

THE NORTHWESTERN CONNECTICUT REGIONAL PLANNING COLLABORATIVE

To: Cornwall Planning & Zoning Commission
From: Jocelyn Ayer, NW CT Regional Planning Collaborative
Re: Incentive Housing Zone (IHZ) Study
Date: April 6, 2010

Dear Cornwall P&Z,

This memo answers the questions I was asked to respond to by the Planning & Zoning Commission at the March 9th meeting. I will be happy to discuss any of these issues with you in more detail at the April 13th meeting.

On April 13th, I would request the Commission consider whether or not we should proceed to submit an IHZ Zone Adoption application to the state- which would include the draft IHZ regulation, design guidelines, and IHZ map.

Housing Needs Assessment

I was asked for the documented need for affordable housing in Cornwall. To respond to this I will cite two sources:

- 1) The Town Plan of Conservation & Development (p.24) includes a goal "To improve existing affordable housing regulations and employ new organizational, financial, and regulatory tools to improve the potential to achieve the state mandated goal for local affordable housing units." Page 79 reports the results of the Town Plan Forum and states that "Overall the issue that was ranked highest by almost every group was the need for affordable housing for the locals who need it."
- 2) A study done by HOMEConnecticut lists Cornwall as the 23rd least affordable community in the state (out of 169 towns). A family earning the median income in Cornwall (in 2008) earns \$38,256 less annually than they would need to earn to qualify to buy the median sales priced home in Cornwall in 2008.

Property Values

I have provided the Planning & Zoning Commission with both research and local anecdotal evidence that the neighboring property values do not decline when affordable or mixed income housing is built. Attached is the one page summary of the research and links directly to these research reports.

Example Sale Prices of Homes in IHZ

Our consultants (Concord Square Planning & Development) who are experienced with these types of developments ran some hypothetical numbers including the infrastructure and land costs associated with this site and came up with this as an example:

Market priced **single family** (2 bedroom)- approx. \$360K
Deed restricted 80% AMI priced **single family** (2 bedroom) – approx. \$195K

Market priced **townhouse** (3 bedroom)- approx. \$280K
Deed restricted 80% AMI priced **townhouse** (3bedroom) – approx. \$202K

Affordability: the deed restricted units would have to be priced to be affordable to families earning 80% of the area median income (AMI), adjusted for household size, according to HUD. The market rate units would be affordable to households earning between 100% to 120% of the area median income (\$86,700 to \$104,040).

Safety of Driveway Access

Since the access to this site is on a state highway, the State Department of Transportation (DOT) will review and approve the sight lines from the driveway onto the road if and when a development is proposed for this site to assure that the development would not create safety issues. Our development consultant has been on this site and sees no problem with the feasibility of achieving the DOT required sight lines.

Homeowners Association Protections

The revised version of the IHZ regulation attached here includes a provision that Homeowners Association documentation be submitted if the open space, road, and/or other infrastructure will be owned in common, to assure that the homeowners in the IHZ development and the homeowners of the abutting properties are protected from nuisance and issues that affect property values. Please see attached draft IHZ regulation (p.3).

Spot Zoning Concern

From Tom McGowan, Planning Consultant to Cornwall: “The State Housing Appeals Act already allows the type of "spot zoning" proposed under the IHZ. The fact that Cornwall has not had an affordable housing application under the State Housing Appeals Act doesn't mean it can't or won't happen. If and when the market place makes it feasible for a market developer to include the requisite number of affordable units in a development, that project can be proposed anywhere in the town at whatever density the land will allow.”

If a developer applies under the State Housing Appeals Act they can build anywhere in town regardless of the current zoning or the suitability of neighboring land uses. An Incentive Housing Zone allows the town to proactively choose the site, understand the impact and potential buildout of the site, and have control over appearance and other important factors through the design guidelines and IHZ regulation which it would not have under a State Housing Appeals Act application.

Project Feasibility & Using Local Contractors

I had a conversation with the property owner, John Bates, this week to ask him the likelihood that he will pursue the development of an Incentive Housing Development on the site. He said, “You can't cook the dinner without a recipe” and further explained that if the

Town (by designating this site as an IHZ) has a plan for what it would like to see on this site in the future, then he will move forward to continue to explore this option. He would try for a couple of years to either get the financing to do this development himself or to sell the property to someone who would carry out the town's plan for this site. If Mr. Bates is directly involved in the development of the site he said he feels strongly that he would use local contractors (from Region 1 school district) to do the work.

