

Stamford Housing Affordability Plan

2022



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Acknowledgements

This Plan is the result of a joint effort between the City of Stamford and a broad group of local stakeholders. We would like to thank the many community members, service providers, elected leaders, City staff members, Steering Committee members, Community Advisory Committee members, and members of the public who were instrumental to this process and provided invaluable insight and feedback.

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Background

Background

The Stamford Housing Affordability Plan was developed over a 10-month planning process to evaluate conditions in Stamford today and prioritize strategies for the future.

Developing the Housing Affordability Plan

In response to a State mandate and a growing need for affordable housing, the City of Stamford undertook a 10-month housing planning process to evaluate conditions in Stamford today and create a plan to have enough housing for all. The Stamford Housing Affordability Plan has been completed in four major phases: review and analysis of changing market conditions, discussion of community goals and priorities (throughout all phases), development of strategies, and completion of the final plan.



← *Community engagement occurred throughout the process* →

Community Meetings: Key Themes

In community meetings, participants expressed interest in new ways to provide affordable housing and highlighted the lack of affordable rental options in Stamford. There was interest overall in adjustments to current programs to better meet housing needs, as well as new programs to meet some of the more pressing housing challenges in Stamford.

250+

Community Meeting
Attendees

23

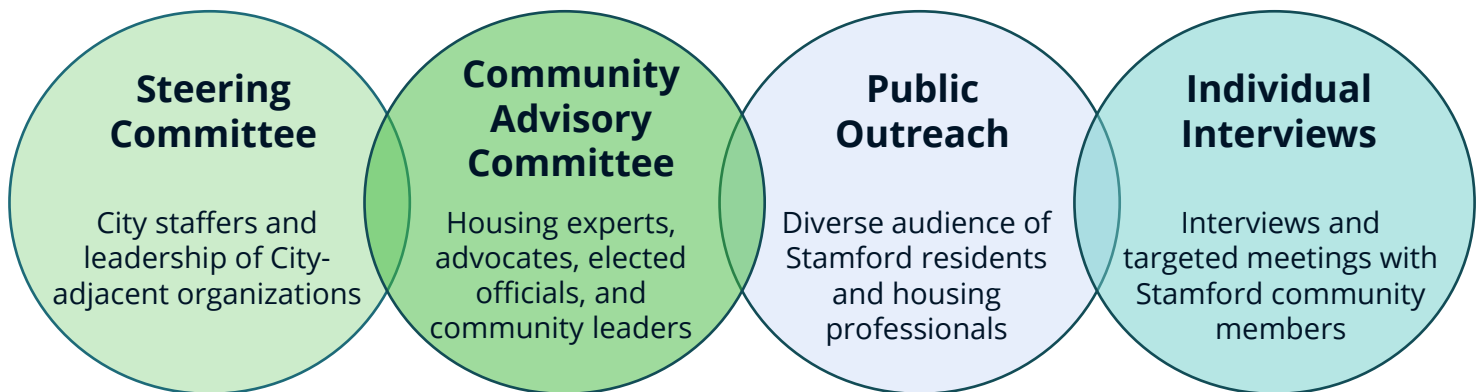
Organizations
Engaged

~25

Community Discussion
Meetings

Background

Community engagement was central to developing the Housing Affordability Plan. There were four engagement components over 10 months.



Steering Committee: HR&A engaged a Steering Committee throughout the process comprised of City staff and housing, community and economic development professionals.

Community Advisory Committee: HR&A engaged a Community Advisory Committee throughout the process comprised of members of the public, housing advocates, City representatives, and housing, community and economic development professionals.

Community Meetings: HR&A prepared materials and helped coordinate over 25 meetings in the community, 13 of which were hosted by Steering Committee and Community Advisory Committee members. Feedback was gathered through a survey, offered in Spanish and English. Two Town Hall events were held by the city to further solicit feedback from residents.

The following community organizations were engaged during this process:

- Building One Community
- Charter Oak Communities
- Community Care Team
- Fairfield County's Center for Housing Opportunity (FCCHO)
- Glenbrook Neighborhood Association
- Ferguson Library
- Harbor Point
- Housing Court
- Housing Development Fund
- Inspirica
- Interfaith Council
- Parent Leader Training Institute
- People Friendly Stamford
- Property Managers in the Downtown/South End
- South End NRZ
- Stamford Board of Realtors
- Stamford Boys and Girls Club
- Stamford Women's Talking Circle
- Stamford Downtown
- Stamford Partnership
- Stamford Public Schools
- The Vita Health and Wellness Partnership
- West Side NRZ
- Women on Watch

Individual Interviews: HR&A conducted interviews and held targeted meetings throughout the process to ground-truth findings and gather feedback on housing tools and potential implementation challenges. Over the course of the 10-month period, HR&A spoke with over 20 local housing experts to understand the full picture of housing need in Stamford.

Background

The purpose of the Stamford Housing Affordability Plan is to support a housing market that sustainably and equitably meets the housing needs of all community members.

Recognizing that Stamford is a dynamic, growing city with evolving needs, the Plan is written to be a living document to be used by City staff, housing policy advisors, and elected leadership to guide affordable housing policies and investments in the coming years. This Plan contains strategies to increase the supply of housing, expand access to homeownership, and make rental housing more affordable.

Toward this goal of adapting to changing conditions, the Plan includes recommendations on governance, administration and decision-making processes for Stamford housing policies and programs. The Plan also addresses opportunities for improvement for existing programs based on the feedback and input of Stamford community members and housing professionals.

Stamford Residents Face Ongoing Housing Challenges

The many community members, organizations, housing professionals, and City staff engaged throughout this process revealed a set of ongoing challenges that make it difficult to find affordable housing in Stamford.

Pressing Challenges: Vulnerable Populations

During conversations with local nonprofits, housing providers, and residents, lack of affordable rental options was a consistent theme. For low-income families, rent is too expensive and there is not enough supply. Some families stated that this required them to live in homes with several other families, or in buildings where landlords did not repair or fix issues. These challenges are particularly exacerbated for immigrant communities within Stamford. Accessibility and access for elderly residents also emerged as a central theme during these conversations.

Pressing Challenges: Workforce Housing for Current Residents

Many professionals who work in Stamford struggle to live in the city due to high housing costs. Some long-term residents who have lived and worked in Stamford for years cannot afford to stay, and new staff, such as teachers, struggle to access affordable rentals in the current housing market.

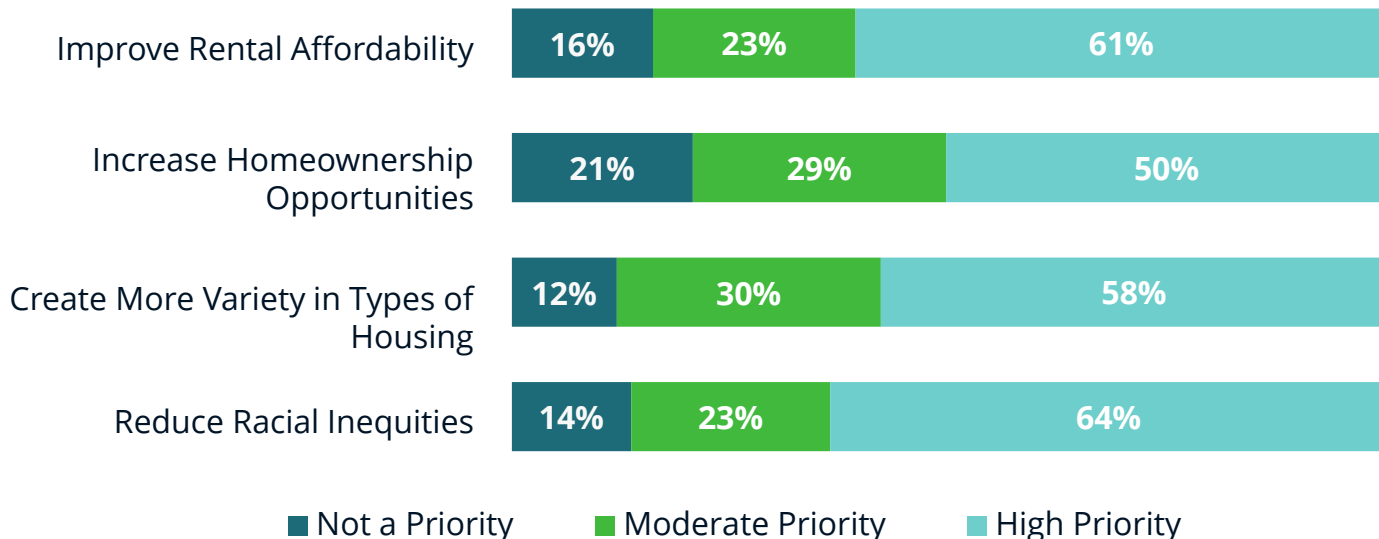
Pressing Challenges: Land Use

Some community members called for more efficient use of land for the betterment of the whole community. Preserving current affordable housing, and creating new, innovative ways to increase housing were well received by community groups. Participants stressed the importance of ensuring that infrastructure investments match proposed land use changes.

Background

The majority of community survey and town hall polling respondents expressed that addressing housing issues is a high priority.

Priorities for City Intervention: Public Responses



Feedback forms were distributed at the end of community meetings and through community partners to residents and local housing program participants.

- **50%** of renter respondents were unable to afford a house or apartment in the neighborhood they wanted to live in.
- **37%** of homeowners have at some point had difficulty affording repairs for their home, and **20%** of homeowners have had difficulty affording their mortgage.
- **33%** of respondents to the Spanish language Feedback Form took time to write in feedback about the high rental costs in Stamford. **79%** of total Spanish language respondents indicated having challenges paying their rent.

"Most people working for this city can't afford to live in this city."

"Seniors need ground floor affordable housing."

"I'd like to see more opportunities to transition from renting to homeownership."

"When we let people live in areas where they can shop, work, eat, relax, then they don't have to drive everywhere."

"Applying for affordable housing is complicated especially for non-English speakers."

*There were 242 total responses from community members during community meetings. HR&A, the City, and community organizations hosted roughly 25 meetings with local community groups and the general public to gather community input during this planning process.

Executive Summary

Housing for the Community

Housing affordability is essential to a prosperous, inclusive and growing Stamford.

Preserving and creating a wide range of housing to meet growing housing demand is good for *all* members of the Stamford community. A diverse, growing housing stock allows the City to foster economic prosperity and growth. Preserving and growing the housing stock also requires appropriately planned public infrastructure investments, such as street improvements, schools, and parks to serve residents.

The benefits of preserving and building housing in Stamford are far-reaching.



Prosperity

Building new housing increases options for different household needs and reduces the amount that households spend on housing. This will help the roughly **20,700 households** in Stamford that currently spend more than they can afford on housing to cover other necessities such as food and childcare, as well as free up income for higher income households to save and reinvest in the community.



Economic Growth

Growing the City's economy requires that the City continue to attract businesses to Stamford. Attracting new businesses requires having both diverse and affordable housing options for employees. Without this, employers will choose to locate elsewhere. For example, the educational services, health care and social assistance industries grew by 13,000 people from 2014 to 2018, with median earnings of \$42,000.¹ These employees need housing options they can afford.



Fiscal Impact

The City of Stamford incurs some fiscal costs when new residents move to the City, but new residents also generate new tax revenue through property tax and sales tax revenue. In most cases, the balance of the fiscal impact of new residents is positive. This fiscal benefit allows the city to invest in services and infrastructure to serve all.

There is also a direct fiscal benefit to providing high quality affordable housing to those with the greatest need. By providing high-quality housing, the need for more expensive social services – emergency room visits, evictions, court proceedings, etc. - decreases dramatically, creating net savings to society in most cases.



Community-Building

Diverse, affordable housing options help ensure that those who were born and raised in Stamford can afford to stay in Stamford, join the workforce, and potentially buy a home. Those who wish to age in place in Stamford generally need to find housing that meets their needs and is affordable on a fixed income.²

1. Bureau of Labor Statistics, American Community Survey, City of Stamford.

2. Joint Center for Housing Studies, Harvard University, State of the Nation's Housing Report (2019).

Meeting Housing Needs

Housing “affordability” means different things for different households in Stamford.

There are different types of affordable housing, and affordability can mean different things for different households. Under a standard set by the U.S. Department of Housing and Urban Development (HUD), housing is affordable when housing costs are less than 30% of a household’s income. A household that spends 30% or more of their income on housing costs is considered “**cost burdened**.”

Types of “affordable housing” vary by level of subsidy:

No Subsidy

- **Naturally Occurring Affordable Housing (NOAH):** Market-rate housing (for rent or purchase) that is priced at levels that are affordable to low- or moderate-income residents. Stamford has historically had a significant inventory of NOAH.
- **Subsidized Housing:** Affordable rental and ownership housing developed and/or operated by nonprofit and for-profit developers using public subsidies. Subsidy can be both at the building level (project-based) or the tenant level.
- **Tenant Based Vouchers:** Families receive a voucher to be used to pay for a portion of rent at an apartment of their choice.
- **Public Housing:** Housing managed by public housing agencies with operating and capital funds historically provided by Housing and Urban Development.
- **Permanent Supportive Housing:** A model that combines housing, health care, and supportive services to help individuals and families lead more stable lives.

Highest Level of Subsidy

Residual Income as a Measure of Affordability:

A household’s **residual income**—how much they have left over for other necessary expenses such as food, childcare, health care, and transportation—significantly impacts their quality of life. For instance, a single-mother with one child working in Stamford as an elementary school teacher has, on average, an after-tax income of \$3,450 per month.* Factoring in typical housing costs, the teacher’s housing cost burden is nearly two-thirds of their income.

$$\begin{array}{ccc} \$3,450 & - & \$2,300 & = & \$1,150 \\ \text{Average Monthly After-Tax} & & \text{Average Monthly} & & \text{Residual Income} \\ \text{Income for an Elementary} & & \text{1 Bedroom Cost} & & \\ \text{School Teacher} & & & & \end{array}$$

*Pay level for a teacher who has a Bachelor's Degree and 4 years of experience. This pay level falls at 50% Area Median Income Level for a 2-person household in the Stamford-Norwalk region.

Meeting Housing Needs

The Housing Affordability Plan focuses on addressing three pressing housing needs in Stamford: rental affordability, the supply of housing and access to homeownership.

The purpose of the Stamford Housing Affordability Plan is to help the City address the areas where the market is not meeting community needs. Based on data analysis, community engagement, and interviews with impacted individuals and those who provide services to those households, **Stamford's most pressing housing needs can be understood in three major categories:**



Rental Affordability

A shortage of affordable rental units for low- and moderate-income renters.*

Cost burdened renter households in Stamford rose by 16% from 2010 to 2019 to over 12,000 households.



Housing Supply

Demand for more diverse housing types at all incomes. Lack of diverse, affordable housing supply impacts everyone by driving up costs and limiting options.



Homeownership Access

The income required to buy a home is increasingly out of reach for moderate- and middle-income households.**

Cost burdened owner households in Stamford fell by 23% from 2010 to 2019 as homeownership has declined.

In 2019, there were still 8,600 cost burdened owner households.



In line with county and state trends, these housing needs disproportionately impact Black and Hispanic households in Stamford. (Details are provided on page 46 in Housing Challenges.)

- **Segregation:** Households of color are concentrated in neighborhoods with more rental supply, while owner-occupied single-family neighborhoods in Stamford are almost entirely white.
- **Wealth:** Black and Hispanic households have lower median incomes than white households and have lower rates of homeownership.
- **Opportunity:** Black and Hispanic households are not moving into new multifamily housing at the same rates as white and Asian households.

*Rental Affordability targets households with an annual income under \$75,000, particularly under \$50,000.

**Homeownership Access targets households with an annual income under \$100,000.

Source: American Community Survey (ACS) 5-Year 2010 & 2019

Meeting Housing Needs

To meet the housing needs of all residents, the City of Stamford should focus on three strategies to address existing barriers in the housing market and meet housing needs.

1 Consolidate Management and Administration of Housing Programs

Combine Stamford's different housing functions into a cohesive team to implement and administer housing programs and increase the expertise available to evaluate affordable housing transactions.

Key Actions:

- Reorganize housing programs into a single department with increased staff capacity.
- Establish ongoing communications on housing market conditions and programs.
- Expand affordable housing expertise to evaluate real estate transactions.

2 Scale Up Investments in Housing

Increase the scale of the City's Affordable Housing Trust Fund (AHTF) and leverage state resources to make long-term investments in both preserving and building new, high quality affordable housing. **Stamford should strive to dedicate at least \$35 per capita to bring the City in line with cities that are effectively deploying funds to impact housing needs. Stamford currently dedicates \$7 per capita.**

Key Actions:

- Prioritize use of fee-in-lieu payments from the Below Market Rate (BMR) program.
- Dedicate new sources of local funding to housing through the AHTF.
- Pursue additional state and federal funding.

3 Use Land More Effectively to Create New Housing

Survey developable land throughout the city and adjust land use regulations to allow for the development of housing that meets anticipated population growth and the diverse needs of Stamford residents. Focus on areas that have important infrastructure, such as city water and sewer, transit access and access to employment centers.

Key Actions:

- Create a land inventory to identify and track developable land.
- Implement site-specific strategies to build affordable housing in the near-term.
- Undertake a comprehensive land use planning process.

These strategies will set *the conditions* under which the City can deploy a range of housing tools and programs to address rental affordability, housing supply, and homeownership access challenges.

Housing Ecosystem

The City of Stamford is one of many actors that impact affordable housing.

State, City, and local community partners all play a role in Stamford’s housing ecosystem. The City of Stamford offers housing and services to the Stamford community. However, this would not be possible without funding, implementation support, and additional independent services provided by community partners and the State.

Connecticut Housing Finance Authority (CHFA)

CHFA manages over \$500 million annually for financing of affordable housing development and lending for first-time homeowners in Connecticut. CHFA allocates tax credits (such as Low-Income Housing Tax Credits or LIHTC) to fund affordable housing development, directly to housing developers. It also supplies funds directly to local governments and community partners to provide a variety of housing programs for renters and homeowners.

City of Stamford

The City’s housing roles currently include leading community planning, designing and enforcing zoning and land use regulations, managing the BMR program, granting development approvals, and implementing housing support programs. Relevant Boards and Departments include the Community Development Department, Land Use Bureau, Social Services Department, Planning Board, Board of Representatives, and Board of Finance. The Mayor’s Office can also help advance policy by prioritizing efforts to secure local, state and federal resources.

Charter Oak Communities

Stamford’s Housing Authority

- Manages subsidized public housing and rental voucher programs (HCV) for seniors, low-income families, and veterans.
- Develops new and rehabilitated housing in Stamford.
- Provides residential services to tenants through the Vita Health and Wellness Partnership

Housing Developers

Non-Profit Affordable Housing Developers

- Stamford Affordable Homes, Inc. Neighborhood Housing Services
 - Rippowam Corp. (Charter Oak Communities)
 - Housing Development Fund
- #### BMR Program Developers
- Jonathan Rose Cos.
 - Building and Land Technology
 - Garden Homes

Community Partners

Support for Renters and/or Homeowners

- Inspirica
- SilverSource
- Housing Development Fund (HDF)
- Vita Health and Wellness Partnership
- Family Centers
- Neighborhood Housing Services
- New Neighborhoods
- Pacific House

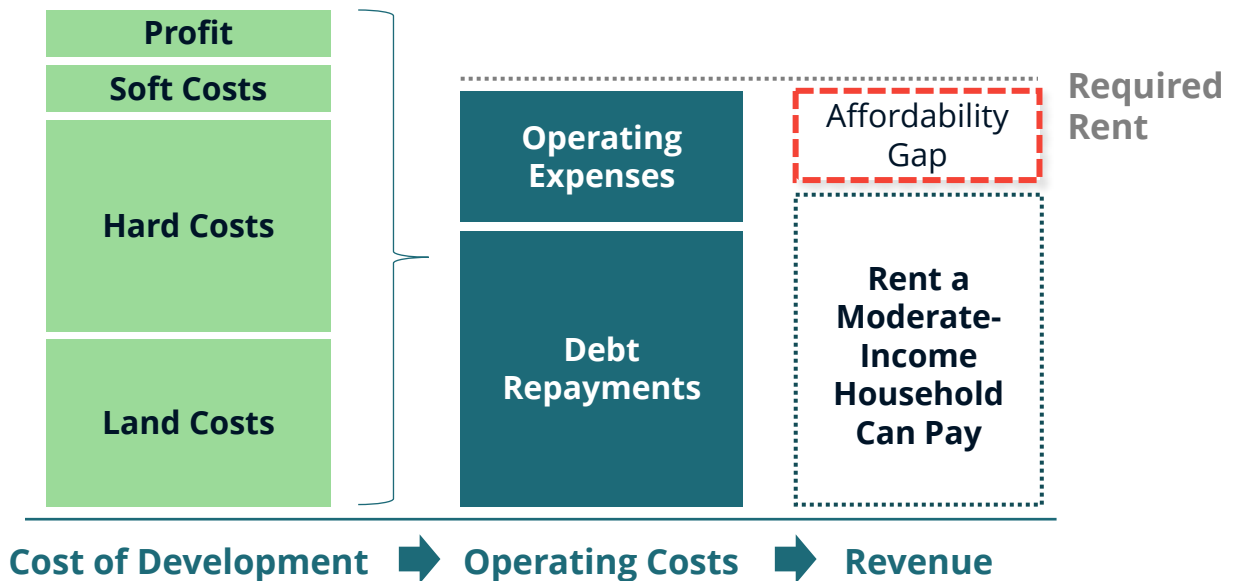
* LIHTC is the primary tool of development of new affordable rental housing. / Source: City of Stamford

The Role of the City

The City of Stamford impacts housing supply and affordability by setting local regulations and deploying public subsidy.

The market sets housing costs (rents and sales prices) based on the cost to build and operate it, as well as the level of demand for housing. The different component costs of development—the cost of purchasing land, hard costs (construction materials and labor), soft costs (architectural drawings, permitting fees, holding costs, etc.), and the profit to the developer—are aggregated to determine a total development cost. Development costs must be financed, typically through a combination of a mortgage (debt) and equity. Financing payments must be paid along with the cost to operate the property (property taxes, maintenance, etc.). The revenue from rent, or sales proceeds, must be sufficient to cover the operating and financing costs or the developer will not build the housing.

Economics of Rental Housing

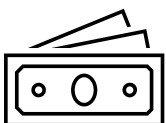


The City of Stamford influences the cost to build and operate housing, and thus the cost of housing, in two key ways:



The City influences the **regulatory environment** in which developers make decisions and disseminates information to developers, key service provider partners, and residents.

Examples include the land use code, the development review process, design guidelines, the building permit process, and the Below Market Rate (BMR) program.



The City deploys **public funds** for infrastructure, amenities, and affordable housing, all of which help shape the development environment.

Examples include parks, transit, and loans and grants for housing through the City's Affordable Housing Trust Fund.

The Role of the City

Stamford has a strong set of existing programs and policies to help guide the housing market to meet community needs.

The City already successfully offers crucial housing and services to the Stamford community. **The Housing Affordability Plan builds on these existing practices to help the City evaluate how to plan for housing to meet a broader range of needs.**

Existing Local Programs	Program Description
Below Market Rate (BMR) Program	Stamford’s inclusionary zoning program. Requires a minimum share of new multifamily units to include permanently affordable rental units, mostly targeted at households earning 50% of Area Median Income (AMI).
Transit-Oriented Development (TOD)	By regulating land use, the City encourages higher density multifamily development in transit infrastructure-adjacent areas. TOD places residents in proximity to jobs and transportation while reducing development costs.
Gap Financing for Low-Income Housing Tax Credit (LIHTC) Projects	The City provides gap financing (low interest loans and grants) to help meet development costs for new affordable rental housing that is subsidized by the federal LIHTC program.
Affordable Housing Trust Fund (AHTF)	The City established a centralized, transparent, competitive AHTF to hold and allocate funding for affordable housing. The main funding sources are BMR program fee-in-lieu payments and commercial linkage fees.
Fair Rent	By Charter and Ordinance, the Stamford Social Services Commission receives and investigates tenant complaints alleging unfair rent increases and can adjust rents on a case-by-case basis.

Source: City of Stamford

The Role of Partners

Local partners, including nonprofit organizations, also provide crucial housing services in Stamford.

Local partner organizations offer crucial housing and services to the Stamford community. Some partner organizations receive operating funds or capital contributions from the City, and others operate fully independently. These partner organizations meet substantial housing needs that the City does not have the capacity or funding to address. **The Housing Affordability Plan includes strategies to support these important partners.**

Existing Local Programs	Program Description
Community Land Trust	Established in the South End neighborhood of Stamford by the nonprofit Housing Development Fund (HDF), the first community land trust property in Stamford is a 23-unit affordable condo project, currently under construction at 287 Washington Blvd.
Down Payment Assistance & Homeownership Counseling	To reduce the upfront costs of homeownership, HDF provides income-qualified households with a loan or grant to cover a portion of down payment and closing costs. HDF also offers counseling services to first-time homebuyers to help them plan and budget for homeownership.
Foreclosure Intervention Program	HDF recently relaunched this program to address COVID-19 impacts. HDF serves as a liaison between clients and mortgage lenders to establish feasible solutions to mortgage delinquency.
Housing Developers	Nonprofit and for-profit developers and Charter Oak Communities develop a wide variety of types of affordable housing in Stamford by utilizing local, state, and federal subsidies.
Section 8 Housing Choice Voucher Program	The Housing Choice Voucher (HCV) Program, also known as Section 8, is a federal program administered at the local level. In Stamford, Charter Oak Communities administers more than 2,000 active vouchers to families and individuals citywide and partners with over 800 property owners participating in the program.
Transitional & Permanent Supportive Housing	Inspirica, a major homeless services provider in CT and lower Fairfield County, operates crucial transitional and permanent supportive housing programs. The former allows homeless families and single adults to stay in housing while they receive other Inspirica services; the latter provides affordable rental housing and on-site “wrap around” support services to individuals with disabilities who may otherwise be homeless.
Legal Aid	Connecticut Legal Services and other nonprofit legal aid providers support low-income individuals in housing discrimination and eviction cases.

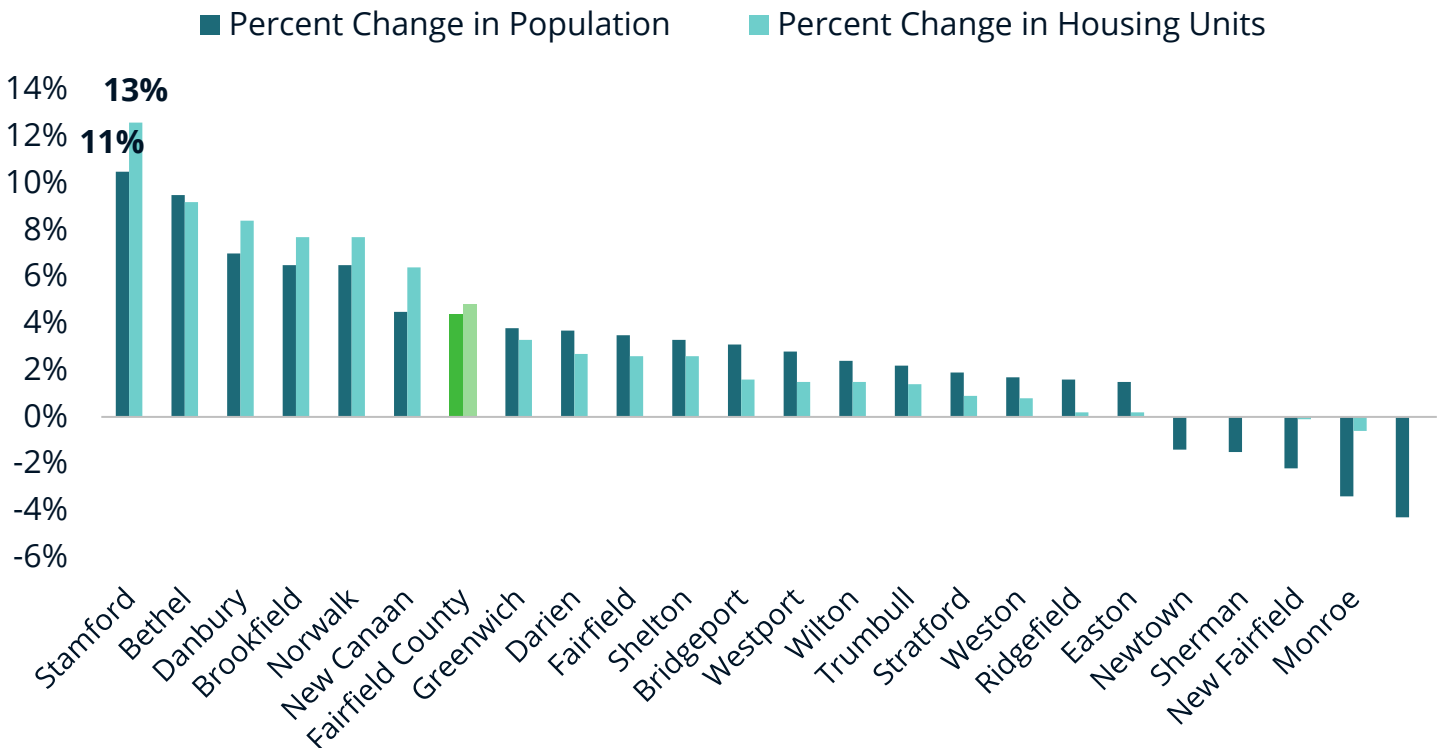
Sources: Charter Oak Communities; Connecticut Legal Services; Housing Development Fund; Inspirica

Stamford in the Region

Stamford is the growth leader of the County and the State. Investing in a diverse housing supply will ensure that it retains this advantage.

Housing markets are regional, and Stamford both benefits from and is challenged by two major geographic factors: accessibility to New York City and proximity to highly affluent towns with high housing costs. These factors benefit Stamford in that they help drive economic growth and the attractiveness of Stamford as a place to live: Stamford's population and housing unit growth is in part a result of economic growth in New York City, which drives employment for the region. This location challenges Stamford because it increases pressure on the housing market and contributes to rising housing costs.

Fairfield County Percent Change in Population and Housing Units by Town (2010-2020)



Stamford's population has grown by 11% since 2010, outpacing Fairfield County and significantly outpacing Connecticut, which has only grown by 1%. This signals Stamford's strong economic advantage in the region.

Change in housing units from 2010 to 2020:	+6,380 Stamford	+83 Darien (downtown)	+63 Greenwich	+2,856 Norwalk
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Sources: CT Data Collaborative; U.S. Census Bureau; Zillow Home Value Index (ZHVI)

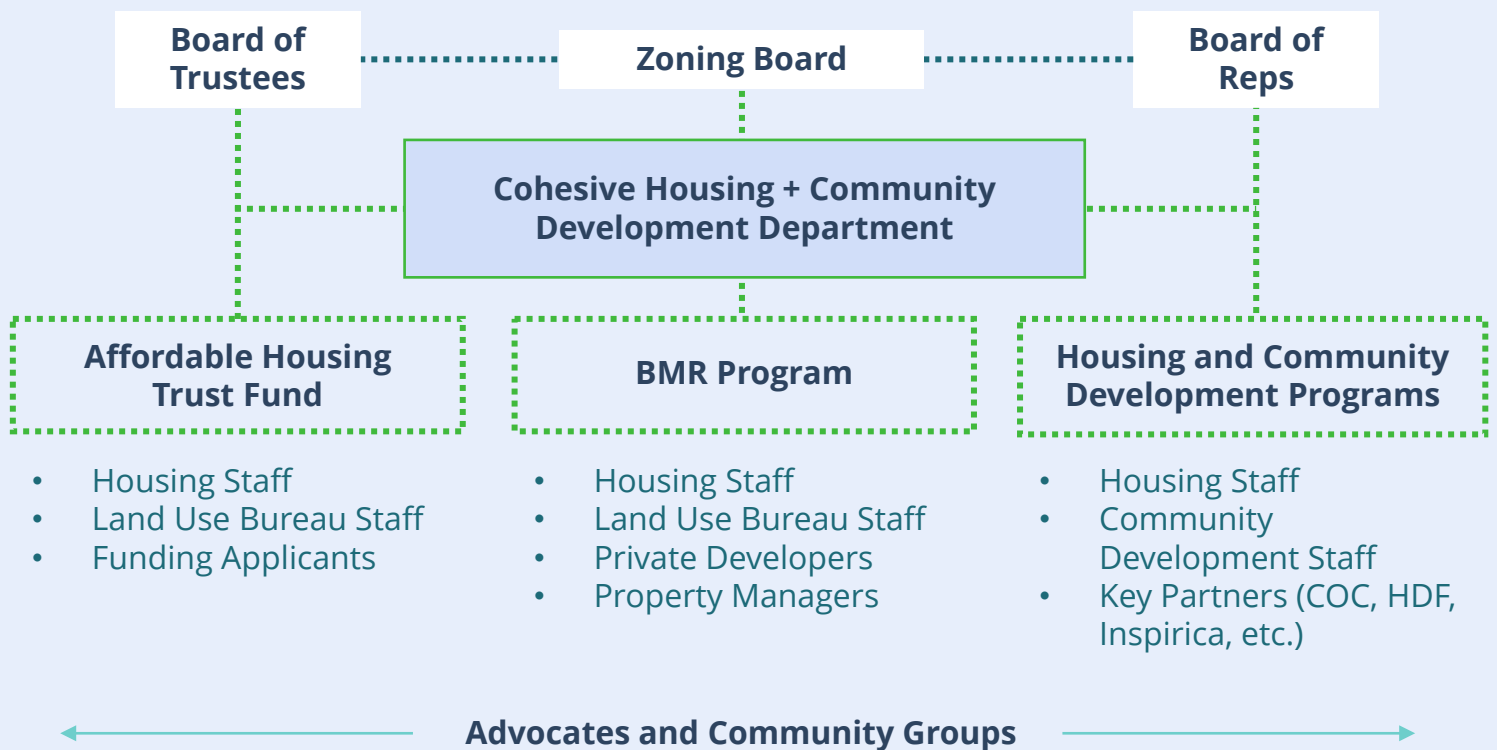
Recommended Strategy 1

The City's different housing functions should be brought together into a cohesive team to plan for and execute Stamford's housing programs and policies.

