

Town of Salisbury

Affordable Housing Plan



Adopted May 2018

Drafted by Salisbury Affordable Housing Commission

May 2018

To the Residents of Salisbury,

The Salisbury Affordable Housing Commission (SAHC) was created by Town Meeting vote in December 2010 to facilitate and promote the creation of affordable housing in the Town of Salisbury. Over the past seven years, the Commission has worked to better understand Salisbury's specific housing needs, identify properties that could be developed for housing, and support our local housing organizations: the Salisbury Housing Trust (SHT), Salisbury Housing Committee (SHC), and NWCT Habitat for Humanity.

In July 2017, new legislation was passed (Public Act 17-170) requiring every municipality to have an "Affordable Housing Plan" adopted by the town that "shall specify how the municipality intends to increase the number of affordable housing developments in the municipality."

We see this as an opportunity for the Town to build on the planning and community engagement that has been carried out over the last several years, including:

- The 2010 report "Preserving Salisbury's Vitality: Housing for Tomorrow" which recommended the creation of the Affordable Housing Commission and the Affordable Housing Fund;
- The 2012 workshops "Town Plan of Conservation and Development" at which residents expressed a continued need for more housing options affordable to our residents; and
- The 2017 community workshop "Meeting Salisbury's Housing Needs" at which residents provided input on a goal of 75 units over the next ten years and looked at specific properties to consider for development.

This 2018 Affordable Housing Plan outlines the continuing need for affordable housing in Salisbury, proposes a specific goal of 75 housing units over the next ten years, and describes specific actions that can be taken to achieve that goal. We hope that this advisory plan will help inform and educate residents about the housing needs in our community and build the community support that is needed to move forward in achieving these goals.

Sincerely,

SALISBURY AFFORDABLE HOUSING COMMISSION

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I. What Is Affordable Housing?

A home is defined as “affordable” if it costs less than 30% of the income of a household earning 80% or less of the Area Median Income (AMI). In order to count towards a town’s official tally of affordable housing, the property must be deed restricted to remain affordable for at least 30 years.

This calculation is adjusted annually and by household size as shown in Table 1 below.

Table 1

Household Income					
	1 Person	2 People	3 People	4 People	5 People
80% of AMI (2017)	\$51,000	\$59,000	\$66,000	\$73,000	\$79,000

Monthly Housing Costs (Rent/Mortgage + Utilities)					
	1 Person	2 People	3 People	4 People	5 People
80% of AMI (2017)	\$1,275	\$1,475	\$1,650	\$1,825	\$1,975

“My employees would all love to live in Salisbury if they could afford it ... Every town needs a downtown population to keep its businesses and center vibrant.”

Bob LaBonne, LaBonne’s Market



II. Why Does Salisbury Need More Affordable Housing?

- A. Incomes Have Not Kept Pace with Housing Costs
- B. The High Number of Second Homes
- C. The Lack of Multi-Unit Housing
- D. The Lack of Affordable Rental Housing
- E. The Affordable Housing Appeals Act

A. The incomes earned by the people who live and work in the Town of Salisbury have not kept pace with housing costs.

Many of the people who work in town — at Noble Horizons, Salisbury Central School, Salisbury Visiting Nurse Association, LaBonnes, The White Hart, and many other local businesses that residents of the town depend on — could not afford a home in Salisbury if they wanted to live here.

Many of the people who provide vital volunteer services that require close proximity to town, such as the Salisbury Volunteer Ambulance Service and the Lakeville Hose Company, struggle to afford to live in the community they voluntarily serve. The organizations struggle more each year to recruit volunteers, due in significant part to the lack of affordable homes.

Many older adults who have lived in Salisbury for decades have trouble affording basic repairs and upkeep on their homes, yet have no opportunities to downsize due to the lack of suitable housing stock.

Many younger adults who grew up in Salisbury would like to raise their own families here, but affordable “starter homes” are either non-existent or need a great deal of rehab in order to be livable. Demands on younger residents such as repaying college loans often leave very little household income to pay a mortgage.

