



# GROTON AFFORDABLE HOUSING PLAN

September 2021



Prepared by  
RKG Associates, Inc.



# GROTON AFFORDABLE HOUSING PLAN

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Thank you to Town staff for your commitment to providing information and feedback throughout the housing study process. A special thank you to all who took part in interviews and provided us with the local knowledge needed to tailor a housing plan to the Town of Groton. Your expertise and feedback will help shape the outcomes of this plan.

## Purpose of this Housing Plan

The state legislature established a requirement for each of the 169 municipalities in Connecticut to adopt an “affordable housing plan” by July 2022 under CGS Section 8-30j. The plan is required to:

- Specify how the municipality intends to increase the number of affordable housing developments, and
- Be updated at least once every five years.

The Town of Groton’s Affordable Housing Plan is intended to provide a meaningful sense of the housing market, an understanding of key housing issues, housing goals for the future, and provide a list of strategies for implementation. The report should serve as a platform for making calculated policy and programmatic decisions. The information in the report is intended to offer community leaders and stakeholders a basis for formulating community-specific housing priorities, policy alternatives, intervention strategies including land use and zoning decisions, and allocation of Town and other resources.

As a framework for evaluating housing needs and determining appropriate action steps, this document is not meant to be a prescriptive list of to-do’s but rather a flexible plan that can shift with changes in Groton’s local marketplace. The actions in this document also point to timeframes to help the Town identify the most critical steps it should take in the short-term and those that may be more appropriate as partners and funding are secured.

Recognizing that market supply and demand will shift with time and as the Town begins to act on the recommendations, it is important to track progress and periodically update the data depicted in this study. Tracking progress on unit counts, tenure, sale prices, rent rates, affordability, etc. are important indicators in determining whether the current path of implementation is effecting change in a positive and equitable way. Plans should be treated as living documents to be evaluated and updated over time.

# EXECUTIVE SUMMARY

The Town of Groton anchors Southeastern Connecticut and is home to several major employers in the region including a U.S. Navy Submarine Base, the General Dynamics Electric Boat, and Pfizer Pharmaceuticals. The Town began its development history around water and transportation along the waterfronts in Groton Long Point, Noank, Mystic Village, and the City of Groton evidenced by the older housing stock and more densely populated neighborhoods. Over the years, growth has radiated towards the center of the Town from the waterfronts to form a variety of different neighborhoods offering different housing types. The Town also has pockets of higher density housing, comprised of condominiums and rental apartments, scattered on the west side of the Town, around the City of Groton, and the Navy base. Groton is projected to grow in both its resident population and employment base by the year 2030 placing pressure on the existing housing stock likely indicating continued price escalation for both ownership and rental units.

In 2021, the Town initiated an Affordable Housing Plan to both meet the state's requirements of creating a plan but also to better understand the housing supply, demand, and pricing across the entire spectrum of the housing stock within Groton. Knowing that Groton is poised to experience an uptick in both population and employment with several housing and commercial/industrial expansions in the works, there was a desire to better understand if the current housing supply is adequate and what changes may be needed to policies, regulations, and programs to accommodate future change and growth.

The Affordable Housing Plan found that Groton's housing market is very healthy with a reasonable number of owner and renter units turning over each year. Vacancy has been slowly dropping, indicating a tightening of supply in a time when prices (particularly for-sale units) are increasing significantly. Groton does have a wide range of housing types which may appeal to both renters and owners across age, household size and type, and income. The Town currently exceeds the state's mandated 10% affordable housing threshold, although about half of the deed restricted units are available to Navy members and their families first with any additional units available to the general public. This set aside of units may not be fulfilling the full breadth of demand for affordably priced units, therefore this plan lays out goals and strategies to directly address the continued diversification of Groton's housing stock by type and level of affordability. Demographically, the Town is also changing with an aging population looking to divest of larger single-family homes yet remain in the community. Much of Groton's households change and growth has been driven by smaller households and older households, which speaks to the demand for smaller housing units with minimal maintenance requirements. These unit types also appeal to young professionals, single person households, and young families who may be looking for a similar product type.



# FOUR KEY CONSIDERATIONS FOR GROTON & HOUSING

1

## GROWTH

The Town is expected to grow its population and employment base as the region is projected to add around 5,000 jobs by 2030 according to the 2019 SUBASE New London Joint Land Use Study Implementation Project. Today's housing stock will not accommodate this growth. How and where does the Town want to grow should be a key consideration.

3

## MINIMIZE DISPLACEMENT

Housing prices and incomes are rising rapidly in Groton creating immense pressure on the lowest income households to keep up or move out. The displacement of those households may result in less racial and economic diversity in some neighborhoods and push those households further from the jobs and services they depend on. Making affordable housing available in more locations across the Town would provide more housing choice for the Town's most vulnerable residents.

2

## AFFORDABILITY

Housing prices (sales and rents) are outpacing what most Groton residents can afford. This means households having to pay more than they should to live in the Town. How does Groton preserve its existing affordable housing stock while encouraging more to be built Town-wide?

4

## LEVERAGING RESOURCES

The Town will need additional resources to address the housing opportunities and challenges ahead. Seeking partners who can help with housing issues will add knowledge, capacity, and funding resources to match the Town's current efforts. The Town should capitalize on strategic partnerships with non-profits, housing agencies, banks, and employers.

## CONTENT:

### Demographic & Market Conditions

- Population, Age, Race/Ethnicity
- Household Composition
- Education and Income
- Employment
- Housing Stock
- Housing Tenure
- Vacancy
- Home Values
- Rents
- Cost Burden

### Issues & Opportunities

- Issue Area 1: Housing Affordability Gap
- Issue Area 2: Accommodating Future Growth
- Issue Area 3: Rehabilitation Need Assessment

### Goals & Strategies



Photo: An example of multifamily housing in Groton.

# DEMOGRAPHICS & HOUSING MARKET CONDITIONS

**Population, Age, Race/Ethnicity**

**Household Composition**

**Education and Income**

**Employment**

**Housing Stock**

**Housing Tenure**

**Vacancy**

**Home Values**

**Rents**

**Cost Burden**

# KEY FINDINGS FROM THE DEMOGRAPHIC AND HOUSING MARKET CONDITIONS

## **GROTON IS A STABLE COMMUNITY.**

Groton's population has remained stable since 2000, with a drop of 1,082 between 2000 and 2019. Groton's population is projected to grow back by 1,509 between 2019 and 2030, rendering a flat trend over the three decades since 2000. Groton's fastest growing age cohort are those aged 25 to 34, closely followed by residents 55 years and older.

## **GROTON'S POPULATION IS DIVERSIFYING AND WITH IT COMES INCOME DISPARITY.**

The number of Black, Hispanic/Latino resident, and people of some other race/2+ races increased between 2010 and 2019 but White and Asian households continue to earn 1.4+ times the income as Black, Hispanic/Latino and some other race/multi-racial households. This has impacts on affordability, ability to pay for housing, and concentrations of lower income households in certain parts of the Town.

## **ONE-PERSON HOUSEHOLDS, ARE DRIVING GROWTH.**

Single-person households increased 15% between 2010 and 2019, adding nearly 744 new households to the Town. 7+-person households also grew by 143%, adding 116 new households. This is translating into demand for smaller units, particularly smaller rental units, and some extra-large units.

## **GROTON'S RESIDENTS ARE MORE EDUCATED AND HAVE HIGHER HOUSEHOLD INCOMES THAN BEFORE.**

Groton saw its number of households earning over \$200,000 a year increase the fastest by 66% between 2010 and 2019. In fact, every income cohort earning above \$75,000 grew. This correlates with the rapid rise in educational attainment. Residents with Bachelor's degrees or higher increased by 21%.

## **HOUSEHOLD INCOME FOR RENTERS IS GROWING AT THE HIGHEST INCOME LEVELS.**

The number of renter households earning \$75,000 or more jumped significantly between 2010 and 2019. This is likely fueling demand for newer, higher priced rental units across the Town and pushing prices upward as these households can afford rents at the top of Groton's market.

## **OVER HALF OF GROTON'S HOUSING STOCK IS SINGLE-FAMILY.**

Single family housing comprises 69% of the residential land area in Groton. These units comprise 42% of all housing units in the Town. Apartments with 8 or more units contribute 24% of the Town's housing stock but only utilize 5% of the Town's residential land.

## **MEDIAN HOME VALUE IN GROTON HAS DECLINED WHILE SALES PRICES HAVE BEEN RISING SINCE 2016.**

Similar to New London County, the median home value in Groton dropped by 5.2% between 2010 and 2019, most likely resonates with the decline in its population and family households during this period. Homes valued at or above \$200,000 declined by 15%, while homes valued below \$50,000 grew the fastest by 73%. The median sales prices also jumped 48% between 2016 and 2020.

## **RENTS ARE INCREASING RAPIDLY IN GROTON.**

Between 2010 and 2019, median gross rent rose 15% to a high of \$1,268 per month. The number of rental units priced at or above \$2,000 increased by 290% while those below \$1,000 fell by 29%. Rent growth has been driven by demand for smaller units, but the demand for larger rental units may also see a growth.

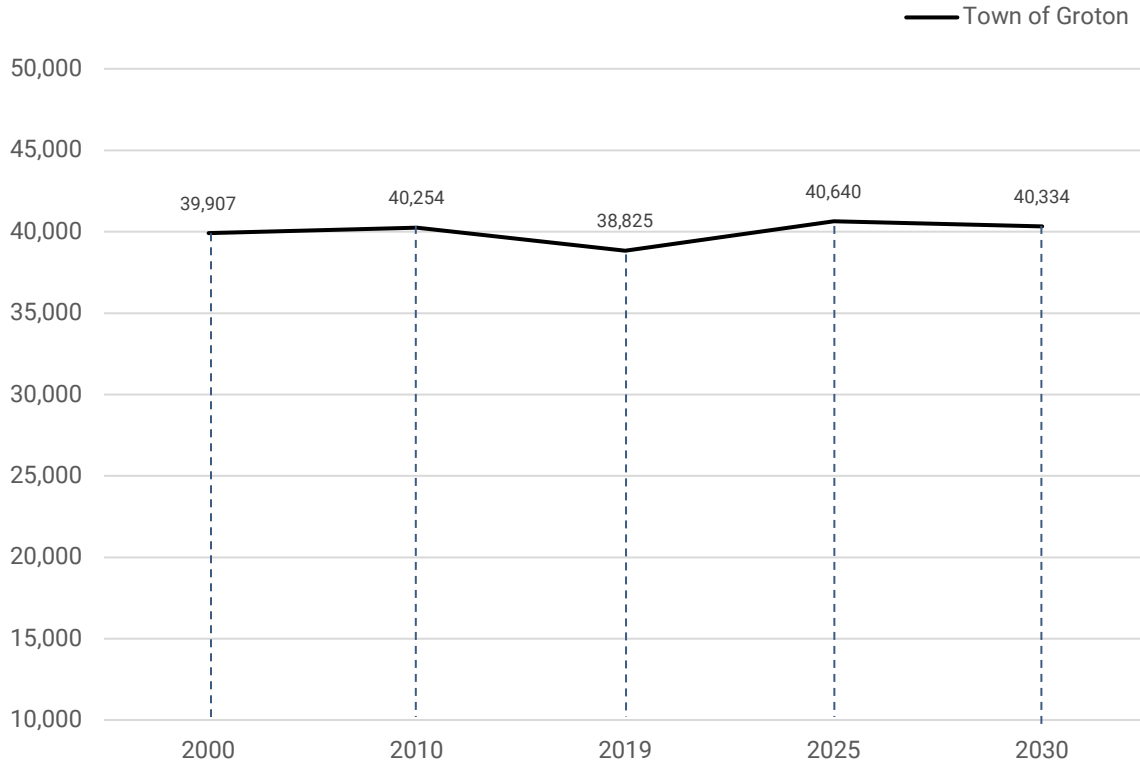
## **CITY OF GROTON, SOUTH POQUONNOCK BRIDGE AND WEST SIDE OF CENTER GROTON SHOULD BE A HOUSING REINVESTMENT AREA.**

The combination of high rental percentages, lower incomes, racial and ethnic diversity, and general rising rent levels creates challenges for stabilizing the housing in these neighborhoods and maintaining its general affordability. A balanced approach is required to both introduce new market rate and affordable housing, as well as strategic investments to improve the quality of existing housing in these area.

Population and Age

### Total Population Change 2000-2030, Town of Groton

Source: CT State Data Center, Decennial Census, ACS 2010, ACS 2019

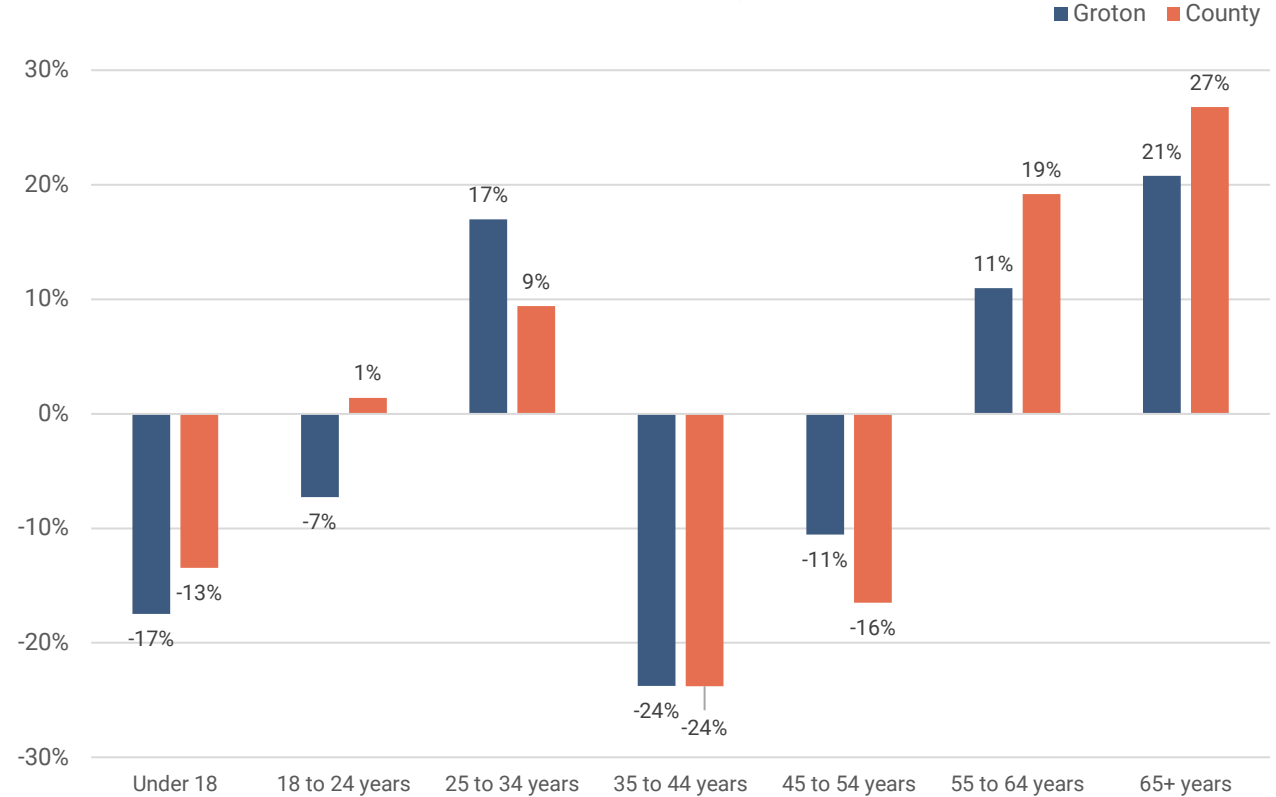


**GROTON IS A STABLE COMMUNITY.**

Similar to New London County, Groton’s population has remained stable since 2000, but there is a slight decline of 3.5% between 2010 and 2019, with a reduction of 1,430 people. Groton’s population is projected to grow back by 3.9% between 2019 and 2030, rendering a flat trend over the three decades since 2000. **Population projections show the Town could add another 1,500 residents by the year 2030.**

### Change in Population by Age 2010-2019

Source: ACS 2010, 2019



**GROTON ATTRACTS YOUNG WORKERS AGED 25-34 WHILE ALSO AGING FAST**

Groton has seen a 17% increase of people aged 25 to 34, who are most likely young graduates and working professionals moving to the Town for job opportunities. The growth is almost twice the County level of 9%, and this group aged 25-34 is key for driving housing demand. Like New London County, Groton is also experiencing a rapid aging of its population. Residents over the age of 55 increased 16% between 2010 and 2019. Given that residents aged 35 to 54 decreased over that time period, suggests some aging in place but also new residents aged 55+ are moving to Groton from elsewhere. The Town has also experienced a decline in the number of school age children over this nine-year period, likely correlating to the decline in residents aged 35 to 54, resonating with a decrease of family households.



Population and Age

**Population by Race/Ethnicity**

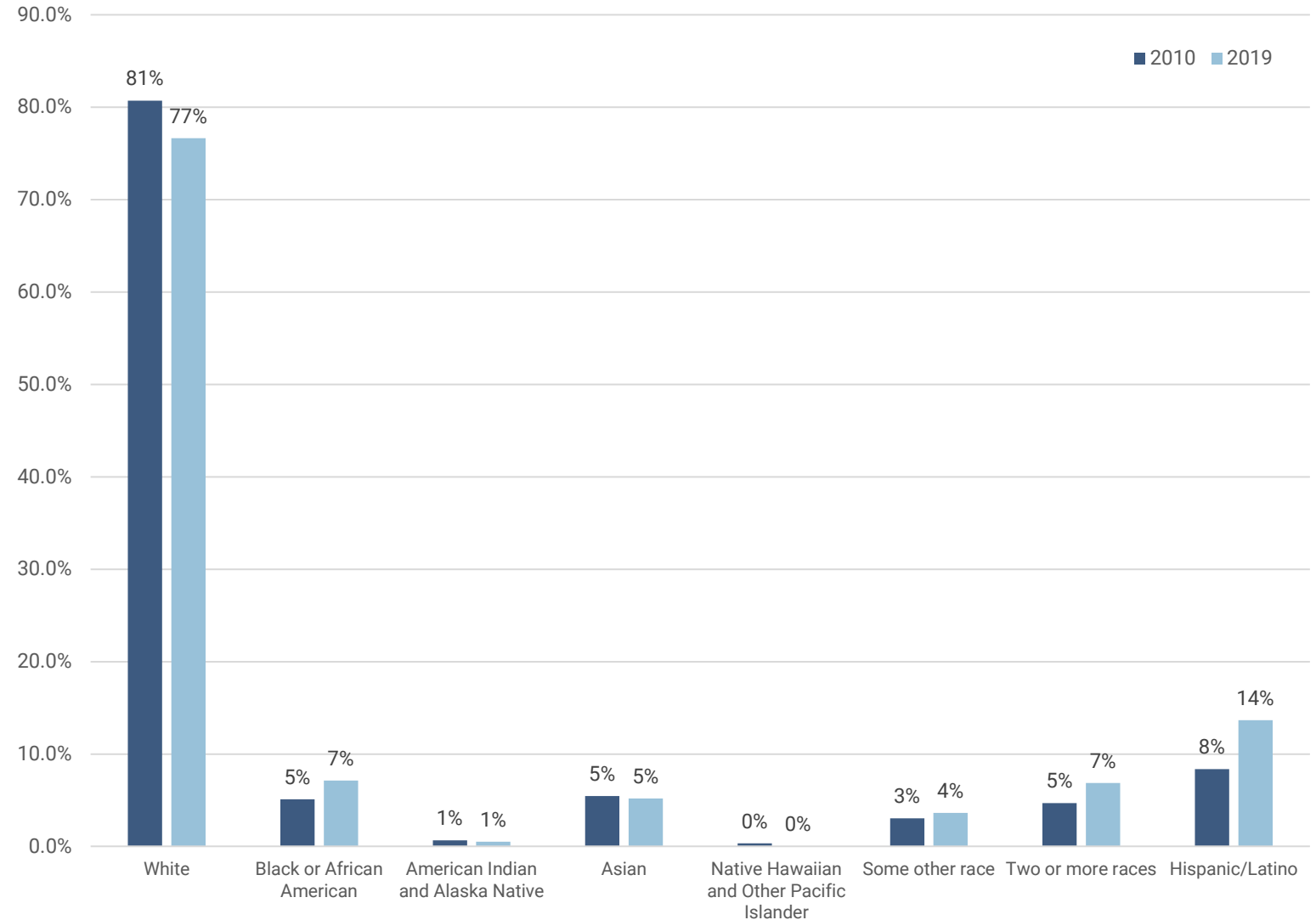
Source: ACS 2010, 2019

**GROTON'S POPULATION IS DIVERSIFYING.**

The total population of Groton decreased by 3.5% between 2010 and 2019, but there has been an increase of more racially and ethnically diverse residents compared to the past, though most of the Town's population are residents who identified as White.

Over the nine-year period, Groton lost 2,700 residents who identified as White and gained 1,300 residents who identified as a race or ethnicity other than White. The most significant growth was seen in Hispanic and Latino residents. This group added 1,950 new residents to the Town.

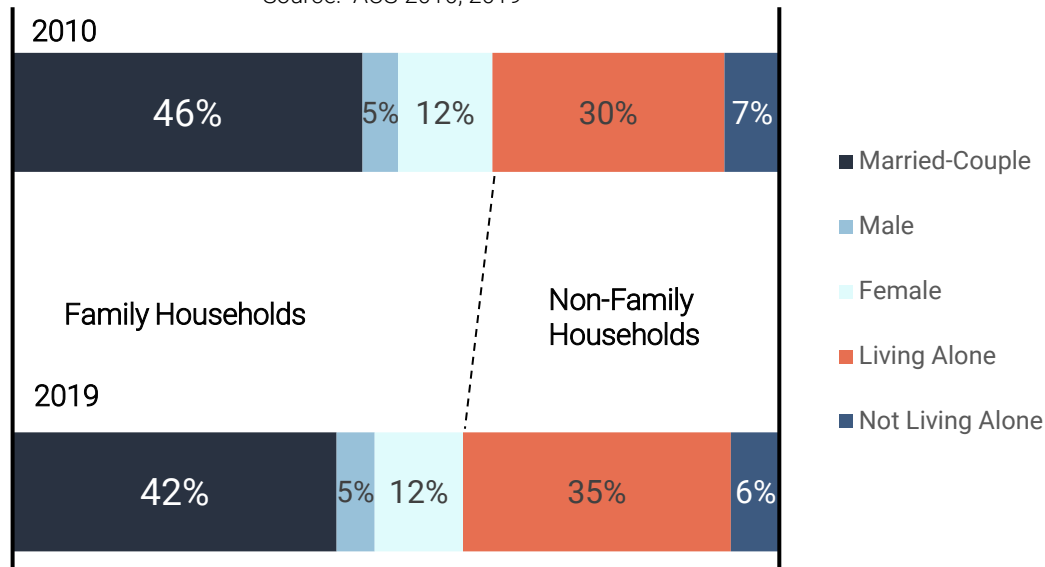
Groton also saw an increase of 770 residents identifying as of two or more races, and 710 more residents identifying as Black or African American.



# TOTAL HOUSEHOLDS HAVE REMAINED ALMOST UNCHANGED, WHILE RENTER HOUSEHOLDS ARE INCREASING.

## Change in Household Composition 2010-2019

Source: ACS 2010, 2019



### NON-FAMILY HOUSEHOLDS ARE ON THE RISE.

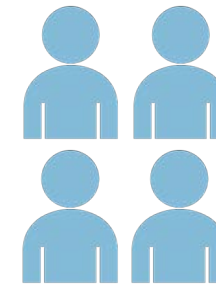
Like New London County, Groton has seen increasing non-family households while a decrease in family households between 2010-2019, resonating with the finding from the population by age analysis.

Approximately 59% of all households are family households in 2019, with a decrease of 607 compared to 2010.

Non-family households account for 41% in Groton in 2019 and have increased by 610 (10.2%) since 2010, which is driven by people living alone, especially those aged 15-34 and 65+. Nationally, we have seen a large increase in single-person households due to delays in marriage, divorce rates, and seniors living alone.

### Change in Households 2010-2019

Source: ACS 2010, 2019

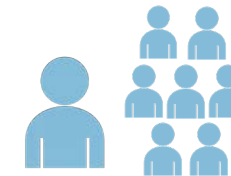


### HOUSEHOLDS REMAIN UNCHANGED WHILE POPULATION DECLINED.

Between 2010 and 2019, the number of households in Groton grew by 3 while population declined by 1,430. Household composition has shifted towards more householders living alone, which grew by 744 while almost all other categories have seen a decrease.

### Households by Size and Tenure 2010-2019

Source: ACS 2010, 2019



### GROWTH DRIVEN BY 1-PERSON HOUSEHOLDS AND RENTERS.

One-person renter and owner households increased by 620 (23%) and 130 (6%), respectively, accounting for 83% of the total household gains. Renter households have also increased by 7% while owner households dropped by 6%. Large renter households with 7 people or more have seen the fastest growth (777%, 101). This can be partially explained by the strong presence of the military base in Groton.

### Households by Age of Householder 2010-2019

Source: ACS 2010, 2019



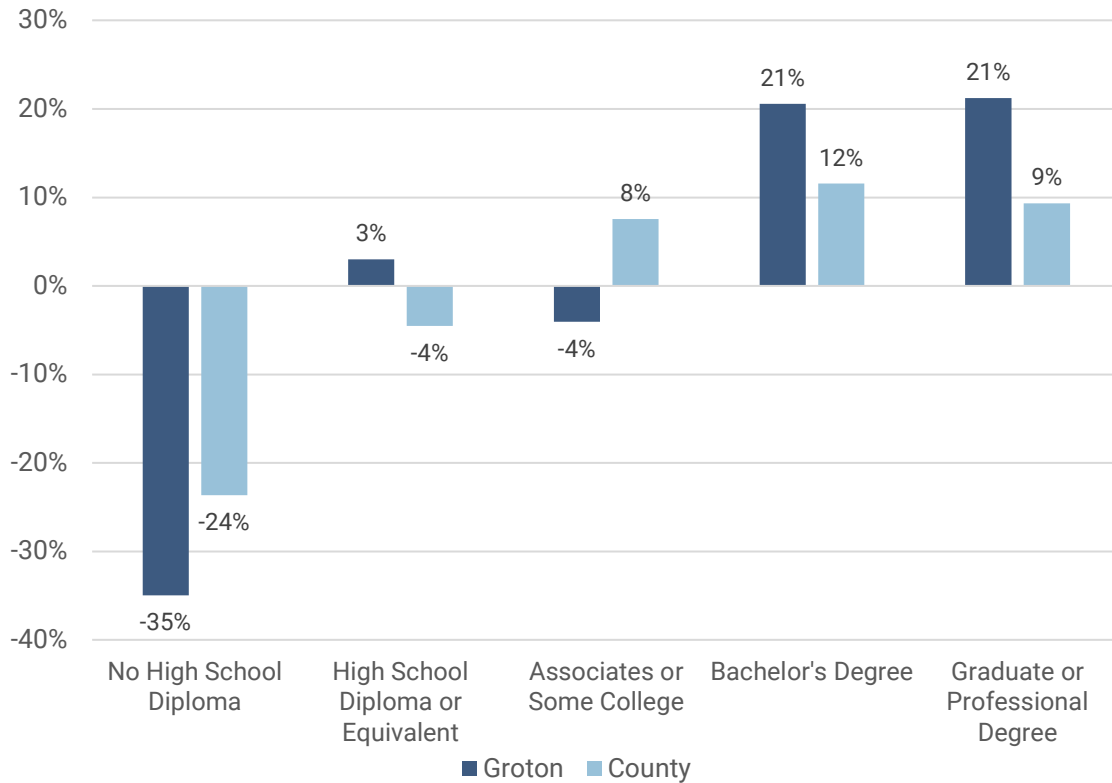
### OLDER RESIDENTS ARE DOMINATING GROTON'S HOUSEHOLDS.

