

FERRY CROSSING

OLD SAYBROOK, CONNECTICUT

Summary

Ferry Crossing, in Old Saybrook, Connecticut, is the first affordable housing development completed under the Housing for Economic Growth program (also known as the Incentive Housing Zone program). The Town of Old Saybrook donated the land for Ferry Crossing at 45 Ferry Road to the developer, a joint venture between HOPE Partnership, a local nonprofit housing advocacy group, and the Women’s Institute for Housing and Economic Development, a regional nonprofit affordable housing developer. The 16-unit townhouse development is 100 percent affordable, targeted to a variety of household income levels from 25 percent to 80 percent of area median income (AMI). It also includes supportive housing units reserved for Veterans.

Dealmakers

- Incentive Housing Zone program established to guide communities to proactively plan for affordable housing
- Technical assistance from the Housing Connections of Connecticut program, a partnership between Local Initiatives Support Corporation (LISC) and the Connecticut Housing Coalition
- Project financing from the Connecticut Department of Economic and Community Development, Liberty Bank, and the Federal Home Loan Bank of Boston.
- Strong community support to meet housing needs for residents priced out of current supply of market-rate housing
- Nonprofit advocacy organization to spearhead community engagement
- Experienced nonprofit housing developer to secure financing and oversee construction
- Municipal land donation and remediation to lower the cost of development

Overview

Location	Old Saybrook, Connecticut
Project Type	Affordable (25 to 80 percent AMI)
Developers	HOPE Partnership Women’s Institute for Housing and Economic Development
Contributing Partner	Town of Old Saybrook
Housing Type	Multifamily rental
Site Size	2.5 acres
Units	16
Development Costs	\$4.2 million
Development Timeline	2008: Town of Old Saybrook takes possession of the parcel 2011: Groundbreaking 2012: Project opens for new residents
Funding Sources	Federal Home Loan Bank of Boston Liberty Bank Connecticut Department of Economic and Community Development
Website	http://hopepartnership-oldsaybrook.webbbsaur.us/page/12859-Ferry-Crossing

Development Partners

Ferry Crossing was developed under a partnership between the Town of Old Saybrook, local nonprofit HOPE Partnership, and regional nonprofit Women's Institute for Housing and Economic Development (WIHED). The state's Housing Connections of Connecticut program also helped with capacity-building, guiding HOPE Partnership to team with WIHED to produce Ferry Crossing.

Town of Old Saybrook

Old Saybrook is an affluent shoreline community of approximately 10,000, located in Middlesex County, on the west side of the Connecticut River. It is 105 miles from Boston, 101 miles from New York, and 45 miles from Hartford. Old Saybrook's boat marinas, public beaches and boat-launching area make it a popular vacation destination.

HOPE Partnership

HOPE Partnership was established in 2003 with the support of Middlesex United Way to address the affordable housing shortage in Middlesex County. HOPE seeks to create alliances with town government, builders, and other private partners to support housing needs.

Women's Institute for Housing and Economic Development (WIHED)

WIHED is a regional non-profit leader in the development of affordable housing based in Hartford. Established in 1981, WIHED has a core mission of promoting economic opportunity and building strong communities by developing safe, affordable and supportive housing for individuals and families.

Housing Connections of Connecticut

Housing Connections of Connecticut is a program made possible by the Connecticut Housing Finance Authority with funding from Connecticut's Community Investment Act, implemented since 2007 as a partnership between Local Initiatives Support Corporation and Connecticut Housing Coalition. Housing Connections of Connecticut works with a variety of local partners including nonprofits, community organizations, local governments, housing authorities and small for-profit developers to address the affordable housing needs of their communities.

Housing Connections supported HOPE Partnership's initial explorations of affordable housing development opportunities, providing technical assistance to help HOPE to identify an appropriate housing developer to work on the Ferry Crossing and to clarify what role the group would play in the effort.





Policy and Planning

Connecticut's overall housing costs have been among the highest in the nation for both renters and owners. According to the National Low Income Housing Coalition, a renter must earn about \$25 an hour to rent a two-bedroom apartment in the state, yet the mean wage for a renter in Southern Middlesex County, where Old Saybrook is located, was \$12.65 an hour in 2016.

