



Preserving Salisbury's Vitality:  
*Housing for Tomorrow*

*Report of the  
Affordable Housing Advisory Committee  
to the Board of Selectmen  
Salisbury, Connecticut  
June 2010*

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The Affordable Housing Advisory Committee gratefully acknowledges Salisbury Bank and Trust Company's generosity in defraying publication expenses and providing the invaluable editorial assistance of Megan Pezzee.

Cover photo: Single-family home, Salisbury Housing Trust, Salisbury CT

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# AFFORDABLE HOUSING ADVISORY COMMITTEE

## REPORT TO THE BOARD OF SELECTMEN

### Introduction

In November of 2008, the selectman of Salisbury, Connecticut, established an Affordable Housing Advisory Committee (AHAC). Their charge to the committee states, in part:

In 2007, a four-person Informal Task Force on Affordable Housing undertook to assist Town government to develop policies and programs to improve access to affordable housing in Salisbury. The Informal Task Force on Affordable Housing has calculated that Salisbury needs to add approximately 200 units in four categories of affordable housing (including both conversions and new construction) to retain the Town's character, economic health, and diversity.

The primary objective of the Committee should be to recommend a plan to construct or convert the needed 200 units by 2020. (The full charge to the Affordable Housing Advisory Committee is [Appendix I](#) to this report.)

The charge went on to ask various questions the selectmen hoped would be answered by the committee.

In 2007 the Informal Task Force had written:

It is our hope that this report will stimulate at least two others in this series: first, a report on possible solutions as well as impediments to meeting the demand for affordable housing and second, a report specifying detailed institutional and programmatic policies to implement the proposed solutions and to reduce the identified impediments. (The Task Force's full report, *Housing your Neighbors in Salisbury, 2020*, is available on the Town of Salisbury website.)

Taking our marching orders from these two documents, the committee concluded that, simply put, what we were being asked to do, in addition to the other objectives, was to identify the impediments to creating affordable housing and to design a plan to overcome those impediments.

Our committee consists of sixteen citizens of the Town of Salisbury. None of us is an expert in the field of affordable housing. The closest we get to that is an architect, a realtor, and an urban planner. We have a member from the Board of Selectmen and one from the Planning and Zoning Commission (P&Z). We have a firefighter and a member of the ambulance squad. We have present

and retired business executives, teachers, and a banker. What we have in common is that all of us are Salisbury residents, some for our entire lives, and all of us care deeply about the welfare of our neighbors and our Town. The committee members are:

Teal Atkinson	Lisa Hoage
Bob Blank	Janet Lynn
Rachel Bonhotel	Rod Lankler (Chair)
Jeanne Bronk	Jackie Merwin
Rick Cantele	Bill Morrill
Jim Dresser	Geoff Rossano
Mac Gordon	Marshall Schwarz
John Harney	Marty Whalen

From the fall of 2008 until this spring, the committee has wrestled with our challenge. In the beginning we met almost weekly for several months trying to educate ourselves and define the parameters of a very complex problem. We organized into four subcommittees covering what we concluded were the major impediments to establishing affordable housing.

1. Locations and Infrastructure. Where can you put what types of affordable housing? Infrastructure needs? Design considerations?
2. Regulatory. What are the zoning regulations and State and local laws that present obstacles to the construction or conversion of affordable housing?
3. Outreach and organization. What have other towns done? What can we learn to keep from reinventing the wheel? And, most importantly, what do we leave in our wake? What type of organization should Salisbury have to keep affordable housing on everyone's radar in the months and years to come?
4. Finance. How does it get paid for?

It was clear early on that there should be communication and liaison with the Planning and Zoning Commission (P&Z) so that we were not about to make recommendations that had no basis in reality. In addition to having a member on our committee, we asked them to consider sharing the cost of the only consultant that we paid during the year and a half of our deliberations. They graciously agreed to do so and we are confident that all of the proposed zoning changes will receive a receptive hearing at P&Z.

Committee members have visited neighboring communities in the Northwest Corner of Connecticut to see what other towns have done to create and maintain affordable housing. Recognized experts in the field have come to speak to us. When we wondered what we as a community could do legally to raise money for affordable housing, we learned that a compendium of Connecticut law that sets forth the various possibilities did not exist. Thomas Marrion of the firm of HinckleyAllenSnyder LLP in Hartford, who has served as our Town Attorney, arranged for lawyers in the firm to put together the compendium. This was done on a pro bono basis and has since been made available to other Connecticut communities for their use.

We met with or had as members of our Committee representatives of the Salisbury Housing Trust, the Salisbury Housing Committee, and Habitat for Humanity of Northwest Connecticut. We admire their efforts on behalf of affordable housing in Salisbury and hope that our recommendations will further their efforts.

The subcommittees studied their respective subjects and brought to the full committee their findings, which then became the subject of discussion and, frequently, modification before a consensus was formed. Our recommendations, therefore, are offered to the selectmen as recommendations of the entire committee, not just of the subcommittees.

By far the greatest obstacle to the creation of affordable housing, an obstacle that does not fit conveniently into one of the categories listed above, is convincing Salisbury's citizens of the needs we have identified. This includes convincing those who will have affordable units proposed in their own back yard that satisfying such needs will not be detrimental to their neighborhoods. To paraphrase Winston Churchill: never have so many spoken so favorably and done so little. Time after time we have declared that we are in favor of affordable housing and have listed it high on our priorities. Time after time we have resisted efforts to build it.

The following is an executive summary of our findings about the need for affordable housing in Salisbury and our recommendations on how to meet these needs.

## Executive Summary

### A. Findings

Salisbury is becoming an upscale, retirement community characterized by:

- The 8<sup>th</sup> least affordable housing prices in the State;
- An exodus of young adults and young families;
- Declining school enrollments;
- The oldest median age of any town in Connecticut;
- The 2<sup>nd</sup> highest percentage of “seasonal homes” in NW CT; and
- Aging work forces at local businesses.

This evolution threatens the Town’s diversity and volunteer services. If young adults and families are unable to find adequate housing, they will move to areas that provide it, thereby reducing the diversity of our population. Eventually, the exodus of our younger neighbors will impact the vitality of our volunteer services, especially the Lakeville Hose Company and the Salisbury Volunteer Ambulance Service, necessitating paid staff, the cost of which will increase our taxes and make Salisbury even less affordable.

This “vicious cycle” is not inevitable, but positive and dramatic steps must be taken if Salisbury is to avoid the likely conclusion of these trends. The Town must re-establish a “virtuous cycle” of a stable community in which there is an adequate supply of housing of different types, such as single-family, rentals, and condominiums, at different price levels that citizens can move through over their lives.

The first section of this report, “The Need for Affordable Housing,” details our findings about the extent of the need for affordable housing in Salisbury, the number and types of housing units needed, and the likely consequences if present trends are allowed to continue unabated. We hope that all citizens of Salisbury will at least read this section.

The second section, “Location and Infrastructure,” describes the factors we believe the Town should consider as it locates, builds, converts, and designs the needed housing.

The third section, “Regulations,” focuses on short-term zoning change recommendations, which we believe can be implemented immediately (Phase One), and those that will require deliberation in the context of our Town planning (Phase Two).

The fourth section, “Organization,” discusses the requirements for a successor organization to this committee and a fund to support its mission. It includes two draft ordinances.

The final section, “Finance,” describes four ways that Salisbury property owners can help provide housing. It provides a guide to Federal and State financing sources and forms of municipal financing we think Salisbury should explore.

We have attempted to anticipate the questions the reader will have about affordable housing. [Appendix II](#) contains answers to 22 such questions.

## B. Recommendations [Terms used in the recommendations below are explained fully in the report chapters]

Our Committee recommends that the people of Salisbury:

- Create affordable housing by using existing buildings wherever possible rather than constructing new ones. As large a fraction as possible of the proposed 200 units should not require the construction of new buildings.
- Create affordable housing through purchase of existing houses, where appropriate, and conversion of larger houses into multi-unit homes.
- Support the creation of accessory apartments. We should consider offering incentives for owners to create affordable accessory apartments (such as lowering sewer connection fees or maintaining prior tax assessments). The Town should fully participate in the newly established Accessory Apartment Program including joining with nearby communities in funding a program coordinator as the Salisbury Board of Selectmen has offered to do for the Program’s first year. The Program’s how-to guide for homeowners on creating and renting accessory apartments should be made available to all interested parties.
- Facilitate creation of a home-share program in all locations.
- Create, wherever feasible, new affordable housing in the village centers and on Town water and sewer, rather than in the countryside.
- Employ overlay Incentive Housing Zones (IHZs) as one tool to facilitate the construction of affordable housing within areas on Town water and sewer.
- Develop senior housing and housing for the handicapped in or near village centers.
- Encourage the Selectmen to assess Town land holdings and actively acquire and dispose of land with a view towards providing appropriate sites for new affordable housing.



- Favor attached, multi-unit housing over detached, single-family housing. Wherever more than a few units are involved, we should employ cluster planning to help reduce costs and provide better site planning.
- Seek opportunities for joint ventures with nonprofit developers or with commercial interests that might provide a significant portion of the funding for the affordable housing component.
- Plan intelligently by evaluating each site being considered in an individual way so as to best determine the most appropriate owners (or renters), building type(s), and programs for each project. Planning intelligently should include openness and transparency to inform and educate our neighbors and other interested parties.
- Avoid instituting rigid “design standards” that regulate tightly the appearance of affordable housing. We should allow for design flexibility within the context of the neighborhood and community. We should commit to instituting sustainable design and building practices.
- Support the addition of new affordable housing units at Sarum Village, where the Salisbury Housing Committee has recently committed to adding a six-unit building.
- Incorporate the goals, housing needs, and strategies outlined in this report in the Plan of Conservation and Development due in 2011.
- Support the adoption of the following Phase One zoning regulation changes as soon as possible:
  1. Add a new regulation permitting apartments over commercial buildings
  2. Add a new regulation permitting an existing residence to be converted to a multi-family residence of not more than three dwelling units without the present zoning requirement that the minimum lot area be three times the minimum area required in the zone (e.g. in a one-acre zone a three-unit conversion currently requires three acres)
  3. Modify the existing Bed and Breakfast use regulation to permit one accessory apartment that is non-transient in nature
  4. Expand the options and simplify the procedure for creation of accessory apartments that have historically been a vital source of modest cost housing in rural communities
  5. Provide an amnesty period giving owners of existing accessory apartments created without a zoning permit time to obtain Commission approval, free of threat of zoning violation penalty

6. Consider adoption of a new zoning regulation similar to those in Cornwall, Sharon, and Kent that allows, by Special Permit, a landowner to create and transfer to the town or a nonprofit housing trust a rural zone lot containing less than the minimum lot area to be permanently dedicated to affordable housing
7. Consider modifications to the existing Special Permit regulation, “Affordable Multi-Family Housing Sponsored by the Town of Salisbury or a Nonprofit Organization” that will provide additional flexibility for locally provided affordable housing
  - Encourage the Planning & Zoning Commission to consider the following Phase Two recommendations in the context of Town planning:
    1. Expand the boundaries of existing village center residential zones to allow a greater area for small lots on public sewer and water service, thus improving the potential for creation of more affordable building lots
    2. Create a new cluster housing regulation to increase permitted density of housing and attached housing (e.g. town houses) that can help lower the cost of producing housing units and increase the availability of affordable housing
    3. Reserve a portion of the excess capacity of the town sewer treatment plant for affordable housing service
  - Encourage Salisbury property owners to assist our efforts by:
    1. Creating accessory apartments
    2. Donating “free second cut” lots for affordable housing
    3. Developing housing in Incentive Housing Zones
    4. Including residential units in “mixed-use” commercial premises
  - Create a new entity known as the Salisbury Affordable Housing Commission (SAHC) and support the hiring of an administrator to assist the Commission.
  - Create the Salisbury Affordable Housing Fund (SAHF), a Town-managed fund into which private citizens or the Town may deposit funds. The Salisbury Affordable Housing Commission should administer the fund and recommend dispersals. The Board of Selectmen should approve small dispersals (e.g., for feasibility or engineering studies or for options on real estate). Dispersals above \$20,000 (our usual limit on Board of Selectmen discretion) should require Town Meeting approval after Board of Finance review.

- Provide financing for the Salisbury Affordable Housing Fund in its first year by the transfer of \$50,000 from the Land Capital account of the Town and support annual contributions at this level from the town budget as long as necessary.
- Encourage the Salisbury Affordable Housing Commission or other successor to our Committee to investigate additional municipal financing vehicles for the Fund and recommend any appropriate ones to the Town.



*Rental over retail  
Main Street  
Salisbury, CT*

## The Need for Affordable Housing

All small towns face challenges, from rising education and health care costs, to economic development and preservation of open space. They are the stuff of editorial pages and radio talk shows. But currently Salisbury faces an even greater challenge, that of providing sufficient and affordable housing for all members of the community. Without a concerted, unified, and timely response to this need, Salisbury inevitably faces significant changes to its traditional way of life. A detailed study completed by the Informal Task Force on Affordable Housing (ITF) in 2008, *Housing Your Neighbors in Salisbury, 2020*, identified a need for approximately 200 new or converted affordable housing units in the next decade. A cursory examination of realtor listings and classified advertisements reveals a dearth of modestly priced houses and apartments. Area employers cite the shortage of affordable housing as a serious threat to their long-term ability to hire necessary staff. Aging cohorts of veteran volunteers, who wonder where necessary replacements will come from, populate voluntary organizations such as the fire department and ambulance squad. Local schools face sharply declining attendance. Many senior citizens occupy large homes that no longer meet their changed needs and priorities. If Salisbury wishes to remain the community so appreciated by its residents, the affordable housing issue must be addressed and soon.

**The need:  
housing to  
accommodate the  
Town's diverse  
citizenry**

For our Committee there is a commonsense definition of “affordable housing.” It is housing necessary to accommodate the Town’s diverse citizenry - teachers, nurses, municipal employees, trades people, emergency services volunteers, and the next generation of employees of our existing businesses. Depending upon family size, these are people with household incomes up to \$90,000. According to standards generally accepted by bankers and housing planners, ownership is affordable if the mortgage payment, real estate taxes, and insurance total 30 percent or less of the purchaser’s gross income (after deducting credit card and other debt). For renters, housing is considered affordable if the rent is 30 percent or less of the renter’s income. Where federal or state subsidies are involved, affordable housing is defined as housing that can be afforded by a household whose income is less than or equal to the local Area Median Income paying 30 percent or less of their annual income.<sup>1</sup>

**The need: a  
place where our  
children and  
neighbors can  
live in dignity  
and comfort**

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<sup>1</sup> Connecticut General Statutes Section 8-39a. AMI for a family of four in Salisbury was \$76,875 in 2008.

People tend to have widely differing reactions to the term, “affordable housing.” Many see “affordable housing” as a place where their children and neighbors can live and raise a family or where their friends and co-workers can find a decent place to live. For a few others the term is synonymous with substandard buildings in urban settings. Many housing advocates now use the term “workforce housing” instead. But even this label needs clarification because “workforce housing” identifies only one type of “affordable housing.” In this report we identify four categories of affordable housing needed in Salisbury:

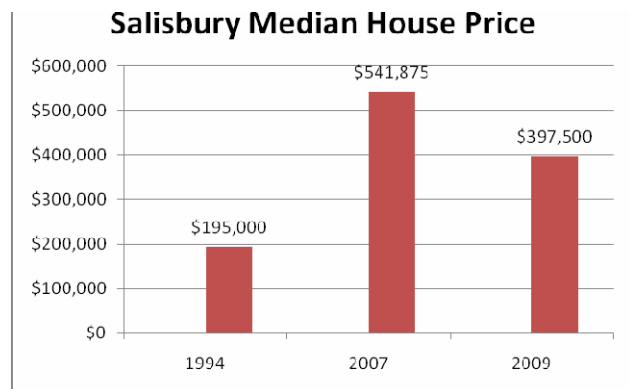
Workforce (Age 30-64):	Middle income (annual)	\$60,000 to \$90,000
	Moderate income (annual)	\$30,000 to \$60,000
Starter (Age 20-29):	Middle income and moderate income	
Senior (Age 65 and over):	Middle income and moderate income <sup>2</sup>	
Low income rentals:	Low income (annual)	under \$30,000

Housing can be or can be made more affordable in several ways. It may rent or sell for market rates because it is of modest size, e.g., apartments, small condominiums, accessory apartments, or “home share” rentals. It may be affordable because the titleholder owns the building but not the land, which continues to be held by a nonprofit group, such as the Salisbury Housing Trust’s single-family homes on East Main Street and Indian Cave Road. Or, it may be affordable because it is subsidized by governmental or private funds for land acquisition, construction, or rental payments.<sup>3</sup>

After the “slump,” the median house price in Salisbury remains at twice the level of 1990-94

There is ample and varied evidence that Salisbury needs more affordable housing and that the situation is worsening. However, just as parents may not notice changes in their children whom they see every day until a visiting relative comments on their growth, we sometimes miss small annual changes until their continuation over years and decades produces substantial impacts. Salisbury housing prices were volatile

\*Data for 1994 is the median average of prices from 1990-1994.



in the early 1990s due to the small number of sales, but, by smoothing out the volatility, we discover

<sup>2</sup> Principally to accommodate residents aged 75 and older.

<sup>3</sup> All three of these apply at Sarum Village, where the Salisbury Association donated the land.

that the median sales price was \$195,000 for the period 1990-94. By 2007, the median price had soared to \$541,875, an increase of 178 percent. By 2009, the median price had declined 27 percent to \$397,500, but this still represented a 104 percent increase in 15 years.<sup>4</sup>

Future economic cycles will continue to impact prices, but the long-term trend is likely to be upward as demand outstrips supply. The beauty and amenities of Salisbury and its proximity to major urban areas make it likely that well-to-do people will continue to acquire vacation and retirement homes here. As of 2009, 9,654 acres (fully one-quarter of the Town’s total land area) was under permanent conservation protection. Another 15-to-25 percent belongs to owners such as the three private schools and Mt. Riga Inc. and is unlikely to be developed. These facts will generate increased price pressure on the remaining land eligible for development. By current measures Salisbury is the eighth least affordable town in Connecticut (just behind the seven contiguous communities stretching from Greenwich to Wilton on the “Gold Coast”).<sup>5</sup> To qualify for a mortgage on the median-priced Salisbury house (\$472,500) in 2008, a local household would have needed an income of \$142,165, or 85 percent more than the actual town median income (\$76,875) for a family of four.

**Salisbury is the 8<sup>th</sup> least affordable town in Connecticut (after seven towns in Fairfield County)**

While median price is a useful tool for tracking the general trend in housing costs, most people do not buy a median-priced house. The real issue is whether there is sufficient housing available in Salisbury at prices that the people here can afford. To answer this, we can look at the prices at which homes sold in the “bubble” years of 2006 and 2007 and in the “depressed” year of 2009 and the incomes required to buy those residences:

House Price Range	2006 & 2007	2009	Required Income to buy home
\$110K to 150K	1	0	\$30K to \$41K
\$150K to 215K	7	5	\$41K to \$59K
\$215K to \$320K	15	6	\$59K to \$89K
\$320K to \$430K	25	7	\$89K to \$118K

In these three years only 13 homes of the 66 that were sold qualified as affordable to households

<sup>4</sup> Data from The Warren Group  
<sup>5</sup> According to HOME Connecticut. They calculate this ranking by comparing the income required to qualify for a mortgage on the median-priced house in each town in the state to the town’s median income. For the full methodology, please visit [www.homeconnecticut.org](http://www.homeconnecticut.org).

with incomes below \$60,000. As a more pointed example, a teacher with a bachelor's degree starting at Salisbury Central School in 2009 earns a salary of \$37,780. Only one house in this period was available at a price he or she could afford. Using the 30 percent of income guideline, he or she would have been able to afford a \$945 per month rental, if any were available.

The age of homes in Salisbury adds to the affordable housing dilemma. According to the 2000 Census, almost half of the community's residences were built before 1950, compared to a statewide average of about 30 percent. Increasingly, our housing stock of older, single-family houses does not match the needs of our population, especially our older residents. According to Dwight Merriam, Certified Planner and land-use attorney with the legal firm of Robinson & Cole, these homes are "too expensive to buy, to maintain, and to heat." Many older residents say that they would like to sell their homes and move into smaller condominiums or apartments if any were available, leaving the houses for occupancy by young families or for division into duplexes or apartments.

**Over three years, only one house was sold in Salisbury that was affordable to a new teacher at Salisbury Central School.**

We all have anecdotal evidence of young adults and young families moving out of Salisbury but no evidence of significant numbers moving in. While the age cohort information produced by decennial censuses does not provide reliable data for individual towns, we do know that Connecticut as a whole is losing 25-34 year-olds at a faster rate than any other state.<sup>6</sup> The most recent projections (March 2007), which include school enrollment data, project Salisbury's young population (aged 0-19) to decline from 892 in 2000 to 739 in 2030, while the "working population" of 20-to-64 year olds will decline from 2,162 to 1,799. Conversely, Salisbury's population of those 65 and older is projected to almost triple from 751 to 1,829 by 2030.<sup>7</sup>

**Connecticut as a whole is losing 25-34 year-olds at a faster rate than any other state**

Salisbury thus stands out demographically in several ways relevant to the issue of affordable housing, even among the similar towns of Northwest Connecticut. An analysis of the 1990 and 2000 Censuses done by Dan McGuinness, Executive Director of the Northwest Connecticut Council of Governments, which includes the six Region One towns plus Roxbury, Warren, and Washington, revealed that:

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<sup>6</sup> For further details, see [www.homeconnecticut.org](http://www.homeconnecticut.org).

<sup>7</sup> This data is from the Connecticut State Data Center, the State's official liaison to the U.S. Census, located at the University of Connecticut.

- Salisbury has the highest percentage of one-person households (33%) and the lowest household size (2.19 persons). This helps explain the large number of people who express interest in downsizing to a smaller house, condominium, or rental if such units were available.
- Salisbury has the lowest percentage of households with at least one member under 18 years of age (27 percent, tied with Sharon) and the highest percentage of households with at least one member 65 or older (33%).
- Salisbury has the second highest percentage (after Cornwall) of “summer homes” or “housing units held for occasional or seasonal use” (25%).
- Salisbury ranked first in the percentage increase in median rental cost from 1989 to 1999 (22%). As a result, one-third of Salisbury renters had to pay more than 30 percent of their income on rent in 2000 compared to one-quarter in 1990.
- Salisbury had the highest poverty rate (7.8 percent) of the nine towns versus a rate of 4.5 percent for all of Litchfield County and 7.9 percent for the State. Salisbury also had the second lowest percentage (89 percent, after North Canaan) of adults with a high school diploma or higher - two more statistics that belie Salisbury’s reputation as a wealthy town.

Salisbury has the highest poverty rate in Litchfield County

These findings are reflected in many ways. We are steadily losing the age diversity that contributes to a vibrant town. Salisbury has the oldest median age of any town in Connecticut (47.2

Salisbury has the oldest median age of any town in Connecticut

years in the 2000 Census). This is part of a statewide problem in small towns. And the trend is likely to accelerate. The University of Connecticut State Data Center projects that the proportion of elderly (65 and older) in Connecticut’s 63 rural municipalities will increase from 20 elderly for each 100 workers (20-64) in 2000 to 52 elderly per 100

workers in 2030. An aging population requires increased services and cannot participate fully in providing these services or in the volunteer life of the community.

Housatonic Valley Regional High School (HVRHS) records indicate that the vast majority of alumni who grew up in Salisbury no longer live in their hometown. Data for the decades of the 1970s and the 1980s are very consistent. About one half of 1970-1989 HVRHS graduates from Salisbury report no address or are deceased. Of those with addresses, only 12 percent live in Salisbury, while 35 percent live in contiguous towns (including Millerton, NY), 25 percent live in other Connecticut towns, and 28



percent live outside Connecticut and Millerton, NY. It is particularly unsettling that, of those who live in the Northwest Corner and therefore evidently can make a living in this area, three times as many (35 percent) live in Canaan, Falls Village, Millerton and Sharon as live in Salisbury (12 percent).

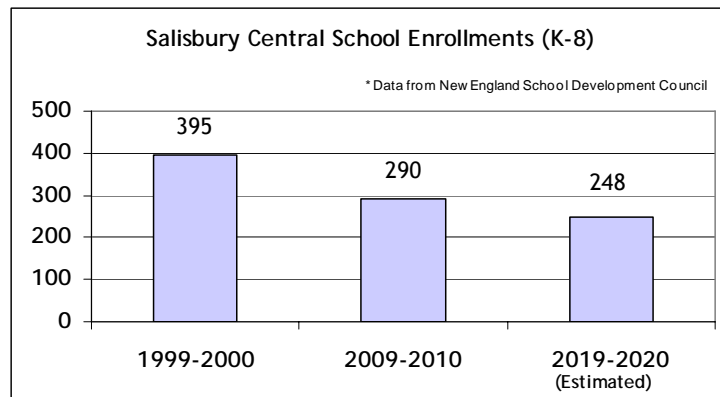
The 1990s HVRHS graduates who grew up in Salisbury exhibit a somewhat different pattern because many have not yet “settled down.” Since three-quarters of the Salisbury alums reporting an address in Salisbury are using their parents’ address, we only know that somewhere between 5 and 22 percent reside in town. As in the case of the 1970-1989 alumni, approximately three times as many (just over half of the 1990s alumni) live in the four towns contiguous to Salisbury.

**Of Salisbury’s HVRHS graduates who live in the area, 75% live in four contiguous towns, rather than in their hometown**

**Salisbury Central’s enrollment declined 27% from 2000 to 2010 and is projected to fall a further 14% by 2020**

**TOTAL: A 37% DECLINE IN 20 YEARS, THE MOST IN REGION ONE**

School enrollments provide another key indicator of demographic trends and can oscillate as birth rates do, but the 20 years of New England School Development Council (NESDEC) historical data and projections provided by the Region One office disclose disturbing long-term patterns. Enrollments at Salisbury Central School (SCS) declined 27 percent from 2000 to 2010 and are projected to fall a further 14 percent by 2020, for a total 20-year decline of 37 percent, the most in the region.



Other Region One towns exhibit/project similar declines over 20 years (1999-2019): Cornwall (36 percent), Kent (34 percent), North Canaan (36 percent) and Sharon (29 percent). While a falling birth rate might contribute to a drop in school enrollments (although we have no direct evidence of such), the most likely reason is a declining population of young adults in Salisbury and our region. It is easy to ignore such trends, but the inevitable result is significantly fewer school-age children, closed school buildings, and fewer jobs for teachers and staff.

