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2022-2027 Affordable Housing Plan:

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I. Community Value Statement

“Vision to See, Faith to Believe, Courage to Do”

**Michael Connelly, “The Closers,”
Motto of the City of Shelton**

On March 1, 1975, the City of Shelton witnessed one of the most devastating industrial arson fires in the nation’s history. Plant 4 of the Sponge Rubber Company, formerly owned by B.F. Goodrich, was located downtown and was one of the area’s largest employers. Over 900 area residents lost their jobs overnight, retailers, restaurants and service businesses in the downtown business area lost sales, and there was a significant loss of tax revenue, resulting in a slow and steady decline of the downtown business area.

Shelton government leaders worked to recover the City’s economy by encouraging business and industrial development along River Road and Bridgeport Avenue, the corridor adjacent to the new Route 8 highway which is the City’s main arterial road. The introduction of retail establishments along Bridgeport Avenue further led to the development of office parks that changed the City’s character from an industrial-driven town to more of a service and corporate community. The efforts to restore Shelton’s economy lead to Shelton becoming a balanced business community.

In addition to Shelton’s tremendous business and population growth over the last 30 years, Mayor Mark A. Lauretti, the Board of Aldermen, and the City’s Conservation Commission have been committed to preserving open space in the form of green fields, woods and watercourses. Those efforts have resulted in the City purchasing more than 1,500 acres of land and acquiring conservation easements.

Through grants, the City of Shelton has also been able to transform abandoned, dilapidated, and environmentally contaminated properties along the riverfront in downtown into healthy, safe and productively reused properties. After 30 years of consistent and sustained effort, the downtown residential and retail area has seen an economic resurgence.

A new mandate set forth by the State of Connecticut now requires municipalities to develop long-term affordable housing that not only create opportunities for economic growth but also promotes a stable, healthy, and diverse population. By doing so, individuals and families who are safely housed can shift their focus from merely surviving to thriving. People who no longer have to struggle to pay their rent and utilities can better maintain homes within the community in which they work and set long-term goals which previously might have been unattainable.

II. Introduction

A. Housing in Shelton

Shelton recognizes that housing plays a key role in supporting the ability of people to meet their personal needs and desires. Housing:

- provides shelter to meet people's basic human needs;
- helps meet people's need for safety and security;
- creates a sense of connection to a community;
- builds confidence and enhances self-esteem;
- creates the opportunity for people to contribute to their community and achieve their full potential.

A diverse portfolio of housing also benefits communities since it:

- enhances community diversity;
- provides housing for those employed in the essential fields of emergency services, health care, education, government, retail services, etc.;
- helps retain existing businesses and attract new businesses;
- increases jobs and consumer spending in the surrounding economy;
- helps people to stay in a community they love no matter what circumstances in which they may find themselves.

For the past 30 years the recruitment of major businesses to Shelton and the development of the Route 8 corridor -- coupled with the expansion of housing opportunities across town -- has revitalized the City's economy and created a variety of housing opportunities.

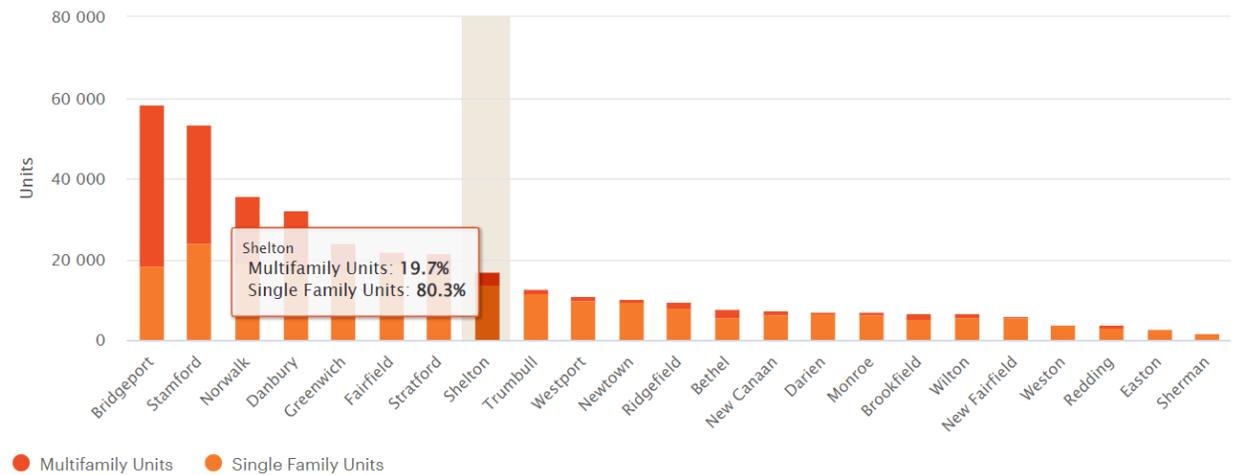
Additionally, and as a result of the City's decades-long investments in Brownfield remediation along the Housatonic River and the establishment of major open space landmarks such as the Veterans Memorial Park, the downtown area has experienced a renaissance.

In the past 10 years, especially, a dozen mixed use and multi-family developments have been constructed. Private investments in excess of \$85 million have helped develop over 600 apartments, 80,000 square feet of commercial/retail space, and over a dozen new businesses. Based upon the continued interest in development, the economic expansion in downtown should remain steady for the foreseeable future.

The following chart presents some key metrics to better understand Shelton’s current housing inventory.

Housing Units by Type

Fairfield County



In Fairfield County, over 60% of housing units are single-family homes. Of the 132,000 multifamily units in Fairfield County, 75% of them are located in the county’s four largest cities: Bridgeport, Stamford, Norwalk, and Danbury.

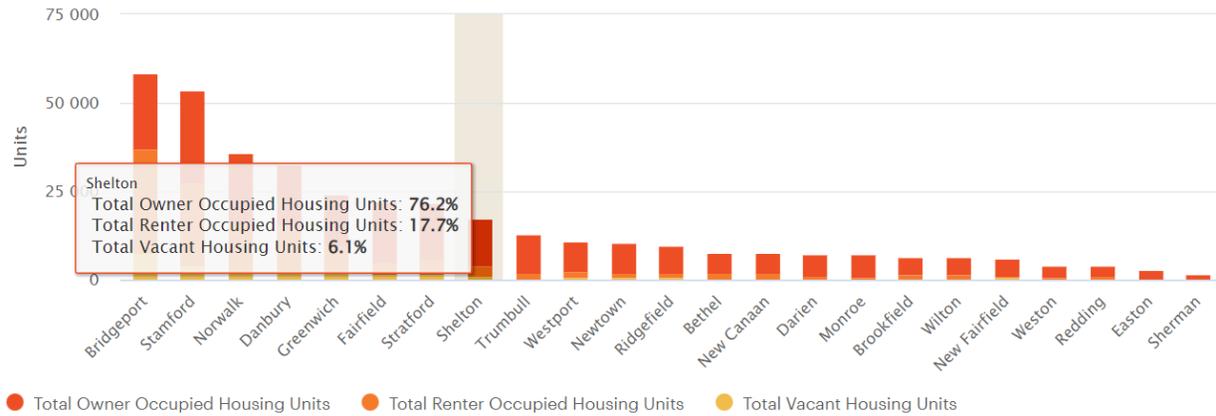
Based on current statistics from the American Community Survey (ACS), the City of Shelton has 17,276 housing units. The great majority, 78.4%, are single-family, detached residential structures. Multi-family or mobile homes comprise the remaining 21.6% of the housing stock.

Existing Housing Stock, Shelton Connecticut (2022)

| | | |
|-------------------------------|---------------|-------------|
| Single Family | 13,543 | 78.4% |
| Two-Family Units | 1,100 | 6.4% |
| Three- to Four-Family Units | 1,084 | 6.3% |
| Five- to Nine-Family Units | 620 | 3.6% |
| Ten- to Nineteen-Family units | 261 | 1.5% |
| Twenty or More Family Units | 327 | 1.9% |
| Mobile Homes | <u>331</u> | <u>1.9%</u> |
| Total Units | 17,276 | 100% |

Housing Occupancy

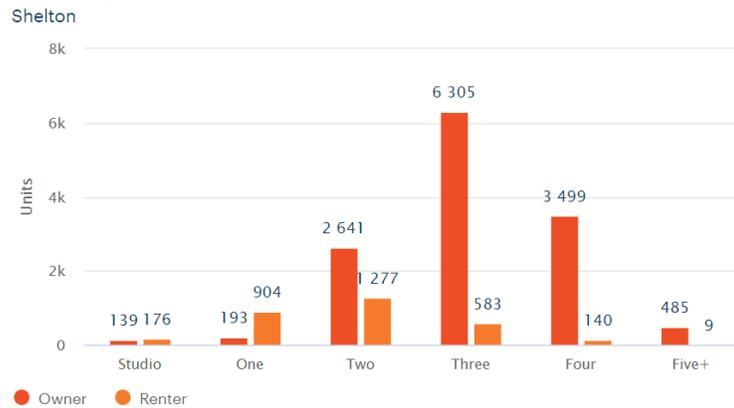
Fairfield County



US Census, American Communities Survey 2014-2018

Slightly over three-quarters of occupied housing units in Fairfield County are occupied by owners and almost a quarter by renters. Homeownership and rental housing both play important roles in the lives of individuals and families. Homeownership provides a pathway for households to build wealth over time while rental housing provides housing flexibility and more affordability to accommodate different lifecycle stages and incomes. There is a strong correlation between the percentages of renter-occupied housing units at almost 18% and multifamily units at 21%, which may indicate that multi-family units are most often rented.

