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# Incentive Housing Zone Study



**Prepared for the Town of Newtown, CT**

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A Milone & MacBroom Company**

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## Introduction

Over the past decade, Newtown has grown both in population and housing units. At the same time the median sales price of a single-family home in Newtown has increased 51%. As a result of these and other factors, the Town has identified affordable housing as an increasing need through multiple planning efforts. The 2004 Plan of Conservation and Development established a community goal to achieve a more balanced supply of housing types to accommodate current residents as their living and financial situations change, as well as those who work in Newtown but cannot afford to live there. In addition, a 2008 regional housing market assessment completed for the Housatonic Valley Council of Elected Officials estimated the need for 550 affordable housing units in Newtown to serve current residents earning 80% or less of the area median income.

The Town chose to pursue the Housing for Economic Growth program, established under Chapter 124b of the *Connecticut General Statutes* in an attempt to address this growing need in a manner that is consistent with the character of the community. The following assessment of housing stock and demographic and economic trends provides a basis for determining the type of housing development that is appropriate to achieve the Town's goal of a more balanced and affordable housing supply that market forces will support.

## Housing Needs and Market Conditions

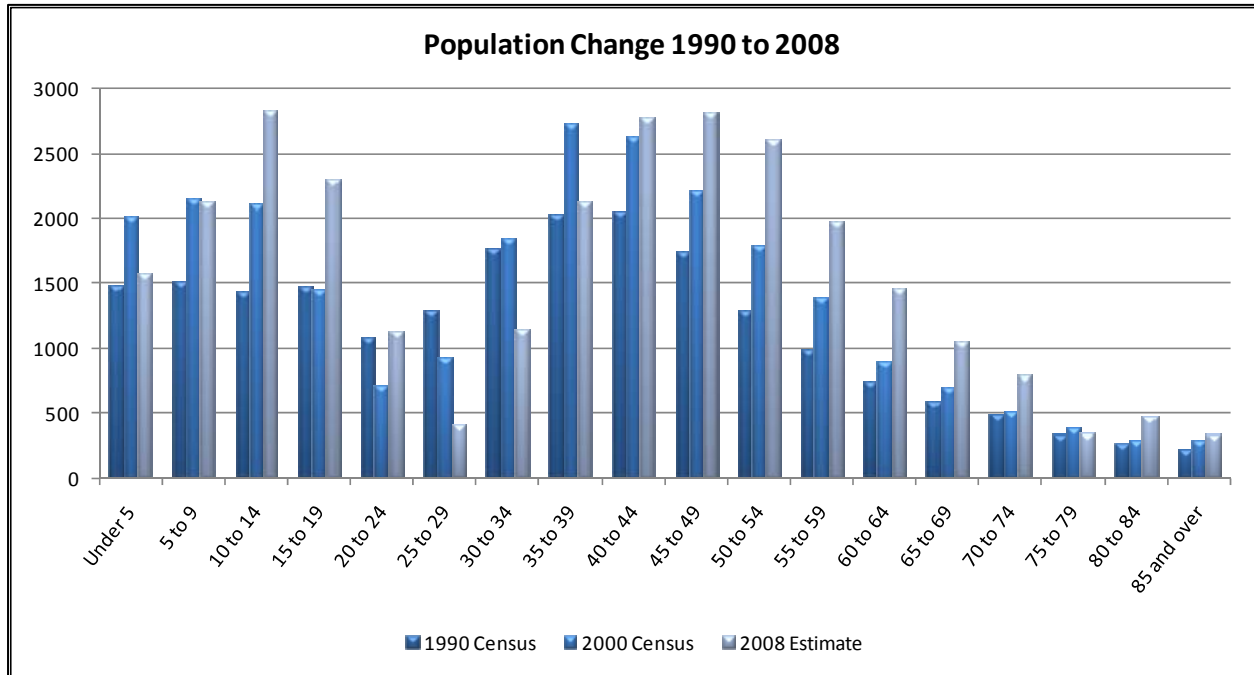
### *Population and Households*

Like the Housatonic Valley region, Newtown has grown substantially over the last 50 years, from 11,373 residents in 1960 to an estimated 28,255 in 2008.<sup>1</sup> The Connecticut State Data Center projects that the Town will continue to see an annual growth rate greater than 1% over the next two decades. According to those projections, the Town will have 33,136 residents in 2020, and 37,055 by 2030.

Like most Connecticut communities, the population of Newtown is aging. The chart on the following page shows changes in Newtown's population from 1990 to 2008. As is evident, the population age 40 and over has grown steadily. In fact, the number of residents 60 and over increased by about 45% from 2000 to 2008 alone. Accommodating the housing needs of these residents as their finances and lifestyle preferences change is a goal for the community and a target of this study.

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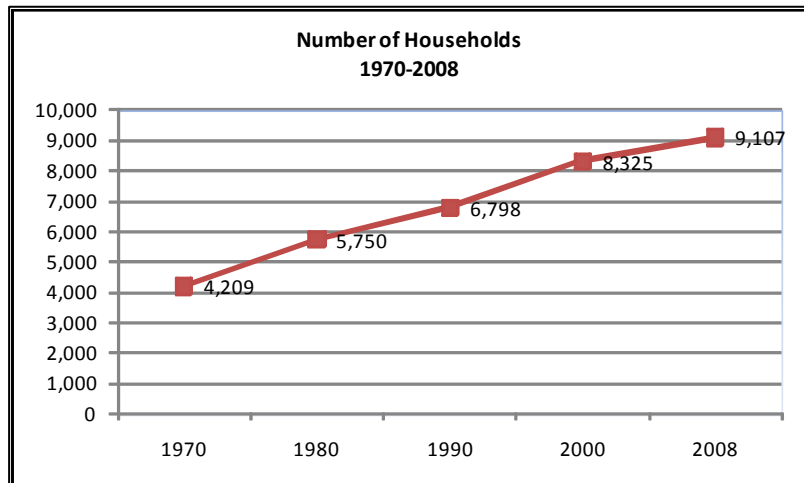
<sup>1</sup> American Community Survey 2006-08



Source: U.S. Census Bureau

In 1990, about 30% of the Town’s population was between 20 and 39 years old. By 2008, that number was down to 17%. The loss of this young working-age population may result from the price and/or type of housing available, although the location of jobs also likely factors into this demographic trend. Finally, population growth between 1990 and 2000 indicated that Newtown was attractive to families with young children. More recently, the number of children 10 to 19 years old has increased substantially, while the number of younger children has decreased. Children age 19 and under accounted for about 28% of Newtown’s population in 1990, and about 31% in 2008. While Newtown is still attractive to families with children, it is increasingly aging.

As expected with population increase, the number of households also increased during the last decade. The chart at right displays growth in the number of households from 1970 to 2008.<sup>2</sup> According to the most recent Census estimates, Newtown’s households predominantly consist of married-couple families, at 72% of all households. And, 97% of

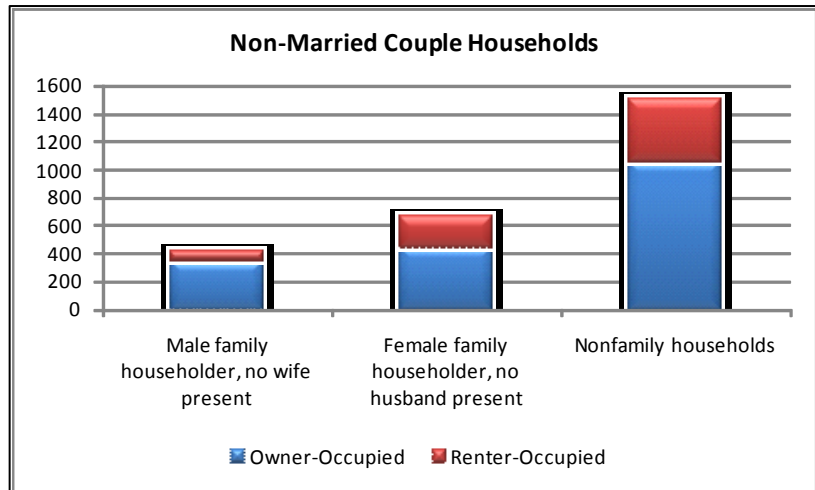


Source: U.S. Census Bureau, Decennial Census and ACS 2006-08

<sup>2</sup> 2008 figures based on American Community Survey 2006-08

those married-couple families are in owner-occupied housing units. Non-family households comprise only 17% of all households. Non-family households include people living alone, or sharing homes with others to whom they are not related.

As is evident from the accompanying chart, about 30% of Newtown’s non-family households reside in renter-occupied units. Most (87%) of these households are single-person. It is important to consider the type of housing that is available and attractive to these small households. Finally, another group’s housing needs to consider is the single-mother household. As shown at right, about 34% of this group currently resides in rental units.



Source: U.S. Census Bureau, ACS 2006-08

## Employment

Most jobs in the Housatonic Valley are located in the region’s central city, Danbury. Newtown had 7,590 jobs, according to the latest Bureau of Economic Analysis estimates. The top five major employers in Town in 2008, according to Housatonic Area Regional Transit (HART), were the Newtown Board of Education, CT Department of Corrections, Pitney Bowes (which has since left Newtown), Kendro Laboratory Products and Taunton Press.

