Volume I: Strategy Report

AN AFFORDABLE HOUSING STRATEGY FOR STAMFORD, CT

A report of the

Stamford Affordable Housing Task Force

and the City of Stamford

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Introduction

Stamford, Connecticut faces many serious housing problems. Prosperity and dramatic growth, particularly in downtown office development, have resulted in rapid increases in housing costs, making it difficult for lower-wage workers to find affordable housing in the community. The problem is exacerbated by Stamford's location in a region where nearly all the surrounding communities are even more expensive than Stamford itself, and have done far less than Stamford has to address affordable housing needs. Affordable housing is not just a local, but a regional problem.

Over the years, Stamford has made a serious effort to provide affordable housing for its citizens. With one third of the region's population, it contains over half of the region's assisted housing units. The city has a substantial inventory of public housing and other subsidized housing developments, as well as families holding Section 8 certificates and vouchers occupying private rental units. At the same time, it is generally recognized that the need continues to be substantial. In today's development climate, characterized by high costs and limited resources—both within and outside the community—it is difficult to create additional affordable housing, yet that is the challenge that Stamford faces.

The challenge is underlined by the historically diverse character of Stamford and its population. A multicultural city containing people of all income levels, its people prize its diversity, and are aware that it is at risk as housing prices continue to rise, and poor and working class people have increasing difficulty finding houses or apartments at prices that they can afford. With a job base that far exceeds its labor force, people who would like to live closer to work, and benefit from the city's good schools and quality of life, find themselves commuting from elsewhere, spending hours each day on the region's congested highways.

The purpose of this report is to outline the scope and content of an effective affordable housing strategy for Stamford, based on our assessment of local conditions, and the discussions that have taken place up to this point. While it reflects the growing concern within the community over affordable housing over the past few years, its immediate genesis lies in the conference on creating affordable housing sponsored by the Housing Development Fund that took place in the summer of 2000. As a result of that event, and the awareness of the issue that it prompted among many sectors of the community, Mayor Malloy established the Mayor's Affordable Housing Task Force, a broadly-based body of community, business and political leaders committed to working to address the need for affordable housing in Stamford.

As part of that process, the City of Stamford retained the firm of Abeles Phillips Preiss and Shapiro (APPS), which was already engaged in preparing the city's Master Plan, to work with the City and the Task Force to develop an affordable housing strategy. The work that APPS was doing on the Master Plan was seen as highly complementary to this project, as many of the issues—including land use, design, and community planning—being addressed in the Master Plan directly relate to the issues of how best to address housing needs in a complex, diverse city such as Stamford. To ensure that the strategy was ground-ed in a thorough understanding of housing finance, development and policy, APPS added Alan Mallach to the planning team. Mallach, a widely recognized expert on planning and affordable housing, had been the principal speaker at the 2000 housing conference. The team began its work in the fall of 2000.

This report reflects an intensive process involving regular meetings of the Task Force, extensive key person interviews, and culminating in an Affordable Housing Summit that was held in May of 2001. Between December 2000 and March 2001, the Task Force held five monthly meetings where the magnitude and nature of the affordable housing problem was discussed, and different mechanisms for addressing the problem were proposed and debated. The breadth of technical expertise, development experience, and local knowledge brought to the process by the Task Force members was crucial to the formulation of the strategy document.

After the Task Force and consultants had reached initial agreement on a draft affordable housing strategy, the City of Stamford hosted an Affordable Housing Summit. In attendance were a full range of government staff and officials, private and non-profit housing developers, housing advocates, and concerned citizens, all of whom would be involved in implementing an affordable housing strategy in Stamford. The purpose of the summit was to present the draft strategy to a wide audience, conduct further brainstorming on the strategy elements, and achieve consensus for moving forward.

The structure of the Summit included a presentation of the draft strategy report; a series of topical break-out groups; and a plenary session where the break-out results were reported, and the major themes commented upon by a five-member plenary panel. Around 150 people attended the Summit and provided feedback on the draft strategy. While a diversity of opinions was expressed, the Summit revealed broad support for the keystone elements of the affordable housing strategy, and gave the Task Force a mandate for finalizing the plan. The Summit was also remarkable for the commitment expressed by the participants to move the strategy forward.

The Task Force met once more following the summit, to review the results and to reach agreement on the final strategy. Transcripts of the summit proceedings were provided in advance of this meeting. This document represents the consensus opinion of the Task Force, and incorporates the major themes that emerged from the Summit. Where the report uses the words “we” and “our,” it is to express the joint opinion of the Task Force and their consultants.

The first part of the report addresses two broad strategy areas, which form the principal building blocks of the proposed affordable housing strategy:

- Creating affordable housing through mixed-income development
- Preserving the existing affordable housing stock

In order to implement these two strategy areas, a series of key implementation issues are addressed in the second part of the report:

- Using inclusionary zoning and linkage

- Assembling financial resources
- Finding and acquiring sites for affordable housing
- Setting targets
- Defining the role of the City of Stamford

This report comes together with a companion volume, entitled Background Data and Findings. This volume, which contains a wide variety of information about population, housing, and related issues, should be seen as a key underpinning of the strategy analysis and recommendations.

The role of the City of Stamford is a matter of critical importance. The City has been a leader in Fairfield County in terms of providing affordable housing. Yet, building upon, or even maintaining, the City's track record will be costly and will require considerable political will from both the public and their elected officials. The implementation of the proposed strategy, therefore, will look to the City, from the Mayor and the Board of Representatives on down, to take an even more aggressive role in this area than has previously been the case. From our work to date, we believe that they will rise to the occasion.

Part 1: Key Strategy Areas

A. Creating affordable housing through mixed-income housing development

An effective affordable housing strategy will depend on maximizing opportunities for constructing mixed-income and affordable housing developments in areas beyond the heart of downtown Stamford. The ability to create such opportunities in the city of Stamford will depend on the City taking an activist role in creating public/ private partnerships that bring together development capability, financial resources, and site availability for development.

This strategy focuses on mixed-income development, because we believe it represents the best path to building stable neighborhoods as well as housing. Mixed-income development promotes the goal, articulated in the City's master planning process, of maintaining the City's tradition of diversity and integration. It promotes community acceptance of new housing developments, and helps mitigate the stigma often associated with affordable housing. Finally, a mixed-income development strategy recognizes that the affordability problem in Stamford cuts across a broad range of socio-economic levels, affecting not only people with very low-incomes, but middle-income career professionals such as nurses, teachers, and police officers.

Inclusionary housing is one part of a strategy to create mixed-income housing, by layering affordable housing units on developer-initiated upscale rental housing. As such, it is an important part of the Stamford affordable housing strategy, and is discussed further under implementation below. Only a small part, however, of Stamford's affordable housing needs will be met through inclusionary housing. If all of the units currently being proposed are developed, with all of the units provided on-site, the outcome will be at most 150-200 units, most of which will be in high rise buildings with limited open space or facilities for families with children. For that reason, we believe that the more activist, expansive, strategy described immediately below is essential.

1. Threshold issues: development capability, financial resources, and site availability

Development capability, although not unlimited, appears to be adequate to significantly increase the production of mixed income and affordable housing development in the city. A preliminary assessment suggests that a small group of capable nonprofit developers, could, with appropriate support, markedly increase their production levels. The Stamford Housing Authority (SHA) also would like to play a meaningful development role beyond the traditional public housing realm. There are private developers that have a solid track record in developing mixed-income and affordable housing.

A key aspect of maximizing development capability is to encourage a rational division of responsibilities among the important players, to ensure that (1) each entity is playing a role for which it is well-qualified; and (2) all of the important areas of responsibility are covered by a qualified entity. The City should work with the key nonprofit developers, including New Neighborhoods Inc., the Mutual Housing Association, Neighborhood Housing Services (NHS), and St.Luke's Lifeworks, as well as with the Stamford Housing Authority, to seek joint agreement upon a rational allocation of tasks and responsibilities. As a key part of the support system for nonprofit development in Stamford, the Housing Development Fund of Lower Fairfield County (HDF) should be part of this process.

Financial resources are inherently limited. A strategy that focuses on integrating the following elements, however, should be able to generate a significant pool of affordable housing funds:

- Existing state and federal resources, such as HOME, CDBG, CHFA, low income tax credits, and the like.
- Municipal support, including appropriations, tax abatement, tax deferrals, etc.
- Buyout and linkage funds (discussed in Part 2)
- Socially responsible lending by private institutions both directly and through the Housing Development Fund
- Corporate support

This is discussed further under **Financial Resources** in Part 2.

Site availability is a difficult issue. Most informed observers agree that a substantial number of sites exist that would be suitable for mixed-income housing in various configurations, including the Mill River area and parts of the South End and West Side. It is also widely recognized that the acquisition and assembly of suitable sites is a difficult and expensive process. The sites that are most appropriate for housing development are generally in private ownership and are currently being used for some economically viable activity, although one that is not necessarily the most appropriate use of the property, such as industrial and automotive uses in predominately residential areas. Moreover, creating sites that are large enough to have a significant impact on affordable housing needs often requires assembly of multiple parcels, a process that can be time-consuming, costly and complex.

For all the difficulties, there is nothing about the Stamford situation that makes an aggressive site acquisition strategy infeasible, assuming that a concerted effort is made to create a significant pool of funds for the purpose, and that the City is committed to use its powers where necessary. This is discussed further under Site Acquisition in Part 2.

2. Key strategy elements

Housing types. The affordable/mixed-income housing program should concentrate principally on low-rise (no more than four stories) housing, in order to (a) create a mix of housing units that will include a significant number suitable for families with children; (b) create affordable home ownership opportunities; and (c) maximize use of more cost-effective construction types.

It is our conviction that, on the whole, housing that has easy, and if possible direct, access to open space and outdoor play areas, and that is of lower density and provides greater differentiation between individual units, is more suitable for families with children. This is not to suggest that high-rise housing cannot be an acceptable environment for families with children; it does suggest, however, that where the opportunity to develop housing at lower density exists, it should be pursued. Moreover, except where land costs are exceptionally high, low-rise housing, utilizing frame construction and not requiring elevators, is substantially less expensive on a per unit basis than high rise, steel or concrete, elevator, buildings.

Key development types that fit these criteria should include:

- Affordable homeownership, primarily townhouses (2 to 4 bedroom units)
- Mixed income rental housing utilizing tax-exempt bond financing and 4 percent low income housing tax credits (1 to 3 bedroom units)
- Affordable or mixed income rental housing utilizing 9 percent low income housing tax credits (1 to 3 bedroom units)

Opportunities for rehab of multifamily buildings or adaptive reuse of non-residential buildings, principally for rental housing, should be explored. Where appropriate, housing should be integrated with other uses to create mixed-use development. This can include housing with ground-floor commercial uses on certain major streets, or more large-scale PUD-type development that could potentially be accommodated on some larger currently industrial sites. In some cases, rehabilitation of an existing building can be combined with construction of additional housing on the site to maximize its zoning potential, as is already permitted under the City's special exception for historic properties.

Home ownership. It is highly important from a public policy perspective, although difficult, to target a substantial percentage of the new units for home ownership. Homeowners are typically more vested in their neighborhood, are less likely to let their property fall into disrepair, and more willing to commit time and resources to neighborhood issues. Even more importantly, homeownership is the primarily means by which households in the U.S. build wealth, and is therefore a key means of helping families and individuals move up the socio-economic ladder.

In addition to providing a positive impetus to the neighborhoods in which they are constructed, homeownership developments can offer an opportunity to move qualifying moderate income families from public housing and other low income rental projects, freeing up rental units for households of even lower income. Developers of affordable rental housing (particularly projects which are 100 percent affordable housing) should explore "hybrid" forms of tenure such as mutual housing (already being used in Stamford) and rental cooperatives, in order to imbue the rental housing with some of the social if not legal features of ownership.

Homeownership should be the principal vehicle for addressing needs of households earning between 50 and 80 percent of area median income. The higher the family income, the more likely the family will be able to meet other criteria for home ownership, while, conversely, the capital subsidy requirements to create home ownership units affordable significantly below 50 percent of median render production of more than a handful of units at those levels problematic. The creation of home ownership opportunities for households earning between 50 and 80 percent of median, moreover, is likely to provide an incentive for such families to move from subsidized rental units, freeing those units up for households at lower income levels. The use of down payment assistance to enable lower income households to purchase existing condominiums can create home ownership opportunities for some households earning under 50 percent of median, and is discussed in the section entitled **Preserving the Existing Affordable Housing Stock.**

Developer selection. While there is no reason that all of the new affordable housing production should be placed in the hands of non-profit developers, there is good reason to target a significant part of the production goals toward non-profits, including joint ventures between non-profit and for-profit developers. Non-profit developers are likely to offer a level of long-term commitment to the neighborhoods in which they build, and are often ready to see their mission in broader terms than simply the provision of housing units, and address the social and economic needs of their clientele.

At the same time, it is important that no organization be given a blank check. The City, along with its other partners in the affordable housing strategy, has a responsibility to establish clear performance goals and deadlines for performance for those nonprofits which it supports, and to work with the nonprofits to build their financial and managerial capacity as housing developers and property managers. The Housing Authority may also be able to play a significant role, both in the development process and as a part of the support system.

Siting and design issues. A process involving the City's Zoning and Planning Boards, neighborhood residents, and the development community, to determine the most appropriate housing types, density, and key design criteria for each area and each specific site, should be established. The character, and in particular the density, of new affordable and mixed-income housing should be consistent with the scale and character of the neighborhood in which it is proposed.

Since most of the housing (other than few major planned development sites) is likely to be infill housing in already largely developed areas, it is essential that it be designed in ways that enhance rather than detract from the surrounding area. Parkside Gables is a good example of a development that enhances its area. Clear design standards should be established to guide all new in-fill development, including:

- Design should be contextual, generally respecting the prevailing setbacks, heights, orientation, scale and materials of surrounding development
- Where development is of a larger scale than surrounding buildings, it should make gradual and seamless transitions between new and existing development
- The primary entrance for new housing should face the streets, and building orientations should strengthen the street line where possible.
- Curb cuts should be limited, with continuous sidewalks lined with street trees. Front yard areas should not be used for parking.
- Off-street parking areas should be landscaped, and set back behind hedges or lawns.

Different, and more extensive, standards should be developed to guide the planning and design of large-scale mixed-use developments such as Admiral's Wharf or Yale & Towne, consistent with the City's Master Plan. Residents of the neighborhoods in which the housing is being developed should be closely involved, perhaps through neighborhood design review committees, in the planning and design of each development. This subject is discussed in further detail in **Appendix 1: Relationship of the Affordable Housing Strategy to the Plan of Conservation and Development**

B. Preserving the existing affordable housing stock

While most of the visible effort in an affordable housing strategy typically goes into the creation of new housing, the preservation of existing affordable housing resources should be treated as equally important. While discussion in recent years has tended to focus on the future of public housing projects, this represents only a part of a larger issue. There is a substantial inventory of privately-owned housing, including both subsidized housing and inexpensive private-market housing, that is also important as an affordable housing resource. With the cost of housing in the Stamford market steadily rising, ensuring that these resources remain available to low and moderate income households must be a priority.

1. Existing public housing projects

Stamford has a substantial inventory of public housing projects, some of which are low income housing constructed under the federal Public Housing Program, and some of which are moderate income projects constructed under a State of Connecticut program dating from the 1950's. Many of these projects are aging, and some may have to be extensively upgraded or replaced during coming years. The physical configuration of each project, and its impact on the residents' quality of life, its physical condition, and the cost of rehabilitation relative to replacement, are all factors that must be examined in making the decision whether to upgrade or replace each project. Such examinations should be conducted by independent, qualified experts wherever necessary.

This report does not make any recommendations with respect to specific projects. Instead, we propose a series of criteria to guide future decisions, particularly those that will result in significant change to the number, type and affordability of units in any project. While individual decisions may require balancing the different criteria, it is essential that all of them be taken into consideration, and that the process be open and participatory, including tenants, neighborhood residents, housing advocates, and City officials.

(1) No decision should be made without the full involvement and participation of the tenants affected by the decision.

(2) No decision which materially changes the number, type and affordability of the city's affordable housing inventory should be made without the full involvement and support of the City government, and other key affordable housing stake-holders. The City's planning and community development staff should be closely consulted from the beginning of the planning process for any possible replacement project.

(3) Replacement of moderate income (state) projects should be based on a minimum 1 to 1 replacement of units at comparable levels of affordability.

(4) Replacement of low income (federal) projects should provide for 1 to 1 replacement of affordable units, with those units provided as closely as possible to comparable levels of affordability to those removed, using project-based Section 8 certificates and other means.

With respect to both (3) and (4) above, it is important to ensure, particularly with respect to rental units, that the replacement units are not only affordable at the same income levels as the ones they replace, but that they will *remain* affordable at those income levels for an extended period, and through a substantial number of re-rentals, into the future.

(5) Projects resulting in any reduction of affordable units must demonstrate that they will result in significant quality of life benefits both to project residents and residents of the surrounding neighborhood.

(6) Projects that will potentially displace scarce resources from other projects planned within the city (such as a 9% LIHTC allocation) must be evaluated by the City in the light of its overall affordable housing priorities and targets prior to approval. The amount of new money not otherwise available to the city that will be attracted as a result of the project should be a factor in the evaluation. Alternatively, if the project will require an LIHTC allocation that otherwise might realistically go to a project that results in a net increase of affordable units, that too would be a factor.