The City currently has three primary housing program areas: the Affordable Housing Trust Fund, the BMR program, and Housing and Community Development Programs, each administered by staff in different departments and overseen by different governing bodies.

The scale and complexity of Stamford's housing programs require increased staff and stakeholder capacity and training to effectively administer housing programs, allocate funding, set clear housing priorities, and measure the success of its programming. The City should assess the appropriate place for housing staff within City government—whether within the Land Use Bureau, within another department, or as a separate department or entity. The City should increase the number of staff dedicated to housing programs, with at least one dedicated staff member per program area, both to **run existing programs more efficiently and improve services**, such as management of the BMR program, and **adequately staff new housing programs** in Stamford, such as the Affordable Housing Trust Fund.

Stamford Housing Ecosystem: Proposed Structure



Recommended Strategy 1

Stamford should build housing and real estate capacity for City staff to ensure that the City can fulfill its responsibilities for each housing program and solicit regular community feedback.

Under the proposed consolidated structure, existing and new City staff gain clearer responsibilities for managing the Affordable Housing Trust Fund, the BMR program, and Housing and Community Development Programs. There are several key steps that the City should take now and moving forward as programs are implemented to increase **efficiency, transparency, and accountability.**



Build Expertise



Monitor & Evaluate Progress



Publish an Annual Report



Standardize a Competitive Process

The City should be transparent in its priorities and decision-making across housing programs and through spending from the Affordable Housing Trust Fund. Transparency of funding allocations and uses serves to maximize the impact of public funds by increasing the competitiveness of programs and deals and by increasing accountability. The City can increase accountability through the following actions:

Build real estate and housing expertise. The City should invest in training for existing and new staff, including in real estate and affordable housing finance. This will allow staff to underwrite potential deals that seek funding from the City and ensure that public funding is maximizing the leverage of state and federal funds.

Monitor affordable housing. The City should monitor specific metrics to track the impact of housing programs, including BMR units, new condo development or subsidized homeownership units, NOAH, and others. These metrics can be made publicly available on the City's website or through a dashboard. Monitoring compliance of the BMR program is crucial to its success.

Publish an annual housing report. City staff will need to prepare an annual housing report to track City spending on housing and housing programs and the number of households served. The report should be made public and available on the City's website.

Standardize a competitive RFP process. As the Affordable Housing Trust Fund's Board of Trustees finalizes their governing bylaws and begins allocating funding, the Board and City Staff should implement a competitive Request for Proposal (RFP) process for funding awards with clear eligibility requirements and application standards.

For more detailed management recommendations, see pages 48 to 57.

Recommended Strategy 2

Stamford should dedicate more funding to housing and deploy a set of subsidy tools to increase access to affordable housing.

Many housing programs require **dedicated funding**. The City has allocated an annual average of **\$1.07 million** from its capital budget and **\$205,000** from its operating budget to housing over the last 10 years. Stamford's Affordable Housing Trust Fund (AHTF) currently holds \$2.2M, or about \$7 per capita. Relative to the scale of need in Stamford, the current size and pace of commercial linkage fees and BMR fee-in-lieu payments **does not generate enough revenue** for the AHTF to make a substantial impact on housing need. **Stamford should strive to dedicate at least \$35 per capita** to align with cities that are seeking to deploy funds to impact housing needs, and over \$100 per capita to align with best-in-class efforts to reduce housing need.

Stamford's current funding commitment in context:

City	Funding Commitment Size and Sources	Time Period	Population	\$ Per Capita Per Year
Stamford, CT	About \$10 million has been generated through both linkage fees and fee-in-lieu over the last 10 years	10 years	135,470	\$7-8
Charlottesville, VA	\$70M in direct subsidy funding.	10 years	50,000	\$140
Richmond, VA	\$80M from dedicating tax revenues from properties phasing out of partial tax exemption.	10 years	230,000	\$35
Washington, D.C.	\$100M+ through housing trust fund, from transfer taxes and general fund.	Annual	706,000	\$146+
Pittsburgh, PA	\$100M+ over a 10-year period. The Housing Opportunity Fund annually receives \$10M from the city's real estate transfer taxes. Additional ARPA funding was allocated from 2021-2023.	10 years	300,281	\$35

The City of Stamford has two primary options to increase funding for housing. Scaling up investments in housing will require both prioritizing fee-in-lieu and identifying new sources.

- 1 Prioritize the payment of fee-in-lieu under the BMR program in the short-term. This can help create deeper affordability for units off-site. Fewer mixed income buildings will be built, but the City will be able to help households in greater need.
- 2 Identify new sources of revenue for the Affordable Housing Trust Fund, either through new revenue sources or reallocated revenue sources.

**The City's Special Housing Fund is an existing fund within the capital budget, separate from the more newly created Affordable Housing Trust Fund. For more detailed subsidy recommendations, see pages 59 - 76.*

Sources: ACS 5-Year; Charlottesville Affordable Housing Fund; [Buy CT Bonds](#); [CHFA LIHTC Resources](#); [CHFA Summary Report](#); Pittsburgh URA Housing Opportunity Fund Annual Budget; Washington DC Housing Production Trust Fund

Recommended Strategy 2

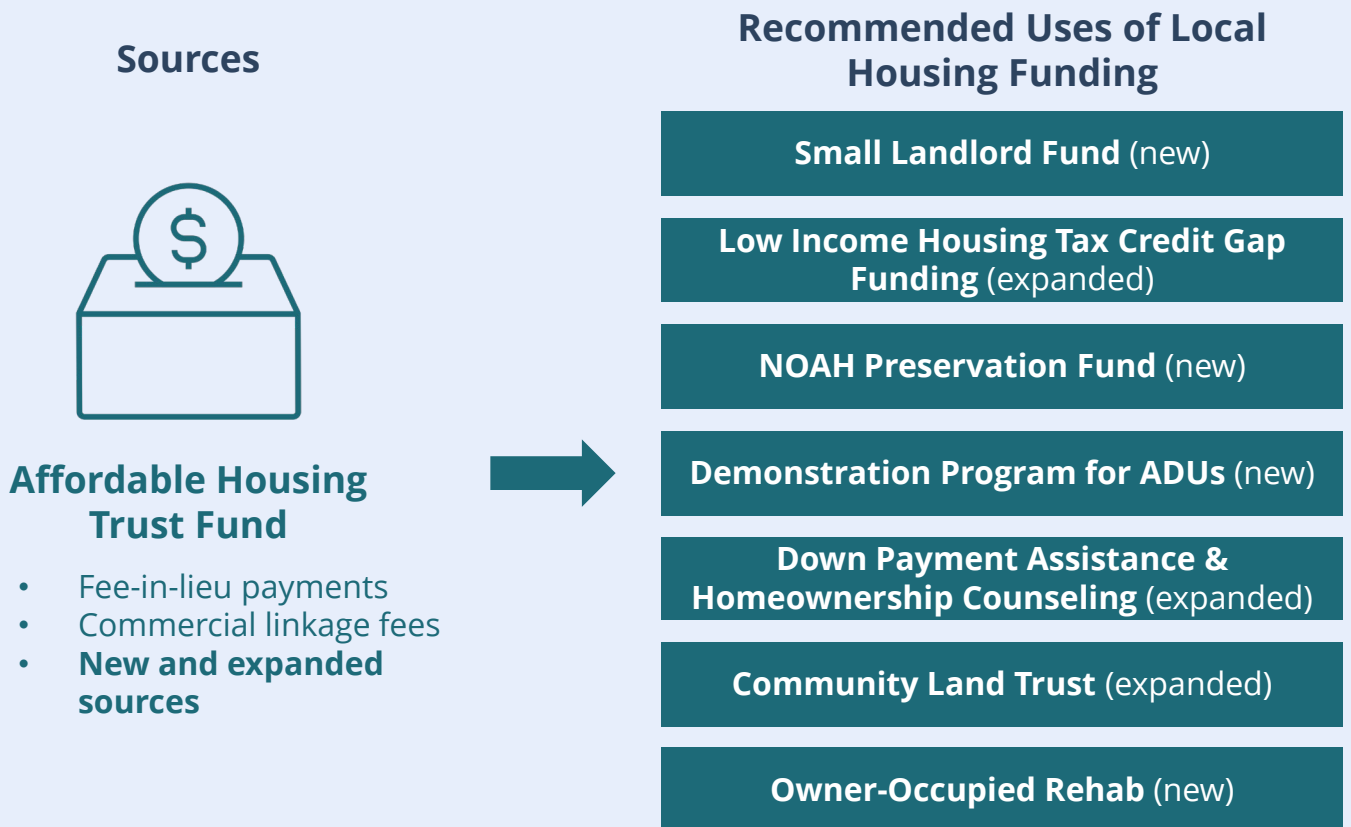
Stamford can dedicate more local funding as well as leverage state and federal resources in order to make long-term investments in affordable housing.

Scaling up investments in affordable housing will require two key steps:

Leverage state and federal resources. The City and the Board of Trustees should prioritize projects that use CT Department of Housing Bond funds and federal Low Income Housing Tax Credits and identify additional capital funding as available. This will require regional and statewide advocacy to adjust scoring criteria for funding awards in Stamford for 9% tax credit deals and partnerships with developers.

Identify new sources of revenue for the Fund. The City and the Board of Trustees will need to advocate for more funding from fee-in-lieu or new sources of revenue for the Affordable Housing Trust Fund. This will allow the City to scale up investments in affordable rental and homeownership opportunities by funding programs through partner organizations.

As Stamford identifies additional revenue for the Affordable Housing Trust Fund (sources), **there are a series of subsidy tools (uses) that the City can fund through partner organizations to make investments in affordable rental housing and homeownership opportunities.** Some of these tools are already successfully deployed in Stamford and can be scaled up. Others are new programs that can be funded in part through the Affordable Housing Trust Fund, with a priority for programs that leverage other funding.

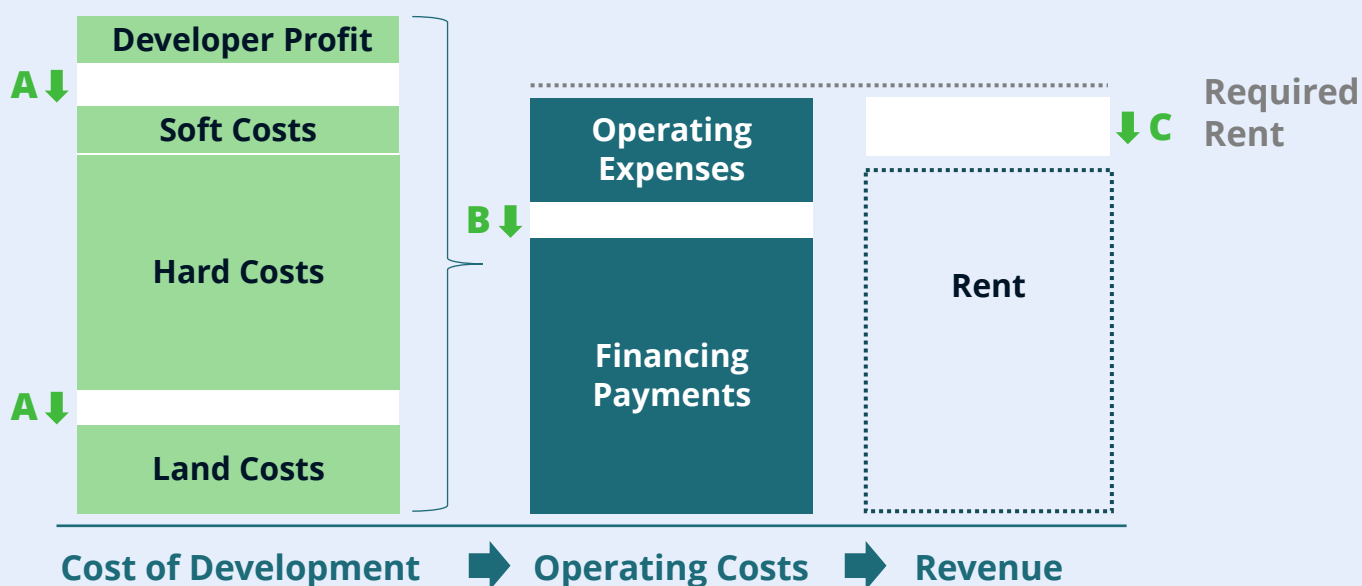


Recommended Strategy 3

More effective use of land can help to address both the challenge of rental affordability and a lack of diversity in housing supply.

State and local governments often establish policies and regulations, such as strict density limits, extended review periods, and inflexible design requirements, that increase the costs of new housing without considering the impact those policies and regulations have on housing costs. Alternately, the city can set policies that reduce the **cost of development (A)**, which reduces **financing payments (B)**, and, in turn, the **revenue (C)** required to support operating costs.

Impact of Decreased Costs on Rental Affordability



How can Stamford's land use regulations impact rental affordability?

- **Land costs:** Increasing density brings down the land cost per unit by dividing fixed costs—roofs, foundations and building systems—by more units, increasing affordability.
- **Soft costs:** Reducing the cost of required reviews, studies, and other approvals directly brings down construction costs.

These regulations also impact the **diversity of housing types**. Reducing these regulations allows for more diverse housing types, such as duplexes and triplexes, to be built, serving a broader range of housing needs and preferences.

Recommended Strategy 3

Stamford should create a land inventory and implement site-specific strategies while beginning a longer-term comprehensive land use planning process.

The Land Use Bureau should lead a comprehensive effort to create a City land inventory and implement site-specific strategies—including the identification of areas well-suited for housing development—while educating the public and soliciting community feedback about land use changes that will help increase diverse housing supply over the long-term. Each land use tool below is described in greater detail in the report.

Short-Term Steps

Create a land inventory

Implement site-specific strategies

In the short-term, the City should:

- Partner with developers for **office and retail conversions** and **condo development**.
- Implement a **demonstration program for Accessory Dwelling Units (ADUs)**.
- Identify **publicly-owned land** for affordable housing development.

Long-Term Steps

Complete a comprehensive land use planning process

Through a comprehensive land use planning process, the City should:

- Consider opportunities to permit **2- to 4-unit structures (soft density)** in areas where zoning allows only single-family housing. Focus on areas that have important infrastructure to support increased density, like water, transit and employment access.
- Allow **multifamily development as-of-right** in areas where zoning currently requires conditional approval (e.g., public hearings). Focus on areas within ½ mile of train stations to increased transit-oriented development (TOD).
- Study opportunities to **reduce barriers** that increase housing costs, such as large lot zoning designations and parking requirements (including parking tied to Below Market Rate program developments).
- Implement stronger affordability **requirements for redevelopment** (e.g., requiring a higher share of Below Market Rate units for multifamily developments that demolish existing affordable housing or naturally occurring affordable housing).

For more detailed land use recommendations, see pages 77 - 105.

Implementation

The City should take immediate next steps within each strategy to meet housing need.

Timeline



Immediate Next Steps (2022-2023)

SCALE UP INVESTMENTS IN HOUSING

1. Prioritize fee-in-lieu payments from the Below Market Rate (BMR) program to expand funding for the Affordable Housing Trust Fund in the near-term.
2. Dedicate new sources of local funding to housing through the Affordable Housing Trust Fund, with a total goal of at least \$35 per capita in funding annually.

USE LAND MORE EFFECTIVELY TO CREATE NEW HOUSING

1. Create a land inventory to identify and track developable land.
2. Implement site-specific strategies to build affordable housing, including:
 - Partnering with developers for office and retail conversions and condo development.
 - Implementing a demonstration program for Accessory Dwelling Units (ADUs).
 - Identifying publicly-owned land for affordable housing development.

CONSOLIDATE MANAGEMENT AND ADMINISTRATION OF HOUSING PROGRAMS

1. Reorganize housing programs into a single department with increased capacity.
2. Invest in trainings for City staff and Board of Trustees to build real estate expertise.
3. Develop an annual housing report to track programs, spending, and units created.
4. Standardize a competitive RFP process and set clear evaluation criteria for RFPs.

Implementation

The City should continue to monitor emerging issues and trends to adapt to shifting needs and market conditions.

CONTINUE TO TRACK HOUSING NEEDS

Some of Stamford's most vulnerable community members, including a quickly-growing, low-income Hispanic community, those facing mental health challenges, and seniors struggling to live on fixed incomes, may face acute housing needs in the short-term **particularly in the wake of COVID-19**. The City of Stamford should continue to focus on identifying the housing needs of the most vulnerable and deploy strategies presented in this Plan to help meet their needs.

Issues to Monitor:

Senior Housing: As housing costs have skyrocketed in the wake of COVID-19, seniors living on fixed incomes who do not have the opportunity to seek better employment opportunities are particularly impacted by housing affordability challenges. The City should track and monitor this issue and seek out ways to support senior households.

Overcrowding: Overcrowding and substandard living conditions can be challenging to track and monitor, as households in these conditions are often not accurately captured by the US Census. Stamford has a quickly-growing, low-income Hispanic community that is vulnerable to overcrowding and poor housing conditions. The City should seek ways to monitor overcrowding and address substandard housing and code enforcement issues.

Utility Costs and Efficiency: For housing that is sub-standard or aging, utility costs can significantly impact affordability. The City can consider energy efficiency and sustainability standards for housing that receives public funding to reduce utility costs and increase affordability for residents.

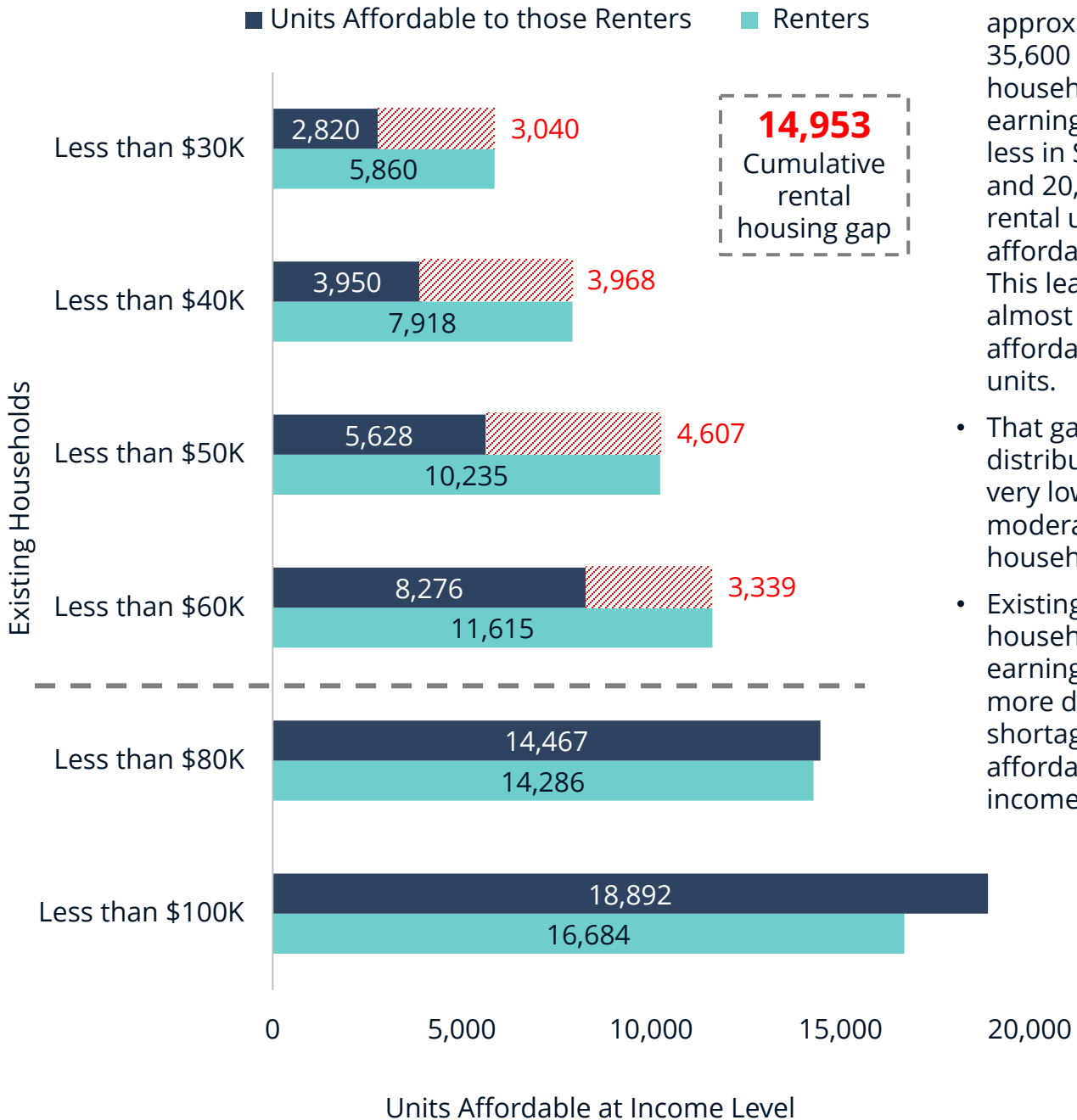
Eviction Prevention: As eviction moratoriums are lifted following COVID-19, households are at higher risk of eviction due to lost income during the pandemic. The City should monitor evictions and identify if additional funding and support is needed in addition to State and non-profit partner relief.

Housing Conditions

Housing Conditions Overview

Existing low- and moderate-income renter households in Stamford are competing for a very limited supply of rental housing units that are affordable to them.

Stamford Cumulative Rental Housing Gap* by Income Group (2019)



Existing rental housing gap details:

- There are approximately 35,600 rental households earning \$60K or less in Stamford and 20,600 existing rental units affordable to them. This leaves a gap of almost 15,000 affordable rental units.
- That gap is evenly distributed across very low-income to moderate-income households.
- Existing renter households earning \$80K or more do not face a shortage of units affordable to their income levels.

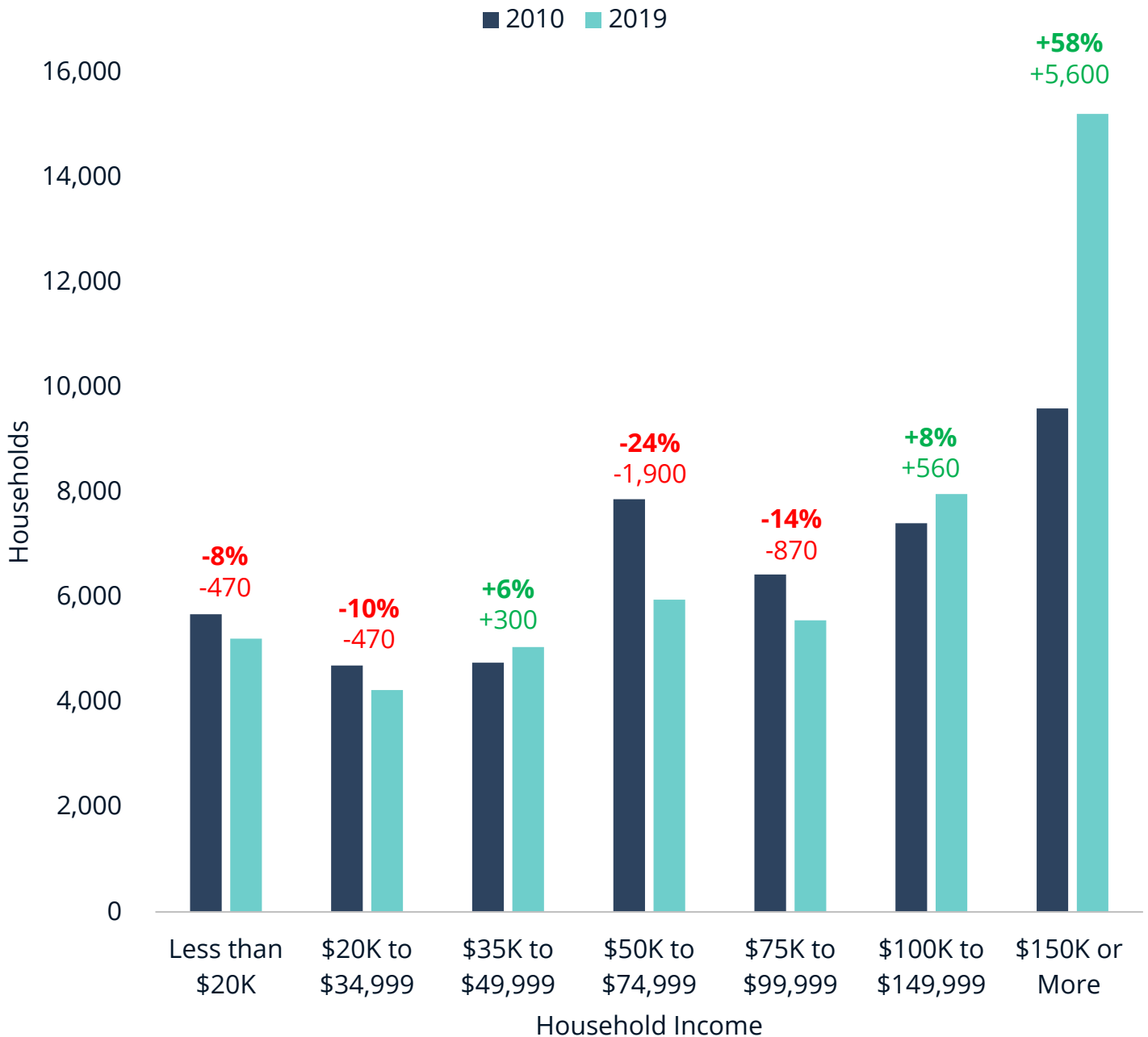
*The rental gap is calculated by comparing the number of existing renter households at each income level to the number of existing rental units affordable at those income levels.

Source: American Community Survey (ACS) 5-Year 2019

Housing Conditions Overview

Stamford has grown by 2,750 households since 2010, with higher-income households comprising the net gain. However, 3,700 low- and moderate-income households have left Stamford during the same period.

Overall Change in Income Distribution (2010-2019)

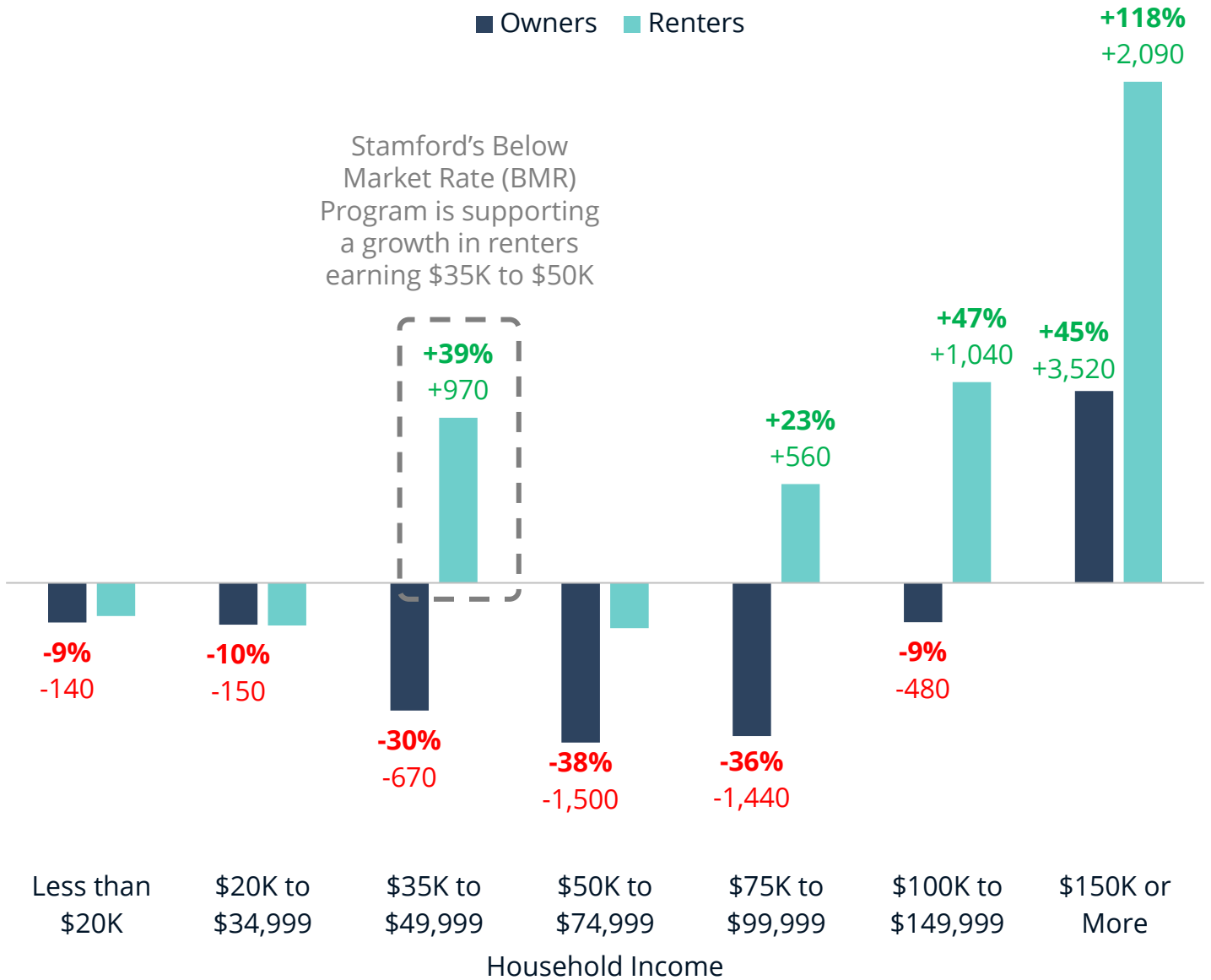


Source: American Community Survey (ACS) 5-Year 2010 & 2019. For fiscal year 2021, the Stamford-Norwalk 100% AMI is \$151,800 for a four-person household. In 2019, the Stamford median household income was \$93,000.

Housing Conditions Overview

New high-earners coming to Stamford are moving into rental housing, while low- and moderate-income households are leaving for-sale housing.

