

Frequently Asked Questions regarding the Incentive Housing Zone

www.wincog.org/ihz

What is an Incentive Housing Zone?

An Incentive Housing Zone is an area in town that allows for a streamlined process to create housing and “mixed-use” developments. The State of CT supports Incentive Housing Zones (IHZs) in urban areas with public water and sewer and nearby bus service through the Housing for Economic Growth Program. The State of CT even offers bonus money to municipalities when the town Planning and Zoning Commission adopts an IHZ. Windham may adopt additional incentives to promote the IHZ such as deferred taxes and sharing the cost of infrastructure improvements.

Isn't this illegal “spot zoning”?

No. State legislators established Incentive Housing Zones and the Governor signed them into law in 2007. An Incentive Housing Zone has no minimum size; it could be one lot or a whole neighborhood. For more information see: www.cga.ct.gov/2011/pub/chap124b.htm

Isn't this subsidized housing? Doesn't Windham have enough of that?

It is true that Windham has a number of rent- or mortgage-assisted housing units and many of these are in apartment complexes such as Ashton Towers. Twenty-nine percent (29%) of the housing stock in Windham qualifies as subsidized housing under various programs.

The Incentive Housing Zone is not subsidized housing. In fact, the IHZ statute only requires that twenty percent of the housing units in an IHZ be “affordable” by the state's definition. In order to qualify as “affordable”, housing costs cannot exceed 30% of the household's annual income for households earning 80% of the area median income. The area median income for a single person household is \$47,740.

Ex. Rent/mortgage plus utilities for 1 bedroom unit cannot exceed \$955/month

Rent/mortgage plus utilities for 2 bedroom unit cannot exceed \$1,091/month

This is considered “affordable” by the state's definition but it is actually higher than what most people pay for housing in Windham. Market rate housing in Windham is more affordable than in neighboring towns, but we know from experience that there are still people looking for good quality housing that they can afford. The goal of the Incentive Housing Zone is to create market rate housing for Windham while meeting the state's requirement that twenty percent of the housing units be “affordable”.

Why should Windham promote this?

Windham is trying to revitalize its historic downtown, which has sidewalks, bus service, public water and sewer, and professional fire and police departments, as well as a hospital, a state university, and many other cultural and community resources.

By promoting the creation of high quality, workforce housing downtown and in adjacent urban neighborhoods, Windham hopes to increase pedestrian activity, support downtown businesses, help preserve historic structures, revitalize vacant or underutilized properties, and make efficient use of existing public infrastructure and transit services. It will help Windham capitalize on its existing assets as part of a comprehensive “smart growth” strategy.

In order to do this, we need to make viable uses for the older, historic buildings and fix up vacant and derelict properties. If more people lived downtown, they could support downtown businesses and Main Street would be a more vibrant and appealing community. New, attractive housing could be energy-efficient and enable people to walk places instead of relying on cars to get around. More people would want to come downtown for other activities. This is smart growth because it builds on what we already have, is better for our environment by reducing sprawl, and could reduce our dependence on foreign oil.