



Town of Southbury

Affordable Housing Plan

FINAL DRAFT 5/12/22

[Insert Town Reviewing Authority here]

Adopted [insert date here]

**Completed in Partnership with
Town of Southbury Planning Commission**



Consultant

SLR International Corporation



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Community Values Statement

The Town of Southbury is a unique combination of developed rural areas, a meticulously planned and maintained retail corridor, protected open space, parks and recreation facilities, and predominately single-family homes built on large lots. All of which were designed to maintain the Town's charm and country-feel.

Southbury has a strong commitment to its historic districts, top-rated school systems, quality town services, cultural opportunities, and access to open space for recreational activities. Our Town prides itself on its preservation of open space and green corridors as some of our greatest assets. Another one of Southbury's great assets is the walkability and beauty of Main Street South. The street is lined with sidewalks, trees, and benches to promote the healthy lifestyles of Southbury citizens.

For several decades, Southbury has been home to the State's largest active adult community for residents aged 55 or older. This is in part due to a large, privately owned community that offers various housing options that includes townhouses, condos and attached single-family dwellings. This private entity provides an aging population with the opportunity to downsize their home and ensure that existing residents over 55 years old can continue to live in Southbury. Our Town recognizes the importance of expanding these types of living accommodations to all age groups by encouraging housing varieties that offer affordable homeownership opportunities, quality rental options, and choices to individuals of all income levels, life stages, and household types.

Future housing development should include mixed-use commercial spaces, accessory dwelling units, and the creation of new, diverse housing options that align with Southbury's intention to preserve the unique character and rural, country atmosphere that is so cherished in Town. These goals will be acknowledged in Southbury's Plan of Conservation and Development update.

Introduction

The Town of Southbury has developed this Affordable Housing Plan, which identifies strategies to grow the number of affordable housing units over the next five years in a manner that aligns with community values. This plan is intended to satisfy the statutory requirements under CGS Section 8-30j. Affordable Housing Plans must be updated every five years per state statute.

What is Affordable Housing?

In CGS Section 8-30g, the State defines Affordable Housing as housing that costs 30% or less of household income for households making less than 80% of state or Area Median Income (AMI), whichever is lower. As of 2021, a family of four making less than \$79,900 per year or an individual making less than \$55,950 per year could qualify for affordable housing in Southbury. Income limits are updated on an annual basis by the U.S. Department of Housing and Urban Development (HUD). According to data from the HUD, about 31% Southbury households make less than 80% of Area Median Income and may be eligible for affordable housing programs.

Affordable housing, as the State defines it, typically only includes protected units that are reserved for low-income households through deed restrictions or through governmental assistance programs such as housing vouchers or subsidized mortgages. According to 2021 data published by the Connecticut Department of Economic and Community Development (DECD), 1.47% of Southbury's total housing units were protected affordable units. Southbury also has naturally occurring affordable housing (NOAH) units. While these units may be affordable to low-income households today, they may not be affordable in the future if rents or home sale prices increase.

A common myth around affordable housing is that it consists only of higher density apartments. This is not true. Affordable housing can be like any other type of housing and comes in many forms, shapes and sizes ranging from single-family homes to duplexes and from townhomes to apartments. It can be privately owned or rented. It can house seniors, families with children, single individuals, or persons with disabilities. It can also come in a range of architectural styles making it virtually indistinguishable from other housing types. While some affordable housing units are owned and managed by public entities, most are privately owned and managed.

Why is Affordable Housing Important?

Affordable housing provides many benefits to the community. Growing the number of affordable housing units would allow those with roots in the community to continue living here, regardless of their economic status. Affordable and diverse housing choices would allow young adults to move back to the community, in which they grew up. Seniors would be able to remain in the

community after they retire and have opportunities to downsize, should they choose. Households that experience a loss of income due to economic circumstances, disability, divorce, or loss of a spouse, will not be displaced from the community, due to the inability to pay for housing. Workers in essential jobs such as teachers, grocery store workers, home health aides, childcare workers, restaurant workers, and first responders would have an opportunity to live where they work. Affordable housing can also support businesses by providing housing choices for entry level workers, medical staff, and lower wage workers at Town employers. Town major employers include the Southbury Training School, IBM, Yale New Haven/Waterbury Health, Gyre9, O&G, Stop and Shop, Shop Rite, KanPak, and Heritage Village.

Plan Development Process

This Affordable Housing Plan for Southbury was developed over a six month period and provided opportunities for community participation. A project website was launched to engage and educate residents of Southbury on different types of affordable housing, share project updates, and solicit feedback through an online survey.

