



Town of Windham, Connecticut  
Planning and Zoning Commission

# Affordable Housing Plan



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## Contents

Introduction.....	3
Windham, Why Affordable Housing Now? .....	5
What Does “Affordable Housing” Mean? .....	6
Overall Residential Patterns.....	8
Changing Demographic Structure and Housing .....	9
Demographics and Demographic Structure .....	11
The Impact of Multi-Family and Affordable Housing on Property Values.....	12
The Windham Housing Study.....	15
Recommended Modifications to the Zoning Regulations – Summary.....	15
Housing Needs Assessment – Summary.....	16
Housing and Affordable Housing Incentive Programs – Summary .....	17
The Windham Affordability Plan .....	18
Targeting Investment .....	18
Removing Regulatory Impediments – Recommended Modifications of Zoning Regulations.....	21
Accessory Apartments .....	22
Missing Middle Housing.....	22
Multi-Family Residential Development .....	22
Providing Incentives – Housing and Affordable Housing Incentive Programs.....	22
Tax Increment Financing (TIF) Districts.....	23



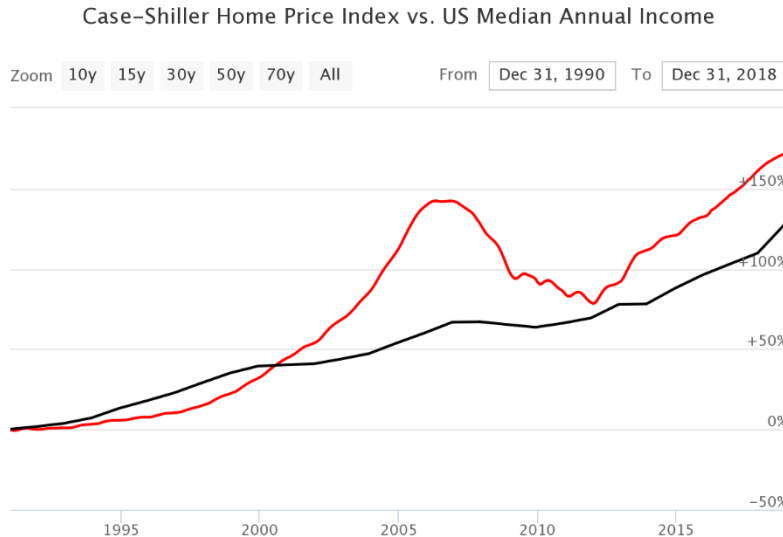
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Housing Trust Fund .....	23
Implementation Schedule.....	25
A Housing and Neighborhood Strategy for Windham .....	26
Introduction.....	26
Understanding Markets .....	26
Possible Neighborhood and Housing Strategies .....	30
Neighborhood Investment Strategy .....	31

## Introduction

The United States is experiencing a housing crisis and Connecticut is not immune. This is a crisis of housing affordability (i.e., the need for affordable housing) and the social and economic ramifications bestowed upon lower-income, working- and middle-income households who are unable to access quality affordable housing. Both nationally and locally, the cost of housing has outpaced income growth, especially for lower-income households. This has undermined access to quality housing proximate to transportation infrastructure and economic (employment) opportunities at affordable prices.

Historically, an average house in the U.S. cost around 5 times the yearly household income. During the housing bubble of 2006 the ratio exceeded 7 - in other words, an average single-family house in the United States cost more than 7 times the U.S. median annual household income. Connecticut and Windham have experienced similar increases in housing cost compared to income. The [Case-Shiller Home Price Index](#) seeks to measure the price level of existing single-family homes in the United States. Based on the pioneering research the index is generally considered the leading measure of U.S. residential real estate prices. The index has a base of Jan 2000=100 and is multiplied by 1800 in order to approximate the [Average Sales Price of Houses Sold for the United States](#). This ratio is heavily influenced by mortgage interest rates. When interest rates go down the affordability of a house goes up, so people spend more money on a house.



Windham is not immune to the national trend of housing value increasing

**Case-Shiller U.S. Home Price Index** (base of Jan 2000=100, multiplied by 1800, as explained above)  
**U.S. Median Household Income** (Current Dollars, Not Seasonally Adjusted)

especially buying and low income households are upward. The economic and social ramifications of this affordable housing crisis are substantial. For example, many businesses struggle to retain and attract a qualified workforce because housing costs exceed the means of workforce salaries. Also, society and communities are becoming more segregated by both income and race. The poor, working, and even middle-income households are

priced out of prosperous communities that provide the greatest opportunities for upward mobility. Most concerning, the poor and minority populations are disproportionately excluded from prosperous communities, economic opportunities, and improved quality of life. This is in-part due to the correlation between wealth and race in America. Collectively, the economic and social ramifications of our affordable housing crisis often result in lower-income populations being isolated in distressed urban and

rural communities, with few chances of betterment. Willimantic fits into the category of distressed urban community.

Windham is not immune to this crisis or the negative consequences of a housing stock that is unaffordable to many households in Windham, Windham County, and the Southeastern Connecticut region. However, while housing affordability is a concern, Windham does not suffer from a lack of affordable housing. According to the State Department of Housing, 28.33% of Windham's housing stock is qualified affordable, that equals 2,711 affordable units.<sup>1</sup> In fact, Windham is ranked third behind Hartford and New Haven for having the highest percent of affordable housing out of Connecticut's 169 towns and cities.

This high concentration of qualified affordable housing is not surprising, considering Windham has a median household income of \$47,481, well below the Windham County median household income of \$62,103—the same as the United State median household income (\$62,000), but well below the Connecticut median household income of \$78,833. Windham is not a wealthy community.

This places Windham in a unique situation for the creation of this Affordable Housing Plan. Section 8-30j of Connecticut General Statutes states that the Affordable Housing Plan “shall specify how the municipality intends to increase the number of affordable housing developments in the municipality.” This one-size-fits-all state mandate fails to understand or recognize the unique circumstances of individual communities such as Windham. Windham does not suffer from a lack of affordable housing and should not be required to devise a plan to increase the amount of affordable housing. Windham suffers from hosting a disproportionate share of the regions lower-income households and the municipal fiscal burden that comes with the clustering of lower-income households into already distressed municipalities.<sup>2</sup>

Windham is also a tale of two communities. Willimantic, the post-industrial urban core that suffers from the socioeconomic ills of post-industrial urban decline—the very reasons why Windham is ranked number one in distressed municipalities and number three in percent of affordable housing. The remaining portions of the community, outside of Willimantic, is the post-industrial bucolic suburban and picturesque rural community, mostly known as Windham.



<sup>1</sup> Connecticut, State of, Department of Housing, Affordable Housing Appeals List (2021),

<sup>2</sup> Connecticut, State of, DECD, Distressed Municipalities. As explained by C.G.S. Section 32-9p, a distressed municipality designation is based on “high unemployment and poverty, aging housing stock and low or declining rates of growth in job creation, population, and per capita income.” Windham is ranked number one on the list of Connecticut's 25 Distressed Municipalities.



Based on this unique circumstance of Windham, this Plan will focus on housing, including affordable housing, and provide an asset- and market-based approach to planning for housing, and affordable housing, in Windham.

Planning for housing, including affordable housing, is foundational to maintaining a vibrant and prosperous community. Without safe, quality, affordable housing, Windham cannot maintain or improve its prosperity. Therefore, this housing plan is aimed at positioning Windham to compete for wealth and investment and to create and maintain a vibrant and prosperous community for generations to come. Becoming a vibrant and prosperous community does not occur by happenstance. It requires hard work, dedication, constancy of purpose, and good governance. It also requires the community to provide and maintain a quality housing stock—affordable or not. The more vibrant and prosperous the community, the less affordable the housing. The less vibrant and prosperous the community, the more affordable the housing. The challenge is to strike a balance, to grow prosperity and vibrancy, while providing and maintaining as a quality and affordable housing stock.

