

OLD LYME

AFFORDABLE HOUSING NEWSLETTER

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This Issue of the Affordable Times is About Land...

We are in desperate need of land if we are to begin satisfying the affordable housing need of Old Lyme's people. Here is the problem:

As with similar towns along the shoreline, Old Lyme is becoming an expensive place to live. So much so, that many young adults and working families find it necessary to live elsewhere!

It behooves us, therefore, to create housing for our younger families who want to return to the town they were raised in as well as (and especially) town employees, teachers, firefighters, business employees, social service providers, etc.

To this end, the Old Lyme Affordable Housing Corp. (OLAH) was established to provide homes for those buyers having a household income below 80% of the region's median income.

The three churches in Old Lyme: First Congregational, St. Ann's Episcopal and Christ the King provided primary financial and volunteer staffing support with help from individuals, businesses and a few foundations.

Did You Know...

The 2004 median price of a home in Old Lyme was \$ 313,750

The qualifying income for the median home would be \$95,264

The median income in Old Lyme was \$74,454

Background....

To date, we have provided homes for four families in Old Lyme: an EMT for a local hospital, a mechanic, a social worker and a school employee.

The land was donated to OLAH which, in turn, used the properties to provide homes which were then purchased by the four individuals mentioned. Essex Savings Bank provided the mortgages; nothing down, good rates and virtually no closing costs!

The homeowners pay taxes on their homes and, when they move one, we work together to transfer home ownership to our next approved candidate. In December of 2005, just such a transfer benefitted our fourth family.

To serve our clients, we need gifts of buildable land or run-down houses in need of repair, which church and community volunteer work teams can make improvements at a tremendous savings in building costs and achieve a real gain in community involvement. To keep each house affordable, the land must be available at almost no cost because we hold our land in trust to keep the houses forever affordable; thus, we cannot recover money spent on land or property acquisition.

What We Are Doing About Land....

OLAH is now working closely with your town Selectmen to:

Pass a Housing Ordinance that would encourage landowners to donate land for Affordable Housing

Public Act 06-97, recently passed by the state, enables towns to provide a "free split" for land subdivisions when the land is being gifted for affordable housing, in addition to the free split currently allowed on undeveloped land. This could motivate landowners to support affordable housing, obtain a tax deduction and still keep all their options for future development. The town of Lyme passed just such an ordinance early in November.

We also could be one of the first towns in Connecticut to act on this opportunity, taking advantage of OLAH's capabilities to build on designated land.

To this end, your Selectmen have agreed to prepare this ordinance for town approval at the **January 22nd Annual Town Meeting**.

It is absolutely essential that.....

Old Lyme provide the incentive for landowners to donate property for affordable housing (to obtain tax benefits up-front) without compromising their ability to develop or sub-divide their parcel of land just as they can today, based upon the new Connecticut law PO 06-97.

And secondly....

Establish an Affordable Housing Board

This board would work with other boards and commissions, such as the Planning Commission, Zoning Commission, Open Space Commission, Conservation Commission, Old Lyme Conservation Trust, etc., to publicize the need for affordable housing and amend our town laws to allow for these opportunities.

The Affordable Housing Board would review any open space acquisitions and work together with the Open Space Commission and Old Lyme Conservation Trust to determine if any land would be appropriate for an affordable housing project.

The Board could also communicate with the community the positive aspects of providing affordable housing, such as keeping our fire, ambulance and other emergency service people in town (not to mention school and town employees), and serving the community as volunteers. A strongly motivated pool of volunteers of all ages, anxious to help their families stay in town, adds considerably to the town's diversity.

To Obtain an Affordable Home....

Here is a typical range of income limits:

Maximum annual income to qualify for affordable housing:

Number of People in Household

1 2 3 4

\$42,000 \$48,000 \$54,000 \$60,000

Minimum income to qualify for a mortgage: Over \$ 40,000 annually

Household expenses: mortgage, taxes, insurance, etc. should be under 28% to 30% of income (36% including all debt).

If you are interested in pursuing an affordable home in Old Lyme, call Jean Read, 434-7170 or Les Reynolds, our Executive Director, 434-3922.

A Recent Letter from one of our homeowners to Les Reynolds, our Affordable Housing Executive Director....

"Dear Les,

This is a much belated & heartfelt thank you for all you did for me and my children in obtaining an affordable house.

Please pass my appreciation to all the members who volunteer and have given their help & time. Jean Read was always kind and encouraging through conversations we had over 5 years.

We are almost done with our basement room - it just needs to be painted - slowly but surely...

There have been many angels in my life and I'm sure you are one of them!"

Do you or someone you know own a piece of property that could be gifted for our use ??

If so, call Peter Manley, Development Chair 434-6040, or Les Reynolds, 434-3922.