



How a crisis of affordability is deepening the economic divide

House of cards

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 The Day

NEW LONDON COUNTY, like so many residents within its borders, is stuck.

The 665-square-mile swath of land, moored by the insulated splendor of Long Island Sound and rising up on the shores of industry along the Thames River, finds itself mired in two different affordable housing crises.

HOUSING LAB *The Crisis*

The first is a crisis everywhere. Stretching from coast to coast, it involves the basic mismatch between the amount the nation's lowest-income earners make and the cost of housing.



In southeastern Connecticut, that means someone has to earn \$27.80 an hour or work almost two full-time jobs at minimum wage to afford a two-bedroom apartment, according to data from the National Low Income Housing Coalition. The minimum wage is \$14 per hour.

The problem is visible locally in New London's Red Roof Inn, where Jessica Varas and Mark Beaudrot have been living with their two young children for more than a year because no landlords will rent to them with their eviction history.

"I can afford an apartment and I have money for the deposit and

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Top, Yadiel A. Reyes looks on as his son Adrian, 2, blows bubbles outside his mother's apartment in New London June 20. "We were just sitting out here talking about buying a house, rent is more than a mortgage," said Reyes. **Above**, Emerson Valero plays outside his home in Groton June 22. His mother, Aleshia Valero, who lived at New London's Thames River Apartments before they closed, now lives in a two-bedroom trailer she owns with her four children.

About this series

Affordable and safe housing is a basic need for every member of our community, and yet it's in short supply.



The Day wants to be part of the solution and has undertaken a year-long investigation into the housing crisis. We could only tackle a project of this scope with the help of community and philanthropic partners, and we're grateful for the support.

We begin with an overview of the crisis and with stories told in the

voices of those affected. In the coming months we will report on and advocate for solutions. We are producing a podcast called In Short Supply and a Housing Solutions Lab newsletter.

You'll find all of the content on line at www.theday.com/housinglab.

What's next:

Monday: We look at people who are living at the Red Roof Inn in New London because they can't afford permanent housing.

August: Crystal Avenue high-rise. New London's solution for affordable

housing in the 1960s was a high-rise apartment complex known as the Thames River Apartments. We report on the history of the towers, which closed in 2018 and were demolished this past spring, and the people who lived there.

September: Housing and health. We explore the rights of area renters whose homes are contaminated with mold and lead and provide tips on how to prevent illness.

September: Housing market. We'll look at the housing market through the eyes of potential buyers, renters and real estate professionals.

October: Plans and policies. We'll analyze the affordable housing plans of southeastern Connecticut towns and look at the state's affordable housing laws.

January 2023. Evictions. We're partnering with University of Connecticut journalism students to analyze data on evictions, attend housing court and interview people who are affected.

January to July 2023. Solutions. We'll find housing programs and policies that are working and report on how they could be expanded in our region.

WEATHER

Today, mostly sunny and delightful. High 78. Monday, partly sunny and pleasant. High 77. **E6**

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HOUSING SOLUTIONS LAB 



Christine Santos makes the bed as her sons play at their Branford Manor home in Groton June 17. Santos shares the bedroom with her two sons, climbing over their twin beds to get into hers, so her teenage daughter can have her own room. She said she feels stuck at Branford and doesn't see many other affordable housing opportunities in the area.

'Making it work' (at least for now) in cramped quarters

By ELIZABETH REGAN
Day Staff Writer

Groton

CHRISTINE SANTOS sleeps with her two youngest children at her feet, their toddler beds tucked into the cramped master bedroom in Branford Manor where the closet overflows with all the gear of a growing family.

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Santos was the single mother of one daughter when she moved to the public housing complex 14 years ago. Now the baby girl is a teenager taking up residence in the apartment's other bedroom. "We're making it work, but eventually they're going to outgrow these toddler beds," Santos said of her 1- and

3-year-old sons. "I'm going to have to figure out something else."

Santos put her name in for an upgrade to a three-bedroom unit at the same complex more than a year ago but is still waiting. She said her middle son's pediatrician and his therapist recommended he have his own room after he was diagnosed with autism. They say it will help his sleeping and sensory issues.