Households headed by a resident 65 years or older are driving growth in most household categories, especially married-couple owner households, and one-person households since 2010.

## Education and Income

### Change in Educational Attainment 2010 - 2019

Source: ACS 2010, 2019

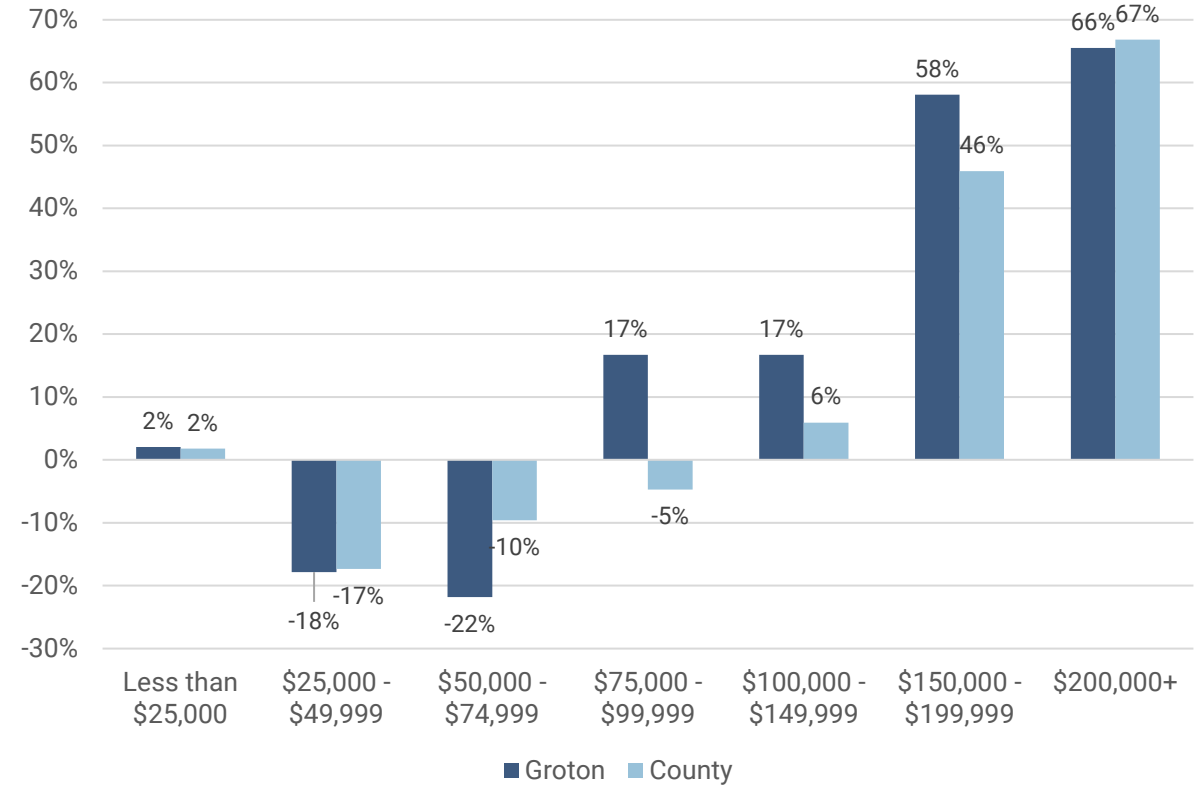


#### GROTON RESIDENTS ARE ADVANCING THEIR EDUCATION.

Between 2010 and 2019, the number of residents with a bachelor's degree or higher increased 21%. That translates into an addition of 1,593 residents who earned post secondary degrees. There is also a strong correlation between the increase in educated residents and the increase in household incomes since 2010.

### Change in Household Income 2010 - 2019

Source: ACS 2010, 2019



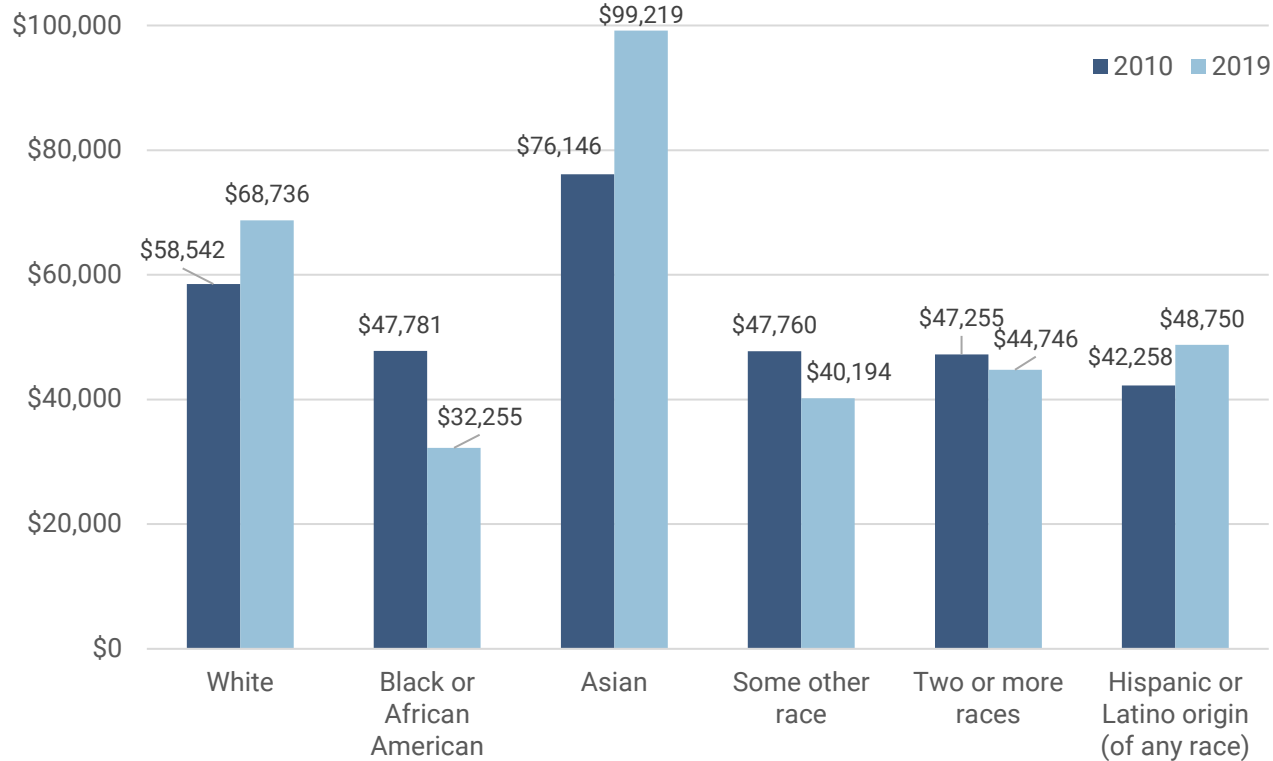
#### HIGHER INCOME HOUSEHOLDS ARE BECOMING MORE PREVALENT IN GROTON.

Groton households have become increasingly wealthier with the fastest growth occurring in households earning more than \$200,000 per year. Since 2010, Groton saw a 28% growth in households earning more than \$75,000 per year. This was a faster rate than New London County (15%). Households earning at or above \$75,000 can afford homes priced around \$315,700 and rents of \$1,875 or more per month.

Income

### Median Household Income by Race/Ethnicity

Source: ACS 2010, 2019

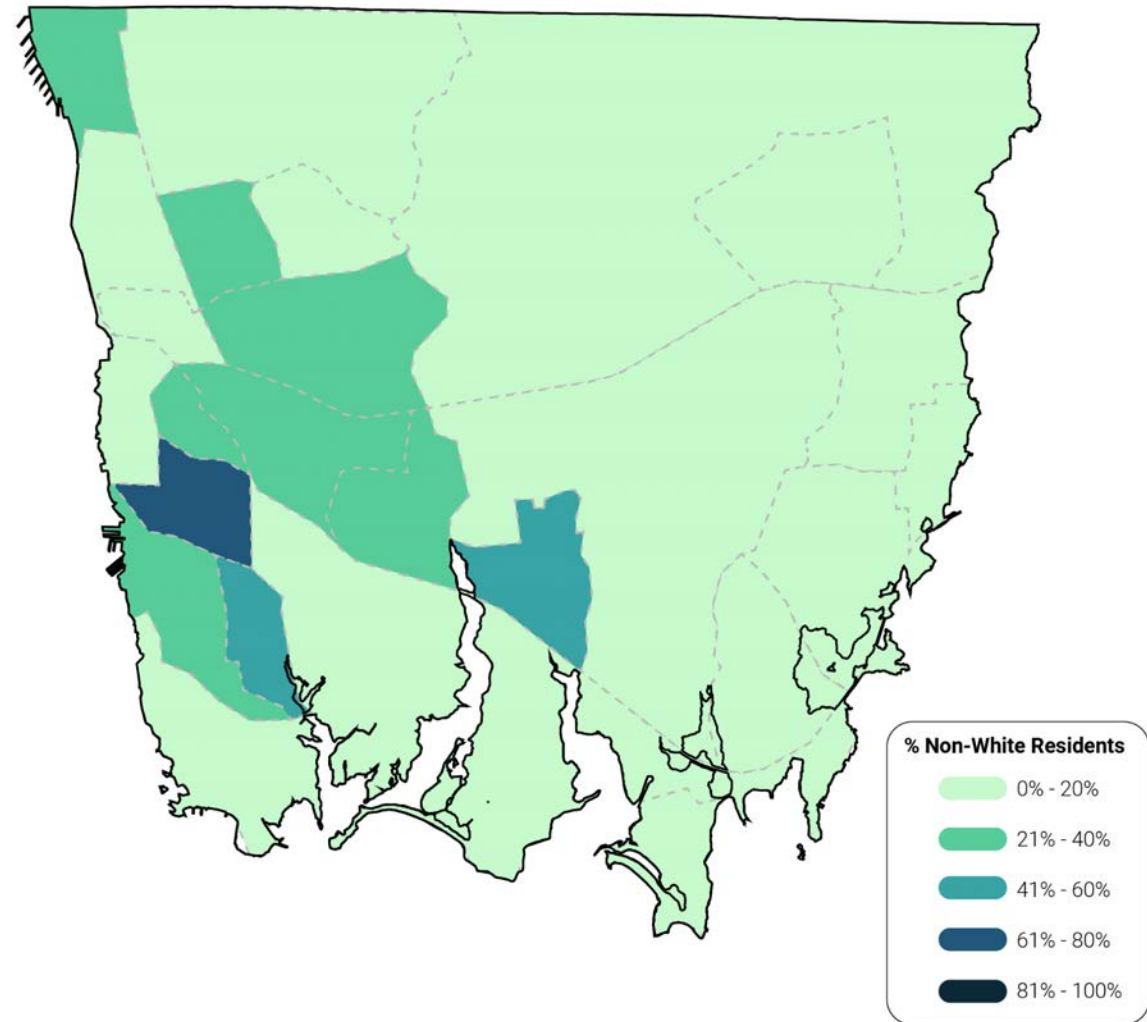


**MEDIAN HOUSEHOLD INCOME OF WHITE HOUSEHOLDS IS AT LEAST 1.4 TIMES HIGHER THAN ALMOST ALL NON-WHITE HOUSEHOLDS, AND 2.1 TIMES HIGHER THAN BLACK HOUSEHOLDS.**

White and Asian households in Groton have significantly higher household incomes than other non-white households. Median household incomes of Black households, households of some other race or two or more races have also declined in 2019 compared to 2010, widening the income gap. This greatly impacts their ability to pay rents and mortgages, contain cost burdening as prices escalate, and find affordable housing options in the Town. It may also be impacting their ability to enter the homeownership market over time as prices continue to rise.

### Percent Non-White Residents

Source: ACS 2019

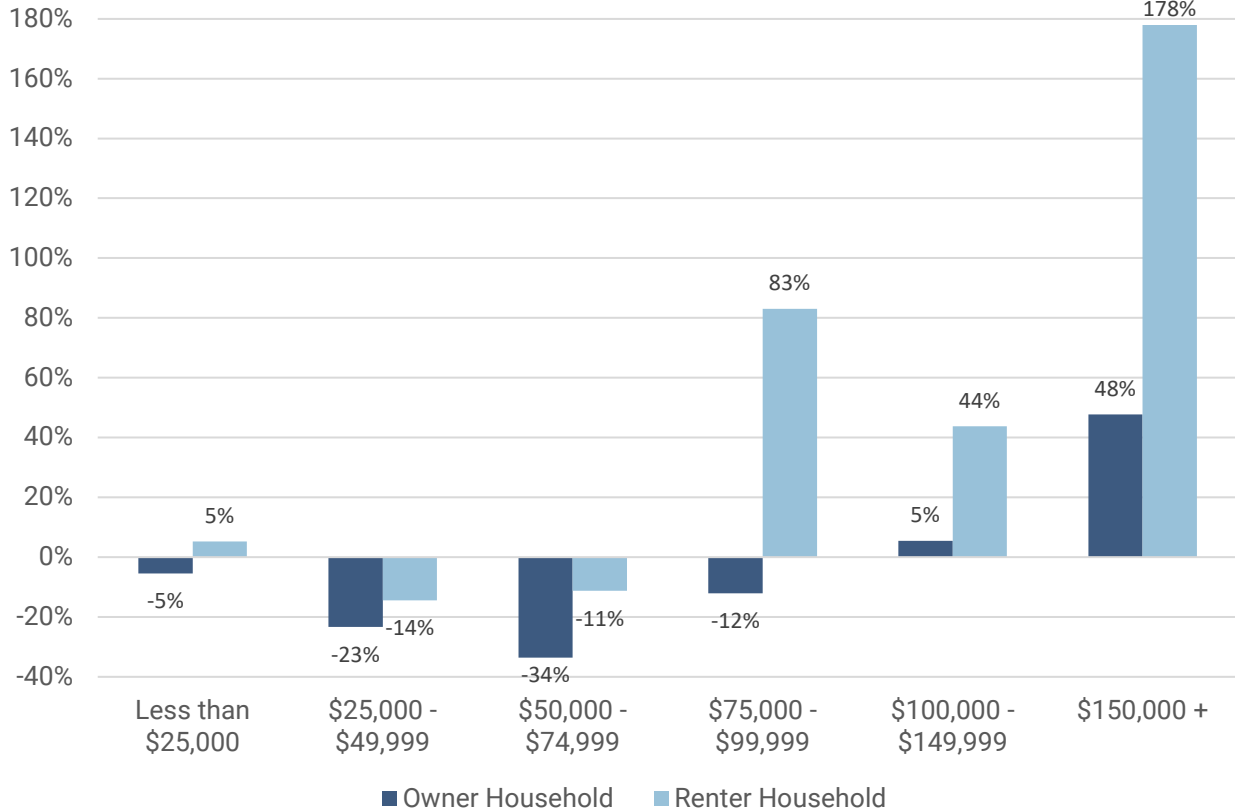


Higher percentages of non-white residents concentrate in block groups in and around central City of Groton, central and the west side of South Poquonnock Bridge, and the west side of Center Groton which correlates with lower income households and much higher shares of renter households. The block group around the Navy base also has a higher percentage of non-white residents influenced by large numbers of Black and multi-racial residents.

Income

### Change in Household Income by Tenure 2010-2019

Source: ACS 2010, 2019

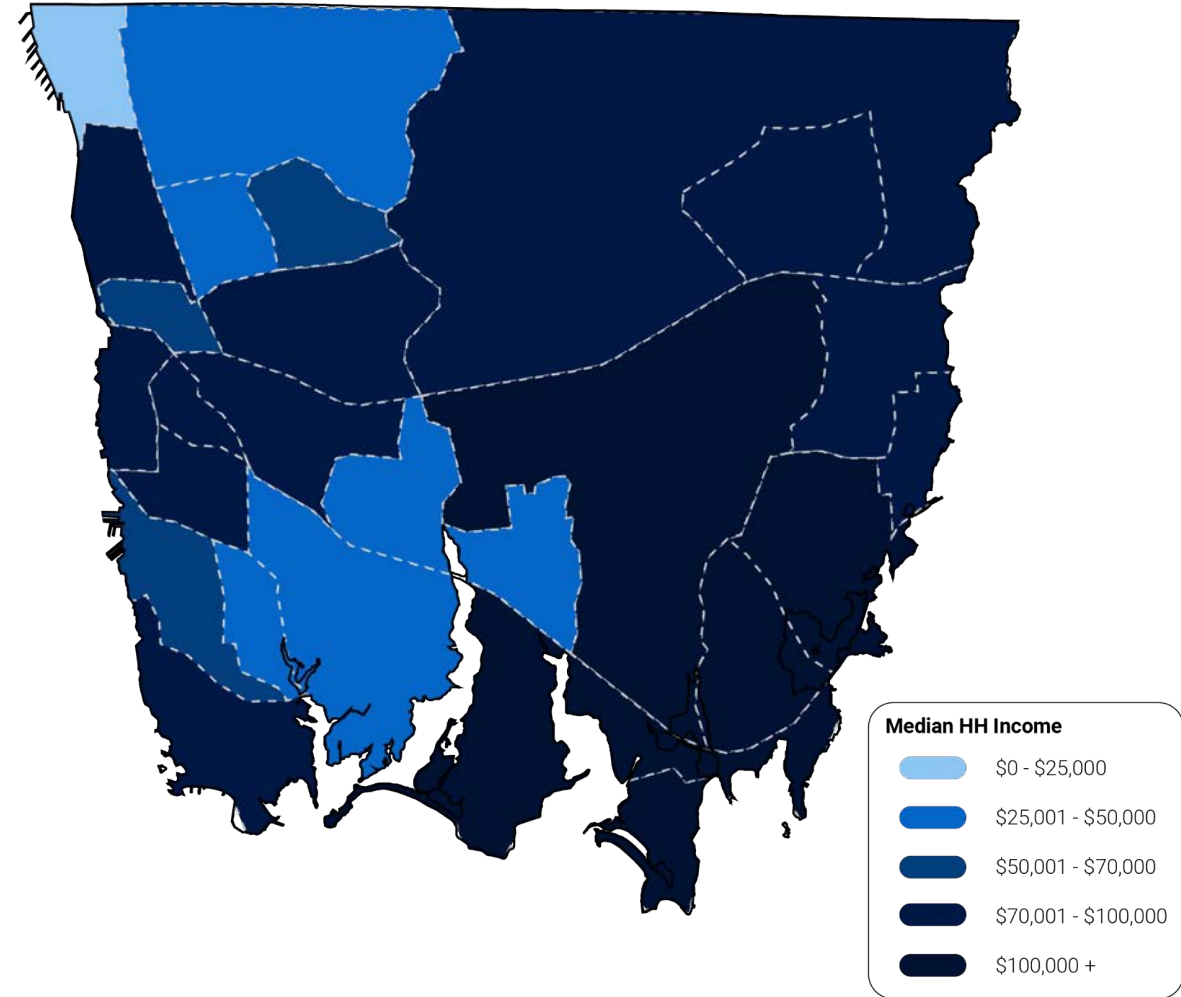


**GROTON IS SEEING AN INCREASE IN INCOMES AMONG RENTER HOUSEHOLDS.**

Groton’s renter households have become increasingly wealthier with the fastest growth (178%, 258) occurring in households earning \$150,000+ per year. The largest growth (513) of renter households took place among those earning \$75,000-\$99,999, contributing 45% of the total renter household gains. Owner households on average have not experienced the same rate of growth in incomes as renter households, but there is an addition of 582 owner households earning \$150,000+. The reason for this is because there are already 44% of owner households earning over \$100,000 a year, compared to only 16% among renter households. Across the United States, renter households tend to earn less than owner households.

### Median Household Income

Source: ACS 2019



The lowest median household incomes in Groton are concentrated in the center of the City of Groton and east of the City, as well as areas east of the Navy base. This also correlates to where most renters are living in Groton. In addition, private properties in areas east of the Navy base are not connected to sanitary sewer main lines.

Employment and Wages

### Top Ten Largest Employment Sectors 2021

Source: EMSI 2021

Industry Sector	2021 Jobs	2021 Avg. Earning
Manufacturing	13,916	\$133,742
Government	7,246	\$71,372
Accommodation and Food Services	2,857	\$27,985
Health Care and Social Assistance	2,277	\$60,163
Retail Trade	2,249	\$41,500
Professional, Scientific, and Technical Services	1,492	\$103,353
Other Services (except Public Administration)	961	\$33,868
Arts, Entertainment, and Recreation	957	\$43,655
Construction	466	\$67,867
Finance and Insurance	407	\$90,274

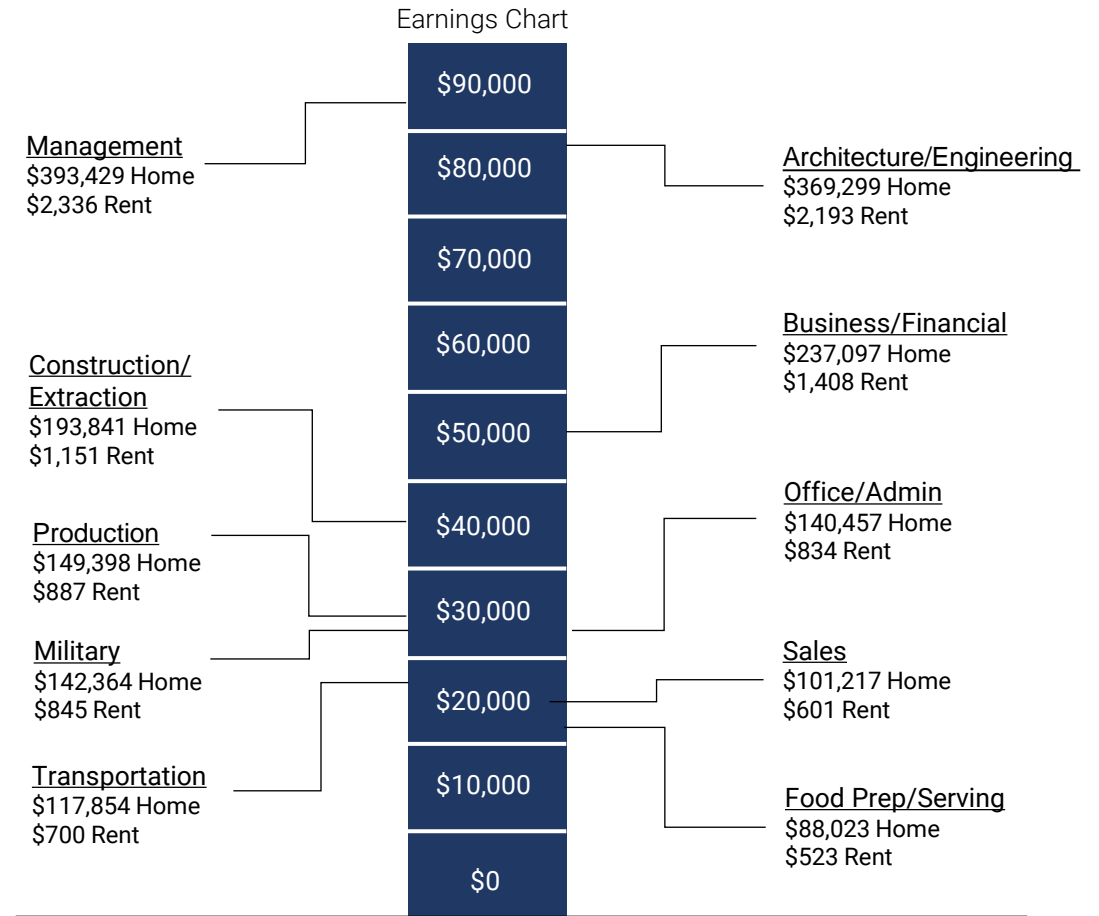
### Top Ten Largest Occupation Categories 2021

Source: EMSI 2021

Occupation Category	2021 Jobs	2021 Adjusted Median Annual Earnings
Production Occupations	4,284	\$35,488
Architecture and Engineering Occupations	3,417	\$87,723
Office and Administrative Support Occupations	2,904	\$33,364
Food Preparation and Serving Related Occupations	2,649	\$20,909
Construction and Extraction Occupations	2,342	\$46,045
Management Occupations	2,262	\$93,455
Sales and Related Occupations	1,929	\$24,043
Military-only occupations	1,929	\$33,817
Business and Financial Operations Occupations	1,704	\$56,320
Transportation and Material Moving Occupations	1,698	\$27,995

### What Can Different Jobs/Earnings Afford in Groton?

Source: EMSI 2021, HUD, RKG Associates



**LOWEST PAYING JOBS IN GROTON CANNOT AFFORD RENT OR HOME PURCHASE AT GROTON'S MEDIAN PRICES.**  
 With a median gross rent of \$1,268/month and a median home value of \$242,600, 71%-77% of employees in Groton's top ten largest occupations can't afford units at those prices.