The greatest housing challenge confronting Windham is not a lack of affordable housing, it is an excessive amount of housing that has suffered from age and deferred maintenance. While challenges of code compliance go together with deferred maintenance, the driver of deferred maintenance is little or no investment in housing. Windham's housing problem is an investment problem. Post-industrial urban decline has resulted in investment (and wealth) flowing away from those prosperous communities. Deferred maintenance, deteriorating conditions, blight, vacancy, and the socio-economic ills that come with such decline are the outcomes of weak- and distressed market conditions. When property owners' loss confidence in the market they stop investing because the risk too high. When investment stops, property conditions decline, and the deferred maintenance is capitalized into the value of the property—driving down property value (including rent value). As property value declines, the incentive to invest is less and the risk of investing increases. This is the housing challenge that confronts Windham. Therefore, the problem to solve in Windham is not how to provide more affordable housing—as assumed by 8-30j—the problem to solve is investment and wealth. How to position Windham to attract investment and wealth—the wealth requires to invest in housing?

### Windham, Why Affordable Housing Now?

Windham's Affordable Housing Plan is the result of the Governor prioritizing Connecticut's need for affordable housing and the State Legislature's recent passing of legislation that requires *every municipality to prepare an affordable housing plan at least once every five years*. Also, the legislation requires that the affordable housing plan *specify how the community intends to increase the amount of affordable housing available in the community*.

To facilitate this prioritization of housing affordability and the requirements to plan for affordable housing, the State Department of Housing awarded the Town of Windham a competitive grant to create



an affordability plan. That said, it is important to recognize that requirements to plan for affordable housing are not new. Section 8-23 of the Connecticut General Statutes requires that the municipal plan of conservation and development:

- make provisions for the development of housing opportunities, including opportunities for multifamily dwellings, consistent with soil types, terrain, and infrastructure capacity, for all residents of the municipality and the planning region in which the municipality is located... [and to]
- promote housing choice and economic diversity in housing, including housing for both low- and moderate-income households, and encourage the development of housing which will meet the housing needs identified in the state's consolidated plan for housing and community development...

These longstanding requirements for housing choice, opportunities, and economic diversity in housing highlight the importance of residential development, housing, and affordable housing in all communities. *Housing is where jobs go at night.* Housing is where individuals and families live their lives. Housing provides shelter, safety, and stability. When a community considers land use issues, housing density, style, and tenure all contribute to its physical and community character and economic wellbeing. Homeownership, and the equity derived from homeownership, have been the foundation to creating American middle-income wealth for generations.

These characteristics of residential development and housing have shaped and contributed to Windham, its urban (Willimantic) and rural-suburban character that has evolved. Today, Windham's largest land use is residential. Windham's housing stock is 46.87% single-family detached, 4.1% single-family attached, 15.6% two-family, and 15.3% three- and four-unit housing. 19.2% of Windham's housing stock is multi-family housing (five units or more). The fact, Windham's housing stock is diverse and balanced. Windham's homeownership rate of 46.9% nearly mirrors its single-unit detached housing stock (46.8%). This mixed of housing provides good starting point for thinking about housing, housing investment, and attracting investment. The diverse housing stock means that Windham can target many segments of the housing market and seek to attract a diversity of owners and renters.

### What Does "Affordable Housing" Mean?

Too often individuals and communities associate affordable housing with the public housing of decades past. It is important to recognize that affordable housing today is not public housing. The government learned valuable lessons from the failed policies and experience of past public housing and the negative consequences of clustering large numbers of low-income households into substandard housing. Today, affordable housing policies have moved away from both the public model and clustering. Affordable housing policy today focuses on public-private partnerships and inclusive mixed-income policies to



provide much-needed affordable housing. As a result, most affordable housing hides in plain sight, blending into the community, to such an extent that most do not even know the difference between what housing units are market rate and what housing units are qualified affordable.

Housing is deemed unaffordable if a household pays more than 30% of their gross income for housing. For example, if a household earning \$75,000 per year is spending \$22,500 (30% gross income) or more per year (\$1,875/month) on rent/mortgage and utilities, then housing is unaffordable. The median

#### Qualified Vs Naturally Occurring Affordable Housing

Qualified Affordable Housing is a specific statutory phrase to describe housing that meets the State definition of affordable housing regarding the requirements of Section 8-30g, which regulates specific land use applications for providing affordable housing. Just because housing does not meet the statutory definition of Qualified Affordable Housing, does not mean a community does not have housing that is affordable to households of lesser means. Most communities have naturally occurring affordable housing that does not meet the definition of Qualified Affordable Housing but serves populations of lower income.

household income for Windham County \$65,550 and the median household income for Windham is \$47,841. Affordable rental in Windham, based on the Department of Housing and Urban Development (HUD) Fair Market Rent (FMR) for Windham range from \$8168 per month for a studio to \$1,695 per month for a four-bedroom apartment.

The problem of affordable housing in Southeastern Connecticut and Windham is more pronounced than most realize. For example, the Southeastern Connecticut Housing Needs Assessment (2018) conducted by the Southeastern Connecticut Council of Governments and the

Southeastern Connecticut Housing Alliance found that 37.2% of households in the region and 48.4% of Windham's households are cost-burdened—paying more than 30% of their income on housing costs. The study also found that 60.8% of renter households in Windham are cost-burdened. That is a very significant figure.

Qualified affordable housing, as defined by the Connecticut General Statutes (CGS), Chapter 126a Affordable Housing Land Use Appeals, Section 8-30g, is:

housing [or households] that receive government assistance or are deed-restricted to be sold or rented at or below prices for which a household pays 30% or less of their income.

Qualified affordable housing is different than naturally occurring affordable housing, which is housing that sells or rents at values affordable to households at or below 80% AMI but does not meet the criteria to be included as qualified affordable housing. In most cases, qualified affordable housing developments have 30% or less of the units dedicated as affordable. This low percentage of affordable units in affordable housing developments demonstrates the policy shift away from clustering lower-income households and ensures a mix of incomes to mitigate the potential negative effects of excessive clustering. CGS 8-30g also sets an affordable housing fair share threshold for communities, stating that

Connecticut municipalities should maintain at a minimum, 10% of their housing as affordable. In Windham, as of 2021, a total of 2,711 housing units are qualified affordable, or 28.33% of Windham's 9,570 housing units counted as qualified affordable housing.