The majority of people working in Newtown do not live in town. The Commuters Table that follows depicts commuting patterns throughout the Housatonic Valley region by job locations and point of origin for commuters. Of the commuters into Newtown, about 21% come from other Housatonic Valley towns. Another 21% originate from outside of Fairfield County. Newtown attracts, on a percentage basis, a large number of commuters from Waterbury, Southbury, Naugatuck, Oxford, West Haven and Milford, all of which are in New Haven County. This partially reflects Newtown’s location on the fringe of the Housatonic Valley region and adjacent to New Haven County. However, more than any other community in the Housatonic Valley region, Newtown relies on sources outside of the region for employees. This commuting population may be priced out of living in Newtown. The town recognized the need for more affordable housing to accommodate workers in its most recent Plan of Conservation and Development.

Commuters Into the Housatonic Valley Region By Town And Point Of Origin, 2000										
	DESTINATIONS									
	Danbury	Ridgefield	New Milford	Newtown	Brookfield	Bethel	New Fairfield	Redding	Sherman	Bridgewater
Workers In Town	46,274	11,132	9,673	8,567	7,698	7,467	3,145	1,998	696	353
<i>Origin</i>										
Within Town	40.1%	43.7%	54.1%	35.0%	24.4%	28.4%	41.0%	40.8%	53.4%	41.6%
Other Housatonic Valley Region	27.2%	23.0%	19.0%	20.7%	48.3%	44.0%	33.2%	27.6%	22.1%	23.5%
Fairfield County Balance	11.2%	14.2%	0.9%	16.3%	11.4%	11.7%	9.4%	22.0%	9.9%	2.5%
Litchfield County Balance	2.9%	2.3%	16.4%	3.8%	3.9%	2.4%	2.8%	1.7%	4.0%	19.3%
Other CT Communities	9.1%	7.0%	5.5%	21.0%	8.5%	8.9%	5.6%	5.9%	4.0%	11.6%
NY State	8.8%	8.9%	3.2%	2.5%	3.0%	4.3%	6.7%	1.5%	6.5%	1.4%
New Jersey	0.1%	0.3%	0.0%	0.1%	0.1%	0.2%	0.2%	0.0%	0.0%	0.0%
Other States	0.6%	0.6%	0.9%	0.6%	0.5%	0.2%	1.2%	0.5%	0.0%	0.0%

Source: 2000 Census Journey To Work Data; compiled by HMA.

Also according to the latest Journey to Work data, only 24% of Newtown’s working residents were employed within Newtown. About 26% of Newtown’s working residents work in other Housatonic Valley regional communities. About 31% commute to other Fairfield County communities (outside of the Housatonic Valley Region); and another 11% work in other Connecticut communities. Eight percent work in NY. Again, Newtown is heavily linked to areas beyond the Housatonic Valley region in its commuting patterns.

### ***Housing Stock and Tenure***

Newtown’s housing stock overwhelmingly consists of single-family units. The 2008 Construction Report compiled by the Connecticut Department of Economic and Community Development (DECD) estimates that Newtown has 9,381 total housing units, 95% of which are single-family.

The latest Census data, from the American Community Survey 2006-08, estimates that 90% of Newtown’s housing units are owner-occupied, leaving relatively little rental opportunity in Town. The Housing Units table at right shows a breakdown of housing units by the number per structure. As expected, the vast majority are single-unit structures. While both multi-family and single-family housing types experienced growth from 2000 to 2008, 80% of new units were single-family detached units. Given that only 10% of housing units in Newtown are renter-occupied and 94% of all

Housing Units by Structure Type					
Dwelling Units per Structure	1970	1980	1990	2000	2008
One	4,241	5,547	6,697	8,168	8,897
Two to Nine	239	355	281	319	341
Ten or More	10	12	16	13	102
Other	120	118	200	101	173
<b>Totals:</b>	4,610	6,032	7,194	8,601	9,513

Source: U.S. Census Bureau, Decennial Census, ACS 2006-08

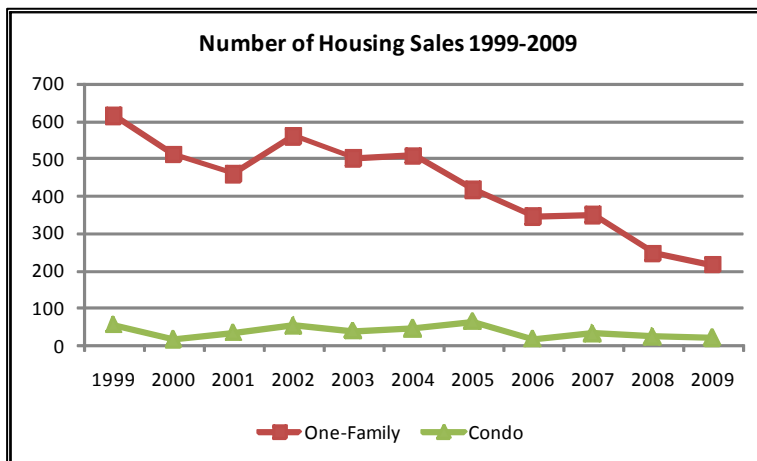
housing units are in single-unit structures, there is a clear lack of diversity in the housing stock that is available in Newtown.

Housing production in Newtown boomed in the 1990s, when the Town consistently ranked among the top 10 in the state for the number of units permitted. While the rate of growth has declined, especially in the latest recession, the Town nevertheless added approximately 900 units since 2000, an 11% increase. Because of its recent housing production, the housing stock is relatively young, as displayed in the Housing Units by Tenure and Year Built Table at right. The data indicates that about 64% of the 946 rental units were built prior to 1960. By comparison, only about 25% of owner-occupied units were built before 1960. Again, Newtown has experienced limited growth in multi-family and rental units in recent decades.

Housing Units by Tenure and Year Built		
	Owner occupied	Renter occupied
Built 2005 or later	109	14
Built 2000 to 2004	830	21
Built 1990 to 1999	1,339	101
Built 1980 to 1989	1,259	0
Built 1970 to 1979	1,287	172
Built 1960 to 1969	1,295	30
Built 1950 to 1959	999	208
Built 1940 to 1949	375	69
Built 1939 or earlier	668	331
<b>Total:</b>	<b>8,161</b>	<b>946</b>
Source: U.S. Census Bureau, ACS 2006-08		

### Housing Sales and Rental Trends

The number of single-family home sales in Newtown has generally decreased over the last decade. Over the last five years, sales have declined rather steadily from 509 sales in 2004 to 216 in 2009. However, the highest number of sales reported in the past decade was in 1999, likely a result of the substantial increase in units that occurred in the 1990s. The number of condo sales fluctuates more because of the relatively limited supply, from a high of 64 sales in 2005 to only 21 sales in 2009. When compared against neighboring communities, Newtown consistently accounts for about 30% of single-family sales, and less than 10% of condo sales, in the area.



Source: Warren Group



The table below shows median housing sales prices in Newtown and its neighboring communities over the past decade. Because housing and labor markets are regional in nature, it is important to understand how Newtown compares to its neighboring towns.

Median Housing Sales Price, 1999-2009											
Newtown and Surrounding Municipalities											
One-Family	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Newtown</b>	<b>\$289,000</b>	<b>\$330,000</b>	<b>\$322,000</b>	<b>\$362,500</b>	<b>\$395,000</b>	<b>\$450,000</b>	<b>\$450,000</b>	<b>\$490,000</b>	<b>\$474,500</b>	<b>\$455,000</b>	<b>\$450,000</b>
Bethel	\$219,750	\$239,250	\$249,500	\$275,000	\$321,000	\$360,000	\$399,950	\$381,888	\$378,000	\$357,500	\$311,250
Bridgewater	\$251,000	\$349,500	\$312,500	\$411,250	\$242,000	\$540,000	\$500,000	\$490,000	\$473,000	\$557,500	\$357,500
Brookfield	\$259,950	\$279,000	\$320,000	\$334,000	\$375,000	\$423,750	\$440,000	\$440,000	\$454,500	\$417,250	\$375,000
Easton	\$450,000	\$497,500	\$545,000	\$592,500	\$600,000	\$640,000	\$730,625	\$725,000	\$745,000	\$740,000	\$589,500
Oxford	\$206,000	\$231,500	\$245,000	\$282,750	\$316,900	\$360,000	\$375,900	\$409,000	\$400,000	\$367,500	\$335,000
Redding	\$421,250	\$455,000	\$501,250	\$535,000	\$579,000	\$605,000	\$689,000	\$678,250	\$700,000	\$635,000	\$554,000
Southbury	\$246,500	\$280,000	\$298,500	\$330,000	\$352,000	\$369,000	\$434,000	\$452,500	\$422,500	\$420,500	\$370,000
<b>Condominiums</b>											
<b>Newtown</b>	<b>\$194,900</b>	<b>\$204,900</b>	<b>\$235,000</b>	<b>\$264,000</b>	<b>\$287,000</b>	<b>\$347,000</b>	<b>\$526,350</b>	<b>\$562,075</b>	<b>\$363,500</b>	<b>\$357,250</b>	<b>\$396,583</b>
Bethel	\$121,000	\$135,500	\$148,900	\$207,000	\$218,250	\$243,500	\$263,250	\$270,000	\$265,000	\$251,000	\$293,722
Bridgewater				\$212,000	\$306,000				\$285,000		
Brookfield	\$111,000	\$120,000	\$135,000	\$155,450	\$185,000	\$220,000	\$263,750	\$235,000	\$234,500	\$225,000	\$200,000
Easton											
Oxford		\$38,800		\$114,000	\$32,500	\$372,948	\$441,090	\$465,102	\$425,550	\$469,750	\$419,763
Redding		\$403,764	\$572,000	\$209,000	\$263,500	\$639,000	\$395,000	\$375,000	\$325,000		
Southbury	\$110,000	\$130,000	\$120,000	\$143,000	\$165,000	\$195,000	\$220,000	\$190,000	\$190,000	\$152,800	\$135,000

Source: The Warren Group.