### Top Five Employment Growth Sectors 2010-2021

Source: EMSI 2010-2021

Industry Sector	2010-2021 Jobs	2021 Avg. Earning
Manufacturing	+ 3,650	\$133,742
Information	+ 172	\$89,708
Arts, Entertainment, and Recreation	+ 52	\$43,655
Management of Companies and Enterprises	+ 33	\$109,593
Agriculture, Forestry, Fishing and Hunting	+ 23	\$53,288

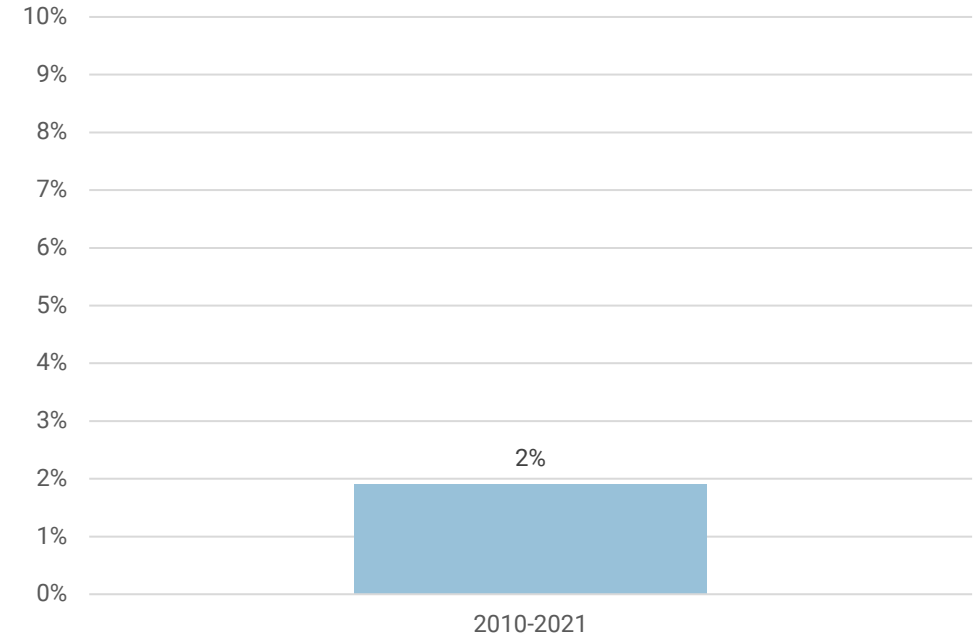
### Top Five Employment Growth by Occupation 2010-2021

Source: EMSI 2010-2021

Occupation Category	2010-2021 Jobs	2021 Adjusted Median Annual Earnings
Architecture and Engineering Occupations	+ 1,699	\$87,723
Production Occupations	+ 856	\$35,488
Construction and Extraction Occupations	+ 306	\$46,045
Business and Financial Operations Occupations	+ 147	\$56,320
Computer and Mathematical Occupations	+ 62	\$66,228

### Change in Total Employment 2010-2021

Source: EMSI 2010-2021



#### TOTAL EMPLOYMENT IN GROTON GAINED BY 2% BETWEEN 2010 AND 2021.

The Manufacturing industry added the most jobs (3,650) to Groton during the eleven years between 2010 and 2021, contributing almost 92% of all job gains in the Town during this period. By occupation, Architecture and Engineering added the largest number of employment (1,699) to the Town, accounting for 54% of the total job increase, followed by Production jobs which added another 27% between 2010 and 2021.

## GROTON IS AN EMPLOYMENT DESTINATION THAT ATTRACTS PEOPLE COMMUTING FROM OUTSIDE.

### Top Ten Places of Residence for People Employed in Groton, 2018

Source: OnTheMap 2018

County	Job Count	Share
New London County, CT	19,076	68.9%
Washington County, RI	1,989	7.2%
Hartford County, CT	1,093	3.9%
Middlesex County, CT	1,092	3.9%
Windham County, CT	1,076	3.9%
New Haven County, CT	869	3.1%
Kent County, RI	452	1.6%
Fairfield County, CT	381	1.4%
Tolland County, CT	287	1.0%
Providence County, RI	252	0.9%

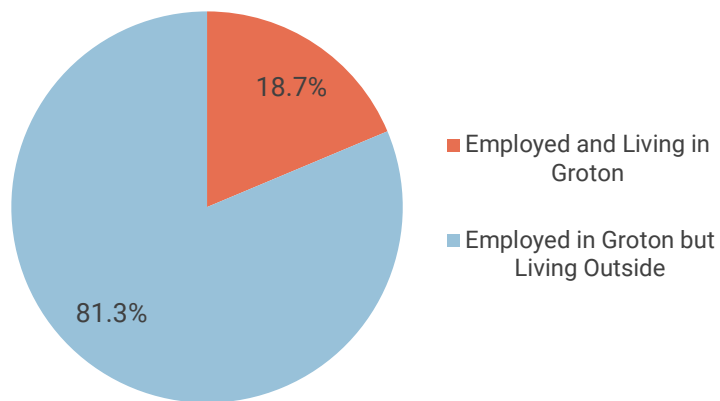
### Top Ten Work Destinations of Groton Residents, 2018

Source: OnTheMap 2018

County	Job Count	Share
New London County, CT	11,321	67.3%
Hartford County, CT	1,417	8.4%
New Haven County, CT	972	5.8%
Middlesex County, CT	642	3.8%
Fairfield County, CT	474	2.8%
Washington County, RI	366	2.2%
Windham County, CT	258	1.5%
Providence County, RI	170	1.0%
Tolland County, CT	150	0.9%
Middlesex County, MA	125	0.7%

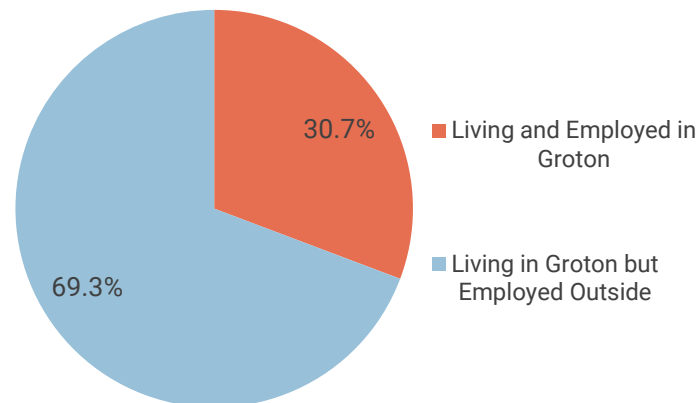
### Employment Efficiency (All Jobs) Among People Employed in Groton, 2018

Source: OnTheMap 2018



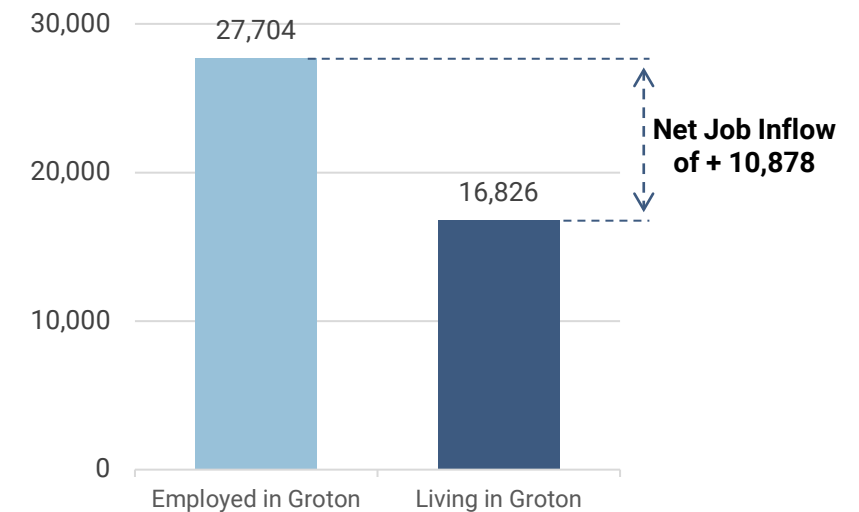
### Labor Force Efficiency (All Jobs) Among People Living in Groton, 2018

Source: OnTheMap 2018



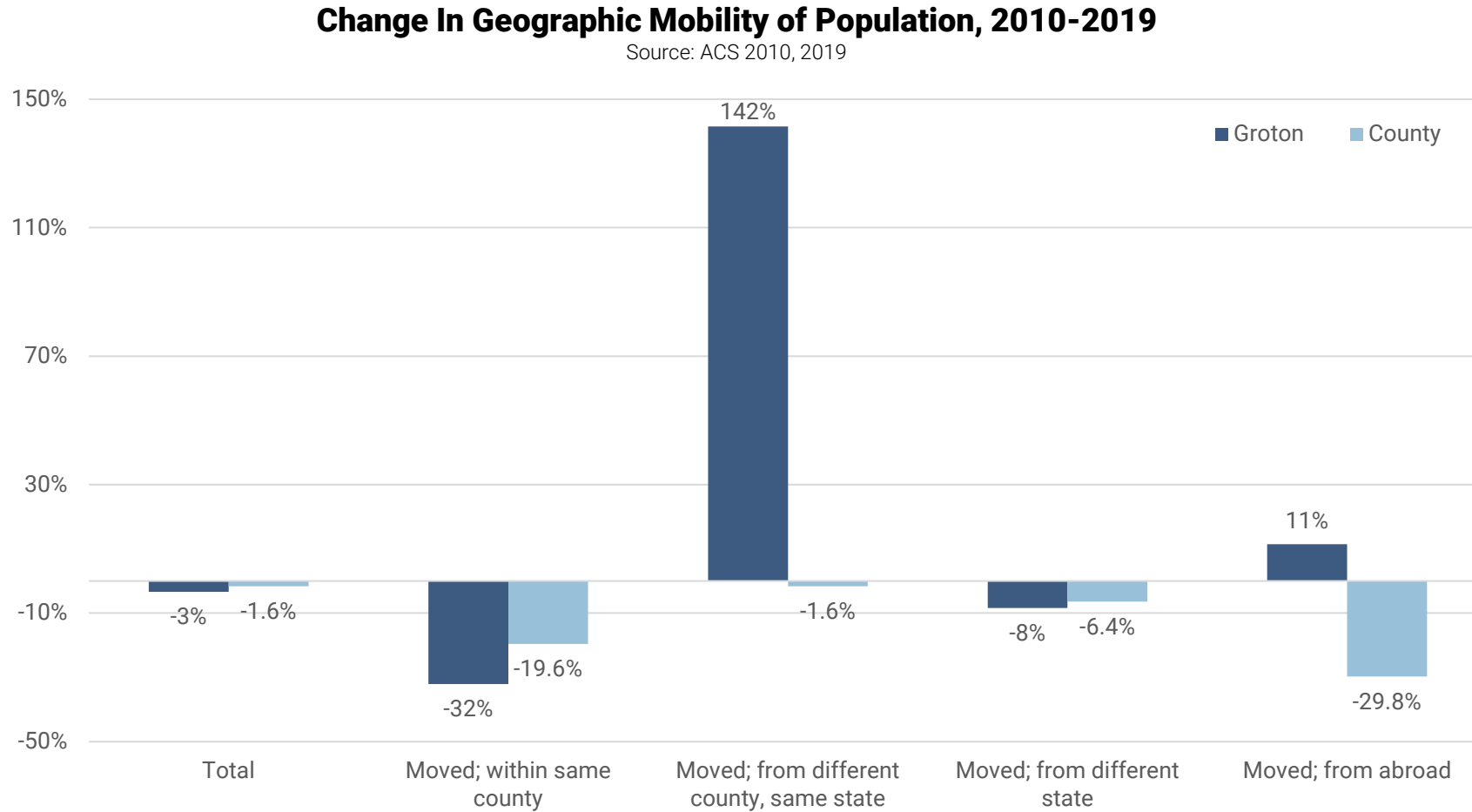
### Labor Market Size (All Jobs), 2018

Source: OnTheMap 2018





## GROTON ATTRACTS PEOPLE MOVING FROM OTHER COUNTIES WITHIN CONNECTICUT AND FROM ABROAD, LIKELY FOR THE EMPLOYMENT OPPORTUNITIES.



Contrary to New London County which has seen a drop in geographic mobility among its residents since 2010, Groton has experienced a 142% growth of people moving in from different counties within Connecticut, and a 11% increase of people moving from abroad, compared to the national level of 3.2% moved from different county, same state, and 0.6% moved from abroad.

# GROTON'S HOUSING STOCK IS CHANGING TO ACCOMMODATE SHIFTING DEMOGRAPHICS AND PREFERENCES.



## HOUSING UNITS IN GROTON DECLINED, BUT GROWTH OCCURRED FOR CERTAIN UNIT TYPES.

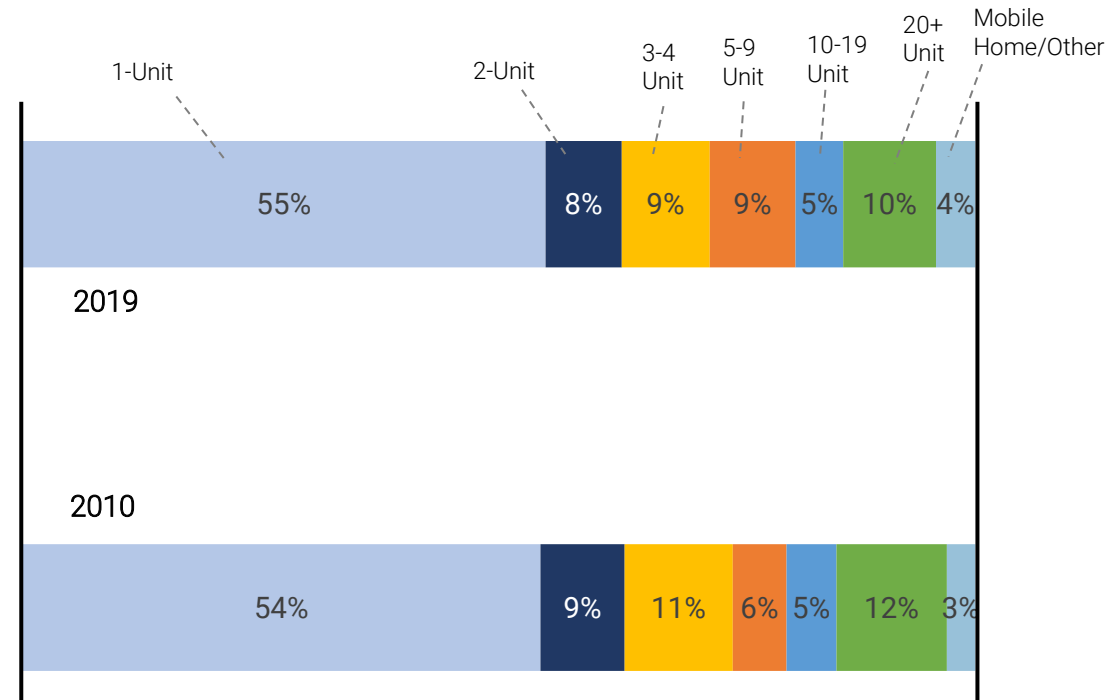
Between 2010 and 2019, though both New London County and Groton experienced a decline in their population, the County's housing stock increased by 3%, whereas housing units in Groton decreased by 146 (0.8%). However, multi-family structures with 5-9 units, mobile homes and single-family attached homes grew by 595 (58%), 238 (48%) and 362 (28%), respectively. At the same time, the Town saw a loss of units in almost all other structure types. This may be due to the changing demographics and housing preferences in Groton.



Examples of housing types in Groton.

## Units in Structure 2010 & 2019

Source: ACS 2010, 2019



## GROTON'S HOUSING STOCK IS PREDOMINATELY SINGLE-FAMILY UNITS.

In 2019, 55% of Groton's housing stock was comprised of single-family housing units. The Town added just over 362 1-unit attached homes since 2010. The Town also added 196 units in multi-family buildings of 5 or more units, with growth concentrated in buildings of 5-9 units and 50+ units in size.

# SINGLE-FAMILY HOUSING UTILIZES A LARGE PERCENTAGE OF GROTON'S LAND.

## Residential Land Area to Unit Count Comparison

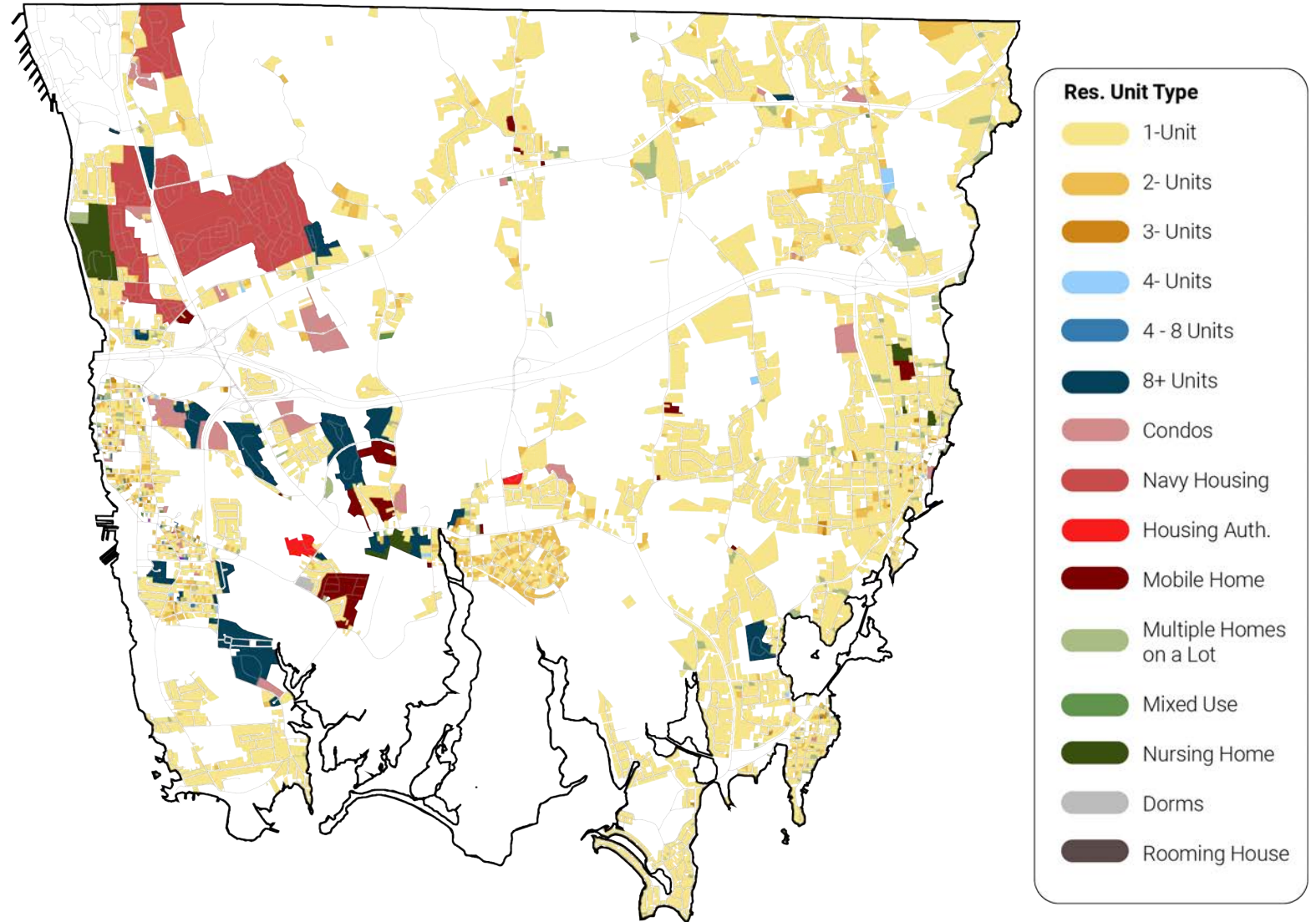
Source: Town of Groton Assessor Database, RKG Associates

Structure Type	% of Land Area	% of Res. Units
Single-Family	69%	42%
Two-Family	5%	6%
Three-Family	0%	1%
Four-Family	0%	1%
Apartments - 4 To 8 Units	0%	1%
Apartments - 8 Units +	5%	24%
Residential Condo	3%	8%
Navy Housing	10%	10%
Housing Authority	0%	1%
Mixed-Use	0%	0%
Mobile Home	2%	3%
Nursing Home	2%	1%
Other	2%	2%

Single-family housing comprises 42% of Groton's housing stock but comprises 69% of the Town's residential land acreage. Conversely, residential units in apartments with 8 or more units comprise 24% of the Town's housing stock but only utilize 5% of the Town's residential land acreage.

## Residential Type by Units in Structure

Source: Town of Groton



Housing Stock

# 68% OF GROTON'S HOUSING WAS BUILT BEFORE 1980.

Groton, like most New England cities, began its development history around water and transportation along the waterfronts in Groton Long Point, Noank, Mystic Village and the City of Groton with many structures dating to the early- to mid-1800's. The older section of City of Groton especially along the waterfront and in the center of the City contains a variety of housing types from single-family, two-family, three-family, to multi-family buildings. The historic waterfront on the east side of the Town is characterized with predominantly single-family homes.

Residential growth in Groton occurred in waves radiating inwards from the waterfronts at both sides of the Town. As development expanded inward, the developments became to have higher density with multi-family apartments and condos on larger parcels especially west to Highway 117 around City of Groton and south of I-95 compared to the historic waterfronts. Development after 1960 is most representative of this pattern. Newer developments east of Highway 117 are still mostly single-family homes. Areas north to I-95 are primarily rural in nature, while neighborhoods around the Navy base in the northwestern section of Groton have more diversity in their housing stock, including single-family homes, multi-family buildings, condos, nursing homes, and navy housing, etc.

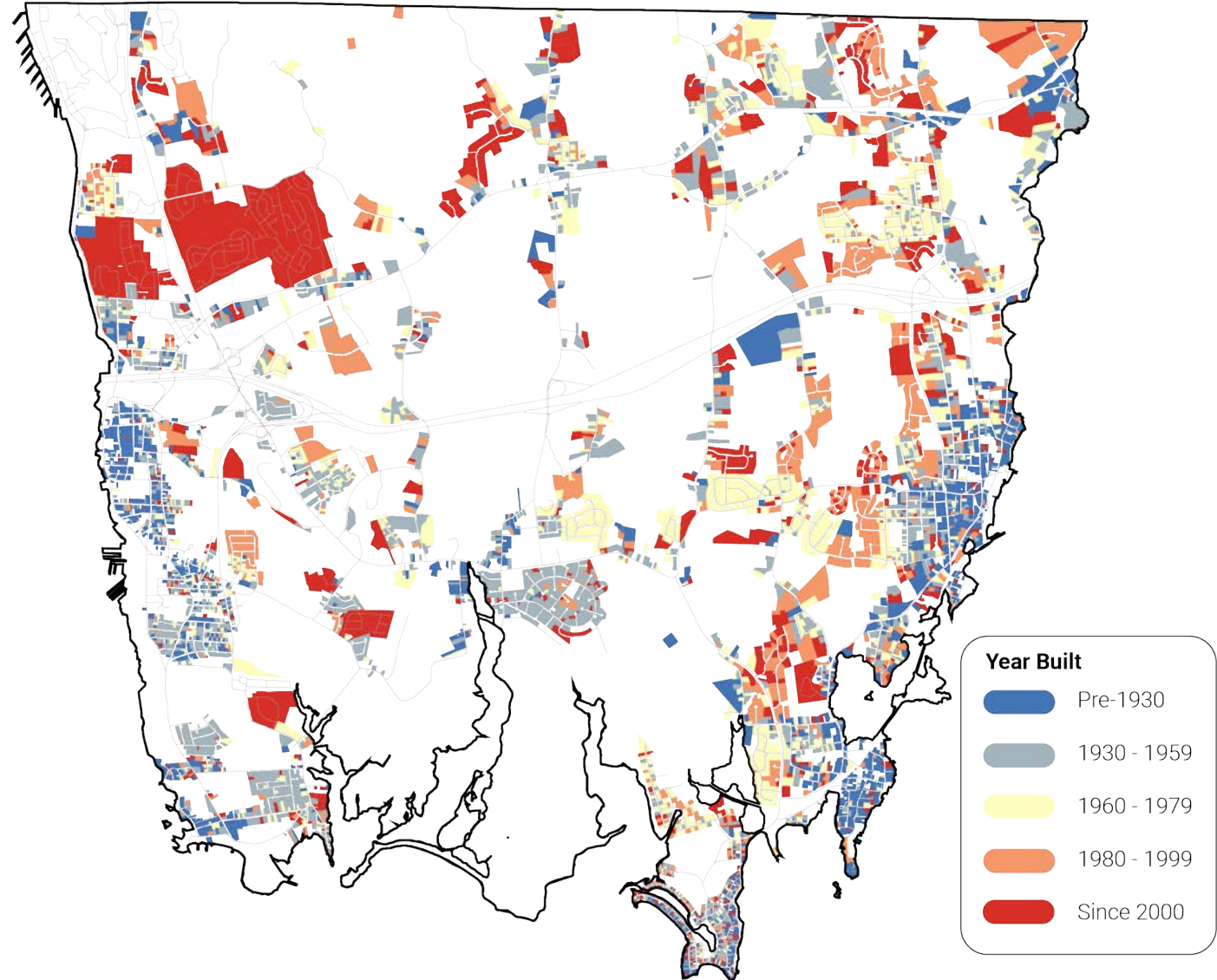
## Residential Units by Year Built

Source: Town of Groton Assessor Database, RKG Associates

Year Built	Unit Count	% of Total
Pre 1930	2,271	19%
1931 – 1959	3,123	26%
1960 – 1979	2,906	24%
1980 – 1999	1,462	12%
2000 – 2020	2,372	20%

## Year Built of Structure

Source: Town of Groton



### Housing Tenure 2019

Source: ACS 2019, 2010 Census

**49% Owner Occupied**

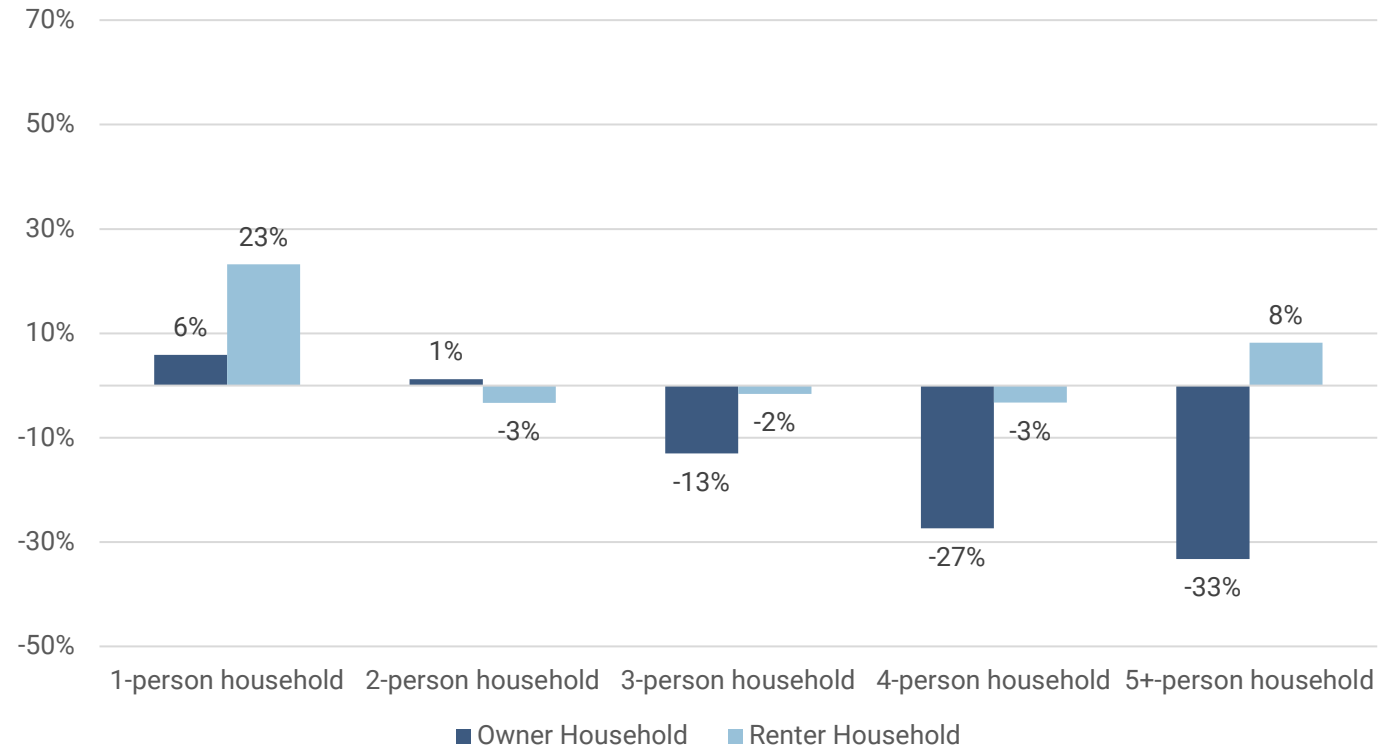
**52% Renter Occupied**

**THE SHARE OF OWNERSHIP HOUSING IN GROTON HAS BEEN DECLINING.**

As more rental housing has been built, or ownership units converted to rental, the overall percentage of owner-occupied housing has declined. This trend is also likely to be accelerated by increasing one-person households, which are more likely to be comprised of renters. Since 2010, the percentage of housing in Groton that is renter-occupied increased by 7%.

