



**City of Stamford**  
**Zoning Board**

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**STAFF REPORT**

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**TO:** CITY OF STAMFORD ZONING BOARD  
**FROM:** VINEETA MATHUR, PRINCIPAL PLANNER, RALPH BLESSING, LAND USE BUREAU CHIEF, EMILY GORDON, PRINCIPAL HOUSING PLANNER  
**SUBJECT:** **ZB #222-32 (MOD) 100 Clinton Avenue, Special Permit**  
**DATE:** January 21, 2024

**MASTER PLAN:** Master Plan Category 5 (Residential - High Density Multifamily)

**ZONING:** MR-D (Mill River Design District)

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**1. Introduction**

The Applicant CP VIII 100 Clinton, LLC requests the approval of a Special Permit to meet its Below Market Rate (BMR) obligation by contributing a fee-in-lieu into the Affordable Housing Trust Fund (AHTF). The approved residential project with 472 residential units located at 100 Clinton Avenue included a requirement to provide 49 Below Market Rate (BMR) units on-site. The fee-in-lieu obligation based on the gross residential floor area of the building and comes to approximately \$12.9 million.

The BMR program has been successful in producing a steady stream of housing units which are permanently affordable through a combination of on-site Below Market Rate units and Below Market Rate units in buildings funded through fee-in-lieu. A similar amount of money has been used in the past to develop 147 larger and more affordable units than would have been provided on-site (see page 5 of this report for details).

The Planning Board recommended approval of this application.

This application presents an opportunity for the Zoning Board to consider if this fee-in-lieu request meets the City's affordable housing goals as defined in Stamford's Housing Affordability Plan, the Mayor's Affordable Housing Executive Order and the Stamford Master Plan.

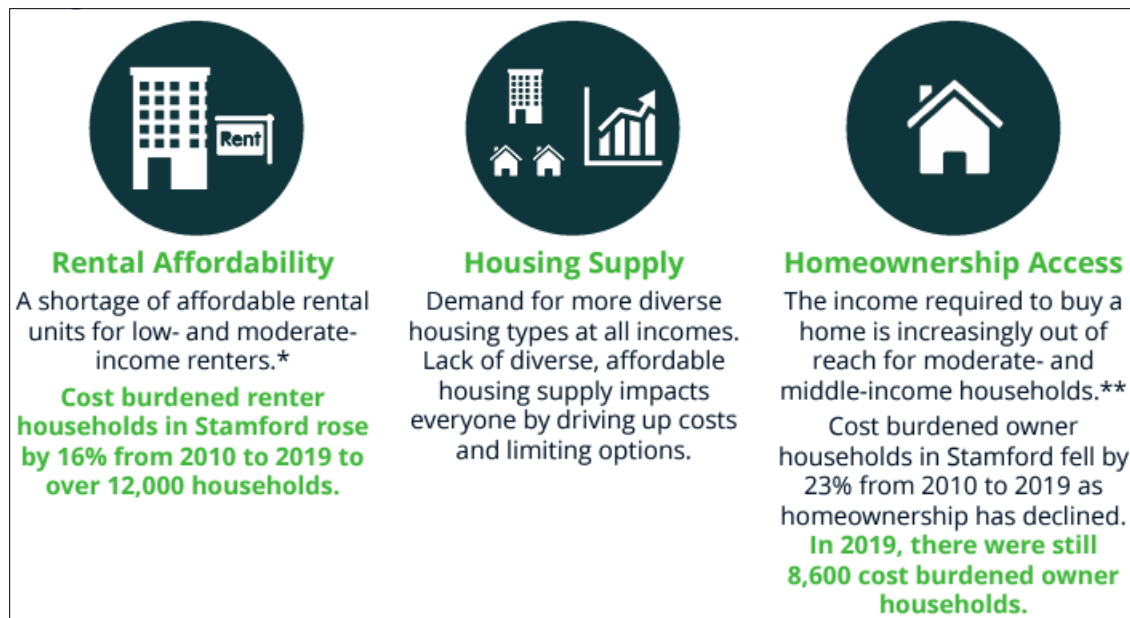
## 2. City's Housing Affordability Needs and Goals

A summary of the housing needs and goals as defined in Stamford's Housing Affordability Plan, the Mayor's Affordable Housing Executive Order and the Stamford Master Plan is below:

### a) The Stamford Housing Affordability Plan

The Housing Affordability Plan identified the following three pressing housing needs based on outreach to a wide range of stakeholders such as Stamford residents, community leaders, housing experts, elected officials, housing advocates, City officials and thorough analysis of housing data. The plan found that in 2019 at least 12,000 rental households in Stamford were cost-burdened and 8,600 owner households were cost-burdened. A household is considered 'cost burdened' when the household spends greater than 30% of its gross income on housing expenses.

