



McCulloch Family Open Space Affordable Housing Opportunity





Background

- ▶ The 312-acre McCulloch Family Open Space that was acquired by the Town in 2019 includes two 3-acre “building envelopes” located on the east border of the property.
- ▶ At the time of the acquisition, the McCulloch family expressed hope that the building envelopes would be used for affordable housing.
- ▶ The envelopes are in a residential zoning district and are under a conservation restriction specifying that one single family home can be constructed on each envelope.
- ▶ Access to the envelopes is provided by a driveway on the town-owned land that also serves the two abutting properties owned by the HOPE Partnership that are also the sites of affordable homes.
- ▶ The Open Space Commission arranged for site testing, with results indicating that both parcels are suitable for residential construction, with one site possibly requiring some additional work to accommodate a septic system
- ▶ Consultation with the Planning Commission has indicated that dividing the two envelopes with access via the existing easement is feasible.
- ▶ Rough cost estimates have indicated that an affordable housing project is feasible.

“Affordable” means that a household having 80% or less of the HUD Area Median Income (AMI) spends no more than 30% of their household income on housing costs

In Old Lyme, this translates into about \$2300 or less per month for a four-person household or \$1800 per month for a two-person household



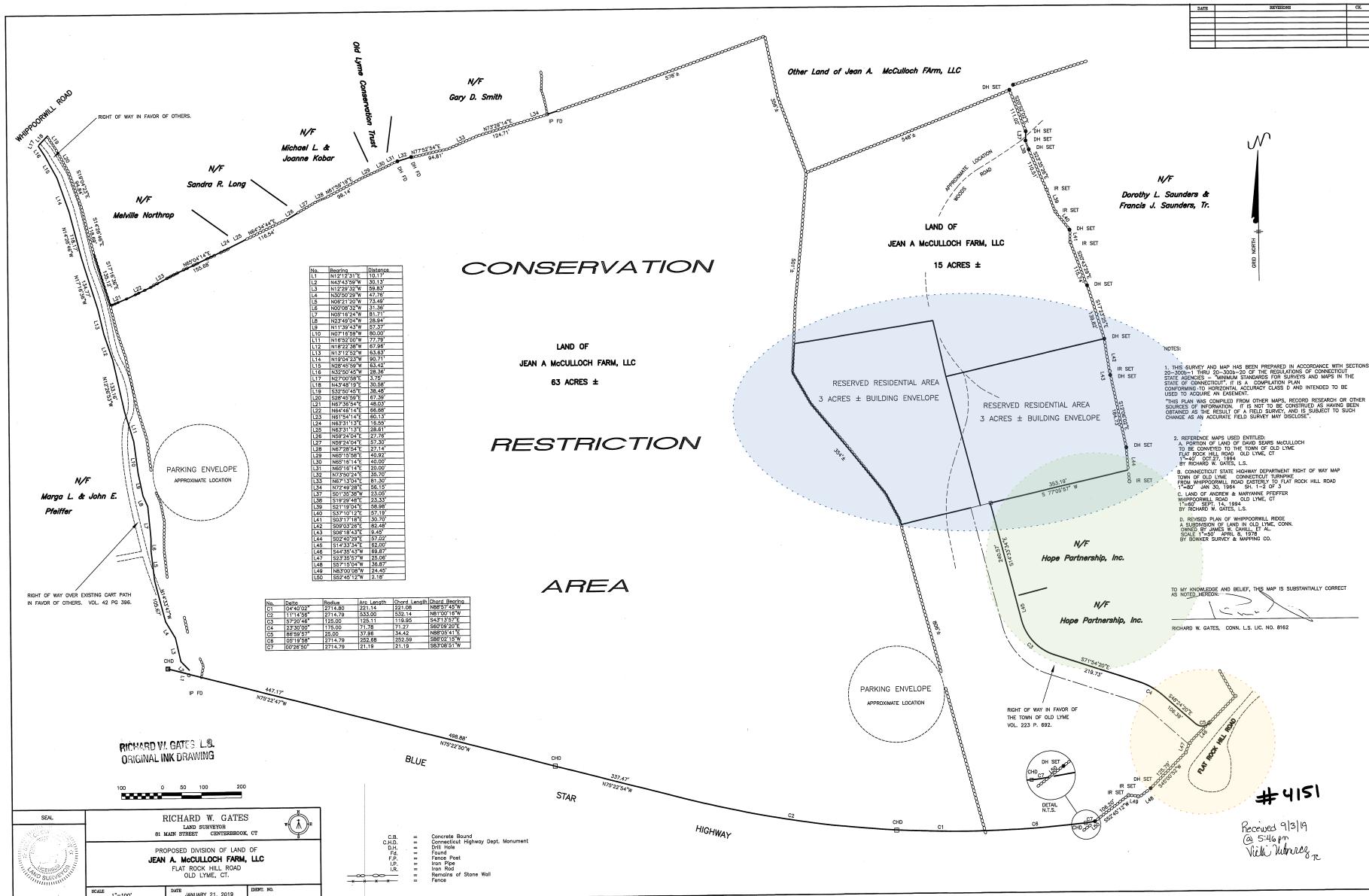
Location





Location

- Building Envelopes
- Existing affordable homes
- Flat Rock Hill Rd cul-de-sac





Objectives

- ▶ Construct one single family affordable home on each of the two building envelopes.
- ▶ Contain the cost of ownership to qualify as affordable at 80% AMI income or less, targeting 60% AMI if possible.
- ▶ Protect the homes as affordable into the future.
- ▶ Comply with the conservation restriction.
- ▶ Design and construct the homes to be in keeping with the adjacent open space and the neighboring residential properties.
- ▶ Provide an opportunity for a household that currently lives or works in Old Lyme, to the extent possible while maintaining full compliance with all relevant fair housing and lending regulations.