Old Saybrook is a prosperous shoreline community with an area median income in 2010 of \$96,800 for a family of four and an average home cost of \$415,000. A household with four persons earning an annual income of \$48,400 (50 percent AMI) is considered very low income, while a similar household earning an annual income of \$64,400 (80 percent of AMI) is considered low income. Housing for much of the town's workforce, (including teachers, emergency responders, and social service providers) is in short supply.

State Housing Policy

Recognizing the depth of the state's housing needs, the Connecticut state legislature authorized a new Department of Housing (DOH) that opened in 2013 to serve as the lead agency for all housing initiatives in the state. The DOH centralizes nearly 70 housing services and funding programs that were formerly spread among multiple agencies. Commissioner Evonne M. Klein oversees a 2015–2016 DOH budget of \$175 million for affordable housing construction and programs.

The breadth of housing programs and services that the DOH is responsible for includes:

- supporting the creation, redevelopment, and preservation of quality, affordable housing;
 - working to eliminate homelessness;
 - overseeing compliance for funded activities; and
 - coordinating these efforts with municipal leaders, public agencies, community groups, local housing authorities, and other housing developers.
- To support these efforts, the statewide HOMEConnecticut Campaign has sought to educate communities about why affordable housing is needed, how it is in their interest, and how it can serve as a pathway towards successful development.

Housing for Economic Growth/Incentive Housing Zone Program

The State of Connecticut's Housing for Economic Growth, often referred to as the Incentive Housing Zone (IHZ) program, started in 2007 to support towns that were proactively seeking to diversify their housing options. Many towns lack the zoning to allow for the density that makes mixed-income and affordable housing development financially feasible.

Now implemented by the state's Department of Housing, the IHZ program provides pre-development grants to municipalities of up to \$20,000 to engage in proactive, resident-driven local planning and voluntarily revise their zoning to include IHZ overlays. This overlay zoning creates

“HOPE Partnership's education and advocacy efforts laid the groundwork for no public objections to Ferry Crossing.”

Lauren Ashe
Executive Director, HOPE Partnership

opportunities for higher-density, affordable housing development and/or expedited permitting within the designated zones. Communities are also encouraged to develop design guidelines, which ensure that future development will blend with the character of the community. Eligible activities include general planning, identifying potential sites, drafting regulations and design guidelines, and completing infrastructure and small engineering studies.

For actual construction, up to another \$50,000 can be granted toward additional pre-development costs relating to a specific project and can be passed through to the developer. In order to qualify for additional state funding, localities must create an IHZ that meets state standards on unit density per acre by building type, affordability, and location.

Finally, once units are actually approved and built within the zone, municipalities may receive an additional grant between \$15,000 and \$50,000, based on the total number of units constructed.

Incentive Housing Zone Standards*	
Density, in units per acre	Single family: 6 Duplex/townhouse: 10 Multifamily: 20
Affordability	At least 20 percent of units affordable to households earning at or below 80 percent of area median income
Location	Near downtown, transit, and/or existing or planned infrastructure

**Some exceptions for public and nonprofit owners, and rural or lightly populated areas*

Other State Housing Programs

The Housing for Economic Growth/Incentive Housing Zone program is one among several in the state to support the production of affordable housing. Other DOH programs include a predevelopment loan program, a housing trust fund, a land bank land trust, an Affordable Housing Program (also known as Flex), and the Competitive Housing Assistance for Multifamily Properties (CHAMP).

In its ninth round of funding in 2016, CHAMP awarded approximately \$28 million to provide gap funding for the preservation and production of affordable housing. CHAMP funds may also be combined with financial assistance from the Connecticut Housing Finance Authority, including four-percent Low Income Housing Tax Credits and taxable and/or tax exempt bond financing.

