



AFFORDABLE HOUSING PLAN

ADOPTED DECEMBER 6, 2022

TOWN OF MANCHESTER, CT



Community Values Statement

Manchester has long been a regional leader in supplying a diverse housing stock, in order to create a welcoming community that meets the needs of existing and new residents regardless of age, ability, race or ethnicity, income, or household type. As a dynamic, evolving community, Manchester will continue to support housing policies that foster inclusivity, affordability, and innovation. Our housing stock will continue to provide housing choices for all people within the community and provide affordable housing choices for all residents and the Town's workforce.

Manchester will pursue policies and strategies that support reinvestment in existing housing, promotion of new development and redevelopment of underutilized properties, pathways to affordable home ownership, and affordable housing choice through diverse available housing stock. Promoting a diverse Manchester will improve the quality of life for Manchester's existing and new residents.

Introduction

Manchester's diverse housing stock has long been a strength of the community. The range of housing options in town has helped make Manchester one of the more inclusive and accessible communities in the State of Connecticut. The Town has long contributed a significant share of the region's housing units.

In recent years, the State has taken a greater role in actively furthering affordable housing. Effective July 24, 2017, Connecticut General Statutes (CGS) Section 8-30j requires every municipality in the state to prepare an affordable housing plan at least once every five years. As a state leader at furthering affordable housing through local policies and regulations, Manchester's affordable housing goals are codified in several existing plans, including the Comprehensive Plan, annual Action Plan, Analysis of Impediments to Fair Housing Choice, and Plan of Conservation and Development. This plan is intended to satisfy the statutory requirements under CGS Section 8-30j, through incorporating and emphasizing the goals and objectives in those documents.

What is Affordable Housing?

There are many definitions of affordable housing. In public policy terms, “affordable housing” is generally defined as housing for which the occupant pays no more than 30 percent of gross income for housing costs, including utilities. To qualify for publicly subsidized affordable housing, this typically means that units are priced so persons and families earning 80 percent or less of the area median income (AMI) pay 30 percent or less of their annual income on housing.

Affordable housing can also include market-rate housing which sells or rents at an affordable price but is not subsidized by a federal program or restricted as such on the property deed. These are typically referred to as naturally occurring affordable housing, or the shorthand “NOAH” by policy professionals. NOAH units are the most common affordable housing in the United States and are often found in urban and older suburban middle-income neighborhoods. NOAH units in desirable locations are often at risk of being lost due to market speculation and upgrades that result in higher rents and lost affordability for residents with modest incomes.

Naturally Occurring Affordable Housing

“Naturally occurring affordable housing (NOAH) plays a vital role in providing affordable housing options for low- and moderate-income families because units in [NOAH properties tend to rent at rates that are broadly affordable to households](#) at around 50 percent of Area Median Income (AMI), without public subsidy, {...}. The rents are more affordable because these properties are typically composed of Class B and Class C real estate, where buildings are older, likely in need of renovation, and where real estate prices are generally lower. While these factors keep rents low in NOAH properties, this housing has [increasingly become at risk](#) of exiting the affordable housing stock due to building obsolescence, inadequate unit quality, and market pressures.”

“Funding to Purchase Naturally Occurring Affordable Housing” Shelterforce July 30, 2020

<https://shelterforce.org/2020/07/30/funding-to-purchase-naturally-occurring-affordable-housing/>

The State officially defines affordable housing as protected units reserved for households making less than 80% of AMI through deed restrictions or governmental assistance programs, such as housing vouchers or subsidized mortgages. The State has established a goal of creating 10% protected affordable units in each municipality, with those that have not reached this goal subject to the Affordable Housing Land Use Appeals Procedure as

defined in CGS Section 8-30g. This procedure allows developers of affordable housing projects to bypass local zoning ordinances in some instances. Manchester has remained above the 10% threshold, averaging roughly 14% since the data has been tracked.

Affordable Housing Is About Price, Not Buildings

A common misconception about affordable housing is that it is primarily high-density, subsidized apartments for low-income households. This is inaccurate. Affordable housing comes in many sizes and architectural styles ranging from detached single-family homes to duplexes, from townhomes to multi-unit apartments. It can be privately owned or rented. It can house single individuals or families with children, seniors, or persons with disabilities. Some units are publicly owned and managed by entities such as the Manchester Housing Authority, while other units are privately or cooperatively owned. Importantly, households with a range of incomes qualify for affordable housing.

Why is Affordable Housing Important?

Housing is a foundational need. Safe, secure, and reasonably affordable housing is a necessary precursor for full participation in society. Living in a stable, adequate home that is affordable to the household yields a multitude of opportunities and stronger outcomes for children, youth, and adults. Research indicates that when both adults and children experience housing instability or homelessness, prospects for future educational attainment, employment growth, health stability, and family preservation are significantly reduced. For these reasons alone, investing in a community's housing stock is a worthwhile and critical public policy priority.

Plan Development and Coordination with Existing Efforts

This Plan seeks to incorporate previous and current planning efforts within the newly required framework and provide Manchester residents and decision makers with a readable overview of ongoing Town efforts.

Previous Town documents that address affordable housing include:

- **HUD Consolidated Plan:** As a designated Entitlement Community by the federal Department of Housing and Urban Development (HUD), the Town receives an annual allocation of Community Development Block Grant (CDBG) funds to invest in projects and services that primarily benefit low/moderate-income residents.

To receive these funds, HUD requires Entitlement Communities to create a five-year Consolidated Plan that identifies community needs, prioritizes the investment of funds, and establishes performance goals. Considerable data collection is required for this plan, including:

- An overview and analysis of current conditions including population subgroups, housing stock, economic conditions, and community resources;
- An updated review of data describing housing and community development needs;
- Reevaluation of priority needs and goals based on data and community input;
- Analysis of resources available to address identified needs; and
- Outline of goals and benchmarks for the 5-year period.

Manchester recently completed a Consolidated Plan for the 2020-2024 period. Much information from this recent report has been updated and adapted for this Plan.

- **Analysis of Impediments to Fair Housing Choice:** The Town is also required to follow federal law that all jurisdictions receiving CDBG program funds affirmatively further fair housing by taking steps to overcome historic patterns of segregation, promote fair housing choice, and foster inclusive communities. This process includes producing a report referred to as an Analysis of Impediments to Fair Housing Choice (AI). During that planning process, Manchester must assess its current fair housing conditions and set forth actions to promote housing opportunities for all.

Manchester is required to report annually on efforts to overcome fair housing impediments within its Annual Performance Report called the CAPER. Manchester's AI report was updated in 2020 and includes demographic data, a housing stock analysis, a housing needs assessment, an analysis of racially or ethnically concentrated areas of poverty, and examination of disparities in access to opportunities.

- **Plan of Conservation and Development (POCD):** The State of Connecticut requires that communities (via their planning commission CGS Sec 8-23) rewrite or update their plans of conservation and development at least every ten years to remain eligible for discretionary State funding. Manchester 2020, the Town's current Plan of Conservation and Development, is a statement of policies, goals and standards for physical and economic development, provides a foundation for policy and funding decisions, and informs the Town's zoning regulations, which protect the health, safety and welfare of Manchester residents.

Manchester 2020 addresses housing at length and includes strategies for increasing the supply of a diverse housing stock to meet the needs of all residents, preserving Manchester's existing housing stock, and connecting neighborhoods to amenities and services. The plan has served the Town well for nearly a decade and is being updated in 2022. The pending update will address housing, primarily as it pertains

to land use and zoning regulations. This Affordable Housing Plan will complement the 2022 POCD by focusing specifically on affordable housing policy.

- **Housing & Fair Rent Commission:** This commission was established to promote and encourage the development and continued availability of affordable housing for the people of Manchester. It develops recommendations for comprehensive housing policies and goals and facilitates the accomplishment of those goals by working with other Town boards and commissions and local non-profits. In addition to the nine regular members of the Commission, the Director of Planning, the Director of Human Services, and the Executive Director of the Manchester Housing Authority serve as ex officio members of the Commission.

The Commission meets twice a year and as needed to review housing trends with a specific focus on affordability, review CDBG programs and proposed spending, and discuss the impact of local housing projects.

- **Sustainable CT Municipal Learning Collaborative Affordable Housing Pilot Project:** In 2020 and 2021, Manchester participated in a collaborative regional effort on developing a more equitable approach towards housing. Other neighboring communities included Avon, South Windsor, West Hartford, and Wethersfield. The program consisted of a series of events encouraging staff and residents from participating communities to learn from one another. It culminated with a presentation to the Connecticut Conference of Municipalities, entitled "*Optimizing for Equity: Empowering, Educating and Adapting to Address Housing Segregation and Promote Affordable Housing,*"

This Plan will incorporate these existing efforts and create a comprehensive summary of all affordable housing initiatives for the Town of Manchester as it continues its longstanding tradition of providing diverse housing options for a dynamic and evolving community.

What is the Affordable Housing Appeals List?

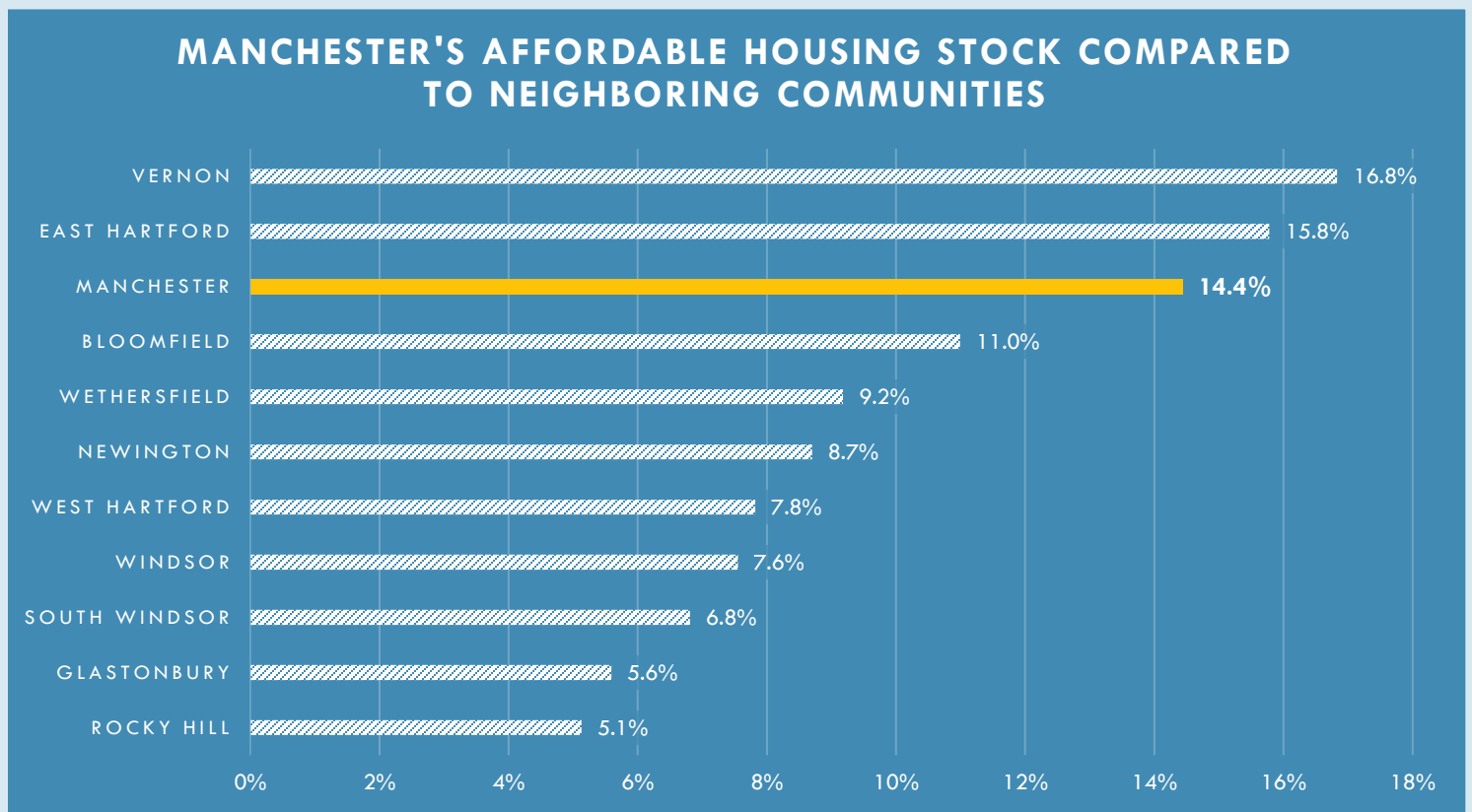
Enacted in 1989, the Affordable Housing Land Use Appeals Procedure (also known as 8-30g) established a series of procedures that developers, municipalities, and courts must follow when a developer appeals a decision by a local board or commission related to a proposed affordable housing development. A developer of affordable housing has a right to appeal to the superior court when a municipality rejects an application to develop affordable housing or conditions approval with restrictions that would impact the viability of the project.

The Affordable Housing Land Use Appeals Procedure requires a municipality with less than 10% affordable housing to demonstrate to the court that its rejection of a development proposal is supported by sufficient evidence in the record. Municipalities have the burden to prove that (a) the decision was necessary to protect substantial public interests in health, safety, or other matters the municipality may legally consider; (b) the public interests clearly outweigh the need for affordable housing; and (c) public interests cannot be protected by reasonable changes to the affordable housing development. Developers cannot use the appeals procedure in “exempt” municipalities where at least 10% of total housing units are affordable based on the following criteria:

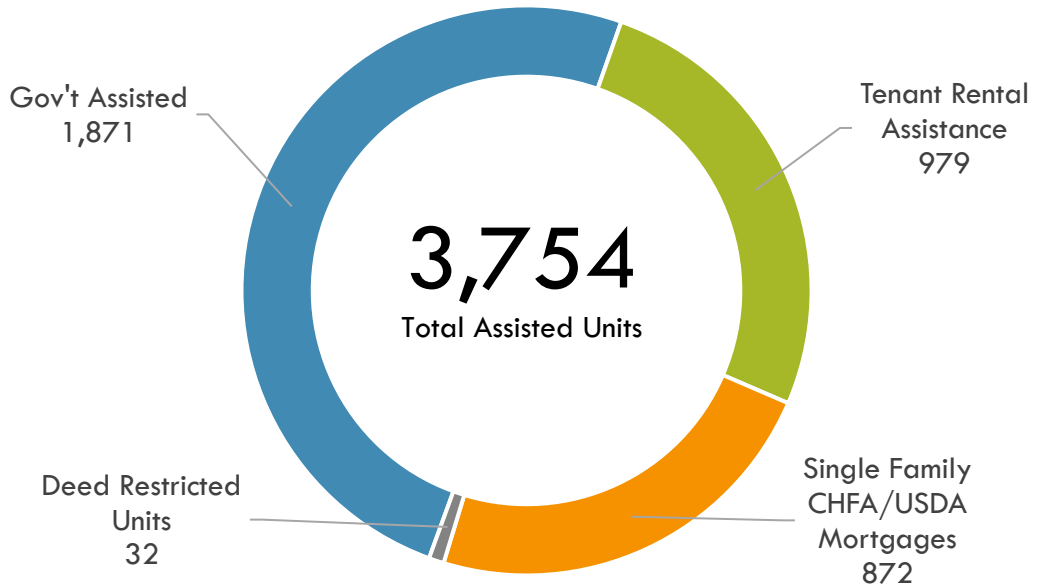
- 1) Assisted housing units or housing receiving financial assistance under any governmental program for the construction or substantial rehabilitation of low- and moderate-income housing;
- 2) Rental housing occupied by persons receiving rental assistance;
- 3) Ownership housing or housing currently financed by the Connecticut Housing Finance Authority and/or the U.S. Department of Agriculture; and
- 4) Deed-restricted properties that require units be sold or rented at or below prices that will preserve the unit(s) as affordable housing for persons or families whose incomes are less than or equal to 80% of the area median income.

How Does Manchester Compare?

Since tracking began in the early 90s, Manchester has always been exempt from 8-30g. The Town has historically averaged about 14% of its housing stock as affordable, as defined by the statute.



Manchester's Affordable Units



Manchester Demographics: Facts & Figures

Subsequent sections will include census tract level data on specific housing topics. Below are a few select demographic measures to help provide a comparison between Manchester, Hartford County, and Connecticut. In general, Manchester features greater racial diversity, a younger population, and more middle-income households than both the region and state.

Population Growth

Manchester is a diverse community of nearly 60,000 and is projected to be one of the largest suburban towns in the region within the next decade.

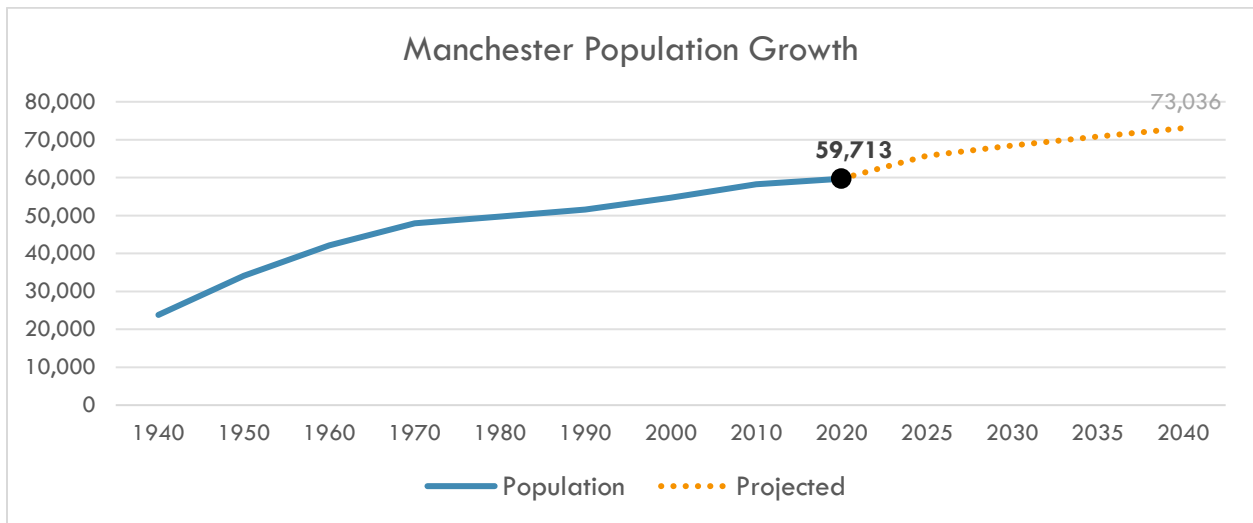
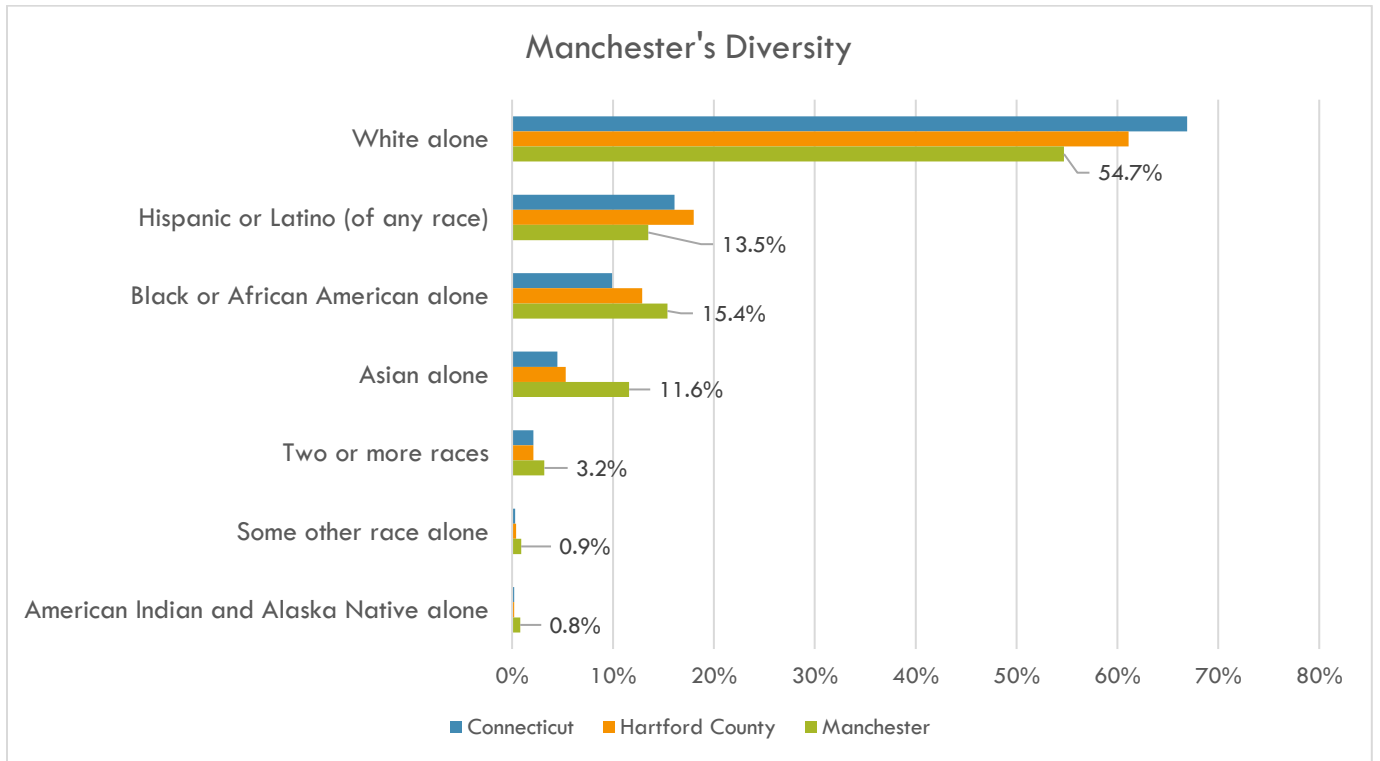


Figure 1: Population projections from UConn State Data Center. Recent census data suggests actual population growth will be less robust than the above projections, but still healthy in comparison with the region.

