From Rentals to Condos, Communities Typify Thriving Examples For Future Housing Creation

After decades of increasing housing segregation in Connecticut and across the United States – which saw residents separated by income, race, age and their abilities and disabilities – mixed-income housing has begun breaking down those walls. In many municipalities across the state, from Darien to Wallingford and Farmington to New Canaan, doctors live down the hall from nurses, lawyers down the block from paralegals, grandmothers next door to graduate students.

Mixed-Income Communities Work

Mixed-income communities are comprised of residents renting or owning their homes at varying rates based on their income levels. Typically, smart developers make smart decisions to maximize their profit and income stream, such as utilizing inexpensive land and employing density levels that allow them to spread their land costs over more units.

The combination of market-rate condominiums or rentals with homes that are affordable to residents making 80% or 60% of the area’s median income has worked successfully for three principal reasons:

1. **They are well-designed and easier to maintain.**  
   Because of this, they retain their value because market-rate units provide sufficient revenue to permit continual maintenance and upkeep.

2. **They are easier to finance.**  
   The favorable market-rate-to-affordable unit mix – usually 70%-30% or 80%-20% -- makes them easier to finance, drawing private financing rather than government subsidy.

3. **They are good neighbors.**  
   Contrary to myth and misconception, they typically do not lower property values, increase school costs, or negatively impact the crime rate.

Growing Demand

The demand for smaller, energy-efficient, lower cost and transit-proximate units in mixed-income developments is likely to increase. Why? Economic and demographic trends are bringing change:

- Shrinking government housing subsidy has made it harder to build affordable-only developments.
- Increases in credit and down payment requirements have made it challenging to buy more expensive homes.
- Hikes in gasoline and heating oil prices have made energy efficiency essential.
- Empty-nesters need homes that allow them to downsize.
- Young professionals need smaller, more affordable housing.

Thriving Communities

Farmington and Wallingford are among the many municipalities where established mixed-income developments have prospered. They can demonstrate how mixed-income developments work for Connecticut families and individuals. Both developments were designed and built with care. Both look as attractive now as they did when they were first constructed. Both are seen by municipal officials as welcome – and needed – additions to their towns’ spectrum of housing options.

- **Heritage Glen** - Located on Route 6 in Farmington, Heritage Glen was built in 1998 by The Metro Realty Group and is comprised of 68 attached, townhouse rental units, of which 31 are affordable and 37 are market-rate.

- **Olde Oak Village** - Located in Wallingford and built by Verna Properties in 2003, Olde Oak Village is a quiet neighborhood of 80 free-standing, 3-bedroom condominiums on three small streets just off the Merritt Parkway. With garages, porches and detailed styling, 56 of the homes are market-rate and 24 are affordable for owners earning 80% of the area median income or less.
Heritage Glen: Rental Units, Farmington, CT

The 68 attached rental homes in Heritage Glen – townhouses configured in wooded courtyards – consist of 14 one-bedroom units, 50 two-bedroom units, and 4 three-bedroom units, split among four buildings and all situated in a quiet, wooded area set back from Route 6 in Farmington, a few minutes from Interstate 84. Residents of Heritage Glen make up a wide range of demographics: families with children, singles, young couples, retirees, graduate students and medical professionals. Likewise, individuals of white, black, Hispanic, Asian, and other ethnic backgrounds live at Heritage Glen. Many parents at Heritage Glen stress the benefits of their children attending Farmington’s highly-regarded schools.

“Farmington considers housing like Heritage Glen as an important contributor to the Town’s economic development strategy. I believe that it is the type of development that towns and cities would find as an asset.”
- Jeffrey Ollendorf, Farmington Town Planner

Measures of Success: Statistics, Expert Assessments

Crime

Often, people fear that the coexistence of residents of varying income backgrounds will create tension, culture clashes and crime. Heritage Glen has a track record that shows just the opposite of these concerns to be true.

