

Town of Salisbury

Affordable Housing Plan 2023



Adopted July 2023

Drafted by Salisbury Affordable Housing Commission

June 2023

To the Residents of Salisbury,

The charge of the Salisbury Affordable Housing Commission (SAHC) is to “facilitate and promote the creation of affordable housing in Salisbury.” Since 2010, the Commission has worked to better understand Salisbury’s specific housing needs, identify properties that could be developed for housing, and support our local housing organizations: the Salisbury Housing Trust (SHT), Salisbury Housing Committee (SHC), and NWCT Habitat for Humanity. (See the graphic on the next page to understand how these groups work together.)

In July 2017, the Connecticut State Legislature passed Public Act 17-170, requiring every municipality to adopt an “Affordable Housing Plan” and update the plan every five years. Each update provides an opportunity for the Town to adjust to the changing economic times and increase community awareness.

Covid-19-driven real estate escalation and high inflation mean more households than ever are paying more than 30% of their income on housing. The need for housing has become a crisis, with more than 100 households in Salisbury on a waiting list for affordable rentals.

There is room for optimism, however, in the face of these challenges. Recent progress includes:

- SHC constructed 10 new rental units at Sarum Village and received funding for a third phase of expansion slated to break ground in 2023;
- SHT purchased a home in Lime Rock from a long-time Salisbury couple who were downsizing and chose to sell to the Trust for less than market value; this home is deed-restricted to remain affordable into the future;
- SHT purchased and renovated the property at 70 E Main Street. The house will be sold as a deed-restricted affordable home;
- Community support, indicated by a vote of 291 to 50, allows for driveway access along the Rail Trail to 5 acres of land donated to the SHC, which plans to develop 18-20 affordable rental units on the property;
- After receiving approval from Planning & Zoning to construct 12 affordable rental units at the Holley Block in Lakeville, SHC overcame legal challenges from neighbors and is pursuing funding to start construction;
- Habitat for Humanity of NWCT completed a new home in the Lime Rock neighborhood, now owned and happily occupied by a local family.

Despite this progress, much work remains. Our 2023 Affordable Housing Plan highlights the growing need for affordable housing in Salisbury, proposes a specific goal of building 100 sustainably designed housing units over the next 10 years and lays out steps to achieve that goal. We hope that this advisory plan will educate residents and build community support for sustainable, affordable housing to support the wellbeing of people and businesses in the Town of Salisbury.

Sincerely,

SALISBURY AFFORDABLE HOUSING COMMISSION

Jennifer Kronholm Clark, Chair	Pat Hackett
Elizabeth Slotnick, Vice-Chair	Jon Higgins
Mary Close Oppenheimer	Lee Sullivan
Jim Dresser	Katie White
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Several groups in Salisbury work together to create deed-restricted affordable housing. The graphic above illustrates how these volunteer-run organizations support each other's efforts.

On the cover

From top left: Salisbury Central School Band and Salisbury Band play together in the 2023 Memorial Day parade (Jennifer Kronholm Clark); downtown Salisbury (Jennifer Kronholm Clark); Lakeview Apartments in Lakeville (Mary Close Oppenheimer); view from Lion's Head (Jennifer Kronholm Clark); Lakeville Town Grove (Jennifer Kronholm Clark); Ski jumping at Satre Hill (Salisbury Winter Sports Association); Sarum Village in Salisbury (Mary Close Oppenheimer)

I. What Is Affordable Housing?

A home is defined as “affordable” if it costs less than 30% of the income of a household earning 80% or less of the Area Median Income (AMI). In order to count towards a town’s official tally of affordable housing, the property must be deed restricted to remain affordable for at least 30 years.

This calculation is adjusted annually and by household size. Table 1, below, shows the 2022 data adopted by affordable housing developments within Litchfield County.

Table 1

Household Income 2022

	1 Person	2 People	3 People	4 People	5 People
80% of AMI (2022)	\$63,120	\$72,080	\$81,120	\$90,080	\$97,360

Rent Limits 2022

	Studio	1 bedroom	2 bedroom	3 bedroom	4 bedroom
80% of AMI (2022)	\$1,578	\$1,690	\$2,028	\$2,343	\$2,614

“Owning a home has changed our lives drastically... We look around and go, WOW! We have a home and love our neighborhood. .Our mortgage is half of what we were paying in rent.”

Kendra Chapman, Owner, Black Rabbit Bar & Grill, and Salisbury Housing Trust homeowner.



