live in the Region. In addition, the impacts of increasing gas and car prices disparately impact lower income individuals, making proximity to reliable alternative modes of transportation critical. **In its effort to attract a wider diversity of residents, such as those across a range of incomes, increasing housing opportunity with access to a broad range of transportation alternatives will be important.**

***Community: Provide housing that is attractive to a diversity of residents, including new residents, while supporting and providing existing residents with potential new options.***

The Community theme of the RPOCD is most directly tied to housing, expressing a desire for more diverse and vibrant communities. It recommends improving access for people of different age, abilities, and socio-economic status by improving housing choice, multimodal transportation options, and key services. These factors also improve quality of life by facilitating social interaction and participation in community activities.



Figure 8. *Between the Bridges Restaurant, Old Saybrook*

The Region is made up of several towns and one city that each have its own unique character and strong sense of community. Several of these communities have historic pedestrian-oriented centers with a vibrant mixture of uses that strengthen the community bond. However, the Region generally follows a pattern of low-density, single-family housing that is substantially separated from most businesses and town

centers. Further, in-town pedestrian and bicycle infrastructure and multimodal transportation between towns is limited. Housing costs are high, and options for smaller housing units or rentals are limited.

**Creating more diverse and vibrant communities will require the creation of a range of housing options in and around the Region's community centers that are supported by multimodal transportation options.** This new housing should be attractive to younger residents, support the senior population, be affordable for a variety of income levels, and suitable to varying household sizes and types.

