

TOWN OF CHESHIRE



CHESHIRE PLANNING AND ZONING COMMISSION AFFORDABLE HOUSING PLAN 2022-2027



FORWARD

Since the adoption of the 2016 Plan of Conservation and Development, the Cheshire Planning and Zoning Commission along with the Town of Cheshire has been committed to the promotion and/or creation of more affordable housing.

In July of 2017, the General Assembly passed Public Act 17-170 which requires that every community to develop an affordable housing plan. The affordable housing plan is intended to illustrate how specifically each community will increase the number of affordable housing units.

The creation of additional affordable housing units in Cheshire will benefit the community. More affordable housing units diversifies the housing stock in Cheshire. It creates options for citizens who chose to live in town whether its first homeowners, renters, seniors wishing to age in place, or individuals that would otherwise not have the economic means to consider living in this community.

The Planning and Zoning Commission is fully committed to assuring the goals and objectives concerning housing outlined in this plan and the Plan of Conservation and Development are met.

Cheshire Planning and Zoning Commission

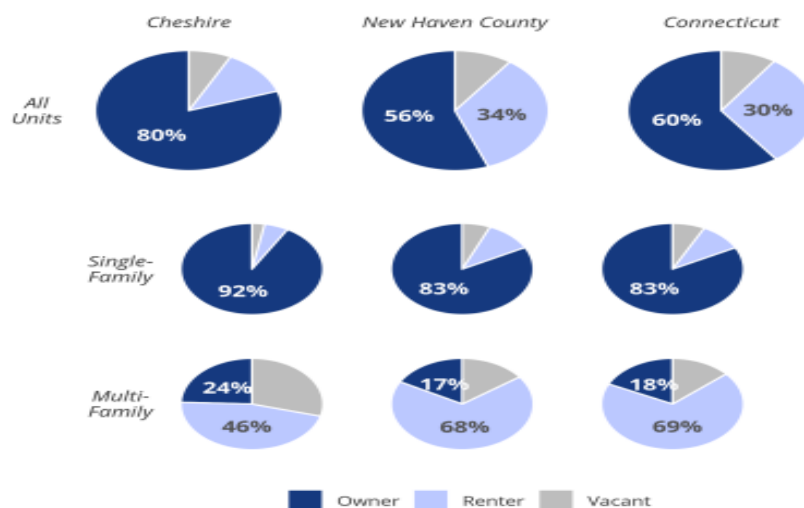
Adopted

05/23/2022



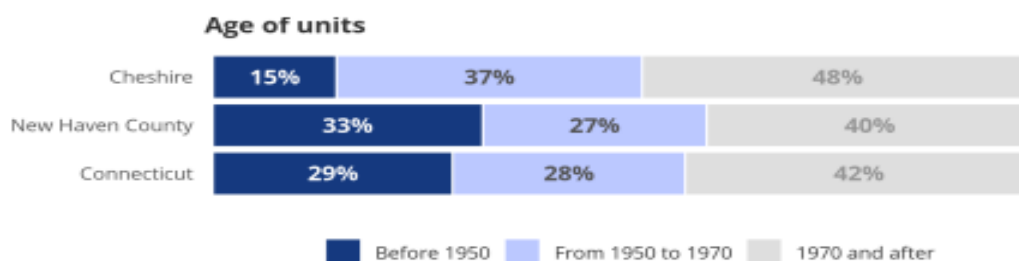
What is Cheshire's current housing market?

The Cheshire Planning and Zoning Commission addressed diversifying the housing stock in Cheshire in 2016 in the Plan of Conservation and Development. Cheshire is a community that consists primarily of single-family residence which are owner occupied. Eighty (80) % of the homes in Cheshire are owner occupied according to data provided by the Partnership for Stronger Communities. While only 56% of homes in New Haven County are owner occupied.



Source: Partnership for Stronger Communities: <https://housing-profiles.s3.amazonaws.com/2020/Cheshire.pdf>

The age of Cheshire's housing stock is older. More than 52% of the homes in Cheshire were constructed prior to 1970.