II. Why Does Salisbury Need More Affordable Housing?

- A. Incomes Have Not Kept Pace with Housing Costs
- B. The High Number of Second Homes
- C. The Growth in the Number of Short-Term Rentals (STRs)
- D. The Lack of Multi-Unit Housing
- E. The Lack of Affordable Rental Housing
- F. The Affordable Housing Appeals Act

A. The incomes earned by the people who live and work in the Town of Salisbury have not kept pace with housing costs.

Many of the people who work in town — at Noble Horizons, Salisbury Central School, Salisbury Visiting Nurse Association, LaBonne's, The White Hart, and many other local businesses that residents of the town depend on — cannot afford a home in Salisbury if they want to live here.

Many of the people who provide vital volunteer services that require close proximity to town, such as the Salisbury Volunteer Ambulance Service and the Lakeville Hose Company, cannot afford to live in the community they voluntarily serve. The organizations struggle more each year to recruit volunteers, due in significant part to the lack of affordable homes.

Many older adults who have lived in Salisbury for decades have trouble affording repairs and upkeep on their homes, yet have no opportunities to downsize due to the lack of suitable housing stock.

Many younger adults who grew up in Salisbury would like to raise their own families here, but affordable “starter homes” are either non-existent or need a great deal of rehab in order to be livable. Demands on younger residents such as repaying college loans often leave very little household income to pay a mortgage.

The Department of Housing and Urban Development Comprehensive Housing Affordability Strategy (HUD CHAS) data based on the latest available American Community Survey (2015-2019) provides clear evidence that housing in Salisbury is unaffordable for many who live and work here. It shows the following:

- A total of 575 Salisbury households (who declare Salisbury their primary residence) are paying unaffordable rents or homeownership costs (i.e., paying more than 30% of their household income on housing costs). 280 households are spending between 30% and 50% of their income on housing costs and 295 households are spending more than half (50%) of their income on housing costs. This is considered severely cost burdened.

- The Town's median household income is \$72,658. Thus 50% of Salisbury's households earn more than that amount and 50% earn less. To qualify to live in "affordable" housing, a household needs to earn less than 80% of the area median income (Litchfield County) (see Table 1 on page 4). 200 Salisbury households were earning less than 30% of the AMI; 205 households were earning between 30% and 50% of the AMI; and 370 were earning between 50% and 80% of the AMI. Technically all of these households would be eligible to live in affordable housing (most State and Federally funded affordable housing programs serve households under 80% of AMI).
- Furthermore, in their March 2023 monthly update, SMART MLS, Connecticut real estate's multiple listing services database, reported that the average sale price for the 15 single-family homes sold in Salisbury in 2023 (year to date) was \$997,210 and the median was \$1,069,000.

B. High Percentage of Second Homes

Almost half of Salisbury's homes show as "vacant" in Table 2, below. This indicates the homes are occupied on a part-time basis. This limits the supply of homes available to year-round residents and contributes to the high cost of housing in town.

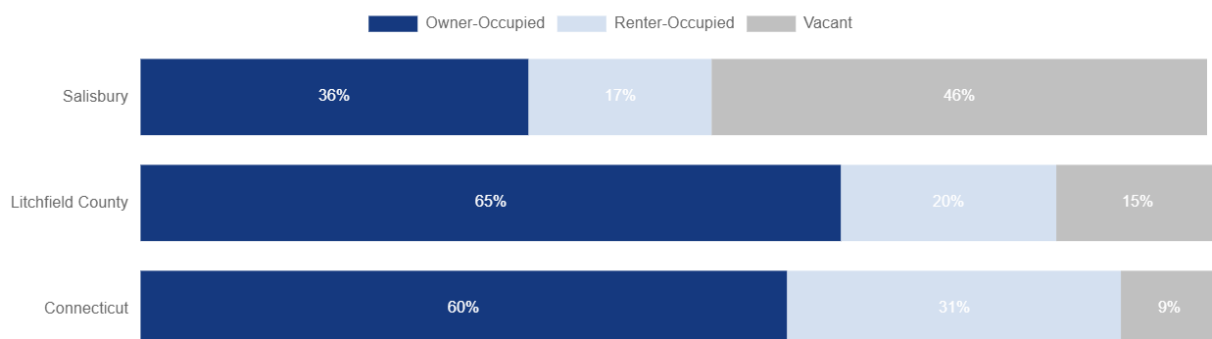
Table 2

Occupancy Status of Salisbury Homes

Occupancy Status

In Salisbury, 36.4% of housing units are owner-occupied, compared to 64.5% in Litchfield County.