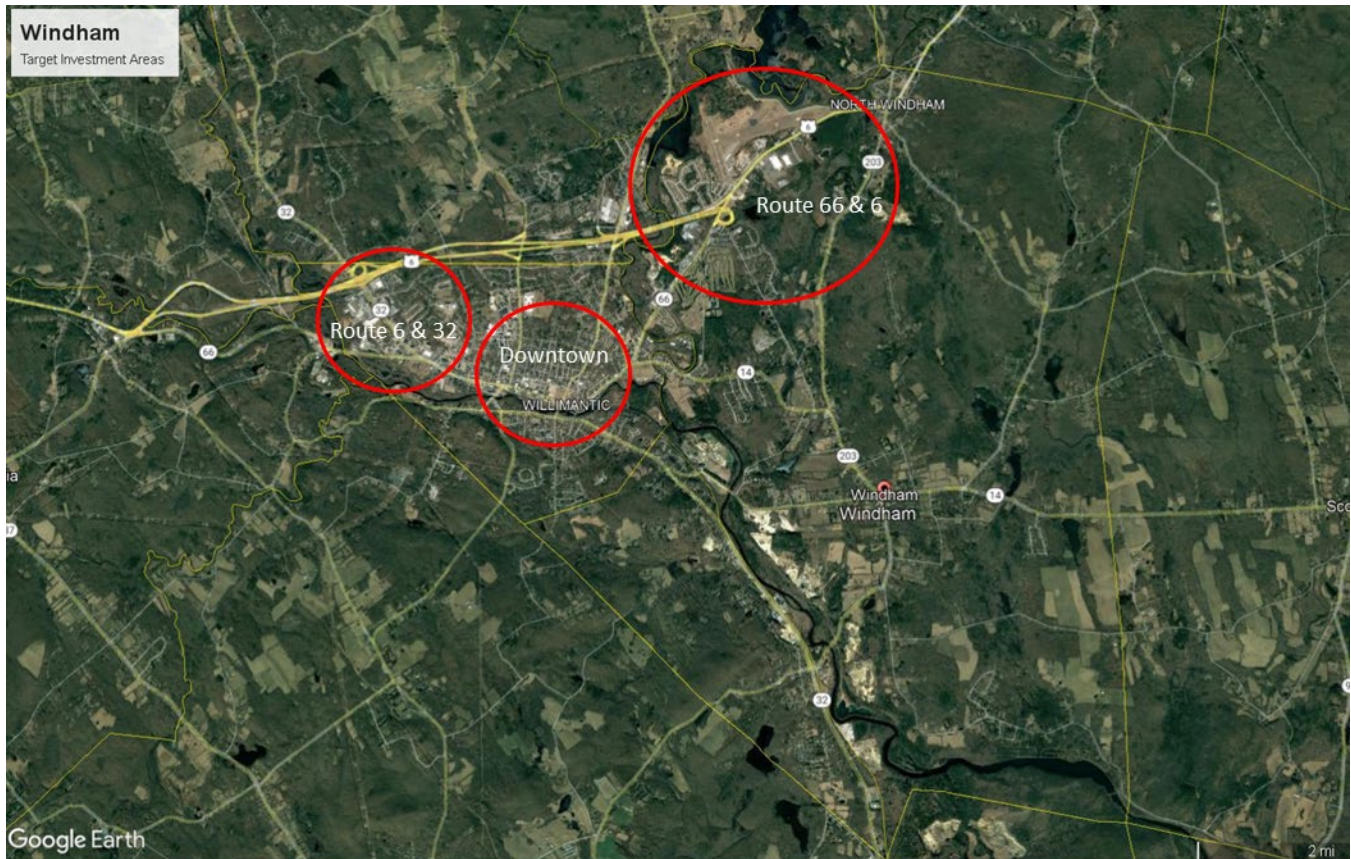
## Overall Residential Patterns

The post-industrial urban character of Willimantic and the bucolic suburban and picturesque rural character of the remainder of Windham will likely persist and the overall character of the town of Windham will continue to maintain its current land use pattern. It is important to maintain this development pattern, as it contributes so much to the *physical and aesthetic character* of Windham and Willimantic. Most important, the post-industrial urban character has become more desirable with younger households, while the bucolic suburban and picturesque rural character of Windham is still desirable to older and family households. Having the diversity in character, urban, suburban, and rural, affords Windham the opportunity to appeal to many segments of households and the housing market. Therefore, this diversity in housing stock and character and be exploited to position Windham to better compete in the overall housing market.



Zoning for the lower density areas of Windham was intentionally designed based on the lack of public infrastructure—specifically public water and sewer—and to reduce density, ensure that new housing blends with the landscape, and protect natural resources—to create the rural-suburban aesthetic. It is reasonable to protect and maintain these areas, development patterns, and their character. Willimantic developed with the density of the industrial era and has its own unique character that also should be protected and maintained. Protecting and maintaining the character of Windham and Willimantic does not mean the community cannot encourage new investment and development. What it means is that community should be strategic about the investment and development it seeks to encourage and where. From a location perspective, new investment and development—specifically housing—should be prioritized in Willimantic, along the Route 32 and Route 66 corridor and in Windham along the Route 66 and Route 6 corridor. Both corridor locations offer good access to the transportation network and provide access to jobs and job centers throughout the region.

**Map 1. Target Investment Areas**



## Changing Demographic Structure and Housing

Connecticut has been a slow-to-no-growth state for three decades. Job growth has been mostly stagnant and population growth has been anemic. For example, in the five-year period from 1985 to 1990, Connecticut's total employment (jobs) increased by 105,700 and nonfarm employment increased by 103,400. By comparison, in the 30-year period from 1990 to 2020, Connecticut's total employment increased by 130,400 and nonfarm employment increased by only 44,800. From 1990 to 2020, Connecticut's population grew by only 318,828 persons or just 10,628 persons per year. This lack of statewide economic and demographic growth has resulted in changes to Connecticut's and demographic structure. It is often said that demography is destiny. If that is true, then every community in Connecticut



should be concerned. In Connecticut and Windham,<sup>3</sup> the primary outcome of our demographic destiny is that we are aging—growing older. Older populations require more government services, need to be supported by a labor force that is contracting in size proportionally, and resulting in fewer young families with fewer children—further reducing the next generation of our labor force.

One of the most notable community concerns related to any proposal for new residential housing development is the impact of new housing on municipal budgets—the potential for new public-school age children generated by new housing units. This fiscal concern results from the fact that funding for the local Board of Education makes up the largest portion of any municipal budget—typically between 45% and 65% of the total municipal budget. In Windham, the Board of Education budget represents approximately 42% of the total municipal budget. However, and unfortunately, assumptions related to the number of public school-age children generated by new housing units are often higher than the actual number of school district enrollments that result from new housing. For example, it is not uncommon for persons or commissions to assume that each new housing unit produces one, two, or even more school district enrollments. These assumptions result from past experiences, memories of prior generations, and failure to understand that the same social-cultural forces that are contributing to the disruption of retail are also disrupting our communities, government services, and school district enrollments.

Changes in demographics and generational changes to lifestyle are resulting in fewer traditional (family) households and fewer school age children (school district enrollments). For example, some simple calculations can dispel the myth of one or more school enrollments per housing unit. Statewide, Connecticut has 513,079 children enrolled in public schools<sup>4</sup> and 1,377,166 households.<sup>5</sup> Divide statewide enrollments (513,079) by households (1,377,166) and number of public-school district enrollments equals 0.372 enrollments per household (or occupied housing unit). The same calculation can be applied to Windham. Windham has 8,590 households and 3,206<sup>6</sup> school enrollments (3,206 / 8,590) or 0.373 school district enrollments per household (or occupied housing unit). Enrollments of 0.372 per household statewide and 0.373 per household in Windham are well below the one or more enrollments per new housing units that is commonly assumed.

Statewide, and in most Connecticut communities, school district enrollments have declined for over a decade. For example, in 2008 statewide school district enrollments were 574,848 compared to 527,829 in 2020 (a loss of 47,019 statewide school district enrollments). In 2008, Windham's school district enrollment was 3,675, compared to 3,206 in 2021 (a loss of 469 school district enrollments or a 12.8% decline).

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<sup>3</sup>From 2010 to 2020, the town of Windham has lost 3% of its total population, 1 percent of its adult population, and 11% of its under 18 years old population.

<sup>4</sup> Connecticut State Department of Education, [www.http://edsight.ct.gov](http://edsight.ct.gov) (2021).

<sup>5</sup> United States Census, [www. https://data.census.gov](https://data.census.gov) (2019).

<sup>6</sup> Connecticut State Department of Education, [www.http://edsight.ct.gov](http://edsight.ct.gov) (2021).



The disconnect between perceived enrollments from new housing and actual enrollments, should cause us to pause, think, and stop opposing housing based on the potential of new school district enrollments. The fact is the demographic structure of our population has changed and the chances of returning to the higher enrollments of the past are little to none.