Should the city contemplate making any future HOPE VI applications, both the plans and the process by which they are developed should be consistent with the replacement criteria.

There are a variety of different strategies that can be employed with respect to different projects. It is important that the discussion of potential replacement—or renovation—of existing public housing projects be part of a public process, in which public officials, community and tenant leaders, and others engaged in some aspect of affordable housing be encouraged to participate. In that manner, it may be possible to build a community consensus on the most appropriate strategy for the future of each project.

2. Projects with expiring use restrictions

There are a number of privately-owned projects in Stamford, built under various Federal or State housing programs from the 1960's and 1970's, which were subject to affordability controls for set periods, generally ranging from 20 years upward. Once the control period ends, in the absence of action to the contrary, the affordability (or use) restrictions expire, and the apartments can be rented at market rents.

This problem should be addressed, and valuable units preserved to the extent feasible. It is possible, however, that the available resources will not permit active intervention in all cases. What is necessary is, first, a detailed assessment of the inventory at risk, and second, a “triage” process, to determine how to prioritize available resources. Specifically, we recommend the following steps:

(1) Prepare an inventory of all expiring use restriction projects, including

- Number of units, by size (number of bedrooms), rent level, and current affordability restriction.
- Date of use restriction expiration, and any specific provisions (legal or financial) affecting the program under which the project was built
- Condition, character and location of the project
- Estimated cost of rehabilitation or systems upgrading necessary
- Ownership of the project (nature of entity, and any specific provisions governing its establishment or operation)

(2) Determine preservation priorities through an evaluation process, including meetings with owners of key projects. Criteria for preservation may include:

- The intentions or motivations of the owner (some owners may be non-profit or charitable entities with no intention to remove units from the affordable housing stock)
- The location of the project, and the likely impact on the rent structure of the removal of use restrictions
- The availability of resources or opportunities to preserve the project (these may vary depending on whether there is an effective tenant organization, on the specific program under which the project was financed, etc.)
- The importance of preserving the particular units in the project.

The inventory and evaluation should be conducted under the auspices of the City of Stamford. Based on this information, a project-specific preservation strategy to address this issue can be developed. Some of the tools, including the tax deferral and subordinated loan proposals discussed in the next section, are likely to be appropriate for expiring use restriction projects.

3. Privately-owned housing

Despite the run-up in prices in the Stamford private housing market, there are still some areas where housing is *relatively* affordable within the private market. Two categories of such housing are first, a scattered body of small multifamily buildings, many of which are in poor condition or are poorly maintained; and second, a pool of units in condominium projects, many built during the 1980’s, which are still selling at prices that are relatively modest, at least by comparison with detached single family houses in the city.

If housing market trends continue as they have recently, many if not most of these units will become substantially more expensive in coming years. As a result, a variety of both improvement and acquisition-based strategies may be appropriate, with the goal of preserving, or even enhancing, the affordability of these units, and ensuring that low and moderate income households benefit from their affordability. Three specific approaches are worth pursuing:

(1) Acquisition of small absentee-owned multifamily buildings by non-profit entities with good property management capability.

(2) Assistance to enable owners of small multifamily buildings to make improvements or increase financial viability in return for commitments to continued affordable rentals.

(3) Assistance for low and moderate income households to purchase condominium units, including provision of down payment assistance and soft second mortgage loans.

Condominium purchase program. This may be a particularly effective strategy to create home ownership opportunities for households earning between 35 and 80 percent of area median income. Repayment of down payment assistance or soft second mortgage loans is typically deferred until the resale of the property, and, if the property is sold to another lower income home owner, can be rolled over to the next owner. Some programs have provided for the forgiveness of such loans if the initial home-buyer remains in the unit for more than some specified number of years. In structuring such loan programs, there is a clear trade-off between getting the funds to recycle (in order to create more units) and maintaining the affordability of the units already created.

The Housing Development Fund has initiated such a program in Stamford with positive results. The scale of the program could be substantially increased. It may be worth exploring with local employers whether any might have an interest in assisting their employees, particularly those with incomes between 50 and 80 percent of area median, to purchase homes along the lines suggested above. Such employer-assisted housing programs are fairly widespread around the United States, and have included such features as:

- Down payment and closing cost assistance
- Mortgage guarantees or special mortgage products
- Rehabilitation assistance

Maintaining affordability in small multifamily buildings. Small multifamily buildings, generally located in or close to downtown, are a particularly important affordable housing resource. Where buildings are being poorly managed or maintained, acquisition by non-profit entities with strong management capabilities should be encouraged; where they are well-maintained, incentives should be offered to owners in order to ensure continued affordability of the units, or to ensure that they do not deteriorate where the cost of repairs exceeds the ability of the project to sustain. Three incentives should be offered as appropriate:

- Tax deferral, where property taxes are reduced but the city takes back a note for the taxes deferred.
- Creation of a fund to provide low-interest loans for systems upgrades or other urgently needed improvements
- Refinancing of existing debt with mortgages at lower interest rates for longer terms

The City should explore developing a partnership with the HDF to design and implement these loan incentive programs.

Preserving homeownership. Further efforts are needed to preserve homeownership, particularly homeownership by low and moderate income households, many of whom are on fixed incomes, in areas subject to gentrification. Many lower income homeowners are burdened, and often pushed out of their homes, by the higher property taxes that accompany the increase in the value of their property.

A program which would allow the City, for example, to defer increased property taxes on such homes until their eventual sale (with the possibility of forgiveness if the home is sold to a low or moderate income buyer) would be worth exploring. A comparable program of incentives for moderate income households to buy homes in such neighborhoods. The City must determine whether State legislative authority is needed in order to enact such programs.

Another strategy, which appears particularly appropriate for the South End, where there appear to be a substantial number of elderly owner-occupants of 2 to 4 family buildings, is to develop a program under which such buildings could be acquired by a non-profit entity, who would rehabilitate the building and permit the former owner to remain as a tenant in the same unit as they previously occupied as the owner of the building. An alternative would be to actual residency would be to convey title to a non-profit reserving life estates for themselves.

Part 2: Implementation Strategies

A. Using inclusionary zoning and linkage

Stamford has already taken an important initiative with respect to affordable housing by embracing the policy of inclusionary development; i.e., the incorporation of affordable units (or their substitution by a buyout to create units off-site) in market rate residential developments. While inclusionary development is widely used in some parts of the United States, in particular in New Jersey and California, we are not aware of any other city in Connecticut that has adopted an inclusionary program. There appears to be a broad consensus within Stamford in support of this policy, although there are differences of opinion with respect to the appropriate extent of inclusionary requirements, as well as with respect to features such as buy-outs (i.e. cash payments for off-site units in lieu of providing on-site units).

The counterpart of an inclusionary requirement for residential projects is a linkage requirement for commercial and industrial development, including office buildings, shopping centers, retail projects, and research facilities. Under such a requirement, each development covered by the requirement makes a payment into a trust fund to be used for affordable housing purposes. Such payments are justified by the fact that the facility, by increasing the number of jobs to the community, is increasing demand for housing, some percentage of which is lower income housing.

1. Inclusionary Zoning

Conditions vary widely from area to area, and site to site, within the city. The 12 percent inclusionary standard being contemplated for developments in the Mill River area is ambitious. While not unreasonable, it may be difficult to realize (particularly with respect to the high-rise sites within that area) in the absence of outside assistance. Requirements of 9 percent (Archstone/Washington Boulevard) and 10 percent (Starwood/Dorr-Oliver) have been imposed on pending developments. The inclusionary requirement for the Parcel 38 (“Hole in the Ground”) site will be lower, at least partly because of extremely high land costs.

Three central issues should be discussed with respect to inclusionary development:

(1) The magnitude of the inclusionary requirement;
(2) The extent to which it should be provided on-site, or through a cash buyout; and
(3) The extent to which it should be tied to public sector contributions or assistance to the project.

An appropriate overall approach to inclusionary zoning should include three key elements:

Inclusionary requirements. We would suggest that an inclusionary requirement be established to cover all or most future residential development in the City of Stamford, wherever it may be located, that exceeds certain minimum size thresholds. The requirements should be ambitious, but realistic. The specific standard should vary from zone to zone depending on the characteristics of the zoning district. These standards should be firmly established by the Zoning Board so that all prospective developments will be able to follow clear guidelines, and ad hoc negotiations will be kept to a minimum. Once these requirements have been adopted, site-specific inclusionary provisions proposed by developers should no longer be entertained except in clearly unusual situations.

Given the high land and construction costs in the Stamford area, it is likely that the threshold level for an inclusionary standard cannot be as high as it might be in areas such as suburban New Jersey, where a 20 percent standard has become the de facto threshold, but where land is less expensive, buildings are generally two or three stories, and parking is provided in surface lots.

We would suggest that a 10 to 12 percent requirement for rental developments, with half of the units affordable at 50 percent and half at 25 percent of area median, is a reasonable starting point. In the case of developments for home ownership, the percentage should be the same, but the target incomes for the affordable units can be higher (perhaps 40 percent and 60 percent of area median respectively), in order to make some of the units affordable to moderate income households.

Buy-outs. The Zoning Board should have the clear authority to choose, with respect to each project, whether to require (a) all of the affordable units on site, (b) a complete buy-out of the inclusionary requirement, or (c) some mix of the two. Their determination should be based on their judgment, in consultation with staff and local nonprofit developers and housing advocates, on whether a buyout (in whole or in part) better furthers the community's affordable housing policies than on-site units.

It should be stressed, these options exist for the City, acting through the Zoning Board with staff advice, not for the developer. If a developer claims that following the Board's choice will result in measurable hardship or render the project not economically feasible, the Board should take that claim into consideration, but need not be guided by it. The mix of on-site and off-site units is fundamentally a public policy matter, and not one to be determined by the developer's preferences.

We believe that in the context of a comprehensive affordable housing strategy buy-out funds can be effectively used to create affordable housing within the city, most probably in larger numbers—and arguably in a form more appropriate for many families in need—than are likely to be provided in many cases through on-site development of affordable units in very high density downtown projects.

In order to justify a buy-out option, effective procedures must be in place to ensure that funds collected through buyouts are used in a timely fashion. A key aspect of the "pipeline" strategy, discussed below, is the creation of an ongoing inventory of projects in planning, which will make it possible to target buy-out funds effectively. In addition, the ordinance provisions governing the buyout amount should be revised to provide for automatic upward adjustment of the amount annually, on the basis of an appropriate index.

Enhancing inclusionary zoning by linking it to public sector incentives. There are a number of tools available to the City to increase the percentage of affordable units, push down the range of affordability of those units, or increase the amount of buy-out funds, in a project subject to an inclusionary requirement. Among the tools potentially available for this purpose are the following:

- Tax increment financing (in redevelopment areas)
- Tax abatement
- Tax deferrals
- Capital subsidy through use of housing trust fund or other sources.
- Bonus density in return for increasing affordable housing units

Bonus density standards should be specified in the ordinance, and should not permit development densities that exceed reasonable standards consistent with community scale and character. These tools are discussed further under Financial Resources below.

Managing the inclusionary housing inventory. The inclusionary zoning program carries with it a significant responsibility for the City. There is nothing self-enforcing about an inclusionary zoning program, particularly as the developer has a financial incentive to bend the rules if he can. The City, or some entity that it designates, must take steps to ensure the following:

- The units are created and offered for rent in timely fashion
- The units are properly advertised to the pool of potential tenants
- The tenant selection process is consistent with City priorities or conditions
- The tenants are within the appropriate income limits for the unit
- The rents are consistent with the affordability standard of the unit
- Rent increases do not exceed standards set by the City
- Tenant income re-certifications, as appropriate, take place

This process does not end when the first tenant is certified and moves in, but is an ongoing responsibility for as long as the units, under the City's ordinance, are to remain affordable.

The City will have to take two key steps in the immediate future:

- Adopt an ordinance setting forth specific standards or procedures for providing inclusionary units, including setting rents, selecting tenants, etc. The ordinance should also prescribe a fee to be paid by the developer to cover the cost of these services.

- Designate an entity, whether a unit of City government or some other entity acting under contract with the City, to take responsibility for the monitoring activities summarized above.

2. Linkage

Overview: how linkage works. There are a number of different ways in which a linkage payment can be set. While the payment can be determined by a project-specific formula that incorporates specific information about the projected work force in the facility, this is undesirable, because it is cumbersome, and often the size of the projected work force is not really known, particularly with facilities such as flex space. Municipalities enacting linkage ordinances, therefore, typically adopt a general formula that distinguishes between key facility types; i.e., office, retail, manufacturing, etc., since the ratio of workers per square foot varies significantly from type to type. Some representative linkage formulas from other communities are summarized in **Appendix 2: Representative Linkage Programs in Other Cities**

The amount of the linkage payment per square foot should be determined through an analysis that establishes a reasonable relationship between the facility's impact on the need for lower income housing, as measured by the increase in the number of lower income households resulting from the added jobs. The outer limit of the payment is then determined by the subsidy cost of providing a number of affordable housing units equal to the incremental number of lower income households. This is referred to as a *nexus analysis.* That analysis can be a straightforward five-step process, as summarized in the table below.

A THEORETICAL BASIS FOR ESTABLISHING THE NEXUS FOR HOUSING LINKAGE PAYMENTS

[1] Total square feet ÷ square feet/worker* = number of workers
[2] Number of workers ÷ workers/household** = number of households
[3] Number of households x lower income percentage*** = number of lower income households
[4] Number of households x resident percentage (expected to reside)**** = number of lower income resident households
[5] Lower income households x per unit subsidy cost = maximum linkage payment

*Square feet/worker should be determined not on a case by case basis, but on the basis of the space category (office, retail, manufacturing, warehouse/distribution, etc.)
**Ratio of workers/households should be based on the ratio between workers and those households containing a member of the labor force, not all households, as shown in Census data.
***The lower income percentage should be determined as a single standard based on Census data. Alternatively, it can be calculated separately for each space category.
****The percentage of lower income households expected to reside can be set as the percentage of the Stamford workforce currently residing in the city, or it can be adjusted to reflect a policy choice of increasing that percentage.

The linkage payment may appropriately be *less* than the amount derived from the nexus analysis, if the City concludes that imposing the full amount would be unduly burdensome on the non-residential marketplace, and/or if it determines that the responsibility of commercial developers for addressing the housing needs created by the workforce is partial rather than total. It should not, however, *exceed* the amount that can be justified by the analysis, even if the City feels that developers would be willing to pay the higher amount.

In any case, a preliminary analysis suggests that the nexus analysis could potentially trigger linkage levels that, while perhaps *legally* supportable, will substantially exceed what is likely to be economically feasible in Stamford.

Linkage in Stamford. There is some evidence that the market for new office construction in Stamford has softened relative to the strength of demand experienced during the 1980's. There has been no major new construction in a number of years, while two large (+ 500,000 SF) office projects by experienced developers have been approved but have not moved forward. There appear to be a number of reasons for this:

- Construction in Stamford, which is high-end high-rise construction with structured parking on expensive land, is costly. While it is not as expensive as New York City, it is substantially more expensive than most alternative secondary locations in the metropolitan area.
- A series of large blocks of office space have come on the market in Stamford on a regular basis in recent years as a result of corporate reorganizations and acquisitions, absorbing internally generated demand.
- Corporate relocation pressures from New York City appear to have substantially eased during recent years, thus reducing demand for Stamford's high-end high-rise office products. Problems in Stamford with traffic congestion and workforce availability may have contributed to this trend.

Another issue that has been raised is the high construction permit fee in Stamford. Stamford currently charges $16.16 per $1,000 of construction cost (including the state surcharge), somewhat lower than New Haven ($18.16), but significantly higher than its nearest competitor, Norwalk ($12.16). One possible means of addressing this issue would be to include the linkage fee as a "set-aside" within the existing fee structure, i.e., the fee would remain the same, but a fixed percentage of the generated revenue would be set aside for affordable housing.

While existing buildings in Stamford may be competitive with their counterparts in surrounding suburban areas, new buildings are likely to be substantially more expensive. As a result, the potential market for buildings such as those proposed by Hines and Dreyfus may be limited. As a result, there is legitimate concern that (a) a linkage ordinance might not generate significant income for affordable housing; and (b) the office market may not be capable of absorbing the additional costs associated with a linkage requirement.

We believe that the principle of linkage is an important one, particularly in an environment where job growth and office development are so strongly linked to the shortage of affordable housing. We recognize, however, that there are legitimate arguments to support the position that imposing a linkage requirement would be inappropriate at this time. We would suggest that the City re-evaluate its existing fee structure, including permit fees, and determine whether there are ways of offsetting the economic impact of a linkage fee, if it were to be imposed. Moreover, market trends should be evaluated on an ongoing basis to determine whether changed conditions at some future date might suggest that establishment of a linkage fee be more appropriate.

B. Financial Resources

Maximizing financial resources and ensuring that they are used in the most efficient manner possible are the key to a successful affordable housing strategy. We believe that substantial resources—although still less than potentially needed—are potentially available from the sources discussed below. Their impact will be far greater if they are utilized in a coordinated fashion that allocates them strategically, rather than piecemeal.