The bar charts below show what percent of housing units are owner- and renter-occupied, and vacant in Salisbury, Litchfield County, and Connecticut.





"We need rentals and zoning that makes it possible to have housing that people can afford. When [our teachers and staff] live in less expensive towns, their commute is longer and they don't always send their children to our schools. We have lost employees due to long commutes and have had people turn down job offers due to the high cost of living in the area."

Stephanie Magyar, Principal, Salisbury Elementary School

C. Growth in Number of Short-Term Rentals (STRs)

As of May 2023, there were 84 such units advertised on websites such as VRBO (Vacation Rentals by Owner) and Airbnb. Part of the growth was an unintended outgrowth of opening zoning to allow accessory dwellings. The intent was to create more apartments and thus more affordable units in town. Instead, most of the accessory dwellings constructed became home offices, guest houses, and short term rental investments.

One idea to assist the funding of affordable housing is the possibility of assessing a fee on the STRs that would go directly into an affordable housing fund. Perhaps their success can become a support rather than a detriment to affordable housing.

D. Current Lack of Multi-Unit Housing

Of Salisbury's occupied housing stock, 81% are single-family, detached homes. Only 6% of housing units include between 3 and 9 units. Housing that contains multiple units is often more affordable by nature than single-family housing, and the exterior maintenance of both the building and the grounds are normally not the responsibility of the residents. This is a benefit that can be especially desirable for seniors.

Currently, Lion's Head Condos and Noble Horizons are the only market-rate multi-family options available. Some of these offer ADA-accessible units, but all cost well above what is defined as affordable. There are also a limited number of affordable ADA rental units at Sarum Village. We need to expand the number of affordable, accessible apartments and condominiums so we can keep our cherished older friends and family members in town.

E. Current Lack of Affordable Rental Units

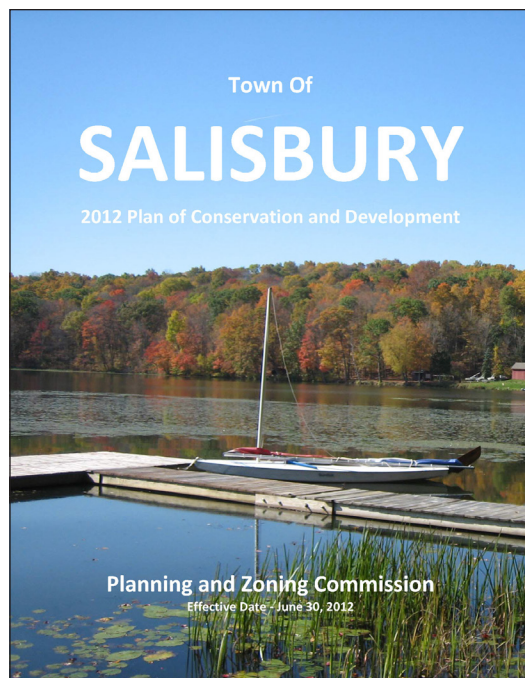
In Salisbury, only 14% of housing units (66 units) rent for less than \$1,000/month, according to the State's affordable housing appeals listing (2022 data).

Every town needs some diversity in its housing options. Housing needs vary greatly at different times in our lives. To retain diversity within our community, our town must provide the equivalent in its housing stock. Without this flexibility any change in family size, health or employment puts us in danger of losing the members of our community we should be valuing the most – our teachers, our health care providers, our employees and our volunteers.

F. The Law: Affordable Housing Appeals Act

In addition to losing both valued members of our community and the opportunity to attract more of such people, if the town fails to provide an adequate number of affordable housing units Salisbury is subject to the State's Affordable Housing Appeals Act (Section. 8-30g) which states: If a town has less than 10% of its housing stock deed restricted to remain affordable to households that earn under 80% of the area median income (\$90,080 for a family of four in Litchfield County), a developer can challenge and often override the town's zoning regulations as long as at least 30% of the housing units in the proposed development are affordable.

Currently, Salisbury has only 57 deed-restricted affordable housing units, which is 1.9% of the housing stock. Table 3 below shows the deed-restricted affordable housing that currently exists in the Town of Salisbury.



