

Town of Sprague

# Affordable Housing Plan

Adopted January 12, 2022

Prepared by Southeastern Connecticut Council of Governments Staff

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## Introduction

### What is Affordable Housing?

Generally, housing is considered *affordable housing* if its occupants are lower-income households who pay no more than 30% of their income toward housing costs, including mortgage, rent, property tax, and utilities. *Affordable housing* created or maintained under government subsidies or programs is usually intended for occupancy by households earning no more than 80% of median income, which funding programs often measure at the regional or state level. HUD's calculations for the Norwich-New London area define a family of four earning up to \$78,500 per year as low-income under HUD's 80% Area Median Income (AMI) calculations.<sup>1</sup>

Households in the 50% to 80% AMI income bracket include teachers, carpenters, and office workers.<sup>2</sup> The 30% to 50% AMI income bracket includes people working in retail, as well as home health care aides, and in warehousing. The 30% AMI and under bracket includes cashiers, wait staff, and child care workers, as well as retirees and the unemployed. Housing programs usually require that occupants pay 30% of their income towards their housing, with other funding sources covering the remaining operating costs. For a single person earning \$40,000 per year, an affordable housing payment would be \$1,000 per month, including utilities.

HUD Metro Area	Median Family Income	Income Category	Persons in Family			
			1	2	3	4
Norwich-New London Metro	\$91,800	Low Income (80%)	\$54,950	\$62,800	\$70,650	\$78,500
		<i>Equiv. Monthly Housing Budget</i>	\$1,374	\$1,570	\$1,766	\$1,963
		Very Low Income (50%)	\$35,950	\$41,050	\$46,200	\$51,300
		<i>Equiv. Monthly Housing Budget</i>	\$899	\$1,026	\$1,155	\$1,283
		Extremely Low Income (30%)	\$21,600	\$24,650	\$27,750	\$30,800
		<i>Equiv. Monthly Housing Budget</i>	\$540	\$616	\$694	\$770

Affordable housing is built either with the support of government subsidies assisting in the cost of its construction and long-term affordability provisions, or in the case of some mixed-income set-aside developments, through profits earned through the development of market-rate units supporting the construction cost and long-term affordability provisions of the affordable housing units. Recent public investments in affordable housing in southeastern Connecticut include

<sup>1</sup> HUD FY 2020 Income Limits Summary for Norwich-New London, CT HUD Metro FMR Area (towns of Bozrah, East Lyme, Franklin, Griswold, Groton, Ledyard, Lisbon, Lyme, Montville, New London, North Stonington, Norwich, Old Lyme, Preston, Salem, Sprague, Stonington, Voluntown, Waterford).

<https://www.huduser.gov/portal/datasets/il/il2020/2020summary.odn>

<sup>2</sup> Connecticut Department of Labor, Average Incomes by Occupation.

Stonington's Spruce Meadows (new mixed-income apartments), Waterford's Victoria Gardens (mixed-income elderly apartments), and Groton's Branford Manor (capital improvements to existing 100% affordable apartments).<sup>3</sup> Common sources of funding include the federal government's Low Income Housing Tax Credit Program and the State of Connecticut's Competitive Assistance for Multifamily Properties (CHAMP) program. Different funding programs can target different types of housing or affordability for households at different income levels. Most affordable housing developments that depend on government subsidies receive funding from multiple State of Connecticut or federal programs.

## Why Plan For Affordable Housing?

Under Connecticut law, municipalities are delegated the authority to regulate the development and use of land by laws set forth in Title 8 of the Connecticut General Statutes. Local zoning regulations establish rules for the location and type of housing that can be constructed in Connecticut. State statutes specify the conditions under which municipalities may adopt local land use plans and regulations.

CGS § 8-23 establishes a requirement for municipalities to adopt local Plans of Conservation and Development, which document policies and goals for the physical and economic development of a municipality. CGS § 8-2 outlines the authorities municipalities are granted to adopt local zoning regulations. Both CGS § 8-23 (planning) and § 8-2 (zoning) direct

*§ 8-30j(a): "At least once every five years, each municipality shall prepare or amend and adopt an affordable housing plan for the municipality. Such plan shall specify how the municipality intends to increase the number of affordable housing developments in the municipality."*

municipalities to consider the need for affordable housing, both locally and at the regional level, and to adopt zoning that encourages the development of multifamily dwellings and housing at different price points. CGS § 8-30j, added in 2017, established an additional obligation for municipalities to adopt Affordable Housing Plans that will specify how the municipality will increase the number of "affordable housing developments." In 2020, the Connecticut Department of Housing worked with the Regional Plan Association to develop guidance on how municipalities might approach the development of Affordable Housing Plans ([https://portal.ct.gov/-/media/DOH/AHPP-Guidebook\\_RPA\\_120120.pdf](https://portal.ct.gov/-/media/DOH/AHPP-Guidebook_RPA_120120.pdf)), and provided small grants to support municipal work to prepare plans. The initial deadline for compliance with the requirement for an Affordable Housing Plan statute is June 2022, five years from the statute's effective date.