Next Steps:

If the Commission wishes to proceed with the Zone Adoption process, I would complete the Zone Adoption application and return to the Commission for a vote stating the following:

The Planning & Zoning Commission of the Town of Cornwall met on _____, 2010 and adopted a resolution which:

1. Endorses submission of the zone adoption application under the Housing for Economic Growth Program referenced in Section 8-13(m-x) of CGS; and
2. Certifies that it will consider the creation of one or more incentive housing zones as identified in the application. Such application is attached to and made part of this record.
3. Certified that it will consider and act on the Incentive Housing Development when proposed within the approved Incentive Housing Zone/s in compliance with Section 8-13 (m-x) of CSG.

If the Commission wishes to proceed with the zone adoption application, it will be important to discuss the attached draft IHZ regulation & design standards to assure that they are acceptable to the Commission for submission as part of the application. Please see the attached redlined version of the draft IHZ regulation and design standards (note all revisions are on page 3-4).

Attached:

- 1) One page fact sheet on property values
- 2) Revised draft IHZ regulation and design standards

No, mixed-income and affordable housing doesn't lower nearby property values...



... The Massachusetts Institute of Technology and other expert researchers have produced the evidence.

MIT's Center for Real Estate looked at 7 mixed-income rental housing developments in Massachusetts and found:

No significant differences between home values close to affordable developments and those in other parts of town.

MIT researchers chose densely populated, controversial developments they predicted would be most likely to adversely impact property values. Their analysis of each development focused on an "impact area" around the development, and a "control area" in another part of town. They made the impact area intentionally small, to not dilute the potential impact observed. Instead of simply reporting whether surrounding property values went up or down, they compared property value changes in the impact area with property value changes in control area. This method controls for other impacts on house prices.

* MIT study available at <http://web.mit.edu/cre/research/hai/>.

The MIT study replicated other research on property values near affordable housing:

Enterprise Foundation

Affordable Housing and Property Values

Reviews and summarizes 14 research publications, finding that subsidized, special-purpose or manufactured housing had either a positive effect or no negative effect on nearby property values.

(<http://www.practitionerresources.org/showdoc.html?id=19395>)

Habitat for Humanity

Why Affordable Housing Does Not Lower Property Values

A brief discussion of common perceptions, studies conducted and what the studies found in regards to the relationship between affordable housing and neighboring properties. Includes a list of 11 studies conducted to test the effect of affordable housing on surrounding properties.

(<http://www.habitat.org/how/propertyvalues.aspx>)

Links to these studies and many more are available at our website

www.homeconnecticut.org

INCENTIVE HOUSING OVERLAY ZONE

A. PURPOSE

The purpose of the Incentive Housing Zone is:

1. to provide incentives for the development of workforce and starter housing;
2. to create an increased variety of attractive housing options, which will encourage residents of all incomes to live and work in the town;
3. to encourage new development in areas served by existing town infrastructure to allow for the preservation of open space and natural resources in the outlying areas and provide for the most efficient use of the land; and
4. to promote well-designed projects, which enhance and support the character and architectural styles of the town center;

B. DEFINITIONS

For purposes of this Section, the following definitions shall apply:

Administering Agency – the Cornwall Housing Corporation shall be designated to review and implement the Affordability requirements affecting Incentive Housing Developments under section F of this regulation entitled “Housing and Housing Affordability”.

Developable land- the area within the boundaries of an approved incentive housing zone that feasibly can be developed into residential or mixed uses consistent with the provisions of sections 38 to 49, inclusive, of this act, not including: (A) Land already committed to a public use or purpose, whether publicly or privately owned; (B) existing parks, recreation areas and open space that is dedicated to the public or subject to a recorded conservation easement; (C) land otherwise subject to an enforceable restriction on or prohibition of development; (D) wetlands or watercourses as defined in chapter 440 of the general statutes; and (E) areas exceeding one-half or more acres of contiguous land that are unsuitable for development due to topographic features, such as steep slopes.