Complicating her living situation are highly publicized mold problems affecting Branford Manor and what she described as management's history of failing to respond to complaints.

She would have moved already if not for the fact that waiting lists for subsidized apartments like hers — or



for the more flexible housing choice vouchers that renters can take with them if they move anywhere in the United

States — are years long if they're open at all. Santos pays \$202 per month for the federally-sub-

sidized apartment based on her income, which currently consists of the social security payment she gets for her

disabled son. She left her full-time job as an assistant social worker for a home health care agency to care for her son when he was diagnosed. Before that, she earned \$18.86 per hour and paid \$875 a month for rent.

Federal housing subsidies work by covering the difference between the cost of rent and the family's ability to pay. The program rests on the idea that a household should not spend more than 30% of its income on housing.

Santos said she's expanding her search to Florida and Georgia, where she has family, because her choices are so limited in Connecticut.

"I really want to have options and not feel like I'm stuck, like I've been feeling," she said. e.regan@theday.com

Connecticut housing is too expensive for all kinds of people

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everything, but nobody wants to look past the eviction," she said.

Varas works full time at Dollar General for about \$500 per week, she said. Beaudrot, who has a heart condition brought on by a blood infection, gets \$700 per month in state assistance. They pay \$1,100 a month for the room.

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Housing is considered affordable when the people who live there don't spend more than 30% of their income on the rent or mortgage, plus associated expenses like utilities and taxes. Based on their income, affordable rent would be around \$810.

At the motel, the two sisters in matching dresses ran back and forth on the concrete, second-story balcony of the motel because their parents fear syringes and crack pipes in the grass below. At 2 and 3 years old, the girls are polite and precocious talkers. The youngest asked to be picked up by anyone who walked by.

"It's not like we want to be here," Varas said. "We're just stuck here."

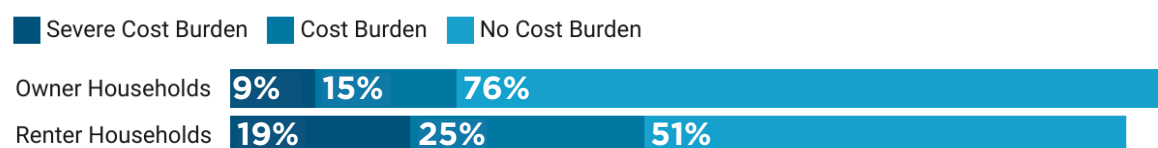
In New London County and across the state, safe and healthy places to live are often too expensive for those in many income brackets. More and more, prices driven up by limited supply and high demand are rendering the market out of reach for an even wider swath of the population.

That, according to affordable housing policy expert Sean Ghio, is the other crisis.

"Our housing market being too expensive for all kinds of other people, that's not everywhere," he

The Cost Burden

Among New London County renters, nearly half spent more than 30% of their income on housing in 2020.



Cost Burden = spending 30% to 49% of income on housing costs; Severe Cost Burden = spending 50% or more of income on housing costs. Not all renter households were computed.

Chart: Scott Ritter/The Day • Source: U.S. Census Bureau/American Community Survey • Created with Datawrapper

said. "That's in Connecticut. That's in New York. California is a poster child for that."

Ghio, policy director for the statewide Partnership for Strong Communities advocacy group, said a shortage of new construction means wealthier residents are bidding up costs for older, less desirable homes that otherwise would be affordable to lower income households.

The Rev. Cathy Zall, an ordained minister who has been at the forefront of the housing crisis in the region since she became executive director of New London's Homeless Hospitality Center in 2007, said the pandemic has exacerbated the gap in affordable housing.

The region is catching the eye of out-of-state investors at a time when many landlords who were affected by delinquent rent payments during the pandemic have decided to sell their properties.

"Some of these long term landlords are being approached and they're selling cash on 24 hours," she said. "These venture capitalists are not coming to New London to buy

properties to make them affordable housing."

What was already a "mismatch" between housing prices and income will only get worse if aggressive action isn't taken to address the shortage of housing, according to Zall.