The median sales prices for both single-family homes and condos peaked in Newtown in 2006. However, the sales price for single-family homes appears to be leveling off more quickly in Newtown than in surrounding towns. Single-family sales prices in Newtown decreased about 3.2% in 2007, 4.1% in 2008 and 1.1% in 2009; whereas in Brookfield, prices increased 3.3% in 2007, but declined 8.2% and 10.1% in 2008 and 2009 respectively. Likewise, in Bethel, sales prices declined 1.0%, 5.4% and 12.9% in the last three years. Only Easton and Redding have higher median sales prices for single-family homes than Newtown, and they have consistently throughout the decade. The median sales price for condos in Newtown is more variable, again because of the limited number of units and sales.

According to data from the Connecticut Economic Resources Council (CERC), 63% of 2007 housing sales in Newtown were priced at \$400,000 or more. This compares to 73% of sales in Fairfield County, and only 32% of sales in the State. Only 10% of Newtown's sales were below \$400,000, whereas 51% of all sales in the State were for less than that amount.

2007 Housing Sales Prices			
	Newtown	Fairfield County	State
Less than \$100,000	0%	0%	2%
\$100,000-\$199,999	3%	3%	18%
\$200,000-\$299,999	7%	11%	31%
\$300,000-\$399,999	26%	13%	17%
\$400,000 or More	63%	73%	32%
Source: CERC Municipal Profiles 2010			

While housing sales prices have fallen in the latter half of the decade, rental prices continued to increase. Table 4 shows the Fair Market Rent for the Danbury Metro Area, including Newtown, over the last ten years. The Fair Market Rent for a two-bedroom unit in the area is currently \$1,591. This compares to \$961 for a two-bedroom unit in 2001, or a 66% increase in rent. One must keep in mind that this data includes other communities with much larger and more diverse rental markets. Advertisements for rental units in the *Newtown Bee* show that the Newtown rental market is within the range of the Fair Market rent rates, although it can be significantly more expensive for larger units. For example, two separate one-bedroom cottages were listed at \$1,200 and \$2,200 a month. The cheapest three-bedroom unit listed at \$1,425, and the most expensive at \$2,200 per month. Studio and one-bedroom apartments range from \$775 to \$975. Out of only a dozen units listed for rent, five are single-unit structures.

TABLE 4 Fair Market Rents, 2001-2010 Danbury HMFA										
Bedrooms	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Efficiency	\$643	\$674	\$699	\$725	\$736	\$821	\$822	\$942	\$977	\$1,033
1 Bedroom	\$769	\$806	\$835	\$867	\$886	\$992	\$998	\$1,143	\$1,186	\$1,254
2 Bedrooms	\$961	\$1,007	\$1,044	\$1,084	\$1,109	\$1,148	\$1,267	\$1,451	\$1,505	\$1,591
3 Bedrooms	\$1,268	\$1,329	\$1,378	\$1,430	\$1,348	\$1,374	\$1,517	\$1,737	\$1,801	\$1,904
4 Bedrooms	\$1,462	\$1,533	\$1,589	\$1,649	\$1,592	\$1,801	\$1,880	\$2,153	\$2,233	\$2,361

Note: All years refer to fiscal year.

Source: HUD; compiled by HMA.

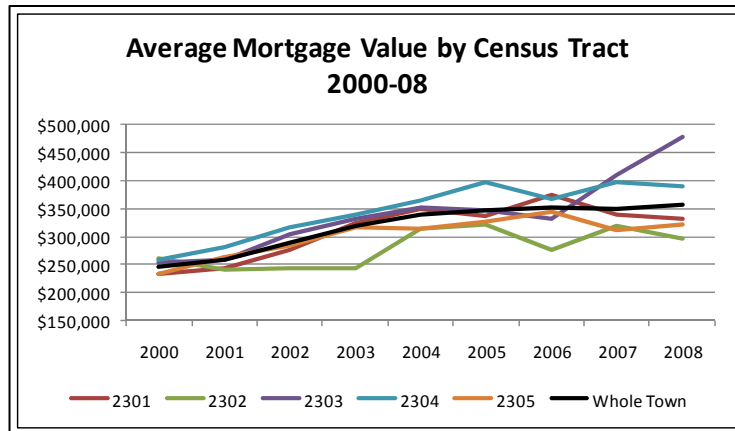
### ***Income and Relationship to Housing Cost***

Household incomes are key components to supporting housing and rental prices. The 2009 median family income for the Danbury Fair Market Rent Area is \$107,100. At this income, a family can afford to pay \$2,678 per month on housing costs (30% of income). For those earning 80% of the median family income (\$85,680), a monthly housing cost of \$2,142 is considered affordable. These figures make the current fair market rents appear reasonable; however, one must remember that these include several other communities with more diverse housing stocks, such as Danbury. Again, only about 10% of Newtown’s housing stock is renter-occupied; therefore, there is limited opportunity for rental housing. The monthly costs of the median sales price home in Newtown is \$3,123, assuming a 30-year mortgage at 6% interest, a 20% down-payment, a mill rate of about 23 and an annual \$1,500 for insurance. Given these assumptions, the median sales price home in Newtown is affordable only to those making almost 120% of the area median family income, or \$125,000 annually. The current average salary for a police officer in Newtown is \$58,800, less

**\$125,000:** The income needed to afford the median-sales priced home in Newtown

than half the salary needed to afford the median-sales price home.<sup>3</sup> The average salary for a teacher in Newtown, according to current budget proposals, is \$52,600. This is only 49% of the median family income in Newtown, and the Board of Education is the largest employer within the community. Even in dual-income households, housing prices in Newtown are out of reach for moderate-income workers.

The Average Mortgage Value chart displays the average value of mortgages originated between 2000 and 2008 by Census Tract and for the whole town. As is evident, the average mortgage value has generally increased across all tracts; however, Census Tract 2302, which encompasses the Borough, has lower valued mortgages than elsewhere in Town. In addition, Census Tract 2303, which includes the western



Source: Federal Financial Institutions Examinations Council, HDMA Data

portion of Town, has had increasing mortgage values since 2006, when the current recession began. In fact, the average mortgage value in Tract 2303 in 2008 was \$478,842 – more than the median sales price of a home in Newtown. With same monthly housing cost assumptions as above (6% interest, 20% down-payment, a mill rate of 23 and \$1,500 in insurance expenses) that mortgage value requires an annual income of about \$156,000 or about 150% of the area median family income.

Newtown has also seen increasing foreclosures over the last few years, while mortgage values rise. In each of the last two years, there have been almost 90 petitions to foreclose on single-family homes in Newtown. Since 2007, the Town has had 277 single-family homes, or about 3% of the total housing stock, subject to foreclosure.

Year	Period	1-Fam	Condo	All
2010	Jan - Aug	86	2	105
2009	Jan - Aug	88	1	113
2008	Jan - Aug	52	0	69
2007	Jan - Aug	51	0	71

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According to HUD’s latest Comprehensive Housing Affordability Strategy (CHAS) data for Newtown, 1,760 households that earn less than 80% of the area median family income pay more than 30% of income on housing costs. That number constituted about 20% of occupied units. In addition, the 2008 regional housing market assessment adjusted affordable housing needs for elderly and non-elderly based on employment and assisted housing supplies to redistribute assisted housing more equitably around the Housatonic Valley and in proportion to employment. That adjusted calculation suggested that Newtown has the following needs:

<sup>3</sup> According to Human Resources Administrator, Feb. 2010.

	Elderly	Non-Elderly	Total
<b>Earning 50% AMFI</b>			
Paying >30% of income	440	206	<b>646</b>
Paying >50% of income	450	100	<b>550</b>
<b>Earning 80% AMFI</b>			
Paying >30% of income	567	220	<b>787</b>
Paying >50% of income	517	110	<b>627</b>

In other words, Newtown needs to provide 787 affordable housing units to fulfill its share of the region's need for affordable and/or assisted housing. Of those units, 550 are needed for the most severely cost-burdened (households earning 50% of the area median family income, paying more than 50% of income on housing). An additional 96 units are needed for households that are severely cost-burdened, that is, earning 50% of median income while paying between 31% and 50% on housing. For those more moderately cost-burdened households that earn 80% of the area median income, 627 units are needed for those paying more than 50% for housing, and another 160 are needed for those paying 31% to 50% of income on housing.

### ***Subsidized, Elderly and Special Needs Housing***

The DECD Affordable Housing Appeals list for 2009 shows the number of affordable housing units (according to Section 8-30g of the Connecticut General Statutes as:

8,601 Total Housing Units

- 139 Government Assisted
- 16 CHFA Mortgage
- 16 Deed Restricted

This leaves Newtown with a total of 1.98% of its housing stock considered affordable, and vulnerable to affordable housing development appeals under the Statutes. While Newtown will likely never reach the 10% threshold established by the Statutes due to the sheer number of new units that would be required to do so, identifying appropriate locations in which to increase the supply of more affordable units and providing incentives such as density bonuses for such development can help steer development. The Incentive Housing Zones regulations will be designed for this purpose.