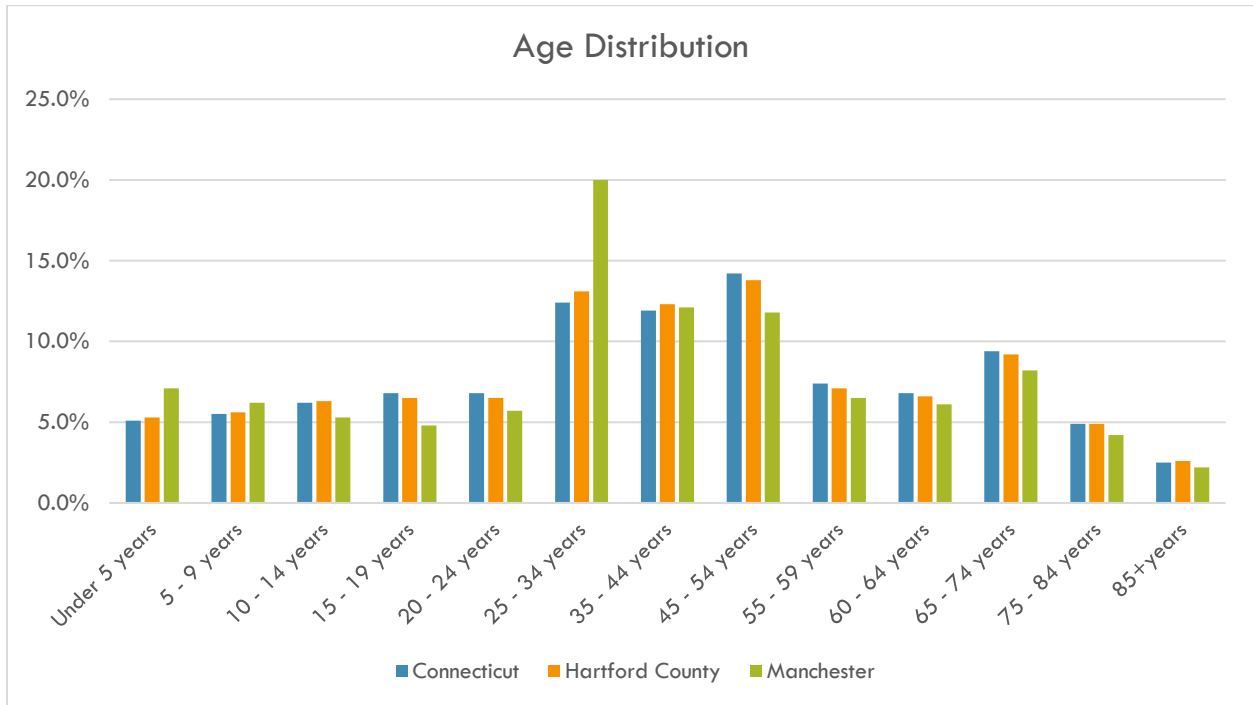
Racial Diversity

Manchester is one of the most racially diverse communities in the region, featuring a higher percentage of Black/African-American and Asian residents than either Hartford County or Connecticut. Roughly 54 percent of residents identify as white alone, compared with 61 percent for Hartford County and 66 percent for Connecticut.



Age Distribution

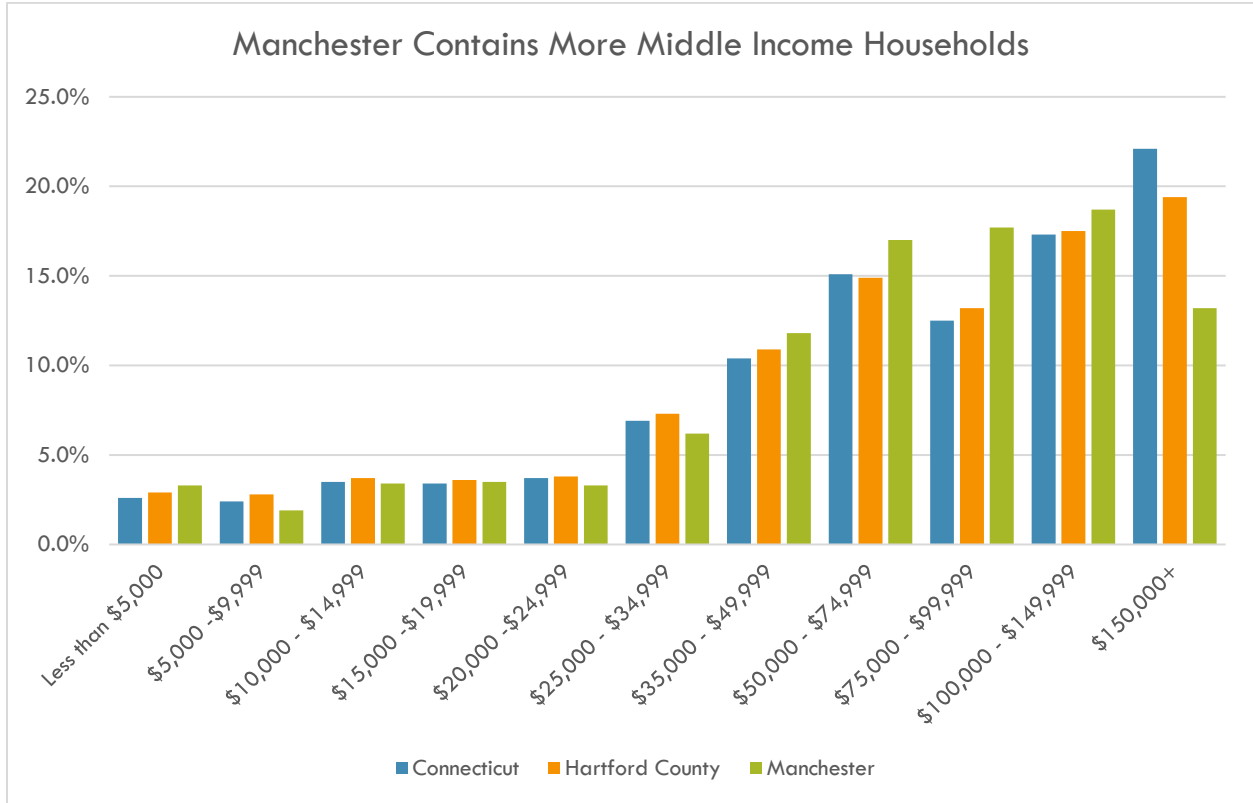
Manchester is generally a younger community than the region or state. Twenty percent of Manchester residents are between the ages of 25 and 34 years old, compared to 13 and 12 percent for Hartford County and Connecticut, respectively. The Town’s median age is 35.7, nearly five years younger than the region and state. The Town also features a larger percentage of children under five years old.



Median Age		
Connecticut	Hartford County	Manchester
41	40.4	35.7

Income Distribution & Poverty

Manchester has more middle-income households, featuring more with incomes between \$35,000 and \$99,000 (46.5%) compared to Hartford County (39%) or Connecticut (38%). Manchester has significantly fewer households making more than \$150,000 (13.2%) compared to Hartford County (19.4%) or Connecticut (22.1%).



Median Household Income		
Connecticut	Hartford County	Manchester
\$78,444	\$75,148	\$74,503

Manchester’s town-wide poverty rate is comparable with Connecticut as a whole (9.6% vs 9.9%). As with most communities, higher poverty rates can be seen concentrated in a few census tracts. Subsequent maps will detail these higher poverty neighborhoods.

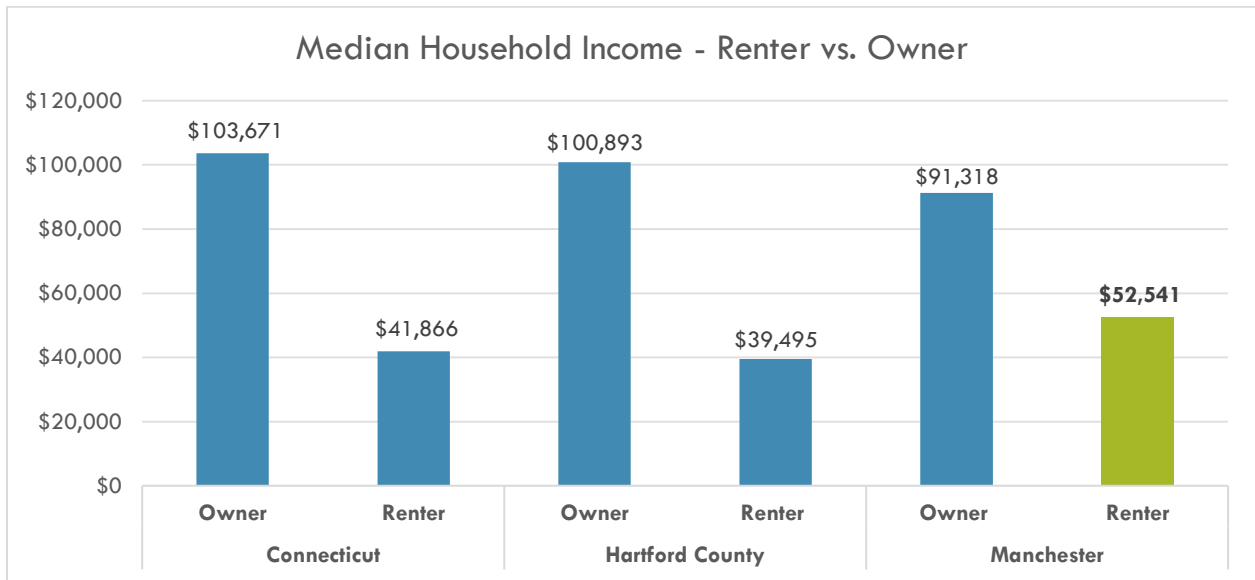
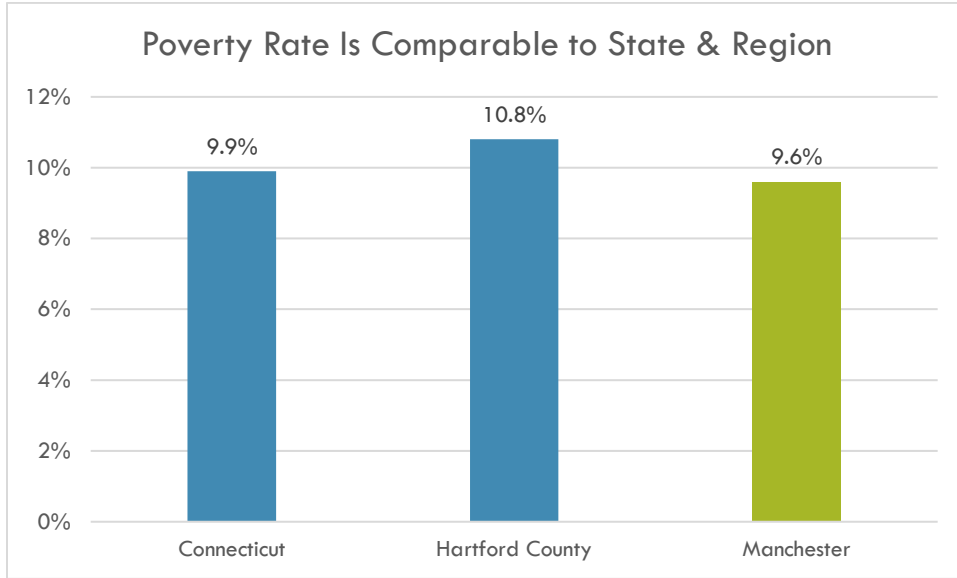


Figure 2: Interestingly, renter incomes are higher in Manchester than either Hartford County or Connecticut, suggesting that the Town offers a wider variety of options for renters with more disposable income.

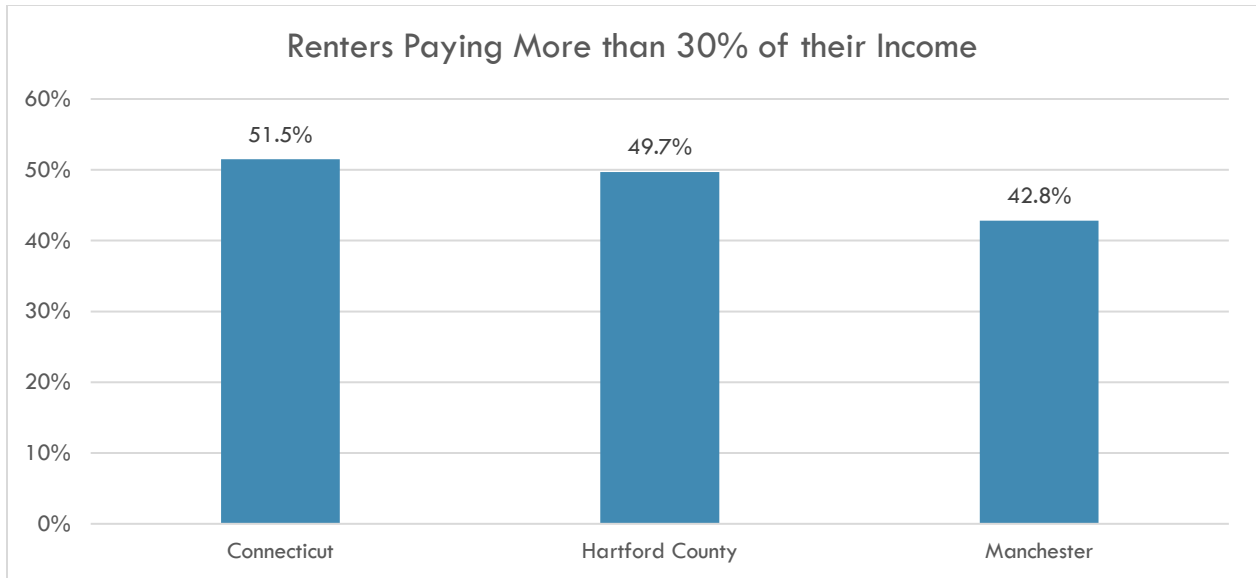


Figure 3: Fewer renters in Manchester (42.8%) pay more than 30% of their income towards rent, while nearly half of Hartford County renters (49.7%) and just over half in Connecticut (51.5%) exceed that threshold.

Town-level data shows that Manchester is generally a healthy and diverse middle-income community with greater affordability than the surrounding region and state as a whole. However, neighborhood level data is important to consider. Subsequent sections will examine more specific housing related data at the census tract level to determine targeted policies to assist neighborhoods and individuals in need of assistance.

Housing in Manchester

With the exception of high-rise and very high-density neighborhoods, Manchester has examples of virtually every era of small city and suburban residential, commercial, and industrial development that has occurred in the United States.

Originally a primarily agricultural community, Manchester evolved over time to a series of small mill villages to larger industrial villages during America’s Industrial age and Victorian Era, to streetcar suburbs, then to post World War II tract subdivisions, and subsequent eras of suburban residential, commercial, and industrial districts.¹

Community Character Definitions

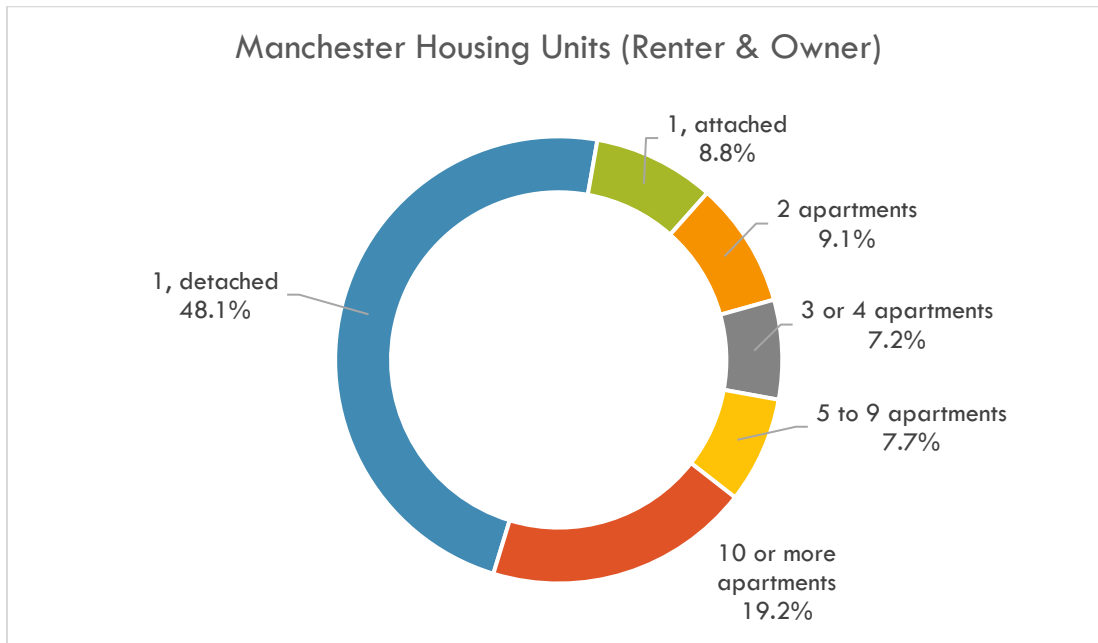
Natural	Lands in wilderness condition, including lands unsuitable for development due to topology, hydrology, or resource protection. These areas are characterized by large areas of woodland, grassland, water bodies and wetlands protected for conservation, public water supply and/or recreation.	
Rural/ Agricultural	Characterized by open or cultivated land with minimal physical development. These include agricultural lands, wooded areas, and meadows. Some single-family, large lot homes are present with either wooded or landscaped lots. Agricultural buildings and outbuildings such as barns and farm stands are common, as are prime agricultural soils. Net residential densities are less than 1 unit per acre.	
Suburban	Primarily residential areas characterized primarily by single-family homes, open space and public uses including churches, schools, and parks. Streets may be curvilinear to match topography or in a grid pattern with larger blocks. Residential lots are landscaped and most streets have sidewalks on one side. Trees and other plants are numerous and provide shade. Net residential densities range from 1 to 3 units per acre.	
Traditional Suburban	Mixed-use but primarily residential neighborhoods consisting of single-family and duplex housing, with some multifamily buildings. Streets are typically in a grid pattern and are shaded by street trees. Most streets have sidewalks and most housing is within walking distance of public transit, a neighborhood school, and a neighborhood center or corridor. Structures are typically one or two stories. Net residential densities range from 3 to 10 units per acre.	

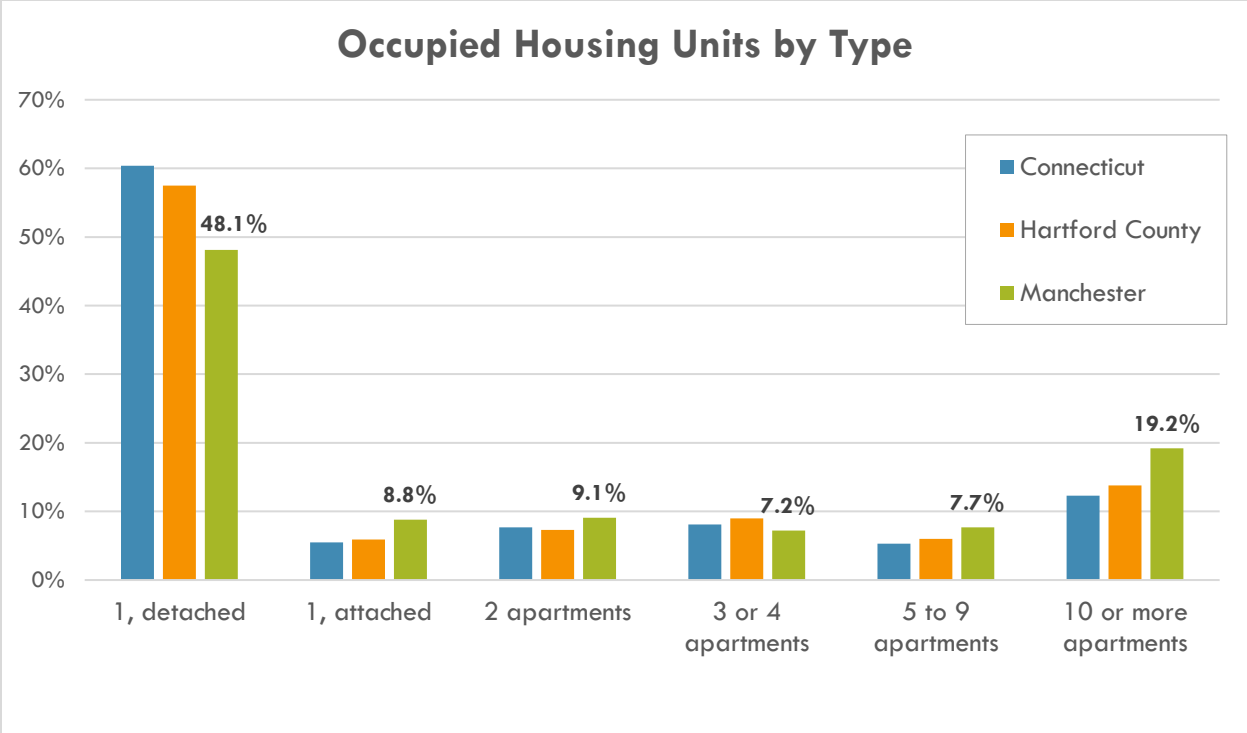
¹ Manchester 2020

<p>Core Neighborhood</p>	<p>Compact, mixed-use neighborhoods consisting of a mix of single-family, duplex, and multi-family housing. All streets include sidewalks and all housing is within walking distance of transit, a neighborhood school, and mixed-use corridors and commercial centers. Buildings are typically two or three stories with small setbacks and higher floor area ratios. Non-residential uses include schools, parks, and smaller commercial uses. Net residential densities range from 5 to 20 units per acre.</p>	
<p>Neighborhood Center</p>	<p>Mixed-use areas of residential, commercial, and service uses in central areas of activity. Buildings are between one and three stories and may be exclusively commercial, residential, or institutional, or contain a mix of uses. Easily accessible to both pedestrians and cars. Net residential densities range from 5 to 20 units per acre.</p>	
<p>Community Corridor</p>	<p>Primarily residential corridor that provides a connection between neighborhoods, carries moderate traffic levels, and may include low-intensity commercial uses at key intersections. Buildings are typically two or three stories. Businesses typically serve surrounding neighborhoods. Net residential densities range from 8 to 20 units per acre.</p>	
<p>Commercial Corridor</p>	<p>Primarily commercial corridor that carries relatively high volumes of automobile traffic. Businesses serve residents of Manchester and surrounding towns. May include residential components at net residential densities of 8 to over 20 units per acre.</p>	
<p>Mixed-Use Center</p>	<p>Consists of a tight network of streets with wide sidewalks, tree plantings, and a street wall created by building frontages. These areas are centers of activity, serving as a transit hub and containing residential, commercial, and office uses. Parking is typically on street or behind primary buildings. Additional uses include parks, libraries, schools, and other institutional uses. Net residential densities range from 10 to over 20 units per acre.</p>	
<p>Regional Center</p>	<p>Mixed-use center with larger-scale retail, office, and multi-family residential uses adjacent to the I-84 corridor. Sidewalks and multi-use paths are present along a major automobile corridor. A transit hub, including both local and express commuter bus service, offers regular access to public transit. Net residential densities range from 10 to over 20 units per acre.</p>	
<p>Business Park</p>	<p>Lands developed for primarily industrial or office uses in close proximity to an interstate corridor. Some commercial, service, or institutional uses may also be present. Lots are relatively level and landscaped. Building heights vary.</p>	

The graphics below help provide a comparison between Manchester, Hartford County and Connecticut. Overall, not only does Manchester have a more diverse range of housing stock, but it also features greater racial diversity, a younger population, and more middle-income households than both the region and state.

