

# Town of East Haddam

## Affordable Housing Plan Annex

## FINAL DRAFT

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Adopted [insert date here]

**Completed in Partnership with**

Town of East Haddam Planning and Zoning Commission

Lower Connecticut River Valley Council of Governments (RiverCOG)

**Consultant**

SLR International Corporation

Tyche Planning & Policy Group

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## Community Values Statement

A diverse and inclusive housing stock allows young people to live in the community where they grew up, allows current residents to downsize within the community, and provides housing opportunities that strengthen East Haddam's and the Region's economic base. Future housing development should continue to align with the unique characteristics of each neighborhood, in accordance with the Plan of Conservation and Development.

**In the Plan of Conservation and Development, the Town encourages affordable and diverse housing opportunities to meet the needs of all residents, regardless of age and income, while ensuring the preservation of East Haddam's historic and rural charm.**

Finally, East Haddam prides itself on its excellent quality of life for all residents, including its school system, natural resources, and access to recreational, economic, and cultural opportunities. These factors contribute to the town's strong sense of community and cultural of volunteerism. As volunteers critical to the function of the Town and its emergency services age, it is essential that a new generation is able to live in East Haddam and fill their shoes. A diverse housing stock will allow new residents to enjoy all that East Haddam has to offer and ensure that existing residents can continue to live in the community as they move through different life stages and lifestyles.

## Introduction

The Town of East Haddam has developed this Affordable Housing Plan, which identifies strategies to grow the number of affordable housing units over the next five years in a manner that aligns with community values. This plan is intended to satisfy the statutory requirements under CGS Section 8-30j. Affordable Housing Plans must be updated every five years per state statute.

### What is Affordable Housing?

The State defines Affordable Housing as housing that costs 30% or less of household income for households making less than 80% of state or Area Median Income (AMI), whichever is lower (Affordable Housing Land Use Appeals Act, General Statues §§ 8-30G [Public Act 17-170]). As of 2021, a family of four making less than $79,900 per year, a family of two making $63,950 or an individual making less than $55,950 per year could qualify for affordable housing in East Haddam. Income limits are updated on an annual basis by the U.S. Department of Housing and Urban Development (HUD). According to data from the HUD, about 29% of East Haddam households make less than 80% of Area Median Income and may be eligible for affordable housing programs. Senior households in East Haddam that may fall into the low-income category (42%) may not have mortgages but are limited by potential downsizing options.

Affordable housing, as the State defines it, typically only includes protected units that are reserved for low-income households through deed restrictions or through governmental assistance programs such as housing vouchers or subsidized mortgages. According to 2021 data published by the Connecticut Department of Economic and Community Development (DECD), 134, or 2.97% of East Haddam's total housing units were protected affordable units. East Haddam also has many naturally occurring affordable housing (NOAH) units. While these units may be affordable to low-income households today, they may not be affordable in the future if rents or home sale prices increase.

A common myth around affordable housing is that it consists only of higher density apartments. This is not true. Affordable housing can be like any other type of housing and comes in many forms, shapes and sizes ranging from single-family homes to duplexes and from townhomes to apartments. It can be privately owned or rented. It can house seniors, families with children, single individuals, or persons with disabilities. It can also come in a range of architectural styles making it virtually indistinguishable from other housing types. While some affordable housing units are owned and managed by public entities, most is privately owned and managed.

**Why is Affordable Housing Important?**

Affordable housing provides many benefits to the community. Growing the number of affordable housing units would allow those with roots in the community to continue living here, regardless of their economic status. Affordable and diverse housing choices would allow young adults to move back to the community, in which they grew up. Seniors would be able to remain in the community after they retire and have opportunities to downsize, should they choose. Households that experience a loss of income due to economic circumstances, disability, divorce, or loss of a spouse, would not be displaced from the community, due to the inability to pay for housing. Workers in essential jobs such as teachers, grocery store workers, home health aides, childcare workers, restaurant workers, and first responders would have an opportunity to live where they work. Affordable housing can also support businesses by providing housing choices for entry level workers, health professionals, essential workers, and lower wage workers at major employers such as the Town of East Haddam, Chestelm Health and Rehab Center, and Franklin Academy.