We must redouble our efforts to create a broad diversity of housing that is available to people of lower and modest income means, as well as seniors who wish to age within their community. Many of those left behind provide essential services such as trades people, town workers, teachers, younger people, and volunteers, especially those who are the backbone of our fire and EMT services. Apart from the creation of a diversity of housing types, including apartments, duplexes, cluster housing, and multigenerational housing, we must provide relief/assistance to those individuals whose property tax burden may be forcing them out of their long-term homes.

Salisbury Town Plan of Conservation & Development (2023 draft)

Table 3

Current Affordable Housing Stock

Property	Units	Type
Sarum Village (I and II)	24 units	rental
Faith House & Academy St	9 units	rental
Salisbury Housing Trust	16 units	home ownership
Lakeview Apartments	6 units	rental
Habitat for Humanity	2 units	home ownership
TOTAL	57 units	
Total units (2015-2019 data)	2,902 units	
Percent that qualify under 8-30g	1.9 %	

There are waiting lists of more than 100 households who would like to live at Sarum Village and Faith House, owned by the non-profit Salisbury Housing Committee. People can wait months or even years to be offered a home there. Many individuals and families cannot wait that long and have to move elsewhere.

III. What Is Salisbury's Affordable Housing Goal?

We need a better diversity of housing options to meet the changing housing needs of all our residents and to attract new younger families and professionals.

More specifically, we need rental housing options and multi-family housing options. We need options that are affordable for families earning less than \$90,080 and single people and seniors earning less than \$63,120.

100 AFFORDABLE HOUSING UNITS OVER THE NEXT TEN YEARS

Adding 100 units would mean an increase in the percentage of our housing stock that is affordable to 5.4%. Please note, this still leaves 94.6% of our housing stock open to market forces.

Of these 100 units (which can be new housing or renovations of existing units), our goal will be to create:

- 20 homeownership units
- 80 rental units

IV. How Will Salisbury's Affordable Housing Goal Be Met?

NEW DEVELOPMENTS

When considering the financial and logistical feasibility of potential sites for development, there are two primary issues to consider: control/ownership of land and proximity to existing utilities (water and sewer). Without ownership/control of the land, no development can occur. Avoiding the need to construct new water and wastewater systems makes any development more financially feasible. Since only Salisbury and Lakeville village centers are served by water and sewer, these are the areas we have focused on. Locating new housing and/or new residents in our village centers can also help support our village center businesses and preserve farmland and open space outside the village centers.

In light of this, the SAHC identified a number of properties that would be suitable for development as affordable housing. The Commission's conclusions as to how these properties could be developed over the next ten years to meet the goal of 100 new units are shown in Table 4 on page 12.

You will notice in Table 4 that on the sites we are proposing for new development of rental housing there are at least 12 units per site. This is because it is extremely difficult to get State funding for developments of under 12 units. Also, the time and energy that goes into developing a site with one or two units is almost equivalent to developing 12, and the cost per unit generally decreases with each unit because the costs of land, infrastructure, etc., are spread among more units. Finally, if we are serious about meeting our goal, we need to best utilize the few sites that we have in our control.

The Town will have to support the development of each these sites to meet our housing goal. Community support in terms of site control and zoning will be critical. If one site is determined to be infeasible for some reason, it will need to be replaced with another site.

"We sometimes hear that geographically, Sharon is difficult to commute to and, based on the cost of living in the area, people are less likely to relocate here. In the Surgical Services Department, there have been several potential job candidates who were willing to relocate but were unable to find affordable housing nearby ... When they see how far they need to travel to come here to work they usually do not accept the job offer."

*Sarah Colomello, spokeswoman
for Sharon Hospital*



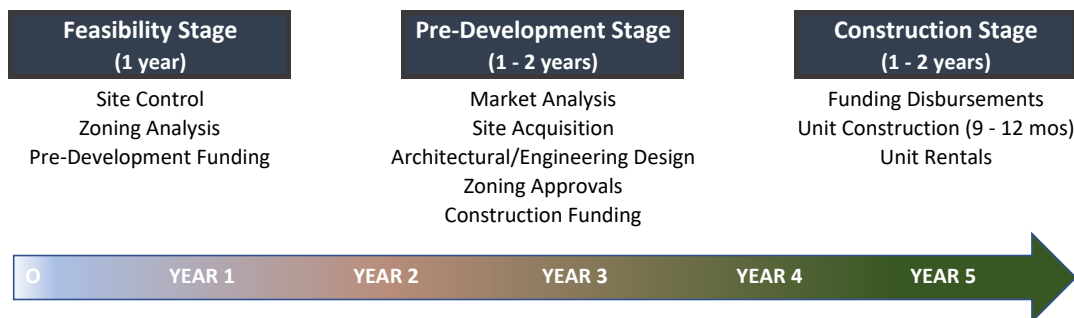
V. How Does Affordable Housing Happen?