<b>Table 5</b>		
<b>Condo Units - Newtown, CT</b>		
<b>AGE RESTRICTED (OVER 55)</b>		<b>UNITS</b>
Regency at Newtown		54
Walnut Tree Village	Phase I	80
Walnut Tree Village	Phase II	110
Woods at Newtown	Condos	46
Woods at Newtown	Congregate	132
Homesteads	Assisted Living	100
Liberty at Newtown		96
<b>NOT AGE RESTRICTED</b>		
Riverview		49
<b>GERIATRIC</b>		
Ashlar		156
Lockwood Lodge	Assisted Living	56
<b>GERIATRIC AND/OR HANDICAPPED</b>		
Nunnawauk Meadows	Assisted Living	134
<b>AFFORDABLE</b>		
Riverview	(Included above)	13
Habitat for Humanity		2
<b>TOTAL</b>		<b>Page 9</b>

Table 5 displays condominium developments in Newtown by type. There are 618 age-restricted units, for persons over 55 years-old. There's an additional 346 units for geriatric and/or handicapped residents. These units provide some type of health and social services in addition to housing. There are 49 condo units that are not for the elderly or handicapped, 13 of which are designated affordable. Finally, there are two units developed by Habitat for Humanity. The 134 units at Nunnawauk Meadows are subsidized, and account for almost all government-assisted units in Town.

## ***Municipal Capacity for Increased Density Housing***

### **Land**

The availability of land and redevelopment potential will be discussed in later phases of the Incentive Housing Zone planning process.

### **Infrastructure and Services**

Newtown has a sanitary sewer system that serves the central area of Town, including most of the Borough and Sandy Hook center (see the map on the following page for sewer service area boundaries). The system was designed to serve the Garner Correctional Facility and future use of the Fairfield Hills hospital complex, as well as pollution abatement. While the treatment facility could increase its capacity, it is unlikely the Town will invest the capital required to do that in the near future. The Town's sewer system allotment was completed at the time of design, and is not expected to be expanded. However, the Town has allowed a residential condominium development to tie into the system, in the aquifer protection area, only after the project demonstrated it had the capacity and ability to function with an on-site sub-surface system. In addition, the Town has examples of successful community septic systems, which may provide another route to achieving the required density of Incentive Housing Zones. Nevertheless, in order to achieve the type of mixed-use, multi-family development envisioned under the, the Town may need to consider extending sewer service to, or allowing certain parcels to connect in, strategic locations.



Single-family house in Newtown

A small section of Hawleyville, on Route 6, is also served by sanitary sewers operated by the City of Danbury. The intermunicipal agreement executed for this service provides Newtown with a certain amount of line and treatment capacity. This sewer service area is specifically intended for economic development. Since 2002, the Town has allowed expansion of the service area to encompass multi-family elderly housing. Given the economic development purpose behind this line, mixed-use development at a higher density may be appropriate in this area.

Most water service in Newtown is provided through on-site wells. United Water Connecticut (UWC) is the largest provider of water service in Town. The utilities map on the following page also shows drinking water supply lines. Expansions in UWC service area have generally occurred over the last two decades at the expense of those desiring service. Other small water services exist, including a system at the Fairfield Hills complex.



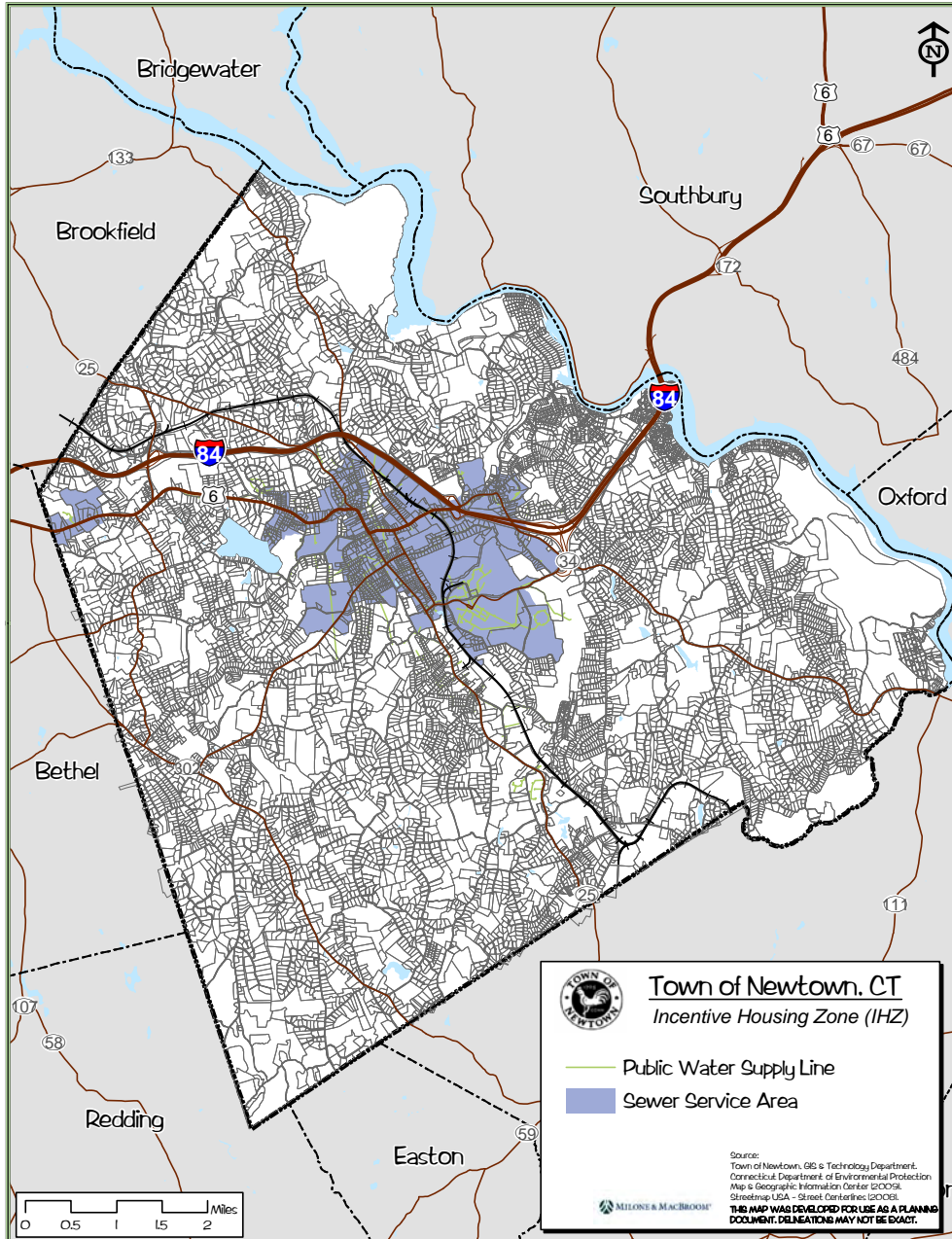
Riverview Condos

Newtown is readily accessible by Interstate 84 and several State routes, including Routes 6, 25, 34 and 302, allowing for access to employment within the region. It does not have a transit line, though the Housatonic Area Regional Transit does operate a bus line along Route 6 in neighboring Bethel.

### **Land Use Policy**

Newtown's residential Zoning Districts require half-acre to three-acre minimum lot sizes. Multi-family housing is allowed under five specific sections, three of which are designed to encourage





mixed-use village center style development. However none of the multi-family regulations allow for the density that is required under the Incentive Housing Zone legislation, which is 6 units per acre for single-family, 10 units per acre for duplex/townhouse, and 20 units per acre for multi-family housing. It is important to note that the statutes also require at least a 25% increase in density over the underlying zoning district regulations when drafting Incentive Housing Zone regulations.

The Elderly Housing Development (EH-10) regulations allow for up to 3.5 units per “buildable” acre for elderly family units, to a maximum of 150 units; and, up to 6 units per buildable acre for congregate housing for the elderly, up to a maximum of 300 units. A buildable acre means lot area excluding wetlands.

The Affordable Housing Development (AH) Regulations allow up to 4 units per “usable” acre, up to a maximum of 100 units. “Usable” acre means lot area excluding a percentage of land with steep slopes, wetlands and floodplains.

The Hawleyville Center Design District is set up to encourage village-style development. The regulations allow up to 2 units per usable acre, as part of a mixed commercial/residential development. The Sandy Hook Design District also encourages mixed-use development. These regulations allow up to 4 residential units per acre, if located on the story above commercial use and hooked up to sanitary sewer. If in addition all of the units are deed-restricted as affordable, then the density can be up to 6.8 units per acre. Finally, the South Main Street Village Design District is an overlay district that focuses on design standards. All permitted uses of the underlying zones are allowed. In addition, in underlying residential and farming zones, business and professional office uses are allowed. This includes up to 2 apartment units per acre, located on the upper floors of a business or professional office building.



Mixed-use structure in Sandy Hook

## ***Findings***

- Newtown’s population and household numbers are increasing, and are expected to continue to do so, though at a slower rate, over the next twenty years. However, the Town continues to lose young working-age residents possibly due to inadequate diversity in the housing stock. As the population ages,



Walnut Tree Village



Newtown also risks losing older residents who can no longer afford, or no longer desire the type of housing that is available in Town. A broader range of housing types can help current residents remain in Town through various stages of life.

- Newtown needs more workforce housing. The Town is externally focused, when it comes to employment. A significant number of jobs in Newtown are filled by people living in New Haven County communities where housing prices are generally lower. The top employer in Newtown is the Board of Education, and the average teacher’s salary is only 49% of the median family income.

- The current housing stock is relatively young, and geared towards the lifestyles of the married-couple families that comprise the majority of Newtown’s residents. The stock consists primarily of detached single-family, owner-occupied units. Moreover, recent development has primarily been large-lot, single-family housing. Newtown needs more diverse housing that is attractive to other household types, including single-parent renters.