## Demographics and Demographic Structure

School enrollments are not driven by housing—as seen in the data discussed above. School enrollments are driven by demographics and demographic structure. Housing units (and the number of bedrooms within housing units) are simply vessels that can and may house school-age children—but there is no guarantee they will house children or generate school enrollments. Demographics and demographic structure as the driver of school-age children and school district enrollments, informs us that as a population grows older, the number of births (the total fertility rate) and a resultant number of children decrease. A decreasing number of children overall typically results in declining school district enrollments. Declining fertility rates are the primary driver of low and declining school district enrollments. This is the very reason why Windham's school district enrollments are declining.

The total fertility rate is the average number of children that would be birthed by a woman if all women lived to the end of their childbearing years. Since only women have children, and since all women do not live to the end of their childbearing years, the replacement level of the fertility rate is between 2.1 and 2.3 (births per women) to maintain a stable population—higher rates result in population growth and lower rates result in population decline. Another way of understanding this is to understand how the fertility rate relates to the death rate. The equation for population growth (not including immigration and migration) is births plus deaths equals growth. If births are higher than deaths, the population grows. If births are lower than deaths, the population declines. The United States fertility rate is 1.73, well below the minimum fertility replacement rate of 2.1. Connecticut's fertility rate is even low at 1.57. Connecticut's low fertility rate means, in Connecticut, 27 fewer persons are born for every 100 persons who die. Excluding immigration and migration, given enough time at a 1.57 fertility rate, Connecticut's population will decline to zero.

Declining fertility rates, nationally and in Connecticut, are not simply the result of an aging population. Declining fertility rates are also tied to, and the result of, increased economic opportunity (wealth), greater education, and the associated changes in social-cultural behaviors that come with wealth and education. Most importantly, these structural changes in our demographics can be traced across generations. For example, if you are of the Baby-Boom generation (born between 1946 and 1964), you likely have more siblings than you have children. It is also more likely, as a Baby Boomer, you moved out of your parent's home, got married, and had your first child at a younger age than those in Generation X (born between 1965 and 1980) and the Millennial Generation (born between 1981 and 1996). These slow-moving changes in the way we live and behave are often hard to notice in real-time. However, by studying demographics and social behaviors over time (generation by generation), the

changes become noticeable, and their collective impacts can be profound. These changes (and other demographic and social changes) are why school district enrollments have been declining statewide for over a decade and why Windham's enrollments declined by 25% since 2008.

Windham is younger than the United and Connecticut but is also aging. In 2000, Windham's median age was 31, in 2019 the median age increased to 31.8. The reason Windham's median age is well below the national and state median age (Table 1) is its low income. Households of lesser income tend to be younger and have more children than wealthier household.

**Table 1. Median Age**

	USA	CT	Windham
2019	37.8	40.8	<b>31.8</b>
2000	35.3	37.4	31.0

Windham's demographic structure is changing. For example, in 1960 only 13.0% of housing units in the United States were occupied by 1-person households. Today, 28% of our nation's housing stock is occupied by 1-person households. As of 2017, 32.4% of Windham's occupied housing stock was occupied by 1-person households. Also, 36.5% of Windham's renter-occupied housing units were 1-person households.<sup>7</sup>

Another important change can be seen in married-couple households with children (under the age of 18). In the United States, from 1970 to 2012, the percent of married-couple households with children declined from 40.3% to 19.6%. Windham is similar. The percent of married-couple households with children (under the age of 18) in Windham is 23.4%. These are social-cultural trends. Today, compared to the decades and generations before, we marry later, marry less, and have fewer children. This explains why Windham's school district enrollments have declined substantially. A demographic metric worthy of mention is that 20% of households with children in Windham are single moms.<sup>8</sup> This informs us, that when we are discussing housing and affordable housing, single moms are often a key demographic in need quality, safe, and affordable housing.

## The Impact of Multi-Family and Affordable Housing on Property Values

Concerns over the potential of negative impacts of new residential development, especially negative impacts on property values, are common in planning and the land use approval process. One of the foundational concepts of zoning in the original Zoning Enabling Act (1922) is that "such regulations shall be made with reasonable consideration...to the

<sup>7</sup>United States Census, [www. https://data.census.gov](https://data.census.gov) (2019). All figures

<sup>8</sup>United States Census, [www. https://data.census.gov](https://data.census.gov) (2019).



character of the district...with a view to conserving the value of buildings.” The concept of *a view to conserving the value of buildings* needs to be contextualized to the time when it was written and the problems that zoning was designed to solve. The 1920’s context was the harsh conditions of the industrial city and the lack of regulatory provisions to deal with incompatible uses and the negative consequences of proximity. In addition to the *character of the district* and *conserving the value of buildings*, zoning was intended to protect us from *fire, panic, and other dangers*, conditions that no longer threaten us in the ways they did in the 1920’s industrial city. Simply stated, zoning (along with other policies and regulations) has successfully solved the problem of the industrial city and has created stability and predictability in real property markets. Therefore, today, how we need to conceptualize *the character of the district* and *conserving the value of buildings* has changed. That is, the dissimilarity in uses has been greatly reduced. Also, the negative impacts on the proximate property have been mostly reduced to the most undesirable land uses. For example, undesirable land uses such as airports, landfills, superfund sites, etc., and their impact on residential and other nearby uses have been extensively studied and documented as having potentially negative impacts on adjacent and proximate property values.

However, such concerns and claims of the negative impact created by other less noxious and dissimilar uses have persisted, especially concerns regarding multi-family and affordable housing development adjacent and proximate to existing residential properties. It is even not uncommon to hear claims that new single-family residential development will negatively impact the value of existing single-family residential properties. Fortunately, such concerns and claims have led to academic and industry research on the impacts of new development on existing residential property values. Most importantly, the abundance of academic research has shown that such claims are not substantiated.

For example, a notable and comprehensive longitudinal study by the MIT Center for Real Estate, *Effects of Mixed-Income, Multi-Family Rental Housing Developments on Single-Family Housing Values* (2005), of seven high-density affordable housing developments adjacent to medium- and low-density single-family residential areas in six communities spread across Metropolitan Boston. The researchers stated that the findings “in all seven case study towns lead us to conclude that the introduction of larger-scale, high-density, mixed-income rental developments in single-family neighborhoods *does not* affect the value of surrounding homes. The fear of potential asset-value loss amongst suburban homeowners is misplaced.” A study by Harvard’s Joint Center for Housing Studies, *The Vitality of America’s Working Communities* (2003), found that apartments posed no threat to surrounding single-family house values.

The findings of the MIT and Harvard studies are further substantiated in a recent study by Kem C. Gardner Policy Institute at the University of Utah. The study, *The Impact of High-Density Apartments on Surrounding Single-Family Home Values in Suburban Salt Lake County* (2021), analyzed the construction of 7,754 units between 2010 and 2018 and the impact of these multi-family rental developments on single-family home values within a half-mile of the new apartments. The researchers found:



*...apartments built between 2010 and 2018 have not reduced single-family home values in suburban Salt Lake County [...]*



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*However, denser development continues to be a politically controversial topic on city council agendas as existing residents often bring up negative impacts on home values.*

*Single-family homes located within 1/2 mile of a newly constructed apartment building experienced higher overall price appreciation than those homes farther away.*

Overall, academic research shows that multi-family development, which is most often of a higher density than single-family residential development, either has no impact or a positive impact on adjacent and proximate single-family residential property values. For example, a study by the University of Washington, *Denser Development is Good for Single-Family Home Values* (2012), found single-family home values increase when located near denser development.

The National Association of Homebuilders, *Market Outlook: Confronting the Myths about Apartments with Facts* (2001), found that single-family residential property values within 300 feet of multi-family rental housing increased by 2.9%. Researchers at Virginia Tech University, in a study titled *Price Effects of Apartments on Nearby Single-Family Detached Residential Homes* (2003) concluded, multi-family rentals that were well-designed, attractive, and well-landscaped, increased the value of nearby single-family residential housing. What was most interesting about the Virginia Tech study, as explained by Eskic (2021), were the researchers three possible reasons to explain their findings:

1. new construction serves as a potential indicator of positive economic growth;
2. new apartments increase the pool of future homebuyers for current homeowners; and
3. apartments with mixed-use development often increase the attractiveness of nearby communities as they provide more housing and amenity choices.

