
2021 AFFORDABLE HOUSING APPEALS LIST

ANALYSIS & RECOMMENDATIONS



A Safe, Affordable Home:
The Foundation of Opportunity

MAY 18, 2022
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Introduction

In February 2022, Connecticut's Department of Housing published the 2021 Affordable Housing Appeals List that provides an annual count of affordable housing (as defined by Section 8-30g) in each municipality.¹

For this list, government-assisted and deed-restricted housing is composed of:

1. Housing receiving financial assistance under any governmental program for the construction or substantial rehabilitation of low- or moderate-income housing,
2. Housing units with tenants who have federal Housing Choice (Section 8) vouchers or state rental assistance certificates (RAP),
3. Housing with Connecticut Housing Finance Authority (CHFA) and United States Department of Agriculture (USDA) single family mortgages, and
4. Housing subject to deeds restricting its sale or rental to low- and moderate-income people at prices that will result in housing cost being no more than 30% of income.

The Affordable Housing Appeals List is collected for purposes of determining municipal exemption from the provisions of Section 8-30g and is not an inventory of all housing in the state that is "affordable" in the lay sense of the term. Instead, it is a tool for exempting from the act those towns in which a relatively high percentage of the housing units are government-assisted or subject to long-term affordability deed restrictions. Municipalities with at least 10 percent of housing stock that meets the Section 8-30g definition of affordable are exempt from the statute.

Because the Affordable Housing Appeals List data have been collected annually in a similar fashion for some 30 years, the list offers us an opportunity to view how this type of long-term affordable housing supply in Connecticut (as defined by Section 8-30g) has changed over time.

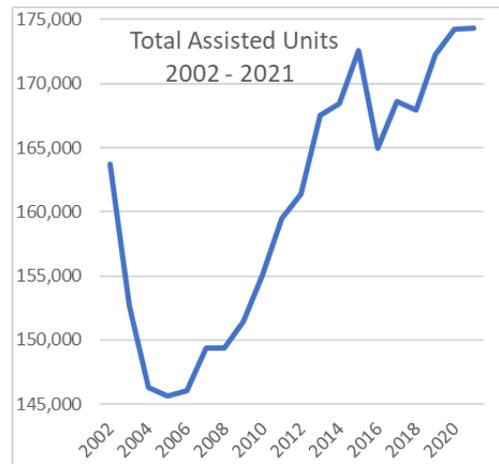
This report builds on Partnership for Strong Communities' previous analysis of nineteen years of Affordable Housing Appeals Lists published in 2021.² It includes an analysis of the 2021 list, and a set of recommendations on actions that municipalities may take to grow the percentage of their housing supply that qualifies as affordable under Section 8-30g.

¹ <https://portal.ct.gov/DOH/DOH/Programs/Affordable-Housing-Appeals-Listing>

² <https://www.pschoosing.org/trends-and-changes-assisted-housing-connecticut>

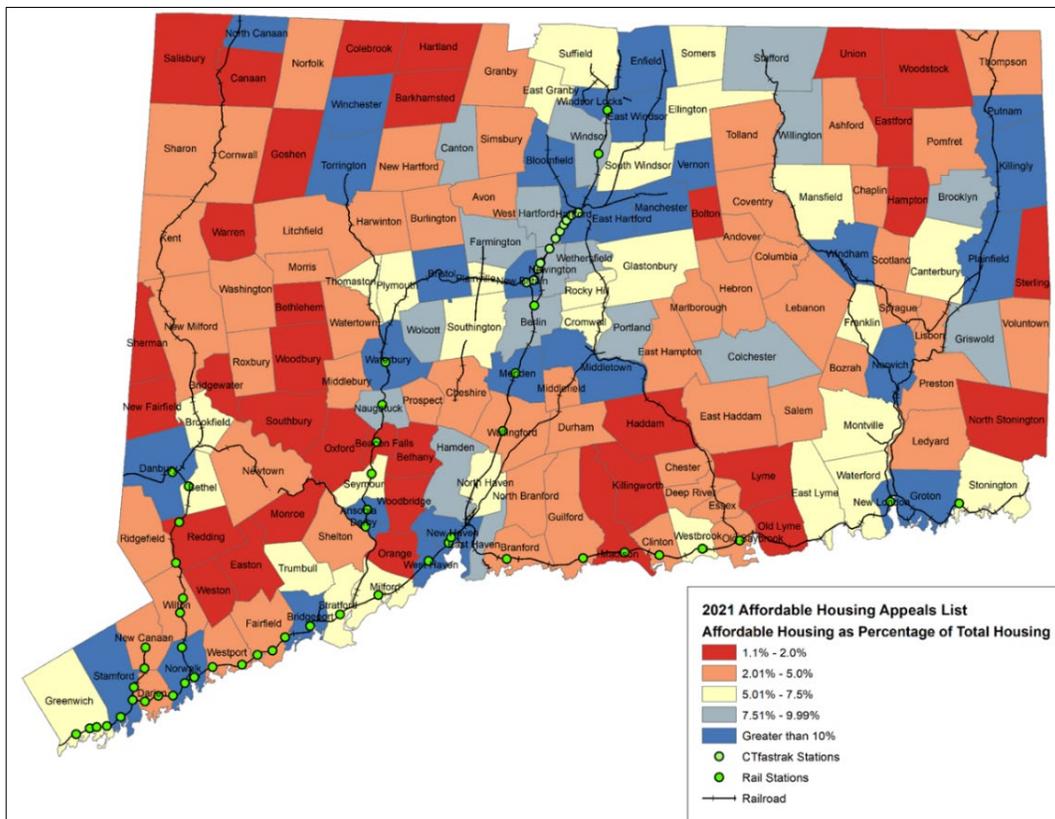
2021 Affordable Housing Appeals List Summary