### Change in Households by Tenure and Size 2010 - 2019

Source: ACS 2010, 2019



**SINGLE PERSON AND 5-OR-MORE-PERSON RENTER HOUSEHOLDS ARE DRIVING CHANGES.**

The number of 1-person and 5+-person renter households increased by 23% and 8%, respectively since 2010. On average, owner households are declining especially 5+-person households which have declined by 33%, while growth took place among single-person and 2-person owner households. This can be partially explained by the large numbers of military employees and increasing numbers of empty-nesters and retirees aged 65+.

## Percent of Renter Households

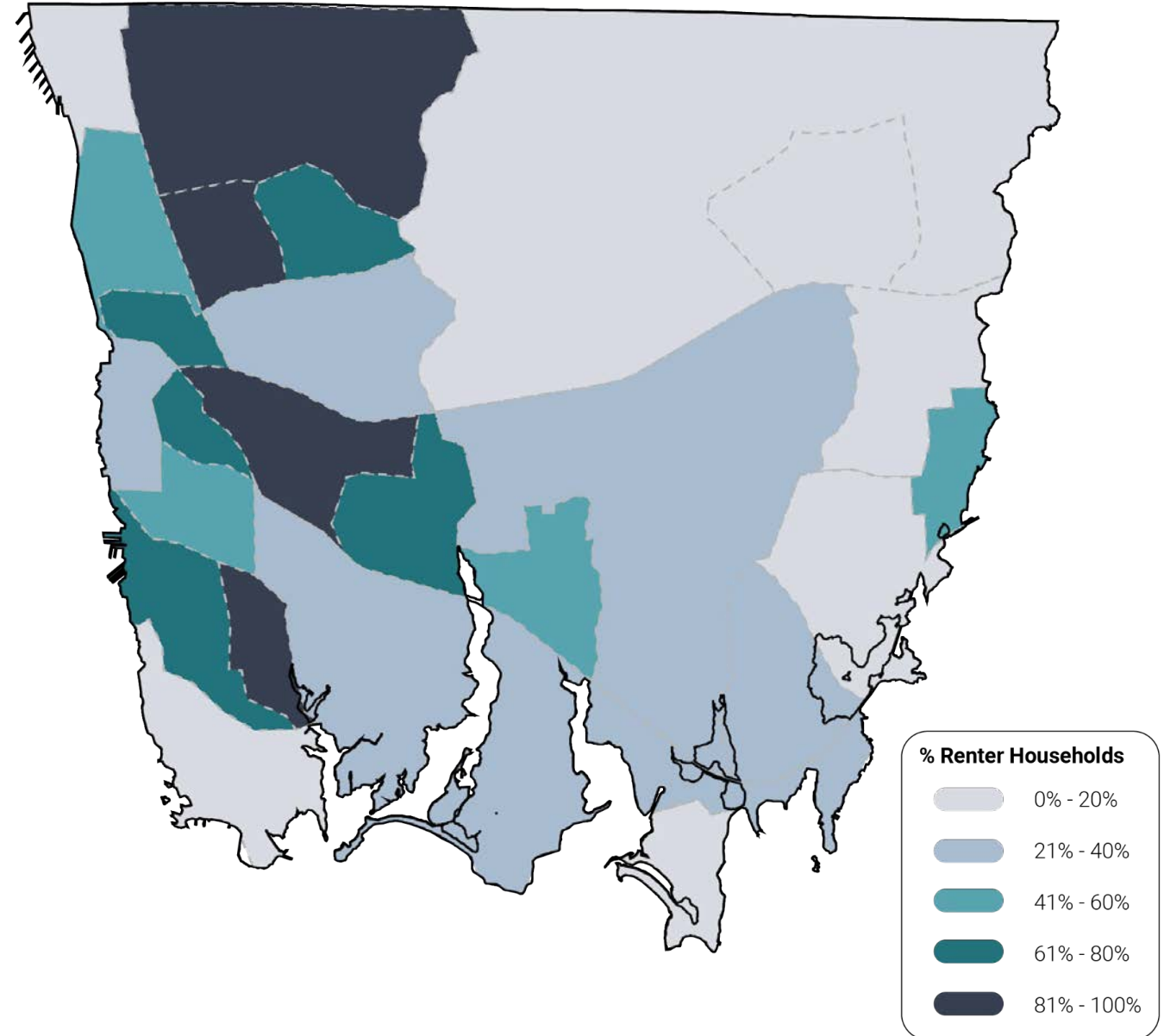
Source: ACS 2019

### BLOCK GROUPS WITH HIGHER PERCENTAGES OF RENTERS ALSO HAVE LOWER MEDIAN INCOMES.

Block groups in Groton where renter households comprise more than 80% of all households have median incomes averaging \$42,000, which is only 63% the Town's median of \$66,657.

As rent rates continue to climb in Groton, many renter households in these block groups will have a more difficult time finding housing that is affordable and attainable. These block groups also have some of the higher concentrations of non-white residents in Groton. In addition, the increase of renter households with higher household incomes in Groton since 2010 have also added extra pressure to the lower-income renter households in that these wealthier renters can afford higher rents, and therefore are more competitive in the rental market, taking up more rental options.

Households earning around \$42,000 a year can afford rents around 1,050 a month. With a median rent of \$1,268, much of Groton's housing stock is out of reach for these households without a boost in income or subsidy for the unit.



## Vacancy

### HOUSING VACANCY IN GROTON IS HEALTHY.

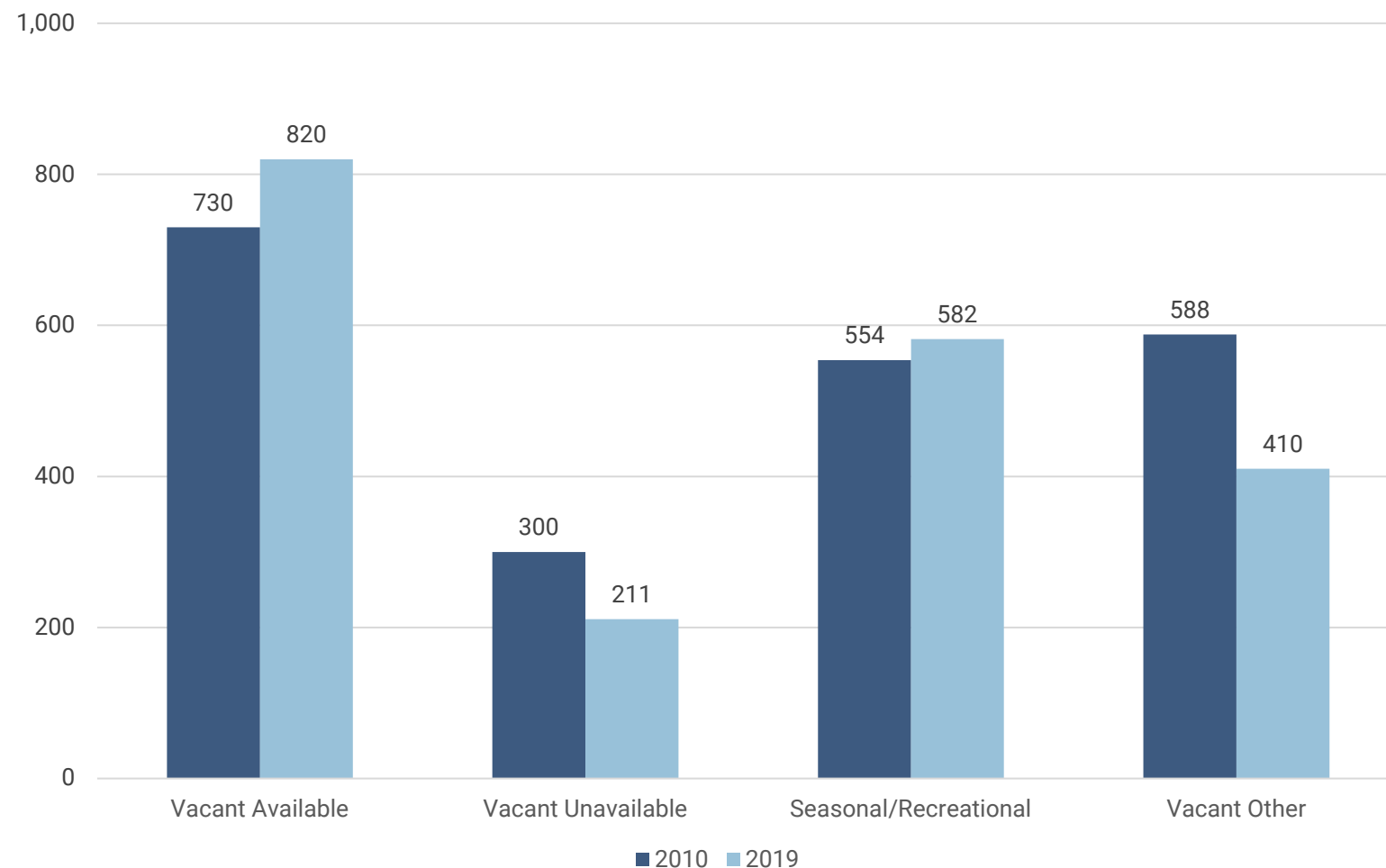
In 2019, 11.3% of Groton's housing stock was classified as vacant. This was down from 12% in 2010. **Groton's vacancy rate (number of units actively listed for rent or sale) was 4.6% out of the total housing units in 2019.** A healthy vacancy rate for a community is typically between 3% and 5%.

The inventory of vacant units that are for sale or for rent is in a relatively healthy range. In 2019, there were 242 units listed as vacant for sale and 578 vacant for rent. This is out of a total housing stock of 17,980 units. As population is projected to increase by 1,509 by 2030 and as General Dynamics Electric Boat is predicted to add jobs in Groton, the pressure on the housing market may grow and likely keep vacancy levels lower unless more product is introduced.

Housing units that are vacant because of seasonal, recreational or occasional uses account for 29% of the total vacant units (3.2% of the total housing units), up from 26% in 2010. Approximately 20% of all vacant units are classified as "vacant other" which refers to units that are not available for rent or sale and are off the market for different reasons. These include undergoing substantial rehab, uninhabitable units, foreclosure, among others. 20% of the vacant units falling into the "vacant other" category is reasonable.

### Vacant Housing Units by Category 2010 & 2019

Source: ACS 2010, 2019



### Ownership Units by Age of Structure

Source: ACS 2019

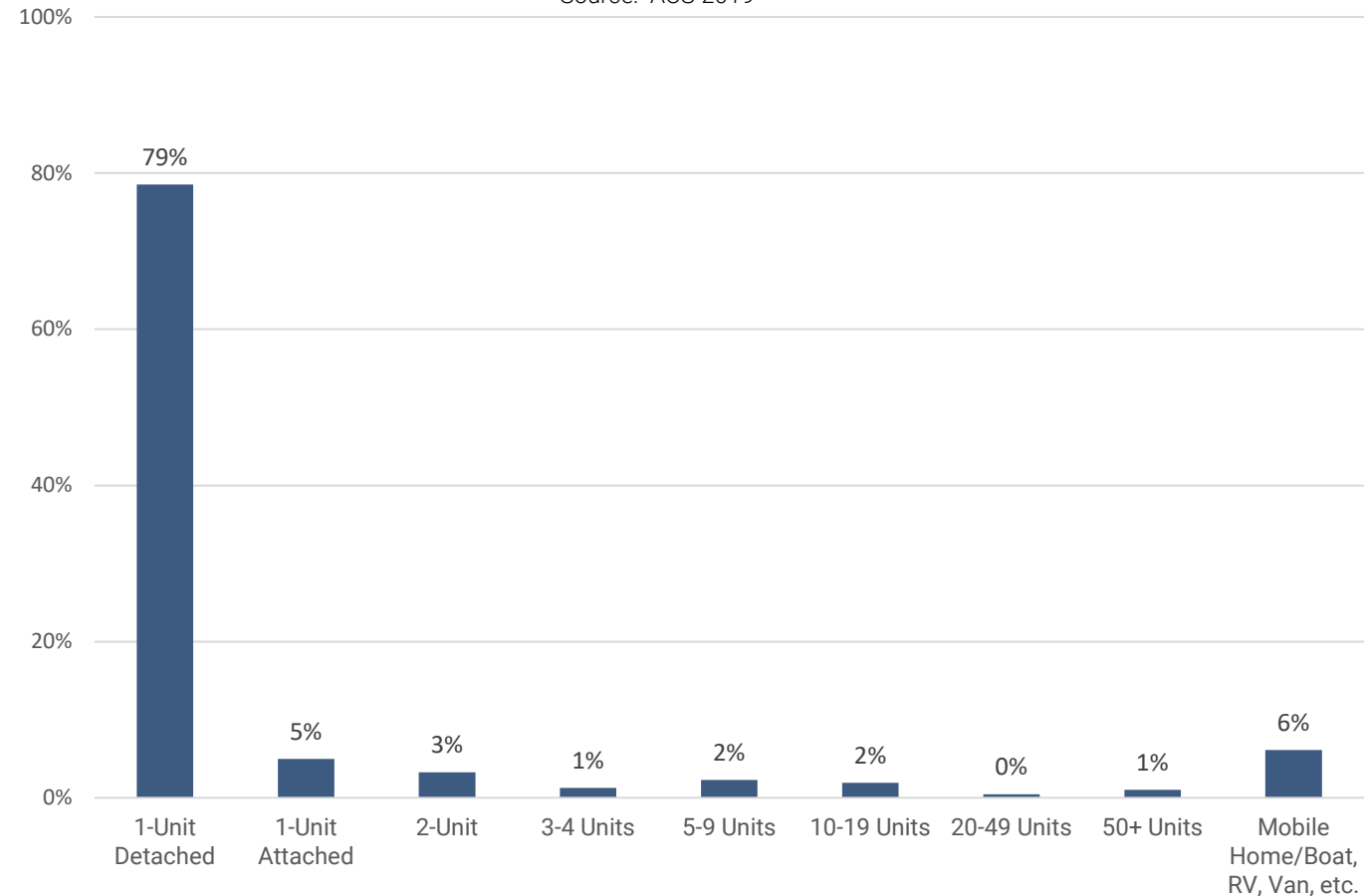
Age	Units	% of Total
Built 2000 or later	917	11.8%
Built Between 1980 and 1999	1,843	23.8%
Built Between 1960 and 1979	2,118	27.4%
Built 1959 or earlier	2,866	37.0%

#### MOST OWNERSHIP UNITS WERE CONSTRUCTED BEFORE 1980.

In Groton, 64% of all owner-occupied units were constructed before 1980. 63% of all owner-occupied units are less than 60 years old, constructed since 1960. By New England standards, Groton's housing stock is relatively new. One of the challenges is to address the housing constructed early, which tends to be concentrated along the waterfronts. **One advantage in Groton is that a focused effort on housing rehab within neighborhoods with older housing could help preserve that housing stock longer term, particularly where that housing stock is supporting naturally occurring affordable units.**

### Ownership Units by Structure Type

Source: ACS 2019



#### OWNERSHIP UNITS ARE CONCENTRATED IN SMALLER STRUCTURES.

Not surprisingly, a large majority (84%) of owner-occupied units are found in single unit structures whether attached or detached. Taking both one- and two-unit structures together that numbers jumps to 87% of all ownership units. Very few units are in structures larger than ten units, which might indicate a larger condominium development. Groton has approximately 475 owner-occupied mobile home units, and that number has been growing over time. This is another housing option that can provide an affordable housing option for small households.



## Home Values & Sales

### MEDIAN HOME VALUE HAS DEPRECIATED IN GROTON.

Approximately 65% of Groton’s owner-occupied housing stock is valued at or above \$200,000. However, homes valued at or above \$200,000 have decreased by 15% between 2010 and 2019. The fastest growth occurred for homes valued below \$50,000, which increased by 72.9% (237 homes).

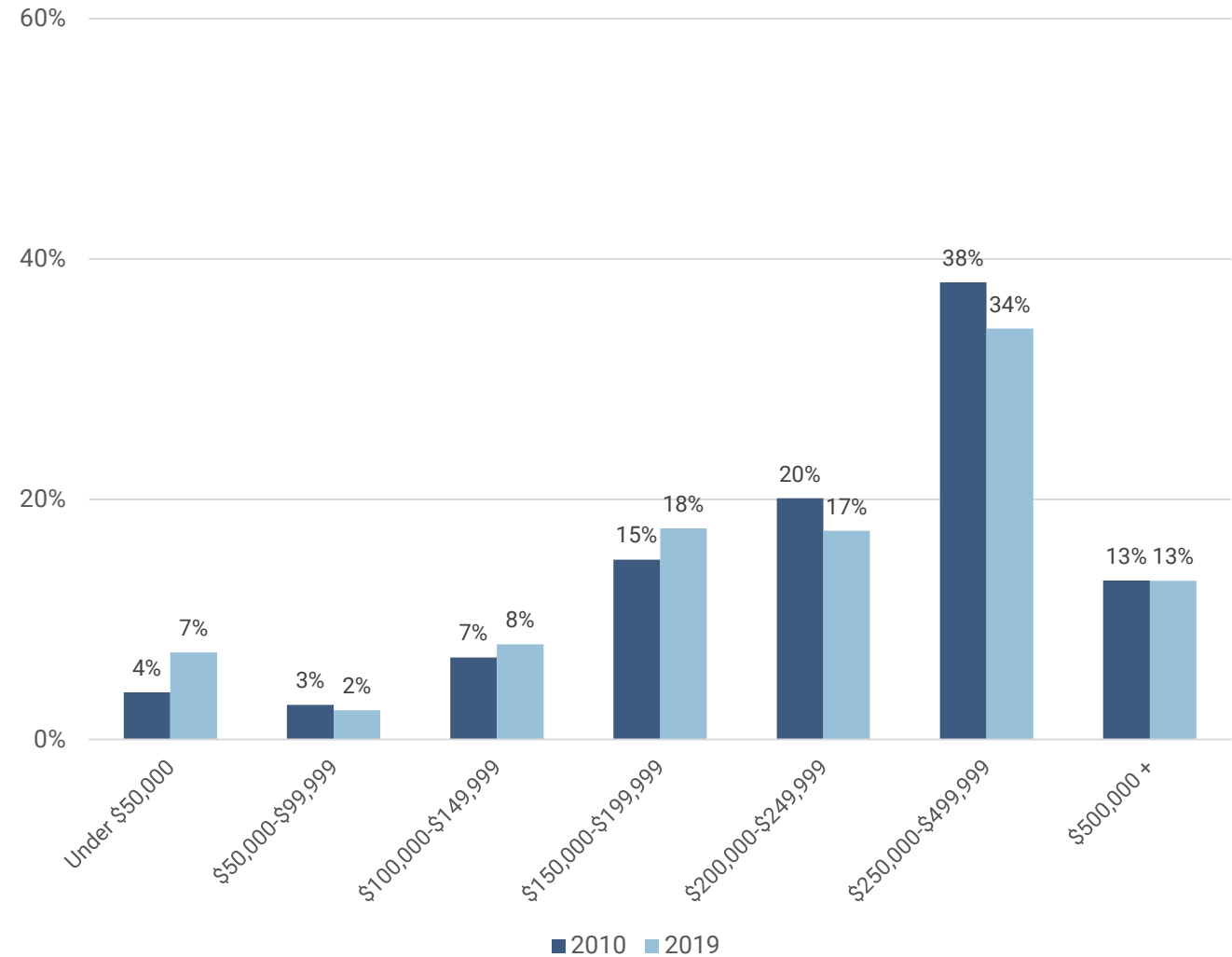
While the median gross rent has been increasing in Groton, the median home value in the Town have depreciated by 5% between 2010 and 2019, indicating a weakened demand for owner-occupied housing, most likely connected to the loss of population and family households in Groton during this period. Similarly, New London County also saw a decline of its median home value and homes valued above \$200,000 between 2010 and 2019. As the Town’s population and employment are projected to increase, the ownership housing demand will likely see a recovery in the next decade.



A home in Groton with a listed sales price of around \$470,000 on Zillow.com

### Change in Home Value Distribution 2010-2019

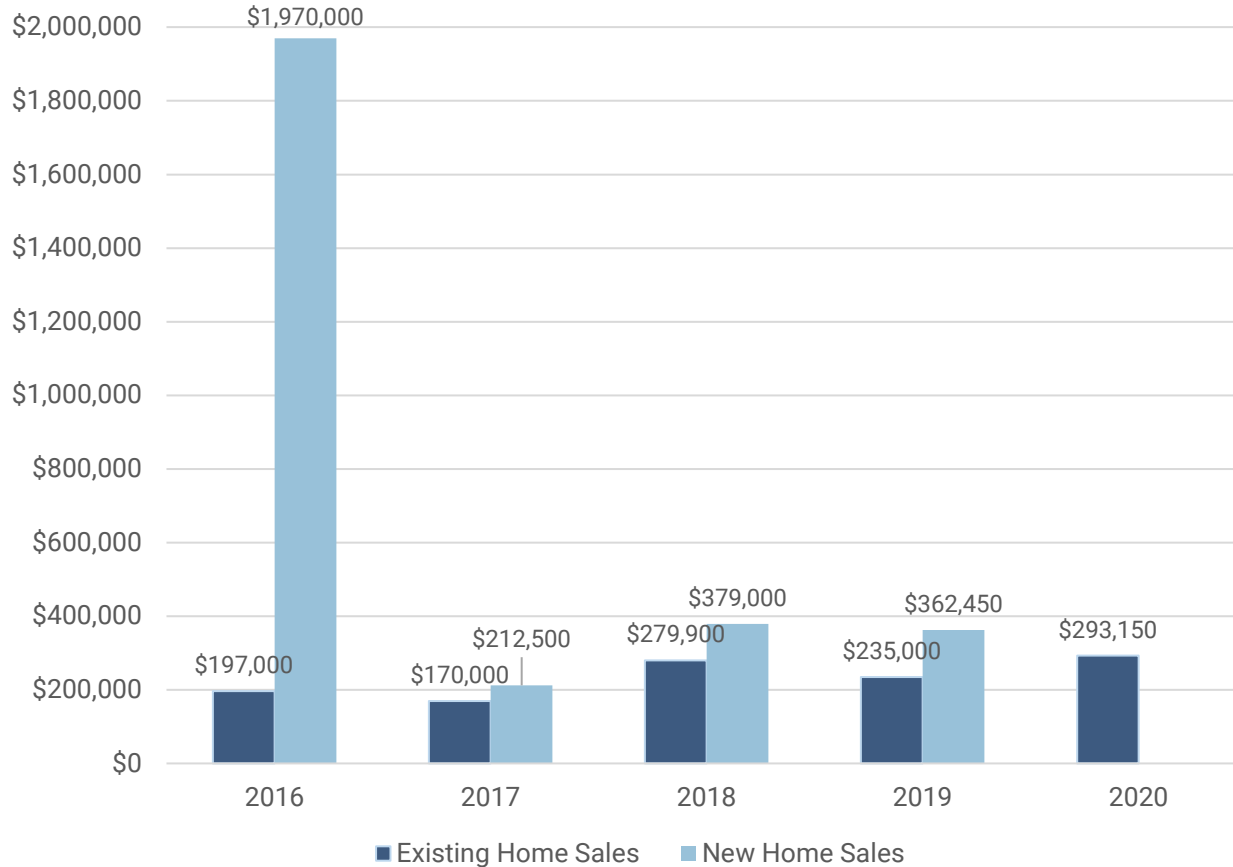
Source: ACS 2010, 2019



Home Values & Sales

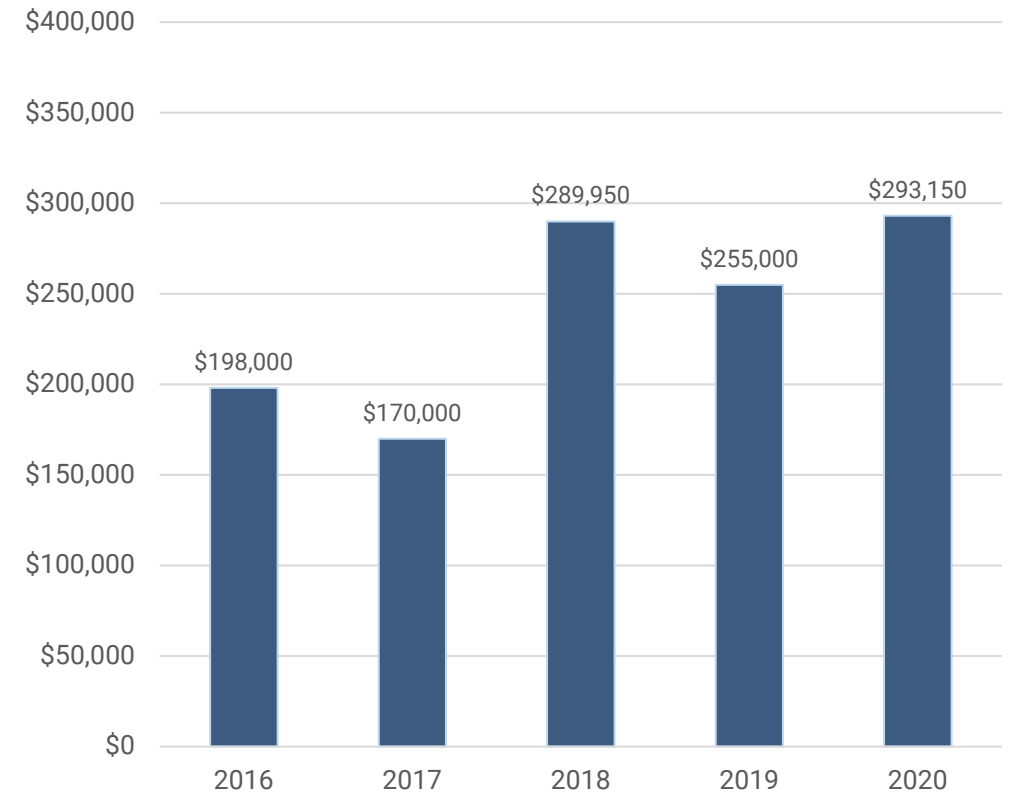
### Comparison of Existing Home Sales to New Home Sales

Source: Redfin 2016-2020



### Median Sales Prices of All Homes

Source: Redfin 2016-2020



**SALES OF NEW HOMES ARE AT LEAST \$42,000 MORE THAN EXISTING HOMES IN GROTON.**

RKG defines a new home sales as one that was sold within the same year or a year after the home was built, and those houses are selling at over \$42,000 more than houses that already existed in Groton. In 2018 and 2019, the median sales price for new homes sold were even around \$100,000 higher than existing homes. The median home sales prices have been on the rise since 2017, contrary to the declining trend of median home values between 2010 and 2019. The actual demand for single-family homes and ownership opportunities in Groton is driving up the price with median sales prices jumping 48% between 2016 and 2020.