These three possible explanations are important. They highlight the importance of continuous investment in a community, providing a modern, diverse, and competitive housing stock—the positive economic growth, the need to attract newcomers to the community to create a pool of future homebuyers, and the amenity value of diverse housing stock that offers housing alternatives for other residents already in the community—retaining young adults and empty-nesters who seek to remain in the community but need and want housing other than larger single-family homes.

While claims of negative property impacts are likely to persist in the local land use approval process, the unbiased academic research is clear in its findings, *apartments posed no threat to surrounding single-family house values and the fear of potential asset-value loss among suburban homeowners is misplaced*. This is important for Windham, especially the land use boards and commissions, to understand and embrace. New housing development, including multi-family and affordable housing, when well designed and aesthetically pleasing, does not negatively impact the value of adjacent and nearby housing.



## The Windham Housing Study

To produce the Windham Housing Study, an extensive housing study was conducted to assess the local and regional housing market, determine affordable housing needs, identify impediments to housing and affordable housing, and identify potential strategies that Windham could implement to promote, encourage, *maintain*, and provide for qualified affordable housing. In doing so, the study reviewed and gave due consideration to state and regional planning efforts by reviewing and considering the State of Connecticut 2020-24 *Consolidated Plan for Housing and Community Development* (Draft), the Southeastern Connecticut Council of Governments (SCCOG) 2017 *Regional Plan of Conservation and Development*, the SCCOG 2018 *Southeastern Connecticut Housing Needs Assessment*, and the State of Connecticut 2018-2023 *Conservation & Development Policies: The Plan for Connecticut* (Revised Draft). Also, past studies by the Town of Windham were reviewed, and the most recent Windham Plan of Conservation and Development (2017) and current Zoning Regulations were also reviewed and considered.

This comprehensive housing study resulted three reports that provided the foundation for this Housing and Affordable Housing Plan and are considered as part of this Plan. The reports include the following reports:

- Recommended Modifications to the Zoning Regulations
- Housing and Housing Needs Assessment
- Housing and Affordable Housing Incentive Programs

In addition to conducting these studies and issuing these reports, public meetings were conducted with the Planning and Zoning Commission—who advised the process of creating the Housing and Affordable Housing Plan from December 2021 through April 2022. As part of the public engagement, a public hearing was conducted for the adoption of the Plan. This public hearing was designed to inform the public of the planning process, educate the public about affordable housing, present the findings of the studies and reports, and gain further input and insights from the public participants into housing and affordable housing in Windham. The following are short summaries of the three reports produced as part of this Plan.

### Recommended Modifications to the Zoning Regulations – Summary

The comprehensive review of the Zoning Regulations identified provisions that likely create impediments to the production of housing and affordable housing in Windham. The impediments and potential changes and improvements included:



- **Accessory Apartments:** Remove the Special Exception requirement and approval by the Zoning Board of Appeals.
- **Missing Middle Housing:** Amend the Regulations to explicitly allow duplex, townhouse, and three family dwelling units as permitted as-of-right uses in suitable zones—areas with public water and sewer. Consider allowing a zero-lot-line provision for duplex units.
- **Moderate Mixed-Use Residential:** Amend the commercial zoning districts (B-1A, B-3, C-1, and C-2) to allow residential dwellings above the first floor—as permitted in the B-2 and B-2A zones.
- **Minimum Residential Standards:** In accordance with State law (Public Act 21-29) eliminate minimum floor area requirements.
- **Multi-Family Residential Developments:** Create a Master Plan Overlay Zone to encourage and allow multi-family development in both the commercial and industrial zones. Such an approach should utilize the zone change process for review and approval of the Master Plan, followed by a site plan application for the details of site design and development standards.

## Housing Needs Assessment – Summary

The below table provides a summary of findings from the affordable housing needs assessment that calculated the need (demand) for affordable housing. To accomplish this, the needs assessment compares the number of housing units available to the number of households in specific income cohorts.

- The negative values (in red) indicate where there are *fewer housing units available* than there are households that need housing affordable at the respective income level.
- The positive value indicates where there are more housing units available than there are households that need housing affordable at the respective income level.

Household Income	<\$15,000	\$15,000- \$24,999	\$25,000- \$34,999	\$35,000- \$49,999	\$50,000- \$74,999	\$75,000- \$99,999	\$100,000- \$149,999	\$150,000+
Owner-Occupied Households	-1,414	-498	-412	-247	-952	19	-833	-195
Renter-Occupied Households	-484	923	1,009	-14	-1,716	-876	-887	-191
Total-Occupied Households	-369	1,284	1,370	1,199	-821	19	-818	-180

The findings of the housing needs assessment are as follow:

- **Owner-Occupied Housing:** Below household incomes of \$50,000 there are 3,523 more households than there are affordable ownership housing units—demand outpaces supply, demonstrating housing affordability need.
- **Renter-Occupied:** Below household incomes of \$15,000 there are 484 more households—demand is outpacing supply. Between household incomes of \$15,000 and \$34,999 there are 1,932 more affordable rental housing units than households—supply is outpacing demand. Between household incomes of \$35,000 and \$74,999 there are 1,730 fewer affordable rental housing units than households—demand outpaces supply, demonstrating housing need.
- **Total-Occupied:** Total-occupied housing/household accounts for both owner- and renter-occupied housing/households. This calculation accounts for the overlap of owner and renter households in the above Owner- and Renter-Occupied Households calculations, demonstrating that the owner-occupied housing market primarily serves higher-income households (above \$75,000 in household incomes) and the renter-occupied housing market serves lower-income households (below \$50,000 in household incomes). *At household incomes below \$15,000, there are 369 more households than there are affordable housing units—demand outpaces supply. At household incomes between \$50,000 and \$74,999 there are 821 more households than there are affordable housing units—demand outpaces supply.*

The greatest need for affordable housing is at incomes below \$15,000 (20% AMI). At incomes below the poverty level (approximately 25% AMI), affordable housing cannot be addressed simply through the removal of impediments in the local zoning system. Addressing this market segment requires intentional and specific government interventions from State and Federal government. Even though the greatest need is at the lowest income segment of the housing market, the needs assessment reveals that need also exists in Windham at household incomes between \$50,000 and \$75,000. This is a segment of the market that can and will be addressed through the removal of impediments in zoning.

## Housing and Affordable Housing Incentive Programs – Summary

The exploration and review of potential housing incentive tools and programs that the Town of Windham could employ to proactively encourage and provide affordable housing revealed several opportunities and viable approaches to intervene in the affordable housing market. The following is a summary of the tools and programs that could be implemented in Windham.

- **Tax Increment Financing (TIF) Districts:** Create one or more TIF Districts in areas with the greatest need for larger redevelopment—such as obsolete mills or retail plazas.
- **Housing Trust Fund:** Create a Housing Trust Fund to raise and capture funding aimed at improving investment in housing, including affordable housing.



## The WindhamAffordabilityPlan

This section is the Affordable Housing Plan—the specific policies, programs, and strategies to implement to maintain qualified Affordable Housing in the town of Windham. It is important to recognize, it is not enough to simply adopt this plan and implement the recommended strategies. Encouraging and maintaining affordable housing is challenging and difficult work. It is easy to lose momentum and the political will required to achieve the desired outcomes of inclusion and investment. Therefore, Windham must embrace this plan, the need for affordable housing, and the desired outcome as a new philosophy of improvement, inclusion, and betterment for the community. This requires a constancy of purpose to implement the plan and achieve the desired outcomes. Windham must work, continuously and passionately to maintain affordable housing.