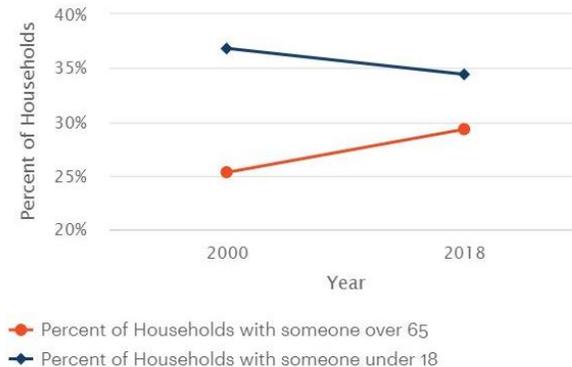
Housing Units by Number of Bedrooms



US Census, American Communities Survey 2014-2018

The number of bedrooms in a living facility is another important metric to keep in mind when evaluating housing needs. Multifamily homes tend to have fewer bedrooms than single-family homes, making them more likely to accommodate the needs of smaller households, such as individuals, young adults, and seniors. The number of Studio, One-, and Two-Bedroom units have been increasing since these numbers were reported in 2018, and are expected to continue rising with ongoing development, especially in the downtown area.

Change in Percent of Households with Youths and Seniors

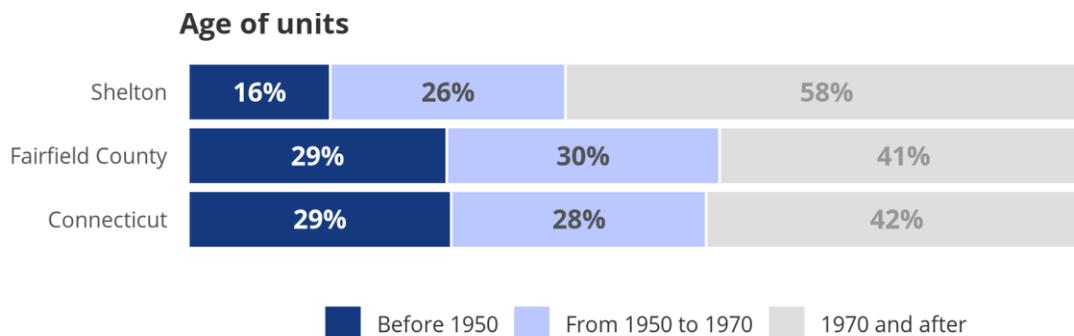


American Communities Survey 2014-2018

Housing needs tend to change over the course of the lifecycle of individuals and families. It is now very unusual for a person to live in a single type of housing over the course of their entire life. Therefore, over a person’s life span, the housing needs of most people will likely change. Households with young adults tend to seek smaller, often rental housing, while growing families often seek larger homes, either rented or privately owned. As people enter their later years, they very often seek to downsize to smaller homes; in many cases, townhouses and apartments that require less upkeep and maintenance than single-family homes.

Since 2000, the numbers of households in Fairfield County, with members under 18, have declined while the number with members over 65 has increased. This is an extremely important change to follow as many of the baby-boomers will be looking to age in place and stay near friends and family.

The age of housing stock can also be of concern. Of the city’s 17,276 units, 42% were built before 1970. A number of these may be falling into disrepair, and often carry environmental risks such as lead-based paint or asbestos. An aging housing stock can result in to poor housing quality. However, the age of Shelton’s housing does fair better than that of the State of Connecticut and Fairfield County as can be seen in the following illustration.



B. What is Affordable Housing

When people hear the term “Affordable Housing,” many think of large institutional-style buildings with very high density on very small parcels. However, that is becoming increasingly not the case. Affordable housing units can be created with as little as one unit with different design types and development sizes. Affordable housing might include single-family, small-scale multi-family, or larger scale development with multiple units, all of which can be rented or owned.

The state considers the following types of housing as Affordable Housing. A municipality in which the unit is located will receive credit from the State of Connecticut if it falls into one of the following categories:

- Tenant Rental Assistance (i.e., housing rent vouchers or similar; depends on an individual’s needs and are issued by the State of Connecticut).
- Government Assisted (i.e., prisons, federal or state housing; developments from the state or federal government are not within this Commission’s immediate purview).
- Single Family Units with CHFA/ USDA Mortgages.
- Deed-Restricted Units.

Shelton’s affordable housing plan will primarily target Deed Restricted Units. Within the context of our plan, the term “Affordable Housing” refers to a type of housing that meets the following, specific, criteria as outlined by the Connecticut Department of Housing:

- The unit size correlates to the number of occupants.
- The housing costs do not consume more than 30% of household income.
- The unit is reserved and/or protected for families or individuals earning 80% or less of Area Median Income (AMI).
- Any Affordable Housing, even as small as a single Accessory Dwelling Unit (ADU), must be deed restricted for a minimum period of 40 years.

The AMI in Shelton, according to the United States Department of Housing & Urban Development’s 2022 income data, is \$103,900 for a household of four.

Families of low (60% of AMI) and moderate (80% of AMI) incomes are the benchmarks used by the Connecticut Department of Housing and the U.S. Department of Housing & Urban Development.

To gain perspective, the various income limits are shown in the following chart.

Area Median Income Benchmarks

(Source: U.S. HUD, State of Conn. – 06/01/2022)

| Bridgeport-Stamford- Norwalk MSA | 100% AMI | 80% AMI | 60% AMI |
|-------------------------------------|-----------|----------|----------|
| Household Size: 1 | \$72,730 | \$58,184 | \$47,430 |
| Household Size: 2 | \$83,510 | \$66,496 | \$54,060 |
| Household Size: 3 | \$93,120 | \$74,808 | \$60,840 |
| Household Size: 4 | \$103,900 | \$83,120 | \$67,560 |
| Household Size: 5 | \$112,212 | \$89,770 | \$73,020 |
| Household Size: 6 | \$120,524 | \$96,419 | \$78,420 |

Maximum Monthly Gross Rent & Sales

(Source: U.S. HUD, State of Conn. – 06/01/2022)

| Bridgeport-Stamford- Norwalk MSA | 80% AMI Rent | 60% AMI Rent | 80% AMI Sales |
|-------------------------------------|--------------|--------------|---------------|
| Household Size: Studio | \$1,093 | \$911 | --- |
| Household Size: 1 BR | \$1,321 | \$1,101 | \$193,022 |
| Household Size: 2 BR | \$1,645 | \$1,371 | \$230,777 |
| Household Size: 3 BR | \$2,118 | \$1,621 | \$264,399 |
| Household Size: 4 BR | \$2,411 | \$1,808 | \$290,875 |

In July 2017, new legislation was passed (Public Act 17-170), requiring every municipality to adopt an “Affordable Housing Plan” that “specifies how the municipality intends to increase the number of affordable housing units within the municipality.”

This Act is an addendum to an existing Statute that already applies to Affordable Housing in all Connecticut towns. Connecticut General Statute 8-30g was created in the 1970’s as a means to help increase local affordable housing project approvals after the State recognized an overall lack of affordable housing options.

Under the provisions of CGS 8-30g, if a municipality does not have at least 10% of their housing stock deed restricted to qualify as “affordable”, and it denies an affordable housing application, the burden of proof in an ensuing appeal rests on the municipality rather than the applicant. The municipality must demonstrate that the threat to local health, safety and welfare is far greater than the general need for affordable housing.

CGS 8-30g also allows developers to bypass all of a municipality's zoning regulations including setbacks, zone restrictions, parking requirements and lot coverage standards.

By creating an Affordable Housing Plan, Shelton can identify housing needs and the number of appropriate affordable housing units which will eventually reduce the City's overall exposure to these appeals.