"Unfortunately, there are not going to be fewer poor people," she said.

'The crisis is real'

More demand than supply means landlords can be pickier when it comes to selecting tenants. Many renters say it has become difficult — and sometimes impossible — to find a place for those who have an eviction on their record, a credit score below 700 or make less than three times the amount of rent.

Josephine Suarez lived for six-and-a-half years on East Lyme's Sylvan Glen Road, a small cul-de-sac jutting out from a maze of interconnected suburban streets between Latimer Brook and the Cedar Ridge Golf Course. The inter-generational family consisted of Suarez, five children, two of their significant others, her grandson and three dogs.

Then the pandemic hit and the housing market got hot along the shoreline. In the summer of 2021, she got word her landlord had decided to sell the house.

The move late that year, which resulted from an agreement reached after her landlord started eviction proceedings, left Suarez and her two youngest daughters — one a student at the high school and one in the adult special education program — without a place to live. They stayed in motels and slept on the floor at a family member's house while searching with increasing desperation for a living situation that would keep as much of her family as possible intact.

"The crisis is real," she said.

She's living now with her two daughters in a Norwich apartment they found through a friend of a friend. Her mother, who previously helped care for her disabled daughter so Suarez could work full time, cannot live with them because her own disability makes it impossible to climb to the third floor walk-up.

Suarez put in rental applications for a handicapped-accessible

apartment at the Rocky Neck Village affordable housing development in East Lyme and a townhouse unit at the Carabetta development in New London, but was rejected on the grounds of poor credit and the start of eviction proceedings by her previous landlord.

Despite successfully appealing the rejection at Rocky Neck Village, she said she is still on the waiting list. Numerous units at Carabetta remain vacant because those in the management office can't find low-income renters who meet the stringent qualifications.

"There's apartments, but they're not letting us rent them," she said.

Leo Chomen, a real estate agent whose specialties include the Norwich rental market, estimated he sold about a dozen multifamily properties to out-of-state investors in that city alone since the pandemic.

He said low interest rates at the time compelled investors from New York and New Jersey to buy up properties going for less money than the housing stock in their home states.

But now interest rates are on the upswing again, with profound implications for both home buyers and renters. Experts worry those on the verge of being able to afford a home are going to find themselves priced out of the market.

Chomen estimated prospective buyers looking in the \$230,000 range now might only be able to afford a \$180,000 or \$190,000 house, which he described as almost nonexistent in this market.

"The competition for them in that price range is huge," Chomen said. "So, in effect, what that interest rate hike is doing is putting more



Cheryl Haase, an environmental technician with the Ledge Light Health District, walks up to a home for a mold inspection on Crystal Avenue in New London on June 30.

Out-of-state investors, rising interest rates stymie buyers

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pressure on the rental market. Supply and demand.”
According to Chomen, that’s going to make an existing problem worse “because there’s not going to be enough rental housing for everybody.”

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Combined with the forces of poverty, the housing shortage has shown in stark relief the deepening socioeconomic divide between the whitewashed facade of Old Lyme’s Ferry Street and the empty expanse of Crystal Avenue in New London where the Thames River Apartments once stood.

A deepening divide

Fionnuala Darby-Hudgens, a Norwich resident and director of operations at the Connecticut Fair Housing Center, said the state’s slow-to-no growth philosophy has been in place for decades.

“We just don’t build housing,” she said. “And most of that is because of exclusionary zoning.”

Research from Jenny Schuetz, a senior fellow with the independent, nonprofit Brookings Institution, says the housing shortage is most prevalent along the western and eastern seaboard — including California and the northeast corridor from the U.S. capital

to Boston — where strong regional job markets lure well-paid workers but where local zoning codes have tended to discourage new construction.

Affordable housing advocates describe exclusionary zoning as the process of using regulation to effectively prohibit multifamily housing developments where more people can live for less money. Prominent examples of this type of zoning include enforcing tight caps on how many units can be built on an acre, and how many stories high they can go. Such restrictions are an impediment to developers who are looking to spread their costs across more units to make projects profitable.