The § 8-30j requirement for Affordable Housing Plans was passed by the Connecticut General Assembly in recognition of increasing challenges for Connecticut residents in finding adequate

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<sup>3</sup> CHFA 2019 Summary of Programs. [https://www.chfa.org/assets/1/6/2019\\_CGS\\_8-37bb.pdf](https://www.chfa.org/assets/1/6/2019_CGS_8-37bb.pdf).

affordable housing, especially outside of Connecticut's most urban communities. The share of Connecticut renters who pay more than 30% of their income towards housing rose from 37% in 2000 to 46% in 2019. Homeowners with mortgages also saw their budgets stretched, with 20% of homeowners housing cost-burdened in 2000 and 31% in 2019. **In Southeastern Connecticut, one in four households earns less than 80% of the area median income and is housing cost-burdened.**

The Affordable Housing Plan is an opportunity for municipalities to more closely examine housing needs and to review how existing housing inventories and land use policies do or do not address those needs. The planning process also prompts a review of potential actions that municipalities may take that would enable or promote the development of housing that is affordable and accessible to lower-income residents.

The 8-30j Affordable Housing Plan statute references the definition of *affordable housing developments* included in CGS § 8-30g, which defines them as *assisted housing* that receives government subsidies to provide affordable housing for low and moderate households, or a *set-aside development* where deed restrictions ensure that at least 30% of the housing units are occupied by low-income households at affordable rates for at least 40 years. This definition of housing would include any deed-restricted affordable housing created as part of a mixed-income development, as well as affordable housing built or preserved with the support of state or federal programs.

### Plan Development Process

The development of an Affordable Housing Plan for Sprague is being overseen by Sprague's Board of Selectmen, with opportunities for members of the public to provide suggestions and feedback. Ultimately, the Plan will be considered by the Board for adoption.

# Housing Conditions in Sprague and Southeastern Connecticut

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## Current and Future Needs

A 2018 review of housing conditions in southeastern Connecticut prepared by the Southeastern Connecticut Council of Governments (SCCOG) in partnership with the Southeastern Connecticut Housing Alliance (SECHA) showed that demand in southeastern Connecticut is most acute for lower-cost housing and rental housing. The portion of southeastern Connecticut households that can afford the housing they live in has dramatically decreased in the last twenty years. Since 2000, the share of renters who cannot afford their housing, and are therefore housing-cost-burdened, increased from 31% to 46%. As previously mentioned, as of 2018, 29,000 households in southeastern Connecticut earned less than 80% of the area's median income and were housing cost-burdened, or one in four households.

The rise in housing challenges is linked to a growing mismatch between incomes and housing costs. Adjusted for inflation, income growth in the region has been stagnant, growing less than 1% between 2000 and 2019, while for-sale housing values and rents have increased 23% and 19%, respectively.<sup>4</sup>

SCCOG's projections of future housing needs estimate that based on the expected demographics of future southeastern Connecticut households, demand will continue to increase for lower-cost and multifamily housing. Of the approximately 7,000 additional households expected by 2030, more than half are expected to be low-income, partially due to growth in the number of senior citizens, as baby boomers continue to age into retirement, as well as young workers who typically earn lower wages. New housing production of a little more than 500 units per year would satisfy expected new need for housing, but not address existing unmet needs.

## Existing Conditions

Median household income in Sprague approximately \$66,000, lower than the county median of \$71,000.<sup>5</sup> As illustrated in Figure 1, nearly 60% of Sprague Households earn less than \$75,000 per year in 2019, and many of these households could qualify for affordable housing if it were available. About one in ten residents lives in a household with income below the poverty level, with the share increasing to one in six children and one quarter of children under the age of five.<sup>6</sup> The majority of households in poverty in Sprague are headed by single women living with their children or other relatives. The share of Senior Citizens living in poverty is much lower, at just five percent.

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<sup>4</sup> U.S. Census 2010 Decennial Survey and 2019 American Community Survey 1-Year Estimates.

<sup>5</sup> Ibid.

<sup>6</sup> U.S. Census American Community Survey 2019 5-Year Estimates.

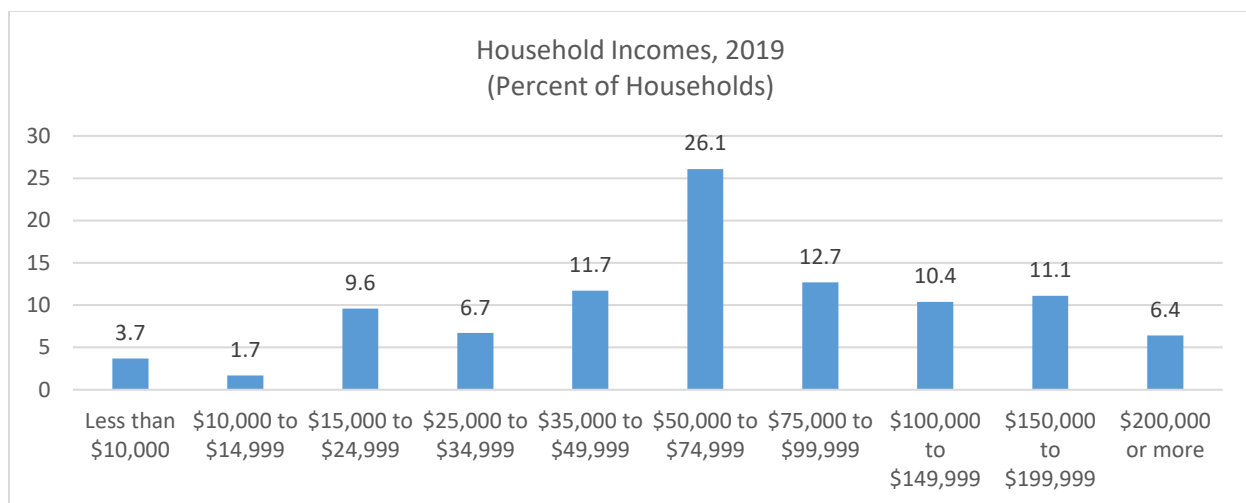


Figure 1. Household Incomes of Sprague Households in 2019. Source: 2019 American Community Survey 1-Year Estimates.