Current Status

- ▶ An ARPA Community Initiative Grant of \$150,000 has been awarded to the Affordable Housing Commission to partially offset the cost of an affordable housing development project.
 - ▶ The grant can be used through a partner.
 - ▶ The Town will retain responsibility for disbursement of grant funds with associated documentation and reporting requirements.
- ▶ Habitat for Humanity of Eastern CT has been chosen by the Board of Selectmen as the preferred development partner.
- ▶ A Steering Committee has been formed to help coordinate the project for the Town, manage the ARPA grant, and serve as a point of contact for both Habitat for Humanity and the community.
- ▶ Initial steps have been taken to divide the two building envelopes from the open space and create two building lots.
- ▶ The lots will include a deed restriction specifying the only allowed use as affordable housing.

The ARPA Grant and working with a not-for-profit partner will help keep the project costs low enough to meet the affordability objective



About Habitat for Humanity of Eastern CT

- ▶ 35 years, 107 projects in the region
 - ▶ 3 houses in Lyme, 3 houses in East Lyme
 - ▶ Major project underway to rehab properties owned by the City of Norwich as affordable housing using part of the \$1.2M of ARPA funding that Norwich has allocated to housing, other active and recently completed projects in Willimantic, Norwich, East Lyme, upcoming project in Ledyard
- ▶ Plans and manages and construction
- ▶ Involves new homeowners, community volunteers, and local businesses in the construction as an essential part of the project
- ▶ Recruits applicants, runs qualification and selection process
- ▶ Assists new homeowners in obtaining government assisted and below market financing directly and through local banks
- ▶ Prepares and supports new homeowners before and after sale of the homes



Next Steps

Town of Old Lyme:

- ▶ Complete the subdivision process to create two deed restricted building lots from the designated building envelopes.
- ▶ Transfer ownership of the lots to Habitat for Humanity of Eastern CT.

Habitat for Humanity of Eastern CT:

- ▶ Construct the two affordable homes.
- ▶ Sell the homes to qualified buyers.



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