Under the leadership of Connecticut Governor Dannel Malloy, the Department of Housing and the Connecticut Housing Finance Authority created, rehabilitated or preserved 7,917 affordable housing units between 2011 and 2016. There are another 2,790 affordable units under construction, and funding commitments are in place to create approximately 5,200 more affordable units. The 16,000 total units reflect a \$1 billion investment.

A Local Housing Initiative

The Old Saybrook effort started when school officials, town leaders, church members, and residents were alarmed to learn of students living with their families in motels. These citizens sought to engage the broader community around the lack of housing for lower-income residents and the need for more housing options to ensure the town's vitality.

Old Saybrook is one of 114 Connecticut towns in which single-family homes comprise at least 95 percent its housing stock, with little in the way of small single-family homes or multifamily housing. However, given population trajectories and current demand, there is the need for smaller, denser, more affordable homes closer to town centers, services, and transit connections.

“Since 2011, affordable housing initiatives in Connecticut have produced nearly 8,000 affordable units across the state.”

Evonne M. Klein

Commissioner, Connecticut Department of Housing

There is also a limited range of options for both seniors seeking to downsize and young families looking to move to town. The median age in Old Saybrook is 49.9 years old, 9.7 years older than the state’s median age. This trend is expected to continue, as the 65+ population is projected to increase by 20 percent by 2025. The town is also projected to have a 41 percent decrease in the population of school-age children is by 2025—one of 153 towns in the state projected to see such a decline. Housing attractive to young families and downsizing seniors is needed to retain and invite those residents.

With a high demand for vacation rentals in the summer, many families experience housing challenges in the summer, when the cost of housing can triple. In some cases, the lack of affordable housing and seasonal demand for lodging means that families already living in motels risk homelessness. Seventy percent of renters and 38 percent of homeowners currently spend more than 30 percent of their income on housing, making them vulnerable to housing instability.

Ferry Crossing represents the first IHZ project completed in the state. The program provided essential early funding, technical assistance and capacity-building for the development of Ferry Crossing.

As a waterfront community with no sewer system, Old Saybrook had valid concerns about whether higher density development could be managed within their infrastructure limitations. However, through the IHZ process, the community identified appropriate locations and densities for production of new affordable housing units. Old Saybrook has championed the IHZ program and used it effectively to facilitate needed development while retaining local control.

Site Development

The Town of Old Saybrook donated the land for Ferry Crossing at 45 Ferry Road to HOPE Partnership. The town had taken ownership of the property in 2008 after the state Department of Transportation declared it surplus. The DOT had used the site as a staging area for construction of the I-95 Baldwin Bridge over the Connecticut River. A state remediation project removed contaminated soil and made the site safe for residential development.

Ferry Crossing was built on half of the 5.4-acre parcel. The town leased the site to the developer for \$1 a year under a 75-year lease. Using funds from the zone adoption payment and building permit payment, the town developed the other 2.5 acres for recreational athletic fields and associated parking that are open to the public for youth sports and recreation. The site is also located along the 9 Town Transit bus route.

Public Outreach

Education and advocacy efforts by HOPE Partnership were successful in generating widespread community support for the project. Residents are proud of the success of Ferry Crossing. Community involvement has also been an important part of the project from its inception. For example, an area church ministry raised funds to provide a washer and dryer for each of the units.

Its success has solidified the town’s commitment to proactively develop affordable housing in future projects. Currently, 186 mixed-income rental apartments are under development adjacent to the town’s Shoreline East train station. These ongoing efforts will help ensure that housing options will be provided for current and future residents.

“A community doesn’t need to have an Incentive Housing Zone to build multifamily housing, but it can be a valuable tool to provide hesitant municipalities with useful guidance.”

Evonne M. Klein

Commissioner, Connecticut Department of Housing

Design

Point One Architects designed Ferry Crossing's 16 townhouse-style apartments, spread across five buildings, to be compatible with the New England architectural style commonly found along Connecticut's shoreline and to blend in with the existing nearby residential neighborhood. The quality of the construction materials were selected to be sustainable over time.

Ferry Crossing consists of five townhouse buildings with 16 affordable rental units for households earning 25 to 80 percent of area median income. Facing a common green space, the apartments include 4 one-bedroom units, 8 two-bedroom units, and 4 three-bedroom units.