Sprague has 1,315 housing units, of which approximately 66% are owner-occupied. The median value of an owner-occupied home in Sprague is approximately \$219,000, \$20,000 under the median value for homes in New London County.<sup>7</sup>

### Historic Baltic Village

According to census data, 41% (or 540) of Sprague's housing units are multifamily homes, indicating that Sprague has more townhouses and two-family homes than most southeastern Connecticut towns. According to census data, the average rent in New London County is \$1,117 per month, which includes the rental of multifamily homes as well as single-family homes. Unlike most neighboring



Figure 2. Two-Family Homes in Historic Baltic Village. Source: Google Street View.

communities, Sprague's housing includes many attached single-family homes (townhouses) and two-family homes, most of which are located in Baltic Village, a federally designated historic district. Most of these homes were built around 1860 and are two family workers' dwellings with side-by-side front entries located across the river from the former Baltic Mill, which was destroyed by fire in 1999. The 1987 National Register nomination paperwork for Baltic Village notes of the 130 original workers' dwellings, only 13 have been lost (in the flood of 1955) and the

<sup>7</sup> U.S. Census American Community Survey 2018 5-Year Estimates.

Village of Baltic “retains a high degree of architectural and spatial integrity.”<sup>8</sup> Flooding is still a concern, with about half of the Baltic Village two-family homes located in the 100-year flood zone (1% risk of flooding per year). This exposure to flood risk increases housing costs to renters and homeowners who must purchase flood insurance on any mortgaged properties.

These modest workers’ dwellings contribute to the identity of Baltic Village and of Sprague while also providing much needed lower-cost housing. Sprague’s 2018 Plan of Conservation and Development notes that in Baltic Village, two-bedroom apartments rented for \$750-\$800 per month, and three-bedroom rentals rented for \$850-\$900, suggesting that at the time, they would have been ‘affordable’ to households earning less than \$36,000 per year. In 2020 and 2021 these homes have sold for between \$160,000 and \$190,000, providing opportunities for entry-level home ownership and the ability to earn rental income. Data available at the regional level shows that even lower-cost homes are often unaffordable to families that live in them. On average, between 15% and 20% of homes that would be affordable to households earning 50% AMI and 80% AMI are occupied by households earning less than that amount that must stretch their smaller budgets even to afford housing at this level.

A high percentage (perhaps more than half) of homes in Baltic Village are rented out by absentee landlords, based on assessor information. The condition of these historic homes varies significantly, with some well-maintained and others deteriorating due to lack of maintenance.

### Local and Regional Housing Market

Housing in southeastern Connecticut’s suburban and rural municipalities skews toward larger single-family homes, while one-bedroom units are concentrated in the region’s urban centers. Many of the region’s suburban and rural communities have few alternatives to the single-family

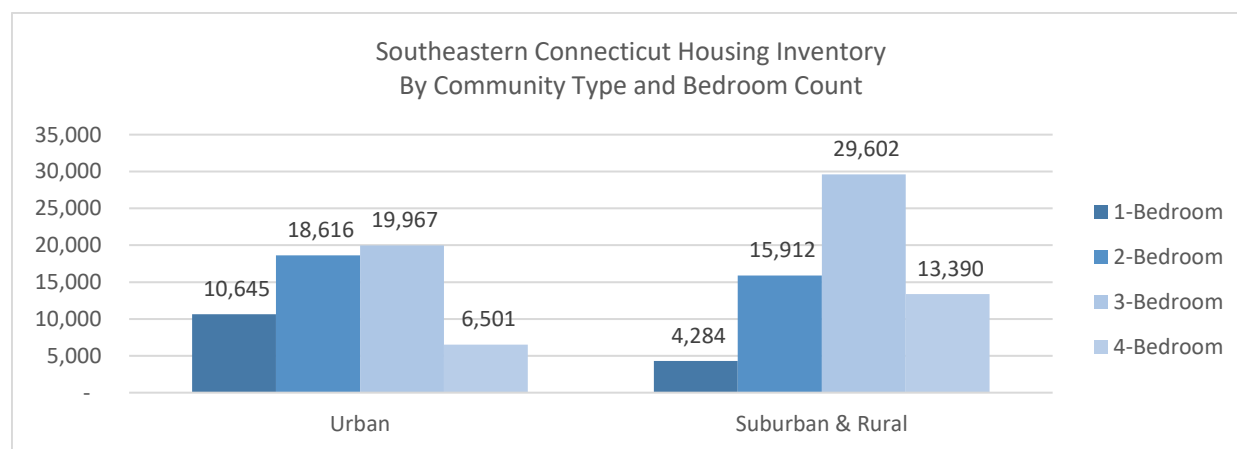


Figure 3. Housing in Southeastern Connecticut: Units by Number of Bedroom and Urban or Suburban/Rural Community Type. Additional 0-bedroom and 5+ bedroom units not shown. Source: U.S. Census American Community Survey (ACS) 2018 5-Year Estimates.

