Affordable Housing

A standard definition of affordable housing is - housing that is available to families making no more than 80% of median family income.

Because of Farmington’s older housing stock and the higher densities neighborhoods in the Unionville section of town there is no lack of affordable housing in Farmington.

A survey of Realtor.Com found that there were 180 condominiums and single family homes on the market in Farmington on October 2nd, 2017. There were 65 single family homes and condominiums under $300,000.

The median income for a family of four is $89,700. Eighty percent (80%) of the median income is $71,760 annually.

A standard mortgage underwriting criteria is that no more than 30% of that income should be devoted to a mortgage payment including principal, interest, taxes and homeowners insurance.

Therefore a family of four making 80% of the median income could afford a monthly mortgage payment of $1,794. That would be sufficient to purchase a $300,000 home with a 4%, 30 year mortgage and 20% down. There are also several hundred rental units which are affordable to those making 80% of the median family income.

Farmington and its low taxes, excellent school system and high quality of life is open to those making 80% of the median income.

CGS 8-30g, the Affordable Housing Land Use Appeals Act

While well over 10% of Farmington’s housing stock is available to those making less than 80% of median income, CGS 8-30g, the Affordable Housing Land Use Appeals Act, has a much more specific definition of an affordable unit. The definition requires units to be government subsidized or deed restricted for a period of 40 years. Farmington is subject to the provisions of CGS Section 8-30g. When that definition is applied, only 7.66% of the housing units in Farmington are affordable.

Connecticut General Statutes 8-30g mandates that 10% of each municipalities housing stock be deemed affordable or they are subject to 8-30g.

The significance of this act is that it allows developers to disregard local zoning rules while also shifting the burden of proof to the town to justify a denial. In order to deny an application the town is required to find documented and proven public health or safety concerns. It is very difficult for a town to deny an application which does not meet current zoning but does meet the minimum standards found in the act. The 8-30g process is almost always controversial, ignores local zoning, eliminates local decision making and is not good for a neighborhood.
Affordable Housing in Farmington

Farmington’s percentage of “affordable housing” as defined by the act is 7.66%.

The percentage of affordable units in similarly affluent towns are as follows:

- Avon - 3.76%
- Simsbury - 3.5%
- Burlington - 1.8%

Farmington’s percentage is impressive and it shows Farmington has been willing to allow its fair share of the region’s affordable housing needs.

Farmington has also created two (2) zones which allow higher density in exchange for the creation of affordable units.

Existing affordable developments are as follows:

- **Heritage Glen** – Heritage Glen is a development of 68 apartment units located on Colt Highway in Farmington. This project was approved by the Farmington Town Plan and Zoning Commission in January of 1993. While the zoning approval stipulated that a minimum of 27 units were to be set aside for rent as affordable housing this number was increased to 31 when the developer chose to finance the project with CHFA. These units are reserved for families earning 60% or less than the median income for a family in the Hartford Region based upon household size. The affordable restrictions and covenants are in effect for a minimum of thirty years.

- **Westwoods II** – Westwoods II is a development of 34 housing units located on Scott Swamp Road. It is identical in nature to the Heritage Glen project with the exception that all of the units are set aside for eligible low and moderate income families. This project was approved by the Farmington Town Plan and Zoning Commission in March of 1993 and reaffirmed by the Commission in January of 1994.

- **Cornerstone Village** – Cornerstone Village is a planned unit community of single family homes and duplex condominium units located on Scott Swamp Road. Of the 114 housing units, 46 have been set aside as affordable. A majority of the affordable units sold far under the maximum sales price set for this project, $141,000 (A figure which was calculated to represent a sales price affordable by a family earning 80% of the median income for the Hartford Region factoring in interest rates, taxes etc.). The resale prices for these units are governed by a formula found in the contract set between the developer and the Town of Farmington and referenced in the deeds of all the affordable homes. This covenant will govern the sale of these units forever. The initial sale of these units were limited to individuals and families which earned no more than 100% of the median family income for the Hartford Region based upon household size. Those seeking to resell these units must sell to a person or family which complies with the same income limits. The sale and resale
of all the affordable units have been monitored by the Town’s Planning Department.

**Hunters Ridge** – Hunters Ridge is a common interest community consisting of 35 detached units located off of Railroad Avenue in the Unionville section of Farmington. Twenty of these units have been reserved for sale to families earning at or less than 100% of the median family income for the Hartford Region adjusted for household size. The maximum initial sales price for the affordable units was $147,500. All of the other aspects of the Cornerstone Village development apply to this project as well.