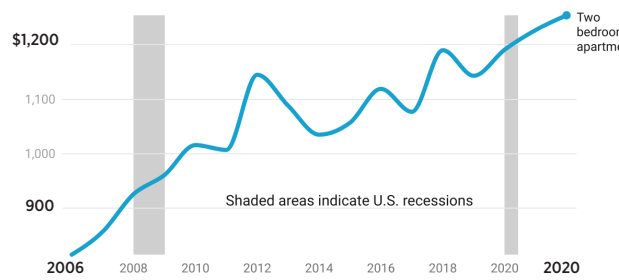
Darby-Hudgens cited exclusionary zoning as a symptom of housing and land-use policies going back more than a century that have disproportionately affected people of color.

Data in a 2021 report from the Urban Institute shows 69% of Black households and 70% of Latino households rent their homes in New London County, compared to 27% of white households. That’s among the largest gaps in the state, according to the think tank.

She detailed the rise of single-family zoning in the 1920s, the denial of mortgages for those in predominantly Black areas in the wake of the Great Depression and World

Rents Continue To Climb ...

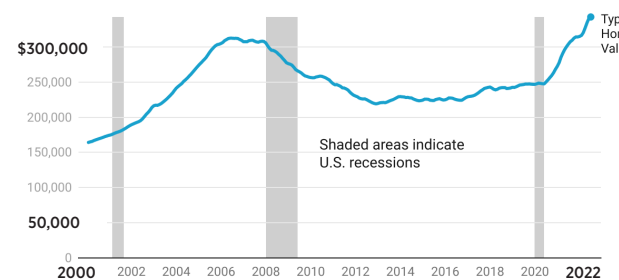
The Fair Market Rent, which includes utilities, for a 2-bedroom apartment in the Norwich-New London area was \$1,254 a month in January.



Fair Market Rent is determined each fiscal year by the HUD and is used to set payment standards for federal housing assistance programs. Fair Market Rent is the 40th-percentile of typical rentals in a given region.
Chart: Scott Ritter/The Day | Source: RentData.org | Created with Datawrapper

... And So Do Home Prices

The typical home value in New London County has climbed sharply since 2020, according to data compiled by Zillow, the real estate website.



The Zillow Home Value Index represents the “typical” home value for New London County. The data is seasonally adjusted and smoothed to soften short-term variability.
Chart: Scott Ritter/The Day | Source: Zillow | Created with Datawrapper

War II, subsequent government investment in the mostly white suburbs, and a push for urban renewal that resulted in the demolition of many neighborhoods where low-income families lived.

“The intention of urban renewal was so different than the intention of suburbaniza-

tion,” she said. “In suburbanization we built roads, we built schools, we built infrastructure, right? For white people. When it came time to put the investment into where people of color lived, we actually just tore it down and we said private investment will follow.”

Now, she said, government

policies helping white people build equity through home ownership have been so successful that most of those who need cash assistance or welfare remedies are people of color.

The income disparity between owners and renters in New London is evident in statistics going back to the turn of this century. The median homeowner making \$81,000 back in 2000 was making \$92,000 in 2018, according to an analysis of Census data by the Urban Institute. But the median renter making the \$42,000 median income in 2000 was only making \$44,000 almost two decades later.

The evidence of segregation is most glaring when comparing the region’s small cities of Norwich and New London with the affluent shoreline communities, according to Darby-Hudgens.

She pointed to the median income in Old Lyme, which comes in at \$105,417 as of the 2020 census, compared to \$47,424 in New London. Eighty-two percent of residents in Old Lyme own their own homes, compared to 40% in New London.

“So you have this juxtaposition, this real dichotomy, of wicked poverty and wicked wealth,” she said.

Shifting the paradigm

In Connecticut, state legis-

lators have tried to get around local resistance to multifamily construction through a law that makes it easier for developers to take their fight for affordable housing to court.

Known in statutory shorthand as 8-30g, the law allows developers to sue the town if their plans for affordable housing are rejected and shifts the burden of proof to the municipality. In these cases, it’s up to the town to prove that the risk to public health or safety outweighs the need for affordable housing.