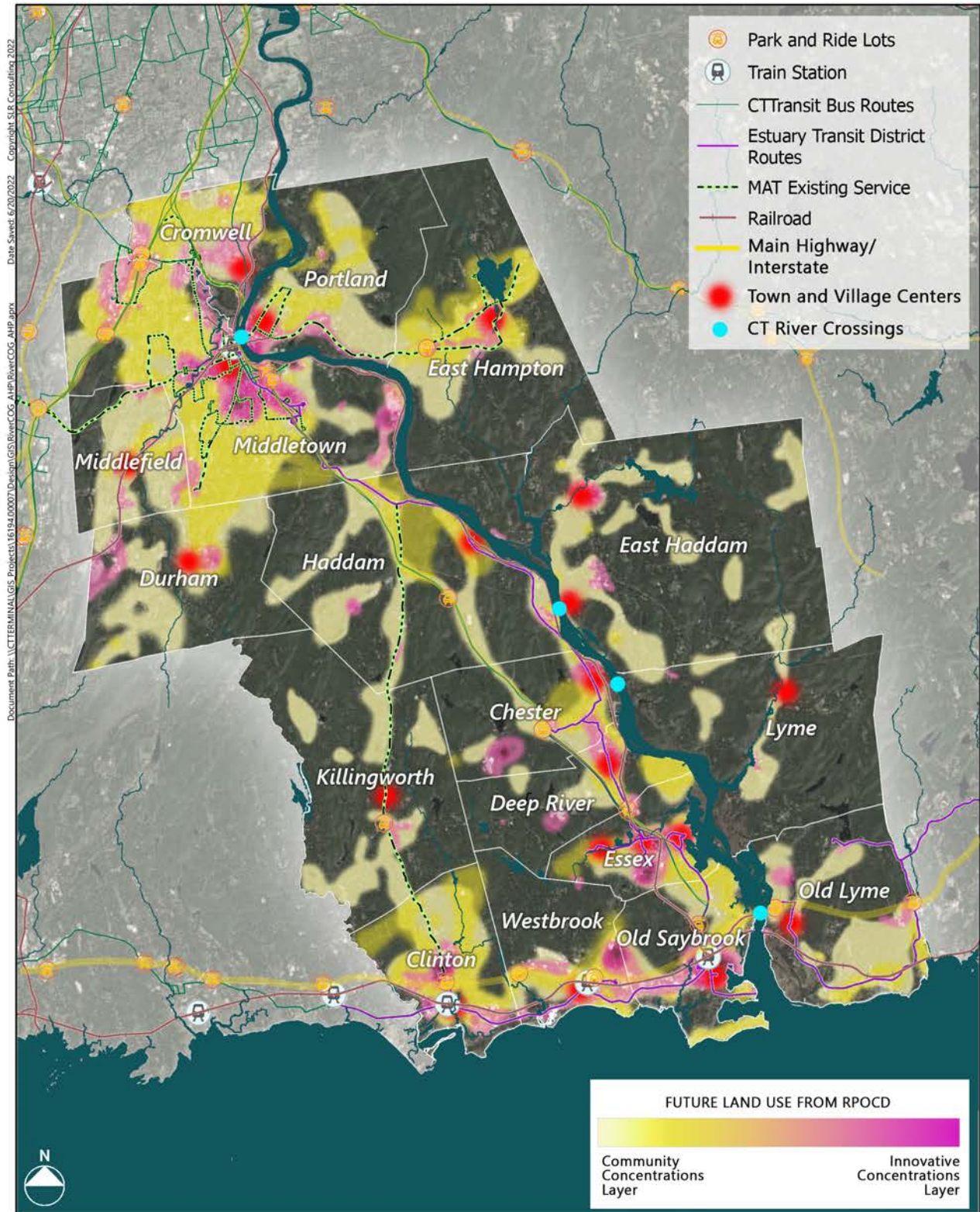


Figure 9. Middleton Harbour Park

## Implications of the RPOCD for Housing

The recommendations in the RPOCD inform the type of growth the Region needs and direct that growth to target areas near transit access, downtown centers and main streets, and job centers. When this vision is incorporated into the suitability analysis, a future framework for the Region's housing emerges. This framework can be seen on the map on the next page.







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*Historic homes in Clinton typify the single-family housing stock predominate in the Region. Additional housing types must be strategically incorporated to complement this housing stock and provide housing opportunity for a wider variety of household sizes and types.*

### SECTION 3

# HOUSING MARKET CAPACITY

## Regional Housing Market

The Region will be largely reliant on private developers to create additional housing opportunities. Therefore, it is not only important to understand the amount of housing that the real estate market will support. The demand drivers for real estate development are jobs, population, household formations, and income. A full Housing Market Analysis was completed as part of this plan, which is summarized below.

### Jobs

Jobs are typically the primary driver of real estate development. Under current conditions, as shown in the baseline assessment, the Region's jobs and jobs across the state have been in decline. Without strong job creation, there has been little movement of people into the Region and thus little need for new housing to support them. However, the Innovation theme of the RPOCD encourages job growth across the Region by supporting innovation hubs that are attractive to young workers and employers. Better supporting remote work also allows people to bring their jobs with them into the Region. If the Region is able to grow jobs and improve viability for remote workers, consistent with this vision, there will be increased need for housing to support new workers.

### Population

For residential development, increased population drives demand for new housing. The baseline assessment revealed that population in the Region has been stagnant and verging on decline, particularly among younger residents. With a stagnant population, demand for new housing has been low. However, the Community theme of the RPOCD recognizes populations that might live in the Region but for limited housing, job, and/or transportation opportunity. These groups include but are not limited to existing workers in the Region, young people, and seniors. RPOCD seeks to make the Region a more viable option for these groups by increasing the range of housing





options, growing the business sector, and improving connectivity through multimodal transportation options. If the Region is able to improve its attractiveness to these groups, it may reverse the trend of population decline. This can be a self-reinforcing process in that becoming more attractive requires the creation of additional housing opportunity and creation of additional housing opportunity will benefit population growth. This can spark greater housing demand.

## **Household Formation**

Household formation can increase, even when jobs and population are stagnant or declining. This is due to the increase in single- and two-person households. As shown in the baseline assessment, households that would normally consist of multiple people are now divided and spread out into smaller, individual households across the Region and the state. This has been supporting housing demand in Connecticut for the past 30 years. However, because the Region's current housing stock is not well suited to these smaller households, they may be migrating to other parts of the state or country where they can find more suitable housing.

As discussed above, the Community vision of the RPOCD is to create a diversity of housing options to suite a variety of household types. In doing so, the Region may have a greater ability to retain these smaller single- and two-person households.