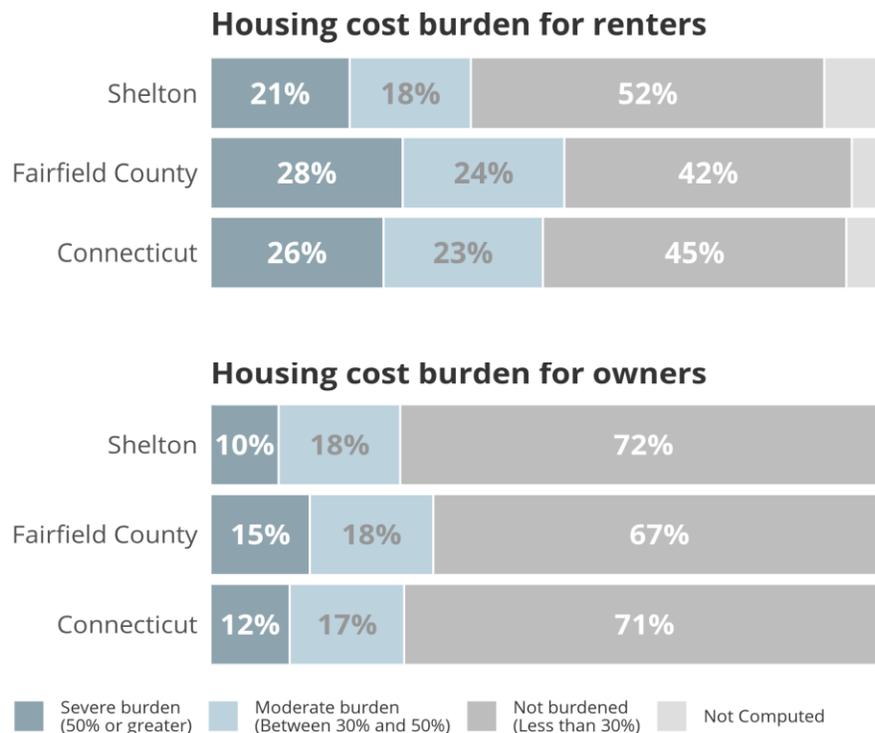
Because of the short, five-year scope of this Plan and the sheer number of units required, reaching the 10% affordability threshold may not be an attainable or reasonable goal over the next few years. However, it does provide a long-range target that can help guide other policy decisions within this Plan in order to achieve beneficial results.

III. Findings

A. Shelton’s Market Affordability

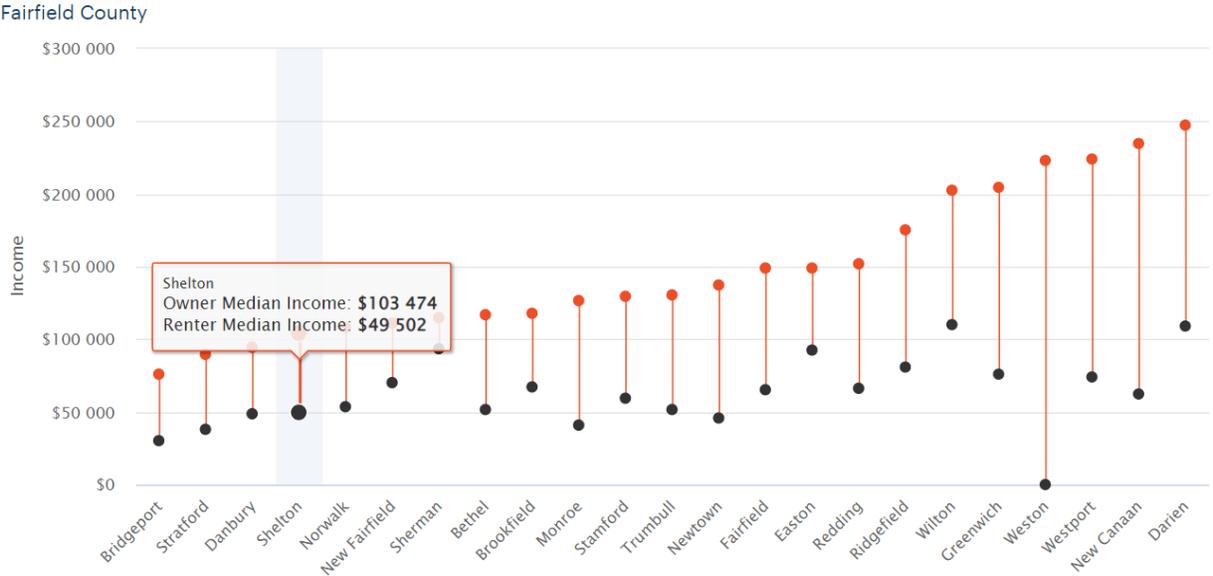
Simply because most housing units in Shelton are owner occupied does not mean that every homeowner can afford to live in that home and keep up with mortgage, taxes, utilities and other maintenance costs. Both renter- and owner-households can be considered “cost-burdened”. Households that spend 30% or more of their gross annual income on housing expenses are considered “cost burdened”, which is a strong indication of income insecurity. Households spending at least 50% of their gross annual income on housing expenses are considered “severely cost-burdened.”

In Shelton, as many as 39% of rental households are either moderately or severely cost-burdened and approximately 28% of owner-occupied households are similarly burdened. In both categories, Shelton residents fare much better than similar residents in Connecticut and much better than Fairfield County as a whole. However, these numbers do not reflect a positive outlook for the greater community as over 30% of all households spend in excess of 30% of their household income on housing.



The differences in cost burden between owners and renters in Shelton are also reflected in the relative affluence of these two groups. On average, homeowners with a median household income of over \$103,474 expend approximately 16% of their income on housing expenses. Renters, with a dramatically lower median household income of just over \$49,502 pay an average 24% of their income on housing.

Gap between renter and owner median income



American Communities Survey 2014-2018. Weston has insufficient number of renters for estimate.

Trends in rental rates tend to follow the same pattern as home prices, with recent rental developments commanding a higher value than pre-existing, older rental units. What is notable, however, is that even the older units are now commanding higher values, which places pressure on those individuals and families seeking housing that is not overly burdensome.

| Current Downtown Market Rental Rates | | | |
|--------------------------------------|-------------------|-------------------|-------------------|
| Location | Studio | One Bedroom | Two Bedroom |
| 502 On Howe | \$1,350.00 | \$1,650.00 | \$2,300.00 |
| Riverwalk Place | \$1,395.00 | \$1,795.00 | \$2,195.00 |
| Cedar Village at Carroll's | \$1,450.00 | \$1,650.00 | n/a |
| Bridge Street Commons | \$1,595.00 | \$1,775.00 | \$2,695.00 |
| 466 Howe Ave | \$1,600.00 | n/a | n/a |
| Merion Apartments | n/a | \$2,015.00 | \$2,980.00 |
| Average Rental | \$1,478.00 | \$1,777.00 | \$2,542.50 |

| Current Bridgeport Avenue Corridor Market Rental Rates | | | |
|--|-------------------|-------------------|-------------------|
| Location | Studio | One Bedroom | Two Bedroom |
| The Mark | n/a | \$2,800.00 | \$3,900.00 |
| The Ridge at Sawmill | \$1,725.00 | \$2,100.00 | \$2,500.00 |
| Huntington Townhomes | n/a | n/a | \$3,600.00 |
| Average Rental | \$1,725.00 | \$2,450.00 | \$3,333.00 |

By reverse calculating the average market rates in just the downtown area listed above, a household would need to earn at least \$56,000 per year to spend less than 30% of their income for a studio apartment, \$70,120 for a one-bedroom apartment, and \$101,720 for a two-bedroom apartment. These escalating rental rates make it harder on lower income families to live within the City. In addition, rental vacancies are under 2%, which can contribute to the increasing market rental rates charged by property owners.

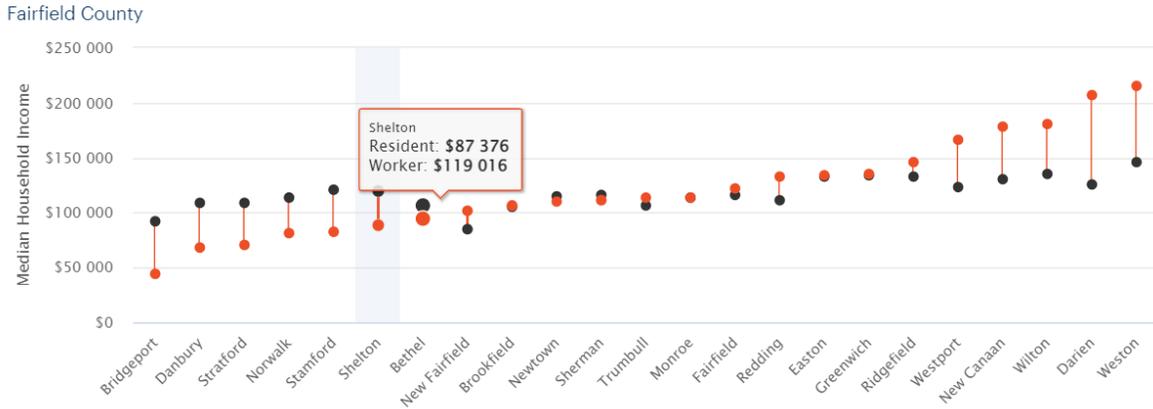
The greatest cost-burden falls on those with lower incomes. The National Low Income Housing Coalition calculates the “housing wage” (the hourly wage needed to afford a two-bedroom rental home without paying more than 30% of income on housing). In Shelton it claims that the hourly wage is \$25.88 (pre-tax) which equates to \$53,000 annually. Based on current market rates, this wage is insufficient for a studio apartment and therefore creates a cost burden. As shown in the following chart, those earning \$53,000 or less are more likely to be cost burdened. In fact, the average cost of rental units can be more expensive than the average mortgage payment, including real estate taxes.