Wallingford, CT – Olde Oak Village, 24 affordable ownership units among an 80-unit development  
Source: Partnership for Strong Communities

- While housing sales have fallen over the course of the current recession, the median sales price of a single-family home in Newtown is still unaffordable to households earning up to nearly 120% of the area median family income. Newtown needs more housing that is affordable to moderate-income households.
- Newtown cannot easily supply the 1,433 affordable units suggested by the 2008 Regional Housing Market Assessment to equitably address the needs of cost-burdened households in the region. Infrastructure constraints alone make that an unlikely achievement in the near future; however, there are opportunities to provide denser and more affordable housing, especially in mixed-use, village-center locations with the capacity to accommodate that type of development in a manner that is consistent with the Town’s overall character.
- Newtown has limited sewer service availability. While on-site community septic systems are an option, developers are better encouraged to provide the type and density of housing units that are needed in Newtown when sewer service is available.

- Newtown has already identified some locations in the community to encourage a mix of land uses, and multi-family housing, through its Plan of Conservation and Development and zoning Regulations. Further analysis of infrastructure and land use capacity in those locations and others will help narrow the possible incentive housing zone areas within the parameters of the statutes.



Avon, CT – Old Farms Crossing, 45-units of rental housing  
Source: Partnership for Strong Communities

## Housing for Economic Growth Program

The Housing for Economic Growth program, established under Public Act 07-4, promotes affordable and market-rate housing in “smart growth” locations in order to expand housing opportunities and choices in Connecticut. The program provided funding to municipalities to study the appropriateness of establishing Incentive Housing Zones (IHZs); this study is a result of such assistance. The program also offers incentive payments to municipalities; first for officially adopting eligible IHZs, and then for building permits issued for residential units within IHZs.

A municipality may adopt IHZs only in certain eligible areas to qualify for the incentive payments. Eligible areas include:

- Sites that are consistent with the State’s *Conservation and Development Policies Plan*, this includes Regional Centers, Neighborhood Conservation Areas and Growth Areas as depicted on the Locational Guide Map;
- Near transit stations, or along transit lines;
- Locations of concentrated development, such as existing village districts or commercial centers; and,
- Places suitable for incentive housing development because of existing or proposed infrastructure, transportation access or under-used facilities.

The area of any single designated IHZs cannot exceed 10% of the total land area in the municipality, and the aggregate of all IHZs cannot exceed 25% of the total land area of the municipality.

Incentive housing developments may be residential or mixed-use. Each Incentive Housing Development must restrict the sales or rental prices of at least 20% of the total dwelling units to affordable levels for those earning 80% or less of area median income. The area median income is that determined by the U.S. Department of Housing and Urban Development (HUD) for the municipality, and is adjusted for household size. Sales and rental prices for affordable units must be protected by deed restrictions, covenants or other restriction, for at least 30 years after initial occupancy.

Municipalities that adopt IHZs must file annual reports with the Connecticut Office of Policy and Management (OPM) to remain eligible for incentive payments. In addition, OPM must approve any amendments to IHZ regulations in order to maintain incentive payment eligibility.

The program also establishes a minimum allowable density for IHZs. The density is per acre of “developable land,” which excludes wetlands and watercourses, land in public use, parks and open space, areas with a contiguous half-0acre of steep slopes, and land with development restrictions on it. The minimum densities are:

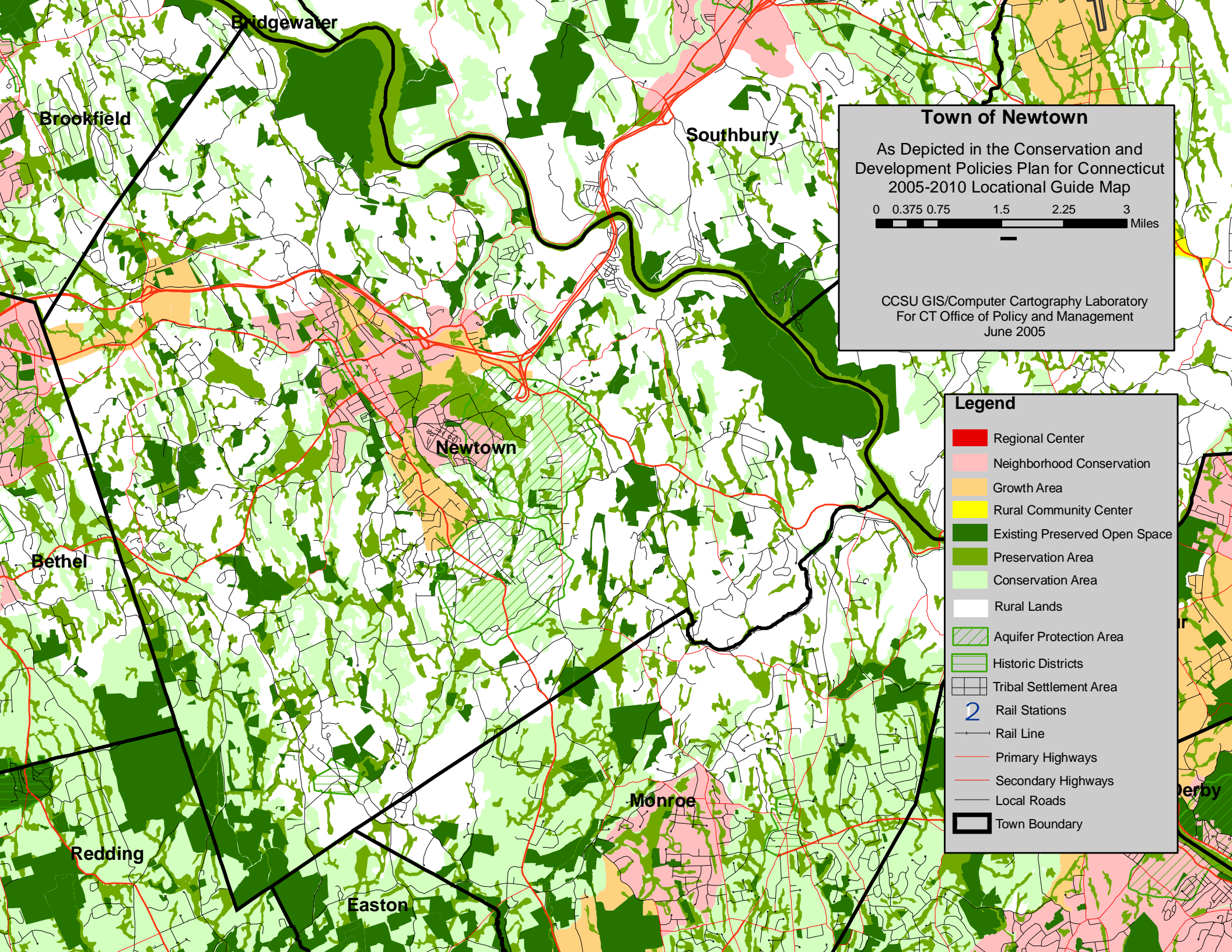
- Six units of single-family detached;

- Ten units of duplex or townhouse; and
- Twenty units of multi-family housing.

These requirements limit the possible locations for IHZs in Newtown. The following review narrows the scope to four potential areas, and discusses the strengths and weaknesses of each.

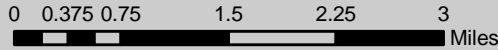
## **Potential IHZ Locations**

The Connecticut *Conservation and Development Policies Plan 2005-2010 Locational Guide Map* for Newtown on the following page shows Neighborhood Conservation and Growth areas concentrated around interstate 84 interchange areas, and Routes 6 and 25. As IHZs must be consistent with the State Plan, especially in order to receive incentive funding, the investigation of potential IHZ locations should focus in these areas.



**Town of Newtown**

As Depicted in the Conservation and Development Policies Plan for Connecticut 2005-2010 Locational Guide Map



CCSU GIS/Computer Cartography Laboratory  
For CT Office of Policy and Management  
June 2005

