

Town of Westbrook, CT
Affordable Housing Plan Subcommittee
Special Meeting
Thursday, May 6, 2021, 7:00 p.m.
VIA REMOTE ACCESS – ZOOM Meeting only

MEMBERS PRESENT: Marilyn Ozols, Chair; Elizabeth Carpenter, James Crawford, Bill Neale, Linda Nolf and Kate Sullivan

OTHERS PRESENT: First Selectman Noel Bishop, Tony Cozza, Selectman Hiram Fuchs, Selectman John Hall, Andrew Schatz and Meri Wick

INVITED SPEAKERS: Sarah Bird, Maria DeMarco and Bob Fusari

ALSO PRESENT: Eric Knapp, Planning, Zoning and Development Coordinator and Glenn Chalder, Consultant from Planimetrics

1. Call to Order

M. Ozols called the meeting to order at 7:01 p.m.

2. Discussion of Housing Opportunities and Difficulties

Sarah Bird, Executive Director, Middlesex Habitat for Humanity

S. Bird said it's important that the Town is aware of the cost of housing and land. She said currently there are 16 homes on the market in Westbrook, and the median house price is \$882,000.00.

There is a need for housing for people, especially those in the ALICE population, who are commuting to Westbrook for work and who cannot afford to live in Westbrook.

S. Bird said she believes that relationship building is important. She was part of the Shoreline Basic Needs Task Force Affordable Housing Subcommittee, and they were able to provide education about the ALICE population. The subcommittee spent a lot of time building relationships.

Community walkability is important as is being a part of the community you live in. However, some people do not want to be downtown, they would prefer to be more on the outskirts of town. She said for a community to be vibrant, both options should be available.

Robert C. Fusari, Sr, President (retired) of Real Estate Service of CT; past President of Home Builders Association of Hartford

R. Fusari said that most shoreline towns are not particularly welcoming to affordable housing. When there is a public hearing, most of the people who attend from the public are opposed. Public opposition is one of the most difficult things to deal with. He encouraged people to speak in favor of affordable housing at public hearings and to educate themselves. The Partnership for Strong Communities has an excellent web site with a lot of information about affordable housing. People often react automatically negatively.

R. Fusari said HOPE Partnership works to educate people on affordable housing. They can show people what the housing development will look like before its built. The public worries about who is going to live there. He said it's important to put a face to the people who will live there. They have brought people to the podium at public hearings who have been brought up in the area who cannot afford to live there. The public then can see who the people are who would live in the affordable housing. This can dispel the fear people have.

R. Fusari explained that affordable housing includes developing a piece of property. He said there often is not enough septic capacity to support a large development. The shoreline towns have septic systems not sewers. This caps the number of units that can be built. This limits how you can use the land. Also, price has to be a consideration. He said there were difficulties building Spencer's Corner, and HOPE Partnership did a wonderful job. He said a private developer would not have been able to do that because it is too costly.

R. Fusari said an 8-30g affordable housing project of 108 units, 30% which was deemed affordable, was built on vacant land that was supposed to be used for a hotel in East Lyme. It was bought for a reasonable price. People spoke in favor of the project at public hearing. R. Fusari said in his experience, East Lyme and Old Saybrook are the towns he has had the most success working with on affordable housing projects.

Towns generally do not want to give up industrial or commercial property for housing because industrial and commercial businesses are important to the town's tax base. Sometimes this does not work out. The business or company will close or move, but the residential property will still remain.

The ownership of projects containing affordable units changes, on average, every 15-20 years. Over the years, appliances need to be replaced, and maintenance needs to be done. At that point, the property will usually be sold so that a new owner can perform the work and depreciate the costs.

80% of median income for affordable housing is very close to market rate because of the current low interest rates. However, this does create a risk that if interest rates rise, current unit owners may lose money.

The regulations that the developer has to follow can be so expensive that it is very difficult to build affordable housing. R. Fusari said it costs less money to buy and finance a regular development than an affordable development, and the paperwork and requirements are very extensive and complex.

Maria DeMarco, President of DeMarco Management Corp., property managers for commercial and residential property

M. DeMarco said the need for affordable housing on the shoreline is overwhelming. Spencer's Corner has just opened in Essex. It has 22 affordable units. So far, she has received 140 applications. The Ferry Crossing development in Old Saybrook has 16 affordable units. There is still a wait list of over 100 applicants. She said the need is "immense."

Younger people starting out, cannot afford to live along the shoreline. It is much too expensive. It is not affordable. More affordable housing is needed.

Affordable housing applicants are vetted. The housing is well maintained, but people think inner city people will be moving to the shoreline, and that is their fear. M. DeMarco said the projects they work on are beautiful, nicer than much of the other housing in town.

M. DeMarco said her company has worked in 30-40 different towns. They are usually hired by the developer because the Zoning Commission has mandated that a third party administer the project. Her project management company has also been hired directly by towns. She said it is a complicated process, and it takes a lot of time and effort.

The units can be one bedroom or multi-bedroom. There are a number that need to be set aside as affordable. Some units are built in more commercial areas, so people do not need a vehicle. They are in areas referred to as transit-oriented development zones.

G. Chalder talked about Missing Middle Housing which are smaller buildings with units that are a collection of smaller units that fit in better with the community.

M. DeMarco said the smaller more complicated units are often more costly. A private developer could not afford to develop units that way. Without some type of government subsidy, it is too expensive. There would be no profit for a private developer.

G. Chalder asked what could be the most effective in changing the paradigm.

M. DeMarco said if a town has vacant land and/or vacant buildings, those can be donated to a developer. That would be the basis to obtain grants and start an affordable housing project.

N. Bishop asked about vacant malls. M. DeMarco said vacant schools can be used for affordable housing as can vacant office buildings. She said she feels it will be the wave of the future, possibly malls too.

M. DeMarco said she sees there is such a need for affordable housing that location is not the priority. The priority is getting people housed. She has wait lists especially for senior housing.

J. Crawford asked M. DeMarco to talk about vetting applicants for affordable housing units for their eligibility. Her company runs financial history, background checks, reference checks, and they interview the applicants one on one. The government will audit the files for the individual. The majority of people who apply are single, which belies the stereotype of who would move in.

Realtors often market the units, but M. DeMarco said many times realtors do not understand the process. She explained that the renter or buyer does not pay the fee for her company's services. That fee is paid by the owner. The units that are sold at market value must be comparable to the affordable units.

There was discussion about interest rates. M. DeMarco said the interest rates, the taxes and the income rates can all change.

The minimum affordable restriction period is 40 years. If the affordable units come off of the "affordable" housing list, more affordable units need to be created. M. DeMarco suggested re-upping the 40-year deed restriction instead of adding more units when the 40 years expires. There was discussion about giving the municipality the right of first refusal and to make refinancing more attractive. All 169 municipalities in Connecticut are supposed to be writing Affordable Housing Plans.

B. Fusari was asked if there were towns that seemed particularly good at creating the right conditions for affordable housing. He cited to Old Saybrook and East Lyme as the best communities he has worked in.

3. Approval of Minutes – April 1, 2021

A motion was made by B. Neale to approve the April 1, 2021 Affordable Housing Plan Subcommittee Special Meeting Minutes as presented. The motion was seconded by L. Nolf and was approved unanimously.

4. Adjournment

The meeting was adjourned at 8:37 p.m.

Respectfully submitted,

Kathleen S. King, Recording Clerk