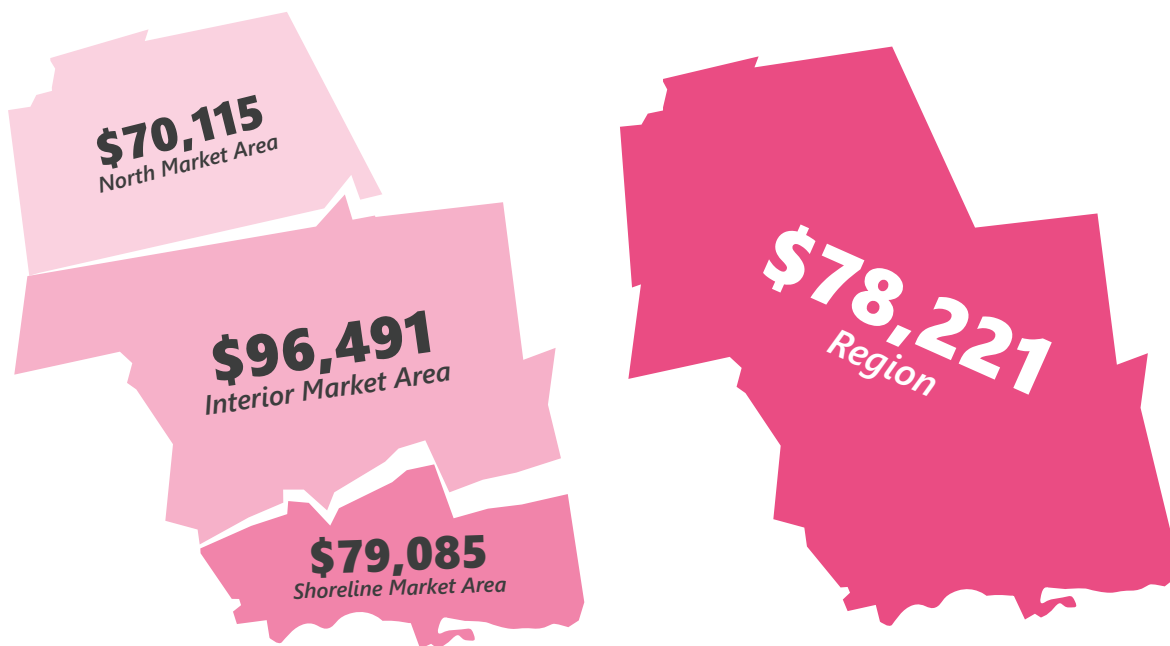
## **Income**

Demand for housing increases when wages rise. Higher incomes mean that people are able and willing to spend more money on housing. However, modest post-recession wage increases have not kept up with the ever-rising costs of housing. While wage increases over the last decade are welcomed, real buying power is down, and inflation is at historic highs. The detrimental impact wage stagnation and rapid inflation has on the typical household cannot be understated. Under these conditions, residents of the state are more likely to pursue affordable options such as smaller single-family homes and rentals. Unfortunately, the region is not currently well positioned to adapt to this market with a median home costing above \$300k and very few rentals available. Without a significant shift in the existing development patterns, many of the individuals and families the region hopes to attract will struggle to find housing that fits their budgets.

Creating a supply of smaller, more affordable units is critical for boosting the housing market and providing an opportunity for potential homebuyers to purchase.

An aerial photograph of a suburban neighborhood. The houses are mostly two-story, light-colored with dark roofs. The yards are green with some trees showing autumn colors. The image is slightly blurred, giving it a soft, dreamy feel. A large, faint, light-colored speech bubble graphic is positioned behind the text in the lower right quadrant.

**High amenity value** has become increasingly relevant in a post-COVID-19 remote work environment, where many employees **can work from anywhere.**

**Median Household Income Trend**

*Source: American Community Survey - Table S1903 - MEDIAN INCOME IN THE PAST 12 MONTHS*

**Housing Demand****Current Trajectory**

The baseline assessment and suitability analysis can project the amount of housing the Region needs, and the market can accommodate, assuming the current trajectory continues.

Based on the Region's current trajectory of jobs, population, household formation, and income, the Region's housing market is weak. This means that while the need for new housing that is affordable, diverse, and accessible, is real, it will be challenging to incentivize new housing development of any kind when the market does not justify the investment. However, even in weak housing markets, there is a degree of demand for new housing.

By strategically and intentionally adding a diverse, accessible, and affordable housing product and repurposing the Region's existing housing supply in a way that appeals to the Region's lost population, a modest amount of additional market share could be captured.