A community survey ran from January to February 2022 and gathered input from 1,245 residents of Southbury on community values and housing needs. The key findings of the survey were:

- 43% of respondents were not aware of any affordable housing in Southbury today
- 34% of respondents know someone struggling with housing costs
- The top characteristics that make Southbury a great place to live were identified as the sense of community, shopping options, rural character, parks, location, small town feel, open space amenities and Main Street
- 51% feel that young adults need housing options
- 47% responded that low-income households need housing options
- 47% believe that individual or single households need housing options
- 52% feel that there is currently enough housing for empty nesters
- 68% of respondents answered that there is enough housing for young families
- 22% responded that there is too much housing for seniors in Southbury, likely stemming from the prevalence of the Heritage Village active adult community



- 43% of respondents answered that Southbury is not currently doing enough to meet the State's 10% affordable housing goal. 14% felt that Southbury is doing enough and 33% responded that Southbury should not prioritize meeting the 10% goal.
- If they had a choice of the type of affordable housing to be built in Southbury, 59% of respondents stated that they would prefer to see small single-family homes, 35% would prefer to see townhomes and 9% would prefer to see a multi-family building.
- When asked about the potential benefits of housing diversity for Southbury, respondents stated that it would attract younger residents, enable employees in Southbury to live where they work and allow people who grew up in Southbury to remain here.

Full survey results can be found in *Appendix A*.

A public workshop was held on February 24, 2022, which presented the housing needs assessment, community survey results, case studies and potential strategies. Participants were asked to provide input on potential strategies for their community which will be discussed in the last section of this Plan.

Additionally, a project website using ESRI StoryMap was launched at the onset of the project to provide educational background information and process updates for the public during the development of the Affordable Housing Plan.

Introduction to Southbury

Southbury is a town of about 20,000 residents located in the northwest corner of New Haven County. Southbury borders Litchfield County to the north and Fairfield County to the south. The town is located in the Waterbury metropolitan statistical area. Southbury contains numerous small villages including South Britain and Southford.

According to the 2019 American Community Survey, Southbury has 8,742 housing units. The median household income is \$98,790 compared to the State median of \$78,444.

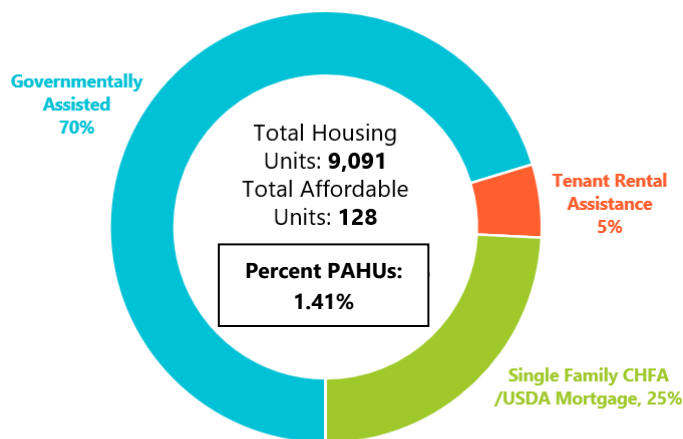
Southbury is home to Heritage Village, the largest active adult retirement community in Connecticut with more than 4,100 residents on 1,000 acres that was planned in the 1960s. Heritage Village is defined as its own Census Designated Place (CDP) which allows demographic analysis at the community level to demonstrate key differences between the composition of Heritage Village and the Town as a whole.

Another key site in Southbury is the Southbury Training School. The Training School is a large state-funded and state-operated residential facility for adults with intellectual disabilities built in the 1930s. The property consists of 125 buildings situated on a campus of 1,600 acres and independently operates its own power, heat, sewage treatment and water. The facility is listed as an historic district on the National Register of Historic Places. The Southbury Training School is currently home to 137 residents. At its peak in 1969, there were as many as 2,300 residents with intellectual challenges who lived there. The state discontinued admitting new residents in 1997.

Affordable Housing in Southbury

The different types of affordable housing in Southbury today are described in the sections below. It is noted that Southbury does not restrict residency to current residents for various protected affordable housing units.

Protected Affordable Housing Units (PAHUs), by type: 2021



Source: DECD Affordable Housing Appeals List, 2021

Protected Affordable Housing

As of 2021, 128, or 1.41% of Southbury's total housing units are protected affordable units. This includes 90 governmentally assisted units, 6 units receiving tenant rental assistance and 32 USDA or CHFA mortgages. Several new deed restricted properties have recently been built in Southbury but are not reflected in DECD data yet. Southbury has a smaller share of protected affordable units than its peer communities in the Naugatuck Valley Region.

Since 2002, Southbury has added 48 protected affordable housing units and its total protected affordable housing percentage has risen from 1.14% to 1.41%.

Different types of affordable housing in Southbury today are described in the sections below.