The project provides for deeper affordability than other multifamily developments in the region and helps address the needs of families, young adults and seniors who wish to live in town. Four units are targeted to families who are homeless, or at risk of homelessness, and two units are reserved for military veterans referred by the U.S. Department of Veterans Affairs, which also provides support services.

Financing

To identify a development partner with experience applying for and managing funding for nonprofit housing, HOPE Partnership issued an RFP. This process helped them team with WIHED, based in Hartford, Connecticut.

This partnership, facilitated by Housing Connections of Connecticut, helped secure project loans that would ensure progress through predevelopment and into construction.

The Ferry Crossing project's construction was financed with a \$1 million loan through Liberty Bank and the Federal Home Loan Bank of Boston and a \$2.9 million grant from the Connecticut Department of Economic and Community Development. Liberty Bank also supported construction and permanent financing through a \$600,000 advance subsidized by the FHLB's Affordable Housing Program.

Marketing and Management

DeMarco Management Corporation, a residential property manager in the region, is the property manager for Ferry Crossing. DeMarco coordinates the marketing and maintains a list of interested prospective tenants. If an applicant meets the income requirements, DeMarco uses a point system to determine the order of placement on the waiting list with four preference categories: current Old Saybrook resident, municipal employee, veteran, and least likely to apply. DeMarco selects applicants based on their preference status and order on the waiting list.

For initial occupancy, 227 prospective tenants requested applications, and 53 completed them. 27 applicants were from Old Saybrook. Nine Old Saybrook residents were among those approved. Seven of the current tenants work or volunteer in the town.

“For about 30 years, there was very little funding to support affordable housing development in the state. But the kind of funding we have today has spurred a tremendous amount of growth and created a pipeline that did not exist in Connecticut. Without state money, so many of these homes would not be built.”

Evonne M. Klein

Commissioner, Connecticut Department of Housing



In 2016, there were 23 applicants on the waiting list for the units reserved for households earning at or below 50 percent AMI. The units for 80 percent AMI have not had a waiting list. When there are vacancies for these units, the property management company has advertised these units in the local paper, gone through a local family services agency, and reached out to municipal workers.

A local supportive services agency checks in with tenants periodically as applicable. The property also has an agreement with local youth and family services and an agreement with the area YMCA to deliver social services assistance and counseling.

“Ferry Crossing has been a great addition to the community. Children are thriving. Residents are proud of this success.”

Lauren Ashe

Executive Director, HOPE Partnership

Observations and Lessons Learned

Incentive-based statewide policy with local involvement is an effective combination. The Incentive Housing Zone program offers communities throughout the state grants to plan for higher-density housing, with additional incentives for the construction of affordable units.

Technical assistance makes a difference. The Housing Connections of Connecticut program offers an important advisory resource to assist communities with implementation of affordable housing plans.

Advance education and local advocacy create goodwill. HOPE partnership's initial strong outreach to the community on local housing needs meant that there was no public opposition when Ferry Crossing was being developed; rather, it was embraced by the community as a means to provide sufficient housing for local and future residents.

Shared community space would be an asset. Ferry Crossing did not include a shared common space for residents. HOPE Partnership executive director Lauren Ashe notes that in a future project, she thinks residents would benefit from a community room.

“Ferry Crossing’s high standards of design and materials are intended to be sustainable over time.”

Lauren Ashe

Executive Director, HOPE Partnership

Onsite presence of supportive services staff would be helpful.

Currently, Ferry Crossing residents in need of supportive services receive them from community-based providers. In a future project, onsite office space for providers would offer a more effective delivery of services.

A strong start opens new opportunities. Since the opening of Ferry Crossing, HOPE Partnership has been actively exploring additional prospective affordable housing developments to meet community needs. The town of Old Saybrook continues to prioritize affordable housing in its development activities.

This document is a portion of NAHB's report
How Did They Do It? Discovering New Opportunities for Affordable Housing.

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How Did They Do It?

Discovering New Opportunities
for Affordable Housing



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