The observations of local employers also reflect a concern with the issue of affordable housing.

The authors of *Housing Your Neighbors* interviewed seven of Salisbury's largest employers, who employ almost 500 employees. The interviews highlighted the challenges facing these organizations due to a lack of local workforce housing, including an aging labor pool and increasingly expensive commutes. They indicate concern about where their next generation of employees will come from. Although many employers do not have a problem at the moment hiring and retaining staff, most foresee difficulties replacing employees as they age and retire. For instance, over 40 percent of the employees of Noble Horizons, Salisbury Bank and Trust, Salisbury Central School, and Salisbury School are 50 years of age or older.

Similarly, while currently fully staffed by volunteers, the Lakeville Hose Company (LHC) and the Salisbury Volunteer Ambulance Service (SVAS) are not immune to the effects of increasing housing prices and declining numbers of young adults and families. As part of their assessment of demand for affordable housing, the authors of *Housing Your Neighbors* interviewed Rick Roger, Chief of the Lakeville Hose Company. He indicated that housing affordability, along with jobs in the area, had been a problem for local firefighters for some time, and recalled a period 15 years ago when “many moved away due to the unavailability of housing.” Chief Roger estimated that 15 of the current 49 members were looking for better housing in 2008. “If affordable housing were available, they’d like to stay here; most of them grew up here. All of the 15 are in their late 20s and early 30s.” Chief Roger noted that LHC members previously were required to be Salisbury residents. Now, two live in Millerton, three in Canaan, two in Falls Village, and one in Sharon. Six of the eight are there for spousal or housing cost reasons. He estimates that about half of the eight would prefer to move back to Salisbury.

The median age of Salisbury Volunteer Ambulance Service personnel is 52 years old

The median age of SVAS personnel is 52 years old. Our Salisbury Volunteer Ambulance Service, although fully independent financially and staffed entirely by volunteers, is also experiencing pressures caused by our changing demographics. Some daytime and weekend shifts are not fully staffed. At least one neighboring town, North Canaan, has moved to a partially paid staff to maintain its EMT-I status. Because there weren't enough members to fill all daytime and weekend shifts, it had to pay a service to come in last year. Unlike Salisbury, which provides no public funding for its ambulance service, North Canaan's service now receives some town funding and charges its clients for calls.

The Informal Task Force that authored *Housing Your Neighbors* estimated Salisbury must build or convert approximately 200 affordable housing units by the year 2020 in order to achieve a steady-state housing stock that could maintain the diverse population the town enjoys today. When that

number is achieved, the annual turnover of these units to new owners and renters would balance the annual demand for affordable units and all Salisbury residents would be able to find housing they can afford.<sup>8</sup> *Housing Your Neighbors* stressed that not all of this increase would have to come from new units; many residences could be provided by conversion of single-family homes to apartments or duplex condominiums, for instance. And, a significant part of the total could be provided by additional accessory apartments, which may require some new construction but generally utilize the footprints of existing buildings.

The Informal Task Force estimated demand for four specific categories of affordable housing: Workforce, Starter, Senior, and Low Income Rentals.

For the purposes of this report we have regrouped the ITF’s estimates using three annual household income levels:

Middle Income	\$60,000 - \$90,000	100 units
Moderate Income	\$30,000 - \$60,000	66 units
Low Income	Less than \$30,000	42 units
	TOTAL	208 units

For planning purposes we also grouped the unmet housing need by type, age, income level, and number of units needed as follows:

Starter (age 20-29) - 30 units split between:	Middle income:	18 units
	Moderate income:	12 units
Workforce (age 30-64) - 86 units split between:	Middle income:	52 units
	Moderate income:	34 units
Senior (age 65 and over) <sup>9</sup> - 50 units split between:	Middle income:	30 units
	Moderate income:	20 units
	Low income rentals:	<u>42 units</u>
	Total:	208 units

We sometimes hear the question, “Where are all the people who will live in the 200 units of affordable housing that the *Housing Your Neighbors* report says we need to provide? I don’t see hundreds of homeless people around town.” To answer this question, we need to look at the situation dynamically rather than statically. If we take a “snapshot” of our town, we don’t see any urgent “demand” for less expensive housing because, happily, we don’t have citizens living in

<sup>8</sup> Based on the assumptions that the newly constructed units remained affordable, the demand for affordable housing remained at current levels, and the turnover rate for housing remained at approximately 12 percent per year. For full details of their estimates, please see the ITF’s report, which can be found at “Salisbury Housing Report” on the Town of Salisbury website.

<sup>9</sup> This is largely senior housing for those aged 75 or older.

packing crates or under bridges. As we learned from housing officials in neighboring towns, you cannot measure the demand for affordable housing with surveys or waiting lists because at any point in time all the people who are in town already have roofs over their heads. If they couldn't find housing at the outset or were unable to maintain their housing due to some financial reverse, they have already left the town. In fact, you need to have excess capacity in the types and price levels of housing needed by your citizens for them to access as their circumstances change.

However, if we view a "movie" of our town, we see a different picture. We see a young Salisbury family paying their housing costs and just making ends meet until they encounter a calamity such as a job loss or major illness. They then need to make less expensive housing arrangements in Salisbury within months or relocate to wherever they can. Or, we observe Salisbury citizens graduating from HVRHS or returning from military service and unable to find affordable housing. They would then move to a less expensive real estate market. Finally, we might notice a recent widow unable to afford or care for the house she shared with her husband and anxious to occupy a small rental unit or condominium but forced to move away when none is available.

Unfortunately, Salisbury does not enjoy the "virtuous cycle" of a stable community in which there is an adequate supply of all types of housing (i.e., different types, such as single-family, rentals, and condominiums, at different prices) that citizens can move through over their lives. Usually a home that is sold when its occupants move to assisted living or in with relatives does not become available for the young adult or young family because it is too expensive. Too frequently the only buyer is someone from outside the area with the wherewithal to purchase it as a second home or retirement home. We cannot see this happening with a "snapshot," but we see its effect in our aging population, aging workforces in our businesses, declining numbers of young adults, and declining school enrollments. Providing affordable housing is only partly about improving the situation of current residents. It is also about stemming the tide of departures by individuals and young families, the citizens of tomorrow - high school graduates, workers, and volunteers. As one leader of the Litchfield Housing Trust incisively noted, "IF YOU BUILD IT, THEY WILL STAY."

Of course, it would help our housing situation if there were additional, more highly paid jobs in Salisbury because more people would have extra income to spend on housing needs, but it would be misleading to link the shortage of affordable units directly to insufficient employment opportunities. Local organizations employing approximately 500 full-time employees currently oversee an aging workforce, and their leadership wonders where the next generation of workers will come from. As Salisbury home prices increased, employers typically depended on modestly priced housing in surrounding areas to meet the needs of their workers. However, by 2007, the cost of housing in those

areas was increasing to the point where it, too, was becoming unaffordable. This trend, though temporarily mitigated by the financial crisis of 2008-2009, will likely resume.

The cost of housing “definitely affects” Housatonic Valley Regional High School’s ability to hire new teachers, and a recruitment problem looms there and at Salisbury Central School within the next five years. Other effects of an affordable housing shortage include the difficulty for nurses who are on call to answer emergencies, as noted by Salisbury School. Employers also noted the travel stress on teachers at HVRHS and elsewhere who have long commutes and who are also denied time with their families. Noble Horizons wants its nursing staff and chefs to live within a 15-minute drive and maintenance staff within a 20-minute drive in all weather conditions. Salisbury Bank and Trust prefers hiring local people whom they can then train because these people already know the area and the Bank’s clientele, making for a friendly and trusting relationship. In addition, housing costs affect the Bank’s ability to attract college graduates, middle managers, and upper-level senior staff. The Bank, along with other employers, encourages its employees to volunteer in Salisbury and the surrounding communities. Living in town makes that possible.

Though housing opportunities in neighboring towns might provide a “safety valve” for some Salisbury residents, they cannot be expected to solve our problem for several reasons. Many local employers, particularly the public and private schools and Noble Horizons, need workers who live locally. Neighboring towns like Cornwall, Kent, and Sharon are as unaffordable as Salisbury, and towns such as North Canaan and Millerton are themselves becoming unaffordable to many working-class families. People who live in other towns typically join their own local fire, ambulance, and other volunteer services and are unlikely to serve in Salisbury’s volunteer organizations. Finally, our neighboring towns are struggling to provide more affordable housing to meet their own needs.

**If Salisbury had to pay its fire and ambulance services personnel, the Town budget would have to increase by \$4,500,000.**

**Every taxpayer’s tax bill would rise by 36 percent.**

Shortages of affordable housing might also impact the financial health of our community. A major effect on our taxes of not providing affordable housing would result from having to pay for fire and ambulance services, services currently provided entirely by volunteers. Payroll costs would be high because these services must be available 24 hours a day, 365 days per year. HOME Connecticut’s website currently estimates the cost of creating a fully paid fire department for a “typical town” in Connecticut at between \$3,000,000 and \$4,000,000 per year.

The Lakeville Hose Company leadership helped us estimate the cost of a fully paid fire service for

Salisbury at \$3,000,000 per year, excluding equipment and building costs. The Chief of the Salisbury Volunteer Ambulance Service calculates that a fully paid service would cost about \$1,500,000 per year. Therefore, the total cost of fully paid fire and ambulance services would be approximately \$4,500,000 per year. To put this in context, a \$4,500,000 annual expenditure would be almost as much as the FY2010 budget of \$4,779,500 for all Town expenses, excluding the elementary school and our portion of the high school's costs. Including the school costs, the full town budget for FY2010 is \$12,424,352. Therefore, a \$4,500,000 cost for fully paid fire and ambulance services would increase the Town budget and every taxpayer's tax bill by 36 percent.<sup>10</sup>

It is impossible to quantify exactly the impact that creating additional affordable housing would have on local taxes without knowing what Town funds would be expended to supplement Federal and State loans, grants, and private contributions, but we can identify certain possible effects. We could likely avoid or delay the cost of paid firefighters and ambulance staff by increasing the availability of housing for young adults. New housing would add real estate to the tax rolls. Certain types of affordable housing could increase costs in our schools by adding students, but Salisbury's problem is a declining school-age population, not overcrowded schools.

Despite the worries already voiced, certain positive elements in this discussion should be emphasized and certain fears assuaged. Numerous studies have found that affordable housing does not reduce the value of neighboring housing. MIT's Center for Real Estate Housing Affordability Initiative completed an examination of seven developments of mixed-income rental housing (affordable and market-rate housing units) to determine whether values of neighboring properties were adversely impacted. They found such developments did not negatively impact sales prices of houses in surrounding neighborhoods. Similarly, Enterprise Community Partners Inc., in its 2008 Annual Report, reviewed 14 research publications dealing with the effects of affordable housing on the market value of adjacent properties. They discovered that subsidized, special-purpose, or manufactured housing had either a positive or neutral effect on nearby property values.<sup>11</sup>

Importantly, it is a misconception that affordable housing is sometimes made "affordable" by skimping on construction costs. The affordable housing in Salisbury and that which we visited elsewhere in Northwest Connecticut was built to the same construction standards and at comparable costs per square foot as market-rate housing. There are several reasons for this. Building codes require it. Planning and Zoning approvals and neighborhood support are predicated on structures,

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<sup>10</sup> This analysis does not include possible additional costs to the taxpayers of providing paid staff to other crucial volunteer services that sustain the Town if they did not have enough volunteers to meet their needs.

<sup>11</sup> For full copies of these studies, please visit the HOME Connecticut website at [www.homeconnecticut.org](http://www.homeconnecticut.org).

setbacks, and building envelopes that “fit in.” Publicly sponsored structures, such as Sarum Village, have often been built to higher standards, using techniques such as lifetime cost assessment, than privately constructed units because sponsors have a continuing responsibility for maintenance. When we asked whether the 28 limited-equity, single-family homes (the Salisbury Housing Trust model) that have been built on parcels scattered around the Historic District of Litchfield looked different than the existing homes, Bob Petricone, Vice President of the Litchfield Housing Trust, said, “Yes -- they look better -- because they are newer.”

In another nearby example, the Washington (Connecticut) Housing Trust reported the following experience when they opened three developments (moderate-income family and senior rental units). Some young families living in the neighborhood argued that the projects would be the “end of their house values.” In fact, house prices near all three developments have appreciated at least as fast as the average for the town since they opened. Wayne Hileman, chair of the Washington Housing Commission, who lives near one of the three developments, says, “All three properties have proved to be assets to the community.” Barbara Bigos, Salisbury’s Tax Assessor, was asked if she thought neighboring house values had gone down or would go down near affordable housing that has been built in Salisbury. She said, “Absolutely not!” She said that she would not reduce the assessed value of a property because it was next door to a new or renovated affordable home.

**Affordable housing does not reduce the home values of its neighbors.**

Another important factor impacting this discussion is the Connecticut Affordable Housing Land Use Appeals Act (CGS 8-30g), which declares that each town in the State should have a minimum of ten percent of its total housing units qualified as “affordable.” According to the 2008 Affordable Housing Appeals List, Salisbury has 2,410 housing units, but only 27 “affordable” housing units. This means that only 1.12 percent of Salisbury’s housing is affordable by the state definition. Thirty-one of Connecticut’s 169 municipalities have earned exemption from the Act by meeting the ten percent goal, including Torrington and Winchester (Winsted) in our area. All the other Region One towns plus Litchfield, Norfolk, and Washington have higher percentages of affordable housing than Salisbury.

The Act further states that, in any town that does not have a minimum of ten percent affordable housing, private developers whose projects contain 30 percent “affordable” housing units can build wherever in town they like regardless of the Town’s zoning regulations, subject only to health and

safety considerations.<sup>12</sup> In the Northwest Corner, developers have used the Appeals Act in Sharon and Washington. Such actions could present significant challenges to a community that desires to preserve local appearances and quality of life.

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For more than a decade, in various planning meetings and documents, Salisbury's citizens have said that the Town's top two priorities should be retaining its rural character and providing more affordable housing. The question then arises, does providing affordable housing or failing to do so affect the character, culture, and tradition of a New England town like Salisbury? It would appear that the answer is an emphatic yes. Over the years several distinct features have come to define the Town of Salisbury and the way its citizens views themselves, the two most important being diversity and the civic involvement of its citizens.

Despite its limited size and comparatively isolated location, Salisbury has always displayed extraordinary diversity. We enjoy a varied topography of mountains and valleys, streams and lakes, bogs and pastures. Compact villages and open rural spaces alternate across the landscape. A ten-minute drive reveals an extraordinary mix of historic and modern residences. From its earliest days, Salisbury's residents have also exhibited a marked degree of diversity. Over the years, industry, agriculture, education, mining, recreation, retailing, services, banking, the arts, and various professions have powered the local economy. The current population contains a wide range of ages, employments, education levels, wealth, religions, ethnicities, experience, social backgrounds, geographic origins, tastes, and interests.

Equally important in defining the Salisbury notion of community is the role played by its citizenry in virtually every aspect of local life. The governmental and social system of the first settlers required that virtually all participate in the oversight of the town. This pattern has continued to the present day. In fact, the present town as we know it could not function without the active involvement and participation of its citizenry.

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12 To qualify under the Act, a project must be one "in which not less than thirty per cent of the dwelling units will be conveyed by deeds containing covenants or restrictions which shall require that, for at least 40 years after the initial occupation of the proposed development, such dwelling units shall be sold or rented at, or below, prices which will preserve the units as housing for which persons and families pay 30 per cent or less of their annual income, where such income is less than or equal to 80 per cent of the median income. The "median income" referred to here is the Area Median Income as determined annually by the U.S. Department of Housing and Urban Development; CGS 8-30g(a)(1).



These two factors - diversity and civic involvement - are responsible for the health and vitality of the community. Yet these activities and traditions would be endangered if the community found itself incapable of providing appropriate housing for all segments of its population. People who can't live here can't contribute. Without them, Salisbury would find itself less vibrant, less interesting, and far less capable of meeting the varied needs of its citizens. Clearly, Salisbury's demography and

**If current trends continue unabated, Salisbury is likely to evolve into an upscale retirement community.**

**This is not inevitable.**

**The choice is ours.**

economy have been evolving for decades as a result of rising land prices, an increase in our older population, a decrease in housing affordable to the town's workforce, and a decline in our young adult and school age populations. Foresters refer to the concept of the "climax forest," which is the final stage of forest development. Similarly, we can forecast the "climax demography" of Salisbury if current trends continue unabated. People will continue to move into town in their 50s as part-timers to purchase second homes and then retire here in their 60s. This inflow will continue to drive up land and house prices. Even greater numbers of young adults and their families will be unable to afford housing and will move to neighboring towns or out-of-state. Fewer volunteers will be available to provide a variety of essential services. School

enrollments will continue to fall.

As taxes rise to pay for services formerly performed by volunteers, higher costs would add to the burden of already high home prices, and still more citizens with moderate and middle incomes would be unable to remain. Such spiraling trends would reinforce each other. Salisbury would likely evolve into an upscale, retirement community. In the words of a local wag, it would become a place where old people come to visit their parents. There is nothing necessarily pejorative in this description. There are communities like this all over the country. The question for the citizens of Salisbury is simply, "Is this what we want to become?"<sup>13</sup>

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<sup>13</sup> These trends are not unique to Salisbury; they exist statewide. Connecticut was 46th among the states in the construction of housing units per capita. The Connecticut Office of Policy and Management estimates that Connecticut's population will grow only 8.3 percent between 2000 and 2030, less than one-third the national average. They predict that all of that growth will be citizens 65 and over. There will be a loss of population of those under 65. Those over 85, "who are very intense users of health and social services" will more than double. HOME CT concludes, "Attracting or holding young population through creation of starter homes and affordable rentals could help significantly."

Obviously, Salisbury faces great challenges. The obstacles seem great. But our community also has advantages other Connecticut towns and cities do not have. Our low mill rate (second lowest after Greenwich) and an excellent credit rating give us the flexibility to act before it becomes necessary to fund services now performed by volunteers. We have cadres of knowledgeable, involved, and energetic residents serving on the boards, commissions, and committees that can effect change and a streamlined Town Meeting government that can express the will of the citizenry. Our future is in our hands and the choice is ours.



*Townhouses - South Commons  
Kent Affordable Housing  
Kent, CT*

## Exhibit 1: Index of Frequently Asked Questions

[The answers to the following questions are contained in [Appendix II](#)]

1. Q: What is “affordable housing” in the context of Salisbury?
2. Q: What is the evidence that Salisbury needs affordable housing?
3. Q: What will Salisbury look like if we do not provide affordable housing?
4. Q: Where are all the people who will live in the 200 units of affordable housing that the *Housing Your Neighbors in Salisbury: 2020* report says that we need to provide? I don’t see hundreds of homeless people around town.
5. Q: What do Salisbury’s employers say about the need for affordable housing for their employees?
6. Q: What would be the effect on our taxes if we had to pay for fire and ambulance services?
7. Q: How would affordable housing affect local taxes overall?
8. Q: Why should my taxes subsidize housing for other people?
9. Q: Do those in affordable housing place a disproportionate burden on local schools and social services?
10. Q: Why can’t people who need affordable housing live in surrounding towns?
11. Q: Will affordable housing reduce land values in its neighborhood?
12. Q: *Housing Your Neighbors in Salisbury, 2020*, the 2008 report of the Informal Task Force on Affordable housing (ITF), estimated that Salisbury needs to build or convert approximately 200 affordable housing units in order to meet the Town’s demand for such housing. How was that estimate arrived at and what types of housing did the ITF say are needed?
13. Q: Hasn’t the recent fall in the housing market made affordable housing programs unnecessary?
14. Q: Does the State of Connecticut have targets for the percentage of housing in towns that is affordable?
15. Q: What will affordable housing look like?
16. Q: Does affordable housing have to be built where there is access to Town water and sewer?
17. Q: Why is affordable housing not reserved for people who grew up in Salisbury or previously lived here?
18. Q: Are there undeserving people who take financial advantage of affordable housing?
19. Q: For at least ten years, in various planning meetings and documents, Salisbury’s citizens have said that the Town’s top two priorities should be retaining its rural character and providing more affordable housing. How does the provision of affordable housing or the failure to do so affect the character, culture, and tradition of a New England town like Salisbury?

20. Q: What are "accessory apartments"? What would I have to do to convert part of my house into an accessory apartment?
21. Q: What is "home share"?



*Faith House Rentals*

*Salisbury Housing Committee*

*Salisbury, CT*

## The Committee's Work and Recommendations

The Selectmen's charge to the Affordable Housing Advisory Committee ([Appendix I](#)) asked the group to identify existing impediments to creating affordable housing in town and to make recommendations about how to eliminate or reduce those impediments. The Committee pinpointed four areas for careful study: location and infrastructure, regulations, organization, and finance. The product of several months' study follows. After extensive discussion the group also developed a series of recommendations in each of these categories. These recommendations are found at the end of each of the following sections.

### I. Location and Infrastructure

As part of its work, the AHAC investigated how questions relating to location and infrastructure impact the availability of affordable housing in the Town of Salisbury. Among the issues examined were: Where should affordable housing be located? What types of affordable housing exist? What role should sustainability play in planning and construction decisions? How do septic requirements affect

**We endorse the creation of 200 additional units of affordable housing in the next ten years. Much of this additional housing can and should be created without new construction.**

affordable housing decisions? How does the current capacity of Salisbury's water treatment plant affect affordable housing decisions? A summary of that research follows.

In carrying out its research the Committee initially examined two important questions, "What types of affordable housing are available and where should such housing go?" The Committee endorses the creation of 200 additional units of affordable housing in the next ten years.

Much of this additional housing can and should be created without new construction. In fact, many different sites and building options might be appropriate. Here are some of the possibilities.

The vast majority of housing in Salisbury is composed of detached, single-family residences, typically on lots of two acres or more. In the villages, lot sizes are smaller (one-quarter or one-half acre minimum, depending on zone). Without constructing new houses, the opportunity already exists to create many new affordable units by converting existing homes through simple purchase. Some of the larger of these might then be converted to multi-family houses or expanded or modified to provide accessory apartments. Other units could be provided in "mixed-use" (residential and commercial) buildings. In each case, reusing the houses and commercial spaces we already have to best advantage seems a sensible strategy.

Where should we locate our new affordable housing? Most likely we will have to put them wherever we can, in many varied locations. But insofar as it is possible, the advantages of building in the villages are obvious. The cost savings and environmental benefits of connecting to existing utilities are significant. The villages of Lakeville and Salisbury (and most of the other Northwest Corner towns) are struggling commercially and would be strengthened with new in-fill development. Residents who live in town walk more and drive less. Building in the villages also means reducing sprawl in the countryside. Conversely, there are some advantages to creating new affordable housing in the countryside. Land acquisition may be less expensive. Larger projects, at lower unit cost, may be possible outside of the village centers. Where we locate new housing will depend to a great extent on the availability and location of reasonably priced land, available subsidies, and the need for specific types of housing.

There are significant advantages to building additional housing in our village centers.

Affordable housing comes in many shapes, sizes, and flavors. Home Share is a form of housing whereby a homeowner, often elderly and living alone, rents a room (or rooms) to someone who then shares the use of the house. In return, the renter agrees to pay a negotiated rent and/or provide certain services or companionship. The arrangement works well for owners who need financial assistance and/or other forms of assistance in order to stay in their homes and for single low- and moderate-income renters who need affordable rental housing. Accessory apartments are private apartments either in a separate section of the owner's home or in a separate building on the property. They are typically limited in size and, therefore, appropriate for one or two people. The owner may reduce the rent in exchange for services performed on the property. In addition, existing non-residential buildings might be converted, in part or completely, into housing, or housing might be added on to a non-residential building

Single-family homes can be built or rehabilitated on individual lots anywhere in Salisbury. The strategy would be best employed, however, on small lots for households in the middle and higher moderate-income range. There would be a cost savings if the houses were separate but still grouped, sharing a large, outdoor common area. Two-family houses are somewhat less costly than two single-family homes. They could be arranged and sited in the same way as single-family houses. One of the two units could be rented by a low- or moderate-income household. The rental income, in turn, would make it possible for the owner to afford to purchase the two-unit house. Cluster housing, attached or detached in small or large groupings, is an even more efficient way of building affordable housing, with less sprawl than would accompany an equal number of stand-alone units.

Town houses, including row and courtyard houses, are most usually found in town centers. These are rows of attached housing units either rented or owned by the occupant. They are similar to cluster housing but allow for efficient use of land. They can also be built as terraced housing to make use of sloping sites. Groups of town houses may also benefit from cluster planning. Low-rise, in-town apartment houses, either condominiums or rentals, allow an even more efficient use of land and lower rents for low-, moderate-, and middle-income households. “Mixed-use” housing, combining residential and commercial spaces, offers an efficient means of providing low- and moderate-income housing in town centers with commercial use of the ground floors and residential above. People living in the housing also help to revitalize the commercial spaces by shopping there and by making the area more alive with their presence.

The Town of Salisbury has received a planning grant to study what areas in the village centers might be appropriate for housing on smaller lots, or in higher density, than are allowed under existing zoning regulations. These smaller or denser lots could allow both less expensive market-rate housing and moderate-income affordable housing (also referred to as “workforce housing”) than is presently allowed. Several potential Incentive Housing Zone (IHZ) sites are being investigated under the planning study. If appropriate areas are found, the Planning and Zoning Commission (P&Z) could adopt one or more overlay IHZs, along with appropriate requirements that would guide their development by property owners.<sup>14</sup> The AHAC strongly supports the use of the Incentive Housing Zone vehicle as an additional tool for providing affordable housing on appropriate properties in our village centers.

Any new or retrofitted housing the Town either constructs or endorses ought to meet high standards for sustainability and be environmentally sound. Here are some basic guidelines: Carefully evaluate potential sites, housing types, and proposed building programs for environmental impact. Where feasible, use buildings that already exist. Where new construction is warranted, build it better but smaller. Employ lifetime cost assessment. Give preference to sites where construction of planned affordable housing will actually improve the surroundings. In-town sites offer the best possibilities for environmental improvement while also promoting commerce, sociability, and reduced use of automobiles. Significant cost savings result from locating housing close to existing utilities and infrastructure. Where sites in the countryside are selected, considerable effort should

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<sup>14</sup> An IHZ would be an overlay zone. It would not change the existing underlying zoning, but it would allow the landowner an additional option for developing his/her land within the zone.

be taken to have the housing design be subservient to the surrounding landscape. Additional design guidelines for sustainable construction, energy installation, and landscaping are described in [Appendix III](#).