**Figure 1: Meeting Housing Needs**



Source: Stamford Housing Affordability Plan, Page 12

The plan recommended a three pronged strategy to meet the need including consolidation of the administration and management of housing programs, scaling up the supply of housing and using land effectively to create more housing. In particular the approaches to increase the supply of affordable housing suggested the following action:

1. **Prioritize use of fee-in-lieu payments from the Below Market Rate (BMR) program.**
2. **Dedicate new sources of local funding to housing through the AHTF.**

### 3. Pursue additional state and federal funding.

At present Stamford allocates \$7 per capita for the creation of affordable housing. To provide context Richmond, VA dedicates \$35 per capita Charlottesville, VA \$140 per capita and Washington D.C. \$146 per capita. The Affordable Housing Trust Fund was created to provide the City of Stamford with options in addressing the affordable housing crisis. Additional funds for the Trust Fund will strengthen the City's commitment towards increasing housing affordability.

#### b) Mayor's Housing Executive Order, June 2023

Recognizing housing affordability as an urgent need, the Mayor issued an Executive Order on June 30, 2023 which included the following priorities and immediate action steps:

- Prioritize creation of more family sized units (2 bedroom and above)
- Development of housing for families earning less than 50% of the Area Median Income.
- Create more homeownership opportunities.
- Initiate a policy change prioritizing fee-in-lieu over on-site development for the Below Market Rate program to expand funding for the priority units distributed through the Affordable Housing Trust Fund.

#### c) Stamford Master Plan

The following policies stated in the 2015 Master Plan support the creation of new affordable housing and revitalization of existing housing through multiple ways.

#### ***3C.3: Maintain the affordable housing stock to ensure that people who work in Stamford can afford to live in Stamford.***

Both the on-site BMR and fee-in-lieu process have consistently created affordable housing for people working in Stamford with fee-in-lieu funds reaching a wider spectrum of workers in need of affordable housing. For example, fee in lieu funds helped facilitate the Franklin Apartments with 53 units of new deeply affordable housing including 3-Bedroom units, addressing the needs of families with extremely low income.

#### ***6A.2 Create a neighborhood revitalization-focused fee-in-lieu program for meeting affordable housing requirements.***

Fee-in-lieu contributions have been used to renovate existing and aging affordable housing stock. This is a critical use of the funds to ensure that Stamford residents in older affordable housing developments are provided updated and modernized units. Charter Oak Communities, the City's housing authority, has relied on fee-in-lieu funding for several such revitalization efforts in the

recent past including Lawnhill Terrace, Oak Park and Park 215 preserving hundreds of affordable units.

### 3. Special Permit

The applicant requests the satisfaction of the entire BMR obligation through fee-in-lieu payment. BMR fee-in-lieu is determined on the basis of the gross residential floor area of the development. Of the total gross residential floor area 96.2% is subject to the 10% BMR requirement (covered by General Development Plan approval that predates the increase from 10% to 12%) and 3.8% of the project is subject to the 12% requirement, which applies to the units added after the General Development Plan at the time of the Final Site Plan approval. The Mill River Design District is subject to a \$200 per sf in Fee-In-Lieu fees. In addition, the construction cost multiplier of 1.18 was applied to the fee per sf to account for inflation as required in Section 7.4. A summary of the fee calculation is below:

**Table 1: Fee-in-lieu calculation**

<b>1.</b>	<b>Total Gross Residential Floor Area is 544,729 sf</b>	
2.	Calculate 96.2% of 544,729 sf to determine the Gross Residential Floor Area attributable to the 2016 GDP Approval.	524,029.13 sf
3.	Multiply 2016 GDP floor area by 10% for Gross Residential Floor Area subject to BMR fee.	52,402.9 sf
4.	Multiply 2016 BMR floor area by \$200*1.18 to determine fee associated with 2016 GDP Approval	\$12,367,084.4
5.	Calculate 3.8% of 544,729 sf to determine Gross Residential Floor Area attributable to 2023 FSP Approval	20,699.7 sf
6.	Multiple 2023 FSP floor area by 12% to calculate Gross Residential Floor Area subject to BMR fee.	2,483.88 sf
7.	Multiply the 2023 BMR floor area by \$200*1.18 to determine fee associated with 2023 FSP Approval	\$586,195.68
<b>8.</b>	<b>Add fees from steps 4 and 7 to determine total Fee-in-Lieu payment</b>	<b>\$12,953,280</b>

The following considerations outline the advantages of permitting fee-in-lieu for the subject application in front of the Zoning Board.