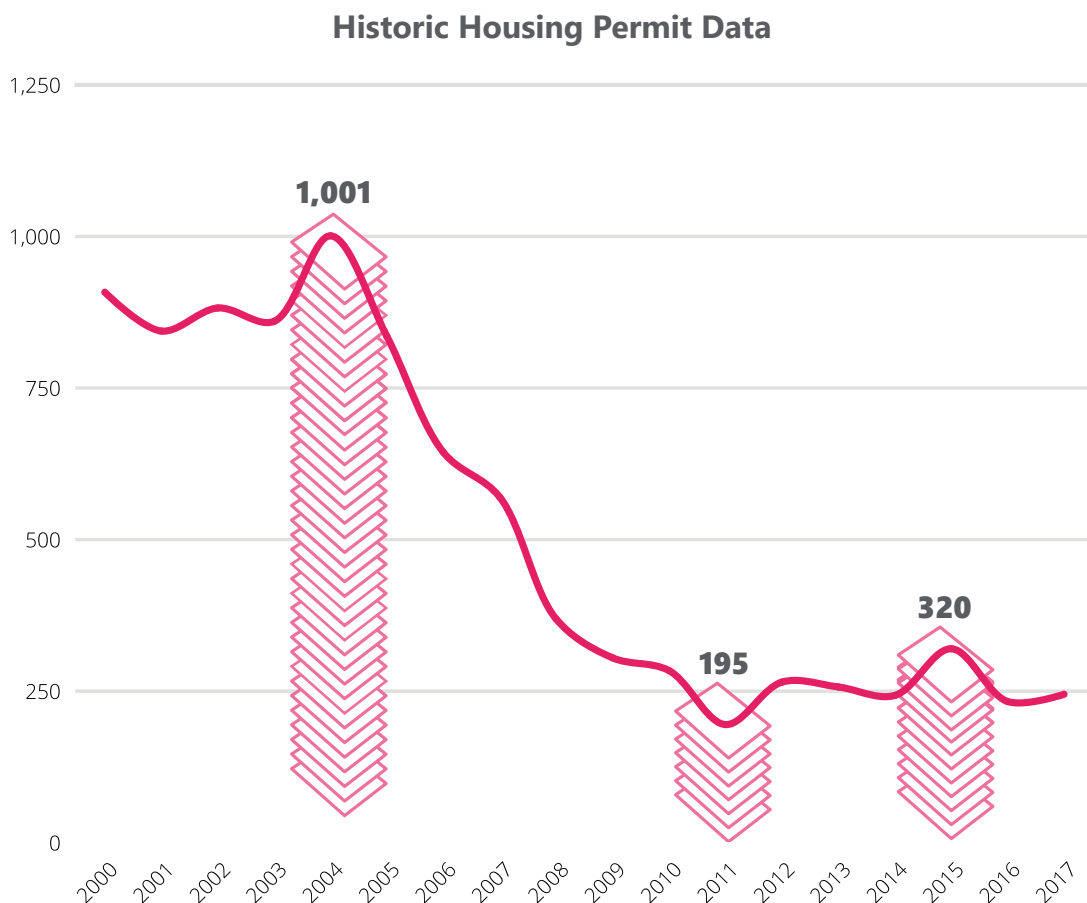


## Future Vision

The RPOCD recognized the troubling trends of the Region's current conditions and put forward a vision for change: a sustainable, innovative, and connected community. Over the next 10 years, the RPOCD provided recommendations to grow jobs, improve diversity of housing stock, and increase multimodal access to jobs, services, and amenities in coordination with environmental concerns. Steps taken to implement this vision have the potential to grow housing demand and create a stronger housing market.

## Projections

Historic housing permit data for the Region provides a means of projecting future absorption rate of new housing supply. Between 1997 and 2007, the Region's housing market was relatively strong, consistent with the future vision, with permits averaging 769 units per year. Conversely, between 2008 and 2017, the housing market conditions were weak, similar to current conditions, with regional housing permits averaging 191 units per year. The entire 1997 to 2017 period provides an average of 494 units per year. These historic trends were used to project the future housing demand with a



Source: CT Data - Annual Housing Permits Data By Town 1990 To Present

high estimate of 600 units per year if the Region moves toward its RPOCD vision and a low estimate of 200 units per year if the Region continues on its current trajectory.

These are estimates intended to inform future planning efforts and ensure that the Region is strategic in its creation of housing units. This will allow for greater capture of the new market share and coordination with the Region's economic and environmental goals. The tables provide percent targets for new housing characteristics for both low- and high-estimate housing demand.

### New Housing Types Characteristics

Housing Unit Type	Status Quo <i>Low Estimate</i>	Future Growth <i>High Estimate</i>
1-unit detached	20%	30%
1-unit attached	15%	10%
2 units	5%	5%
3 or 4 units	5%	5%
5 to 9 units	5%	5%
10 to 19 units	5%	5%
20 or more units	45%	40%
Mobile home	0%	0%
Boat, RV, van, etc.	0%	0%

### Target Unit Mix

Units	Mix
Studio	10% to 15%
1-bedroom	30% to 40%
2-bedroom	35% to 45%
3-bedroom	10% to 15%

Source: See Appendix A "Housing Market Study"

## Housing Market Geography and Priority Growth Areas

A key consideration in strategically creating new housing opportunity is identifying targeted areas for housing growth to occur. Because of the intrinsic relationship between housing and jobs, housing markets are defined by proximity to employment centers. The distance (space and time) between large employment centers and place of home creates the housing market. Currently, the Region is at the periphery of three major employment centers – Hartford, New Haven, and Norwich-New London. Housing demand is greatest near the core of these job centers or near transportation networks that make the employment centers easily accessible.

