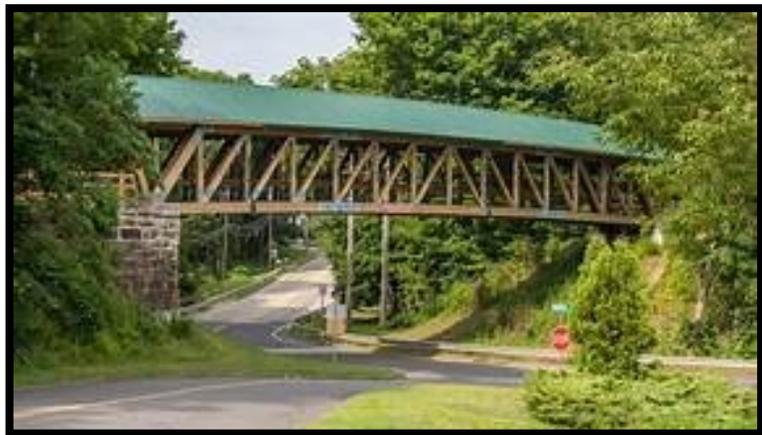


Affordable Housing Plan

Town of Andover, CT



May 16, 2022

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I. Introduction

This plan is being prepared with a grant from the State of Connecticut Department of Housing. An affordable housing plan is required pursuant to Connecticut General Statutes 8-30j. All municipalities in the State of Connecticut are required to prepare and adopt an affordable housing plan by June 1st, 2022.

Andover is a small rural town in eastern Connecticut. In survey after survey town residents have identified Andover's small town / rural character as the most desirable attribute to living in Andover. At the same time the people of Andover care deeply for each other and are committed to providing for those residents who are less fortunate and struggling every day to make ends meet and their biggest expense is housing. Andover recognizes the need for more affordable housing within the community.

II. Q & A

What is Affordable Housing in Connecticut?

Affordable housing is defined as a dwelling occupied by a family making no more than 80% of the area median income and that family spends no more than 30% of their income on housing costs (rent, mortgage, RE taxes and insurance). To qualify in Connecticut the dwelling must be deed restricted for at least 40 years to restrict appreciation and maintain affordability.

Isn't most affordable housing government housing in the cities for the very poor?

Yes, the majority of affordable housing is concentrated in the cities. There are many misconceptions about affordable housing. Below are some pictures of public housing which is there to serve those in the very low income brackets. These are heavily subsidized and such subsidies are not targeted to rural areas because of a lack of need and infrastructure to support such a population.



Affordable housing is also needed for people in the 60% to 80% of area median income. These could include recent college graduates, municipal workers, teachers, and service employees, like landscapers, health care providers, waiters and waitresses, cooks and grocery store workers. Below are pictures of privately developed affordable projects in Connecticut servicing this population. These projects have 30% of their units as affordable with 70% of the unit's market rate. They also are a significant addition to the town's grand list.



What are the laws in Connecticut related to affordable housing at the local level?

Chapter 126 of the Connecticut General Statutes, entitled MUNICIPAL PLANNING, COMMISSIONS, specifically CGS 8-23 requires that Plans of Conservation and Development (POCD) consider the need for affordable housing and may include plans for the implementation of affordable housing.

Chapter 124 of the Connecticut General Statutes, entitled MUNICIPAL ZONING, specifically CGS 8-2g and CGS8-2i provide for density bonuses and inclusionary zoning regulations for the provision of affordable housing, including the creation of an affordable housing trust fund.

In 1989, after receiving a Blue Ribbon Commission Report, the State Legislature recognized the affordable housing crisis and created Chapter 126a of the Connecticut General Statutes, entitled AFFORDABLE HOUSING LAND USE APPEALS, specifically CGS 8-30g. (8-30g)

8-30g requires every municipality to have at least 10% of its housing units designated as affordable, as described above.

The significance of 8-30g is that it allows developers to disregard zoning rules while also shifting the burden of proof to the town to justify a denial. It becomes very difficult for a town to deny an application which does not meet current zoning regulations but does meet the minimum standards found in CGS 8-30g. Essentially, in order to deny an application, the town is required to find documented and proven public health and / or safety concerns. The majority of 8-30g applications denied at the local level and appealed to court have been overturned and approved.

Why haven't these laws solved the affordable housing issue here in Connecticut?

To qualify to be a CGS 8-30g development the proposal must have not less than thirty per cent of its units designated as affordable for at least forty years.

Of the affordable units not less than fifteen per cent of the units shall be sold or rented to families whose income is less than or equal to sixty per cent of the median income and the remainder sold or rented to families whose income is less than or equal to eighty per cent of the median income.

The majority of the housing in Connecticut is developed by the private sector with a profit motive. In its wisdom the legislature identified local resistance to affordable housing as the biggest problem, hence CGS 8-30g. No matter how easy it is to gain approval of an affordable housing development it will not get built if it isn't profitable.

Outside of affluent suburbs, CGS 8-30g has had very little impact. This is due to the small delta between the market rate and the affordable rate. Essentially, the market rate units have to subsidize the affordable units. In affluent areas the developer is able to charge a premium for the market rate units to cover the loss they face from the affordable units. The affordable units have the same development costs and operating costs as the market rate but represent a significant reduction in income within the development pro forma.

Didn't Andover prepare and adopt an Incentive Housing Zone (IHZ) Study in 2017?

YES, Chapter 124b of the Connecticut General Statutes, entitled Incentive Housing Zones, provided funding to municipalities to create zones which allow higher densities to create

affordable units. To qualify, 20% of the units had to be affordable. Once established, the statute envisioned payments from the state to the town. The payments were to be \$50,000 for establishing the zone and \$2,000-\$5,000 for each building permit issued. Payments were subject to available funds and the legislature failed to allocate the necessary funds.

Andover secured \$20,000 in funding from the State and determined that the lack of public water and sewer made it virtually impossible to develop a parcel of land with high enough densities to qualify as an incentive housing zone development. The study produced some very good information and much of it will be incorporated into this plan.

If the state allocated \$20,000 in 2017 to Andover to study Incentive Housing Zones / affordable housing, why are we doing this again?

In 2017 the legislature was faced with several bills aimed at amending CGS 8-30g. The result was the adoption of Public Act 17-170. The act made a series of changes to CGS 8-30g, primarily by easing some of the requirements for obtaining a moratorium under the act. These changes have no bearing on Andover.

However, the act also required every town in Connecticut to adopt an affordable housing plan and to update the plan every five years.

The resulting statute, which requires the Town of Andover to study and prepare a plan for affordable housing, is as follows:

“Sec. 8-30j. Affordable housing plan. Hearing and adoption. Amendments. Filing requirement. (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.

(b) The municipality may hold public informational meetings or organize other activities to inform residents about the process of preparing the plan. If the municipality holds a public hearing, at least thirty-five days prior to the public hearing on the adoption, the municipality shall file in the office of the town clerk of such municipality a copy of such draft plan or any amendments to the plan, and if applicable, post such draft plan on the Internet web site of the municipality. After adoption of the plan, the municipality shall file the final plan in the office of the town clerk of such municipality and, if applicable, post the plan on the Internet web site of the municipality.

(c) Following adoption, the municipality shall regularly review and maintain such plan. The municipality may adopt such geographical, functional or other amendments to the plan or parts of the plan, in accordance with the provisions of this section, as it deems necessary. If the municipality fails to amend such plan every five years, the chief elected official of the municipality shall submit a letter to the Commissioner of Housing that explains why such plan

was not amended.”