8-30g hinges on a 10% threshold for affordable housing in each of the state’s 169 cities and towns. Once that target is met in a given community, developers no longer get an automatic court appeal when they put forth plans that don’t meet zoning regulations.

A March analysis by Tim Hollister and Andrea Gomes of the Hinkley Allen law firm credits the law with helping to generate 8,500 units of affordable housing since its implementation in 1990.

A development is considered affordable under 8-30g when at least 30% of the units are set aside at reduced rent for those who make less than 80% or 60% of the area median income. For most of New London County except for Colchester and Lebanon, HUD currently calculates the me-

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Disabled and traumatized, a search for a home of his own

By ELIZABETH REGAN
Day Staff Writer

Griswold

KEVIN CURTIS sleeps on a futon in the living room of the three-bedroom Jewett City apartment where he lives with his daughter, her fiance, and three children.

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The 61-year-old pays a third of the \$850 per month rent check, an arrangement in place since his divorce in 2019. Before that he lived for nine years in a trailer at what was then known as Country Mobile Estates.

An amputee, Curtis lost his leg in 2016 to an infection exacerbated by diabetes following open heart surgery the year prior. He said sleeping in the living room is fine in one respect because everything he

needs is there on one floor.

“Part of the problem is I get no privacy in the living room,” he said.

What Curtis described as a series of intense personal traumas, including the loss of his leg, his marriage, the deaths of his mother and his stepson, culminated in January when his older brother was shot and killed in the driveway of the brother’s Norman Road home.

“I do everything I can within me to keep the faith, stay strong, stay positive and keep moving forward,” he said.

Curtis detailed putting in applications for housing at McCluggage Manor and Ashland Manor, and the town’s options for elderly and disabled people whose rents are subsidized by the government. According to the Griswold Housing Authority, the waiting list is about two to three

years long.

He also reached out to management of the new, 72-unit Oak Tree Village complex that opened in Griswold last year. The one- and two-bedroom apartments are set aside for various income brackets ranging from those with very low incomes to those who can afford to pay market rate.

Developments like Oak Tree Village, which is operated by the Massachusetts-based Dakota Partners, differ from the subsidized, public housing model commonly understood as Section 8.

In subsidized housing, the government covers the difference between what a household can afford to pay in rent and the rent itself. A place is considered affordable when those living there pay about 30% of their total income on rent and utilities.

In affordable housing, a

private developer — often with financial incentives from the federal, state and local government — builds apartment buildings with a certain number of units set aside for at least 30 years so people in lower income brackets can cover the rent.

Oak Tree Village’s income guidelines specify that a renter has to make at least 2.5 times the gross rent to qualify. The lowest rent listed is \$994 per month for a one-bedroom apartment.

Curtis said he makes \$1,179 a month in disability benefits. Curtis at the time asked the leasing agent how it can be considered low-income housing with minimum requirements like that.

“She said ‘we’re not Section 8,’” he recalled. “Just plain, ordinary affordable housing.” He wondered at such a definition of “affordable.”



Kevin Curtis gets into the car with help from his daughter Patricia Fairman as he moves out of Beachwood Manor Rehab June 12.

“Now with everything that’s going on with the economy with gas prices and food prices skyrocketing all to hell,

how would somebody like me be able to make ends meet,” he said.
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Clayton Potter, a New London native, works on the garden behind the home he owns on Prest Street June 29. Potter is the first homeowner with a new Southeastern CT Community Land Trust program and is also a landlord, renting out half the duplex.

Born and bred New Londoner wants to change city from within

By ELIZABETH REGAN
Day Staff Writer

New London

CLAYTON POTTER was 23 years old when he purchased his first home on Prest Street as part of a grassroots initiative to promote affordable home own-

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The People

ership by separating land from the house that sits on it.

“My dad had always kind of raised us with the mindset of being prepared to buy properties,” Potter said. “He says ‘buy land, they’re not making any more.’”

He didn’t quite follow his father’s advice. The Southeastern Connecticut Community Land Trust owns the land; Potter owns the house.