The 2011-2015 American Community Survey provides clear evidence that housing in Salisbury is unaffordable for many who live and work here year around. It shows the following:

- A total of 463 Salisbury households (who declare Salisbury their primary residence) are paying unaffordable rents or homeownership costs (i.e., paying more than 30% of their household income on housing costs).
- 145 renter households are paying more than 30% of their household income on rent.
- The Town’s median household income is \$82,794. Thus 50% of Salisbury’s households earn more than that amount and 50% earn less. To qualify to live in “affordable” housing, a household needs to earn less than 80% of the median (see Table 1 on page 4). The Census does not track precisely how many households earn less than 80% of our town’s median income specifically, but it does track household incomes within certain income brackets. So we do know, for example, that in Salisbury in 2015, 382 households earned less than \$50,000 or 60% of the median. All of these households would qualify to live in the housing this plan has been developed to create.
- Furthermore, according to a report by Sotheby’s International Realty, the average sale price for the 70 single family homes sold in Salisbury in 2017 was \$717,114. Salisbury has the third highest average sale price in Litchfield County (behind Washington and Roxbury). Table 2 shows the number of homes that were for sale in 2016 and 2017 that would have been within an affordable price range for Salisbury households by income bracket. There were ZERO homes on the market in 2016 affordable to households earning under \$50,000 and only two that were sold in 2017 at a price that would be affordable to the 382 households in this income bracket.

Table 2

MLS Active Houses Compared to Income in Salisbury*

Income	<\$15,000	\$15,000-\$24,999	\$25,000-\$34,999	\$35,000-\$49,999	\$50,000-\$74,999	\$75,000-\$99,999	\$100,000-\$149,999	\$150,000-\$199,999
Number of Households (1704 total)	87	123	117	182	437	193	224	161
Est. Affordable Home Value	\$45,000	\$74,997	\$104,997	\$149,997	\$224,997	\$299,997	\$449,997	\$599,997
Active Houses	0	0	0	0	4	7	14	14
Household w/ Adequate Income	5.11%	7.22%	6.87%	10.68%	25.65%	11.33%	13.15%	9.45%
Houses sold (2017)	0	0	1	1	9	9	14	13

*This only includes the households that declare Salisbury as their “primary residence” on Census forms.



"The cost of housing is a significant factor in the hiring and retention of employees, particularly younger employees. I believe there is a definite advantage for our staff, for our company, and for our communities to have our employees live locally. Customers enjoy seeing familiar faces working in their local branches. Employees who have shorter commutes are often more involved in their communities."

Rick Cantele, Salisbury Bank

B. High Percentage of Second Homes

Salisbury has the 2nd highest percentage of "second homes" in Northwest Connecticut (after Cornwall). Of the approximately 2,500 housing units, 920 (38%) of them are vacant for seasonal, recreational, or occasional use according to the 2011-15 American Community Survey. This limits the supply of homes available to year-round residents and contributes to the high cost of housing in town.

C. Current Lack of Multi-Unit Housing

Of Salisbury's occupied housing stock, 87% are single-family homes. Only 13% of housing units are multi-family (two or more housing units). Housing that contains two or more units is often more affordable by nature than single-family housing. Statewide, 67% of housing is single-family and 33% is multi-family. More multi-family housing options are needed in Salisbury.

D. Current Lack of Affordable Rental Units

In Salisbury, only 20% of housing units are occupied by renters. Statewide, 30% of housing units are occupied by renters. Many young adults and families want to or need to rent before they purchase a house.

In 2014, the SAHC conducted a survey of the rental housing on the market in Salisbury. It found only 74 units of rental housing in town renting for less than \$1,000/mo. They also found that 99% of these units were occupied.

Every town needs some diversity in its housing options. Housing needs vary greatly at different times in our lives. To retain diversity within our community, our town must provide the equivalent in its housing stock. Without this flexibility any change in family size, health or employment puts us in danger of losing the members of our community we should be valuing the most – our teachers, our health care providers, our employees and our volunteers.



