

Town of Franklin

Affordable Housing Plan

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Prepared by Southeastern Connecticut Council of Governments Staff

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Introduction

What is Affordable Housing?

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

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

Affordable housing is created either with the support of government subsidies assisting in the cost of its construction and long-term affordability provisions, or in the case of some mixed-income set-aside developments, through profits earned through the development of market-rate units supporting the construction cost and long-term affordability provisions of the affordable housing units. Recent public investments in affordable housing in southeastern Connecticut include Stonington's Spruce Meadows (new mixed-income apartments), Waterford's Victoria Gardens (mixed-income elderly apartments), and Groton's Branford Manor (capital improvements to existing 100% affordable apartments).ⁱⁱ Common sources of funding include the Federal Government's Low Income Housing Tax Credit Program and the State of Connecticut's Competitive Assistance for Multifamily Properties (CHAMP) program. Different funding programs can target different types of housing or affordability for households at different income levels. Most affordable housing developments that depend on government subsidies receive funding from multiple State of Connecticut or federal programs.

Why Plan For Affordable Housing?

Under Connecticut law, municipalities are delegated the authority to regulate land use development according to laws set forth in Title 8 of the Connecticut General Statutes. Local zoning regulations establish rules for the location and type of housing that can be constructed in Connecticut. State statutes specify the conditions under which municipalities may adopt local land use plans and regulations. CGS § 8-23 establishes a requirement for municipalities to adopt local Plans of Conservation and Development, which document policies and goals for the physical and economic development of a municipality. CGS § 8-2 outlines the authorities municipalities are granted to adopt local zoning regulations. Both CGS § 8-23 (planning) and § 8-2 (zoning) direct municipalities to consider the need for affordable housing, both locally and at the regional level, and to adopt zoning that encourages the development of multifamily dwellings and housing at different price points. CGS § 8-30j, added in 2017, established an additional obligation for municipalities to adopt Affordable Housing Plans that will specify how the municipality will increase the number of local “affordable housing developments”.

The § 8-30j requirement for Affordable Housing Plans was passed in recognition of increasing challenges for Connecticut residents in finding adequate affordable housing, especially outside of Connecticut’s most urban communities. Since 2000, the share of Connecticut renters who pay more than 30% of their income towards housing rose from 37% to 46% in 2019. Homeowners with mortgages also saw their budgets stretched, with 20% of homeowners housing cost-burdened in 2000 and 31% in 2019. In Southeastern Connecticut, one in four households earns less than 80% of the area median income and is housing cost-burdened.

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

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

The Affordable Housing Plan is an opportunity for municipalities to more closely examine housing needs and review how existing housing inventories and land use policies do or do not address those needs. The planning process also prompts a review of potential actions that municipalities may take that would enable or promote the development of housing that is affordable and accessible to lower-income residents. In 2020, the Connecticut Department of Housing worked with the Regional Plan Association to develop guidance on how municipalities might approach the development of Affordable Housing Plans (https://portal.ct.gov/-/media/DOH/AHPP-Guidebook_RPA_120120.pdf), and provided small grants to support municipal work to prepare plans. The initial deadline for compliance with the requirement for an Affordable Housing Plan statute is June 2022, five years from the statute’s effective date.

Plan Development Process

The development of an Affordable Housing Plan for Franklin is being overseen by Franklin’s Planning & Zoning Commission, with opportunities for members of the public to provide suggestions and feedback. Ultimately, the Plan will be considered by the Commission for adoption.

Housing Conditions in Franklin and Southeastern Connecticut

Affordability

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

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

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

Franklin has 781 housing units, of which approximately 86% are owner-occupied. The median value of an owner-occupied home in Franklin is approximately \$246,100, \$7,000 over the median value for homes in New London County.ⁱⁱⁱ Median household income is approximately \$94,000, higher than the county median of \$71,000.^{iv} According to census data, there are about 74 multifamily homes in Franklin, with 27 one-bedroom units at the Elisha Brook development, which is targeted to very low-income seniors over age 62. Median gross rent in New London County is \$1,099.