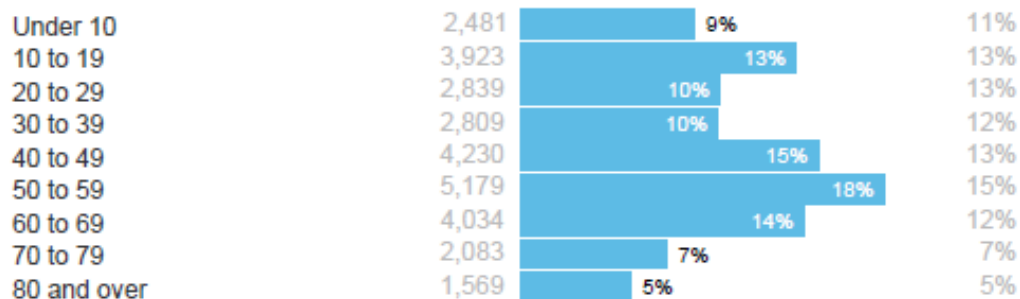
Source: Partnership for Stronger Communities: <https://housing-profiles.s3.amazonaws.com/2020/Cheshire.pdf>

Therefore, Cheshire is mainly comprised of older single-family residences which are owner occupied.



According to the 2020 US census, Cheshire's population is 29,208. The median age for the community is 43 and the median household income is \$120,546.00. The chart below illustrates age segments of Cheshire:

Age Distribution

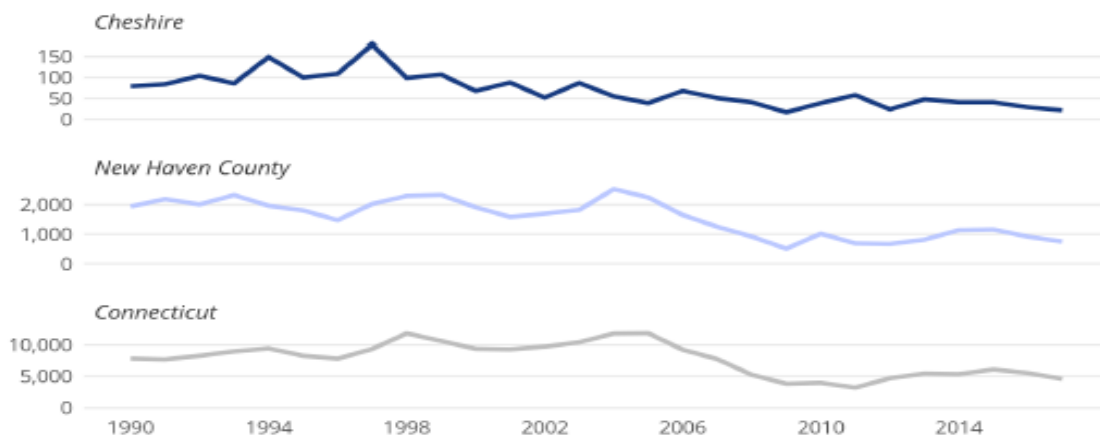


Source: CT Data Collaborative

The State of Connecticut thru the Department of Economic and Community Development tracks building permit activity for each community throughout Connecticut. Overall, the permit activity has decreased for the period of 1990 -2017.

Number of building permits per year, 1990-2017

Note: y axis varies between locations



Source: Connecticut Department of Economic and Community Development



What does this mean?

Cheshire is a typical community that has an older housing stock with highly educated workforce which has higher incomes than the surrounding communities. Overall, the community is highly desirable for individuals to choose to reside. The community is limited for areas for new development and therefore re-development or re-investment is where the community sees future development activities.

The central location and school system make Cheshire a community that is very attractive for individuals to choose. All these positive factors also affect the physical prices of homes within the community.