Smaller subregional job centers and areas with high-amenity value can also attract a share of housing market demand despite being farther from major job centers. High-amenity value has become increasingly relevant in a post-COVID-19 remote work environment where many employees can work from anywhere.

Based on this framework, the Region can be divided into three housing market sub-regions – North Area Market, Interior Market, and Shoreline Market. The North Area Market is best positioned to increase its supply of housing as it is part of the Hartford market and Middletown serves as a subregional employment center. The Interior Market will be least suited for additional housing as it is the most rural, has a larger

...While **the need for new housing that is affordable, diverse, and accessible is real**, it will be challenging to incentivize new housing development of any kind when **the market does not justify the investment.**







Lower Connecticut River Valley  
Council of Governments

**REGIONAL HOUSING MARKETS MAP**

percentage of the Region's state parks and forests, and is far from job centers while the Shoreline Market will maintain attractiveness for its high-amenity value and important transportation corridor (I- 95, Amtrak, and SLE).

The market geography for the Region provides a priority structure to the housing needs and growth areas established in the methodology. Prioritizing housing in areas with stronger market activity will better utilize the private sector in housing creation while the Region works to boost housing demand drivers.



*Shops in the Village District on Main Street in East Hampton provide an example of opportunity areas around which a diversity of housing options can contribute to a vibrant and walkable community.*

## SECTION 4

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# RECOMMENDATIONS



## Overview

Each municipality in the Region has a unique combination of attributes, values, and constraints. Therefore, while it is imperative that each municipality provide additional housing opportunities, the type and amount of housing will vary greatly among them. In terms of sustainability, this makes sense. Type and amount of housing should vary based on projected population growth, access to jobs, available infrastructure, access to transit, and location of important natural resources and constraints. As stated at the outset, where people live, where they work, and where they recreate are rarely confined to a single municipality, and each municipality in a Region has something to offer to the overall housing picture. To implement this plan and shape sustainable growth and housing opportunities into the future, ongoing coordination and cooperation among the various municipalities is essential.

As part of the creation of the Regional Housing Project (RHP), 12 municipalities have created their own Affordable Housing Plans (AHP) as required by CGS 8-30j. The remaining five municipalities created AHPs independently. All plans focused on specific municipality goals, objectives, and strategies. A collective analysis showed significant overlap and alignment within the plans. Areas of alignment among the municipalities are a convenient place to begin Regional coordination efforts to address housing needs. To that end, the following Regional recommendations are proposed:



Figure 10. Main Street, Deep River

TABLE

## Points of Commonality

<b>Recommendation</b>	<b>%</b>	<b>Agency or Commission Responsible</b>	<b>Regional Commission Action Items</b>
Establish a Housing Committee/ Task Force	76%	Municipal/Locally Managed	Establish the Regional Commission
Promote USDA and CHFA financing	71%	CT Dept. of Housing	Provide Information on Commission Website
Promote ADUs	65%	Municipal/Locally Managed	Provide Information on Commission Website
Pursue partnership with nonprofits and/or developers	65%	Municipal/Locally Managed	Host Consistent Public Meetings and Outreach Effort
Allow for middle density housing	59%	Planning and Zoning	Draft Model Regulations
Designate a housing point person and undertake public education on affordable housing/ensure adequate staffing and skill sets	53%	Municipal/Locally Managed	Staff the Commission Appropriately
Devote a webpage to highlight housing development, funding, and information	47%	Municipal/Locally Managed	Provide Information on Commission Website
Consider development of municipally owned land, including partnering with developers	47%	Municipal/Locally Managed	Land Bank Authority Creation
Implement/consider implementing Inclusionary Zoning	47%	Planning and Zoning	Draft Model Regulations
Allow conversion of underused office/commercial space for MFR/Retro-fit large single-family homes	41%	Private Developers	Draft Model Regulations