Duplex- a residential building containing two units.

Eligible Household - an individual or household whose annual income is less than 80 percent of the area-wide median income as determined by the United States Department of Housing and Urban Development (HUD), adjusted for household size.

Incentive Homeownership Unit - a housing unit required to be sold at prices which will preserve the units as housing for which persons and families pay thirty per cent or less of their annual income, where such income is less than or equal to eighty per cent of the median income.

Incentive Housing Zones (IHZ) – a zone or zones adopted by the Planning and Zoning Commission in accordance with this Section.

Incentive Housing Development (IHD) – a residential or mixed-use development that is proposed or located within an approved incentive housing zone and within which not less than twenty percent of the dwelling units will be conveyed subject to an incentive

housing restriction requiring that, for at least thirty years after the initial occupancy of the development, such dwelling units shall be sold or rented at, or below, prices which will preserve the units as housing for which persons pay thirty percent or less of their annual income, where such income is less than or equal to eighty percent of the median income.

Incentive Housing Restriction – a deed restriction, covenant, zoning regulation, site plan approval condition, subdivision approval condition, or affordability plan constituting an obligation with respect to the restrictions on household income, sale or resale price, rent and housing costs required by this Section, enforceable for **at least thirty years** and recording on the land records of the Town of Cornwall.

Note: The Commission could require a restriction for up to 99 years (30 is just the minimum required by the IHZ statute).

Incentive Housing Units - housing that is occupied by Eligible Households and is sold or rented at, or below, prices which will preserve the units as housing for which persons pay thirty percent or less of their annual income.

Incentive Rental Unit - a housing unit required to be rented at prices which will preserve the units as housing for which persons and families pay thirty per cent or less of their annual income, where such income is less than or equal to eighty per cent of the median income.

Median Income - the area median income as determined by the United States Department of Housing and Urban Development for the Town of Cornwall.

Multifamily housing- a building that contains or will contain three or more residential dwelling units.

Open space- land or a permanent interest in land that is used for or satisfies one or more of the criteria listed in subsection (b) of section 7-131d of the Connecticut general statutes.

Townhouse housing- a residential building consisting of a single-family dwelling unit constructed in a group of three or more attached units, in which each unit extends from foundation to roof and has open space on at least two sides.

C. LOCATION OF INCENTIVE HOUSING ZONE (IHZ)

1. Establishment. The Incentive Housing Zone Overlay District has been established and is superimposed over the underlying zoning district on the Zoning Map as set forth on the map entitled “Incentive Housing Zone Overlay District, dated ____, prepared by ____.” This map is hereby made a part of the Zoning Regulations and is on file in the Office of the Town Clerk.

D. APPLICABILITY OF IHZ

1. Applicability of IHZ. An applicant may seek development of an Incentive Housing Development located within the IHZ in accordance with the provisions of this regulation.

2. Underlying Zoning. The IHZ is an overlay district superimposed on all underlying zoning districts. The regulations for use, dimension, and all other provisions of the Zoning Ordinance governing the underlying zoning district(s) shall remain in full force, except for those Incentive Housing Developments developed pursuant to this Section. Within the boundaries of the IHZ, a developer may elect either to develop an Incentive Housing Development in accordance with the requirements of the IHZ as described in this regulation, or to develop a project in accordance with requirements of the regulations for use, dimension, and all other provisions of the Zoning Regulations governing the underlying zoning district(s).

E. PERMITTED USES

1. Permitted Uses. The following uses are permitted as-of-right with site plan approval (SPA) as noted in the table below for each district:

Table of Use Regulations

Use Type	
Single-family Residential Uses, Detached	Permitted by right with SPA
Duplex or Townhouse style Residential Uses, Attached	Permitted by right with SPA

- a) Related accessory buildings and structures such as sheds and garages are permitted.

2. Prohibited Uses. All uses not expressly allowed are prohibited.

F. SITE PLAN APPLICATION & APPROVAL

1. Site Plan Application. The applicant for an Incentive Housing Development shall submit a site plan in compliance with Article VI (Site Plan Requirements) of the Cornwall Zoning Regulations.