AFFORDABLE HOUSING PARTNERS

In Salisbury, the two local organizations that currently own, develop, and manage housing that is affordable are the Salisbury Housing Committee (SHC) and the Salisbury Housing Trust (SHT). Typically, these non-profit, completely volunteer-driven organizations have worked on one project at a time. These projects will only progress at the speed at which our non-profits have the capacity to work on them.

A new construction affordable housing development usually takes between two to four years from the first concept to actual construction and closer to five years for occupancy. The Figure 1 below shows the major parts of the development process and how long each phase can take.

Figure 1
TYPICAL TIMELINE FOR AFFORDABLE HOUSING DEVELOPMENT



FUNDING

The biggest time delay in the development process is often securing the public financing necessary to make homes affordable. The funding of the eight new rental units at Sarum Village by the Salisbury Housing Committee is a typical case study in the funding of such a project. In this case, the majority of the funding came from the State Department of Housing; the rest was raised locally. It took close to 12 months to undertake the work needed to secure the pre-development funding for the project (pre-development refers to everything that happens before construction—this includes a market analysis, architectural plans, zoning approvals, etc.) and another year to secure the construction funding. It then took another year to construct the units and have them occupied. There is a great deal of demand for this type of funding from communities all over the state. Funding rounds are highly competitive and it can take several funding rounds to successfully secure funding.

Table 4

Proposed Sites for Affordable Housing

Property name	Possible number of units*	Rental or Home-ownership	Ownership**	Location details
Holley Block	12 units	Rental	Town	In Lakeville village center on Main Street, a multi-unit building once occupied this site, on town water & sewer
Pope Property/ Salmon Kill Road	Up to 64 units	Mix of home-ownership and rental	Town	In Salisbury village center, on town water & sewer
East Railroad Street	18-20 units	Rental	Salisbury Housing Committee	In Salisbury village center, in proximity to town water & sewer
Perry Street	2-3	Home-ownership	Salisbury Housing Trust	In Lakeville village center, on town water & sewer
Grove Street	2-3	Home-ownership	Town	In Salisbury village center, on town water & sewer
Sarum Village III	10	Rental	Salisbury Housing Committee	Close to Salisbury village center, on town water & sewer

* This is an estimate of the number of units that might be possible on each of these sites based on the information we have now. This could change as we pursue the pre-development work on each site.