Connecticut Housing Finance Authority Programs

The Connecticut Housing Financing Authority (CHFA) is a self-funded, quasi-public organization. Its mission is to alleviate the shortage of housing for low- to moderate-income families and persons in the state and, when appropriate, to promote or maintain the economic development of the state through employer-assisted housing efforts. Mortgages through CHFA are available for first time homebuyers purchasing homes that are within the CHFA Sales Price Limits who have a gross income that is within the Income Limits. Over the last 5 years, CHFA mortgages were used by 15 households to purchase homes in Southbury.

Private Affordable Housing

Private housing on the open market may be affordable to low-income households. It is sometimes referred to as Naturally Occurring Affordable Housing (NOAH). This housing has no deed restriction or subsidy, but still costs a low-income household no more than 30% of their income. However, low-income households must compete with other more affluent households to occupy these units. If prices were to rise significantly according to various data sources used for this plan, the affordability of these units may disappear.

Currently there are NOAH units in Town. Many of these units are in Heritage Village - a private, 55+ community with a range of housing types from condominiums to attached single-family homes. Other NOAH units in Town include:

1. Grace Meadows – an 88-unit active senior affordable housing complex located at 380 North Poverty Road.
2. The Meadows – a 14-unit multi-family affordable housing complex location at 390 Roxbury Road. This deed restricted housing consists of 10 2-bedroom and 4 1-bedroom units.



3. Luna Holdings, LLC – Old Waterbury Road Project – is currently under construction and will include 14 deed restricted units to be located at 336 Old Waterbury Road.

In addition, Pierce Hollow Village is a proposed senior affordable housing complex which will be built in four phases. The proposed complex will be situated on 45 acres of the Southbury Training School property on Village Road and will include 45 one-bedroom apartments located in four buildings. The complex will include a variety of amenities. The land is being conveyed to the Town by the State for the sole purpose of building affordable senior housing.

The age restriction on many of the naturally affordable units with Southbury further exacerbates affordability issues for younger, low-income households. In addition, even with the NOAH units in Town, there is a need for more units especially smaller units and rental units for Southbury's single, low-income households.

[Picture of ADU to be added]

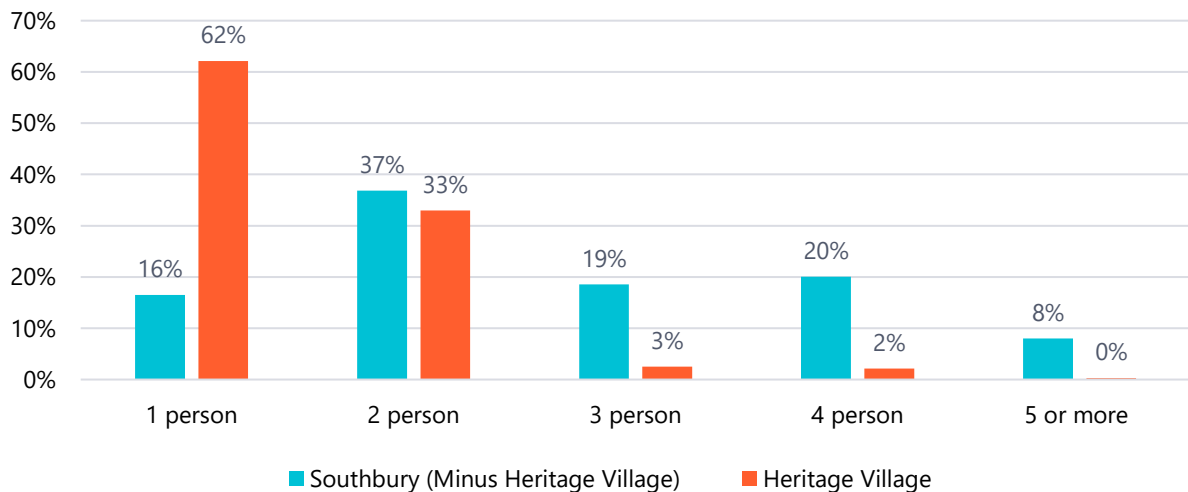
Housing Needs Assessment

This section presents a summary of the key findings from the Housing Needs Assessment. For the complete Housing Needs Assessment, please see *Appendix B*.

Demographics

- Population in Southbury was growing until 2000, after which the growth rate has slowed entirely. From 2010 to 2020 the population remained the same.
- The Connecticut Data Center projects that by 2040, Southbury’s population will continue to remain the same with no growth or loss predicted.
- When looking at age distribution, children under age 15 have remained stable between 2010 and today. Young adults and young families in Southbury are declining while “Baby Boomers” are increasing as a share of the total population.
- In 2019, 30% of Southbury’s population was age 65 or over.
- Southbury has seen a shift towards smaller households. The average household size in Southbury is 2.41.
- 55% of households in Southbury are married couples and 32% of households are individuals living alone. 68% of all households contain either one or two people.
- However, when you examine the size of households at Heritage Village separately from the remainder of Southbury, about 62% of all households in Heritage Village are individuals. Less than 5% of the households at Heritage Village contain more than 2 people, due to the age restrictions.