There was only very minor net growth in the total supply of affordable housing in Connecticut during 2021. According to the 2021 Affordable Housing Appeals List, Connecticut had 174,337 assisted housing units representing 11.71% of total housing supply. This is a net gain of 129 units from 2020.



A continuing drop in the number of CHFA single family mortgages masks gains in other affordable housing categories. The net annual change in affordable housing supply jumps to 2,998 units when CHFA mortgages are excluded.

As in 2020, the same thirty-one municipalities are exempt from Section 8-30g. As discussed in last year's analysis of the Affordable Housing Appeals List, the state's supply of assisted housing remains about as geographically concentrated as it was nearly 20 years ago. In 2002, 31 municipalities had assisted housing supply equal to or greater than 10% of their total housing supply. These municipalities are exempt from the provisions of Section 8-30g. The 31



municipalities had a total of 127,960 assisted housing units representing 78.2% of the total supply of affordable homes in the state in 2002.

The group of municipalities with an assisted housing supply equal to or greater than 10% of its housing stock has varied little over the last 20 years. Exempt municipalities have remained unchanged except for the following substitutions. In 2002, Brooklyn, Colchester, and Naugatuck all were above 10%. In 2021, these three municipalities are no longer exempt but Derby, North Canaan, and Windsor Locks have taken their place.

2021 Municipalities Exempt from Section 8-30g

Town	Assisted Units	Percent Affordable	Town	Assisted Units	Percent Affordable
Hartford	20,897	40.32%	Bristol	3,987	14.76%
New Haven	18,142	33.01%	Manchester	3,754	14.44%
Windham	2,711	28.33%	East Windsor	698	13.84%
Groton	4,175	23.22%	Norwalk	4,843	13.67%
New London	2,666	22.52%	Putnam	546	12.70%
Middletown	4,756	22.41%	Windsor Locks	675	12.43%
Bridgeport	12,134	21.28%	Enfield	2,180	12.42%
Waterbury	10,186	21.22%	Plainfield	768	12.33%
Norwich	3,608	19.34%	Derby	691	11.81%
New Britain	5,809	18.60%	Danbury	3,596	11.54%
Vernon	2,339	16.83%	Bloomfield	991	10.99%
Meriden	4,303	16.62%	Winchester	604	10.76%
Ansonia	1,303	15.99%	Torrington	1,770	10.56%
East Hartford	3,366	15.78%	Killingly	786	10.35%
West Haven	3,538	15.76%	North Canaan	162	10.21%
Stamford	7,945	15.71%			

Affordable Housing is Overconcentrated Even Among Exempt Municipalities

Affordable housing remains incredibly concentrated in Connecticut in a few cities with majority BIPOC (Black, Indigenous, people of color) populations. The affordable housing units located in the 31 exempt municipalities account for 133,929 (76.8%) of total assisted housing units in 2021. Looking back again to 2002, 77.4% of all assisted housing was in exempt municipalities in that year. The degree of concentration of affordable housing in Connecticut remains largely unchanged.