### Targeting Investment

The implementation of this Affordable Housing Plan provides Windham a unique opportunity to leverage housing investment to encourage and create new investment in the community. By strategically targeting investment into well-defined areas (specific locations) of the community where investment has been deferred, Windham will create the greatest potential for overall community improvement, betterment, and the physical upgrading of housing and those areas. In Windham, the areas with the most deferred maintenance and lack of investment that will most benefit from a targeted new investment are mostly in Willimantic. The two area that would most benefit from new investment are the Route 32 and Route 66 corridor from the northwest portion of Willimantic through Downtown Willimantic and the Route 66 and Route 6 corridor from Willimantic and through Windham. Both corridorlocations offer good access to the transportation network and provide access to jobs and job centers throughout the region.

The area along Route 32 and Route 66 from Route 6 in the north south to Bridge Street is characterized mostly by older and in some cases, functionally obsolete commercial development, including larger retail sites. This area needs new investments, upgrades, and improvement. Housing, in the form of multi-family standalone and housing as part of mixed-use commercial and residential development can offer new opportunities for investment and redevelopment. Multi-family residential, in recent years, has been one of the best performing real estate asset classes and provides the economic strength and opportunity to anchor new investment in older commercial sites, whereas commercial rents, especially in weak-market locations do not justify new investment.

### **Map 2. Route 32 and 66 Commercial Corridor**



From Bridge Street to Jackson Street is the core of Downtown Willimantic, the Main Street district with good bones for density, mixed-use, walkability, and vibrancy. This area offers opportunities for new investment and the renovation and/or conversion of upper floors as residential housing units. In addition, density bonuses and flexible parking requirements could incentivize new investment and the redevelopment of single-story structures within the area.

**Map 3. Downtown – Main Street**



The Route 66 and Route 6 corridor, east of Main Street to the Chaplin Town Line, offers another area for new investment and redevelopment. Excess land associated with big box retail and undeveloped parcels in the corridor offer opportunities for new investment, redevelopment, and addition of multi-family housing. The addition of multi-family housing in the area would provide for more households, disposable income, and further support the exiting businesses in the area.

**Map 4. Route 66 and Route 6 Corridor**



## Removing Regulatory Impediments – Recommended Modifications of Zoning Regulations

The following are specific recommendations for modifications and improvements to the Windham Zoning Regulations aimed at removing impediments to housing, investment, and the creation of affordable housing. These recommendations are derived from the report, *Recommended Modifications to the Zoning Regulations*. By implementing such changes, Windham will create a more predictable land-use system, ensure greater confidence in housing developers and investors, and encourage greater investment, in the form of infill development, redevelopment, and new development within the areas of the community that can accommodate





development and best serve the needs moderate- and lower-income household in Windham and the region.

#### Accessory Apartments

- Amend the Regulations to be compliant with Public Act 21-29
- Remove the Special Exception requirements and allow accessory apartments as permitted, as-of-right uses.
- Remove the approval authority from the Zoning Board of Appeal and have accessory apartments approved via zoning permit (staff) or site plan (Planning and Zoning Commission).

#### Missing Middle Housing

- Amend the Regulations to explicitly allow duplex, townhouse, and three family dwelling units as permitted as-of-right uses in suitable zones—areas with public water and sewer.
- Amend the Regulations to redefine multi-family housing as four or more units to remove the multi-family requirements from duplex and three-family housing units.
- Consider allowing semi-detached single-family housing through a zero-lot line provisions. This would allow two-units or townhouse units developed on individual lots but designed where the property line splits the wall separating the units. Such a provision could allow for duplex or townhouse units in a village setting.
- Allow 2- and 3-family units as-of-right.

#### Multi-Family Residential Development

- To create a more predictable and flexible land use approval approach, and to encourage investment in new housing development, create a Master Plan Overlay Zone to encourage and allow multi-family development in both the commercial and industrial zones. Such an approach should utilize the zone change process for review and approval of the Master Plan, followed by a site plan application for the details of site design and development standards.

#### Providing Incentives – Housing and Affordable Housing Incentive Programs

The following are specific recommendations for incentives to create housing and affordable housing in Windham. These recommendations are derived from *Technical Memorandum Three: Housing and Affordable Housing Incentive Programs* and additional research into Tax Increment Financing Districts. By implementing such incentives, Windham can and will proactively intervene in the housing market by providing resources that can mitigate the fiscal barriers to housing and affordable housing productions.



## Tax Increment Financing (TIF) Districts

Tax Increment Financing utilizes the anticipated future increases in property taxes to pay for current and needed improvements (typically infrastructure improvements) or to repay debt issued for such improvements. Connecticut state law (CGS Section 7-339cc – Section 7-339kk) authorized local municipalities to create Tax Increment Districts for the utilization TIF in a manner that is geographically targeted,

- Create Tax Increment Financing Districts in the area of Main Street (Route 32) in the northeast corner of town and along Main Street (Route 66) in Downtown Willimantic to support redevelopment and housing investment.
- The following is a framework for thinking about the Tax Increment Financing Districts and policies and how to structure a TIF program to incentivize affordable housing development:
- The TIF policy should be flexible in its structure and utilization to avoid binding the Town or applicants to requirements that may not work.
- State law provides great latitude in what TIF funds can be utilized to accomplish. This includes public infrastructure, technical assistance, predevelopment planning and design, property acquisition, financing costs, and much more. Structure the TIF policies to be flexible, allow any of the TIF statutory authorized costs to be considered, while emphasizing the aim of TIF to promote and support redevelopment and housing.
- Establish a TIF Advisory Board (CGS Sec. 7-339kk) made up of owners and occupants of the Districts and designate the Advisory Board as sub-committee of the Planning and Zoning Commission.
- Allow TIF funds to be considered for the entire project, including market-rate units and commercial property in mixed-use development. Such a policy could offer different degrees of TIF funding support depending on the amount of qualified affordable housing being provided.
- Consider the utilization of TIF to fund renovations to existing housing, including naturally occurring affordable multi-family housing.

## Housing Trust Fund

- Following the Connecticut General Statutes, Chapter 98, Section 7-148(c)(2)(K)(and Chapter 124, Section 8-2i. Inclusionary Zoning), establish a Windham Housing Trust Fund intended to raise funds to encourage and support investment in housing and affordable housing.
- The Trust Fund should be utilized for providing loans or grants to housing renovations, new housing development, and affordable housing (that targets households at or below 50% AMI).
- The Trust Fund, when established, should include clear language as to what housing activities the trust fund can be used to fund and how the funds can be utilized. This could include new construction and rehabilitation of affordable housing, rehabilitation of existing market rate

housing. Uses of the funds could include loans, grants, pre-development costs, or down payment assistance for qualified home buyers.

- The following is a framework for policies that can be utilized to raise revenue for the Trust Fund, administration, and dispersion of funds to incentivize the production and renovation of housing:
- Create a line item in the Town of Windham budget to fund the Trust Fund each year. It is recommended that a minimum amount is established for yearly funding to ensure that Trust Fund receives revenues. However, Windham should seek to fund more than the minimum amount whenever possible.
- Capture a Percentage of building and land use permitting fees to be allocated to the Trust Fund. Alternatively, create a surcharge on all building and land use permitting fees to be allocated to the Trust Fund.
- Promote the Trust Fund for tax-deductible donations from residents and businesses, including organizing and hosting yearly fundraising drives and events.
- Pair the Trust Fund with the inclusionary zoning provision that requires a fee-in-lieu of affordable housing for all residential developments of 10 units or more that do not provide qualified affordable housing units.
- Designate a Housing Trust Fund Advisory Committee, to make recommendations to the Board of Finance and Board of Selectman, on administering the Trust Fund and related activities.
- Develop an application process for private and non-profit affordable housing developments to apply for grants.