Housing Types





Like many communities in the region and state, single-family detached homes are the most common housing type in Manchester. However, detached, single-family homes make up a smaller percentage of total housing in Manchester (48.1%) than both Hartford County (57.5%) and Connecticut (60.4%). The Town has a slightly higher number of 2-unit buildings and a fairly significantly higher percentage of 10+ apartment complexes (19.2%) compared to the region and state (13.8% and 12.3%, respectively).

Over half the occupied housing units in Manchester are something other than single-family detached homes, reflecting perhaps both the age of the community and the flexibility afforded by the Town’s zoning regulations.

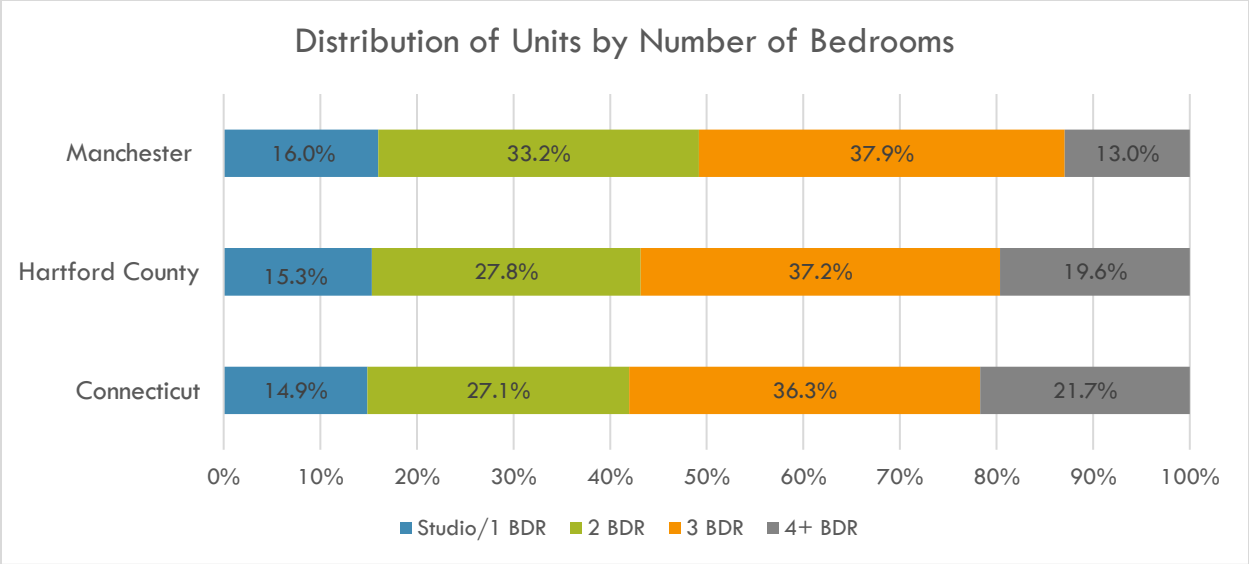
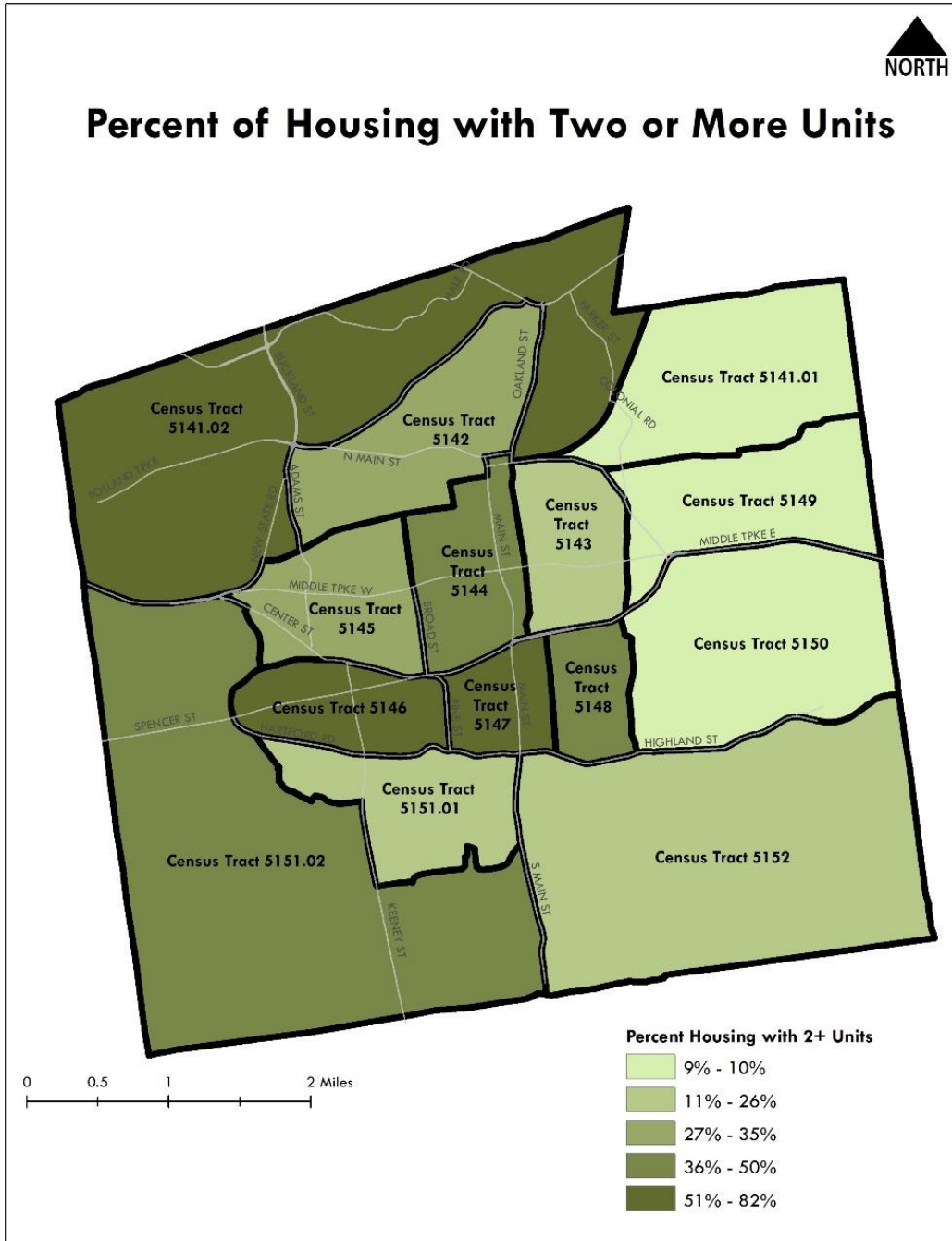
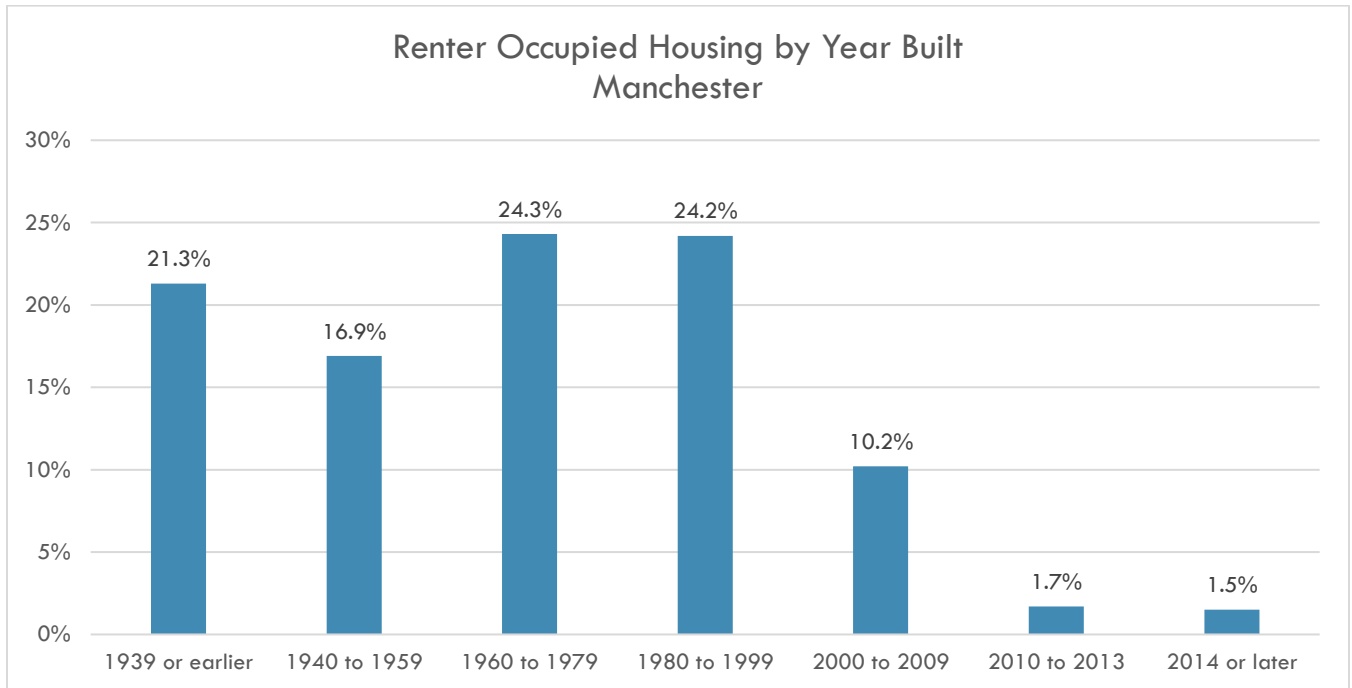


Figure 4 – Manchester has slightly a slightly higher percentage of 2-bedroom units (33.2%) than Hartford County (27.8%) or Connecticut (27.1%), while having comparatively fewer 4+ bedroom units (13%, compared to 19.6% and 21.7%, respectively).

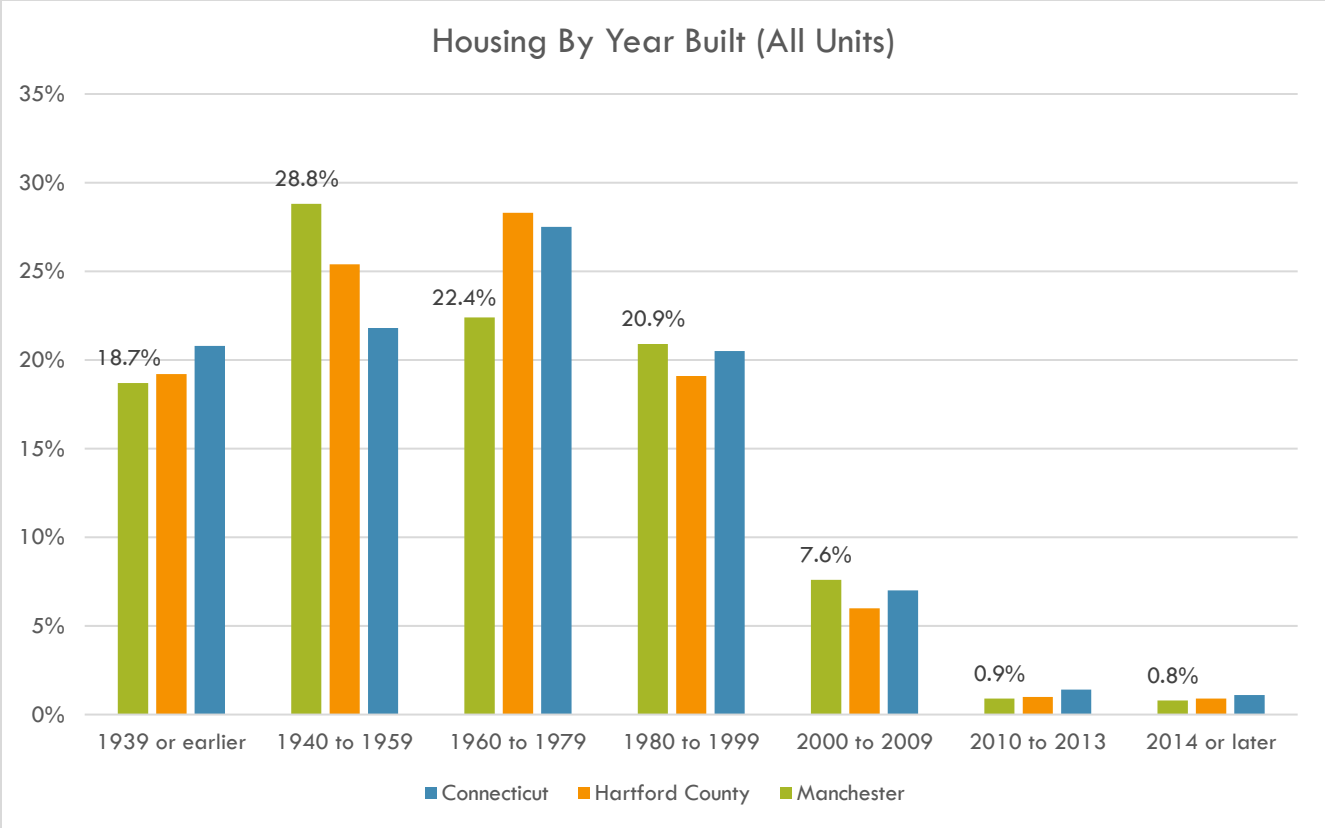


Large lot single-family homes are more predominant on the periphery of town, while neighborhoods with a majority of the housing consisting of two or more units tend to be located in the core of town. This reflects common post-World War II development patterns, as most of the single-family units on the periphery were built after 1970 on comparatively large lots, while the core of town features smaller lots and a more compact form. Census Tract 5141.02 includes newer large multi-family apartment buildings in the Buckland Hills area.

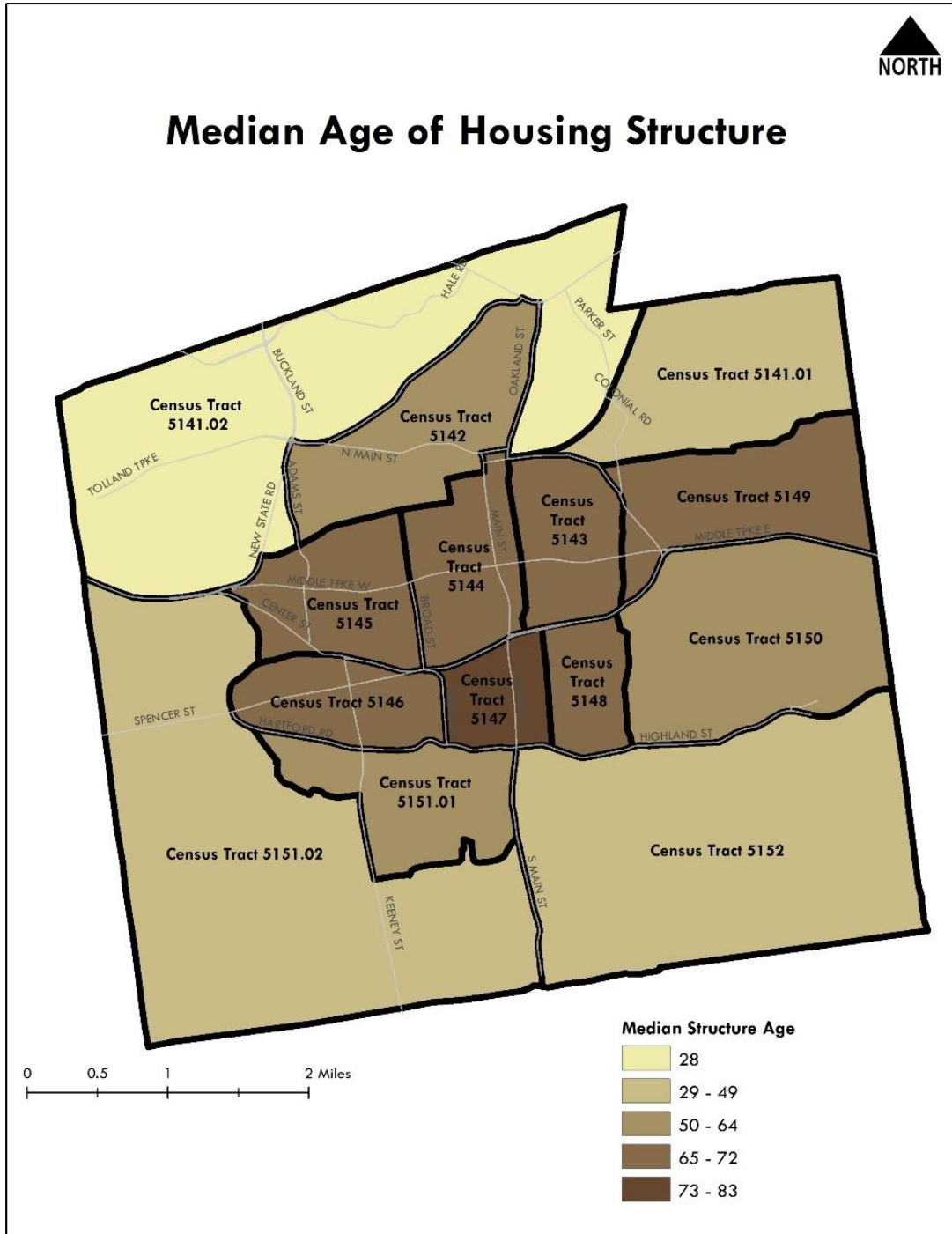
Age of Housing Stock



Over sixty percent (62.5%) of Manchester’s rental units were built before 1980, while well over a third (38.2%) were built before 1960. Given the age of many of these units, lead abatement and rehabilitation projects are critical for ensuring the Town’s housing stock remains safe and up to code for residents. Equally important are policies that facilitate the development of new housing units to keep up with population growth and offer more choices in the housing market. Less than ten percent (9.3%) of Manchester’s housing stock was built in this century.



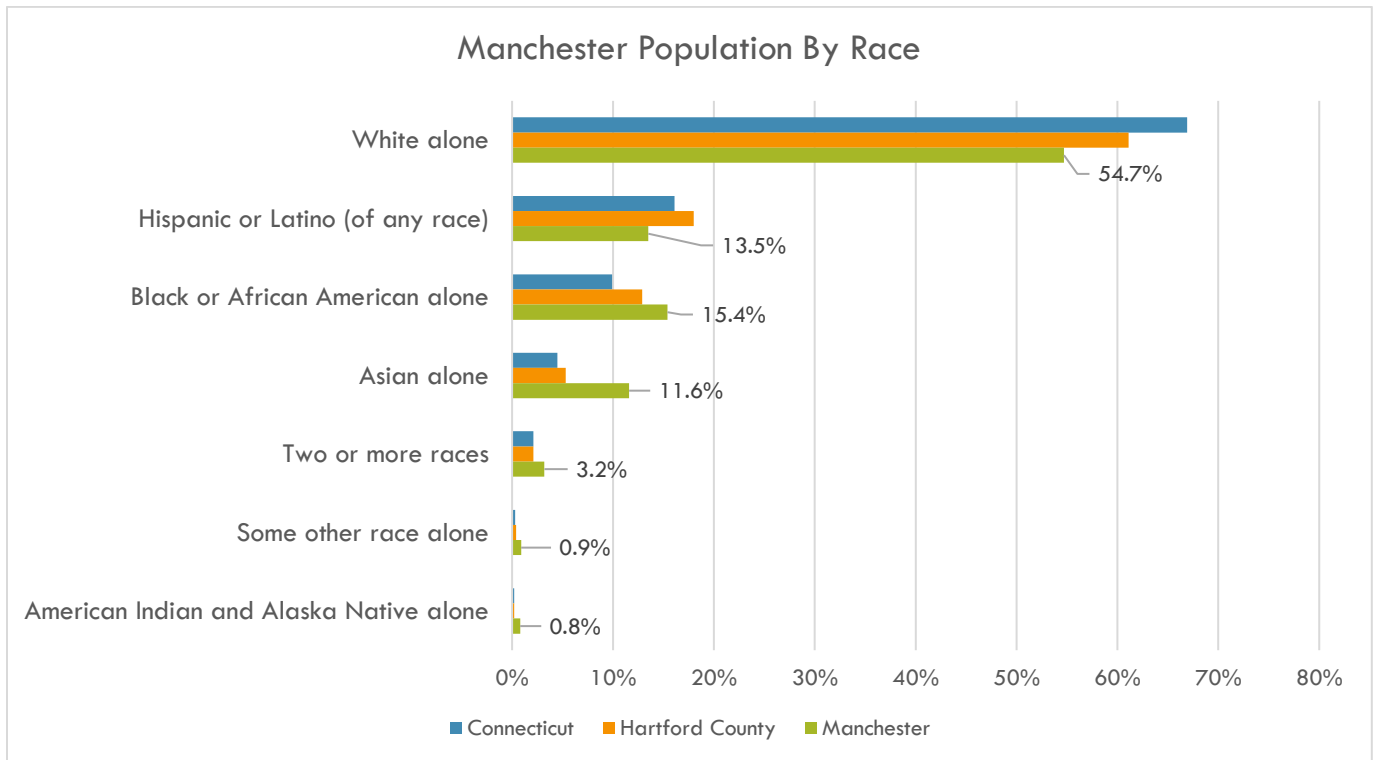
Manchester has a higher percentage (28.8%) of housing built between 1940 and 1959 than Hartford County (25.4%) and Connecticut as a whole (21.8%). Less than two percent of Manchester’s housing stock was built in the past ten years, reflecting the broader housing slowdown in the region and the state.