We have developed a matrix as a guide to the most appropriate locations for the range of incomes, housing types, and occupancy types that the Town is likely to encounter. (See [Exhibit 2](#).)



*Single Family*

*Habitat for Humanity*

*Salisbury, CT*



Exhibit 2: Matrix of Incomes, Housing Types, Locations, and Occupancy Types

Income Range			Senior	Starter	Housing Type	Location	Occupancy Type
Low	Moderate	Middle					
					Existing House		
•	•			•	Home Share	All	Rental
•	•		•	•	Accessory Unit	All	Rental
					Existing Non-Residential		
•	•	•	•	•	Converted to Housing	Town	Condo / Rental
•	•	•	•	•	Added Housing	Town	Condo / Rental
					New Housing		
					<i>Single Family</i>		
	•	•			House	All	Owner
	•	•			Cluster Hses	Country	Owner / Condo
	•Renter	•Owner			<i>Two Family</i>	All	Owner / Rental
					<i>Town Hses</i>		
	•	•	•		Row Hses	All	Owner / Condo
	•	•	•		Courtyard Hses	All	Owner / Condo
	•	•			Terraced Hses	Hillsides	Owner / Condo
•	•	•	•	•	<i>Apartment Bldgs</i>	Town	Owner / Rental
•	•	•		•	<i>Mixed Use Res'l / Comm'l</i>	Town	Condo / Rental

As previously mentioned, the Committee recommends placing the preponderance of affordable housing units in the villages of Salisbury and Lakeville. Locating such housing so as to connect to existing sewer lines makes sense wherever possible. Although the Town charges a connection fee of \$3,500, this and the actual cost of the engineered connection (probably at most a few thousand dollars) is small compared to the construction and installation of a private, separate waste-disposal system. Except in periods of heavy rain, the Salisbury wastewater treatment plant has unused capacity. We asked Roland Denny at the Connecticut Department of Environmental Protection whether the addition of 200 new and renovated units over a ten-year period (with the unlikely assumption that all 200 would be on sewer lines) would challenge the capacity limitations of the plant. He told us that the plant would be able to handle some portion of the extra volume, without requiring additional capacity, if some of the present large seepage of ground water and storm water were corrected. Such correction, requiring improved pipe joints and lining, would be expensive, but there are new trenchless technologies that have reduced the cost of such work. Alternatively, plant capacity could be expanded or technology upgraded, although at considerable cost. Denny recommended that a consultant be hired to suggest alternative methods of dealing with the issue of capacity.

A partial remedy might be for the Town to replace, at little or no expense to homeowners, older water-wasting faucets and fixtures, especially toilets, with more efficient up-to-date models. Finally, adding to existing sewer lines is another alternative to constructing individual septic systems. As with individual systems, the cost of adding/extending sewer lines is site-specific and can vary widely. The closer the new lines are to the treatment plant or to existing lines, the more financially feasible they are.

Whatever measures are ultimately taken to increase the capacity of the Town water-treatment plant or improve the efficiency of the sewer lines, it is unlikely there are sufficient sites to put all the proposed units in the villages. It is possible that a significant portion will have to be located in the countryside, without access to sewer lines and the water-treatment plant. This fact acts as a distinct impediment to placing affordable housing in rural areas. Small-scale, on-site waste disposal has progressed very little in the past century. Typically the system employs a septic tank (which periodically must be pumped out and the solid waste disposed of) that feeds liquid effluent to a tile field where the liquid waste is absorbed slowly (“percs”) into the ground. Because so much land in Salisbury contains ledge or heavy clay soils, percolation is often difficult and extraordinary measures must be taken to make certain sites acceptable for tile fields. One local contractor offered a “ballpark” estimate of approximately \$6,000 for an installed septic system for a three-bedroom house provided that there were no complications; other contractors estimated roughly \$10,000.

However, the likelihood of finding sites without any complications seems unduly optimistic. We have heard, anecdotally, of systems costing from \$30,000 to \$50,000; another local contractor spoke of individual systems he had installed costing over \$100,000.

The Committee makes the following recommendations with regard to the issues of location and infrastructure:

1. Create affordable housing by using existing buildings wherever possible rather than constructing new ones. As large a fraction as possible of the proposed 200 units should not require the construction of new buildings.<sup>15</sup>
2. Create affordable housing through purchase of existing houses, where appropriate, and converting larger houses into multi-unit homes.
3. Support the creation of accessory apartments. Consider offering incentives for owners to create affordable accessory apartments (such as lowering sewer connection fees or maintaining prior tax assessments). In this regard, the Town should fully participate in the newly established HousingUS Accessory Apartment Program including joining with Sharon, Kent, and Norfolk in funding a program coordinator as the Salisbury Board of Selectmen has offered to do for the Program's first year. The Program's how-to guide for homeowners on creating and renting accessory apartments should be made available to all interested parties.
4. Facilitate creation of a home-share program in all locations.
5. Wherever feasible, create new affordable housing in the village centers and on Town water and sewer, rather than in the countryside.
6. Create overlay Incentive Housing Zones (IHZs) where appropriate within the areas on Town water and sewer to facilitate the construction of affordable housing.
7. Develop senior housing and housing for the disabled in or near village centers.
8. The Selectmen should carefully assess Town land holdings and actively acquire and dispose of land with a view towards providing appropriate sites for new affordable housing.
9. Favor attached, multi-unit housing over detached, single-family housing. Wherever more than a few units are involved, employ cluster planning to help reduce costs and provide better site planning.
10. Seek opportunities for joint ventures with nonprofit developers or with commercial interests that might provide a significant portion of the funding for the affordable housing component.
11. Plan intelligently by evaluating each site being considered in an individual way so as to best determine the most appropriate owners (or renters), building type(s), and programs

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<sup>15</sup> We have identified several properties in the village centers that may be adaptable to include accessory apartments. We have identified approximately 100 properties in the countryside that are five acres or more, are vacant and, according to a GIS study, may have soil conditions suitable for septic systems.

for each project. Intelligent planning should include openness and transparency to inform and educate neighbors and other interested parties.

12. Avoid instituting rigid “design standards” that regulate tightly the appearance of affordable housing. Allow for design flexibility within the context of the community. Commit to instituting sustainable design and building practices.
13. Support the addition of new affordable housing units at Sarum Village, where the Salisbury Housing Committee has recently committed to adding a six-unit building.

## II. Regulations

Housing, and specifically “affordable” housing, is regulated in a variety of ways by government at local, state, and federal levels. Housing regulation is necessary to guide orderly residential development and to protect the public health and safety. However, as housing needs intensify over time, regulations may need to be adjusted and modernized to keep pace with changing housing needs. The AHAC reviewed the existing Salisbury Planning and Zoning (P&Z) regulations, identified potential barriers, and is suggesting modifications to reduce or eliminate impediments to affordable housing. Given the Committee’s local focus, we decided to concentrate on the regulations of the Town of Salisbury. The most relevant regulations within the Town’s legal jurisdiction and those amenable to modification without seeking state approval are the land use policies administered by the Salisbury Planning & Zoning Commission. Zoning requirements influence the cost and the opportunity for affordable housing by influencing the cost of construction, availability of modestly sized lots, density of housing, size and scale of buildings, percentage of coverage of buildings on a lot, and many other factors. Over the last several decades, Salisbury has adopted a number of zoning regulations that encourage affordable housing or offer the opportunity for the creation of modest-cost dwelling units. Existing P&Z regulations are already generally friendly to housing but do present opportunities for improvement, particularly for accessory and multifamily housing. Throughout this process the AHAC worked in cooperation with the P&Z Commission to develop proposed regulatory amendments for its consideration.

The Committee benefited from the work of several individuals and groups in carrying out its work, especially Jocelyn Ayer, planner for the Northwest Connecticut Regional Planning Cooperative, who helped review existing regulations. The Regional Planning Cooperative prepared a summary of *Planning and Zoning Tools for Encouraging Affordable Types of Housing*.<sup>16</sup> Ayer’s related work on developing a manual and outreach programs to guide landowners through the processes of providing and managing accessory rental apartments should contribute to public understanding and support.

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<sup>16</sup> See Appendix IV.

The Salisbury Tax Assessor's office provided research assistance on accessory housing statistics. Also, Dwight Merriam, land use attorney with the law firm of Robinson and Cole, generously supplied extensive materials on housing regulation.

In developing specific proposals for P&Z's consideration, the Committee primarily relied on the knowledge and experience of Thomas McGowan, longtime consultant for Salisbury's P&Z, who drafted, at the Committee's request and with the financial support of P&Z, the attached ready-to-enact amendments to the Salisbury zoning regulations. Mr. McGowan's recommendations are the main product of the Committee's efforts in this area.<sup>17</sup> In addition to the AHAC's proposals, the Planning and Zoning Commission may be asked to consider proposals for one or more overlay Incentive Housing Zones developed under a state grant by the Northwest Connecticut Regional Planning Cooperative for areas served by town water and sewer. An explanation of this mechanism is contained below.

Private for-profit developers have, generally speaking, shown little interest in building affordable housing in rural Northwest Connecticut. As a result the majority of such local units have been created with the assistance of municipal or nonprofit organizations rather than the private sector. Salisbury's zoning regulations have long included provisions to support affordable housing development by local, nonprofit organizations. Given the proven track record of such local groups, some of the Committee's recommendations focus on encouraging these programs.

The recommendations offered in this report are consistent with the basic zoning policies that have helped preserve the essential rural character of Salisbury. Those specifically addressed to the Planning and Zoning Commission are divided into two "Phases" based on the time needed for implementation. Phase One recommendations are designed to minimize conflicts with general zoning requirements and policies to enable P&Z to act quickly, thereby immediately providing new opportunities to address the town's urgent affordable housing needs. [Appendix V](#), [VI](#) and [VII](#) contain the complete text of the zoning amendments comprising the Phase One recommendations. These proposed Phase One amendments appear to be consistent with the 1999 Salisbury Town Plan of Conservation and Development (POCD), the relevant sections of which are listed at the end of [Appendix V](#).

Phase Two recommendations address more complicated issues, such as zone changes and decisions on housing density, that could provide additional opportunities for affordable housing but

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<sup>17</sup> See Appendix V, VI, and VII.

would involve changes to basic zoning requirements and policies requiring extensive review. Phase Two regulation changes would require more time for deliberations and verification of consistency with the Town Plan. The AHAC understands that Phase Two recommendations will require P&Z to dedicate significant time and effort to reconsider some basic zoning requirements and policies. Major zoning amendments, such as a change to zoning boundaries or housing density requirements, should be reviewed for consistency with the existing 1999 POCD. Alternatively, where appropriate, Phase Two revisions should be addressed in the revision of the POCD scheduled for the year 2011. Further, AHAC strongly supports including affordable housing as a top priority of the Town Plan update, including propositions such as expanding the village center areas and adding new cluster and other regulation changes that will help reduce costs consistent with the goal of retaining Salisbury's character. Although it is likely that P&Z will identify other basic zoning requirements and policies that can be modified to improve the opportunity for creating affordable housing, AHAC urges the Commission to consider the Phase Two recommendations.

In developing the Phase One and Phase Two recommendations, the AHAC worked with the Planning and Zoning Commission by:

- Including a member of P&Z on the AHAC;
- Keeping the Commission apprised of the direction and progress of the project;
- Drafting regulatory amendments in cooperation with the Commission's consulting town planner;
- Proposing zoning amendments that adhere closely to and build upon existing town planning policies and zoning regulations;
- Providing Phase One amendments in "final draft" form ready for review and adoption; and
- Providing Phase Two recommendations regarding fruitful areas of general zoning requirements and policies for the Commission to reconsider in connection with the updating of the Town Plan.

**Our Phase One recommendations are being provided in "final draft" form suitable for timely review and adoption.**

Summary of Phase One Recommendations (see Appendices V, VI, and VII for the full text):

1. Add a new regulation permitting apartments over commercial buildings,
2. Add a new regulation permitting an existing residence to be converted to a multi-family residence of not more than three dwelling units without the present zoning requirement that the minimum lot area be three times the minimum area required in the zone (e.g. in a one-acre zone a three-unit conversion currently requires three acres).

3. Modify the existing Bed and Breakfast use regulation to permit one accessory apartment that is non-transient in nature.
4. Expand the options and simplify the procedure for creation of accessory apartments that have historically been a vital source of modest-cost housing in rural communities.
5. Provide an amnesty period giving owners of existing accessory apartments created without a zoning permit time to obtain P&Z approval free of threat of zoning violation penalty.
6. Consider adoption of a new zoning regulation similar to those in Cornwall, Sharon, and Kent that allows, by Special Permit, a landowner to create and transfer to the town or a nonprofit housing trust or corporation a rural zone lot containing less than the minimum lot area, to be permanently dedicated to affordable housing.
7. Consider modifications to the existing Special Permit regulation, "Affordable Multi-Family Housing Sponsored by the Town of Salisbury or a Nonprofit Organization" that will provide additional flexibility for locally provided affordable housing.

**Our Phase Two recommendations will require more time for deliberation in the context of Town planning.**

**Phase Two Recommendations:**

1. Expand the boundaries of existing village center residential zones to allow a greater area for small lots on public sewer and water service, thus improving the potential for creation of more affordable building lots.
2. Create a new cluster housing regulation to increase permitted density of housing and attached housing (e.g. town houses). That can help lower the cost of producing housing units and increase the availability of affordable housing.
3. Reserve a portion of the excess capacity of the town sewer treatment plant for affordable housing service.
4. Review the Incentive Housing Zone (IHZ) law and sample regulation and consider applications for IHZ designation.<sup>18</sup>

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<sup>18</sup> A recent Connecticut law provides incentives to municipalities to create overlay Incentive Housing Zones (IHZ) in eligible locations (in or near village centers) where the infrastructure is suitable for development. The IHZ vehicle can be applied to potential sites in the village centers of Salisbury and Lakeville in areas served by public sewer and water. The IHZ is a novel regulatory tool to encourage development of affordable housing. An IHZ essentially allows a landowner/developer the opportunity to build more housing units on a piece of land than would otherwise be allowed under the existing zoning regulations. A minimum of 20 percent of the dwelling units in the IHZ must qualify as "affordable" under the State definition to those with income at or below 80 percent of the Area Median Income and be deed-restricted for at least 30 years. Housing density in the IHZ must be greater than the allowable density of the underlying zone. IHZ rules are flexible in allowing a mix of residential and other state-approved uses. An IHZ application is approved by the Planning and Zoning Commission and then forwarded to the State for its approval. After State approval, the IHZ regulation may be adopted by P&Z following a public hearing. In April 2009, Wallingford became the first Connecticut town to apply for approval of an IHZ under this new law. Several towns have since applied or are considering doing so.

### III. Organization

The 2009 Salisbury *Annual Report* listed 16 appointed town commissions and committees staffed by dedicated volunteers. They spend countless hours concerned with important town functions and activities such as building maintenance, cable television, conservation, the Grove, historical preservation, parks and forests, recreation, recycling, scenic roads, and water quality. No such permanent body, however, focuses on our housing needs.

Providing affordable housing is an extremely complex activity. There is a range of housing needs (e.g. workforce, senior, starter, low-income), each of which can be met by a variety of housing types. There are myriad and ever-changing funding sources depending on the target population and type of construction. There are local zoning regulations and state and federal laws. There is a range of organizations ranging from our own local housing organizations to nonprofit and for-profit developers who can help us meet our housing needs. We are fortunate to have the Salisbury Housing Trust and Habitat for Humanity of Northwest Connecticut (limited-equity workforce housing) and the Salisbury Housing Committee (low-income rental housing) ably addressing segments of our affordable housing requirements, but there is no nexus for advocating and facilitating the full spectrum of our needs. We therefore investigated the possibility that the Town establish by ordinance an appointed Salisbury Affordable Housing Commission (SAHC).

A board of volunteers who are respected in the community and have other demands on their time cannot be expected to stay abreast of everything that will be required if we are to satisfy our identified housing needs any more than Planning and Zoning could function without a Zoning Enforcement Officer. For this reason we also examined the desirability of the Selectmen providing adequate administrative support as needed.

The AHAC's thinking on these issues has been guided by the following principles:

- Salisbury needs an organization that will embrace and nurture our vision of providing appropriate housing for all our citizens and stand as a visible symbol of the public will to improve Salisbury's housing stock.
- We want to preserve and support the Salisbury Housing Trust, the Salisbury Housing Committee, and Habitat for Humanity of Northwest Connecticut, which have done an admirable job of providing the types of housing on which they have chosen to focus.
- Our outreach to other communities and housing experts convinces us that the Town of Salisbury should not be directly involved in building or operating housing. There may be occasions, however, when the Town will want to contract with a developer to build and/or operate housing on Town-owned land.



- Because private citizens, developers, and existing nonprofit housing organizations may not choose to provide all the types of housing needed or may not qualify for certain attractive funding sources, Salisbury may need to form additional entities from time to time. The most likely possibility would be a limited partnership to work with a developer on a specific project, but an additional not-for-profit to focus on a type of housing that would not be addressed otherwise is also a possibility. Whether any of these entities will be needed will depend upon the nature of the specific project undertaken, the wishes of the developer we choose to work with, and the funding source in each case.
- We want to provide transparency and appropriate influence over what is being done to provide housing in Salisbury so that citizens will be more likely to contribute private funds and support the use of Town funds.

Based on the foregoing principles, the Committee strongly recommends that the Town create a new entity known as the Salisbury Affordable Housing Commission (SAHC), and a Salisbury Affordable Housing Fund (SAHF) to support the Commission's mission.<sup>19</sup> Given the anticipated workload as the Commission ramps up, we strongly recommend that the Selectmen budget for an administrator to support the Commission.

The Salisbury Affordable Housing Commission that we are proposing would consist of five members appointed by the Board of Selectmen. It would have the following duties:

1. To advocate for the provision of affordable housing for all our citizens and to provide a forum for housing issues.
2. To continue to analyze and refine the Town's understanding of its housing needs as some are met and others are defined.
3. To recommend to the Board of Selectmen and the Planning and Zoning Commission housing policies and practices designed to encourage the development and continued availability of affordable housing for the people of Salisbury, including changes to zoning regulations and ordinances.
4. To weigh housing priorities and recommend immediate and long-range housing goals to the

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<sup>19</sup> Draft ordinances for the SAHC and the SAHF are in Exhibits 3 and 4 following this section. For a fuller description of the Salisbury Affordable Housing Fund, please see the Finance section of this report.

Board of Selectmen and nonprofit housing organizations operating in Salisbury.

5. To act as a “local sponsor” for nonprofit and private developers willing to develop housing in Salisbury. Examples of SAHC roles include identifying available land, assisting with the Planning and Zoning process, recommending dispersals from the SAHF for “seed money” (e.g., engineering or environmental studies), and developing town-wide and neighborhood support.
6. To make recommendations to the Board of Selectmen for expenditures from the Salisbury Affordable Housing Fund (SAHF) for the purposes specified in the ordinance establishing the Fund.
7. To act as a clearinghouse for information concerning federal, state, municipal, and private sources of funding and programs for housing and make such information available to the Board of Selectmen and to potential developers (for-profit and nonprofit) of new, converted, or rehabilitated housing.
8. To identify opportunities for grant financing, recommend them to the Board of Selectmen, and write grant applications.
9. To submit an annual report to the Board of Selectmen of its activities in the above eight categories, including appropriate financial reporting.

## Exhibit 3: Draft Ordinance to Establish an Affordable Housing Commission

### Section I. Purpose

An Affordable Housing Commission, hereinafter the Commission, is hereby established to promote and encourage the development and continued availability of affordable housing for the people of Salisbury by bringing together public and private resources, developing recommendations for comprehensive housing policies and goals, and facilitating the accomplishment of those goals.

### Section II. Duties

The duties of the Commission shall be:

1. To advocate for the provision of affordable housing for all our citizens and to provide a forum for housing issues.
2. To continue to analyze and refine the Town's understanding of its housing needs as some are met and others are defined.
3. To recommend to the Board of Selectmen and the Planning and Zoning Commission housing policies and practices designed to encourage the development and continued availability of affordable housing for the people of Salisbury, including changes to zoning regulations and ordinances.
4. To weigh housing priorities and recommend immediate and long-range housing goals to the Board of Selectmen and nonprofit housing organizations operating in Salisbury.
5. To act as a "local sponsor" for nonprofit and private developers willing to develop housing in Salisbury. Examples of Commission roles include identifying available land, assisting with the Planning and Zoning process, recommending dispersals from the Salisbury Affordable Housing Fund, hereinafter the Fund, for "seed money" (e.g., engineering or environmental studies), and developing town-wide and neighborhood support.
6. To make recommendations to the Board of Selectmen for expenditures from the Fund for the purposes specified in the ordinance establishing the Fund.
7. To act as a clearinghouse for information concerning federal, state, municipal, and private sources of funding and programs for housing and make such information available to the Board of Selectmen and to potential developers (for-profit and nonprofit) of new, converted or rehabilitated housing.
8. To identify opportunities for grant financing, recommend them to the Board of Selectmen, and write grant applications.

9. To submit an annual report to the Board of Selectmen of its activities in the above eight categories, including appropriate financial reporting.

### Section III. Membership; terms; vacancies

The Commission shall consist of five (5) members who shall be electors of the Town of Salisbury and shall serve without pay to be appointed by the Board of Selectmen.

The initial appointees of the Commission shall be one (1) member who shall serve for a term of one (1) year; two (2) members who shall serve for a term of two (2) years; two (2) members who shall serve for a term of three (3) years; all such members to hold office until the \_\_\_\_ day of \_\_\_\_ in the year of the expiration of their term. Thereafter, all appointments shall be for a term of three (3) years expiring on the \_\_\_\_ day of \_\_\_\_\_. Members shall be eligible for immediate reappointment.

The Board of Selectmen shall fill any vacancies for the unexpired term.

### Section IV. Organization

The Board of Selectmen shall appoint a Chair and Vice Chair from the Commission's members. The Commission may organize itself in such manner as its members may determine is best suited to carry out the Commission's duties.

This ordinance shall become effective \_\_\_\_\_, 20\_\_.

## Exhibit 4: Draft Ordinance to Establish an Affordable Housing Fund

### Section I: Purpose

Pursuant to the provisions of CGS 7-148(c)(2)(K), the Town of Salisbury does hereby create a special fund to provide affordable housing for the Town of Salisbury. The fund shall be known as the Salisbury Affordable Housing Fund (SAHF), hereinafter the Fund. Such fund shall not lapse at the end of the municipal fiscal year.

### Section II: Sources of Funding, Investments, and Limitations on Use of Fund

- A. In addition to such sums as may be appropriated by the Town for deposit into said Fund, the Town is authorized to and shall deposit all monies received by it, from whatever source, for the provision of affordable housing, including fees, monetary gifts, grants and loans, unless otherwise restricted, into said Fund.
- B. Said Fund shall be in the custody of the Town Treasurer. All or any part of the monies in said Fund may be invested in any securities in which public funds may be lawfully invested. All income derived from such investment shall be placed into the Fund and become a part thereof. The monies so invested shall at all times be subject to withdrawal for use as hereinafter set forth.
- C. No sums contained in said Fund, including interest and dividends earned, shall be transferred to any other account within the Town budget. No expenditures shall be made from said Fund except in accordance with the provisions of this Ordinance.

### Section III: Expenditures from Fund

- A. The continuation of the Fund shall be perpetual, notwithstanding that from time to time said Fund may be unfunded.
- B. Expenditures shall be made from the Fund only in accordance with the following procedures and requirements:
  1. Said expenditures shall be made exclusively for the costs associated with the investigation, appraisal, acquisition, administration, fees, feasibility studies, and maintenance costs relating to parcels of land, both improved and unimproved, or development rights, easements, deed restrictions, options, interests or rights therein, the use of which shall be limited to retention or designation of parcels for their long-term use in providing affordable housing as defined by state statute (CGS 8-30g).
  2. Recommendations for any and all expenditures from the Fund shall be submitted to the Salisbury Affordable Housing Commission (SAHC). If approved, recommendations from the

Salisbury Affordable Housing Commission for appropriations from the Fund, including the sum to be expended, shall be submitted to the Salisbury Board of Selectmen.

3. Any recommendation approved by the Board of Selectmen for the appropriation of funds in excess of twenty thousand dollars (\$20,000.00) shall be forwarded to the Salisbury Board of Finance for their consideration. If approved by the Board of Finance, the Board of Selectmen shall present such recommendation for a vote at a duly warned and noticed Annual or Special Town Meeting.

#### Section IV: Authorization

- A. Subject to the provisions of Sections I, II & III of this Ordinance, the Board of Selectmen of the Town of Salisbury is hereby authorized, pursuant to Conn. Gen. Stat. Section 7-131r, to acquire, in the name of the Town, parcels, development rights, easements, deed restrictions, options, interests or rights therein of land for affordable housing as defined by state statute.
- B. Any acquisition that is made pursuant to Sections I, II & III of this Ordinance by gift, devise or any other form of conveyance not requiring any payment by or other compensation from the Town of Salisbury may be made without further action of the legislative body of the Town. Any acquisition under Sections I, II & III that requires a payment to be made or other compensation to be provided by the Town shall require the approval of the legislative body. If the legislative body of the Town approves an appropriation of funds for such acquisition, such appropriation shall be deemed to constitute the approval by the legislative body of the acquisition itself, provided no other compensation in addition to the amount of the appropriation will be required.
- C. This Ordinance shall become effective on \_\_\_\_\_, 20\_\_.

## IV. Finance

The Affordable Housing Advisory Committee was charged with identifying the impediments to creating, either by conversion or construction, the approximately 200 units of affordable housing called for in *Housing Your Neighbors*. Among the many issues the committee confronted was: How do these units get paid for? Where does the money come from? The committee believes that these should be the last questions answered. We have learned that financing affordable housing is a project-specific event. In other words, one size does not fit all. A project must be conceived and defined before ways are sought to pay for it. When we asked those who make a living finding funding sources general or hypothetical questions such as “How do we pay for this?”, we universally received the answer, “Show me the project and I’ll show you the money.”

We have learned that funding sources are not static. They come and go with the times. For example, certain financing sources once available from the State of Connecticut are not currently being funded. However, since the State has historically mandated affordable housing, it is anticipated that funding will be restored in the future. What matters is what resources are available at the time they are needed. The rule that “there is no free lunch” applies to the construction of affordable housing. The more we pay for ourselves, through development by local property owners (e.g., accessory apartments or Incentive Housing Zones) or with charitable contributions by our citizens, the fewer restrictions and conditions will be placed on a project. The more funding derived from State or federal sources, the more the government is going to tell us how things should be done. This is not necessarily a negative factor; it is a fact of life. Even foundations that might grant money care, as they should, about how their money is spent.