Local and Regional Housing Market

Housing in southeastern Connecticut's suburban and rural municipalities skews toward larger single-family homes, while one-bedroom units are concentrated in the region's urban centers. Many of the region's suburban and rural communities have few alternatives to the single-family home, with single-family housing making up over 90% of housing in some communities. Homeownership is also more

common in rural/suburban towns, with urban households slightly more likely to rent (54%) than own, and suburban/rural households much more likely to own their homes (80.1%).^v

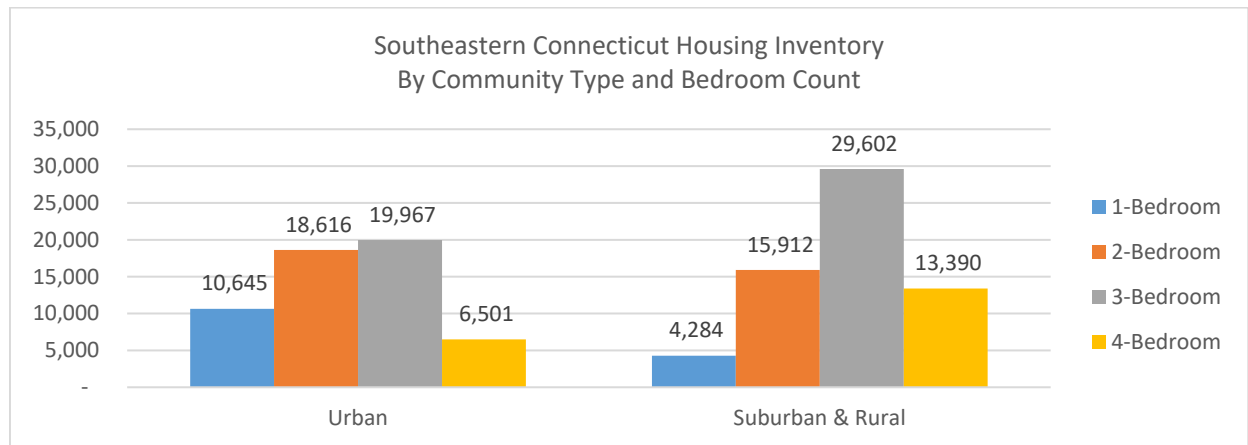


Figure 1. Housing in Southeastern Connecticut: Units by Number of Bedroom and Urban or Suburban/Rural Community Type. Additional 0-bedroom and 5+ bedroom units not shown. Source: U.S. Census American Community Survey (ACS) 2018 5-Year Estimates.

Housing construction in southeastern Connecticut has remained sluggish since the 2008 recession began, with annual production hovering around 300 units per year. Housing construction has traditionally focused on the production of single-family homes in suburban and rural municipalities. Recent spikes in multifamily construction in suburban/rural towns occurred in 2014 and 2015, but these levels were not sustained in 2016 and 2017. Building permit data reported to the Connecticut Department of Economic and Community Development (DECD) indicate that from 2000 to 2017, permits for 98 new housing units were awarded in Franklin. The median sales price for a single-family home in Franklin was \$241,650, with 24 sales in 2019.^{vi} More recent county-level data shows median sales price increased from \$230,000 in 2019 to \$270,000 in 2020.^{vii}