Change in Income Distribution by Occupant Type (2010-2019)

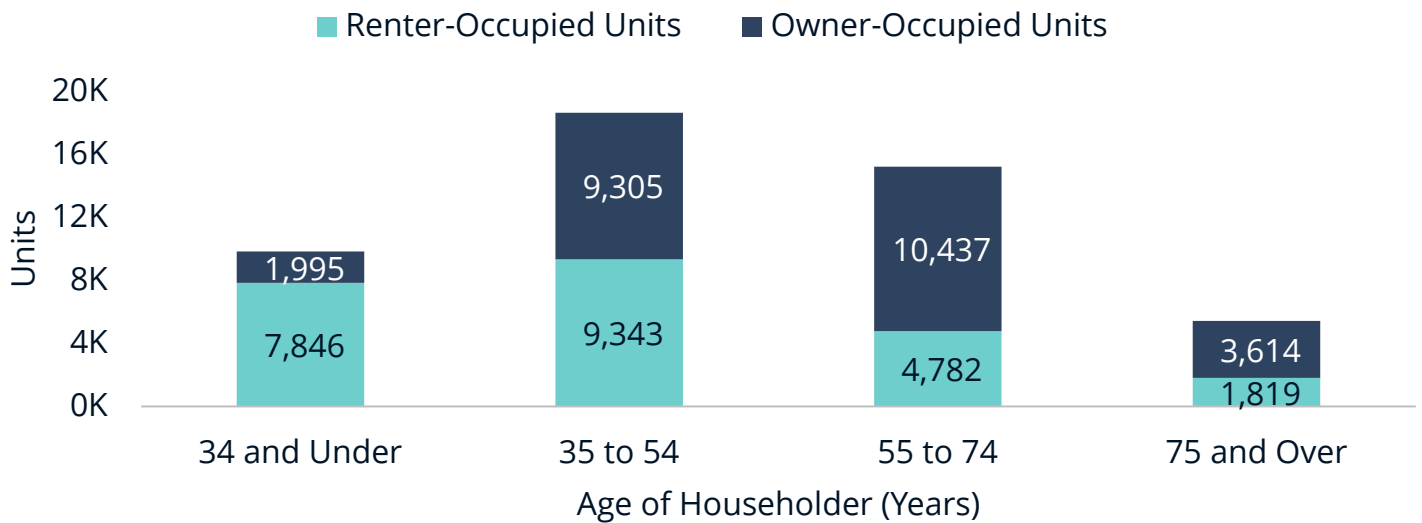


Source: American Community Survey (ACS) 5-Year 2010 & 2019

Housing Conditions Overview

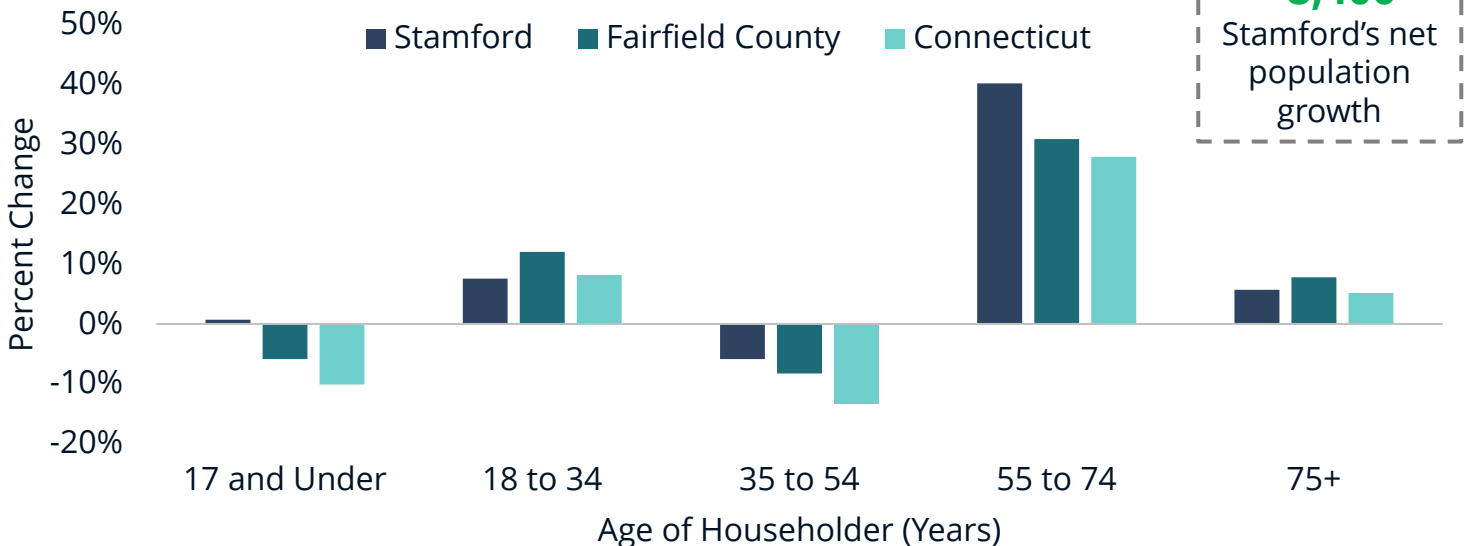
Stamford households are almost evenly split between renters (52%) and homeowners (48%), with a large cohort of middle-aged households.

Unit Occupancy Type by Age of Householder (2019)



The growth in community members 55 to 74 makes up 89% of Stamford's net population growth. Residents between 34 and 54 are leaving the city, county, and state.

Change in Population by Age (2010-2019)

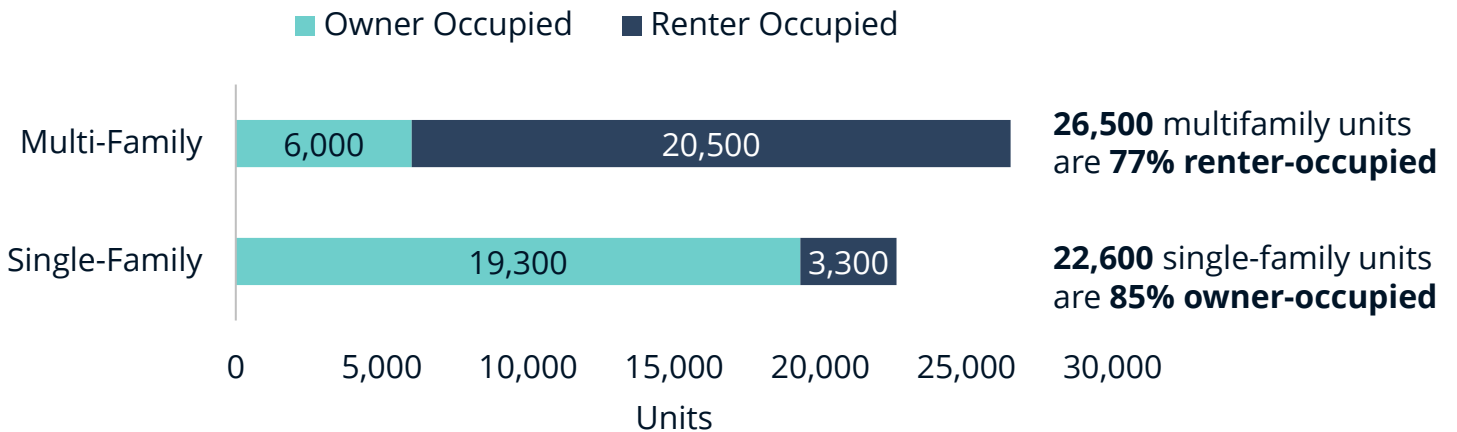


Source: American Community Survey (ACS) 5-Year 2010 & 2019

Housing Conditions Overview

Citywide, renters are the prevailing tenure group in multifamily housing while owners are the prevailing tenure group in single-family housing.

Single- vs. Multifamily Units by Occupancy Type (2019)



At the neighborhood level, Stamford can be divided into four categories based on residential land use and housing typologies.

In particular, the city's moderate density neighborhoods (categories two and three below) support diverse housing typologies.



1 Highest Density Multifamily

- Downtown
- South End

2 Moderate Density Single and Multifamily

- Cove
- East Side
- Waterside
- West Side

3 Moderate Density Mostly Single-Family

- Glenbrook-Belltown
- Ridgeway-Bulls Head
- Springdale

4 Lowest Density Single-Family

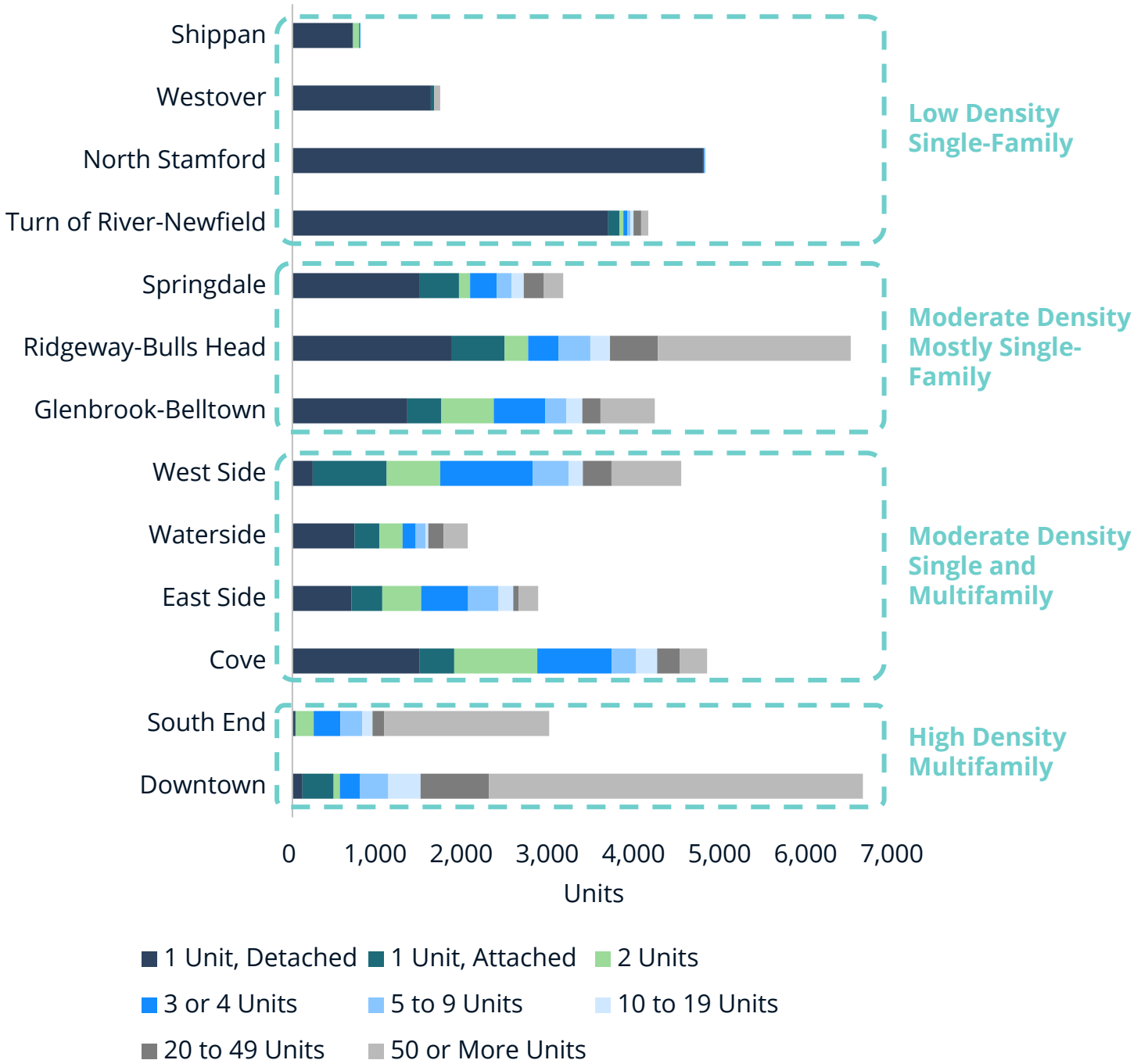
- Turn of River-Newfield
- North Stamford
- Westover
- Shippan

Sources: American Community Survey (ACS) 5-Year 2019; City of Stamford Neighborhood Statistical Area Profiles

Housing Conditions Overview

Stamford’s moderate density neighborhoods contain a substantial amount of “missing middle” housing (2-4 units), which supports affordability.

Number of Units per Neighborhood by Size of Structure (2019)

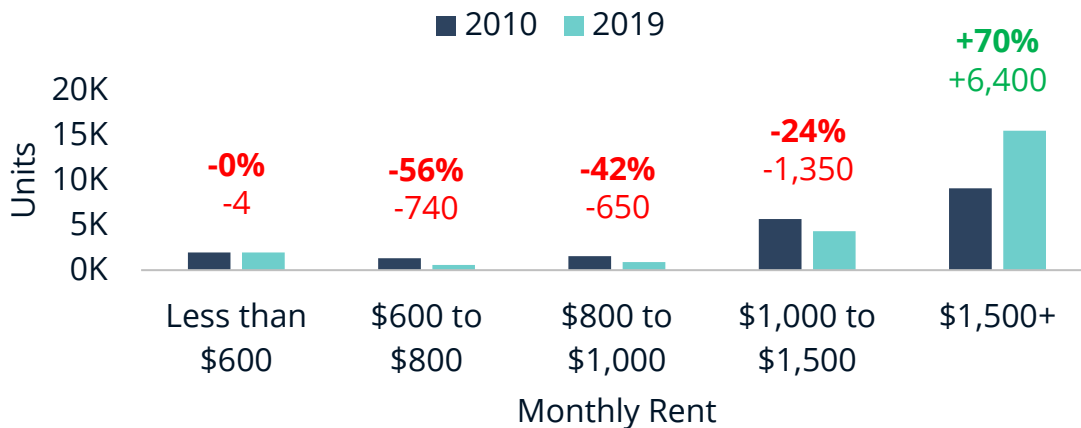


Source: American Community Survey (ACS) 5-Year 2019

Housing Conditions Overview

Stamford's rental housing stock is becoming more expensive, in line with County and State trends.

Shift in Rental Supply by Rent (2010-2019)



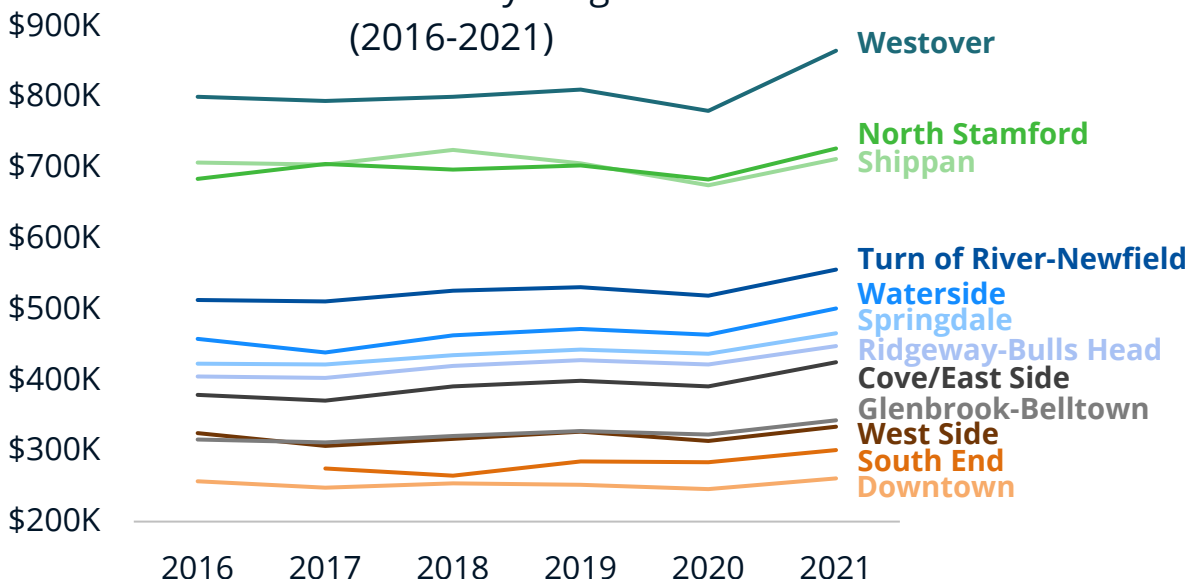
The loss in moderate rental housing is partly due to inflation.

The rate of change in each category is largely in line with the County and the State, except the loss in \$1,000 to \$1,500 per month units.

Fairfield County	-16%	-43%	-39%	-1%	+83%
Connecticut	-16%	-41%	-27%	+28%	+110%

Home values were stagnant across the city until 2020, when values increased by 5% to 11% in all neighborhoods. Values still differ widely by neighborhood.

Median Home Value by Neighborhood (2016-2021)



\$120,000

Income needed to afford median home

\$540,000

Median home value in Stamford

+7%

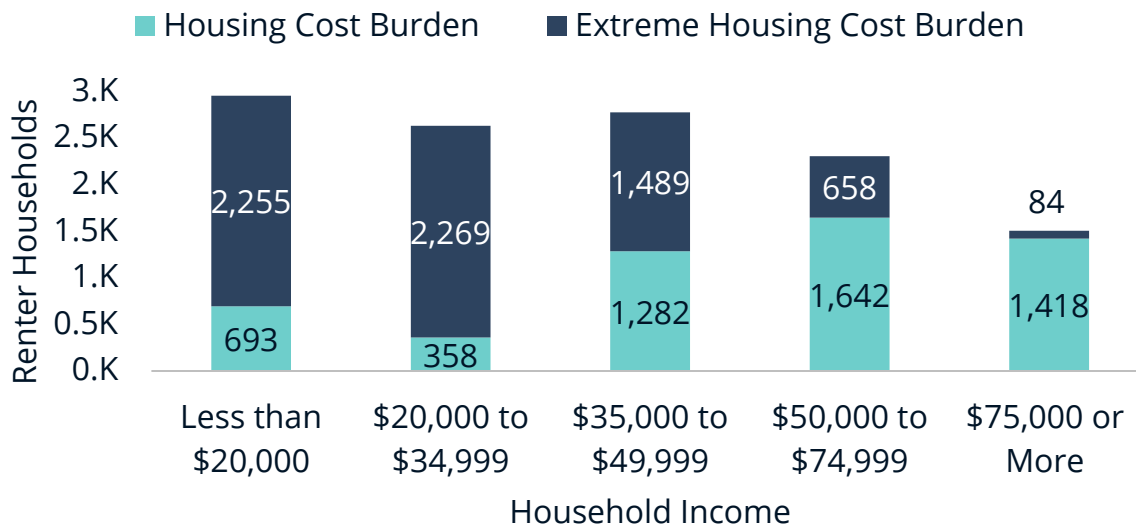
1-Year change, 2020-2021

Sources: American Community Survey (ACS) 5-Year 2010 & 2019; Zillow Home Value Index (ZHVI)

Rental Affordability

Households facing extreme rent burden are primarily low- and very low-income.

Degree of Housing Cost Burden by Income Band, Renters (2019)



Cost burdened households spend 30% or more of their income on housing costs.

Extremely cost burdened households spend 50% or more of their income on housing costs.

Stamford's housing costs leave many of those who work in the city with limited income for food, childcare, and other costs.

Home Health and Personal Care Aides

Employed in Stamford: 2,000
After-Tax Income: \$1,900 monthly
Typical Housing Costs: \$1,250 monthly
Residual Income*: \$650 monthly

Electricians

Employed in Stamford: 1,700
After-Tax Income: \$3,000 monthly
Typical Housing Costs: \$2,500 monthly
Residual Income*: \$800 monthly

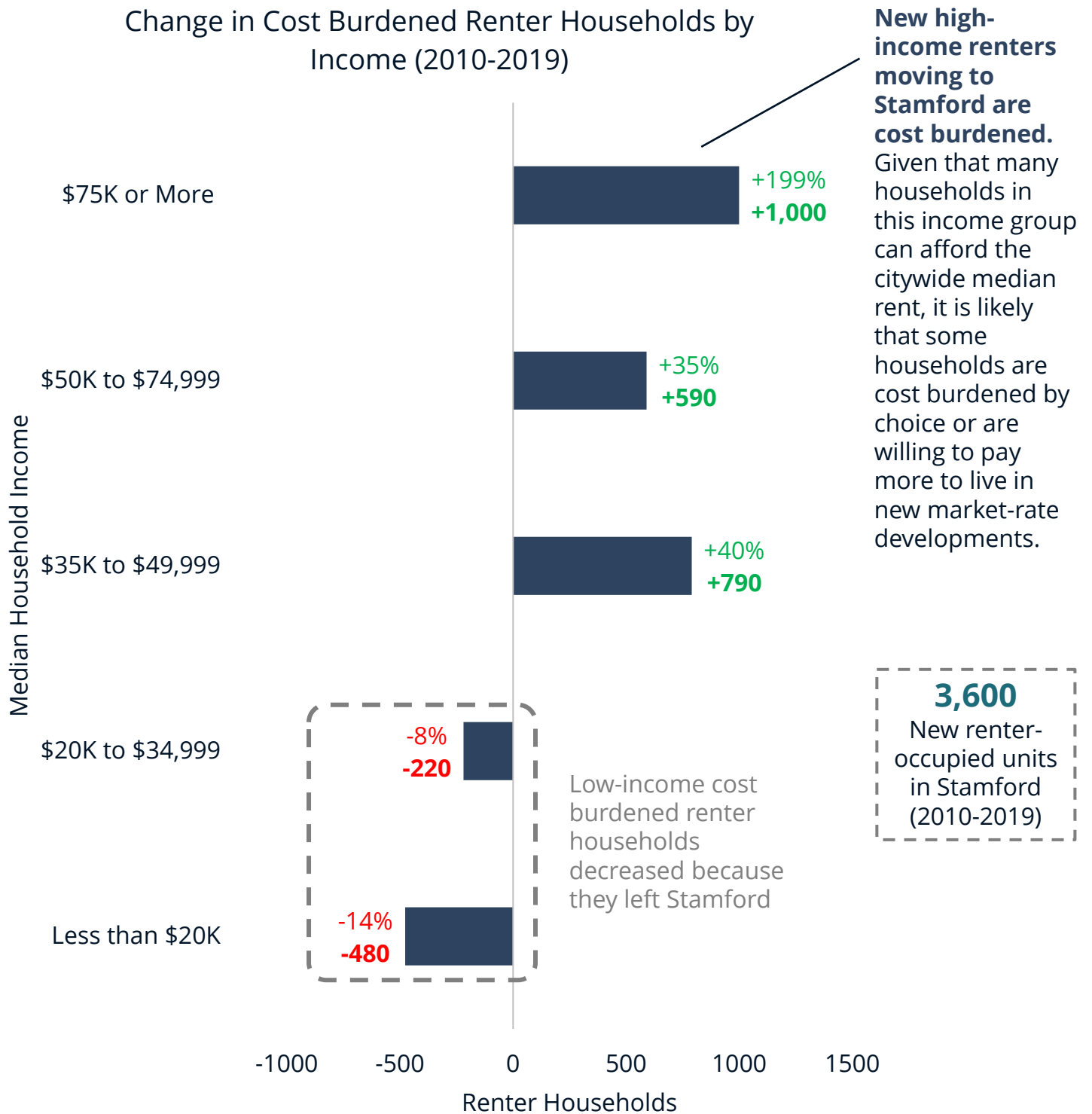
Elementary and Middle School Teachers

Employed in Stamford: 2,100
After-Tax Income: \$3,450 monthly
Typical Housing Costs: \$2,300 monthly
Residual Income*: \$1,150 monthly

*Residual income is calculated for a single person and determined by deducting the average amount spent on housing costs, based on research from the Pew Research Center, from after-tax income. Residual income = After tax income - Average housing costs by income group. / Sources: Emsi (2020); Pew Research Center

Rental Affordability

The number of rent burdened households is increasing across most income groups, in part due to a substantial increase in renters overall.



Source: American Community Survey (ACS) 5-Year 2010 & 2019

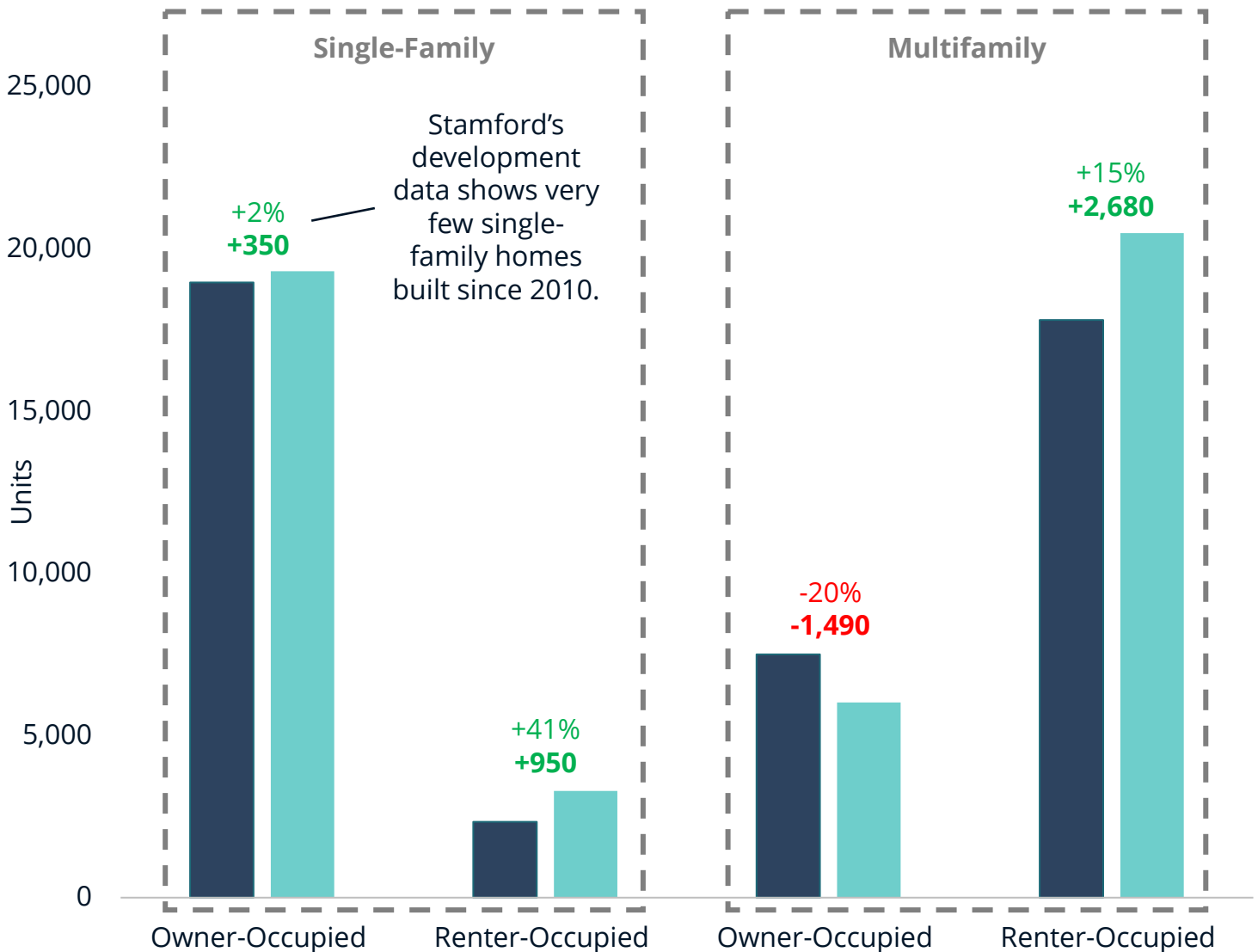
Housing Supply

The inventory of both single-family and multifamily rentals has increased since 2010, while for-sale units have declined or remained stagnant.

Stamford's supply of condos has declined by 20% since 2010, contributing to the 20% drop in owner-occupied multifamily housing. Rental conversions are also occurring in both single-family and multifamily building typologies, contributing to the 41% and 15% increases in renter-occupied units, respectively.

Single- and Multifamily Supply by Tenure (2010-2019)

■ 2010 ■ 2019

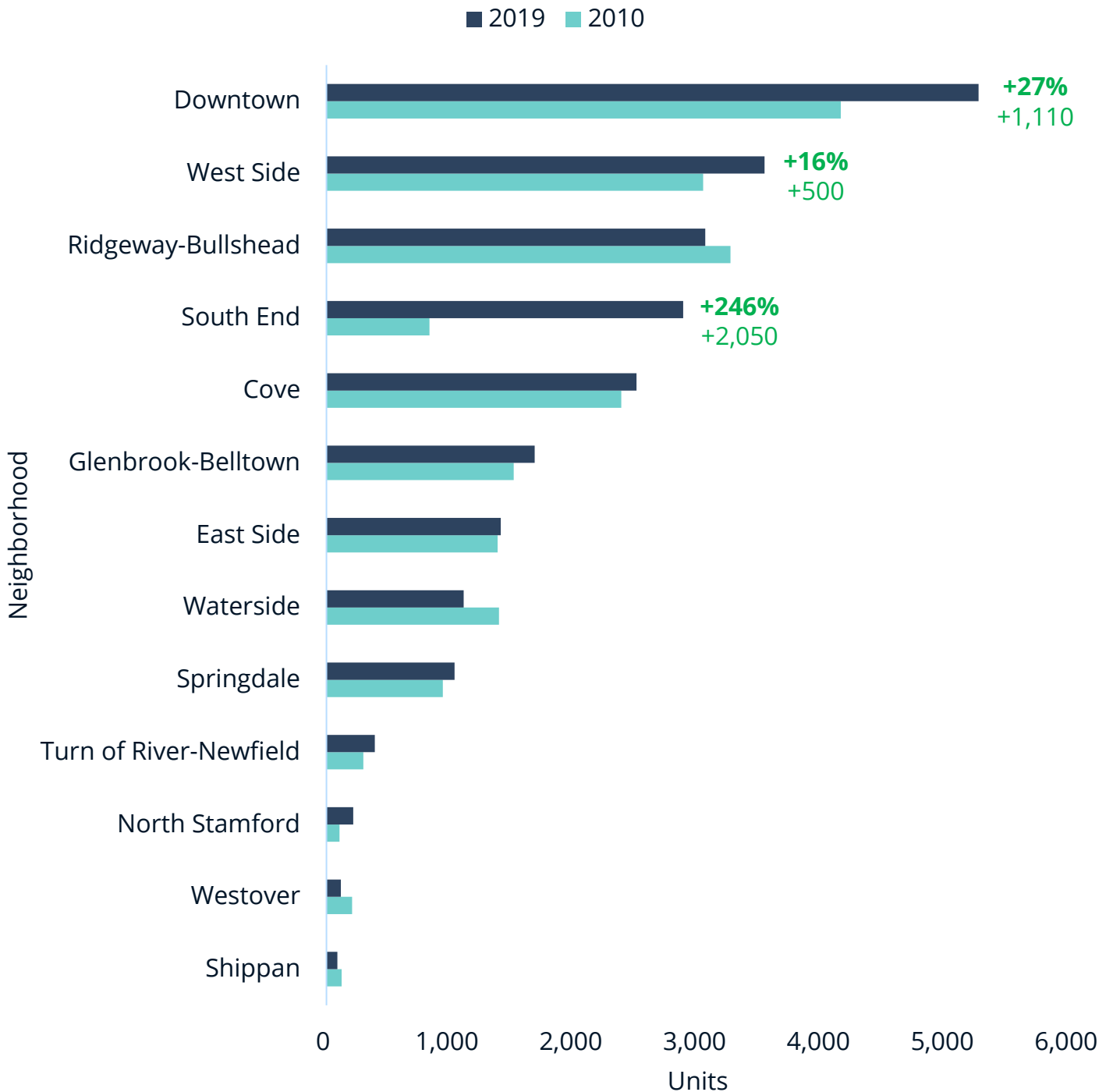


Source: American Community Survey (ACS) 5-Year 2010 & 2019

Housing Supply

While significant new multifamily housing has been built in Stamford, this housing is concentrated in Downtown, South End, and West Side due to zoning constraints in the rest of the city.