There are four general categories of financial resources available for providing the affordable housing we need: Salisbury property owners, private donations, State and federal grants and loans, and municipal funding.

Salisbury property owners can provide the least capital-intensive of these: the addition of accessory apartments to their homes and other buildings on their properties. Besides being inexpensive, accessory apartments have negligible impact on our townscapes and rural views.

### How Salisbury property owners can help:

- Create accessory apartments
- Donate “free second cut” lots
- Develop housing in Incentive Housing Zones
- Include residential units in “mixed-use” commercial premises

Our Committee fully supports the Accessory Apartment Program being implemented in Salisbury and three other towns by HousingUS.

On October 24, 2007, Salisbury enacted Ordinance #108, "Affordable Housing Subdivision Exemption," (commonly referred to as the "free second cut" ordinance). It allows an exemption from the subdivision regulations for the third lot created out of a property that existed at the date of the adoption of subdivision regulations. This exemption applies only if the lot is used for deed-restricted affordable housing and developed by the Town or a nonprofit organization. The lot must conform to the minimum lot and access requirements set forth in the zoning regulations for the district in which it is situated. The donation (with accompanying tax deduction) of a lot for development as affordable housing is another way that property owners can help meet our housing need.<sup>20</sup>

In addition, Salisbury has been participating in a grant-financed study with five neighboring towns to examine the feasibility of establishing one or more Incentive Housing Zones (IHZ) under a State law that encourages greater housing density in our village centers. An IHZ allows greater density in return for a guarantee that some of the units built in the Zone will be deed-restricted affordable units. The expectation is that greater allowable density will make development economically feasible for either property owners or private developers. IHZs have the potential to make it more economical for property owners to develop affordable housing units in our village centers. Our Committee supports the use of Incentive Housing Zones as a vehicle for providing both deed-restricted affordable housing and modest-sized, market-rate housing.

Finally, business owners who are developing or expanding their commercial premises can help alleviate the shortage of modest housing by including residential units in "mixed-use" developments.

Private donations can also play an important role in increasing the availability of affordable housing units. This community has traditionally been financially supportive of affordable housing ventures. The Salisbury Housing Trust (a tax-exempt 501(c)3 entity) has built ten limited-equity, single-family homes on East Main Street and Indian Cave Road using charitable contributions from Salisbury citizens and businesses as its sole source of financing. This enabled the Housing Trust to act quickly and use its best judgment

**Our success will  
continue to depend  
on generous  
donors.**

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<sup>19</sup> The second lot created out of a property that existed at the date of the subdivision regulations has always been exempt from the subdivision regulations and is sometimes called the "first free cut". This new ordinance allows a second "free cut" but only if the lot is dedicated to affordable housing.



about what housing its neighbors needed, without the impediments that come with government financing. We will continue to rely heavily on the generosity of our citizens and businesses if we are to meet our housing goals. This support is the best kind of funding. It comes from the heart of the community.

State and federal grants and loans. [Appendix VIII](#) contains a list of governmental funding sources that have historically existed. Many are not presently functioning due to the financial crises in Hartford and Washington. Given the recognized need for housing, however, we hope and expect that most of these programs will once again be available when the economy improves. There are also organizations and individuals who assist localities in finding funding sources for their various projects. The committee gratefully acknowledges the assistance that has been given to us by many of them.

**Municipal funding.** Under current law a Connecticut town government can raise money from its citizens for affordable housing in a limited number of ways. We are indebted to Salisbury's Town Attorney, Thomas S. Marrion, and his associate Kenneth S. McLaren at HinckleyAllenSnyder LLP, for constructing on a pro bono basis a compendium of the statutory sources of authority for municipal financing of affordable housing. This document, which is attached as [Appendix IX](#), is the first such compendium to our knowledge and should be of use to towns throughout the state. The examples they provide of Connecticut towns that have used many of the financing vehicles are particularly useful. Some examples of municipal financing vehicles other than taxation, borrowing, and fees allowed under Connecticut statutes and some towns that employ them to provide affordable housing include:

Inclusionary zoning refers to the use of zoning mechanisms that control land development to promote affordable housing. Common types are density bonuses in return for providing deed-restricted affordable housing, affordable housing set-asides, and fees deposited in a municipal housing fund.<sup>21</sup>

Tax abatement, which may be eligible for reimbursement from the State, may be provided by ordinance for properties "solely for low- or moderate-income persons or families."<sup>22</sup>

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<sup>21</sup> Andover, Brookfield, Darien, Danbury, East Hampton, Madison, New Milford, Plymouth, Redding, Ridgefield, and Stamford all employ some form of this mechanism.

<sup>22</sup> Durham, Groton, Somers and Stamford use this mechanism.

Municipal tax credits, which may be provided by ordinance to residential real property owners who place long-term (no less than 40 years) deed-restrictions on their property and rent or sell it to those with income at or below 80 percent of the Area Median Income.

#### Financing of Housing Funds in Neighboring Towns

The Organization section of our report recommends the creation of a Salisbury Affordable Housing Commission to keep the issues of affordable housing on our Town's radar screen and to facilitate efforts to meet our housing needs. As part of the Committee's work we examined the possibility of creating a dedicated fund to support the provision of affordable housing in Salisbury. We looked to the towns of Washington and Goshen, which are similar to Salisbury and have established such funds, as described in the following paragraphs. Larger cities, such as Darien, New Canaan, and Stamford, also have valuable experience with housing funds that is worthy of further study.

The Washington, Connecticut, Housing Fund was created a year after the Town's Housing Commission was established by ordinance in 2005. The Town committed to appropriating \$50,000 per year for five years from the capital budget to the Housing Fund. The Fund can also receive money from fees, gifts, grants, and loans for the provision of affordable housing. The Fund can be used for the evaluation or purchase of any potential parcel, improved or unimproved, provided the parcel would be used for affordable housing purposes. Past and pending expenditures from the Fund have been for expenses associated with investigations of properties (e.g., surveys, appraisals and engineering work such as "perc" tests). The current Fund balance is approximately \$250,000.

In similar fashion, the Goshen Land Acquisition Fund was established in 2006 to accumulate funds for the acquisition of land to be used for housing, recreation, and open space. The Fund is financed by the deposit of .14 percent of the real estate conveyance fees paid to the Town Clerk's office; any fees paid to the Town in lieu of any requirement to provide open space; penalties paid under Public Law 490; and any gifts, grants, bequests, or loans made for the purpose of the Fund. The current Fund balance is \$252,000.

The Committee strongly recommends:

1. Creation of the Salisbury Affordable Housing Fund, a Town-managed fund into which private citizens or the Town may deposit funds. The Salisbury Affordable Housing Commission would administer the fund and recommend dispersals. The Board of Selectmen would approve small dispersals (e.g., for feasibility or engineering studies or for options on real estate). Dispersals above \$20,000 (our usual limit on Board of Selectmen discretion) would require Town Meeting approval after Board of Finance review.

That the Salisbury Affordable Housing Fund be funded in its first year by the transfer of \$50,000 from the Land Capital account of the Town. We further recommend that this Fund receive annual contributions at this level from the town budget as long as necessary. We anticipate that, as our neighbors witness the Housing Commission effectively facilitating the achievement of our affordable housing goals, they will conclude that personal contributions to the Housing Fund are an efficient, tax-deductible way to aid these efforts.

We recommend that the Salisbury Affordable Housing Commission or other successor to our Committee investigate additional municipal financing vehicles for the Fund and recommend any appropriate ones to the Town.



*Single Family - Renovation  
Salisbury Housing Trust  
Salisbury, CT*



*Duplex - Under Construction  
Salisbury Housing Trust  
Salisbury, CT*

## Appendices

### Appendix I: Board of Selectmen's Charge to the Affordable Housing Advisory Committee November 3, 2008

The Salisbury Board of Selectmen will appoint an Affordable Housing Advisory Committee to study the affordable housing needs of the town and to report its findings to the Board of Selectmen.

In 2007, a four-person Informal Task Force on Affordable Housing undertook to assist Town government to develop policies and programs to improve access to affordable housing in Salisbury. The Informal Task Force on Affordable Housing has calculated that Salisbury needs to add approximately 200 units in four categories of affordable housing (including both conversions and new construction) to retain the Town's character, economic health, and diversity.

The primary objective of the Committee should be to recommend a plan to construct or convert the needed 200 units by 2020.

The Task Force's report, *Housing Your Neighbors in Salisbury, 2020*, provides vital guidance regarding the specific demand for affordable housing to maintain economic diversity and workforces for the Town's employers and volunteer services; however, additional questions must be answered before a plan can be designed and implemented.

In considering how to provide the 200 units of affordable housing, the Committee should answer the appropriate questions in the following areas as well as others that the Committee may identify during its work.

1. What permanent municipal and/or private organization(s) should be established to implement the plan and to manage (if appropriate) the construction, maintenance or operation of any housing units constructed or converted under the plan? How should such organization(s) relate to the three organizations currently providing affordable housing in Salisbury?
2. What role, if any, should Town government play in providing financial or managerial resources or in converting or constructing the needed units?
3. What changes should be made to P&Z zoning regulations to ease or stimulate the conversion or construction of needed housing units in Salisbury? What specific content should be included in the Housing section of the 2009 Town Plan of Conservation and Development in order to further the affordable housing goals? What role should Torrington Area Health

District play in ensuring the Town meets its housing goals? Are there other Federal or State and/or Salisbury zoning regulations that increase the costs of home septic systems?

4. Will limited capacity in Salisbury's water treatment plant or pipeline infrastructure affect the provision of the needed affordable housing units? If so, what should be done about it?
5. What financial resources are available to meet the Town's housing needs? Federal grants (e.g., HUD, Department of Agriculture)? State grants (e.g., DECD, CHFA)? Town tax incentives? Town fees? Direct Town appropriations and/or the issuance of municipal housing bonds? Private charitable fundraising? Bank financing and developer capital?
6. Where, generally, should affordable housing be built? In villages (e.g., 1-4 units on small parcels? Above first-floor retail? In larger clusters within walking distance of village centers)? Outside villages?
7. What other Town and State regulations that affect market-rate housing should be changed in order to make Salisbury's housing stock more suitable for its mix of citizens and thus to provide more affordable housing? For instance, how might changes in these regulations encourage mixed-use developments or ease hurdles to conversion of single-family units into duplexes or apartments? Might changes in these regulations stimulate the construction of market-rate condominiums and/or apartments to free large, single-family houses for conversion into affordable housing?
8. What synergy might be achieved between efforts to preserve open space and the goal to convert or construct 200 units of affordable housing by 2020?
9. What specialized programs and housing types (e.g., Home-share programs, mobile accessory structures) might increase the stock of affordable housing while also meeting other needs such as housing for the elderly?

The Committee, which will remain in existence until terminated by the Board of Selectmen, is requested to deliver its findings by June 30, 2009.

## Appendix II: Frequently Asked Questions and Answers

### 1. Q: What is “affordable housing” in the context of Salisbury?

A: People tend to have widely different reactions to the term, “affordable housing.” For some the term is synonymous with substandard buildings in urban settings. Others see “affordable housing” as a place where their children can live and raise a family or where their friends and co-workers can find a decent place to live. To escape potentially negative perceptions about affordable housing, some housing advocates have begun to use the term “workforce housing” instead of “affordable housing.” This is not a perfect solution, however, because many use “workforce housing” to identify one type of “affordable housing.” In its 2010 report, the Salisbury Affordable Housing Advisory Committee (AHAC) uses “workforce housing” to identify housing for households whose head is between 30 and 64 years old and whose family income is \$30,000 to \$90,000. The AHAC’s other categories are Starter, Senior and Low Income Rental housing.

For our Committee there is a commonsense definition of “affordable housing.” It is housing necessary to accommodate the Town’s diverse citizenry -- teachers, nurses, municipal employees, trades people, emergency services volunteers, and the next generation of employees of our existing businesses. Depending upon household size, these are people with household incomes up to \$90,000. According to standards generally accepted by mortgagors and housing planners, ownership is affordable if the mortgage payment, real estate taxes, and insurance total thirty percent or less of the purchaser’s gross income (after deducting credit card and other debt). For renters, housing is considered affordable if the rent is 30 percent or less of the renter’s income.

Housing can be made more affordable in one of three ways. It may be more affordable even though it sells for market rates because it is of modest size, e.g., rental apartments, small condominiums, accessory apartments, or “home share” rentals. It may be more affordable because the owner owns the building but not the land, which continues to be owned by a nonprofit, such as the Salisbury Housing Trust’s single-family homes on East Main Street and Indian Cave Road. Or, it may be more affordable because it is subsidized by governmental or private funds for land acquisition, construction, or rental payments (all three of these apply at Sarum Village, where the land was donated by the Salisbury Association). Where federal or state subsidies are involved, affordable housing is defined as housing that can be afforded by a household whose income is less than or equal to the local Area Median Income (AMI) paying 30 percent or less of their annual income (Connecticut General Statutes Section 8-39a). (AMI for a family of four was \$76,875 in 2008.).

2. Q: What is the evidence that Salisbury needs affordable housing?

A: There is ample evidence that Salisbury needs more affordable housing and that the situation is worsening. However, just as parents may not notice the changes in their children whom they see every day until a visiting relative comments on their growth, we can miss small annual changes until their continuation over years and decades produces substantial impacts. For instance, Salisbury Central school enrollments have declined, and are projected to continue to decline, at 1-2 percent per year, an unremarkable figure until one notes that this rate produces a 37 percent reduction over 20 years.

Cost of housing. Housing prices were volatile in the early 1990s due to the small number of sales. Smoothing out the volatility, the median sales price in Salisbury was \$195,000 for 1990-94. By 2007, the median house price had risen to \$541,875 - an increase of 178 percent above the 1990-94 median. By 2009, the Salisbury median price had declined 27 percent to \$397,500, but this still represents a 104 percent increase in 15 years.<sup>23</sup> Economic cycles will continue to impact prices, but the long-term trend is likely to be upward as demand outstrips supply. As of 2009, 9,654 acres or 25 percent of the Town's total land area was under permanent conservation protection. Another 15-25 percent belongs to owners such as the three private schools and Mt. Riga Inc. and is unlikely to be developed. The beauty and amenities of Salisbury and its proximity to major urban areas make it likely that well-to-do people will continue to want to acquire vacation and retirement homes here.

Income and housing. Salisbury is the eighth least affordable town in Connecticut (after seven contiguous towns stretching from Greenwich to Wilton on the Gold Coast), according to HOME Connecticut. They calculate this ranking by comparing the income required to qualify for a mortgage on the median-priced house in each town in the state to the town's median income.<sup>24</sup> To qualify for a mortgage on the median-price house (\$472,500) in 2008, a Salisbury household would have had to have an income of \$142,165, or 85 percent more than the \$76,875 median income for a family of four.

Median house prices can be useful for tracking the general trend in housing costs, but people do not buy the median-priced house. The real issue is whether there is sufficient housing available in Salisbury at prices that the people here can afford. To answer this, we can look at the prices at which houses sold in the "bubble" years of 2006 and 2007 and in the "depressed" year of 2009 and the incomes required to buy those houses:

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<sup>23</sup> Data from The Warren Group

<sup>24</sup> For the full methodology, please visit [www.homeconnecticut.org](http://www.homeconnecticut.org).

Price range	2006 & 2007	2009	Income required for mortgage
\$110K to 150K	1	0	\$30K to \$41K
\$150K to 215K	7	5	\$41K to \$59K
\$215K to \$320K	15	6	\$59K to \$89K
\$320K to \$430K	25	7	\$89K to \$118K

In these three years only 13 homes sold that would have been affordable to households with income below \$60,000. (This assumes that the household had saved the money required for down payment and closing costs.) As a more pointed example, a teacher with a bachelor’s degree starting at Salisbury Central School in 2009 would have a salary of \$37,780. Only one house in these three years was available at a price he or she could afford. Using the 30 percent of income guideline, he or she would have been able to afford a \$945 per month rental, if any were available.

**Housing stock.** Almost half of Salisbury’s housing stock was built before 1950 according to the 2000 Census, as opposed to a statewide average of about 30 percent. Increasingly, our housing stock of older, single-family houses is a mismatch for the needs of our population, especially our older residents. They are “too expensive to buy, to maintain, and to heat” to quote Dwight Merriam, Certified Planner and land-use attorney with Robinson & Cole, during his May 4, 2009, presentation to our Committee. Many older residents say that they would like to sell their homes and move into smaller condominiums or apartments if any were available, leaving the houses for occupancy by young families or for division into duplexes or apartments.

**Demographic data.** We all have anecdotal evidence of young adults and young families moving out of Salisbury and no evidence of significant numbers moving in. We know that Connecticut is losing 25-34 year olds at a faster rate than any other state.<sup>25</sup> Unfortunately, the age cohort information produced by the Decennial Censuses does not provide reliable data for towns like Salisbury.

The projections of the Connecticut State Data Center are more useful because they are more recent (March 2007) and are based on more than Census data (e.g., they include school enrollment data). They project Salisbury’s young population (0-19) to decline from 892 in 2000 to 739 in 2030. This is consistent with the projections of the New England School Development Council (NESDEC) - see “School Enrollments” below. The Center also projects that Salisbury’s population of those 65 and

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<sup>25</sup> For further details, see [www.homeconnecticut.org](http://www.homeconnecticut.org).



older will almost triple from 751 in 2000 to 1829 in 2030, while the “working population” of 20 to 64 year olds will decline from 2162 in 2000 to 1799 in 2030.

Salisbury sticks out demographically on several dimensions relevant to affordable housing, even among the similar towns of Northwest Connecticut. These highlights are from an analysis of the 2000 and 1990 Censuses done by Dan McGuinness, Executive Director of the Northwest Connecticut Council of Governments, which consists of the six Region One towns plus Roxbury, Warren, and Washington. Among these nine towns:

- Salisbury has the highest percentage of one-person households (33.7 percent) and the lowest household size (2.19 persons). This helps explain the large number of people who express interest in downsizing to a smaller house, condominium, or rental if such units were available.
- Salisbury has the lowest percentage of households with at least one member under 18 years old (27 percent, tied with Sharon) and the highest percentage of households with at least one member 65 or older (33 percent).
- Salisbury has the second highest percentage (after Cornwall) of “summer homes” or “housing units held for occasional or seasonal use” (23 percent).
- Salisbury ranked first in the percentage increase in median rental cost from 1989 to 1999 (22 percent). As a result one-third of Salisbury renters had to pay more than 30 percent of their income on rent in 2000 compared to one-quarter in 1990. (A common definition of “affordable housing” is housing that costs no more than 30 percent of the renter’s or owner’s income.)
- Salisbury had the highest poverty rate (7.8 percent) of the nine towns and the second lowest percentage (89 percent, after North Canaan) of adults with a high school diploma or higher - two more statistics that belie Salisbury’s reputation as a wealthy town.

**Aging population.** Salisbury has the oldest median age of any town in Connecticut (47.2 years in the 2000 Census). An aging population requires increased services and cannot participate fully in providing these services or in the volunteer life of the community. We are losing the age diversity that contributes to a vibrant town. This is part of a statewide problem in our small towns; the University of Connecticut State Data Center projects that the proportion of elderly in Connecticut’s 63 rural municipalities will increase from 20 elderly (65 and older) for each 100 workers (20-64) in 2000 to 52 elderly per 100 workers in 2030.

The Connecticut Economic Resource Center's 2007 Town Profile reports that Salisbury's poverty rate is 7.8 percent versus a rate of 4.5 percent for all of Litchfield County and 7.9 percent for the State.

School enrollments. Enrollments can oscillate as birth rates do, but the 20 years of New England School Development Council (NESDEC) historical data and projections, provided to us by the Region One office, disclose disturbing long-term patterns for Salisbury and its neighboring towns. Enrollments at Salisbury Central School (SCS) declined 27 percent from 2000 to 2010 and are projected by NESDEC to decline a further 14 percent by 2020, for a 20-year decline of 37 percent. Other Region One towns exhibit/project similar declines over 20 years (1999-2019): Cornwall (36 percent), Kent (34 percent), North Canaan (36 percent) and Sharon (29 percent). [Canaan (Falls Village), which declined 26 percent in the decade ending in 2009, is projected by NESDEC to recover most of that loss by 2019.]

A decline of more than one-third in our elementary-school population over 20 years is evidence of far-reaching changes in Salisbury's demographics. While a declining birth rate among our young adults (although we have no evidence of such a decline) might contribute to such a drop in school enrollments, the most likely reason is a declining population of young adults in Salisbury and our region. It is easy to ignore such trends because the annual enrollment decline is 1-2 percent per year, but the inevitable result is significantly fewer school-age children, closed school buildings, and fewer jobs for teachers and staff.

Housatonic Valley Regional High School alumni records. HVRHS records indicate that the vast majority of HVRHS alumni who grew up in Salisbury are unable or unwilling to live in their hometown. The data for the decades of the 1970s and the 1980s are very consistent. About one half of the 1970-89 HVRHS graduates from Salisbury have reported no address or are deceased. Of those with addresses, only 12 percent live in Salisbury while 35 percent live in contiguous towns, 25 percent live in other Connecticut towns, and 28 percent live outside Connecticut and Millerton. It is particularly unsettling that, of those who live in the Northwest Corner and therefore evidently can make a living in this area, three times as many (35 percent) live in Canaan, Falls Village, Millerton and Sharon as live in Salisbury (12 percent).

The 1990s graduates who grew up in Salisbury exhibit a somewhat different pattern because they have not "settled down" to the same extent. Since three-quarters of the Salisbury alums reporting an address in Salisbury are using their parents' address, we only know that somewhere between 5 and 22 percent reside in Salisbury. As in the case of the 1970-1989 alumni, approximately three times as many (52 percent) of the 1990s Salisbury alumni live in the four towns contiguous to Salisbury.

Employer interviews. The authors of the 2008 report, *Housing Your Neighbors in Salisbury, 2020*, interviewed seven of Salisbury's largest employers representing almost 500 employees. The interviews highlight the challenges facing these organizations due to a lack of local workforce housing (e.g., aging workforces and increasingly expensive commutes). They are concerned about where their next generation of employees will come from. Although many of the employers don't have a problem at the moment hiring and retaining employees, most foresee a problem in a few years replacing their staff as they age and retire. For instance, over 40% of the employees of Noble Horizons, Salisbury Bank and Trust, Salisbury Central School, and Salisbury School are 50 years old or more.

Lakeville Hose Company and Salisbury Volunteer Ambulance service staffing. While still fully staffed by volunteers, the Lakeville Hose Company and the Salisbury Volunteer Ambulance Service are not immune to the effects of increasing housing prices and declining numbers of young adults and families in Salisbury. As part of their assessment of demand for affordable housing, the authors of the 2008 report, *Housing Your Neighbors in Salisbury, 2020*, interviewed Rick Roger, Chief of the Lakeville Hose Company (LHC). He said that housing affordability, along with jobs in the area, had been a problem for local firefighters for some time. He recalled a period 15 years ago when "many moved away due to the unavailability of housing." Chief Roger estimated that 15 of the 49 members were looking for better housing in 2008. "If affordable housing were available, they'd like to stay here; most of them grew up here. All of the 15 are in their late 20s and early 30s."

Chief Roger also said that LHC members used to have to be Salisbury residents. Now, two live in Millerton (and are also members of the Millerton fire company), three in Canaan (one of whom is also in the Canaan fire company), two in Falls Village (one of whom is also in the Falls Village fire company), and one in Sharon. Six of the eight are there for spousal or housing cost reasons. He estimated that about half of the eight would prefer to move back to Salisbury. Chief Roger added that it is hard for a firefighter to show equal dedication to two fire companies; one always spends more time working for the fire company in the town where he lives.

Our Salisbury Volunteer Ambulance Service (SVAS), although fully independent financially and staffed entirely by volunteers, is also experiencing pressures caused by our changing demographics. The median age of the SVAS is 52 years old. Some daytime and weekends shifts are not fully staffed. At least one neighboring town has had to move to a partially paid staff to maintain its EMT-I status. Because North Canaan didn't have enough staff for its daytime shifts and some weekends, it had to pay a service to come in last year. Although it has two ambulances, North Canaan can only run one when the paid staff is on, which means that Salisbury or another neighboring town will have to

provide “mutual assistance” if they get a second call. Unlike Salisbury, which provides no public funding for its ambulance service, North Canaan’s service now receives some town funding and charges its clients for calls. [Please see the answer to Question 6, “What would be the effect on our taxes if we had to pay for fire and ambulance services?” for an explanation of why Salisbury’s mill rate would have to increase 36 percent if the Town had to foot the bill for fully paid fire and ambulance services.]

3. Q: What will Salisbury look like if we do not provide affordable housing?

A: Salisbury has been in the process of changing for decades as a result of increasing land prices, an increase in our older population, a decrease in housing affordable to the town’s workforce, and a decline in our young adult and school age populations. [For quantitative evidence of these trends and their results, please see the answer to Question 2, “What is the evidence that Salisbury needs affordable housing?”] Foresters refer to the concept of the “climax forest”, which is the final stage of forest development after many decades of growth and change. Similarly, we can forecast the “climax demography” of Salisbury if current trends are allowed to continue without our intervention. People will continue to move to Salisbury in their 50s as part-timers to purchase second homes and then retire here in their 60s. More facilities such as Noble Horizons and Geer will be built to accommodate their assisted-living needs as they age. This inflow will continue to drive up land and house prices. Even greater numbers of young adults and their families will be unable to afford housing and will move to neighboring towns or out-of-state. School enrollments will continue to fall; Salisbury Central School’s enrollment has declined 27 percent in the last decade and is projected to fall another 14 percent during the next for a total of 37 percent over 20 years.

In general, those who work for fire, ambulance and other selfless volunteer organizations do so in the towns where they live. The memberships of our ambulance and fire services are aging, and several members report that they cannot find the housing they need in Salisbury. If housing continues to become less affordable for our young adults, these services may have to become partially or fully paid organizations as has begun to happen in neighboring towns, such as North Canaan. Because the ambulance and fire services must be staffed 24 hours a day, 365 days per year, payroll costs for a paid staff would be high. The Lakeville Hose Company recently estimated the cost of a fully paid fire service for Salisbury at \$3,000,000 per year, excluding equipment and building costs. The Salisbury Volunteer Ambulance Service estimates that a fully paid ambulance service would cost \$1,500,000 per year. This \$4,500,000 cost for fully paid fire and ambulance services would be almost equal to the entire Town budget, excluding the elementary school and our portion of the high school’s costs. It would raise the total Town budget and the taxes of every taxpayer by 36 percent. [For further

details, please see the answer to Question 2, “What would be the effect on our taxes if we had to pay for fire and ambulance services?”]