The stately 1870 stone house with a mansard roof cost him \$135,300 when he purchased it from the community land trust in early 2020. He was the first homeowner to buy into the nonprofit group’s mission to keep houses affordable in perpetuity.

“Stone home, fell in love,” Potter recounted. The picture window in the third-floor kitchen, with views of the New London skyline and even a sliver of river on clear days, clinched the deal. He closed on Valentine’s Day.

He asked the group’s volunteer painters for green walls in the kitchen to reflect the gardens outside and lavender in the living room to soak up the sunset.

Potter, now 26, grew up in a house a few blocks away on Pleasant Street. His parents are still there. He said he never thought about living anywhere other than New London.

He works at Connecticut College as its director of race and ethnicity programs. He earned a bachelor’s degree from Columbia University and a master’s in public administration from the University of New Haven. His foundation came from the New London school system: Harbor Elementary, Bennie Dover Jackson Middle, and New London High School.

Acknowledging his new



neighborhood was known as a hotbed of criminal activity while he was growing up — and remains that way to an extent today — he said he wants to be a part of the solution instead of leaving it up to out-of-town investors who would rather gentrify the neighborhood than clean it up for those who live there now.

“We can choose to either let

these histories and stereotypes exist, or we can try and do something about it and change it,” he said.

The community land trust model, which was pioneered more than 50 years ago by Voluntary Peace Trust’s Robert Swann as part of his broad commitment to social justice, has spread across the globe. It was first used in the late 1960s

in Albany, Georgia, for Black sharecroppers who had lost their homes and jobs for registering to vote.

The land is held in trust by the community — in this case, the Southeastern Connecticut Community Land Trust’s members. The shared equity framework rests on a 99-year, renewable ground lease that allows the owner of the house to live there, make improvements, build equity and turn a limited profit when it comes time to sell the house.

Under the terms of the lease, the homeowner gets 25% of the appreciation while the community land trust uses its share to keep the price down for the next buyer.

Potter said rental income of \$775 per month from the one-bedroom apartment on the first floor keeps his own mortgage payment low and will help him toward his goal of saving for another multifamily house, he said.

“I’d eventually like to own more property here in New London, since I’m from here,”

he said. “I don’t want outside developers continuing to come in and do things in a half-assed manner.”

Potter pointed to success the local, nonprofit affordable housing group HOPE Inc. has had renovating or building 18 houses on Belden Street in a decades-long push that has transformed the neighborhood. But he worries there are a lot of two- and three-family homes in the area being purchased by absentee landlords or house flippers who will drive up prices and drive out residents.

He said his daily walks downtown, which take him along Bank Street and up State, have left him disenchanted with what’s happening in the city in terms of development. A flurry of construction lately has targeted young professionals from Electric Boat, Pfizer and the region’s health care industry through upscale one- and two-bedroom units.

“It’s not for the people who have been here,” he said. “It’s not for New Londoners.”
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‘This juxtaposition ... of wicked poverty and wicked wealth’

FROM A5 dian at \$102,700. That means a family of four would have to make less than \$90,080 at the moderate-income level or \$67,560 at the low-income level to qualify.

HOUSING LAB
The Crisis

The statute has not been without controversy. Many suburban and rural towns view it as contrary to their deeply-held home rule ethos and a threat to their “character.”

More recently, municipalities were required to submit their own plans for bolstering affordable housing within their borders and to update them every five years.

Commercial real estate developer Mike Lech — whose Old Lyme-based READCO Management LLC built Regal Cinema, Pawcatuck Farms shopping center, and a medical office building in Stonington — said employees deserve to be able to live in the communities where they work.

According to Lech, now is the time for a comprehensive master plan to address

the “staggering” shortage of workforce housing in the tourist area.

He cited Pawcatuck’s Route 2 corridor as being particularly well suited to affordable housing development.

While Pawcatuck is no stranger to affordable housing these days — there are five such projects in Pawcatuck that are recently completed, under construction or approved — they are located several miles away on Route 1.