Single Family Key Metrics	January		
	2021	2022	% Change
New Listings	28	20	- 28.6%
Pending Sales	25	24	- 4.0%
Closed Sales	19	23	+ 21.1%
Days on Market Until Sale	45	29	- 35.6%
Median Sales Price*	\$375,000	\$400,000	+ 6.7%
Average Sales Price*	\$413,453	\$428,557	+ 3.7%
Percent of List Price Received*	100.1%	100.1%	0.0%
Inventory of Homes for Sale	68	38	- 44.1%
Months Supply of Inventory	2.3	1.3	- 43.5%

Source: SmartMLS

According to Smart MLS, median sale price has risen from \$375,000 in 2021 to \$400,000 for the first portion of 2022. Even though the housing stock in Cheshire is older, the sales data demonstrates how the quality of the community will influence the value of homes. Homes in Cheshire retain their value.

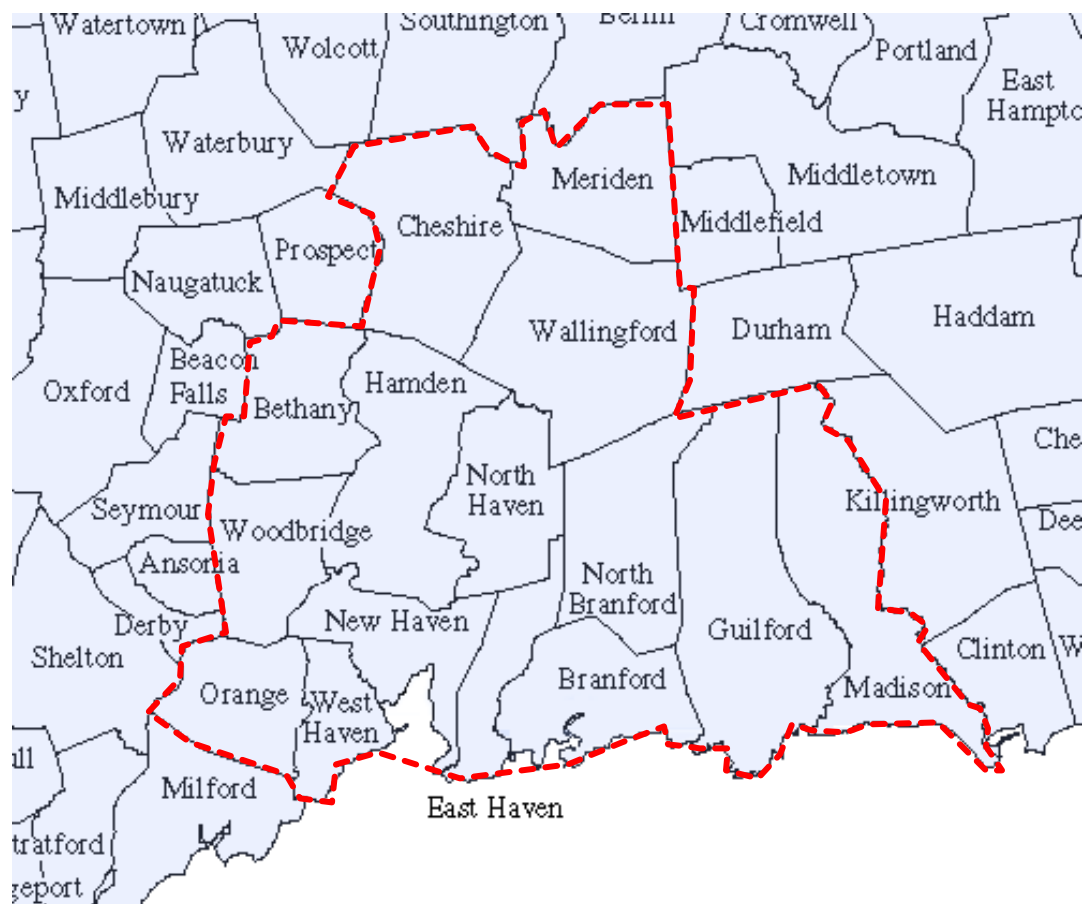


What is affordable housing?

Connecticut General State Statute 8-30 g defines a home as “affordable” if the cost of ownership cost less than 30% of the gross income of a household earning 80% or less of the Area Median Income (AMI). For the housing unit to count towards the community’s official tally, the property can be subject to a deed restriction for at least 30 years.

Income calculations are adjusted annually based on projection provided by the Department of Housing and Urban Development.