**Plan Development Process**

Regional Housing Plan

This Affordable Housing Plan for East Haddam was developed in conjunction with the Lower Connecticut River Valley Council of Government's Regional Housing Plan. The Regional Housing Plan was created as a high-level view and analysis of the housing landscape for the communities that make up the Lower Connecticut River Valley Region to capture common regional themes, housing data, objectives, and strategies. The Regional Housing Plan was developed in collaboration from Lower Connecticut River Valley Council of Government (RiverCOG) staff and consultants over a 12-month period and provided opportunities for community participation. A project website was launched to engage and educate residents of the Region on different types of affordable housing, share project updates, and solicit feedback through online surveys.

A community survey ran from July through September 2021 and gathered input from 64 East Haddam residents on community values and housing needs. The key findings of the survey were:

- The majority of survey respondents think that East Haddam has too few housing choices for people living alone, young adults, low-income households, and seniors.
- 52% or respondents agree that housing is too expensive in East Haddam.
- 61% of respondents think housing is an important component in community longevity.
- 44% of respondents do not think that the current housing options available meet residents' needs.
- 43% of respondents do not think the existing housing stock is adequate to satisfy future market demands.

Full survey results can be found in *Appendix A*.

Regional public workshops were held on October 5, 2021, and January 24, 2022, which presented the housing needs assessment, community survey results, case studies and potential strategies. Participants were asked to provide to input on potential strategies for the region. Participants showed support for a range of strategies, including inclusionary zoning for new multi-family developments with a fee-in-lieu option, expansion of the cooperative homeownership program, and reducing restrictions on accessory dwelling units.

Municipal Affordable Housing Plan Annexes

An Affordable Housing Plan "Annex" was then created for each of the member municipalities of RiverCOG to provide supplemental data and information as well as objectives and strategies that are unique to each community. A virtual public workshop was held separately for each community between February and March 2022 to gather feedback that was specific to each town. East Haddam's municipal workshop took place on February 8, 2022. The outcomes of these public workshops helped shape the content of each Affordable Housing Plan Annex. We encourage readers of this Annex plan to also read the Regional Housing Plan for more information on the context of housing background and context for the Lower River Valley region.

## East Haddam's Place in the Region

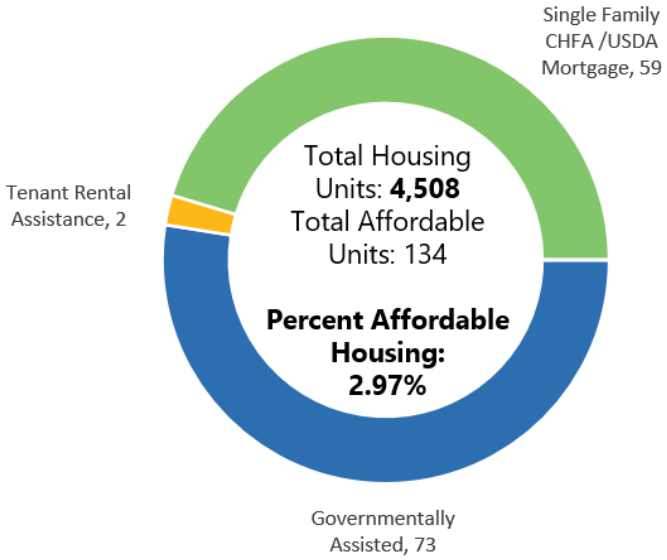
East Haddam is a town of 8,875 residents located in the eastern portion of Middlesex County along the Connecticut River.

According to the 2019 American Community Survey, East Haddam contains 3,640 households with a median household income of $96,928.

East Haddam is known for its historic village with views of the Connecticut River, the Goodspeed Opera House, its numerous state parks and three scenic lakes.

## Affordable Housing in East Haddam

**Affordable Housing Units in East Haddam, by Type: 2021**




*Source: DECD Affordable Housing Appeals List, 2021*

**Protected Units**

As of 2021, 134, or 2.97% of East Haddam's total housing units are protected affordable units. This includes 73 governmentally assisted units, 2 units receiving tenant rental assistance, 59 USDA or CHFA mortgages, but no deed restricted units.

Since 2002, the number of protected affordable housing units in East Haddam increased from 1.92% to 2.97% in 2021.

**Connecticut Housing Finance Authority Programs**

The Connecticut Housing Financing Authority (CHFA) is a self-funded, quasi-public organization. Its mission is to alleviate the shortage of housing for low- to moderate-income families and persons in the state and, when appropriate, to promote or maintain the economic development of the state through employer-assisted housing efforts. Mortgages through CHFA are available for first time homebuyers purchasing homes that are within the CHFA Sales Price Limits who have a gross income that is within the Income Limits. Over the last 5 years, CHFA mortgages were used by 26 households, 7 of which were already living in East Haddam.