***a) Larger number of affordable units produced through fee-in-lieu***

The Stamford Housing Affordability plan identified a **rental housing gap of 14,953** units in 2021 which means that approximately 15,000 families were cost burdened. One of the main benefits of fee-in-lieu is the generation of a larger number of units than would otherwise be produced

through on-site BMRs by leveraging other sources of funding. The Affordable Housing Trust Fund requires that its funding constitute no more than 25% of the total project cost of any affordable housing project. Leveraging other funding sources facilitates a larger number bigger, and more deeply affordable BMR units than would otherwise be created on-site. The table below demonstrates how roughly \$12.6 million – similar to the amount provided by this application, in fee-in-lieu resulted in facilitating the creation and preservation of 147 units of affordable housing at deeper levels of affordability than on-site BMRs.

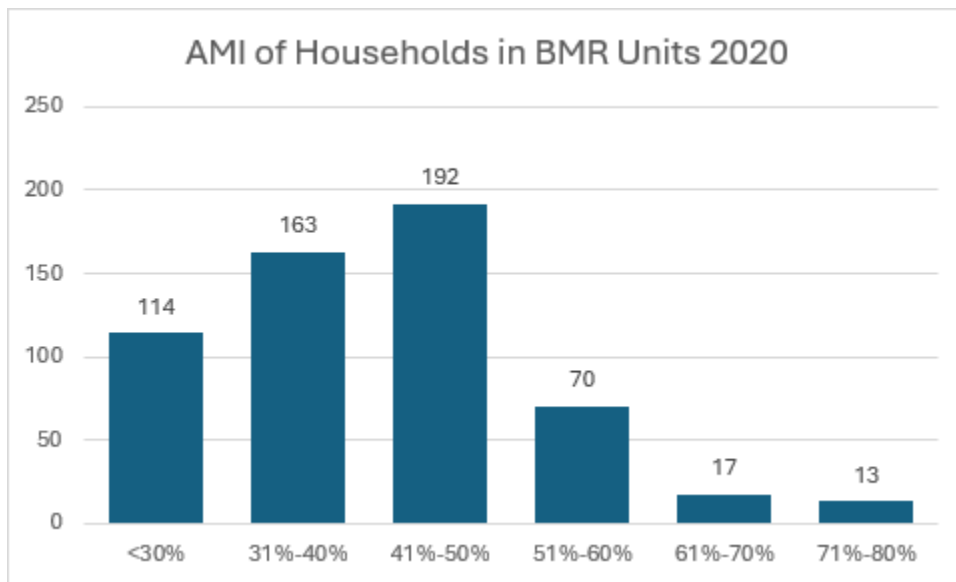
**Table 2: Use of fee-in-lieu funds**

<b>Recipient Building (Non-profit)</b>	<b>Unit type</b>	<b>Building generating FIL</b>	<b>Affordable units created</b>	<b>AMI range</b>	<b>FIL amount (mil)</b>
287 Washington Blvd (HDF)	Home-ownership	P3 (Opus)	22	50% - 70%	\$2.1
1114 Hope Street (Garden Homes Fund)	Rental	P6 (Anthem)	17	30% - 45%	\$1.4
72 Franklin Street (Inspirica)	Supportive Housing	Lifetime Living, P3 (Opus)	53	25% - 35%	\$3.7
992 Summer Street (Charter Oak)	Senior Housing	Palmer Hill	48	40% AMI	\$4.1
Lawnhill Terrace IV (Charter Oak)	Rehab	P3 (Opus)	7	25%	\$1.3
<b>Total</b>			<b>147</b>		<b>\$12.6</b>

***b) Deeper affordability of units built through fee-in-lieu funding***

Fee-in-lieu funded projects are able to target low and extremely low income families (those earning 25% to 45% AMI) which are not catered to by the on-site BMR units. Families at such income levels are likely to be severely cost burdened (spending 50% or more of their income on housing) with housing stability playing a critical part for job security, health and welfare of families. Deeply affordable housing constructed and managed by non-profits such as Inspirica, Pacific House, Charter Oak Communities, HDF New Neighborhoods and others is often able to provide additional much needed supportive services that are beneficial for families and individuals.

Further, based on income data of families who are residing in the on-site 50% AMI BMR units, residents predominantly have incomes ranging from 30% - 50% of AMI. The 50% AMI BMR rent therefore constitutes more than 30% of their gross monthly income. Given some of the BMR tenants also hold Section 8 vouchers, some of this rent gap may be mitigated by the voucher. The data however indicates that housing directly serving families earning < 50% AMI is needed.