Home Values & Sales

**THE NUMBER OF HOMES SELLING FOR OVER \$250,000 HAS INCREASED BY 43% SINCE 2016.**

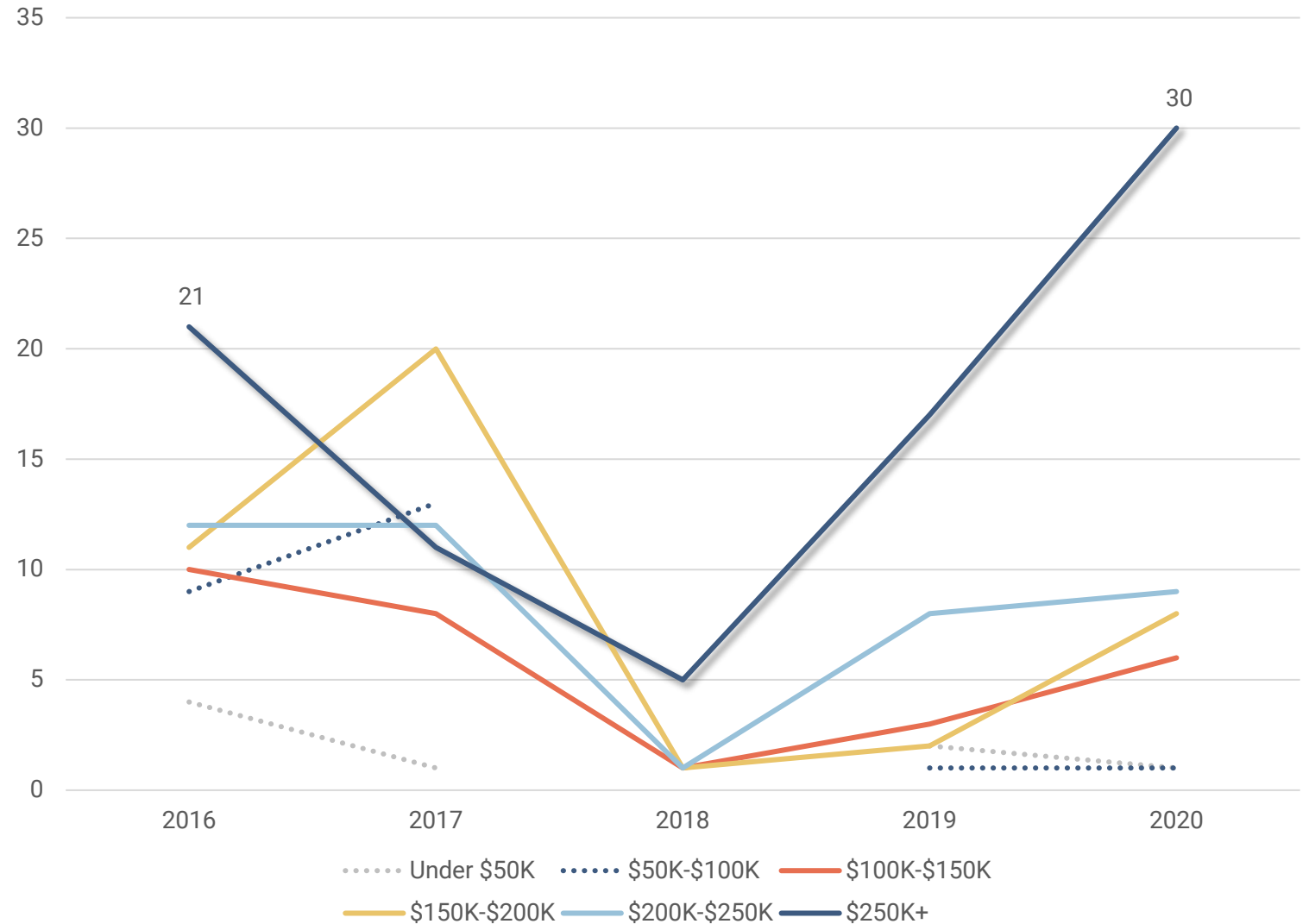
Since 2016, the number of sales of homes priced at or above \$250,000 has increased 43% from 21 sales in 2016 to 30 sales in 2020, after a drop in 2018. Homes selling in every other price range have dropped. Some of this increase is from new, more expensive homes being built and entering the market at a much higher price than existing home sales. Another factor is the increasing prices of existing homes in Groton though the median home value has been depreciating in the Town between 2010 and 2019. The increasing home prices are partially driven by the ownership demand, and some homes may have undergone renovations and rehabilitation that increased sales value.

According to the Redfin data, homes built before 1960 were sold at twice the amount as homes built since 2000. Homes built prior to 1960 sold for a median price of \$207,000 while homes built since 2000 were sold for a median price of \$267,500.

Homes containing three or four bedrooms comprised 71% of home sales in Groton between 2016 and 2020, and the share was 75% in 2020. Two-bedroom homes account for another 23% of the home sales between 2016 and 2020. This is likely due to the composition of Groton’s ownership housing market having far more three- and four-bedroom homes than those larger or smaller. There were very few one- or five-bedroom sales in 2020.

**Number of Sales by Price Range**

Source: Redfin 2016-2020



Rents

**RENTS ARE RAPIDLY INCREASING IN GROTON.**

Gross rent, which is rent plus utilities, has increased 15% between 2010 and 2019 to a high of \$1,268 per month.

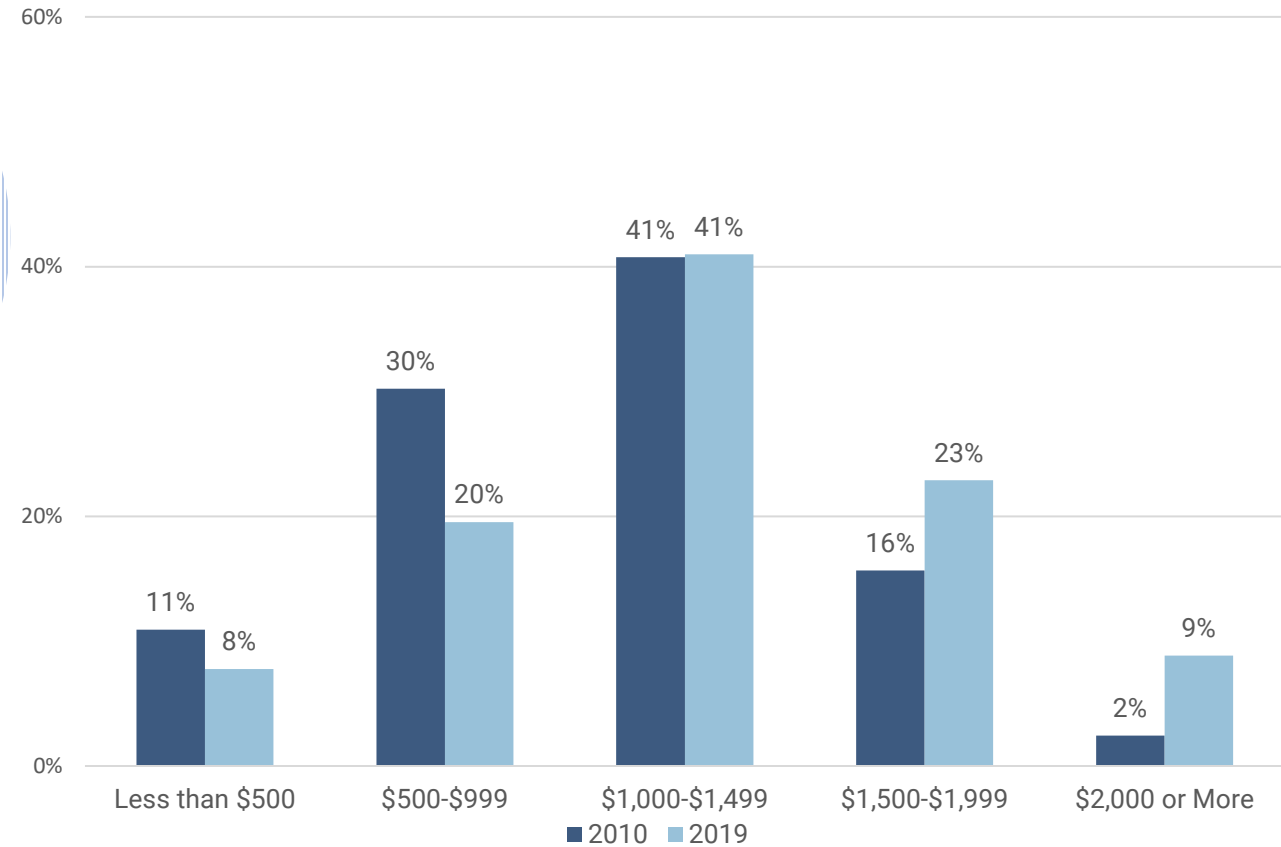
**2019:  
Median Gross Rent  
\$1,268 per Month**



Multifamily property in Groton.

**Change in Gross Rent Distribution 2010-2019**

Source: ACS 2010 and 2019



**RENTS AT OR ABOVE \$2,000 HAVE INCREASED BY 290%.**

In Groton, the largest share of rental units are those priced between \$1,000 and \$1,499, contributing 41%. 68% of rental units having a gross rent under \$1,500 per month. Between 2010 and 2019, rents at or above \$2,000 range increased by 290% (increase of 525 units) while those priced below \$1,000 fell by 29% (loss of 869 units). There was also a 58% increase (increase of 668 units) in rental units charging \$1,500-\$1,999 per month. It appears from the data that there has been a transition of rental units into the price bracket of \$1,000 or higher. This is most likely linked to the increase of renter households and rental demands in Groton since 2010.

Rents

### Rental Units by Age of Structure

Source: ACS 2019

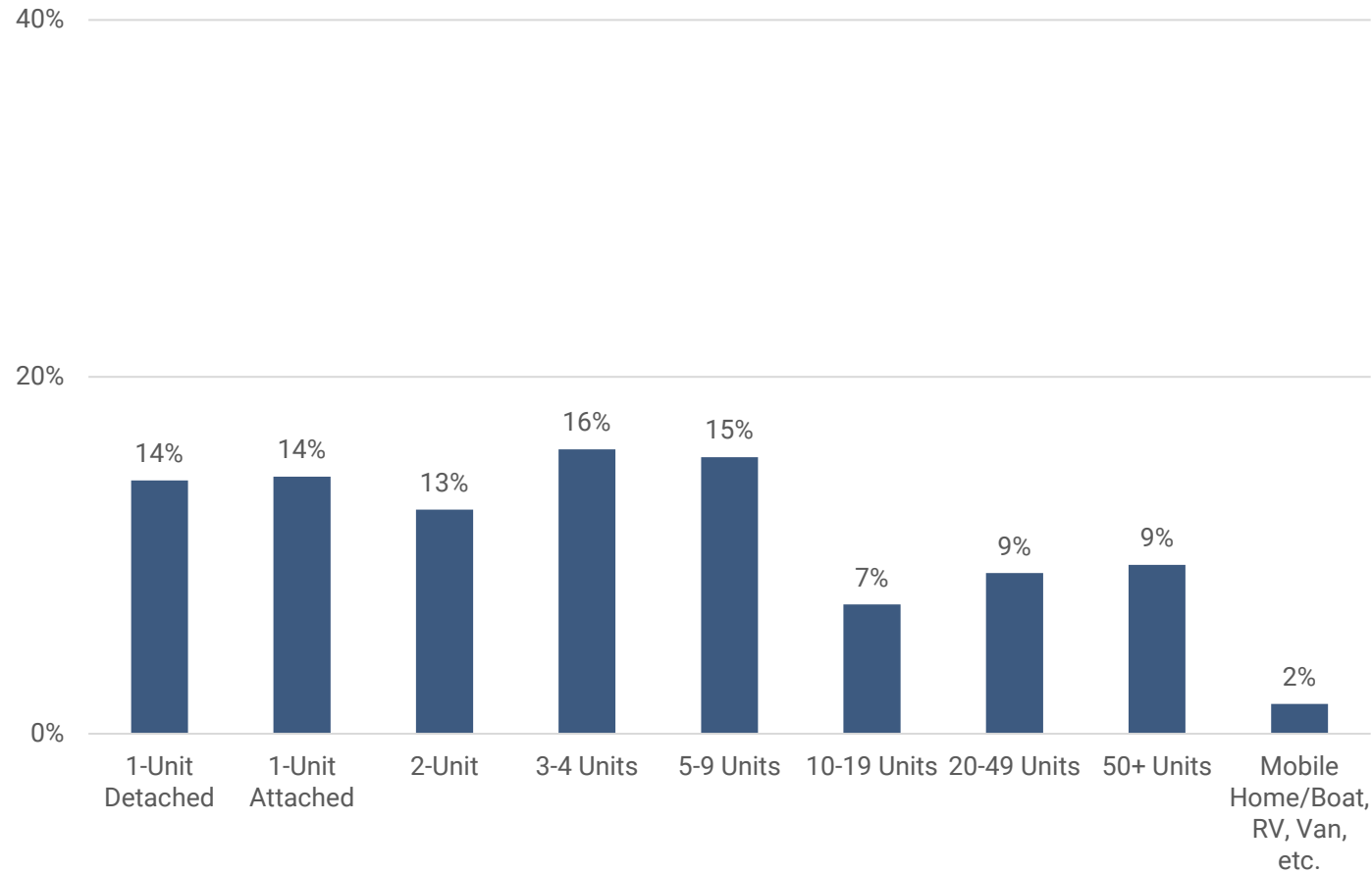
Age	Units	% of Total
Built 2000 or later	1,260	15.3%
Built Between 1980 and 1999	2,169	26.4%
Built Between 1960 and 1979	2,828	34.4%
Built 1959 or earlier	1,957	23.8%

#### MOST RENTAL UNITS ARE IN BUILDINGS BUILT BETWEEN 1960 AND 1999.

In Groton, 61% of all rental units are in structures built between 1960 and 1999, and 24% of units are housed in buildings constructed before 1960. While these older buildings can be a key component of the naturally-occurring affordable rental stock in the Town, they may have some long-term maintenance challenges and potentially interior and exterior finishes not appealing to today’s renters. As new amenitized rental housing stock comes on the market, there may be added pressure placed on these older buildings to raise rents or redevelop to compete with newer product, especially as the rental housing demand rising rapidly in Groton.

### Rental Units by Structure Type

Source: ACS 2019



#### RENTAL UNITS IN GROTON ARE SPREAD ACROSS A WIDE RANGE OF STRUCTURES.

Groton has a good diversity of building typologies among rental units. The largest number of units are in buildings with 20 or more units, not surprisingly, followed by structures with 3-4 units and 5-9 units. The Town also has a good spread of rental units in lower density structures as well with 41% of all rental units in one-family or two-family buildings. 9% of all rental units are in buildings with more than 50 units.

Rents

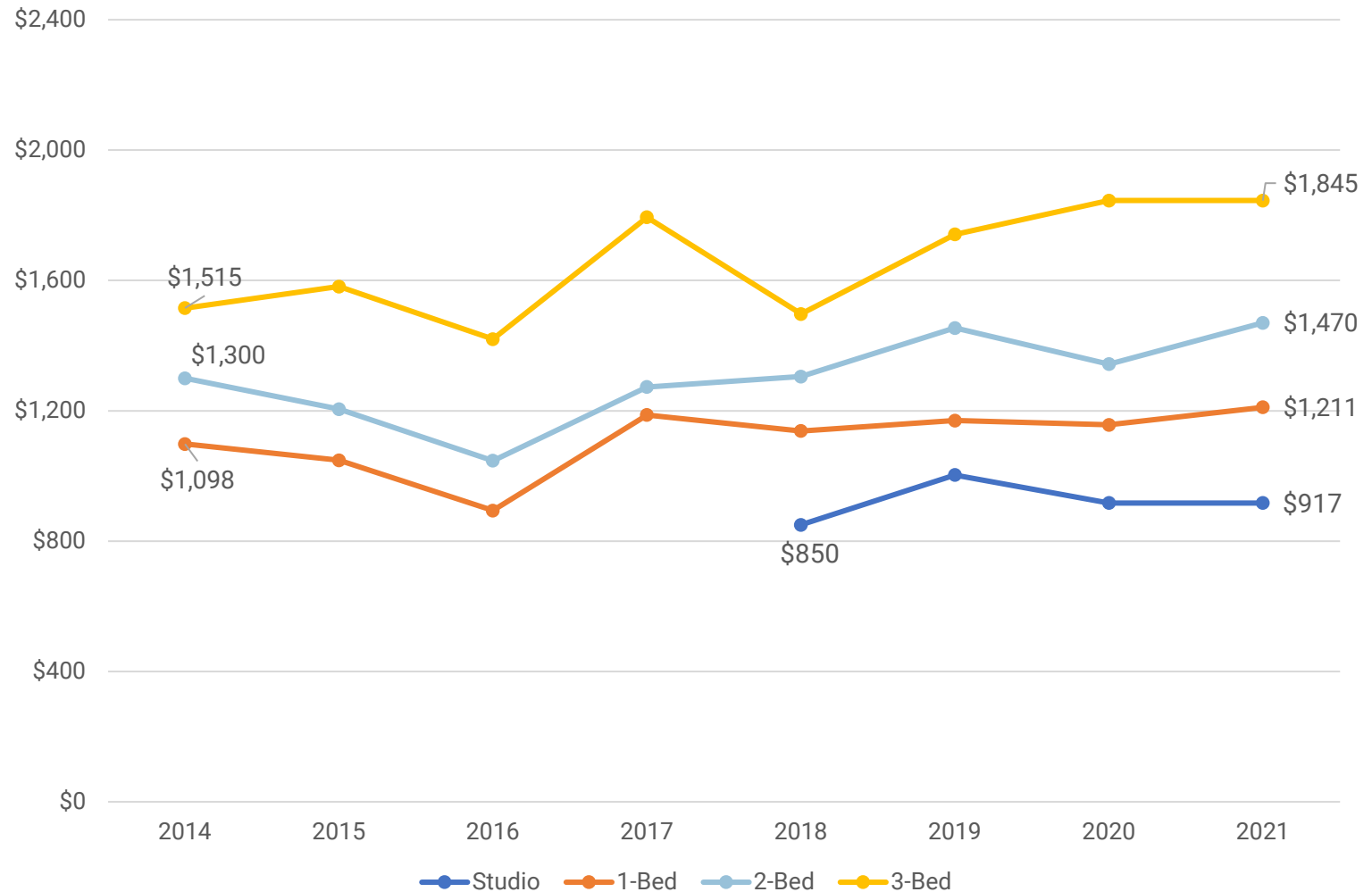
**RENTS FOR ALL UNIT TYPES ARE ON THE RISE.**

According to data from Zumper, between December 2014 and March 2021, rents for one-bedroom units in Groton are up 10%, while two-bedroom units are up 13%, and three-bedroom units are up 22%. Rents for studios are up 8% between December 2018 and December 2020. The average rents for a one-bedroom unit, two-bedroom unit and three-bedroom unit in March 2021 are \$1,211, \$1,470 and \$1,845, respectively. Rents for studios averaged \$917 in January 2021. Since December 2018, rents for almost all unit types in Groton are on an upward trend.



**Groton’s Change in Rent by Unit Type, 2014-2021**

Source: Zumper, 2014-2021



## Rents

## RENTAL PROPERTY AND UNIT COMPARISON IN GROTON

### Groton Estates



**1 Bed Rent:**  
\$1,058-\$1,108/mo.  
\$1.66/sqft-\$1.73/sqft  
639 sqft in size

**2 Bed Rent:**  
\$1,110-\$1,355/mo.  
\$1.42/sqft-\$1.72/sqft  
786 sqft in size

**Amenities:**  
Surface parking  
A/C, Internet, In-Unit  
Laundry, Cable,  
Laundry Facilities,  
Playground

Groton Estates multifamily property.

Groton Estates is located at 260 Shennecossett Road just east to Clarence B Sharp Highway in the City of Groton, less than one mile west to the Groton-New London Airport. It is close to major commuting routes and nearby retail and restaurants in the City of Groton and along Route 1 which is around one mile away. The property is also right next to a major employer Pfizer. The complex was constructed in 1962 and includes 338 units across several 2-story buildings. The complex has an outdoor playground, yard, garden, surface parking for vehicles, package service, laundry facilities, and pet care service.

Inside the unit there is air conditioning, internet and cable access, dishwasher, oven, microwave, and storage space.

### Pleasant Valley Apartments



**1 Bed Rent:**  
\$1,640-\$1,680/mo.  
\$1.78 /sqft- \$1.97/sqft  
831-945 sqft in size

**2 Bed Rent:**  
\$1,770-\$1,985/mo.  
\$1.59/sqft-\$1.73/sqft  
1,023-1,245 sqft in size

**Amenities:**  
Covered parking  
A/C, Internet, Cable,  
Fitness Center, Pool,  
Outdoor Grills, In-Unit  
Laundry, Storage Units,  
Walk-In Closets

Pleasant Valley Apartments multifamily property.

Pleasant Valley Apartments is located at 702 N Pleasant Valley Road just east to Highway 12 and about 1.3 miles north to I-95. This is one of Groton's newest apartment complexes built in 2020 and offering 132 units in a three-story building. The complex is one mile from the Groton Submarine Base and close to Electric Boat, Pfizer and major highways. The complex has a fitness center, a pool, bike parking, outdoor grills, picnic area, patio, and both surface and covered parking (\$150/month).

The interiors of the units include all modern amenities including high speed internet, cable, in-unit washer and dryer, air conditioning, all modern stainless-steel appliances, granite countertops, balconies, walk-in closets, and storage units available.

Cost Burden

**Cost Burden 2019**

Source: ACS 2019

**46% Cost Burdened Renter Households**

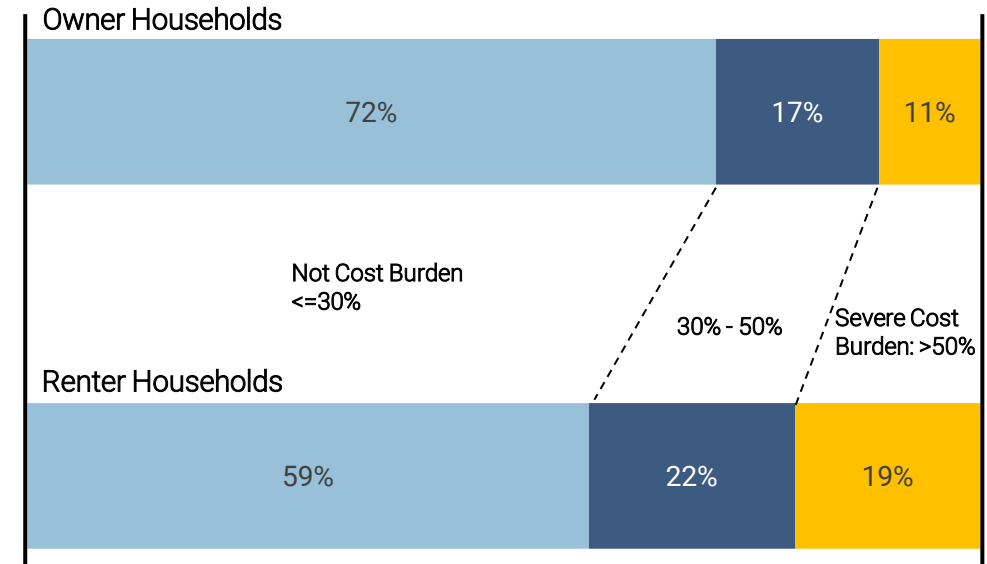
**MANY RENTER HOUSEHOLDS IN GROTON ARE CONSIDERED COST BURDENED.**

HUD considers a household to be cost burdened if they are spending more than 30% of their monthly income on housing costs. In Groton, about 46% of all renter households are cost burdened which is in line with US averages.

The challenge for households spending more than 30% of their income on housing costs is it leaves less money for spending on other necessities such as food, transportation, education, healthcare, and childcare. Finding ways to build more housing that is affordable to renters is one way of helping to keep cost burdening down.

**Cost Burdened Owner vs. Renter Households 2017**

Source: CHAS 2017



**RENTERS IN GROTON ARE MORE LIKELY TO BE COST BURDENED COMPARED TO OWNERS.**

According to data from HUD, 41% of renters were spending more than 30% of their income on housing costs compared to only 28% of homeowners in 2017. 19% of those renters were spending more than 50% of the income compared to only 11% of homeowners.



# **ISSUE & OPPORTUNITY AREA 1**

## **HOUSING AFFORDABILITY GAP**

**GROTON HAS VERY DISTINCT BREAKS FOR HOUSEHOLD INCOME AND HOME PURCHASING POWER.**

Based on the data collected and analyzed for Groton, it appears there are three distinct groups of home buyers and renters in the Town: upper income buyers and renters, moderate income, and lower income. The upper income group accounts for 44% of all households, while the moderate or middle-income comprise about 31%, with the lower income households accounting for 25%.

The **purchasing power of the top 29% of households is over \$100,000 greater than the bottom 50% of households.** These households can afford purchase prices starting at \$420,000 which is a higher price point than what most homes in Groton sell for. **This means there are higher income households purchasing or renting homes at prices below what they *could* afford, should they choose to do so.**

Conversely, **households in the middle- and lower-income brackets must compete with greater numbers of households looking for rental and for-sale product given the overall lack of supply at the high end.**

To put this in perspective, the median sales price of a housing unit sold in Groton was \$255,000 while the median gross rent was \$1,268 in 2019.

**Renting and Purchasing Capacity of Groton Households, 2019**

Source: ACS 2019, RKG Associates

	Household Income	Households %	Households #	Maximum Affordable Rent Range	Home Purchasing Power
Upper	\$100,000+	29%	4,670	\$2,500+	\$420,000 +
	\$75,000 - \$99,999	15%	2,379	\$1,875 - \$2,500	\$315,000 - \$420,000
Moderate	\$50,000 - \$74,999	18%	2,935	\$1,250 - \$1,875	\$210,000 - \$315,000
	\$35,000 - \$49,999	13%	2,020	\$875 - \$1,250	\$147,000 - \$210,000
Lower	\$20,000 - \$34,999	14%	2,261	\$500 - \$875	\$84,000 - \$147,000
	\$0 - \$19,999	11%	1,693	\$0 - \$500	\$0 - \$84,000

## Housing Affordability for Groton Households, 2019

Source: HUD 2021, ACS 2019, RKG Associates

### THERE IS STILL A GREAT NEED FOR AFFORDABLE HOUSING IN GROTON.

In Groton, about **40% of the renter households and 19% of the owner households earn less than 50% of the area median income (AMI), totaling 4,769 households.** These households often experience housing instability, may rely on housing assistance, and are typically spending more on housing as a percentage of their overall income.