Kevin Burns, Captain and Executive Officer at the Farmington Police Department, states, “It is our experience that the incidence of police interaction in the Heritage Glen community is no different than other areas in the Town of Farmington. Heritage Glenn receives virtually the same extent of police services as any other area of town.”

School-Aged Children

Heritage Glen is home to a total of 25 school-aged children in grades K-12. Kathy Grieder, Superintendent of the Farmington School District, sees that Heritage Glen families make a neutral impact on Farmington schools: “The students who reside in Heritage Glen attend a diverse school community that represents the demographics of the Farmington community.”

The numbers further support Superintendent Grieder’s words: school-aged residents are distributed among four schools in the Farmington School District: East Farms Elementary School (4 students), West Woods Elementary School (3 students), Irving Robbins Middle School (4 students), and Farmington High School (8 students). In addition, one student-resident attends an inter-district magnet school, while another attends school outside of the Farmington School District.

The breakdown of school-aged children living at Heritage Glen is consistent with and analysis by Rutgers University’s School of Planning and Public Policy, which shows that housing, particularly smaller units, often result in relatively small numbers of school-aged children living in that housing. See Chart 1 for more details.

Property Values

In Farmington, two communities are close to Heritage Glen: a development of large luxury homes for people over 55, and a set of three small streets with smaller homes. Data and commentary from Edward Hybner, Assistant Town Assessor, tells us that both neighboring communities saw the values of their homes remain the same or appreciate after Heritage Glen was built. More details are provided in Chart 2.
Mixed-Income Housing in CT

Quality of Life at Heritage Glen

The Benefits of Affordability

After hearing from a wide range of Heritage Glen residents, it is clear that the benefits of living in an affordable home in Farmington are plentiful and varied. Residents are satisfied with the interior and exterior attractiveness and sustainability of their homes and feel positively about the maintenance of common yard spaces and the community’s mature, wooded surroundings.

Perhaps the most valuable resource that living affordably at Heritage Glen provides is access to the strong Farmington School System. For youths living at Heritage Glen, the ability to attend Farmington’s public schools means benefitting not only from strong academics, but also outstanding extracurricular programming, sports teams, special education services, and talented classroom teachers and staff.

Learning from One Another and Erasing Class Lines

Nearly every Heritage Glen resident with children spoke about the valuable network of parents at Heritage Glen. Mothers talked about how bus-stop chats are common daily occurrences where parents of every background exchange information about their everyday lives and their children’s schooling.

Such relationships among parents provide the “common denominator” that links together Heritage Glen residents, more so than socioeconomic class or ethnic background. Residents felt strongly that they are more likely to form relationships with their neighbors based on factors such as personality, parenting, or being business owners, and are unaware of the rate at which their neighbors rent their homes.

Olde Oak Village: Free-Standing Condos, Wallingford, CT

Homes in Olde Oak Village are free-standing condominiums with their own driveways, front porches, and decks, situated among three small side streets in Wallingford. Residents run the gamut of backgrounds, ethnicities, and professions: retired couples, divorced individuals, single parents and young families, single adults, young couples; tax officials, insurance experts, consultants, lawyers, nurses, retired construction drivers—all live in Olde Oak Village. Among all of the reasons why residents chose to move to, and stay in, Olde Oak Village, the most common is the privacy, space, and quiet of the neighborhood.

Objective Measures of Success

Crime

Residents of Olde Oak Village emphasize that life in their neighborhood is peaceful and quiet and has seen attention from the Wallingford Police Department that is no different from that of other similar communities in town.

Chief Douglas Dortenzio of the Wallingford Police Department summarized police attention for Olde Oak Village as having “forty-seven public safety calls since July 1, 2010. I don’t consider the nature of the service calls to be strikingly unusual though the volume of calls seems to be a bit higher than other similarly situated small streets. The majority of the calls are alarm activations, medical calls, and fire calls of some sort.”