What are the most recent changes to the State Statues?

After much fanfare and controversy, the legislature adopted PA 21-29. It was an extremely watered down version compared to the originally proposed amendments. The public act became effective October 1, 2021.

Halloran and Sage’s June 29th, 2021 newsletter summarized the changes. Below are the changes related to affordable housing:

New mandatory provisions that must be contained in zoning regulations:

- To address significant disparities in housing needs and access to educational, occupational and other opportunities.
- To affirmatively further the purposes of the Federal Fair Housing Act which prohibits housing discrimination based on race, color, national origin, religion, sex, familial status, or disability.
- To eliminate provisions that allow consideration of the “character of the district” and to, instead, “be drafted with reasonable consideration as to the physical site characteristics of the district and its peculiar suitability for particular uses.”
- Must state that the regulations “shall expressly allow the development of housing which will meet the housing needs identified” in the state housing plan.

Town regulations may not

- Be applied to deny any land use application, including for any site plan approval, special permit, special exception or other zoning approval, on the basis of (A) a district’s character, unless such character is expressly articulated in such regulations by clear and explicit physical standards for site work and structures, or (B) the immutable characteristics, source of income or income level of any applicant or end user, other than age or disability whenever age-restricted or disability-restricted housing may be permitted.
- Require more than one parking space for a studio or 1 BR or more than two parking spaces for a dwelling unit with 2 or more BR unless a town opts out using the following procedure:

Accessory Apartment Provisions

All zoning regulations shall:

- Designate locations or zoning districts within the municipality in which accessory apartments are allowed, provided at least one accessory apartment shall be allowed as of right on each lot that contains a single-family dwelling and no such accessory apartment shall be required to be an affordable accessory apartment.

- Allow accessory apartments to be attached to or located within the proposed or existing principal dwelling, or detached from the proposed or existing principal dwelling and located on the same lot as such dwelling.
- Set a maximum net floor area for an accessory apartment of not less than thirty percent of the net floor area of the principal dwelling, or one thousand square feet, whichever is less, except that such regulations may allow a larger net floor area for such apartments.
- Require setbacks, lot size and building frontage less than or equal to that which is required for the principal dwelling and require lot coverage greater than or equal to that which is required for the principal dwelling.
- Provide for height, landscaping and architectural design standards that do not exceed any such standards as they are applied to single-family dwellings in the municipality.
- Be prohibited from requiring (A) a passageway between any such accessory apartment and any such principal dwelling, (B) an exterior door for any such accessory apartment, except as required by the applicable building or fire code, (C) more than one parking space for any such accessory apartment, or fees in lieu of parking otherwise allowed by section 8-2c of the general statutes, (D) a familial, marital or employment relationship between occupants of the principal dwelling and accessory apartment, (E) a minimum age for occupants of the accessory apartment, (F) separate billing of utilities otherwise connected to, or used by, the principal dwelling unit, or (G) periodic renewals for permits for such accessory apartments.
- The accessory dwelling regulations do not override: (A) applicable building code requirements, (B) the ability of a municipality to prohibit or limit the use of accessory apartments for short-term rentals or vacation stays, or (C) other requirements where a well or private sewerage system is being used, provided approval for any such accessory apartment shall not be unreasonably withheld.
- A decision on an as of right accessory apartment application must be made within sixty-five days after receipt of such application by the applicable zoning commission unless the applicant consents to one or more extensions of not more than an additional sixty-five days.

Municipal regulations cannot:

- Condition the approval of an accessory apartment on the correction of a nonconforming use, structure or lot.
- Require the installation of fire sprinklers in an accessory apartment if such sprinklers are not required for the principal dwelling located on the same lot or otherwise required by the fire code.

Public Act 21-29 states very clearly:

“Zoning regulations adopted pursuant to this section shall not:

Impose conditions and requirements on manufactured homes, including mobile manufactured homes, having as their narrowest dimension twenty-two feet or more and built in accordance with federal manufactured home construction and safety standards or on lots containing such manufactured homes, [which] including mobile manufactured home parks, if those conditions and requirements are substantially different from conditions and requirements imposed on (A) single-family dwellings; “

III. Population & Housing Profile

Before a town can plan for new housing it has to understand its existing housing stock and what its current regulations will allow in the future. The main source for information is the Census Bureau 2020 American Community Survey data and the Partnership for Strong Communities analysis of the Census data.

Population and Housing Units

The 2020 population is 3,151 residents and there are 1,357 housing units and of those units there are 1,254 are single family homes.

What does this mean ? The average household size is now 2.3 persons per household. This figure has been declining for the last 4 decades. When developing affordable housing options the town should focus on one and two bedroom units.

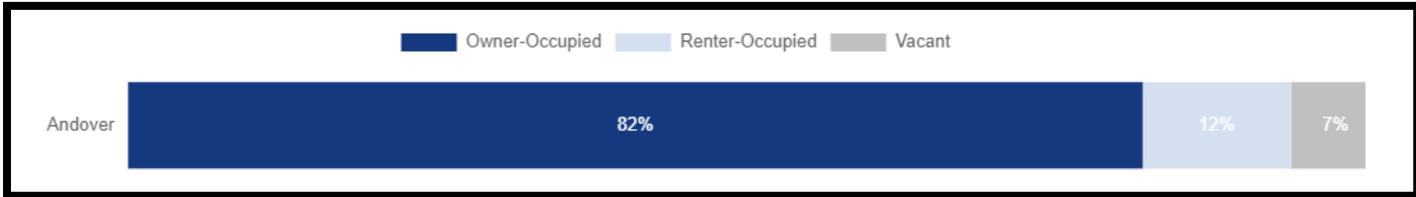
Bedroom Count in Housing Units

In Andover 92.4% of the housing units are located in single family homes. Of those homes 62% have 3 or more bedrooms.



Homeownership

Of the 1,254 single family homes, 82 % of the homes are owner occupied.



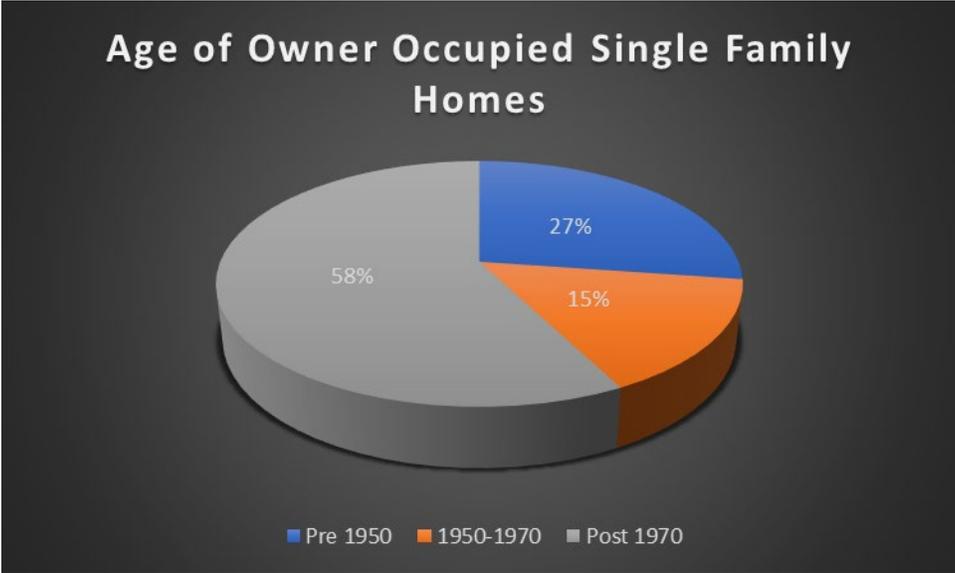
The above chart from the Partnership indicates that 82% (1,079) of the homes in Andover are owner occupied 12% (156) are rental and 7% (87) units were vacant at the time of the survey.