Groton currently has 3,727 government assisted housing units, 107 Tenant Rental Assistance units, 377 single family homes with CHFA/USDA mortgages, and 10 deed restricted units, **totaling 4,221 assisted units.** These units usually serve households earning at or below 50% of AMI. **If excluding the 2,273 Navy units, the Town has 1,948 government assisted units, and the affordable percent in 2020 would drop from 23.48% to 10.84%.** Also, Groton Estate and Country Glen Apartments are market-rate properties receiving Section 8 vouchers, with rent rates excluding utilities. **However, as the Section 8 program requires the voucher to cover both the rent and utilities, most of the time Section 8 vouchers do not qualify for these properties.**

Currently, **the average wait time for the publicly assisted/subsidized housing properties is around 1-2 years.** There are 15 people on the wait list for the two public housing properties (Pequot Village and Grasso Gardens), and the average wait time is around one year. The average wait time for Poquonnock Village, Avery Heights, Mystic Homes and some other projects are longer as they receive State/HUD subsidies and get more interest from applicants. Some projects also get more applications because of their adjacency to amenities such as supermarkets. For example, there are 44 people on the 40-unit Ahepa Management LLC waitlist, with an average wait time of 1-1.5 years. AHEPA is popular because of the constant improvements to the properties. Mystic Congregate Housing (50 units) receives State funding for rental assistance and assisted living service subsidy. The average wait time is 1-1.5 years, with 24 people on the wait list.

Area Median Income Threshold	Income	Owner Households		Affordable Home Purchase Price			
		#	%	FHA		Conventional	
				Single Family	Condo	Single Family	Condo
30% AMI (Extremely Low Income)	\$24,650	664	9%	\$90,728	\$37,071	\$103,772	\$40,341
50% AMI (Very Low Income)	\$41,050	809	10%	\$151,091	\$97,434	\$172,813	\$109,383
80% AMI (Low Income)	\$62,800	1,073	14%	\$231,145	\$177,488	\$264,377	\$200,946
100% AMI (Moderate Income)	\$82,100	927	12%	\$302,182	\$248,525	\$345,627	\$282,196
120% AMI (Moderate Income)	\$98,520	820	11%	\$362,619	\$308,962	\$414,752	\$351,321
Above 120% AMI (Middle Income +)	\$98,521+	3,451	45%	\$362,620+	\$308,963+	\$414,753+	\$351,322+

Area Median Income Threshold	Income	Renter Households		Affordable Monthly Rent
		#	%	
30% AMI (Extremely Low Income)	\$24,650	1,751	21%	\$616
50% AMI (Very Low Income)	\$41,050	1,545	19%	\$1,026
80% AMI (Low Income)	\$62,800	1,635	20%	\$1,570
100% AMI (Moderate Income)	\$82,100	1,180	14%	\$2,053
120% AMI (Moderate Income)	\$98,520	743	9%	\$2,463
Above 120% AMI (Middle Income +)	\$98,521+	1,360	17%	\$2,463+

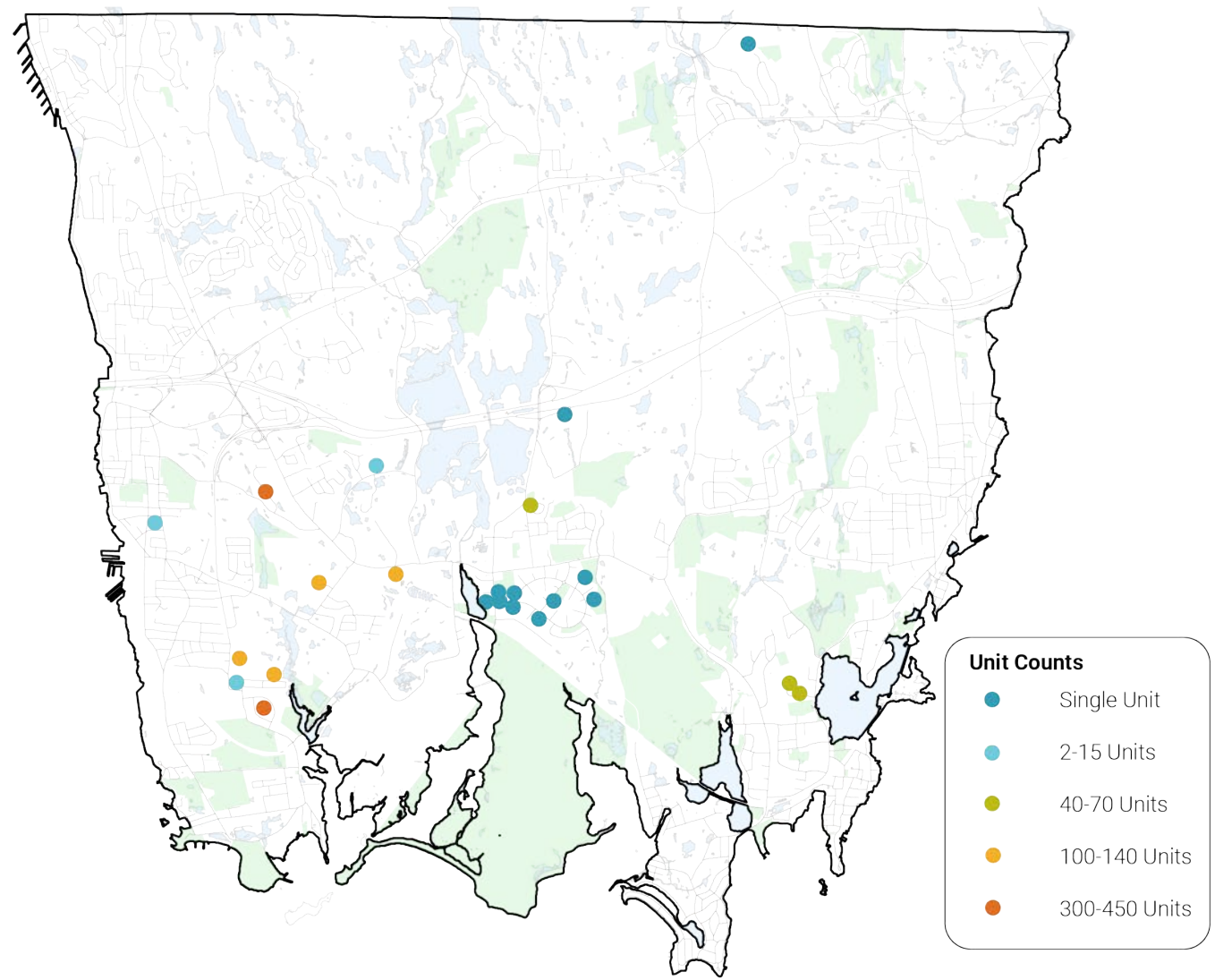
Area Median Income (AMI) refers to the midpoint of a region's income distribution where half the households in a region earn more than the median and half earn less than the median. For housing, AMI thresholds set the limits for households eligible to live in income-restricted housing units and how much those units can be rented or sold for.

# Housing Affordability Gap

Government Assisted Projects	Total Units	Restricted Affordable Units
Branford Manor	441	441
Country Glen Apartments	324	0
Groton Estates	140	0
Poquonnock Village	113	113
Avery Heights	104	104
Pequot Village I & II (Public Housing)	104	104
Grasso Gardens I & II (Public Housing)	70	70
Mystic River Homes Congregate	51	51
Mystic River Homes	46	46
AHEPA 250 III - Groton	40	40
First Step - Sound Community Service	13	13
Groton Pilots	6	6
38 Whitney Road/The May Institute Inc.	1	1
443 Hazelnut Hill Road/The May Institute, Inc.	1	1
<b>Deed Restricted Single Family Homes</b>		
1 Atlanta Court	1	1
15 Fitch Avenue	1	1
151 Midway Oval	1	1
20 Depot Road	1	1
37 Depot Road	1	1
39 Midway Oval	1	1
4 Fitch Avenue	1	1
6 St. Joseph Court	1	1
18-20 Fitch Avenue	2	2
<b>Tenant Rental Assistance Units</b>		
	107	107
<b>CHFA/USDA Mortgage Single Family Homes</b>	377	377
<b>TOTAL</b>	<b>1,948</b>	<b>1,484</b>

## Government Assisted Units and Deed Restricted Single Family Homes

Source: Connecticut State Department of Housing, 2021



**THERE ARE MORE POTENTIAL BUYERS IN HIGHER INCOME BRACKETS THAN THERE ARE HOUSING UNITS THAT MATCH THEIR PRICE POINTS.**

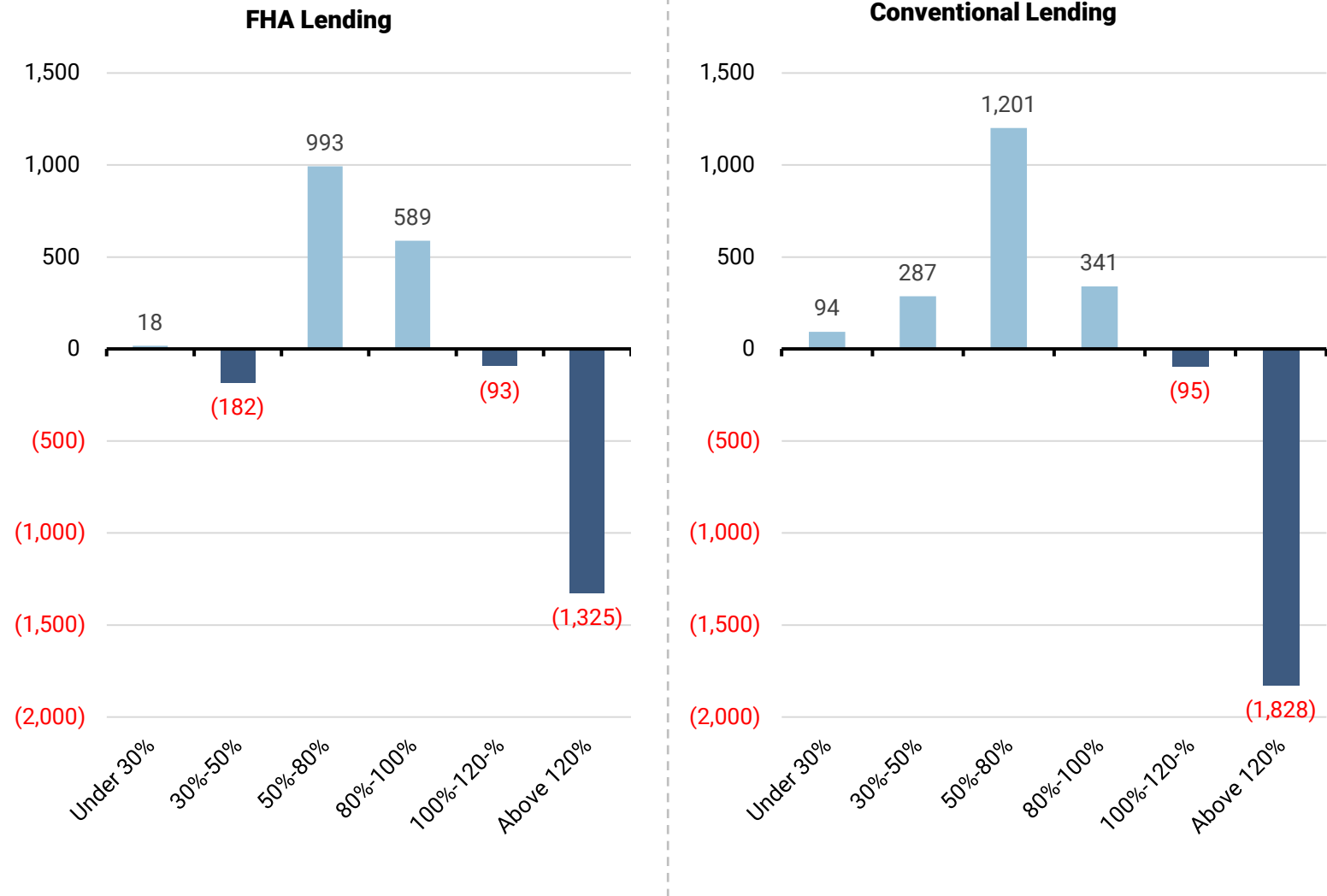
For households earning at or below 50% of AMI, there are 381 more households than there are housing units in the conventional lending scenario, but a shortage of 164 units in the FHA lending scenario. The maximum affordable home price for households earning below 50% of AMI is \$151,091 in the FHA scenario, and \$172,813 in the conventional lending scenario. **Only 17% of the homes were valued below \$151,091 in 2019, but 19% of the owner households earn at or below 50% of AMI.** Many of these lower priced units may need rehabilitation or interior upgrades to make the units livable and marketable to today's homebuyers. **The supply of homes below \$170,000 should be increased to accommodate the unmet demand among households earning below 50% of AMI.**

Units valued between 50-100% of AMI account for 46% of all owner units in both the FHA and conventional lending scenario, yet only 26% of owner households have incomes that fall within this grouping. There is a net surplus of 1,582 units in the FHA scenario, and 1,542 units in the conventional lending scenario, indicating higher income households are likely buying down in Groton's market since overall vacancy for homeowner units is relatively healthy.

Households earning more than 100% of AMI account for 55%, with the supply of units priced to meet the demand accounting for 37% of all owner units in the FHA scenario and 30% in the conventional lending scenario. **There is a deficit of 1,418 units in the FHA scenario and 1,923 units in the conventional lending scenario for households above 100% AMI.** This indicates a potential market for new higher priced housing that could ease the competition for moderate income units.

**Supply and Demand Gap for Ownership Housing Units, Town of Groton**

Source: HUD 2021, ACS 2019



**THE RENTAL SUPPLY IS TIGHT AT BOTH THE LOWEST END AND HIGH END OF THE INCOME SPECTRUM.**

For extremely low-income renter households, the supply of affordable and available units is tight. There are 943 more households earning less than 30% of AMI than available affordably priced units with monthly gross rents at or below \$616. **Only 10% of occupied rental units have monthly rents below \$616, while 21% of renter households earn at or below 30% of AMI.**

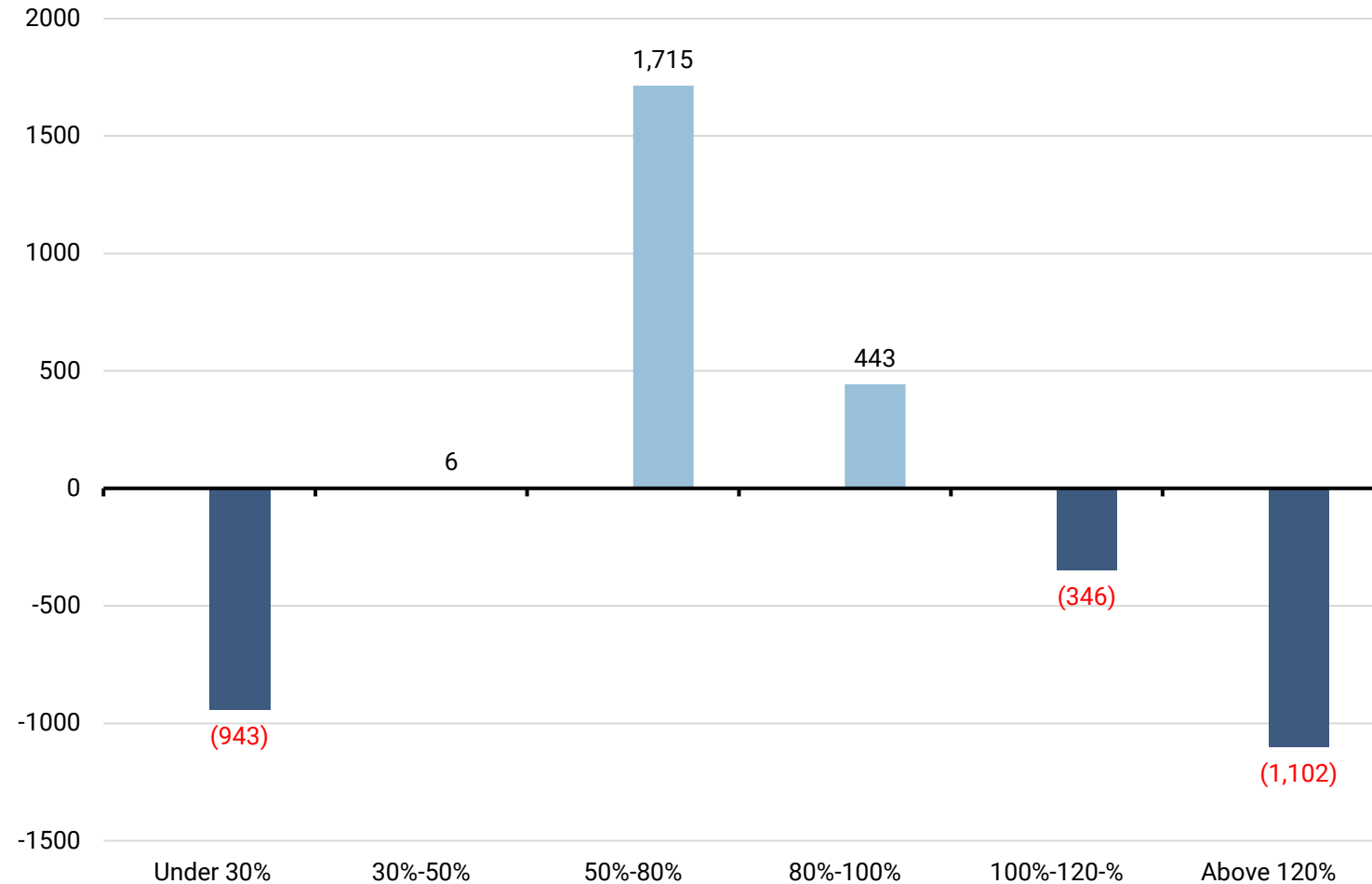
Units priced between 50-100% of AMI account for 62% of all rental units, while only 34% of renter households have incomes corresponding to this price bracket. **This creates a surplus of 2,158 units** that are likely rented by households with lower incomes who are likely spending more than they should on housing costs.

Renter households earning more than 100% of AMI account for 26% of all households, but the supply of units at this price point accounts for only 8% of the rental stock. **The gap between demand and supply for households above 100% AMI is 1,448 units.**

**The lack of higher priced rental units in Groton puts downward pressure on the supply of housing priced for lower income households.** Higher income households have more choices in the housing market and are likely renting units at a lower price point than they could otherwise afford. **Also, 54% (943 households) of all renter households earning below 30% of AMI have no available affordable units** and have to pay more than 30% of their incomes on housing.

**Rental Supply and Demand Gap, Town of Groton**

Source: HUD 2021, ACS 2019, RKG Associates



**OLDER HOUSEHOLDS AND HOUSEHOLDS AGED 25-44 WITH HIGHER INCOMES ARE GROWING AS A SHARE OF ALL HOUSEHOLDS IN GROTON.**

The increases in older householders (those over 65 years of age) and households with a householder aged 25-44 are not only leading to changes in total population, but it is also changing the income dynamics in Groton. Between 2010 and 2019 there were 477 additional households headed by a person over the age of 65 that were also earning over \$100,000 a year. There were also 432 additional households headed by a person between 25 and 44 earning over \$100,000 a year.

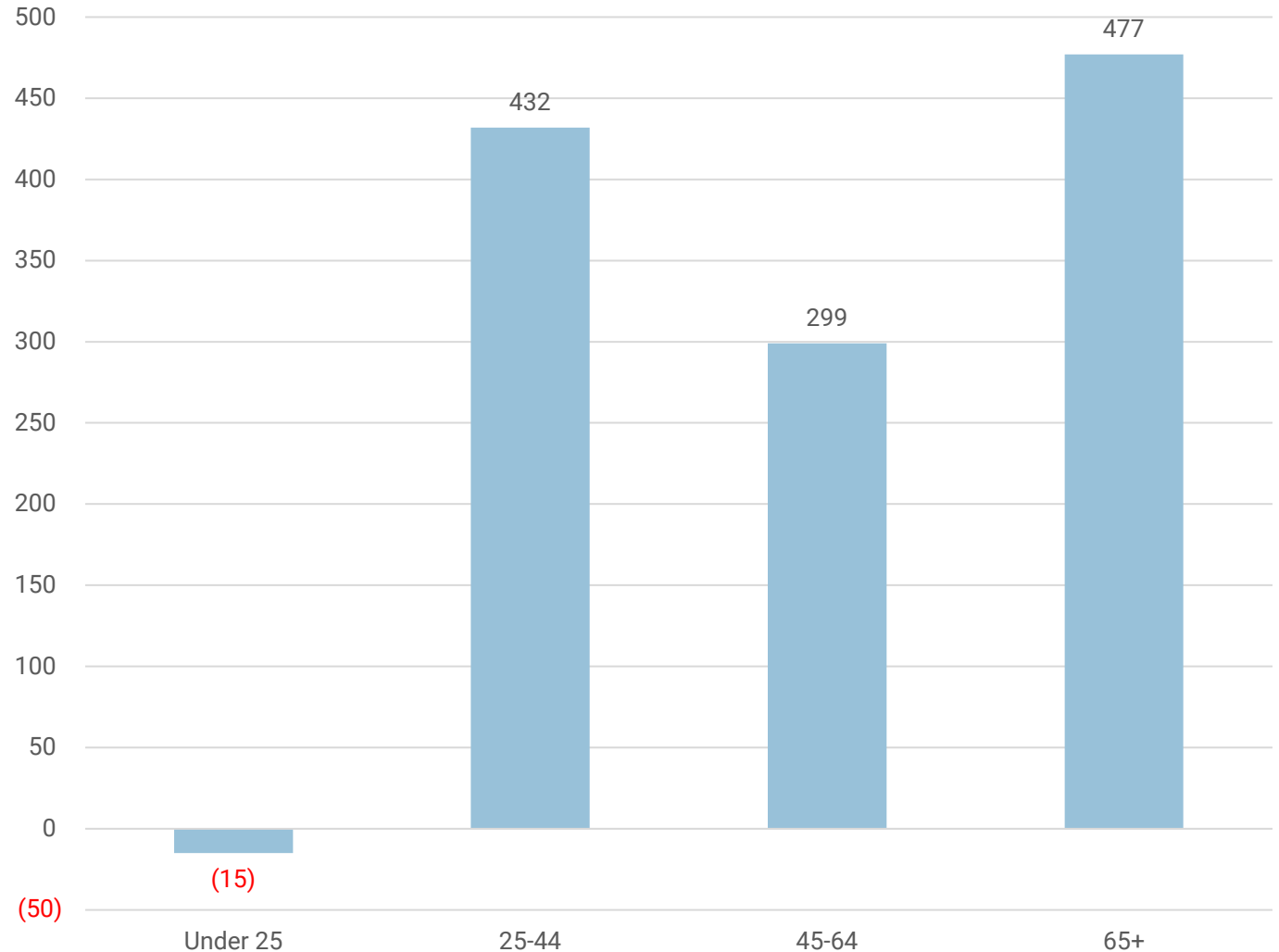
These households, particularly the 65 and older households, are a rapidly growing share of new renter households in Groton. Between 2010 and 2019 there were 319 additional renter households and 468 owner households headed by a person age 65 and older. With many of these new households bringing incomes in excess of \$100,000, it means they can afford housing at a higher price point than many other households in Groton.

If these new households choose to rent or purchase housing at their level of affordability (30% of annual household income), they could afford rents of \$2,500 a month or more and purchase prices of \$420,000 or more.

At the same time, there has been a decrease in households earning less than \$50,000 a year in all age groups. Some households may have increased their household incomes and moved up the income brackets. Rising housing prices plus an influx of higher income households could also be creating pressure to leave Groton if housing is not readily available at prices affordable to lower-income households. This may also be hurting the local economy as some labor force leave Groton and possibly find jobs elsewhere in the region.

**Change in Households Earning over \$100,000 by Age Cohort 2010-2019**

Source: ACS 2010, 2019



# **ISSUE & OPPORTUNITY AREA 2**

## **ACCOMMODATING FUTURE GROWTH**



Accommodating Future Growth

**Approved Project Pipeline**

Source: Town of Groton, 2021

Permitted, Not Complete	Unit Count	% of Total
Detached Single-Family	60	22%
Attached Single-Family	25	9%
3 Units or More	189	69%
<b>Total</b>	<b>274</b>	<b>100%</b>

According to permitting data provided by the town covering the years 2015-2020, there are 274 units of housing that are at different stages in the development pipeline, including units permitted but not constructed and units constructed but not occupied. This includes 60 single-family detached units, 25 single-family attached units, and 189 units in structures with three or more units. The 189 units in multifamily structures include 44 units from Pleasant Valley Apartment.

**Potential Future Developments**

Source: Town of Groton, 2021

	Unit Count
<b>Total</b>	<b>1,048</b>

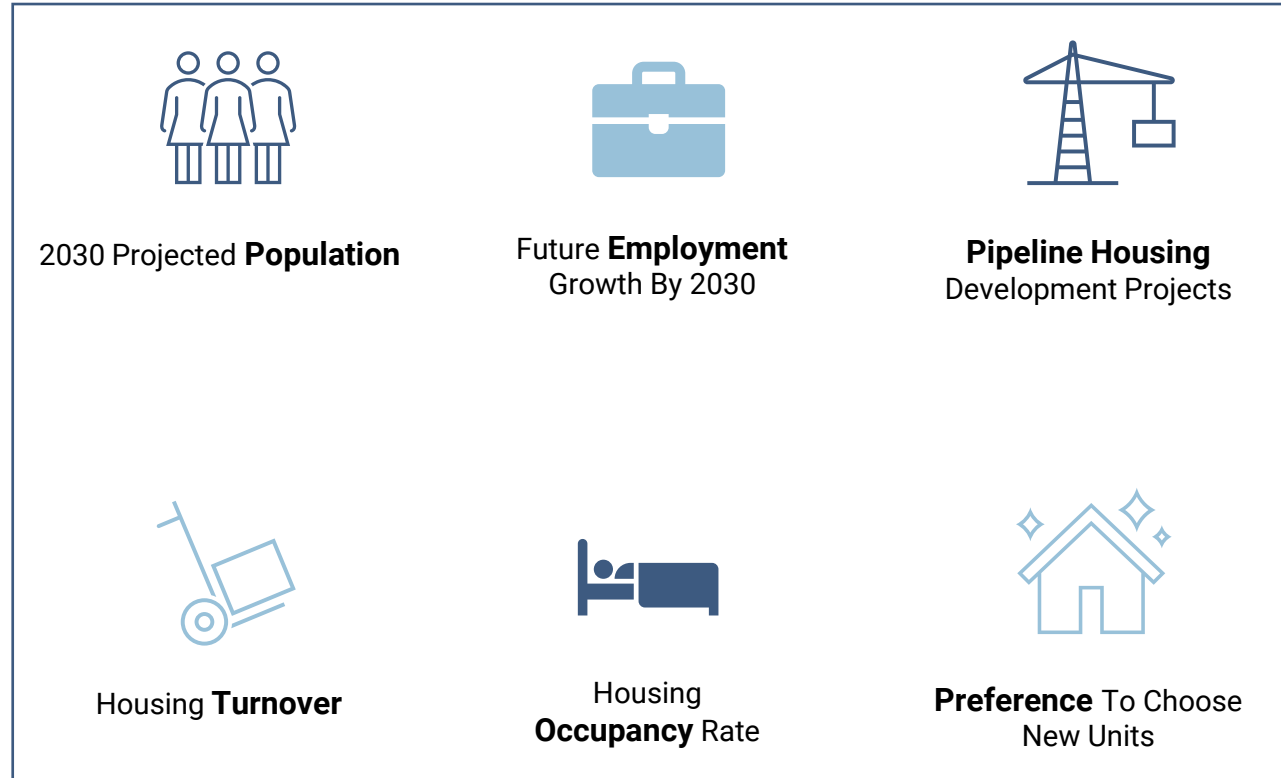


Photo: Military housing option in Groton.