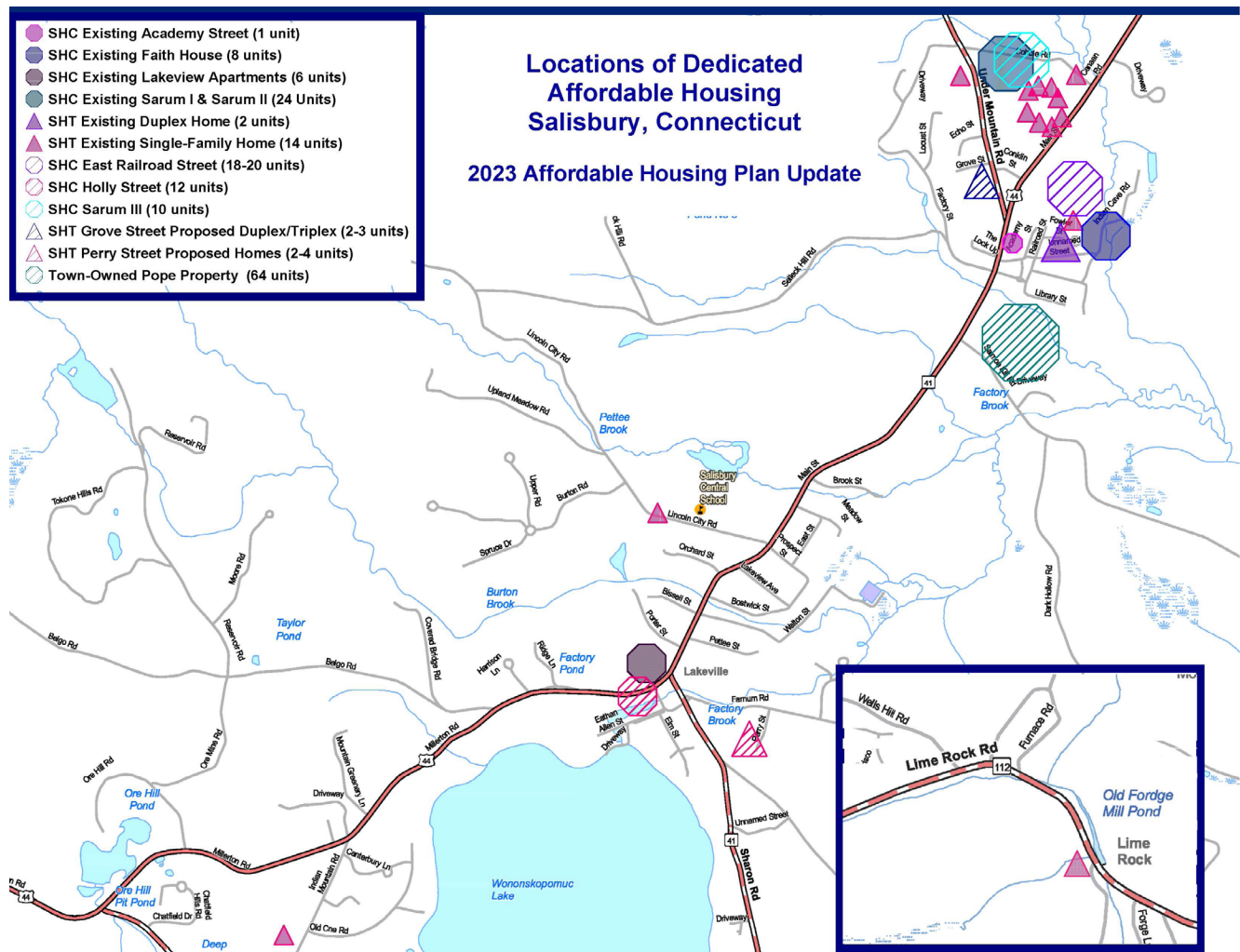
**The sites listed here are owned by the Town or a local non-profit has site control of the property. The Town cannot make a plan for properties it does not control. In order to develop the town-owned sites, the community will have to support each project by voting at Town Meeting to allow a developer such as the Salisbury Housing Committee to move forward with the project.

FUNDING CONT.

Funding for homeownership housing developed by the Salisbury Housing Trust is different. In that case, the new homeowner pays for the construction of a new home or purchase of an existing home through their mortgage, and the SHT raises the funds locally to purchase the land and carry out the pre-development or renovation activities. In recent years, the rate at which SHT has been able to create affordable homes has slowed as the Trust struggles to find available sites for development and the cost of real estate has skyrocketed. The Trust is now pursuing public funding for upcoming work.

Table 5

Map of Affordable Housing



HOW IMPACTS OF NEW HOUSING WILL BE MITIGATED

There are many questions about the potential impacts of development on the suggested sites, including concerns about the number of cars on currently low volume roads, parking in the village centers, and whether the design of the new housing will be in keeping with the neighborhood. These are important questions, and our town agencies, such as the Planning & Zoning Commission and Inland Wetlands and Watercourses Commission, will be reviewing these plans at their public meetings. At these meetings, the public can comment on plans and ask for further clarification. In addition, Town Meeting will have to approve the use of most of these sites for housing by locally run non-profits like the Salisbury Housing Committee, Salisbury Housing Trust, or another trusted entity.

VI. Recommendations

In order to create 100 units over the next ten years, the SAHC recommends that the Salisbury Housing Committee oversee the development of the rental units and the Salisbury Housing Trust the homeownership units, with a small number of units being built by Habitat for Humanity of NWCT. The Salisbury Affordable Housing Commission should therefore partner with these entities and meet with them on a regular basis to support their efforts and determine what they will need in order to meet our target within this ambitious time frame. If Salisbury is to have any hope of achieving its affordable housing goal, it is crucial to have the full support of the community so that work can begin immediately on making these goals a reality.

The SAHC recommends the following next steps for the identified properties:

Holley Block

The Salisbury Housing Committee is completing work needed to secure funding from the State of Connecticut to start the construction phase.