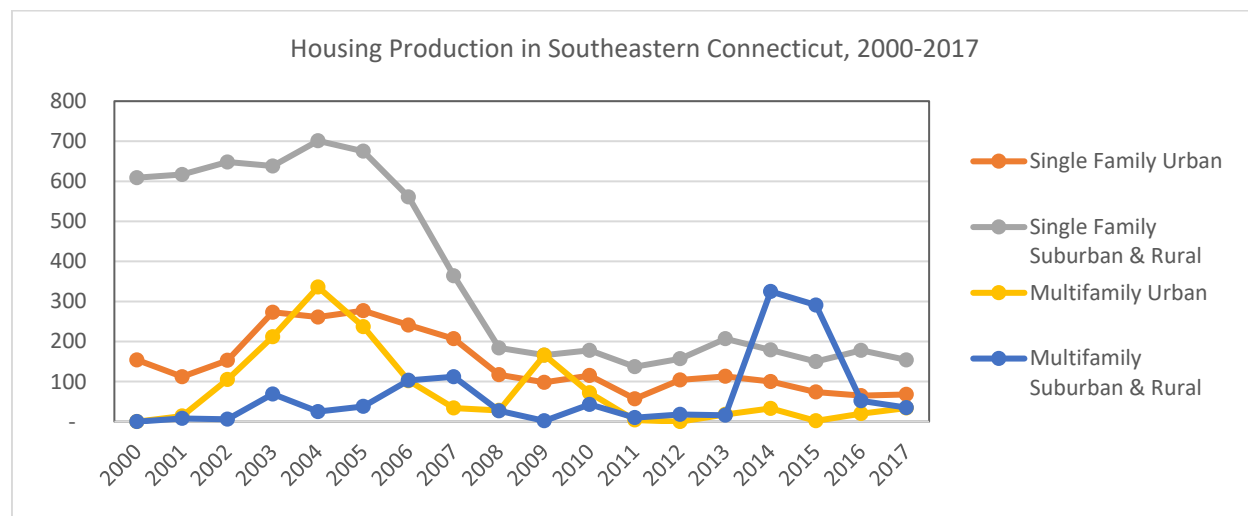


Figure 2. Housing Production Levels by Housing Type and Community Type, 2000-2017. Source: U.S. Census via Connecticut Department of Economic and Community Development.

Housing Production and Regulation in Franklin

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

Much of the land in Franklin is zoned for single-family housing development (R-120, R-80, and C-1 in the following zoning map). Two-family dwellings are allowed by special exception as part of a Golf Course Community, or as a conversion of a single-family dwelling if it is more than ten years old in the R-80 and R-120 zones by special exception. The zoning regulations also allow for Elderly Housing developments (more than 20 units) by special exception in the R-80 and Industrial zones, and Age Restricted Housing Communities (maximum density of 4 units per acre, with neighborhood commercial development allowed) by special exception in the R-80 and Industrial zones.

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

Town of Franklin

Single-Family: Permitted throughout most of town, in the R-80 and R-120 residential zones and the Light Commercial (C-1) zone.

Two-family: Allowed by Special Permit as part of a Golf Course Community in the Planned Recreation Development District.

Mixed-Use: Allowed in the C-1 zone by Special permit.

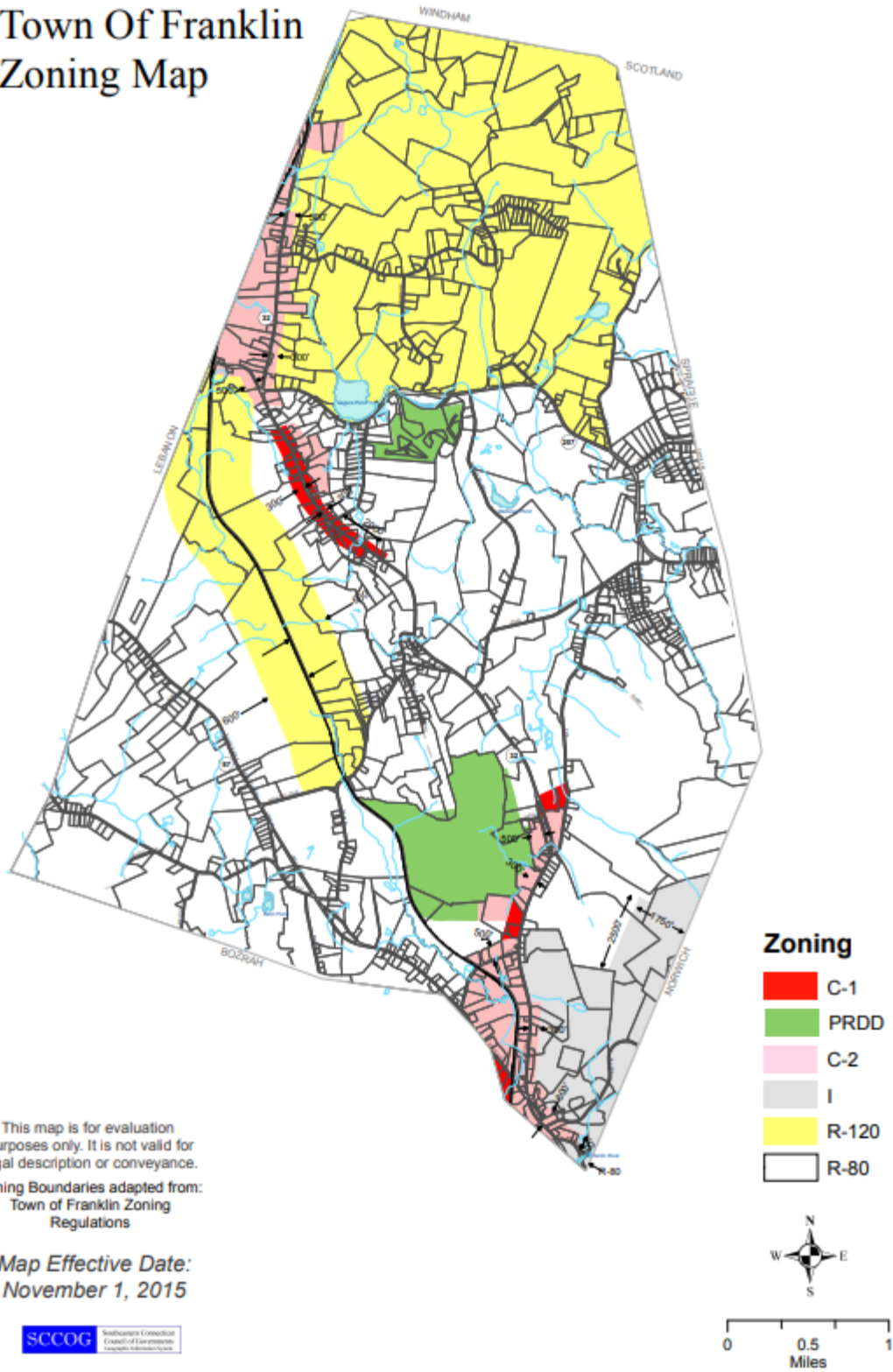
The Local Plan of Conservation and Development