Household Size Distribution

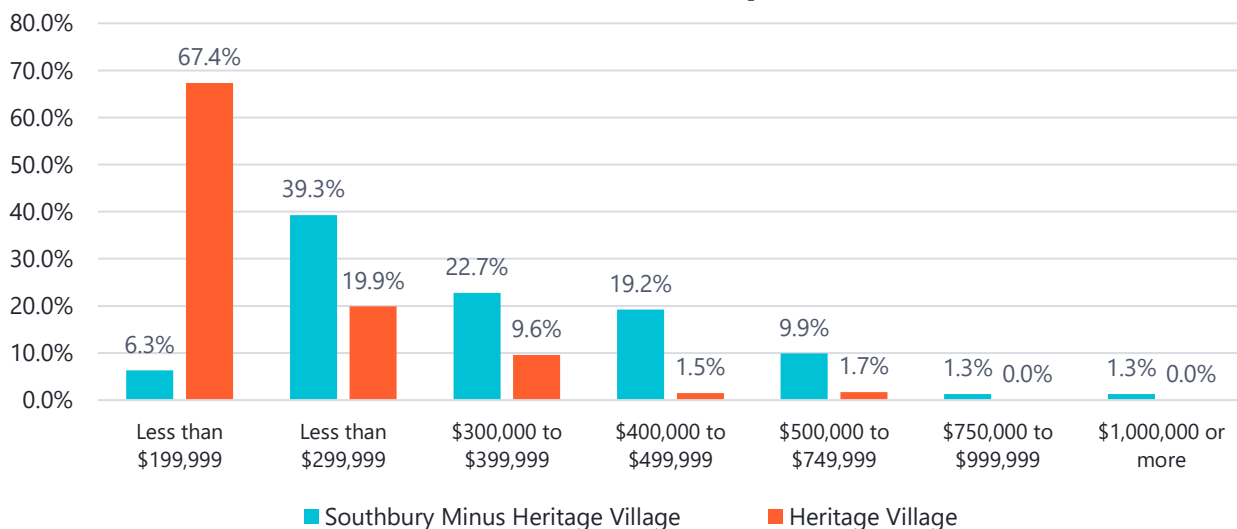


Sources: 2019 ACS 5-Year Estimate, Table B25075

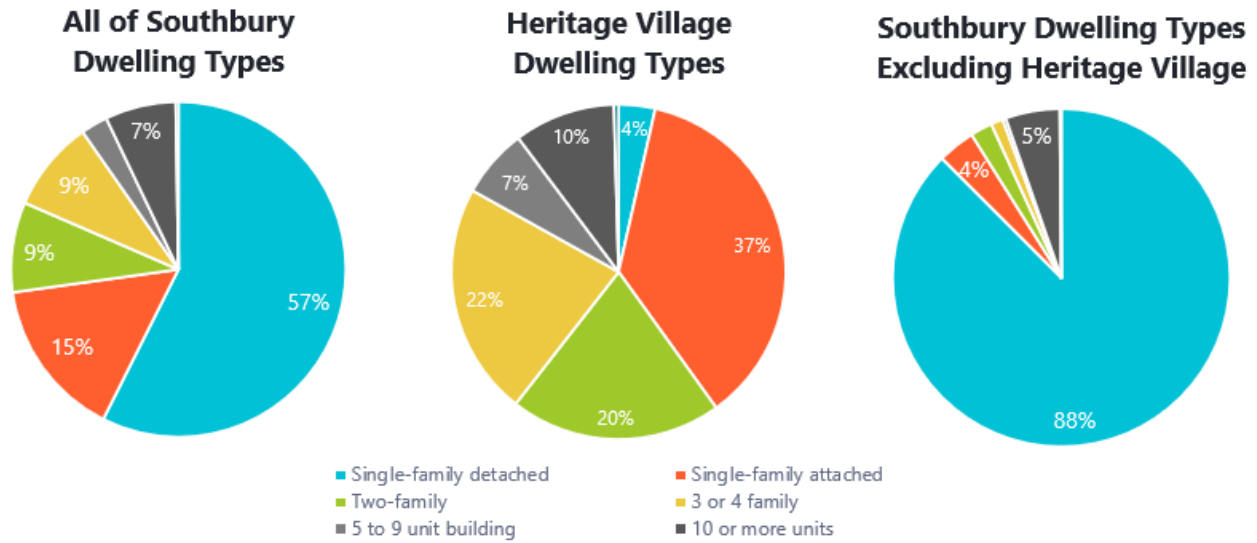
Housing Stock

- Southbury as a whole has about 57% single-family detached homes and 43% multi-family units. However, the majority of this multi-family housing exists in Heritage Village.
- Without Heritage Village units, Southbury has only 12% multi-family units and is predominantly single-family, representing 88% of all units.
- Housing units in Southbury not including Heritage Village consist of mostly 3 and 4 bedroom unit types (74%).
- At Heritage Village, over 85% of units are either one or two bedroom units. However, in the remainder of Southbury, less than 20% of units are one or two bedrooms. This indicates that the Town lacks small units that are not age-restricted.
- Home values range from less than \$200,000 to about \$750,000. In Heritage Village specifically, almost 70% of all units are valued below \$300,000.