<sup>8</sup> National Register of Historic Places Inventory- Nomination Form, Baltic Historic District, June 1987.

home, with single-family housing making up over 90% of housing in some communities. Homeownership is also more common in rural/suburban towns, with urban households slightly more likely to rent (54%) than own, and suburban/rural households much more likely to own their homes (80.1%).<sup>9</sup>

Housing construction in southeastern Connecticut has remained sluggish since the 2008 recession began, with annual production hovering around 300 units per year. Housing construction has traditionally focused on the production of single-family homes in suburban and rural municipalities (Figure 4). Recent spikes in multifamily construction in suburban/rural towns occurred in 2014 and 2015, but these levels were not sustained in 2016 and 2017. Building permit data reported to the U.S. Census indicates that from 2000 to 2017, permits for 101 new housing units were awarded in Sprague, activity similar to the regional average, but construction has slowed to a trickle in the last few years post-recession. The median sales price for a single-family home in Sprague was \$187,000, with 40 sales in 2019.<sup>10</sup> More recent county-level data shows median sales price increased from \$230,000 in 2019 to \$270,000 in 2020.<sup>11</sup>

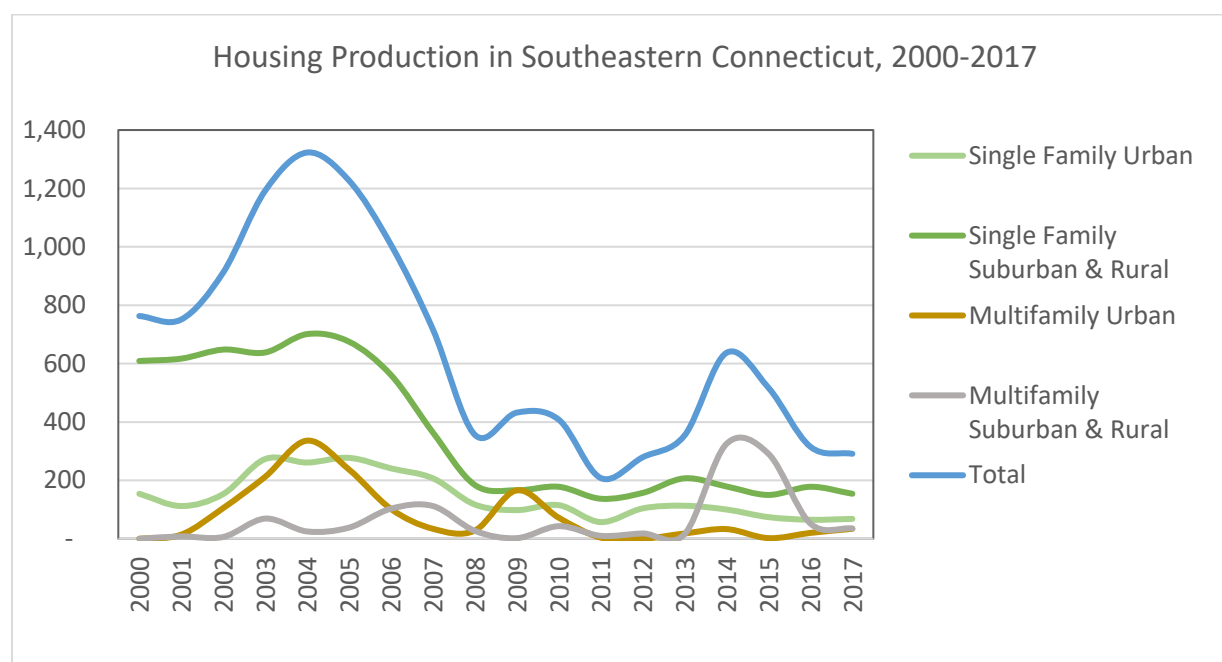


Figure 4. Housing Production Levels by Housing Type and Community Type, 2000-2017. Source: U.S. Census via Connecticut Department of Economic and Community Development.

<sup>9</sup> Ibid.

<sup>10</sup> New London County 2019 Sales by Town, Eastern CT Association of Realtors.

<sup>11</sup> Fourth Quarter New London and Windham County SOLD Comparisons - 2020 vs. 2019, Eastern CT Association of Realtors.



# State and Local Regulations Affecting Housing Production in Sprague

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## Municipal Zoning

SCCOG's 2018 Regional Housing Needs Assessment reviewed zoning regulations and the availability of vacant land in all of its member municipalities. The review revealed that large-lot, residential zoning is the most common in the region, based on overall land area. New opportunities for single-family homes exist in all towns, while 14 of the region's towns have opportunities for multifamily development on land in or close to sewer service areas, and an additional four municipalities (including Sprague) enable multifamily development in areas not served by sewer.

Much of the land in Sprague is zoned for single-family housing development (R-120, R-80, BV, HV, and VV in the following zoning map). Multifamily development (3 or more units per structure) is permitted by Special Permit in the Baltic Village (BV), Versailles Village (VV), and Baltic Economic Development (BED) zones. The intent of the BED, BV, and VV zones is to allow for development of compact village centers with a mix of uses including housing, commerce, and social and civic uses while preserving historic resources and views. The Hanover Village (HV) Zone allows for the development of a compact village center, but with fewer commercial uses. The BED and BV Zones are subject to Design Review Standards, but all the village districts are intended for intended to be developed in proper size and scale with respect to the surrounding streetscape. "Elderly Housing Developments" for residents 55 and older are allowed in the R-80, BEDZ, HV, and VV zones.