The Franklin Plan of Conservation and Development (POCD) was most recently updated in 2013. It noted that Franklin is primarily a rural town, with single family homes on two acre lots or larger. The only high-density resident area, known as the Eager Road/Birch Heights area, was created in the 1970s. In 2011 Elisha Brook Access Senior Housing, a twenty seven unit age-restricted and income-restricted development for very low income seniors, opened on New Park Avenue as Franklin's first multi-family housing development.

The POCD identified the following recommendations related to housing:

1. Consider zoning regulations that require larger residential development proposals provide at least ten percent of the proposed units meet affordability requirements as defined by CGS Sec. 8-30g.
2. Review housing zoning densities for areas served by public utilities and consider regulation modifications accordingly.
3. Consider zoning regulations that require applicants to submit information regarding the potential natural, cultural, and historic resource impact of proposed developments.

Town Of Franklin Zoning Map



This map is for evaluation purposes only. It is not valid for legal description or conveyance.
 Zoning Boundaries adapted from:
 Town of Franklin Zoning Regulations

Map Effective Date:
 November 1, 2015



Affordable Housing Appeals Act (§ 8-30g)

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

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

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

Of the 44 qualifying homes in Franklin, 16 have single-family CHFA/USDA mortgages, 27 are government assisted (the Elisha Brook development), 1 receives tenant rental assistance, and 0 deed restricted units.

As mentioned, municipalities that have 10% or more of their housing inventory falling into the above categories are exempt from § 8-30g appeals. Municipalities may also be granted four-year temporary exemptions by demonstrating progress in facilitating new affordable housing. The threshold for achieving a moratorium is new affordable housing created equal to the greater of two percent of existing housing, or housing earning 50 "Housing Unit Equivalent" points. New housing qualifies for between ½ and 3 Housing Unit Equivalent points based on the size of the unit (more bedrooms earn more points), restrictions on occupancy (senior-only housing earns fewer points), and the affordability level of the unit (affordability to lower income levels earns more points).

The Town of Franklin could achieve a moratorium with as few as 19 new affordable homes (three bedroom family units affordable to families at 40% Area Median Income) or as many as 100 homes for senior-citizens at 80% Area Median Income.