As taxes begin to rise to pay for services formerly performed by volunteers, higher taxes would be added to the burden of high home prices and more citizens with moderate incomes would be unable to remain in Salisbury. And the spiraling trends would continue to reinforce each other. Salisbury will become an upscale, retirement community. In the words of a local wag, it will become a place where old people come to visit their parents. The number of young adults and children will decline. There is nothing pejorative in this description. It is neither good nor bad. There are communities like the one Salisbury will become all over the country, especially in the Sunbelt. The question for the citizens of Salisbury is simply, “Is this what we want to become?”

These trends are not unique to Salisbury; they exist statewide. In a 2007 report to the General Assembly, the Office of Policy and Management (OPM) stated that Connecticut has lost “young workers and families (20-34 year olds)” at a greater rate than any other state”. Connecticut was 46<sup>th</sup> among the states in the construction of housing units per capita. OPM estimates that Connecticut’s population will grow only 8.3 percent between 2000 and 2030, less than one-third the national average. They predict that all of that growth will be citizens 65 and over. There will be a loss of population of those under 65. Those over 85, “who are very intense users of health and social services” will more than double. HOME CT concludes, “Attracting or holding young population through creation of starter homes and affordable rentals could help significantly.”

Salisbury faces extreme challenges. We are the eighth least affordable town in Connecticut after seven contiguous towns from Greenwich to Wilton along the Gold Coast. Our poverty rate of 7.8 percent is twice that of Litchfield County’s and equal to that of the state as a whole. Our beautiful countryside, cultural and recreational attractions, and easy access to New York City make us especially attractive to the well-to-do looking for a second-home or retirement location.

But, Salisbury has advantages other Connecticut towns and cities do not have. Our low mill rate (second lowest after Greenwich) and an excellent credit rating give us the flexibility to act, if we wish, before the requirement to fund services now performed by volunteers raises our mill rate. We have cadres of knowledgeable, involved, and energetic volunteers serving on the boards, commissions, and committees that can effect change and a streamlined Town Meeting government that can express the will of the citizenry. Our future is in our hands and the choice is ours.

4. Q: Where are all the people who will live in the 200 units of affordable housing that the *Housing Your Neighbors in Salisbury: 2020* report says that we need to provide? I don’t see hundreds of homeless people around town.

A: To answer this question, we need to look at the situation dynamically rather than statically. If we take a “snapshot” of our town, we don’t see any urgent “demand” for less expensive housing because, happily, we don’t have citizens living in packing crates or under bridges. However, if we take a “movie” of our town, we see a different picture. We can see a young Salisbury family paying their housing costs and making ends meet until they encounter a calamity such as a job loss or major illness. They then need to make less expensive housing arrangements in Salisbury within months or relocate to where they can. We can see a Salisbury citizen graduating from HVRHS or returning from service in the armed forces and unable to find housing he can afford. He will then need to relocate to a less expensive real estate market. We can see a recent widow unable to afford or care for the house she shared with her husband and anxious to move into a small rental or condominium but forced to move away when none is available.

In Salisbury we do not enjoy the “virtuous cycle” of a stable community in which there is an adequate supply of all types of housing (i.e., different types, such as single-family, rentals and condominiums, at different prices) that citizens can move through over their lives. Usually the home that is sold when its occupants move to assisted living or in with relatives cannot become available for the young adult or young family because it is too expensive. Too frequently the only buyer is someone from outside the area with the wherewithal to purchase it as a second home or retirement home. We cannot see this happening with a “snapshot”, but we see its effect in our aging population, aging workforces in our businesses, declining numbers of young adults, and declining school enrollments.

Providing affordable housing is only partly about improving the CURRENT situation of the citizens living here. It is mostly about stemming the tide of departures by the young families who are raising our citizens of tomorrow, as well as high school graduates, workers, and volunteers as they progress through life and develop housing needs. As we learned from housing volunteers in neighboring towns, you cannot measure the demand for affordable housing with surveys or waiting lists because at any point in time all the people *who are in town* have roofs over their heads. If they couldn’t find housing when they entered the housing market or were unable to maintain their housing due to some financial reverse, they have left. You need to have excess capacity in the types and price levels of housing needed by your citizens for them to access as their circumstances change.” IF YOU BUILD IT, THEY WILL STAY.

5. Q: What do Salisbury’s employers say about the need for affordable housing for their employees?

A: Of course, it would help the housing situation if there were additional, more highly paid jobs in Salisbury because more people would have additional income to spend on housing, but it

would be a cop-out to link the shortage of affordable housing to insufficient employment opportunities. Interviews by the authors of the 2008 report, *Housing Your Neighbors in Salisbury, 2020*, of seven large organizations in Salisbury that employ approximately 500 full-time employees indicate that they have jobs that are being filled by an aging workforce and are concerned about where their next generation of employees will come from. Although many of the employers don't have a problem at the moment hiring and retaining employees, most foresee a problem in a few years replacing their staff as they age and retire. For instance, over 40 percent of the employees of Noble Horizons, Salisbury Bank and Trust, Salisbury Central School, and Salisbury School are 50 years old or more.

As home prices have increased in Salisbury, employers typically have depended on affordable housing in surrounding areas for their employees. However, in 2007, the cost of housing in those areas was increasing to the point where it, too, was becoming unaffordable. This trend has been temporarily mitigated by the financial crisis but will return. Examples of employer affordable housing problems:

The cost of housing "definitely affects" Housatonic Valley Regional High School's (HVRHS) ability to recruit new teachers and a recruitment problem is seen as looming there and at Salisbury Central School within the next five years. Other effects of an affordable housing shortage include the difficulty for nurses who are on call to answer emergencies at the Salisbury School; the travel stress on teachers at HVRHS and other employees who have long commutes and who are also denied time with their families. Noble Horizons wants its nursing staff and chefs within a 15-minute drive and maintenance staff within a 20-minute drive in all weather conditions.

Salisbury Bank and Trust prefers hiring local people whom they can then train. These people know the area and the Bank's clientele, making for a friendly and trusting relationship. In addition, housing cost affects the Bank's ability to attract college graduates, middle managers, and upper-level senior staff. The Bank, along with other employers, encourages its employees to volunteer in Salisbury and surrounding communities. Living in town makes that possible.

6. Q: What would be the effect on our taxes if we had to pay for fire and ambulance services?

A: Payroll costs for paid ambulance and fire services would be high because they must be staffed 24 hours a day, 365 days per year. The Lakeville Hose Company leadership helped us estimate the cost of a fully paid fire service for Salisbury at \$3,000,000 per year, excluding equipment and building costs. The current Hose Company has 49 members, excluding junior firefighters, so this estimate, which would pay for a 40-person force, is probably conservative. Another indication that

this estimate are in the ballpark is that HOME Connecticut's website currently estimates the cost of creating a fully paid fire department for a "typical town" in Connecticut at between \$3,000,000 and \$4,000,000 per year. The Chief of the Salisbury Volunteer Ambulance Service estimates that a fully paid ambulance service sufficient to serve Salisbury's needs would cost about \$1,500,000 per year. Therefore, the total cost of fully paid fire and ambulance services would be approximately \$4,500,000 per year. To put this in context, this \$4,500,000 annual cost would be almost as much as the 2010 budget of \$4,779,500 for all Town expenses, excluding the elementary school and our portion of the high school's costs. Including the school costs, the full town budget for 2010 is \$12,424,352. Therefore, a \$4,500,000 cost for fully paid fire and ambulance services would increase the Town budget and every taxpayer's tax bill by 36 percent. N.B. This analysis does not include the additional cost to the taxpayers of providing paid staff to other crucial volunteer services that sustain the Town if they did not have enough volunteers to meet their needs.

7. Q: How would affordable housing affect local taxes overall?

A: It is impossible to quantify the impact without knowing what public funds would be expended to supplement Federal and State loans, grants and private contributions, but we can identify certain impacts. We could avoid or delay the cost of paid firefighters and ambulance staff by increasing affordable housing for young adults (see Question 6 above). New affordable housing would add real estate to the tax rolls. Certain types of affordable housing could add the cost of additional students in our schools, but Salisbury's problem is a declining school-age population, not overcrowded schools.

8. Q: Why should my taxes subsidize housing for other people?

A: Funds for housing subsidies come from a number of sources, including corporate tax credits, transfer fees for real estate transactions, government subsidies, and charitable donations. The Federal and Connecticut tax codes also subsidize market-rate ownership through deductions for mortgage interest and real estate taxes. Tax deductions also encourage the sale and donation of land for open space and forest preservation. Affordable homes for people are another worthy way that taxes are used to develop better communities.<sup>26</sup>

9. Q: Do those in affordable housing place a disproportionate burden on local schools and social services?

A: Affordable housing in Salisbury includes families, singles, retirees, and people with handicaps. Families with children use the local public schools, but that can be a plus because some

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<sup>26</sup> Some text contributed by Kent Affordable Housing.



of the school budget is provided from grants and allowances on a per-pupil basis. Also, Salisbury Central School's enrollment has declined 27 percent in the last decade and is projected to drop a further 14% by 2020 so our educational resources are not overburdened. Affordable housing is not normally designed for people who need professional help in negotiating life's challenges. Those who benefit from Salisbury's social services are distributed across the town, not just in affordable housing.

10. Q: Why can't people who need affordable housing live in surrounding towns?

A: People who live in other towns join their local fire, ambulance, and other volunteer services and are unlikely to serve on the Lakeville Hose Company, Salisbury Volunteer Ambulance Service, and other local volunteer organizations. Many Salisbury employers, particularly the public and private schools and Noble Horizons, need employees who live locally. Finally, neighboring towns like Cornwall, Kent, and Sharon are as unaffordable as Salisbury, and towns such as North Canaan and Millerton are themselves becoming unaffordable to many working-class families. Finally, our neighboring towns are struggling to provide more affordable housing to meet their needs and the ten percent target of the Connecticut Affordable Housing Land Use Appeals Act (please see Question 14).

11. Q: Will affordable housing reduce land values in its neighborhood?

A: Numerous studies have found that affordable housing does not reduce the value of neighboring housing. MIT's Center for Real Estate Housing Affordability Initiative completed a study of seven developments of mixed-income rental housing (affordable and market-rate housing units) to determine whether the values of neighboring properties were adversely impacted. The study found that the developments did not negatively impact the sale prices of houses in communities that were in the neighborhoods surrounding the mixed-income rental developments. Enterprise Community Partners Inc. in its 2008 Annual Report reviewed 14 research publications dealing with the effects of affordable housing on the market value of neighboring properties. The reports found that subsidized, special-purpose, or manufactured housing had either a positive effect or no negative effect on nearby property values.<sup>27</sup>

In a nearby example, the Washington (Connecticut) Community Housing Trust has reported the following experience when they opened three developments (moderate-income family and senior rental units). Some families living in the neighborhood argued that the projects would be the "end of their house values." In fact, house prices near all three developments have appreciated at least as fast as the average for the town since they opened. Wayne Hileman, chair of the Washington

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<sup>27</sup> For full copies of these studies, please visit the HOME Connecticut website at [www.homeconnecticut.org](http://www.homeconnecticut.org).

Housing Commission, who lives near one of the three developments, says, “All three properties have proved to be assets to the community.” Barbara Bigos, Salisbury’s Tax Assessor, was asked if she thought the neighboring house values had gone down or would go down near affordable housing that has been built in Salisbury. She said, “Absolutely not!” She said that she would not reduce the assessed value of a property just because it was next door to a new or renovated affordable home.

12. Q: *Housing Your Neighbors in Salisbury, 2020*, the 2008 report of the Informal Task Force on Affordable housing (ITF), estimated that Salisbury needs to build or convert approximately 200 affordable housing units in order to meet the Town's demand for such housing. How was that estimate arrived at and what types of housing did the ITF say are needed?

A: The Informal Task Force estimated that approximately an additional 200 new or converted units would be necessary to achieve a steady-state housing stock that could maintain the diverse population Salisbury enjoys today. The ITF stressed that not all of this increase would have to come from new units; many units could be provided by conversion of single-family homes to apartments or duplex condominiums, for instance. And, a significant part of the total could be provided by additional accessory apartments, which involve some new construction but are usually in the footprint of existing buildings.

The Informal Task Force estimated demand for four specific categories of affordable housing: 1. “Workforce” (middle-income), 2. “Starter” (individuals or families in their 20s starting out); 3. “Senior”; and 4. “Low income rentals”, using population by age, income brackets, poverty rates, turnover rates, and anonymous data from the Sarum Village waiting list and the Salisbury Social Worker. [For full details of their estimates, please see the ITF’s report, which can be found at “Salisbury Housing Report” on the Town of Salisbury website.]

The Affordable Housing Advisory Committee (AHAC) in its 2010 report regrouped the ITF’s estimates using three annual household income groupings:

Middle Income:	\$60,000 - \$90,000 -- 100 units
Moderate Income:	\$30,000 - \$60,000 -- 66 units
Low Income:	Less than \$30,000 -- 42 units
Total:	208 units

For planning purposes the AHAC grouped the unmet housing need by type, age group, income level and number of units needed as follows:

Starter (age 20-29) - 30 units split between:	Middle income:	18 units
	Moderate income:	12 units
Workforce (age 30-64) -- 86 units split between:	Middle income:	52 units
	Moderate income:	34 units
Senior (age 65 and over) - 50 units split between:	Middle income:	30 units
	Moderate income:	20 units
(This is largely senior housing for those age 75 and over)		
	Low income rentals:	42 units
Total:		208 units

Provided that the units built remain affordable, that the demand for affordable housing remains at today's level, and that the turnover rate for housing in Salisbury remains at 12 percent per year, the ITF calculated that the necessary steady-state affordable housing stock could be achieved if 208 units are constructed. When that level is achieved, the annual turnover of these units to new owners and renters will balance the annual demand for affordable units and all Salisbury residents should be able to find housing they can afford. Then Salisbury would be self-sufficient in affordable housing.

13. Q: Hasn't the recent fall in the housing market made affordable housing programs unnecessary?

A: Housing prices were volatile in the early 1990s due to the small number of sales. Smoothing out the volatility, the average median sales price in Salisbury was \$195,000 for 1990-94. By 2007, the median house price had risen to \$541,875 - an increase of 178 percent above the 1990-94 average. By 2009, the Salisbury median price had declined 27 percent to \$397,500, but this still represents a 104 percent increase in 15 years.

The housing "slump" is really the collapse of a housing "bubble." Affordable housing was a problem before the growth of the "bubble." Because of our geographical location and demographics, land and house prices will resume their rise. The collapse of the "bubble" may provide opportunities if some houses can be converted to affordable housing with deed restrictions to ensure that they remain affordable. On the other hand, the general downturn in the economy increases the need for affordable housing as some incomes decline and threatens some families with foreclosure. Salisbury remains the eighth least affordable town in Connecticut (after seven towns ranging from Greenwich

to Wilton on the Gold Coast). Economic cycles and the resulting housing “bubbles” and “slumps” are unlikely to change this.<sup>28</sup>

14. Q: Does the State of Connecticut have targets for the percentage of housing in towns that is affordable?

A: The Connecticut Affordable Housing Land Use Appeals Act (CGS 8-30g) has set a goal that each town in the State should have a minimum of ten percent of its total housing units qualified as “affordable.” According to the 2009 Affordable Housing Appeals List, Salisbury has 2,410 housing units and only 27 “affordable” housing units. This means that only 1.12 percent of Salisbury’s housing is affordable by the state definition. Thirty-one of Connecticut’s 169 municipalities have earned exemption from the Act by meeting the ten percent goal, including Torrington and Winchester (Winsted) in our area. All the other Region One towns plus Litchfield, Norfolk, and Washington have higher percentages of affordable housing than Salisbury. The Act further states that, in any town that does not have a minimum of ten percent affordable housing, a developer who builds 30 percent of her development as “affordable” housing units can build wherever in town she likes regardless of the Town’s zoning regulations, subject only to health and safety considerations. In the Northwest Corner, developers have used the Appeals Act in Sharon and Washington. To qualify under the Act, a development must be one “in which not less than thirty per cent of the dwelling units will be conveyed by deeds containing covenants or restrictions which shall require that, for at least forty years after the initial occupation of the proposed development, such dwelling units shall be sold or rented at, or below, prices which will preserve the units as housing for which persons and families pay thirty per cent or less of their annual income, where such income is less than or equal to eighty per cent of the median income. (CGS 8-30g(a)(1).”<sup>29</sup>

15. Q: What will affordable housing look like?

A: It is a misconception that affordable housing is sometimes made “affordable” by skimping on construction costs. The affordable housing in Salisbury and that which we have visited elsewhere in Northwest Connecticut has been built to the same construction standards and at comparable costs per square foot as market-rate housing. There are several reasons for this. Building codes require it. Planning and Zoning approvals and neighborhood support are predicated on structures, setbacks, and building envelopes that “fit in.” Publicly sponsored structures, such as Sarum Village, have often been built to higher standards, using techniques such as lifetime cost

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28 Salisbury housing prices from The Warren Group. Some text contributed by Kent Affordable Housing.

29 The “median income” referred to here is the Area Median Income for the area as determined by the U.S. Department of Housing and Urban Development annually.

assessment, than privately constructed units because the sponsors have the continuing responsibility for maintenance. When we asked whether the 28 limited-equity single-family affordable homes (the Salisbury Housing Trust model) that have been built on parcels scattered around the Historic District of Litchfield looked different than the existing homes, Bob Petricone, Vice President of the Litchfield Housing Trust said, “Yes -- they look better -- because they are newer.”

16. Q: Does affordable housing have to be built where there is access to Town water and sewer?

A: It is cheaper to build housing where there is such access. It also contributes to Smart Growth principles (e.g., provide greater density in village centers to reduce sprawl; promote community and robust retail businesses; reduce transportation costs and land devoted to parking; and preserve open spaces, farms, and forests outside village centers). However, affordable housing can be built economically under certain conditions away from town water and sewer.

17. Q: Why is affordable housing not reserved for people who grew up in Salisbury or previously lived here?

A: Fair housing laws in the United States prevent discrimination in housing on the basis of previous residence, gender, age, or race. This law applies to market-rate housing as well. So, local residency may not be used as a requirement of occupancy. However, affordable housing providers may give selection preferences for residency in the town, employment in the town, and membership in volunteer services. The Litchfield Housing Trust uses a sophisticated “point system.” Having its affordable housing occupied by people from other towns might be an appropriate concern for a town such as Washington which lies next door to the growing city of New Milford with a population of almost 30,000. However, the head of the Washington Housing Trust reports that 80 percent of the residents of the three affordable housing developments (senior and family rentals) it has built in Washington have roots in the town (i.e., “they have always been here or have moved back”). As another example, at Sarum Village only 30 percent of applicants are from outside Salisbury. Some applicants from outside Salisbury want to move to Sarum Village to be near a relative who lives in town. It is unlikely that many, if any, people will try to live in Salisbury’s affordable housing and incur heavy commuting costs if their employment and roots are in, for instance, Waterbury. If their jobs are in Salisbury, then we should welcome them to raise their families here and participate in our rich community life.<sup>30</sup>

18. Q: Are there undeserving people who take financial advantage of affordable housing?

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<sup>30</sup> Some text contributed by Kent Affordable Housing.

A: Rental residences are restricted to qualified applicants, and premises cannot be further shared or sublet. Resident incomes must be verified annually. Ownership properties are only available to full-time occupants, and deed restrictions make sure that units stay affordable and limit the profit in future sales.<sup>31</sup>

19. Q: For at least ten years, in various planning meetings and documents, Salisbury's citizens have said that the Town's top two priorities should be retaining its rural character and providing more affordable housing. How does the provision of affordable housing or the failure to do so affect the character, culture, and tradition of a New England town like Salisbury?

A: Over the years several features have come to define the Town of Salisbury and the way its citizens views themselves, the two most important being diversity and the civic involvement of its citizens. Despite its limited size and comparatively isolated location, Salisbury has always displayed extraordinary diversity in many areas. We enjoy a varied topography of mountains and valleys, streams and lakes, bogs and pastures. Compact villages and open rural spaces alternate across the landscape. A ten-minute drive across town reveals an extraordinary mix of colonial New England farmhouses, Italianate mansions, modest vernacular cottages, ornate Victorian dwellings, 1920s bungalows, post-war ranch houses, and contemporary showpieces. From its earliest days, Salisbury's residents have been marked by a great degree of diversity. Even as the first farmers arrived, there were charcoal burners laboring in the hills, miners extracting ore, and ironworkers manning the Lime Rock furnace. The colonial population included Dutch and English settlers, a few Native Americans, and several African-American bondsmen. The first town grand lists contained the names of wealthy men and their neighbors of more modest means. This variety only increased in the two centuries that followed. Over the years industry, agriculture, education, mining, recreation, retailing, services, banking, the arts, and the professions have powered the local economy. The current population contains a wide range of ages, employments, education levels, wealth, religions, ethnicities, experience, social backgrounds, geographic origins, tastes, and interests.

Equally important in defining the Salisbury notion of community is the role played by its citizenry in virtually every aspect of local life. This too, has characterized town life for centuries. The governmental and social system of the first settlers required that virtually all participate in the oversight of the town, from selectmen to fence viewers and pound keepers. The entire [male] citizenry gathered to choose town officers and a town minister. They set the budget, and decided the location of meetinghouse, cemeteries, roads, and district schools. In the years that followed the franchise was extended to all members of the community, while the range of civic involvement

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<sup>31</sup> Some text contributed by Kent Affordable Housing.

expanded exponentially. In fact, the present town as we know it could not function without the active involvement and participation of its citizenry. Residents serve without pay on innumerable formal and informal governing and advisory boards and committees, everything from zoning and finance to education and the new Town Grove facility. They perform the critical functions of the fire company and ambulance service. They provide entertainment and music at civic celebrations. They serve on vestries and nonprofit boards. Volunteers concern themselves with land conservation, historic preservation, varied social services, and affordable housing.

These two factors--diversity and civic involvement--are responsible for the health and vitality of the community. The Salisbury we know and the traditions it values could not be maintained without them. The many activities carried out for the good of the larger community are carried out by that extraordinary diversity of people that we take for granted. Yet these activities and traditions would be endangered if the community finds itself incapable of providing appropriate housing for all segments of its citizenry. People who can't live here can't contribute. Salisbury could find itself less vibrant, less interesting, and far less capable of meeting the varied needs of its citizens.

20. Q: What are "accessory apartments"? What would I have to do to convert part of my house into an accessory apartment?

A: An accessory apartment (also called an in-law apartment) is a self-contained housing unit (including at least modest kitchen and bathroom facilities) that may either be part of the main residence or in a separate structure, such as a garage or barn, on the property of a single-family home. A new Accessory Apartment Program has developed a guide for Salisbury that takes a homeowner step by step through the process of creating an accessory apartment, from design and permitting to financing and tenant selection. Copies of this guide can be obtained at Town Hall or on the Town website. For more information, please contact Jocelyn Ayer, Accessory Apartments Program Coordinator, at 413-528-8163 ext. 105 or at [jayer@housingus.org](mailto:jayer@housingus.org).

21. Q: What is "home share"?

A: A local nonprofit housing group will arrange home share matches between members of the community who need some assistance to stay in their homes and others who are looking for affordable housing. The assistance could be monetary or help with chores or simply being there to provide companionship and personal aid. Every match is different but, generally speaking, home providers are older or disabled and need help around the house. Typically, home seekers agree to do a certain amount of work in exchange for a reduced rent. The home seekers do not have a separate accessory apartment. Homeowners and home seekers share a living space in a way that enhances their day-to-day lives.

For safety and comfort, the nonprofit housing group conducts extensive interviews, reference checks, and background checks and arranges introductions and get-acquainted time. If both parties agree, a match is made. The housing group will then do follow-up visits and phone calls and will assist with any difficulties that may arise. On occasion, the arrangements may not work out and the nonprofit is there to find a new match. Both parties are often attracted also by the environmental advantages of the arrangement, reducing the carbon footprint by increasing the number of people living in a housing unit. This program has been extremely successful in the Montpelier/Barre area in Vermont where a nonprofit, Home Share of Central Vermont, has successfully placed 230 people in matches.



*Ten-Unit Apartments*

*Flagg Road*

*West Hartford, CT*



## Appendix III: Sustainable Design Guidelines

Any new or retrofitted housing that the Town is either constructing or endorsing ought to meet high standards for sustainability. Formal adherence to one of the rating systems, such as that of the U.S. Green Building Council (LEED), seems unnecessary; nevertheless, the Town should insist that all new buildings for which it bears any responsibility (not just affordable housing) be environmentally sound. Here are some basic guidelines:

### GENERAL PRINCIPLES

- Carefully evaluate potential sites, housing types, and proposed building programs for environmental impact.
- Where feasible, use buildings that already exist.
- Where new construction is warranted, build it better but smaller.
- Consider lifetime cost assessment not just initial cost.
- Substantially reduce energy use and carbon footprint.

### SITE SELECTION

Give preference to sites where construction of planned affordable housing will actually improve the surroundings not degrade them. Generally, sites in the villages and on already “disturbed” land offer the best possibilities for environmental improvement. In-town sites also promote commerce, sociability, and reduced use of automobiles since residents can often walk to their destinations. And significant cost savings may result from locating close to existing utilities and infrastructure. Where sites in the countryside are selected, considerable effort should be taken to have the housing design be subservient to the surrounding landscape and not upstage it.

### HOUSING TYPES

Existing buildings that could offer housing units with little or no renovation are the best choice when available. Houses that could accommodate new accessory apartments and other buildings that could be converted to affordable housing complexes would be better (and typically less expensive) choices than starting fresh with new construction. New residential additions to existing commercial buildings also may make sense.

Where new construction is called for, preference should usually be given to attached housing (row houses, courtyard houses, apartment buildings, etc.) over detached single-family houses. Attached housing tends to cost less, uses land more frugally, and generally has less environmental

impact. Where multiple-unit housing is built (single- family or multi-family), cluster planning should be used both to save money and reduce the impact on the surrounding landscape.

#### HOUSING DESIGN & CONSTRUCTION

Lifetime cost assessment requires considering at every phase of a project what the ancillary and continuing costs will be, not just building whatever is least expensive to construct. For example, by spending more on the building envelope, it may be possible to spend much less on heating and cooling equipment and less for electricity and fuel. A hardwood floor might turn out to be less expensive than a plywood or particleboard floor topped with carpet that needs to be replaced after several years. Buildings should be designed for durability with long-lasting materials and construction details and designed to resist the damaging effects of weather. With proper siting, insulation, and window selection, energy-intensive air-conditioning can also often be avoided in favor of natural cooling and ventilation, and heating costs can be considerably reduced.