**The Village at Hunters Ridge** – this project is a 51 unit elderly housing apartment complex.

**Maple Village** – is a subsidized community for senior and disabled citizens managed by the Farmington Housing Authority. It contains 40 units of rental housing.

**Yorkshire Apartments**– is a 68 unit senior living community restricted to people over 62 years of the age. All units are restricted to people making less than 60% of median income.

**Snowberry Cobble** – Is a common interest community made up of 159 single family homes and 94 duplex dwelling units. The single family homes are unregulated and will be sold for market rate prices. 89 of the duplex units are regulated and will be sold as affordable units. The income and price restrictions for these units are governed by a formula found in the contract set between the developer and the Town of Farmington and referenced in the deeds of all the affordable homes. This covenant will govern the sale of these units forever. Units were initially purchased by buyers meeting income qualifications. The Town of Farmington reviews income information in determining conformance with standards. The maximum income which may be earned for the purchase of a unit is 80% of the median income. The resale restriction which governs the maximum sales price of the home is defined as the original price plus a percentage increase which is equal to the lesser of the following: the cumulative percentage change in the CPI or the cumulative percentage change in the median family income for the Hartford region.

**Affordable Housing Moratorium**

The statute allows for a four (4) year moratorium on CGS 8-30g applications. The process is tedious and only three municipalities have been granted moratoriums since inception in 1990.

Farmington applied for and was awarded a four (4) year moratorium on CGS 8-30g application in June of 2016.

The table below displays the number of units that must be created to reach the states goal of 10% of all housing units defined as affordable. The state uses the 2010 housing unit count and as new market rate homes are built the percentage of affordable units will decline.
With the anticipated growth in market rate housing units it is projected that the town will need to add 320 additional affordable units by 2020 to meet the 10% mandate.

The moratorium gives Farmington the opportunity to study its regulations and develop a strategy to reach the state mandated 10% goal. Some options are discussed below.

**Build new units**

The moratorium on CGS 8-30g applications means the town will not be forced to accept new affordable housing developments which provides at least 30% of its units as affordable.

This does not prevent the town from reviewing and approving “friendly 8-30g” applications which are at a higher density than zoning allows or mandating that new developments include a percentage of the units as affordable.

In 2017 the State Department of Housing proposed legislation which would require municipalities to implement regulations with inclusionary zoning leading to the growth of affordable housing.

The legislation was not successful but 29 towns have voluntarily implemented inclusionary zoning.

A future zoning regulation might include the following:

- "Inclusionary zoning" means any zoning regulation which promotes the development of housing affordable to persons and families with incomes at or below 80% of the area median income, including the setting aside of a reasonable number of housing units for not less than forty years as affordable housing restricted through deeds, covenants or other means and allowing density bonuses.
- Thirty per cent of the development consists of affordable housing units restricted to persons and families whose income does not exceed eighty per cent of the area median income.
• Affordable housing units are situated within a development approved so as not to be located in less desirable locations or less accessible to public amenities than non-restricted housing units in such development;
• Affordable housing units are integrated within a development and are comparable in design, appearance, construction and quality of materials to non-restricted housing units in such development;
• The interior features and mechanical systems of affordable housing units in a development conform to the same specifications as are applied to non-restricted housing units in such development.

Restricting deeds of Existing Rental Units

There are currently hundreds of rental units which are renting below the 80% of median income rent level. Because rent increases are not restricted to maintain affordability these units do not count as “affordable” per the states definition. The units are over 50 years old and rents will not increase significantly. At the same time the median income will increase which will result in rising 80% median income rent levels.

The State Department of Housing has indicated an existing unit which becomes affordable by filing a 40 year affordable deed restriction on the land records would qualify as new affordable housing. It is possible that the property owners may see an infusion of capital in exchange for an affordable deed restriction as desirable.

The town could offer tax abatements in accordance with State Statute or a one time or annual cash payment in exchange for affordable deed restrictions.

Do Nothing

The town could do nothing and allow the moratorium to expire in 2020. Every year bills are introduced into the legislature seeking to repeal and/or reduce the scope of CGS 8-30g.

Absent repeal or significant modifications, the do nothing approach will result in new CGS 8-30g applications. With very little land remaining for residential development the impact would be multiple high density and controversial applications. Affordable developments would seek densities higher than allowed by current zoning. These developments would be inconsistent with the existing neighborhood. This would result in legal challenges. Significant legal costs would be incurred from defending Planning and Zoning Commission approvals or denials. While a well done affordable development could blend nicely into a neighborhood, a poorly designed affordable development could have very significant negative impacts on the surrounding neighborhood.