1. Existing State and Federal resources.

The City currently receives approximately $1.2 million in CDBG and slightly less than half a million in HOME funds. While all HOME funds are used for affordable housing, CDBG funds have many other uses, so that only a modest part of the CDBG pool is likely to be available for affordable housing activities. The City's Community Development Office also administers a Federal grant for lead based paint hazard control ($2.2 million) and a $750,000 EPA Brownfields Revolving Loan Fund. In addition, the City should be actively working with developers to pursue discretionary funds, including

- Low income housing tax credits
- Below-market interest rate bond financing through CHFA
- Home Loan Bank Affordable Housing Program funds
- Discretionary HUD programs

2. Municipal support.

The City has been appropriating $600,000 per year for affordable housing through the City's capital budget and has also provided financial support for specific projects, such as the Southfield Village Hope VI, on a one-time basis. Given municipal financial constraints and competing interests, it is unclear whether this figure is likely to increase substantially in the future. The City should explore developing a policy under which it would, consistent with sound financial management, provide tax abatement and/or tax deferral for affordable housing, and consider use of tax increment financing (TIF), the latter at least within the Mill River area. Tax abatement and TIF have roughly similar effects. By abating or deferring a portion of the property taxes, the City enables the developer of a housing project to carry a higher level of debt, thereby reducing the amount of capital subsidy needed. Under TIF, the City earmarks a portion of the development's property tax payments to pay principal and interest on bonds sold to finance some part of the project cost.

As an illustration, if the City approves a 50 percent TIF on the average annual property taxes of a rental project (estimated at $2500 per unit), and uses that amount to support tax-exempt bond debt, it is financially equivalent to providing a capital subsidy of slightly over $18,000 per unit to the project. Both TIF and tax abatement can be structured to gradually phase out over time, as project cash flow increases, and a tax deferral can be structured so that the development must pay back the taxes deferred from future cash flows.

TIF is only one of many versions of tax incentives that can be used strategically to create affordable housing opportunities, or to enable affordable housing initiatives to reach families further down the income scale. A variety of specific approaches, including tax deferral—where taxes are deferred during the early period of a project's life, but recaptured during later years—payments in lieu of taxes, and liens, under which the City recaptures the value of the tax abatement from a future sale of the project, can all provide for maintaining fiscal responsibility while pursuing an effective affordable housing strategy.

3. Buyout and linkage funds

The City should maximize the resources potentially available to it through inclusionary zoning buyouts and linkage. Buy-outs represent potentially the largest single source of funds to support the affordable housing strategy. It should be stressed that, while they represent a significant source of funds on a long-term basis, they are highly variable from year to year depending on economic conditions and specific developer decisions. While we are not making a specific recommendation with respect to linkage at this time, it may become a potentially significant revenue source in the future.

4. Socially responsible lending by private institutions directly or through the Housing Development Fund

It is essential to have a steady source of affordable funds on reasonable terms for predevelopment loans, construction loans, and permanent financing for affordable housing developments and lower income homebuyers. The HDF is a valuable resource that can be built upon. Working through the HDF, it may be possible to explore additional creative lending products that can be provided by lenders within the area, including creating a loan pool for site acquisition, programs for lease-purchase housing, and programs that defer or reduce initial interest rates in return for a share in future equity appreciation. Union pension funds may also be a potential source of socially-responsible capital.

5. Corporate support

Stamford's corporate sector may be a potentially significant source of affordable housing resources, within the framework of an overall housing strategy. At the same time, it must be recognized that affordable housing is not intrinsically a part of most firms' corporate mission. It is not realistic to expect a high level of participation from the corporate world unless the City, housing advocates, nonprofit developers and others can present them with a well-reasoned, comprehensive strategy that reflects a commitment from the public sector to support the strategy. Within the framework of such a strategy, corporations may be willing to participate in a number of ways, potentially including:

- Capacity-building and operating support for nonprofit development corporations
- Provision of land or buildings for affordable housing
- Assistance to low and moderate income employees, including down payment assistance, soft second mortgages, and the like.
- Applying their influence and weight to efforts to lobby the State for greater financial

support for affordable housing development.

6. Using Financial Resources

Despite the many potential sources of funds, there is no question that the need will always outstrip the availability of resources. The multiple number of sources, moreover, as well as the complexity of housing development in Stamford, dictate that the allocation of resources be done in a systematic and careful fashion, to ensure that the resources are most effectively used to carry out the City's affordable housing strategy.

Housing Trust Fund. A housing trust fund should be established in order to manage and allocate housing resources in a coordinated fashion. Our reading of Connecticut State law, Sec. 8-2i(a) suggests that funds collected through buyouts or linkage must be placed in a housing trust fund, which is generally held to mean that they cannot be commingled with other City funds. The City has two options with respect to management of the trust fund: (1) it could build on existing capability within City government as one part of its commitment to build capability broadly to manage the affordable housing strategy, discussed below, or (2) it could enter into an agreement with another entity, such as the HDF, to administer the trust fund on its behalf. Whether managed in-house, or by another entity, the trust fund should adopt clear criteria and policies to govern its decision-making and fund allocation process. It should also be structured so that it can be used efficiently to leverage private sector resources.

Establishing a formal housing trust fund offers a number of clear advantages in implementing an affordable housing strategy. It enables all stakeholders to understand clearly what resources are available for affordable housing, and by providing a sound basis of transparency and account-ability for the use of the funds, it gives the affordable housing program credibility among all sectors of the community.

Pre-development Loan Pool. Whether as a part of the Housing Trust Fund, or as a separate entity, high priority should be given to creating a fund that can make pre-development loans for projects. These are loans that cover the costs, including obtaining site control, preparing architectural and engineering plans, obtaining preliminary approvals, etc., that must be incurred before a project can obtain the financial commitments that it needs to start construction. Depending on whether the pre-development costs for a project must include land acquisition, the amount of money needed may range from $100,000 to over $300,000. This fund can be integrated with or kept separate, but coordinated with, the **Site Acquisition Loan Pool** discussed in the following section.

This loan pool is particularly important, because key financing sources—such as Low Income Housing Tax Credit allocations—cannot be accessed until these costs have been incurred. Moreover, since success in seeking such allocations is far from assured, the only way in which a pipeline of solid applications—particularly from non-profit developers—can be created is by providing ample pre-development funds.

This is high-risk money. Although the pre-development loan is repaid from the construction loan, there is always the possibility that the project will be unable to obtain its financing, or will not be built for some other reason. If a sound project cannot move forward, for reasons beyond the developer's control, the loan may have to be forgiven. The program administrators will have to determine whether to continue to make funds from the loan pool available to entities that have been unable to repay loans previously made.

Finally, both the public and private sector stakeholders in Stamford should continue their efforts to press the State of Connecticut to enact a capital subsidy program for housing commensurate with the state's needs and resources, whether as a one-time investment in a housing trust fund, or an ongoing program, perhaps through a dedicated revenue source such as the real estate transfer tax. The State should be a far more committed partner than it currently is in local efforts to meet the state's housing needs.

C. Finding and acquiring sites for affordable housing

1. Overview

As has been noted, there appears to be a consensus that suitable sites for mixed income and affordable housing exist in Stamford. It should be stressed that these are not 'virgin' sites—farms or woodlands—as one might find in a rural or outer suburban community, but sites that are currently in use, and where medium-density housing, either by itself or in conjunction with other uses, would be more appropriate from a planning and public policy standpoint. These sites might include, as examples, some of the following:

- Underutilized sites currently occupied by low-intensity commercial or industrial uses, such as used car lots, construction equipment storage areas, etc.
- Small industrial sites that may be incompatible with surrounding residential areas.
- Underutilized or obsolete industrial areas, including brownfields that can be remediated for residential use
- Former industrial or commercial buildings suitable for residential reuse
- Substandard residential or mixed-use buildings
- Surface parking lots

Reuse of these sites raises two threshold issues. First, the City must determine that it is indeed appropriate from a planning and public policy standpoint to reuse these sites for housing or mixed use, and at higher densities—in most cases—than the current use. Second, assuming that the City makes such a determination, they must be acquired and made available to developers capable of producing high quality housing developments.

Although it is important that development throughout Stamford reflect each part of the community's overall commitment to social and economic diversity, a variety of factors suggest that most of the sites on which new or improved mixed-income and affordable housing may be developed are likely to be in areas close to downtown; i.e., the West Side, East Side, Waterside and South End. There are a number of reasons for that conclusion.

First, the option to provide affordable housing in connection with downtown development off-site will drive siting decisions to where land is still *relatively* affordable in the city. Most of the large parcels potentially available for housing are in these neighborhoods.

These include the Admiral's Wharf site (where 500 units are possible as a part of the Harborview proposal); the Yale & Towne site, where similar quantities of housing have been discussed; and the Cytec site, should it be vacated by its current user. A wide variety of smaller sites, many of them underutilized or in incompatible uses with surrounding residential areas, also exist in these same neighborhoods.

Second, the South End is already a designated Neighborhood Revitalization Zone (NRZ) and the South End and Waterside make up Stamford's Enterprise Zone. It would appear that the West Side and East Side might also qualify as NRZs. NRZ and Enterprise Zone designations carry with them the potential that State funding may be forthcoming for neighborhood reinvestment. NRZ designation also triggers important legal powers, such as the power to use eminent domain without the blight proceedings required by urban renewal, and the power to impose public collection of rents in escrow for buildings that are inadequately maintained. NNI, MHA and NHS are already active in a number of these areas, particularly the West Side.

Third, it is in these neighborhoods where the need to rehabilitate substandard buildings and eliminate incompatible or blighting uses through new construction is greatest. The city's lower income households are largely concentrated in these areas. By constructing mixed-income housing, it will be possible simultaneously to improve the housing conditions of families in need, while furthering the economic integration of these neighborhoods. This subject is discussed further in **Appendix 1.**

Some of the largest potential development sites in Stamford are brownfields. While environmental contamination has the potential to throw a number of roadblocks in the way of redevelopment—including legal liability issues and high remediation costs—no sites should be excluded from consideration because of environmental or infrastructure costs. Such sites should be identified, and the costs of remediation and other issues assessed, sot that the feasibility of development can be determined. Note that historically in Connecticut, it has been risky for third parties such as the City government to acquire brownfield sites due to liability issues. Legislation pending before the legislature is expected to help ease this constraint.

Note that while remediation costs can be high, substantial public funding is available for both investigations and remediation. At the federal level, HUD, through its Brownfields Economic Development Initiative (BEDI), provides blended loan/grant funds for site remediation for mixed use and other projects. The State of Connecticut also has a number of programs available that could be used in Stamford. These include the Special Contaminated Property Remediation and Insurance Fund (SCPRIF), a loan program for Phase II and II investigations/assessments and building demolition; and the Urban Sites Remedial Action Program, which provides "seed money" for preparation of the planning and implementation of the site remediation.

2. Creating a pool of suitable sites

Specific sites must be identified, in order to create a pool of potential affordable housing development sites. Development of affordable housing can only take place efficiently if enough suitable sites are identified in advance that prospective developers (both for-profit and non-profit) can develop a pipeline, rather than a single-project-oriented, approach to housing production. The first step to creating the pool of sites is the determination of which sites should be in the pool. That will require the following actions:

(1) A site inventory, identifying *potentially* suitable sites, based on reasonable site criteria.

(2) A review of those sites by appropriate City staff and boards, in consultation with community organizations, to determine which are *actually* suitable, and for what potential uses and densities.

(3) Enactment of appropriate zoning changes, ordinances, etc. needed to permit their development in keeping with the determined uses and densities.

Neighborhood support for proposed changes in use or density of certain sites is critically important. Close consultation with neighborhood organizations in these areas becomes a key element in the site assembly process. Issues such as the type of housing to be developed, with respect to both tenure (ownership, rental, etc.) and physical configuration, the density of the development, and any ancillary benefits that the neighborhood will gain from the development (such as open space or beautification), will have to be worked out with the community as a part of the planning process.

3. Site acquisition

Once the policy issues are resolved and a pool of suitable sites identified, the acquisition of these sites raises further issues:

(1) These sites are still likely to be expensive. Not only is the land market in Stamford highly expensive as a general proposition, but most of the potential sites already accommodate economically productive uses, resulting in significant inherent land value. Moreover, because of the existing uses, reuse of many sites may require demolition and in some cases, environmental remediation, thus further increasing the cost involved.

(2) Many landowners may be reluctant to sell under any circumstances. Others, including speculators, may anticipate continued land value inflation, and may demand unreasonable amounts (even by Stamford standards) for their land.

As the debate over inclusionary zoning has pointed out, making developments pay the full freight of land acquisition costs significantly reduces the potential for affordable housing. The converse, however, is equally true: **if land costs can be absorbed (in whole or large part) outside the development budget, significant opportunities for affordable housing are created.**

In order to make this possible, three elements must be put in place:

- **Suitable zoning or other municipal determinations, so that developers know what**

they can build on each site, and know that they can obtain approvals in a reasonably expeditious fashion.

The City's Plan of Conservation and Development is currently being updated. The revised Plan should be implemented through zoning revisions and re-codification. The Plan's policies and zoning regulations should not only provide the incentives called for throughout this report, but should also provide a predictable and timely approval process for projects addressing affordable housing needs.

- **A *Site Acquisition Funding Pool* adequate to acquire a number of sites, using "soft" money; i.e., money that does not have to be repaid in full on a short timetable.**

Bank loans for site acquisition, even when available, must be repaid either from the proceeds of the construction loan, or at most, rolled over into the construction loan and repaid from the take-out or permanent financing, all the while accruing interest at substantial (typically prime + 1%) rates. While some part of the money we anticipate being used to acquire sites may be repayable quickly, it is likely that most of it will be the subject of gradual repayment over a long period; i.e., from equity appreciation, and that some of it may have to be treated as a straightforward grant.

In our judgment, creating a site acquisition funding pool is most probably the single most important potential use that can be made of buyout or linkage funds. The City may also want to consider earmarking its annual affordable housing appropriation for this purpose. It is likely that public funds committed to such a pool can be leveraged with private dollars, possibly through the HDF.

- **A commitment from the City of Stamford to use its powers, including the power of eminent domain, to compel the acquisition of sites which meet clear criteria.**

No public official likes to use the power of eminent domain, but sometimes it becomes necessary. While it must be used sparingly and carefully, the ability to use the power in a select few situations is critical to the ability of the City to undertake any systematic site acquisition strategy. Even if it is never actually used, the knowledge that it *might* be used is an important strategy element in itself. The use of eminent domain should incorporate public input, and be limited to properties meeting all of the following three criteria:

(1) Use of the site for housing represents an important contribution to carrying out the city's affordable housing strategy.
(2) The existing use represents either a significant underutilization of the site, has a blighting influence on the area, or is incompatible with the surrounding area.
(3) The owner is unwilling to negotiate in good faith for the sale of the site at a price reasonably consistent with fair market value, despite repeated efforts by the City or its agents.

The City has a number of procedural options through which it can pursue the use of eminent domain, all of which require the approval of the Board of Representatives. The City currently has the power to use eminent domain for the purpose of acquiring sites for affordable housing either within the framework of redevelopment (urban renewal) areas, or the framework of Neighborhood Revitalization Zones (NRZs). The South End is an NRZ, and other Stamford neighborhoods, including the West Side, East Side and Waterside, may be potential NRZs. Moreover, under Sec. 8-50 of Connecticut state law, housing authorities have the power to use eminent domain for the purpose of creating affordable housing. There appears to be no barrier to a housing authority acquiring property through this means, and conveying it to another entity, as long as the purpose remains affordable housing. It is at least arguable, moreover, that this section would encompass use of eminent domain for the purpose of creating a mixed-income housing project, in which only part of the units are affordable housing as defined in the statute.

Site acquisition requires a long lead time. Based on the numerical targets established by the community for affordable housing production (see **Needs and Goals below**), the site acquisition program should be structured to ensure that adequate sites are made available to developers in timely fashion through advance acquisition to achieve those targets. This is a key element in the "pipeline" strategy discussed below, in the section that deals with the **Role of the City of Stamford.**

D. Needs and Goals

One of the most fundamental differences between a strategy and a series of efforts in the absence of a strategy, is that a strategy has a body of goals and a series of objectives through which those goals can be reached. It is the existence of those goals and objectives that enable all of the participants to see their role clearly, and to work together with the others to make them a reality. Without them, one may have a series of sound program elements or activities, but it is questionable whether one can call it a strategy.

We do not propose to recommend any numerical goals here, but rather to explore what would be needed to achieve certain milestones. Before discussing that process, however, it is important to explore briefly the question of housing needs.

1. Housing needs

Since the overall goal of the affordable housing strategy is to address—as best one can—the city's housing needs, it is worth first discussing what those needs are. The 1990 Census identified two categories of housing need—overcrowding and cost burden. Overcrowding is defined as more than 1 person per room (including kitchen, living room, etc.), so that a family of 5 in a two-bedroom apartment is considered overcrowded. Cost burden is defined as spending more than 30 percent of gross income for rent. In 1990, the totals for Stamford were as follows:

Overcrowded households	1,815
Cost burdened renters (earning $35,000 or less)	5,727

Assuming some overlap, this represents 6,500 to 7,000 households. This almost certainly severely underestimated the extent of need. The Census does not count substandard housing, which, while not endemic in Stamford, is undoubtedly present. Moreover, surveys have shown that the Census significantly underestimates overcrowding, because many doubled-up households (particularly in subsidized housing projects) do not report their presence. The homeless are also not included in these totals. It is likely that the 1990 housing need was actually between 8,000 and 9,000 households. The City's 1995 Consolidated Plan estimated that 7,936 low and moderate-income units be added to meet the need.

