



**Start with Planning Policy Paper:
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Planning for Housing

Abstract

Housing is the greatest recurring expense borne by a household. Having stable housing impacts children’s ability to learn and provides adults with the opportunity to start families, pursue education, stay employed, or live out their retirement years in their home communities. More and more, Connecticut families are finding that finding appropriate housing is a struggle. Statewide, 38% of Connecticut households must pay more for housing than they can afford, leaving less in their monthly budgets for transportation, food, and other basic needs.

Demographic trends suggest that the need for housing is growing faster than population, with more single- and two-person households and fewer families with children as baby boomers transition into their senior years and millennials enter their twenties and thirties. Projections based on Connecticut State Data Center population estimates indicate a need for at least 70,000 additional homes by 2025, or about 5,000 new homes per year, a production rate that the state has not matched since 2007. In particular, Connecticut will need to add rental and ownership opportunities for baby boomers looking to downsize from larger single-family homes and more lower-cost rentals that provide homes for young households just starting out and stability for the families of workers in lower-paying professions.



East Lyme’s Seaside Village converted an obsolete industrial property downtown Niantic into a mix of townhomes and single-level flats. Thirty percent of Seaside Village is held affordable to low-income families. Photo: Dellbrook | JKS

Connecticut’s housing inventory and housing policy framework no longer meet the needs of our residents. Residents who need alternatives to the single-family homes are being failed by a regulatory environment that makes it difficult to build anything but single-family homes. Seniors are likely to want smaller, low maintenance apartments or condominiums while millennials will want apartments or small single-family homes with good schools that are close to jobs and walkable neighborhood centers. Meeting these needs will mean a shift away from constructing single-family homes towards building smaller condominiums and apartments. But construction of this type of housing requires adequate physical infrastructure and a supportive



regulatory environment missing in many Connecticut communities. In order for Connecticut to be able to supply the quantity and type of housing we'll need to meet the needs of existing and new residents, we'll have to reform the way we plan and regulate what housing gets built. By harnessing the power of planning, we can build a framework of state, regional, and local activities and policies that enable local communities to make smart decisions about how to grow and that link state investments to positive outcomes for residents and for communities.

Policy Discussion

Invest in housing planning at the state level to guide development of effective local regulations.

Connecticut's planning and zoning enabling acts place the responsibility for planning and zoning to meet housing needs on municipalities, directing them to plan for a diverse housing stock that provides opportunities for homes for residents across income levels, and to adopt zoning that encourages multifamily development and economic diversity. CGA 8-23 directs local planning commissions to address the housing needs established in the State's Consolidated Housing Plan and Plan of Conservation and Development, but these State documents fail to provide the necessary guidance to municipalities on how to measure local and regional housing needs.

Since the year 2000, Connecticut has added about 2,000 new multifamily dwelling units per year. The State's 2015 Consolidated Housing Plan estimates that we'd need to add 22,000 affordable low-income rentals each year just to address the current deficit of affordable housing and provide homes for workers in growth industries that pay lower wages. Despite the State Plan's estimate, State involvement in local housing production is limited to the investment of State funds in affordable housing production and preservation and administration of the 8-30g Affordable Housing Land Use Appeals Act, which in many cases allows developers to build income-restricted housing that does not comply with local zoning regulations. The 8-30g Affordable Housing Land Use Appeals Act is a blunt tool: municipalities in strong real estate markets that can support internally-subsidized 8-30g developments lose their ability to regulate local land uses, while 8-30g does nothing to incentivize housing in weaker market areas.

If we are to continue depending on municipal planning and zoning commissions to administer our collective housing policy, the State must provide more specific guidance to municipalities on state, regional, and local housing needs. The Connecticut Housing Finance Authority recently commissioned the development of a data-driven housing needs assessment that will quantify existing unmet needs and



project the future need for rental- and home-ownership housing for the next five, ten, and fifteen years. The assessment should finally provide much-needed guidance to municipalities and state policy makers on how much and what kind of housing municipalities should be enabling. The development of a more rigorous, data-based understanding of housing need should ultimately prepare the state to transition away from the “one-size-fits-all” affordable housing enforcement mechanism of the 8-30g Affordable Housing Land Use Appeals Law to a more nuanced enforcement mechanism that promotes affordable housing where it is needed most and considers local capacity for development. Two bills introduced in 2018 would establish a structure for the Department of Housing to review local regulations and confirm that municipalities are adequately addressing local and regional housing needs. The proposed process is a positive step towards developing a more integrated planning framework across state, regional, and local levels.

