

STATEMENT OF NEED FOR PROPOSED TEXT AMENDMENT

The purpose of the proposed text amendment is to facilitate the construction of diverse housing opportunities in Westport, including affordable housing. More than three years ago, in April 2005, we began efforts to create housing in the Saugatuck area by submitting a text amendment application to create the General Business District/Saugatuck (GBD/S). The proposed text amendment (#547) was originally denied, and subsequently a revised text amendment (#565) was approved more than one year later. Since that time, there have been two approved Special Permit/Coastal Site Plan applications for development in the GBD/S (following the approval of zoning map amendments): (1) Hamilton (Resolution #06-040), and (2) Marsh (Resolution #07-018). When we started this effort, there was a very robust real estate market, but things have since changed dramatically.

As approved, the Marsh development would yield a total of 27 for-sale residential dwelling units with five (5) affordable units. However, the existing on-site affordability requirements for this for-sale development serve as a deterrent to creating housing in Westport. Specifically, it is evident that financing for on-site for-sale affordable dwelling units is not feasible at this time. Since Marsh was approved, Westport has added some tools to the affordable toolbox, specifically workforce housing and fee-in-lieu.

In order to help make housing development in the Saugatuck area more of a reality, we are proposing a text amendment to build flexibility into the GBD/S regulations by providing a range of options for compliance with the affordability requirement. The text proposes alternative means of compliance in addition to construction of affordable dwelling units on-site (i.e. fee-in-lieu, off-site construction, dedication of existing non-affordable units, etc.).

This text amendment, if approved, would facilitate the Marsh development to move forward by enabling the applicant to comply with the affordability requirement, via either a fee-in-lieu payment or off-site construction. It is important to note that this text amendment could help Westport earn more moratoria points, which are needed for the Town to obtain a certificate of affordable housing completion. If the Marsh development was constructed as approved, the 5 affordable dwelling units would earn 5 moratoria points. If these units were constructed off-site, for example, as part of the Hales Court expansion, each of the 5 units – to be rented to families whose income does not exceed 40% of the state median income – would earn 2.5 moratoria points for the Town (i.e. 2½ times what they would earn at Marsh), for a total of 12.5 points. Similarly, funds could be used for Interfaith Housing Association (IHA), or at Baron's South. Accordingly, depending upon the circumstances, Westport could be faced with a choice of no moratoria points (if the Marsh development is unable to go forward, as is currently the case) or up to 12.5 points for the 5 affordable dwelling units, if associated with a Hales Court-type development.

The discussions we have had with the Westport Housing Authority (WHA) about potentially using some fee-in-lieu money have been very constructive. Affordable housing development usually requires many layers of financing. The acquisition of upfront pre-development funds is often the most difficult part. Fee-in-lieu funds could be used to fund pre-development pre-financing efforts as part of a revolving fund that might allow moneys to be paid back into an affordable housing trust fund once funding is secured. These funds could then be re-leveraged in the future.

The proposed text amendment is consistent with, and promotes many of the objectives of, the newly-adopted 2007 Town Plan of Conservation and Development (p. 13-16):

- “Create a Range of Housing Opportunities and Choices”
- “Diversify Westport’s Housing Types”
- “Allow for additional multi-family housing opportunities...in Saugatuck Center and Riverside Avenue”
- “Promote Housing Affordability”
- “Require any multi-family development provide affordable housing units”
- “Review zoning regulations for impediments to affordable housing”
- “Explore ways to utilize existing housing to count toward state affordability standards”