<b>Recommendation</b>	<b>%</b>	<b>Agency or Commission Responsible</b>	<b>Regional Commission Action Items</b>
Create/maintain an affordable housing trust fund	41%	CT Dept. of Housing & Non-Profit Orgs	Establish Trust Fund Capacity
Expand Public Outreach *combine with webpage, CHFA, and ADU promotion	35%	Municipal/Locally Managed	Provide Information on Commission Website
Collaborate with the Housing Authority	29%	Area Non-Profits	Host Consistent Public Meetings and Outreach Effort
Incorporate the housing plan into the POCD	35%	Local Planning Commission	Coordinate with Local Planners During Revision Process
Trust funds grants to assist homeowners with repairs	12%	CT Dept. of Housing & Non-Profit Orgs	Establish Trust Fund Capacity
Local Employee Funding Program	6%	Municipal/Locally Managed	Draft Model Regulations
Secure Federal Community Development Block Grant (CDBG) Funding for housing rehabilitation	6%	CT Department of Housing	Establish Trust Fund Capacity
Seek Low Income Tax Credits for development projects	12%		Establish Trust Fund Capacity
Shared Parking Opportunities/ Evaluation of parking impacts on housing	12%	Local Planning Department	Draft Model Regulations
List of suitable sites near transit and local amenities/evaluate town properties for housing suitability	6%	Council of Governments (COG) or Local Planning Department	Data Analysis Services



## RECOMMENDATION 1

### Create a Housing Toolkit

Many of the goals in the municipal AHP require regulatory and policy changes. Enacting these changes typically involves significant time and resources. Since many of the proposed changes overlap among the Region's municipalities, some of the pre-work should be coordinated at the regional level. It is recommended that RiverCOG create a Housing Toolkit that includes a background summary, best practice analysis, and sample language for the regulatory and policy changes proposed by the Region's municipalities in their plans. This toolkit would be web-based and available for municipalities to use as they work to implement their AHP. Examples of topics to be included in the toolkit include:

- Accessory Dwelling Units
- Inclusionary Zoning
- Middle Density Housing
- Adaptive Reuse
- Design Guidelines
- Parking Reductions/Central Shared Parking

The toolkit could be revised and expanded over time, responding to the needs of the municipalities.



Figure 11. Brownell Upper Mill, East Haddam

## RECOMMENDATION 2

### Study Capacity for Transit-Oriented Development

Creating housing opportunities near the Region's transit stations is a key component of sustainable growth in the Region. This concept is featured prominently in the Regional Plan of Conservation and Development (RPOCD) and is incorporated throughout this plan. Locating new housing developments with a mixture of office and retail uses, near transit, when well planned, can lower the impact of that development on the Region's land and resources, make transit a more viable alternative to cars, and create more vibrant and accessible places to live and work across the Region.

There are three Shoreline East (SLE) commuter rail stations in the Region, but only 30 % of land within a half mile of those transit stations is located in medium density residential zones and only 15 % is zoned for mixed-use. It is recommended that RiverCOG, in coordination with the towns where SLE lines are located, conduct a Transit-Oriented Development Study (TODS) that would analyze the capacity of the land around those transit stations to accommodate walkable, bikeable, mixed-use development as well as considering alternative solutions for using those stations to create better access and connectivity in the Region.



Figure 12. Saybrook Junction, Old Saybrook

## RECOMMENDATION 3

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### **Establish a Regional Housing Commission**

One of the easiest ways to ensure regional coordination on housing issues is to create a Regional Housing Commission (RHC). Of the Region's 17 municipalities, 76% were interested in or had already created a standing housing commission or committee to implement their AHPs as well as this RHP. A RHC should be created as a voluntary association of the Region's municipalities with representation from each. This commission could be hosted by RiverCOG, which would provide staffing and support.

#### **Phase 1 – Education, Outreach, and Partnerships**

The RHC should serve as an information resource on housing and community development for each of the Region's municipalities and their residents. Having a housing point person and/or staff knowledgeable in housing was a goal of 53% of the Region's municipalities. Other goals were increased public outreach (35%), a dedicated housing information webpage (47%), promotion of subsidized Connecticut Housing Finance Authority (CHFA) and United States Department of Agriculture (USDA) mortgages (71%), and promotion of Accessory Dwelling Units (ADUs) (65%), were almost universally popular.

The RHC should also serve as the primary point of contact for partnering and coordinating efforts with nonprofits like the Homeownership and Opportunity for Everyone (HOPE) Partnership and Habitat for Humanity as well as for developers looking to create affordable housing in the Region. Creating partnerships with nonprofits and developers was a goal in sixty-five% of the Region's municipalities. By tasking this to the RHC, the municipalities can ensure that developers and nonprofits are aware of the housing needs throughout the Region and that housing is being built where it can create the greatest benefit.