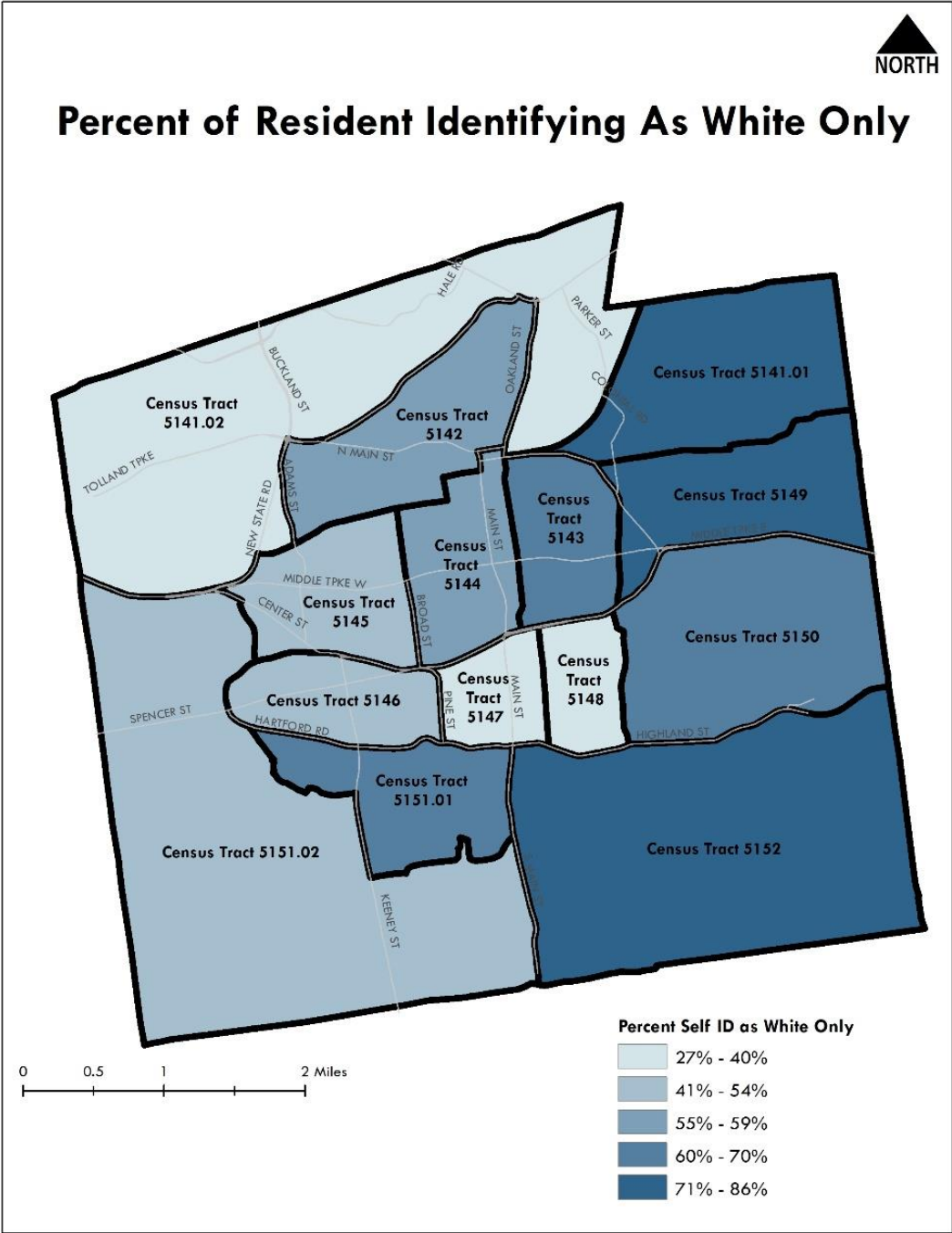


Manchester’s oldest housing is clustered in the East and West Side neighborhoods and the traditional core of Manchester. Neighborhoods along the perimeter of town were generally developed after World War II and feature predominantly single-family detached homes. Many of the newest units are generally in the Buckland Hills area (Census tract 5141.02) and are primarily larger multi-family developments.

Racial Diversity

Manchester is one of the most racially diverse communities in the region, featuring a higher percentage of Black/African-American and Asian residents than either Hartford County or Connecticut. Roughly 54% of residents identify as white alone, compared with 61% for Hartford County and 66% for Connecticut.

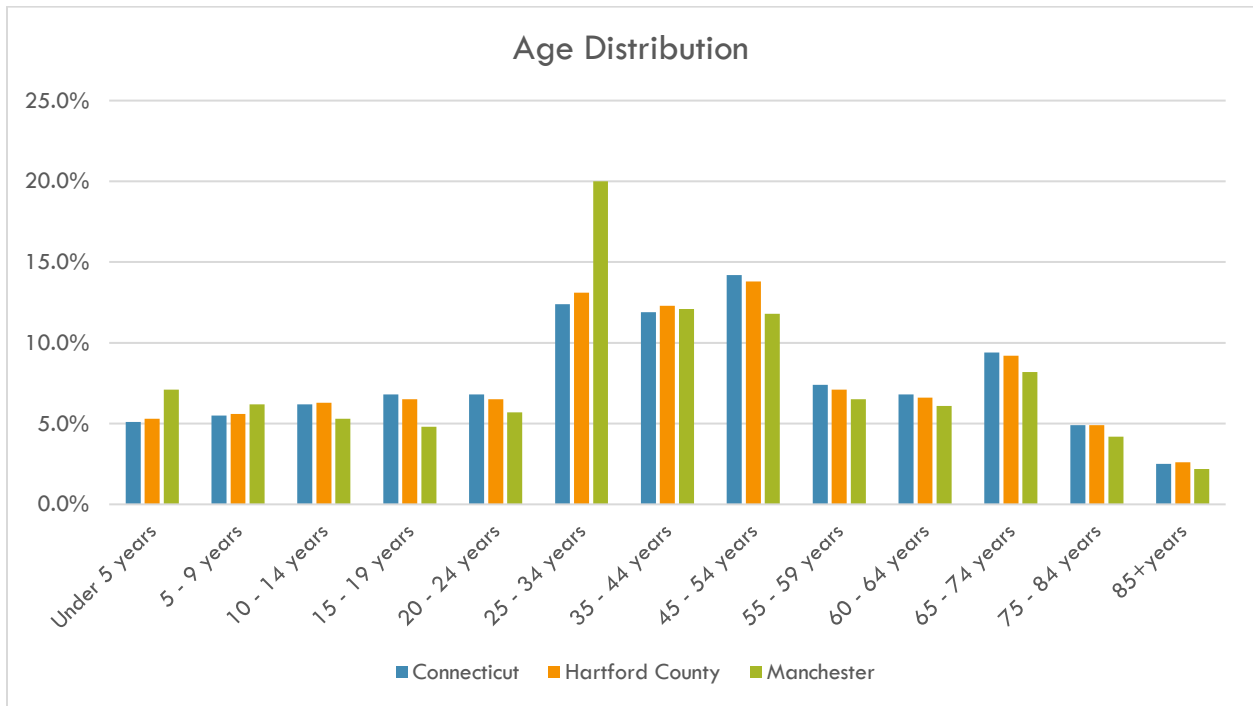


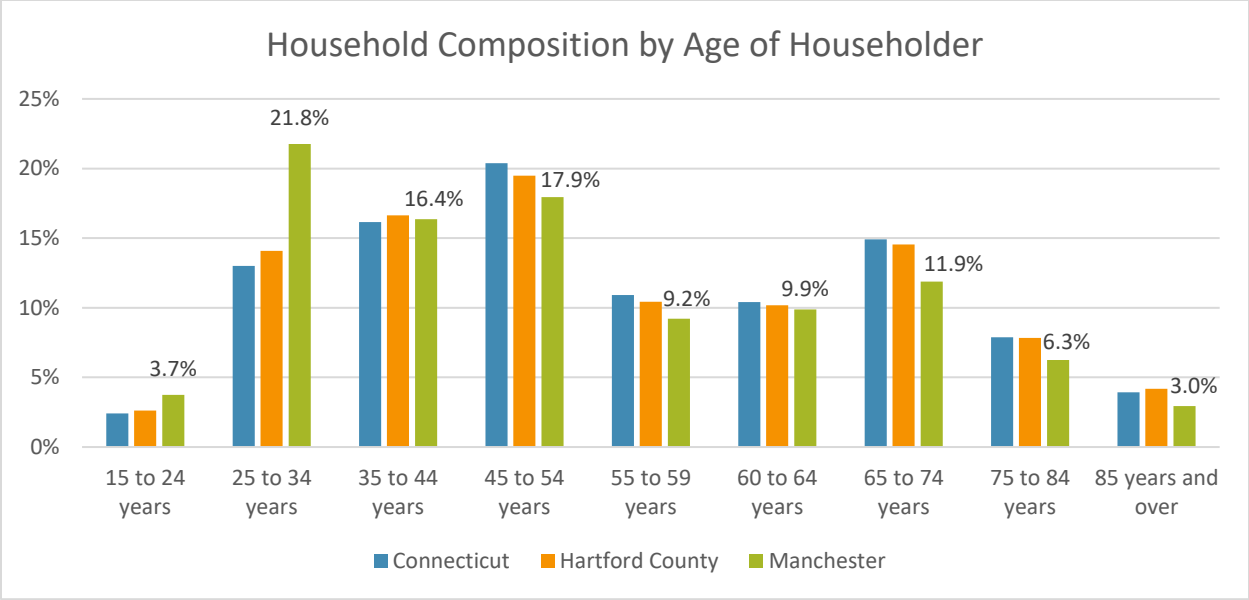


All Manchester census tracts have some racial and ethnic diversity. However, residents of color are somewhat clustered in the central and western areas of town. The highest percentage of a residents self-identifying as white only live in the outlying neighborhoods consisting of primarily detached single-family homes. The diverse East Side neighborhood (Census tract 5148) and West Side (5147) have the lowest percentage of residents self-identifying as white only. The percentage of those self-identifying as white only ranges from 27%-86%.

Age Distribution

As a community, Manchester is generally younger than the region or state. Twenty percent (20%) of Manchester residents are between the ages of 25 and 34 years old, compared to 13 and 12 percent for Hartford County and Connecticut, respectively. The Town’s median age is 35.7, nearly five years younger than the region and state. The Town also has a larger percentage of children under five years old than either the state or region.

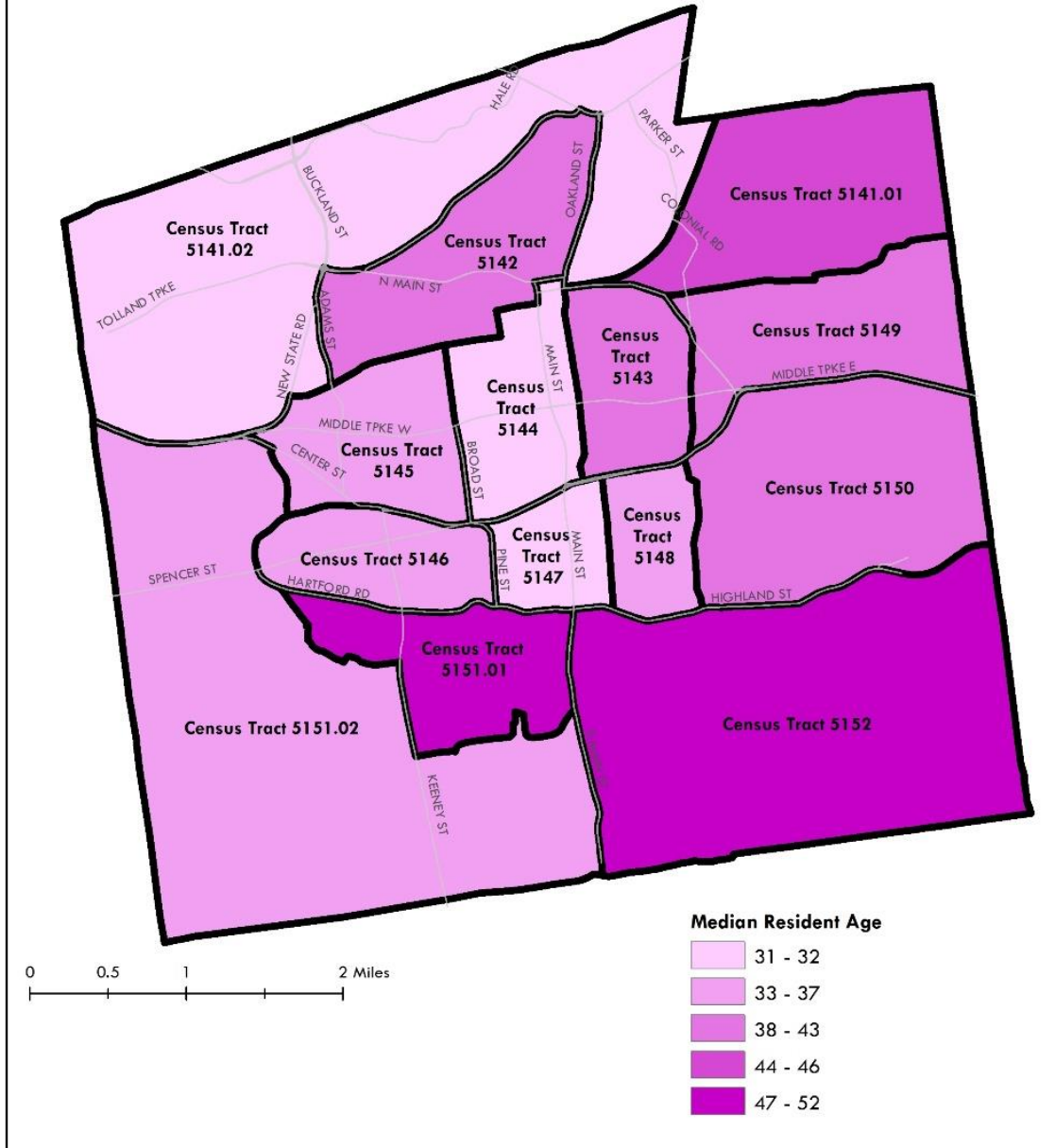




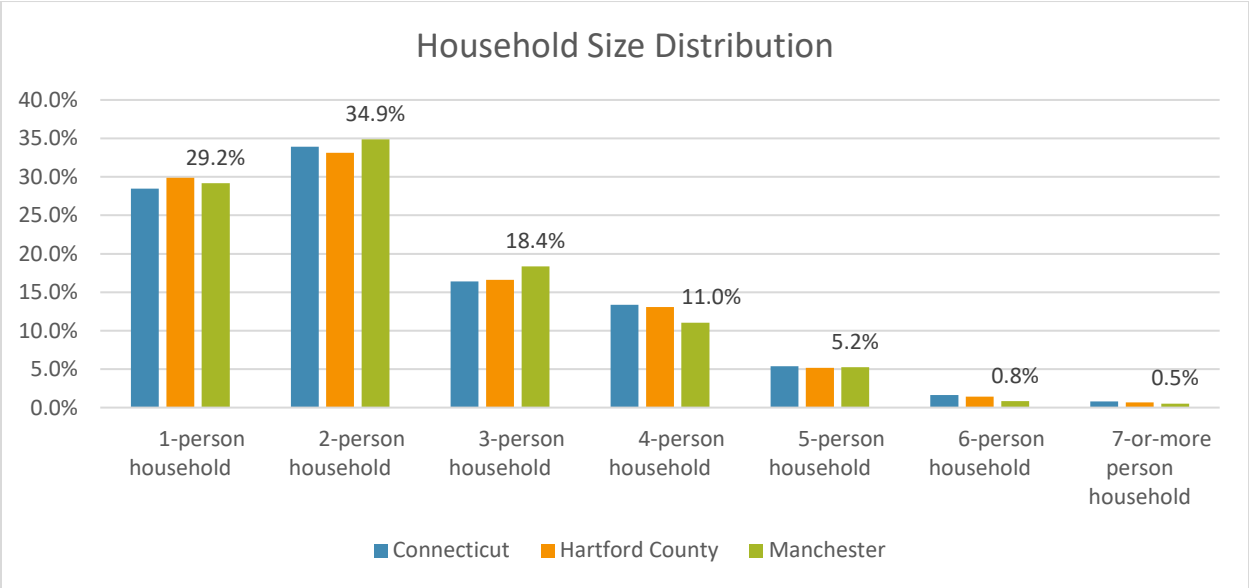
Manchester has a significantly higher number of households 25 to 34 years old, compared to the region or state (21.8%, vs 14.1% and 13%, respectively). This could be due to the number of more affordable rental options available to this demographic, Manchester’s accessible location, or proximity to educational and entertainment options.



Median Resident Age



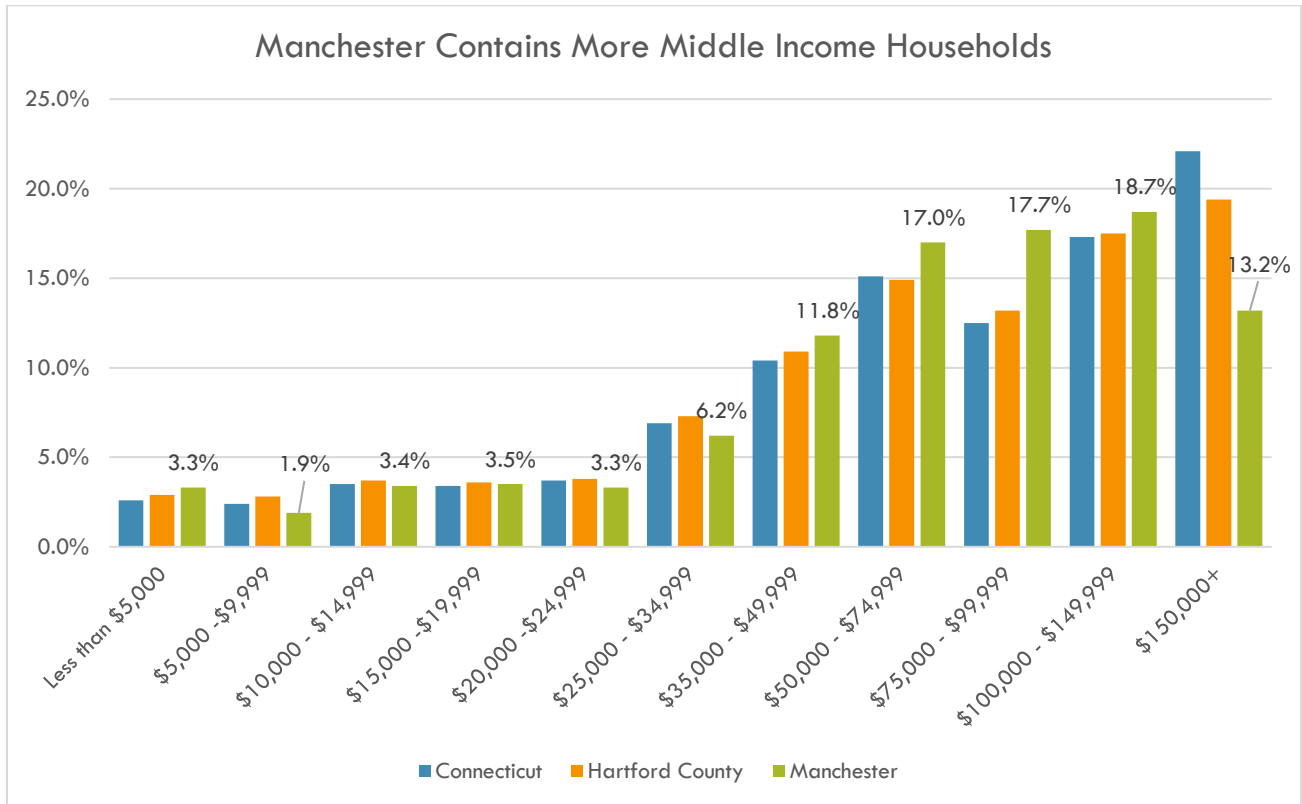
Median Age		
Connecticut	Hartford County	Manchester
41	40.4	35.7



Manchester has a slightly higher percentage of 3-person households than either Hartford County or Connecticut.

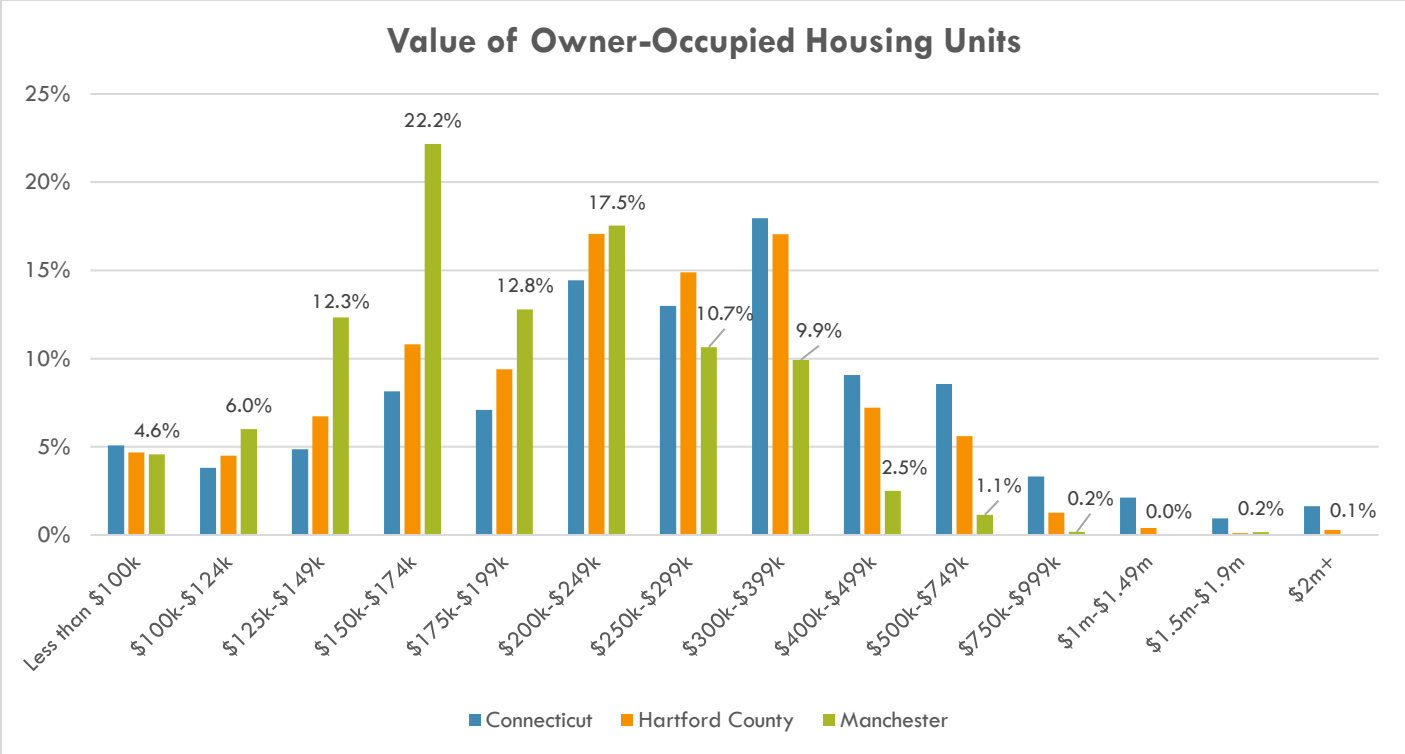
Income Distribution & Poverty

Manchester is home to households with a wide range of incomes. Manchester has more middle-income households, featuring more with incomes between \$35,000 and \$99,000 (46.5%) compared to Hartford County (39%) or Connecticut (38%). Manchester has a smaller percentage of households making more than \$150,000 (13.2%) per year compared to Hartford County (19.4%) or Connecticut (22.1%).



