



## **HUMAN SERVICES REQUEST FOR ARPA FUNDS TO SUPPORT AFFORDABLE HOUSING EFFORTS IN WESTPORT**

February 9<sup>th</sup>, 2022: The Department of Treasury's Final Rule published on January 6, 2022, clarifies affordable housing development as an eligible use of the ARPA State and Local Fiscal Recovery Funds (SLFRF). According to the document, "The final rule clarifies and expands the ability of recipients to use SLFRF funds to address the general lack of affordable housing and housing challenges underscored by the pandemic."

Westport has a unique opportunity to take immediate action that addresses the Affordable Housing crisis by making a Federal Investment in our local community while improving outcomes for families and individuals in Westport.

The pandemic has exacerbated the crisis in accessibly priced housing in Westport. Long-term renters saw their rents rise exponentially or lost their leases when rentals sold at record sales prices. While the hot real estate market has dramatically benefited homeowners, it has had the opposite impact on local renters. The cost of buying or renting a home in Westport has skyrocketed. Municipalities in every zip code, including 06880, have a role in developing and implementing strategic affordable, multi-family housing if our state and region are to make an equitable recovery from this global pandemic.

Westport's Department of Human Services proposes a \$150,000 investment in pre-development costs to establish low-density affordable housing at West Parish Road due to the crisis facing low-income households in Westport, Fairfield County, and Connecticut.

1. Westport has an immediate opportunity to provide seed money for a multi-family development on West Parish Road that our town leadership helped sponsor;
2. This affordable housing project could allow for the development of approximately 20 or more multi-family housing units in a desirable location, without high-density 8-30g project proposals from the private sector, which would typically include an additional 80+ market-rate units;
3. An ARPA allocation will assist the Town in gaining moratorium points to curtail 8-30g applications which often result in dense housing and zoning battles;
4. Access to quality, affordable housing creates jobs, enhances economic development opportunities, and helps address the long history of segregated communities in CT by creating viable options for new families to live in Westport;
5. Many essential community members like caregivers, teachers, school bus drivers, emergency responders, landscapers, house cleaners, retail, and restaurant workers cannot afford to live in the communities where they work. The lack of affordable housing results in missed opportunities for critical workforce members to participate in our local economies.

Dedicating ARPA funds to affordable housing development speaks directly to our Town's values. It will allow struggling families who earn only a fraction of the Town's annual median income (AMI) to access safe, stable, and affordable housing. It demonstrates that we are not blind to the negative impact of our strong real estate market on vulnerable populations. In addition, these funds will steer Westport towards addressing its severe shortage of reasonably priced housing units. Currently, only 3.6% of housing in Westport qualifies as "affordable" under state law. Westport needs more affordable housing to meet the state requirements.

## Defining the problem:

**STATE OF CT:** The Final Rule states that the ongoing pandemic and resulting economic crisis have a profound, long-term adverse effect on the pre-existing affordable housing crisis facing low-income households. The combination of a large number of higher-income households who have weathered the pandemic without significant income losses, low-interest rates, and housing supply constraints exacerbated by the pandemic has sharply increased the value and sale price of homes. Meanwhile, many low-income renters and homeowners struggle with lost employment and income and are behind on their housing payments. Affordable housing interventions, especially the development of affordable housing outside of Qualified Census Tracts, prevent affordable housing concentration in low-income geographies and therefore reduces concentrated areas of poverty and racial and economic segregation. In contrast, lower-income households in need of housing support are locked out of high-opportunity neighborhoods with access to employment and amenities.

**WESTPORT:** Westport has made significant progress in the past several years, having achieved its 1st Moratorium on March 5, 2019, valid through March 5, 2023. We are now working toward a subsequent Moratorium. Westport has an opportunity to make significant progress in meeting Moratorium requirements by utilizing Federal ARPA funds to support a viable project that backs the Town's Affordable Housing Plan due in June of 2022.

The only way to create a measure of affordability in Town without controversial, high-density, market-rate development is to generate public-private partnerships that advance strategic, affordable housing development.

The West Parish development is an opportunity for the Town to create a smaller, less densely developed community that is almost entirely affordable. It is challenging to fund this development through traditional HUD and CHFA sources because it is so small in scale. Without assistance from the Town – via ARPA or other funds – a project of this scale isn't feasible. Today, we have an opportunity to create the type of housing needed in Westport – quality, affordable housing for families that is centrally located with access to transportation resources and meets our community's needs.