- Median sale price for single-family homes increased by 20.9% in 2021 to \$459,000. Condo prices have also risen but at a lower rate.
- Home sales have risen since a low in 2009 to a high in both 2017 and 2020 for both single-family homes and condos
- There are fewer rental options in Southbury compared to New Haven County.
- Rents in Southbury are relatively high with 21% of rentals costing more than \$2,500.
- Recent housing permit activity shows a decline in new construction from the early 2000s. There is an average of 17 new housing units built per year.

Distribution of Owner-Occupied Home Values



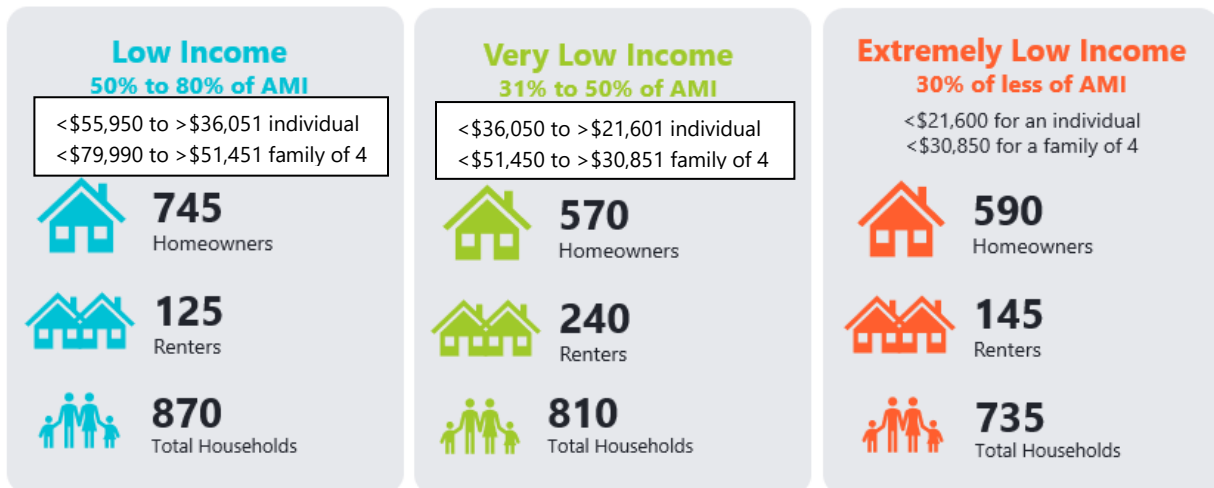
Sources: 2019 ACS 5-Year Estimate, Table B25075



Source: 2019 ACS 5-Year Estimate, Table B25024

Housing Needs

How many Southbury Families Need Affordable Housing?



Source: U.S. Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Survey (CHAS): 2014-2018