#### ***Action Items for Executing Phase 1***

- Recruit diverse representative membership from each of the 17 member municipalities.
- Create an outreach campaign focused on establishing key relationships with local advocates.
- Establish commission goals and adopt a mission statement.
- Build coalition with state and local elected officials.



Entity	Primary Responsibilities	Regional Commission Potential	Rollout
<p><b>Housing Authority</b></p> <p>Local non-profit organizations dedicated to preserving affordable housing and building resilient communities that engage in activities from ownership to oversight</p>	<ul style="list-style-type: none"> <li>• Administer Section 8 Housing Choice Voucher Program</li> <li>• Inspect, maintain, and manage Authority owned affordable housing units</li> <li>• Assist with the planning of additional units</li> <li>• Establish partnerships with landlords and developers</li> </ul>	<ul style="list-style-type: none"> <li>• Partner with local developers and landlords to promote development of qualifying affordable units</li> <li>• Help preserve existing affordable units</li> <li>• Offer services to promote homeowner-ship rates for residents of the Region</li> </ul>	<p><b>Phases 1, 2, 3</b></p>
<p><b>Land Bank Authority</b></p> <p>Non-profit organizations that promote redevelopment of municipality owned abandoned properties through acquiring them and conveying them to new developers</p>	<ul style="list-style-type: none"> <li>• Advertise conveyed distressed properties and coordinate redevelopment through tax related incentives</li> <li>• Promote redevelopment of owned properties to strengthen local tax reviews</li> <li>• Mitigate blight and build wealth within neighborhoods</li> </ul>	<ul style="list-style-type: none"> <li>• Land Bank Authority activities offered through the Regional Housing Commission by way of shared services agreements</li> <li>• Build a regional inventory of abandoned properties and vacant municipal land and promote these to local developers</li> <li>• Build connections with private and non-profit developers</li> </ul>	<p><b>Phase 3</b></p>

Entity	Primary Responsibilities	Regional Commission Potential	Rollout
<b>Housing Trust Fund</b>  An organization that manages a fund of state, federal, and private dollars that are dedicated towards projects that support the development of affordable housing	<ul style="list-style-type: none"> <li>• Issue grants to fund the development of affordable housing projects</li> <li>• Collaborate with member municipalities through collecting trust fund contributions</li> <li>• Manage a revolving loan program offering flexible funding for local development and rehabilitation</li> </ul>	<ul style="list-style-type: none"> <li>• Solicit startup funding and create long-term commitments with member municipalities</li> <li>• Manage a revolving loan fund</li> <li>• Establish a program to collect contributions by way of in-lieu fees from member municipalities (if authorized by statute)</li> </ul>	<b>Phase 3</b>
<b>Community Land Trust (CLT)</b>  Nonprofit land-owning organizations that manage properties for purpose of ensuring long-term affordability	<ul style="list-style-type: none"> <li>• Preserve housing affordability through the purchasing, acquiring, and managing of land across a specific geographic area</li> <li>• Issue long-term lease agreements where tenants own the home but lease the land</li> </ul>	<ul style="list-style-type: none"> <li>• Partner with local CLTs to support their efforts, including seed funding</li> <li>• Work with CLT to expand portfolio of properties</li> <li>• Promote further development or expansion of portfolio by facilitating conveyance</li> </ul>	<b>Phases 1, 2, 3</b>

## **Phase 2 – Data Collection and Analysis**

The RHC should be tasked with creating a Regional Housing Needs Assessment (RHNA) every 5 years to support future updates of municipal affordable housing plans. The commission should develop a methodology that considers factors such as projected population growth, job markets, access to transportation, access to infrastructure, environmental assets, and environmental constraints, similar to the analysis performed as part of this plan. By utilizing that methodology, the RHC should be able to determine how many housing units the Region needs to accommodate the projected population and provide a framework for municipalities to coordinate those needs across the Region in a sustainable way.

### ***Action Items for Executing Phase 2***

- Partner with state and local Geographic Information System (GIS) coordinators to collect relevant parcel data necessary for Affordable Housing Programs (AHP) revisions.
- Complete an updated RHNA using commission created methodology.
- Continue to foster relationships with policy makers and elected officials.
- Draft pilot program for expanding regional approach to solving housing issues.