2. Homeowners Association Documentation. If the open space, road, and/or other infrastructure will be owned and maintained by a homeowners association, the applicant shall submit homeowners association documentation in addition to the required submittals under Article VI of the Zoning Regulations. This documentation should include sufficient rules and regulations to protect the homeowners in the association and the abutting homeowners from nuisance. The regulations that homeowners in the homeowners association will be subject should include the following:

- a) Monitoring and maintenance of septic systems
- b) Maintenance and plowing of common road

- c) Upkeep of fencing and vegetated buffers between abutting properties
- d) Limits on outdoor storage
- e) Limits on outdoor noise
- f) Provision that no more than three vehicles per household shall be parked on site for more than 30days.

3. Site Plan Approval. Site Plan Approval shall be granted where the Planning & Zoning Commission finds that:

- a) the applicant has submitted the information and fees required by the Regulations and necessary for an adequate and timely review of the design of the Incentive Housing Development or potential development impacts;
- b) the project as described in the application meets all of the requirements and standards set forth in this Section, or a waiver has been granted;
- c) the project conforms to the applicable Design Standards; and
- d) any extraordinary adverse potential impacts of the Project on nearby properties have been adequately mitigated.

Conditions to the Site Plan Approval decision shall be imposed on an Incentive Housing Development by the Commission only as necessary to ensure substantial compliance with this Section including the Design Standards, or to mitigate any extraordinary adverse impacts of the development on nearby properties.

42. Waivers. Upon the request of the Applicant, the Commission may waive dimensional and other requirements this section, including the Design Standards, in the interests of design flexibility and overall project quality, and upon a finding of the following:

- a) consistency of such variation with the overall purpose and objectives of the IHZ,
- b) such waiver is necessary to allow the Project to achieve the density, Affordability, and/or physical character allowable under this Section,
- c) there are compelling reasons of safety, aesthetics or site design issues, or
- d) that it will result in an improved project in conformance with the purpose and intent of this Article.

G. HOUSING AND HOUSING AFFORDABILITY

1. Number of Incentive Housing Units. For all Incentive Housing Developments, not less than twenty percent (20%) of housing units constructed shall be Incentive Housing. For purposes of calculating the number of units of Incentive Housing required within an Incentive Housing Development, any fractional unit shall be deemed to constitute a whole unit.

2. Administering Agency. In a case where the Administering Agency cannot adequately carry out its administrative duties, upon certification of this fact by the First

Selectman such duties shall devolve to and thereafter be administered by a qualified housing entity designated by the First Selectman. In any event, such Administering Agency shall ensure the following, both prior to issuance of a Building Permit for a Incentive Housing Development within the IHZ, and thereafter, as the case may be:

- a) prices of Incentive Homeownership Units are properly computed; rental amounts of Incentive Rental Units are properly computed;
- b) income eligibility of households applying for Incentive Housing is properly and reliably determined;
- c) the housing marketing and resident selection plan conform to all requirements and are properly administered;
- d) sales and rentals are made to Eligible Households chosen in accordance with the housing marketing and resident selection plan with appropriate unit size for each household being properly determined and proper preference being given; and
- e) Incentive Housing Restrictions meeting the requirements of this section are recorded with the proper registry of deeds.

3. Submission Requirements. Prior to the submission of any application for a Building Permit, the Applicant must submit the following documents to the Administering Agency, which shall certify compliance with the provisions of this Section to the Building Inspector:

- a) evidence that the Incentive Housing Development complies with the cost and eligibility requirements of subsection G.4 below;
- b) Site development plans that demonstrate compliance with the requirements of the design and construction standards of subsection G.5 below; and
- c) an Incentive Housing Restriction in such form and content satisfactory to the Administering Agency that complies with the requirements of subsection G.6 below.

4. Cost and Eligibility Requirements. Incentive Housing shall comply with the following requirements:

- a) Incentive Housing required to be offered for rent or sale shall be rented or sold to and occupied only by Eligible Households.
- b) For an Incentive Rental Unit, the monthly rent payment, including utilities and parking, shall not exceed 30 percent of the maximum monthly income permissible for an Eligible Household, assuming a family size equal to the number of bedrooms in the unit plus one.

- c) For an Incentive Homeownership Unit, maximum allowable sale prices for Incentive Homeownership Units shall be calculated consistent with the standards set out in CGS 8-13m as may be amended.