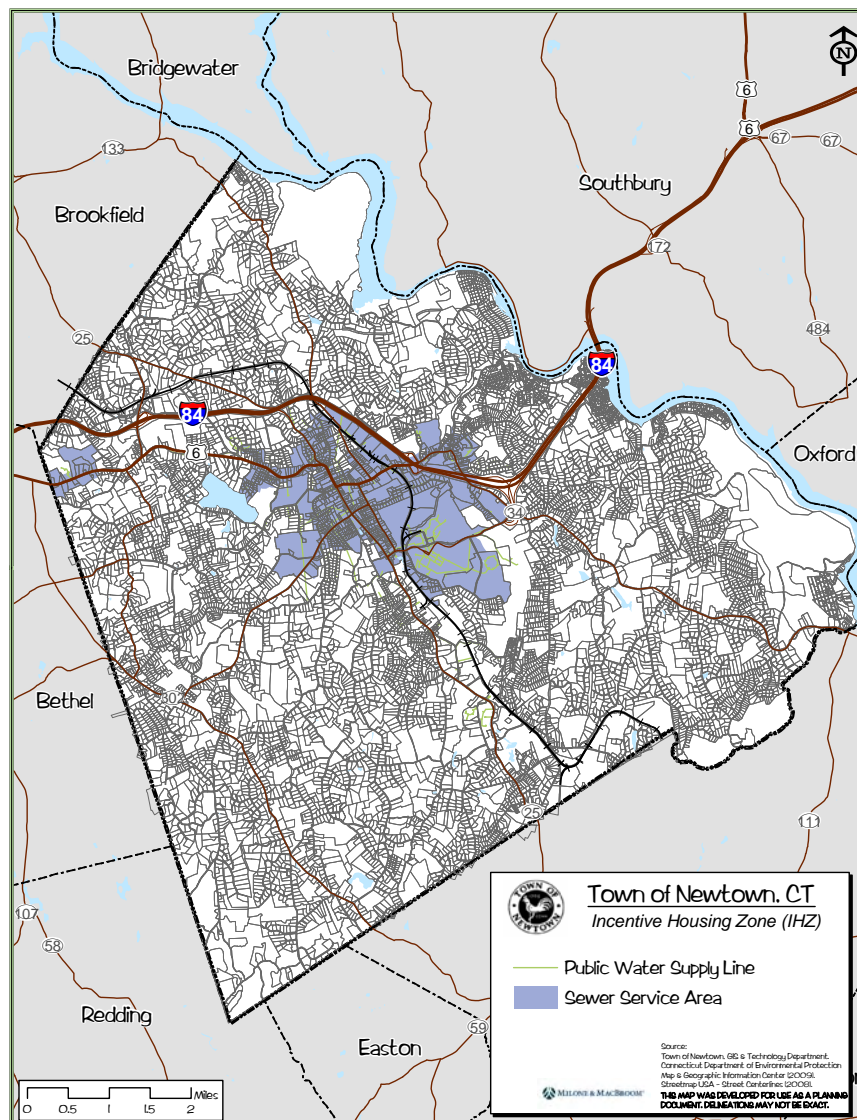
**Legend**

- Regional Center
- Neighborhood Conservation
- Growth Area
- Rural Community Center
- Existing Preserved Open Space
- Preservation Area
- Conservation Area
- Rural Lands
- Aquifer Protection Area
- Historic Districts
- Tribal Settlement Area
- 2 Rail Stations
- Rail Line
- Primary Highways
- Secondary Highways
- Local Roads
- Town Boundary

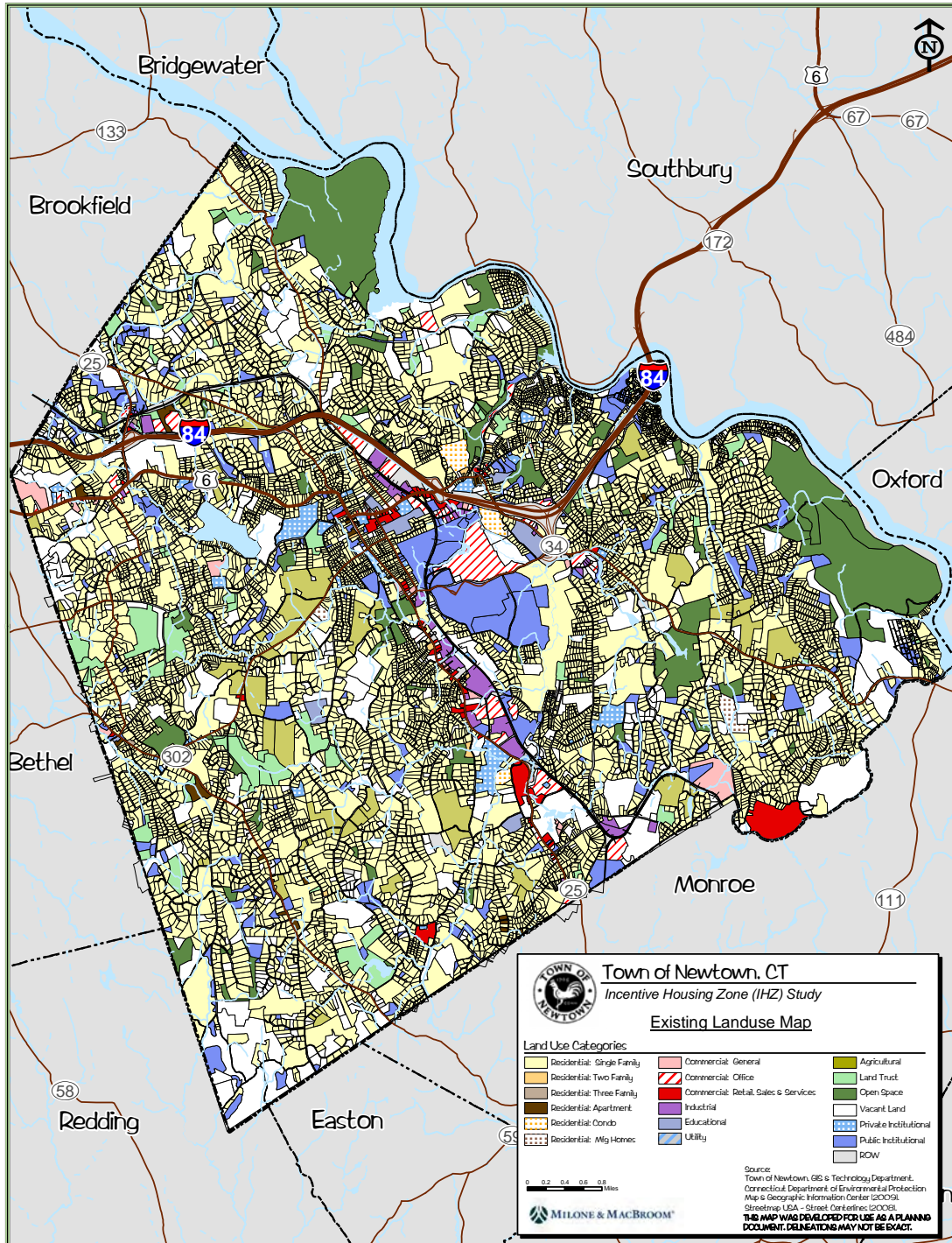


While Newtown does not currently have any public transit lines, Housatonic Area Regional Transit (HART) has recommended adding a stop in Newtown, at Exit 10 off of Interstate 84, to a fixed-route Peter Pan commuter bus that runs between Danbury and Waterbury. In addition, HART has recommended creating an inter-regional bus route from Bridgeport to Danbury, through Newtown on Routes 6 and 25. Newtown also has a commuter parking lot in the Hawleyville section near Exit 9 off of Interstate 84, and another near Exit 11, on Route 34. The potential for transit and availability of park and ride lots directs potential IHZ locations to Routes 6 and 25, as well as interstate interchange areas.

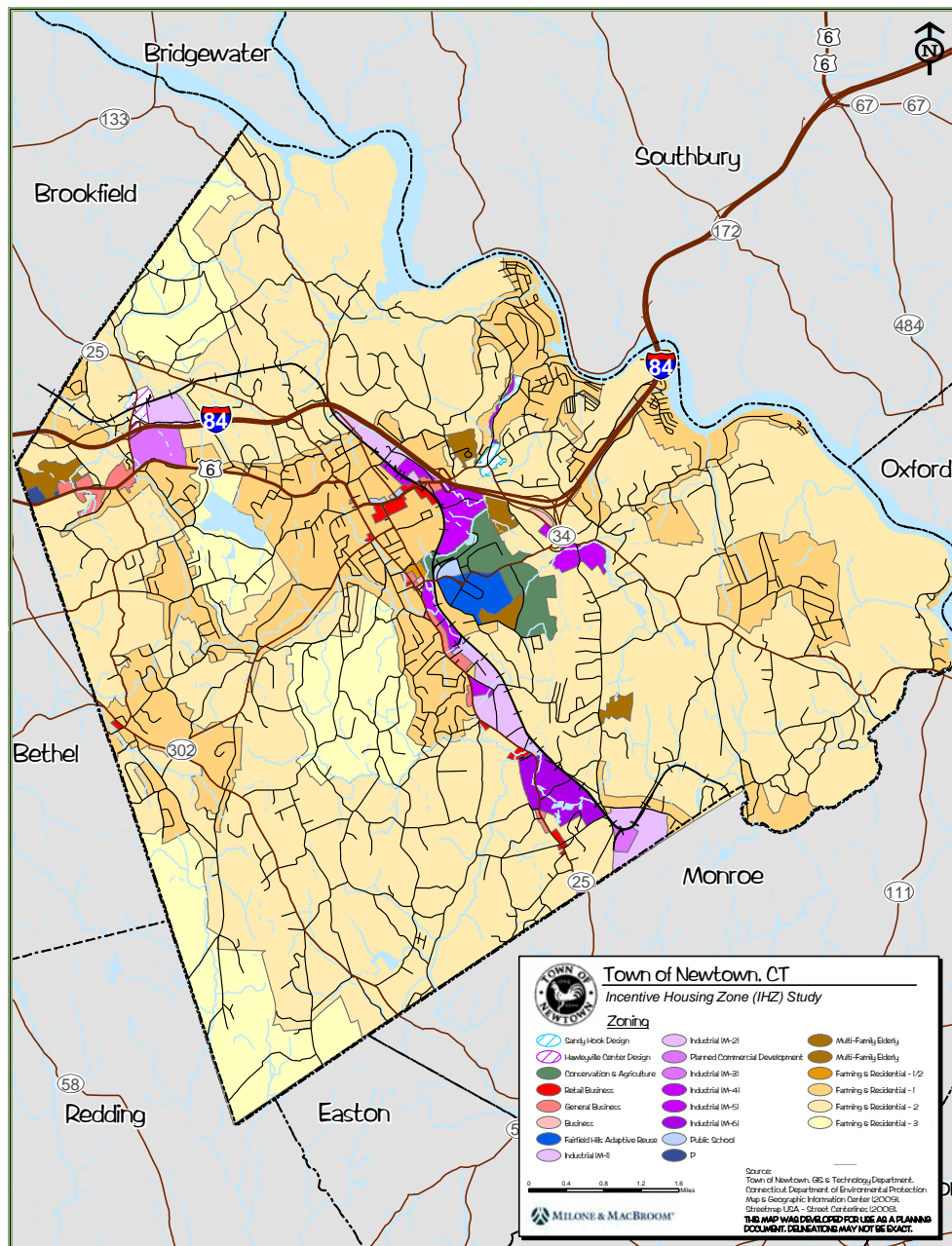
The availability of sewer and water service is another important factor in the location of IHZs. The residential densities required under the Housing for Economic Growth program are more easily achieved when served by public sanitary sewer and water. This map shows current sewer service areas and public water supply lines in Newtown. The sewer service area along Route 6 on the west side of Town has the potential to expand, but does not have a public water main.