Median Household Income		
Connecticut	Hartford County	Manchester
\$78,444	\$75,148	\$74,503

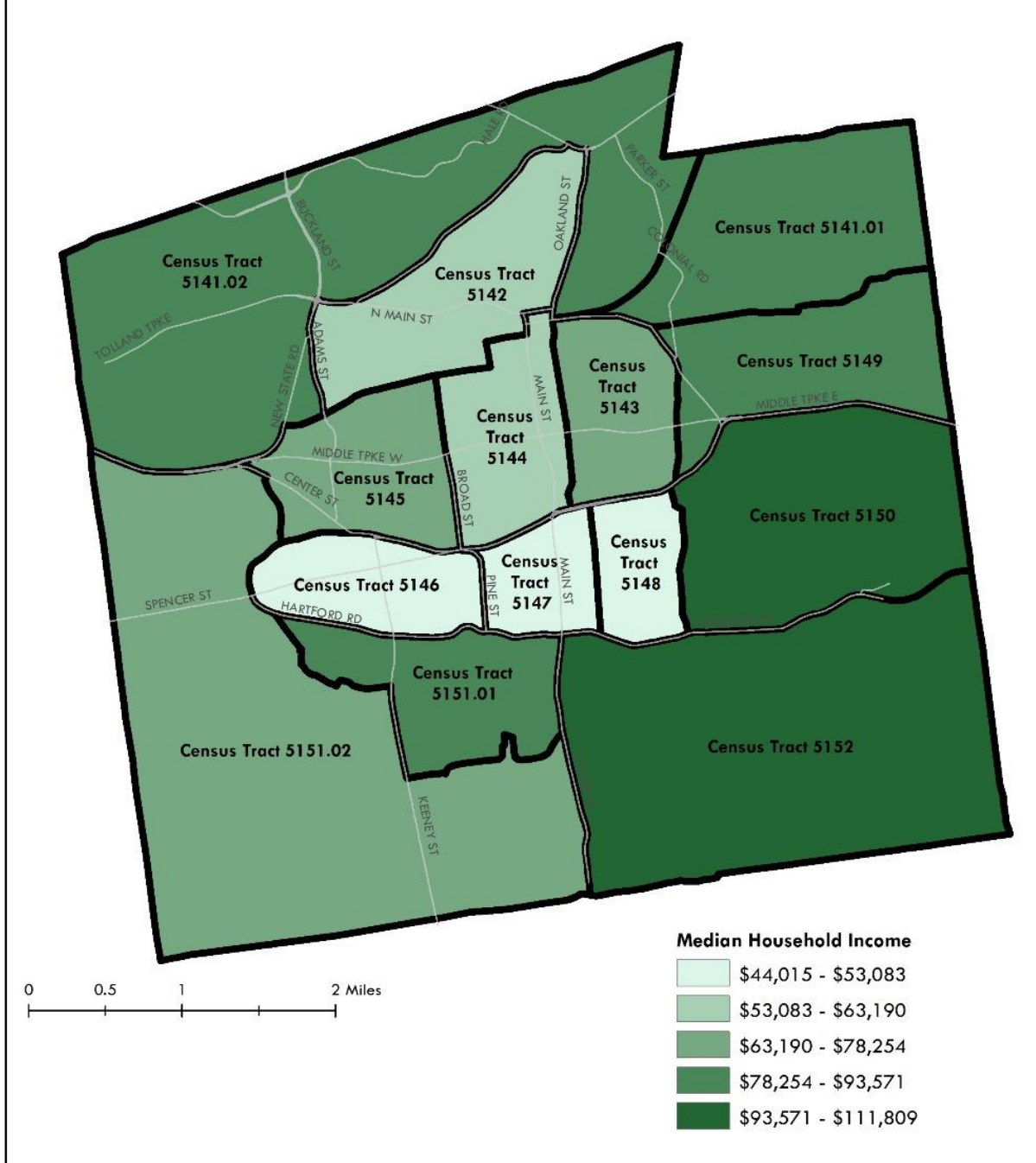
Median Home Value		
Connecticut	Hartford County	Manchester
\$275,400	\$240,600	\$184,600



Manchester home values are generally lower than Hartford County or Connecticut. Seventy-five percent of Manchester’s owner-occupied homes are valued under \$250,000, compared to Hartford County (53%) or Connecticut (43%). Homes over \$400,000 are far less common in Manchester (4%) than Hartford County (14.0%) or Connecticut (25.6%).



Median Household Income



The outlying neighborhoods on the periphery of town tend to feature more higher income households, while the central neighborhoods generally have lower household incomes.

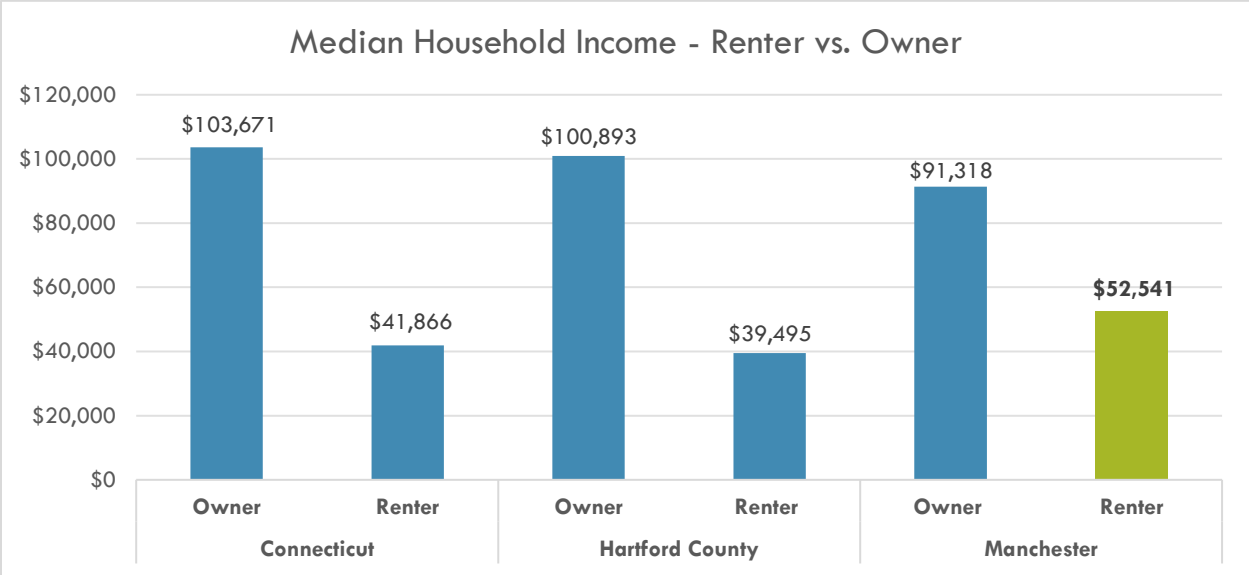
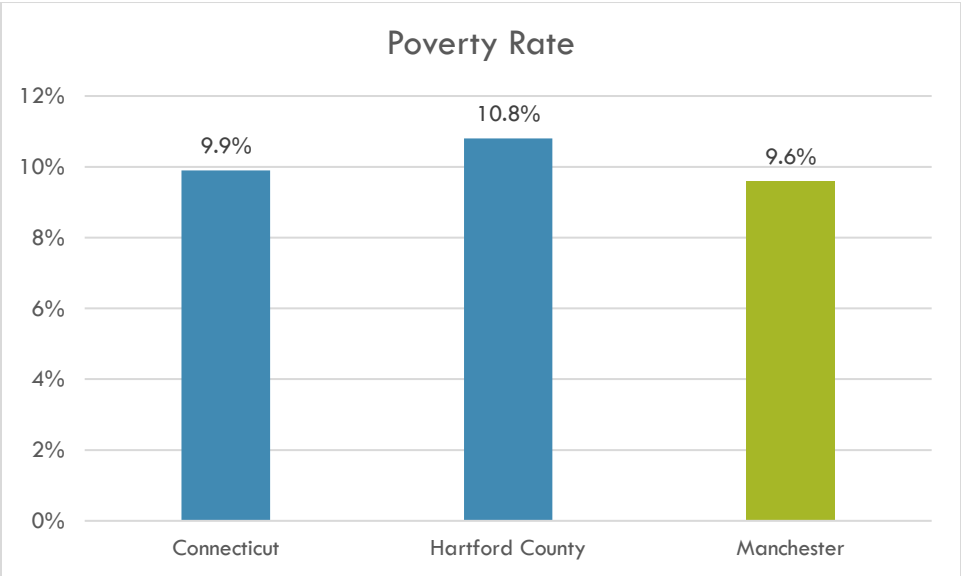


Figure 5: Renter incomes are higher in Manchester than either Hartford County or Connecticut, suggesting that the Town offers more options for renters with more disposable income.

Manchester’s town-wide poverty rate is comparable with Connecticut as a whole (9.6% vs 9.9%). The highest poverty rates are concentrated in a few census tracts, primarily Census tracts 5148 and 5146.



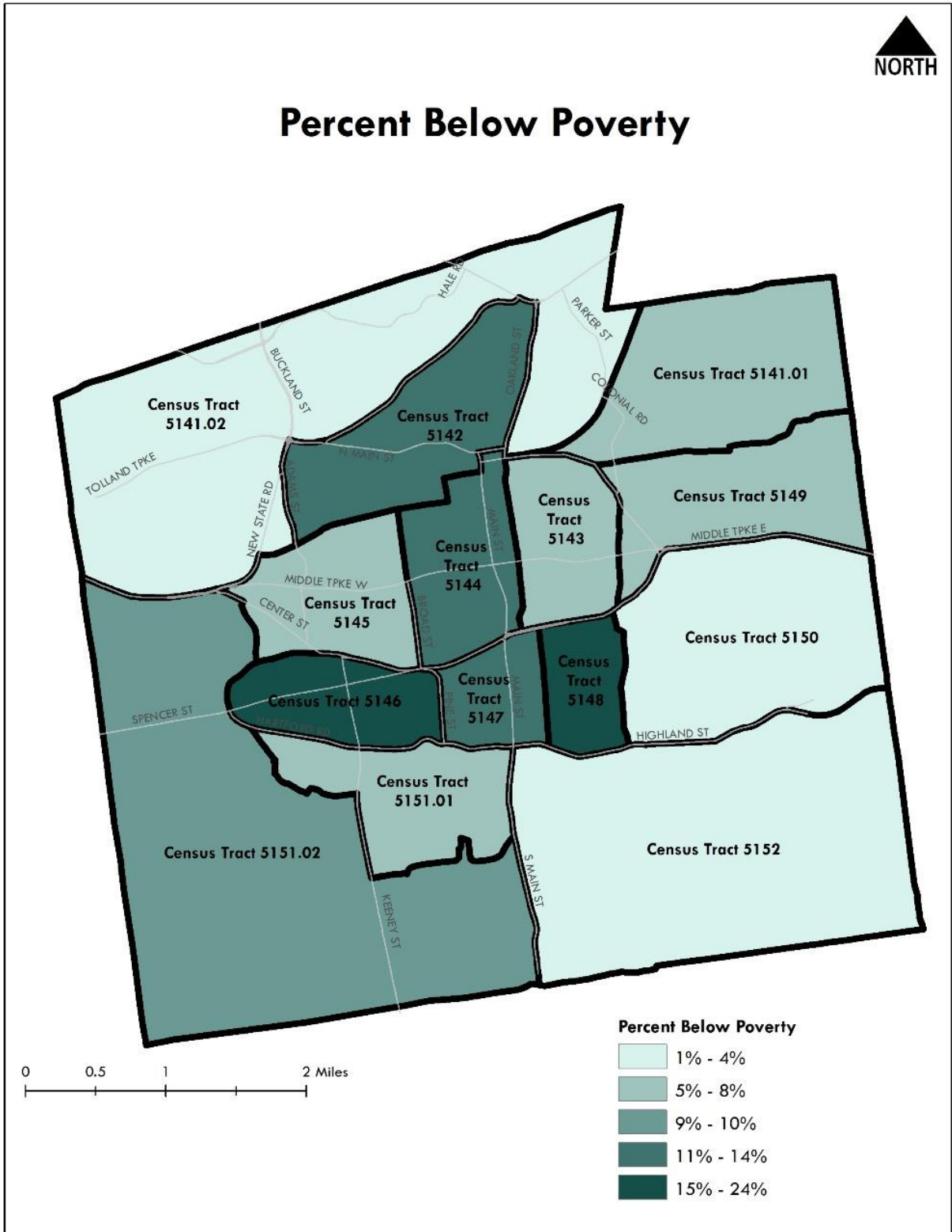


Figure 6: The highest poverty rates are generally in the core of Manchester.

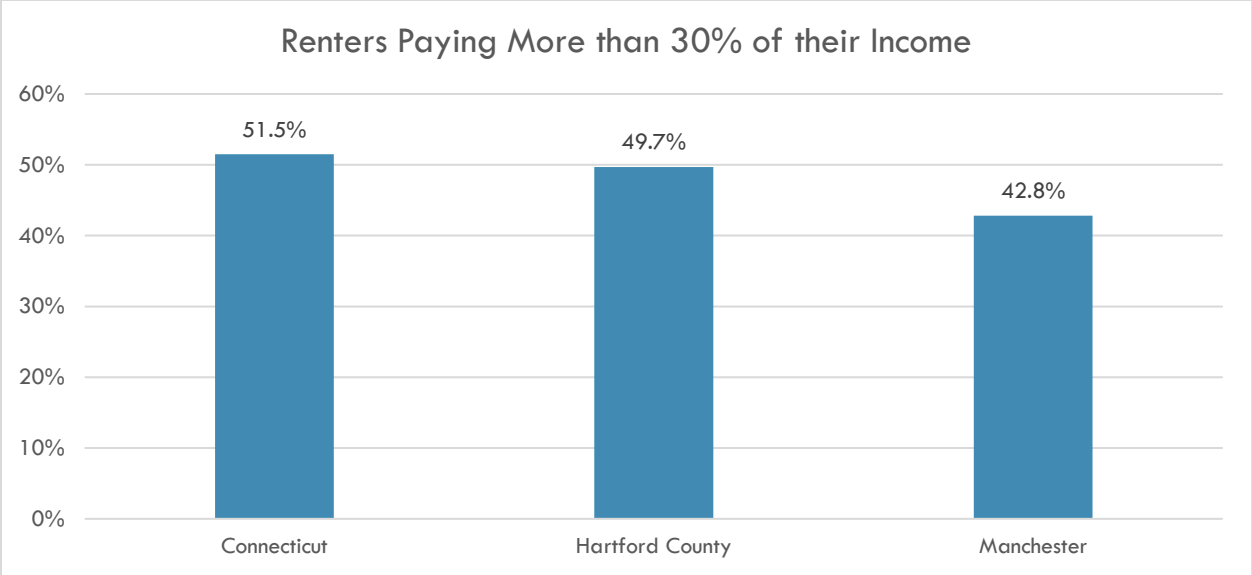
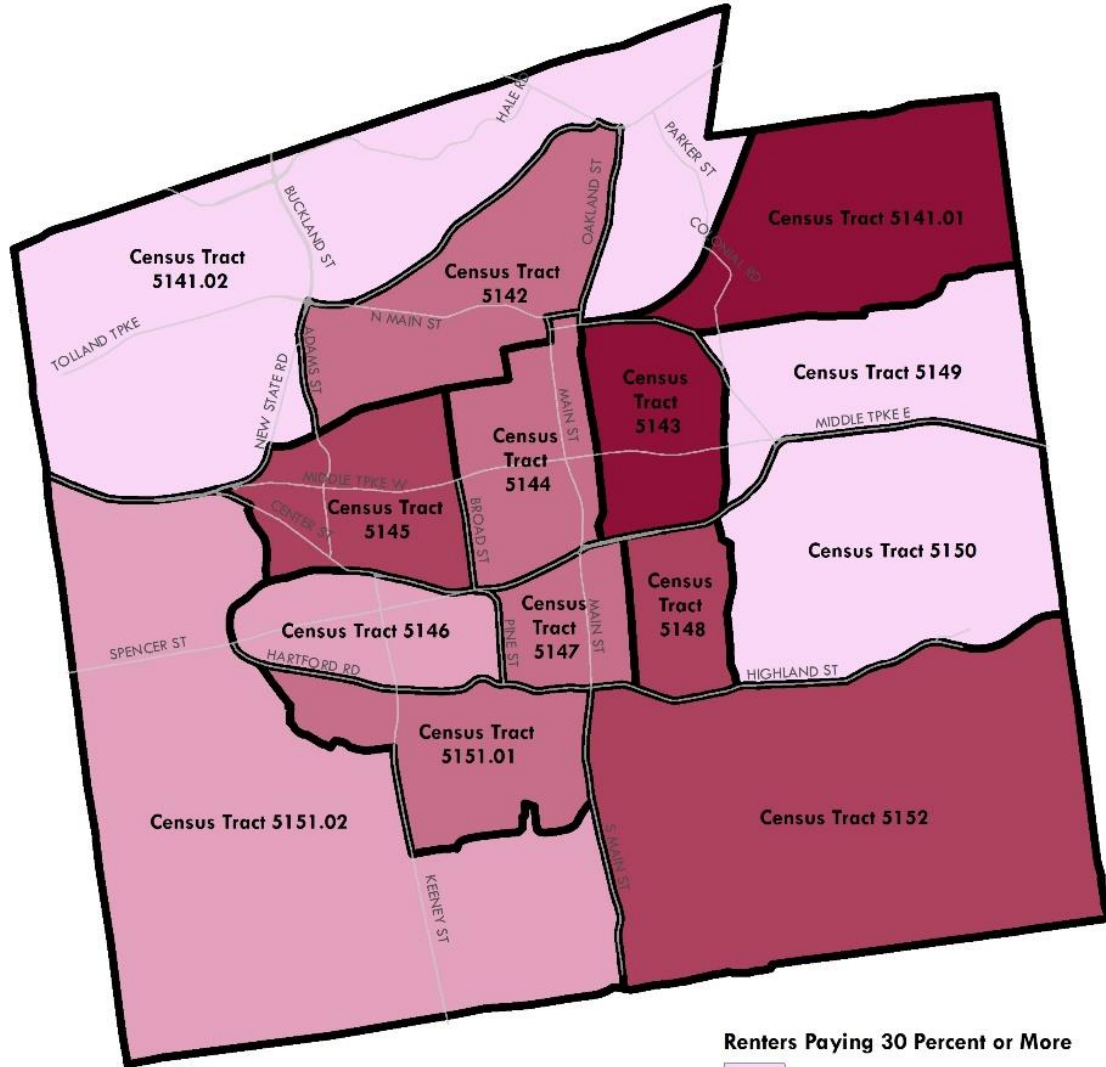


Figure 7: Fewer renters in Manchester (42.8%) pay more than 30% of their income towards rent, while nearly half of Hartford County renters (49.7%) and just over half in Connecticut (51.5%) exceed that threshold.

Percent of Renters Paying 30 Percent or More of Income Towards Housing



0 0.5 1 2 Miles

Renters Paying 30 Percent or More

- 17% - 29%
- 30% - 41%
- 42% - 51%
- 52% - 59%
- 60% - 64%

Rental housing in Connecticut remains relatively expensive, with over 50% of renters in the state spending more than 30% of their household income on housing. While a lower percentage of Manchester residents are cost burdened in this way, over 42% of households still spend more than 30% of their monthly income on housing. Geographically, housing insecurity is widespread with most census tracts averaging above the Town's overall percentage.

Data indicates that Manchester is generally a healthy and diverse middle-income community with greater affordability and a lower median age than the surrounding region and state. The Town's historical development patterns and flexible regulations have created a community with a much wider range of housing options than neighboring communities. Older housing stock can mean more affordable living choices for households in Manchester and the surrounding region. However, older stock also equates to unique needs, including code improvements, traditional rehabilitation, lead paint and other hazardous materials, and older infrastructure. Additionally, new housing must be produced to ensure households have modern options and that all of the Town's housing stock is not "old." These needs are concentrated in Manchester's older neighborhoods, where much of the Town's housing efforts have been focused, but the uniqueness of each of Manchester's neighborhoods also offers a diverse set of solutions. While a lower percentage of Manchester's households are housing-insecure than the region and state as a whole, housing affordability continues to be an issue in Manchester.

Community Development Block Grant Program

The Town of Manchester Community Development Block Grant (CDBG) program, administered by the [U.S. Department of Housing and Urban Development \(HUD\)](#), provides an annual grant which supports a variety of projects and activities to benefit Manchester residents. Communities participating in the CDBG program have a great deal of discretion regarding the use of grant funds as long as proposed projects and activities:

- meet one or more national objectives;
- are eligible according to HUD guidelines; and
- meet the requirement that at least 70% of the grant funds expended benefit low- and moderate-income residents.

Housing Rehabilitation Program: This Program provides forgivable loans to owner-occupied or investor-owned single- and multi-family residential properties in select housing rehabilitation areas. Funds are used to address lead-based paint hazards and property maintenance code issues. Participation in the program requires monthly rents charged must not exceed the area fair market rent. Property owners must maintain the property as safe, quality affordable housing for the term of the loan.

Rebuilding Together: Part of a national non-profit organization, this is a volunteer program in partnership with the community, which rehabilitates the houses of low-income homeowners. The program targets the elderly, disabled, and families with children, so they may continue to live in warmth, safety and independence. The program has been in existence in Manchester since 1992. The program has worked to restore over 1,300 homes. Over 20,000 volunteers have lent a hand in efforts to improve a neighbor's living conditions. Improvements have included roofing, interior and exterior painting, replacement windows, plumbing, handicap ramps, electrical work, flooring, landscaping, carpentry work, and small repairs.