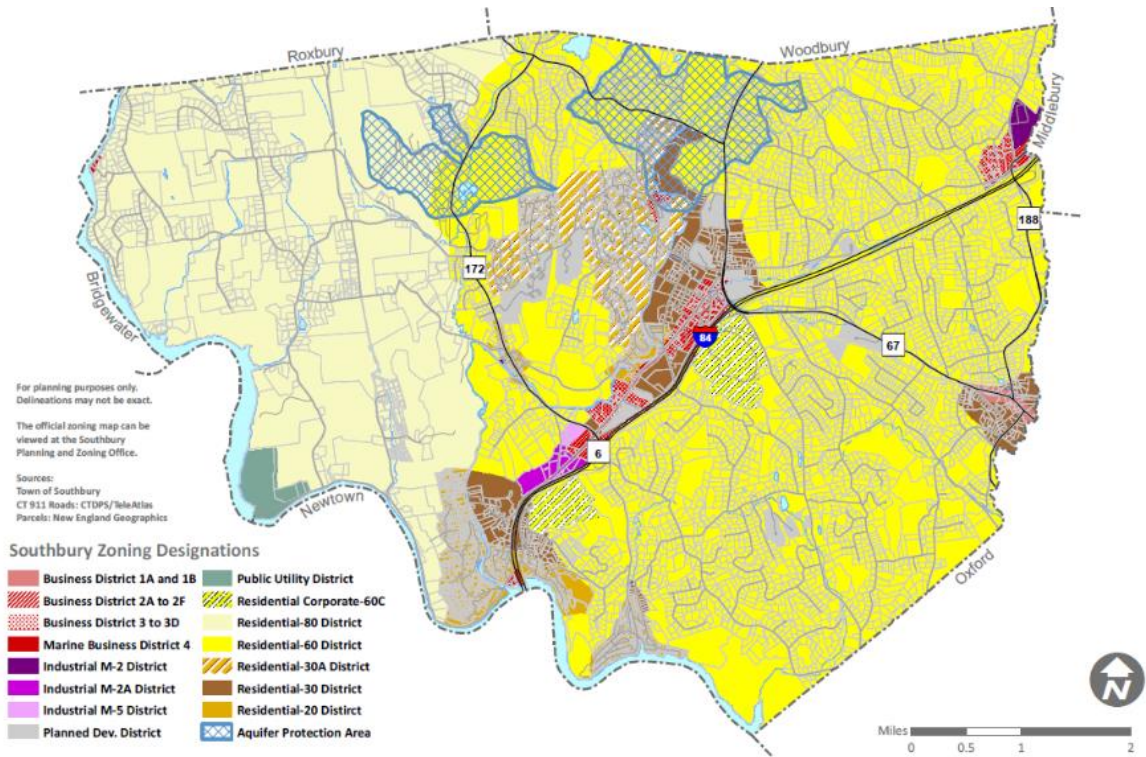
- 2,415 households in Southbury (31%) meet the definition of a low-income household.
- Cost burdened households spend greater than 30% of their income on housing and may have difficulty affording other necessities such as food, clothing, transportation, and medical care. In 2018, about 62% of low-income renters and about 79% of low-income homeowners in Southbury were cost burdened by housing costs.
- Seniors and renters making less 80% of AMI are disproportionately cost burdened compared to the total population.

- A housing gap analysis was performed comparing the supply of “naturally occurring” affordable housing to local demand.
 - The gap analysis determined that there is currently a need for both renter and owner units for low, very low and extremely low income households. There is a sufficient supply of low-income units for sale and for rent for families, but these supplies are lacking for individual households and for very-low and extremely low families and individuals.

Land Use & Zoning Assessment

This section presents a summary of the key findings from the Planning and Zoning Review. For more details, please see *Appendix B*.

- Southbury has seven main residential zones – R-20, R-30, R-30A, R-40, R-60, R-60C, R-80
- A majority of Southbury is zoned as single-family with commercial zoning along Main Street and at I-84 exits. The Heritage Village area is also zoned separately.



Source: NVCOG; See Appendix B for more information; for illustrative purposes only.

- Six zones permit two-family dwellings but only one zone permits dwellings of three or more units. There is an overall lack of zoning options for multi-family developments.
- Planned Developments for Multi-Family Dwelling Groups are allowed through an approval process.
- Accessory Dwelling Units (ADUs) are allowed via Zoning Permit if attached to the main dwelling and with other restrictions.

- The Plan of Conservation and Development (POCD) was last updated in 2012. It is currently being updated in concert with this plan and will be completed by the end of 2022.

“Reaffirm our strong conviction that Southbury must continue to retain all remaining elements of our historic and rural character.”

“Maintain the current pattern of development with core villages and outlying rural neighborhoods.”

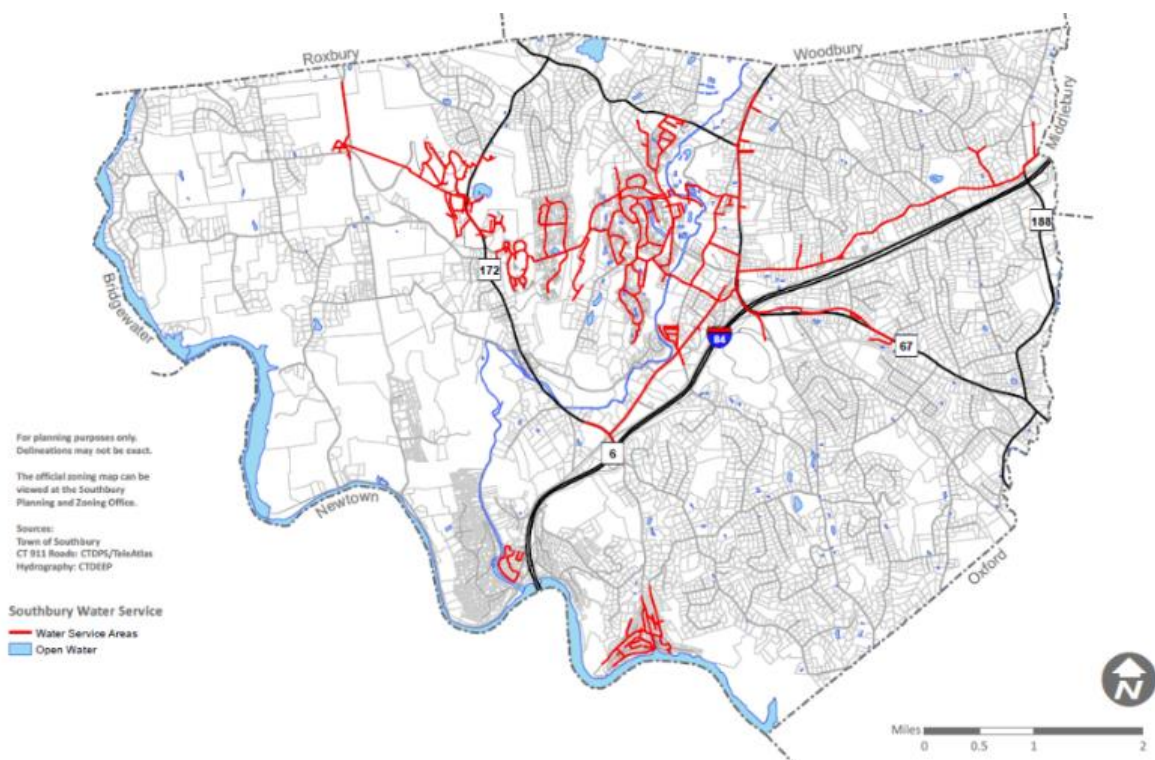
- 2012 and 2022 Southbury Plan of Conservation & Development