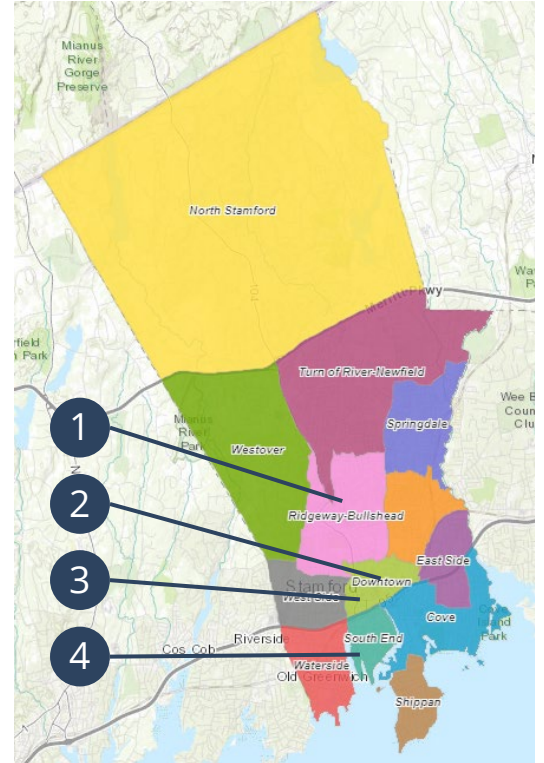
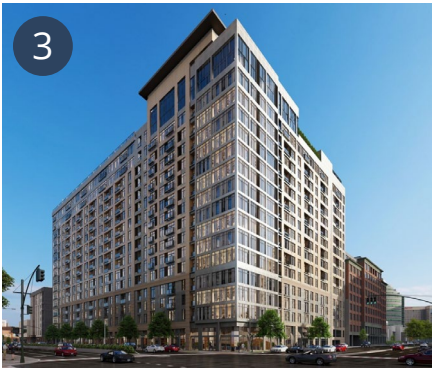
Shift in Total Rental Supply by Neighborhood



Source: American Community Survey (ACS) 5-Year 2010 & 2019

Housing Supply

Notable developments under construction include large multifamily buildings in Downtown, South End, and Ridgeway-Bulls Head.



Development	1. Waterstone on High Ridge	2. The One Atlantic	3. The Smyth	4. Harbor Point (Parcel 3)
Address	201 High Ridge Rd	1 Atlantic St	885 Washington Blvd	Harbor Point Rd
Neighborhood	Ridgeway-Bulls Head	Downtown	Downtown	South End
Developer	Epoch Senior Living	SH Atlantic LLC	Lennar Multifamily	BLT
Status	Under Construction (Est. Dec. 2021)	Under Construction (Est. 2021)	Under Construction (Est. 2021)	Under Construction
Type	Multifamily: 145 Senior Housing Units	Converted Office to Mixed-Use: 77 Units + Retail	Mixed-Use: 414 Units + 19,333 SF Retail	Multifamily: 180 Units

Sources: City of Stamford Current Developments Map; City of Stamford Neighborhood Statistical Area Profiles Map

Housing Supply

Stamford has a substantial share* of Fairfield County's subsidized affordable housing stock.

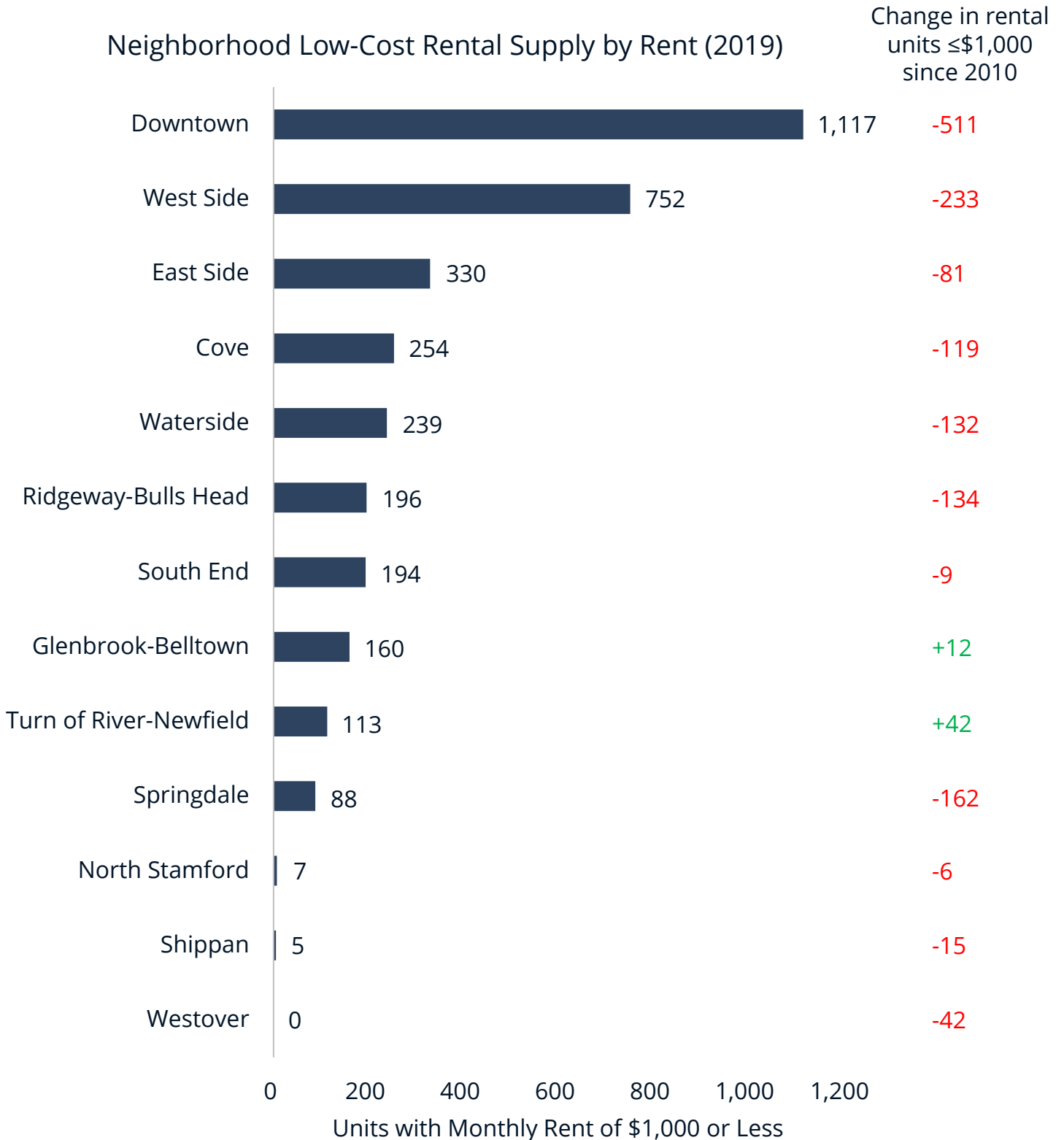
Program	Total Units in Stamford	Total Units in Fairfield County	Stamford Share of Units	
Federally Subsidized Housing	Public Housing	359	4,402	8%
	Section 8 - Housing Choice Vouchers	1,796	8,933	20%
	Section 8 - Project-based Vouchers	274	683	40%
	Section 8 - Other / Non-Voucher	1,260	4,935	26%
	Low Income Housing Tax Credits	884	2,177	41%
State Subsidized and Administered Housing	Deed Restrictions	1,240	3,000	41%
	Elderly / Senior Housing	609	2,796	22%
Population		129,638	943,332	14%

* Stamford's share of Fairfield County's affordable housing stock presented above does not include privately operated Below Market Rate (BMR) program units.

Sources: Fairfield County Center for Housing Opportunity (2020); Housing and Urban Development (2019); Regional Plan Association (2021)

Housing Supply

Despite its share of subsidized affordable housing, low-cost rental housing in general is declining in most neighborhoods.

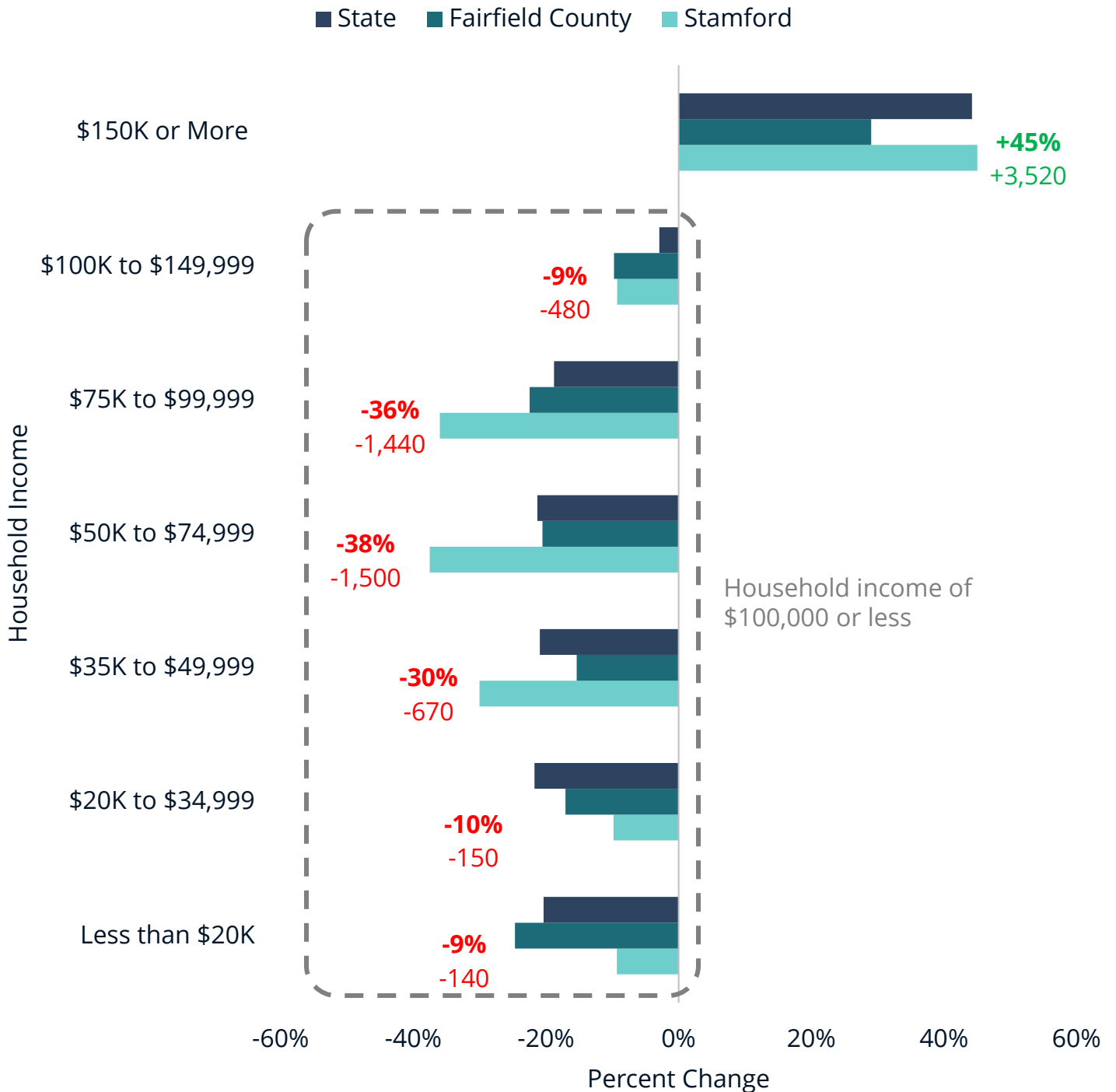


Source: American Community Survey (ACS) 5-Year 2019

Housing Supply

Households making \$100K or less, and particularly those making \$35K to \$75K (moderate-income households), are increasingly unable to afford homeownership in Stamford.

Change in Homeownership by Income Group (2010-2019)

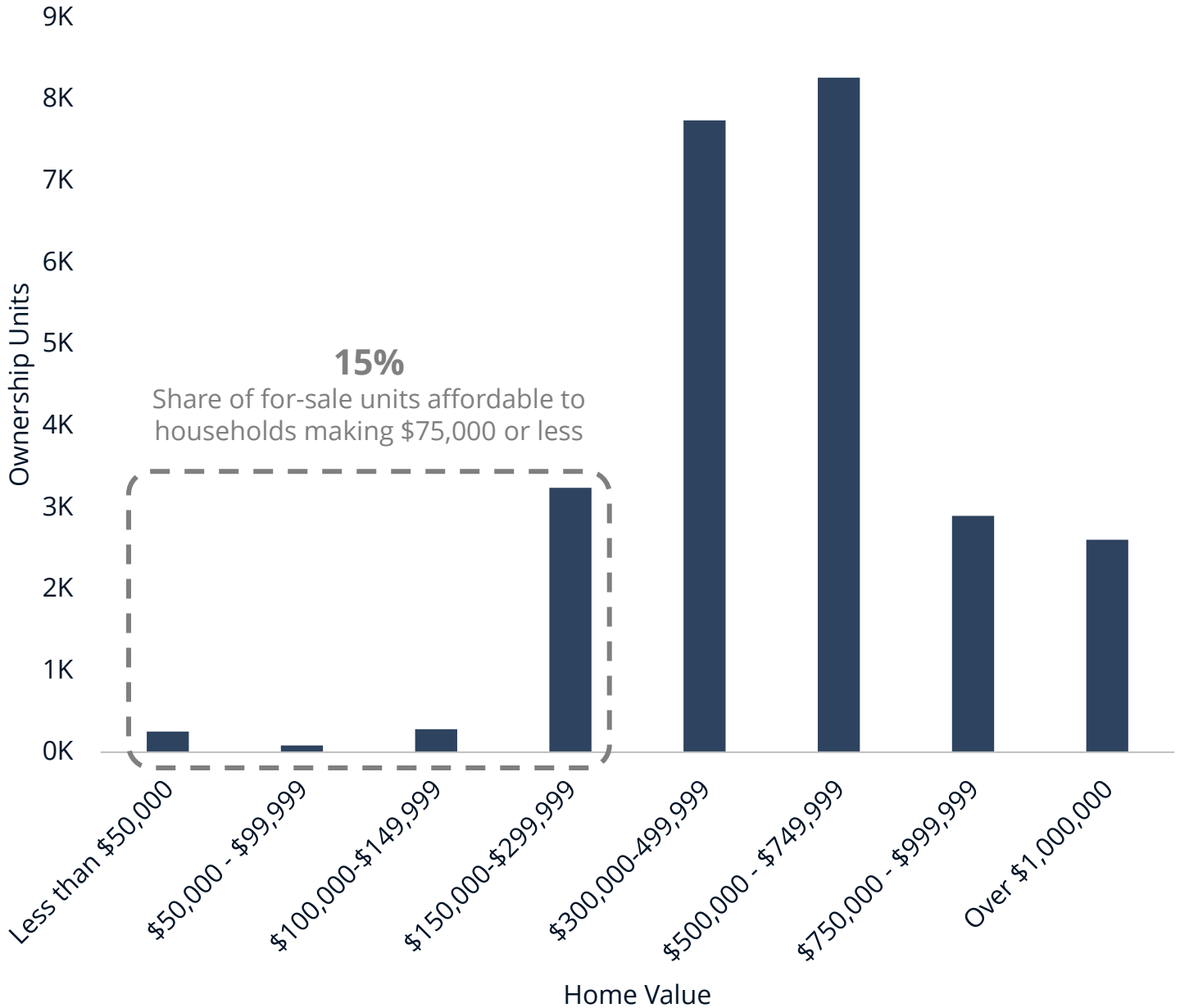


Source: American Community Survey (ACS) 5-Year

Homeownership Access

As of 2019, about 15% of Stamford's homeownership units were affordable to households making up to 80% of AMI. For households earning \$50K or less, that share drops to just 2.4%.

Distribution of Home Values in Stamford (2019)

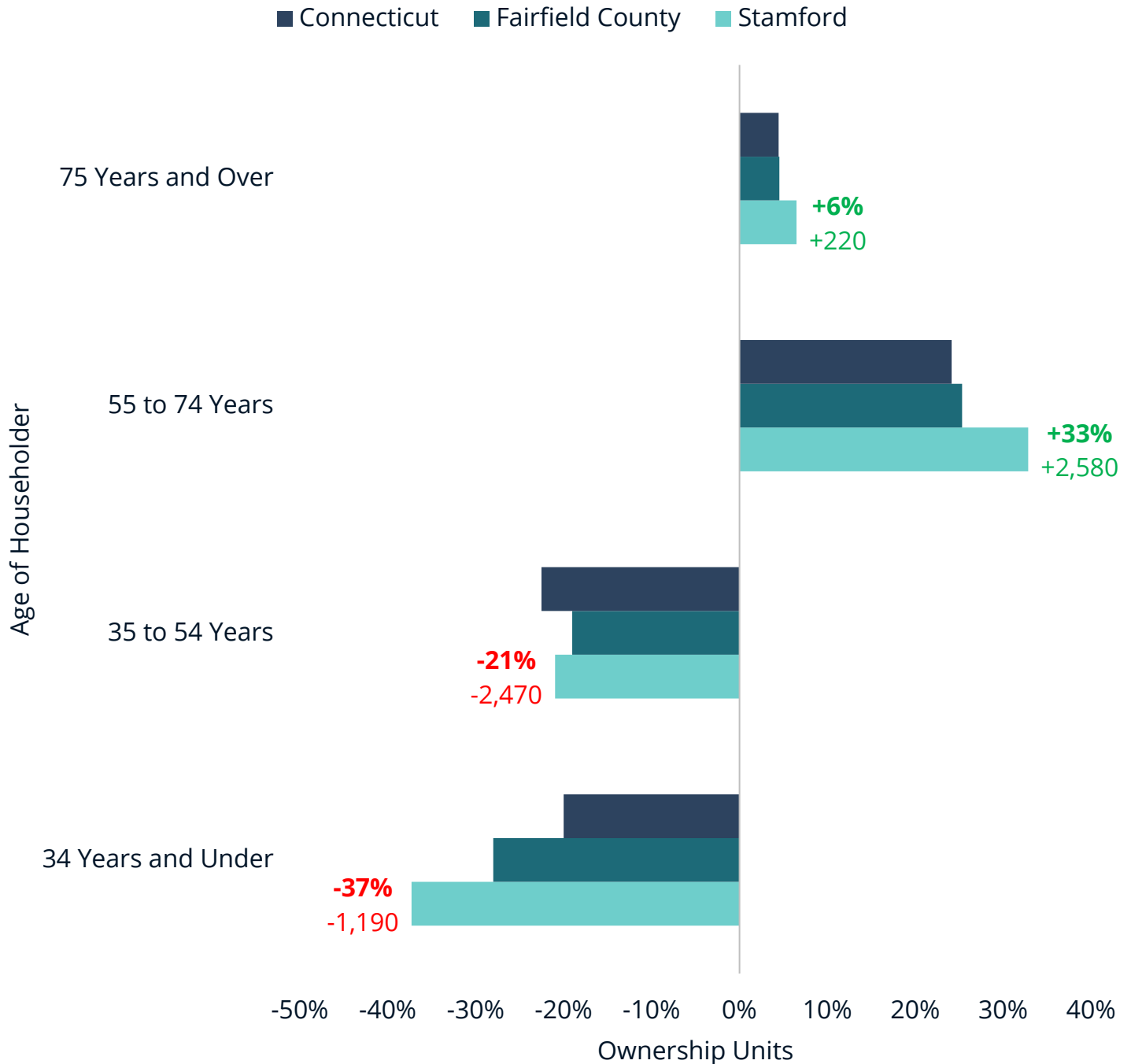


Source: American Community Survey (ACS) 5-Year 2019

Homeownership Access

Homeownership rates are rising for households aged 55 and over but are declining for households aged 54 and under. This trend is more pronounced than in the County or State.

Change in Owner-Occupied Units by Age of Householder
(2010-2019)

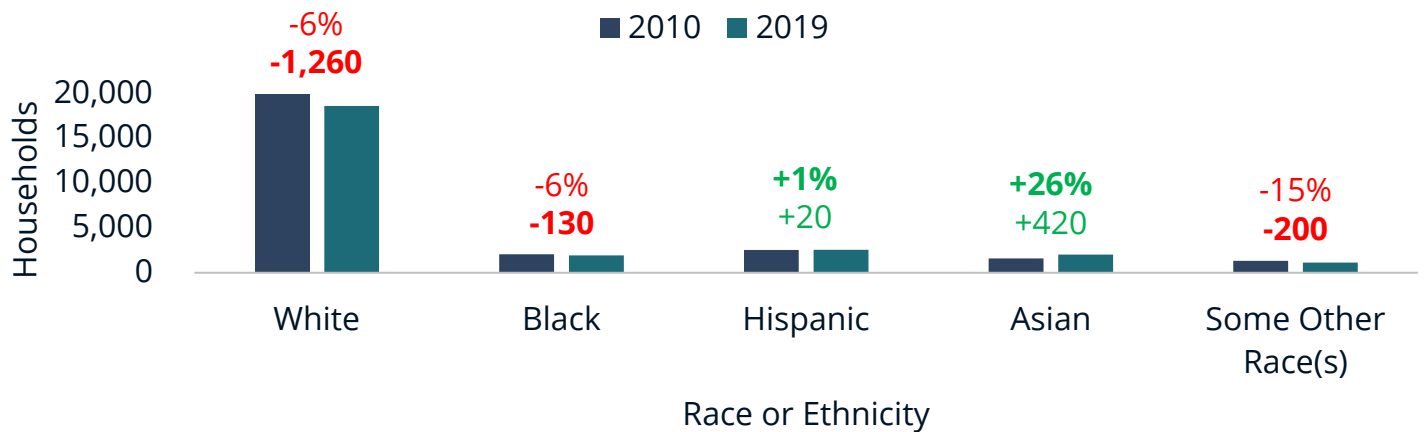


Source: American Community Survey (ACS) 5-Year 2010 & 2019

Homeownership Access

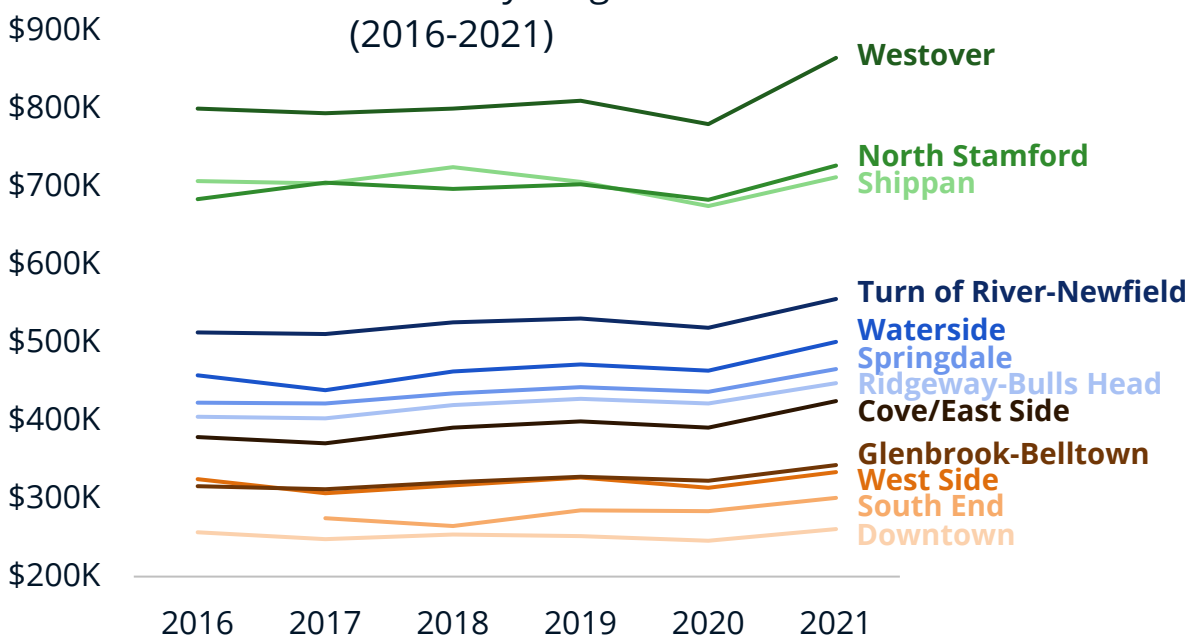
Among all racial and ethnic groups, only Hispanic and Asian households have experienced a net gain in homeownership since 2010. There are far more white homeowners than any other group.

Owner-Occupied Units by Race of Householder (2010-2019)



In the past year, Stamford has experienced a sharp increase in home values, showing pressure in the homeownership market.

Median Home Value by Neighborhood (2016-2021)



\$120,000
Income needed to afford median home

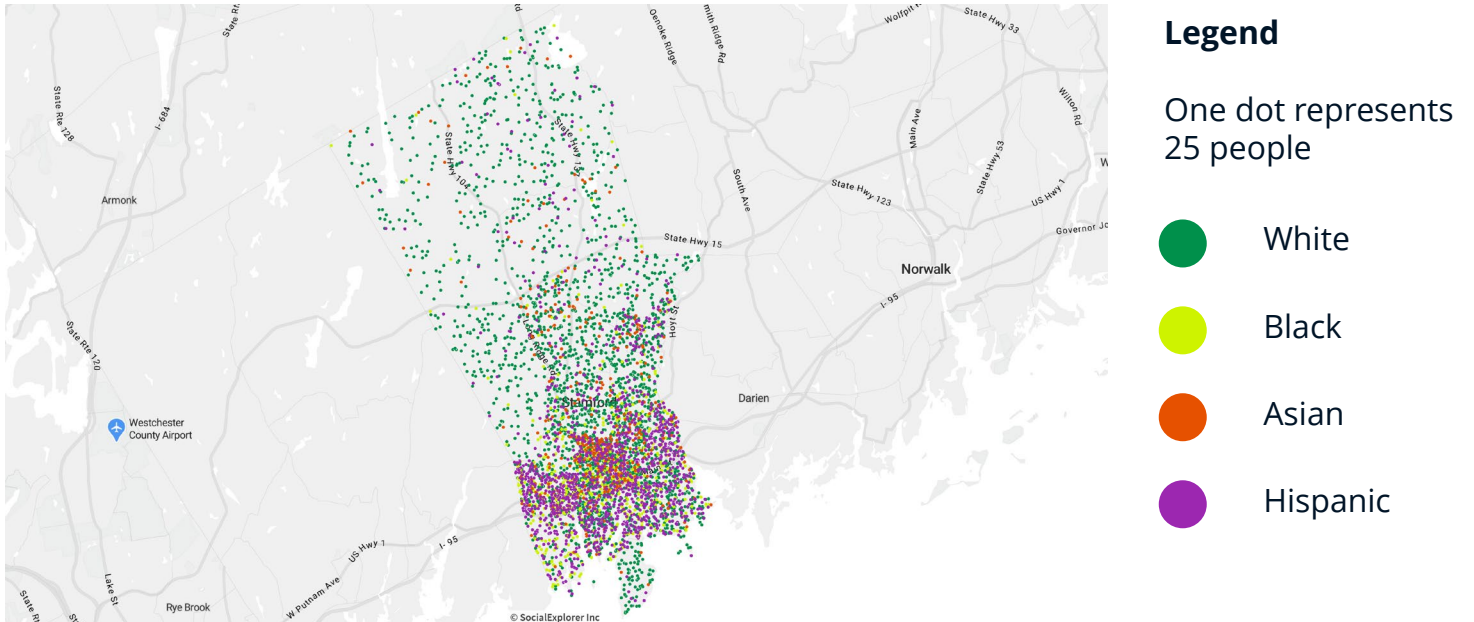
\$540,000
Median home value in Stamford

+7%
1-Year change, 2020-2021

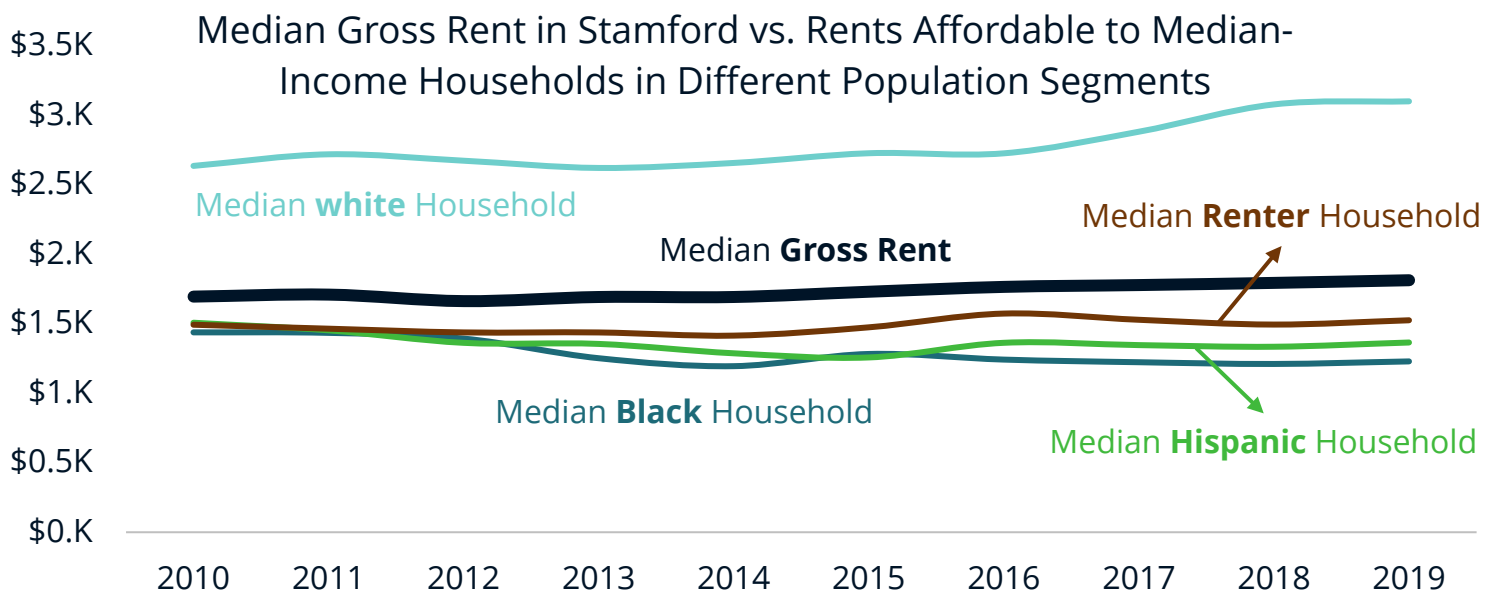
Sources: American Community Survey (ACS) 5-Year 2010 & 2019; Zillow Home Value Index (ZHVI)

Racial Equity

Non-white community members are concentrated in just a few neighborhoods, which correlate with more diverse housing types.



The issues of rental affordability, homeownership opportunities, and housing supply also disproportionately impact Black and Hispanic households in Stamford.