Even among the 31 exempt municipalities, the affordable housing supply is very concentrated. Hartford’s supply of affordable housing represented 40.32% of all housing in the city. This is the highest percentage in the twenty-year period of 2002 – 2021. There is also a great concentration of affordable housing in New Haven, where 33% of all housing in the city is affordable.

Three Connecticut cities contain 29.4% of all assisted housing in the state – another indication of the imbalanced distribution of assisted housing in the state. **Hartford, New Haven, and Bridgeport have 51,173 assisted housing units, equivalent to the total assisted housing in the bottom 150 Connecticut municipalities.** 403,731 people live in these three cities, representing only 11.2% of Connecticut’s population (3,605,944).³ Hartford, Bridgeport, and New Haven

Cities	Assisted Units	Lowest Ranked Municipalities Needed to Equal
Hartford	20,897	121
Hartford & New Haven	39,039	143
Hartford, New Haven & Bridgeport	51,173	150

also have the highest proportion of BIPOC residents in the state: 85.2%, 79.9%, and 70.5% respectively. Like the disproportionate concentration of affordable housing in these three cities, 26.5% of Connecticut’s BIPOC residents live in Hartford, New Haven, and Bridgeport.

The number of assisted housing units in Hartford alone (population 123,008) is equal to the assisted housing supply in 121 municipalities with the lowest supply of assisted units – 71.6% of all Connecticut towns. Hartford, smaller in overall population than either Bridgeport or Stamford, dwarves the supply of affordable housing in those cities. The concentration of affordable housing is so great in Hartford that it can artificially elevate prevailing rents.⁴

³ U.S. Census Bureau, 2020.

⁴<https://www.hfpg.org/application/files/3516/1644/4539/HartfordMarketAnalysisReportFinal2reduced.pdf>

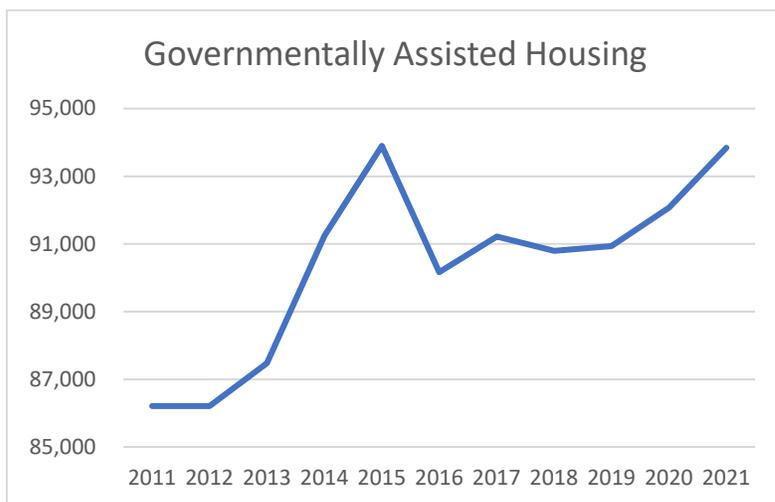
2021 Affordable Housing by Category

	2020	2021	Percentage Change
Government Assisted	92,075	93,840	1.92%
Tenant Rental Assistance	47,034	48,102	2.8%
CHFA/USDA Mortgages	29,858	26,989	-9.6%
Deed Restricted	5,241	5,406	3.2%

From 2020 to 2021, affordable housing supply grew by 2 – 3% in three of the four categories of assisted housing. This is remarkable given that fewer building permits for new housing were issued in 2021 than in any year since 2011. Deed restricted housing saw the greatest percentage point gain while CHFA/USDA single-family mortgages continued a long-term decline.