Infrastructure Assessment + Natural Constraints

This section presents a summary of the key findings from the Infrastructure Assessment and Natural Constraints Review. For more details, please see *Appendix B*

- Southbury's only sewer infrastructure is in and around the Heritage Village development.
- Similarly, water service primarily services the Heritage Village area as well as along the Main Street and major arterials.
- The current available infrastructure limits residential development, particularly at higher densities.
- Not all the land in Town can be used for development. Restrictions on development include:
 - Environmentally sensitive areas such as watercourses, wetlands, and their buffers
 - Steep slopes and flood zones
 - Aquifer protection areas, public water supply areas, and protected open space

Southbury Public Water Area



Source: NVCOG; See Appendix B for more information, for illustrative purposes only.

Objectives, Strategies and Action Steps

1. Strengthen the Town's capacity to further Affordable Housing

Implementation of the recommendations of this Plan may require resources and an additional level of Town and/or staff oversight.

Action Steps:

1.1 Establish an Affordable Housing Committee (AHC) – The Planning Commission will establish an Affordable Housing Committee. The Affordable Housing Committee will be a Planning Commission sub-committee. This Committee can help oversee the implementation of this Plan as well as future updates. The AHC could also serve in an advisory capacity to other boards and commissions and provide recommendations to the Planning Commission and the Board of Selectmen.

1.2 Provide adequate staffing and skill sets to administer affordable housing programs

The initiatives in this Plan may require additional administration and oversight from knowledgeable staff. The Town should evaluate its ability to properly oversee and administer the affordable housing initiatives outlined in this Plan. Additional expertise in housing program administration, finance, and real estate could be provided through the training of current staff, new hires, consultants, or regional services through or coordinated by NVCOG.

1.3 Provide Affordable Housing Training to staff and members of land use boards -

State statutes pertaining to affordable housing are likely to change over the coming years. Providing regular training to staff and members of land use boards and commissions will ensure that they are educated on statutory requirements and understand affordable housing best practices as they evolve.

1.4 Incorporate the Affordable Housing Plan into the Plan of Conservation and

Development - The Planning Commission will ensure that the Affordable Housing Plan is incorporated into the housing recommendations section of the Plan of Conservation and Development (POCD). Southbury is currently in the process of updating its POCD for adoption by the end of 2022. This synergy will codify that the recommendations of this AHP are referenced as part of future land use and zoning decisions.

1.5 Implement Southbury's Affordable Housing Plan - The recommendations of this Plan

represent a starting point and guideline for potential future changes to Town Zoning Regulations and policies. As required by CGS Section 8-30j, this plan will be updated every 5 years.

1.6 Southbury Training School – The Planning Commission in conjunction with the Zoning Commission and Board of Selectmen will continue to monitor the status of the Training School with the State for any possible opportunities for affordable housing.

1.7 Pierce Hollow Village - The Planning Commission in conjunction with the Zoning Commission and Board of Selectmen will continue to monitor the status of the proposed senior affordable housing complex situated on 45 acres of the Southbury Training School property on Village Road and will include 45 one-bedroom apartments located in four buildings. The land is being conveyed to the Town by the State for the sole purpose of building affordable senior housing.

2. Expand knowledge of existing Accessory Dwelling Unit (ADU) regulations and opportunities

Southbury currently has permissive ADU regulations that allow ADUs on many properties which were updated in the Fall 2020. However, ADUs are still minimally utilized. The Town would like to explore options to spread education about ADUs to property owners.