## **Phase 3 – Expanding Operations**

Once the RHC has been established, the municipalities may choose to give the commission additional authority to undertake activities for the municipalities. For example, partner with a regional land bank, create and administer a regional housing trust fund, cooperate with a Regional housing land trust, act as partner with a Regional or municipal housing authorities. The following table compares the four entities and their regional potential. The RHC could use this information as a starting point to determine which, if any, of these entities or activities are most appropriate.

### ***Action Items for Executing Phase 3***

- Establish Housing Trust Fund and secure initial seed funding.
- Incorporate Regional Land Bank Authority (LBA) activities under regional commission.
- Establish board members for Trust Fund and Land Bank Authority.
- Fund local affordable housing projects through a revolving loan fund.
- Study feasibility to expand into further regional activities.





*Summit Thread Mill in East Hampton is an example of the type of old industrial building that can be repurposed as innovative live and work spaces that are attractive to young professionals, start-up businesses, and cottage industries.*

HOUSING MARKET STUDY

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# APPENDIX A

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*From north to south, the Connecticut River, shown here looking south from Cromwell, ties the Region together.*

MUNICIPAL 8-30J PLANS

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# APPENDIX B



## Preface to Municipal 8-30j Plans

In Connecticut today, many towns address affordable housing development on a case by case basis in relation to Chapter 126a, § 8 – 30g of the Connecticut General Statutes, the “Connecticut Affordable Housing Land Use Appeals Procedure.” Under 8-30g, Connecticut municipalities in which less than 10% of the housing stock is affordable (per the statute’s definition) are subject to appeals by developers to the Superior Court, where the burden of proof is on the municipality to prove that a project would be a threat to the public’s health, safety, or welfare. These developments are not required to follow local zoning regulations and they must restrict at least 30% of the units as affordable to low- and moderate-income households (earning 80% or 60% of AMI) for at least 40 years. Thirty-one towns and cities across Connecticut are exempt from 8-30g. One of these – the City of Middletown – is located within the Lower Connecticut River Valley.

Affordable housing development under 8-30g has significant limitations. First, the requirement to include units at 80% of AMI often does not capture the needs of residents who struggle with housing costs and in fact, can result in units that are more expensive than local market-rate prices. Second, 8-30g removes local control over the approval process and can result in projects that do not fit within a community’s infrastructure capacities, land development patterns, preservation and open space objectives, or the town’s Plan of Conservation and Development. Section 8-30g has led municipalities to focus on the creation of a specific quantity of “qualified” housing units to reach 10% so that they can become exempt from the statute. Rather, municipalities should strive toward a proactive approach to creating many types of affordable housing and target strategies that fit holistically with their size, scale, goals, and needs, now and into the future.

Acknowledging that communities in Connecticut require a more active tool and approach to creating new housing opportunities and expanding affordable housing options, the Legislature adopted CGS Section 8-30j in 2017. Section 8-30j requires every Connecticut municipality to prepare and adopt an affordable housing plan once every five years, the first of which must be adopted by June 2022, that will demonstrate how the community “intend[s] to increase the number of affordable housing developments in the municipality.” By planning for affordable housing, municipalities can better address affordable housing with thoughtful goals and actions that encourage developers to propose development consistent with the plan and to avoid contentious applications.

The 8-30j legislation did not specify what content should be included in these plans. As a result, the State partnered with Regional Plan Association to create *Planning for Affordability: Affordable Housing Plan and Process Guidebook* in 2020. The guidebook identified six elements that each municipal affordable housing plan should contain:

1. Community Values Statement
2. History of affordable housing in your town
3. Housing needs assessment
4. Land use and zoning assessment
5. Understanding your housing market
6. Plan principles, goals, and actions

Twelve participating municipalities in the Region have created and adopted municipal 8-30j plans as part of the Regional Housing Plan process. These plans present and explore the six elements from the guidebook and create housing strategies that fit their needs and align with their vision. These municipal 8-30j plans informed the regional recommendations by making clear potential areas for coordination and cooperation. The 8-30j plans for four municipalities that did not participate in the regional 8-30j plan process were also reviewed and incorporated into the analysis. Summaries of these plans are included for reference. Work on the Town of Haddam's 8-30j plan is ongoing as of the date of writing; therefore, no summary could be provided.

## APPENDIX B

# MUNICIPAL 8-30J PLANS AND SUMMARIES

- Chester
- Clinton
- Cromwell
- Deep River
- Durham (Summary)
- East Haddam
- East Hampton
- Essex
- Killingworth
- Lyme
- Middlefield (Summary)
- Middletown
- Old Lyme
- Old Saybrook (Summary)
- Portland
- Westbrook (Summary)