Community Input

As part of community outreach efforts for the Affordable Housing Plan, an online survey asked residents for their views on housing needs in their community. As of 2/9/2021, there were 113 responses, or about 14% of households. When residents were asked, in general, if they supported or opposed affordable housing in Franklin, nearly 72% of respondents said that they somewhat or strongly oppose affordable housing, 8% said neither support nor oppose, and 20% said that they somewhat or strongly support affordable housing.

However, when residents did voice support for specific goals: 35% were in favor of expanding options for senior citizens to remain in town, 28% supported home ownership for young residents, 9% supported assisting low-income residents with home maintenance, and 27% responded with “none of the above” or “other”. There was also strong support for attracting young families and young workers. Single family detached housing was the most preferred type of new development (46%), but there was also some support for small-scale multifamily options such as in-law/accessory apartments (23%) and townhouses (13%).

A public meeting was held over ZOOM on April 12, 2021. Residents, PZC members, and staff discussed the changing demographics and current housing market, the difficulties of young residents attempting to buy homes in town, and the increase in construction costs such as lumber.

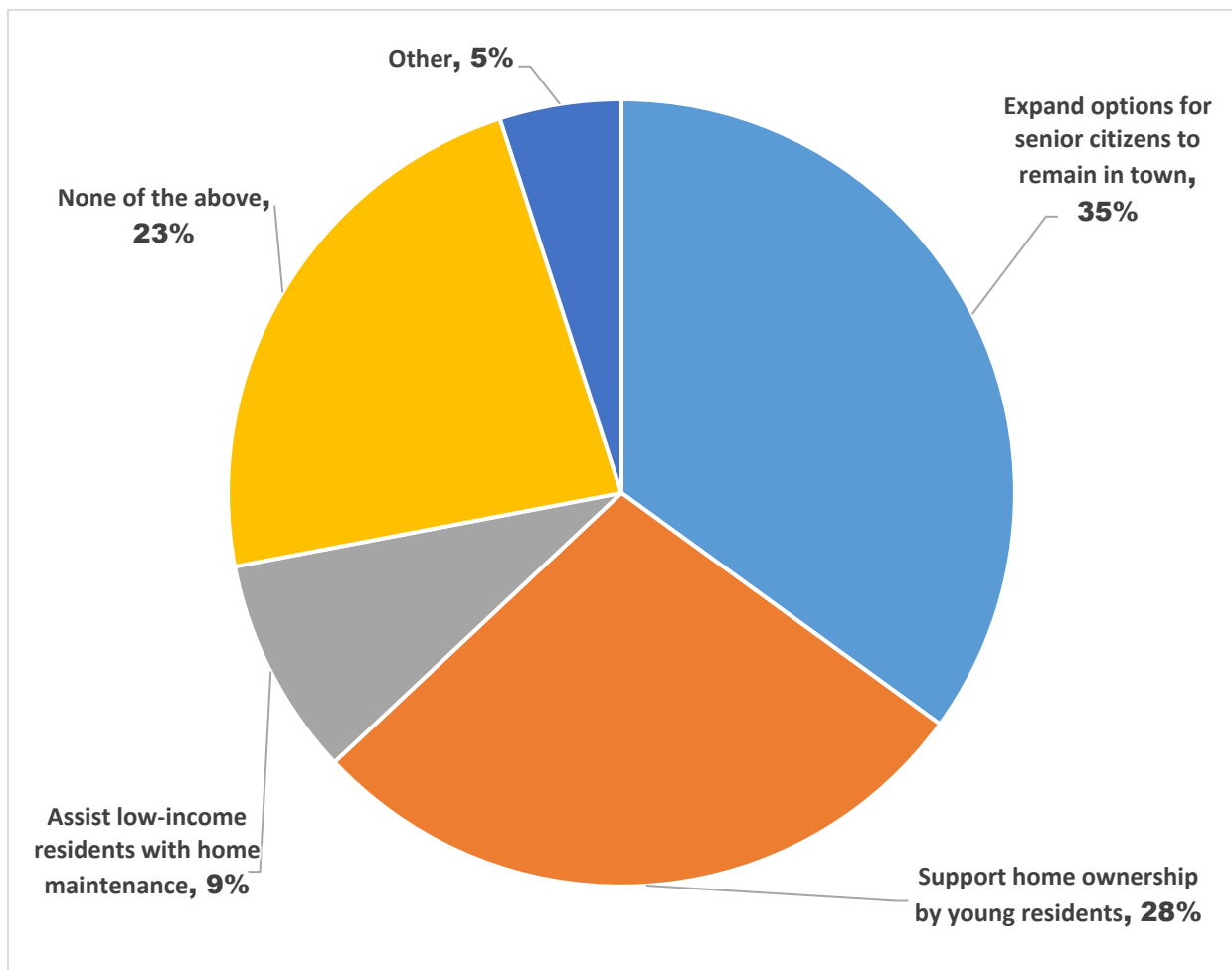


Figure 3: Franklin residents voiced some support for supporting senior citizens and young residents