Cheshire is located within the New Haven-Meriden Metro Area according to the Department of Housing and Urban Development. Below is a map depicting the geographic area highlighted in red that is used for determining incomes:



The table below illustrates the income numbers for the 80% AMI and 60% AMI for the New Haven-Meriden Metro Area based on household size:

	1 Person	2 People	3 People	4 People	5 People	6 People	7 People	8 People
80% of AMI (2020)	\$55,950	\$ 63,950	\$ 71,950	\$ 79,900	\$ 86,300	\$ 92,700	\$ 99,100	\$ 105,500
60% of AMI (2020)	\$ 41963	\$ 47963	\$ 53962	\$ 59925	\$ 64725	\$ 69525	\$ 74325	\$ 79125

Source: HUD Income [IncomeLimits](#)

The income levels above would be used to determine whether a residence in Cheshire could qualify as “affordable” if the monthly housing plus utility costs did not exceed 30% of the person's income.

The table below illustrates what monthly housing costs would be for someone that making 80% and 60% of AMI based on the household size:

	1 Person	2 People	3 People	4 People	5 People	6 People	7 People	8 People
80% of AMI Max monthly housing costs	\$1393.75	\$1593.75	\$1793.75	\$1997.50	\$2157.50	\$2317.50	\$2477.50	\$2637.50
60% of AMI Max monthly housing costs	\$1049.07	\$1199.07	\$1349.05	\$1498.12	\$1618.12	\$1738.12	\$1858.12	\$1978.12

Source: HUD Income [IncomeLimits](#)



Why is affordable housing important?

A diverse and affordable complement of housing is important for a community.

Increasing the supply of affordable housing in Cheshire will enable persons who otherwise could not afford to do so, to live in Cheshire and enjoy the benefits of our community. This may include young families, single persons beginning careers, senior citizens living on reduced incomes, or anyone who, even while holding a good job, cannot afford a market priced home in Cheshire. The Cheshire Planning and Zoning Commission believes that increasing access to affordable housing in Cheshire benefits the persons in such housing and our community in a number of ways:

Economic Security

Lower housing costs allow residents to put money to other household needs or savings

Maintaining our Seniors in Town

The town can continue to benefit from the contributions of senior citizens in community activities

Education of Children

Children of lesser means can benefit from and contribute to our excellent schools

Economic Development

A diverse housing market enables larger groups of the population to purchase or reside within the community. It will strengthen the local workforce which entices employers to expand or relocate to Cheshire

Housing Stability

Increasing affordable housing access to affordable housing options will assist low-income households to achieve critical stability with regards to their housing needs

Health

If housing cost create insecurity within a household, then members will feel negative effects which can affect work or school performances

The Law: Affordable Housing Appeals Act

The Affordable Housing Appeals Act or Connecticut General Statutes 8 – 30g, provided an avenue for additional affordable housing in Connecticut. The intent of the law was that every community in Connecticut would provide no less than 10% of total housing stock as affordable housing. Deed restrictions are utilized so that the home's affordability would be protected for a period of 30 years.

According to the Connecticut Department of Housing (DOH) 2020 Affordable Housing Appeals List, Cheshire has 3.81% of the total housing stock considered to be affordable to those individuals makes less than the area median income.

Certain homes in Cheshire seem to qualify based solely on price. However, these properties are not considered “affordable” pursuant to CGS 8-30g in that they lack deed restrictions limiting sales price or the individuals residing within them do not receive qualifying financial assistance.

The grid below breaks down the percentage as determined by DOH:

Total Households	Gov't Assisted	Tenant Rental Assisted	CHFA/USDA loans	Deed Restrictions	Total Assisted Units	Percentage of Affordable
10,242	258	22	100	17	397	3.81%

Source: The State of Connecticut 2020 Affordable Housing Appeals List and 2020 Census for Housing Units:
<http://portal.ct.gov/-/media/DOH/2020-Affordable-Housing-Appeals-List.pdf>.