Current land use further supports potential IHZ locations along Routes 6, 25 and 34. As seen in the Existing Land Use Map on the following page, the most dense and diverse development in Newtown exists along these primary corridors. The majority of the community is in single-family residential, agricultural, open space and public institutional use. Thus, locating an IHZ in an “area of concentrated development” would generally require location along a State highway.

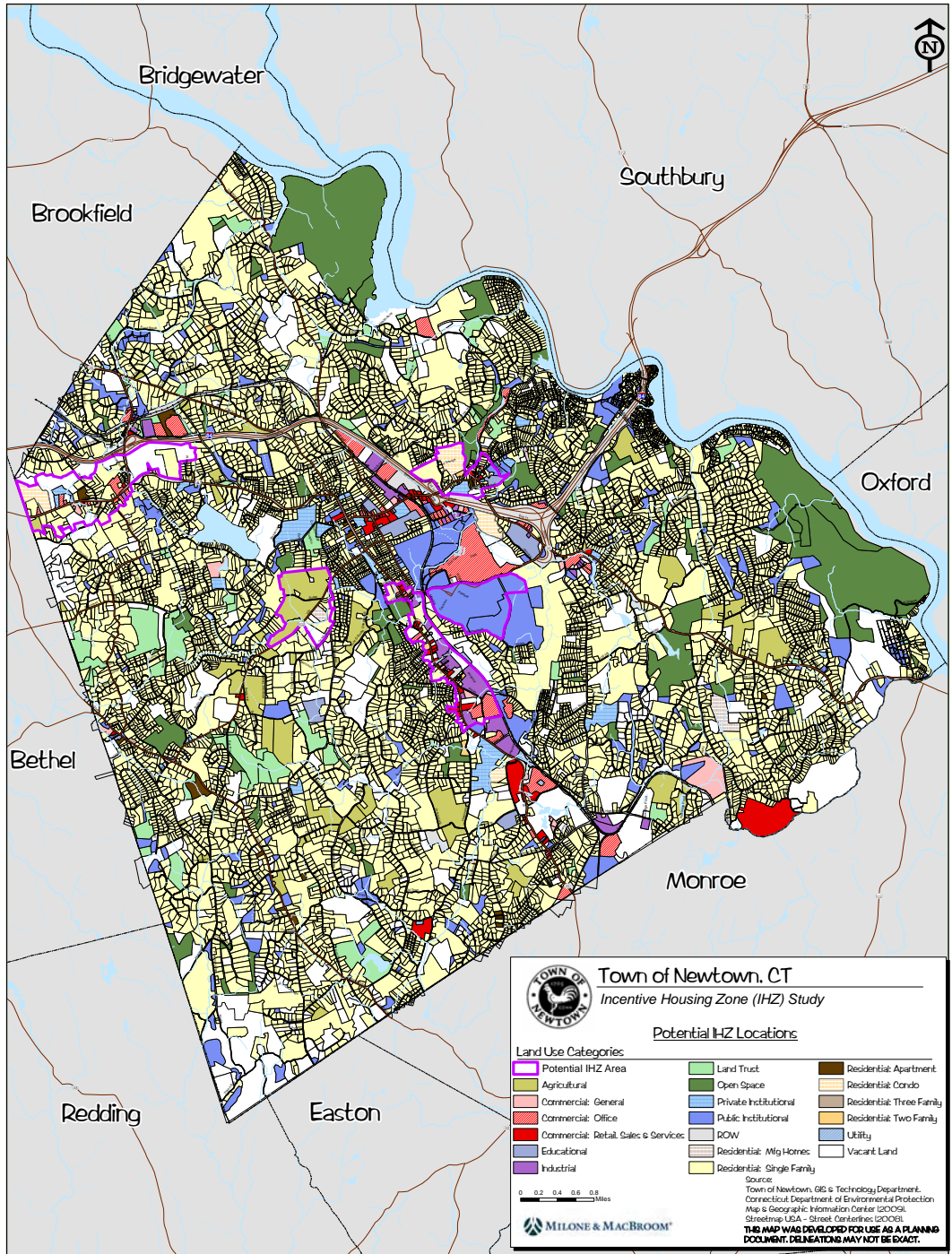


Finally, it is important to consider current zoning when reviewing potential IHZ locations. The Statutes require IHZ overlay regulations to provide at least a 25% increase in allowable density from the underlying zoning. The Town must also balance the need for affordable housing with other development and conservation goals, and ensure that IHZs are compatible with adjacent land uses. The Newtown Zoning map below, not surprisingly, mirrors the existing land use map. More dense and diverse zoning districts are concentrated along the rail line parallel to Route 25, in the Borough, the I-84/Route 34 interchange, along Route 6 on the west side of Town and the nearby I-84/Route 25 interchange. Note that because the Borough has its own Zoning Regulations and Commission, this study did not consider the Borough as a potential location for an IHZ.





Based on these program parameters, the Town’s Plan of Conservation and Development, and consultation with Planning staff and the Planning & Zoning Commission Chair, five areas of the community were identified for further investigation as possible IHZ locations. These areas are shown on the map below, and are described in further detail in the following section.



To assess the suitability of each area for incentive housing developments, land use and assessor’s parcel data was used to determine the potential for housing at the density required and within the parameters established under the Statutes. In general, four of the areas conceptually support incentive housing developments. While the Route 302 area is supported by the potential availability of land and the presence of a sewer line, it is not supported by the State’s Conservation and Development Policies Plan. The matrix on the following page summarizes the factors considered in this review with green indicating favorable for an IHZ, yellow indicating potential issues not in favor of IHZs and red indicating substantial barriers to an IHZ. A more detailed discussion and map of each area follows.

	Route 6	Route 302	Fairfield Hills	Sandy Hook	Route 25
<b>State Conservation and Development Plan Designation</b>	Growth, Rural Land, Preservation and Conservation	Preservation, Conservation and Rural Lands	Neighborhood Conservation	Neighborhood Conservation, Growth, Preservation, Conservation, Rural Lands	Neighborhood Conservation, Growth
<b>Sewer Service</b>	Yes	Yes	Yes	Yes	In northern reach, not likely to expand south
<b>Public Water Availability</b>	Yes	Yes	Yes	Yes	Yes
<b>Transportation Features</b>	Route 6, Route 25, abuts I-84 interchange and commuter parking lot, and Hart transit line ends in Bethel only about 1.4 miles from area along Route 6	Route 302 and about .5 mile from Route 25	Within .3 mile of I-84/Route 34 interchange, commuter parking lot, within .3 mile of Route 25 and potential transit line	I-84 interchange, potential re-instated commuter bus stop at Exit 10; Route 34	Route 25 - potential transit line
<b>Current Land Use</b>	Single-family; age-restricted condos; assisted-living facility; mobile home park; Commercial - office, retail and general; industrial	Agriculture, single-family residential, manufacture homes	Public institutional adjacent to commercial office, school and single family residential	Single-family; apartments; condos; private and public institutional; commercial - general, retail; industrial	Single-family; two-family; apartments; commercial - office, retail and general; industrial; public institutional
<b>Current Zoning</b>	Farming & Residential - 2; elderly multi-family; general business; industrial	Farming & Residential - 1 and - 2	Fairfield Hills Adaptive Reuse	Sandy Hook Design District; elderly multi-family; farming & Residential - 1 and - 2	Farming & Residential - 1, general business, retail, industrial
<b>Number of Parcels</b>	93	15	3	91	102
<b>Total Acreage</b>	528	245	278	194 acres	319 acres
<b>Current Vacant</b>	About 200 acres	4.3 acres	30-acre recently acquired parcel, and other areas	14 acres	46 acres
<b>Current Agricultural</b>	10.3 acres	174 acres	0	0	0
<b>Average Lot Size</b>	5.7 acres	16 acres	N/A - town-owned land	1.7 acres	3.1 acres
<b>Physical Development Constraints</b>	About 10% of vacant land is covered by wetlands, another 8% has slopes > 15%; minimal flood zone area primarily around wetlands	Significant flood zone areas beyond wetlands; about 90% of vacant parcel is wetland soils; about 40% of the agricultural land is wetlands and another 16% is slopes > 15%	About 11% of the entire area has slopes > 15%, another 5% of the whole area is wetlands	About 56 % of vacant land is within a FEMA flood zone; 18% of vacant land has slopes > 15%, and 15% of vacant has wetlands; 30-acre, single family site abutting interchange is about 30% covered with slopes	Very limited flood zone area outside of wetlands; about 40% of vacant land is wetlands, limited slopes
<b>Redevelopment Potential</b>	Some single-family use on oversized lots, mobile-home park, recently added elderly housing units could benefit from increased mixed-uses for services	This area would primarily attract new development because of the availability of open land, although the manufactured home parcel may have redevelopment potential as it currently has sewer service.	Within town control; existing buildings may be converted to residential and/or mixed-use; additional in-fill development possible, and new development on newly acquired parcel possible	Small parcels near Sandy Hook Center would require massing; potential redevelopment on larger single-family parcel close to interchange; potential redevelopment of private institutional lands	Northern are where there is sewer most logical but has smallest lots and some wetlands and slopes; compatibility with existing industrial and commercial sites required

■ = significant hurdle to IHZ

■ = some concerns with IHZ

■ = conducive to IHZ

## Route 6 Area

The Route 6 corridor consists of about 530 acres from Hawleyville west along Route 6 to the town line. The corridor is well served by Routes 6 and 25, and the Interstate. There is a commuter parking lot at the interchange. In addition, HART operates a bus line that ends about 1.4 miles away on Route 6 in Bethel. More density in this corridor could lead to extension of that line.