**Private Affordable Housing**

Private housing on the open market may be affordable to low-income households. It is sometimes referred to as Naturally Occurring Affordable Housing (NOAH). This housing has no deed restriction or subsidy, but still costs a low-income household no more than 30% of their income. However, low-income households must compete with other more affluent households to occupy these units. As prices rise, the affordability of these units may disappear.



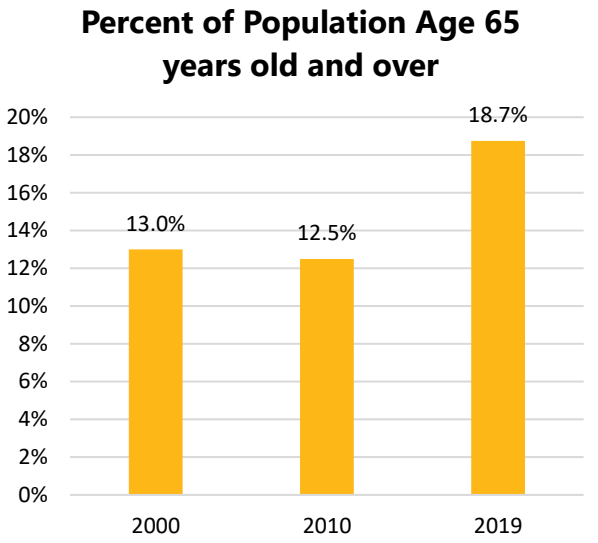
Currently there are NOAH units in Town. Some of these units are in the Oak Grove Senior Housing development. Though residents receive financial assistance, it is a private, 36-unit, senior community. Age restricting units can help seniors, but further exacerbates affordability issues for younger, low-income households. Even with the NOAH units in Town, there is a need for more units especially for East Haddam's single, low-income households.

## Housing Needs Assessment

This section presents a summary of the key findings from the Housing Needs Assessment. For the complete Housing Needs Assessment, please see *Appendix B*.

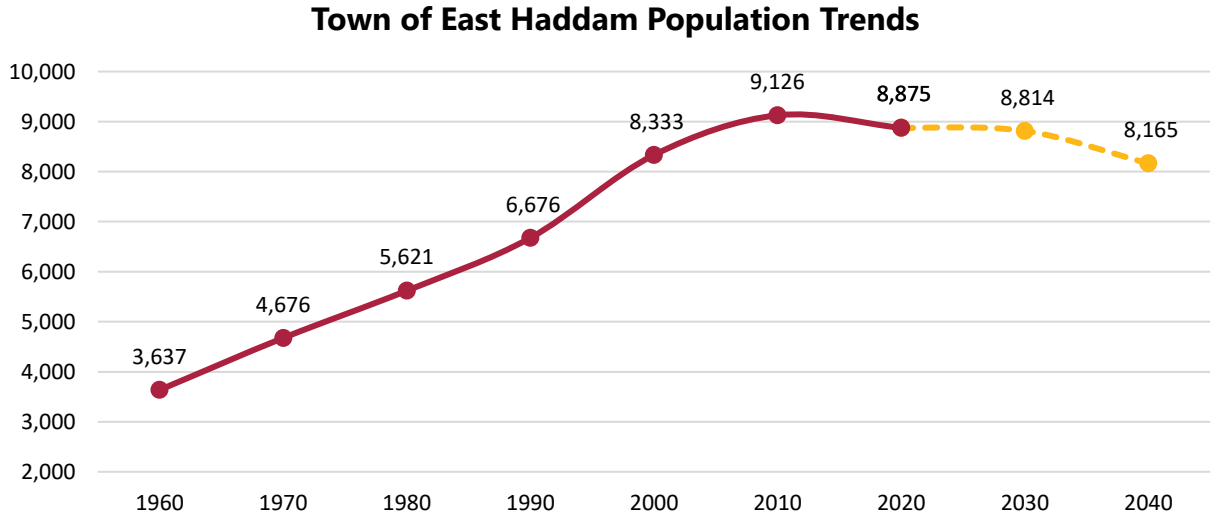
### Demographics

- East Haddam's population peaked in 2010 and is beginning to decline. Historically, East Haddam's population growth has been tied to new housing construction or home sales.
- According to population projections developed by the Connecticut State Data Center, East Haddam's population is projected to continue to decline to around 8,100 residents by 2040.