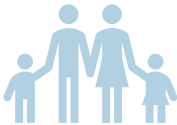
Emergency Replacement: Manchester's Emergency Replacement Program provides financial assistance for replacement of systems or housing features that, if not addressed, would threaten the health and/or safety of the property's occupants. This program is available town-wide to income-eligible properties that meet the rest of the eligibility criteria.

HUD Area Median Family Income (HAMFI)	Owner	Renter	Total
Below 30%	705	2,470	3,175
Between 30% to 50%	1,095	1,870	2,965
Between 50% to 80%	2,115	1,315	3,430
	3,915	5,655	9,570

Low Income: 51% to 80% of AMI



\$36,505/year for individual



\$52,150/year for family of 4

Very Low Income: 31% to 50% of AMI



\$36,505/year for individual



\$52,150/year for family of 4

Extremely Low Income: 30% or less of AMI

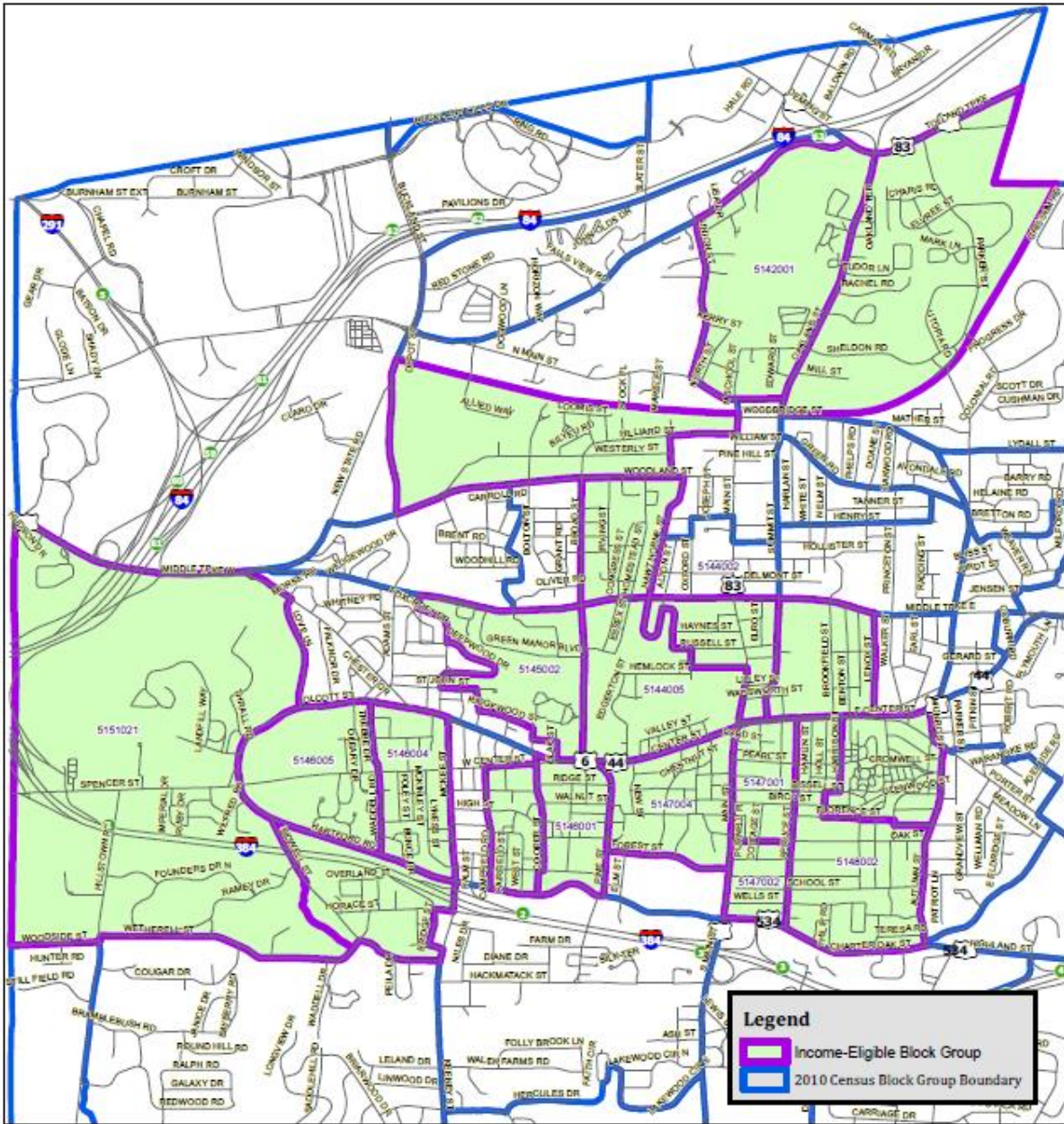


\$21,950/year for individual

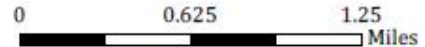


\$31,300/year for individual

MANCHESTER CDBG ELIGIBLE BLOCK GROUPS



Town of Manchester Planning Department
April 2021



Source: 2011-2015 ACS data

Figure 8: Housing Rehabilitation funds are only available in designated census tracts. In Manchester, these areas are primarily located in the core of town with older housing stock.

Land Use & Zoning Assessment

Manchester has traditionally been a development-friendly community. The Town's zoning regulations over the years have allowed a wide variety of building types and uses to be built. Manchester's Planning and Zoning Commission (PZC) takes a proactive approach towards regulating the Town's land use, and has traditionally been willing to modify the Town's zoning regulations in response to changing trends and market conditions. Because the Town has a combined Planning, Zoning, and Wetlands Commission, Manchester's permitting process is one of the more streamlined in Connecticut. The flexibility of the Town's zoning regulations and Manchester's location and proximity to the highway system are important factors that have made the town a residential and commercial hub east of the Connecticut River in the Hartford region.

Zoning and Housing in Manchester's POCD

The Town's current Plan of Conservation and Development (POCD), Manchester 2020, has several housing-related goals pertaining to zoning, including:

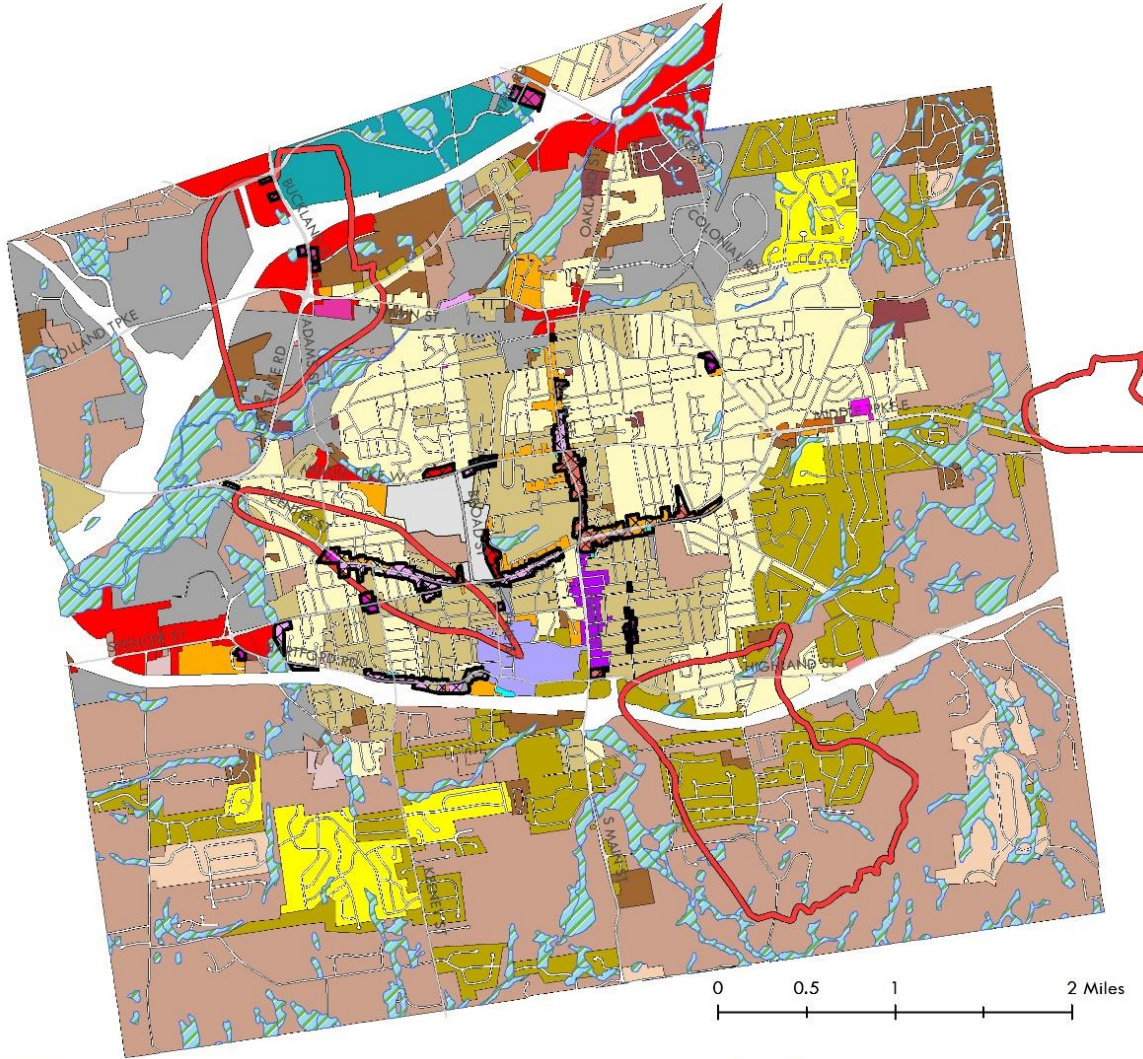
- *Adopt zoning regulations that permit intensified mixed-use development in and near existing or potential mixed-use districts, transit nodes, and corridors.*
- *Adopt zoning regulations that facilitate the adaptive reuse of vacant or underutilized sites and buildings in mixed-use districts and transit and community corridors.*
- *Adopt zoning regulations that promote vibrant, walkable neighborhoods by incorporating design standards for streets and public spaces that create a sense of place, require a mix of uses within walking distance of a transit stop, promote business uses on street level, and create attractive and well-lit pedestrian corridors.*
- *Ensure zoning regulations in residential and mixed-use areas provide reasonable opportunities to expand the housing supply in terms of type, style, and affordability that will be attractive to young professionals, small families, empty nesters, and the elderly.*

Since Manchester 2020's adoption nearly ten years ago, the PZC has revised the zoning regulations to ensure some of these housing goals are attainable. The POCD is currently being updated in 2022 and housing will continue to play a significant role in the process.

In terms of housing, the flexibility of Manchester's zoning regulations, in conjunction with the Town's historical development pattern, has resulted in a small city of over 20,000 units of numerous housing types and styles. Through Manchester's numerous public planning processes over the years, the community continues to value this strength and generally has expressed a desire for increased housing choices.

This land use and zoning assessment incorporates previous analysis conducted for the HUD Consolidated Plan and Analysis of Impediments to Fair Housing Choice, in addition to revisions undertaken since those reports.

Manchester Zoning



AA - Residence AA	FBZ - Form-Based Zone	RB - Residence B
B1 - Business I	GB - General Business	RC - Residence C
B2 - Business II	H - Historic	RM - Residence M
B3 - Business III	IND - Industrial	RR - Rural Residence
B5 - Business V	NB - Neighborhood Business	Residence AA (Cluster Regulations Apply)
CBD - Central Business District	OSP - Off Street Parking	Rural Residence (Cluster Regulations Apply)
CUD - Comprehensive Urban Development	PRD - Planned Residence Development	SDC - Special Design Commercial
EHD - Elderly Housing Development	RA - Residence A	Street Right-of-Way

Figure 9: Town of Manchester zoning map. Nearly all the Town's business and commercial zones provide the option for residential above ground floor businesses.

Zoning

Manchester has several primarily residential zones, ranging from a minimum lot size of 7,200 square feet in Residence C to 30,000 in Rural Residence. The current regulations allow a variety of housing types at different sizes and price points, while also allowing a number of other accessory uses via the special exception process.

In addition to the primarily residential zones, the following zones in Manchester offer opportunities for residential development:

- **Comprehensive Urban Development Zone:** The CUD allows both traditional multi-family development and denser development opportunities around transit.
- **Central Business District:** The downtown's CBD zone permits multi-family housing and mixed-use residential development, much of which is allowed by right.
- **PRD Zones:** Planned Residence Development zones are a zoning tool that can be used to permit multi-family housing. The PRD is a floating zone and must be approved after a public hearing before the Planning and Zoning Commission. The purpose of the PRD zone is to "allow a mixture of various types of housing including single-family, duplex and multi-family dwellings as well as certain accessory uses and special exemption uses." Development of the planned site is to be made to encourage the most appropriate use of the site, preserve significant natural features of the site (including trees, steep slopes, and wetlands), and to provide for housing of moderate cost (Art. II Sec. 7). More than 20 PRDs have been established over the past several decades, resulting in hundreds of constructed housing units.
- **Form Based Zone:** The Manchester Redevelopment Agency (Agency) adopted a redevelopment plan for a 148-acre, exclusively commercial district near the geographic center of Manchester. As part of that redevelopment plan, the Agency called for new zoning regulations to ensure an attractive, walkable, mixed-use redevelopment of this area. The PZC, working with the Agency, adopted the Town's first form-based zoning regulation for the redevelopment area. Among the other features of this zoning district, multi-family housing is permitted as-of-right; a variety of multi-family housing types are allowed; there are no minimum floor area requirements in the zoning regulations for individual units; there are flexible parking requirements; and there are no maximum density limitations.
- **EHD Zone:** The Elderly Housing Development (EHD) zone is a floating zone intended to permit a wide range of housing types for seniors. Housing types permitted in EHD zones include elderly deed restricted residences, congregate housing, assisted living facilities, continuing care retirement facilities, and nursing facilities. The PZC also lowered parking requirements for such developments from two spaces per unit to one, excluding staff and visitor parking. These amendments

were designed specifically to allow for more elderly housing units in a given development without the need for more land.

- **Historic Zone:** Historic Zone regulations allow for the redevelopment of former mill buildings into multi-family housing units. Industrial and Business II zones also allow the conversion of historic mill buildings to multi-family residences. Regulations stipulate that 10% of the units be set aside as affordable. This regulation allowed for the Cheney Mills to be converted to housing in the 1980's and 90's. Since that time, the mill conversion regulations have been added to other zoning districts as well.

In addition to the above zones, all of Manchester's commercial zones allow for residential above ground floor business or commercial uses.

Middle Housing options

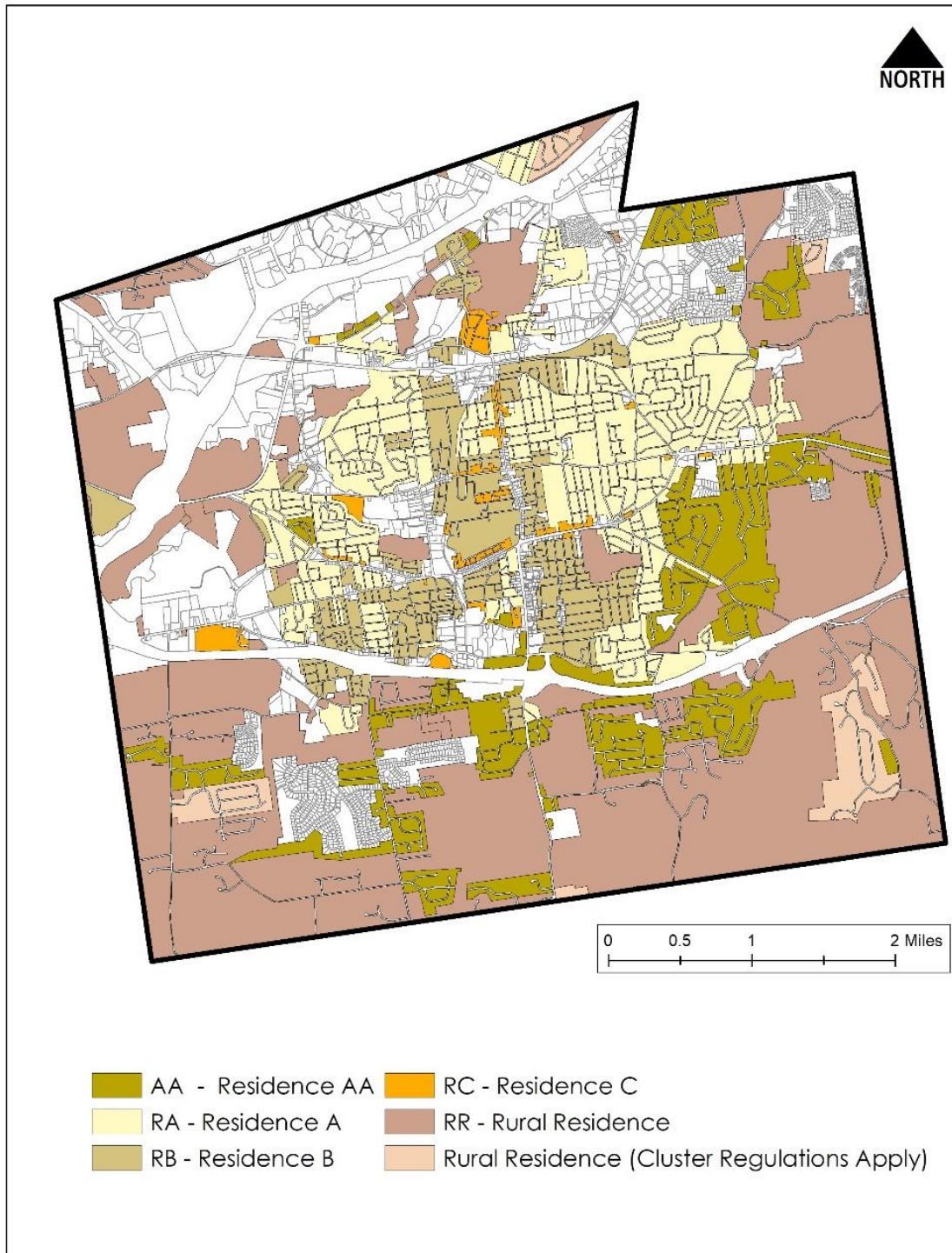


Figure 10: The above shown zones allow for "middle housing". Duplexes are allowed as-of-right in the Residence B and C zones, while conversion to 2, 3 or 4 family is allowed by special exception. In the Rural Residence and Residence AA zones, conversion to a 2-family home is allowable by special exception.

What is Middle Housing?



“Missing Middle Housing is a range of house-scale buildings with multiple units—compatible in scale and form with detached single-family homes—located in a walkable neighborhood.

These building types, such as duplexes, fourplexes, cottage courts, and courtyard buildings, provide diverse housing options and support locally serving retail and public transportation options. We call them ‘Missing’ because they have typically been illegal to build since the mid-1940s and ‘Middle’ because they sit in the middle of a spectrum between detached single-family homes and mid-rise to high-rise apartment buildings, in terms of form and scale, as well as number of units and often, affordability. In the diagram [above], the Missing Middle types are shown in yellow, providing many housing options in between the single-family homes and higher intensity apartment buildings, both shown in white.”

-MissingMiddleHousing.com

Most Zoning Districts in Manchester Allow Residential Development Other Than Single-Family

		BY RIGHT	BY SPECIAL EXCEPTION
RESIDENTIAL ZONES	Rural Residential (RR)		Conversion to 2-family occupancy (duplex)
	Residence AA		
	Residence A (and aa)		Conversion to 2-family occupancy (duplex)
	Residence B	Duplex	Conversion to 2-, 3-, or 4-family occupancy
	Residence C	Duplex	
COMMERCIAL ZONES	Comprehensive Urban Development (CUD)		Standalone multi-family; multi-family above ground floor commercial; Elderly Housing Development
	Business I	Residential above ground floor commercial (4 or less units)	Residential above ground floor commercial (5 or more units)
	Business II		
	Business III		
	Business V		
	Central Business District (CBD)		Elderly Housing Development
	Special Design Commercial (SDC)	Residential above ground floor commercial (4 or less units)	Residential above ground floor commercial (5 or more units)
	Neighborhood Business (NB)		
	General Business (GB)	Standalone multi-family; multi-family above ground floor commercial	
Form-Based Zone (FBZ)	Accessory apartment (with ground floor limitation in Frontage Zones)		

Rooming Houses and Group Homes

Rooming Houses: While rooming houses are a prohibited use in the Manchester Zoning Regulations, current zoning permits renting of rooms within a private residence, thereby providing low-cost rental options for individuals.

Group Homes: Manchester's zoning regulations permit the development of group homes in the following zones: Rural Residence, Residence AA, and Planned Residence Development Zones. Additionally, community residences of six or fewer mentally disabled citizens or six or fewer children with mental or physical disabilities are exempt from Manchester zoning regulations by State Statute.