School-Aged Children

The number of public school-aged children that a municipality must educate is frequently cited as a deterrent to housing creation because of the worry that new homes will produce “too many” school children, putting pressure on school budget and mil rates. Research by the Fannie Mae Foundation and Rutgers University’s School of Planning and Public Policy has shown, however, that 3-bedroom single-family homes like those in Olde Oak Village produced an average of only two-thirds of a school child—or two children for every three homes—in the 2000-2005 period studied.

The experience at Olde Oak Village has shown even fewer school children. In the 2011-12 school year, only 22 children in the entire 80-unit housing development attend Wallingford public schools, or .275 children per unit (shown in Chart 3). Given the school district’s 7% drop in enrollment since 2004-’05—the most recent statewide high-point in enrollment—and the projected continued drop in enrollment through 2020, it is clear that new housing is not a cost burden on the school system.
Property Values

Since homes at Olde Oak Village are free-standing condos that their residents purchase and own, one can consider not only the value of homes in surrounding neighborhoods, but also the value of homes within Olde Oak Village itself. Data from the Wallingford Assessor’s Office indicates that, between the earliest year of the condos’ assessment (2003-2004) and 2010, the average increase in the assessed value of market-rate homes was 58.8%. More details are shown in Chart 4.

The Wallingford Assessor’s Office is confident that the value increase between 2003 and 2010 for these condos demonstrates that homes in this mixed-income development appreciated at a rate greater than that of their “peers” in the rest of town. Additionally, the Assessor’s Office explained that homes that directly neighbor Olde Oak Village have had similar trends in their assessed values.

Quality of Life at Olde Oak Village

The Benefits of Affordability

Many individuals in Olde Oak Village are first-time homeowners and would not otherwise be able to find the same space and physical quality that they enjoy at Olde Oak Village for a price that they can afford. Families and retirees have been drawn to Olde Oak Village because it offers an enhanced quality of life, low maintenance, diversity, and the ability to build wealth as incomes rise and equity increases. Residents report being pleased with the physical durability of their home over the years and the high-quality, spacious environment of the homes, both inside and outside. The affordable units are blended in with the market-rate units and residents state that they cannot distinguish the affordable units from the market-rate units.

“Olde Oak Village has helped to increase the options available to people who want to remain in the community. This type of development is a definite asset to any community. The economic differences are not distinguishable.”

- Robert F. Parisi, Chairman of the Wallingford Town Council

Learning from One Another and Erasing Class Lines

Just as Olde Oak Village residents form neighborly relationships across the generational gap, they also exchange information, interests, and advice with neighbors of different ethnicities or income levels. In Olde Oak Village, neighborly exchanges are truly mutual: not only do owners of affordable homes benefit from networks with owners of market-rate homes; the opposite also takes place.

What We Have Learned About Mixed-Income Communities

While even the best mixed-income communities are, like all neighborhoods, not perfect — from time to time, residents disagree, fail to take care of their properties, and see crimes committed — objective observers, from mayors and police chiefs to the residents themselves, say their mixed-income communities have a largely positive impact on their towns. That is consistent with studies done by Rutgers University, MIT and other respected researchers:

- The values of the development’s properties stay high and neighboring properties are not negatively affected despite a widespread misconception that property values near affordable or mixed-income communities decrease.

- School-aged children are not present to an extent that overwhels the town’s school system or raises school costs, largely because the mix of home sizes tends to accommodate many few children than is widely believed, and the few school children who live in the communities are generally scattered among many grades, schools or both.

Less tangible than school enrollments and property values — but equally important — are the more subtle indicators of a positive quality of life in mixed-income developments. The benefits of well-located affordability for Connecticut families abound: retail merchants and fresh, affordable food are easily accessible; community services and recreational and cultural activities are available; and children can access some of the state’s strongest education systems. Within the mixed-income community itself, people of different incomes, ethnicities, geographic backgrounds and other diverse origins become not just neighbors, but friends. The neighborhood becomes a place where class lines blur, and people of different professions, incomes, lifestyles, and cultures learn from and about one another.