Accessory dwelling units are allowed as a secondary use within a single-family home in residential districts, and must be occupied by relatives of the owner of the residence. Zoning also provides for conversion of existing outbuildings to accessory housing in the R-80, R-120, and Baltic Village zones.

A map of Sprague's undeveloped land shows that most falls into the R-120 zone, allowing single family housing on three-acre lots. Vacant land also exists in the Baltic Economic Development and Versailles Village zones, which allow multifamily or elderly housing by special permit, and in the industrial zone, which allows elderly housing by special permit.

***Summary of Sprague Housing Production Regulations (from 2018 Southeastern Connecticut Regional Housing Needs Assessment)***

***Town of Sprague***

**Single-Family:** Permitted throughout most of town, in the R-80 and R-120 residential zones, and the Baltic Village (BV), Hanover Village (HV), and Versailles Village (VV) zones.

**Two-family:** Not allowed; however there is a large, existing stock of two-family homes.

**Multi-Family:** Allowed by Special Permit in the Baltic Village (BV), Versailles Village (VV), and BED zones.

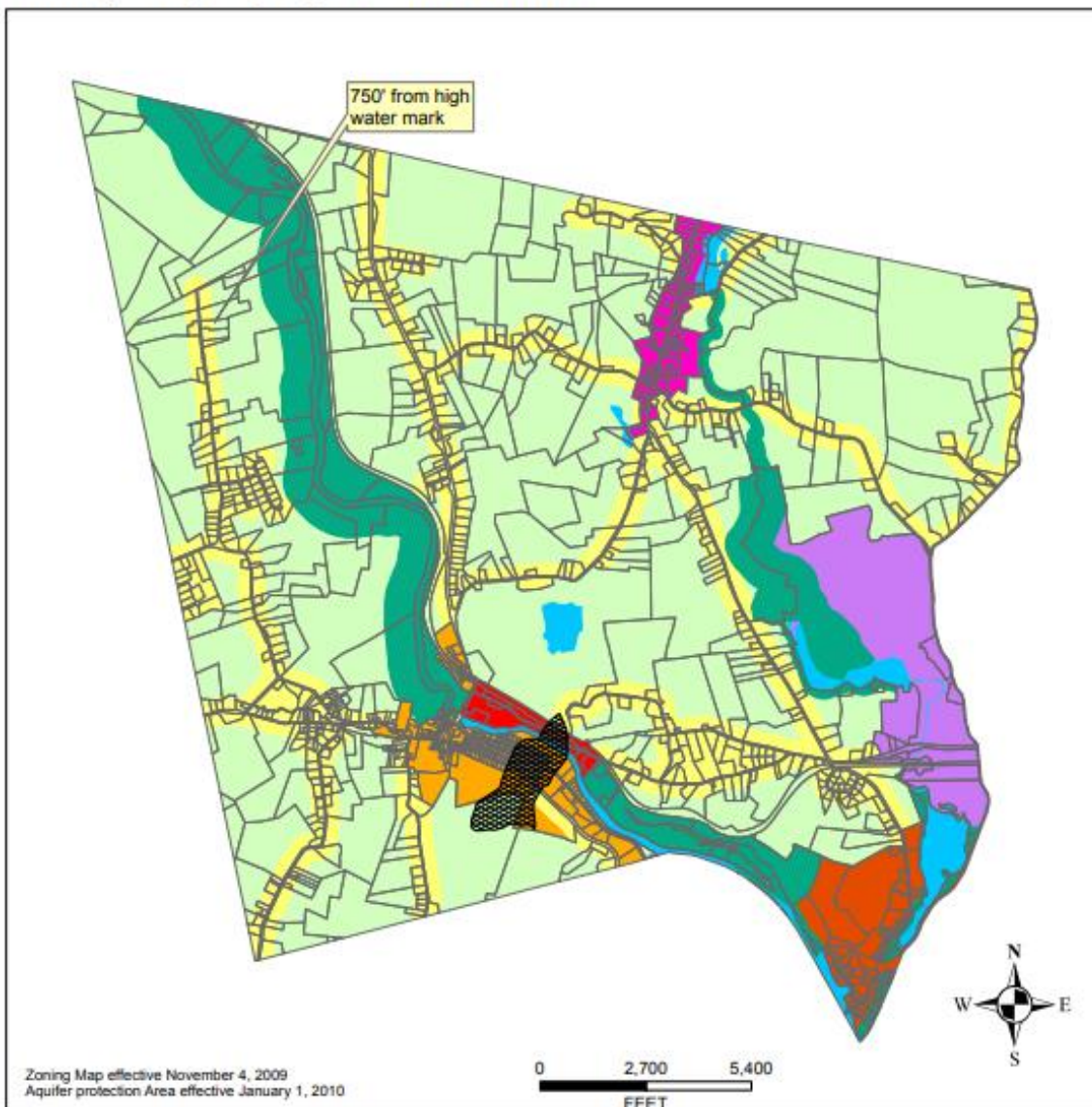
**Mixed-Use:** Allowed by Special Permit in the BV, VV, and BED zones.