Government Assisted Housing

Fifty-four percent of Connecticut’s assisted housing supply (93,840 units) is housing receiving financial assistance from a governmental program for the construction or substantial rehabilitation of low- or moderate-income housing.⁵ This includes housing created under a myriad of federal housing programs, including the Low Income Housing Tax Credit program (LIHTC), and state investments such as Connecticut’s Housing Trust Fund and Connecticut’s Affordable Housing Program (FLEX). The continued growth in this category reflects the sustained commitment of state bonding for affordable housing construction over this period.⁶



Tenant Rental Assistance

In 2021, Connecticut residents had access to 5,574 state Rental Assistance Program housing vouchers as well as more than 40,000 federal housing vouchers. While Connecticut has

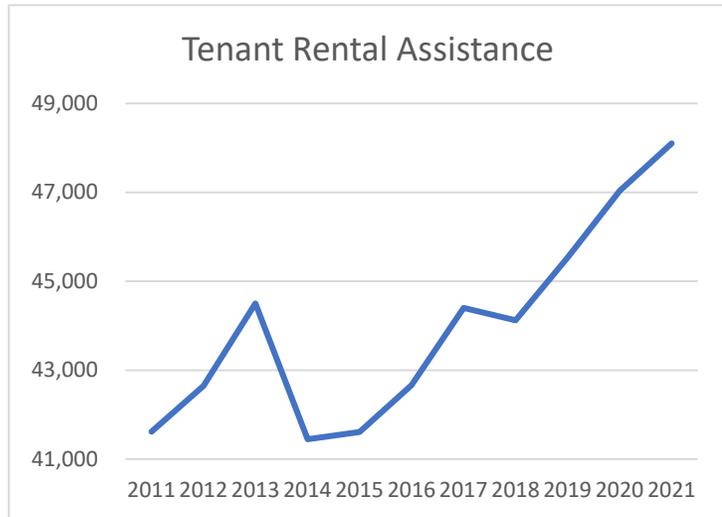
⁵ <https://portal.ct.gov/DOH/DOH/Programs/Affordable-Housing-Appeals-Listing>

⁶ <https://portal.ct.gov/DOH/DOH/Programs/FLEX>

invested more than \$70 million annually in recent years to supply these RAP vouchers, there are not nearly enough available vouchers to meet the need in Connecticut. More than 220,000 renter households spend more than 30% of their income on housing costs, and 114,000 renter households spend more than half of their income on housing costs.

Nationally, only 20-25% of voucher eligible households receive one. In

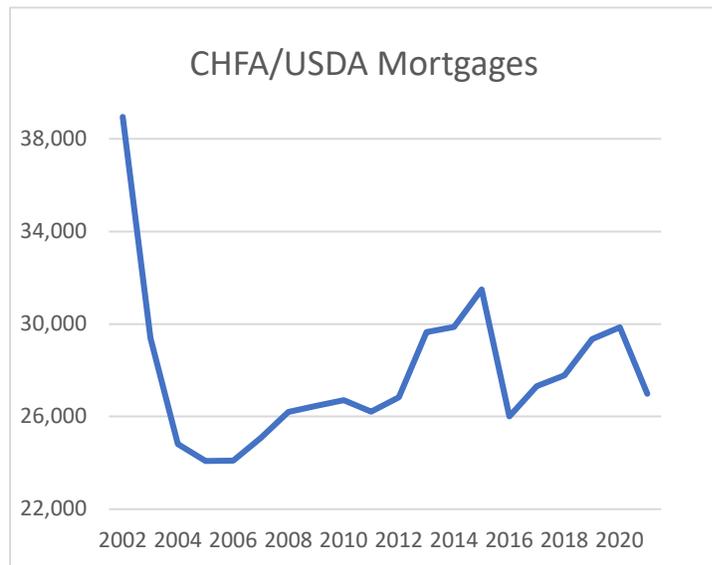
January 2022, there were over 3,600 households on the waitlist for RAP in Connecticut.⁷



CHFA Single-Family Mortgages

CHFA/USDA single-family mortgages declined sharply in 2021 from 29,858 mortgages in 2020 to 26,989. Of the assisted housing categories collected in the Affordable Housing Appeals List, this category is the most volatile over the period between 2002 – 2021.

The steep decline in CHFA single-family mortgages over the last year is reminiscent of a dramatic drop in CHFA mortgages from 2002 – 2006. As with that decrease, it is likely due in part to homeowners with CHFA mortgages either selling their homes, or more likely, refinancing out of



a CHFA mortgage because of low-interest rates or to take advantage of large increases in home equity resulting from the single-family price spikes Connecticut has experienced during the COVID-19 pandemic.⁸

In many ways CHFA single family mortgages compete with the private mortgage market. As a result, CHFA's single family program is subject to similar pressures as private market home lending products. Borrowers will seek out lending products to best meet