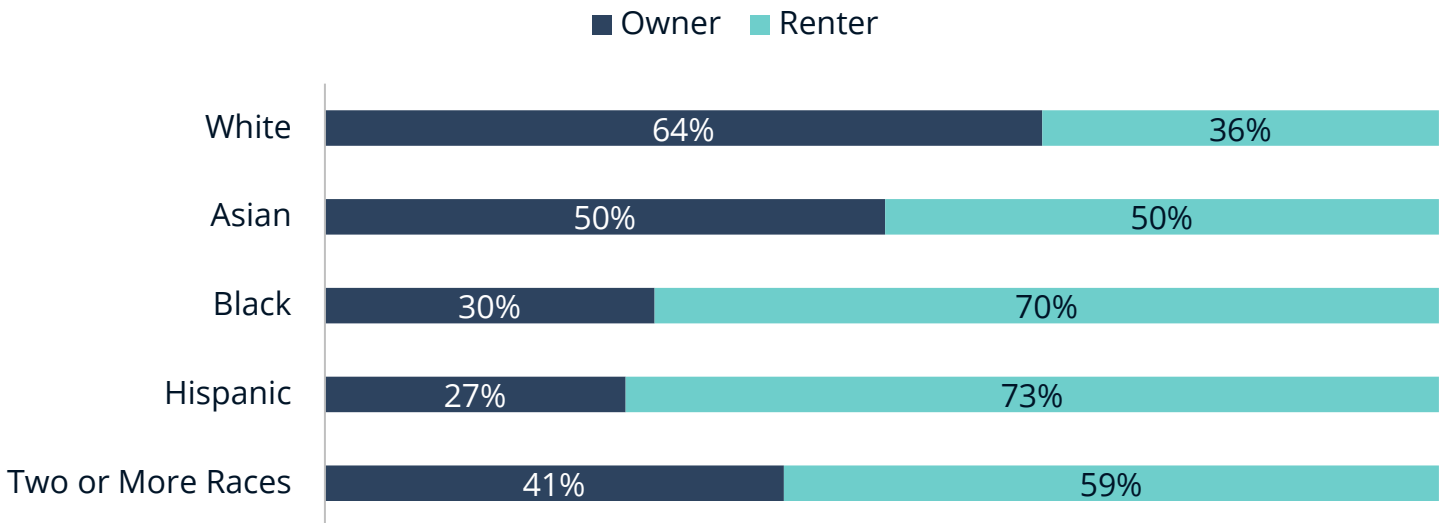


*Assuming 30% of monthly income is spent on rent. All values are inflation-adjusted to 2019 dollars.
Source: American Community Survey (ACS) 5-Year 2010-2019

Racial Equity

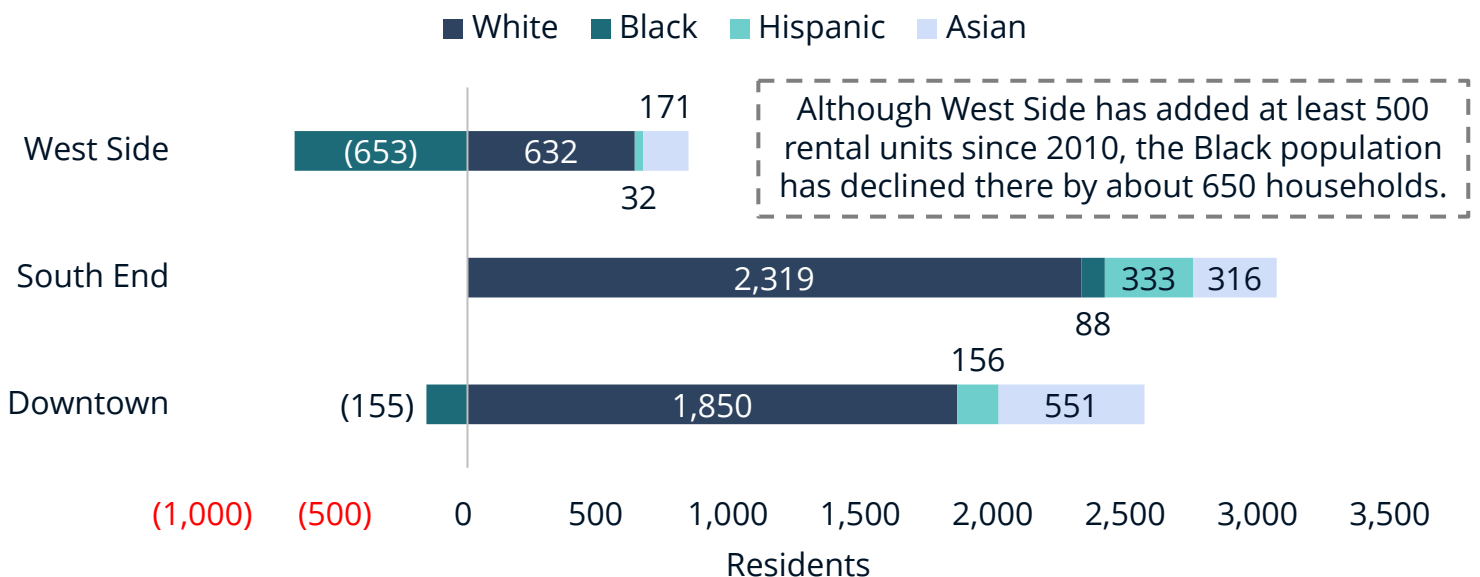
Consistent with national trends, white households own their homes at over twice the rate of Black and Hispanic households in Stamford.

Tenure by Race/Ethnicity (2019)



The Stamford neighborhoods that *are* adding housing inventory are primarily gaining white and Asian renters.

Change in Neighborhood Population by Race/Ethnicity (2010-2019)



Source: American Community Survey (ACS) 5-Year 2010 & 2019

Racial Equity

The Stamford neighborhoods that are not adding housing inventory are still seeing significant changes in population by race.

Change in Neighborhood Population by Race/Ethnicity (2010-2019)



Source: American Community Survey (ACS) 5-Year 2010 & 2019

Strategy 1: Consolidate Management of Housing Programs

Management | Overview

Effectively deploying housing strategies in Stamford requires a cohesive housing team with capacity, real estate expertise, and accountability for housing programs.

The City should combine Stamford's different housing functions into a cohesive team, increase the number of staff dedicated to housing programs, and increase the expertise available to evaluate affordable housing transactions. Increasing the number of staff will build internal capacity to run existing programs more efficiently and improve services, such as management of the BMR program, as well as adequately staff new housing programs in Stamford, such as the Affordable Housing Trust Fund.

This strategy involves four key actions to be implemented in the near-term and on an ongoing basis:

- 1. Reorganize housing programs into a single department with increased capacity.** Consolidate staff management and increase capacity to run the Below Market Rate program, the Affordable Housing Trust Fund, and the Community Development programs in one department.
- 2. Establish ongoing monitoring and communication of housing market conditions and programs.** The City should monitor affordable housing programs and housing trends, publish this information annually, and solicit community feedback to inform policy priorities over time, especially from the City's most vulnerable residents.
- 3. Expand affordable housing expertise to evaluate affordable housing transactions.** This involves both evaluating individual transactions that use City funding to ensure that they align with City priorities and giving technical advice to governing boards.
- 4. Improve BMR Program administration by;** 1) manage or contract the management of a centralized waiting list; 2) strategically staffing the program, including having a dedicated point person; 3) centralizing and adequately resourcing the monitoring of compliance; and 4) updating the program to keep fee-in-lieu amounts in line with market conditions.

This strategy will enable City staff to gain clear responsibilities for managing different housing programs and set the conditions under which City staff can increase efficiency, transparency, and accountability.

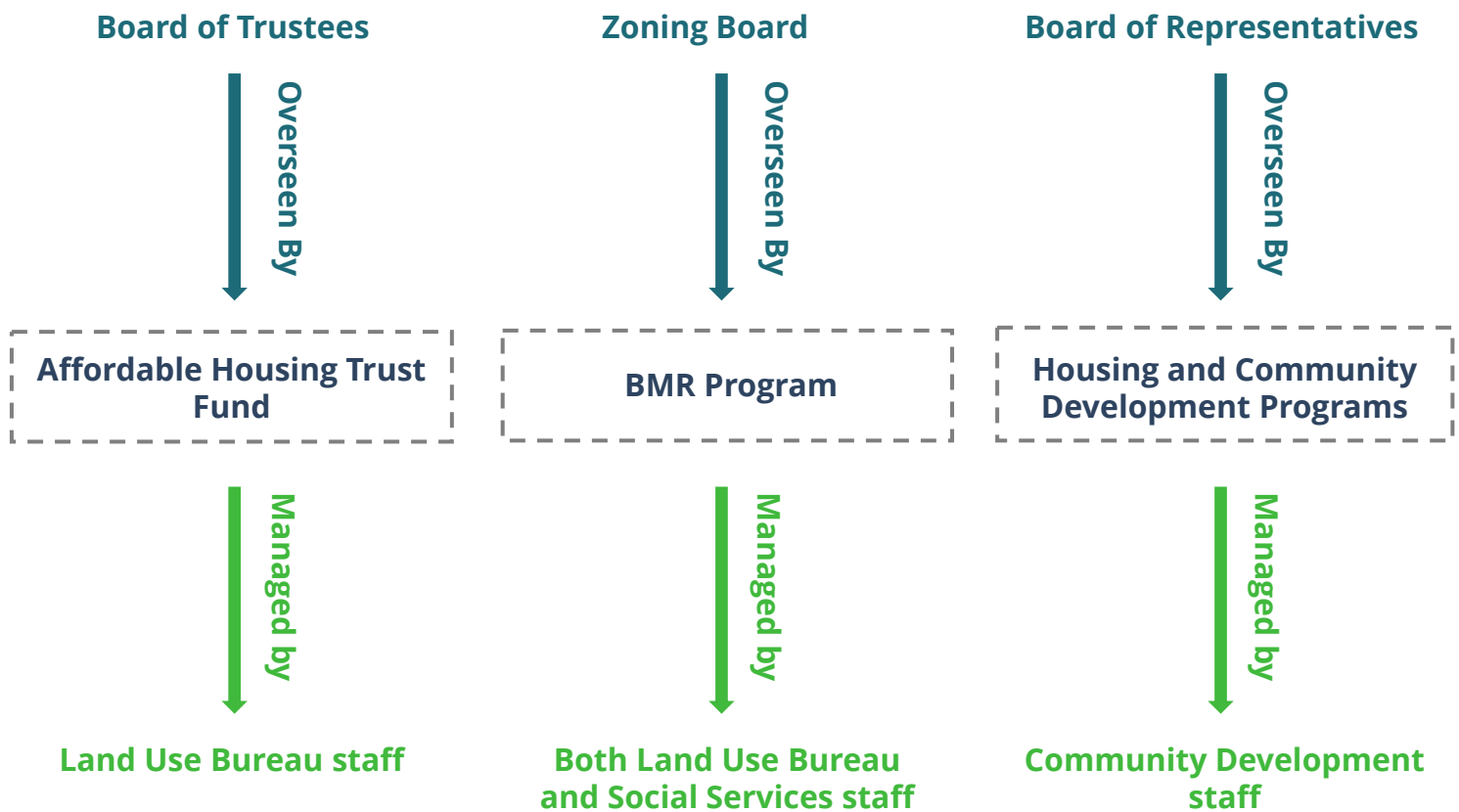
Management | Overview

City staff who manage Stamford's housing programs and policies are scattered across multiple departments, making it challenging for the City to implement a cohesive housing strategy.

CONTEXT

Stamford currently has three primary housing program areas: the Affordable Housing Trust Fund, the BMR program, and Housing and Community Development Programs, each administered by staff in different departments and overseen by different governing bodies. While there is an important role for all these players, these different housing programs are occurring independently with little integration or cohesive strategy. This also makes it challenging for City staff, who struggle to coordinate across program areas and manage the responsibilities of each program with limited staff and resources. Previous efforts at implementing new housing programs, such as a rehab program funded by Community Development Block Grant dollars, have failed due to a lack of cohesion and capacity.

Stamford Housing Ecosystem: Current Structure



Management | Overview

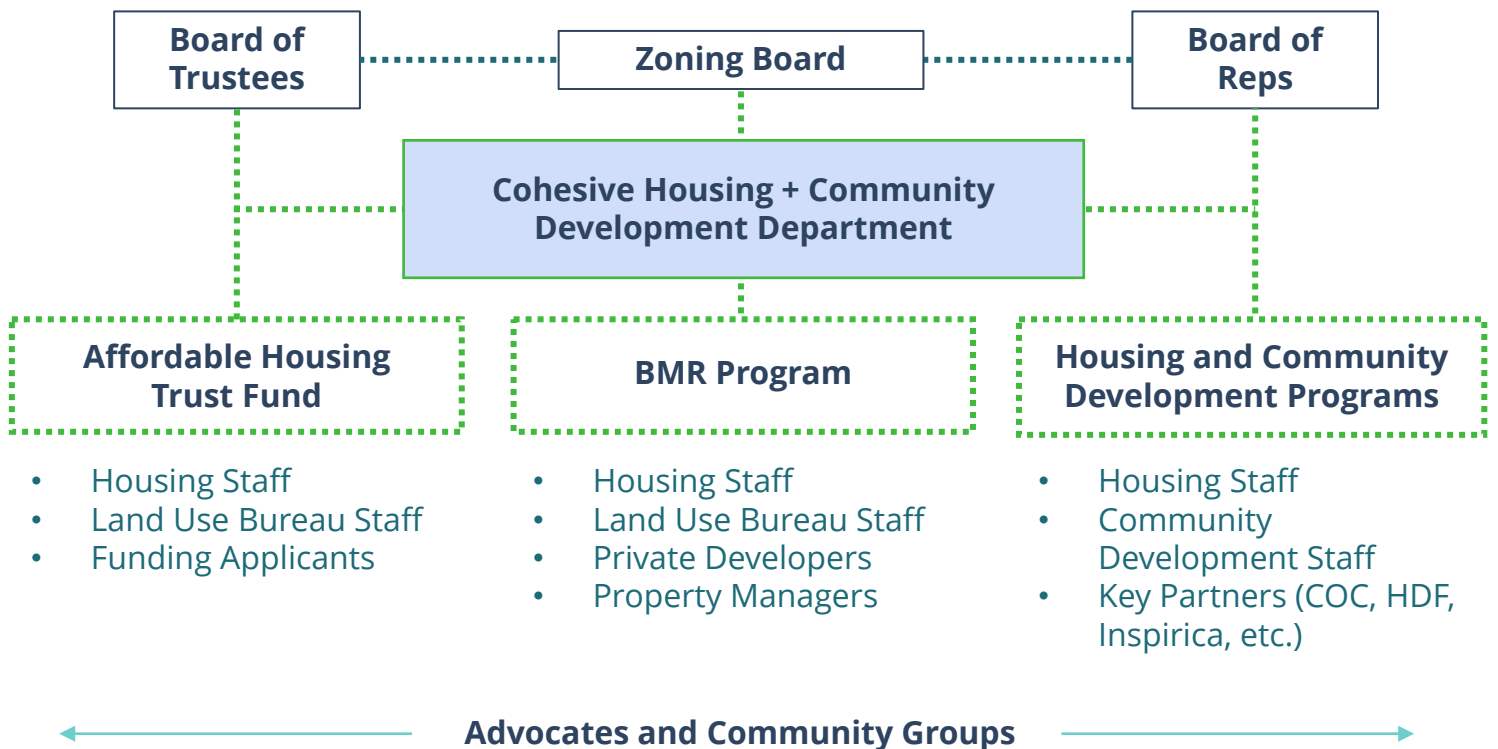
The City's different housing functions should be brought together into a cohesive team to plan for and operationalize Stamford's housing strategy.

RECOMMENDATIONS

The scale and complexity of Stamford's housing programs requires additional staff, increased technical and stakeholder capacity, and training to effectively administer housing programs, manage development processes, set clear housing priorities, and measure the success of its programming.

The City should assess the appropriate place for housing staff within City government—whether within the Land Use Bureau, within another department, or as a separate department or entity. The City should increase the number of staff to have at least one staff member dedicated to each major program area.

Stamford Housing Ecosystem: Proposed Structure



Management | Overview

Stamford should increase the capacity of City staff to effectively manage and plan for housing and community development programs.

Increased capacity and training is needed for both City staff and members of the Affordable Housing Trust Fund's Board of Trustees, the Planning and Zoning Boards, and the Board of Representatives, all key decision-makers for Stamford's housing programs.

IMPLEMENTATION

Increasing capacity requires the following actions:

- Provide clear communication about staff roles and City processes and priorities to external partners, and clear paths for community feedback to the City.
- Set annual production goals for City performance related to housing development and affordability, and track metrics related to the impact of the City's housing programs and development activity, disaggregating data by race, ethnicity, and income level.
- Establish a standard technical report on funding requests to the AHTF to inform decisions by the Board of Trustees.
- Develop a standardized competitive process to award funding for affordable housing and to evaluate the use of fee-in-lieu payments.
- Incorporate City staff in Board of Trustees meetings.
- Prioritize the recruitment of housing staff that reflect the communities served by housing programs.
- Hire or contract for staff with housing transaction expertise to complete technical reports for the BMR and AHTF programs.

Training for resources for staff and housing stakeholders:

There are a number of training programs available to housing and community development professionals, such as the program offered by the National Development Council. This program builds housing finance capacity primarily for government and non-profit professionals.

Investing in a training program for existing or new City staff will enable them to increase the efficiency of existing programs and evaluate housing transactions to align with City priorities.

Source: <https://ndconline.org/training/>

Management | Housing Expertise

Staff and Board members need additional affordable housing and real estate expertise to effectively evaluate and deploy public funding and set affordability requirements.

Build real estate expertise. The City is already investing funds and will continue to invest funds into affordable housing development. The City needs to underwrite each deal to evaluate whether projects achieve the City's affordable housing goals, which requires analysis of the economics of the project and available funding sources. Managing the BMR program requires similar expertise, in particular the evaluation of fee-in-lieu as an alternative to building affordable units on-site.

There are two immediate next steps to utilize this expertise:

1. Standardize a competitive RFP process. As the Affordable Housing Trust Fund's Board of Trustees finalizes their governing bylaws and begins allocating funding, the Board and City Staff should implement a competitive Request for Proposal (RFP) process for funding awards with clear eligibility requirements and application standards. Without a competitive process, the cost of producing affordable housing will rise and the number of households who benefit will decrease. RFPs should clearly define:

- Target affordability levels.
- Minimum affordability period.
- Leverage requirements for AHTF funds.
- Minimum level of homes developed or preserved at each affordability level.

2. Set clear evaluation criteria. RFPs should be scored based on experience, capacity, alignment with public policy goals, efficiency and leverage. The Board should prioritize projects that leverage state and federal funding, as described on page 63.

There are a range of scoring criteria that should be established for applications to the AHTF, including:

- Organizational capacity and experience
- Affordability level
- Length of affordability period
- Inclusion of family-sized units
- Location of development
- Supportive service provision

Management | Accountability

Ongoing community engagement is crucial for keeping the public informed on housing programs and changing market conditions and soliciting feedback on policy priorities.

IMPLEMENTATION

The City should be transparent in its priorities and decision-making across housing programs and through spending from the Affordable Housing Trust Fund and work to bring residents who are most impacted by housing issues into the planning process. Transparency of funding allocations and uses serves to maximize the impact of public funds by increasing the competitiveness of programs and deals and by increasing accountability. The City can increase accountability through the following actions:

Monitor trends and make information publicly available. In addition to creating a land inventory, the City should build on its monitoring of the BMR program to track existing and new affordable housing units outside of the BMR program and ensure that they are not lost over time, in particular affordable housing that relies on Low Income Housing Tax Credit subsidy. The City should also monitor specific metrics to track the impact of housing programs, including BMR units, new condo development or subsidized homeownership units, NOAH, and others. These metrics can be made publicly available on the City's website or through a dashboard to increase accountability.

Set an Annual Allocation Plan (AAP). An AAP allocates annual funding through the AHTF across different housing programs that the AHTF supports. Programs should be selected by a diverse group of stakeholders based on housing policy priorities and evaluated over time as conditions change. This ongoing evaluation should also include an annual public engagement process to gauge housing policy priorities by those most impacted by housing issues.

Publish an annual housing report. City staff will need to prepare an annual housing report to track City spending on housing and housing programs and the number of households served. The full extent of the City's spending on housing, including through the general budget, through Community Development Block Grant and HOME funds, and through the Affordable Housing Trust Fund should be made clear in the annual report, both to give credit to existing efforts around housing and to be able to more accurately monitor trends and scale of impact. The report should be made public and available on the City's website.



Monitor & Evaluate Progress



Set an Annual Allocation Plan



Publish an Annual Report

Management | BMR Program

Adjusting the administration of the BMR program will increase its efficiency and improve monitoring.

RECOMMENDATIONS

To improve management of the BMR program, the City should dedicate additional staff and resources.

Currently, the BMR program faces waitlist challenges. Prospective tenants need to apply for each individual building through the property manager and pay an application fee. However, the City currently lacks the staff capacity to manage a centralized waitlist, as there are no full-time staff members focused solely on the BMR program. HR&A recommends the following three changes for the City to more effectively administer the BMR program and create better outcomes for BMR tenants:

1. Centralize management of the BMR program waitlist, either through a partner organization or by City staff, and use property owner payments to cover the resulting administrative costs. The City should require individual property owners of buildings with BMR units to pay an annual fee to the City in exchange for having their property managers relinquish waitlist responsibilities. Owners' payments would then cover the City's costs, either internally or through a partner, for accepting applicants to a centralized BMR program waitlist. This centralization has several benefits:

- A. Eliminates the need to pay application fees across multiple buildings, potentially saving prospective tenants hundreds of dollars in fees.
- B. Standardizes paperwork for BMR unit applications, such that prospective tenants no longer need to complete different forms for different buildings.
- C. Eliminates time, money, and administrative burdens of waitlist management for private and nonprofit property owners.

Property owners would still be responsible for selecting tenant applications from the waitlist and conducting annual income verifications until the City has increased capacity to do so.

2. In line with adequately staffing the department more broadly, hire new staff within the department to monitor the program and ensure compliance. The City will be responsible for monitoring of BMR properties, ensuring that they are compliant each year with BMR regulations.

3. Clearly communicate the rules and regulations to property managers. Property managers are responsible for certifying tenant incomes and enforcing BMR regulations on their properties. In order to do so, they need to clearly understand income requirements and rules for tenants who phase out of income requirements. Staff should provide this information biannually.

Management | BMR Program

The City's core management responsibilities for the BMR program fall into five areas.

The City should be responsible for managing the BMR program in five key areas listed below, which range from applications for existing and newly built BMR units to monitoring and reporting on program outcomes.

RECOMMENDATIONS

1. Applications & Marketing to Eligible Residents

- The City should standardize application forms and eliminate application fees.
- The City needs to maintain fair marketing standards.

2. Screening & Selection

- Property owners should draw tenant applications from the centralized waitlist and verify incomes annually.

3. Waitlist Management

- The City or a partner organization should manage one centralized waitlist from which building owners can locate tenants.

4. Monitoring & Compliance

- The City needs to monitor BMR buildings annually, reviewing information on the recertification process and compliance of property owners/managers with all BMR regulations.

5. Tracking & Reporting

- Tracking current tenancy ensures occupancy and can prevent units from falling offline. The City should continue tracking BMR units in privately owned buildings.
- The City should continue annual reporting on BMR deliveries, occupancy, and other metrics to help educate the broader public about the benefits of the program and ensure efficacy.

Process	Applications & Marketing	Screening & Selection	Waitlist Management	Compliance, Monitoring & Reporting
Responsible Party	City & Property Owners	Property Owners	City or Partner	City

Sources: *Delivering on the Promise of Inclusionary Zoning*; *Policy Link Inclusionary Housing Program Administration*

Management | BMR Program

As Stamford’s housing market shifts over time, the City should establish regular updates of the BMR program.

RECOMMENDATIONS

As part of managing the BMR program, it is important to reevaluate and reset:

- **The amount of fee-in-lieu per unit**, which may need to be adjusted based on evolving multifamily development costs and feasibility, as well as City priorities (incentivizing or disincentivizing BMR units on-site). In calculating the amount of fee-in-lieu per unit, the City should account for changes in fees paid to the City due to other policies (such as an increase in permitting fees). This should happen annually.
- **The program’s affordability requirements**, such as the threshold of 10% of all units in multifamily buildings with 10 or more units. This can occur on a set schedule biannually.

Updates should occur based on the set affordability increase schedule proposed on page 92. This requires increased City capacity to evaluate real estate development projects. Adjusting to meet evolving market conditions is crucial for continuing to right-size the program for Stamford’s unique market and housing needs.

Examples of Evolving Housing Market Conditions

<p>1. Construction Costs (near-term): Starting in April 2020, the demand for new homes and renovations during the COVID-19 pandemic caused lumber prices to reach historic highs. The average price of a new single-family home in the U.S. increased by nearly \$30,000 as a result, threatening affordability. Lumber prices only started to recede in June 2021.</p>	<p>\$303.40 Price of lumber per thousand board feet (March 2020)</p>	<p>\$1,607.50 Price of lumber per thousand board feet (May 2021)</p>

<p>2. Area Median Income (AMI): The 50% AMI income limit for a 4-person household in Stamford has increased by 20% since 2010.</p>	<p>\$62,850 FY 2010</p>	<p>\$75,250 FY 2021</p>

<p>3. Rent Growth: The average rent per housing unit in Stamford has increased by 15% since 2010.</p>	<p>\$2,104 Q4 2010</p>	<p>\$2,415 Q4 2021</p>

Strategy 2: Scale Up Investments in Housing

Subsidy | Overview

Stamford should dedicate more local funding and leverage state and federal resources in order to make long-term investments in affordable housing.

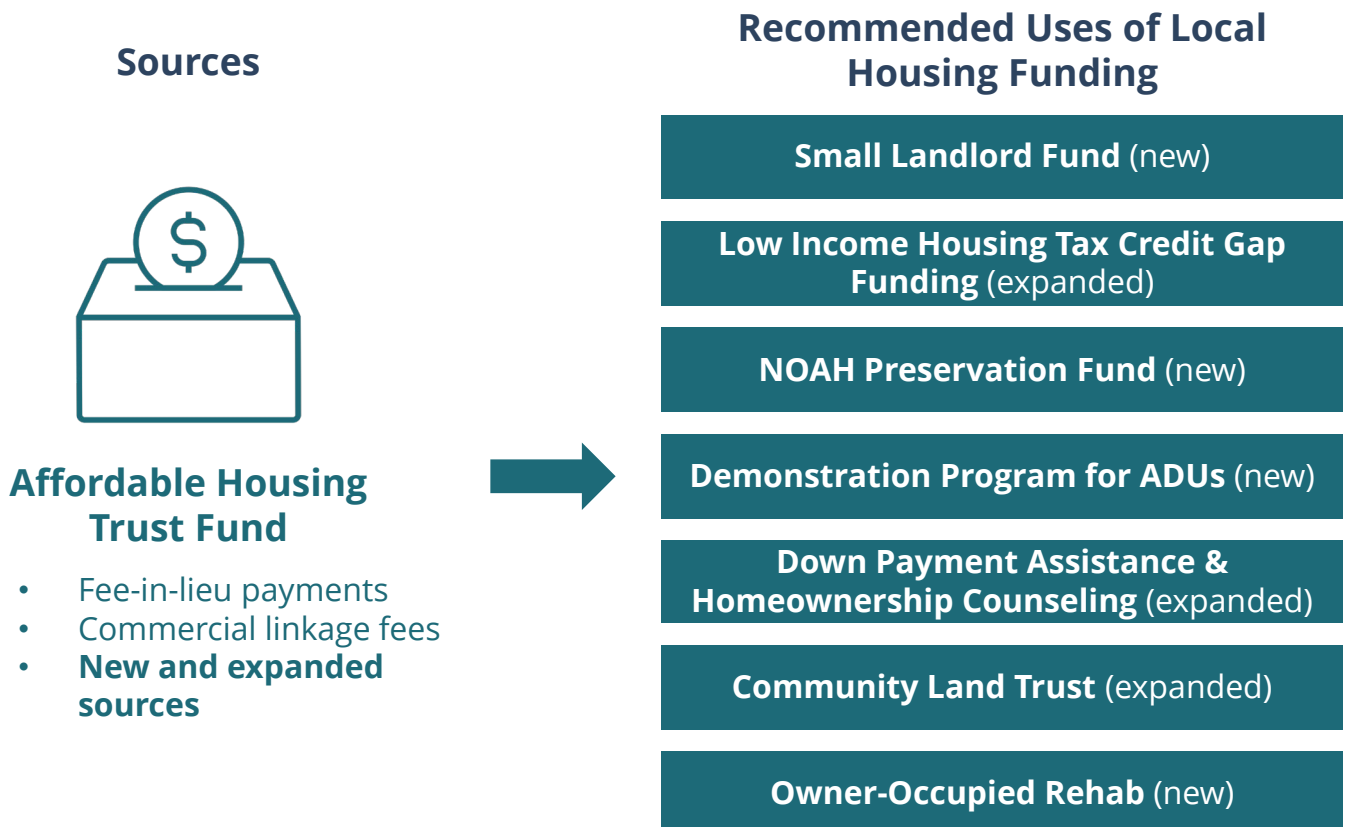
1

Leverage state and federal resources. The City and the Board of Trustees should prioritize accessing CT Department of Housing Bond funds and federal Low Income Housing Tax Credits. This will require regional and statewide advocacy to adjust scoring criteria for funding awards in Stamford for 9% tax credit deals and partnerships with developers.

2

Increase revenue for the Affordable Housing Trust Fund. The City and the Board of Trustees will need to prioritize funding from fee-in-lieu in the short term and identify new sources of revenue, including additional federal funds like American Rescue Plan Act funds, **with a target of \$35 per capita annually.** For a more detailed assessment of fee-in-lieu payments, see page 88. This will allow the City to scale up investments in affordable rental and homeownership opportunities.

The impact of the various affordable housing programs that the City funds through partners rely on sustained local funding. To scale-up these programs, the City should provide additional funding and prioritize programs that can leverage other private, state and federal funding sources. Without an increase in funding, the impact of programs will continue to shrink due to inflation, as they have in recent years. As Stamford identifies additional revenue for the Affordable Housing Trust Fund (sources), **there are a series of subsidy tools (uses) that the City can fund through partner organizations to meet Stamford’s housing needs.**



Subsidy | Overview

Subsidy tools are critical for meeting the housing needs of low- and very low-income households.

There are two primary forms of subsidy:

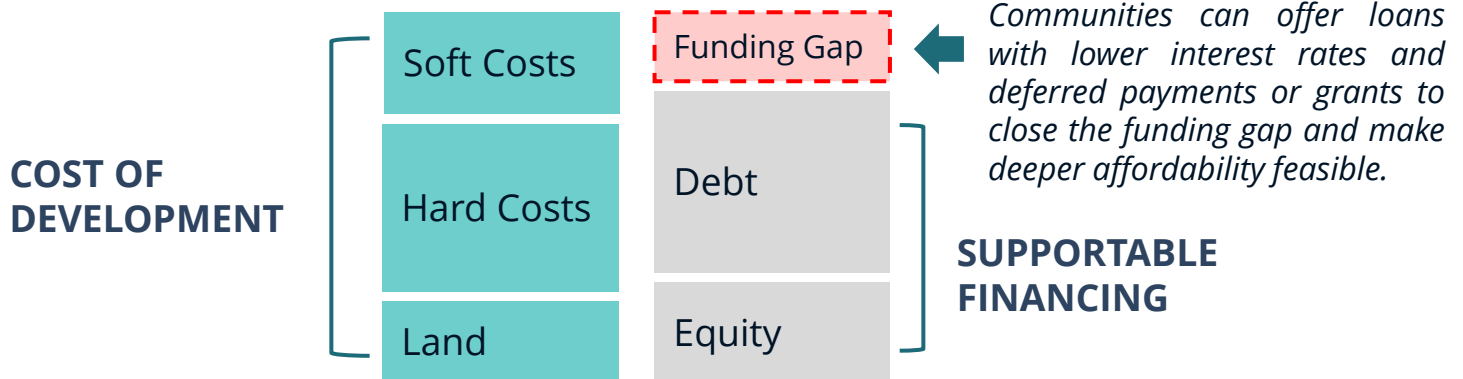
- **Capital Subsidies** are low- or no-interest debt and grants to reduce the cost to develop or acquire housing. Capital subsidies are crucial for creating permanent affordable housing in an expensive housing market.

e.g., gap financing, down payment assistance, public land disposition

- **Operating Subsidies and Income Assistance** are ongoing payments to the property owner or tenant to supplement lower, affordable rent. Operating subsidies and income assistance are the primary way to make rent affordable for households that don't make enough to pay local housing costs.

e.g., housing vouchers

EXAMPLE HOUSING DEVELOPMENT



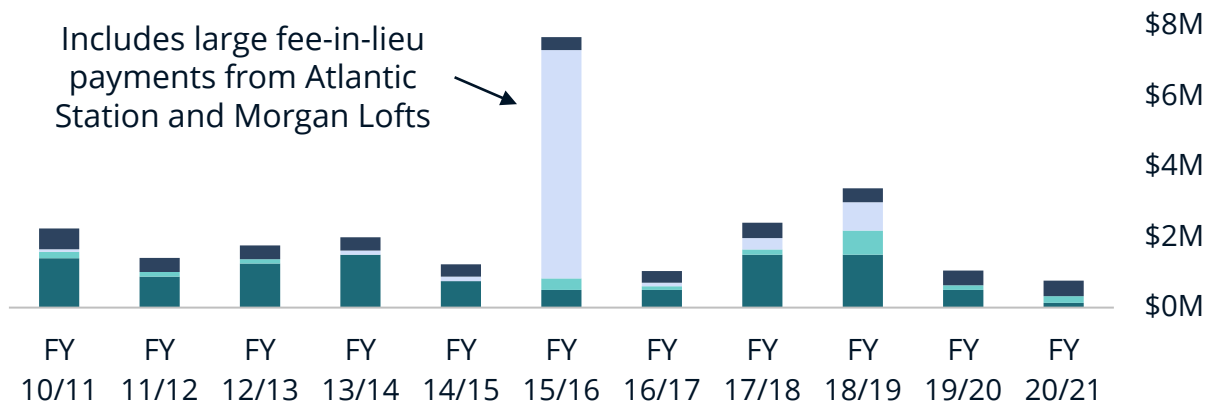
Advantages	Limitations
Directly creates housing with affordability restrictions.	Requires large amounts of capital from governments or philanthropies.
Can serve any income group or housing priority, including affordability.	Funding requires either an increase in taxes and fees or the diversion of funding from another program.
Can be used to leverage private funding.	Cannot sufficiently address all the affordability challenges of any community alone.
The most effective tool to serve households at the lowest income levels.	

Subsidy | Stamford Context

Stamford is currently underfunding housing programs for a City of its size.