**Accessory Apartments:** Permitted for occupancy by relatives only, in zones permitting single-family.

**Clustered Development:** Permitted in all zones permitting single-family.

**Other:** The Baltic Economic Development (BED) zone is creative to allow adaptive reuse of a mill property, and permits single-family uses and allows multi-family housing by Special Permit.

## Zoning Map, Sprague, Connecticut



NOTE:  
 Unless otherwise indicated, The R-80 district boundary follows a line 350 feet from and parallel to the centerline of the adjacent street.

This map is for evaluation purposes only. It is not valid for legal description or conveyance.

Prepared by:

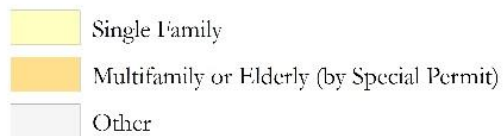
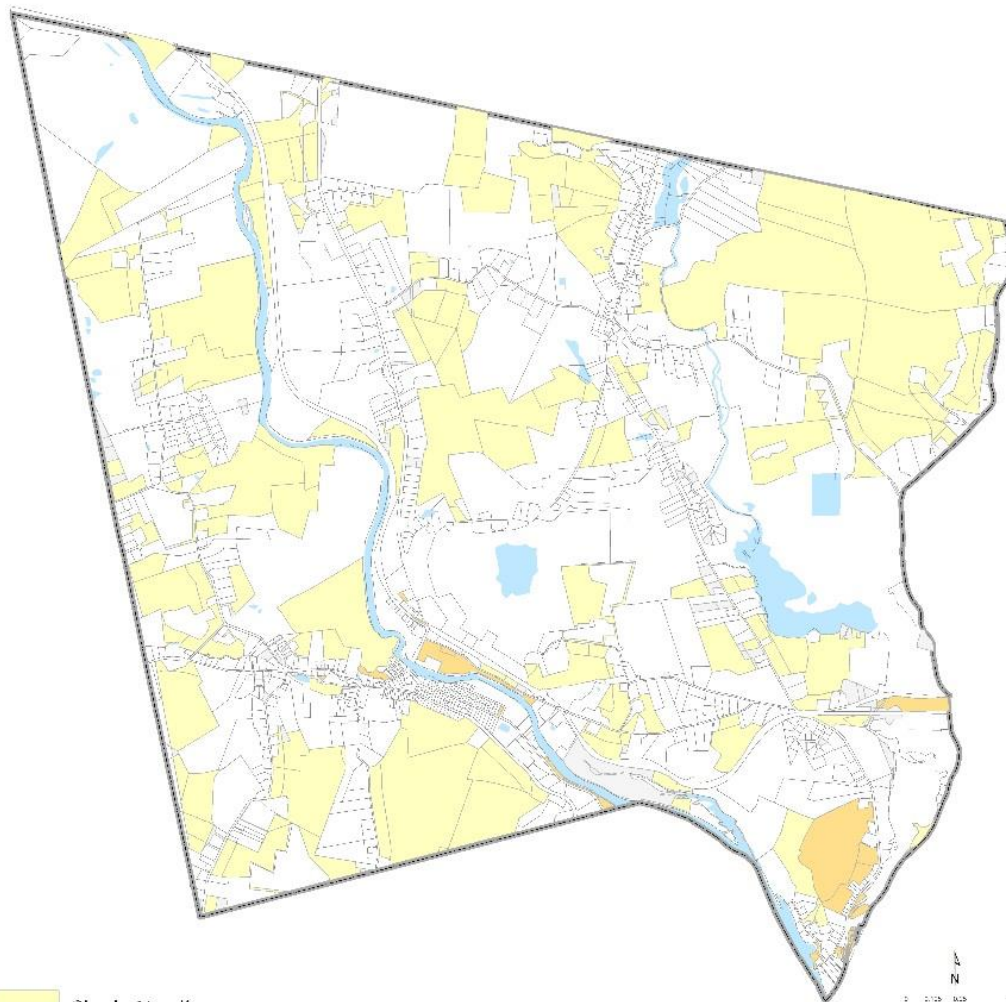
**SCCOG**

Southeastern Connecticut  
 Council of Governments  
 Geographic Information System

### LEGEND

	Baltic Village Zone		R-120
	Baltic Economic Development Zone		R-80
	Hanover Village Zone		Water
	Versailles Village Zone		Watercourse Focus Area Overlay Zone
	Industrial		Aquifer Protection Area

## Sprague Permitted Use of Undeveloped Lands



### Zoning and Respective Acreage

Single Family, 2684 AC. (91.3%) ; Multifamily or Elderly (by Special Permit) 120 AC. (4.1%) ; Other, 133 AC. (4.5%).

## Municipal Plan of Conservation and Development

Sprague's Plan of Conservation and Development (POCD) was most recently updated in 2018. The POCD notes that in Baltic Village, over half of all housing units are rental units ranging in price from \$600-\$650 per month for one-bedroom, apartments \$750-\$800 for two-bedroom apartments, and \$850-\$900 for three-bedroom. These housing units provide a supply of workforce housing, but do not count toward the 8-30g requirements. The POCD clearly calls for a greater diversity of housing choices, sited and built in a way that complements the orderly development of the Town.