Action Steps:

2.1 The Town staff and AHC will consider furthering the education of ADUs in the Town by preparing handouts, brochures, and a devoted information link on the Town's Planning Department webpage. The focus will be to expand understanding of the zoning process and options for ADUs within the Town. The devoted webpage would include information for private property owners to utilize in determining how to comply with the ADU regulations and where ADUs could be located on their property. Example locations would include such places as over large garages or in converted barns.

2.2 The Town staff and AHC will consider identifying and then consult with local design and real estate experts that have experience with ADUs to determine additional approaches to educating the Town's population on ADUs. The Economic Development staff could also be utilized as an education resource.

3. Explore Adaptive Reuse opportunities to repurpose existing buildings into affordable housing

Southbury has existing buildings that could be repurposed into other uses including affordable housing. The Town could explore zoning changes and incentives that would encourage the adaptive reuse of these buildings and opportunities.

Action Steps:

3.1 The Planning Commission and AHC will work with Staff to explore the development of zoning regulations to create standards which identify types of buildings and uses to be considered. The review should consider allowing residential uses in non-residential areas. Additional items to consider include bonuses for deed-restricted units and encouraging

historic preservation – maintain architectural integrity. Other incentives could also be investigated.

3.2 The Planning Commission and AHC will work with Staff to review potential vacant or unused structures. A database of properties may be developed and utilized. A process plan may also be developed to assist interested parties.

3.3 As part of the process, the Town may seek collaborations with local housing non-profits in the pursuit of adaption reuse opportunities for affordable housing.

3.4 Utilize Town Staff to explore grant and subsidies that may be available to assist in adaptively reusing existing buildings for affordable housing.

3.5 A public education component could also be developed to inform the public of adaptive reuse opportunities which may include mailings, information sessions, and Town website information page.

4. Explore Housing Overlay Zones (HOZs) to target new affordable housing in appropriate areas

The Planning Commission should explore housing overlay zones which would be similar to existing Planned Development Districts or Units (PDDs or PDUs) to target new affordable housing units in alignment with the Town POCD.

Action Steps:

4.1 The Planning Commission and AHC will work with Town Staff to identify potential geographic area(s) for HOZs. The criteria, guidelines and incentives for HOZs would need to be developed. As part of the process, Town-owned property would be identified and mapped which may be useful in identifying the best areas for HOZs. The criteria of HOZ would need to include selecting a percentage of affordable units required for a project to qualify for overlay zone incentives and rates.

4.2 Following the development stage of the HOZs, the Planning Commission will hold public information sessions to solicit public input on the potential areas, guideline, and incentives. Based on community input, the Planning Commission will then pursue final development of any HOZs.

4.3 Potential incentives would need to be explored with Town Administration and Finance Department to determine any financial impacts.

5. Promote first-time homebuyer education regarding mortgages and financing for lower income households from CHFA and other sources

The Connecticut Housing Finance Authority (CHFA) is a self-funded, quasi-public organization. Its mission is to alleviate the shortage of the housing for low- to moderate-income families and persons in the state, and when appropriate, to promote or maintain the economic development of Connecticut through employer assisted housing efforts. Mortgages through the CHFA are available for first-time homebuyers. The Town could develop strategies to share information to encourage potential homebuyers to consider and pursue CHFA mortgages.

Action Steps:

5.1 Town Staff can coordinate and share information with local real estate agents to encourage them to share CHFA mortgage information with potential homebuyers. Real Estate agents will also be encouraged to connect military personal with various VA affordable housing loan programs.

5.2 The Town may host or advertise CHFA homebuyer and real estate agent education classes.

5.3 The Town will consider partnering with a non-profit and/ or with other towns to locally provide a CHFA housing counselor.

5.4 The Town plans to work with NVCOG to consider supplying one master educator on CHFA that could be available to all towns.

6. Explore and Encourage Cluster Subdivisions to preserve green space and reduce infrastructure costs

The Planning Commission could further explore the concept of cluster subdivisions which preserve green space and reduce infrastructure and development costs.

Action Steps:

6.1 Planning Commission with Staff assistance will further explore the possibility of cluster subdivisions which could include:

- identify purposes behind program, such as maintaining rural character, protecting valuable resources, or avoiding development on hazard-prone land;
- identify existing regulations that could be used or would need to be changed to allow for cluster subdivisions by reviewing existing subdivision and/or Planned Development District regulations;

Town of Southbury Affordable Housing Plan

- Develop clear thresholds that identify when and/or where cluster subdivisions are appropriate;
- Regulations to include provisions for ongoing maintenance of open space and standards for acceptable cluster layouts, and possible design guidelines.

APPENDIX A: INSERT SURVEY RESULTS HERE

APPENDIX B: INSERT HOUSING NEEDS ASSESSMENT HERE