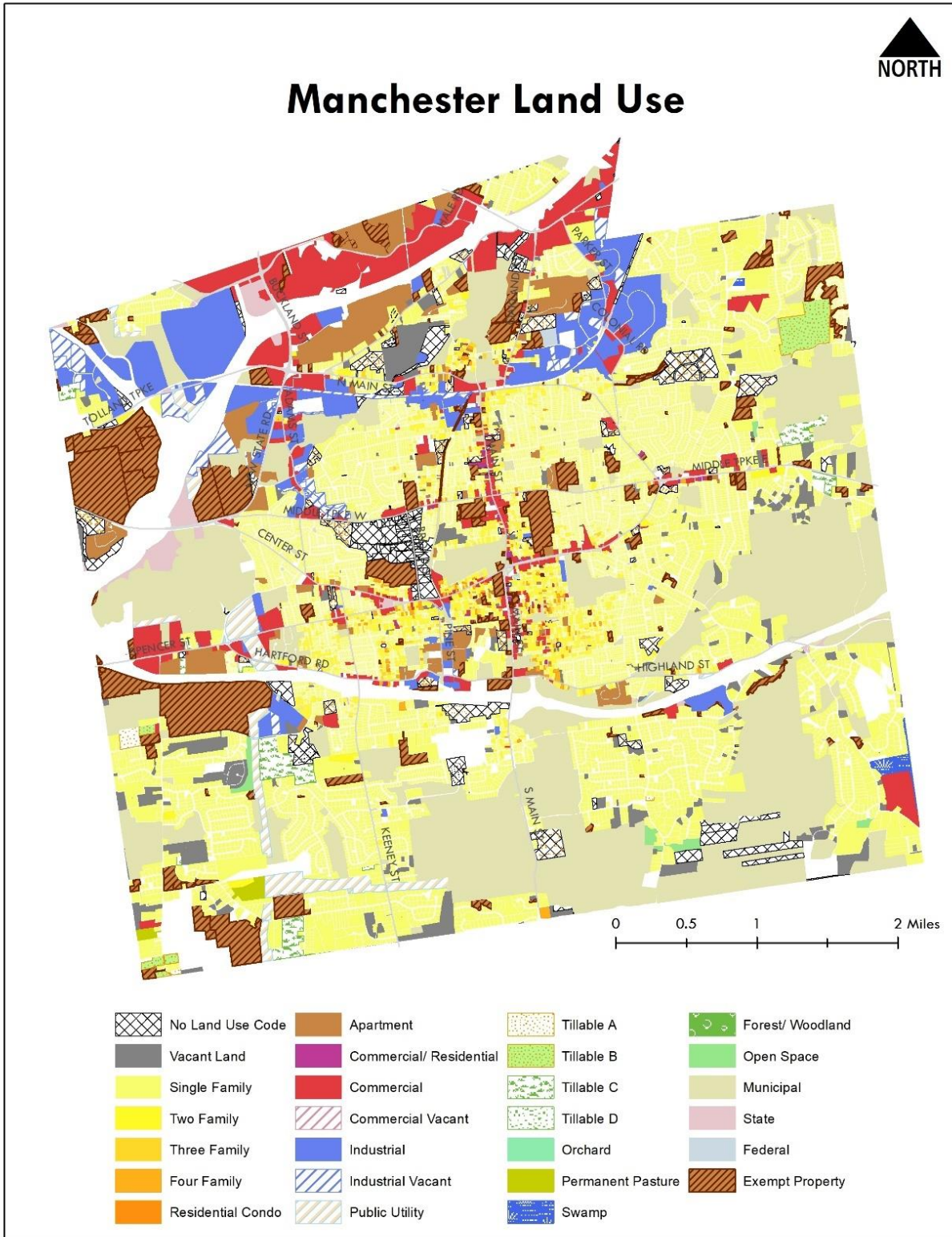


Figure 11: Manchester land use patterns. Much of Manchester is devoted to residential development.

Public Act 21-29

Passed in 2021, Public Act 21-29 represents significant land use and zoning reform in Connecticut. The law permits accessory dwelling units as-of-right; caps parking requirements at one parking space for studio/one-bedroom units and two parking spaces for two or more bedrooms; prohibits minimum floor areas greater than the building code requires; substitutes physical standards for “character” as a reason to deny an application; and requires zoning regulations to affirmatively further fair housing. It also limits application fees for multi-family housing to the level of other residential dwellings, but authorizes towns to require applicants to pay for a zoning commission’s review consultants.

While the law is a significant step towards encouraging a more diverse housing stock throughout Connecticut, Manchester already had many similar provisions prior to its passage, as outlined in the below table.

Public Act 21-29: Changes and How Manchester Compares		
<i>Policy</i>	<i>Changes from Public Act 21-29</i>	<i>Manchester Comparison</i>
Accessory Dwelling Units (ADUs)	Allows construction of ADUs on lots with single-family homes, unless a municipality chooses to opt out of this provision by January 2023.	In 2021, the PZC adopted regulations allowing ADUs by-right in all single-family zones.
Multifamily Housing PA 21-29 strengthens municipal obligations to enable multifamily housing and housing for households at different incomes.	<i>Fair Fees for Multifamily and Affordable Housing Reviews:</i> Directs that application review fees for multifamily housing not be disproportionately high compared to fees charged for single-family housing.	Fee structure has long been in line with this provision and has not charged multi-family applications higher per unit fees.
	<i>No numerical caps:</i> PA 21-29 restricts municipalities from placing a numerical or percentage cap on the total number of multifamily homes in a district.	Never had a cap on multi-family housing units.
	<i>Minimum unit size requirements:</i> Prohibits municipalities from establishing minimum unit sizes larger than the minimum unit size established by Building Code.	Multiple zones with a range of minimum lot sizes, from 7,200 square feet to 30,000 square feet.
	<i>Stronger obligation to zone to enable housing opportunities:</i> Requires zoning to provide for opportunities for housing, including multifamily housing. Previous language required that zoning merely "encourage" and "promote" such housing.	Zoning has long enabled a variety of housing types. Small and large lot single-family homes, duplexes, triplexes, townhomes, and large multi-family units.
Reduced parking requirements	Requires that zoning must not require parking in excess of 1 space per studio or 1-bedroom unit, or 2 spaces for larger housing units.	No parking maximums and there are no parking minimums in the Downtown Central Business District. Shared parking allowed in certain districts.
Commissioner Training	Establishes ongoing training requirements for land use commissioners.	Budget line dedicated for commissioner training.

Summary

Zoning is not a primary constraint for affordable or market-rate housing in Manchester. The Town's regulations afford developers the ability to construct a wide range of housing products of different styles, at a range of sizes and price points. The Town's permitting process is one of the more streamlined in Connecticut, while the application fee structure treats multi-family applications similarly to other proposals. Nearly all of Manchester's primarily single-family residential zones offer the option to convert to at least a 2-unit structure under the Special Exception process, while nearly all commercial areas allow some residential as well. Staff and the Planning and Zoning Commission have continued to modernize the zoning regulations in order to respond to market needs and modern preferences.

While the Town's current regulations and permitting process currently do not impede viable development opportunities to proceed, market conditions and the housing needs of residents continually evolve, making it important for future Planning and Zoning Commissions to keep abreast of trends and adapt regulations appropriately. Manchester's history to date suggests this tradition of adaptability can serve future generations and address their housing needs.

Manchester's Housing Market

Most elements of a housing market are often beyond the control of an individual community. Factors such as the regional labor market, household income growth, financing availability and interest rates, and cyclical labor and material factors in the construction industry often have greater impact on the amount of housing constructed and available for rent or purchase. However, municipalities do have direct control over their zoning regulations, which can artificially reduce supply where there is otherwise demand for housing. Manchester's land use and zoning regulations have been described in a previous section. However, it is important to note both the rental and sales markets are complicated systems with multiple variables impacting both supply and demand.

Housing Market Activity

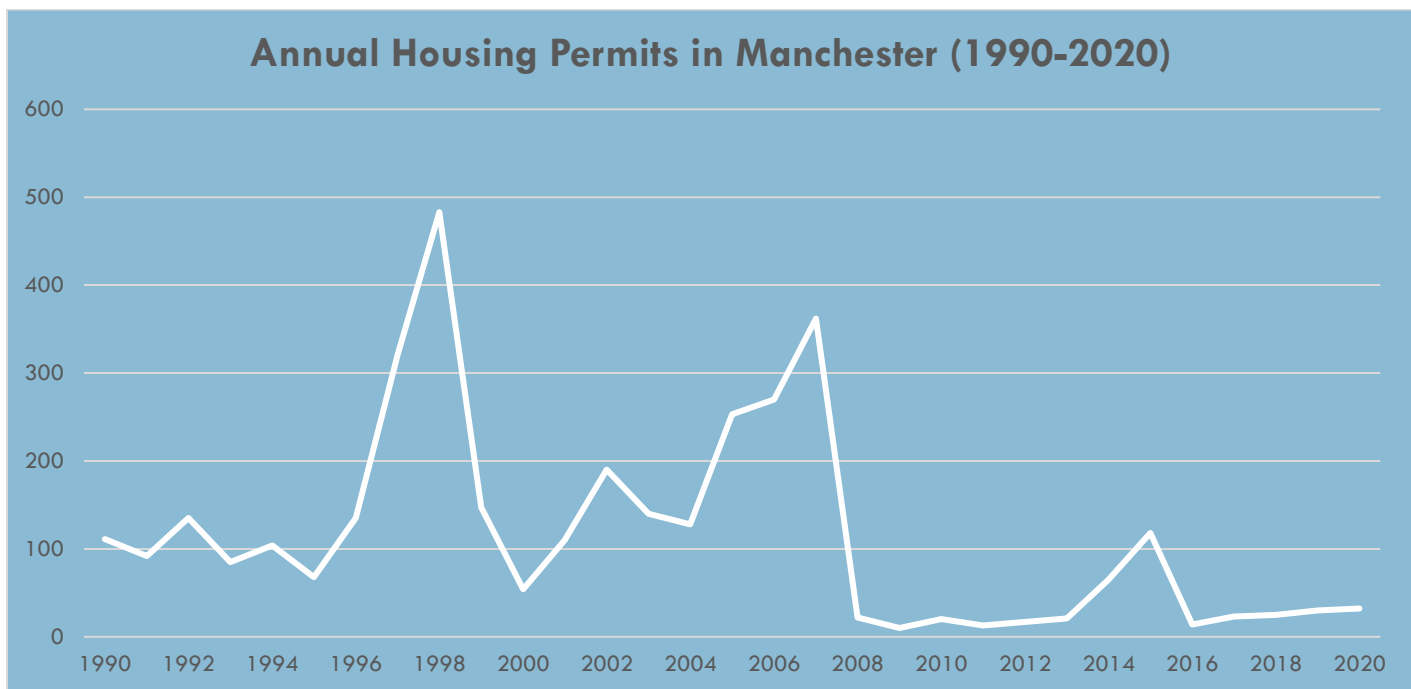


Figure 12: Source: CT Department of Economic and Community Development

Housing permit activity in Manchester has been low since the 2008 crash of the housing bubble. Peak activity in the previous twenty years occurred in 2007, with 362 permits. Since the Great Recession, the housing market in Connecticut as a whole has been weak and Manchester is not an exception. Permit activity since 2008 is consistently below the numbers in the early 1990's, when the state economy was in another severe contraction.

However, like in most of the country, the COVID-19 pandemic generated significant changes to Manchester's single-family home sales market. The median price for single-family homes in Manchester reached an all-time high of \$234,345 in 2021, more than the previous high of \$218,000 in 2007. In 2021, Manchester saw a 17.2% year-to-year increase in the median sales price for

single-family homes, the largest increase in recent record and significantly higher than either Hartford County (12%) or Connecticut (10.3%).

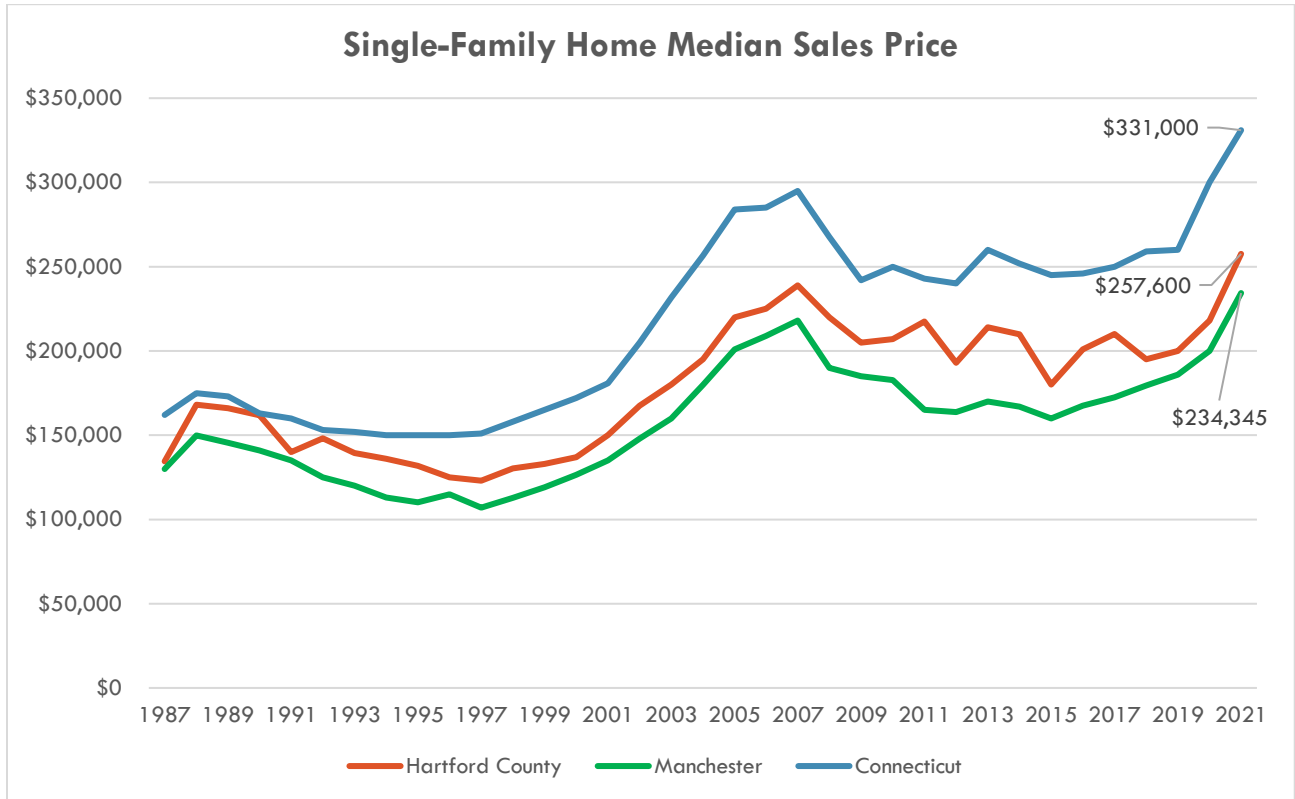


Figure 13: Source: Warren Group

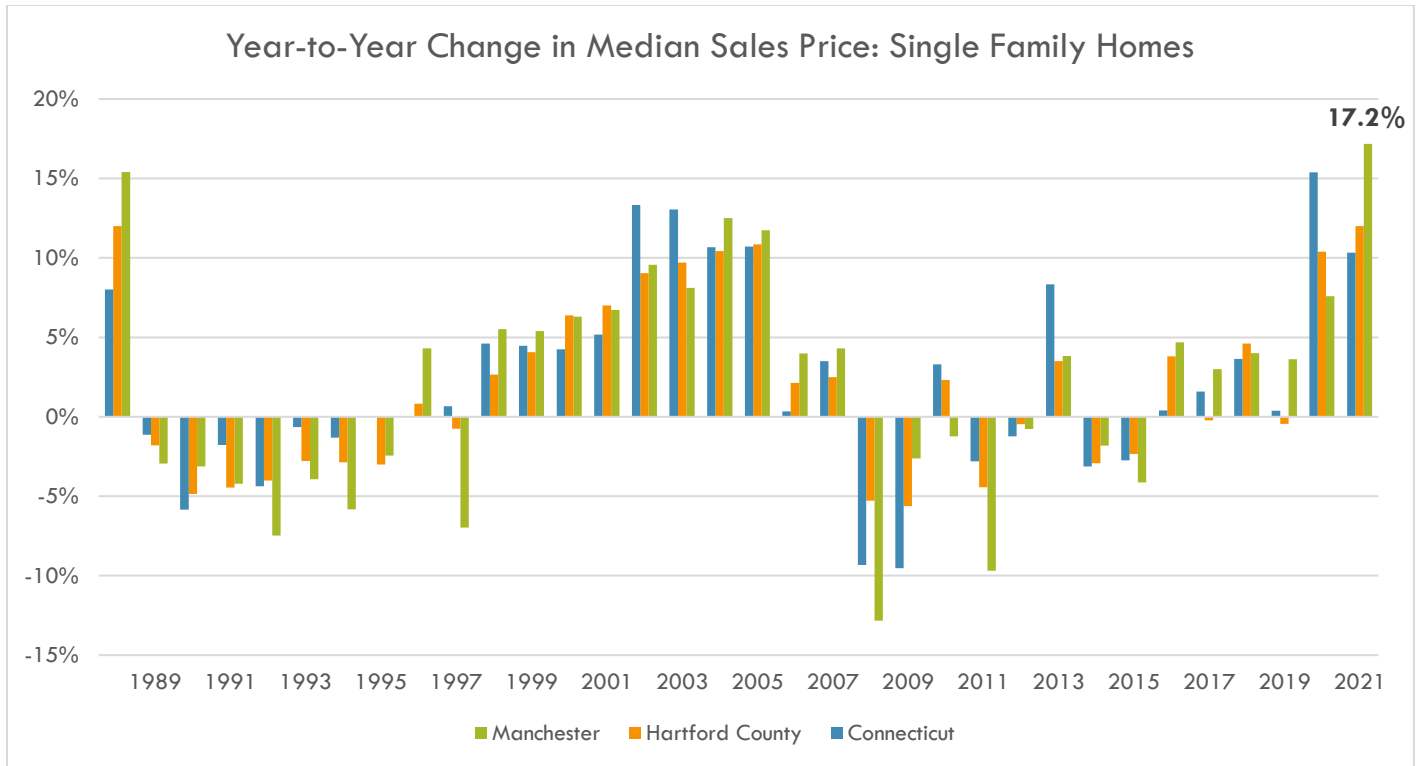


Figure 14: The median sales price of a single-family home sold in Manchester increased 17.2% between 2020 and 2021, higher than both Hartford County and Connecticut. (Source - Warren Group Town Stats)

“The strongest residential real estate market in a decade — touched off by the pandemic — set the stage for 2021’s home buying frenzy across much of Connecticut, which was boosted by a shift in housing needs as a result of COVID-19 and marked by surging sale prices.

Three times — in February, March and July — the Hartford metro area drew national attention for its stunning drop in inventory of homes for sale in countrywide rankings of hot home sale markets by real estate giant RE/MAX. The Hartford metro area, which includes Hartford, Tolland and Middlesex counties, topped the list of 53 metros in February for inventory declines.”

- Pandemic helps fuel Connecticut’s strong home sale market in 2021, a welcome change from residential real estate’s struggles of the last decade; [Hartford Courant, January 2, 2022](#)

Recent Housing Developments

While the housing construction market in Connecticut has not been strong over the past decade, Manchester continues to see new housing construction each year. With little land left for single-family detached home subdivisions, most recent housing permits are for smaller, multifamily developments.

Promise House

In 2021, Community Health Resources (CHR) opened Promise House, a 13-unit, multifamily building providing housing and related support for formerly homeless youth. The project was funded through the Connecticut Department of Housing and the units are deed restricted.



Promise House- Photo Credit Corporation for Supportive Housing

Spencer Street

Spencer's Landing is an age-restricted (55+) development which, when complete, will include 130 units. While this Elderly Housing Development (EHD) project has suffered from numerous construction delays, work is again underway as of the fall of 2022 and the owner (Calamar Development) hopes to have units occupied by spring 2023. While the units cater to "middle-income" households, none have deed-restricted affordability.



Spencer's Landing – Photo Credit Calamar

191 Spencer Street is an approved conversion of a former hotel into 110 units of studio, one- and two-bedroom apartments. The conversion is underway as of fall 2022 and expected to be complete next year.

Planned Residence Developments

The Manchester Planning and Zoning Commission approved plans for a Planned Residence Development (PRD) on the corner of Oakland Street and Lilian Drive in 2021. The project is under construction as of fall 2022 and, when complete, will consist of 37 two-bedroom apartments.

Chatsworth Court is a small (16-unit), approved PRD under construction as of fall 2022. The project is located on Tolland Turnpike between Union and Slater Streets.

Bayberry Crossing

Bayberry Crossing is an approved subdivision of 44 single-family homes under construction as of fall 2022. The project sits in the southern side of town between Cougar Drive and Wetherell Street. The infrastructure and approximately ½ of the homes have been constructed.



Bayberry Crossing

Downtown

As part of its Downtown 2022 initiative, the Town has established a no-interest loan program aimed at incentivizing transformative rehabilitation projects in older Downtown buildings. One of the primary focuses of the program is encouraging new or modernized housing units on upper floors. As of fall 2022, the following projects were awarded loans, with construction underway.

- **2-4 Pearl/623 Main** – Mixed-use rehabilitation project resulting in eight (8) market rate, studio and 1-bedroom upper-floor apartments. The project is expected to be complete during the spring of 2023.

- **893 Main** – The owner of the property is rehabilitating the second floor of this multi-story building into six (6) market rate apartments through the Town’s Downtown Loan program.



2-4 Pearl AKA 623 Main Rehabilitation

While Manchester continues to permit and produce housing units, it is worth noting that, with the exception of Promise House, none of the above projects, and no projects currently underway, include deed-restricted, affordable units. If Manchester is to continue to comply with 8-30g and remain a community in which people of all income levels are able to live, existing affordable units must be preserved and new units constructed.

CHFA Housing Market Typologies

The Connecticut Housing Finance Authority (CHFA) has published² a statewide housing needs assessment that includes an analysis of Connecticut's housing market. This assessment provides an overview of relative market strength for both rental and homeownership housing and also addresses factors such as access to jobs and education centers. Both opportunity and market activity were used to produce the following market typology classifications at a census tract level:

- High Opportunity/Strong Market
- Low Opportunity/Strong Market
- High Opportunity/Weak Market
- Low Opportunity/Weak Market
- Low Development Activity

The Opportunity Index (high/low) identifies areas with easy access to jobs and good schools. The Market Activity Index (strong/weak) classifies census tracts based on the amount of market activity that has taken place over a five-year period, 2013 to 2017, sorting between strong or weak markets. Strong markets are more likely to see development activity than weak markets.

Since the homeowner market and rental market can differ, a census tract can have a strong homeowner market and weak rental market. There is also a Low Development Activity market type, which classifies census tracts where population growth is stagnant and vacancy rates are high. While the real estate market and economy have changed since 2013-2017, these market typologies still provide a useful frame for assessing the development potential of particular neighborhoods.

In general, the statewide analysis found that lower opportunity markets tend to lie in Connecticut's urban centers, while high opportunity markets are more suburban. The Low Opportunity/Strong Market typology is generally highly clustered in several urban centers, especially in the rental market. These patterns appear to hold true in Manchester. Below are some general observations for both the rental and sales market typologies.

Rental Market

Strong rental markets are areas with increasing populations and strong demand for rental housing development. These areas have experienced the fastest income growth among renters. In High Opportunity/Weak Market areas, there is also growth in rental development, but with only modest growth in renters' incomes. Renters generally earn less than owners in all market types.