"The Salisbury Central School Board of Education stands in full support of the Town of Salisbury's efforts to establish and develop Affordable Housing options within town environs. Many of our Staff members and administrators who find themselves unable to afford housing in our town are relegated to traveling significant distances to and from work each day; a circumstance which makes their daily lives significantly more difficult. Having more affordable housing options in Salisbury is an essential facet in our quest to attract and retain the highest quality educators and employees that we can, which, in turn, is key to Salisbury Central School's mission to continue to provide the community's children with the very best K-8 education possible."

David Valcin, Chair of the Board of Education

E. The Law: Affordable Housing Appeals Act

In addition to losing both valued members of our community and the opportunity to attract more of such people, if the town fails to provide an adequate number of affordable housing units, under the Affordable Housing Appeals Act, the town's zoning regulations can be overridden by a developer who agrees to designate a percentage of new units as affordable housing.

According to the State's Affordable Housing Appeals Act (Section. 8-30g), if a town has less than 10% of its housing stock deed restricted to remain affordable to households that earn under 80% of the area median income (\$65,000 for a family of four in our case), a developer can challenge and often override the town's zoning regulations as long as at least 30% of the housing units in the proposed development are affordable.

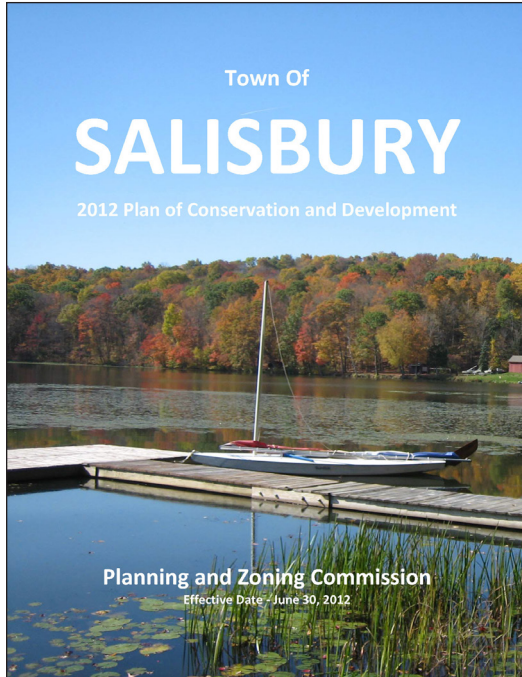
Currently only 2.1% of the Town's housing stock is restricted in some way to remain affordable for those earning less than the area median income. Table 3 below shows the deed-restricted affordable housing that currently exists in the Town of Salisbury.

Table 3

Current Affordable Housing Stock

Property	Units	Type
Sarum Village (I and II)	24 units	rental
Faith House & Academy St	9 units	rental
Salisbury Housing Trust	13 units	home ownership
Lakeview Apartments	6 units	rental
Habitat for Humanity	2 units	home ownership
TOTAL	54 units	
Total units (2010 Census)	2,593 units	
Percent that qualify under 8-30g	2.1%	

There are waiting lists of people who would like to live at Sarum Village and Faith House, owned by the non-profit Salisbury Housing Committee. For example, when the new units at Sarum Village opened in July 2017, 67 households requested applications for the eight new units. People can wait months or even years to be offered a home there. Many individuals and families cannot wait that long and have to move elsewhere.



“Salisbury has many large single-family homes but few apartments, townhomes, or multi-family houses. This limited range of housing choices limits the diversity of Salisbury residents. This is, and will continue to be, a challenge for the community.”

Salisbury Town Plan of Conservation & Development (2013)

III. What Is Salisbury’s Affordable Housing Goal?

We need a better diversity of housing options to meet the changing housing needs of all our residents and to attract new younger families and professionals.

More specifically, we need rental housing options and multi-family housing options. We need options that are affordable for families earning less than \$65,000 and single people and seniors earning less than \$46,000.