*To provide 10% of the total housing units as affordable, Cheshire **needs to add 628 affordable housing units** to the existing housing stock.*



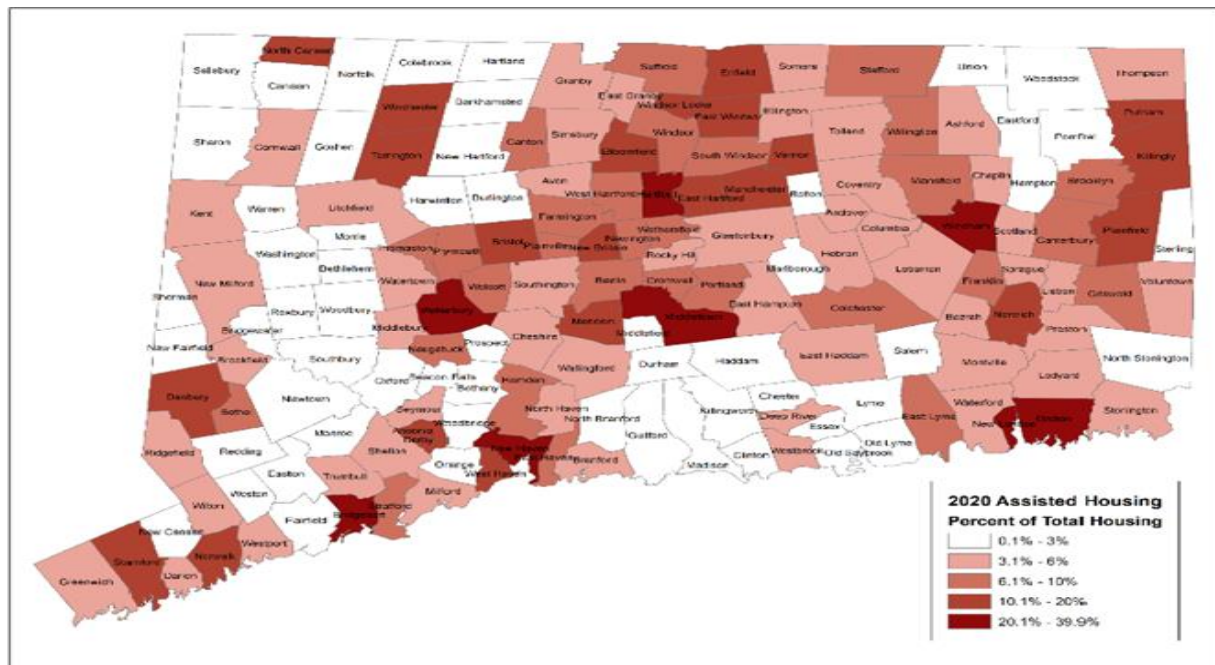
Because Cheshire's affordable housing stock is below 10%, the community is subject to affordable housing appeals pursuant to Connecticut General Statutes 8-30g. Affordable housing appeals are housing development applications which require 30% of the development is set aside for purposes of creating additional affordable housing units within the community. These applications are not subject to local zoning regulations.

The chart below provides the scoring or point system that the Department of Housing uses when determining if a community's affordable housing stock exceeds ten (10) percent.



Unit Type		Base HUE Value (per unit)
Owned or rented market-rate unit in a "set-aside development"		0.25
Owned or rented elderly unit restricted to households earning no more than 80% of the median income		0.50
Owned family unit restricted to households earning no more than:	80% of median income	1.00
	60% of median income	1.50
	40% of median income	2.00
Rented family unit restricted to households earning no more than:	80% of median income	1.50
	60% of median income	2.00
	40% of median income	2.50
Owned or rented homes in resident-owned mobile manufactured home parks occupied by households earning 80% or less of the median income		1.5
Owned or rented homes in resident-owned mobile manufactured home parks occupied by households earning 60% or less of the median income		2.0
Owned or rented homes in resident-owned mobile manufactured home parks not otherwise eligible for points		0.25
		Bonus HUE Value (per unit)
Owned or rented restricted family units in an incentive housing development		0.25 bonus*
Owned or rented restricted family units with at least 3 bedrooms		0.25 bonus*
Owned or rented restricted elderly units, if at least 60% of restricted units used toward the moratorium are family units		0.50 bonus*
Rental family units in a set-aside development, if the developer applied for local approval before July 6, 1995		Bonus equal to 22% of the total points awarded to such development

*Bonus sunsets on September 30, 2022 (PA 17-170)



Source: Partnership for Stronger Communities

Connecticut General Statutes 8-30j

In July of 2017, the General Assembly passed Public Act 17-170 which requires that every community to develop an affordable housing plan.