This ownership rate is significantly higher than the rate in Tolland County (67%) and in Connecticut (60%).

What does this mean? Due to land costs, real estate taxes, homeowners insurance, maintenance costs etc. three and four bedroom single family homes are not the best option for affordable housing and the vast majority of housing units in Andover are just that.

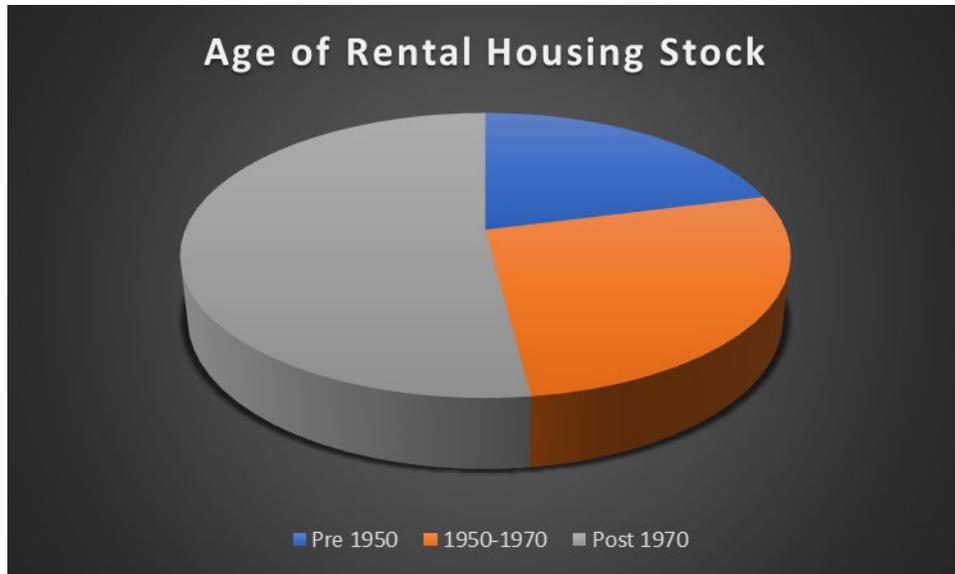
Age of Housing Stock

The age of the housing stock can also have a significant impact on affordability.



Interestingly, 27% of the owner-occupied housing units were built before 1950. This is much higher than the 15% of the units in Tolland County which were built before 1950.

Of the 1,079 owner occupied units 453 units are over 50 years old.



Of the 156 renter occupied units there are 75 units built before 1970 and 81 units built after 1970.

What does this mean? These older units are an important source of affordable / starter homes in Andover. However, the units may be less desirable and have higher maintenance costs because of their age.

Gross Rent Paid

The census also reports on gross rent paid in Town. In Andover only 6.4 % of the units pay over \$1,500 per month in rent. This is compared to 22.4% in Tolland County. On first blush this is very favorable indication of affordability but taken with the age of the rental supply it could also be an indication of sub-standard housing.

NOTE: The existence of the subsidized senior rental units in Andover could be skewing the gross rent.

Sales Price

Perhaps the most important data in an Affordable Housing Plan is what are the units in Andover selling for and what rents are being charged. To determine the actual sales prices the Andover Assessors Office was consulted. They provided actual single family home sales from 2018, 2019, 2020 and 2021. It is well accepted that this time period (2108-present) was a strong real estate market with consistently rising sales prices.

This data was used to develop the table below:

Single Family Home sales 2019 – October 1st, 2021

YEAR	# OF SALES	MEDIAN SALES PRICE
2018	54	\$222,500
2019	65	\$247,900
2020	47	\$264,000
1/01/2021 – 10/01/2021	56	\$275,000
2018 – 10/01/2021	222	\$252,000

Census.gov provides gross rent information for the Town of Andover. The actual rents reported as paid are as follows:

GROSS RENT	# OF UNITS
\$500 - \$999	114
\$1,000 - \$1,499	32
\$1,500 +	10

What does this mean? There appears to be many “*naturally occurring affordable housing units*” in Andover. While there are affordable home sales and rental rates in Town they do not qualify under the state definition of affordable housing as found in CGS 8-30g.

Andover’s Status under CGS 80-30g

CGS 8-30g requires that every municipality in Connecticut have at least 10% of its housing dedicated as affordable housing. To be eligible the units must meet the states definition of “affordable housing”. Regardless of the fact that Andover has 114 units renting for under \$1,000 a month and dozens of single-family homes selling for under \$200,000 the only units that count are those where their appreciation is deed restricted for 40 years.

In 2021 the State Department of Housing reported that Andover had 51 units of affordable housing that met the state definition. These represented 3.87 % of Andover’s total housing units.

Of the 51 units:

CGS 8-30g HOUSING TYPE	#OF UNITS
Rental Assistance (Section 8)	1
Government Assisted Senior Housing	18
USDA / CHFA mortgage	32

What does this mean? In order to reach the states 10% mandate and be exempt from CGS 8-30g the Town needs 81 additional units of state defined affordable housing. The most successful affordable projects are mixed income. A CGS 8-30g development requires that 30% of the units be affordable. This translates to 265 new units in Andover with 81 of those units being affordable and an additional 18 units as the 10% of the additional 184 new market rate units.

Can this plan realistically establish a 10% affordable housing goal?

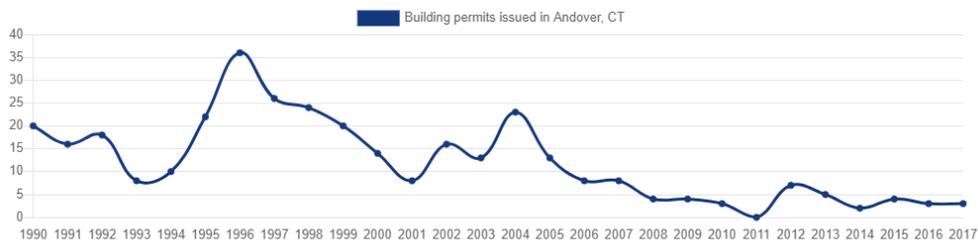
From 2010 to 2020 the population in Andover declined by 154 residents. The 2020 population is 3,151 and the CT Data Center projects the population to continue to decline to 2,864 in 2030 and 2,550 in 2040.

The number of dwelling units increased by 36 units between 2010 and 2020. But, the number of people per household continued to decline as the population aged and younger residents moved out of town.

The Chart below from the Partnership for Strong Communities displays the number of building permits issued for single family homes between 2010 and 2017.

Permits Issued Since 1990

The line chart below shows annual building permits issued in Andover since 1990. The maximum of 36 permits were issued in 1996.



Source: [Annual Housing Permit Data, DECD](#)
Visualization created by [CTData Collaborative](#)

What does this mean? The speculative market for single family homes is gone. Homes are built for specific clients. Considering the lack of population growth, the aging population, the projected decline in population, the lack of quality land, the lack of infrastructure and the cost of construction, the trend of 5 to 10 homes per year will continue. Andover will not see the type of development that could result in an additional 81 units of affordable housing. The 10% goal is not realistic.

IV. Policy and Regulations Review

Each town in Connecticut is allowed to determine the future direction of housing through its policies in the Plan of Conservation and Development (POCD) and its Zoning Regulations.