*Source: 2019 ACS 5-Year Estimates*

- East Haddam has continued to age. The population age 65 and over has grown from 12.5% in 2010 to 18.7% in 2019.
- East Haddam has seen a shift towards smaller households. As of 2019, nearly 60% of households are made up of one or two people. Comparatively, over 74% of East Haddam's housing units have 3 or more bedrooms, suggesting that the supply of smaller housing units has not kept up with demand.

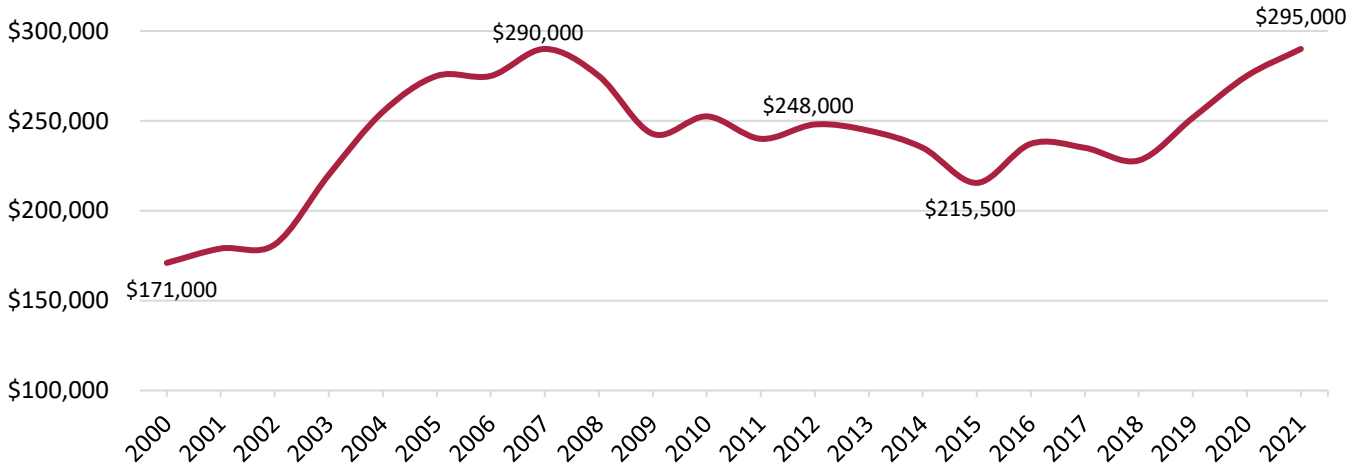



*Source: 1960 - 2020 Decennial Census, CT State Data Center; ACS 2019*

**Housing Stock**

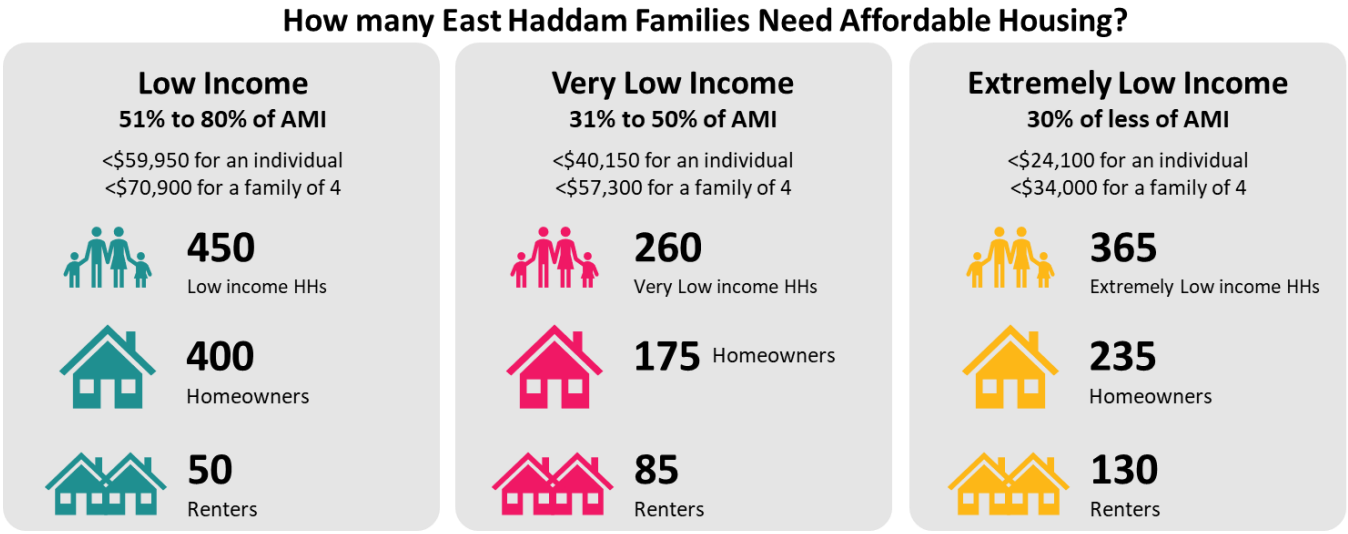
- The housing market in East Haddam is nearly exclusively single-family, detached homes. 89% of all homes in East Haddam are single-family, detached.
- 74% of housing units have 3 or more bedrooms.
- Nearly all of the homes in East Haddam, 88%, are owner-occupied.
- The median sale price for single-family homes in East Haddam increased by 9% in 2020 to $275,000, and an additional 5% in 2021 to $290,000, matching the previous 2007 peak.
- Sales have remained generally stable, averaging 147 home sales per years since 2017. 2020 was an abnormal year with 180 total home sales.
- Housing permit activity dropped off significantly after the early 2000s, indicating lack of available land and weaker economic conditions.