## Implementation Schedule

Implementation of the Plan is a gradual and continual process—a continuous process of working towards improvement through achieving the goals and objectives of the Plan. While some recommendations can be carried out in a relatively short period, others may only be realized towards the end of the plan implementation period, and some maybe even more long-term in nature. Furthermore, since some recommendations may involve additional study or a commitment of fiscal resources, their implementation may take place over several years or occur in stages or phases.

The following chart identifies the specific strategy, the agency responsible, and the recommended priority for implementation. In many instances, the responsibilities are shared by more than one agency.

Affordable Housing Plan				
Strategies	PZC	EDC	TC	BOF
Accessory Apartments				
Missing Middle				
Multi-family in Residential Zones				
Tax Increment Financing Districts (TIF)				
Housing Trust Fund				

### Implementation Schedule Legend

Agency	Abbreviation
Planning & Zoning Commission	PZC
Economic Development Commission	EDC
Town Council	TC
Board of Finance	BOF

Priority	
High	Year 1
Medium	Years 2 to 3
Low	Years 4 to 5



## A Housing and Neighborhood Strategy for Windham

### Introduction

This section provides a framework for investment, a framework for creating a housing strategy for Windham. The greatest challenge confronting Windham's housing market and housing stock is disinvestment. The result of post-industrial decline is not simply the loss of mills and jobs. The result is a loss of wealth and economic prosperity. Investment has passed Windham by, has flowed to new locations, and has left much Windham's housing in disrepair. Therefore, if Windham is to prosper, Windham must work to attract wealth and investment. Windham must intentionally intervene in the housing market with the aim of creating investments to improve property maintenance and raise the quality of housing product on display.

The aim of this section is to provide Windham with a means of thinking strategically about housing and neighborhoods and how to reposition the housing stock and neighborhood to compete for wealth and investment. To accomplish this, the following pages will walk the community through a strategic framework for understanding markets, investor behavior, and the process for strategic intervention aimed at repositioning Windham.

### Understanding Markets

Markets exist and function at multiple spatial and temporal scales. Therefore, to analyze and understand the real estate market and to plan for change, we must begin by understanding how the market organizes and functions. That is, how do the multiple sub-markets organize and function at the regional scale? In metropolitan and even non-metropolitan regions, sub-markets generally exist at the municipal, neighborhood, and block scale. All sub-markets compete for wealth and investment. All markets and sub-markets will display strength characteristics of being strong or soft (having varying degrees of demand), while others will be weak or distressed (having little or no demand). Market strength, the degree of demand is critical to understand when developing strategies to intervene in the market. Strategies that work in strong markets typically will not be the same as strategies that work in weak or distressed markets.

While many factors influence the strength of market and how demand is organized at the multiple scales of markets and sub-markets, it is important to understand demand and what typically drives demand. The following table provides a summary of demand drivers.

### Understanding Demand Drivers

<b>Jobs and Employment:</b>	Growth in employment drives demand including the other demand drivers below. Job growth directly influences commercial office and industrial space. Population growth typically follows job growth.
<b>Population:</b>	Growth in population drives demand for housing through household formations. In addition, growth in population and the resulting growth in housing and households drives demand for retail/service space.
<b>Household Formations:</b>	Growth in the number of households, new household formations, drives growth for housing and results in demand for retail/service space.
<b>Immigration:</b>	Growth in immigrant populations, often the result employment opportunities (jobs growth) contribute to population growth.
<b>Income (Wealth):</b>	Growth in household income (and per capita income) drives disposable income and capacity for consumer spending, which in turn drives demand for specific kinds or qualities of consumer spending, resulting in demand for retail/service space and specific types of housing and home improvements.

Jobs are the primary demand driver. For example, places that are growing jobs will also experience growth in population, household formations, and wealth. Places that are shedding jobs will typically experience a decline in population, household formations, and wealth. A review and analysis of Windham's demand drivers reveal little or no growth and mostly stagnant demand drivers. This is not surprising since we understand Windham (especially Willimantic) is a weak-market community with isolated areas of distressed. Connecticut, Windham County, and Windham to varying degrees are characterized by stagnant and weak socio-economic indicators such as population, jobs, unemployment, poverty, education attainment, income, and housing value. In fact, our analysis revealed nothing that everyone already didn't know about Windham. To say it another way, the demand drivers—jobs, population, household formations, and income—for growth in Windham are generally stagnant and weak. Therefore, Windham struggles to compete for growth, wealth, and investment.

To better understand how markets and sub-markets compete, that is, how people, businesses, and investors behave in markets and make market investment decisions, we need to understand and consider choice, competition, confidence, and predictability. The following table provides a summary of these market considerations:

### Understanding Market Considerations

<b>Choice:</b>	Understanding that people (residents, businesses, and investors) make choices about where to buy, what to buy, when to invest, and how much to invest. For a property or sub-market to compete, to attract investment, it must appeal to those making choices to invest. The greater the number of those who will choose to invest here, the greater demand that will be realized.
<b>Competition:</b>	From other properties and sub-markets. It is not enough for a property or sub-market to be a good place to live, work, or play; it must be able to attract investment (time, effort, and money) even as its competitors continually change.
<b>Confidence:</b>	Investors (individuals, business, homeowners, and even renters) need to feel confident in their investment, today and also tomorrow. Therefore, the property and the sub-markets must convey a message and feeling of confidence. Unfortunately, older properties and sub-markets often portray a confusing mixture of conditions that challenge investor confidence. Confidence is the currency that real estate markets trade in.
<b>Predictability:</b>	Investors want predictability. Predictability is the foundation that confidence is built on. If the market is



	not stable and future value is unpredictable, then confidence in market and investment will not occur. A market is predictable when the existing and new investors notice and abide by the prevailing and improving norms.
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Choice, competition, confidence, and predictability provide context and understanding, a foundation to thinking critically about how communities compete for wealth and investment. More important, they highlight the challenge of competing for wealth and investment. Metropolitan and non-metropolitan markets are complex adaptive systems, urban-economic ecosystems that are constantly shifting and changing. Slight changes in technologies, innovations in transportation, cultural shifts in place of work, and changes in consumer preferences impact how markets are organized. Yesterday's trendy neighborhoods could be tomorrow's neighborhoods in decline. A once prosperous industrial building from the not-too-distant past, today sits vacant and deteriorating. Complex adaptive systems (markets), function in both space and time and neither is constant.

To further understand the complexity of markets, we also need to understand human behavior, specifically, investment behavior and the investment decision-making process. In addition, it is critical to understand the importance of predictability and confidence, discussed above, and how they factor into investment decisions. The following table explains the investment decision-making process:

<b>Market-Based Economic Development - Investment Decision-Making Process</b>	
<b>This is what people (residents, visitors, workforce), businesses, and investors like and want:</b>	<p>A market-based economic development strategy begins with understanding the investor's decision-making process for investment:</p> <ul style="list-style-type: none"> <li>• Predictability.</li> <li>• From predictability they are willing to invest; that is, to take a calculated risk that their investment will be worthwhile and profitable.</li> <li>• They determine the extent of how predictable a place is by reading certain signs.</li> <li>• The signs are always right. That's a key insight.</li> <li>• Then they act.</li> </ul>
<b>Important Investment Factors:</b>	<ul style="list-style-type: none"> <li>• Once they find what "fits" with their risk appetite, they invest not just their money but their time and energy, and more importantly</li> <li>• They then seek to protect those investments; that is, to maintain predictability</li> <li>• They will pay attention to "clues" that those investment assumptions have changed—and change upsets predictability (confidence).</li> <li>• Risk appetite and how risk is determined and managed is the key to understanding settlement</li> <li>• Neither use, form, density nor complexity impact predictability, however all of these elements contribute to risk appetite, risk signal definition, and risk management. Therefore, 'ingredients' of space that reflect and reward what makes people 'feel good' attract investment.</li> </ul>