Prior to the granting of any Building Permit for any structure within an Incentive Housing Development, the Applicant must demonstrate, to the satisfaction of the Administering Agency, that the method by which such rents or purchase prices are computed shall be consistent with state or federal guidelines for affordability applicable to the Town of Cornwall.

5. Design and Construction. Units of Incentive Housing shall be finished housing units. Units of Incentive Housing shall be dispersed throughout the Incentive Housing Development of which they are part and be comparable in initial construction quality and exterior design to the other housing units in the Incentive Housing Development.

6. Incentive Housing Restriction. Each Incentive Housing Development shall be subject to an Incentive Housing Restriction which is recorded with the appropriate registry of deeds and which contains the following:

- a) specification of the term of the Incentive housing restriction which shall be **no less than thirty years**;
- b) the name and address of the Administering Agency with a designation of its power to monitor and enforce the Incentive housing restriction;
- c) a description of the Incentive Homeownership Unit, if any, by address and number of bedrooms; and a description of the overall quantity and number of bedrooms and number of bedroom types of Incentive Rental Units in a Incentive Housing Development or portion of a Incentive Housing Development which are rental. Such restriction shall apply individually to the specifically identified Incentive Homeownership Unit and shall apply to a percentage of rental units of a rental Incentive Housing Development or the rental portion of a Incentive Housing Development without specific unit identification.
- d) reference to the formula pursuant to which rent of a rental unit or the maximum resale price of a homeownership will be set;
- e) designation of the priority of the Incentive Housing Restriction over other mortgages and restrictions, provided that a first mortgage of a Homeownership Housing Unit to a commercial lender in an amount less than maximum resale price may have priority over the Incentive Housing Restriction if required by then current practice of commercial mortgage lenders;
- f) a requirement that only an Eligible Household may reside in Incentive Housing and that notice of any lease of any Incentive Rental Unit shall be given to the Administering Agency;

- g) provision for effective monitoring and enforcement of the terms and provisions of the Incentive housing restriction by the Administering Agency;
- h) provision that the restriction on an Incentive Homeownership Unit shall run in favor of the Administering Agency and/or the municipality, in a form approved by municipal counsel, and shall limit initial sale and re-sale to and occupancy by an Eligible Household;
- i) provision that the restriction on Incentive Rental Units in a rental Incentive Housing Development or rental portion of a Incentive Housing Development shall run with the rental Incentive Housing Development or rental portion of a Incentive Housing Development and shall run in favor of the Administering Agency and/or the municipality, in a form approved by municipal counsel, and shall limit rental and occupancy to an Eligible Household;
- j) provision that the owner[s] or manager[s] of Incentive Rental Unit[s] shall file an annual report to the Administering Agency, in a form specified by that agency certifying compliance with the Affordability provisions of this regulation and containing such other information as may be reasonably requested in order to ensure affordability; and
- k) a requirement that residents in Incentive Housing provide such information as the Administering Agency may reasonably request in order to ensure affordability.

7. Phasing. For any Incentive Housing Development that is approved and developed in phases, the proportion of Incentive Housing Units shall be consistent across all phases.

8. No Waiver. Notwithstanding anything to the contrary herein, the Affordability provisions in this Section shall not be waived.

H. IHZ SITE DEVELOPMENT STANDARDS

1. Density Requirements. Notwithstanding anything to the contrary in this Zoning Regulation, the density and dimensional requirements applicable in the IHZ are as follows:

Table of Density Requirements in the IHZ

Use	Maximum Required Density (du/ac.)
Single Family Detached Dwelling Units	4
Duplex or Townhouse style Dwelling Units	6

Note: In calculating density requirements, multiply the number of acres of Developable Land by the applicable density requirement.

- a) Density Waiver for Nonprofit or Municipally Owned Land. These density requirements may be waived by the Planning & Zoning Commission if the land to be zoned for incentive housing development is owned or controlled by the municipality itself, an agency thereof, or a land trust, housing trust fund or a nonprofit housing agency or corporation. To qualify for this waiver one hundred per cent (100%) of the proposed residential units must be subject to an incentive housing restriction.