Equipment and appliances should have very high quality ratings for energy and/or water use.

Good day-lighting should be the norm for any housing. In addition to the emotional benefits of good day-lighting, it typically results in much less use of artificial lighting and electricity.

All housing should have excellent indoor air quality; this requires the provision of good natural and mechanical ventilation, effective moisture control, and strict avoidance of toxic materials and substances.

Preference should be given to the use of local contractors and to the use of local, salvaged, and recycled materials where possible (e.g., used lumber, concrete containing fly ash, wallboard with recycled gypsum, used cabinetry).

In addition to these conservation measures, use of alternative energy sources, such as wind turbines, solar hot water, photovoltaic panels, and geothermal heat pumps, should to be considered. We can anticipate that energy costs will continue to increase and that provision of sustainable power that seems extravagant today may appear prescient a few years from now.

Universal design, suitable for physically disabled and elderly persons, should be employed where feasible.

#### LANDSCAPE CONSIDERATIONS

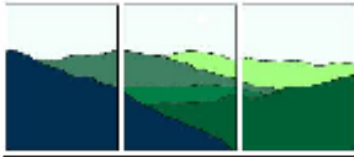
Much can be done to reduce the adverse impact on the landscape that the production of more than 200 units of affordable housing will entail. By clustering new building, we will affect a much smaller area, reduce paving and utilities, and lower costs.

Some other strategies that should be employed include: saving significant trees and carefully protecting them during adjacent construction, managing storm water effectively on site, using trees and shrubs for microclimate improvement (e.g., evergreen windbreaks, solar shading with deciduous trees), conserving and reusing existing topsoil, avoiding exterior irrigation systems, minimizing or avoiding lawn areas, generously planting trees and shrubs in parking areas and elsewhere, and, in larger projects, providing appropriate community facilities such as play spaces, sitting areas and allotment gardens.



*Single Family - Renovation  
Cornwall Housing Corporation  
Cornwall, CT*

## Appendix IV: Planning and Zoning Tools for Encouraging Affordable Types of Housing



**THE NORTHWESTERN CONNECTICUT  
REGIONAL PLANNING COLLABORATIVE**

### Planning & Zoning Tools for Encouraging Affordable Types of Housing

Our towns need housing that our teachers, fire and ambulance volunteers, health care workers and others can afford. Town zoning regulations can inadvertently create barriers to the creation of affordable types of housing. The checklist below shows the planning and zoning tools that can be used to encourage affordable housing. Following the checklist is a brief description of each of these tools and links to some example regulations.

No one tool listed below will solve a town's need for affordable housing. Towns, therefore, need to consider employing a comprehensive set of tools. Though you may already have a regulation to address some of these issues, there may be ways to improve upon what you have to encourage development of appropriate and compatible housing that addresses a town's housing needs.

Affordable Housing Tools Checklist				
	Tool	Already employed by Town?	Applicable Town Regulation Section	Consider Improvement?
1	Smaller Minimum Lot Sizes			
2	Accessory Apartments			
3	Multifamily Housing			
4	Inclusionary Housing Regulation			
5	First Subdivision Exemption			
6	Mixed Use Housing			

Consider working directly with an affordable housing developer or local housing trust to identify any planning or zoning impediments to the creation of housing and address them. Small changes to existing regulations can sometimes make all the difference.

For more details and examples of any of these tools, please contact us or visit our website at [www.nwctplanning.org](http://www.nwctplanning.org).

## 1. Smaller Minimum Lot Sizes

Concept: Allow smaller lot sizes and setbacks in appropriate areas of town (i.e. Village or town centers) to decrease land costs and create more affordable housing lots.

Tools:

- 1) Incentive Housing Zone
- 2) Decrease minimum lot size in village districts
- 3) Decrease minimum lot size for town or non-profit sponsored affordable housing



Main Street in Salisbury, CT

**Tool #1:** An *Incentive Housing Zone* (IHZ) is a special type of “overlay zone” recently authorized by the State to encourage mixed income housing developments. In an IHZ, more homes per acre than allowed under the existing zoning are permitted in areas the town determines to be appropriate. Within these areas, if a developer meets all the requirements of the IHZ regulation including dimensional standards, design standards (if any), and affordability standards (20% of the units must be affordable to families who make 80% of the area median income) the developer may build more units on than would otherwise be allowed.

**Tool #2:** Check to see if the zoning district that covers your village or town center allows at least six units per acre if it has access to public sewer. If not, consider allowing this, either through an Incentive Housing Zone as discussed above, or just by reducing your minimum lot size.

**Tool #3:** Regulations may provide for decreased minimum lot size for any lot in town that will be developed by the town or a non-profit for affordable housing. The Town of Cornwall allows a one acre lot for town or non-profit sponsored affordable housing in their zones that normally only allow three or five acre lots.

*Note-* Increasing minimum dimensional or buildable area requirements could decrease the opportunities to create affordable housing units. In many towns the most affordable lots to build on have constraints such as slope or wetlands. Consider allowing a waiver for any buildable area standards if the housing is being built by the town or a non-profit developer.

Example regulations:

- Cornwall Regulation 8.25 “Town or Non-Profit Sponsored Affordable Multi-Family Housing”
- For a model Incentive Housing Zone regulation, please contact us ([www.nwctplanning.org](http://www.nwctplanning.org)).

## 2. Accessory Apartments

Concept: Allow homeowners to create an apartment unit in their primary residence (or in a separate building on their property- such as a garage or barn) that can be rented at an affordable rate.

There are many who can benefit from the creation of accessory apartments in homes including: communities in need of cost effective affordable housing that blends easily into existing neighborhoods; homeowners who could use the extra rental income or assistance; seniors who want to stay in their homes can barter reduced rent for help shoveling walks and running errands; and young teachers, health care workers, volunteer firefighters and others who work in town and can't currently afford to live here, but who could afford the rent of an accessory apartment.



Accessory Apartment above garage

### Tools:

- 1) Accessory Apartment regulation

Many towns already have regulations allowing accessory apartments. These regulations, however, can often be fine-tuned to further encourage the creation of these apartments by, for example:

- Allow accessory apartments by right (not by special exception)
- Allow accessory apartments in new construction as well as existing housing
- Allow in attached or detached structures

For a detailed checklist of ways to do this visit our website or [click here](#).

There are also non-regulatory ways to encourage the creation of these apartments such as creating a guide for homeowners on how to create an accessory apartment (Ridgefield, CT has done this and we are currently working on a model guide for the region as well as a list of other incentives communities can provide.)

Regulations permitting accessory apartments can also require or encourage that the units be "affordable" (usually defined as a rent that is less than 30% of the income of a family earning 80% of the area median income.) An example of this is the Town of Trumbull, CT which has about 150 accessory apartments that are affordable and deed restricted as such for a period of 10 years.

### Example regulations:

Goshen, CT Section 360 "Requirements for Permitted Uses and Accessory Uses in Residential Zones" (see above mentioned checklist for this regulation and ways it could be fine-tuned).

### 3. Multifamily Housing

Concept: Allowing attached dwelling units and multiple housing units in one building reduces the amount of land you need to build the housing and therefore reduces land costs associated with it. Allow multifamily housing (townhouse or garden style) in appropriate places in town. If you have concerns about the appearance and character of such units, consider creating design guidelines.



Sharon Ridge, Sharon, CT

Another way to allow multifamily housing is to *allow conversion of large single family houses to apartments*. If you are concerned that the house retain its single family appearance from the outside, you can require certain design features to accomplish this such as not allowing fire escapes on the front of the building.

Example regulations:

Cornwall, CT Section 8.25 "Town or Non-profit Sponsored Affordable Multi-Family Housing"  
Cornwall, CT Section 8.11 "Conversion of Residences and/or Structures to Apartments"

## 4. Inclusionary Housing Regulations

Concept: *Require* that a certain percentage of the units (usually at least 10%) in any new subdivisions be rented or sold at affordable rates  
And/Or

*Provide an incentive* by way of an increase in the number of housing units allowed in a development (aka “density bonus”) if the developer agrees to build a certain percentage of the total units as affordable units.



Inclusionary Housing development- Amherst, MA

Tools:

- 1) Inclusionary Housing regulation
- 2) Inclusionary Housing Fee

An *inclusionary housing regulation* requires that private developers make a fixed percentage of their housing affordable to low- or moderate-income households. The remainder of the units would be market rate. Ridgefield, CT for example allows a 33% increase in the number of housing units allowed (from 6 to 8 units per acre) if 15% of all the units are affordable. The affordability of the units is maintained through a deed restriction, typically for 20 or 30 years and in some cases in perpetuity. You can also allow a payment in lieu of creating the affordable units where the payments go into a housing trust fund to be used for constructing, rehabilitating or repairing affordable housing. A recent survey done by the Capitol Region Council of Governments found thirty-six Connecticut towns with some form of inclusionary housing regulation.

An Incentive Housing Zone, discussed earlier in this document, is a similar tool in that it requires 20% of housing built under this regulation to be affordable and allows a density bonus in exchange. However, it is an overlay zone so it is optional to the landowner and does not effect all new development, only development in the areas in the overlay zone.

The Town of New Canaan has recently adopted (2007) an *Inclusionary Housing Fee* to provide funds to create affordable housing. Section 7.6 of their regulations state, “All applications for a zoning permit for any new building construction or addition (excluding interior renovation) in any zone shall be accompanied by an inclusionary zoning fee of \$10.00 per \$1,000 of construction value, to be paid into a housing trust fund to be used for constructing, rehabilitating or repairing housing affordable to persons and families of low and moderate income.”

State statue that allows this: CGS 8-2i

Example regulations: See the Capitol Region Council of Governments list of towns and their regulations called “Density Bonuses and Other Inclusionary Zoning Measures in Connecticut”



## 5. First Subdivision for Affordable Housing Exemption

Concept: Allow landowners to subdivide a piece of their property for affordable housing without being subject to subdivision regulations.

Tools: Your subdivision regulations may allow the first subdivision of land by a landowner be exempt from subdivision regulations provided that the lot is created for affordable housing to be developed by the municipality or a non-profit organization. (Note: any further subdivision of such lot shall not be exempt.) This provision must be adopted through an ordinance passed by the town's legislative body. However it should also be reflected in the town's subdivision regulations.

State statute that allows this: CGS 8-19 (b)

Example ordinance: Town of Old Lyme <http://www.ecode360.com/?custId=OL1929>

Note: If your subdivision regulations have an open space requirement, they should stipulate that if the subdivision is to include at least 20% of the housing units as affordable housing (as defined in CGS 8-39a) then no open space set aside is required (this is according to CGS 8-25).

## 6. Mixed Uses - Housing over Commercial and Office Uses

Concept: Allow apartment units above retail and office uses (second or third floor residential over commercial) also known as "mixed use" in the village/town center or commercial districts where appropriate.

Tools:

- 1) Add apartments over commercial/office buildings to the list of allowed uses in village center or commercial districts
- 2) Incentive Housing Zone

An Incentive Housing Zone can allow mixed use buildings and would require that 20% of the housing units created be deed restricted as affordable housing.

Example regulations:

Cornwall Regulation 8.12 "Apartment Use in a Business Building"



## Appendix V: Proposed Phase One Amendments to the Salisbury Zoning Regulation for the Purpose of Providing Affordable Housing<sup>32</sup>

[Proposed language is in bold type]

Add new Section 716a CONVERSION OF EXISTING RESIDENCE TO MULTI-FAMILY DWELLING:

Comment: This amendment is proposed to expand the opportunity to permit the conversion of an existing residence to a multi-family residence.

### 716a CONVERSION OF EXISTING RESIDENCE TO MULTI-FAMILY DWELLING

716a.1 PURPOSE. The purpose of this section is to provide additional housing opportunities in village center areas by permitting an existing residence to be converted to a multi-family dwelling of not more than three dwelling units provided such conversion will not alter the single family residential appearance of the dwelling. Where the application proposes that one or more of the units meets the definition of “affordable housing” as determined by the Town of Salisbury, the total number of dwelling units may be increased to four.

#### 716a.1 OWNER RESIDENT

The owner or a member of the immediate family shall reside on the property.

716a.2 EXISTING BUILDING, WATER AND SEWER SERVICE. Only a residence existing at the time of the application is eligible. The residence shall be served by either the public sewer system provided the applicant shall submit evidence that the additional sewer volume resulting from the proposed conversion meets the requirements of the Water Pollution Control Authority or by a septic system provided the applicant shall submit evidence that the existing or proposed modified system meets the requirements of the Regional Health District. The residence shall be served by the public water system or the applicant shall present certification from the Regional Health District that the existing or proposed well is adequate to serve the proposed use. The applicant shall submit evidence that the additional sewer volume resulting from the proposed conversion meets the requirements of the Water Pollution Control Authority.

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<sup>32</sup> By T.A.J. McGowan, AICP, Town Planner (rev. to 1.21.10) Except where otherwise indicated, all references are to Zoning Regulations of the Town of Salisbury, CT.

716a.3 BUILDING DESIGN, SCALE AND PROPORTION. Proposed additions and modifications to the existing building may be permitted provided such changes will not alter the single-family residential appearance of the building and are consistent with scale, height, proportions, and character of the existing building and the neighborhood

716a.4 OTHER EXTERNAL ELEMENTS. All materials, construction, lighting, signs, and other external elements of the building and site shall be compatible with the residential character of the neighborhood and rural and historic character of the Town.

716a.5 PARKING. The lot shall be large enough to accommodate any needed new off-street parking areas. A minimum of five parking spaces shall be provided for a residence converted to three dwelling units. No new parking areas shall be created in between the front façade of the residence and the street. New parking spaces may be created to the side and rear of the residence. Landscaping or screening shall be required where needed to shield the view of parking areas from the street and neighboring residences.

Add a new section 714a APARTMENT IN BUSINESS BUILDING:

Comment: This amendment is proposed to permit creation of apartments in the upper floors of existing or new business buildings. In New England villages apartments have historically been allowed in business buildings over the first-floor business establishment.

#### 714a APARTMENT IN BUSINESS BUILDING

##### 714a.1 STATEMENT OF PURPOSE

The purpose of this Special Permit use is to broaden the options for housing opportunities and to offer owners of business buildings the option of utilizing upper-floor space for apartment use.

714a.2 This use is allowed in a business or commercial building located in a C-20 or CG-20 zone.

714a.3 A Site Plan and floor plan shall show that the proposed apartment is located on an upper floor with a minimum floor area of 350 square feet.

Amend Section 715 BED AND BREAKFAST to add to subsection 715.5 to permit by Special Exception one accessory apartment in a Bed and Breakfast.

Comment: Typically the Regulations do not permit two Special Permit uses on one property. A Bed and Breakfast business building owner may now have up to three bed and breakfast rooms for

transient visitors. This amendment will allow an accessory apartment in a Bed and Breakfast establishment.

#### 715 BED AND BREAKFAST

The provision of rooms for transient visitors in a residential structure may be permitted as a Special Permit subject to the general requirements of this Article and the following specific standards and criteria.

##### 715.1 STANDARDS AND CRITERIA-BED AND BREAKFAST

The following standards and criteria shall be applied by the Commission in reviewing and deciding upon any application for a bed and breakfast Special Permit.

##### 715.2 OWNER/RESIDENT

The owner of the principal dwelling shall reside on the property housing the bed and breakfast use.

##### 715.3 PARKING

The lot shall be large enough to provide additional parking at the rate of one space per guest room, screened from public view and preferably located on the rear portion of the lot.

##### 715.4 STRUCTURE SUITABLE FOR USE

The applicant must show that the structure is suitable to accommodate guest rooms based upon its interior arrangement, size, and structural condition.

##### 715.5 MAXIMUM GUEST ROOMS AND ACCESSORY APARTMENT OPTION

No more than three guest rooms rated for double occupancy are permitted in a structure in which the owner is a resident. A property with a Bed and Breakfast use shall also be eligible for an accessory apartment use subject to approval of an Accessory Apartment Special Permit and on the condition that the Bed and Breakfast shall have not more than two guest rooms.

##### 715.6 BATHROOMS

Complete bathrooms shall be provided at the rate of one per two guest rooms.

##### 715.7 WATER AND SEPTIC APPROVAL

The applicant shall present certification from the Regional Health District that the existing or proposed well and subsurface sewage disposal system is adequate to serve the proposed use. Where

the use is accessible to the Town sewer system and/or the public water system, the applicant shall submit evidence that the proposed use is or will be served by the utility.

#### 715.8 ADDITIONS

Minor additions may be made to a structure, up to 200 square feet, for improvements necessary for a bed and breakfast use.

#### 715.9 LENGTH OF STAY

The length of stay for a bed and breakfast use shall be of a transient nature. The owner operator shall maintain a guest registration book noting length of stay. Food service shall be limited to service to overnight guests.

#### 715.10 PERMIT

The operation of a bed and breakfast use shall require written zoning permit. The Zoning Administrator following approval of a Special Permit by the Commission will issue this permit. Willful failure to abide by these regulations is cause for the Commission to revoke such permit.

Amend Article II DEFINITIONS to add the following definition of Accessory Apartment.

Comment: Currently there is no definition for an Accessory Apartment. This amendment provides a definition and under the revised Statement of Purpose acknowledges that these dwelling units are a valuable source of moderate-cost housing in the Town. It clarifies the previously approved amendment that an accessory apartment in a residence requires a Site Plan application but not a Special Permit application (an apartment in an accessory building requires a Special Permit). It also clarifies that what constitutes a kitchen and bath will be determined based on the basic required elements for these rooms as will be listed on the accessory apartment application form.

#### ACCESSORY APARTMENT

An accessory apartment is a separate living unit located on a single-family owner-occupied residential lot. The accessory apartment includes a kitchen, sleeping, and bathroom facilities located within the single-family residence or within an accessory building on the property. Accessory apartments are by definition subordinate in size, location, and appearance to the primary unit.

Revise Section 714 ACCESSORY APARTMENTS.

Comment: This amendment to the revised Statement of Purpose acknowledges that these dwelling units are a valuable source of moderate cost housing in the Town. It clarifies the previously approved amendment that an accessory apartment in a residence requires a Site Plan application but

not a Special Permit application (an apartment in an accessory building requires a Special Permit). It permits a family member of the owner to qualify as an owner-occupant. It also clarifies that what constitutes a kitchen and bath will be determined based on a checklist of utilities as listed on the accessory apartment application form.

Finally, it provides for an amnesty period within which accessory apartments created without a zoning permit or Special Permit may apply and be qualified under zoning. There may be a number of these apartments in the town, which if approved under zoning would be more likely to remain as part of the town's moderate-cost housing supply. Zoning approval removes the prospect of a zoning violation citation and possible fines and offers the apartment owner greater advertising and renter solicitation options.

## 714 ACCESSORY APARTMENT

### 714.1 ACCESSORY APARTMENT - STATEMENT OF PURPOSE

The purpose of this regulation is to broaden the options for housing opportunities in the Town of Salisbury by permitting an accessory apartment associated with a single-family owner-occupied DWELLING. The Planning and Zoning Commission finds that accessory apartments provide an expeditious option for the creation of low-impact, much-needed, moderate-cost housing units that can be dispersed within the community, often requiring modest construction modifications and in a manner that will blend with existing residential neighborhoods.

Allowing accessory apartments to be built in accessory structures, such as garages and barns, expands the options for creating these housing units while permitting a landowner to do so without having to make alterations to existing houses.

### 714.2 GENERAL

In a Residential Zoning District an accessory apartment may be permitted within a single-family dwelling subject to Site Plan approval only, provided it meets the following requirements.

In a Residential Zoning District an accessory apartment within an approved accessory building associated with a single-family dwelling may be permitted subject to approval of a Special Permit subject to all the General Standards and requirements of this section and the following additional standards and requirements.

An accessory apartment may be permitted where the Site Plan and proposed improvements are designed to maintain residential appearance and character on the lot.

One accessory apartment shall be permitted on a lot.

### 714.3 OWNER OCCUPIED

The application for an accessory dwelling unit in an existing dwelling or existing accessory building shall demonstrate that the applicant is the owner of the lot and that the owner or an immediate family member of the owner resides in the principal dwelling. Upon completion of the accessory dwelling unit, the lot owner shall reside in either the principal dwelling or the accessory dwelling unit.

The Commission may permit construction of an accessory dwelling unit within a proposed or existing single-family dwelling subject to approval of a Site Plan application.

### 714.4 FLOOR AREA AND APPEARANCE

The floor area of the accessory apartment shall be subordinate to the floor area of the principal dwelling on the lot with the following requirements:

- The minimum floor area of the apartment shall be 350 square feet.
- The maximum floor area of an accessory apartment within a dwelling shall be no more than 40% of the total floor area of the principal residential dwelling.
- The maximum floor area of an accessory apartment within an approved accessory building shall be no more than 2,000 square feet or 40% of the total floor area of the principal residential dwelling, whichever is less.

(Note: Floor area is defined in these regulations as “the gross horizontal interior area of a building that has a ceiling-to-floor height of not less than seven feet, excluding the area of basements, attics, stair wells, enclosed or open porches, balconies, garages, and utility rooms.)

### 714.5 LOCATION AND DESIGN

Applications involving additions to existing structures or new construction shall be accompanied by a Site Plan with elevations of the exterior of the structure. Additions to an existing dwelling for the purpose of creating an accessory apartment shall:

- Provide no more than one entrance visible from the front yard and
- Have a scale and exterior appearance that blends with and maintains the appearance of the single dwelling as a single-family residence.

### 714.6 ACCESSORY DWELLING UNIT IN AN ACCESSORY STRUCTURE

Additions or modifications to an existing accessory structure or construction of a new accessory structure for purposes of creating an accessory unit shall require a Special Permit and shall be

designed to appear more like an accessory structure than a residential dwelling in terms of size, scale, and exterior features.

An accessory building constructed after July 13, 2003, proposed for accessory dwelling use shall meet the yard requirements for a principal dwelling. Where it is determined necessary to protect neighboring property values, privacy, or to shield lighting or parking, the Commission may require a landscape screen between an accessory building unit and neighboring property line(s).

#### 714.7 OFF-STREET PARKING

A lot with a principal dwelling and an accessory apartment shall have at least three off-street parking spaces. Wherever possible the parking space(s) serving the accessory apartment shall be located to the rear of the dwelling or accessory building. Where new parking space(s) are proposed in view from a street, the Commission may require these be screened from public view.

#### 714.8 ACCESS

The accessory apartment shall have its own outside access to the parking area and shall be equipped with its own kitchen, bath and utility services that conform to the list of minimum utility and installation requirements specified on the "Zoning Application Form for an Accessory Apartment".

#### 714.9 SEWAGE

Where the lot is served by an on-site septic system, the Regional Health District shall certify that the existing system or any proposed, modified, or new subsurface sewage disposal system is/are adequate to serve the proposed use.

The Regional Health District may require a complete new sanitary system if the existing system is inadequate for the proposed use or if insufficient data is available concerning the nature of the existing system or for an accessory apartment in an accessory building.

#### 714.10 AMNESTY

- a. The following amnesty provision shall apply to an accessory apartment in existence as of the date of adoption of this amendment that does not have a permit from the Planning and Zoning Commission.
- b. This amnesty is established to encourage landowners to apply for and receive permits and certificates of occupancy for accessory apartments created without the benefit of a zoning permit.



- c. Owners of such accessory apartment may take advantage of this amnesty by registering with the Planning and Zoning Office within six months of the effective date of this amendment. Such owners shall have one year from the date of registration to apply for and obtain a zoning permit or special permits, as applicable.
- d. During the year following registration the landowner shall not be subject to a zoning violation enforcement action by the Planning and Zoning Commission.
- e. In order to receive a Site Plan approval for an accessory apartment in a residence or Special Permit for an accessory apartment in an accessory building, the landowner shall demonstrate that the property complies with zoning requirements. At the end of this one-year period, any accessory apartment that has not come into compliance with zoning requirements shall be subject to an enforcement action.
- f. This section shall not apply to an accessory apartment that is protected as a lawful non-conforming use.

Amend Article VII, Section 718 Affordable Multi-Family Housing Sponsored by the Town of Salisbury or a Non-Profit Organization.

Comment: Acknowledging that one-bedroom, affordable-housing units require less space and generate less traffic and waste than multiple-bedroom units, this amendment allows an exception for greater number of housing units per acre where the total count of bedrooms is less than an average of two per unit and the units are served by Town water and sewer.

This amendment also provides the option to include not more than 20% of the units as market-priced units where it is necessary to the financial viability of the project.

- a. Revise subsection 718.1 to read:

718.1 Affordable multi-family housing sponsored by the Town of Salisbury or a nonprofit organizations as hereinafter described may be permitted by Special Permit subject to the standards, conditions, and requirements of this section.

- b. Revise subsection 718.1.c to read:

718.1.c Granting the Special Permit will provide the opportunity for affordable, multi-family housing sponsored by an eligible sponsor as hereinafter prescribed provided such affordable, multi-family housing may include not more than 20% of its total housing units as market priced units where the applicant demonstrates to the satisfaction of the Commission that such market-priced units are necessary to support a viable financial, construction, and operational plan; and

c. Revise subsection 718.3 to read:

718.3 If the site is to be served by Town sewer and water, the maximum density shall be eight (8) DWELLING units per acre with the following exception. A greater number of units may be permitted per acre provided the total number of bedrooms per acre shall not be more than 16.

If the site is not served by Town sewer and water, the maximum density shall be that permitted by the Torrington Area Health District, but in no event shall be more than eight (8) units per acre.

As an alternative to revising Section 718, consider deleting Section 718 and substituting a regulation similar to the Town of Cornwall's or the Town of Sharon's regulation on "Town or Nonprofit Sponsored Affordable Housing". (See Appendices VI and VII.)

Cornwall for many years has permitted creation of a lot for a single-family dwelling with a lot area of not less than one acre in its three-acre and five-acre residential zones where the lot is permanently dedicated for affordable housing use. The regulation requires that the lot's septic and well plan to be approved by the Torrington Area Health District and that the lot has a 200-foot square within which there are no inland wetlands or watercourse.

Cornwall's regulation has been instrumental in encouraging landowners to donate or sell for less than market value a parcel to the local housing trust. As a result the Cornwall housing trust has been able to create scattered sites for affordable housing using site plans and house designs that fit the neighborhood and town's rural character.

This type of zoning regulation has been an important part of expanding affordable housing opportunities in Cornwall, and more recently in Kent and Sharon. A similar regulation would benefit Salisbury.