The area is currently zoned for a mix of uses, from multi-family elderly to Business, Industrial and Farming and Residential.

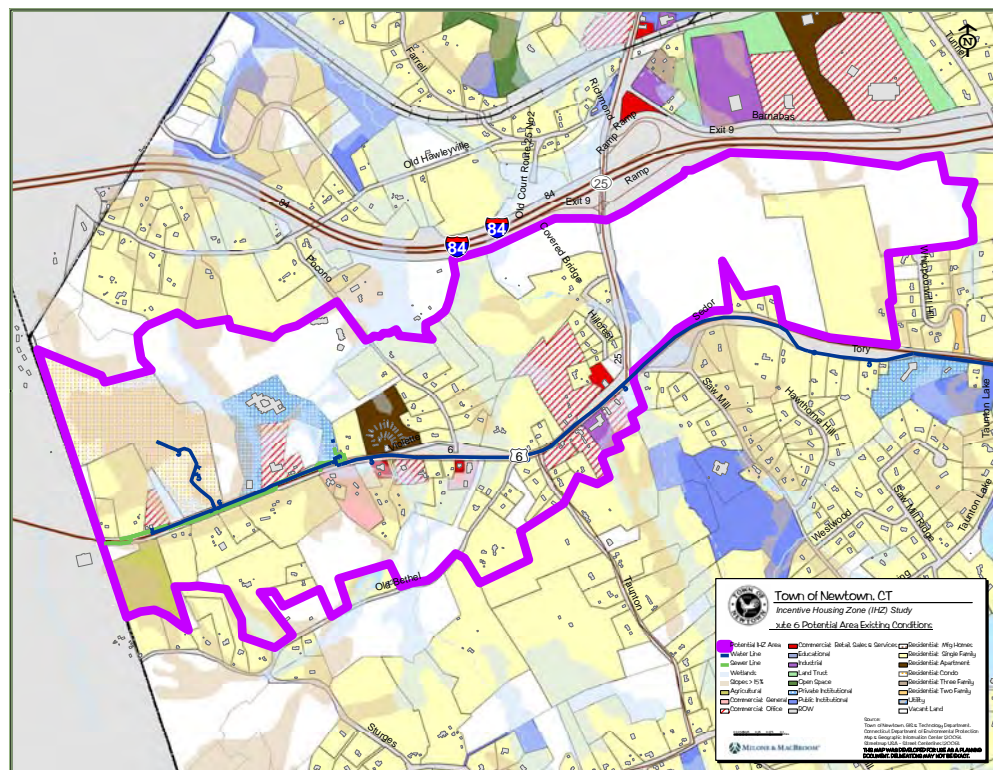
The area has added approximately 200 housing units within the last decade in the form of age-restricted, attached condo and assisted-living facility units. The Town has an agreement with the City of Danbury for sewer service in this corridor, and could expand current usage. A mix of commercial and residential land uses and zoning currently exist. The State has designated the majority of the area as a Growth zone, although the Growth area is largely to the north side of Route 6, and excludes wetland areas. There are

some vacant sites that total about 200 acres with minimal physical development constraints. Lot sizes average 5.7 acres, which is conducive to more intense development.

In addition to the possibility of new development, there may be redevelopment potential. For example, the

mobile home park site, some office building sites and some single-family homes on large lots may provide opportunities for more intense development.

This corridor is conducive to an Incentive Housing Zone location because of its transportation features, availability of sewer and water, and the current mix of uses, especially recent dense elderly housing developments. The area, as was identified for further study, should be narrowed to encompass key parcels, especially on the north side of Route 6.





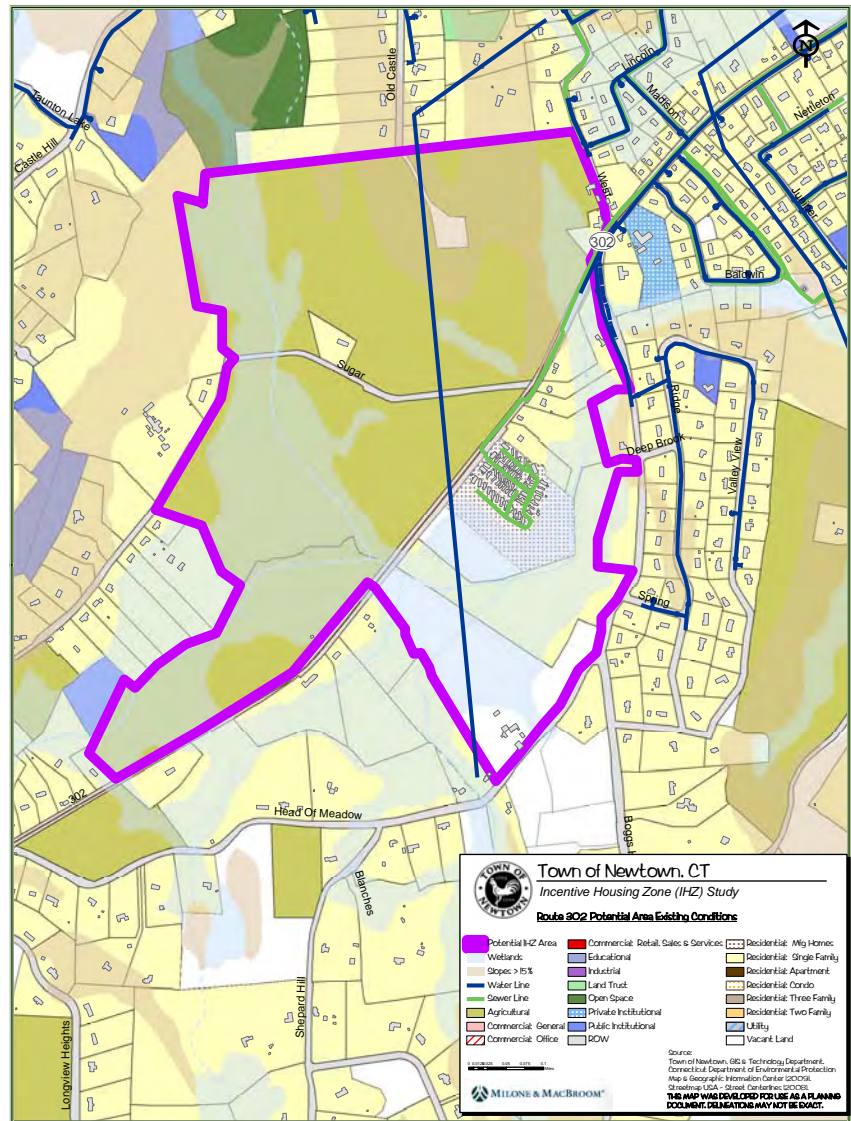
## Route 302 Area

The Route 302 corridor is approximately 245 acres stretching from Boggs Hill Road west to encompass large agricultural lands, some single-family housing, and a parcel with mobile homes. The area is classified as Preservation, Conservation and Rural Lands in the State Plan, none of which are development designations. This poses a significant hurdle to getting state approval for an IHZ at this location.

It is currently zoned Farming and Residential. The area is served by Route 302, and is at its eastern edge about half a mile from Route 25. Compared to the other potential locations, this area does not have the advantages of easy interchange access, and location along a potential transit line.

The area has a sewer line that serves the manufactured home park, and a water line is available nearby.

Finally, the area has little vacant land that is not in active agricultural use, and is constrained by significant wetlands and floodplains. The stated goals in the Town's Plan of Conservation and Development surrounding the protection of wetlands and farmland do not support new, intense development in this area.



For these reasons, this area is considered the least desirable of the four potential IHZ locations.

## Fairfield Hills

The Fairfield Hills site consists of about 278 acres, including the recently acquired 30 acre parcel to the southeast of the intersection of Nunnawauk Road and Wasserman Way. All of this area’s land is in the Town’s control. The majority of the site is classified as Neighborhood Conservation in the State Plan, except for a small area of existing preserved open space. The site is currently served by sewer and has limited topographic constraints. The site is currently zoned for “Adaptive Reuse.”

Fairfield Hills is about a quarter mile from the I-84 interchange with Route 34 and a commuter parking lot, and about a quarter mile in the other direction from Route 25, a potential transit route. These transportation features are attractive to more dense development. In addition, the site is surrounded by a mix of uses including institutional, commercial office, and single-family residential.

The availability of sewer and water, central location, transportation accessibility, and availability of land, coupled with the fact that the Town can control future development as owner of the property, makes this area a very strong candidate for an IHZ.