Translating these figures into 2000 housing needs, before Census data becomes available, is all but impossible. *Assuming no change in the economic distribution of the population between 1990 and 2000,* it would logically follow that the number of cost burdened and overcrowded households should have increased, most probably substantially. It remains unanswered—to what extent have skyrocketing housing costs pushed lower income people out of the community and replaced them with more affluent residents, thus—at least on paper—reducing the extent of housing need *within the community.* Only after detailed 2000 Census data has been published, including not only demographic and housing data, but also journey-to-work data, will we be able to make an estimate.

A second component of housing need is that triggered by job growth. Between 1980 and 1990, Stamford added over 8,000 jobs. While the total number remained largely the same in 1990 and 1995 (as growth from 1993 – 1995 balanced losses between 1990 and 1992), jobs are estimated to have increased by a further 9,000 between 1995 and 2000. While the primary jobs being created by the large financial corporations driving much of this growth may not add many lower income households to the area's population, they continue to trigger additional demand for a variety of services—ranging from building maintenance to restaurants to retail sales—in which the work-force is more likely to be lower income. While difficult to quantify, this represents another area which is generating substantial affordable housing needs.

To the extent that job growth will continue during the coming decade in Stamford, additional housing demands will be created. The Regional Plan Association "trend" growth scenario projects an increase of 7,700 jobs in Stamford between 2000 and 2010, but far fewer incremental housing units. (RPA is part of the team currently working on the City's Master Plan.)

2. Setting goals

While the community may never be able to address all of its identified housing needs, it should nonetheless operate on the basis of the goal of providing decent, affordable, housing for all of the residents of Stamford, whatever their economic conditions. This goal, based on currently available data, will require the provision of at least 8,000 affordable housing units in the city, above and beyond what is now available. These units do not all need to be newly constructed units, since a large part of the need is made up of households living in sound housing, but paying excessive amounts for shelter. Thus, in addition to producing new housing, the city and its partners should aggressively make use of the existing housing stock wherever possible, including rehabilitation, use of existing condominiums, and maximum use of rental assistance resources.

Within the above framework, the community should set targets that are ambitious but realistic, targets that can be achieved, but that will require a solid commitment and serious effort from all of the key stakeholders to make them happen. The limiting factors to any target, as suggested by the analysis so far, are (a) the availability of sites; and (b) the availability of money.

How much money will be needed to create affordable housing opportunities varies significantly depending on what one is creating. From a public sector standpoint, inclusionary units require no direct cost outlay, and are thus the least expensive units to create. They are severely limited, however, with respect to both the number and variety (by building type and number of bedrooms) of units. Homeownership opportunities, particularly in townhouses, are likely to be a highly desirable option from a policy standpoint, but—because of the limited outside funds available and the relatively low densities at which they can be developed—are likely to require the highest direct cost outlay from local government. The following provides a rough approximation of typical costs for different types of affordable housing:

- Affordable rental housing, with an income mix of units at 60, 50 and 25 percent of median can be developed through a combination of low income tax credits and tax-exempt financing, as long as the land cost is significantly reduced through capital subsidies. We estimate that the average land subsidy will be in the vicinity of $40,000 per unit, or roughly 80 percent of the total land cost. This figure is set higher than the current market price for land on a per unit basis, and reflects the possibility that land costs will increase over time, particularly with respect to acquisition of sites that are economically productive for their current owners, although incompatible with surrounding uses.

- Since the inclusionary units will be financed through internal transactions within the inclusionary projects, they will not require outside capital sources.

- In order to provide a reasonable affordability mix within the condominium purchase program, we estimate an average capital subsidy (including down payment assistance) of $25,000 per unit. The actual subsidy will vary widely, depending on the cost of the unit, and the affordability target.

- Affordable home ownership development is substantially more expensive. By eliminating land cost entirely, units become affordable to households earning between 55 and 60 percent of median. Units to be affordable between 60 and 80 percent of median will require partial write-down of land costs, while additional subsidy—beyond land write-down—is needed to reach households at or below 55 percent of median. Assuming an *average* affordability level of 50 percent for the program, the average subsidy cost is estimated at $60,000 per unit. The actual subsidy will vary widely, depending on the cost of the unit, and the affordability target.

- We estimate that the average subsidy for rehabilitating or upgrading multifamily buildings will be $50,000 per unit. These costs are distributed between acquisition and improvement costs, depending on the 'as is' cost and condition of each building.

The density of new development will vary widely. Based on recent experience—and concentrating on low-rise and mid-rise development that is compatible with the residential areas close to, but outside, downtown, new rental housing will be developed at an average density of 35 units/acre and new home ownership housing will be developed at an average density of 25 units/acre. The actual density will vary, possibly from as much as 60/acre to as little as under 10/acre, depending on the scale and character of the site and the neighborhood.

These figures are summarized in the table below.

ESTIMATED FINANCIAL AND LAND REQUIREMENTS FOR ALTERNATIVE AFFORDABLE HOUSING STRATEGIES

	AVERAGE COST PER UNIT	AVERAGE DENSITY
Inclusionary Zoning	N/A	N/A
Rental housing production	$40,000*	35 units/acre
Condominium purchase	$25,000	N/A
Home ownership production	$60,000	25 units/acre
Rental purchase & rehabilitation	$50,000	N/A

*In addition to use of Low Income Tax Credits and/or tax-exempt bond financing

Based on these assumptions, we have explored a variety of different models for production of affordable housing, which are described in detail in **Appendix 3.** Depending on the mixture of housing types pursued, for each 1,000 affordable housing units created, a public sector cost of between $35 and $45 million will be required.

A preliminary assessment suggests that currently identifiable sources could add up to some amount between $40 and $75 million over the next 10 years, *assuming the City aggressively pursues buyouts,* with a realistic ballpark being in the area of + $52 million. A table addressing this point is presented as **Appendix 4** to this report.

It is important to note, however, that mechanisms such as tax abatements or TIF can substitute for some capital subsidies, by reducing the annual operating cost of a rental project or the annual carrying cost for a lower income home owner. That, in turn, enables the project or the owner to carry a greater initial or capital cost, requiring a lower capital subsidy. If one assumes that 50 percent of the taxes on a new affordable home ownership unit were abated, at an average of $1,250 per unit per year, that would substitute for $15,000 per unit in capital costs, or roughly 25 percent of the capital subsidy required, significantly reducing the total cash outlay needed to create the units.

The housing role of the State of Connecticut over the next decade is a major unknown variable. A state capital subsidy program on a par with programs in place in states such as New Jersey would make a significant difference in determining what goal might be feasible. It is also essential to look at what is realistic in terms of both Low Income Housing

Tax Credits and tax-exempt bond financing from CHFA, since the rental housing component of any target will be substantially dependent on those resources as well. Given the statewide Tax Credit allocation, it would appear that obtaining allocations for 50 to 100 units per year of rental housing is realistic. In setting its affordable housing goal, the community may want to limit its ambitions based on currently identifiable sources—recognizing that not all of them may continue to be available for the next 10 or 20 years—or may want to gamble on new sources becoming available over time.

Creating home ownership units for a similar income mix is substantially more expensive in terms of direct capital outlay than rental units. Even where, in the above example, the average affordability level of the home ownership units is set at a higher level than that of the rental units, the home ownership units are still more expensive. There is a clear trade-off between maximizing home ownership, and maximizing total production. We believe that, from a public policy standpoint, it is a legitimate trade-off and well worth making.

It would be both premature and presumptuous to set targets at this point in the process. Much will depend on the outcome of the master plan process, the state of the economy, and above all, the city's success in terms of creating the capacity—in the many different ways discussed earlier—to produce affordable housing.

What is essential is that all of Stamford's affordable housing stakeholders begin thinking in terms of setting targets as an important element in the strategy. The city and other stakeholders should actively monitor trends in the city's housing needs, establish interim targets for production and other affordable housing goals, monitor the progress of the community toward its long-term goals and interim targets, and report regularly to the citizens of Stamford on the results. The mayor should consider reconvening the Affordable Housing Task Force on an annual basis to review the community's progress, and to review and modify the affordable housing strategy every three years.

E. The role of the City of Stamford

Just as a strategy should have targets to aim for, it needs to have a leader to see that efforts are focused on getting there. When it comes to affordable housing at the municipal level, there is only one logical candidate for the role of leader: the municipal government. There are a number of compelling reasons for this:

- The municipal government has significant legal authority and powers with respect to both affirmatively fostering affordable housing, and responding to proposals from developers and others. Nearly everybody pursuing any part of an affordable housing strategy at the local level must deal with the municipality.

- Although it has significant competing financial demands, the municipality has significant financial resources—both direct, in the form of appropriations, and indirect, in the form of the ability to grant tax abatement or establish tax increment financing districts—not available to others. The municipality also controls important outside funding sources, such as CDBG or HOME funds, and is the immediate recipient of any funds that may be collected through buyouts or linkage.

- Finally, municipal government is the only entity elected by the citizens of the community to represent its interests, and therefore to formulate and carry out policies which affect the community. No other entity has the moral authority that comes with the electoral process to act on behalf of the city's citizens.

Building the pipeline. The single most important task facing the City is to create a true development pipeline for the production of affordable housing. This issue lies at the heart of the entire affordable housing strategy.

In most communities that do not have clear affordable housing strategies, development of affordable housing takes place on an ad hoc, one project at a time, basis. Projects take years to identify sites, obtain approvals, and secure necessary financing. Since there are few clear guidelines as to what types of project are acceptable, and nearly every project requires special action, obtaining municipal approvals can take a number of years. Non-profit developers typically develop only one project at a time. Since they are often not in a position even to begin to seek out the site for the next project until they finish the previous one—and since each site typically requires arduous negotiation—many years lapse between projects. Financing is uncertain, because sources are variable, and there is no central clearinghouse to facilitate developers' efforts. Production is limited, and opportunities are regularly lost, because no one is engaged in seeing that opportunities for affordable housing are realized.

The purpose of creating a development pipeline is to maximize available resources and opportunities for affordable housing, by doing the following:

- Establishing regular targets for production of affordable housing.

- Ensuring that standards and conditions for approval of affordable and mixed-income housing projects are clear and efficiently administered.

- Ensuring that adequate and suitable sites are available to maximize housing production, and enable credible developers (non-profit and for-profit) to maximize their productive capacity.

- Working with the community's non-profit developers to build their professional capacity, assisting them to obtain resources for operations and capacity-building.

- Ensuring—to the degree feasible—that financial resources are available to make proposed developments economically feasible, including enlisting the support of the city's private and corporate sector.

- Monitoring all developments in the pipeline on an ongoing basis, and tracking the progress of all necessary approvals, to ensure that any impediments to their moving forward are eliminated.

- Identifying affordable housing units (in both subsidized and unsubsidized buildings) at risk, and developing strategies to ensure that they remain sound and affordable.

- Monitoring other housing issues in the city, in order to serve as an early warning system for potential problems, and to identify potential opportunities as they become available.

- Advocating on behalf of the City, its developers, and specific projects with funding agencies, lenders, and other players in the development process, constantly seeking additional resources for the community, including pursuing programs at the State level and actively seeking discretionary grants from HUD and other Federal agencies.

While there will always be constraints and inefficiencies in any system, the closer that the City's housing program can follow the above steps, the more efficient its affordable housing strategy will be, and the more affordable housing will be produced—and preserved.

There are a series of key steps involved in taking the leadership role in the provision of affordable housing. While some of these have been mentioned earlier, it is useful to list them all in one place:

(1) Creating visibility for the affordable housing mission, by creating a unit of City government *explicitly* charged with the mission of creating and managing the affordable housing pipeline, and with clear line authority to carry out its mission, within the overall framework of City government.

The City has taken a significant step in this direction by charging the newly appointed Director of Public Safety, Health and Welfare with the explicit mission of leading the City's affordable housing efforts. The City should now evaluate how the various tools associated with affordable housing production are organized within the City's administrative structure, and whether any changes may be needed to carry out the mission. In view of the forthcoming appointment of a Charter Revision Commission, consideration should be given to potential recommendations for changes in the City's charter.

(2) Assembling a small staff of individuals with a high level of technical expertise in affordable housing planning, development, preservation, and financing in order to manage the development pipeline.

(3) Creating the appropriate zoning provisions and ordinances necessary to provide clear direction and opportunity for housing production.

(4) Address building code and other regulatory changes that can reduce the cost and increase the feasibility of affordable housing production, particularly rehabilitation.

(5) Providing financial resources, within the bounds of fiscally responsible management, for affordable housing development, and establishing clear standards and procedures for the provision of financing assistance to affordable housing developments.

(6) Using the legal authorities available to the municipality creatively and prudently in order to further affordable housing development.

Finally, this office should—on an ongoing basis—not only monitor developments, but actively advocate for affordable housing in Stamford's neighbors, such as Greenwich or New Canaan. Every community in Connecticut has an affirmative responsibility under State law to provide affordable housing, and within the lower Fairfield County area, no community has done as much as Stamford. For Stamford to undertake an aggressive affordable housing strategy, while its neighbors do not, will further exacerbate the existing imbalance.

Creating an information clearinghouse. A further area in which the City may be able to play an important role is that of creating an information clearinghouse for low and moderate income households seeking affordable housing opportunities, as well as for citizens and organizations in the community seeking to become informed and involved about the city's affordable housing needs, and what the City—as well as a variety of other organizations—are doing about it.

A single location is needed where households seeking affordable housing can find out about all of the potentially available options, as well as key information such as the length of wait for a unit in a particular development, or the precise conditions that must be met to be eligible for a unit.

Educate the city's citizens about affordable housing. In addition to providing practical information to lower income households seeking affordable housing, the City has an ongoing responsibility to continue educating its more affluent citizens about the need for affordable housing, and about the ways in which the City is seeking to address the need in a manner that is consistent with good community planning, and fiscal responsibility. Although large parts of the Stamford community are supportive of the City's efforts, it would be foolish to pretend that there will be no opposition to many of the steps recommended in this strategy. The best way to address this is through an ongoing educational effort, providing the information people need to make sound, informed, judgments about this issue.

We do not underestimate the difficulty of these steps. Still, in the final analysis, if the goal is to put in place an affordable housing strategy capable of significantly increasing the availability of quality housing for Stamford's low and moderate income population, there is no alternative. A strategy needs a leader to carry it out, and there is no one other than the City capable of playing that role.

Appendix 1: Relationship of the Affordable Housing Strategy to the Plan of Conservation and Development

(The following appendix was prepared by Abeles Phillips Preiss & Shapiro, Inc., based on the current thinking regarding affordable housing that has emerged from Stamford's Master Planning process. It does not represent any formal positions or policies adopted by the City of Stamford. The policy recommendations presented here are still under discussion with the City and the community, and may be modified before being adopted as part of the Master Plan.)

The strategy being prepared with the participation of the Mayor's Task Force on Affordable Housing and under the direction of the City of Stamford has been coordinated with concurrent work on the City's official Plan of Conservation and Development (or Master Plan). Many members of the Mayor's Affordable Housing Task Force also serve on a Citizens Advisory Committee that was formed in connection with the Master Plan; there is roughly a fifty percent overlap in representation. The City's chief planner serves on the Steering Committee for the Affordable Housing Strategy study effort. Affordable housing issues were discussed in all of the neighborhood-based workshops to date in connection with the Master Plan. Affordable housing issues were included in resident surveys; and they were researched in connection with demographic and other analyses. The two study efforts are both being executed by two teams of consultants in which Abeles Phillips Preiss & Shapiro, Inc. is a co-venturer. **It is the intention that the Master Plan process will inform the affordable housing strategy, and that the strategy will be a key component of the final Master Plan.**

This memorandum addresses three key areas of common concern. The first part discusses the shared principal that the city celebrates and wishes to strengthen its social—hence housing—diversity. The second part of the memorandum hones in on how best to site and design affordable housing developments. The last part addresses how residents and civic organizations can be assured that they will have meaningful input in the planning, siting and design of affordable housing.

Towards a "Fair Share" Policy

So far in the master plan process, there have been twelve public neighborhood-based workshops—two in each of six neighborhood groupings; in addition to another dozen workshops with a citywide task force that includes civic as well as business, board and government representation. At all of these meetings, one of the topics of discussion was the crying need for more affordable housing in the city. It was put forward and agreed that each and every neighborhood should do its "fair share" to address this need; yet the manner in which this fair share policy is addressed would vary.

Clearly, each neighborhood offers different physical and market conditions that needs to be respected. Downtown with its mid- and high-rises is quite different from North Stamford with its low-density, environmentally sensitive, wooded hills. Central Stamford's blocks of small houses on small lots fronting winding streets is quite different from the South End’s blocks of free-standing multi-family houses mixed in with well- and under-utilized industrial property.