Move away from a One-Size-Fits-All housing policy to one that concentrates housing production in areas that best promote positive outcomes and economic growth.

The Department of Housing has embraced location-specific policies that focus new housing production in “high opportunity” areas that give low-income residents access to high-quality schools and stable neighborhoods, policies which sometimes conflict with goals established by the Office of Policy and Management to focus commercial and residential growth in mixed-use, transit-oriented neighborhoods. These goals need not be at odds with one another. The State must develop a cohesive location-specific strategy to support housing growth in areas that both promote positive resident outcomes and attract investment to the walkable, mixed-use neighborhoods that will drive economic growth in the state going forward. Supporting the development of a true Office of State Planning at the Office of Policy and Management would enable plans and programs administered by various state agencies to promote consistent policies and leverage state funds as well as private investments.



Living in homes near major employment centers and transit options transit provides maximum economic opportunities for residents when paired with quality education and a stable neighborhood environment. (Pictured: New Haven)



Ensure that state and federal funding supports activities and projects that affirmatively further fair housing.

The State of Connecticut’s Department of Housing and Connecticut Housing Finance Authority (CHFA) play critical roles in funding and financing the production and preservation of housing affordable to low- and moderate-income households. Decisions on how to allocate and invest funding should include confirmation that funded activities will not reinforce existing patterns of economic and racial segregation but instead actively promote opportunities for diverse mixed-income communities. The Department of Housing allocates federal Community Development Block Grant funds to smaller communities through the Small Cities grant program and should develop guidance for grantees on how these funds can promote access to housing in areas traditionally closed to minority and/or low-income residents. Likewise, a greater emphasis on planning for housing at the local level will require building capacity and local understanding of fair housing laws so that local programs are in compliance.

Reduce municipal reliance on property tax for funding local educational costs to relieve pressure on local mill rates, particularly in urban areas.

Connecticut’s system of linking the ability of a municipality to provide services to its residents with the value of local real estate has a pernicious effect on the state’s housing market and on local housing production policies. The reliance on local property tax must be addressed as part of any fiscal. Our reliance on property tax blocks progress in two ways:

- 1) Historically, communities have closed themselves to multifamily development for fear that households with children would burden the local school system. While many Connecticut communities are



Putting housing near employment helps reduce transportation costs for families and alleviates congestion on the state's roadways. (Pictured: Stamford, CT)



Recent development in the Town of Fairfield adds retail and commercial activity near the town's thriving center, with housing on upper floors.



now realizing that multifamily properties can be economic drivers for their communities, there is still widespread reluctance on the part of communities to accept additional residents.

- 2) High mill rates in Connecticut's urban communities discourage potential residents from buying homes in these areas and businesses from locating there, further eroding the local property tax base.

Diversifying municipal revenue sources and stabilizing educational costs would enable communities to look beyond fiscal concerns in formulating local housing policies. Connecticut's cities can be more competitive in attracting businesses and encouraging young residents to establish roots in the community and in the state.

ABOUT CCAPA AND THE "START WITH PLANNING" INITIATIVE

CCAPA members are deeply passionate about Connecticut and we play a key role in the development, transportation environmental protection of our common home. At this critical moment in the State's history, CCAPA launched the Start with Planning initiative because we understand the dimensions of Connecticut's challenges and we embrace a way forward built on core values, a pace of work and the "Team Connecticut" approach. With special attention to the interrelatedness of decisions, social equity and the long-range consequences of our current actions, CCAPA members are well-positioned to facilitate these important local and statewide conversations. For more information on this topic, email us at info@ccapa.org

RESOURCES

- Connecticut Fair Housing Center (2017). [Are Local Land Use Policies Contributing to Housing Segregation in the Hartford MSA?](#)
- Connecticut Fair Housing Center (2013). [Affirmatively Furthering Fair Housing; A Guide for State and Federal Grantees.](#)
- Open Communities Alliance (2017). [Out of Balance: Subsidized Housing, Segregation and Opportunity in Connecticut.](#)
- Partnership for Strong Communities (2017). [Housing in CT 2017: The Latest Measures of Affordability](#)
- Southeastern Connecticut Council of Governments (2018). [Regional Housing Needs Assessment.](#)
- State of Connecticut Department of Housing (2015). [2015-2019 Consolidated Plan for Housing and Community Development.](#)