The Sharon zoning regulation permitting town or nonprofit affordable housing provides greater flexibility than Salisbury's regulation in determining the lot area needed for non-profit affordable housing. Especially in the rural residential zones where site capacity for housing varies substantially from very poor to very good, it is of great help to the goals of affordable housing not to specify a maximum number of units per acre. Instead, the applicant is required to demonstrate that the land has the capacity to provide for all the needs of the number of units proposed.

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STATEMENTS OF CONSISTENCY WITH THE SALISBURY TOWN PLAN OF CONSERVATION AND DEVELOPMENT (dated January 1, 1999)

The amendments proposed in this report are consistent with the Salisbury Town Plan of Conservation and Development specifically:

Section IV. Population and Housing -- Overall Policy: “To encourage local public and private actions that will help reduce the cost of housing and expand housing opportunities for Salisbury’s residents who qualify for affordable housing, especially young adults and elderly persons, also to encourage alternative housing options for elderly persons such as assisted living.”

Section II. Specific Policy B: “The village centers should have a diversity of residential, housing and commercial services.”

Section 3.3. Apartments: “Accessory apartments should be allowed as a permitted use on the second floor of commercial buildings in the CAC district. Apartments can provide a source of affordable housing for the community and an optional productive use of the upper floors of commercial buildings.”

## Appendix VI: Cornwall, Connecticut - Town/Nonprofit Affordable Housing Zoning Regulations

Comment: The following provision has been in the Cornwall Zoning Regulations for at least ten years. It has been instrumental in the success of the private nonprofit Cornwall Housing Trust “parcel program” where land owners donate or the trust purchases at or below market price a lot for the purpose of permitting the Housing Trust to provide affordable housing. The value of land donated or sold below market value and dedicated for affordable housing purposes is eligible for qualification as a charitable contribution on a federal tax return.

### SECTION 8.26 TOWN OR NON PROFIT SPONSORED LOT

1. Purpose. The purpose of this Special Permit is to provide the opportunity for the Town or a nonprofit sponsored affordable single family house lots in suitable locations, subject to the following standards and requirements:

1. The applicant or co-applicant shall be either the Town of Cornwall or a Community Development Housing Corporation (CDC) established pursuant to Connecticut General Statute 8-127. The applicant shall show that any home constructed on the existing or proposed lot shall be subject to covenants or other legally binding measures which will restrict and limit the sale and resale of the house for affordable housing purposes, as defined by the Town or CDC.
2. A Town or Non Profit Sponsored Lot may be established only in the R-3 (3 acre min lot area required) or R-5 (5 acre minimum lot are required), subject to the approval of the Torrington Area Health District and to the requirements of Article IV of these regulations, with the following exceptions:

Minimum lot size: 1 acre

Minimum Square: 200 feet, within which there shall be no inland wetlands or watercourse as defined under the Cornwall Inland Wetland Regulations.

3. The number of lots on shared driveways or private streets may be increased by one where one of the lots served is a Town or Non Profit Sponsored Lot.

## Appendix VII: Sharon, Connecticut - Town/Nonprofit Affordable Housing Zoning Regulations

Comment: The following provisions in the Sharon regulations allow single-family or multi-family town or nonprofit affordable housing in residential zones and allow considerable flexibility for design and density.

### AMENDMENTS TO THE SHARON ZONING REGULATIONS

#### TOWN OR NON PROFIT SPONSORED AFFORDABLE HOUSING

Rev. to 12.05.07 Approved by vote of the Planning and Zoning Commission on Jan.1. 2008

A. Amend Article VIII - Special Exceptions, add a new subsection 12. as follows.

#### 12. Town or Non Profit Sponsored Affordable Housing

1. Purpose and Basic Requirements. The purpose of this Special Exception is to permit flexibility in site design for affordable housing construction sponsored by the Town, an agency of the Town or a nonprofit organization in suitable locations compatible with the rural character of the Town and the natural features of the land subject to the following basic requirements:
  - A. Eligible applicants for the Special Exception shall be the Town of Sharon or an agency of the Town, a Community Housing Development Corporation meeting the requirements of the Connecticut General Statutes, Section 8-217, as amended, or a local nonprofit housing organization that has qualified for tax exempt status as a charitable organization by the IRS pursuant to the federal tax code.
  - B. The eligible applicant(s) shall show that all dwelling units constructed or rehabilitated on the lot shall be subject to covenants or other legally binding measures which will permanently restrict and limit the resale of the house for affordable housing purposes.
  - C. Town or Non Profit Sponsored Affordable Housing may be established in the RR and GR-1 and GR-2 Residential Zones subject to the requirements of "Article IV, Minimum Lot Area, Open Space and other Dimensional Requirements" with the exception of the Minimum Lot Area requirement which shall be determined in accordance with the following:

- Where the dwelling(s) are located in the GR-1 or GR-2 Residential Zones and are served by public water and sewer systems the Commission shall find that the proposed lot has an area, shape and terrain that are adequate to accommodate the proposed buildings, dwelling units, parking and other accessory structures and meets general standard A.1 under Article VIII.

- Where the dwelling(s) are located in the GR-1, GR-2 or the RR Residential Zones and are served by on site septic and/or water systems the Commission shall find that the proposed lot has a usable lot area, shape, terrain that is adequate to accommodate the proposed number of buildings, dwelling units, parking and other accessory structures and meets general standard A.1 under Article VIII. Usable site area shall not include Inland Wetlands and Watercourses regulated by the Sharon Inland Wetland Commission, 100 year flood hazard areas as defined by the Federal Emergency Management Agency, land subject to easements which prohibit building or development, 50 percent of all land with a slope in excess of 25 percent based on field or aerial survey and as certified by a Connecticut licensed land surveyor.

- Town or Non Profit Sponsored Affordable Housing shall not be permitted in the Watershed Overlay Zone

2. **Water, Sewage Disposal, Storm Drainage and Utilities.** The lot may be served by public water or sewer systems subject to the approval of the Town Water and Sewer Commission or private on-site septic and water systems subject to the approval of the Health Officer

Adequate provision for storm drainage shall be made in accordance with standards set forth in the Subdivision Regulations.

With the exception of a proposal to convert an existing building(s) for affordable housing where the existing utility line service is not installed underground; utility line service to all other affordable housing development shall require underground installation from the main road to the buildings on the site, unless the presence of bedrock, inland wetland soils or watercourses, or a similar impediment prevent or make such underground utility installation not practical.

3. **Shared Driveways and Parking.** One or more driveways serving a Town or Nonprofit Sponsored Lot may be permitted provided the driveway(s) shall meet the requirements of Article V, Section 11 and other relevant requirements of the Zoning Regulations". A minimum of two off street parking spaces shall be provided for each dwelling unit. Parking areas shall not be permitted within front, side or rear setback areas. Where required by the Commission such setback areas shall be landscaped so as to maintain a residential character

and so as to provide a natural buffer from adjoining properties.

B. Amend Article III, Section 4 Rural Residence District (RR), Section 4.2 Special Exception Uses in the RR District., add the following to the list of Special Exception Uses:

“Town or Non Profit Sponsored Affordable Housing”

C. Amend Article III, Section 5A. General Residence District (GR-1), Section 5A.2 Special Exception Uses in the GR-1 District, add the following to the list of Special Exception Uses:

“Town or Non Profit Sponsored Affordable Housing”

D. Amend Article III, Section 5B. General Residence District (GR-2), Section 5B.2 Special Exception Uses in the GR-2 District, add the following to the list of Special Exception Uses:

“Town or Non Profit Sponsored Affordable Housing”

Appendix VIII: State and Federal Resources for Affordable Housing Development

**FINANCIAL RESOURCES FOR AFFORDABLE HOUSING DEVELOPMENT**

<b>STATE OF CONNECTICUT</b>				
<i>Department of Economic and Community Development (DECD)</i>				
<b>Name</b>	<b>Eligible Uses</b>	<b>Eligible Applicants</b>	<b>Affordability</b>	<b>Application</b>
Affordable Housing Program (FLEX)	<ul style="list-style-type: none"> <li>▪ Acquisition</li> <li>▪ Rehabilitation</li> <li>▪ New Construction</li> <li>▪ Demolition</li> <li>▪ Homeownership</li> <li>▪ Multi-family rental housing</li> <li>▪ Adaptive re-use of historic structures</li> <li>▪ Special needs housing</li> <li>▪ Redevelopment of vacant properties</li> <li>▪ Infrastructure improvements</li> </ul>	Municipalities  Nonprofit Organizations  Local Housing Authorities  For-profit Developers	Up to 100% of Area Median Income	<p><u>Pre-Application:</u></p> <ul style="list-style-type: none"> <li>▪ Pre-Application</li> <li>▪ Preliminary Operating Budget</li> <li>▪ Preliminary Development Budget</li> </ul> <p>Applications are provided at project-specific application meetings scheduled with each applicant.</p> <p>Each project must be approved by the State Bond Commission</p>
Community Development Block Grant Program (Small Cities)	<ul style="list-style-type: none"> <li>▪ Acquisition of real property</li> <li>▪ Reconstruction or rehabilitation of housing or other property</li> <li>▪ Building of public facilities and improvements - senior centers, streets and sidewalks</li> <li>▪ Carrying out crime reduction activities</li> <li>▪ Meeting planning and administrative expenses</li> <li>▪ Providing public services for youth,</li> </ul>	<ul style="list-style-type: none"> <li>▪ Municipalities with fewer than 50,000 residents (except certain central cities)</li> <li>▪ Non-urban Counties (generally those with populations of 200,000 or fewer, excluding any entitlement cities)</li> <li>▪ Sub-recipients: Community Based</li> </ul>	At least 70 percent of the state's CDBG funds must be used for activities that benefit low-and moderate-income persons (defined as members of families that earn no more than 80% of	<ul style="list-style-type: none"> <li>• Pre-Application</li> <li>• Small Cities Handbook</li> <li>• Small Cities Program Application</li> <li>• Financing Plan &amp; Budget</li> <li>• Certified Resolution of the Legislative Body</li> </ul>



	<ul style="list-style-type: none"> <li>elderly or the disabled</li> <li>▪ Removal of architectural barriers</li> <li>▪ Eliminating or preventing slum or blight</li> <li>▪ In some instances, CBDOs are allowed to carry out otherwise ineligible activities such as new housing construction.</li> </ul>	<p>Development Organization (CBDO): any non-profit organization serving the development needs of the communities of non-entitlement areas</p>	<p>median income), including activities that benefit an area in which at least 51 percent of the residents are of low- and moderate-income.</p>	
HOME Investment Partnership Program	<ul style="list-style-type: none"> <li>▪ Acquisition</li> <li>▪ Rehabilitation</li> <li>▪ New Construction</li> <li>▪ Demolition</li> <li>▪ American Dream Downpayment Initiative</li> <li>▪ Homeownership</li> <li>▪ Rental Housing</li> <li>▪ Relocation</li> <li>▪ Pre-Development Loans</li> <li>▪ Operating Expenses (CHDOs only)</li> <li>▪ Homebuyer Education</li> </ul>	<ul style="list-style-type: none"> <li>▪ Municipalities</li> <li>▪ Non-Profit Organizations</li> <li>▪ Community Housing Development Organizations (CHDOs)</li> <li>▪ For-Profit Developers</li> <li>▪ Individuals</li> </ul>	<p>Up to 80% of Area Median Income</p>	<p><u>Pre-Application:</u></p> <ul style="list-style-type: none"> <li>▪ Pre-Application</li> <li>▪ Preliminary Operating Budget</li> <li>▪ Preliminary Development Budget</li> </ul> <p>Applications are provided at project-specific application meetings scheduled with each applicant.</p>
The Housing Trust Fund Program	<ul style="list-style-type: none"> <li>▪ Acquisition</li> <li>▪ Rehabilitation</li> <li>▪ New Construction</li> <li>▪ Demolition</li> <li>▪ Homeownership</li> <li>▪ Multi-family rental housing</li> <li>▪ Adaptive re-use of historic structures</li> <li>▪ Special needs housing</li> <li>▪ Redevelopment of vacant properties</li> <li>▪ Infrastructure improvements</li> </ul>	<ul style="list-style-type: none"> <li>▪ Municipalities</li> <li>▪ Nonprofit Organizations</li> <li>▪ Local Housing Authorities</li> <li>▪ For-Profit Organizations</li> </ul>	<p>Up to 120% of Area Median Income</p>	<p>Semi-annual RFP</p>
Predevelopment Loan Program	<ul style="list-style-type: none"> <li>▪ Land purchase options</li> <li>▪ Feasibility studies</li> <li>▪ Planning and design costs</li> <li>▪ Required insurance</li> <li>▪ Legal and financial expenses</li> <li>▪ Costs of permits and approvals</li> <li>▪ Appraisals</li> </ul>	<ul style="list-style-type: none"> <li>▪ Non-profit Corporations</li> <li>▪ Housing Authorities</li> <li>▪ Municipal Developers</li> <li>▪ Limited partnerships, partnerships, joint ventures where at</li> </ul>	<p>Up to 80% of median income</p>	

	<ul style="list-style-type: none"> <li>▪ Other preliminary project costs as approved by the Commissioner</li> </ul>	least one member is one of the above		
Small Town Economic Assistance Program (STEAP)	<p>Capital projects, such as:</p> <ul style="list-style-type: none"> <li>▪ Construction or rehabilitation of commercial, industrial, or mixed-use structures or roads, access ways, etc.;</li> <li>▪ [urban] Transit;</li> <li>▪ Recreation and solid waste disposal projects;</li> <li>▪ Social service-related centers, facilities, and shelters;</li> <li>▪ Housing projects;</li> <li>▪ Pilot historic preservation and redevelopment programs that leverage private funds; and</li> <li>▪ Other kinds of projects involving economic and community development, transportation, environmental protection, public safety, and children and families</li> </ul>	Localities with a population under 30,000, that are not designated as a <u>distressed municipality</u> or public investment community, and are not identified as having an urban center		<ul style="list-style-type: none"> <li>• STEAP Application</li> <li>• Financing Plan &amp; Budget</li> <li>• Certified Resolution of the Legislative Body (Sample)</li> <li>• Certificate of Applicant (Sample)</li> <li>• Opinion of Town Counsel (Sample)</li> <li>• Requisition for Payment</li> <li>• Statement of Costs</li> </ul>
<i>Connecticut Housing Finance Authority (CHFA)</i>				
Housing Tax Credit Contribution Program (HTCC)	Developing, sponsoring or managing housing for very low-, low- and moderate-income individuals and families	Nonprofit organizations	Up to 100% of the area median income	Application
Low-Income Housing Tax Credits	<p>Low-income rental housing projects:</p> <ul style="list-style-type: none"> <li>▪ new construction</li> <li>▪ substantial rehabilitation</li> <li>▪ acquisition and rehabilitation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Owners or developers of low-income rental housing are eligible to apply.</li> <li>▪ Credits are available to for-profit and non-profit entities.</li> <li>▪ Each member of the development team (owner, development consultant, manager, builder and architect) must meet experience and/or licensing qualifications</li> </ul>	The minimum set-aside requirement is <u>either</u> : (1) 20% of the units to be rented to tenants earning no more than 50% of the area median income (adjusted for family size) established by HUD; or (2) 40% to tenants earning no more than 60% of AMI.	<p>CHFA accepts tax credit applications on an ongoing basis. The application deadlines for funding cycles are established each year.</p> <p>LIHTCs are also available through non-profit intermediaries.</p>

		established by CHFA.		
<b>Federal Home Loan Bank of Boston</b>				
Affordable Housing Program (AHP)	Program funds may be used only for the direct costs of producing or financing affordable housing. Uses include acquisition, construction, rehabilitation costs, related soft costs, interest-rate buy-downs, down-payment and closing-cost assistance, and matched-savings programs.	Member institutions on behalf of housing sponsors	Owner-occupied: At or below 80 percent of the area median income  Rental: At least 20 percent of the units are reserved for households at or below 50 percent of AMI	Competitive application program
The Community Development Advance	<p>Predevelopment, purchase, construction, or rehabilitation of:</p> <ul style="list-style-type: none"> <li>▪ multifamily, owner-occupied housing</li> <li>▪ multifamily rental housing, cooperative housing, or manufactured-housing parks or</li> <li>▪ multiple units of single-family, owner-occupied housing,</li> <li>▪ or mixed use initiatives.</li> </ul> <p>Financing for individual units of single-family, owner-occupied housing may be eligible under certain circumstances.</p>	Member institutions	<p>Multi-family:</p> <ul style="list-style-type: none"> <li>▪ In a neighborhood in which the median income is at or below 115 percent of the AMI, or</li> <li>▪ At least 51 percent of the units are for families at or below 115 percent of the AMI, or</li> <li>▪ Rents for at least 51 percent of the units do not exceed 30 percent of the income of income-eligible families</li> </ul> <p>Single-family:</p> <ul style="list-style-type: none"> <li>▪ At or below 115 percent of AMI</li> </ul>	Online application program
The New England Fund	<p>Acquisition, refinancing, construction, and/or rehabilitation:</p> <ul style="list-style-type: none"> <li>▪ single-family houses,</li> <li>▪ cooperatives and condominiums;</li> </ul>	Member institutions	At or below 140 percent of AMI	Online application program

	<ul style="list-style-type: none"> <li>▪ single-room-occupancy</li> <li>▪ multifamily rental housing; and</li> <li>▪ first-time home-buyer programs</li> </ul>			
<b>Housing and Urban Development</b>				
Section 202 Supportive Housing for the Elderly	<ul style="list-style-type: none"> <li>▪ Construction, rehabilitation or acquisition with or without rehabilitation</li> <li>▪ Rent subsidies</li> </ul>	Private, nonprofit sponsors	Very low-income (50% of AMI) household comprised of at least one person who is at least 62 years old	Applicants must submit an application for a capital advance, including a Request for Fund Reservation (HUD Form 92015-CA) and other information in response to the NOFA published in the Federal Register each fiscal year. Applications must be submitted to the local HUD field office.
Section 811 Supportive Housing for Persons with Disabilities	<ul style="list-style-type: none"> <li>▪ Construction, rehabilitation, or acquisition with or without rehabilitation</li> <li>▪ Rental assistance</li> </ul>	Nonprofit organizations	Very low-income (within 50% of AMI) household with at least one member 18 years old or older with a physical or developmental disability, or mental illness	
Section 221 Mortgage Insurance	Construction or substantial rehabilitation of 5 or more units of single room occupancy, multifamily rental or cooperative housing	<p>Section 221(d)(3): Nonprofit organizations</p> <p>Section 221(d)(4): Profit-motivated sponsors</p> <p>The program is used by nonprofit organizations, builders or sellers teamed with a nonprofit purchaser, limited-distribution entities, profit-motivated firms, or public agencies. Cooperative lenders or investors are not eligible.</p>	Residents are subject to normal tenant selection procedures. There are no income limits.	<p>Multifamily Accelerated Processing (MAP): The sponsor works with the MAP-approved lender who submits required exhibits for the pre-application stage.</p> <p>Traditional Application Processing (TAP): Applications by non-MAP lenders must be processed by HUD field office staff. The sponsor has a pre-application conference to determine preliminary feasibility of</p>

				the project.
<b>USDA Rural Development</b>				
Section 515 Rural Rental Housing	<p>Direct, competitive mortgage loans for up to 30 years at an effective 1 percent interest rate and amortized over 50 years</p> <p>Loans are typically limited to \$1 million.</p> <p>Funds may also be used to buy and improve land and to provide necessary facilities such as water and waste disposal systems.</p> <p>Rental assistance, a tenant subsidy income-eligible families residing in the financed facility, is also available; however, it is limited for new proposals.</p>	<p>Individuals, partnerships, limited partnerships,</p> <p>for-profit corporations, nonprofit organizations, limited equity cooperatives, Native American tribes, and public agencies <i>in USDA designated places</i> are eligible to apply.</p> <p>For-profit borrowers must agree to operate on a limited-profit basis.</p> <p>Borrowers must be unable to obtain credit elsewhere that will enable them to charge rents affordable to low- and moderate-income tenants.</p>	<p>Very low (below 50 % of AMI), low (between 50 and 80 percent of AMI) or moderate (capped at \$5,500 above the low-income limit) income persons; elderly persons; and persons with handicaps and disabilities</p> <p>When rental assistance is used, top priority is given to very low-income households</p>	<p>Notice of Funding Availability (NOFA) is published annually in the Federal Register. Applicants must contact the State Office (Southern New England) to receive the application package.</p> <p>Portions of the available funds are set aside for nonprofit organizations, applicants serving USDA-designated underserved areas, and Empowerment Zones, Enterprise Communities, and Rural Economic Area Partnership zones.</p>

Source: Housing Connections of Connecticut  
(Fall 2007)

## Appendix IX: Statutory Sources of Authority for Municipal Financing of Affordable Housing

[HinckleyAllenSnyderLLP](#)

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*Attorneys at Law*

To: James Dresser, Salisbury Affordable Housing Advisory Committee

From: Thomas S. Marrion, Kenneth S. McLaren

Date: August 10, 2009

Re: Statutory Sources of Authority for Municipal Financing of Affordable Housing

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The following material is provided in response to your request for information relating to the creation of affordable housing in the Town of Salisbury. Specifically, you asked us to provide a description of those provisions of Connecticut statutory law that may be utilized by municipalities in funding or otherwise encouraging the creation of affordable housing. You asked that we exclude from our review, those provisions of law relating to State or Federal affordable housing programs as you have already collated this information from other sources.

Accordingly, we have collected and set forth in the following pages descriptions of each of the relevant provisions grouped into several broad categories to aid reference. While we have aimed to provide a comprehensive list, it is possible that there are omissions. Where available we have included illustrations of how certain provisions have been utilized by Connecticut municipalities. We have also referenced external sources that were reproduced or adapted for inclusion in this report and that may provide useful supplementary material. Finally, we have included the full text of each statutory provision referenced herein as an appendix to this report.

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## I. GENERAL MUNICIPAL POWERS

### A. Connecticut Statutory Provisions

CGS Section 7-34a  
CGS Section 7-148  
CGS Section 7-536  
CGS Section 8-306  
CGS Chapter 203  
CGS Section 12-494.  
CGS Section 12-504e.

### B. Introduction

Section 7-148 endows Connecticut municipalities with the power to “provide for the financing, construction, rehabilitation, repair, improvement or subsidization of housing for low and moderate income persons and families.” While this expansive language seemingly provides towns with an unlimited range of options to finance local affordable housing initiatives, in practice the courts have tended to limit towns to using only those methods explicitly provided for in the statutes.<sup>1</sup> The statutory provisions that authorize the general sources of municipal finance, taxation, fees and borrowing, are described below.

### C. Taxation

Under Section 7-148(c)(2)(B) municipalities have the power to “assess, levy and collect taxes for general or special purposes on all property, subjects or objects which may be lawfully taxed” Courts have held that Connecticut municipalities have no powers of taxation except those expressly given to them by the legislature,<sup>2</sup> and that strict compliance with statutory provisions is a condition precedent to the imposition of a valid tax.<sup>3</sup>

Accordingly towns in Connecticut generally can assess, levy and collect only a handful of different taxes, the two most significant in terms of revenue generation being: 1) property tax on real and certain personal property as provided in Chapter 203 of the General Statutes, and 2) conveyance tax, which pursuant to Chapter 223 of the

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<sup>1</sup> Capalbo v. Planning and Zoning Board of Appeals, 208 Conn. 480, 490, 547 A.2d 528 (1988); Blue Sky Bar, Inc. v. Stratford, 203 Conn. 14, 19, 523 A.2d 467 (1987); (“A municipality can exercise only such powers as are granted it or such powers as are necessary to enable it to discharge the duties and carry into effect the objects and purpose of its creation.”); New Haven Water Co. v. New Haven, 152 Conn. 563, 566, 210 A.2d 449 (1965). There may be exceptions to this rule, *See, e.g.,* Gagne v. City of Hartford, 1994 Conn. Super. LEXIS 6 (upholding, as a valid exercise of the power to provide for affordable housing under CGS Section 7-148, an ordinance requiring owners who converted residential units into non-residential uses, or who demolished residential housing, to either replace the converted or demolished housing stock with similar units or to make a contribution to the city's low income housing fund, despite), however a full analysis is beyond the scope of this report.

<sup>2</sup> Security Mills, Inc. v. Norwich, 145 Conn. 375, 377, 143 A.2d 451 (1958).

<sup>3</sup> Empire Estates, Inc. v. Stamford, 147 Conn. 262, 264-65, 159 A.2d 812 (1960).



General Statutes, provides for payment to the Town Clerk of 0.25%<sup>4</sup> of the sales price of real property transferred within such town, or upon the change of use or classification of land within such town.<sup>5</sup>

#### **D. Borrowing**

##### Generally

Under Section 7-148(c)(2)(I) & (J) a municipality is empowered to regulate the method of borrowing money for any purpose for which taxes may be levied; borrow on the faith and credit of the municipality for such general or special purposes and to such extent as is authorized by the general statutes; and provide for the temporary borrowing of money.

Furthermore, under the Connecticut Municipal Housing Finance Assistance Act (CGS Section 8-306), towns and cities in Connecticut may issue notes and bonds in such principal amounts as the legislative body shall determine to be necessary to provide sufficient funds for achieving the purposes of the Act, including the making of mortgage loans and loans to lending institutions, the establishment of reserves to secure such notes and bonds, interest on such notes and bonds, and the payment of expenses incident to or necessary for operation of the housing finance assistance plan.

#### **E. Fees**

Although the Connecticut General Statutes authorize the collection of fees by municipalities in numerous instances, we have not found any statutory provisions *explicitly* permitting the imposition of such fees for the provision of affordable housing. Under CGS Section 7-34a(e), however, \$1 of every \$30 dollars of fees received by a town clerk for each document recorded in the land records of the municipality can be used to pay for local capital improvements as defined in CGS Section 7-536, which definition includes the development, renovation or improvement to public housing projects.

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<sup>4</sup> Several towns, including Hartford, New Haven and Bridgeport, are permitted to collect a conveyance tax of 0.5% of the sales price.

<sup>5</sup> See CGS Section 12.504(e) “Any land which has been classified by the owner as farm land pursuant to section 12-107c, forest land pursuant to section 12-107d, open space land pursuant to section 12-107e or maritime heritage land pursuant to section 12-107g, if changed by him, within a period of ten years of his acquisition of title, to use other than farm land, forest land, open space land or maritime heritage land, shall be subject to said conveyance tax as if there had been an actual conveyance by him, as provided in sections 12-504a and 12-504b, at the time he makes such change in use.”