**Town of East Haddam Median Home Sale Price: 2000 to 2021**




*Source: The Warren Group*

## Housing Need




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

- **1,075** households in East Haddam **(29%)** meet the definition of a low-income household.
- Cost burdened households spend greater than 30% of their income on housing and may have difficulty affording other necessities such as food, clothing, transportation, and medical care. About 68% of all low-income households (making less 80% of AMI) are cost burdened in East Haddam.
- 37.5% of seniors (65+) households and 31.0% of young adult (<35) households are indicated by U.S. Census data to be cost burdened because they are spending more than 30% of their income on housing related expenses. Only 19.5% of middle-aged households fall into this category.
- A housing gap analysis was performed comparing the supply of "naturally occurring" affordable housing to local demand. There is an existing need among residents for households of various sizes. The greatest need being for single person households.

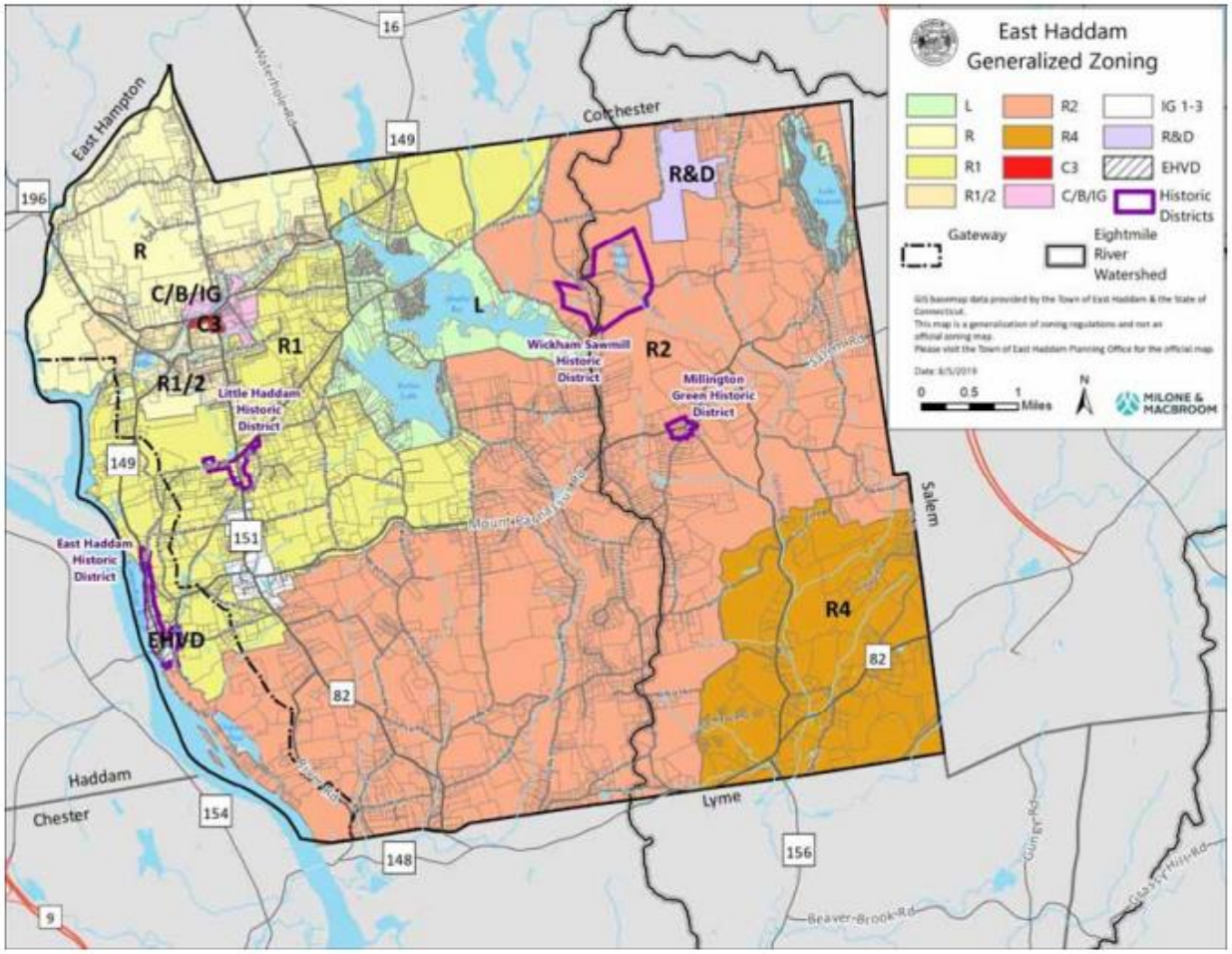
## Land Use & Zoning Assessment

This section presents a summary of the key findings from the Planning and Zoning Review. For more details, please see *Appendix B*.

East Haddam is mostly zoned for residential use. The Town has six purely residential zones and one mixed-use zone, the Village District, that allows mixed use and higher density by Special Exception.

- R-4 District
- R-1/2 District
- R-2 District
- R District (Resort)
- R-1 District
- L District (Lake)
- East Haddam Village District EHVD

These zones allow residences at various densities. Although they are typically for single family homes.




*Source: East Haddam POCD 2019*

## Infrastructure and Natural Constraints Assessment

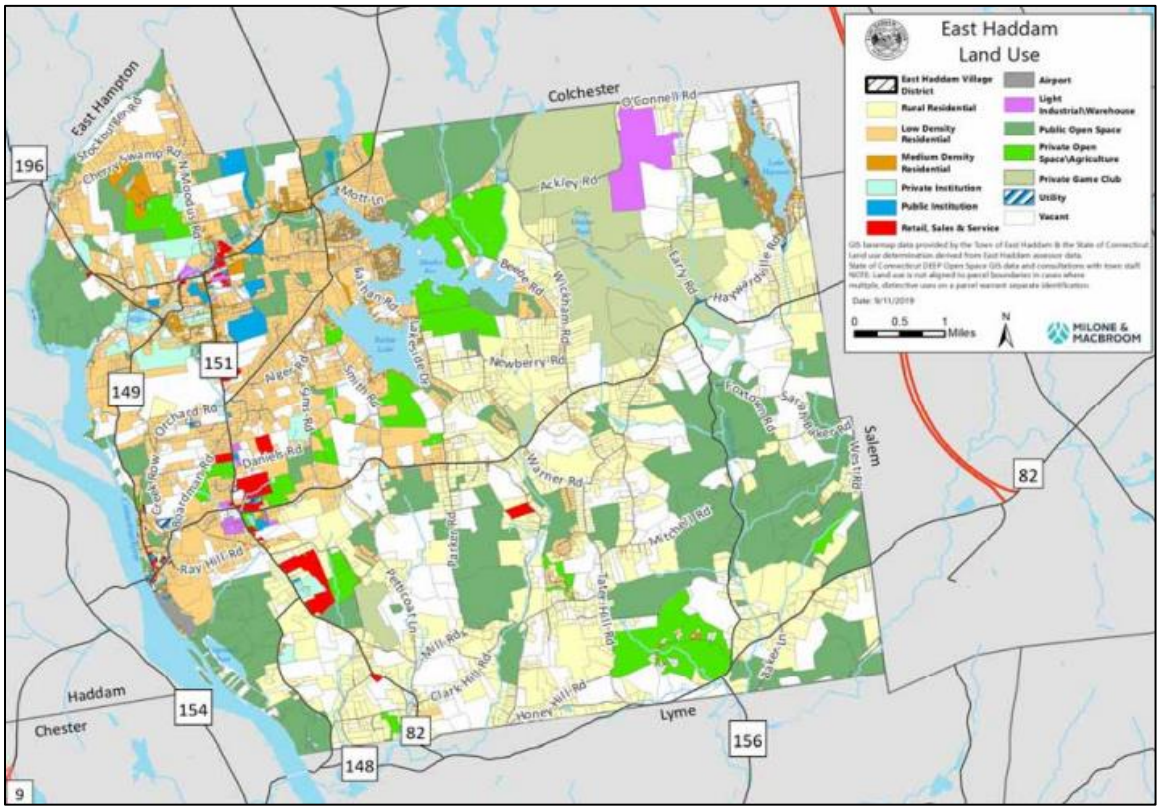
This section presents a summary of the key findings from the infrastructure and natural environment review. For more details, please see *Appendix B*.