2. Dimensional Requirements.

Table of Dimensional Requirements in the IHZ District

Minimum Accessway Width	24 ft
Minimum front setback	15 ft
Minimum side setback	0 ft
Minimum rear setback	15 ft
Maximum building height	45ft
Minimum building setback of IHD from abutting properties	50 ft

Note: These dimensional standards are designed to permit the most flexibility possible for development within the “Building Area” of 116 Kent Rd (as long as it meets the design standards that follow). The most likely scenario would be for this to be a condominium type ownership structure rather than a subdivision of fee simple properties. In a condominium scenario the setbacks would only apply to abutting properties.

3. Parking Requirements. Unless otherwise approved by the Planning & Zoning Commission, the minimum number of off-street parking spaces required shall be based upon the parking requirements of the underlying zoning district.

I. DESIGN STANDARDS

1. Applicability. The site plan shall meet the following design standards as set forth in this section of the Regulation.

2. Building Design

- a) Buildings shall be designed with an architectural character that fits the town and should contain details such as cornices, brackets, lintels, window shutters, and columns. Variations in architectural elements from building to building are encouraged to add visual interest.

- b) Exterior building materials shall reflect the residential character of the town; wood or fiber cement clapboards or shingles, stone, brick, and other such materials are encouraged. Vinyl is discouraged.



- c) Where more than one material is used, traditionally heavier materials (stone, brick, concrete, etc.) should be located below lighter materials (wood, shingle, clapboards, etc). The change in material should occur along a horizontal line, preferably at the floor level.
- d) Building designs incorporating differing heights and roof lines within different areas of the building are encouraged, to reduce the appearance of a single large building.
- e) Buildings with facades that are greater than 40 feet wide should be broken into smaller elements to add visual character. Such elements may be delineated with varying materials, colors, and architectural projections or recesses.
- f) Sloped roofs are required. Roof forms may incorporate decorative cornice treatments and dormers, but should not be too cluttered with various forms and elements.
- g) Porches, decks and balconies are encouraged, provided the overall appearance of the building maintains a character compatible with the neighborhood.
- h) Windows shall be placed on all sides of the building. The shape and proportion of windows shall be in line with the shape and size of the house. In general, all windows should be taller than they are wide.
- i) All windows shall have a window casing with a minimum width of 2”.
- j) Garages, if constructed, shall be set back a minimum of 10 feet from the front of the house to avoid visual encroachment into the streetscape.

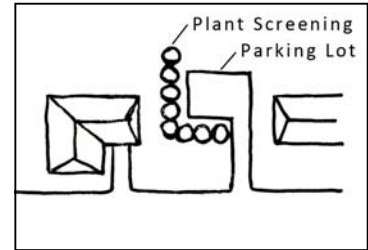
3. Lighting. All site lighting shall be full cut-off fixtures that follow “dark skies” principles, and no glare shall be permitted to impact adjacent properties. Exterior lighting fixtures shall not exceed fourteen feet in height.



Full cut-off lighting fixture.

4. Landscaping

- a) Parking lots shall be screened from view of adjacent properties with plantings and/or wood fencing.
- b) In addition to new plantings, existing mature trees should be preserved to the maximum extent practicable.
- c) The site design shall include a variety of landscape elements including street trees, evergreens, shrubs, and perennials and annuals.
- d) Plant materials shall be chosen to withstand seasonal weather cycles in New England and for compatibility with existing plantings in the surrounding neighborhood, with consideration for resistance to infestations, resilience to climate exposure, water availability and drainage conditions. Native species are encouraged and invasive plant species are prohibited. Plants located near streets, driveways or parking lots must be salt-tolerant.
- e) Trees shall be a minimum of 3" caliper measured at a point four (4) feet above grade at time of planting.



Parking lot with screening to block view of parking from street and adjacent property.

5. Stormwater management

- a) Stormwater management should be designed with low impact development techniques to minimize volume and improve quality of runoff. Integration of natural and mechanical treatment systems such as constructed wetlands, vegetated filters and open channels to treat stormwater runoff are encouraged.
- b) Alternative surfaces such as grid pavers and nonstructural techniques such as rain gardens and vegetated swales to promote infiltration are encouraged.



Use native plants as much as possible.



Parking area constructed of grid pavers.