The affordable housing plan is intended to illustrate how specifically each community will increase the number of affordable housing units.

Each community is required to adopt a plan by June 1, 2022. After the initial adoption of the plan, it is required to be updated every five years.

These plans are to supplement sections of the Plan of Conservation and Development that focus on housing.

Plan of Conservation and Development

Separate from the development of an affordable housing plan, each community is required to develop and update the plan of conservation and development once every 10 years.

Cheshire updated the Plan of Conservation and Development in 2016. The plan included goals/objectives which were specific to the creation of affordable housing units such as:

- Review and amend section 44A of the zoning regulations to make an effective alternative to Section 8-30g and protect local review of affordable housing projects

Moratorium



Connecticut General Statutes provide communities an ability to put a pause on Affordable Housing Appeals. A community can apply for a 4-year moratorium on affordable housing appeals if they can demonstrate that added approximately 2% of affordable housing units to the community's housing stock.

The intent of the moratorium is to provide a community with a period of time to develop regulations or implement other regulatory changes that can result in the increase of affordable housing. This gives a community to take a comprehensive look at how to address affordable housing.

When a moratorium is in place, a community can deny affordable housing appeals even if their total of affordable housing units is below 10 percent.



INCLUSIONARY ZONING

Connecticut General Statute 8-2i, allows communities to develop regulations that provide density bonuses for the purpose of creating affordable housing units or communities can charge a fee on land use applications which goes to a housing trust fund. Monies collect by the housing trust fund are limited to be used for the creation of affordable housing units.

So how does Cheshire increase affordable housing?

There are a few options that the town of Cheshire can use or implement with the intention of creating more affordable housing units within the community.

Towns can create zoning regulations that provide density bonuses for the purpose of the creation of additional affordable housing units pursuant to Connecticut General Statutes 8-2i. The practice is

commonly referred to inclusionary zoning regulations.

The statute provides another option for the creation of affordable housing units such as the establishment of a fee that is charged to land use applications which is held in housing trust funds. The funds collected can be used for the creation of new affordable housing units.

Connecticut General Statutes 8-30g's point system mentions how individuals that have certain kinds of financing such as United States Department of Agriculture or Connecticut Housing Finance Authority loans are counted towards the community's affordable housing stock. The community can find ways to educate buyers or real estate agents that these financing options are available to individuals that may qualify based on their income.

Partnerships

There are organizations that can assist the Town of Cheshire in meeting its affordable housing goals.

The Cheshire Housing Authority manages moderate to low-income housing properties within the communities. The Town has had a working relationship with the Housing Authority dating back to the 1970s. Any efforts that can be made by the town in supporting the current operations or future expansions would assist with diversifying the community's housing stock.

The Partnership for Stronger Communities is a housing advocacy group that promotes efforts throughout the state of Connecticut to increase the total number of affordable housing units. The group also provides technical assistance to a community such as tracking housing data and education for staff/commission members regarding affordable housing. The town can continue to participate in trainings offered by the group to strategize other ways that creative solutions can be developed to increase the number of affordable housing units in Cheshire.

Habitat for Humanity or similar organizations can assist private property owners for the renovation of homes for purposes of creating affordable housing units.

The real estate and banking community can assist with increasing affordable housing. Certain buyers can qualify for loans or down payment assistance with either CHFA or USDA loans.

The Town of Cheshire is not alone in finding ways to increase its affordable housing stock within the community.

What is the goal of the Plan?

The overall goal of the plan is to increase the total number of affordable housing units within the community over the next five years. The increase does not have just adding new housing units, as stated on previous pages, there are creative ways for the community to consider that will result in a more diverse and affordable housing stock.