It was further agreed that the underpinning for the objective of creating more affordable housing was maintaining the social diversity of Stamford. This means that promoting a *variety* of housing should be part and parcel of promoting *more* affordable housing. It is therefore not only impractical, it is also counter-productive to pursue a uniform affordable housing strategy throughout the city.

Looking more closely at the opportunities presented by the city’s diverse neighborhoods, **Downtown** has been the focus of interest for new housing construction, and can be expected to remain so. As discussed elsewhere in this document, market-driven housing development in downtown can help generate affordable housing either on- or off-site, through a mandate to provide either a specified proportion of affordable housing units or a cash payment that can be used to develop these units elsewhere. Thousands of housing units are proposed for downtown—dwarfing the amount of housing proposed or even possible under current zoning, infrastructure and site assembly conditions in most other parts of the city. Downtown can be expected to be an engine for new affordable housing construction in the city.

While there are uncertainties as to how consistent the pace of development will be in downtown, there is greater surety that it will prove strong and long lasting. The demand for housing in Stamford is spurred by the fact that Stamford is both a major employment center and a convenient commuter suburb for other Fairfield County, Westchester County and Manhattan employment centers. Developers are encouraged to build in downtown by the combination of: high permitted densities, the ability of the City to use urban renewal powers to help create assemblages, the presence of major employers, and proximity to the state’s busiest railway station. In the master plan process, a strong consensus has emerged that of all of the city’s neighborhoods, downtown is the best place in which to absorb high-density and significant amounts of development.

But in fact most of the new or improved *affordable* housing can be expected in the **West Side, East Side, Waterside and South End** neighborhoods, for several reasons.

First, the option to provide affordable housing off-site in connection with downtown development will drive siting decisions to where land is still affordable in the city, which is mainly in these four neighborhoods. Most of the large parcels potentially available for housing are in these neighborhoods. These include the Admiral’s Wharf site (where 500 units are possible as part of the Harborview proposal); the Yale & Towne site (where the NRZ/Enterprise Zone and Sasaki plans have proposed a similar quantity of housing); the Cytec site (where the West Side Story plan has proposed housing, should Cytec vacate their facility there); and the Goldblum and other waterfront properties (where housing would represent the highest and best use, based on the comparables). Many sites are also within walking distance of downtown (and the transportation center), helping to maintain the mixed income quality of the greater “downtown” vicinity. Indeed, these four neighborhoods can be expected to absorb a significant amount of the development that would otherwise go to downtown proper, but for the cost of land and assemblage.

Second, the South End is already a designated Neighborhood Revitalization Zone (NRZ), and the South End and Waterside make up Stamford's Enterprise Zone. It would appear that the West Side and East Side could also qualify as NRZs. NRZ and Enterprise Zone designations carry with them the expectation that State funding will be forthcoming for neighborhood reinvestment. NRZ designation also allows special legal powers, including condemnation without a blight finding, and public collection of rents in escrow for buildings that are not properly maintained.

Third, the city's most active not-for-profit housing builders are already active in these four neighborhoods. These include Mutual Housing Association, New Neighborhoods, Inc., Neighborhood Housing Services, and St. Luke's Lifeworks.

Fourth and most important, this is where the need for housing rehab and new construction is the greatest. The city's poor and moderate-income households are concentrated in these neighborhoods. So is the city's inventory of Housing Authority and other publicly assisted housing. There are significant constituencies advocating affordable housing in the neighborhoods.

While most housing construction and affordable housing investment can be expected in Downtown and the adjacent neighborhoods, the city's **other neighborhoods** can contribute to the mix.

It would, for example, be prohibitively expensive to assemble land in North Stamford for affordable housing. However, North Stamford could augment the city's diversity of housing through a zoning policy that would allow accessory units under particular circumstances. (These circumstances could include minimum lot size, in addition to the stringent design and operational guidelines modeled on those utilized in neighboring Greenwich—which include home ownership and no outward change of appearance.) Conversely, accessory housing would be a destabilizing influence on the city's denser neighborhoods, such as Cove East. It is best pursued only on the lowest density (RA) housing zones, and even there, as noted, only on over-sized lots that would otherwise invite subdivision.

As another example, there are a number of townhouse development opportunities in the city. Several of these are along Long Ridge Road (in lieu of significant and presently permitted office development, which is agreed would aggravate traffic conditions and drain energy from downtown). Others include large, industrial tracts that have an uncertain future (e.g., the Clairol site in Cove East). Relatively low-density, mixed-income townhouse development presents an option for at least some of these sites.

As a third example, there are a number of multifamily redevelopment opportunities presented by older multi-story industrial buildings, and under-utilized sites in commercial corridors. Higher density, mixed-income apartments presents an option for at least some of these sites. Higher density apartments with ground floor stores present a variation on this option (e.g., in the vicinity of the Springdale and Glenbrook train stations, or in connection with commercial revitalization along Shippan Avenue).

As a final example, this plan foresees purchase of townhouse and other apartment units throughout the City. This smattering of purchasers will disperse small amounts of affordable housing units to a great many sites, in areas where such townhouses and apartment buildings are concentrated in Springdale, Glenbrook, and especially the area immediately north of downtown.

To repeat, there is an underlying principal in considering the various ways each neighborhood can do its fair share for affordable housing in Stamford. As expressed in the master plan process, the goal is not affordable housing per se, but social diversity. One of the two major themes that have emerged in the master plan process is that the city should protect and enhance its diversity. Residents say that they prefer Stamford to its more socially uniform neighbors because of its diversity—as exemplified in its integrated schools, dynamic downtown, park attractions, and varied neighborhoods. A uniform type of affordable housing would counter this priority.

Towards a “City Beautiful” Policy

The second major theme to emerge in the master plan process is equally relevant to the affordable housing discussion—that Stamford should pursue a “City Beautiful” policy aimed at protecting and enhancing the built and natural environment.

This City Beautiful policy would play out in a number of ways. These include protection of the old growth trees; preservation of the city’s limited stock of historic buildings; landscaped treatment of major gateways and the major corridors in and out of downtown and the neighborhoods; public art in downtown; enhancement of waterfront views; protection of wooded slopes; preservation of old stone walls and narrow winding streets; etc. As reflected in the affordable housing discussion above, there is recognition that the diversity of Stamford’s neighborhoods and terrain means that the City Beautiful policy will embrace a variety of elements.

The primary means to implement the City Beautiful policy under discussion involves the promulgation of design guidelines to be employed by the appropriate boards and City officials. There is further discussion of a non-binding “Design Review Panel”, to advise the Planning Board, Zoning Board, and others with regard to carrying out the design guidelines. The guidelines would, in this event, determine the design elements with which the Panel would concern itself—setting limits for the Panel’s jurisdiction. With or without the Panel, the guidelines would provide property owners, developers and others with predictability as to what is expected of them when it comes to design.

The guidelines would vary by type of development and/or setting. Different design priorities were expressed at each of the neighborhood workshops. These differing priorities hint at what the guidelines for each neighborhood would address. By way of example, the design priorities may be as follows, for some neighborhoods:

- Downtown: enhancement of the pedestrian experience, including plate glass windows and frequent doors for retail frontage, ground floor retail in designated areas, maintaining street walls, preventing deep shadows; preservation of historic buildings

and scale of development in the core pedestrian area
- Shippan: protection of old growth trees and historic homes (as viewed from the street)
- North Stamford, Westover, Belltown: no clear-cutting of trees, preservation of stone walls, strict controls on non-residential development
- Waterside: enhancement of views of the waterfront from cross streets, provision of public access along the waterfront
- South End: creation of better transitions between residential and non-residential uses, scaling down of development moving away from the Transportation Center, street-oriented higher-density housing on Atlantic and Pacific Streets
- Cove East, West Side and East Side: creation of attractive housing development with ground floor retail along major avenues (Shippan Avenue, East Main, West Main), creation of an attractive industrial streetscape along Cove Road and Magee Avenue, strict controls on in-fill development
- Central Stamford: curb cuts and landscaping along Long Ridge and High Ridge Roads, gateway treatments at entries from these roads into residential neighborhoods

As this partial litany reveals, the guidelines would focus on the essential design qualities of each neighborhood. They would *not* address all elements of design for all development: to do so would overwhelm the reviewing agencies and officials as much as the applying property owners and developers.

Clearly, new housing development in each neighborhood would need to comply with these design guidelines, regardless (if not especially) because of any density or other incentives provided in connection with affordable housing. While the design guidelines will vary, three basic types of design guidelines can be anticipated, related to the three circumstances in which new housing development can likewise be anticipated: new construction on large sites, new in-fill construction on smaller parcels, and reuse of older (especially industrial) buildings for housing.

Large-scale new construction would generally take place on large, underutilized industrial assemblages. These potentially include the Cytec, Yale & Towne, Goldblum, Admiral's Wharf and Clairol sites. Some large-scale new construction can be expected to go forward on other sites, such as in the Mill River corridor, or even on edges of the underdeveloped office campus sites along Long Ridge Road. Design principles for these large-scale developments should focus on the pedestrian experience and neighborhood connections. These include:

- Roadway connections: new streets should align with existing streets, where possible to also reconnect the portions of the adjoining neighborhood(s) that are severed by the intervening parcels
- Transitions: housing on the perimeter and within the development should be designed to make seamless transitions in scale and design quality, so that the development appears to be part of not apart from the neighborhood
- Frontages: new housing should face out to the streets, not exclusively inward to courtyards, so as to enhance public safety ("eyes on the street") and the quality of the public realm
- Sidewalks: continuous sidewalks should be provided along streets, with street trees, pedestrian scaled lighting and ideally on-street parking, also to enhance the pedestri-

an experience

- Landscaping: off-street parking lots should be landscaped
- Garages: the ground floor of garages (if any) should be lined with housing flats, retail, or other uses that prevent a "blank wall" from being presented to the street and public
- View corridors: view corridors to the waterfront and other significant open spaces should be preserved; these especially include views looking down cross streets and through the site
- Public access: public access along the waterfront should be provided

While the majority of *units* would likely be created in connection with large-scale development on a handful of sites, the majority of *development projects* would be on small and moderate-sized parcels dispersed throughout the city. Most development will therefore take on an "in-fill" quality. Design principles for these small-scale developments should therefore focus on the relationship of each development to its immediate neighbors and general vicinity. These include:

- Contextual design: buildings should generally respect the prevailing setbacks, heights, orientation, materials and scale of adjoining development
- Transitions to larger scale development: housing should be designed to make seamless transitions in scale and design quality
- Frontages: the primary entrance for new housing should face out to the streets
- Sidewalks: curb cuts should be limited, with continuous sidewalks lined with street trees
- Off-street parking: lots should be landscaped, located in rear or side yards, set back behind hedges or fences.

Housing redevelopment involving historic buildings raises an additional set of concerns. In some instances, it will be necessary to be more lenient with regard to the design strictures set forth above. For example, reusing an industrial building as an apartment building in an otherwise low-scale residential neighborhood may mean preserving an abrupt change in scale. As another example, the City has a successful incentive program involving density bonuses in connection with the preservation of historic buildings where affordable housing is provided. The dynamic interplay of the unique qualities of existing structures with the prevailing character of each neighborhood makes it harder to identify common design principles. A Design Review Panel would logically need more leeway when it comes to historic structures. But a few design principles can nonetheless be identified, as follows:

- Views: historic preservation standards should be most rigorously followed where they effect views of historic buildings from public streets
- Transitions: abrupt changes in materials, architectural styles, scales, etc. should be avoided, except where such changes are intended to create juxtapositions that enhance the appreciation of the historic structures
- Interpretation: where possible and appropriate, interpretive information should be provided with regard to the historic or architectural significance of the structures, e.g., a panel describing the former use of a factory building

As implied in the guidelines presented (and the indications of exceptions), it is not intended that the design standards and reviews will put a “straight jacket” on design creativity. Rather, their intention is to provide predictability: predictability for the reviewing board or government official as to what to concentrate on; predictability for the proposing developer or property owner as to what to expect and therefore what to design; and especially predictability for residents that the essential design elements of their block or neighborhood will remain the same if not improve.

In essence, a certain quid pro quo is being put forward. In exchange for accommodating affordable and/or higher density housing development in their neighborhoods, residents will be assured that most if not virtually all such development will fit within their neighborhood contexts. Better architecture cannot be assured; better urban design can be.

Towards Community-Based Planning

The provision of a diverse and affordable housing stock is a *citywide* priority that enjoys considerable support in each and every neighborhood. It no doubt will until the particulars of a project register with its prospective neighbors, at which point significant concerns will be raised that may color local support. It doesn’t help that Stamford is a large and complex city: what will work by way of a solution or compromise in one neighborhood will have limited bearing on what will work in another neighborhood. Community input will be needed on all projects involving higher density development if not most projects involving public funding or discretionary approvals.

This input should not come in a *reactive* mode. Public hearings are, frankly, too late. The lack of consultation would inherently promote tension and opposition.

Participants in the master plan have already recognized the general need for community input in a *proactive* mode. The following recommendations have been put forward in community, Citizens Advisory Committee and other meetings:

- Provide advance notification of all applications coming before the advisory Design Review Panel; this notification will include a mailing to all civic groups that ask to be listed
- Prepare the design guidelines employed by the Design Review Panel and other boards and agencies, in cooperation with civic groups and with community input
- Require neighborhood review of the master plan every four years i.e., in every Mayoral term; it is expected that the review would involve workshops like those carried out for the master plan thus far

It is further expected that civic groups and communities will be involved in generating the potential list of affordable housing sites. As explained elsewhere, it is expected that the City will generate a *long* list of potential sites—essentially representing those parcels where the following development and planning factors are at play:

- There is sufficient land to achieve some economies of scale in development; note that economies of scale depend upon the type of construction involved, e.g., scattered-site two-family housing would need fewer units relative to apartment buildings with elevators

- The land is under single ownership or capable of being assembled with a reasonable amount of effort; this includes the prospect of using the City's powers of eminent domain, perhaps in connection with NRZ legislated powers
- The land can be acquired at reasonable prices relative to the cost of development and value of the housing to be created; note that the cost of remediation may or may not play into this calculation, since clean-up of brownfields can in itself be construed as a public benefit and can often be funded from separate sources
- Redevelopment would represent an opportunity to improve the neighborhood as well as to build housing

This last point is key insofar as neighborhood acceptance is concerned. It is expected that the long list of sites will focus on properties where there are sound planning reasons to encourage redevelopment. As examples: industrial outparcels in residential neighborhoods (sites in the West Side stand out), sites now used for obnoxious uses (sites in the South End stand out), sites where higher-density housing would meet transit or community design objectives (sites near the train stations stand out), etc. It is further expected that while the other criteria are largely technical, the neighborhood improvement criterion is subjective. All points of view must be elicited.

In sum, going from a long to a short list of sites will require community input in framing what does and does not represent improvements to the neighborhood. There are no guarantees that the sponsors of the affordable housing and the City will not disagree about whether ultimately one point of view or another should prevail. Flexibility in site acquisition is essential to development. But this outreach policy assures that there will be a full and frank dialogue, early in the process.

Appendix 2: Representative Linkage Programs in Other Cities

ALEXANDRIA VA
"Voluntary" fee of $0.50 per square foot on all development (residential and non-residential) While fee is not mandatory, substantial pressure is put on developers to comply, and nearly all do. Fund has received $7.8 million since 1998.

BERKELEY CA
$4 per square foot into housing trust fund and $1 per square foot into child care operating subsidy fund for office and retail developments, one-half of this for industrial developments. No exemptions or minimum threshold, but fee is negotiable on showing of hardship.

BOSTON MA
$5 per square foot for affordable housing plus $1 per square foot for job programs, with first 100,000 square feet exempt. Funds are paid in over time, so effective rate from a present value standpoint is closer to $3 per square foot. Fund has allocated over $45 million for housing development since 1986.

CAMBRIDGE MA
$3 per square foot on commercial, hotel, retail and institutional projects over 30,000 square feet. Fee was raised from $2 per square foot in 1997.
City has collected $750,000 with $2.5 million in pipeline

SACRAMENTO CA
Fee structure varies by use category from $0.99 per square foot for office developments (highest) down to $0.27 per square foot for warehouses (lowest). Retail is exempt.
City has collected $2 million between 1989 and 1998.

SAN DIEGO CA
Fee structure varies by use category from $1.06 per square foot for office developments (highest) down to $0.26 per square foot for warehouses (lowest).
City has collected nearly $30 million since 1990.

SAN FRANCISCO CA
$7.05 per square foot imposed on office development only.
City collected $2.7 million during the past year.

Appendix 3: Alternative Scenarios for Affordable Housing Development

This appendix presents illustrations of the cost and land utilization associated with alternative scenarios for creating affordable housing, based on the cost and land factors outlined in Section 7: Needs and Goals of the Affordable Housing Strategy. As noted in that section, the cost and land requirements vary significantly depending on the mix of affordable housing types. The largest issue in that respect is the desired mix of production of rental vs. owner-occupied housing. While rental housing requires less cash outlay, as well as less land, per unit than owner-occupied housing, there are strong policy goals to foster significant numbers of affordable home ownership units.