Plan of Conservation and Development

The 2015 POCD does a nice job recognizing what Andover is and why people like living here. Every survey over the last 30 years showed that people most value Andover's small town "rural" character. The POCD made specific recommendations and the Commission implemented those recommendations to reduce density in the residential zones but also promote cluster development to preserve open space. However, to be economically viable, affordable housing will require higher densities.

Chapter 10 entitled "Andover Town Center: Promoting Compact Mixed Use Development" combined with Chapter 11 "Incentive Housing Zone: Promoting Diversity in the Housing Stock" and Chapter 12 "Preparing for a Significantly Older Population" set the stage and serve as justification for regulations promoting increased density with an affordable housing component.

Zoning Regulations

The primary purpose of zoning is to determine use and density throughout the town.

It is well accepted that affordability is directly related to density. To a developer the more units they can produce on a given parcel of land translates to cost savings and more profits due to economies of scale, faster turnover, more revenue and development costs spread over more units.

ARD and AL Single Family Zones

In Andover 91 % of the community is zoned Andover Rural Design (ARD) or Andover Lake (AL). These are traditional single family zones, with stringent regulations designed to protect water quality in the AL zone. The only residential use allowed in 91% of the town is single family residential with the possibility of an accessory unit.

The lot area is 60,000 square feet which is approximately 1.5 acres. The required frontage is 200 feet. The regulation promotes cluster development to preserve open space. The lot area for cluster is 30,000 sq. ft. with 50 feet of frontage. The cluster does not result in higher density because of the increased open space requirement.

The land area is dictated by the need for on-site well and septic systems. There are no public utilities in Andover. While larger lots in town with decent soils can support 2, 3 and even 4-unit

developments, this would be inconsistent with the recommendation in the POCD. Public Act 21-29 was a wide sweeping proposal to allow higher density as a matter of right throughout Connecticut. The goal and consensus of the authors was that increased density would allow more affordable rental units outside of the cities. It discussed “middle housing” which was defined as the 2, 3, and 4 unit buildings in residential zones. The act faced significant opposition and was drastically modified and these provisions were removed.

Because of the POCD policies designed to preserve the small-town rural character and the zoning, frontage requirements and the ever increasing construction costs the ARD and the AL will not create affordable housing as currently written.

Accessory Apartments

Accessory apartments are often considered a way, albeit a small way, to increase affordable units in a community.

Andover currently allows attached accessory apartments in the ARD zone by right. They are allowed in the AL zone on parcels greater than 120,000 sq. ft. The maximum area is 800 sq. ft. or 33% of the gross floor area of the main house, whichever is less. Detached accessory units are allowed by special permit.

Public Act 21-29, as approved, did dictate to towns what they can and cannot require regarding accessory apartments. Andover’s current regulations do not comply and the town should amend their zoning to comply with the act. If the town does not comply by January 2023 the existing accessory regulations become void and the requirements of the statute take effect. The Town should consider opting out of the requirements to preserve water quality in the AL zone.

On Prohibited Uses

In Connecticut mobile homes and mobile home parks have historically acted as “rural” affordable housing because of their lower costs. This has resulted in a stigma against them and many towns currently prohibit them.

Andover Zoning currently prohibits mobile homes and mobile home parks.

Public Act 21-29 states very clearly:

“Zoning regulations adopted pursuant to this section shall not:

(3) Impose conditions and requirements on manufactured homes, including mobile manufactured homes, having as their narrowest dimension twenty-two feet or more and built in accordance with federal manufactured home construction and safety standards or on lots containing such manufactured homes, [which] including mobile manufactured home parks, if those conditions and requirements are substantially different from conditions and requirements imposed on (A) single-family dwellings; “

On Planned Residential Development for Older Persons

Chapter 12 of the POCD entitled “Preparing for a Significantly Older Population” recognizes that Andover’s population will become older and older as the baby boom generation ages and remains in town and younger generations leave for places with more diverse housing options.

Section 4.14 Planned Residential Development for Older Persons of the Zoning Regulations is in response to the POCD Chapter. It is expected that many of the baby boom generation will look to downsize to smaller homes on smaller lots with less maintenance responsibilities and costs.

The zone allows “55 and older” housing by special permit in residential zones on lots of 10 or more net acres. The regulation allows six (6) bedrooms per acre. Most “55 and over” units have 2 bedrooms per unit so essentially 3 units per acre. The regulation is unique for a rural town in that it allows 1, 2, 3 and 4 unit buildings. This could help reduce the cost of the units.

Understanding that the majority of seniors are on fixed incomes and their incomes are often less than 80% of median income, the Commission may want to consider allowing higher densities in exchange for a percentage of affordable units.

On Andover Mixed Use Floating Zone

This zone is extremely innovative but designed to be difficult for a developer to achieve. This floating zone basically floats over parcels fronting on Route 6 and can only be applied after a developer submits a fairly detailed conceptual plan and applies for a zone change to “land” the zone. A zone change is a legislative decision and requires a public hearing. The Commission can basically deny for any legitimate reason. This is a significant risk for a developer.

If applied the zone essentially removes the underlying zone restrictions and allows tremendous flexibility in use and density.

The Commission could work with this zoning and the Incentive Housing Zone regulations in the POCD to incorporate an affordable component in exchange for a more straight forward and less risky approval process.

V. Cost of a an Affordable Housing Unit

Now that the current housing situation and what the regulations allow have been discussed, the next logical question is: What is the target population? Who qualifies for affordable housing in Andover?

This plan is mandated by the State of Connecticut therefore it must follow State guidelines. The state defines affordable based on the Area Median Income (AMI). HUDuser.gov places Andover in the Hartford/West Hartford/East Hartford region and therefore we use that Area Median Income.

The Hartford/West Hartford/East Hartford AMI is \$104,300 as compared to the Andover area median income of \$105,328.

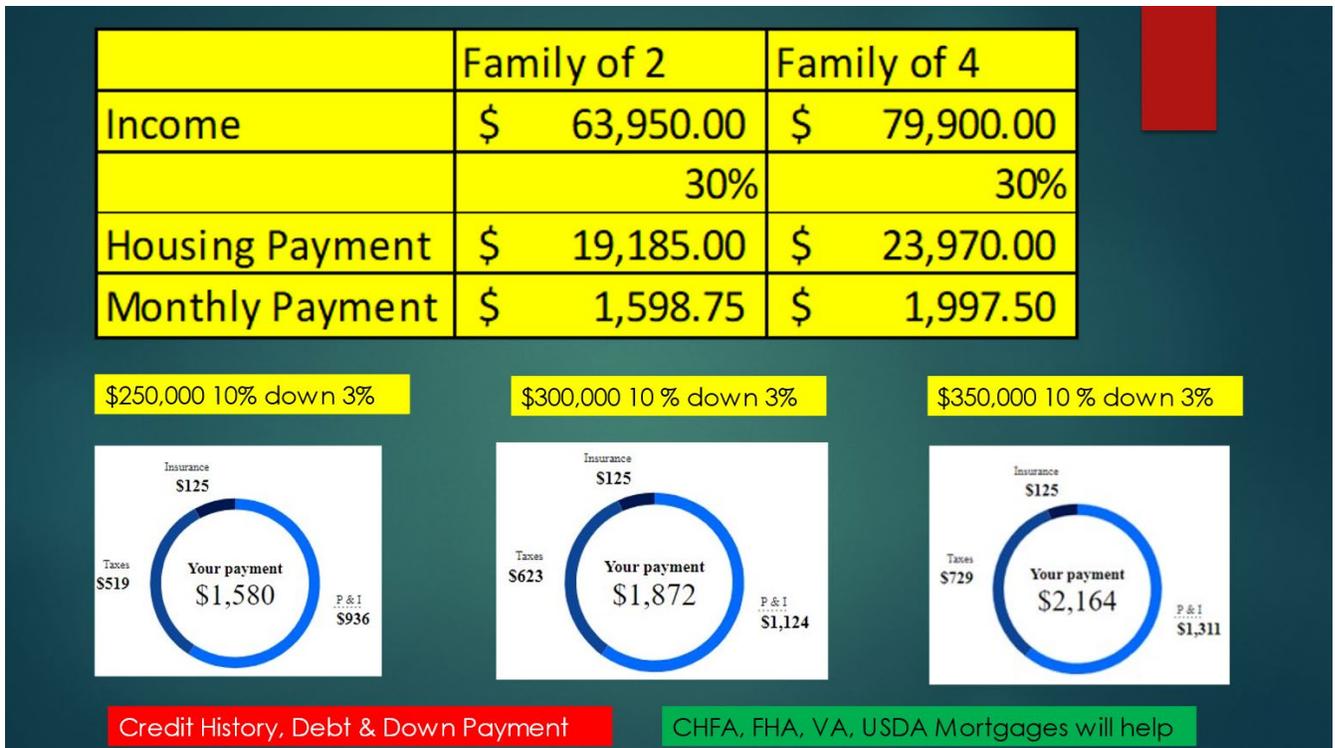
This translates into the following income limits as reported by HUD:

Family Size	80% income limit
1	\$ 55,950.00
2	\$ 63,950.00
3	\$ 71,950.00
4	\$ 79,900.00

Based on this table, the affordable sales price is what a family can afford without spending more than 30% of their gross income on housing costs (mortgage, taxes and insurance)

Family Size	30 % Monthly Housing costs
1	\$1,400
2	\$1,600
3	\$1,800
4	\$2,000

The chart below displays what the mortgage payment would be for homes of \$250,000, \$300,000 and \$350,000. As revealed below a family of 2 can afford a home priced at or below \$250,000 and a family of 4 can afford a home priced at or below \$300,000.



The Assessor’s sales data reveals that there were the following sales:

YEAR	SALES @ \$250,000 AND BELOW	SALES @ \$300,000 AND BELOW
2018	33	42
2019	35	47
2020	18	34
2021	22	33

What does this mean? For a town of Andover’s size, recent history shows there are an ample number of homes on the market each year at or below the “affordable” sales price.

The disconnect – CGS 8-30g requires sales prices as described above but also requires that the dwelling must be deed restricted for at least 40 years to restrict appreciation and maintain affordability. None of the homes sold in Andover had such a deed restriction.

What is the monthly rent that the state would consider “affordable”?

For rental units, HUD defines the fair market rent for the Hartford/West Hartford/East Hartford region as follows:

FY2021 SAFMRs By Unit Bedrooms				
Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
\$670	\$830	\$1,020	\$1,270	\$1,480

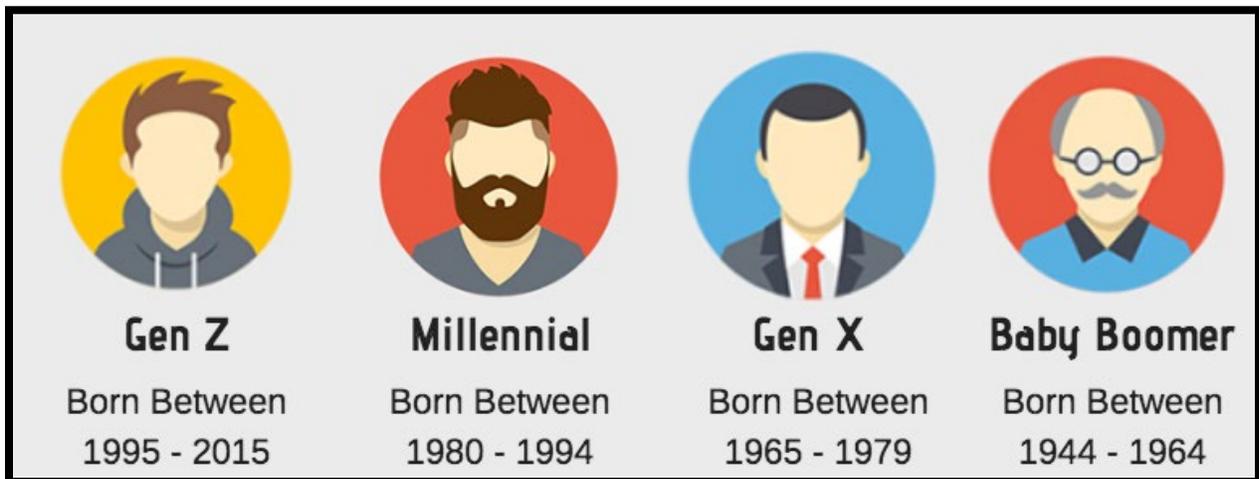
Census.gov provides gross rent information for the Town of Andover. The actual rents reported as paid are as follows:

GROSS RENT	# OF UNITS
\$500 - \$999	114
\$1,000 - \$1,499	32
\$1,500 +	10

What does this mean? For a town of Andover’s size, recent history shows that many rental units in the community are at or below the “affordable” sales price. However, it is also suspected that there is very little, if any, turnover in the units. This means there are effectively no rental units, let alone affordable rental units, available in Andover.

VI. Identifying the Target Populations

A town of less than 4,000 people cannot be expected to satisfy the regions demand for affordable housing. It can, and should, strive to serve those residents in the lower income spectrum that are currently paying in excess of 30% of their gross income for housing costs. The graphic below displays the various generations that exist. The plan should target those most vulnerable to needing to relocate due to a lack of housing affordability and/or diversity.

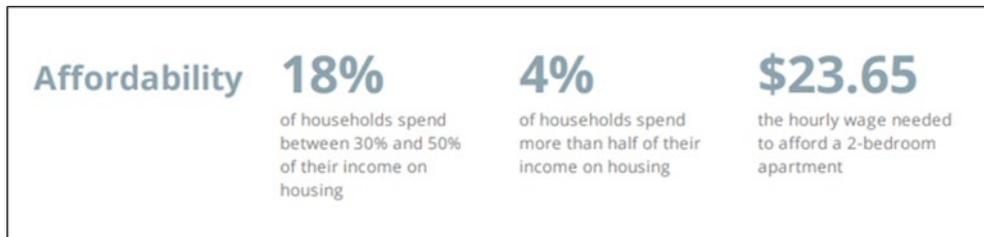


The town understands that there will be increasing numbers of empty nesters/baby boomers looking to downsize from large single-family homes on large lots to more affordable and maintenance free living. They currently have virtually no option to remain in Andover. If Andover allows various options, the private market will provide for most of these seniors. However, there will be those that may or may not have equity in their homes but are living on small pensions or social security and struggle to pay expenses, including local taxes. This plan will target those low to moderate income seniors/baby boomers.

It is also noted that those younger Generation Z individuals finishing school and entering the labor market are leaving Andover at significant rates. Again, they simply have no attractive and affordable alternative to remain in town. These are the individuals that will advance in the labor market and begin moving towards marriage and creating families. These are the people that will be the buyers of the homes the empty nesters will be leaving. Creating a pool of future single family home buyers that love the town and want to stay will be critical. This plan will target the Gen Z population who qualify for affordable housing.