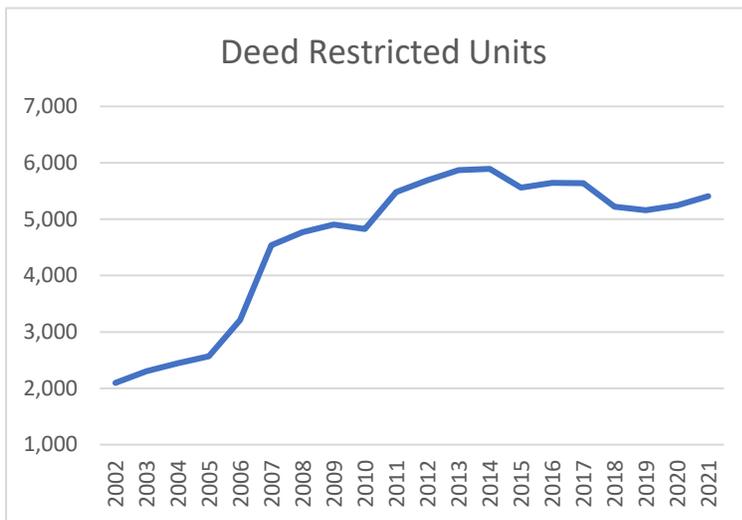
⁷<https://www.pschoosing.org/sites/default/files/Rental%20Assistance%20Program%20Factsheet%202022.02.13.pdf>

⁸ <https://www.ctinsider.com/realestate/article/ct-zip-codes-home-prices-covid-17012083.php>

their financial and housing needs at a given time and with given market conditions. Currently, the Connecticut single-family real estate market appears to be in a position that does not favor CHFA single-family mortgages. This may change soon as mortgage rates are expected to rise from the historic lows we have seen over the last decade.

Deed Restricted Housing

Deed restricted dwellings grew by 3.2% to 5,406 in 2021. This category includes properties with deeds containing covenants or restrictions that require the dwelling be sold or rented at prices assisted to low- and moderate-income households.⁹



In Connecticut, assisted housing units created through Section 8-30g development proposals and/or local inclusionary zoning ordinances that require a percentage of units in a housing development be set-aside as assisted contribute to this total. Affordability restrictions on housing are not typically permanent; they expire after a set number of years specified in the deed. As a result,

the supply of deed restricted units fluctuates as the supply ages.

Some Fairfield County municipalities have had several housing development proposals that conform to Section 8-30g requirements for set-aside developments, especially Greenwich. Greenwich Time reported in March 2022 that “[o]ver the last 14 months, 13 proposals for housing developments that include some units designated as affordable have gone before the town, town officials said. That compares to eight proposals over the last 30 years.”¹⁰

Given the time required to gain permitting approvals, secure financing, and construct multi-family housing, we can expect some of these new proposals to contribute to the deed restricted housing supply in future Affordable Housing Appeals Lists.

⁹Households with incomes less than or equal to 80% of the area median income.

¹⁰ <https://www.greenwichtime.com/news/article/Greenwich-RTM-looks-to-send-message-to-Hartford-17004714.php>

Policy Considerations

Looking back at the last twenty years of appeals lists can help us understand how the state's assisted housing supply has changed and how it has stayed the same. What can be said with confidence is that government subsidy, whether in the form of individual housing vouchers, mortgages, or underwriting affordable housing construction, continues to be the most impactful means to create and maintain assisted housing in Connecticut, especially for Connecticut's lowest income households. This crucial affordable housing supply is at risk. **More than 2,600 public housing units are in immediate need of investment.** More than 9,000 publicly supported rental homes face an expiring affordability restriction in the next 10 years.¹¹

Public resources (state and federal) must be allocated at a level to preserve the existing assisted housing supply while also expanding the supply of assisted housing available to Connecticut's lowest income households.

Deed restrictions requiring housing affordability, whether through Section 8-30g developments, inclusionary zoning ordinances, or other methods, remain a small, but important, part of the overall assisted housing supply. These units are distributed more broadly across the state in 2021 than in 2002, providing valuable affordable housing opportunities in many communities that are otherwise lacking in assisted housing.