ALTERNATIVE AFFORDABLE HOUSING MIX OPTIONS

	RENTAL		→		OWNERSHIP
	1	2	3	4	5
Inclusionary Zoning	15%	15%	10%	10%	10%
Rental production	50%	40%	30%	25%	20%
Condo purchase	10%	10%	10%	10%	10%
Owner production	10%	20%	35%	45%	50%
Rental rehabilitation	15%	15%	15%	1%	10%

The table below presents a variety of scenarios showing different affordable housing mix alternatives, ranging from one that is highly rental-oriented, to one that is heavily oriented to home ownership

COST OF 1,000 AFFORDABLE HOUSING UNITS UNDER ALTERNATIVE SCENARIOS (IN $ MILLIONS)

	RENTAL		→		OWNERSHIP
	1	2	3	4	5
Inclusionary Zoning	0	0	0	0	0
Rental production	20	16	12	10	8
Condo purchase	2.5	2.5	2.5	2.5	2.5
Owner production	6	12	21	27	30
Rental rehabilitation	7.5	7.5	7.5	5	5
TOTAL	36	38	43	44.5	45.5

By applying the average cost estimates presented in Section 7, we can estimate the total cash outlay associated with creating 1,000 units under each of the five scenarios, as shown below. It should be remembered that a significant part of the subsidy needed can be achieved through use of tax incentives that do not require direct dollar outlays.

It is more difficult to estimate the amount of land needed to achieve the various scenarios, because—as has been stressed in the strategy—the recommended policy is to include affordable housing, particularly rental housing, within mixed income developments. Thus, if providing 100 units of affordable rental housing at 35 units/acre would, if built in a 100 percent affordable project, require approximately 3 acres, if the 100 units were to be integrated with 200 market rate rental units, the total land needed would be 9 acres. The table below presents the five scenarios, based on the assumption that two market units would be produced for each affordable rental housing unit created. Condominium purchase and rental rehabilitation, both utilizing existing housing stock, do not generate a land requirement, while inclusionary zoning—although consuming land—is considered as not generating a land requirement for affordable housing.

LAND REQUIREMENTS FOR 1,000 AFFORDABLE HOUSING UNITS UNDER ALTERNATIVE SCENARIOS (IN ACRES)

	RENTAL				OWNERSHIP
	1	2	3	4	5
Inclusionary zoning	0	0	0	0	0
Rental production (X3)	42.9	34.3	25.7	21.4	17.1
Condo purchase	0	0	0	0	0
Owner production	4	8	14	18	20
Rental rehabilitation	0	0	0	0	0
TOTAL	46.9	42.3	39.7	39.4	37.1

Appendix 4: Projection of Potential Capital Subsidy Sources for Affordable Housing

ANNUAL REVENUES OVER NEXT TEN YEARS (in millions of dollars/year)

	LOW	HIGH	REALISTIC
City (including CDBG/HOME)	$1.2	$1.8	$1.4
Buyouts	1.4	2.8	2.0
HUD discretionary funds	0.5	1.5	1.0
Home Loan Bank	0.3	1.0	0.5
Other (private, foundation)	0.2	0.5	0.3
ANNUAL TOTAL	$3.6	$7.6	$5.2
TEN YEAR TOTAL	$37	$76	$52

ASSUMPTIONS:

CITY: HOME and CDBG programs will continue at approximately current levels. City will continue to devote all HOME funds and 15-25% of CDBG to affordable housing. City appropriation will remain the same or moderately increase.

BUYOUTS: Zoning Board will approve buyouts for 20 to 40 affordable housing units per year at average of $70,000/unit

LINKAGE: No linkage is assumed.

HUD DISCRETIONARY FUNDS: City will successfully obtain two to six discretionary grants averaging $2.5 million over 10 year period.

HOME LOAN BANK: Local projects will obtain between $300,000 and $1 million in discretionary AHP grants from Home Loan Bank of Boston annually.

OTHER: Combination of corporate sector support, foundation grants, lender (CRA) grants, and similar sources will provide $300,000 to $1 million per year.

STATE OF CONNECTICUT: No capital subsidy funds are assumed to come from the State of Connecticut. It is assumed that projects will receive Low Income Housing Tax Credit allocations as well as tax-exempt bond financing from CHFA.

Volume II: Data Appendix

AN AFFORDABLE HOUSING STRATEGY FOR STAMFORD, CT

A report of the

Stamford Affordable Housing Task Force

and the City of Stamford

Prepared by Abeles Phillips Preiss & Shapiro, Inc.

in association with Alan Mallach

September 2001

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Introduction

The following appendix presents the background data used to formulate the *Affordable Housing Strategy* for the City of Stamford. This document evolved out of an *Affordable Housing Strategy Briefing Book* that was prepared early in the process. The intention of the Briefing Book was to bring together in one place all the relevant facts and figures regarding the housing picture in Stamford. The Briefing Book therefore contained information on historical and projected population trends; housing units in the pipeline and projected housing construction; socioeconomic data relating to income and housing need; an overview of the existing supply of affordable housing units, particularly those that were assisted by government or non-profits; and an overview of the existing programs available to support affordable housing production in Stamford.

The initial Briefing Book was distributed to the members of the Mayor's Task Force on Affordable Housing at the second full meeting of the Task Force. Throughout the process, it served as both a reference and a point of departure for the discussion. It also went through several revisions, based on the input of Task Force members, and as new data became available. The Book itself also became part of the debate. The data sources available were imperfect, and therefore there was disagreement over some of the data presented. However, there was universal agreement that whatever the precise number of assisted units or households with unmet housing needs, the affordable housing problem in Stamford was real, of significant magnitude, and growing worse over time.

Since the last revision of the Briefing Book, several developments have occurred. First, initial data from the 2000 U.S. Census have been released, allowing for a more accurate sense of Stamford's growth rate throughout the1990s as well as its current population. Second, the number and type of housing units in the development pipeline has changed somewhat. Both of these developments are reflected in this appendix.

The data presented here should be considered a snapshot of the housing picture in Stamford at the time of this report. Like all documents that depend on demographic and economic data, it will be out of date shortly after its publication. Yet, it provides insight into the situation that Stamford faces at this time, and the issues that the Affordable Housing Strategy has had to grapple with.

Most of the information is presented in bulleted form, in order to highlight the "big picture" facts and figures.

Part 1: Stamford Demographic Profile and Projections

This section presents an overview of Stamford's demographics, based on the most recent available information. This summary is particularly focused on those variables that relate to demand for affordable housing. The following sources were used to compile this information:

- The 1990 U.S. Census
- The 2000 U.S. Census (limited data were available at this time)
- The Connecticut Department of Labor
- Year 2000 demographic Projections from Claritas, Inc., a national demographic data reporting firm
- Projections prepared by the Regional Plan Association (RPA) and the University of Connecticut, Connecticut Center for Economic Analysis (CCEA), as part of the Stamford Master Plan

According to all projections, Stamford will be adding significant numbers of both residents and jobs over the coming decades. Both of these trends can be expected to increase demand for affordable housing, for a number of reasons:

- As population grows, demand for housing grows as well, keeping rents and sale prices bid up to high levels
- As population grows, it can be anticipated that some of the growth will occur in households earning less than 80, 50 and 30 percent of the area median income
- As employment grows, some of the new jobs will be in occupations that pay relatively lower wages. These employees will naturally seek housing close to where they work.

A. Current Population and Income Profile

- Stamford currently is home to 117,100 people living in 45,400 households (Source: 2000 Census). This is an increase of 9,027 people over the 1990 figure of 108,056. Throughout the 1990s, Stamford grew by approximately 0.8 percent per year, or added an average of 903 people and 345 households per year.
- The average household size is 2.54 persons/household, the same as the 1990 figure.
- 48.5 percent of Stamford's of households are married couple families, a decrease from the 1990 census figure of 51.3 percent.
- 36.2 percent of Stamford's households are non-family households, primarily single individuals, an increase from the 1990 census figure of 32.8 percent.
- Income data from the 2000 Census are not yet available. According to a private demographic reporting service, however, the Median Household Income in Stamford was $79,357 in 2000 (Source: Claritas, Inc.).
- By comparison, the Area Median Income (AMI) calculated by the Department of Housing and Urban Development (HUD) for the Stamford region was $102,400 for the same year. (The most recent figure, released in April of 2001, is $109,800.)

- The household incomes corresponding to 80, 50 and 30 percent of this AMI were $81,920, $56,320, and $30,720, respectively.
- Based on estimated households by income bracket:
  - 51 percent (23,150) of Stamford's households were at 80 percent or below of AMI
  - 35 percent (15,900) of Stamford's households were at 50 percent or below of AMI
  - 17 percent (7,700) of Stamford's households were at 30 percent or below of AMI
- A standard mortgage ratio of home value to annual income is 2.5. Applying this ratio to the above income brackets reveals the following:
  - Households in the 30 percent of AMI bracket could afford homes costing more than $76,800.
  - Households in the 31 – 50 percent of AMI bracket could afford homes costing between $76,800 and $141,000.
  - Households in the 51 – 80 percent or AMI bracket could afford homes costing between $141,000 and $205,000.
- Rental units meet a minimum standard for affordability when the total rent burden does not exceed 30 percent of annual gross household income. By this measure:
  - Households in the 30 percent of AMI bracket could not afford rents over $768 per month.
  - Households in the 31 – 50 percent of AMI bracket could afford rents between $768 and $1,408.
  - Households in the 51 – 80 percent of AMI bracket could afford rents between $1,408 and $2,048.
  - The following table summarizes the number of households in each bracket, and their affordability range:

Table 1: Households as Percent of Area Median Income

	Households in Bracket		Affordable Home Value/Rent	
Income Bracket	Number	% of Total	Home Value	Rent
0 - 30% AMI	7,700	17%	$76,800	$768
31 - 50% AMI	8,200	18%	$141,000	$1,408
51 - 80% AMI	7,300	16%	$205,000	$2,048

- The following table summarizes key demographic variables:

Table 2: Stamford Population Profile

	1990		2000		1990 – 2000
Variable	Number	Percent	Number	Percent	APGR***
Population	108,056	—	117,083	—	0.8%
Households	41,945	—	45,399	—	0.8%
Average household size	2.54	—	2.54	—	—
Families	27,821	—	28,951	—	0.4%
Per capita income	$27,017	—	$47,600*	—	5.8%
Median Household Income	$49,930	—	$79,360*	—	—
Population over 65 years of age	14,275	13.2%	16,175	13.8%—	
White**	82,667	76.5%	84,170	71.9%	—
Black	19,385	17.9%	19,290	16.5%	—
Asian	2,310	2.1%	6,442	5.5%	—
All other	3,994	3.7%	10,921	9.3%	—
Hispanic Origin	9,845	9.1%	19,635	16.8%	7.1%

Sources: 2000 U.S. Census. *Claritas, Inc. estimates.

** Note that the 2000 Census allowed people to select more than one race. The data presented for 2000 include people who selected more than one race, and therefore total to more than 100 percent. Further, the data between 1990 and 2000 are not strictly comparable.

*** Annual Percent Growth Rate

- The following table shows Stamford's estimated current population by age category:

Table 3: Population by Age

Age Category	Number	Percent
0 – 19	27,933	24%
20 – 34	27,419	23%
35 – 54	35,344	30%
55 – 64	10,211	9%
65+	16,175	14%
Total	117,082	100%

B. Current Employment Profile

- According to updates of Connecticut Department of Labor data performed by RPA and the CCEA, over 84,000 people currently work in Stamford.
- The service sector accounts for the largest share of employment, with nearly 35 percent.
- Finance, Insurance and Real Estate (FIRE) is the second largest sector. Over 15 percent of jobs in Stamford are in this category, compared with around 9 percent for the State as a whole.

Table 4: Non-Farm, Non-Mining Employment by Sector				
	Stamford		Connecticut	
Sector	Employment	Share	Employment	Share
Manufacturing	11,700	13.9%	226,300	13.7%
Construction	2,600	3.1%	65,200	3.9%
Transportation, Communications, & Utilities	6,000	7.1%	79,200	4.8%
Finance, Insurance & Real Estate	13,000	15.4%	141,200	8.5%
Retail trade	10,000	11.9%	282,200	17.0%
Wholesale trade	5,700	6.8%	83,100	5.0%
Services	29,200	34.7%	537,100	32.4%
Government	6,000	7.1%	242,000	14.6%
Total	84,200	100%	1,656,300	
100%				

Source: RPA/CCEA (Stamford), CT Dept. of Labor (State)

C. Projected Growth in Population and Employment

Population projections have been prepared by the Regional Plan Association and the University of Connecticut for the following growth scenarios:

- "No Growth:" strong limits placed on new development
- "Baseline:" continuation of current policies, with somewhat slower population growth
- "Global Financial Center:" public policy and a strong economy encourage continued rapid population and employment expansion, particularly within the financial services sector

The following table compares the overall population and employment projections under each scenario:

Table 5: Projected Growth in Population, Households, and Employment

Variable	"No Growth"	"Baseline"	"Global Center"
2000 Population	117,100	117,100	117,100
2020 Population	123,300	128,800	136,300
Net change	6,200	11,700	19,200
Annual Percentage Growth Rate (APGR)	0.26%	0.48%	0.76%
2000 Households	45,400	45,400	45,400
2020 Households*	47,804	49,936	52,844
Net change	2,404	4,536	7,444
APGR	0.26%	0.48%	0.76%
2000 Employment	84,200	84,200	84,200
2020 Employment	86,030	99,600	118,500
Net change	1,830	15,400	34,300
APGR	0.11%	0.84%	1.72%

Source: RPA/CCEA

* Based on constant household size.

For the purposes of this analysis, the "Baseline" scenario is chosen as the most likely outcome. The following is a summary of the "Baseline" scenario:

- By the year 2020, population will have increased by 11 percent, or nearly 12,000 people.
- The number of households will have increased by 10 percent, creating demand for 4,500 additional dwelling units.
- Stamford will have added 15,400 jobs, an increase of 18.3 percent. Only a portion of these workers will be able to find housing in Stamford, further intensifying the pressure on rents and sale prices.
- The ratio of housing to jobs, estimated at 0.58 in 2000, will have decreased to 0.52 by 2020.
- If the future population were to be similar in income distribution to the present population:
- There would be approximately 720 new households earning between 51 and 80 percent or less of AMI;
- 810 new households earning between 31 and 50 percent or less of AMI; and
- 760 new households earning 30 percent or less of AMI.
- Although population projections by age group for Stamford are not yet available, the over-65 population in the State is expected to increase by from 14 percent to 18 percent of the total population by 2020. If the same trend were to manifest itself in Stamford, there would be an increase in the over-65 population of 6,800 people, a jump of over 40 percent.

The following table shows projected changes in employment by industry:

Table 6: Projected Growth in Industry Sectors

Sector	2000	2020	Net Change	APGR
Manufacturing	11,700	9,800	-1,900	-0.9%
Construction	2,600	2,000	-600	-1.3%
TCPU	6,000	6,500	500	0.4%
FIRE	13,000	15,900	2,900	1.0%
Retail trade	10,000	11,800	1,800	0.8%
Wholesale trade	5,700	6,700	1,000	0.8%
Services	29,200	41,100	11,900	1.7%
Government	6,000	5,800	-200	-0.2%
Total	84,200	99,600	15,400	0.8%

Source: RPA/CCEA

- The manufacturing sector is projected to continue to lose employment (although not as quickly as it would under the "No Growth" scenario).
- The most robust growth will continue to be in the service and FIRE sectors.
- There will also be modest growth in both retail and wholesale trade.

Part 2: Housing Supply

A. Current Housing Supply

1. Housing Stock Composition

- According to the 2000 Census, Stamford currently has 47,317 housing units. This is a 6.9 percent increase from the 1990 Census, at which time Stamford had 44,279 housing units. Stamford added an average of 304 units per year throughout the 1990s.
- Also as per the 2000 Census, 54 percent of Stamford's units are owner-occupied, 42 percent are renter occupied, and 4 percent were vacant.
- By comparison, in 1990 55 percent were owner-occupied, 40 percent were renter occupied, and 5 percent were vacant.
- Housing type data are not yet available from the 2000 Census. As of the 1990 Census, 47 percent of Stamford's units were single-family homes, and 21 percent were condominiums.
- Also in 1990, 86 percent of single-family homes were owner-occupied, and 57 percent of condominiums were owner-occupied.
- The distribution of units by building type in 1990 was as follows:

Table 7: Distribution of Units by Building Type (1990)

Building Type	Units	Percent
Single detached	18,226	41.2%
Single attached	2,722	6.1%
Structures with 2 units	3,935	8.9%
Structures with 3 – 9 units	7,275	16.4%
Structures with 10 – 49 units	4,541	10.2%
Structures with 50 or more units	6,624	15.0%
Mobile homes/trailers	974	2.2%

Source: 1990 Census

- The current vacancy rate in Stamford is around 4 percent, even lower than the figure in the 1990 Census. Further, the homeowner vacancy rate is 0.6 percent, and the rental vacancy rate is 3 percent. The remaining vacant units consist of seasonal units, corporate condominiums, or other units that are "off the market" (Source: 2000 Census).
- There are a total of 4,620 assisted affordable units in Stamford, or about 10 percent of the total number of units (Source: City of Stamford, Department of Community Development, Assisted Housing Inventory).
- In 2000, the Fair Market Rent (FMR) determined by HUD for a 2BR unit was $1,322, including utilities. This is set as the 40th percentile rent (i.e. 60% of units have a higher rent).
- In 1990 the FMR was approximately $882 (set as the 45th percentile rent), or $1,162 in year 2000 dollars. Adjusting for inflation, the FMR increased approximately 14 per-

cent between 1990 and 2000.