Approximately how Many New Affordable Housing Units are Needed in Andover?

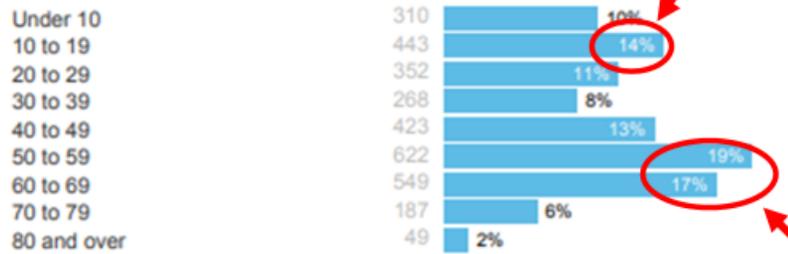
The Partnership for Strong Communities determined that 22% of residents in Andover have a “housing cost burden” of over 30 %. Currently 18% of residents pay between 30 and 50% for housing and 4 % pay over 50% for their housing as displayed below.



In determining the potential need, this plan will focus on the 10-19 year old and the 50-69 year old age cohorts. These are the groups that most likely would have to look outside of Andover for smaller, affordable units. These groups would benefit the most from the implementation of this plan over the next 10 years.

Who should this affordable housing plan target?

Age Distribution



443 – Gen Z potentially interested in staying in town

1,171 Baby boomers potentially Looking to downsize and stay in Town

As indicated above there are 443 residents in the 10 to 19 year old age cohort and 1,171 in the 50-69 year old age cohort. It is reasonable to assume that the majority of the 50-69 year old age cohorts are in households with more than one person. The average household size is 2.6 persons per household. Dividing 1,171 by 2.6 results in 450 households.

As discussed earlier the Partnership for Strong Communities report that 18% of Andover's population has a housing burden of 30%-50% housing costs and 4% are paying housing costs in excess of 50% of their income.

Applying these percentages results in a potential need of 36 units for those in the over 50% housing cost burden category and 160 units for those in the 30-50% housing cost burden and a total potential need of 196 units.

<u>10-19 years old</u>
443 residents
4% of 443- 18 residents
18% of 443 – 80 residents
<u>50-69 years old</u>
1,171 residents / 2.6 HH size = 450 households
4% of 450 households = 18 household
18% of 450 households = 81 households

There are currently 51 affordable housing units in Andover. Based on the above assumptions, there is a potential need for 196 additional affordable housing units.

CGS 8-30g requires 10% of the units in every municipality to be affordable. This translates to 133 units in Andover. To be exempt from CGS8-30g the Town needs 80 additional affordable housing units.

Existing Affordable Units	51 units
Units required under CGS 8-30g	131 units (80 unit deficit)
Projected Need for new Affordable Units	196 units

Is there a market that could support the construction of 196 new affordable units in Andover?

CGS 8-30g developments require that 30% of the units be designated affordable. To achieve the 80 additional units as required under 8-30g there would need to be housing developments with 273 new units of which 191 would be market rate and 82 units would be affordable.

Andover’s population declined over the last 10 years and this decline is projected to continue. Since the financial crisis beginning in late 2009 the speculative housing market in Andover has been non- existent. Below is a table which displays the number of housing starts per year since 2009. Additionally, the Plan of Conservation and Development highlights the lack of available and suitable land for future development.

Market Rate Units
2009 – 4
2010 - 3
2011 – 0
2012 – 7
2013 – 5
2014 – 2
2015 - 4
2016 – 3
2017 – 3
2018 – 5
2019 – 7
2020 - 4
2021 – 2 (thru Aug.)

In the absence of the government providing and the town accepting massive subsidy for affordable housing developments in Andover and finding land that could support large scale development that satisfied CT Department of Health requirements for on-site well and septic - the town will be dependent on the private sector providing some affordable units.

VII. A realistic Affordable Housing Goal

The Statute that mandates this plan (CGS 8-30j) simply says:

“Such plan shall specify how the municipality intends to increase the number of affordable housing developments in the municipality.”

It is understood that there is a need within this community for additional affordable housing units to provide for the residents of Andover with low to moderate incomes.

It is also understood that the market for speculative single housing is non-existent and due the lack of public water and sewer, achieving sufficient density for multi-family development is very difficult.

The goal should be a market-based goal that understands the limitations of the market and the land. Between 2009 and 2021 there were 49 single family homes built in Andover. Assuming there will be 50 new housing units constructed in Andover in the next 10 years it is not unreasonable to assume that a certain percentage of these new homes can and should be affordable. The affordable units could also include existing units which are established as “state qualified” affordable housing.

CGS 8-30g requires 10% of all units to be affordable and 30% of all units in housing developments to be affordable. It is reasonable to use these percentages to establish Town’s goal based on the market. The table below shows the calculations used to establish the goal.

2009 – 8/2021 – 49 new single-family homes

50 units in ten (10) years.

Average 5 new homes per year.

CGS 8-30g says 10 % of all units in town should be affordable

10% - of new units affordable - .5 new affordable unit per year.

30% - of new units affordable -1.5 new affordable units per year

Andover's Affordable Housing Goal

Andover will create between 5 and 15 affordable units in next 10 years. These units will be designed and targeted to the needs of Andover's empty nesters interested in downsizing and Andover's 10 –19 year old age cohort interested in remaining in town after graduating from school.

VIII. Potential Locations for New Development

In 2017 the Town prepared an Incentive Housing Zone Study. That report consulted with the Town staff with extensive experience in Andover. The report analyzed the ownership, the wetlands and the soils of the parcels identified for potential development. After discussions with the Planning and Zoning Commission and with the Town Zoning Agent, Wetlands Agent and Sanitarian it was determined that three (3) parcels were suitable for higher density residential development, with an affordable component.

NOTE: The State Health Regulations were modified to allow up to 7,500 gallon per day per system. However, each residential structure must have its own system. One structure can include multiple units and parcels can be divided to have up to 7,500 gallons per day per parcel if the parcels are held in separate ownership.

The speculative market is very weak at this time but it is good for this plan to identify these parcels as potential sites suitable for higher density residential development, with an affordable component. These possibilities will be particularly useful if the town/ state determine it advisable to incentivize the development of new affordable housing with