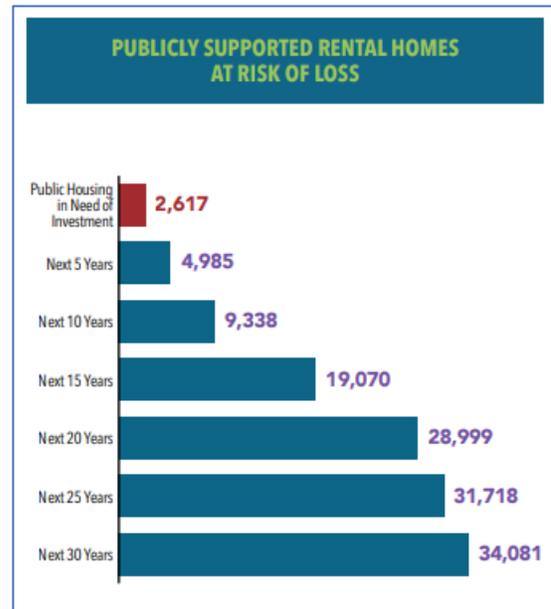


Chart from PAHRC Connecticut 2021 Preservation Profile

However, our state's assisted housing stock remains highly concentrated in a small number of communities, primarily communities of color, with higher concentrations of poverty. If we are to truly break away from Connecticut's intense levels of economic and racial segregation and fulfill the promise of affordable housing – opportunity, we will need to enact policies that explicitly serve to expand the supply of assisted housing in towns across the state.

Zoning reforms adopted in 2021 to allow accessory apartments and set maximum for parking requirements have improved the land use environment for further development of lower cost housing in communities across the state.¹² These changes were a small step forward. Deeper reforms are still needed if we want to create an environment conducive to further affordable

¹¹ https://preservationdatabase.org/wp-content/uploads/2021/08/PD-Profile_2021_CT.pdf

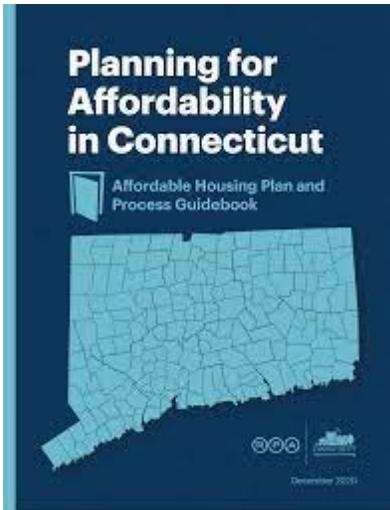
¹² <https://www.cga.ct.gov/2021/BA/PDF/2021HB-06107-R010716-BA.PDF>

housing development. Two worthwhile reforms were discussed during Connecticut State Legislature's 2022 session: creation of a fair share zoning system¹³ and permitting more intensive development near our transit stations.¹⁴ While neither initiative became law this year, advocates will continue to pursue both reforms in the future. These changes must be coupled with expanded public investment in affordable housing construction and mobile housing vouchers if we intend to significantly grow the supply of assisted housing in communities of all kinds in Connecticut.

¹³ <https://www.ctoca.org/fairshare>

¹⁴ <https://www.desegregatect.org/toc>

One Plan + Ten Local Actions to Grow Affordable Housing Supply



There are many activities residents and local officials can undertake to expand the supply of affordable homes in their community that will also increase the number of assisted housing units in their town for purposes of the Affordable Housing Appeals List. A precondition to expanding housing affordability equitably, must be drafting and adopting an actionable affordable housing plan. It is state law, and Connecticut’s Department of Housing has a guidebook for municipalities to help.¹⁵

“Planning for Affordability in Connecticut” provides a framework for municipalities to engage the community in the planning process and recommendations for creating specific elements of

plan. Municipalities can use the guide to apply best practices to implement an affordable housing plan and drive actions that expand affordable housing.

Ten such local actions are listed below. Each is followed by a key that identifies in which category/ies of the Affordable Housing Appeals List the action could expand assisted housing supply.