## II. INCLUSIONARY ZONING

### A. Connecticut Statutory Provisions

CGS Section 8-2g  
CGS Section 8-2i  
CGS Section 8-19  
CGS Section 8-26  
CGS Section 8-30a

### B. Overview<sup>6</sup>

“Inclusionary zoning” refers to the use of the zoning mechanisms that control land development to promote affordable housing. Land use regulations can increase development costs “by dictating factors such as the size of lots and buildings and specifications for sewers, roads, sidewalks, and open spaces. Inclusionary zoning programs help to promote affordable housing by mitigating these costs. A common approach permits a developer to build more units per acre than the zoning regulations normally allow if the developer will provide some of those units for affordable housing.”<sup>7</sup>

“Connecticut law allows towns to adopt voluntary or mandatory inclusionary zoning regulations that include preferences and resale restrictions.”<sup>8</sup> CGS Section 8-2g allows towns to design voluntary programs pursuant to which developers may elect to place deed restrictions governing the resale of some of the units that are built pursuant to the program.

CGS Section 8-2i, on the other hand, allows towns to design voluntary or mandatory programs. “It lists several examples, including one requiring a developer to set aside units for ‘long term retention as affordable housing through deed restrictions or other means.’”<sup>9</sup> Sections 8-2g and 8-2i are described in greater detail below.

### C. CGS Section 8-2g. Special exemption from density limits for construction of affordable housing.

#### Summary<sup>10</sup>

Section 8-2g of the Connecticut General Statutes allows municipalities in Connecticut to enact zoning regulations granting developers a special exemption from density limits established for any zoning district, or special exception use, in which multifamily dwellings are permitted, provided that the developer creates a certain number of affordable housing units.

In applying for such an exemption, the developer enters into a contract with the municipality that describes the housing units to be created. Each such contract must mandate that the developer provide a minimum of one unit

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<sup>6</sup> This Section B is reproduced in modified form from the report by John Rappa, Principal Analyst of the Connecticut Office of Legislative Research Reports (“OLRR”), *Re: Zoning Requirements*, October 18, 1995 95-R-1220, *Re: Zoning Requirements*; and *Re: State Affordable Housing Programs*, Rappa, OLLR, December 9, 1997, 97-R-1359.

<sup>7</sup> This paragraph is reproduced in modified form from *Re: State Affordable Housing Programs* OLRR, December 9, 1997, 97-R-1359.

<sup>8</sup> *Re: Zoning Requirements*, OLRR, October 18, 1995 95-R-1220.

<sup>9</sup> *Id.*

<sup>10</sup> This summary is reproduced in modified form from *Greater Danbury, CT Housing Market Assessment*, By Harrall-Michalowski Associates, December 2008, p.54-55 – which Assessment is provided in full as a supplement to this report.

of affordable housing for every unit built in excess of the number of units permitted under ordinarily applicable density limits. In addition, each unit of affordable housing provided under the contract must be of the same construction quality and size as the other units in the development.

Affordable units provided pursuant to the contract can be located anywhere within the municipality, and must be maintained as affordable units for a minimum 30 year period. The contract between the developer and the town must also establish income limits for those households eligible for the affordable units and maximum sales or rental prices (subject to reasonable periodic increases). The eligible income limits must not exceed the area median income of the municipality as determined by HUD.

Finally, the legislative body of the municipality must, within 120 days of being notified by the zoning commission of the adoption of regulations under Section 8-2g, designate an agency to oversee the establishment of household income criteria and the sale or rental of the affordable units. If the legislative body fails to make such a designation, the zoning commission may notify the municipality's housing authority or other municipal agency with responsibility for housing matters and charge such agency with implementing the program.

#### Example: Plymouth, Connecticut

An online search<sup>11</sup> indicates a number of Connecticut municipalities<sup>12</sup> that utilize Section 8-2g to promote affordable housing development, including Plymouth, whose regulatory scheme is described in greater detail below.

The Town of Plymouth enables the use of 8-2g under Article 6, M "Special Permit and Uses Regulations: Planned Affordable Housing Development" of its zoning regulations. Within the town's R-40 Residential Districts, developers may build single family housing at significantly higher densities provided that they meet the conditions of Section 8-2g. If the statutory conditions are met, the developer may, pursuant to a plan approved by the town, build in the R-40 district at a density of up to 5 units per buildable acre, instead of one unit per 40,000 sq. ft. (approximately 0.92 acres).

Plymouth's regulations provide that the affordable units be reasonably dispersed throughout the planned development and that affordable units shall have the same ratio of various bedroom types as does the development as a whole. In the order to preserve the affordable units created under this plan, the regulations require that the sale and rental prices of such properties be restricted by deed so that the prices do not exceed the maximum levels permitted for affordable housing for 30 years.

#### **D. CGS Section 8-2i. Inclusionary zoning.**

##### Summary<sup>13</sup>

Section 8-2i of the Connecticut General Statutes authorizes a community to "implement ... any zoning regulation, requirement or condition of development imposed by ordinance, regulation or pursuant to any special permit,

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<sup>11</sup> We performed a simple search for the words "Connecticut and zoning and 8-2g" using a popular online search engine.

<sup>12</sup> Including Danbury, Madison, New Milford, East Hampton and Andover.

<sup>13</sup> This Summary is reproduced from *Guilford - Growth Management Strategies*, prepared by the Town of Guilford Planning Committee in collaboration with Glen Chalder, AICP, of Planimetrics, LLC and Terry Szold of Community Planning Solutions, August 9, 2004, at p.40; available online at [http://guilfordct.virtualtownhall.net/GuilfordCT\\_Documents/S005C87A7-005C87BC.0/Growth%20Management%20Strategie.pdf](http://guilfordct.virtualtownhall.net/GuilfordCT_Documents/S005C87A7-005C87BC.0/Growth%20Management%20Strategie.pdf)

special exception or subdivision plan which promotes the development of housing affordable to persons and families of low and moderate income ...” Three requirements and conditions suggested in the statute are:

**Set-Aside Option**        The setting aside of a reasonable number of housing units for long-term retention as affordable housing through deed restrictions or other means

**Density Option**        The use of density bonuses

**Fee In Lieu Option**    In lieu of or in addition to such other requirements or conditions, the making of payments into a housing trust fund to be used for constructing, rehabilitating or repairing housing affordable to persons and families of low and moderate income.

Examples: Brookfield, Redding and Ridgefield <sup>14</sup>

The towns of Brookfield, Redding and Ridgefield all allow for density bonuses as permitted and enabled under Section 8-2i. Brookfield allows the number of multifamily units to be increased by a “factor of two” under certain circumstances and in permitted zones, provided that between 25% and 50% of the units are affordable, among other requirements.

In its Historic Mill Center Zone, the Town of Redding allows a 150% density bonus (from 4 units/acre to 10 units/acre) if at least 30% of the total housing units are set aside as affordable. The Town of Ridgefield allows a 33% density bonus (from 6 units/acre to 8 units/acre) in multi-family developments if at least 15% of the total housing units are affordable.

Example: Darien <sup>15</sup>

Darien’s Inclusionary Zoning regulations, adopted on January 6, 2009, require that each development of five (5) building lots in a subdivision or the building of any multifamily housing units (i.e., more than one dwelling unit) on a property shall designate at least twelve percent (12%) of the dwelling units as affordable housing using the income limits applicable to Section 8-30g. In the alternative, the developer may, at the discretion of the Planning and Zoning Commission, pay a fee in lieu of building such affordable units into a Darien Housing Trust Fund established by the Town.

Example: Stamford <sup>16</sup>

In 2001, acting upon a recommendation of the Mayor’s Housing Task Force, the Stamford Zoning Board enacted “inclusionary zoning regulations ‘to promote the private development of housing affordable to persons and families of low and moderate income’” through:

- (1) affordable housing set asides
- (2) density bonuses and
- (3) payments into a housing trust fund as appropriate vehicles to create housing opportunities at below market rate prices.

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<sup>14</sup> These examples are reproduced from *Greater Danbury, CT Housing Market Assessment*, By Harrall-Michalowski Associates, December 2008, Page 58 – which Assessment is provided in full as a supplement to this report.

<sup>15</sup> Id.

<sup>16</sup> Id.

Within the context of its mandatory scheme, the Stamford zoning board can, on a case by case basis, require developers to use whichever option it decides best maximizes results, i.e. increases the stock of, or helps the most people to access affordable housing.<sup>17</sup>

**E. Exemptions from Subdivision Regulations**

- CGS Section 8-19. Creation of planning commissions. Exemption re certain affordable housing. – Permits a municipality to adopt an ordinance exempting from its subdivision regulations the first subdivision of land by a landowner, provided the lot created is for affordable housing to be developed by the municipality or a non-profit organization.
- CGS Section 8-25. Subdivision of land. – Exempts a subdivision from certain otherwise applicable open space requirements where the subdivision is to contain affordable housing, as defined in section 8-39a, equal to twenty per cent or more of the total housing to be constructed in such subdivision. This exception exists pursuant to Section 8-25 without the need for adoption of any ordinance or regulation.

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<sup>17</sup>[http://www.ci.stamford.ct.us/filestorage/25/52/140/214/364/402/437/AFFORDABLE\\_HOUSING\\_SUMMARY\\_1995-2008.pdf](http://www.ci.stamford.ct.us/filestorage/25/52/140/214/364/402/437/AFFORDABLE_HOUSING_SUMMARY_1995-2008.pdf)

### III. TAX:

#### ABATEMENTS, DEFERRALS AND CREDITS

##### A. Connecticut Statutory References

CGS Section 8-39a  
CGS Section 8-169u  
CGS Section 8-202(c)  
CGS Section 8-215  
CGS Section 8-216  
CGS Section 8-216a  
CGS Section 8-296  
CGS Section 8-380  
CGS Section 12-63  
CGS Section 12-64a  
CGS Section 12-65  
CGS Section 12-81(21)(c)  
CGS Section 12-81aa  
CGS Section 12-81bb  
CGS Section 12-81f  
CGS Section 12-119a  
CGS Section 12-124

##### B. Section 8-215. Tax abatement for housing for low or moderate-income persons.

###### Summary

Under Section 8-215 a municipality may adopt an ordinance<sup>18</sup> abating some or all of the real property taxes otherwise due on real property classified as “solely for low or moderate-income persons or families.” Under Section 8-202(c) this means “housing, the construction or rehabilitation of which is aided or assisted in any way by any federal or state statute, which housing is subject to regulation or supervision of rents, charges or sale prices and methods of operation by a governmental agency under a regulatory agreement or other instrument which restricts occupancy of such housing to persons or families whose incomes do not exceed prescribed limits.”<sup>19</sup>

The tax abatement must be made pursuant to a contract<sup>20</sup> between the municipality and the property owner that specifies how the savings will be utilized. The savings must be used to reduce rents, achieve mixed income occupancy, and/or provide related facilities and services. The abatement ends if the housing is no longer used solely for low and moderate income persons and families.

This tax abatement may be subject to reimbursement by the state under Section 8-216 (discussed below).

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<sup>18</sup> See, e.g., Tax Abatement Ordinance, Somers, Connecticut, Effective July 03, 2008.

<sup>19</sup> Under CGS Section 8-202(c).

<sup>20</sup> See, e.g., Tax Abatement Agreement Between the City of Stamford and Palmer Square Apartments for the Vidal Court Revitalization.

### Example: Stamford

The City of Stamford, pursuant to an ordinance adopted pursuant to Section 8-215,<sup>21</sup> recently entered into a tax abatement agreement with a developer.<sup>22</sup> The agreement provides for the abatement of 100% of the property taxes that would otherwise be payable on 57 units of federally subsidized low income public housing to be constructed by the partnership. This agreement facilitates part of a larger plan by the city to redevelop the “Vidal Court Housing Project” and to replace 216 old high density low income housing units with 315 mixed use, residential, commercial, low income and market rate units. The agreement further provides that the developer will remit to the city a portion of the rent collected on the units to offset the abated taxes.

In addition to Stamford, an online search of Connecticut municipal ordinances using [www.municode.com](http://www.municode.com), an online library of municipal codes, indicated a number of other Connecticut towns that utilize the tax abatements provided for under Section 8-215, including Durham,<sup>23</sup> Groton,<sup>24</sup> and Somers.<sup>25</sup>

### **C. CGS Section 8-216. State reimbursement for tax abatements. Payment in lieu of taxes on housing authority or state land.**

Under Section 8-216 the State of Connecticut Department of Economic and Community Development (“DECD”) has discretion to provide financial assistance in the form of grants-in-aid to a municipality up to the value of the taxes abated by such municipality under Section 8-215 above.<sup>26</sup> The assistance cannot run for more than 40 consecutive years.

In addition, under Section 8-216(b) and (d), DECD can enter into a contract with a municipality providing for Payment in Lieu of Taxes (“PILOT”) for both housing authority moderate-income projects, and projects funded under DECD’s consolidated housing program. In either case, the PILOT has to equal the property tax that would have been paid if the project had been taxable. Per the DECD website, however, these programs are not currently open to new applicants.<sup>27</sup>

### **D. CGS Section 12-81bb. Municipal option to provide property tax credits for affordable housing deed restrictions.**

Low-income housing, even if owned by a nonprofit organization, is not eligible for a charitable exemption from property taxes pursuant to Section 12-81(7), which explicitly states that government-subsidized housing and housing for persons or families of low and moderate income do not constitute “charitable purpose[s]” under that section. However, Section 12-81bb authorizes municipalities to provide, by ordinance, tax credits to owners of residential real property who place long-term (no less than 40 years) binding deed restrictions on such property providing that such property be sold or rented only to persons or families whose income is less than or equal to

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<sup>21</sup> See Stamford Code of Ordinances, Art. I, Sec. 220 Low Or Moderate Income Housing Tax Abatement, <http://www.municode.com/resources/gateway.asp?pid=13324&sid=7>.

<sup>22</sup> See Tax Abatement Agreement Between the City of Stamford and 58 Progress Drive Apartments for the Revitalization of Vidal Court.

<sup>23</sup> See Durham Code of Ordinances, Sec. 15-8. Sec. 15-8. Abatement of property taxes for low or moderate income. <http://www.municode.com/resources/gateway.asp?pid=12177&sid=7>

<sup>24</sup> See Groton Code of Ordinances, Sec. 14.5-2. Authorization to enter tax abatement agreement with Mystic River Homes, Inc., <http://www.municode.com/resources/gateway.asp?pid=12657&sid=7>.

<sup>25</sup> See Tax Abatement Ordinance, Somers, Connecticut, Effective July 03, 2008.

<sup>26</sup> There is an exception in the case of financial assistance contracts entered into with the state prior to October 1, 1973. The assessment on such housing or part thereof is to be determined as provided in Section 216a.

<sup>27</sup> See <http://www.ct.gov/ecd/cwp/view.asp?a=1096&q=256918> Copyright © 2002 - 2009 State of Connecticut.

eighty per cent of the area median income or the state median income, whichever is less, and constitutes “affordable housing” within the meaning of CGS Section 8-39a.

#### **E. CGS Section 12-63. Rule of valuation**<sup>28</sup>

##### General Rule

The general rule of valuation of real property is stated in Section 12-63: "The present true and actual value of all other property [other than farm, forest and open-space land] shall be deemed by all assessors and boards of assessment appeals to be the fair market value thereof and not its value at a forced or auction sale." It has been held that the best test for determination of value is ordinarily market sales.<sup>29</sup>

Moreover, it is violative of constitutional principles to treat similarly-situated taxpayers differently with regard to valuation.<sup>30</sup> Accordingly, the methodology used for one taxpayer cannot vary from that used for all other taxpayers, without a reasonable justification for such unique treatment.

##### Rental Income Real Property

The comparable sales approach is the preferred method of valuation for rental income real property.<sup>31</sup> Where there are insufficient data on sales of comparable property, Section 12-63b(a) mandates consideration of three methods of appraisal, to the extent applicable:

"(1) Replacement cost less depreciation, plus the market value of the land, (2) the gross income multiplier method as used for similar property, and (3) capitalization of net income based on market rent for similar property."

For purposes of determining the method of valuation by capitalization of net income, there are express directions contained in Section 12-63b(b), providing that "market rent" shall be "the rental income that such property would most probably command on the open market as indicated by present rentals being paid for comparable space. In determining market rent the assessor shall consider the actual rental income applicable with respect to such property under the terms of an existing contract of lease at the time of such determination."

##### Affordable Housing

Section 8-216a (discussed above) provides that the true and actual value of property classified as low or moderate income housing under Section 8-215 and subject to governmental rent regulation, shall be based upon and shall not exceed the capitalized value of the net rental income of the housing project. For purposes of Sections 8-215, 8-216 and 8-216a, such net rental income means the gross income of the project as limited by the schedule of rents or carrying charges, less reasonable operating expenses and property taxes.

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<sup>28</sup> This section E is reproduced in modified form from a report prepared by Bennett J. Bernblum, Esq. Of Wiggin and Dana LLP for the Town of Cromwell, Connecticut, *see* 2004 Connecticut Property Tax Update, *Materials for: Overview of Connecticut State Tax Issues '04 Professional Education Systems Institute, Cromwell, Connecticut November 12, 2004*(As revised January 6, 2005).

<sup>29</sup> *Burritt Mutual Savings Bank v. New Britain*, 146 Conn. 674 (1959).

<sup>30</sup> *Yankee Gas Co. v. Meriden*, 29 Conn. L. Rptr. 285 (April 20, 2001).

<sup>31</sup> *See Carol Management Corp. v. Board of Tax Review*, 278 Conn. 23, 40 (1993).



## F. Additional Tax Statutes<sup>32</sup>

In addition to those described above, there are a number of other statutory provisions which permit municipalities to abate or defer taxes in specifically delineated circumstances. Although not directly aimed at the provision of affordable housing, we have summarized below, those provisions which may affect housing affordability:

- CGS Section 8-169u – Permits a municipality, by resolution adopted upon the recommendation of an Urban Homesteading Agency, to abate or defer for up to 10 years some or all of the taxes due on formerly abandoned property that the municipality conveys to individuals who rehabilitate and occupy it.<sup>33</sup>
- CGS Section 8-296 – Permits a municipality, by resolution adopted upon the recommendation of an Urban Rehabilitation Agency,<sup>34</sup> to abate or defer for up to 10 years some or all of the taxes due on formerly abandoned property that the municipality conveys to individuals who rehabilitate and occupy it.
- CGS Section 8-380 – Mandates municipal tax deferrals on increases in tax assessments on improvements made to commercial and residential properties in locally designated, state approved housing development zones in distressed municipalities. Town must phase in the increase attributable to the improvement according to an 11-year statutory schedule. In the case of residential property, the deferral applies only if the occupants earn no more than 150% of the town's median income.<sup>35</sup>
- CGS Section 12-64a – Mandates a reduction in the assessed value of real estate where the buildings thereon have been damaged so as to require demolition or complete reconstruction. Additionally, provides municipal option to abate tax on personal property located in such damaged building.
- CGS Section 12-65 – Permits a municipality to enter into an agreement with a property owner to fix property tax assessments for up to 7 years and defer increased assessments for up to 11 years on a newly constructed or rehabilitated structure containing at least three units in a designated redevelopment, urban renewal, or community development project.<sup>36</sup>
- CGS Section 12-81(21)(C) - Permits a municipality to grant a total tax exemption for a residence with respect to which a veteran has received assistance for special housing under Title 38 of the United States Code.
- CGS Section 12-81f – Municipal option to provide additional exemption for veterans or spouses eligible for exemption under 12-81 (low income veterans exemption). The exemption provided for under this subsection shall be applied to the assessed value of an eligible veteran's property and, at the option of the municipality, may be an amount up to ten thousand dollars or an amount up to ten per cent of such assessed value.
- CGS Section 12-81aa – Municipal option to abate up to 50% of property taxes for urban and industrial reinvestment sites, as defined in CGS Section 32-9t.
- CGS Section 12-119a – Permits a municipality to reduce any amount added to a property tax assessment made pursuant to Sections 12-42, 12-43, 12-53, 12-111 or 12-115.<sup>37</sup>

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<sup>32</sup> This section F is, in part, reproduced in modified form from a report prepared by Bennett J. Bernblum, Esq. of Wiggin and Dana LLP for the Town of Cromwell, Connecticut, see 2004 Connecticut Property Tax Update, *Materials for: Overview of Connecticut State Tax Issues '04 Professional Education Systems Institute, Cromwell, Connecticut November 12, 2004* (As revised January 6, 2005).

<sup>33</sup> See *Distressed Municipalities Offering Property Tax Abatements for Rehabilitated Homes and Apartments*, Moran and Rappa, OLRR, October 5, 2000, 2000-R-0837, at table 2.

<sup>34</sup> For details of Connecticut's Urban Rehabilitation Homeownership (UR Home) Program, see the following link, <http://www.chfa.org/MainPages/URHomeProgram-2006.htm>.

<sup>35</sup> See *Distressed Municipalities Offering Property Tax Abatements for Rehabilitated Homes and Apartments*, at table 2.

<sup>36</sup> See Id.

<sup>37</sup> See Bernblum, Esq. 2004 Connecticut Property Tax Update, at p.15.

- CGS Section 12-124 – “Allows the selectmen of towns, the mayor and aldermen of cities, the warden and burgesses of boroughs and the committees of other communities to abate taxes and/or interest assessed on delinquent taxes for “such persons as are poor and unable to pay the same or upon railroad companies in bankruptcy reorganization.” The determination as to what constitutes inability to pay is a local matter left to the discretion of town officials.”<sup>38</sup>
- CGS Section 12-124a – Permits a municipality to abate the property taxes assessed on the primary residence of the taxpayer, to the extent that such taxes exceed 8% or more of the total household income of the occupants of such property.<sup>39</sup>

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<sup>38</sup> Id., at p.26.

<sup>39</sup> See Id.

## IV. INCENTIVE HOUSING ZONES

### A. CGS Section 8-13m to 8-13x

#### Summary

The Connecticut General Assembly adopted the Housing for Economic Growth Program in June 2007. “This program provides incentives for municipalities to establish overlay zones known as Incentive Housing Zones (IHZs) in eligible locations, defined by proximity to transit facilities, existing or proposed infrastructure, and existing high-density development. Municipalities that choose to participate in the program have to agree to meet minimum density requirements of 6 units per acre for single-family housing, 10 units per acre for duplexes or townhomes, or 20 units per acre for multifamily units located in the IHZs. At least 20 percent of the housing units in a residential or mixed-use development must be affordable to households earning at or below 80 percent of the area median income. In return for creating IHZs that meet these requirements, the municipalities will receive \$2,000 for every new housing unit allowed and \$2,000–\$5,000 for every building permit issued for a multifamily or single-family housing unit in these zones, subject to availability of funds.

The program also provides technical assistance grants to municipalities for the development of the IHZs. Municipalities can utilize the grants to plan for incentive housing zones, develop incentive housing zone regulations and design standards, and review applicable subdivision regulations. According to the state’s Office of Policy and Management, since the start of the application process in April 2008, eight municipalities have applied for technical assistance grants; three of these have been approved.”<sup>40</sup> In addition, the Town of Wallingford on April 14, 2009 became the first Connecticut municipality to apply to the Connecticut Office of Policy and Management for approval of an Incentive Housing Zone.<sup>41</sup>

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<sup>40</sup> *Connecticut Enacts Legislation to Increase Housing Affordability*, Regulatory Barriers Clearinghouse – Breakthroughs, July 2008 Volume 7, Issue 4, <http://www.huduser.org/rbc/newsletter/Volume7Iss4Print.html>

<sup>41</sup> ‘Town of Wallingford Files First HOMEConnecticut Incentive Housing Application’, Shipman & Goodwin, LLP, April 16, 2009, <http://www.shipmangoodwin.com/News/Detail.aspx?news=106>

## V. MISCELLANEOUS

### A. Impact (Linkage) Fees

#### Summary

Impact fees are imposed on new developments to pay for public improvements that the developments necessitate.<sup>42</sup> The Connecticut Supreme Court has ruled that towns can impose such a fee only if it is authorized by statute.<sup>43</sup> The Connecticut statutes implicitly authorize impact fees in only three instances: fees in lieu of parking spaces (CGS § 8-2c), open space land (CGS § 8-25), and affordable housing units (CGS § 8-2i).

#### Example: Stamford

In a slight variation of the typical impact fee structure, the City of Stamford has enacted Ordinance No. 973 “Concerning Commercial Linkage for Affordable Housing.” The purpose of the Linkage Ordinance, which was enacted during the commercial building boom, was to allocate a share of commercial building permit fees collected by the City to: the creation or rehabilitation of affordable housing; the conversion of residential properties into affordable condominiums or cooperatives; or towards home ownership assistance.

### B. Housing Trust Funds

A Housing Trust Fund is a vehicle established to receive and accumulate funds over the long term for the purposes of financing affordable housing. The funds are set up in a stable and reliable trust fund. Sources of funding vary for such trusts. Often private funding sources are tapped. Similar to the Stamford example given above, New Canaan allocates to its affordable housing trust, \$10 out of every \$1000 it receives for building permits.<sup>44</sup>

Housing trust funds are authorized under CGS Section 7-148(c)(2)(K), which provides that any municipality has the power to “create a sinking fund or funds or a trust fund or funds or other special funds, including funds which do not lapse at the end of the municipal fiscal year.” Moreover, such funds may qualify for state matching funds under CGS Section 8-365 which provides that DECD shall make grants in aid to municipalities which have created programs for financing of low and moderate income rental housing and have provided for (1) a “separate and distinct fund for any moneys received for or dedicated to such program, which fund shall not lapse at the end of the municipal fiscal year; (2) allow for unrestricted direct contributions from private persons, municipal funds and federal funds to such fund; and (3) include a mechanism to guarantee that a majority of the tenants in any project financed by such program shall be low and moderate income families.” Any grant awarded under this provision will equal 50% of all private funds deposited in the Housing Trust Fund.

### C. CGS Section 7-148b. Creation of fair rent commission. Powers.

Under this section any town, city or borough may, through its legislative body, create a fair rent commission to

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<sup>42</sup> For further analysis, see *Case Law Regarding Development Impact Fees*, Rappa, OLRR, November 26, 2002, 2002-R-0902

<sup>43</sup> See *Avonside Inc. v. Zoning and Planning Commission of Avon*, 153 Conn. 232 (1965) (striking down a subdivision regulation that required developers to cover the town's cost of inspecting public improvements specifically because no statute authorized payments for this purpose).

<sup>44</sup> See *Greater Danbury, CT Housing Market Assessment*, at p. 92.

make studies and investigations, conduct hearings and receive complaints relative to rental charges on housing accommodations.

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