Subsidy tools require **dedicated funding**. Over the past ten years, the City allocated an annual average of **\$1.07 million** from its capital budget and **\$205,000** from its operating budget, although **capital budget contributions have decreased since fiscal year 2019/20**. The City also receives approximately **\$1.28 million** per year in Housing and Urban Development Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funds.

Stamford Capital Budget Allocations and HOME Funding for Housing (Fiscal Year 2010/11 - Present)



■ HOME ■ Fee-in-Lieu Payments ■ Affordable Housing Linkage Program ■ Special Housing Fund*

The current size and pace of local funding commitments is not enough to fund the programs that Stamford needs to address its housing issues. Described below are example local funding commitments and \$ per capita per year.

	Funding Commitment Size and Sources	Time Period	Population	\$ Per Capita Per Year
Stamford, CT	About \$10M Generated through both linkage fees and fee-in-lieu payments	10 years	135,470	\$7-8
Charlottesville, VA	\$70M Direct subsidy funding	10 years	50,000	\$140
Richmond, VA	\$80M from dedicating tax revenues from properties phasing out of partial tax exemption	10 years	230,000	\$35
Washington, D.C.	\$100M+ through housing trust fund, from transfer taxes and general fund	Annual	685,000	\$146+

* The Special Housing Fund is funding from the Capital Budget - Housing Development Fund
Sources: City of Stamford (adopted capital and operating budgets, Community Development Office); Charlottesville Affordable Housing Fund; Washington DC Housing Production Trust Fund

Subsidy | Affordable Housing Trust Fund

In 2020, Stamford created the Affordable Housing Trust Fund to hold and allocate funding for affordable housing.

CONTEXT

A **housing trust fund** allows local jurisdictions to dedicate money towards a range of local housing programs through a transparent, competitive process. Trust fund money may be directed to partner organizations to fund a range of programs, including gap financing for affordable housing development, emergency rental assistance, and down payment assistance.

- The City and Board of Representatives established Stamford's Affordable Housing Trust Fund (AHTF) by Ordinance in November 2020.
- A seven-member Board of Trustees manages the AHTF.
- AHTF money can be given competitively to for-profit developer and nonprofit applicants for authorized uses.
- The AHTF is primarily funded by BMR program fee-in-lieu payments and commercial linkage fees but can accept other funding sources at the City's discretion (capital contributions, gifts, grants, and loans).

HOW IT WORKS

\$2.2 million is currently in the AHTF. The AHTF has two primary capital sources:

1. **Below Market Rate (BMR) program fee-in-lieu payments:** The City's BMR program requires that all new residential developments with 10 or more units set aside at least 10% of the units as permanently affordable BMR units. Under certain circumstances and by Special Permit only, developers can pay a fee-in-lieu to the City instead of providing the BMR units. This money is then held in the AHTF.
2. **Commercial Linkage Fees:** 5% of building permit fees for commercial development in Stamford are designated for affordable housing.

If the AHTF exceeds \$3 million, the Board of Trustees will issue a Notice of Funds Available ("NoFA") to solicit proposals for how to advance the Stamford Housing Affordability Plan with additional Trust Fund expenditures. This ensures that the AHTF is actively investing in housing priorities in Stamford.

IMPACT

The AHTF's potential impact is high but depends on securing additional funding. As of 2019, 174 units have been built through fee-in-lieu payments. If Stamford allowed for more fee-in-lieu payments, the city could produce more off-site units.

The various affordable housing programs funded by the city are dependent upon funding from the AHTF. In recent years, inflationary pressure has reduced the real value of these funds. Therefore, additional funding is necessary not only to scale-up, but also to maintain the impact of these programs.

Subsidy | Affordable Housing Trust Fund

Expanding funding for the Affordable Housing Trust Fund will enable the City to deploy subsidy tools that can address Stamford's housing needs.

RECOMMENDATIONS

1 Expand AHTF revenue by prioritizing fee-in-lieu payments and identifying new sources of revenue.

In the short term, prioritizing fee-in-lieu payments through the BMR program will allow the City to scale up investments in affordable housing. Other potential sources of revenue for the AHTF include capital contributions, gifts, grants, and loans. The AHTF can also accept other funding sources at the City's discretion. While the AHTF contains all local funding sources, Community Development Block Grants and HOME funds—both federal funding sources—should be organized and administered separately from the AHTF.

Nationally, city housing trust funds leveraged \$6.00 in additional public and private funds for every \$1.00 the trust fund invested in affordable housing activities.

2 With expanded revenue (sources), invest in current and new subsidy programs (uses).

When the City identifies new or expanded sources of revenue for the AHTF, there are a number of different subsidy tools that the City can invest in, through partner organizations, to increase rental and homeownership affordability.

Potential New Sources

- American Rescue Plan Act Funds
- General Fund Contributions
- Marijuana Sales Tax (local allocation)
- Local General Obligation Bonds
- Management Licensing Program
- Property Transfer Tax
- Vacancy Tax
- Proceeds from Property Sales
- Document Recording Fee
- Landlord Registration Fee
- Special Purpose District

Potential New + Expanded Uses

- Small Landlord Fund
- Owner-Occupied Rehabilitation
- 4% and 9% Low Income Tax Credits Deals
- NOAH Preservation Fund
- Down Payment Assistance (DPA) and Homeownership Counseling
- Tenant-Based Vouchers
- Community Land Trust (CLT)

Source: Housing Trust Fund Project, 2016 Survey of Cities and State Housing Trust Funds

Subsidy | Small Landlord Fund

Create a Small Landlord Fund to preserve existing affordable rental housing and/or convert market-rate rental housing to affordable housing.

CONTEXT

Small Landlord Funds provide financing to landlords of small buildings (1-10 units) to renovate and preserve affordable housing or convert market-rate housing into affordable housing. As part of the low-cost or no-cost loan, landlords are required to maintain affordability for a set period following the renovations. Funds are intended to incentivize repairs without risking the displacement of tenants due to rising rents.

A Small Landlord Fund existed historically in Stamford, however, due to limited resources, no Small Landlord Fund currently exists. Previously, it was funded through grants.

RECOMMENDATIONS

- City staff should determine the interest and scale of need of this program and evaluate whether a partner organization should best administer the program.
- If there is interest and a strong need, **Stamford can establish a loan program** using funding from the Affordable Housing Trust Fund, but additional funding should also be secured in order to do so.
 - The City or partner organization will need **to develop loan terms, eligibility requirements, and term sheets** to provide clarity for property owners.
 - Technical assistance from city staff or a partner organization will be needed to guide property owners through the application program.

IMPLEMENTATION

In a Small Landlord Fund, landlords apply for low-interest loans for renovations of single-family or small multifamily buildings. If the units meet the targeted income range and the landlord is up-to-date on taxes, the loan is granted. Landlords can use the loan to make necessary repairs, ranging from roof repair to plumbing, electrical, and major systems repairs.

The City or a partner organization, such as a CDFI, would need to analyze an applicant's building economics to evaluate how much debt service the building can carry. A partner organization with experience underwriting properties that have trouble accessing financing can be a strong partner for this program.



Sources: Housing Trust Fund Project, 2016 Survey of Cities and State Housing Trust Funds; Choose Stamford (photo credit)

Subsidy | Small Landlord Fund

Small Landlord Funds in other cities offer precedents for Stamford to consider when designing a Fund.

Case Study | Pittsburgh's Small Landlord Fund

Overview

Pittsburgh's Urban Redevelopment Authority (URA) manages the Small Landlord Fund as part of the Housing Opportunity Fund. The program offers loans for renovations, including but not limited to roof repairs, accessibility enhancements, and structural repairs. To incentivize repairs in targeted neighborhoods, landlords are offered alternative payment standards if an apartment is in a specific zip code. The program is intended to incentive repairs in certain neighborhoods while maintaining affordability levels.

Structure

- **Size:** The URA dedicates around \$425,000 annually from their Housing Opportunity Fund. This accounts for 5% of the total \$10M annual allocation amount.
- **Product:** The fund provides loans to landlords of up to \$20,000 per unit (or \$100,000 total per project) for renovations.
- **Loan Terms:** The URA manages loans with a loan term of 10 years at 3% interest.
- **Requirements:** In conjunction with the loan, the landlord agrees to rent units to Housing Choice Voucher holders or households at or below 80% AMI. On average, the URA has spent about \$17,000 per renovated rental unit.

Lessons

The Pittsburgh Small Landlord Fund highlights the need for clear program guidelines to ensure that landlords can easily apply and a local partner organization that can staff and manage the program and conduct direct outreach to landlords.



Sources: Central Oakland Apartments, Wikimedia Commons (photo credit); Pittsburgh Urban Redevelopment Authority

Subsidy | Owner-Occupied Rehab

Preserve existing affordable rental housing and/or convert market-rate rental housing to affordable housing.

CONTEXT

Owner-Occupied Rehabilitation programs help maintain the affordability of homeownership by ensuring that income-qualifying homeowners can make necessary repairs to make their homes safe. Like small landlord funds, owner-occupied rehabilitation works to repair existing naturally occurring affordable housing (NOAH) stock. Rather than targeting multifamily homes, owner-occupied rehab typically targets single-family homes.

Qualifying repairs typically include structural repairs, modernization, repairs to heating and plumbing systems, weatherization, and accessibility improvements to help seniors age in place. Cosmetic improvements are typically not eligible costs.

RECOMMENDATION

Stamford should work to establish a rehabilitation assistance program to income-qualified homeowners. The owner-occupied rehab program should be aligned and paired with the down payment assistance and/or shared equity homeownership programs such as the Housing Development Fund's (HDF's) community land trust.

This program will help preserve NOAH, prevent displacement of moderate-income homeowners, and allow seniors to age in place.

IMPLEMENTATION

Before an owner-occupied rehabilitation program can be established, Stamford should work to develop a stable funding stream, identify qualified private or nonprofit contractors from the area, and conduct outreach to potential participants. Once the program is established, responsibilities include:

- 1. Determining Eligibility:** Participants must be owner-occupants of single-family homes and earn below a designated AMI level.
- 2. Finding Contractors:** The City partners with a nonprofit housing provider or pre-approves contractors to undergo the repairs. The City provides a grant to the housing provider or contractor to perform repairs for the homeowner.
- 3. Completing Projects:** After a contractor is selected, eligible repairs are performed.



Source: Belmont Housing Resources for WNY, *Owner-Occupied Rehabilitation in Erie County, NY*

Subsidy | NOAH Preservation Fund

Stamford should consider partnerships within the County to dedicate a funding source to ensure continued affordability of naturally occurring affordable housing (NOAH).

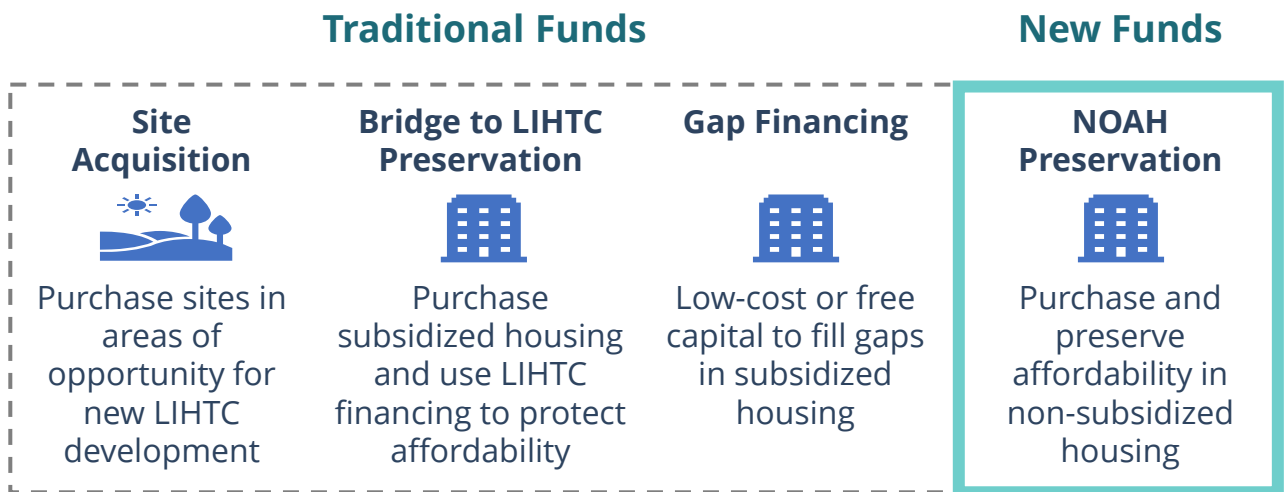
CONTEXT

Naturally occurring affordable housing (NOAH), when well maintained, offers an important source of affordable housing. Preserving the affordability of existing unregulated low-rent housing is crucial to maintaining an affordable housing inventory, especially in growing markets.

At least 1,000 NOAH units exist in Stamford, but the City does not have a fund to preserve these units. NOAH units are only protected through the BMR program, which requires one replacement NOAH unit for every two lost during redevelopment. The BMR program also requires that 5% of redeveloped units are affordable at 65% of Area Median Income (AMI) if a building undergoes substantial renovations or upgrades.

Stamford does not currently provide funding to support the preservation of NOAH. A NOAH Preservation Fund would allow partner organizations and developers, such as a CDFI, Housing Authority, or affordable housing developer, to purchase unsubsidized rental properties for conversion to affordable housing. The loans to purchase housing are typically low- or no-cost in exchange for permanent affordability. The scale of funding needed for a NOAH Preservation Fund is likely beyond what the City of Stamford can achieve alone. This tool would require partnerships either at the county or state level.

IMPLEMENTATION



1. Developer identifies preservation opportunity
2. Developer purchases building with funds from NOAH Preservation Fund and first mortgage
3. Building is held by developer and remains affordable for 10-15 years as first mortgage amortizes

Subsidy | NOAH Preservation Fund

To create a NOAH preservation fund, the City would likely need to find regional and state partners.

RECOMMENDATIONS

NOAH preservation is a long-term strategy that will require regional partnership and collaboration. The City would need to make decisions about the following items:

- **Partners:** Are partnerships in the County or with the State possible to advocate for this fund? Which developers and CDFIs could execute a fund?
- **Property:** Which types of housing and what areas would the fund target?
- **Funding:** What public or philanthropic funding might be dedicated? Is funding available at the regional level?
- **Structure:** Preservation funds exist on a wide spectrum, with varying levels of public sector involvement and mission-orientation. What level of public-sector involvement and mission-driven structure should the fund pursue?

Examples of NOAH preservation funds in other U.S. cities can provide Stamford with insight into best-practice fund structures and the project types most likely to benefit from fund investment.

Case Study | Minneapolis NOAH Impact Fund in 2017

Bloomington & Brooklyn Center Project

- **Units:** 239
- **Purchase Timeline:** 60 days
- **Affordability:** 60% AMI for 15 years with ability to float
- **Operating Partner/Developer:** Aeon (for-profit developer)

The operating partner purchased the building with 3% equity. The NOAH Fund contributed 25% from public funding sources.

This was paired with a Freddie Mac loan product and loan terms designed for NOAH preservation.

BLOOMINGTON & BROOKLYN CENTER CAPITAL STACK



Source: Minneapolis NOAH Impact Fund

Subsidy | LIHTC Gap Funding

The City should prioritize gap funding from the Affordable Housing Trust Fund for projects using Low Income Housing Tax Credits (LIHTC) and other state or federal subsidy.

CONTEXT

The **Low Income Housing Tax Credit (LIHTC)** is a federal program administered at the state level. It is the primary tool for the development of new affordable rental units. There are two types of LIHTC: 9%, which provides greater federal subsidy, but is highly competitive; and 4%, which provides less federal subsidy but is not as competitive. 9% LIHTC projects can provide rental affordability to households that earn 30% to 50% of AMI, equivalent to incomes of \$43,000 to \$71,700.

There are approximately 1,600 to 1,700 LIHTC units in Stamford. Stamford did not apply for any of the 31 9% LIHTC state allocations in the past four years, primarily because projects have not been competitive under the State's Qualified Allocation Plan (QAP). The Qualified Allocation Plan (QAP) process is administered by the Connecticut Housing Finance Authority (CHFA) and determines scoring criteria for projects across the state. Connecticut's allocation rules make it difficult for Stamford to be awarded 9% LIHTCs. The current criteria favors "areas of opportunity", which in Stamford are generally areas that do not allow for multifamily development. However, due to local advocacy, recent adjustments to the scoring criteria will make Stamford more competitive for redevelopment projects.

RECOMMENDATIONS

City leaders or AHTF board members should continue to work with the State to evaluate how new affordable rental housing in Stamford can score better under the QAP. The City should also engage with developers to determine if there are current barriers within local zoning that make it difficult to submit LIHTC proposals. For example, the Land Use Bureau should evaluate how zoning regulations can better align with areas of opportunity to support the development of multifamily affordable rental housing.

For eligible projects, Stamford should strategically provide gap funding and other support for tax credit applications.

IMPACT

Across the U.S., LIHTC remains the primary means of creating new affordable homes and replacing homes that are falling into disrepair. By supporting LIHTC development, Stamford can increase the supply of high quality affordable rental housing throughout the City.

IMPLEMENTATION

Stamford should prioritize gap funding for new development for affordable rental projects that qualify for LIHTC or other federal funding sources.

Stamford should engage current LIHTC developers in the region and in Stamford. Through these conversations, City staff should determine what zoning barriers exist in areas of opportunity, what sites or geographic locations would be ideal under the current QAP, and what financial contributions the City could offer that would make LIHTC projects feasible.

Subsidy | LIHTC Gap Funding

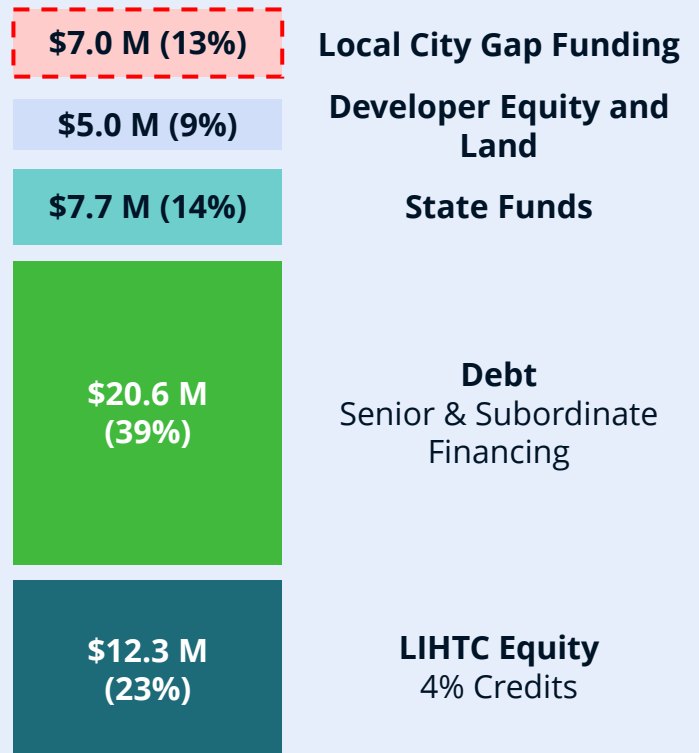
LIHTC projects have provided high quality affordable rental housing in Stamford.

Case Study | Metro Green Terrace Apartments

- **Affordable Units:** 73 affordable rental units, 131 total units
- **Completion:** 2017
- **Financing Sources:** CT HFA, CT Dept. of Economic and Community Development, City of Stamford, JP Morgan Chase, GE Capital
- **Affordability:** 30 apartments at or below 50% AMI (equivalent to an income of \$71,700 for a family of four) and 43 apartments at or below 60% AMI (\$86,040)
- **Developer:** Jonathan Rose Companies
- **Local Public Subsidy per Unit:** \$96,310 per affordable unit



SOURCES FOR 4% LIHTC DEAL METRO GREEN PHASE III



Metro Green Terrace Total Cost:
\$52,649,440

Source: Jonathan Rose Companies

Subsidy | LIHTC Gap Funding

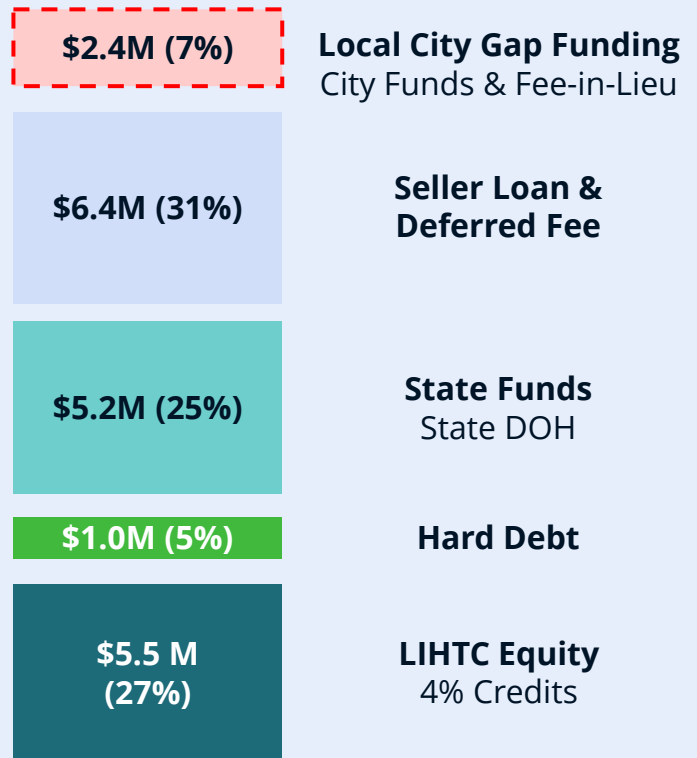
LIHTC projects have provided high quality affordable rental housing in Stamford.

Case Study | Lawnhill Terrace Apartments

- **Affordable Units:** 52-unit garden apartment renovation
- **Completion:** 2020 and 2021
- **Affordability:** Permanently affordable apartments for rent for households making between 25% and 60% of AMI
- **Developer:** Charter Oak Communities
- **Gap Funding per Unit:** \$9,615 per affordable unit (lower cost due do other funding available to COC) to support permanent affordability.



SOURCES FOR 4% LIHTC DEAL LAWNHILL TERRACE PHASE III



**Lawnhill Terrace Total Cost:
\$20,611,000**

Source: Charter Oak Communities

Subsidy | Down Payment Assistance & Homeownership Counseling

Expand funding to reduce the upfront costs of purchasing a home and provide counseling to first-time homebuyers.

CONTEXT

Down Payment Assistance reduces the upfront costs of homeownership through grants or forgivable loans. These grants or loans are provided to income-qualified households to cover a portion of the down payment and closing costs for a home. Down Payment Assistance helps low- and moderate-income households secure stable housing and build wealth.

Homeownership Counseling provides prospective first-time homebuyers assistance in planning for purchasing a home. This includes budgeting for the full cost of homeownership, including utilities, insurance, and maintenance, to ensure that households are financially prepared.

The Housing Development Fund (HDF) currently manages and administers down payment assistance and counseling programs. However, participation has been challenged in recent years due to rising prices and limited supply. HDF's current lending capacity is 100 to 150 households per year.

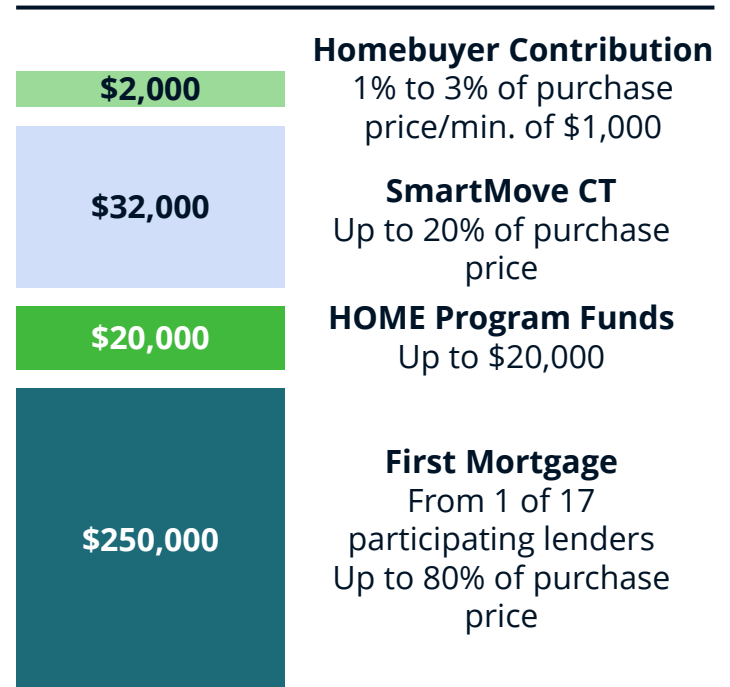
HDF's SmartMove CT

- **Program:** Low-interest down payment assistance loan for first time homebuyers up to 25% of purchase price; 3% interest second mortgage
- **Eligibility:** Income limit is \$119,500 for Fairfield County; buyer must participate in counseling program

HDF's Live Where You Work CT

- **Program:** Up to \$20,000 in 0% down payment assistance in the city where they work
- **Eligibility:** Income up to 80% AMI; buyer must participate in counseling program and purchase in the same town in which they work

EXAMPLE: SmartMove CT Down Payment Assistance



Total Home Value = **\$300,000**
 10% Down Payment & Closing Costs = **\$54,000**
 Monthly Housing Cost = **\$1,517**

Source: Housing Development Fund

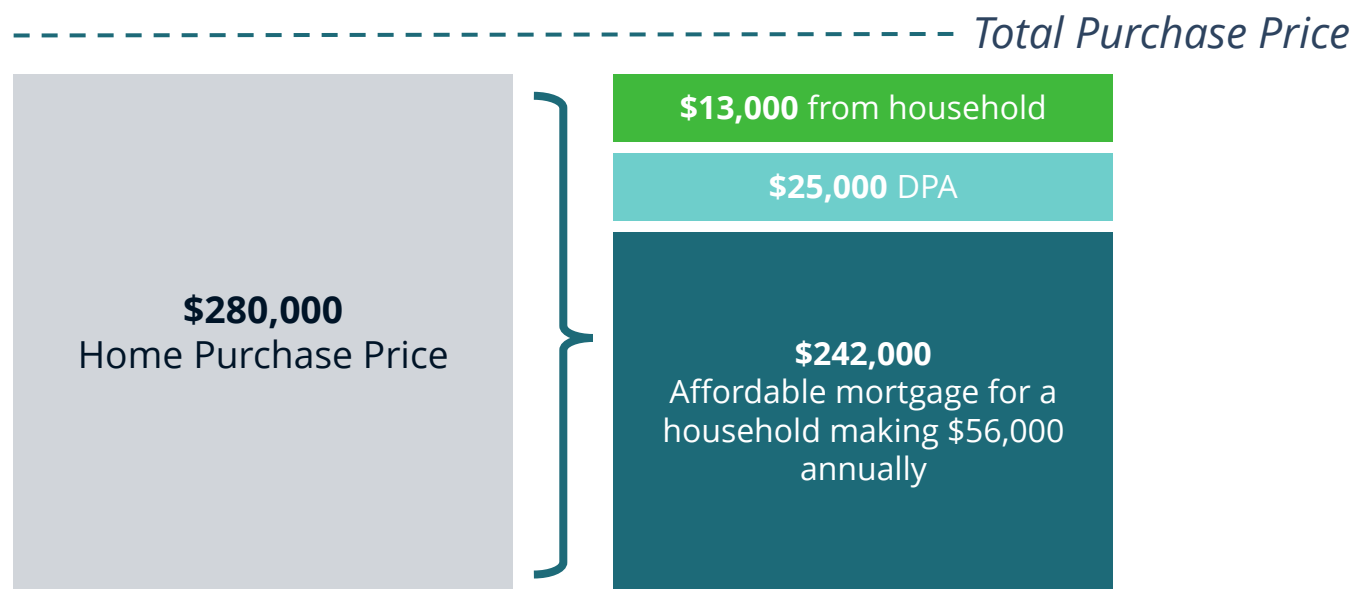
Subsidy | Down Payment Assistance & Homeownership Counseling

Expand funding to reduce the upfront costs of purchasing a home and provide counseling to first-time homebuyers.

RECOMMENDATIONS

Stamford can allocate funding through HOME to expand the DPA and counseling available to Stamford homebuyers. This will allow partner organizations to offer additional subsidy to meet Stamford's rising housing prices or expand the program to cover more households.

Stamford can also pursue different forms of buyer financing, depending on if the city wants to emphasize affordability or building wealth. One mechanism Stamford could employ is a deferred second mortgage, which can be in the form of a 0% interest-loan or grant. As shown in the diagram below, down-payment assistance can increase the total home purchase price a prospective homebuyer can afford, increasing their competitiveness for homes in the City.



IMPLEMENTATION

Homeownership counseling can help ensure homeowners are best equipped to manage the costs and responsibility of owning a home. HDF already offers this program in Stamford.

Homeownership counseling may include services such as:

1. Identifying affordable purchase prices and evaluating mortgage options.
2. Learning how to choose a home, a real estate agent, insurance, etc.
3. Navigating inspections, home purchase, and closing.
4. Planning for full costs of homeownership, including maintenance.
5. Avoiding discrimination & predatory lenders.
6. Financial planning assistance or foreclosure prevention.

Subsidy | Community Land Trust

Separating ownership of the land from the home allows a CLT to control resale value and ensure affordability in perpetuity.

CONTEXT

Community Land Trusts (CLTs) are mechanisms to preserve long-term affordability of homes and provide access to wealth creation for low- and moderate-income residents. CLTs create opportunities for perpetual, affordable homeownership for low-income households by selling homes at a reduced cost to income-qualified buyers. Restrictions are also placed on the resale price of the properties. A CLT is an alternative to a public-private land bank.

In 2021, the Housing Development Fund (HDF) broke ground on its first CLT project at 287 Washington Blvd, which will create 23 affordable for-sale condo units for households earning below 50% AMI.

RECOMMENDATIONS

Stamford should consider dedicating funding from the Affordable Housing Trust Fund to subsidize the purchase of land through a CLT (30% AMI or an income of \$43,000 for a family of four).

The funding allocation should be dependent on available land, as well as the capacity of partner organizations to implement the development.



IMPLEMENTATION

A community-based organization, such as a local housing nonprofit or community development corporation, makes an upfront investment of funds to "buy" the affordability of homes in perpetuity for low- to moderate-income residents. CLTs operate under a shared equity model, whereby the CLT retains ownership of the land and households purchase the structure.

After the property is purchased, the community-based organization will build or rehabilitate the home and sell to an income-qualified household. Because the homeowner only purchases the home and not the land it sits on, this purchase price is typically more affordable. The City and partner organizations can layer down payment assistance to help increase affordability. If the owner chooses to sell the home, they must sell it at a specified price, to maintain affordability in perpetuity.

Funding from the Affordable Housing Trust Fund can help subsidize the cost for a local housing nonprofit, such as HDF, to purchase additional properties for conversion to CLT projects, which will increase the affordability of the unit for buyers. If the City chooses to allocate additional funds to DPA, that can also help to increase the feasibility of homeownership through a CLT.

Source: Housing Development Fund (photo credit)

Subsidy | Tenant-Based Vouchers

Expand existing voucher program to subsidize rent for market-rate units.

CONTEXT

Tenant-Based Vouchers are an essential tool to support rental affordability. They help extremely-low income households afford market-rate units by covering a portion of rent. This can also help households experiencing homelessness to maintain or establish housing stability, reducing strain on emergency resources, including shelters.

In Stamford, the federally-funded Housing Choice Voucher (HCV) program is managed and administered by Charter Oak Communities. Demand for the program is so high that the waitlist is currently closed and wait times can range from 2-4 years. Charter Oak Communities currently administers over 2,000 active vouchers and works with more than 800 property managers. Currently the payment standard is based on household size and size of the unit leased; typically, vouchers cover 60-70% of the unit cost in Stamford.

RECOMMENDATIONS

Stamford should expand the tenant-based voucher program through local contribution. To expand this program, Stamford should work with CoC on an ongoing basis to ensure that there are no barriers to uptake by identifying constraints to finding housing for voucher holders and working with property managers and buildings to reduce structural barriers to accept tenant vouchers.

Pending input from CoC and further analysis of the existing program, Stamford could allocate Affordable Housing Trust Fund money to expand the program through additional funding to serve more people, expand income eligible populations, or increase the subsidy level for each voucher.

IMPLEMENTATION

With a tenant-based voucher, renters can choose where to live. After admission to the program, it is the responsibility of the household to find housing.