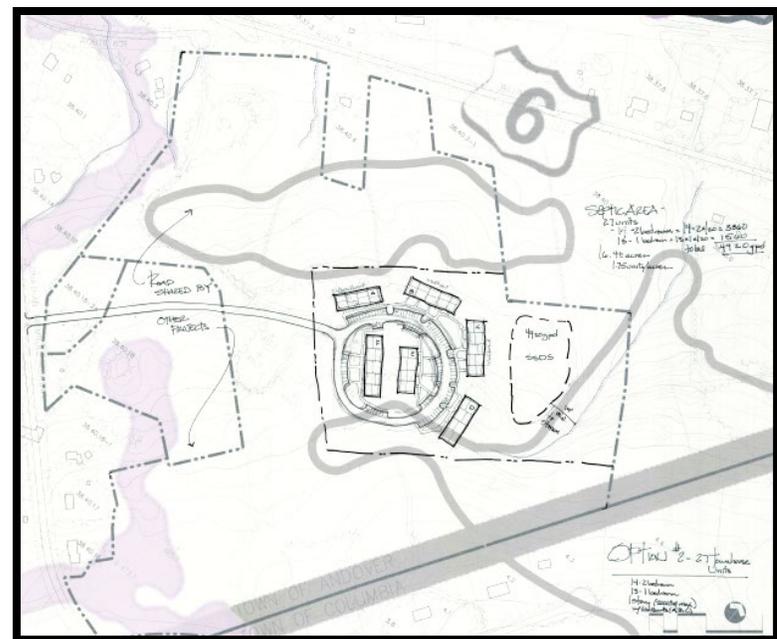
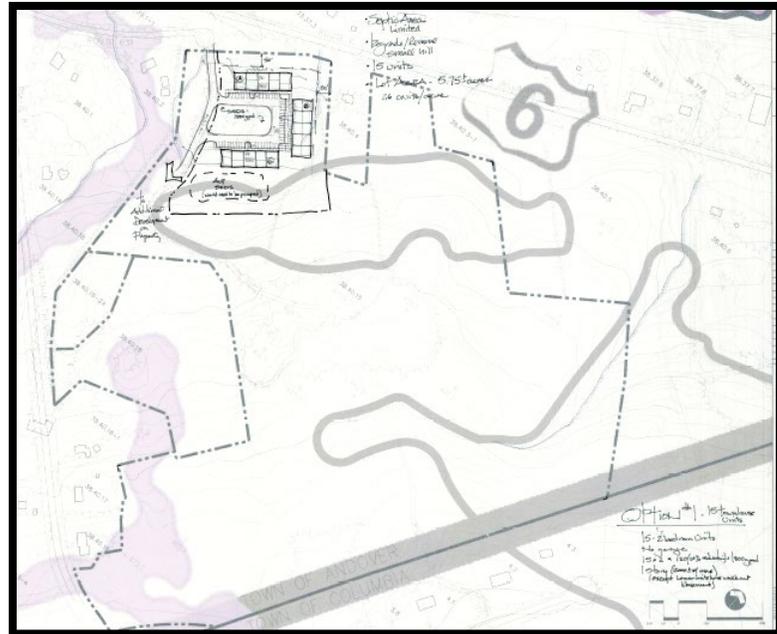
acquisition funds, pre-development and development funds, rent credits and/or favorable tax treatments.

Development Sites

Site A – Phelps Property, Shoddy Mill Road – 9.4 acres

The IHZ study created 2 development scenarios which are displayed in the figures below.

- The first development alternative includes 16 single family home lots with 2 bedrooms per unit.
- The second included 27 attached units in 6 buildings with 14 2- bed room and 13 1-bedroom units.



Site C - Town of Andover Property School Street 70 acres

The IHZ study created 2 development scenarios. Which are displayed in the figures below.

- The first scenario includes 42 attached units in 10 buildings with a mix of 1 and 2 bed rooms units.
- The second includes 24 single family lots 2- bedroom homes.



The study also presented an Incentive Housing Zone Regulation. The study ultimately concluded that the sites could not support the density required in the Incentive Housing Zone program but there is no reason higher densities, such as those displayed above, cannot be allowed with an affordable component. The draft regulation should be streamlined and evaluated to insure that it allows the densities required to make developments economical. It is recommended that the

attached housing be allowed as a matter of right with a site plan review permitting process similar to that of a single family home.

The full Incentive Housing Zone Study is available in the Town Office Building.

IX. Economics and Financial Feasibility

Ultimately, housing production depends on supply and demand. This study has clearly documented that there are approximately 300 households that are currently paying over 30% of their gross income for housing and would benefit greatly from more affordable housing. The demand for affordable housing exists.

The ability of the market to supply new housing is a much more complex issue. The private sector operates with a profit motive. If sufficient profit is achievable housing will be developed to satisfy the demand.

When developing housing there are expenses and revenues. Expenses include land costs, survey, engineering, architectural and landscape design, soil testing, traffic and wetland studies and legal fees. All of these costs occur before the developer can even apply for local approval to build. For larger projects these pre-permitting costs can reach into the hundreds of thousands of dollars. This is a tremendous amount of risk for any developer.

Once an application for approval is submitted the permit fees and the hourly fees of attorneys, planners, architects, landscape architects, civil engineers and traffic engineers start to accrue. Multiple meetings, site walks, lengthy public hearings and continued hearings all represent tens of thousands of dollars. This all takes time and time is money as the market and financing costs change.

An appeal of a Planning and Zoning decision, even a frivolous and baseless appeal by a neighbor, and the year and half delay can kill all but the most viable projects.

Once approved locally, the project needs to secure approvals from State Health for well and septic approval and often an encroachment permit from the State DOT. For larger projects, approval from the State Traffic Commission and for septic systems with over 7,500 gallons per day approval by CT DEEP is required. The CT DEEP approval can take well over a year and additional study. All of these steps include significant permit fees and engineering costs. The State Traffic Commission often requires very expensive improvements to the road network, like intersection reconstruction or a traffic light.

Once fully approved there is the cost of financing, closing costs, building permit fees (which alone for can represent over \$1,500 per unit) site development costs including building materials, labor and taxes (often resulting in requests for tax abatements).

All of these costs and the time it will take are taken into consideration and compared against what the developer expects to receive in rent and or sales from completed units. As evidenced recently, uncontrollable inflation in the cost of materials, energy costs, labor shortages and rising interest rates can all prevent projects from going forward.

But, if the development pro forma shows an acceptable rate of return and the risks are acceptable – the project goes forward.

Factoring in a requirement for 30% of the units to be affordable has a chilling impact on the budget. In affordable developments the market rate units must subsidize the loss in revenue (lower sales price, lower rents) from the affordable units.

There are government funding sources to bridge the gap in financing in exchange for affordable units. But, these are complicated programs with lots of bureaucracy and red tape. Also, because of the reputation of “public housing” they are also a lightning rods attracting public opposition.

LOCAL APPROVAL PROCESS

Any discussion of economics and financial feasibility would be incomplete if it didn't address the local approval process. The majority of small towns in CT never planned or zoned for higher density multi-family development. The required approval process and the risk of being denied or a decision being appealed is often enough to make a developer look elsewhere. In Andover, multi-family development will require a zone change and / or special permits. Both are costly approvals and require public hearings with public notice. The developer is essentially asking the Commission to disregard the opinion of its constituent's and vote for the often “out of town” developers project. Not an easy task in a small town.

It is often recommended that the Commission proactively rezone parcels suitable for affordable housing prior to any development proposal and make the use “as of right” site plan approval to make the requirements very clear and avoid the public hearing process.

X. Implementation: A Path Forward

The adage “Towns do lots of plans that sit on shelves and gather dust” is often very true. In local government, implementation is the most difficult aspect of planning. It is a lot of work particularly when dealing with such a difficult topic.

Buy in is essential. Elected officials, boards and commissions and the general public need to understand the need for affordable housing and the goals of this plan.

This section is designed to create a step by step framework that will begin discussions on the need and process to move towards more affordable housing.

A. Organization and Awareness

1. This plan should be presented to the Town Administrator, Board of Selectman and Board of Finance;
2. There should be an Affordable Housing Workshop to present the plan to residents and then a formal public hearing to listen to public comment;
3. Plans are often shelved because there is no champion. It is recommended that an Affordable Housing Committee be established with the goal of keeping the implementation of this plan in the forefront.
4. Ideally a permanent staff member, with true interest in the subject, will be assigned as staff to the Affordable Housing Committee.
5. This Committee and staff will use social media and print media to highlight the need and identify and work with residents in need of affordable housing or interested in renovations to age in place or create affordable accessory units;
6. Perhaps one of the biggest issues to buying a house is a lack of knowledge of the existing programs. The Committee and staff person would work with realtors to promote the CHFA and USDA mortgage and down payment assistance programs. Homes bought with these programs count as state defined “affordable” housing.
7. Section 7-148(c)(2)(K) of the General Statutes Municipal Powers allows the creation of Housing Trust Funds. All towns in CT are in a unique position in that they have “found money” in the form of COVID relief funds. It is recommended that a housing trust fund be established with an initial deposit from COVID relief funds. Subsequent deposits could come from annual budget allocations or end of year transfers of surplus fund.
8. Apply for CDBG Small Cities funding for money to fund the Housing Trust Fund for housing rehabilitation and modifications for low and moderate income owners and tenants.