To increase the affordable housing by 2% over the next five years, the Town of Cheshire would need to have 100 housing units qualify as affordable by CGS 8-30g



How do we get to the goal?

The Cheshire Planning and Zoning Commission may investigate one or more of the following methods, or other means, to increase the stock of affordable housing in Cheshire

Continue Practice Inclusionary Zoning Regulations

After the 2016 Plan of Conservation and Development adoption, the Planning and Zoning Commission amended Section 44a of the regulations. The change was intended to increase ways that additional affordable housing units could be added in specific geographic areas. The commission may want to revisit the regulation and see if there are additional areas where this regulation could be used for the purposes of creating additional affordable housing units.

Consider a Payment of a Fee in Lieu of Affordable Units

Connecticut General Statute 8-2i permits communities to develop a fee or payment which would be assessed to commission applications that do not provide an affordability component to the development. Monies collected through the fee in lieu of affordable units would be deposited into a housing trust fund that can be used for the creation of additional affordable housing units within the community.

Consider establishing a zoning permit fee

Connecticut General Statute 8-2i permits communities to collect a fee on land use permits which would be deposited into a housing trust fund. Monies collected via this fee can be used for the purposes of creating additional affordable housing units within the community.

Continue to collaborate with other organizations

The Town already has a working relationship with the local housing authority, Cheshire should continue to support this relationship along with identifying other agencies that can assist with such as Habitat for Humanity, Partnership for Stronger Communities, Connecticut Housing Finance Authority, Connecticut Department of Housing, US Department of Housing and Urban Development, and US Department of Agriculture

Consider Identifying Potential Housing Opportunity Sites

Consider identifying specific parcels of land which are owned by public entities which may support multi-family developments for the purposes of adding affordable housing units.



PROMOTE AND SUPPORT ELDERLY TAX RELIEF PROGRAM

The Town of Cheshire offers a tax relief program for property owners credit program for homeowners who are at least 65 years of age as of December 31, 2019 and meet certain income guidelines. Those guidelines require that annual income for single people, including Social Security benefits, should not exceed \$37,000. Married couples can be eligible if their income, including Social Security benefits, does not exceed \$45,100. Programs such as this provide a relief the housing costs related to property tax place on elderly populations in Cheshire.

EDUCATE REAL ESTATE AGENTS ABOUT FINANCE OPTIONS THAT COUNT TOWARDS AFFORDABLE HOUSING

As discussed earlier in the plan, there finance options that qualifying home buyers can pursue that count towards a community's affordable housing stock. With efforts made by Partnership for Stronger Communities or similar housing groups, public education can increase the awareness of these options which in turn could result in more housing units that count towards the affordable housing stock.

TAX SALES

The Town of Cheshire will sell off tax liens. As part of the process of selling of liens, the town could require deed restrictions as per CGS 8-30g. The placement of income restrictions via deed restrictions could result in the increase of the overall number of affordable housing units within Cheshire without constructing new homes.



Implementation

The Town of Cheshire is committed to increasing the number of affordable housing units in town.

Below are actions for the Town to consider so that the goal of increasing affordable housing can be met:

Action	Responsible Party	Priority	Timeframe
Review Accessory Dwelling Unit Regulations	PZC	High	Summer-Fall 2022
Review Section 44A zoning regulations to encourage development of additional affordable housing units	PZC	High	Summer 2023
Review and possibly update elderly tax relief program	Town Staff Town Council	Medium	Summer 2024
Review Section of zoning regulations concerning cluster subdivisions and see if inclusionary standards could be included (i.e. density bonuses for the construction of affordable housing units)	PZC	Medium	Summer 2023
Investigate whether there are town owned properties that can support the	PZC Town Staff Town Council	Medium	Summer 2025

development of affordable housing			
Identify State and Federal funding that can assist with the construction of new affordable housing	Town Staff Housing Authority	Medium	Fall 2024
Develop policy for requiring deed restrictions for tax sales	Town Staff Town Council	Low	Winter 2026
Identify education resources that can assist with notify the public of government assistance program that are available	Town Staff PZC	Medium	Spring 2026