- Property managers of assisted and public housing indicate that the vacancy rate for subsidized housing is nearly zero (Source: 2000 Stamford Consolidated Plan).

2. Homeownership Units

- There are 25,700 homeownership units in Stamford (Source: 2000 Census)
- Home sale prices for all units, including condos, have increased modestly in recent years. The median home sales price in Stamford increased from $220,000 in 1996 to $236,750 in 1999, a jump of 7.6 percent (Source: CT Department of Economic and Community Development).
- Sales prices vary greatly by neighborhood. Average prices per square foot vary by zip code, from a low of $152 to a high of $224. The following table gives recent average sale prices by zip code:

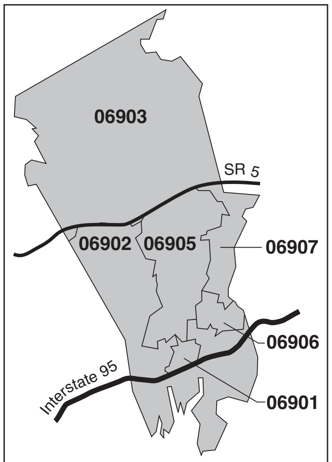

Table 8: Average Home Sale Price by Zip Code

Zip	Home Price	Age of Home	Size (SF)	Price/SF
06901	$164,322	37	1,079	$152.29
06902	$339,482	41	1,769	$191.91
06903	$757,487	44	3,377	$224.31
06905	$359,607	42	1,828	$196.72
06906	$275,491	40	1,579	$174.47
06907	$288,855	39	1,594	$181.21

Source: Realtor.com listing service, Fall 2000

- Prices for condominium units have not increased at the same rate as for single-family homes, however, and condos remain a potential source of affordable housing for moderate-income households.
- According to the Banker & Trader report cited in the Ad Hoc Housing Group's report *Between a Rock and a Hard Place,* the median sale price for a condominium in Stamford was $150,000 in 1999, compared with $337,500 for a house. This indicates that condo prices have remained relatively flat since 1989, when the median sales price was $146,000 (Source: Stamford Consolidated Plan).

3. Rental Units

- There are a total of 19,680 rental units in Stamford (Source: 2000 Census).
- Of these, roughly 4,500 are subsidized in some manner, accounting for 23 percent of the total. The remaining units are market rate.
- The Department of Housing and Urban Development sets Fair Market Rents (FMR) for urban areas. These are set at the 40th percentile of available rents, and therefore are intended to reflect the current rents that tenants encounter in the market place. The current FMRs for Stamford are as follows:

Table 9: HUD Fair Market Rents

Size	Fair Market Rent	Income needed to afford*
Efficiency	$ 926	$37,040
1 bedroom	$1,084	$43,360
2 bedroom	$1,332	$52,880
3 bedroom	$1,772	$70,880
4 bedroom	$1,957	$78,280

Source: Department of Housing and Urban Development

* Assumes 30 percent of income spent on housing.

- Rents in many of Stamford's more recent apartment developments are considerably higher. The following is a sample of asking rents for apartments currently listed on the market:

Table 10: Lowest Asking Rents in Major Developments

Development	Studio	1 Bedroom	2 Bedrooms	3 Bedrooms
Avalon Corners	—	$1,850	$2,410	—
Avalon Glen	—	$1,620	$1,940	—
Avalon Grove	—	$1,827	$2,340	—
Hanover Hall	$ 937	$1,157	$1,377	$1,387
Morgan Manor	$1,150	$1,250	$1,550	$1,700
Park Square West	$1,500	$1,870	$2,275	—
The Classic	—	$1,950	$2,900	$3,400
The Fairfield	—	$1,615	$2,000	—
The Windemere Apts	—	$1,300	$1,500	—
Average Rents	**$1,196**	**$1,604**	**$2,032**	**$2,162**

Source: Realtor.com listing service, Fall 2000

- The rents shown above are for rental projects that list with realtors. However, not all market rate units are unaffordable. Some private apartments will be rented for affordable rents if the building is old, the unit is in deteriorated condition, or the neighborhood is less desirable. Many of these units are rented informally or through classified ads, and therefore do not show up in listing services.
- No comprehensive inventory of rental rates for all apartments exists except the 1990 Census. The Census data can be used, however, to estimate the number of affordable, unsubsidized units that existed in 1990. Given trends in income and housing cost, it can be assumed that the number of market rate, affordable apartments has not increased since 1990.
- The following table shows the estimated number of units available in each income bracket represented by the 30 percent, 50 percent, and 80 percent of area median income.

Table 11: 1990 Estimated Households and Affordable Units by Income Bracket

	In Bracket		Cumulative	
Income Range	Households	Units	Households	Units
0 - 30% of AMI	7,340	3,877	7,340	3,877
31 - 50% of AMI	6,290	5,769	13,630	9,646
51 - 80% of AMI	968	1,136	14,598	10,782
Total	14,598	10,782	14,598	10,782

Notes:

(1)1990 AMI figures are from HUD. 80 percent of AMI was capped at 53 percent of AMI by HUD, due to the high incomes in the Stamford region.

(2) Data source for both units and households is the 1990 Census. Where HUD's income categories fell between the Census income categories, the number was estimated by assuming a uniform distribution of units or households within the category.

- The Community Development Assisted Housing database states that there are 4,620 assisted units in Stamford. In 1990, the Stamford Housing Authority's inventory was somewhat larger than it is today. If it is assumed that there were about 5,000 assisted units in 1990, then there were approximately 4,600 units in the private market affordable to households making 50 percent of Area Median Income.

B. Public and Assisted Housing Units

- There are approximately 4,620 assisted housing units in Stamford listed in the database maintained by the Stamford Department of Community Development. These include Housing Authority developments, not-for-profit developments, and projects that received any sort of public subsidy, including tax-credits, tax-exempt bond financing, and below-market loans. (Note that Housing Authority units are discussed in greater detail in the next section.)
- The majority of these units (97 percent) are rental.
- 1,222, or around 27 percent, are restricted to elderly households.
- Of the 67 percent that are available to families, around two-thirds are for small families, and one-third for large families.
- The State of Connecticut also compiles data on assisted housing units as part of the Affordable Housing Appeals Process. According to this data, Stamford has 5,913 governmentally assisted units, 357 units created with CHFA/FmHA mortgages, and 104 deed restricted units, for a total of 6,374 assisted units. Note that these figures are significantly different than those compiled by the City.

The following table summarizes the housing listed in the Community Development database:

Table 12: Summary of Subsidized Housing Units

Type	Number	Percent
Total Units	4,620	
Target Group		
Family	3,107	67%
Small Family (1 – 2 BR)	2,061	45%
Large Family (3+ BR)	995	22%
Elderly	1,222	27%
Handicapped	99	2%
Number of Bedrooms		
Efficiency	403	9%
1 BR	1,458	32%
2 BR	1,493	32%
3 BR	825	18%
4 BR	65	1%
5 BR	4	<1%
6 BR	2	<1%
Beds	191	
Tenure		
Renter	4,469	97%
Owner	153	3%

Source: Stamford Department of Community Development

1. Current Public Housing Inventory

- The Stamford Housing Authority currently owns and/or manages 1,660 units. Of these units, around 38 percent are reserved for elderly occupants, with the remainder consisting of family units.
- In 1995, the Housing Authority owned or managed 2,351 units (Stamford Consolidated Plan, 1995). This indicates that the inventory of Housing Authority units has significantly decreased in the last five years.
- A major part of the decrease in Housing Authority units is traceable to the privatization of the William C. Ward homes, now Rippowam Park, and the demolition of the high rises at Southfield Village. Rippowam Park's 430 units are now owned and operated by a private firm under restrictions imposed by the Housing Authority to maintain affordability.

Table 13: Summary of Public Housing Developments

Development	Year of Construction	Total Units	Effic.	1BR	2BR	3BR	Group Served	Funding
Clinton Manor	1977	88	-	88	-	-	Elderly	Federal
Connecticut Avenue	1974	12	-	-	8	4	Families	Federal
Connecticut Commons	—	8	-	-	-	8	Families	—
Czescik Homes	—	50	28	22	-	-	Elderly	State
Fairfield Court	1937	146	18	72	33	23	Families	Federal
Glenbrook Manor	—	44	10	34	-	-	Elderly	Private NFP
Lawn Avenue Townhouses	1973	20	-	-	-	20	Families	Federal
Lawnhill Terrace	—	206	-	-	104	102	Families	State
Oak Park	—	168	-	14	136	18	Families	State
Quintard Manor	1970	60	12	46	2	-	Elderly	Federal
Rippowam Manor	1983	81	-	81	-	-	Elderly	City
Multi-location	—	6	-	-	-	6	Families	Federal
Scofield Manor Residential Care Home	—	50 beds	50	-	-	-	Elderly	City
Sheridan Mews	1991	8	-	-	-	8	Families	Federal
Southfield Village	1941	204	-	15	106	83	Families	Federal
Southfield Village North	1955	6	-	-	-	6	Families	Federal
Stamford Manor	1966	155	52	84	19	-	Elderly	Federal
Stamford Manor Extension	1974	60	-	60	-	-	Elderly	Federal
Ursula Park Townhouses	1986	32	-	-	26	6	Families	Federal
Vidal Court	—	216	-	-	144	72	Families	State
Wormser Congregate	—	40	40	-	-	-	Elderly	State
Totals		**1,660**	**210**	**516**	**578**	**356**		
Percent Distribution			**13%**	**31%**	**35%**	**21%**		

Source: Stamford Consolidated Plan, 2000.

Table 14: Summary Statistics, Public Housing Developments

Category	Units	Percent of Total	Bedrooms	Percent of Total
Federally funded	797	48%	1,303	44%
State funded	680	41%	1,448	49%
City tax abated or funded	131	8%	131	4%
Private NFP funded	44	3%	44	1%
Elderly	628	38%	649	22%
Family	1,032	62%	2,301	78%

Source: Stamford Consolidated Plan

2. Section 8 Vouchers

- Section 8 is a Federal program that was introduced in 1974 to give low-income families the option of securing rental housing in the private market. The initial purpose was to break up pockets of poverty by giving poor households more flexibility in choosing places to live rather than concentrating them in subsidized housing projects.

- An income-eligible tenant using the voucher pays 30% of his or her income for rent and utilities, with the subsidy covering the difference between tenant share and rent levels agreed to by HUD and the private owner. Rents and subsidies are capped at certain levels.
- Vouchers are allocated to states by a formula based on relative need.
- The Voucher program has had difficulty in Stamford in recent years because market rents are in most cases higher than the rents allowed under the program. As a result, the Housing Authority lots 22 percent of its annual funding, which could not be used. However, HUD has recently reinstated $1.3 million in annual budget authority—about 150 vouchers—to reflect increase utilization of this subsidy in Stamford.
- The Housing Authority has applied for permission to utilize up to 20 percent of its vouchers in a "project-based" program whereby vouchers are affixed to individual units with a longer commitment. This approach will not only increase utilization of these funds, but also can be committed to new affordable housing development.
- The current number of vouchers represents a decline from previous years. Stamford lost around 22 percent of its vouchers in 1999 because they had gone unused. This was a one-time recapture however, and the Authority still retains its original amount of funding authority based on 813 reserved units
- Vouchers have to be returned if households are unable to find housing within 120 days of receiving them. This occurs with 20% of the vouchers handed out nationally, but with a much higher percentage in Stamford. One of the key issues in Stamford is the difficulty in finding 3 and 4 bedroom apartments to accommodate larger families.
- All of the 813 vouchers are "tenant-based," i.e. they are issued to tenants who then shop for suitable apartments. However, there is the potential to project-base up to 20 percent of these. Project-based vouchers stay with a particular unit, and can be used to increase the supply of affordable units in a tight rental market such as Stamford's.

C. Non-Profit Housing Developers in Stamford

There are four major non-profit developers of housing in Stamford. The following is a brief description of each:

1. Mutual Housing Association of Southwestern Connecticut

- In operation since 1990.
- Has built 200 units in Stamford, Bridgeport and Trumbull, of which 117 are in Stamford.
- Developed the 69-unit Parkside Gables and the 48-unit Trinity Park Apartments, both in the West Side neighborhood.
- The Trinity Park Apartments on Spruce Street rent to households earning between 20% and 40% of the area median income.

2. New Neighborhoods, Inc.

- Organized by 44 churches and synagogues in 1967.
- Has built 225 new units and rehabilitated 13 units in Stamford.
- Developed the 88-unit Martin Luther King Tower.

3. Neighborhood Housing Services (NHS)

- In operation in Stamford since 1982.
- The Board of Directors is composed entirely of neighborhood residents.
- Has built 96 units in Stamford.
- Has also assisted over 4,600 clients with home improvement loans to rehabilitate their homes.
- Created the "Escrow Rental Homeownership Transition Program" which enables tenants to become homeowners. This program is similar to the Federal Individual Development Account (IDA) program.

4. St. Luke's LifeWorks

- In existence since 1882.
- Focuses primarily on special needs housing.
- Entered the housing development business in the 1990's and has since built 84 supportive and special needs housing units in Stamford.
- Developed Atlantic House, a supportive living facility.
- Also developed and runs the homeless shelter for women and families in the Stamford area.

Table 15: Summary of Non-Profit Housing Production

Non-Profit Developer	Units Built or Rehabilitated in Stamford
Mutual Housing Association	117
Neighborhood Housing Services	96
New Neighborhoods Inc.	238
St. Luke's Lifeworks	84
Total	**535**

Source: Non-profit prepared fact sheets

5. Other Non-profit Developments

- In addition to the developments cited above, there are several other developments in Stamford that have been created by a variety of non-profits. These include the following:
- The Augustana Homes, 35 units of elderly housing, developed by the Bridgeport Diocese.
- Willard Manor, 54 units of elderly housing, funded by the Neighborhood Preservation Fund.

- 67 – 71 Henry Street, 28 units of family housing, developed by CTE Housing.

(Source: Complied by Stamford Land Use Bureau)

D. Expiring Use Restrictions

- An "expiring use" housing development is any private housing development that is affordable only because it received Federal mortgage subsidies and/or contracted with HUD to rent a specified number of units to very low income households with Section 8 certificates.
- The continued long-term affordability of such affordable units is uncertain because the owners of these housing developments become eligible after a certain time period to "pre-pay" their mortgages and/or because the Section 8 contracts expire after a certain time period. In each of these scenarios, the owner is no longer restricted to rent at certain levels or to certain income groups.
- According to the January, 2000 ALT Associates report, 1,694 affordable units in 20 different housing developments in Stamford could potentially "expire." In fact, some 41 percent of these units could "expire" by the fall of 2000.
- Connecticut-wide figures suggest that almost two-thirds of the residents in these "expiring use" affordable units are either elderly (49 percent) or non-elderly disabled (15 percent). The average household consists of 1.8 persons and the average household income is roughly $13,000.
- However, not every development identified as "expiring use" in the Alt report is actually expiring, at least not immediately. For example, St. John's Tower (360 units) and Bayview Towers (200 units) include 33 percent of the "expiring use" housing stock in Stamford. Bayview was recently sold to Cornerstone/Bayview Inc., a Connecticut non-profit, with a clause continuing the project's affordability restrictions for the remaining useful life of the project. Also, HUD released commercial property owned by St. John's from the lien of its mortgage in exchange for St. John's agreeing to preserve residential affordability through 2010.
- Moreover, many "expiring use" housing developments are in low rent areas. HUD's Connecticut state office says it expects little displacement for precisely this reason, although the situation may be more precarious in Stamford. Furthermore, many "expiring use" developments are subject to other financial agreements that require the owner to continue to serve low-income households.
- HUD will only renew Section 8 contracts for one year—previously, renewals were made in five-year increments. In other words, owners can revisit their decision on an annual basis, creating a condition of constant uncertainty for tenants.
- Prompted by concerns that in some cases Section 8 certificates were subsidizing rents at levels far in excess of neighborhood rents, Congress has capped renewal rent levels for some housing developments with Section 8 contracts. As a result, owners choosing to renew their contracts with HUD may have to take rent cuts and/or participate in a mortgage restructuring program.
- In cases where rents become unaffordable, low-income tenants are eligible for Section 8 certificates.

E. Recent and Future Additions to the Supply

There are many significant residential developments in various stages that will add to Stamford's current supply of housing. This section addresses recent and future additions to the supply of affordable housing units in Stamford.

The bulk of the information in this section was distilled from the "Housing Pipeline" report published by the Mayor's office, supplemented with information compiled by RPA as part of the Master Plan, and selected information culled from recent news articles.

1. Projects Recently Completed

Since the beginning of 1999, seven residential projects have been completed in Stamford. Four of these were private, for-profit ventures with no affordable component, and three were nonprofit developments that were 100 percent affordable. Together, these developments account for 295 new units, 20 of which were affordable units.