In Stamford, Charter Oak pays the owner of the unit the difference between 30% of adjusted family income and the gross rent for the unit.



Source: Choose Stamford, Park 215 Apartments (photo credit)

Strategy 3: Use Land More Effectively to Create Housing

Land Use | Overview

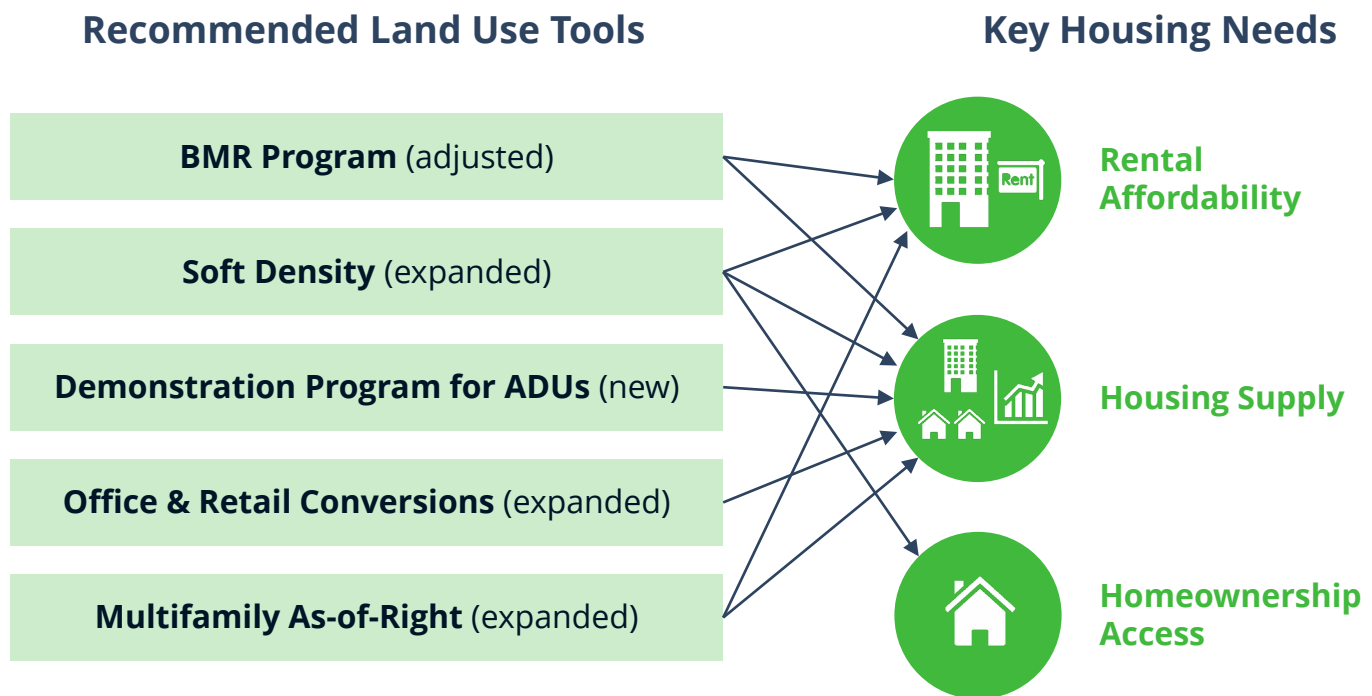
Allowing housing supply to grow to match demand is the foundation of creating affordability in a housing market. Without sufficient and diverse supply, all other housing tools are less effective and more costly.

A city's land use regulations set the **regulatory environment** in which developers and property owners make investment decisions and influence housing affordability by impacting the amount, type, location, and cost of new development.

There are two ways that land use and regulatory tools can support affordability:

- 1. Direct tools** support the creation of affordable housing through incentives or requirements for the production of affordable units.
 - *e.g., expedited review for affordable housing projects, inclusionary zoning (IZ)*
- 2. Indirect tools** increase the overall supply of housing and lower the cost of new housing.
 - *e.g., multifamily as-of-right zoning, building code reform, accessory dwelling units (ADUs)*

Stamford already deploys land use tools to increase the production of affordable housing. The City should expand these tools and implement new ones to address the need for affordable rental housing and more diverse housing supply.



Land Use | Tradeoffs

Changing existing land use and deploying new land use tools involves tradeoffs. Each tool has limitations to the amount, type, location, and cost of new development that it can allow or encourage.

+ Advantages	Limitations
No public funding required to induce private development.	Typically, does not create housing for very low-income households.
Increases the overall supply of housing.	Community opposition to land use changes limits the ability to enact meaningful change.
Encourages or requires private developers to create mixed-income housing.	As only part of the region's housing market, Stamford's impact is limited.
Channels stakeholder input towards overall zoning regulations and away from individual development projects.	
Can help address legacies of racial segregation by driving new housing supply more evenly across the city.	

Land Use | Recommendations

Stamford should create a land inventory and implement site-specific strategies while beginning a longer-term comprehensive land use planning process.

The Land Use Bureau should lead a comprehensive effort to create a City land inventory and implement site-specific strategies—including the identification of areas well-suited for housing development—while educating the public and soliciting community feedback about land use changes that will help increase diverse housing supply over the long-term in a way that benefits the city. Each land use tool below is described in greater detail in this chapter.

Short-Term Steps

Create a land inventory

Implement site-specific strategies

Site-specific strategies include:

- Partner with developers for **office and retail conversions** and **condo development**.
- Implement a **demonstration program for Accessory Dwelling Units (ADUs)**.
- Identify **publicly-owned land** for affordable housing development.

Long-Term Steps

Complete a comprehensive land use planning process

Comprehensive land use strategies to increase housing diversity and distribute growth more equitably include:

- Consider opportunities to permit multifamily housing, such as **2- to 4-unit structures (soft density)** in areas where zoning allows only single-family housing. Focus on areas that have water infrastructure, transit access, and access to employment centers.
- Allow **multifamily development as-of-right** in areas where zoning currently requires conditional approval (e.g., public hearings). Focus on areas with transit access to increase transit-oriented development (TOD).
- Study opportunities to **reduce barriers** that increase housing costs, such as minimum lot sizes and parking requirements (including parking tied to Below Market Rate program developments), in alignment with the comprehensive parking study currently in progress.
- Implement stronger affordability **requirements for redevelopment** (e.g., requiring a higher share of Below Market Rate units for multifamily developments that demolish existing affordable housing or naturally occurring affordable housing).

Land Use | Stamford Context

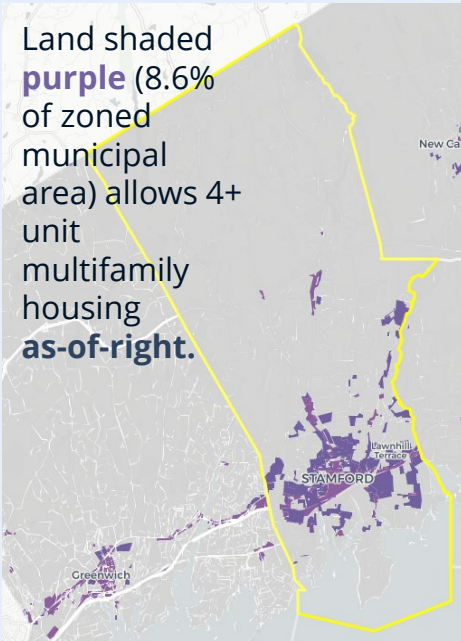
Stamford's current land use pattern constrains the overall housing market.

CONTEXT

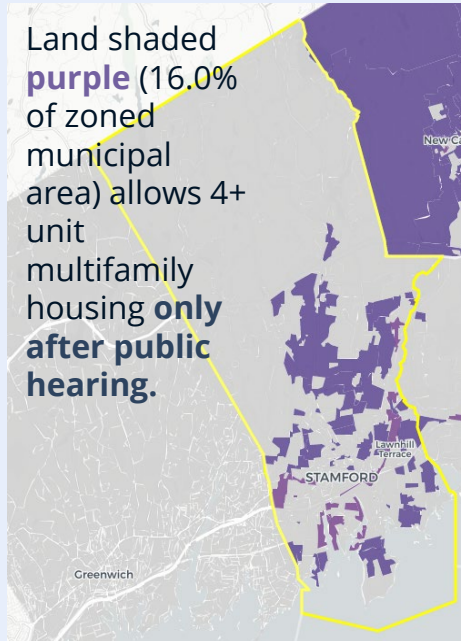
Like much of Fairfield County, land in Stamford is overwhelmingly zoned to restrict residential development to single-family homes, which has concentrated multifamily development in a few areas of the city and reduced housing diversity and supply. An analysis of zoning for all parcels in the city found that **only 9% of parcels allow multifamily residential use** (defined by the City's zoning regulations as parcels permitted to accommodate more than one household). In contrast, **79% of parcels in Stamford allow single-family residential use but not multifamily** (i.e., maximum one family per plot). Many of Stamford's neighboring municipalities have even stricter land use controls, creating regional barriers to a healthy housing market.

As illustrated in the maps below, most areas where zoning allows medium- and high-density multifamily (four or more units) do not allow it as-of-right and require public hearing for approval. While public hearings offer a chance for the community to offer feedback on new development in their neighborhoods, these hearings can also enable the public to block needed housing in areas that would otherwise allow it through the zoning.

Land shaded **purple** (8.6% of zoned municipal area) allows 4+ unit multifamily housing **as-of-right**.



Land shaded **purple** (16.0% of zoned municipal area) allows 4+ unit multifamily housing **only after public hearing**.



Most of Stamford's land does not allow multifamily housing with four or more units. Of the land that does (24.6% of zoned municipal area), about two-thirds (16%) only allows 4+ unit housing after public hearing.

Comprehensive land use planning by the City should prioritize a more equitable distribution of housing typologies.

KEY TERMS

"As-of-Right" (or "By-Right"): The development may proceed under zoning and other local land use regulations without needing special permit, variance, waiver, or approval.

Land Use | Stamford Context

Stamford’s moderate density neighborhoods are one of its greatest assets, supporting diverse housing types and naturally occurring affordable housing.

CONTEXT Stamford’s seven moderate-density neighborhoods (categories two and three below) support diverse housing typologies, including significant “missing middle” housing (2-4 units). These neighborhoods have offered a crucial source of affordable housing for the Stamford community and are under pressure due to rising costs. The predominance of single-family zoning has prevented any diversity in the city’s four lowest-density neighborhoods (category four); North Stamford, for instance, has virtually no housing that is two or more units.



Highest Density Multifamily

- Downtown
- South End

Moderate Density Single and Multifamily

- Cove
- East Side
- Waterside
- West Side

Moderate Density Mostly Single-Family

- Glenbrook-Belltown
- Ridgeway-Bulls Head
- Springdale

Lowest Density Single-Family

- Turn of River-Newfield
- North Stamford
- Westover
- Shippan

Naturally occurring affordable housing (NOAH)—housing that is priced by market forces at levels that are affordable to low- and moderate-income renters—is an important part of Stamford’s supply of affordable housing. Using an approximate definition of NOAH as housing units with a rent of \$800 per month or less, the city had over 2,500 NOAH units in 2019. However, since 2010, the NOAH supply has declined in most neighborhoods as rents have risen (the average rent in Stamford rose by 6.5% from 2015 to 2020, partly due to inflation) and more units have become unaffordable to low- and moderate-income renters. Stamford lost an average of 82 NOAH units annually from 2010 to 2019, for a total of 740 units lost (a 23% decrease). Comparatively, Fairfield County’s NOAH supply fell by 26% and Connecticut’s supply fell by 28% over the same period.

Sources: American Community Survey (ACS) 5-Year 2010 & 2019; CoStar; Desegregate CT Zoning Atlas

Land Use | Stamford Context

Single-family zoning limits the type and supply of new housing, concentrating development and reinforcing segregation.

CONTEXT

The racial density dot map below shows how community members of color are concentrated in just a few of Stamford's neighborhoods, where multifamily development is also occurring. White households have been the predominant beneficiaries of single-family homeownership opportunities. The City's zoning is reinforcing racial segregation and concentrating growth and market pressure near neighborhoods that are more vulnerable to displacement due to rising costs and redevelopment pressure.

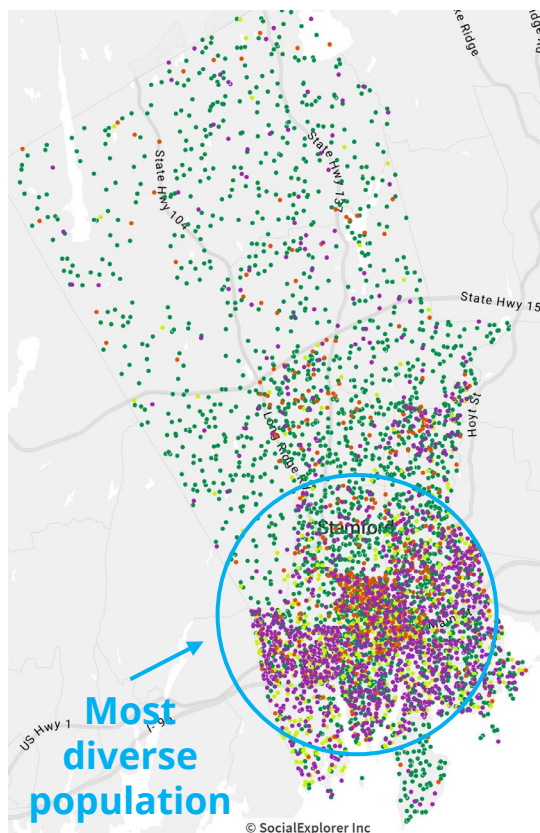
Stamford Racial Density Dot Map (2019)

Legend

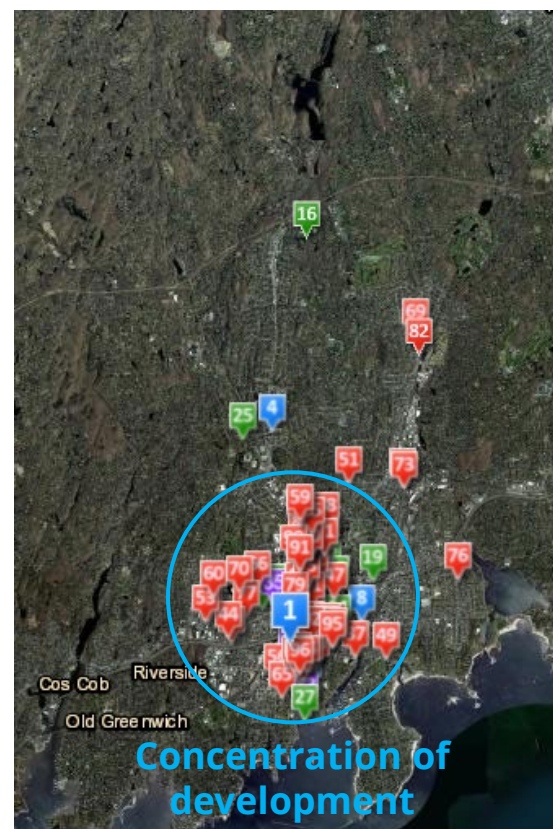
One dot represents 25 people

- White
- Black
- Asian
- Hispanic

(For reference, Stamford's total population as of 2020 is 135,470.)



Stamford Current Developments Map (2021)



Using land more effectively for housing will help Stamford:

- Decrease segregation:** Households of color are concentrated in neighborhoods with more rental supply, while owner-occupied single-family neighborhoods are almost entirely white.
- Increase opportunity:** Compared to white and Asian households, Black and Hispanic households have lower rates of homeownership and are also not moving into new, high-end multifamily housing at the same rates.
- Increase housing diversity:** Increasing the housing types that can be built in Stamford's neighborhoods can help create homeownership opportunities at an affordable price point.

Sources: American Community Survey (ACS) 5-Year 2019; City of Stamford; Social Explorer; U.S. Census Bureau

Land Use | BMR Program

Stamford’s Below Market Rate (BMR) program has helped deliver affordable rental units in Stamford for 20 years.

The **Below Market Rate (BMR) program** is Stamford’s inclusionary zoning policy and the City’s primary program for affordable housing development. The program was introduced in 2001 and designed for working households that earn modest salaries, who otherwise might struggle to find housing they can afford in Stamford. As designed, it requires at least 10% of all for-sale and rental units in new residential developments with 10 or more units to be permanently affordable at 50% AMI. A recent addition to the program also requires developments that cause the loss of NOAH units to replace 1:2 at 60% AMI up to 20% of all units in the redevelopment.

2021 BMR Program Rent Limits

Rental Limits include utilities and/or utility allowance

BMR Unit AMI	Studio	1 Bedroom	2 Bedroom	3 Bedroom
30% AMI	\$717	\$854	\$1,025	\$1,184
50% AMI	\$1,195	\$1,423	\$1,708	\$1,973
60% AMI	\$1,435	\$1,708	\$2,049	\$2,368
80% AMI	\$1,913	\$2,277	\$2,732	\$3,157
Citywide Avg. Market-Rate Rent	\$1,900	\$2,294	\$3,037	\$4,074

The BMR program was added to Section 7.4 of the City’s Zoning Regulations per the Stamford Master Plan 2002, which documented a growing gap between the supply and demand for housing as employment in Stamford increased rapidly.

KEY TERMS

Inclusionary zoning (IZ): IZ policies require new housing developments to include a certain percentage of units at below-market rents or sale prices in order to be approved. In exchange for those affordable units, most IZ policies offer developers incentives that offset the costs of lower rents or sales, such as increased building density or height. Stamford does not currently offer developer incentives in most cases.

Housing cost burden: Housing is considered “affordable” if a household does not spend more than 30% of their income on housing. This includes rent, mortgage payments, taxes, and basic utilities. A household spending more than 30% of their income on housing is considered **cost burdened**, according to Housing and Urban Development.

Sources: City of Stamford 2021 BMR Program Rent Limits; CoStar; HR&A BMR Fact Sheet

Land Use | BMR Program

The BMR program has successfully created affordable units in new development and indirectly through a fee-in-lieu option.

CONTEXT

In Stamford, BMR units have generally been built on-site and must be identical to market-rate units inside the development. The primary objective of this requirement is to create mixed-income multifamily buildings.

However, a developer may apply for a Special Permit with the Zoning Board to become exempt from the on-site BMR requirement. The Board will determine:

1. If the development has special circumstances that may make it difficult or unproductive to provide BMR units on-site, in which case BMR units are built off-site, and;
2. If there is an agreeable alternative in the form of a fee-in-lieu payment, in which case the developer pays a fee to the City instead of building any BMR units. (To date, the Special Permitting process has only approved fee-in-lieu payments for about 20% of total required BMR units.) The payment goes into the Affordable Housing Trust Fund, where the City can spend it on other affordable housing programs.

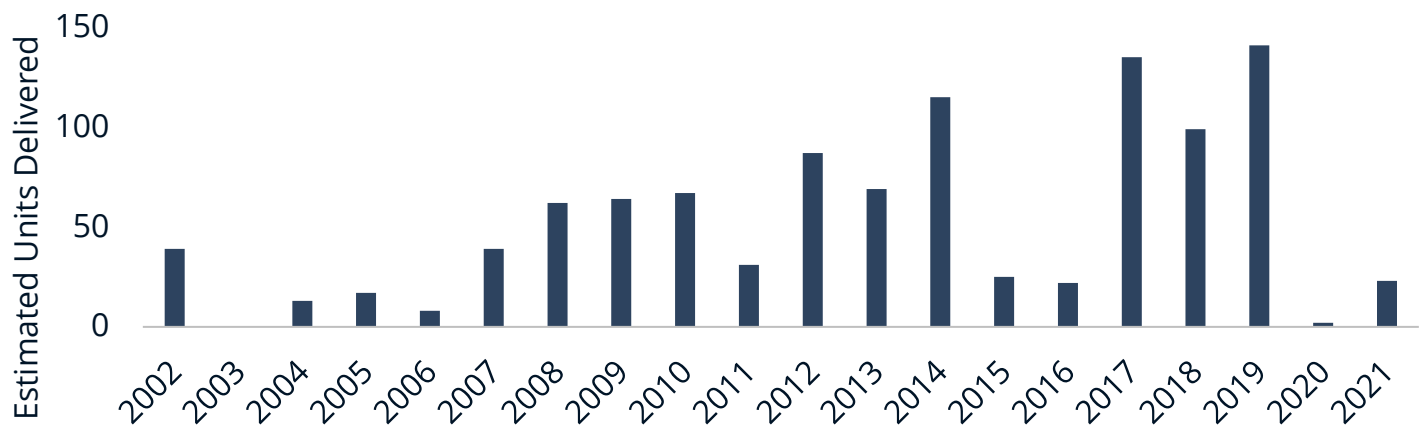
KEY TERMS

On-site: By default, BMR units must be built inside the development in question.

Off-site: With a Special Permit from the Zoning Board, BMR units may be built separately from the new development, at another approved location in Stamford.

Fee-in-lieu payment: The developer pays the City a fee instead of building affordable units on-site or off-site. This funding goes to the Affordable Housing Trust Fund.

BMR Units Delivered Annually (2001-Present)



Source: City of Stamford Community Development Office; HR&A BMR Fact Sheet

Land Use | BMR Program

While Stamford has lost renters earning less than \$35,000, the BMR program has successfully supported growth in renter households earning \$35,000 to \$50,000.

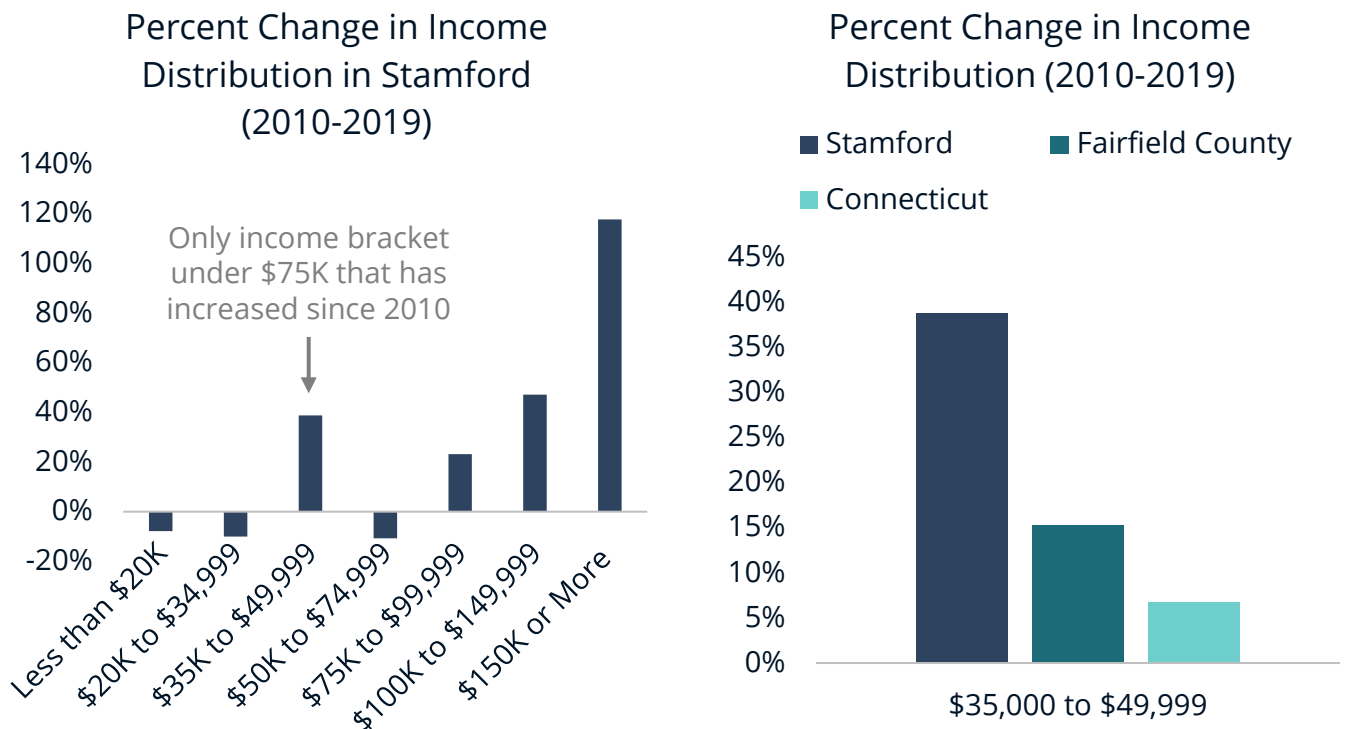
The BMR program is one of the largest and most successful inclusionary zoning programs nationally. To date, over 1,000 BMR units have been built in Stamford, with a majority of BMR rental units targeted to households earning 50% AMI.

2021 BMR Program Income Limits

BMR Unit AMI	1 Person Household	2 Person Household	3 Person household	4 Person Household
30% AMI	\$31,878	\$36,432	\$40,986	\$45,540
50% AMI	\$53,130	\$60,720	\$68,310	\$75,900
60% AMI	\$63,756	\$72,864	\$81,972	\$91,080
80% AMI	\$85,008	\$97,152	\$109,296	\$121,440

The BMR program supported a growth in renter households earning \$35K to \$50K in Stamford; renters in this income bracket have grown by 39% since 2010. As of 2020, the average annual income of a household living in a BMR unit is \$44,498.

IMPACT



Sources: American Community Survey 5-Year 2019; City of Stamford 2021 BMR Program Income Limits; City of Stamford 2019 BMR Annual Report; HR&A BMR Fact Sheet

Land Use | BMR Program

To increase the impact of the program, the City should consider four key adjustments to the BMR program.

While the BMR program has been successful at delivering affordable rental housing units for households earning under \$50,000, adjustments to the design, management and administration of the program with periodic revision can help increase the impact. The following adjustments to the BMR program are **separate but interrelated options to increase program impact**, with their own tradeoffs.

RECOMMENDATIONS

1 **Adjust the balance of prioritization for fee-in-lieu vs. on-site units.**

The City should regularly right size in-lieu-fee payments and increase the number of projects that pay fee-in-lieu in order to generate more funding for the AHTF. This will allow Stamford to increase its investments in housing programs that meet the greatest housing need.

2 **Increase the affordability requirements of the BMR program over time.**

The City can increase BMR unit production by requiring more BMR units or units with deeper affordability over time, in response to the market. Requirements should increase according to a set schedule to help avoid creating infeasible requirements that prevent development and harm affordability. As an example, the City recently added a requirement for a greater share of BMR units in new multifamily developments that demolish existing NOAH.

3 **Lower parking requirements for BMR projects.**

The City should reduce parking requirements for properties covered by the BMR program to create more space to build more BMR units and reduce development costs. The City has already identified an excess of parking spaces in downtown Stamford tied to BMR developments in the area; therefore, reductions in parking requirements should account for existing conditions and align with outcomes of the City's ongoing parking study. However, reducing parking requirements will lead to fewer parking spaces for building tenants.

4 **Reform the program's administrative processes.**

To improve BMR administration, City should 1) manage or contract the management of a centralized waiting list; 2) strategically staff the program with city staff, including a dedicated point person; 3) centralize and adequately resource monitoring of compliance; and 4) update the program biannually to keep fee-in-lieu amounts in line with market conditions.

Further details on the BMR program's administrative reform recommendations can be found in the Management section of this report, starting on page 56.

Land Use | BMR Program

1

Tradeoffs exist between providing affordable units on-site and paying fee-in-lieu. The City should adjust policy based on current priorities.

KEY TRADEOFFS

Metric	On-Site	Fee-in-Lieu
Production	Produces 50% AMI units that are in mixed-income buildings. Affordable units on-site will mirror market rate units. As a result, households that need 2-3 bedroom affordable units may not be served in market rate buildings that include primarily studios and one-bedrooms.	Typically, cities can produce more units of affordable housing off-site by putting money into a housing trust fund or achieve deeper levels of affordability (e.g., rents of \$800 per month vs. \$1,400 per month). Units are often more tailored to families (2-3 bedrooms).
Geography	Units will be located in neighborhoods where multifamily housing is permitted. Community opposition to multifamily housing development can stall projects.	Units will be located in neighborhoods where multifamily housing is permitted. Community opposition to multifamily housing development can stall projects.
Administration	Units require ongoing monitoring by the City.	Typically, affordability of units is primarily monitored by state agencies or partner organizations and not by the City.
Public Investment	No future public investments are needed once affordable units are built on-site.	Units funded with fee-in-lieu payments are likely to require additional public investment in 15 to 30 years from multiple sources.

Land Use | BMR Program

1

Affordable housing has successfully been created on-site and through fee-in-lieu payments in Stamford.

RECOMMENDED CHANGE #1

A. Building Using Fee-in-Lieu Funding to Provide Affordable Units



B. Building with BMR Units On-Site



	A. Building Using Fee-in-Lieu Funding to Provide Affordable Units	B. Building with BMR Units On-Site
Name	Park 215 Apartments	Summer House
Address	215 Stillwater Avenue	184 Summer Street
Neighborhood	West Side	Downtown
Developer	Charter Oak Communities, Rippowam Corporation	FD Rich Co.
Year Built	2018	2016
Building Type	Mixed-use, mixed-income apartment building with ground floor medical offices	Mixed-income apartment building
Stories	5	22
Unit Mix	78 Units total (31 market-rate, 47 affordable)	227 Units total (207 market-rate, 20 affordable)
Affordable Unit Rents	1-Bedroom: 2 units (approx. \$1,478/mo. for 60% AMI) 2-Bedroom: 45 units (\$854/mo. - \$1,773 for 25%-60% AMI)	1-Bedroom: 13 units (max. \$1,435/mo. for 50% AMI) 2-Bedroom: 6 units (max. \$1,708/mo. for 50% AMI)
Description	A total of \$2.35M fee-in-lieu dollars went into the project and helped create deeply affordable units at 25% of AMI.	High-rise rental complex with apartments ranging from studios to 3-bedroom penthouses.
Cost	City spent \$30,171 fee-in-lieu dollars per affordable unit for deeper affordability.	BMR units cost the developer an estimated \$24,650/mo. in revenue, ranging from \$945/mo. per 1-bed unit to \$1,665/mo. per 2-bed unit.

Sources: Charter Oak Communities; City of Stamford 2020 BMR Buildings Data; CoStar; HR&A BMR Fact Sheet; Kenneth Boroson Architects (photo credit—top left); Rippowam Corporation; Stamford Advocate (including photo credit—top right)

Land Use | BMR Program

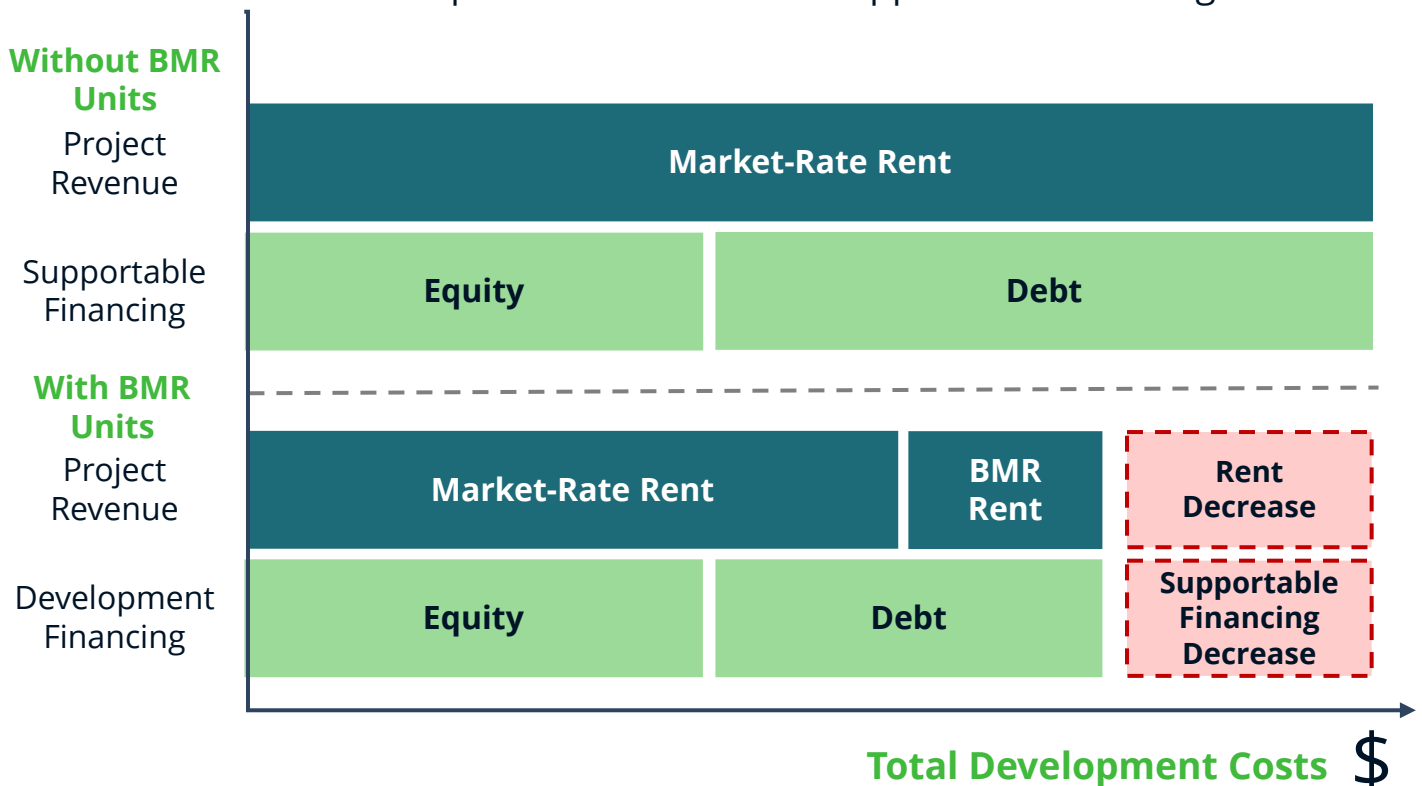
1 Adjusting the balance of fee-in-lieu versus on-site units requires understanding the financial impact on developers.