Assisted Housing Category	Key
Government Assisted Housing	GA
CHFA/USDA Single-family Mortgages	SF
Tenant Rental Assistance	TRA
Deed Restricted Housing	DR

1. Advocate for increased state funding for housing construction and mobile housing vouchers. State government has committed hundreds of millions of dollars toward affordable housing construction in recent years through bonding authorizations. Many affordable housing developments in the state receive funding because of these authorizations. Local officials and residents can advocate for the state to commit more resources to affordable housing development and to allocate the existing funding more quickly to proposed housing developments. In 2022, the HOMEConnecticut campaign advocated for \$150 million in bond funding for affordable housing construction and \$20 million to expand the number of housing vouchers available in the state.¹⁶ (GA, SF, TRA, DR)

¹⁵ https://portal.ct.gov/-/media/DOH/AHPP-Guidebook_RPA_120120.pdf

¹⁶ <https://www.pschoosing.org/sites/default/files/2022%20HomeConnecticut%20Legislative%20Agenda%202022.03.14.pdf>

2. Create a local housing trust that can support development by a local housing authority or other nonprofit affordable housing developers. **Stamford** created an Affordable Housing Trust Fund in 2020. It is largely funded through a percentage of the building permit fees for commercial development, and fee-in-Lieu payments as part of the City's Below Market Rate (BMR) program.¹⁷ In February 2021, the fund made its first awards totaling \$1.7 million for two housing projects. The funding was awarded to two local nonprofits: Housing Development Fund and Pacific House. Housing Development Fund will build 25 two- and three-bedroom condominiums for purchase. Pacific House will build 25 units of shared housing apartments in three buildings for individuals and families at risk of homelessness.¹⁸ (GA, DR)

3. Lower new housing costs by reducing minimum lot size requirements. A 2021 report from Desegregate CT finds that “[l]arge minimum lot sizes make homes more expensive, both because the amount of land itself drives up home prices and because large minimum lot sizes reduce the number of homes that can be built, artificially restricting supply.”¹⁹ Homes built on small lots are an effective means of reducing housing costs. Land costs in Connecticut are a significant driver of housing costs. Reducing minimum lot sizes has many additional benefits to a community including reducing vehicle miles traveled, reducing vehicle emissions, making neighborhoods more walkable, and maximizing existing infrastructure. A 2015 study found that such ‘gentle density’ reduces a municipality’s maintenance costs “reducing the per-resident costs of road building and maintenance, water and sewer mains, fire and emergency medical protection and school transportation.”²⁰ (SF)

4. Lower housing costs by permitting lower cost housing types for homeownership and rental – condominiums, smaller single-family homes on small lots, expansion or conversion of single-family homes to duplexes or triplexes on small lots. In addition to decreasing minimum lot sizes, allowing more homes on a lot is a very effective method of reducing housing costs. The per home cost of a duplex, triplex, or 4-plex is more affordable than the single detached house that could have been built in their place. These homes will be “naturally” less expensive, and they also serve as supply for potential CHFA first-time homebuyers and rental housing voucher holders – both categories of housing that increase a municipality’s supply of affordable housing. (SF)

5. Support the expansion of Rental Assistance Program vouchers to reduce the number of residents spending unsustainable amounts of their income on housing costs. Every municipality in Connecticut, including the wealthiest, has a significant number of residents that struggle with

¹⁷ <https://www.stamfordct.gov/government/boards-commissions/affordable-housing-trust-fund-board-of-trustees>

¹⁸ <https://www.stamfordadvocate.com/news/article/Stamford-Affordable-Housing-Trust-Fund-gave-out-16948572.php>

¹⁹ <https://static1.squarespace.com/static/5ee8c6c9681b6f2799a4883a/t/61ea028879710056b2a90fe9/1642726053008/Issue+Brief+-+Minimum+Lot+Sizes.pdf>

²⁰ <https://urbanmilwaukee.com/2015/04/24/the-power-of-urban-density/>

affording a home. For example, New Canaan's median household income of \$197,200 makes it one of the wealthiest towns in the state. Even so, 726 renter households (47.4% of all renter households) are housing cost burdened, meaning they spend more than 30% of household income on housing costs.²¹ Residents in every town in the state would benefit from expanded access to RAP housing vouchers. (TRA)

6. Dedicate town owned land to affordable housing development, thereby lowering the cost of affordable housing development while at the same time maintaining control over the choice of developer and directing housing development where town infrastructure and services can best support it. In 2020, Guilford donated a parcel of land adjacent to its train station to nonprofit housing developer NeighborWorks New Horizons to develop affordable housing. The property was selected several years earlier after the town commissioned a study for possible locations for affordable housing in Guilford.²² (GA, DR)

7. Ask the state to identify state owned land that can be used for affordable housing development. Like with town owned land, a donation of state land removes a significant driver of housing cost from an affordable housing development. This is already happening in Westport where the state Department of Transportation agreed to divide a piece of its land and is working with the state Department of Housing to determine how much of the property it will be willing to give to the town for affordable housing development.²³ (GA, DR)