Number of projects:	*7*
Tenure mix:	*All rental*
Total units:	*295*
Affordable units:	*20*
Total offsite contributions:	*None*

2. Future Development

Future development can be classified in four ways:

1. Projects under construction.
2. Projects with approvals
3. Development Proposals
4. Conceptual Projects

- Projects in Category 1 can be counted on as "sure things," barring a dramatic change in economic conditions.
- Of the remaining projects, the inclusionary provisions of the approved projects cannot be modified. However, projects that are development proposals or that remain conceptual can still be affected by the findings and recommendations of the Affordable Housing Strategy.

Proposed housing developments are being built by a combination of private developers, not-for-profit builders, and the Stamford Housing Authority. The bulk of new housing is in private residential developments, which are becoming one of the most significant sources of new affordable rental units, albeit while making only modest additions to the total supply. These private developments are overwhelmingly represented by rental projects, and primarily located in the downtown or on the waterfront.

The nonprofit developments planned or recently completed have made small but important contributions to the housing stock. Excluding the Southfield Village HOPE VI reconstruction, nonprofit developments account for only 1.3 percent of total units, but account for 19 percent of affordable units.

1. Projects Under Construction

There are currently 5 private developments under construction in Stamford. Together, these will bring 637 new units by the end of 2001. Of these developments, two have affordable units provided on-site (at ratios of 20 and 12 percent), totaling 67 affordable units. One other project is making an offsite contribution (or "fee in lieu") of $250,000.

The Southfield Village reconstruction is another public project currently under construction. When completed, this development will add 330 units. However, these units replace the 502 units that have either been demolished or are planned for demolition. Of the 330 units, 230 (70 percent) are planned to be affordable. The public affordable units are targeted for households earning less than 50 percent of AMI.

A brief summary of projects under construction, *excluding* Southfield Village, is provided below:

Number of projects:	*5*
Tenure mix:	*All rental*
Total units:	*637*
Affordable units:	*67*
Total offsite contributions:	*$250,000 (approx. 3 units)*
Percent inclusionary:	*11 percent overall*

2. Projects with Approvals

There are two projects that have received the necessary approvals but are not yet under construction. Stamford Harbor, a fully market rate project, has site work underway. The other, Park Square West Phase 2, is approved but has been slowed by litigation. These two projects will bring 613 units to Stamford, 58 of which will be affordable. All of the affordable units are located in Park Square West, and are targeted to households with incomes of 50 percent of AMI. The inclusionary ratio in both phases of Park Square West is 20 percent.

Number of projects:	*2*
Tenure mix:	*All rental*
Total units:	*613*
Affordable units:	*58*
Total offsite contributions:	*None*
Percent inclusionary:	*9 percent overall, 20 percent in Park Square West*

3. Development Proposals

There are five development proposals that have not yet been approved. Three of these are private projects with an inclusionary component ranging from 3 to 10 percent. Together, these developments, if they go forward as planned, will create 1,459 units, 101 of which will be affordable. The target household income level is not known at this time.

The largest of the private development proposals is for Parcel 38, also known as the "Hole in the Ground." It calls for 932 units, with a 3 percent affordable set-aside, and a $1.9 million off-site contribution. This contribution might help underwrite up to 27 off-site units. This ambitious project has received Zoning Board text approval.

There are also two not-for-profit development proposals: one on Franklin Street, to be developed by New Neighborhoods; and another on Spruce Street, to be developed by Neighborhood Housing Services and the Mutual Housing Association. These developments will create 25 units, all of which will be affordable.

Number of projects:	*6*
Tenure mix:	*All rental*
Total units:	*1,440*
Affordable units:	*101 (75 in private developments)*
Total offsite contributions:	*$1.9 million*
Percent inclusionary:	*7 percent, excluding the not-for-profit developments*

4. Conceptual Projects

The universe of conceptual project theoretically contains any development idea that has been written about or proposed in Stamford. The listing here is necessarily incomplete, but contains the City's two large urban renewal areas, as well as one other privately sponsored proposal.

The private project is the Admiral's Wharf development in the South End. At this time, the project calls for 550 units, but no affordable housing provisions have been attached as of yet. The project will require substantial regulatory approvals, including a zone change, site plan approval, and an amendment to the South End master plan.

There are also two urban renewal projects that call for housing. One is the Mill River Corridor. An actual build-out will depend on specific developer proposals. However, RPA has estimated a residential build out of 879 units. The Mill River Corridor Urban Renewal Plan mandates that 12 percent of these be affordable. This development therefore has the potential to create 105 affordable units.

The Dock Street Connector urban renewal area is even more speculative. RPA has estimated a residential build-out of 222 units. It is not known how many of these would be affordable, but assuming the same ratio as for the Mill River Corridor, this area could produce 26 affordable units.

Number of projects:	*4*
Tenure mix:	*Unknown*
Total units:	*1,650(estimated)*
Affordable units:	*132 (estimated, not including Admiral's Wharf)*
Total offsite contributions:	*Unknown*

3. Summary

- Projects under construction are bringing over 600 new units on-line in the near future.
- Projects either approved or under review have the potential to bring an additional 2,000 units to Stamford, a 4.4 percent increase over the number of units counted in the 2000 Census.
- Based on the latest inventory, there are 67 new affordable units and 230 replacement affordable units currently under construction.
- There are another 159 affordable units in projects either applied for or on the drawing board. One of these projects will also generate an off-site contribution large enough to produce around 27 units, bringing the total to 186 affordable units that might realistically be developed under the City's inclusionary policies over the next few years.

Table 16: Units Planned or Under Construction

Name and/or Location	Total Units	On-site Affordable Units	Offsite Contribution	Percent Affordable**
1. Projects Under Construction				
Archstone Stamford, Bedford & North Streets	160	—	$250,000	2%
114 Strawberry Hill Avenue	20	—	—	—
Lindale Street	8	—	—	—
Park Square West Phase 1, Summer Street	143	29	—	20%
Southwoods Square	330	230	*	70%
Greyrock Towers, Forest & Greyrock (Burdick School site)	306	38	—	12%
Subtotal	**967**	**297**	**$250,000**	**31%**
2. Projects with Approvals				
Park Square West Phase 2, Columbus Park	290	58	—	20%
Avalon Harbor	323	—	—	—
Subtotal	**613**	**58**	—	**9%**
3. Development Proposals				
Washington Boulevard	244	22	—	9%
Palmers Hill	239	24	—	10%
Franklin Street	5	5	—	100%
Parcel 38 (HITG)	932	29	$1,935,360	6%
Spruce Street	20	20	—	100%
Subtotal	**1,459**	**101**	**$1,935,360**	**9%**

* Off-site homeownership assistance, and 40 units of below market affordable housing

** Assumes that each off-site unit costs $75,000 in subsidy

(Note: Conceptual projects were not included, due to the lack of reliable information regarding individual projects)

F. Supply and Demand: The Affordability Gap

- Stamford's affordable housing problems have been driven by several broad trends highlighted in this report:
  - Home sale prices have been growing as fast or faster than household earnings.

  - Rents in Stamford's newer apartment developments are well out of reach of most low- and moderate-income households.

  - There is a substantial inventory of assisted housing units, but not enough to meet the demand for affordable units.

  - There is also a limited inventory of affordable market-rate apartments and condos, but once again, not enough to meet demand.

- A precise and up-to-date number of households with a "housing problem" is not available. However, the 1990 Census does provide data for a two specific housing problems: (1) "cost burdened" households, those paying more than 30 percent of their income for housing; and (2) overcrowded households, defined as more than one person per room (not bedroom).

  - Cost-burdened renters: According to the Census, there were 5,730 renting households in Stamford with incomes of $35,000 or less (roughly corresponding to 50 percent AMI) who were cost burdened. The total number of cost burdened renting households was larger: 6,790.

  - Cost-burdened homeowners: The Census identified about 4,900 cost burdened households among those that owned their unit. These were not classified according to income, and therefore may include otherwise higher-income households who have chosen to take on an excessive housing burden.

  - Overcrowded households: The Census identified about 1,800 households living more than one person to a room.

Table 17: Summary of Households with Housing Problems in 1990

Cost burdened renters:	6,790 (5,730 with incomes of $35,000 or less)
Cost burdened owners:	4,900
Over-crowded households:	1,800

Source: 1990 Census

- Although there is likely some overlap between cost burdened and overcrowded households, it is likely conservative to state that there were at least 8,000 – 10,000 households with a "housing problem" in 1990.
- Translating these figures into 2000 housing needs, before Census data becomes available, is all but impossible. *Assuming no change in the economic distribution of the population between 1990 and 2000,* it would logically follow that the number of cost bur-

dened and overcrowded households should have increased, most probably substantially. It is possible, however, as a result of the pressure exerted by rising rents and property values, that the number of lower income households may have declined—or failed to keep pace with the overall growth trend—between 1990 and 2000.

Part 3: Housing Programs

A. Federal Programs

1. Low Income Housing Tax Credit Program (LIHTC)

- Provides federal tax credits to investors in projects to develop, rehabilitate or preserve rental units for households earning less than 60 percent of median income.
- States receive annual tax credit allocations based on population. States then develop annual plans outlining what types of projects will be eligible for tax credits and developers then apply for the tax credits. Many LIHTC projects also use other public funds.
- There are two types of LIHTC's: the 9 percent and the 4 percent. Funds are raised by selling the tax credits to investors for about 65 to 80 cents on the dollar, depending on the type of project.
- Funds raised in selling the 9 percent tax credits represent a large subsidy that can fund between 50 percent and 70 percent of project costs, depending on the type and characteristics of the project. Furthermore, such funds are considered equity and not debt, greatly improving the underwriting for the project. However, applications for the 9 percent tax credit can only be made once a year, and the application process is very competitive, with priority given to the HOPE VI projects.
- The 4 percent tax credits are available for any project that secures tax-exempt bond financing within the state's volume cap. Furthermore, applications can be made at any time. However, tax-exempt bond financing has itself become very competitive, and the amount of funds raised by selling the 4 percent tax credits is not as large and might not be sufficient to fill funding gaps.

2. Community Development Block Grant Program (CDBG)

- Provides Federal block grants that can be used for neighborhood revitalization, housing, economic development, and improved community facilities and services, i.e. *applications for housing must compete with those for other community development goals.*
- At least 51 percent of the funds must be used for activities benefiting low- and moderate-income households.
- In Connecticut, HUD provides funds directly to the State and 22 particular communities. With its allocation, the State first determines the types of activities that it will fund and then accepts applications from localities (other than the 22 communities mentioned above). Grants are then awarded on a competitive basis.
- Stamford's CDBG Program has an allocation of roughly $1.2 million per year, with approximately 30 percent (i.e. $360,000) allocated for housing-related uses, e.g. land acquisition, pre-development costs, public housing modernization, improvements to other publicly-assisted units, down payment assistance loans, etc.
- Experience indicates that these funds can create approximately 30 new units per year.
- Stamford's use of 30 percent of its CDBG allocation for housing places it slightly above the national average. In 1998, entitlement grantees were spending 27 percent of their CDBG funds for housing *(Source: HUD (2000), Community Development Block Grant Fact Sheet).*

3. HOME Investment Partnerships Program

- Provides federal block grants to be used specifically for affordable housing activities. In Connecticut, activities are limited to development and rehabilitation of rental housing and homeowner rehabilitation assistance.
- For rental housing projects, at least 90 percent of benefiting families must have incomes no greater than 60 percent of the HUD-adjusted area median family income.
- In rental projects with 5 or more assisted units, at least 20 percent of the units must be occupied with families with incomes not exceeding 50 percent of the HUD-adjusted area median family income.
- The incomes of households receiving HOME assistance must not exceed 80 percent of the area median household income.
- In Connecticut, HUD provides funds directly to the State and to 6 particular communities (including Stamford). With its allocation, the State first determines the types of activities that it will fund and then accepts applications from localities (other than the 6 communities mentioned above). Grants are then awarded on a competitive basis.
- Stamford receives roughly $460,000 per year in HOME funds.
- Experience indicates that these funds can create approximately 30 new units per year (at approximately $15,000 per unit).
- Projects in Stamford can apply to the City or the State for HOME funds. The City is more efficient in administrating the program, while the State allows for a more flexible use of funds and a rolling application process.

B. State Programs

1. Tax Exempt Bond Financing

- Tax-exempt bonds are issued by the HACS or the Connecticut Housing Finance Authority (CHFA) to provide mortgage and construction financing for affordable rental housing or mixed income rental housing.
- At least 20 percent of the units must be affordable to households earning less than 50 percent of area median income.
- The State will also provide 4 percent Low Income Housing Tax Credits (LIHTC) to recipients of tax-exempt bond financing.
- This program is particularly appropriate for high rent markets such as Stamford, where the market rate units in mixed income developments are able to cross-subsidize the low income units. It is not appropriate in lower rent markets or with developments targeting very low incomes, as the 4 percent LIHTC might be an insufficient subsidy.
- State tax-exempt bond allocations are very competitive in the current economy and hot real estate market.

2. Taxable Bond Financing

- Taxable bonds are issued by CHFA to provide mortgage financing.
- The State might also provide 9 percent Low Income Housing Tax Credits (LIHTC) to

recipients of taxable bond financing. The 9 percent LIHTC is only awarded, however, on a competitive basis.
- State taxable bond allocations are competitive.

3. Housing Tax Credit Contribution Program (HTCC)

- A State tax credit program administered by the CHFA, whereby tax credits amounting to as much as $400,000 are available to a particular project developed by a non-profit organization (or non-profit subsidiary of a Housing Authority).
- The State Legislature has increased funding from $1 million to $5 million for this fiscal year.
- At this level, the program will help at least 13 affordable housing developments in Connecticut per year.
- Raised funds essentially amount to a grant.
- Applications for the State tax credits can only be made at a certain time once a year.
- Now that State funding has been significantly increased, there has been difficulty in finding enough corporate buyers of the tax credits.

4. Employer-Assisted Tax Credit Program

- Enables employers to establish revolving loan funds for rental security deposits or downpayment assistance to purchase a home.
- The State Legislature has authorized $1 million per year for this program, but CHFA has not reached that mark in three of the seven years since the program's inception. Furthermore, only two Stamford-based firms have thus far participated.

5. Payment-In-Lieu-Of-Taxes (PILOT) Program

- The State reimburses a municipality for a portion of what it would have collected in property taxes from affordable housing developments.
- Allocation of $5 million per year was due to expire in 2000.
- Funding allocation is based on a formula: 75 percent by number of HUD-financed units and 25 percent by number of State-financed units.
- Reimbursement goes into the municipality's General Fund, not a separate fund earmarked for affordable housing.

6. State Affordable Housing Appeals Law

- If in a municipality where less than 10 percent of the units are considered "affordable", a developer reserves 25 percent of his project's rental units for low income families, then the developer can appeal a Zoning Board denial to an impartial panel of judges, in front of which the burden of proof is shifted to the municipality, which must prove that significant public interests such as health or safety are at stake and outweigh the municipality's need for affordable housing.

- "Affordable" refers to units in public or publicly-assisted housing developments and 30-year deed restricted developments, *not* private rentals, condos, or small homes. Furthermore, it refers to households making 80 percent of area or State median income, whichever is less.
- Law was written in 1989 by representatives of the Connecticut Builders Association (i.e. developers) and affordable housing advocates.
- A complaint has been that developers have used the law to violate zoning regulations and override the principle of local control. However, the program has led to the development of affordable units.
- Not applicable to Stamford because more than 10 percent of the units in Stamford are considered affordable.

C. City Programs

1. Planned Development District Zone (PD)

- A floating zone in which densities of 75 units per acre (for a property of 1 acre or less) or 108 units per acre (for a property of 1 acre or more) are permitted if at least one-third of the bonus density units are below market rates.
- Units at below market rates can be provided off-site and can even be scattered off-site, but then at least 45 percent of the bonus density units must be below market rates.
- "Below market rates" are defined as a purchase price of no more than 1.5 times the SMSA median household income, or an annual rent (including utilities) of no more than 0.15 of the SMSA median household income. "Below market rate" restrictions are in place for a period of 30 years.
- Developments must be located within 0.5 miles of the intersection of Atlantic Street and Main Street.
- The PD zone includes a minimum lot size of 30,000 square feet.
- The idea was that that the developer would be able to keep roughly 50 percent of the extra profit resulting from the density bonus, and provide a "giveback" of 50 percent in the form of affordable housing.
- The zone was created in 1988 when the housing market took a downturn, and ever since there has been a bias against the sort of high-rise construction that this zone implies.
- Recently, however, 304 units have begun construction at the Burdick School site under the PD density bonus.

2. Historic Rehabilitation Density Bonus

- The main goal of the program is historic preservation. However, given project locations and available financing tools, many projects have included affordable units.
- A 50 percent density increase is permitted in conjunction with the rehabilitation of a certifiably historic structure.
- With most of these projects, densities start at 2,000 square feet per unit, or 22 units per acre, and increase to roughly 33 units per acre, with, say, a 5-unit building converted into an 8-unit structure.

- Has been used more often as an affordable housing program, with added units occupied by holders of Section 8 certificates.
- Has worked both because of the bonuses, and because the Zoning Board has been very flexible with setback and parking requirements, i.e. one parking space per unit, as many low-income residents do not have cars.