In June 2017, more than 100 residents attended the community forum “Meeting Salisbury’s Housing Needs.” With the above two goals in mind, over 70% of attendees who took part in the workshop agreed that we should create at least

75 AFFORDABLE HOUSING UNITS OVER THE NEXT TEN YEARS

Adding 75 units would mean an increase in the percentage of our housing stock that is affordable to 5% (currently we are at 2.1% as shown in Table 3). Please note, this still leaves 95% of our housing stock open to market forces.

Of these 75 units (which can be new housing or renovations of existing units), our goal will be to create:

- 15 homeownership units
- 60 rental units

IV. How Will Salisbury's Affordable Housing Goal Be Met?

NEW DEVELOPMENTS

When considering the financial and logistical feasibility of potential sites for development, there are two primary issues to consider: control/ownership of land and proximity to existing utilities (water and sewage). Without ownership/control of the land, no development can occur. Avoiding the need to construct new water and wastewater systems makes any development more financially feasible. Since only Salisbury and Lakeville village centers are served by water and sewer, these are the areas we have focused on. Locating new housing and/or new residents in our village centers can also help support our village center businesses and preserve farmlands and open spaces outside the village centers.

In the light of this, the SAHC identified a number of properties that would be suitable for development as affordable housing. These sites were also discussed and supported at the June 2017 community workshop. The conclusions of the workshop as to how these properties could be developed over the next ten years to meet the goal of 75 new units are shown in Table 4 on page 12.

You will notice in Table 4 that on the sites we are proposing for new development of rental housing there are at least 12 units per site. This is because it is extremely difficult to get State funding for developments of under 12 units. Also, the time and energy that goes into developing a site with one or two units is almost equivalent to developing 12, and the cost per unit generally decreases with each unit because the costs of land, infrastructure, etc., are spread among more units. Finally, if we are serious about meeting our goal of having 5% of our housing stock as affordable, we need to best utilize the few sites that we have in our control.

The Town will have to support the development of each these sites to meet our housing goal. Community support in terms of site control and zoning will be critical. If one site is determined to be infeasible for some reason, it will need to be replaced with another site.

"Many Sharon Hospital staff travel greater than 30 miles to work or more than two hours daily. Affordable housing is an issue not only for our younger staff but also for the medical student that requires housing in our community annually. More housing that's affordable for our workforce is desperately needed for us to attract and retain the staff we need now and into the future."

Peter Cordeau, Sharon Hospital



Table 4

Proposed Sites for Affordable Housing

Property name	Possible number of units*	Rental or Home-ownership	Ownership**	Location details
Holley Block	12-18 units	Rental	Town	In Lakeville village center on Main Street, a multi-unit building once occupied this site, on town water & sewer
Salmon Kill Road	33-64 units	Mix of home-ownership and rental	Town	In Salisbury village center, on town water & sewer
East Railroad Street	14-18 units	Rental	Salisbury Housing Committee has an Option Agreement	In Salisbury village center, on town water & sewer
Perry Street	2-4	Home-ownership	Town	In Lakeville village center, on town water & sewer
Grove Street	4	Home-ownership	Town	In Salisbury village center, on town water & sewer
Millerton Rd	1-4	Rental	Town	Close to Miller-ton village center
Sarum Village III	10	Rental	Salisbury Housing Committee	Close to Salisbury village center, on town water & sewer

** This is an estimate of the number of units that might be possible on each of these sites based on the information we have now. This could change as we pursue the pre-development work on each site.*

***The sites listed here are owned by the Town or the Salisbury Housing Committee has site control of the property. The Town cannot make a plan for properties it does not control. In order to develop the town-owned sites, the community will have to support each project by voting at Town Meeting to allow a developer such as the Salisbury Housing Committee to move forward with the project.*