Renters in High Opportunity/Strong Market areas tend to be older and have the highest incomes and the fastest pace of income growth. High Opportunity areas are in demand by upper income renters, while lower income renters tend to reside in low opportunity market areas. In High

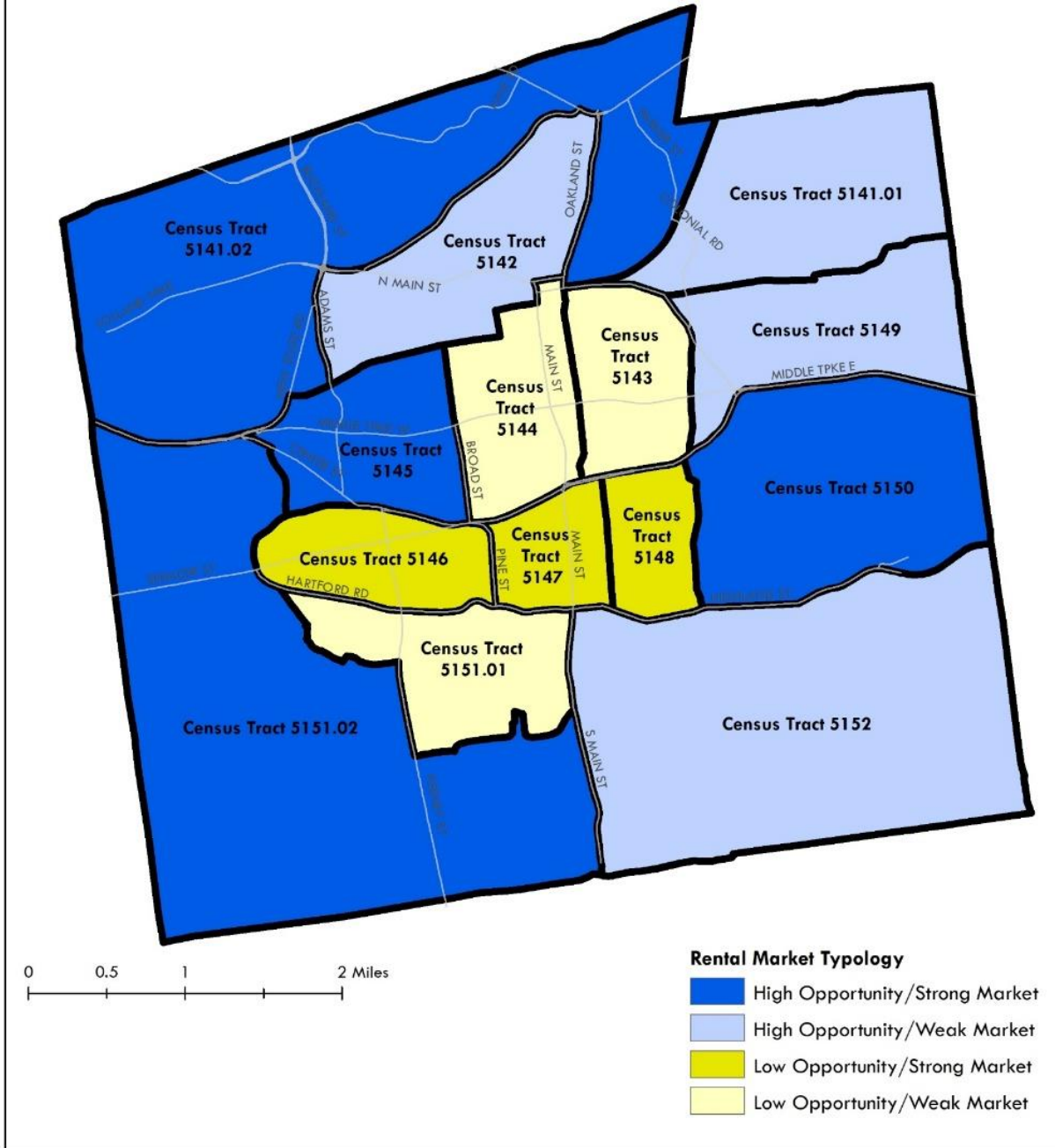
² Connecticut Housing Needs Assessment; https://www.chfa.org/assets/1/6/Connecticut_HNA.pdf

Opportunity/Strong Market areas, median rent has increased faster than median household income among renters. However, in these market areas rent still consumes less than 30% of household income due to the higher disposable income among most renters in these markets. Unsurprisingly, higher income renters in the High Opportunity/Strong Market also inhabit the newest housing stock available.

Renters in Low Opportunity markets are more likely to live in older housing than those in high opportunity markets. Despite occupying older housing, rent consumes more than 30% of income for many households due to the lower amounts of disposable income.



CHFA Rental Market Typology



The Buckland Hills area (Census tract 5141.02) is a High Opportunity/Strong Market area. It features Manchester’s newest multi-family building stock and has excellent proximity to the

highway system and various employment opportunities. The core of town tends to feature either Low Opportunity/Strong Market or Low Opportunity/Weak Market neighborhoods. These areas are where the bulk of Manchester's naturally occurring affordable housing is located. The housing stock in these neighborhoods is the oldest in town and generally features the fewest amenities. Much of the Town's CDBG Housing Rehabilitation funds are focused in these areas. Generally higher maintenance costs are also typical in these areas.

The East and West Side neighborhoods (Census tracts 5148 and 5147, respectively) are both Low Opportunity/Strong Market areas. According to the CHFA analysis, Low Opportunity/Strong Market areas are the most profitable market for developers, likely due in part to the relatively low acquisition costs. However, this is also the least affordable market area for renters, with many spending over 30 percent of their income towards rent. According to CHFA, median rent increased 3.0% in these areas compared to a 1.2% increase in renter income. As shown in Figure 4, the number of rental units available for less than \$1,000 per month has drastically declined over the past decade, greatly limiting options for low-income renters who do not have access to Section 8 rental vouchers or other means of assistance.

Low Opportunity/Strong Market areas and Naturally Occurring Affordable Housing

How can an area be low opportunity yet a strong market? As noted in the CHFA analysis, these areas are the most profitable market for developers, with a median capitalization rate (or cap rate) of 7.2%, even with the second lowest median rent. A capitalization rate is simply the estimated percentage rate of return that a property will produce on the owner's investment. While not the only measure, a capitalization rate of 5 to 10 percent generally bodes favorably for an investor. The favorable cap rates in these areas suggest that some investors may be enticed by the relatively low property acquisition costs in these neighborhoods.

As noted, these neighborhoods are also the least affordable market area for renters – over 30.0% of their income goes to rent. Median rent increased 3.0% in this market type compared to a 1.2% increase in renter income. The incentive for investors to raise rents can potentially reduce the supply of naturally occurring affordable housing. There is also the danger for some marginal investors to skimp on necessary repairs to minimize expenses and maximize their return on investment. While private investment often plays a significant role in the revitalization of communities, policymakers should be aware of this dynamic and keep in mind the impact changes in ownership can have on vulnerable renters.

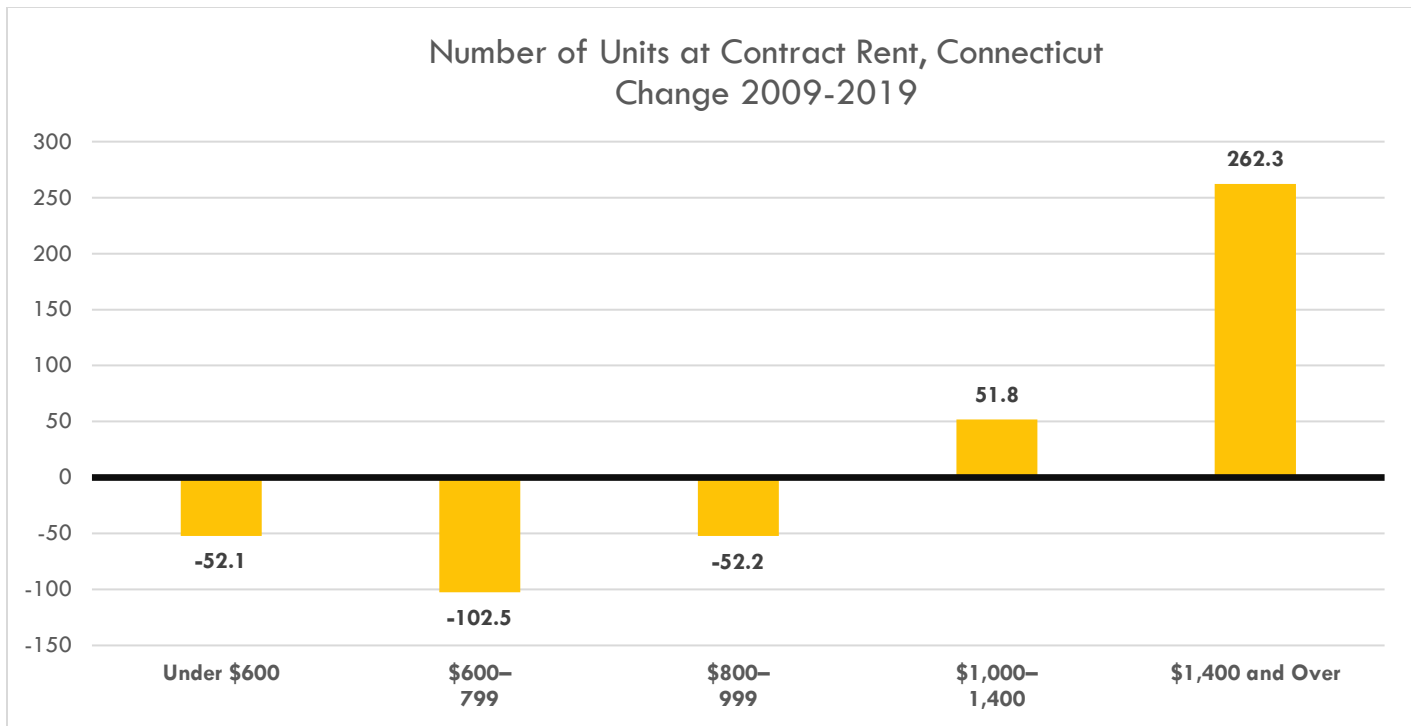


Figure 15: The number of available rental units for under \$1,000 per month has drastically declined over the past decade. (Source: Harvard Joint Center for Housing Studies tabulations of US Census Bureau, American Community Survey 1-Year Estimates)

Sales Market

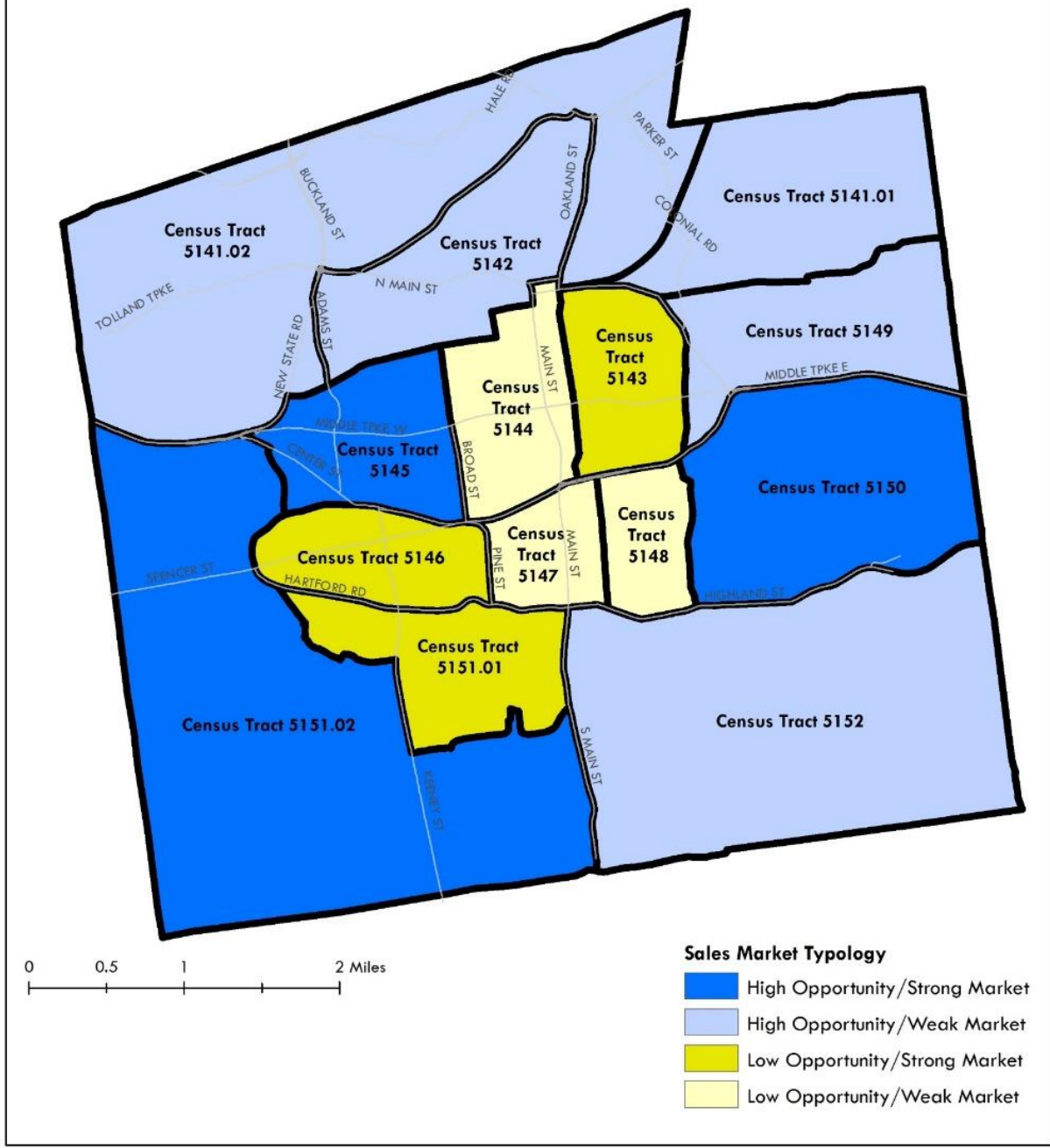
Homeowners in High Opportunity areas are more likely to live in newer housing, while the two Strong Markets have the majority of Connecticut’s housing that is less than forty years old. The High Opportunity/Strong Market contains over half of the State’s owner-occupied housing under ten years old.f

Meanwhile, homeowners in the Low Opportunity/Weak Market own older housing stock. Prices in these Low Opportunity areas have increased at a greater rate than income among renters in such areas, making it more difficult for renters to make a first home purchase. Alternatively, homes in High Opportunity areas are becoming more affordable to renter households in those same areas, as a smaller percentage of their household income is needed for rent payments.

The difference in prices between High and Low Opportunity areas makes it difficult to move between markets as a first-time homebuyer. However, due to rising prices, particularly in the Low Opportunity/Strong Market, a household could sell their home as an appreciated asset and potentially move to a high opportunity market.



CHFA Sales Market Typology



The homeownership market is strongest in Census tracts 5151.02 and 5150. Like the rental market, the sales market in Manchester tends to be weakest in the core of town, particularly the East and West Side neighborhoods (Census tracts 5148 and 5147, respectively).

Market Typology Summary

The CHFA market typologies provide an interesting overview of the various challenges and opportunities facing individual neighborhoods, both in the rental and homeownership market. While the data from 2013-2017 is a bit outdated, the basic typology patterns still apply for nearly all of Manchester’s neighborhoods and provide additional context to existing Town policies. A primary takeaway is that the more challenging opportunities and market conditions prevail in the core of Manchester, compared to the more outlying suburban-style neighborhoods. Public sector investment and intervention is necessary in the core of town to ensure the most vulnerable residents have quality housing options available.

“Apartment rents in Connecticut soared by the double-digits in the last year, squeezing tenants in a market with dwindling leasing alternatives and more rent hikes expected at least through the end of the year.

In the Hartford metro area, which includes Hartford, Tolland and Middlesex counties, estimated rents rose nearly 11% in the last year, according to apartmentlist.com, which tracks trends in the rental market. The median rent for a one-bedroom apartment, or the middle of the rent range, was \$1,244 in February.”

Soaring apartment rents in Connecticut squeeze tenants in a tight leasing market

[Hartford Courant, March 27, 2022](#)

<https://www.ctinsider.com/realestate/article/Why-monthly-rent-has-risen-sharply-in-Connecticut-16835535.php>

Summary

While much of the housing market in the northeast has been cool since the Great Recession, there has been a relative lack of construction to keep pace with even modest population growth. Combined with the increased household formation as more of the millennial generation enters middle age, this lack of supply relative to increased demand has led to the recent price increases. Absent new construction to increase supply, it is likely that prices will remain relatively elevated for the foreseeable future.

While the sales and rental markets in Manchester can be seen as relatively affordable compared to either Hartford County or Connecticut, they are still strong enough to remain out of reach for many residents. Town policymakers should consider the age of the housing stock and new ownership when assessing development activity. The availability of the older, naturally occurring affordable housing stock is likely to decline as both household formation increases among millennials and new investors seek opportunities to capitalize on the limited supply of an essential need such as shelter. It will be important to monitor changing conditions as post-COVID-19 market dynamics continue to evolve.

Plan Principles, Goals & Actions

The primary goals of the plan are centered around two simple principles – production and preservation. Production-related goals address incentivizing the construction of new units, while preservation-related goals are intended to help maintain and improve the Town’s existing stock of affordable housing. Multiple strategies are available to advance both production- and preservation-related goals. When addressed together, these strategies will help ensure Manchester maintains a diverse and accessible housing stock.

Goals: Production & Preservation

Production

The age of Manchester’s housing stock makes the production of new construction important. Newer construction will feature greater energy efficiency features and modern amenities, and help improve the perception of vitality and desirability of Manchester. Most importantly for affordable housing goals, the creation of new units will increase supply and could prevent higher income households from overbidding for older units that have traditionally served households with more modest incomes. As a mature community, Manchester has limited sites available for large-scale development, which means the Town must capitalize on opportunities where infill housing is a viable option.

Preservation

Manchester’s opportunities for substantial amounts of new housing construction are limited. This reality increases the importance of preserving and maintaining the Town’s existing housing stock to maintain an adequate supply of quality housing. The Town’s CDBG housing rehabilitation and emergency replacement programs will continue to play a critical role in ensuring Manchester’s older homes are preserved and available to house lower income households. Additionally, alternative funds could be leveraged to expand these programs to benefit a large portion of Manchester’s population.

Strategies

Utilize the production of multi-family housing as a tool for redevelopment: In recent years, the Town has focused economic development efforts on redevelopment of older commercial centers. A strong multi-family market could be leveraged to generate development activities in those areas. Such opportunities include Broad Street, Downtown, Spencer Street, Buckland Hills, and closed elementary schools. With the multi-family market remaining stronger than that of office or retail, encouraging a housing component could offer a solution to incentivize development.

Consider incentives for affordable accessory apartments: Town zoning regulations now allow accessory dwelling units (ADUs) by right in all existing single-family zones. To incentivize the construction of ADUs, the Town could explore offering a property tax agreement in exchange for

property owners placing income limits or deed restrictions on their accessory units to make them available to lower-income tenants. Such a policy would help the Town maintain its current stock of affordable housing under definitions of the 8-30g “Affordable” inventory.

Review parking requirements for new proposed affordable housing development: The Planning & Zoning Commission could consider lowering parking requirements for multifamily and affordable homes and accessory dwelling units in order to make such projects more feasible. This could be particularly impactful for projects served by transit or otherwise surrounded by a mix of services and amenities.

Consider density bonuses: Density bonuses allow more units (and/or height) to be built on a parcel of land than would otherwise be permitted by underlying zoning. Typically, such policies allow increases of 10-20% over baseline permitted density in exchange for the inclusion of affordable housing. The Planning & Zoning Commission could consider allowing for density bonuses in certain zones, offering developers the opportunity to increase the number of units they can develop when affordable units are included.

Explore the viability of a Community Land Trust: Community Land Trusts (CLT) are community-controlled organizations that advance affordable housing by selling or renting to lower-income households while retaining ownership of the underlying land. In exchange for purchasing homes at below-market prices, owners agree to resale price restrictions that keep homes permanently affordable to subsequent owners with similar income levels. In many scenarios, sellers are still able to build some equity from this arrangement. The Town could explore whether a community land trust is a viable option for Manchester and if there are opportunities to partner with other communities or regional organizations interested in forming such an organization.

Pursue and cultivate partnership to support affordable home construction: Consider partnering with Habitat for Humanity (or another non-profit organization) to build affordable homes on Town-owned or privately-owned lots (rental units could also be considered). Habitat has expressed interest in working in Manchester in the past.

Support existing public housing: Where feasible, the Town could support the Manchester Housing Authority’s (MHA) efforts to maintain its existing stock. MHA has submitted an application to HUD to convert the public housing units located at Mayfair Gardens, Westhill Gardens, Westhill Gardens Annex (Phase II) and their other sites to Project Based Vouchers (PBV). The conversion would include a total of 317 units, of which 42 units are currently designated as General Occupancy and 275 units are designated as Elderly and would remain designated as such after the conversion. The units would be rehabilitated as part of the conversion.

Identify deed-restricted units at risk of expiration and focus on maintaining: New housing construction is costly. A more efficient strategy would prioritize maintaining (and, where viable, creating) deed-restricted units that meet the statutory definition of affordable housing as defined in CGS 8-30g. The Town could encourage maintaining the affordability of these complexes through the negotiation of tax assessment agreements, as in the case with the Squire Village transition to

Jonathan Rose Companies. Several larger, multi-family developments could see their affordability restrictions lapse in the coming years.

Expand the Town’s Housing Rehabilitation Program: The Town runs a highly successful Housing Rehabilitation Program through CDBG funds. The program assists low- and moderate-income homeowners and landlords of low- and moderate-income tenants, funding improvements related to health and safety. The program allows residents to stay in their homes while improving conditions in Manchester’s older neighborhoods as well as overall Town housing stock. Funding and eligibility requirements for this program are extremely restrictive. Expanding the program with non-HUD funds could offer assistance to a larger pool of homeowners and tenants.

Goal	Strategy/Action	Priority	Responsible Party
Production	Prioritize housing as a tool for redeveloping underutilized or vacant properties and Downtown revitalization	High	Planning Department Planning & Zoning Commission Board of Directors
	Consider incentives for affordable accessory apartments	Medium	Board of Directors Housing and Fair Rent Commission
	Consider density bonuses	Medium	Planning & Zoning Commission
	Pursue and cultivate partnerships to support affordable home construction	Medium	Planning Department
	Explore the viability of a Community Land Trust	Lower	Planning Department
	Review parking requirements for new proposed affordable housing development	Lower	Planning & Zoning Commission
Preservation	Identify deed-restricted units at risk of expiration and incentivize their extension	High	Planning Department Board of Directors
	Expand the Town’s existing Housing Rehabilitation Program	High	Planning Department Board of Directors
	Support existing public housing – Work with the Manchester Housing Authority on capital repairs, improvements, and redevelopment for the long-term preservation of local affordable housing	Medium	Board of Directors Housing and Fair Rent Commission