## Accommodating Future Growth

To better understand demand for housing in Groton through the year 2030 and how many additional housing units could be absorbed, several factors were considered. According to projections from the Connecticut State Data Center, Groton could add 720 new households between 2020 and 2030 in the baseline scenario. However, Electric Boat and other major employers are expected to add around 5,000 new jobs in the *region* between 2020 and 2030, which could bring additional households to Groton on top of the baseline projection. In addition, Groton is expected to see several housing project come to fruition which are currently in various stages of approval or concept. These could add around 1,048 new housing units to the Town by 2030. Under these assumptions, **RKG projects the Town could support demand for 499 new owner-occupied housing units, and between 2,799 and 2,932 new renter-occupied units depending on how successful Groton is in capturing regional employment growth.**

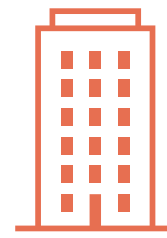
### Housing Demand Factors Considered



→  
Future Housing Demand



**499**  
Owner Units



**2,799 - 2,932**  
Rental Units

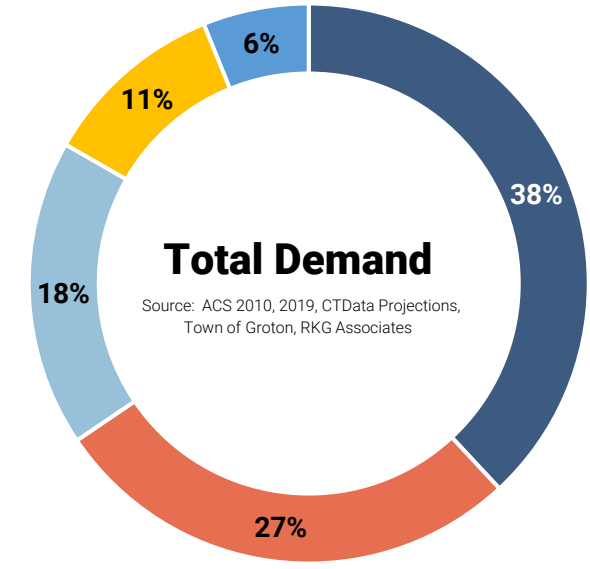
## 2019-2030 Projected New Housing Unit Demand By Household Size

The graphs to the right show a methodology developed by RKG to allocate projected household growth to households by size. RKG used Groton’s 2019 household composition and assumes that will remain constant out to the year 2030. For example, in 2019, 29.7% of owner-occupied households were 1-person and 40.0% were 2-person households. These percentages are applied in the same way to the new owner-occupied housing demand projected for 2030.

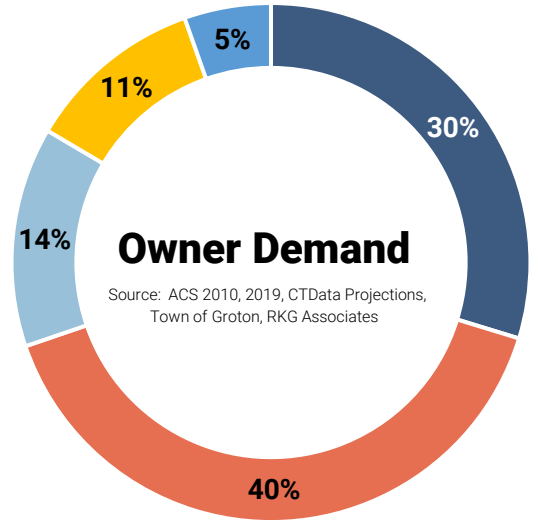
**Note that this is the ideal situation in which new housing units in the Town should be allocated by household size assuming the 2019 household composition remains.**

In total, 66% of the total new housing units will be needed by 1- and 2-person households. **This means the Town will need to consider how to increase the production of smaller units to accommodate the increase in the demand for 1- and 2-person household units.**

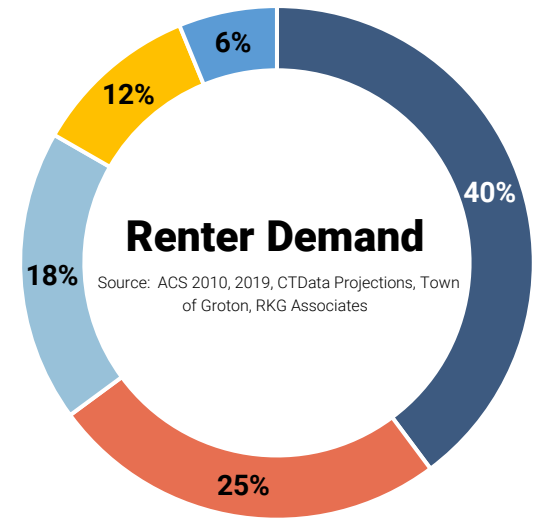
Among the 499 new ownership housing units that should be added to accommodate the future population growth in Groton, 69.7% of them, or 348 units should be for 1- and 2-person households. In addition, 64.9% of the demand for new renter-occupied housing units come from 1- and 2-person households.



■ 1-Person ■ 2-Person ■ 3-Person ■ 4-Person ■ 5+-Person



■ 1-Person ■ 2-Person ■ 3-Person ■ 4-Person ■ 5+-Person



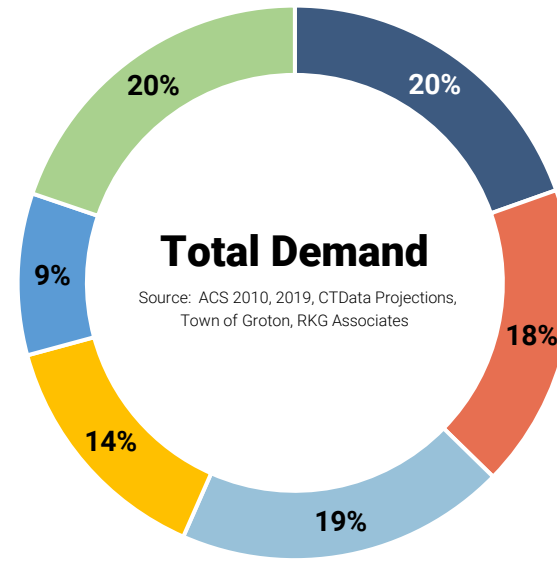
■ 1-Person ■ 2-Person ■ 3-Person ■ 4-Person ■ 5+-Person

## 2019-2030 Projected New Housing Unit Demand By Household Income AMI

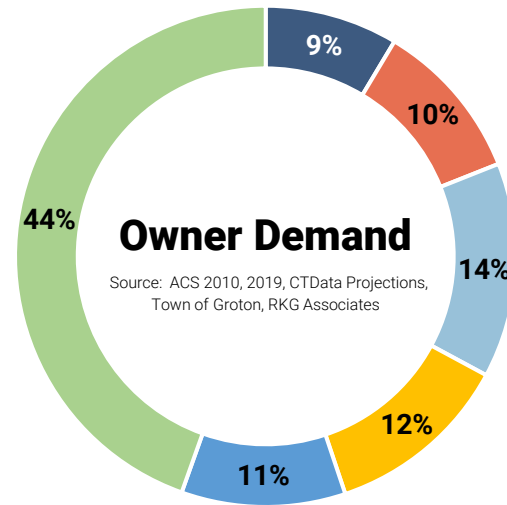
RKG also allocated the projected new housing demand by 2030 by household income AMI threshold. RKG used Groton’s 2019 household distribution by AMI threshold and assumes that will remain constant through 2030. For example, in 2019, 8.6% of owner-occupied households earned household incomes at or below 30% of AMI and 10.4% earned 31%-50% of AMI. These percentages are applied in the same way to the new owner-occupied housing demand projected for 2030.

In total, around **56%** of the new housing unit demand projected by 2030 will be coming from households earning **at or below 80% of AMI**.

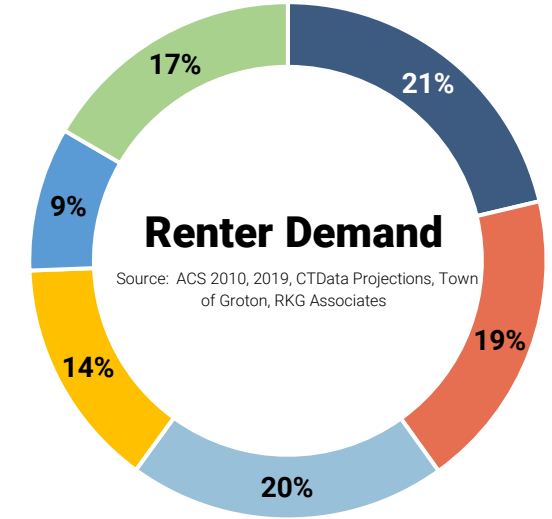
This means the Town will need to consider how to **increase the production of units that are affordable to these households earning at or below 80% of AMI**. Therefore, increasing **rental units available to households which could afford a maximum monthly rent of \$1,570 and single-family homes with prices at or below \$231,145** should be the Town’s focus. This calculation is based on a 2-person household with an annual household income at or below \$62,800.



- < 30% AMI
- 31% - 50% AMI
- 51% - 80% AMI
- 81% - 100% AMI
- 101% - 120% AMI
- 120%+ AMI



- < 30% AMI
- 31% - 50% AMI
- 51% - 80% AMI
- 81% - 100% AMI
- 101% - 120% AMI
- 120%+ AMI



- < 30% AMI
- 31% - 50% AMI
- 51% - 80% AMI
- 81% - 100% AMI
- 101% - 120% AMI
- 120%+ AMI

# **ISSUE & OPPORTUNITY AREA 3**

## **REHABILITATION NEED ASSESSMENT**

# ESTIMATING REHABILITATION NEEDS IN GROTON.

The Town of Groton offers a Housing Rehabilitation Program funded through the Town’s Community Development Block Grant (CDBG) funds. Under this program, there are two types of loans: 1) No-Interest Deferred Loans for Owner-Occupants earning 80% or less of median household income for the Norwich-New London Metropolitan Statistical Area, and 2) Low-Interest Loans for Investor-Owners with a loan rate of 3% payable over a 5-year term. Loans are available to 1-4-unit building.

For multifamily properties, at least 51% of the units must be occupied by tenants with income at or below 80% of median income based on household size. Two-family properties will be eligible if at least one unit is income eligible.

For investor-owned rental properties, investor-owners must agree in writing to the following conditions:

- i. To charge “affordable rents” (applicable Fair Market Rents for Groton) for a minimum of five years from the date of completion of work.
- ii. Not to evict the existing tenant for a period of two years from job completion, unless said tenant is guilty of property destruction, non-payment of rent, or habitual nuisance.
- iii. Owners of presently vacant properties to be rehabilitated for occupancy under this program should rent to tenants that are at or below 80% of AMI.

The Town operates a Lead-Based Paint Control Program as part of the Housing Rehabilitation Program. All applications to the Housing Rehabilitation Program for structures built prior to 1978 will be referred to the designated Lead Inspector for testing and evaluation.

Since 1973, \$4,530,412 has been expended for the rehabilitation of private residential properties. The last award of the Housing Rehabilitation Program funding from CDBG was in 2013, since then the program has been self-sustaining on mortgage payoffs (Program Income Re-use). The current balance is \$123,996.70, and the average loan amount is \$30,000. **This means the current balance could only support three rehab projects at the maximum, usually with only one project at a time.** Since 2015, there have been three projects completed through the Housing Rehab Program.

Project No.	Date Completed	Loan Amount
1	1/2021	\$17,800
2	2017	\$34,950
3	2015	\$20,000

Funds can be used for a wide range of housing rehabilitation projects such as:

- Roof repair
- Plumbing/Bathrooms
- Insect/Rodent eradication
- Doors/Windows
- Wall, ceilings, floors that are seriously deteriorated
- Electric
- Lead abatement
- Heating
- Accessibility improvements
- Exterior wall repair

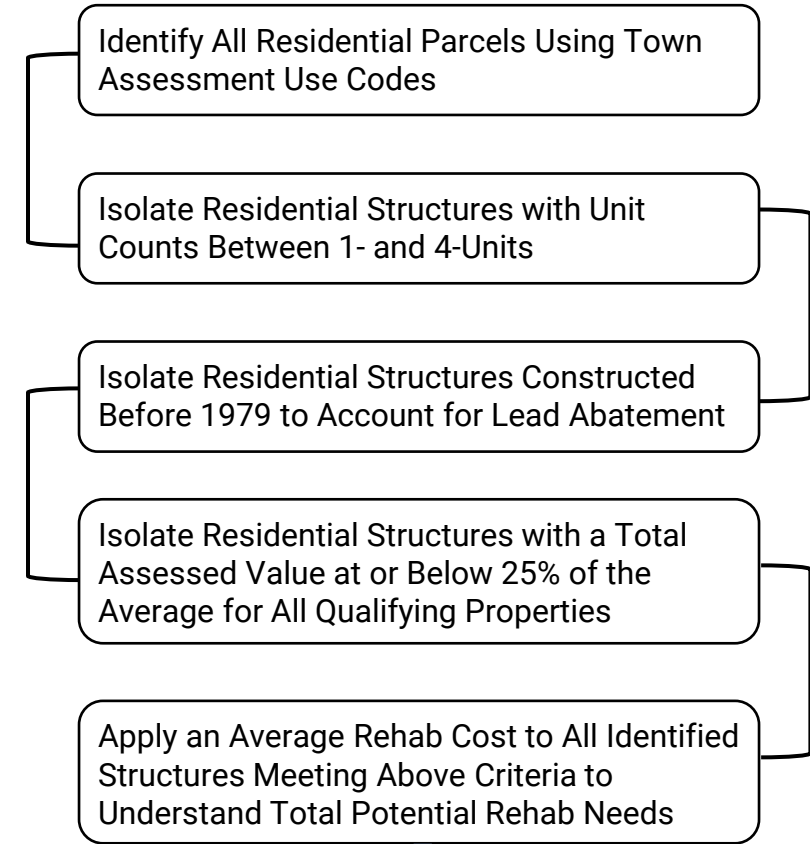
# ESTIMATING REHABILITATION NEEDS IN GROTON.

As part of this Housing Study, the Town asked RKG Associates to develop an order of magnitude estimate of rehabilitation needs for housing across the Town. This estimate would help the Town understand the potential rehabilitation needs and how programs and funding could potentially be adjusted or augmented to meet future needs.

To address this question, RKG created a multi-step approach which is outlined in the graphic to the right. Using the Town’s current Housing Rehabilitation Program funding criteria and applying some factors of our own to relate age of structure and value to potential need, RKG developed a potential estimate of rehab funding citywide. To better understand how assessed value could be used as an indicator for rehab needs, RKG calculated the average assessed value for all qualifying properties (6,324) and used a cut off of 25% of the average. Any qualifying property with a total assessed value below \$70,851 was identifying as a candidate property. **This exercise left us with 29 properties Town-wide.**

As estimated by the Town, each qualified property will need \$30,000 on average in rehab funding, creating a potential funding **need of \$870,000**. The actual total funding need could be higher or lower depending on the needs of individual properties across the Town. RKG did not have the information to determine whether current residents would meet the 80% of AMI threshold nor if they are owner or renter occupied.

## Process for Identifying Rehab Needs



Average Value	\$283,405
25% of Average Value	\$70,851
<b>Est. Value for Needing Rehab</b>	<b>\$70,851</b>

## HOUSING REHAB DOLLARS COULD BE FOCUSED ON THE POQUONNOCK BRIDGE AREA.

Under the assumption that 29 properties across the Town would qualify for funding, RKG mapped the location of those properties and found that **27 (93%)** fell within the **South Poquonnock Bridge** neighborhood. This is not surprising given the age of structures, housing conditions and the corresponding assessed values in this area. This area also overlaps with higher concentrations of lower household incomes and the non-white population.

If the Town were to focus rehab efforts on the South Poquonnock Bridge area, it could help with property stabilization and increase the safety and quality of housing for residents. If we assume \$30,000 in rehab funding per structure in the neighborhood (27 in total), a **\$810,000 investment** could go a long way to help improve South Poquonnock Bridge housing.



Older housing stock in Groton.



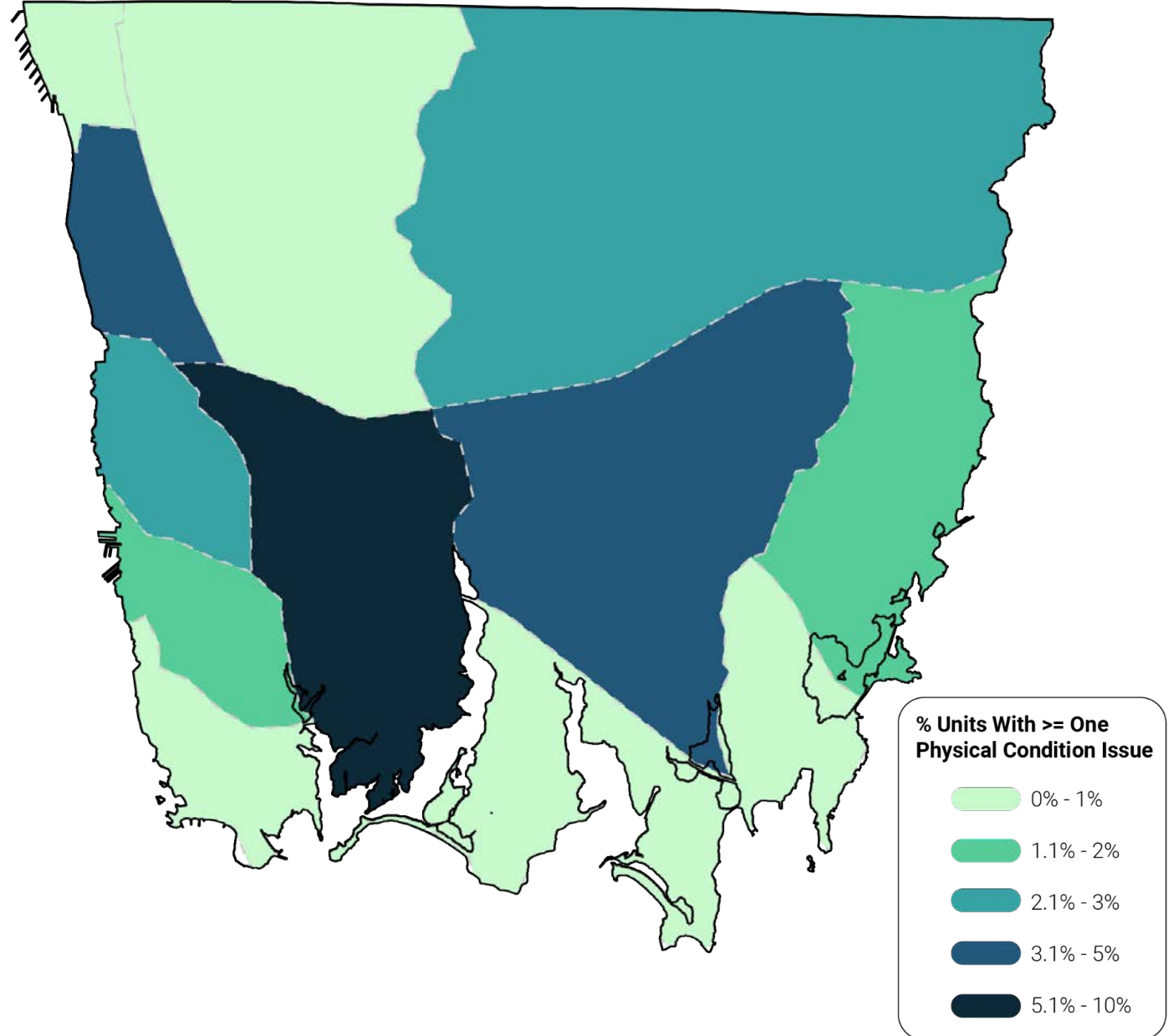
## HOUSING REHAB DOLLARS COULD BE FOCUSED ON THE POQUONNOCK BRIDGE AREA.

According to the American Community Survey 2019 Estimates, the South Poquonnock Bridge neighborhood also has the highest share of occupied housing units with at least one of the following physical condition issues: lacking complete plumbing facilities, lacking complete kitchen facilities, and no telephone service available.

This result resonates with the previous rehab potential map and illustrates the necessity of focusing on this area for housing rehabilitation to improve the quality of housing and preserve the existing housing stock. Other areas of focus include West Pleasant Valley, City of Groton and Old Mystic.

## Percent of Housing Units With At Least One Physical Condition Issue (Lacking complete plumbing facilities, Lacking complete kitchen facilities, No telephone service available)

Source: ACS 2019



# GOALS AND STRATEGIES

# HOUSING GOALS

Throughout the housing plan process, the Town engaged both the Advisory Committee and the public in meetings and surveys to help identify and refine a set of goals to organize and guide specific strategies for addressing housing opportunities and challenges. For this plan, the Town has established five overarching goals for which strategies are organized under. These include:

**Groton's Housing Stock Will Help to Support Groton's Population and Employment Base**

**Groton's Neighborhoods Will Provide for a Diversity of Housing Types**

**Groton Will Preserve and Maintain both Deed-Restricted and Naturally-Occurring Affordable Housing**

**Groton Will Work to Increase its Supply of Affordable Housing Over Time**

**Groton Will Provide Adequate Housing Technical Assistance to Owner and Renter Households**

# SUMMARY OF RECOMMENDATIONS

## MATRIX KEY:

This matrix shows the recommendations organized by each goal and a suggested timeline for implementation.

RECOMMENDATIONS	TIMELINE		
	SHORT TERM (0-2 Years)	MID TERM (3-5 Years)	LONG TERM (6-10 Years)
<b>SUPPORT GROTON'S POPULATION AND EMPLOYMENT BASE</b>			
Zoning Changes to Encourage Housing Growth	X	X	-
Leverage Public Land for Housing Production	X	X	-
Employer Assisted Housing	X	-	-
Housing as a Marketing Tool	On-Going		
<b>PROVIDE FOR A DIVERSITY OF HOUSING TYPES</b>			
Encourage Missing Middle Housing Option	-	X	-
Accessory Dwelling Unit (ADU) Policies	X	X	-
Options for Senior Housing	X	-	-
<b>PRESERVE AND MAINTAIN EXISTING AFFORDABLE HOUSING</b>			
Boost Housing Rehab Program	X	-	-
Mobile Home Protections	-	X	X
Rehab/Redevelopment without Displacement	-	X	X
Promoting Rental Assistance Program	-	X	-
<b>INCREASE THE SUPPLY OF AFFORDABLE HOUSING</b>			
Implement Inclusionary Zoning	X	-	-
Create an Affordable Housing Trust Fund	X	-	-
Partner with Groton Housing Authority, Habitat and Other Organizations	On-Going		
<b>PROVIDE HOUSING TECHNICAL ASSISTANCE</b>			
Implement First Time Homebuyer Program	-	X	-
Create Housing Education and Resources	X	X	-
Implement Senior Tax Relief or Work Off Program	-	X	-

# HOUSING GOALS & STRATEGIES

## HOUSING GOAL #1:

Groton's Housing Stock Will Help to Support Groton's Population and Employment Base

## Strategies Addressing Goal #1:

### Strategies to Boost Housing Production

- Zoning
- Public Land Disposition
- Marketing

### Employer Assisted Housing



Academy Point Senior Living.

Groton's Housing Stock Will Help to Support Groton's Population and Employment Base

## **Zoning Changes to Encourage Housing Growth**

The following is a list of recommended zoning changes that could help Groton address projected population and employment growth through housing production:

- Consider R7 and/or R12 zoning districts for additional allowed housing typologies (3 to 4-unit buildings or more).
- Consider adding an open space subdivision district with smaller lot size requirement, possibly in the 5 to 10-acre range. Current district requires 20 acres.
- Consider ability to add units at existing mobile home parks if land is available and standards can be met.
- New mobile home parks are not currently allowed in Groton, consider allowing with design guidelines or conditions and in locations with sewer and water in place.
- Consider some changes to Accessory Dwelling Unit regulations (discussed later in the report).
- Consider some changes to encourage senior housing and accessible units (discussed later in the report).

## Groton's Housing Stock Will Help to Support Groton's Population and Employment Base

# Leverage Public Land for Housing Production

Disposing of available publicly-owned properties to support housing production, particularly mixed-income or affordable housing, can be an effective way of partnering with developers to address housing needs. Land is a cost borne by the development, but when publicly owned, could be offered at a steeply discounted rate to improve the financial viability of a proposal that includes an affordable housing component. In Groton, the Town has been proactive in utilizing public request for proposal (RFP) processes to encourage the reuse or redevelopment of publicly owned assets that are no longer needed. Former school buildings like the Colonel Ledyard Elementary School and the Seely School are proposed to be redeveloped into new housing.

The offering of publicly-owned land for private development also allows the municipality to be in the driver's seat and define development goals and outcomes in return for public incentives such as discounted land, tax abatements, or infrastructure funding. Addressing housing production, particularly affordable housing, could be one public benefit achieved through the land disposition process. Developing clear criteria for evaluating the responses to public land bids will help developers understand the goals of the project and provide transparency for the Town when evaluating each proposal.

### Considerations for Potential Properties

**Minimum Lot Size:** Over 5,000 square feet, but preference for larger sites that could accommodate multi-family units.

**Use of Property:** Ensure there are no other competing public uses for the property, and no plans by other Town or school district departments for future use of the property. The use/housing type should be compatible or not conflict with existing neighborhood character.

**Zoning:** Property should be in an existing residential or mixed-use district or overlay district. Town could also adopt form-based code or a hybrid code to influence design.

**Infrastructure Capacity:** Property should be served by existing water, sewer, and transportation infrastructure. Capacity should be available to serve the development.

**Property Location:** Ideally, the property is located near amenities residents could take advantage of such as parks and open space, schools, childcare facilities, and shops and grocery options.

**Environmental Considerations:** Property should not be located within a floodplain, have significant wetland encumbrances, or environmental remediation issues.