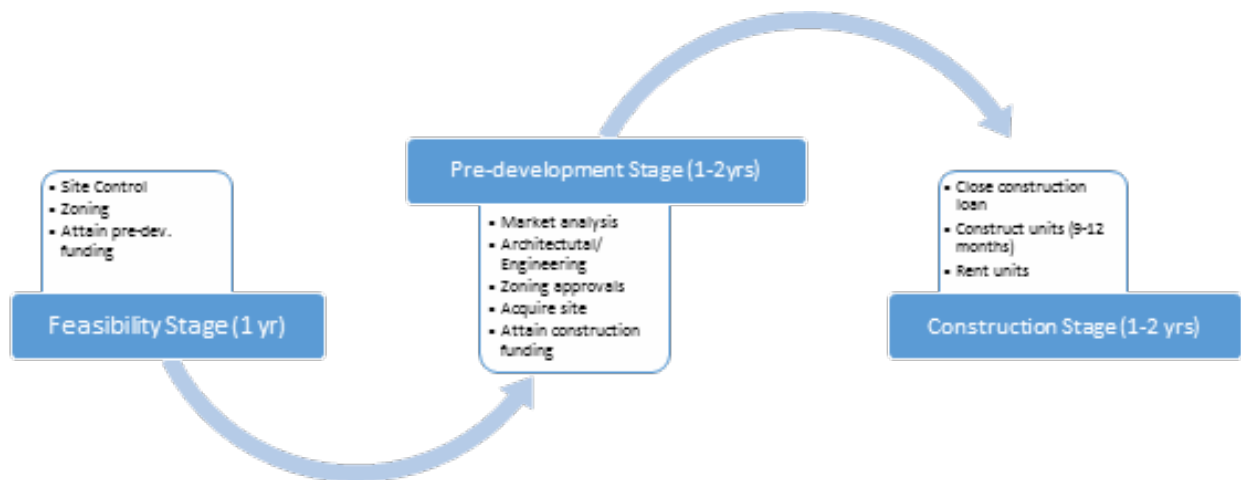
V. How Does Affordable Housing Happen?

AFFORDABLE HOUSING PARTNERS

In Salisbury, the two local organizations that currently own, develop, and manage housing that is affordable are the Salisbury Housing Committee (SHC) and the Salisbury Housing Trust (SHT). Typically, these non-profit, completely volunteer-driven organizations have worked on one project at a time. These projects will only progress at the speed at which our non-profits have the capacity to work on them.

Typically, a new construction affordable housing development takes between two to four years from the first concept to actual construction and closer to five years for occupancy. The Figure 1 below shows the major parts of the development process and how long each phase typically takes.

Figure 1
TYPICAL TIMELINE FOR AFFORDABLE HOUSING DEVELOPMENT



FUNDING

The biggest time delay in the development process is often securing the public financing necessary to make homes affordable. The funding of the eight new rental units at Sarum Village by the Salisbury Housing Committee is a typical case study in the funding of such a project. In this case, the majority of the funding came from the State Department of Housing; the rest was raised locally. It took close to 12 months to undertake the work needed to secure the pre-development funding for the project (pre-development refers to everything that happens before construction—this includes a market analysis, architectural plans, zoning approvals, etc.) and another year to secure the construction funding. It then took another year to construct the units and have them occupied. There is a great deal of demand for this type of funding from communities all over the state. Funding rounds are highly competitive and it can take several funding rounds to successfully secure funding.

Funding for homeownership housing developed by the Salisbury Housing Trust is different. In that case, the new homeowner pays for the construction of the home through their mortgage, and the SHT raises the funds locally to purchase the land and carry out the pre-development activities. To date, the Salisbury Housing Trust has been creating units at the average rate of 1.5 units per year. In recent years, that rate has slowed as the SHT struggles to find available sites for development.

HOW IMPACTS OF NEW HOUSING WILL BE MITIGATED

There are many questions about the potential impacts of development on the suggested sites, including concerns about the number of cars on currently low volume roads, parking in the village centers, and whether the design of the new housing will be in keeping with the neighborhood. These are important questions, and our town agencies, such as the Planning & Zoning Commission and Wetlands Commission will be reviewing these plans at their public meetings. At these meetings, the public can comment on plans and ask for further clarification. In addition to this oversight of the development of these new housing units, Town Meeting will have to approve the use of most of these sites for housing by the Salisbury Housing Committee, Salisbury Housing Trust, or other trusted development entity. It should be noted that both the SHC and the SHT are all volunteer boards made up of Salisbury residents who care about the impacts these units will have on their neighbors.