8. Implement an affordable housing density bonus program. Density bonuses allow an increase in dwellings/acre and/or height in specific zoning districts when a developer includes affordable housing units in a proposal. There are many examples of successful density bonus programs across the country, but this is not a tool that has been adopted widely in largely suburban Connecticut yet. Bethel allows for a density bonus in its Designed Conservation District and requires a 20% set aside of affordable units in its transit-oriented district. Tying rezoning near a municipality's transit stations for higher density with density bonuses for developments that include affordable housing is another great way to expand access to transit in your community while growing the supply of affordable housing. San Diego's program has helped create many affordable homes.²⁴ (DR)

9. Target funds to rehabilitate and deed restrict existing housing. Rehabilitating and deed restricting older homes is a great way to improve housing quality in a town while expanding the supply of affordable housing without new construction. Community Development Block Grants and a local housing trust are two frequent sources of funding a rehabilitation program.

²¹ <https://housingprofiles.pschoosing.org/profile/#New%20Canaan>

²² <https://www.nhregister.com/shoreline/article/Guilford-residents-OK-donation-of-land-for-15050398.php>

²³ <https://www.ctinsider.com/news/article/Westport-RTM-approves-150-000-for-affordable-16972522.php>

²⁴ <https://www.sdhc.org/doing-business-with-us/developers/density-bonus/>

Fairfield's Residential Rehabilitation Program for Rental Property Owners provides financial assistance to eligible property owners to provide improvements and repairs to rental properties in exchange for a commitment to keep the rental units affordable.²⁵ (DR, SF)

10. Create an incentive housing zone (IHZ) with affordable housing set-aside requirements that meet Section 8-30g conditions.²⁶ The IHZ program is a voluntary, incentive-based land use program created by the General Assembly in 2007. It provides towns with incentives if they choose to create an IHZ in a smart growth location in their community. An Incentive Housing Zone is an area which has a zoning overlay that allows developers to increase housing density in exchange for creating mixed-income housing. The program provides municipalities with control over the location, amount, type, and design of the homes created.

The Incentive Housing Zone program includes incentive payments made to municipalities when the zone is approved and again when housing is built in an IHZ. Canaan/Falls Village adopted an incentive housing zone on 66 acres. The Falls Village Housing Trust has proposed to build 16 affordable homes in the IHZ.²⁷ (DR)



Falls Village Housing Trust's proposed River Road Homes

²⁵ <https://www.fairfieldct.org/content/10726/11008/13302/18252.aspx>

²⁶ <https://portal.ct.gov/DOH/DOH/Programs/Incentive-Housing-Zone-Program>

²⁷ <https://fallsvillagehousingtrust.org/river-road-homes>

Conclusion

What often is lost in the rhetoric and vitriol against Section 8-30g are the numerical facts of the Affordable Housing Appeals List. The affordable housing supply in most Connecticut towns is, and always has been, largely made up of housing with direct government subsidy, whether for construction, rental support, or reduced mortgage rates for first-time homebuyers. Deed restricted housing, the source of conflict among many affordable housing advocates and their many opponents, is a small, but important, part of our affordable housing supply. Deed restricted housing is important to Connecticut's affordable housing supply because it often is built in municipalities that would otherwise have little or no affordable housing. It is, as the saying goes, necessary but not sufficient to expand the supply of deed restricted homes so that there is a greater choice of homes in every community in Connecticut.

Section 8-30g is a necessary and valuable tool for affordable housing development in towns that consistently reject housing development, but it isn't the only tool available to grow our supply of affordable homes. Expanding state investments in housing can grow the supply in every town in the state without developers making use of Section 8-30g. Revising local zoning to permit multifamily homes and homes on smaller lots can lower the cost of housing and increase the supply of homes available to first-time homebuyers with CHFA mortgages and housing voucher holders. Finally, rehabilitating or converting the housing already in a community can expand affordable housing without new construction.

Complaints of powerlessness at the local level concerning affordable housing couldn't be further from the truth. Instead of eliciting a litany of reasons why an affordable housing proposal won't work for a community, the conclusion of the often-heard statement of housing opponents, "we all support affordable housing, but ..." now can be "we haven't done enough to make it happen here. Let's get to work."