***c) Larger sized units produced through fee-in-lieu funding better match the need.***

Fee-in-lieu funds have been consistently used in developing housing with two and three bedroom units. This helps to fill a need not otherwise met through the on-site BMR units which skew more towards studio, one-bedrooms compared to two or three bedroom units.

Waitlist data received as part of BMR compliance reports received for the calendar year 2022 reveals that **two-bedrooms have the longest waiting lists for all unit types.**

- Studio waitlists had 66% of applicants when compared to a 1-Bedroom list in the same building
- 2-Bedroom waitlists had 272% of applicants when compared to a 1-Bedroom list in the same building.
- 3-Bedroom waitlists had 56% of applicants when compared to a 1-Bedroom list in the same building

When compared to the number of units in the BMR program there were:

- 4.2x more Studio applicants
- 12.5x more One-Bedroom applicants

- 17.1x more Two-Bedroom applicants
- 39.1x more Three-Bedroom applicants

***d) The current waitlist for BMR units includes 9,178 applications.***

The substantial number of applications on the waitlist indicates a pressing demand for Below Market Rate units. The waitlist includes applicants who may have applied to multiple buildings. Even considering individuals with multiple applications, the demand is much higher than the units that can be produced through on-site BMRs in the near future.

***e) Opportunity to create affordable home-ownership units.***

New market rate developments in the past have been primarily rental. Consequently, a small number of on-site Below Market Rate home-ownership units have been created. Fee-in-lieu funds were used successfully to produce 22 home-ownership units at 287 Washington Street developed by Housing Development Fund in 2022. Such projects can be replicated if AHTF receives additional fee-in-lieu funding.

***f) More than 70% of all BMR units in the programs have been built on-site***

Since its initiation in 2001 BMR program has predominantly produced on-site Below Market Rate units. Approximately 70% of the BMR units have been on-site including more than 1000 on-site Below Market Rate units. These units have served families earning 50% of the Area Median Income. Allowing fee-in-lieu would allow investments in additional areas of the City other than the market rate development sites.

***g) Streamlined management of BMR units***

Units produced through fee-in-lieu are administered and managed by affordable housing non-profits who have long-standing experience with management of such units and have the ability to consolidate waitlist across buildings. In contrast, on-site BMRs require greater oversight from the City given each private development entails ensuring compliance with the BMR rental and recertification process and monitoring of a new waitlist.

**Combination of fee-in-lieu and on-site BMR**

The Planning Board discussed an alternative proposal whereby the BMR requirement is satisfied by a combination of fee-in-lieu (between \$6 – \$7 million) and on-site BMR units at 65% to 80% of AMI. However, this alternative dilutes both tools. A smaller pool of fee-in-lieu funds will have a smaller impact on affordable housing production. Simultaneously, BMR units up to 80% of AMI will provide negligible subsidy over the market rents. The 2023 AMI was \$171,300 is substantially greater than the AMI of \$143,000 in 2019. Local incomes have not kept pace with the regional AMI increase.

Maximum Monthly BMR Rent (without utilities<sup>1</sup>)

Unit Type	25%AMI	30%AMI	50%AMI	60%AMI	80%AMI
Efficiency	\$674	\$809	\$1,349	\$1,619	\$2,158
One Bedroom	\$803	\$964	\$1,606	\$1,927	\$2,570
Two Bedroom	\$964	\$1,156	\$1,927	\$2,313	\$3,083
Three Bedroom	\$1,113	\$1,336	\$2,227	\$2,672	\$3,563

1. Net BMR rent is calculated by deducting utilities such as gas, electricity, water and sewer charges based on building type

Additionally, while BMR tenants at 50% AMI are allowed to stay in the BMR unit till their income reaches 60% AMI, those at 80% AMI have to relinquish the unit when their income exceeds 80% AMI. This creates an unstable housing situation for renters in 80% AMI BMR units.

**Referral Comments**

**Planning Board**

In a letter dated January 11, 2024 the Planning Board voted to recommend approval of the Special Permit application and recommended that the Zoning Board consider permitting a combination of fee-in-lieu and on-site BMRs. The Planning Board found the request compatible with the neighborhood and consistent with Master Plan Category 5.

**Summary**

Staff believes that allowing fee-in-lieu payment to the Affordable Housing Trust Fund will maximize the creation of affordable housing and better meet housing demand. Given that the project at 100 Clinton recently filed for a Building Permit, the fees will be realized in the near future, creating an affordability outcome in time with the completion of the market rate development. The approximately \$12.9 million subject of this application, in conjunction with approximately \$15 million approved fee-in-lieu funds in the pipeline, would collectively have an impact on Stamford’s housing affordability and help make Stamford more affordable for everyone at an accelerated pace.