The POCD identified the following recommendations related to housing:

- Inclusionary Zoning: Amend the zoning regulations by adopting inclusionary zoning (as permitted under CGS Sec. 8-2i) to require a percentage of new housing units to be affordable housing for low or moderate income persons.
- Accessory Apartments: Amend zoning regulations to allow 1-bedroom accessory apartment by right (completed).
- Paperboard Redevelopment: Consider designating a portion of the former paper board site for the development of housing. This will require a zone change to permit residential use.
- Baltic Village
  - Baltic Mill Redevelopment: Provide housing opportunities for all age groups by apportioning part of the Baltic Mill site for this purpose and include an affordable housing component. Some seniors no longer wish to maintain property but long to live near friends, family, and community, while Millennials and Generation Z are looking for new housing adjacent to recreation (advanced).
  - Village Improvements: Set aside and administer funds for facade and signage improvement grants to Baltic Village property owners.
  - Village District Zoning: Adopt and implement Village District zoning under CGS Sec. 8-2j to provide architectural design controls for Baltic Village in order to preserve and promote desired development and retain and improve property values (completed).
  - Create and disseminate a poster entitled "The Mill Homes of Baltic Village" with images of the various historic former mill homes.



## Affordable Housing Appeals Act (§ 8-30g)

Connecticut's Affordable Housing Land Use Appeals statute, C.G.S. § 8-30g, was established in 1997 to enable the development of affordable housing in municipalities where zoning regulations would otherwise prevent its construction. Municipalities are subject to § 8-30g of the Connecticut General Statutes when less than 10% of the municipal housing stock meets the statute's definition of affordable. The statute encourages development approvals for deed-restricted affordable housing by requiring that upon appeal of a development proposal for affordable housing that is rejected by a municipality with less than 10% affordable housing, the municipality must demonstrate that public interests in health, safety, or other matters clearly outweigh the need for affordable housing.

The State of Connecticut's 2019 Housing Appeals List shows that just over 5% of housing (63 units) in Sprague counts as affordable housing for the purpose of determining the applicability of the § 8-30g statute. In determining the percent of affordable housing present in a municipality, the CT Department of Housing counts:

- Assisted housing units or housing receiving financial assistance under any governmental program for the construction or substantial rehabilitation of low and moderate income housing that was occupied or under construction by the end date of the report period for compilation of a given year's list;
- Rental housing occupied by persons receiving rental assistance under C.G.S. Chapter 138a (State Rental Assistance/RAP) or Section 142f of Title 42 of the U.S. Code (Section 8);
- Ownership housing or housing currently financed by the Connecticut Housing Finance Authority and/or the U.S. Department of Agriculture; and
- Deed-restricted properties or properties with deeds containing covenants or restrictions that require such dwelling unit(s) be sold or rented at or below prices that will preserve the unit(s) as affordable housing as defined in C.G.S. § 8-39a for persons or families whose incomes are less than or equal to 80% of the area median income.

Of the 63 qualifying homes in Sprague listed on the current Department of Housing list, 29 have single-family CHFA/USDA mortgages, 20 are government assisted (Sprague Housing Authority's Shetucket Village), 13 receive tenant rental assistance, and there is one deed restricted unit. The many low-cost rental homes in Baltic Village do not count toward the 10% threshold because as market-rate housing, there are no guarantees in place that their occupants are low-income households or that they pay less than 30% of their income towards their housing.

There are additional five (5) dwelling units owned by the Town on West Main Street which appear to qualify as affordable under § 8-30g. In addition, the Town has recently approved a 96-unit housing development on Riverside Drive and is supporting the developer to secure State funds to enable 29 of the housing units to be affordable under § 8-30g.

As mentioned, municipalities that have 10% or more of their housing inventory falling into the above categories are exempt from § 8-30g appeals. Municipalities may also be granted four-year temporary exemptions by demonstrating progress in facilitating new affordable housing. The threshold for achieving a four-year moratorium is new affordable housing created in the municipality earning “Housing Unit Equivalent” points equal to the greater of two percent of existing housing or 75 points (as of October 1, 2022). New affordable housing qualifies for between ½ and three Housing Unit Equivalent points based on the size of the unit (more bedrooms earn more points), restrictions on occupancy (senior-only housing earns fewer points), and the affordability level of the unit (affordability to lower income levels earns more points).

The Town of Sprague could achieve a moratorium with as few as 19 new affordable homes (three bedroom family units affordable to families at 40% Area Median Income) or as many as 100 homes for senior-citizens at 80% Area Median Income. In 2022, the moratorium threshold will increase to 75 points, requiring a minimum of 30 affordable homes to achieve.

## Action Plan

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Connecticut municipalities have flexibility in determining how they act to improve access to affordable housing. Sprague's unique characteristics suggest the following strategies would be effective to increase access to quality affordable housing that meets the needs of residents of Sprague and southeastern Connecticut.

### Actions Completed Since Passage of 2018 Plan of Conservation and Development

- Amended zoning to allow accessory apartments by right for occupancy by family members.
- Adopted Village District zoning with architectural design guidelines for Baltic Village.
- Approved a 96-unit housing development on Riverside Drive – the owners of which are seeking State support to secure funding to enable 29 of the housing units to be affordable under § 8-30g.