Number of housing cost-burdened households by income group



For those individuals employed in the clerical, retail and labor areas, their income may restrict them from accessing available housing opportunities in Shelton. Many would require a second job or the sharing of expenses with a roommate to avoid spending a very high percentage of their income on housing costs.

Comparison of Median Household Income for Residents and Workers



Census Transportation Planning Package, 2012-2016

The Comprehensive Housing Affordability Strategy (CHAS) groups income based on HUD Area Median Family Income (AMFI) percentages. This number takes into account family size, meaning the AMFI for a two-person family is lower than for a four-person family. For example, the AMFI for a family of two in Shelton is \$82,100; for a family of four, \$98,000. CHAS also groups data into renters and owners.

Area Median Family Income for a 4-person Household

Shelton

| | Income | Affordable Monthly Housing Cost |
|-----------|-----------|---------------------------------|
| 30% AMFI | \$30,800 | \$770 |
| 50% AMFI | \$51,300 | \$1,282 |
| 80% AMFI | \$78,500 | \$1,962 |
| 100% AMFI | \$102,600 | \$2,565 |

HUD Annual Income Limits, 2020

The following chart shows that many households in each income band are housing cost-burdened, confirming what was previously presented. Currently in Shelton, there are 3,045 households that are cost burdened and 1,860 are severely cost burdened. That means 4,905 of the 16,146 or 30% of households (rented or owned) are laden by their housing costs.

Renter-occupied housing gap

Shelton

| Income Band | Burdened | Severely Burdened | Total Burdened |
|---------------|------------|-------------------|----------------|
| 0 - 30% AMFI | 95 | 385 | 480 |
| 30 - 50% AMFI | 230 | 160 | 390 |
| 50 - 80% AMFI | 135 | 40 | 175 |
| Over 80% AMFI | 75 | 0 | 75 |
| Total | 535 | 585 | 1,120 |

Owner-occupied housing gap

Shelton

| Income Band | Burdened | Severely Burdened | Total Burdened |
|----------------|--------------|-------------------|----------------|
| 0 - 50% AMFI | 790 | 940 | 1,730 |
| 50 - 80% AMFI | 375 | 160 | 535 |
| 80 - 100% AMFI | 440 | 90 | 530 |
| Over 100% AMFI | 905 | 85 | 990 |
| Total | 2,510 | 1,275 | 3,785 |

The gap of 480 housing units for households earning less than 30% of AMFI requires the monthly rent for a family of four to be no more than \$770.

It should be noted that there may be affordable units within a municipality not necessarily occupied by lower income households.

B. Shelton’s Existing Affordable Housing

Housing subsidies and affordable housing regulations are complex, involving multiple levels of government and dozens of different programs – some for renters, others to assist homebuyers. Eligibility can depend on income, age, disability, or a combination of factors, and the subsidies can be issued directly to families (as in the case of Section 8 Housing Choice vouchers), or to developers who must then provide units at a certain price point. Shelton’s current inventory of Affordable Housing residential units is as follows:

Government Assisted Housing (254 units = no change since 2021 report). These are developments which received government financing predicated on being affordable.

Rental Assistance (40 units = loss of 5 units since 2021 report). These are the qualifying households who rent housing in Shelton and receive financial assistance.

CHFA/USDA Mortgages (118 units = loss of 19 units since 2021 report). These are the qualifying individual(s) who purchased a home in Shelton and received mortgage financing assistance.

Deed-Restricted (82 units = no change in units since 2021 report). These are the number of units which are deed-restricted to sell or rent at affordable price.

Federally Subsidized Housing

Shelton

| Program | Units (Shelton) | Units (Fairfield County) |
|--|-----------------|--------------------------|
| Public Housing | 0 | 4402 |
| Section 8 - Housing Choice Voucher Program ● | 95 | 8933 |
| Section 8 - Project-based Voucher ● | 0 | 683 |
| Section 8 - Other / Non-voucher ● | 127 | 4935 |
| Section 202 ● | 35 | 245 |
| FHA HUD Multifamily Mortgages ● | 0 | 1424 |
| HOME ● | 35 | 729 |
| Low Income Housing Tax Credit ● | 77 | 2177 |
| Other Federal Subsidized Housing | 0 | 136 |

Fairfield County Center for Housing Opportunity, 2020, and HUD Picture of Subsidized Households, 2019

State Subsidized and Administered Housing

Shelton

| Program | Units (Shelton) | Units (Fairfield County) |
|------------------------------|-----------------|--------------------------|
| Congregate Housing | 0 | 2042 |
| Elderly | 156 | 2796 |
| Moderate Rental | 0 | 1715 |
| Housing for the Homeless | 0 | 92 |
| Restrictive Covenants | 0 | 485 |
| Deed Restrictions | 82 | 3000 |
| Other State Subsidy Programs | 0 | 555 |

Fairfield County Center for Housing Opportunity, 2020

The State of Connecticut’s Department of Housing’s Affordable Housing Appeals list, issued in February 2022, recognizes 494 affordable housing units in Shelton. This represents 3.06% of the housing stock of 16,146 units. (Note: there is a difference of 1,130 housing units between the DOH list published in 2022 and the ACS Survey which was published in 2021).

Without a 10% affordable inventory, Shelton is susceptible to the CGS 8-30g procedure. However, there is an avenue of relief from CGS 8-30g applications before reaching the 10% mark, by obtaining “housing unit equivalent points” (HUEP).

| Requirement | City’s Current Status | Outcome |
|--|--|-----------------------|
| Accumulate at least 323 “housing unit equivalent points” (HUEP), or 2% of the census housing count for units created since 1990. | The City has the potential to qualify; at the present time, it is at 3.06% with 494 units. | 1 – 4 Year Moratorium |
| Accumulate at least 10% of housing stock as “affordable housing units” for units created since 1990. | Have 494 units and need 1,121 more affordable units to qualify. | Exempt |

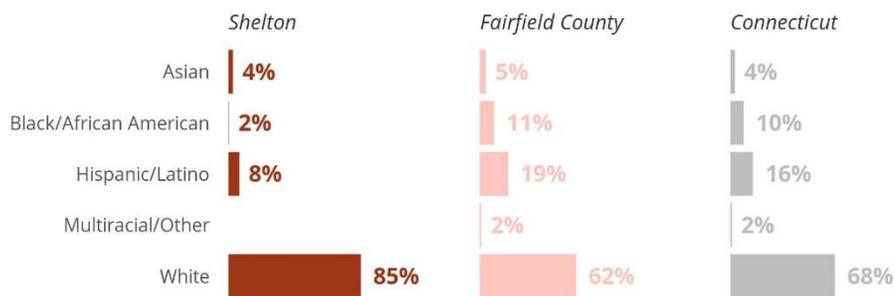
| Housing Unit Equivalent Points | | |
|---|-------------|------------|
| Housing Type | Rented HUEP | Owned HUEP |
| Family Units Affordable @ 40% AMI | 2.5 | 2.0 |
| Family Units Affordable @ 60% AMI | 2.0 | 1.5 |
| Family Units Affordable @ 80% AMI | 1.5 | 1.0 |
| Elderly Units Affordable | .50 | .50 |
| Mobile Manuf. Home (MMH) In A Resident-Owned Park | | |
| MMH Units Affordable @ 60% | 2.0 | 2.0 |
| MMH Units Affordable @ 80% | 1.5 | 1.5 |
| Additional Bonus Points to Above | | |
| Elderly Units (If at least 60% of the units submitted as part of the moratorium application are family units) | .50 | .50 |
| Market Rate Units In Set-Aside Development | .25 | .25 |
| Family Units In An Approved Incentive Housing Development | .25 | .25 |
| 3-Bedroom Units | .25 | .25 |
| Other Units in a Resident Owned MMH Park | .25 | .25 |