VI. Recommendations

In order to create 75 units over the next ten years, the SAHC recommends that the Salisbury Housing Committee oversee the development of the rental units and the Salisbury Housing Trust the homeownership units, with a small number of units being built by Habitat for Humanity NWCT. SAHC should therefore partner with these entities and meet with them on a regular basis to support their efforts and determine what they will need in order to meet our target within this ambitious time frame. If Salisbury is to have any hope of achieving its now-established affordable housing goal, it is crucial to have the full support of the community so that work can begin immediately on making these goals a reality.

The SAHC recommends the following next steps for the identified properties.

Holley Block

The Salisbury Housing Committee is completing work (e.g., title search, A2 survey) required before an application to the State of Connecticut for pre-development financing can be submitted. Town meeting and P&Z approval will be required.

Pope Property (Salmon Kill Road)

Now that the purchase of the property, as approved by Town Meeting, has been completed, the Selectmen has appointed a "Pope Committee" to listen to the ideas of citizens, analyze options for use of the property, and make recommendations to the Selectmen.

East Railroad Street

Once appropriate access to this donated property has been resolved, the standard process of pre-development funding, community input, regulatory reviews, permanent financing, and construction can proceed.

Perry Street

Once the State of Connecticut has completed the monitoring of its clean up of this former dry-cleaning site, the project will go to Town Meeting for approval to construct affordable housing units in this location.

Grove Street

Following rough drawings and community input, Town Meeting approval will be sought for affordable housing units before financing is secured.

414 Millerton Road

Construction documents have been prepared to construct one three-bedroom rental unit in this Town-owned building near the new Transfer Station. Once the permitting process for the Transfer Station has been completed, we will consider adding a second unit in the 414 Millerton Road building along with additional units nearby.

OTHER RECOMMENDATIONS TO ENSURING AFFORDABLE HOUSING

In addition to new affordable housing developments, it is important to ensure that any residents currently living in affordable housing units are able to continue to do so, and the percentage of those who are housing cost burdened is kept to a minimum.

Housing Rehabilitation Funds

These funds help lower-income residents complete necessary home repairs so they can afford to continue living in their home. These include roof repairs, accessibility modifications, and septic system repairs. The Town previously received a Small Cities grant that could be lent to homeowners at very low interest to do these repairs. The Town should consider applying for additional funding so that it can assist homeowners in this way.

Planning & Zoning Challenges, Opportunities, and Strategies

If we wish to promote the development of a significant number of new affordable housing options, it is critical that the Town's Planning and Zoning Regulations support smart housing growth sponsored by both nonprofit and private developers. Toward this end, the SAHC should work with the P&Z Commission to revise the Regulations with regard to minimum lot areas, building setbacks, allowable densities, parking requirements, deed-restriction incentives, and the like, so that opportunities to create a mix of affordable housing on infill sites, in existing buildings, on existing residential properties, and on open land is supported and regulated.

Partnerships, Resources and Capacity Building

In 2010, the Town established the Salisbury Affordable Housing Fund. This fund may be used per Town Ordinance #112 to facilitate the creation of affordable housing units in Salisbury. Any entity that intends to create affordable housing is eligible to apply for an interest-free loan. Non-profit organizations with experience and a mission that includes the creation of affordable housing may request grant funds of up to \$10,000 per housing unit. The Town should continue to set money aside annually in this fund. This funding will be needed as a match for the state investment in the construction of these units.



In 2016, Mary Close Oppenheimer interviewed ten individuals and eight organizations about housing needs in our community. The quotes included in this report are taken from her interviews. All the stories Mary heard can be found on the Salisbury Affordable Housing Commission website www.salisburyct.us/affordablehousing.