9. Considering Andover’s demographics helping seniors comfortably “Age in Place” will be a huge issue to avoid social isolation. A safe and affordable home is critical but also to assist seniors with aging in place it is critical that the town provide support programs to maintain quality of life. These include a Senior Center of adequate size and programming for all types of seniors, meals on wheels, dial a ride, visiting nurse program and handyman services for small jobs within their homes.
10. To help further affordable housing consider tax abatement programs as allowed under the Connecticut General Statutes. Specifically, CGS Section 8-125, Section 12-65b, Section 12-81bb, Section 12-129n.

B. Modifying Existing Housing Stock

1. A recent AARP survey found that 80% of seniors would like to remain in their home and age in place. Consider direct grant (Housing Trust Fund and CDBG small cities eligible) to encourage low to moderate income qualified seniors to modify their homes to allow aging in place (single floor living, bathroom modification, ramps) and/or to create “affordable” accessory unit for extra income a relative or a caregiver;
2. Create a program which creates “affordable” accessory dwellings by creating a direct grant (Housing Trust Fund and CDBG small cities eligible) or tax abatement. To ease the process, have available maximum rental rates and a model 10 year deed restriction acceptable to State DOH to qualify for “affordable” unit and an annual reporting process.
3. Expand Senior Housing – There are currently 24 units at Riverside Drive Senior Housing. There is currently a waiting list and, like other senior housing, it may be over 2 years before a unit will become available. It is anticipated that the lack of senior housing units will get worse over time. This is exactly at the time when more and more seniors are realizing they need more affordable housing and do not want to leave their hometowns. The town should work with management at Riverside Drive Senior Housing to evaluate the feasibility of an expansion. There are state and federal funds to assist with such expansions.
4. Make sure seniors in need are aware of CGS8-1bb Temporary Health Care Structures.

“A temporary health care structure meaning a transportable residential structure shall be allowed as an accessory use in any single-family residential zoning district on a lot zoned for single-family detached dwellings that is owned by a caregiver or mentally or physically impaired person and used as his or her residence. “

C. Planning and Zoning Commission

The Planning and Zoning Commission controls use and density throughout town. The Planning and Zoning Commission needs to:

1. Adopt the Affordable Housing Plan as an addendum to its POCD.

2. Recommend to BOS that they opt out of the requirements of P.A. 21-29 for Accessory Dwelling Units. This is recommended because complying could be detrimental to Andover Lake.
3. After opting out amend regulations to comply with P.A. 21-29 in the Andover Rural Design (ARD) zone. Most significantly, allow as of right units up to 1,000 sq.ft. and remove special permit requirements for detached units.
4. Amend the ARD zone to allow as of right 2-4 unit structures on larger lots, including design guidelines to protect rural, single family residential character. Affordable Housing advocates are quick to point out that rural towns like Andover have 90% of their land zoned for large lot single family homes. The minimum lot size of 60,000 sq.ft. can support more than a single family home. This will increase the supply and diversity of the housing stock with smaller more affordable units.
5. Eliminate mobile homes and mobile home parks, meeting definition in state statute, from prohibited use section.
6. Amend Section 4.14 PRD for Older Persons to eliminate the need for special permit and add a density bonus in exchange for a certain percentage of affordable units.
7. Amend Andover Mixed Use Floating zone to incorporate an optional affordable component in exchange for higher density and a more straight forward less risky approval process
8. Review and consider adopting the Incentive Housing Zone, perhaps increasing density in recognition of state Dept of Health's septic capacity increase per property to 7,500.
9. Proactively rezone the 3 Incentive Housing Zones discussed in the Affordable Housing Plan using an overlay zone technique which preserves the existing zoning but allows the Incentive Housing Zone developments as of right.
10. After rezoning the property, the Planning and Zoning Commission and Affordable Housing Committee advocate that the Town seriously consider opening discussions with for profit and not for profit housing developers who might be interested in the development of a neighborhood on the Town property adjacent to Town Hall and Fire House, including senior and affordable units.

The table below corresponds to the recommendations in Chapter X Implementation. For a more detailed expansion of the recommendations refer to Chapter X.

Organization and Awareness		Lead Agency	Priority (1-5) 1-Highest	Implementation Period
Task	Lead Agency	Priority (1-5) 1-Highest	Implementation Period	
A1. Present Plan to Board of Selectman & Board of Finance	Planning and Zoning Commission	1	Short term (6 months - 1 year)	
A2. Public Workshop	Planning and Zoning Commission	1	Short term	
A3. Create Affordable Housing Committee	Board of Selectman	1	Short term	
A4. Assign staff person to Committee	Town Administrator	2	Mid Term (1 - 2 years)	
A5. Outreach to Andovers low & moderate income	Affordable Housing Committee	3	Mid Term	
A6. Educate low & mod buyers of CHFA & USDA programs	Affordable Housing Committee	2	Mid Term	
A7. Create and fund Housing Trust Fund	Board of Finance / Town Meeting	3	Mid Term	
A8. Applyfor CDBG Small Cities match	Affordable Housing Committee	2	Long Term (2 - 4 years)	
A9. Senior Programs	Senior / Social Services	3	Long term	
A10. Investigate tax abatements	Board of Finance / Town Meeting	4	Long term	
Modify Existing Housing Stock				
Task	Lead Agency	Priority (1-5) 1-Highest	Period of Implementation	
B1. Grant to assist in aging in place	Affordable Housing Committee	3	Mid Term	
B2. Grant for Affordable Accessory units	Affordable Housing Committee	3	Long Term	
B3. Expand Senior Housing	Affordable Housing Comm. /Owners	2	Long Term	
B4. Temporary Health Care Structures	Affordable Housing Comm. / Owners	2	Long Term	
Planning and Zoning Commission				
Task	Lead Agency	Priority (1-5) 1-Highest	Period of Implementation	
C1. Adopt as part of POCD	Planning and Zoning Commission	1	Short Term	
C2. Opt out of P.A. 21-29	Planning and Zoning Commission	3	Short Term	
C3. Amend ARD Accessory Regs per P.A. 21-20	Planning and Zoning Commission	1	Short Term	
C4. Amend ARD zone to allow 2,3,4 unit structures per right	Planning and Zoning Commission	3	Mid Term	
C5. Remove mobile homes from prohibited use section	Planning and Zoning Commission	2	Short Term	
C6. Amend 4.1455 and Older Housing - density	Planning and Zoning Commission	3	Mid Term	
C7. Amend Andover Mixed Use - density and process	Planning and Zoning Commission	3	Mid Term	
C8. Adopt Incentive Housing Overlay Zone (IHZ)	Planning and Zoning Commission	2	Long Term	
C9. Rezone parcels discussed in IHZ study	Planning and Zoning Commission	3	Long Term	
C10. Partner with developers on town owned IHZ parcel	Affordable Housing Committee	4	Long Term	