C. Shelton's Demographics

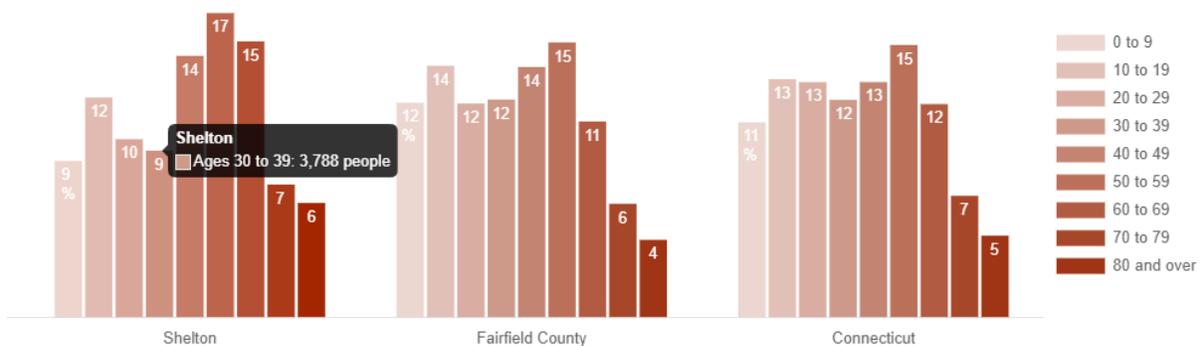
Shelton's population, as measured through the U.S. Census, shows that Shelton's population has increased by 2,768 persons from 38,101 in 2000 to 40,869 in 2020 (a total of 7.2% over the two decades and .72% annually). Based on the current rate of growth of 3.6% per decade, it is reasonable to expect the population to grow to 42,222 by 2030. However, the effects of COVID migration will likely have an impact on this metric and needs to be monitored.

Analysis of population and demographics are snapshots in time and it is important to remember the broader demographic characteristics of the greater community. The following charts provide some context to the fact that Shelton is less diverse and slightly older than Fairfield County and the State of Connecticut.

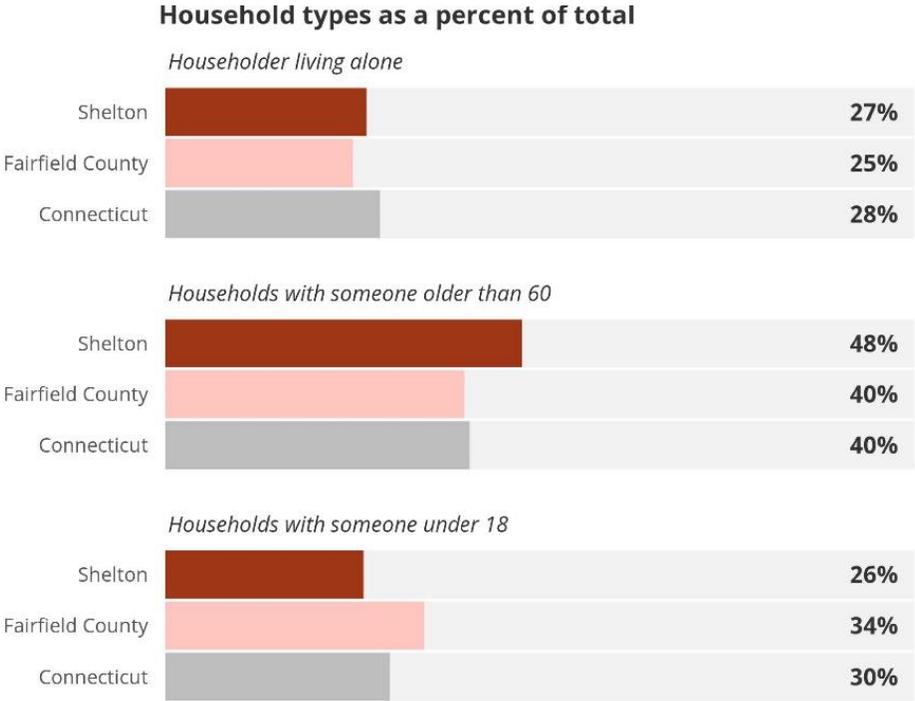
The largest race/ethnicity group in Shelton is Caucasian at 85% of the population.



The following data shows that Shelton's population is much older than both Fairfield County and the State as a whole. As an example, 59% of Shelton's population is aged 40-80+, while Fairfield County and the State's percentages are 50% and 52% respectively. Age groups in Shelton that make up the young working class (ages 20 to 39) only make up 19% of the population.



Compared to Connecticut, Shelton has more households with someone older than 60 and fewer households with school-age children. Shelton has become home to many corporations and is considered a regional employment hub. If Shelton is such a magnet for employment, why does the younger population only make up 19% of the population? Is it due to the cost of housing or cultural or social vibrancy?

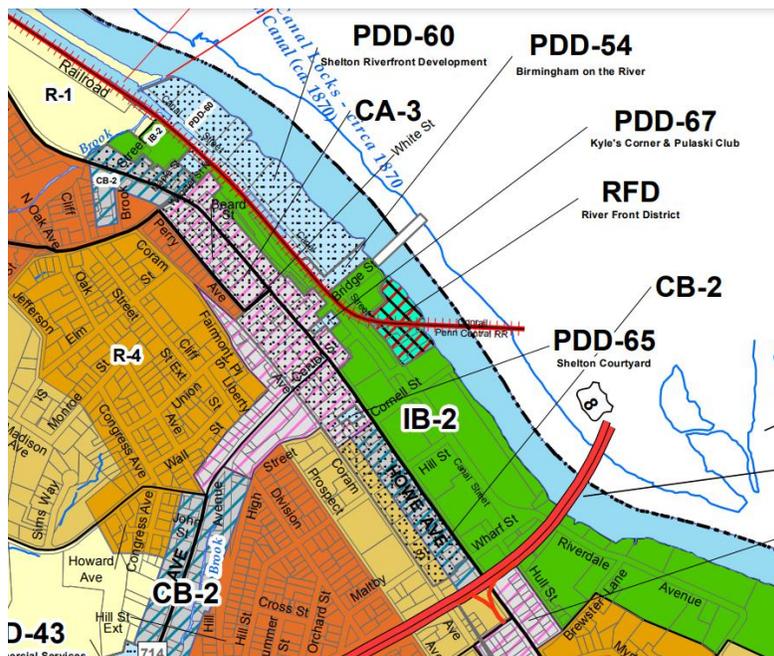


Projections by the Connecticut Data Center indicate a 10% decrease in Shelton’s population over the next 20 years. This may be due to the aging nature of the population; however, downtown Shelton is in an economic revival as private investors have created dozens of new commercial business opportunities and hundreds of new residential rentals in what was the most under-developed area of the City. This recent trend is drawing a number of young professionals to the area which is likely to continue well into the future.

D. Land Use & Zoning Assessment

The downtown area of Shelton has an overlay zone called the Central Business District, one of three corridors in town along with Bridgeport Avenue and River Road. The current District is nearing build out and in the future, only remodeling projects would be expected. Expanding the downtown Central Business District area would allow for future commercial development, middle housing, high density housing, and a continued increase of attention to areas that have been neglected. Recently there has been an increased interest for development projects further along Center Street and Coram and Howe Avenues.

Zoning Map of Downtown Area



Shelton has an overwhelming supply of detached single-family homes and an increasing number of mid-rise developments. However, there is a market between those two ends called “middle housing” which can be categorized as two-family, three-family, townhouse, courtyard buildings, cottage courts, mixed use buildings, etc. These developments can be as equally attractive as single-family developments. To allow a variety of housing types, the current permitted uses in the R-3, R-4, and R-5 zones should be reviewed to determine whether each is appropriate for affordable housing units.



E. Natural and Infrastructure Constraints

The primary mode of transportation in Shelton is by private vehicles. Shelton's main arterial road is Route 8 which provides quick access to Route 15, I-95, and I-84. This major highway helps residents and employers to stay, commute, and access other hubs of commerce, industrial trade, and commercial business. Within City limits, primary collector roads are Routes 110 (River Road), 714 (Bridgeport Avenue), 108 (Shelton/Nichols Avenue), and the soon-to-be-extended Constitution Boulevard South and West.

While Shelton does not have a mass transit hub (airport, bus terminal, train station, or ferry service), Greater Bridgeport Transit buses service the downtown business district, Bridgeport Avenue and River Road. The Metro-North train station in Derby is less than one mile from downtown Shelton and is also accessible by transit buses. A sidewalk system connecting downtown Shelton to downtown Derby is also available for pedestrian use.

As numerous developments along Bridgeport Avenue and River Road are either in preliminary review stages with the Planning & Zoning Department staff, under review by the P & Z Commission, or have been recently completed, these roadways are busy and will be even busier in the years to come.

Shelton has both an Inlands Wetlands Commission and a Conservation Commission and each have been proactive in protecting the City's resources, remediating violations when appropriate, and taking actions to preserve areas for wildlife and residents. As Shelton's topography contains rock ledges, continuously undulating terrain, wetlands, and intermittent watercourses, development in certain areas can be cost prohibitive or environmentally inappropriate.

