

**HOUSING AND FAIR RENT COMMISSION MINUTES
MANCHESTER ROOM – LINCOLN CENTER
WEDNESDAY MAY 18, 2016**

MEMBERS PRESENT: Jay Stoppelman, Chair; Cheryl Craddock, Sandy Stough, Karen Poirier, Jay Cummings, Mary Roche Cronin, Director of Human Services

OTHERS PRESENT: Mark Pellegrini, Director of Planning and Economic Development
Kyle Shiel, Senior Planner
Heather Guerette, CDBG Program Manager

Adoption of the Minutes of November 18th, 2015

Mr. Stoppelman called the meeting to order. Ms. Poirier made a motion to adopt the minutes of November 18, 2015 as written. Mr. Cummings seconded the motion and all members voted in favor.

Semi-Annual Report and Discussion

Mr. Shiel began the staff presentation with an overview of the most recent rental survey. He said response rates were low this year despite direct letters and multiple follow-up phone calls to the various apartment complexes. He said of those that responded, most reported lower vacancy rates, higher rents and projected rent increases for the following year. He said market rents at the large complexes ranged from \$1,025 to \$1,678, with the median listing approximately \$1,281. He said the average weighted rent of major internet listings was \$1,211.

In terms of sales, 2015 reported a slight uptick from the post-recession trough, but the broad trend saw overall sales numbers at their lowest since the late 1990s. The most recent year-to-year percent change from 2014-2015 saw Manchester lag Hartford County, although generally the two track closely. The median 2015 sales price in Manchester was \$156,000, below Hartford County's median of \$192,500, which is a consistent trend since the 1980s.

Mr. Shiel reviewed a recent market study commissioned by Orford Village, exploring the feasibility of a possible development at 321 Oakland Street and 27 Lillian Drive. The study examined the feasibility of a 60-unit development, consisting of 14 one-bedroom units, 35 two-bedroom units, and 11 three-bedroom units. The study concluded such a development would have strong market appeal, as there is limited direct competition in the immediate area and with the appeal of new construction and amenities. The limited supply of modern affordable housing and support services was another factor in project a strong market for the development.

Mr. Shiel then provided an overview of a recent housing presentation given by George McCarthy of the Lincoln Institute of Land Policy. The presentation addressed common misconceptions about housing markets and how they do not typically conform to typical market behavior in that

prices do not seem to adjust to account for changes in demand and supply decisions do not readily conform to demand. McCarthy said the housing market is more appropriately considered as two separate markets – a market for shelter and a market for investment. The housing market for shelter is mostly dependent on household income and the costs of construction. The housing market for investment is dependent on investor liquidity, interest rates, and the return on comparable investments. We said based on current projections, new construction is not sufficient to meet the need for affordable housing, as new construction is less than 1% of the existing housing stock and only 15% of new construction can be considered affordable. He said it would take 30 years to fill the gap in affordable housing, assuming no loss of existing affordable stock. However, McCarthy said affordable units are being lost at a faster rate than new ones are being produced. The solutions required to meet the affordable housing needs would need to include a variety of strategies, including the preservation of existing units, aggressive production of new affordable units, and promotion of permanent affordability through mechanisms such as deed restrictions, community land trusts and resident owned communities.

Ms. Guerette provided an update on the Community Development Block Grant program. The upcoming program year, referred to as “CD026”, will run October 1, 2016 – September 30, 2017. In addition to the federal allocation of \$534,623, an additional \$72,949 will be reprogrammed to fund CD026 projects. Ms. Guerette explained these funds were from projects that came in under budget during previous program years. The General Manager made his funding recommendations to the Board of Directors, which includes \$125,000 for the Housing Rehab Program and \$100,000 for Rebuilding Together. Ms. Guerette said the Board of Directors will hopefully approve their final funding recommendations at the July 5th Board meeting and the Action Plan will then be forwarded to HUD in August for final approval.

Mr. Shiel reviewed several current and ongoing development projects. The Broadleaf development on New State Road was recently approved for a second phase, to include an addition 135 units. Thirty-five units were being built on Castle Hill and 32 two-bedroom units were being built on Tolland Turnpike. Proposed developments included a proposed 128 market-rate units of elderly housing at 188 Spencer Street and a proposed rezoning of the Burr Corners plaza to allow for a possible partial conversion to residential. Mr. Shiel said Winstanley Enterprises purchased the Burr Corners property and is looking to create more of a transit-oriented development to tie into the CT FastTrak route. The proposed residential portion would call for between 5-6 stories of 214 market-rate units, along with a mix of retail. Ms. Stough said the proposal was the type of infill project desired by other sites in Town. Ms. Knybel said she was surprised by the proposed height of the buildings. Mr. Pellegrini said those height limits were currently not allowed by zoning, but the Planning and Zoning Commission was going to review the possibility of revising the General Business zoning regulations to allow for expanded residential uses.

Ms. Stough asked if there have been any fair rent complaints in the past year. Ms. Guerette said there was a single complaint, which was resolved by the Town attorney.