House Bill 6107

During the drafting of this Affordable Housing Plan, House Bill 6107, titled “An Act Concerning The Zoning Enabling Act, Accessory Apartments, Training For Certain Land Use Officials, Municipal Affordable Housing Plans And A Commission On Connecticut’s Development And Future” was passed as Public Act 21-29 and signed into law by the governor on 6/10/2021. Several portions of this new public act will require changes to our existing zoning code, and have been incorporated into the Action Plan Options below.

Action Plan Options

Connecticut municipalities have flexibility in determining how they act to improve access to affordable housing. This plan should include steps appropriate to the Town of Franklin that may be taken with the goal of creating additional affordable housing units in Franklin, consistent with the other development and conservation goals of the Town. Some of the strategies that have been implemented or considered by Connecticut municipalities are the following:

Zoning Regulation Purpose

- Update the “Purpose” section of the Franklin Planning and Zoning Regulations to include addressing significant disparities in housing needs and access to educational, occupational, and other opportunities; and affirmatively further the purposes of the federal Fair Housing Act, per PA 21-29.

Commission Continuing Education

- Support the continuing education of Planning and Zoning Commission members with ongoing training on: affordable housing issues, process and procedures, the Freedom of Information Act, interpretation of site plans, and the impact of zoning on the environment, agriculture, and historic resources on a biennial basis, per PA 21-29.

Increase Opportunities for Multifamily Development

- Review potential modifications to single-family zoning that would enable low-density, low-impact multifamily developments where supported by appropriate infrastructure, per PA 21-29.
- Review housing zoning densities for areas served by public utilities and consider regulation modifications accordingly, per 2013 POCD.
- Update parking minimum for residential developments to 1 space per studio or 1-bedroom dwelling and 2 spaces per 2+ bedroom dwelling unit, per PA 21-29.

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

- Work with local realtor community to publicize availability of USDA and CHFA low-interest home loans.
- Consider applying for State of Connecticut Small Cities funding for rehabilitation of existing housing occupied by low-income residents, first time homebuyers, etc.
- Create municipal tax relief programs/down-payment/closing cost assistance for elderly, low income, first time buyers, etc.

Expand availability of lower-cost housing

- Allow one Accessory Dwelling Unit (ADU) alongside or within a single-family house, according to existing lot coverage and setback rules for single-family homes, without the need for a public hearing or special permit, per PA 21-29.
- Strike reference to minimum dwelling unit sizes for Elderly Housing, Age-Restricted Housing, and Conversion of Residences, so that minimum dwelling unit sizes are governed by the building code, per PA 21-29.
- Consider adopting provisions for single-family cluster development, which enables smaller homes, reduces infrastructure costs, and reduces the environmental footprint of new construction.

Increase availability of deed-restricted affordable housing

- Amend the Zoning Regulations by adopting inclusionary zoning as permitted under CGS Sec. 8-2i. to require a percentage of new large housing developments to be affordable housing for low or moderate income persons, per 2013 POCD.
- Work with housing land trusts or other non-profits to acquire and rehabilitate existing housing for deed-restricted affordable housing.

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

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

ⁱⁱ CHFA 2019 Summary of Programs. https://www.chfa.org/assets/1/6/2019_CGS_8-37bb.pdf.

ⁱⁱⁱ U.S. Census American Community Survey 2018 5-Year Estimates.

^{iv} Ibid.

^v Ibid.

^{vi} New London County 2019 Sales by Town, Eastern CT Association of Realtors.

^{vii} Fourth Quarter New London and Windham County SOLD Comparisons - 2020 vs. 2019, Eastern CT Association of Realtors.