### New Actions

#### *Baltic Village Preservation Initiative*

Historic housing in Baltic Village is important to Baltic's identity and provides a resource of existing lower-cost housing, but it is at risk of physical deterioration due to age and flood risk. Preservation efforts could achieve several goals—preserving housing for future generations, addressing existing deferred maintenance, protecting housing from flood risks, and maintaining these homes as stable housing options for low-income households. Multiple financial resources may be available from federal and state sources to invest in Baltic Village. Rehabilitating homes and preserving them as deed-restricted affordable housing would improve the safety and appearance of Sprague housing while stabilizing household costs for existing and future residents. Rehabilitation of homes for use as affordable housing would be a complex undertaking involving questions of ownership, funding, and long-term management. This work would be best shepherded by a designated committee, such as Sprague's existing Housing Authority, Sprague's existing Historical Society, or by a newly-formed historic district commission or housing commission.

- Create a standing committee/subcommittee to advance Baltic Village strategies.



- Work with housing land trusts or other non-profits to acquire and rehabilitate existing housing for deed-restricted affordable housing.
- Create and disseminate a poster entitled “The Mill Homes of Baltic Village” with images of the various historic former mill homes.
- Apply for State of Connecticut Small Cities funding for rehabilitation of existing housing occupied by low-income residents.
- Provide housing opportunities for all age groups by apportioning part of the Baltic Mill site for this purpose and include an affordable housing component (2018 POCD). *In the last few years, the Town of Sprague has advanced this recommendation by working with the University of Connecticut Landscape Architecture to develop reuse concepts for the site.*

#### *Increase Opportunities for the Creation of Quality Lower-Cost Housing*

- Review potential modifications to single-family zoning that would enable low-density, low-impact multifamily developments.
- Pursue expansion of sewer service areas (2018 POCD).
- Consider designating a portion of the former paper board site for the development of housing (2018 POCD).
- Provide housing opportunities for all age groups by apportioning part of the Baltic Mill site for this purpose and include an affordable housing component (2018 POCD).
- Modify Accessory Apartment provisions to enable the rental of units to non-family members.
- Amend the zoning regulations by adopting inclusionary zoning as permitted under CGS Sec. 8-2i to require a percentage of new housing units to be affordable housing for low or moderate income persons (2018 POCD).

#### *Support First-Time Home-Ownership and Aging-In-Place*

- Work with local realtor community to publicize availability of USDA and CHFA low-interest home loans.

- Create municipal tax relief programs/down-payment/closing cost assistance for elderly, low income, first time buyers, etc.

## Resources and Potential Partners

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[Connecticut Housing Finance Agency \(CHFA\)](#): CHFA administers the Federal Low-Income Housing Tax Credit (LIHTC) program and the State Housing Tax Credit Contribution (HTCC) program. LIHTC 9% tax credit funds can subsidize 70% of an affordable housing project's cost, and are highly competitive. LIHTC 4% tax credits fund 30% of project cost and are often used for acquisition and rehabilitation of existing properties for use as affordable housing. Other CHFA programs finance construction and rehabilitation.

CHFA also administers low-interest home ownership loan programs. Homes financed with CHFA loans are considered affordable for the purposes of 8-30g exemption calculations.

[Habitat for Humanity of Eastern Connecticut](#): Habitat projects are new construction or rehabilitations made available for purchase to low-income households through subsidized mortgages. Funding comes from individual gifts, re-invested Habitat homeowner mortgage payments, and grants from private foundations and government agencies.

[H.O.P.E., Inc.](#): A 501(c)(3) based in New London that renovates deteriorated properties and makes them available to low- and moderate-income families to purchase or rent-to-own. Projects are supported with funding from state tax credits, financial institutions, and donations.



[LISC Connecticut](#): The local office of this national organization promotes neighborhood revitalization and affordable housing production by providing financial and technical assistance to local, community-based organizations working to build strong and sustainable communities. LISC manages the Housing Connections program, offering training and technical assistance to build capacity of suburban and rural organizations to carry out effective affordable housing development. This program is supported by the Connecticut Housing Finance Authority.

[Southeastern Eastern Connecticut Community Land Trust](#): This membership-based 501(c)(3) nonprofit charitable organization holds land for the development and stewardship of permanently affordable housing, land for food production, green space, and facilities for community organizations. The Trust completed the renovation and resale of first affordable homeownership project in 2019. It works in partnership with the SE CT Fund for Land Equity.

State of Connecticut- State Historic Preservation Office (SHPO)

[Historic Homes Rehabilitation Tax Credit](#): supports the rehabilitation of residential properties by new and existing owner-occupant homeowners through a 30% tax credit on rehabilitation costs, up to \$30,000 per dwelling unit. Homes benefitting from this program must remain owner-occupied for five years post-rehabilitation.

[CT Historic Rehabilitation Tax Credit Program](#): establishes a 25% tax credit on rehabilitation of a Certified Historic Structure that is non-residential, mixed-use or multifamily residential (5 units or more). The available credit increases to 30% for projects incorporating dedicated affordable housing. This program can be combined with 20% Federal Historic Tax Credits.

[Federal Historic Tax Preservation Tax Incentive](#): This tax credit is available to fund renovation of income-producing properties and is administered by the National Park Services, with the participation of CT SHPO.

[USDA Rural Development Loan Programs](#): Low interest, fixed-rate homeownership and rehabilitation loans are provided to qualified persons directly by USDA Rural Development and private financial institutions, with no down payment requirements. Homes financed with USDA loans are considered affordable for the purposes of 8-30g exemption calculations. USDA Rural Development also offers competitive grants to public and private non-profit organizations for homeownership projects. Technical assistance grants are available to local organizations that assist families in accessing loans. Loans are also available for the development of new housing for low- and moderate-income families.