The other area of concern with continued development throughout the City is its ability to supply an adequate sewage disposal system. While the City has planned for development in certain areas and for the ability to support those functions, limitations exist and coordination and communication with other City Boards, Commissions, and utility suppliers are recommended to minimize emergency situations.

IV. Strategies

A. Expand Inventory of Affordable Residential Units

- i. The City owns several residential properties, which are rented at below market rates, and it is in the process of deed restricting each. A recommended action for the City to pursue, in conjunction with the State's Commissioner of Housing (per CGS 8-216), is expanding its affordable housing stock by acquiring heavily blighted or foreclosed properties, renovating them, and deed restricting each. Subsidies may be available from the State of Connecticut for the City to be reimbursed for providing an affordable housing rental rate.



- ii. A number of ADU's in Shelton have already been approved due to homeowners submitting a valid affidavit of blood relativity and the unit meeting the City's building code. The status of each residence is to be verified annually. A recommended action for the City to consider is offering a property owner the ability to have an existing, unapproved unit in a residential zone approved if it meets the City's building code and if it is deed restricted for a minimum of 40 years as affordable. The City would not require the property owner to pay any fees as part of the permitting process. A second recommended action for the City to consider, in conjunction with the Commissioner of Housing (per CGS 8-216), is offering a property tax abatement to property owners willing to deed restrict their ADU to meet the state's affordability requirements. ADU owners would be required to submit a certification of affordability compliance annually.

- iii. There are slightly over 300 mobile homes in Shelton; many are in desirable locations and in excellent condition. These mobile homes provide naturally affordable housing, but at the present time, can only be included in the Affordable Housing Appeals list count if they are located in resident-owned parks. As these mobile homes are not in resident-owned parks, a recommended action for the City to consider is working with Shelton state legislators and housing authorities to change the current State regulations to allow these units to be counted as part of our affordable inventory.

B. CHFA and USDA Programs

- i. The residents of many towns have used USDA and CHFA mortgages with great success. However only CHFA mortgages are available in Shelton, with 118 CHFA mortgages on record at the present time. By increasing public awareness of CHFA mortgages, home owners may be able to take advantage of this program, ultimately benefitting the City.
- ii. As Shelton is in the process of redoing its website and land use permitting systems, a section will be included to inform new homeowners of these options. A suggested course of action for the City to consider pursuing is encouraging local realtors to promote the use of CHFA mortgages with prospective homeowners.

C. Legislative

- i. A suggested course of action for the City to consider is working with its legislative delegation to allow naturally occurring affordable housing in the 10% threshold in the State's Affordable Housing Appeals list. For example, units naturally affordable at 80% AMI would count as 0.5 units and units naturally affordable at 60% AMI would count as 1.0 unit. With annual estimates from the American Community Survey, this could be updated regularly.
- ii. Another suggested course of action for the City to consider is implementing strategies to convert privately-owned mobile home parks to resident-owned to be counted as part of our affordable housing inventory under CGS Section 8-30g(k)(4).

D. Increase the Affordability Set-Aside Requirements

- i. Affordable housing units should be created at the same pace as market-rate construction to prevent the City from falling further behind on the 10% affordable housing percentage goal. Therefore, for any high-density residential proposal, the PZC should require no less than a 10% set aside and it would be open to discuss a higher overall unit count if more affordable units were offered.

- ii. The approval for high-density residential proposals should include a statement that the affordable housing requirement is “as long as the building or development exists, but in no case for less than 40 years.”
- iii. The average current market rate for a one-bedroom unit in downtown Shelton is slightly below \$1,800. For a one-bedroom, the maximum 80% AMI rate is \$1,101, and the maximum 60% AMI rate is \$911. In the first chart below, a recommendation of set-aside percentages for new residential developments is shown. In the second chart, annual revenues with varying percentages based on the recommended set-aside numbers are shown.

| No. of Units | % Restricted | < 80% AMI | < 60% AMI |
|--------------|--------------|-----------|-----------|
| 6 – 10 | 10% | 100% | 0% |
| 11 – 20 | 12% | 80% | 20% |
| 21 – 50 | 14% | 70% | 30% |
| 51 – 100 | 16% | 60% | 40% |
| 101 + | 18% | 50% | 50% |

| # of Units in Complex | % of Aff'd Units | # of Aff'd | # of 80% Units | # of 60% Units | Annual Market Rate Revenue | Annual Revenue w/ Aff'd Units | Change in % of Revenue | Rental Rate of Market Units to Offset Aff'd Units | Rental Increase/ Month for Market Units |
|-----------------------|------------------|------------|----------------|----------------|----------------------------|-------------------------------|------------------------|---|---|
| 6 | 10% | 1 | 1 | 0 | \$129,600.00 | \$108,000.00 | -17% | \$2,100.00 | \$300.00 |
| 10 | 10% | 1 | 1 | 0 | \$216,000.00 | \$203,400.00 | -6% | \$1,905.00 | \$105.00 |
| 11 | 12% | 1 | 1 | 0 | \$138,600.00 | \$128,400.00 | -7% | \$1,877.27 | \$77.27 |
| 20 | 12% | 2 | 2 | 0 | \$432,000.00 | \$406,800.00 | -6% | \$1,905.00 | \$105.00 |
| 21 | 14% | 3 | 2 | 1 | \$453,600.00 | \$418,200.00 | -8% | \$1,940.48 | \$140.48 |
| 50 | 14% | 7 | 5 | 2 | \$1,080,000.00 | \$996,600.00 | -8% | \$1,939.00 | \$139.00 |
| 51 | 16% | 8 | 5 | 3 | \$1,101,600.00 | \$1,008,000.00 | -8% | \$1,952.94 | \$152.94 |
| 100 | 16% | 16 | 10 | 6 | \$2,160,000.00 | \$1,972,800.00 | -9% | \$1,956.00 | \$156.00 |
| 101 | 18% | 18 | 9 | 9 | \$2,181,600.00 | \$1,976,400.00 | -9% | \$1,969.31 | \$169.31 |
| 200 | 18% | 36 | 18 | 18 | \$4,320,000.00 | \$3,909,600.00 | -10% | \$1,971.00 | \$171.00 |

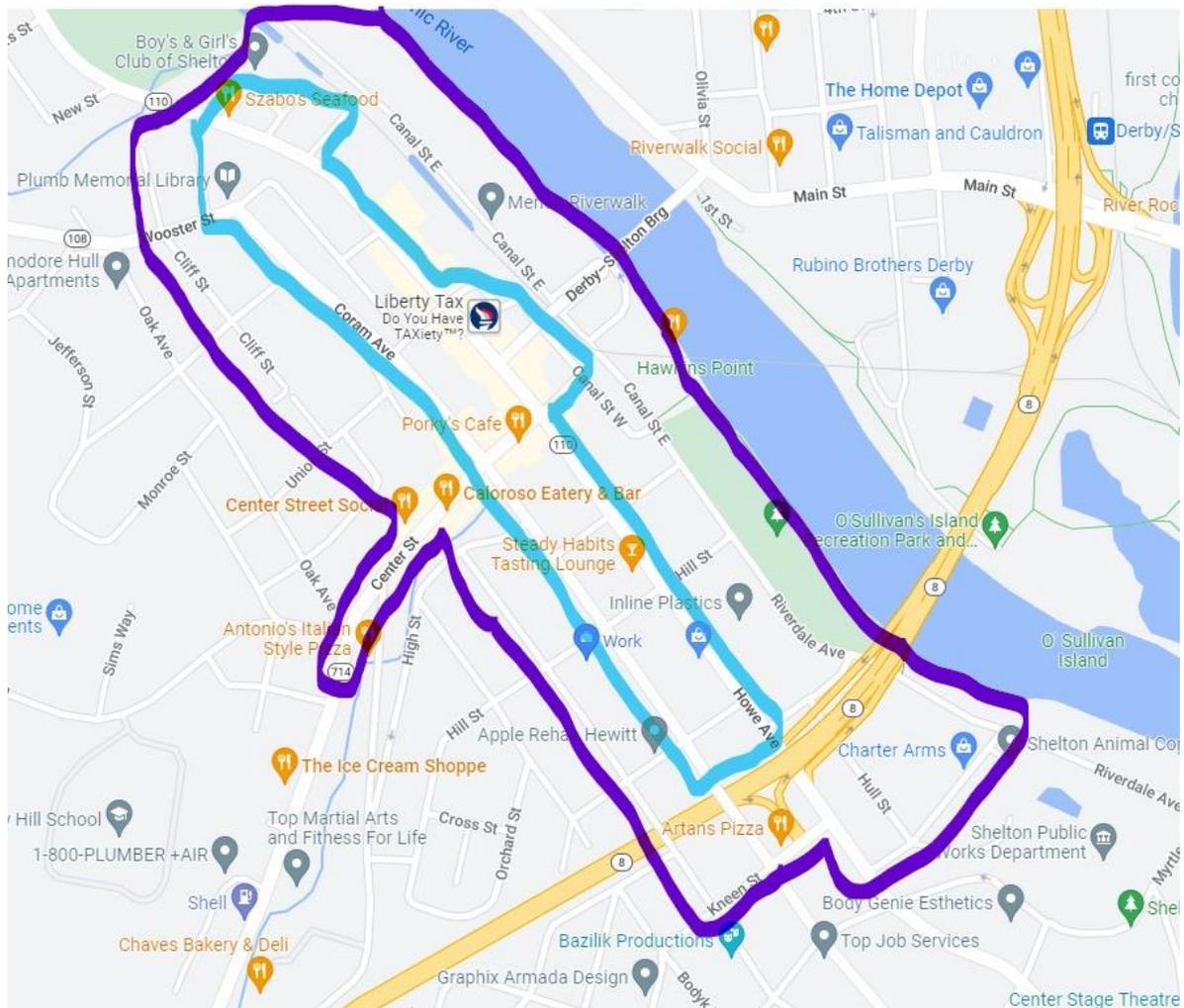
The above chart shows the number of units for a development, percent of set aside units, and how many will be allocated at the corresponding AMI rates based on the preceding chart. The figures in the Annual Market Rate Revenue column represent the annual revenue of the entire development, if units were rented at \$1,800 a month.