- **There is limited land available and suitable for development in East Haddam.**
- For many years, the Town of East Haddam has worked to preserve open space. 25% of Town is committed and preserved as open space.
- Nearly 22% of East Haddam's land is vacant. However, this land may contain environmental constraints that prevent or dissuade development such as watercourses, wetlands and their buffers, steep slopes, flood zones, aquifer protection areas.
- Much of East Haddam is a sewer avoidance area, limiting the number of homes that can be built. Most of the existing residence rely on private wells and septic systems.

**East Haddam Generalized Existing Land Use: 2018**

| Land Use | Acres | % of Total |
|---|---|---|
| Rural Residential | 7,132 | 19.5% |
| Low Density Residential | 5,048 | 13.8% |
| Medium Density Residential | 564 | 1.5% |
| ***Residential Total*** | ***12,744*** | ***34.9%*** |
| Private Institution | 496 | 1.4% |
| Public Institution | 235 | 0.6% |
| ***Institutional Total*** | ***731*** | ***2.0%*** |
| Retail, Sales & Service | 308 | 0.8% |
| Airport | 57 | 0.2% |
| Light Industrial\Warehouse\R&D | 402 | 1.1% |
| ***Commercial Total*** | ***767*** | ***2.1%*** |
| Public Open Space | 7,264 | 19.9% |
| Private Open Space\Agriculture | 1,778 | 4.9% |
| Private Game Club (Not O.S.) | 2,558 | 7.0% |
| ***O.S., Ag., Game Club Total*** | ***11,600*** | ***31.8%*** |
| Utility | 60 | 0.2% |
| Vacant | 7,817 | 21.4% |
| Other | 2,790 | 7.6% |
| ***Grand Total*** | ***36,509*** | ***100%*** |

*Source: East Haddam POCD 2019*



## Objectives, Strategies and Action Steps

1. **East Haddam should pursue the housing goals and recommended strategies in the 2018 Plan of Conservation and Development**
   The Town's Plan of Conservation and Development (POCD) details strategies for improving housing conditions in East Haddam as well as contributing to affordability. In the pursuit of housing affordability, these strategies should be implemented.

| Where We're Going: Goals | How We'll Get There: Recommended Strategies |
|---|---|
| Diversify housing opportunities to meet the needs of all residents, regardless of age and income. | • Direct housing development to areas within and adjacent to East Haddam Village, Moodus Village and other designated nodes.<br>• Encourage development of diverse housing types, scale, and densities in the village neighborhoods in close proximity to commercial areas and public facilities.<br>• Discourage neighborhood-scale housing development in rural areas where natural land capacity, rural character, existing transportation and soils are not adequate to support development.<br>• Consider developing a new Village Residential zoning district for areas within or adjacent to the villages, which allows development of a range of housing types, including small-lot single-family housing, two-family homes and townhomes within walking distance to the commercial areas.<br>• Explore methods to better encourage mixed-use development in East Haddam and Moodus Village Centers, including a mix of commercial, office, and retail uses combined with an appropriate scale of housing types that support a traditional village character.<br>• Explore establishing community programs that assist property owners in 1) maintaining and rehabilitating aging housing units, 2) developing accessory apartments, and/or 3) increasing the energy efficiency/sustainability of current housing units.<br>• Evaluate the density provisions of the Planned Residential Unit Development (PRUD) floating zones to consider if regulating by units per acre rather than bedroom per acre would allow greater flexibility and variety in unit type to accommodate seniors and smaller households.<br>• Consider incorporating provisions to allow designation of low-income or moderate-income housing in PRUD developments in exchange for density bonuses. |
| Establish programs and partnerships to expand housing opportunities. | • Monitor changes in demographics, family structure and composition, and the resulting effect on the housing needs of the town.<br>• Investigate and pursue projects with non-profit developers to rehabilitate older housing for affordable housing units as opportunities for first-time buyers.<br>• Pursue partnerships on a regional level to share resources to administer activities that promote housing programs and funding opportunities to expand affordable housing.<br>• Where site conditions permit, explore methods to provide additional housing for senior citizens, such as allowance for increased density in PRUD districts to permit adult living communities at higher densities than is currently allowed.<br>• In a planned manner, increase the percent of affordable housing (as calculated by the state formula) and work toward meeting the state goal of 10% affordable housing. |