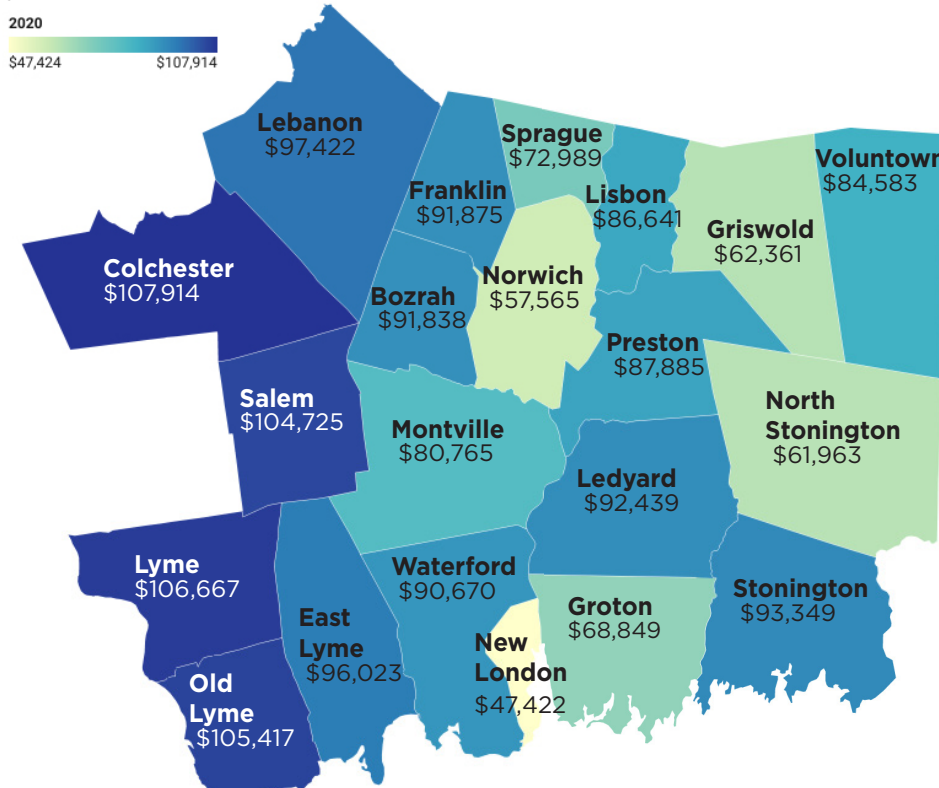
He said the town is better served by local incentives like tax abatements than by reliance on 8-30g. An abatement, which freezes taxes over a series of years and can include stipulations on how the development will be built, can benefit both the developer and the town.

“It shifts the paradigm,” he said. “8-30g is the developer controlling the municipality. Tax incentives are the municipality controlling the development. And that’s the paradigm you want.”

Stonington voters last fall rejected a \$697,748 tax break over 10 years for an affordable housing development at the

How Much Do We Earn?

Median household income by town in New London County ranges from \$47,422 a year in New London to \$107,914 in Colchester.



American Household Survey data from 2016 through 2020. The five-year dataset is considered most accurate for geographic areas the size of a county or smaller, according to CTDdata.org.
Map: Scott Ritter/The Day | Sources: CTDdata.org/U.S. Census Bureau American Household Survey

site of the former Campbell Grain building on Route 1. Twenty-seven percent of registered voters cast their ballots that day, marking the biggest turnout for a referendum in more than 34 years.

The 82-unit development is planned for the end of Cogswell Street next to the Pawcatuck River and the Amtrak rail line. Residents expressed concern about traffic, the lack of parking associated with the project and the clustering of affordable housing in Pawcatuck as opposed to throughout Stonington.

Lech acknowledged “affordable housing” has become a fraught term among those who incorrectly view multifamily developments as a drain on town services and a threat to property values.

He said there are better adjectives to describe housing for the restaurant servers, hotel housekeepers, and store clerks who support the local tourism industry.

Affordable housing “connotes something that’s negative,” he said. “And it shouldn’t be.”
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