The next two columns show the revenue of the development with affordable units and the percentage of “lost” revenue. The final column shows the market rate rental rates which would be necessary to offset the costs of the affordable units.

E. Amend Zoning Regulations

i. Increase the Downtown Central Business District (CBD)

- The current limits of the CBD (circled in blue) are: Northerly by Brook Street, Easterly by Canal Street, Southerly by Wharf Street, and Westerly by Coram Avenue.
- The proposed downtown CBD limits (circled in purple) are: Northerly by the intersection of New Street and Howe Avenue, Easterly by Canal Street, Southerly by Kneen Street, and Westerly by Cliff Street, Center Street to Bridgeport Avenue, and Prospect Avenue.
- An increase to the CBD creates the potential for higher density development, additional affordable units, and an increase in local retail establishments.



ii. Increase Accessibility of Accessory Dwelling Units

- Increase the availability of ADU's in residential zones with deed restrictions.
- Remove the requirement of blood relativity.

iii. Increase Multi-Family Units

- Allow duplexes, triplexes, and quads in R-4 and R-5 zones with Commission approval.
- Potentially amend the lot area dwelling unit requirement under Schedule B., Items 1 - 3 to remove existing non-conforming issues.

iv. Allow Mixed Use Commercial Zones

- Allow residential uses as an accessory use in Commercial (CA-1, CA-2, and CA-3 zones) with Commission approval via Site Plan.
- Add an option for the Commission to allow density bonuses for deed-restricted units.

V. Offer Greater Housing Variety for Seniors

The City of Shelton operates three residential facilities for senior citizens: The Ripton, Sinsabaugh Heights and the Helen DeVaux apartment complex.

Private residential facilities in the City for senior citizens are Benchmark Senior Living, Brightview Senior Living, and Wesley Village Independent and Assisted Living. The first private, age-restricted (55+) residential complex of 26 units, "Crossroads", was recently completed and is beginning to be occupied.

Even though there are now over 500 residential units for seniors, demand for senior housing continues and is rapidly growing. A recommended action that the City may consider pursuing is to appoint an individual to work with the Shelton Housing Authority to identify underutilized buildings or property which could be acquired to provide affordable housing units to those ages 62 or older.

Summary of Recommended Plans of Action For The City to Pursue

1. Offer a property owner the ability to have an existing, unapproved unit in a residential zone approved if it meets the City's building code and is deed restricted for a minimum of 40 years as affordable. The City would not charge the property owner any fees as part of the permitting process.
2. In conjunction with the Commissioner of Housing (per CGS 8-216), offer a property tax abatement to those property owners willing to deed restrict their ADU to meet the state's affordability requirements.
3. In conjunction with the state Housing Commissioner (per CGS 8-216), expand affordable housing stock by acquiring heavily blighted or foreclosed properties, renovating them, and deed restricting each.
4. Implement strategies to convert privately owned mobile home parks to resident-owned to be counted as part of our affordable inventory under CGS Section 8-30g(k)(4).
5. Appoint an individual to work with the Shelton Housing Authority to identify underutilized buildings or property which could be acquired to provide affordable housing to those 62 or older.
6. Work with our Connecticut state representatives and housing authorities to change the current State regulations to allow mobile home units to be counted as part of our affordable inventory.
7. Work with our Connecticut state representatives to include naturally occurring affordable housing in the 10% threshold in the State's Affordable Housing Appeals list. For example, units naturally affordable at 80% AMI would count as 0.5 units and units naturally affordable at 60% AMI would count as 1.0 unit.
8. Encourage local realtors to promote the use of CHFA mortgages with prospective homeowners.

Appendix A

The following requirements are mandated for any development designated by Shelton Planning and Zoning that includes affordable housing as defined in Shelton Zoning Regulations and/or as designated in Connecticut General Statutes 8-30g et seq. Such projects are designated as set-aside developments in the following regulations.

Description of Development

The developer shall provide the Shelton Planning and Zoning Commission (PZC), or their designated authority, with detailed conceptual and final plans pertaining to a set-aside development, including the following:

1. A schematic floor plan and narrative description of the proposed development.
2. A description of how the proposed development meets the requirements for a set-aside development within the parameters of Conn. Gen. Statutes §8-30g and PZC regulations.
3. A description of the median family income (State and area) to be used for calculating the affordability and provide the source of the income data and the area designation.
4. Disclosure of the names and addresses of its principals and corporate officers and/or their designees.
5. A copy of any and all applications filed with the State if the development has filed a CHFA or DECD/DOH application, or any application with any other state or federal agency.

Designation of Affordable Units

The developer shall provide a schematic and narrative description, both conceptual and final, that identifies the location of the price restricted units (including designation of those households earning 80% of area median income and those households earning 60% of area median income) and the market rate dwelling units within the development.

Description of Project Sequence

The developer shall provide a detailed plan and narrative description, both conceptual and final, of the projected sequence in which affordable and market rate dwelling units will be built and offered for occupancy including:

1. The construction sequence of the proposed site development plan.
2. The location of affordable and market rate dwelling units within that sequence.
3. A demonstration that such sequence will result in compliance with the set-aside requirements of §8-30g of the Connecticut General Statutes and §8-30g-1 3 through 8-30g-8 inclusive of the Regulations of Connecticut State Agencies, as amended from time to time.

Description of Units

The developer shall provide:

1. A narrative description (and schematic and stacking plans if necessary) demonstrating that the quality of the price restricted units shall be comparable to market rate units in the development, and will not be readily distinguishable from market rate units in the development.
2. A site plan which specifically identifies the units which are designated as affordable and demonstrates that the affordable units contain floor plans that are comparable to market rate units.
3. A description of the size (square footage), type, level of finish, and configuration of market rate and price-restricted dwelling units within the set-aside development. In particular, identify any differences between market rate and price-restricted units in terms of size, type and level of finish including insulation, windows, doors, trim, floor finished, cabinet finishes, appliances, HVAC, electrical services and other elements.
4. A description of the planned entrances and elevator access to the units to demonstrate that affordable units do not require a separate entrance or elevator access from the market rate units.
5. A site plan demonstrating that parking allocated to all affordable and market rate units are equally distributed.
6. A site plan describing all amenities located within the development and written assurance that all amenities will be shared equally among affordable and market rate tenants.

Maximum Sale Price Calculation (see Appendix C for accompanying Excel worksheets)

Maximum Rental Price Calculation (see Appendix C for accompanying Excel worksheets)

Designation of an Administrator

1. The developer shall designate an Administrator for the development who is qualified to administer the plan, entity or agency, subject to the review of the PZC. The Administrator shall provide documentation of their qualifications and file the same with the PZC or its designee. The Administrator will be responsible for the administration of the affordability plan for the development during the duration of any affordability restrictions including:
 - a. Executing the Affordable Fair Market Housing Plan as described herein for the initial sale and resale of each price restricted home.

- b. Ensuring that households applying for affordable units qualify within applicable maximum income limits.
 - c. Assuring the accuracy of sale or resale prices or rents, and providing documentation where necessary to buyers, sellers, lessors, lessees and financial institutions.
 - d. Maintaining minimum percentages in a set-aside development.
 - e. Reporting compliance to the municipality on or before January 31 of each year.
 - f. Providing written notice regarding and transfer or assignment of ownership or responsibilities.
 - g. Providing documentation where necessary to buyers, sellers and financing institutions of price restricted homes.
2. The Administrator shall provide information regarding the process that will be used for designating a new administrator for the development in the event the development is sold or transferred.
 3. The Administrator shall provide information regarding how the Affordability Plan will be administered for the development in the event that the initially designated Administrator is unable or unwilling to perform.
 4. The Administrator shall report any change in the person, entity or agency designated as to the PZC, or its designee, within 30 days. Any such change is subject to the review of the PZC.