Pope Property (Salmon Kill Road)

The Pope Land Design Committee, appointed by the town Selectmen, is developing preliminary plans for the site with input from the community. They will analyze options for use of the property and make recommendations to the Selectmen.

East Railroad Street

Pre-development work is in progress with considerable input from the East Railroad Street Neighborhood Advisory Group. Once the preliminary design is complete, SHC will submit plans for regulatory reviews, attain funding, and proceed with construction.

Perry Street

Now that the transfer of the property to the SHT has been approved at Town Meeting, the Trust is working to secure funding for development of the property.

Grove Street

Following rough drawings and community input, the SHT will seek Town Meeting approval to take control of the site before financing is secured.

OTHER RECOMMENDATIONS TO ENSURE AFFORDABLE HOUSING

In addition to new affordable housing developments, it is important to ensure that any residents currently living in affordable housing units are able to continue to do so, and the percentage of those who are housing cost burdened is kept to a minimum.

Housing Rehabilitation Funds

These funds help lower-income residents complete necessary home repairs so they can afford to continue living in their home. These include roof repairs, accessibility modifications, and septic system repairs. The Town previously received a Small Cities grant that could be lent to homeowners at very low interest to do these repairs. The Town should consider applying for additional funding so that it can assist homeowners in this way.

Planning & Zoning Challenges, Opportunities, and Strategies

If we wish to promote the development of a significant number of new affordable housing options, it is critical that the Town's Planning and Zoning Regulations support smart housing growth sponsored by both nonprofit and private developers. Toward this end, the SAHC is working with the P&Z Commission to revise the Regulations with regard to minimum lot areas, building setbacks, allowable densities, parking requirements, deed-restriction incentives, and the like, so that opportunities to create a mix of affordable housing on infill sites, in existing buildings, on existing residential properties, and on open land is supported and regulated.

For example, the P&Z Commission could consider amending the Zoning Regulations to allow for a floating zone specifically for affordable and workforce housing. These processes would offer density bonuses and relaxed setback requirements among other consideration criteria for the creation of residential units meeting affordability standards. This floating zone application would be implemented only in the Rural Residential zones and be implemented through the special permit process.

Partnerships, Resources, and Capacity Building

In 2010, the Town established the Salisbury Affordable Housing Fund. This fund may be used per Town Ordinance #112 to facilitate the creation of affordable housing units in Salisbury. Any entity that intends to create affordable housing is eligible to apply for an interest-free loan. Non-profit organizations with experience and a mission that includes the creation of affordable housing may request grant funds of up to \$20,000 per housing unit. The Salisbury Affordable Housing Commission is currently working with the selectmen and town treasurer to find ways to expand contributions for affordable housing.

Sustainable and Green Building Options

We also need to provide housing that is environmentally sustainable. Embracing sustainable design principles in affordable housing not only benefits our environment, but also creates thriving communities with long-term economic and social advantages by optimizing resource efficiency, reducing day-to-day operational costs, providing safe and healthy homes, and

enhancing long-term affordability.

Sustainable design minimizes negative impacts on the environment by adopting eco-friendly materials and reducing energy consumption, thus minimizing carbon emissions. Incorporating energy-efficient features such as solar panels, geothermal- and air-sourced heat pumps, proper insulation, and energy- and water-saving fixtures can significantly lower utility bills for residents, making housing more affordable over time. Additionally, sustainable construction practices can reduce maintenance and repair costs, ensuring the long-term financial viability of affordable homes.

Sustainable design also emphasizes the health and well-being of residents. A focus on non-toxic building materials, indoor air quality, natural lighting, access to green spaces, and walkability all contribute to healthy living environments that foster physical and mental well-being.

Public Support and Participation

As the housing organizations in town have worked over the past 5 years to create affordable housing, it has become clear that a critical factor in a project's success is the support of the townspeople of Salisbury. It is crucial that everyone in town is engaged in the conversation around affordable housing. The Salisbury Housing Committee supported the creation of a neighborhood advisory group for the East Railroad Street project. The advisory group ensures that all who are impacted by a development have a voice in the process. This type of continued community involvement will be vital for the success of future projects.

Mary Close Oppenheimer has interviewed individuals and organizations about housing needs in our community. The quotes included in this report are taken from her interviews. All the stories Mary heard can be found on the Salisbury Affordable Housing Commission website, www.salisburhythousing.org.