2. **Determine if suitable properties should be acquired by the Town for the development of Affordable Housing**
   In the future, there may be properties for sale that would be suitable for housing development.

   **Action Steps:**

**2.1** Prior to the parcel(s) being listed, the Town should determine if it is in the public interest to purchase the land and developing a Right of First Refusal agreement with the current owners.

**2.2** To determine suitability, the Town should assess the properties with respect to the following conditions:

- Evaluate site constraints
- Determine density that can be supported by on-site septic system
- Evaluate market conditions to determine highest-and-best use
- Conduct a fiscal impact study as part of the identification of highest-and-best use

**2.3** Following purchase, the Town should create a design plan prior to issuance of a developer RFQ/RFP to select a partner that can help it achieve its desired vision for the site.

3. **Town should work with the Connecticut Housing Finance Authority to promote home ownership in East Haddam**

The Connecticut Housing Finance Authority (CHFA) is a self-funded, quasi-public organization. Its mission is to alleviate the shortage of the housing for low- to moderate-income families and persons in the state, and when appropriate, to promote or maintain the economic development of Connecticut through employer assisted housing efforts. Mortgages through the CHFA are available for first-time homebuyers.

**Action Steps:**

**3.1** East Haddam should share information to encourage potential homebuyers to consider and pursue CHFA mortgages.

**3.2** East Haddam should host or advertise CHFA homebuyer and real estate agent education classes.

**3.3** East Haddam should partner with a non-profit and/ or with other towns to locally provide a CHFA housing counselor.

4. **Implement East Haddam's Affordable Housing Plan**

The Town will work to implement this Plan over the next 5 years and these recommendations represent a starting point for the Town. As required by CGS Section 8-30j, this plan will be updated every 5 years.

**Action Steps:**

**4.1 Consistently update the Plan** -- The recommendations of this Plan represent a starting point and guideline for potential future changes. As required by CGS Section 8-30j, this plan will be updated every 5 years.

**4.2 Amend the Plan of Conservation and Development to include the Affordable Housing Plan** -- The Planning and Zoning Commission should amend the Plan of Conservation and Development (POCD) to include the Affordable Housing Plan so that it can be referenced as part of future land use and zoning decisions. The Town of East Haddam will update its POCD in 2028. Since Affordable Housing Plans are required to be updated every five years, it is recommended that the next Affordable Housing Plan be updated concurrent with the POCD update and included in the POCD.

5. **Strengthen the Region's capacity to further Affordable Housing**
   Implementation of the recommendations of this Plan will require resources and an additional level of government and staff oversight.

   **Action Steps:**
   **5.1 Support and contribute to a permanent Regional Housing Committee** – The Town should support and participate in a permanent Regional Housing Committee. This Committee can help oversee the implementation of the Regional Housing Plan as well as future updates. The Housing Committee can also serve in an advisory capacity to other boards and commissions and provide recommendations to East Haddam and other RiverCOG communities.

   **5.2 Participate in Regionally organized Affordable Housing Training to Town staff and members of land use boards**
   State statutes pertaining to affordable housing are likely to change over the coming years. Providing regular training to Town staff and members of land use boards and commissions will ensure that they are educated on statutory requirements and understand affordable housing best practices as they evolve.

   **5.3 Town should support the creation of a Regional Community Land Trust**
   Community Land Trusts (CLTs) are non-profit organizations that gain ownership of vacant, blighted, or tax delinquent land and hold it for future redevelopment. CLTs develop land according to the community's needs which can include creating affordable housing for low- and moderate-income households. Whether regional or sub-regional, the Town should provide support to a founding and functioning of a CLT to further housing affordability.

**APPENDIX A: INSERT SURVEY RESULTS HERE**

**APPENDIX B: INSERT HOUSING NEEDS ASSESSMENT HERE**