Submitted by:

Elaine Daignault, Director of Human Services

February 9<sup>th</sup>, 2022

**§8-30G MORATORIUM? THE STATE ALLOWS A 4-YEAR MORATORIUM TO THE APPEALS PROCESS IF A COMMUNITY CAN DEMONSTRATE SIGNIFICANT PROGRESS IN MEETING THE STATE'S GOAL. SIGNIFICANT PROGRESS IN DEFINED HOUSING UNIT EQUIVALENT POINTS EQUAL TO 2% OF ALL DWELLING UNITS IN THE MUNICIPALITY. WESTPORT'S THRESHOLD HOUSING-UNIT EQUIVALENT POINTS IS 207.98**

**Westport's Current Affordable Housing Snapshot:**

- 387 units designated as Affordable Housing 3.72% of the total dwelling units (10,399 as of the 2010 Census)
- Governmentally assisted units 265
- Deed restricted 58
- CHFA/USDA Mortgages 4
- Tenant Rental Assistance 60
- More new units have recently been submitted to the state to be included on the 2022 list, but more needs to be done to keep us on track;
- ARPA funding will continue to move us toward subsequent Moratorium points for affordable housing

**TO FULFILL THE MUNICIPAL REQUIREMENT TO CREATE AND MAINTAIN A LOCAL AFFORDABLE HOUSING PLAN - CONNECTICUT STATE STATUTE § 8-30J.**

At least once every five years, each municipality shall prepare or amend and adopt an affordable housing plan for the municipality. Such plan shall specify how the municipality intends to increase the number of affordable housing developments in the municipality". By utilizing inclusionary zoning, creating thoughtful offsite affordable options, and spearheading our own affordable project in Greens Farms, Westport has a robust 5-year plan.

**WESTPORT'S 8-30J Affordable Housing Plan Draft Timeline:**

- December 2021: Introduction to Report and Discussion of Process/Timeline
- February 2022: Discussion at the Westport Library. Featuring First Selectwoman Jen Tooker & P&Z Chairwoman Danielle Dobin, moderated by Christie Stewart of the Fairfield County Center for Housing Opportunity. 45 minutes discussion followed by public Q&A.
- February 2022: Drafting of Survey. Request for Feedback at Subcommittee.
- February 2022: Online Survey
- March 2022: Forum (virtual or in person) sponsored by Save Westport Now, the Coalition for Westport, the Democratic Party & the Republican Party
- Late March 2022: Subcommittee meetings to review findings, results, and discussion.
- April 2022: Drafting of Report and initial public review.
- May 2022: Final Draft Posted for Public Comment & Revision
- June 2022: Submission of Plan

<b>Estimated Cost for West Parish Pre-development</b>	
<b>Zoning Approval Phase</b>	
Architect (Design & Zoning wetlands applications)	\$ 80,000
Engineering Site & Geo Tech	\$ 40,000
Surveys	\$ 9,000
Traffic Environmental	\$ 6,000
Legal	<u>\$ 15,000</u>
Total	\$ 150,000

**Estimated Project Timeline West Parish Street, Westport (as of 1/8/22)**

<b><u>Milestone</u></b>	<b>First Tranche of Town ARPA funds</b>	<b><u>Completion Date</u></b>
State CT Dept of Housing issue's RFP for development proposal		03/15/22
Selection of the Development Proposal		05/01/22
Conservation (Inland-Wetland) Application		06/15/22
Conservation (Inland-Wetland) Approval		07/31/22
P & Z site plan application, Text/Map Amendment application		09/15/22
Site Plan & Text/map approvals		11/30/22

<b><u>Milestone</u></b>	<b><u>Completion Date</u></b>
Consolidated Financing Application - CHFA & DOH*	01/10/23
Award of 9% LIHTC Allocation/4% LIHTC-Tax Exempt Bonds	03/31/23
Final Construction Plans, Specs Award of Construction Contract	04/15/23
CHFA Construction/Perm Loan Initial Closing	06/15/23
File for Zoning & Building Permits	07/01/23
Certificate of Occupancy, Initial Occupancy (first units)	12/15/23
Construction Completion, Certificate of Occupancy (all units)	03/15/24
Final Closing and Conversion to the Permanent Loan, etc	09/15/24

\*assumes project will be partially financed under DOH and/or CHFA programs