The signs and signals that a market conveys are the qualities of a space or place and how we translate those qualities into an understanding of market conditions—predictability. A simple way to think about this is to ask, “are the signs and signals of this place conveying a message of place that is clean, safe, and aesthetically pleasing?” While everyone has different degrees of risk appetite and tolerances to conditions they deem acceptable, the degrees of difference are small in the context of space and place in regard to mainstream society—the middle class. The fact is, most of society wants and seeks out spaces and places that are clean, safe, and aesthetically pleasing. This is part of the reason why Disney is so popular and prosperous. Disney World provides a place that is clean, safe, and aesthetically pleasing to the masses. In addition, it provides a quality experience that is further enhanced by the qualities of the places. For communities to compete for wealth and investment, they must be predictable and provide confidence to investors, whoever those investors may be. This is the challenge of housing and neighborhoods in Windham. Windham, unfortunately, as the result of decades of decline does not signal to the market that it is predictable and as a result, undermines investor confidence and therefore does not compete. For example, if your neighbors are not investing in their properties—doing the required maintenance and upgrades—then why are you going to invest in your property knowing that the deteriorating conditions of the neighborhood are reducing demand and depreciating property value?

To strategically intervene in a market with the aim of repositioning a Windham, its neighborhoods, and its housing stock, to compete for wealth and investment, knowing all we have learned above, we must work within the context of what are known as the Levers of Change. The levers of change—image, market, conditions, connections, and capacity—provide a framework for influencing change. They allow us to intentionally target strategies, tactics, and investments in a way that arrests decline, builds from strengths, leverages assets, and moves the market toward our desired outcomes—growing demand. The following table provides a summary of the levers of change:

#### **Levers of Change**

<b>Image</b>	<b>Sending what signals:</b> Image are the signals a place sends. They can be positive or negative. Every property is a billboard for image. They inform us about predictability and confidence. Image is also a feedback loop on market (above) as the image continually informs us about the market and what the market is.
<b>Market</b>	<b>Who is there and what is there:</b> Who and what is there explains the market for a given place at that moment in time. We can read market through image and the signals. For example, who is there in terms of income, ethnicity, and educational attainment? We can read market through socio-economic and demographic analysis and through observation.
<b>Condition</b>	<b>The way things look and feel to us and to others:</b> Condition is the product on display. This is not simply the aesthetics of a place, but also the quality and intensity of investment. Is the placewell maintained? Clean? Free of litter and graffiti. Are the sidewalks clean? Street free of pot holes? Are homes and buildings well maintained? Are people, businesses, and government investing?
<b>Connections</b>	<b>The connectivity of space and place:</b> How people and businesses connect to the space or place—sense of place. How people and businesses connect to one another in the space or place. How the space or place is connected to other spaces or places—its site, situation, and transportation connections.
<b>Capacity</b>	<b>With what capabilities and behaviors:</b> Capacity is the formal and informal governance structures (capabilities and behaviors) that manage market. Capabilities may be organizations, government, management, or regulations. Behaviors may be relationships, practices, or leadership. How do thesecapabilities and behaviors inform us about a community’s capacity to manage change, implementation, and improvement?



Now that we understand the levers of change, we can begin to think about all we have learned above collectively as a framework for the work of neighborhood reinvestment and housing—creating wealth and investment in our community. Specifically, creating wealth and investment in Windham to reposition Windham in the greater market to compete.

How can Windham strategically intervene in the market to reposition the community, Oswego and its neighborhoods, to compete for wealth and investment? Utilizing the framework presented above, Windham can systematically approach the work of neighborhood and housing investment with the aim of growing market share and growing demand. The following table provides an eight-step approach to intervene in and move a market:

**A Strategic Approach to Reposition and Move a Market**

Strategy Steps	Practice and Process
<b>Step 1. Read Market</b>	Read and analyze market to determine what's working and what's not working in terms of people's decisions to invest or not and why.  (What is working and what is not working as related to image, market, condition, connections, and capacity?)
<b>Step 2. Set Outcomes</b>	Set outcomes for improvement—improving market.  (What are the desired outcomes for an improving and improved market? related to improvement? How the Levers of Change will have changed?)
<b>Step 3. Strategy and Tactics</b>	Identify and choose the strategies and tactics that will best achieve the desired outcomes—move the community toward the outcomes.
<b>Step 4. Establish Measures</b>	Establish measures for improvement. How will we measure movement toward outcomes?
<b>Step 5. Capacity Building</b>	Assess and strengthen capacity to deliver revitalization strategies. (i.e. governance structure, organization, partners, products, services, etc.).
<b>Step 6. Implement Strategy</b>	Strategy implementation.
<b>Step 7. Measurement</b>	Measure progress toward outcomes, not activities. Is the community improving? Are more property owners investing? Is the quality of property maintenance improving? Is downtown more vibrant? Is wealth being created? Not, how much money did we spend or how many building facades have been improved?
<b>Step 8. Adjustment</b>	Adjust strategies and tactics as needed. Develop new approaches when old ones are obsolete based on changes in the market.

### Possible Neighborhood and Housing Strategies

Windham, specifically, Willimantic in the Downtown area, has good bones—a dense walkable community with historic homes. Therefore, the foundation to a neighborhood and housing strategy should be to build from strength and enhance the character of the Downtown area. The neighborhood north of Downtown, bounded by Mansfield Avenue to the west, Jackson Street to the east, and Summit



Street to the north is likely the area best positioned to target investment strategies aimed at repositioning the area to compete.

This area is characterized by a mix of single-, two-, and three-family homes that vary in conditions of property maintenance—ranging from distressed to well-maintained. The aim of the overall investment strategy should be to improve the overall quality of housing product on display—to improve property maintenance the quality of housing. Therefore, such strategies should target the appearance of both the public and private realm, raising the standards of appearance and property maintenance. This can be achieved by targeting conditions of deferred maintenance and blight. For example, conditions of sidewalks, landscaping, yardwork, and the exteriors of the housing stock—paint, porches, windows, doors, and roofs. To accomplish this, Windham should consider the creation of a comprehensive strategy to intervene in this area with the aim of moving market and growing demand.

### Neighborhood Investment Strategy

Based on the above assessment and discussion, Windham should consider the creation of a comprehensive Neighborhood Investment Strategy that would include the following:

- Create a Neighborhood Investment Strategy. Such a strategy should include the following:
  - Existing Conditions Assessment:
    - Socio-Economic and Demographic Analysis
    - Residential Property Market Analysis.
    - Property Inventory and Conditions Assessment.
    - Land Use Study and Assessment.
    - Regulatory Review and Assessment—including Code Enforcement policies and procedures.
  - Community and Neighborhood Outreach Initiative (Stakeholder Engagement):
    - Resident Engagement and Community Planning Meeting (Focus Groups).
    - Key Stakeholder Interviews.
  - Core Values, Vision, and Outcome Formulation.
    - Creation of a community core values statement.
    - Creation of a community vision statement (based on core values).
    - Defining and setting future outcomes.
      - Establish measures for outcomes (movement toward outcomes).
  - Strategic Interventions and Capacity Building.
    - Define specific strategic interventions.



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- Identify required resources and build capacity for interventions and implementation.
  - Neighborhood Investment Strategy.
    - Final Deliverable: Neighborhood Investment Strategy
      - Existing Conditions
      - Capacity Building
      - Strategy Design and Implementation.
      - Implementation Schedule.
      - Implementation Budget.

Specific strategies that should be explored, include:

- Block level strategies aimed at improved property care and maintenance.
- Home improvement loans focused on exterior improvements, energy efficiency, and interior modernization/upgrades (bathrooms and kitchens).
- Homebuyer assistance targeting down payment and closing cost assistance and exterior improvements.