## Groton's Housing Stock Will Help to Support Groton's Population and Employment Base

# Employer Assisted Housing

Employer-assisted housing programs provide an option for employers to help their employees with the cost of owning or renting a home. Programs can be targeted to neighborhoods near where employees work. Assistance may be provided in a variety of ways, including down payments that are forgiven over a period of employment, education and counseling around homeownership, rental subsidies, or even a direct investment in the housing development itself.

The program could be created for public-sector employees working for the Town, but often it is created by and for the private sector. These programs are most successful in communities that have one or more large employers with employees who struggle to find housing that matches their income. Groton could be a partner in a program like this by providing a matching contribution to any housing subsidy payment offered by the employer.

Given the projected increase in employment in the near-term, the Town may wish to begin conversations with larger employers, like Electric Boat and Pfizer, to gauge interest in partnering over time on an employer assisted housing program.

As conversations begin with employers about creating and contributing to an employer assisted housing program, the Town may want to consider the following steps to organize both the conversation and the strategy:

1. Evaluate the Housing Needs of Employees through Studies, Surveys, and Focus Groups
2. Examine the Employers Participation Options
3. Assess the Availability of Housing Options
4. Determine the Best Strategy Going Forward

The Greater Minnesota Housing Fund put together an excellent guide for both employers and communities that are looking to start conversations around an employer assisted housing program. The guide includes a primer on programs, examples, lessons learned, FAQs, and how to make the case for a program.

Source: [EAH Guidebook](#)

### Case Study – PA Housing Finance Agency

The Keystone Advantage Assistance Loan offered by the Pennsylvania Housing Finance Agency provides an \$8,000 down payment assistance loan which is interest free and amortized over a 10-year period. Employers who partner with PHFA can add to that benefit or just provide employees with the existing loan benefit.

[Keystone Advantage Program](#)



## Groton’s Housing Stock Will Help to Support Groton’s Population and Employment Base

# Housing as a Marketing Tool

The Town of Groton is doing a great job of encouraging the expansion of existing employers and the attraction of new ones. To add to the Town’s on-going economic development and marketing efforts, information from this housing study could be added to marketing materials as a way to show prospective employers the housing choices Groton offers. This is particularly important as housing cost and availability are quickly becoming top considerations for companies when looking to site a new location or expand in an existing one. Quality of Life made the top six site selection criteria list in 2019 for the first time in 20 years. This criterion deals with the quality of the community, including the ability to find affordably-priced housing, housing that meets quality standards, and a diversity of housing types for individuals and families.

The marketing material on Groton’s housing market could be integrated with existing economic development marketing materials in both printed format and digital format if displayed on the Town’s website. Information about housing availability, pricing, and product types would be important to highlight. The Town could also provide materials on housing at conferences, target industry marketing efforts, and site selection materials.

### Executives’ Top Site Selection Criteria: Changing Preferences

Source: Area Development Magazine and RKG, 2020

2019	2010	2000
Highway Accessibility	Highway Accessibility	Highway Accessibility
Availability of Skilled Labor	Labor Costs	Labor Costs
Labor Costs	Tax Exemptions	Availability of Skilled Labor
<b>Quality of Life</b>	Occupancy or Construction Costs	Corporate Tax Rate
Occupancy or Construction Costs	State & Local Incentives	State & Local Incentives
Corporate Tax Rate	Corporate Tax Rate	Tax Exemptions

# HOUSING GOALS & STRATEGIES

## HOUSING GOAL #2:

Groton's Neighborhoods Will Provide for a Diversity of Housing Types

### Strategies Addressing Goal #2:

- Missing Middle Zoning
- Accessory Dwelling Units (ADUs)
- Housing Options for Seniors



Example of attached single family housing in Groton.

# Encourage Missing Middle Housing Options

To address the need for more diverse housing types and price points in some of Groton’s neighborhoods, the Town should review the R7 and/or R12 zoning districts and explore adding new use definitions and design guidelines for 3-4-unit buildings or 3-10-unit buildings. The Town may also want to consider using this density “bonus” as an incentive to encourage homeownership. The Town could tie the allowance of a higher density building to a restriction on the units that they be owner-occupied and not rented for short- or long-term use. A deed restriction could be attached to the unit or a covenant in the homeownership association which makes prospective buyers or future owners aware of the restriction on the unit. For larger buildings, the Town could also consider tying affordability restrictions in using inclusionary zoning for example.

The Town may also want to consider creating design guidelines or pre-approved designs so new structures more closely resemble the form and function of the neighborhood.

## APARTMENT HOUSE Small multifamily that just fits

The Apartment House is a context sensitive approach to adding density gently into an existing neighborhood. From the street, the building presents as a 1.5-3-story single-family house. Within the building, three modest but dignified apartments offer a variety of sizes and amenities.

Unlike similarly sized buildings that provide separate sleeping areas with a common kitchen and living area, the apartment house has three fully independent housekeeping units with only a small stairwell shared between them. Separate living units reduce the building’s individual household sizes to numbers that are more consistent with small families living in typical existing neighborhoods.

### INCLUDED OPTIONS

1. Shed Dormer Apartment House
2. Gable Dormer Apartment House
3. Low-Slope Apartment House



Shed Dormer Apartment House



Option 1  
Gable Dormer Apartment House



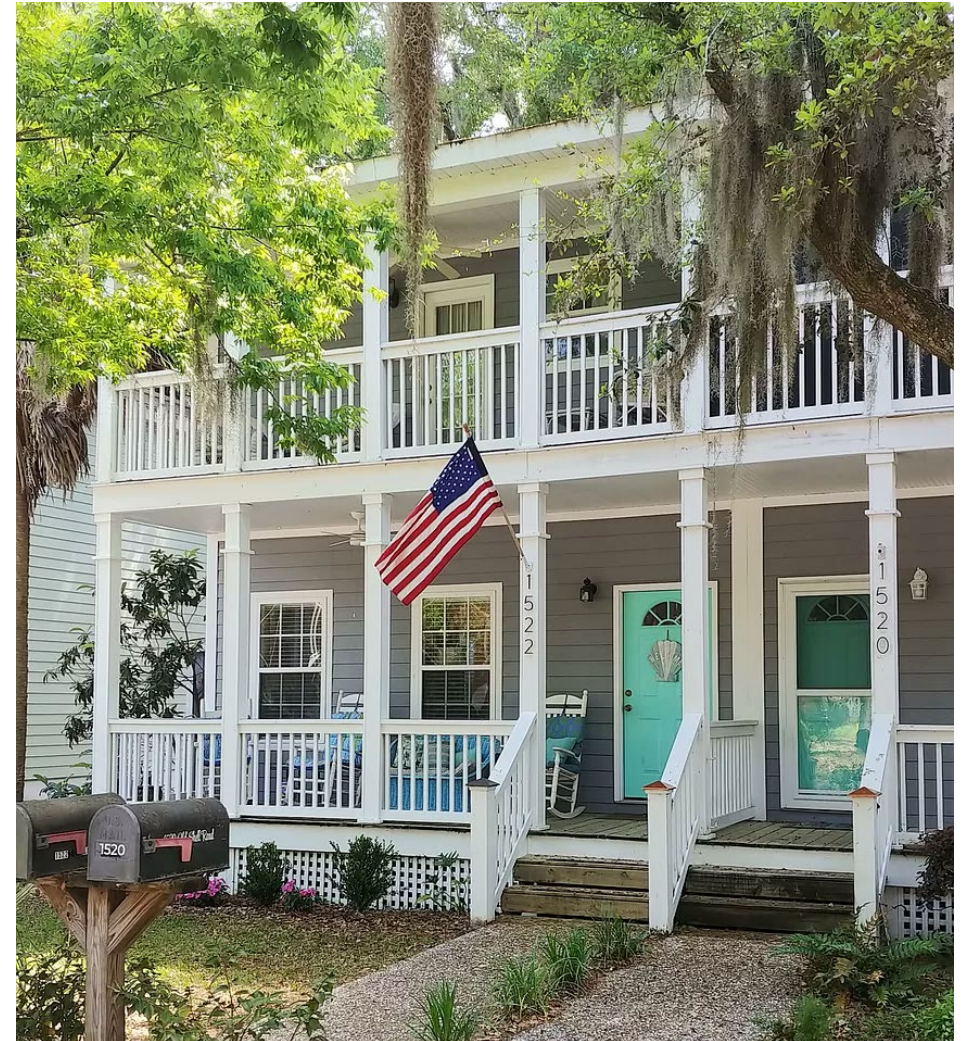
Option 2  
Low-Slope Apartment House



Option 3  
Shed Dormer Apartment House



Approved Variation  
Shed Dormer Apartment House in Brick



Example of designing with density in a single-family neighborhood.

# Providing for Accessory Dwelling Units

An accessory dwelling unit (ADU) is an independent residential living area that is on the same property as a larger, primary dwelling unit. The term “accessory” is purposely meant to describe the unit as secondary to the primary unit, in the same way a garage is of secondary importance to the home. These units cannot be sold separately and are typically limited in size to help reduce impacts on neighbors and blend in with surrounding homes. These units can help meet a wide range of living arrangements, provide an affordable housing option to family or friends, or create an opportunity for the primary homeowner to generate additional income through rent. The passage of Connecticut’s HB 6107 in 2021 legalized accessory dwelling units and created more consistent regulations, including allowing units up to 1,000 square feet in size or 30% of the main dwelling unit.

An accessory dwelling unit generally takes three forms:

1. **Re-purposed space:** e.g. above the garage or in the basement.
2. **Stand-alone unit:** separate from the primary home.
3. **Attached:** addition to the primary home.

An accessory dwelling can play the role(s) of:

1. Provide an affordable housing option for smaller households.
2. Provide another option for rental units.
3. Provide seniors with another housing option to allow older owners to age in place.
4. Provide lower cost housing option for younger residents
5. Provide options to integrate multi-generational households to live together.

The Town of Groton already allows ADUs to be constructed, both attached or detached units. While the Town has seen some ADU activity, it would be desirable to find ways to continue to reduce barriers and have more constructed over time. Some recommendations for easing restrictions and incentivizing ADU construction could include:

- Allow an ADU to encroach on the rear setback. This could provide a larger building envelope on lots that may have setback constraints thereby restricting ADUs. Allowing some encroachment into the setback could provide additional room to construct the ADU. This should be reviewed by Planning staff on a district-by-district basis to determine the appropriate encroachment amounts as setbacks vary by district as does built form of each district/neighborhood.
- The Town could also consider the following ADU Incentives:
  - Approach local lenders or state agencies to create a zero percent interest rate loan pool for detached ADUs that are income restricted to 80% AMI or 60% AMI and below.
  - Connect homeowners with architects for consultation, design or site plan.
  - Reduce or remove permit fees, hook up fees, inspection fees for ADUs.



Example of an attached ADU.



Example of detached ADU.

# Options for Senior Housing

With the growing senior population and desires to age in place, there is broad support to find ways of encouraging additional housing typologies that could accommodate seniors over time. These options could include:

- Explore the allowance of co-housing structures in the zoning. This is a newer form of housing which relies on shared amenity space, shared indoor and outdoor space, and a shared governance structure similar to a co-op. This could also be explored for any age group, not just for seniors.
- Ensure universal design features are incorporated in new senior housing units. The Town could institute a requirement that a certain percentage of units in a new building be constructed with universal design features. This not only serves the senior population, but any resident with a disability.
- Consider a smaller minimum lot size to encourage patio homes or single-level living units. Groton's current senior development regulations require a 10-acre minimum lot size. Smaller infill lots around Town might be appropriate for smaller patio homes or single-level living but do not meet the 10-acre minimum threshold for senior developments. This could open some additional options for providing more senior-centric housing. To conserve land and keep building footprints tight, multi-story buildings with elevator access could be designed but still promote one-floor living, similar to a flat.
- The Town should continue its partnership with the Housing Authority and other organizations who provide deeply subsidized senior affordable housing. As the senior population grows and more seniors are on fixed incomes, the need for deeply affordable units may increase over time.



Example of a naturally occurring retirement community concept (NORC).

# HOUSING GOALS & STRATEGIES

## HOUSING GOAL #3:

Groton Will Preserve and Maintain both Deed-Restricted and Naturally-Occurring Affordable Housing

### Strategies Addressing Goal #3:

- Housing Rehab
- Mobile Home protections and improvements
- Encourage rehab/redevelopment of naturally affordable units without displacement
- Promote rental assistance programs and opportunities in Groton



Mobile home park in Groton.

## Housing Rehab

The Town should continue to promote restoration and rehabilitation of the existing housing stock as a way to ensure neighborhoods maintain value over time and naturally-occurring affordable housing remains available and attainable for Groton's residents. As the Town considers rehab projects and policies, there may be opportunities to divide up large single-family homes and conversion to a multi-unit building. This could help open up additional housing options in many neighborhoods and leverage the Town's rehab funding as a tool for doing so.

Groton's housing rehabilitation program is already following many best practices but could be made more robust over time with an infusion of funding with fewer AMI restrictions which could support households above 80% of AMI up to as high as 120% of AMI. If the Town were to create a Housing Trust Fund that included more flexible funding resources, rehab dollars could be available to more households at a broader range of incomes. A similar tactic could be used for investor-owned properties with units priced above 80% of AMI. For higher income households or investor units, the Town could also consider stricter repayment terms or charge a higher interest rate compared to lower-income units or households. Lastly, the Town should continue to treat the fund as a revolving loan which is repaid over time in order to continually repopulation and grow fund over time.

## Mobile Home Park Protections

Mobile homes play an important role in Groton's affordable housing stock offering naturally-occurring affordably priced units to both individuals and family households. Interviews with housing professionals in Groton revealed these units provide housing options for downsizing seniors as well as employees new to Groton looking for a place to live close to work. In some instance, mobile home parks can be targets for redevelopment or revitalization creating a loss of naturally-occurring housing in the community. To add protections for the few mobile homes that exist in Groton today, the Town could consider providing support to tenants if a mobile home park is discontinued from use or even explore a policy granting right of first refusal where tenants could organize and purchase the park themselves.

The Town could also consider specific outreach to park tenants regarding the home rehab program and assist them with unit upkeep which can be a primary cause of eviction in a mobile home park. Rehabilitation funds could also help address energy efficiency upgrades as the cost to heat or cool mobile home units may be quite high due to deficiencies in insulation.

If mobile home parks are discontinued over time, the Town may want to look at strategies for redevelopment where affordable housing partners could be brought into construct smaller units on the parcel which could continue to serve the same population. The only difference here would be newer units, increased energy efficiency, and likely better build quality.

# Rehab/Redevelopment without Displacement

As rehabilitation or redevelopment of existing residential structures and properties continues over time, the Town should consider strategies that help mitigate negative impacts on existing residents. Policies and best practices can be put in place to mitigate displacement of current residents as a result of new investment to ensure they are included in the future success stories of Groton. Policy measure could include:

- Tax abatements or tax freezes on rehabbed or redeveloped property in exchange for affordability restrictions
- Working with non-profits or equity-minded developers to ensure affordable housing and anti-displacement measures are utilized
- The Town could purchase units in the new development using funding through the Housing Trust Fund and income-restrict the units
- Continue the existing rehab program which is focused on low- and moderate-income households. Continue to offer no interest and favorable repayment periods for low-income households.
- Consider creating a workforce training program for skilled trades where local residents could benefit directly from rehab dollars but also from learning new skills through on-the-job training.

# Promoting Rental Assistance in Groton

With the rising cost of rent in Groton, the Town should look at ways of providing additional assistance to existing renter households through a rental assistance program. Federal and state funds, or local funds through a Housing Trust Fund could be used to offer rental assistance to struggling households. This was a very common strategy for many municipalities during the pandemic to ensure our most vulnerable households could remain housed even during very difficult financial times.

In addition, the Town could work with the Housing Authority on promoting tenant/voucher educational materials and promoting residential properties that proactively accept vouchers and have rents that align with affordability standards for voucher holders. Often voucher holders can have a difficult time finding properties or units that will accept vouchers and units that match affordability standards which are tied to the voucher.



# HOUSING GOALS & STRATEGIES

## HOUSING GOAL #4:

Groton Will Work to Increase its Supply of Affordable Housing Over Time

### Strategies Addressing Goal #4:

- Inclusionary Zoning
- Establishing a Housing Trust Fund
- Partner with Affordable Housing Organizations



Affordable housing option in Groton.

# Implement Inclusionary Zoning Regulations

Inclusionary Zoning (IZ) is a policy used to create affordable housing by requiring developers to include a specific percentage set aside of below-market units as part of a market-rate rental or ownership development. The IZ policy effectively leverages private market investment to create new affordable units with very little (if any) public subsidy. IZ is also an effective way of integrating affordable units across a community to provide opportunities for housing choices in neighborhoods where lower-income households may not have otherwise been able to afford. Resource-rich areas/neighborhoods may have access to better schools, healthcare options, transportation choices, and open spaces. Diversifying the locations of affordable housing may offer new opportunities to households who previously had limited choice.

Inclusionary zoning policies are typically classified as one of two types: mandatory or voluntary. In mandatory policies, affordable units must be included in all proposed developments that fit within the parameters of the policy. Voluntary policies rely on negotiations and offsets which function as incentives to encourage developers to provide affordable units.

The Town of Groton does not have an inclusionary zoning ordinance in place today but should consider creating and adopting one that could be applied to multi-family housing developments. If the Town does move forward with this recommendation, there are several policy conditions that should be considered and discussed:

- What size development should IZ be applied to?
- Where should IZ be applied in the Town, should it be applied town-wide?
- What percentage of units should be set aside?
- Should the policy cover both ownership and rental projects?
- Should the Town have a payment in-lieu option to collect money for the Affordable Housing Trust?
- What income levels should the units target?
- Should there be a tiered system for affordable units where fewer but more deeply affordable units are required versus more units at a higher income level?
- What incentives or offsets should the Town offer if any?

**A key first step to creating an effective IZ policy is to conduct a financial feasibility analysis of the current policy and scenario test any changes the Town wishes to make.** Conducting a feasibility analysis will allow the Town to understand what changes could be supported by market-rate residential development and which changes may slow the pace of development. The financial modeling exercise can help in the crafting of new IZ language and should include the following considerations:

Concurrently, the Town could work with the entity conducting the feasibility analysis to craft an updated IZ policy that responds to the feasibility findings. This can help ensure changes to the IZ policy will not discourage private investment thereby reducing affordable housing production.

# Create an Affordable Housing Trust Fund

Affordable Housing Trust (AHT) funds are a flexible source of funding that can be used to support many different affordable housing initiatives. The money that is generated for the fund is typically created and administered at the town level and are not subject to restrictions like other state and federal housing funds. The money in the fund can be designed to address local needs and priorities, such as those noted throughout this study.

The entity administering the fund would work to define priorities and eligible activities money in the fund could be used for. Examples of funding areas might include:

- Emergency rental assistance
- Gap financing for new construction of affordable units
- Repairs/rehabilitation of older affordable homes/units
- Weatherization program to lower utility costs
- Down payment and closing assistance
- Foreclosure prevention
- Lead abatement program

Once the AHT is established the Town will need to determine who will be administering the fund. Typically, these funds are administered by existing public office that have experience working in partnership with housing developers, administering grants, and overseeing a competitive application process for funding. Placing the oversight of the AHT within the Planning and Development Department would also create synergy with the Town's POCD, development permitting, and connections with other housing partners.

The entity responsible for managing the housing trust fund will need to make a variety of administrative decisions about the fund's operation:

1. How will awards be structured—as grants, low-interest or forgivable loans, credit guarantees, or in some other form? This decision will be guided in large part by the activities to be funded.
2. How will the application process be structured? Should it be on a rolling basis, annual, or semi-annual? Should submission timelines be coordinated with other funding programs?
3. How will applications be evaluated? Will priority be given to any types of projects, or projects with certain characteristics?
4. How will long term monitoring be handled for affordable units?

Groton will also need to establish other rules and guidelines regarding administration of the housing trust fund, including establishing the agency or department responsible for day-to-day management of the fund and expectations for reporting on housing trust fund activities. Many communities also establish an advisory body composed of stakeholders from diverse backgrounds to help guide trust fund administration and provide program oversight.

There are many possible funding sources to capitalize the AHT which could include revenue from payments in lieu of affordable housing, linkage fees, real estate transfer taxes, taxes or fees on short-term rentals, proceeds from the sale of Town-owned property, or even a dedicated revenue source from an annual budget appropriation. The Town should strongly consider tying Inclusionary Zoning to the AHT to generate funds from payments in-lieu.

## Best Practice Guide – Municipal Affordable Housing Trusts

In 2013, the Massachusetts Housing Partnership (MHP) created a best practices manual for establishing Municipal Affordable Housing Trusts. Although the guide references specific Massachusetts State Statutes, information around how a trust can help, the vision and role of the board of trustees, and gaining support locally are transferable to other states.

Source: [MHP Guidebook](#)

# Partnering with Habitat for Humanity or other CDC's

Habitat for Humanity is transforming entire neighborhoods, house by house, block by block. Habitat is also dedicated to eliminating substandard housing, and aims to make adequate, affordable shelter a matter of conscience and action. Not only does Habitat build homes from the ground up, but they also work to renovate existing homes. The families that Habitat partners with can realize the dream of home-ownership through a zero-interest mortgage.

Habitat's Neighborhood Revitalization Program has the potential for affecting change by being a partner with locals to help complete community clean ups, and engage in interior home repairs, exterior renovations, and accessibility improvements.

The Town could also look at other Connecticut-based organizations for partnerships or even funding opportunities. These could include:

- [Housing Authority](#)
- [Always Home](#)
- [Southeastern Connecticut Community Land Trust](#)
- [Local Initiatives Support Corporation \(CT\)](#)
- [The Housing Development Fund](#)
- [National Housing Preservation Fund](#)



# HOUSING GOALS & STRATEGIES

## HOUSING GOAL #5:

Groton Will Provide Adequate Housing Technical Assistance to Owner and Renter Households

### Strategies Addressing Goal #5:

- First Time Homebuyer Program
- Housing education and resources
- Senior tax relief or work-off program



Single-family home in Groton.

# First Time Homebuyer Program

Down payment and closing cost assistance helps low- and moderate-income families overcome one of the most common barriers to homeownership—accumulating sufficient savings to make a down payment and pay for closing costs on a mortgage.

Assistance can be offered in a variety of forms, including as a grant, a no- or low-interest amortizing loan or a deferred loan in which repayment is not due until the resale of the home. The assistance is often provided by a local housing agency, a nonprofit organization or a state or local housing finance agency, sometimes through a participating private lender. Program details differ across jurisdictions, but in general borrowers must fall within income and home purchase price limits and must comply with other eligibility requirements, including being a first-time homebuyer, using the home as a primary residence, and completing a homebuyer education course and/or participating in housing counseling.

Groton should analyze the feasibility of offering first time homebuyer assistance in the form of down payment assistance and closing cost assistance. These two barriers to homeownership are becoming more acute as home prices continue to escalate year over year making it more difficult for households to purchase homes for the first time and have some ability to move from rental to ownership housing.

The Town will need to evaluate the type of program they would like to offer and the most effective way to fund that program. There are several approaches to structuring an assistance program, which include:

- A lump sum grant which avoids the longer-term administrative costs of a loan and tracking and processing repayment. These are most effective for small assistance amounts of less than \$5,000.
- A forgivable loan which requires the homeowner to meet milestones such as living in the home for a period of time before the loan is partially or completely forgiven.
- A low- or no-interest rate loan which could require repayment over a certain period or at sale or refinance of the home. Establishing some level of repayment could also help recapitalize the loan fund over time and serve more households.
- A shared-appreciation loan which is typically used for high down payment assistance amounts (\$15,000-\$25,000) where when the home is sold the Town would have the loan repaid in full plus a percentage share of the home appreciation.

## Housing Education and Resources

To assist homeowners, homebuyers, renters, and landlords with ensuring housing regulations and policies are closely followed, the Town should consider creating educational materials and programs that can be provided in both print and digital format. These materials could include information on:

- Housing Assistance Programs – additional outreach and education materials as programs in town evolve and funding becomes available
- The benefits of providing housing at all price points in town.
- Housing as a form of economic development and how the two support each other.

## Senior Tax Relief or Work Off Program

With the rise in senior households, particularly seniors that own their own homes, rising property taxes can create challenges for those residents on a fixed income. To counter this, the Town could consider different policy measures to assist senior owner households such as:

- Property tax abatements directly to senior homeowners who have lived in the community for a minimum number of years
- Creating a volunteer senior work off program where seniors can volunteer hours at town events, facilities, jobs to have property taxes lowered each year

# ADDENDUM



# Housing Demand Model Methodology

The purpose of RKG's housing demand model is to calculate the number of new housing units that could be supported in Groton between 2020 and 2030. This model takes inputs from a variety of data sources which consider projected changes in population, households, employment, and housing preferences. The model contains two modules:

- Household Model – this model is designed to forecast the total number of owner and renter households in Groton between 2020 and 2030. The inputs to this model are:
  - Population and population growth
  - Persons per household by year
  - Share of households that are owners and renters by year
- Housing Demand Model – this model calculates the annual and cumulative demand for newly constructed owner and renter units in Groton. The model is also designed to be able to segment by product type (i.e., for sale townhomes, rental apartments). Demand for owner/renter units comes from two sources:
  - New renter/owner households moving to Groton
  - Existing renters/owners that move within Groton (including owners who purchase another home, renters who choose to purchase, renters who rent another unit, and owners who choose to rent)

The Household Model starts with forward-looking population projections obtained from the CTData Center. It also uses the 2010 to 2019 persons per household and tenure distribution change rates from the American Community Survey (ACS) 5-Year Estimates and extrapolates change through 2030. For example, the ACS 5-Year Estimate shows the ownership percentage in Groton declined by 0.37 percent per year between 2010 and 2019, therefore the Household Model assumes that this trend will continue through 2030. In addition to the CTData Center population projections, the Household Model also considers changes in employment in the region and the percentage of future employees who may choose to live in Groton and need housing. RKG factored in future employment changes at major employers like General Dynamics Electric Boat and other regional employers as noted in the 2019 SUBASE New London Joint Land Use Study Implementation Project report. The employment capture rate for Groton is based on the 2019 SUBASE report as well as data from the U.S. Census Bureau, Center for Economic Studies, LEHD, and the OnTheMap application. Lastly, RKG projected induced population growth from approved and planned multifamily housing development projects in Groton as provided by the Town's Office of Planning and Development Services. The Household Model uses these inputs together to project the number of renter and owner households per year between 2020 and 2030 that serve as the basis for the Housing Demand Model.

The Housing Demand Model then calculates the projected demand for new owner-occupied and renter-occupied housing units, respectively. The Model uses Public Use Microdata Sample (PUMS) data from the 2019 5-Year data extract to calculate several assumptions used in the Model. These include percent of households that move per year by tenure, percent of households that move but stay within Groton and buy or rent another unit, and percent of households that choose newly constructed unit. Again, demand for new housing units comes from two sources: new renter and owner households moving to Groton, and existing renters and owners that move to another unit in Groton. The total demand for new owner-occupied units and renter-occupied units are then calculated and summarized.



**AFFORDABLE HOUSING STUDY FOR  
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September 2021