Annual Reporting Requirements

The Administrator shall file an Annual Affordability Compliance Report by January 31 of each year for the prior calendar year. The report shall be in the form and substance as contained in Appendix A and/or B. In addition, the Administrator shall provide the following to the extent such information is available:

1. A description of the efforts to promote the availability of affordable housing during the previous year, including advertisements and other notices, the names of publications utilized to disseminate the information and the dates when the advertisements or notices were published.
2. The Certification signed by the Administrator (Appendix B). The Administrator may utilize an Affordable and Public Housing Software program in order to comply with the annual reporting requirements.

Failure to adhere with the Annual Reporting requirements will result in the withdrawal of any abatement the City has extended to the development and the placement of a lien on the property. Any funds collected shall be used for the use of the Shelton Housing Authority.

Affirmative Fair Housing Marketing Plan

The Developer shall submit an Affirmative Fair Market Housing Plan which:

1. Shall govern the sale, rental or resale of all price restricted units,
2. Shall be based upon the provisions of sections 8-37ee-1 et seq. of the Regulations of Connecticut State Agencies, particularly sections 8-37ee-301 and, 302.
3. Complies with applicable HUD requirements, and regulations of the Shelton Housing Authority and Zoning Regulations.
4. Shall be implemented by the Administrator for the development.

For implementation of this Affirmative Fair Marketing Plan, the Administrator shall be responsible for:

1. Undertaking marketing efforts in one or more geographic areas within the housing market area with high concentrations of racial and ethnic groups.
2. Collecting basic racial and ethnic information for all residents and persons on the waitlist for an affordable unit in the development.
3. Contacting the City of Shelton's Housing Authority and notifying them of the availability of affordable units.

Appendix B

To: Shelton Planning and Zoning Department
From:
Date:
Subject: Certification of Affordable Units for (Project Name)

Certification of Affordable Units

I hereby affirm that the information presented in the attached affordability compliance report for the following housing facility is true and complete:

Name of Housing Facility

Address of Housing Facility

I hereby certify that I have verified the income of each below market rate unit occupant and that each occupant of the below market rate units meet the income eligibility requirements at the time of occupancy through the submission date of this Certification.

I further certify that the rental rate of a unit occupied at the below market rate was adjusted to a market rate if and when the income level of the occupant(s) changed to make them ineligible for the below market rental rate.

I understand and acknowledge that the above information is subject to verification. I further acknowledge that providing false information herein may constitute a criminal offense under the laws of the State of Connecticut.

I further understand and acknowledge I am responsible to verify the Certification for all occupants and to submit the documentation to the Planning & Zoning Office by January 30 of each calendar year.

| | |
|---------------------------------------|---------------------------|
| _____ Administrator Signature | _____ Date |
| _____ Administrator Name (printed) | _____ Phone Number |
| _____ Street Address | _____ City, State, Zip |

Appendix C

Please check the Shelton Planning and Zoning webpage or contact the office for live versions.

Affordable Appeals 2022 Maximum Rental Price Calculation - Studio

Only update the yellow cells

| | | |
|---------|--|-----------|
| Step 1: | The lessor of State Median or Area Median Income | \$103,900 |
| | CT: \$112,600 SHLTN: \$103,900 | |
| | Identify the Number of Bedrooms in the Unit | 0.5 |
| | Adjustment for Family Size based on 1.5 Persons per Bedroom | 1 |
| Step 2: | Adjust Income for Family Size | 72730 |

| | <u>80% Units</u> | <u>60% Units</u> |
|---|------------------|--|
| Step 3: Multiply Step 2 by Applicable Percentage | 58184 | 43638 |
| Step 4: Multiply Step 3 by 30% | 17455 | 13091 |
| Step 5: Divide Step 4 by 12 months | 1455 | 1091 |
| Step 6: Determine the FMR by bedroom size according to the latest published figures | | 911 |
| Step 7: Multiply Step 6 times 120% for 80% AMI unit | 1093 | 911 |
| Step 8: Identify the Lesser of Step 5 or Step 7 | 1093 | 911 |
| Step 9: Determine Monthly Expenses and Sum: | 100 | |
| Common Charges (Condo Fees) | 10 | If you have actual utility costs enter them here; otherwise, use a utility allowance calculation |
| Real Estate Taxes | 20 | |
| Property Insurance | 30 | |
| Heat/Hot Water/Electricity | 40 | |
| Step 10: Subtract Step 9 from Step 8: | 993 | 811 |

**Affordable Appeals 2022
Maximum Rental Price Calculation - 1 Bedroom**

Only update the yellow cells

| | | |
|---------|--|-----------|
| Step 1: | The lessor of State Median or Area Median Income | \$103,900 |
| | CT: \$112,600 SHLTN: \$103,900 | |
| | Identify the Number of Bedrooms in the Unit | 1 |
| | Adjustment for Family Size based on 1.5 Persons per Bedroom | 1.5 |
| Step 2: | Adjust Income for Family Size | 77925 |

| | <u>80% Units</u> | <u>60% Units</u> |
|---|------------------|------------------|
| Step 3: Multiply Step 2 by Applicable Percentage | 62340 | 46755 |
| Step 4: Multiply Step 3 by 30% | 18702 | 14027 |
| Step 5: Divide Step 4 by 12 months | 1559 | 1169 |
| Step 6: Determine the FMR by bedroom size according to the latest published figures | | 1101 |
| Step 7: Multiply Step 6 times 120% for 80% AMI unit | 1321 | 1101 |
| Step 8: Identify the Lesser of Step 5 or Step 7 | 1321 | 1101 |

| | | | |
|---------|-------------------------------------|-----|--|
| Step 9: | Determine Monthly Expenses and Sum: | 100 | If you have actual utility costs enter them here; otherwise, use a utility allowance calculation |
| | Common Charges (Condo Fees) | 10 | |
| | Real Estate Taxes | 20 | |
| | Property Insurance | 30 | |
| | Heat/Hot Water/Electricity | 40 | |

| | | | |
|----------|------------------------------|------|------|
| Step 10: | Subtract Step 9 from Step 8: | 1221 | 1001 |
|----------|------------------------------|------|------|

**Affordable
Maximum Rental Price Calculation - 2 Bedroom**

Only update the yellow cells

| | | |
|---------|---|-----------|
| Step 1: | The lessor of State Median or Area Median Income | \$100,600 |
| | CT: \$102,600 SHLTN: \$100,600 | |
| | Identify the Number of Bedrooms in the Unit | 2 |
| | Adjustment for Family Size based on 1.5 Persons per Bedroom | 3 |
| Step 2: | Adjust Income for Family Size | 90540 |

| | 80% Units | 60% Units | |
|---------|---|--------------|-------|
| Step 3: | Multiply Step 2 by Applicable Percentage | 72432 | 54324 |
| Step 4: | Multiply Step 3 by 30% | 21730 | 16297 |
| Step 5: | Divide Step 4 by 12 months | 1811 | 1358 |
| Step 6: | Determine the FMR by bedroom size according to the latest published figures | 1446 | |
| | 2019 FMR's | | |
| Step 7: | Multiply Step 6 times 120% for 80% AMI unit | 1735 | 1446 |
| Step 8: | Identify the Lesser of Step 5 or Step 7 | 1735 | 1358 |

| | | | |
|---------|-------------------------------------|-----|--|
| Step 9: | Determine Monthly Expenses and Sum: | 100 | |
| | Common Charges (Condo Fees) | 10 | If you have actual utility costs enter them here; otherwise, use a utility allowance calculation |
| | Real Estate Taxes | 20 | |
| | Property Insurance | 30 | |
| | Heat/Hot Water/Electricity | 40 | |

| | | | |
|----------|------------------------------|------|------|
| Step 10: | Subtract Step 9 from Step 8: | 1635 | 1258 |
|----------|------------------------------|------|------|

Appendix D

Online Resources

Rental Information

HUD Fair Market Rent:

<https://www.huduser.gov/portal/datasets/fmr.html>

HUD Income Limits:

<https://www.huduser.gov/portal/datasets/il.html>

DOH Utility Allowance:

<https://portal.ct.gov/-/media/DOH/S8-UtilitySchedule072022.pdf>

CHFA – rent

<https://www.chfa.org/rental-housing-for-owners-and-management-agents-tools-calculators-look-ups/>

Other Information

CHFA First Time Homebuyer

<https://www.chfa.org/homebuyers/>

CT DOH Affordable Housing Plan & Guidebook:

https://portal.ct.gov/-/media/DOH/AHPP-Guidebook_RPA_120120.pdf

RPA Fairfield County:

<https://rpa.org/work/reports/fairfield-county-housing-needs-assessment>

Affordable Housing FAQ:

<https://www.pschoosing.org/connecticut-affordable-housing-faq>