RECOMMENDED CHANGE #1

To right size fee-in-lieu payments on an ongoing basis, Stamford needs to understand how the current cost to developers of developing BMR units on-site compares to the option of paying a fee-in-lieu.

- The cost of developing a building with an inclusionary requirement is the same to developers as building 100% market-rate units. However, the rents received from BMR units are lower than market-rate units.
- Lower monthly rent payments from BMR units will reduce the total revenue of the building. This in turn lowers supportable financing, without changing the construction costs.
- For instance, based on an analysis of the Summer House apartment building in Stamford, **an estimated \$1,055 reduction in rent** for a 1-bedroom BMR unit (as compared to a 1-bedroom market-rate unit in the same building) **leads to a \$219,918 reduction in supportable** financing for the developer.
- Supportable financing is an important way that developers determine the feasibility of developing a project.

Impact of BMR Units on Supportable Financing



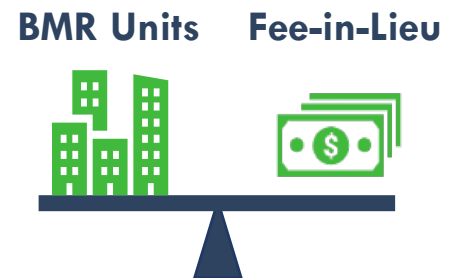
Land Use | BMR Program

1

Depending on changing priorities over time, the City can raise or lower the amount of fee-in-lieu to incentivize or disincentivize on-site BMR units.

If the cost of fee-in-lieu and BMR units are equal, developers are more likely to choose fee-in-lieu.

This is because managing BMR units requires significant time and effort; developers must follow BMR unit development and management regulations (extra marketing, income certifications, and related paperwork), resulting in higher costs.



Higher Fee-in-Lieu

- The lower rents of on-site units decreases the supportable financing a developer can secure. If the fee-in-lieu amount is greater than this decrease, the developers will almost always choose to build affordable units on-site instead of pay the fee.
- **A higher fee-in-lieu will result in more affordable units on-site** and, therefore, more mixed-income multifamily buildings in Stamford.



Lower Fee-in-Lieu

- Conversely, if the fee-in-lieu amount is less than the decrease in supportable financing caused by the reduced rents of on-site units, then a developer will almost always choose to pay the fee.
- This will result in more fees being paid and, therefore, **more City funding to subsidize deeper affordability in projects that would not be built in the private market.**



When public policy goals such as collecting fee-in-lieu payments and real estate economics are misaligned, both are ultimately harmed.

RECOMMENDED CHANGE #1

Land Use | BMR Program

1

The City should adjust the fee-in-lieu payment calculation to reflect the value of on-site BMR units and prioritize the fee-in-lieu payment option in the short-term.

The City should **change the calculation for fee-in-lieu payments to a per unit basis**, scaling by number of bedrooms and irrespective of zoning district, which will:

- Make payment amounts more consistent and create certainty for developers.
- Allow the City to better understand and compare the fee-in-lieu payment per unit with the cost of developing a BMR unit on-site – and therefore weigh the tradeoffs of a higher vs. lower fee-in-lieu illustrated on the previous page.

The following table demonstrates a potential fee-in-lieu amount per unit, adjusted by the number of bedrooms, that is aligned with current market conditions. **The City should evaluate and adjust these amounts as conditions change.**

Potential Fee-in-Lieu Payment Calculation Table

Unit Size (Number of Bedrooms)	Incentivizes On-Site (Higher Fee per Unit)	Incentivizes Fee-in-Lieu (Lower Fee per Unit)
Studio	\$180,000	\$160,000
1-Bed	\$220,000	\$180,000
2-Bed	\$260,000	\$200,000
3-Bed	\$300,000	\$220,000

City staff will need to evaluate these payment options regularly based on changing market conditions and make decisions about the balance of payments based on changing policy priorities, i.e., whether more funding is needed to produce more deeply affordable units off-site or whether building mixed income projects is a priority. Given short- and mid-term funding needs, prioritizing fee-in-lieu payments will help generate needed funding for the AHTF while the City evaluates potential additional sources of revenue.

Changes to the calculation for fee-in-lieu payments should be implemented annually to account for changing market conditions. This timing will create predictability and consistency for developers and ensure that the fee-in-lieu payments are appropriately sized.

RECOMMENDED CHANGE #1

Land Use | BMR Program

2 The City can increase the affordability requirements of the BMR program over time on a set schedule.

RECOMMENDED CHANGE #2

To increase the impact of the BMR Program, Stamford can increase BMR unit production by requiring more BMR units and/or units with deeper affordability. However, if there is uncertainty about requirements or changes happen too quickly, higher affordability requirements can lead to fewer housing units being built. This would mean that fewer BMR units would be built as well. **Setting the intention to increase the requirement over time, concurrent with changes to fee-in-lieu payments discussed on the previous page, will provide greater predictability for developers. The overall affordability requirement should be capped, not to exceed 15% without further analysis, to avoid unintended consequences of costs that negatively impact development feasibility.**

With this approach, developers can factor affordability requirements into land costs. Developers will know what level of affordability they will need to achieve when they purchase land and can negotiate that into the purchase price of land.

Sample Affordability Requirement Schedule:

10%
BMR

2020

12%
BMR

2023

14%
BMR

2026

Case Study | Boston IZ Policy

The Inclusionary Development Policy was first created in 2000 in Boston. Over the course of 15 years, the number of total units in a building that must be affordable gradually increased from 10% to 13%. The policy offers the option for off-site, which requires 18% of total in vicinity or a contribution to the IDP Fund.



Source: Boston Planning and Development Agency (BPDA), [2018 Annual Report](#) / Photo credit: Unknown author, licensed under [CC BY-NC-ND](#).

Land Use | Planning Processes

The City of Stamford needs comprehensive land use planning processes to use land more effectively to create housing.

OVERARCHING RECOMMENDATIONS

In addition to adjusting the BMR program, the City needs to institute comprehensive land use planning processes that underpin housing development in both the near-term and long-term. While the City undergoes this process, they also should take short-term actions to help meet the immediate needs of Stamford residents.

Stamford should pursue near-term, site-specific strategies including:

- Partnering with developers for **office and retail conversions and condo development.**
- Implementing a **demonstration program for Accessory Dwelling Units (ADUs).**
- Identifying **publicly-owned land** for affordable housing development.

Stamford should also initiate long-term planning processes, which will make affordable housing development in Stamford easier for the City, private and nonprofit developers. Reflecting these processes in the City's Master Plan document will ensure alignment of development plans with the City's affordable housing vision and goals.

Comprehensive land use strategies to increase housing diversity and distribute growth more equitably include:

- Allowing **2- to 4-unit structures (soft density)** in areas with crucial infrastructure, such as transportation, employment centers, and water infrastructure.
- Expanding **multifamily development as-of-right** to target areas within ½ mile of commercial centers.
- Considering opportunities to **reduce barriers** that increase housing costs, such as large lot zoning designations and parking requirements.

The City's approach to land use planning processes should include the following:

- **Regular updates to the City's Master Plan**, the document that guides land use for the entire area of the city.
- **Adjustments of the zoning map and amendments to zoning regulations in line with the affordable housing vision and goals in the comprehensive plan.** These changes could, for example, increase transit-oriented development within ½ mile of train stations. With each comprehensive plan update, the Land Use Bureau should propose changes and re-zonings to the Zoning Board for approval.
- **Creation of an internal, citywide land use inventory**, updated regularly, to keep track of suitable and high value sites for affordable housing development.
- **Creation of corridor and site plans** to identify suitable land for soft density, conversions, condos, and other diverse types of affordable housing. The Land Use Bureau should lead smaller-scale plans in coordination with the Housing and Community Development Department.

Land Use | Condo Development

Encourage condo development by identifying sites well suited for condos and proactively working with developers.

CONTEXT

Condo development has generally not been pursued by developers in Stamford since the Great Recession: the supply of condos has declined by 20% since 2010, largely due to the strength of the rental market, as rental development carries less risk.

Condo development is further challenged by financing requirements: a project needs at least 45% of construction costs to be subsidized in order to provide units below 50% AMI (equivalent to \$62,850 for a Stamford household of four). Stamford's only recent affordable condo development (23 units) was the result of a community land trust established by the Housing Development Fund (HDF) at 287 Washington Blvd.

The City should take four actions to encourage condo development:

RECOMMENDATIONS

- **Site availability:** The City should proactively identify and prioritize sites well-suited for condo development.
- **Subsequent purchaser strategy:** In the case of foreclosure, the City should ensure there is a subsequent purchaser for the condo, including by providing short-term financing support to HDF for right of first refusal property acquisition opportunities (meaning that HDF has the contractual right to be the first party to put an offer on the foreclosed condo when it is listed on the market).
- **Prioritize funding from the Affordable Housing Trust Fund (AHTF):** The City should add subsidizing condo development as an option for AHTF dollars. AHTF money could subsidize affordable condo development as well as provide down payment assistance to eligible condo buyers.
- **Increase transparency:** In addition to unlocking AHTF dollars, the City needs to communicate the availability of funds so that nonprofits and private developers can reliably identify sites and fund condo projects.

IMPACTS

The recommendations would advance the preservation of the city's existing condo supply as well as increase the supply:

- **Preservation:** Preserving existing condos could help maintain naturally occurring affordable housing (NOAH) and homeownership options.
- **Supply:** Building new condos will diversify and expand homeownership options.

IMPLEMENTATION

To support condo development:

- **Identify sites** well suited for condo development.
- **Work with the landowners** of those sites and engage developers interested in those sites.
- **Identify regulatory land use barriers** to allow for development at those sites.

Sources: Brio Consulting; City of Stamford; Housing Development Fund; HR&A developer interviews

Land Use | Condo Development

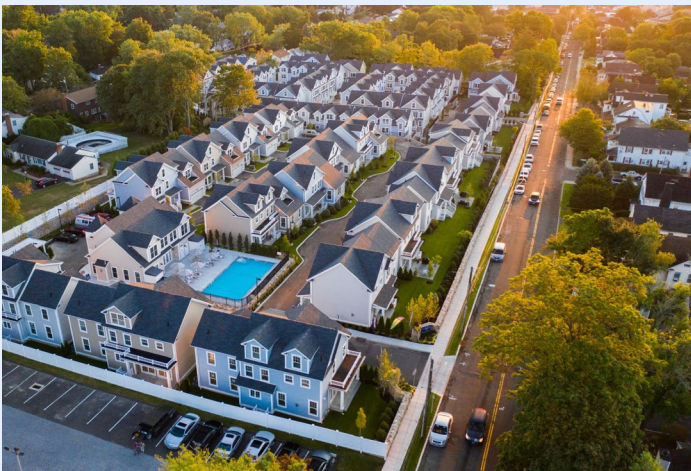
Further condo development can help Stamford address issues of declining homeownership opportunities.

Case Studies | Ainslie Square & Washington Boulevard

Ainslie Square

RMS Companies built this 4.5-acre condo community in 2019. The 62 units include 37 townhomes and 25 detached single-family homes. RMS set up the project as a Planned Unit Development (PUD) – a designed grouping of both varied and compatible land uses, all within one contained development or subdivision – to automatically prequalify for financing.

Ainslie Square is in Glenbrook-Belltown, where the size and density of the site was well suited for this typology.



287 Washington Boulevard

The Housing Development Fund's (HDF) first Community Land Trust project is currently under construction at 287 Washington Blvd in the South End. The project is scheduled for completion in the Summer of 2022.

The property will include affordable condos for 23 income-eligible households and health services provided by Optimus Healthcare.



Sources: Brio Consulting; City of Stamford; Housing Development Fund; HR&A developer interviews; Zillow

Land Use | Office & Retail Conversions

Identify sites well suited for office to residential conversions and proactively work with developers.

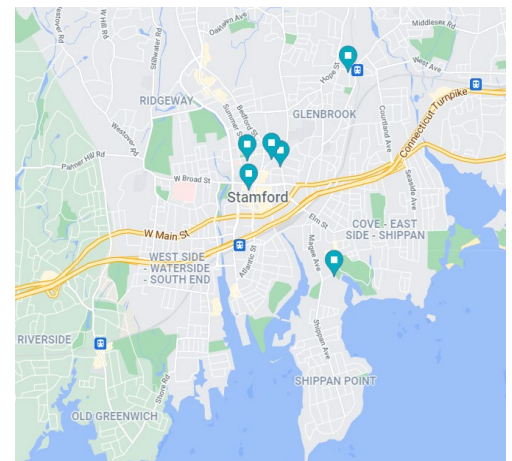
CONTEXT

Office and retail conversions began with frequency in 1993 in Stamford, following a decline in occupancy rates for downtown office buildings. Office conversions have increased since then, and most of the recent conversions have been one-bedroom and studio rental units. Conversions can help to better utilize existing space and create much-needed housing opportunities.

Office to residential conversions is common beyond Stamford and is part of a broader national trend. According to research from the National Association of Realtors, 22 of the 27 metro areas studied have apartment rents that are higher than office market rents, mainly in Class B office buildings, incentivizing conversion.

Commercial to Residential Conversions Since 2016

Address	Number of units
100 Prospect Street	125
614 & 640 Shippan Avenue	38
191 Summer Street	7
36 Atlantic Street	20
1 Atlantic Street	77
45 Church Street	30
780 Summer Street	73
114 Grove Street	2
Total	372



RECOMMENDATIONS

To foster conversions in a more targeted manner, office and retail conversions should be included as part of comprehensive planning processes, such as the City's Master Plan, corridor planning, and spot map amendments. Specific recommendations include:

- Loosen density restrictions or continue to allow residential as-of-right in specific targeted areas.
- Continue to focus on select office and retail markets. Conversions become more appealing when demand for commercial space is weak. The city should continue to respond to market demands, and to work to better understand the availability of land, particularly sites with older, lower quality commercial buildings.

IMPLEMENTATION

1. Inventory land (connected to comprehensive planning) to identify feasible sites.
2. Engage property owners about their site plans + engage developers who have worked on conversions about regulatory barriers they face.
3. Develop a set of recommendations for 1) zoning changes to allow and 2) regulatory approval process changes.

Source: National Association of Realtors

Land Use | Office & Retail Conversions

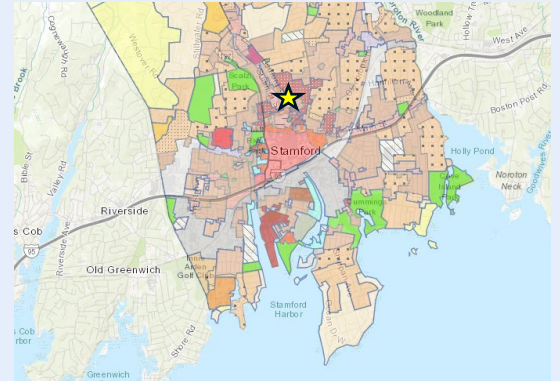
Conversions are not new to Stamford, and opportunities for targeted conversions are growing.

Case Study | 1 Atlantic Street

94,000 SF of mixed-used offices are currently under conversion into a 77-unit apartment building with 17,000 SF of commercial space. **8 below market-rate units are included at 50% AMI.**

Timeline:

- Built in 1930
- 2016: Acquired for \$18.2M in a bankruptcy auction
- 2019: Zoning Board approved conversion
- Historic Preservation Advisory Commission approved plan for commercial space
- Construction is expected to be completed in 2022



★ 1 Atlantic Street location
Zoning: CC (Central City District)



Sources: City of Stamford Zoning Map; Stamford Advocate; TheOneAtlantic.com

Land Use | Office & Retail Conversions

Conversions are not new to Stamford, and opportunities for targeted conversions are growing.

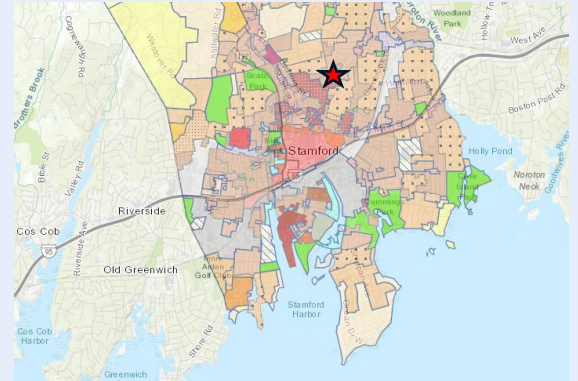
Case Study | 111 Prospect Street

35,000 SF of office space converted into 55 studio apartments by Garden Homes Management Corps. The average effective rent in 2021 was \$1,246, adding affordability to Stamford's core.

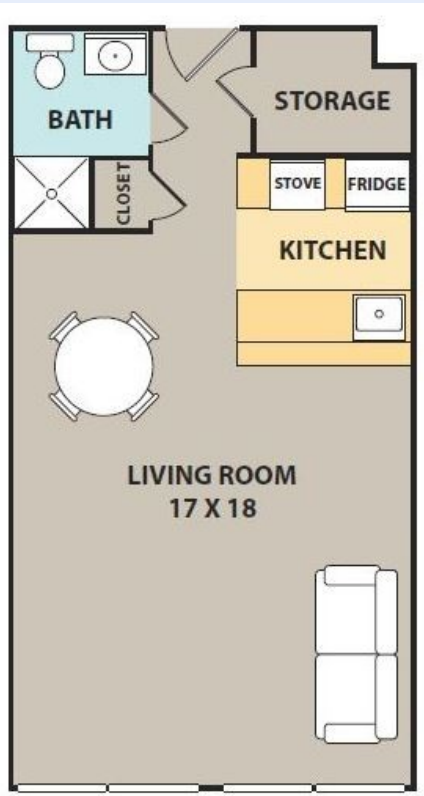
Timeline:

- 1994: Acquired by Garden Homes
- Faced lower occupancy rates and stagnant rent
- 2009: Conversion completed for \$4.5 million
- Fully absorbed within 5 months

Garden Homes completed numerous other conversions across Fairfield County, including 25 Third St. and 800 Summer St.



★ 111 Prospect Street location
Zoning: R-H (Multiple Family High Density Design)



Sources: ApartmentHomeLiving.com; City of Stamford Zoning Map; Google Maps; Stamford Advocate

Land Use | Accessory Dwelling Units

Support a demonstration program for Accessory Dwelling Units (ADUs) to evaluate the efficacy of the program.

CONTEXT

Accessory dwelling units are small secondary units built as part of or adjacent to single-family homes. In 2021, Connecticut passed HB 6107, which legalized accessory dwelling units (ADUs) statewide, unless a municipality opts-out of the legislation. Prior to this legislation, ADUs were not legal in Stamford, but were permitted in 141 of 169 CT municipalities.

ADUs support affordability in two different ways: they create new, lower cost rental opportunities on underutilized land, and they can help existing homeowners stay in their homes through additional rental income.

As ADUs are now legalized statewide, the City should pursue the following actions:

- Develop a **guide to ADUs for homeowners** in Stamford
- With legalization, there is an opportunity for Stamford to pilot **an ADU Demonstration Program in Stamford**. Demonstration programs can help evaluate and make the case for ADUs while offering assistance to interested property owners
- Work with developers to include them in new housing developments, providing design and regulatory assistance.

RECOMMENDATIONS

Simplify the Process

1. Guide for Homeowners

Develop a guide for homeowners or a menu of potential building designs to reduce costs to residents



2. Regulatory Process

Simplify the permitting process for accessory units to make it easier and more intuitive to get permits

3. Demonstration

Pilot a program to show the feasibility of ADUs



Land Use | Accessory Dwelling Units

Support a demonstration program for Accessory Dwelling Units (ADUs) to evaluate the efficacy of the program.

IMPACTS

Supporting the development of Accessory Dwelling Units modestly increases the availability of rental units. **However, ADUs will only support affordability if funding is available for the development of units.** Paired with subsidy, it has the potential to provide some income-restricted affordable rental units.

IMPLEMENTATION

1. Establish a Task Force to identify regulatory and administrative barriers to ADU development. The Task Force will work with city officials, homeowners, HOAs, and developers to reduce these barriers and put forth recommendations on regulations that need to be changed.
2. Dedicate a portion of the AHTF to subsidize a pilot of 5 Accessory Dwelling Units. Costs would be approximately \$200,000 to \$400,000 total and would demonstrate how ADUs can be assets to neighborhoods.
 - After the completion of the pilot ADUs, offer home tours to interested property owners to demonstrate the program.
3. Create a menu of designs based on the building code and the local building stock. Engage an architecture firm to help create Pre-Approved Standard Plans.
4. Conduct a pilot program to develop 5 affordable units by offering \$50,000 low-cost construction loans. Consider a partnership with local CDFIs for the management of these loans.

	Los Angeles ADU Demonstration Pilot	Boston ADU Loan Program
ADU Status	Demonstration ADU and One-Stop Shop	ADU Loan Gap Financing
Services	Provides design, permitting, construction, and leasing support	ADU Toolkit and Loans up to \$30,000
Length	1-year demonstration ADU pilot in 2017, scaled in 2020 to a One-Stop Shop	2-year pilot, scaled in 2019 to a permanent program
Other Requirements	Owner occupied, must be rented to a Section 8 tenant for a minimum of five years	Owner occupied, must be built inside the footprint of the home
City's Role	City runs ADU accelerator program for existing ADUs	Boston Home Center is the lending partner
Partners' Role	The Backyard Homes Project is led by LA Más and collective of nonprofit and public partners	Non-profit partner for the pilot

Sources: [Boston ADUs Look Back](#); [Boston ADU Toolkit](#); [LA Más ADU Pilot Project](#); [LA Standard Plans](#)

Land Use | Accessory Dwelling Units

Support a demonstration program for Accessory Dwelling Units (ADUs) to evaluate the efficacy of the program.

Case Studies | LA ADU Pilot Project & Boston ADU Loan Program

Los Angeles ADU Pilot Project

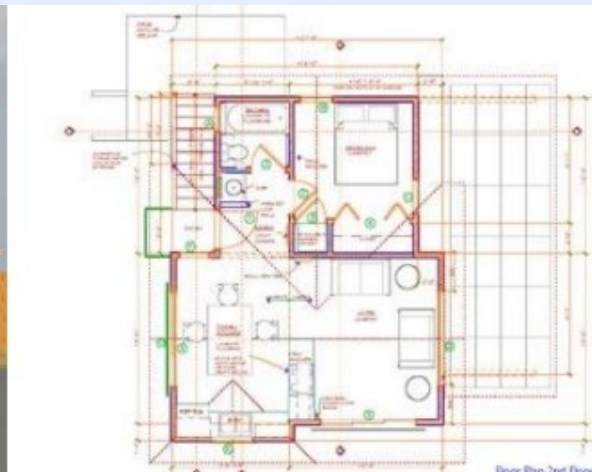
The ADU pilot project was created in conjunction with local community partners to showcase the possibility of the program. In 2018, an Accessory Dwelling Unit was built as a demonstration of ADU potential.

The project led to the development of the **Backyard Homes Project**, providing a one-stop-shop for ADU Development. “This incentive program offers homeowners optional financing, design, permitting, construction, and leasing support to build and rent a new ADU.” The pilot project and Backyard Homes Project are led by nonprofit partner LA Más, with assistance and financing from local banks, government agencies, and additional nonprofit partners.

Boston ADU Loan Program

In 2017, Boston launched their ADU pilot, with the intent of reducing barriers to entry for homeowners interested in building an ADU. To meet this goal, the city provided design clarifications, streamlined their permitting process and released an online ADU “Toolkit.”

The Boston Home Center offers loans that provide gap funding for qualified program participants, to make the construction process more affordable. The Home Center ADU loan is a zero percent interest deferred payment loan of up to \$30,000 for home renovations. These loans have no monthly payments and do not come due for repayment until the owner sells, transfers ownership, or undertakes a cash-out refinancing of the home. To qualify for a loan, applicants must be approved for an ADU Permit.



Sample design and floor plan for “Detached ADU over garage” concept.

Land Use | Zoning Adjustments

Following a comprehensive land use planning process, Stamford can adjust zoning in target areas to increase soft density and multifamily as-of right.

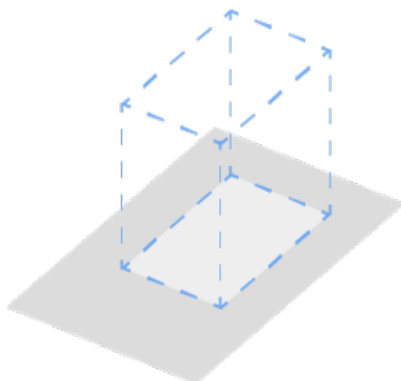
IMPLEMENTATION

1. Before changes in zoning can be made, the Land Use Bureau must conduct a **land use analysis to determine which areas are suitable for soft density and multifamily as-of-right zoning.**
 - Identify areas that have important infrastructure such as sewer, transit and employment access.
 - Identify areas within ½ mile of trains stations.
2. The Land Use Bureau will review development review and approvals processes and make changes as needed to align with recommendations.
3. Stamford can develop and deploy a public education campaign.
 - Soft density can be achieved with limited changes to neighborhood character by delivering multiple units in structures that are similar to many single-family homes.
 - Stamford can point to precedent cases from across the country to assuage concerns. For example, Arlington, VA and Minneapolis, MN have shown no evidence for zoning changes suppressing surrounding home values.

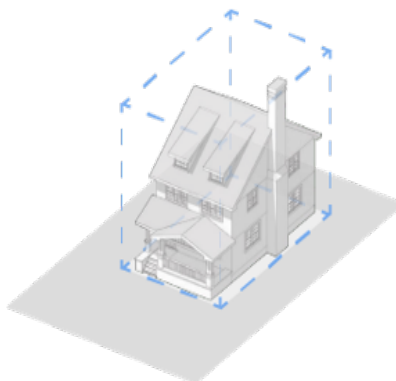
Impacts of Soft Density

Soft density allows more families to be housed within a single structure. By allowing for a slightly expanded building envelope, two families can be housed as opposed to one. **Adjustments like this to existing zoning following a land use analysis can gradually increase housing stock without changing neighborhood character.**

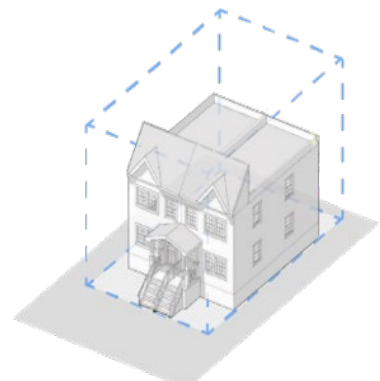
Building Envelope



One Family Housed



Two Families Housed



Land Use | Soft Density

As part of a comprehensive land use planning process, increase the types of housing permitted in single-family districts that have critical infrastructure to support increases in density.

CONTEXT

Soft density increases the types of housing permitted in single-family districts, such as townhomes, duplexes, and accessory dwelling units. In Stamford, this type of housing does already exist; however, it is limited to specific areas because Stamford's predominance of single-family zoning tightly restricts the type and supply of new housing in much of the city. Based on an analysis of all parcels in Stamford, of the land zoned for residential development, only 10% allows for housing types that can support more than one households. Targeting areas that have transit access, water infrastructure and access to employment centers will help maximize the impact and efficiency of increased density.

IMPACTS

The total potential impact of soft density is high. This one of the most effective ways to increase housing supply. Based on a study of Bay Area cities, **modest up-zoning could increase the total number of housing units in Stamford by 8% over 5 years.** This is a change that would have only modest impacts on the fabric of a neighborhood and support greater affordability across the market for many households.

RECOMMENDATIONS

Analyze the potential to change zoning to allow 2- to 4-unit structures in specific areas that currently only permit single family.

- **Infrastructure:** Prioritize areas with city water infrastructure and transit access, including bus lines.
- **Reduce barriers to density increases:** Consider opportunities to reduce large lot sizes as well as to make other changes that support the development of smaller and more affordable housing options.

Existing “Soft Density” Examples in Stamford



Townhome



Duplex



Triplex

Increasing Density

Sources: Ainslie Square; Cove Duplex; Google.com/Google Maps; HR&A Advisors; Ridgeway Triplex

Land Use | Multifamily As-of-Right

Review multifamily zoning regulations to allow and encourage increased density in high-opportunity areas and increase the number of areas zoned for multifamily as-of-right.

CONTEXT

Multifamily as-of-right development follows a set administrative process and limits discretionary reviews. If all zoning and code requirements are met for a proposed development in an area zoned for multifamily as-of-right, approval must be given for the project.

Based on an analysis of all parcels in Stamford, only 9% of parcels are zoned for multifamily. Areas designated as R-5 and R-6, per the City's Zoning Regulations, see regular delivery of multifamily housing.

RECOMMENDATIONS

The City should review its current zoning and approvals process to increase as-of-right multifamily development in targeted parts of Stamford. This should be a part of the comprehensive planning process.

As part of the process City staff should identify which areas are well suited to be multifamily as-of-right, while mitigating displacement pressure in low-income neighborhoods. In particular, the City should focus on areas within ½ mile of train stations to increase transit-oriented development (TOD) in the city.

The City should also identify where minimum lot size thresholds create barriers to developing multifamily housing in places where it is permitted.

IMPACT

Multifamily as-of-right development lowers the cost of development through a faster and more predictable approval process, which in turn increases the supply of housing and mitigates rising rents. Smaller multifamily apartments can also help to increase the affordability and diversity of a neighborhood.



Source & Photo Credit: Charter Oak Communities, Post House

Implementation

Implementation

The City should take immediate next steps within each strategy to meet housing need.

Timeline



CONSOLIDATE MANAGEMENT AND ADMINISTRATION OF HOUSING PROGRAMS

Combine Stamford's different housing functions into a cohesive team to implement housing programs and increase the expertise available to evaluate affordable housing transactions.

1. Reorganize housing programs into a single department with increased staff and capacity.
2. Invest in trainings for City staff and Board of Trustees to build real estate expertise.
3. Develop an annual housing report to track programs, spending, and units created.
4. Standardize a competitive RFP process and set clear evaluation criteria for RFPs.

SCALE UP INVESTMENTS IN HOUSING

Increase the scale of the Affordable Housing Trust Fund in order to make long-term investments in both preserving and building new affordable housing.

1. Prioritize fee-in-lieu payments from the Below Market Rate (BMR) program to expand funding for the Affordable Housing Trust Fund in the near-term.
2. Dedicate new sources of local funding to housing through the Affordable Housing Trust Fund, with a total goal of at least \$35 per capita in funding annually.

USE LAND MORE EFFECTIVELY TO CREATE NEW HOUSING

Survey developable land throughout the city and adjust land use regulations to support the development of housing that meets population growth and the diverse needs of Stamford residents.

1. Create a land inventory to identify and track developable land.
2. Implement site-specific strategies to build affordable housing, including:
 - Partnering with developers for office and retail conversions and condo development.
 - Implementing a demonstration program for Accessory Dwelling Units (ADUs).
 - Identifying publicly-owned land for affordable housing development.