

4.0 HOUSING



MIDDLETOWN PLAN OF DEVELOPMENT

4.0 HOUSING

4.1 Introduction

An adequate supply of available housing is essential to achieving balanced growth and economic development in Middletown. Cognizant of this need and related issues pertaining to housing, the comprehensive plan recommends four specific housing goals:

- *To continue to encourage a diverse mix of private, single-family residential dwellings on lots of varying densities so as to correct the current imbalance between multi-family and single-family dwellings.*
- *Provide for diversity in the future single-family residential housing stock in order to attract an economically and culturally diverse population capable of sustaining or improving the current status of the community.*
- *To identify older neighborhoods in need of rehabilitation and to adopt policies and regulations to encourage this rehabilitation.*
- *Monitor population growth and avoid residential density increases which would over burden the capacity of the city's infrastructure.*

4.2 Existing Housing Conditions

A. Residential Zones

Figure 4.1 illustrates the distribution of major residential areas in Middletown. These areas constitute the largest land use in the City, involving approximately one-fifth of all developed land. The most dominant residential types are the one- and two-family homes that have traditionally been developed to the south and west of the CBD. The past two decades have seen low-density housing expand to the southern and western city boundaries.

A significant element of the existing housing supply involves Planned Residential Developments (PRDs), built in northern and southern extremities of the City, in the late 1970s and completed in the late 1980s. Accounting for over 4,500 dwelling units, they include a mix of condominiums and detached houses, and provide both ownership and rental opportunities. Five PRDs have been developed: Wesleyan Hills, Westlake, Quail Run, Cedar Village, and Fieldbrook. The Westlake PRD represents the largest development with 3,580 units. A number of higher-density housing projects, consisting of public and private rental housing, are located closer to the center of town. These large projects, including developments along Newfield Street and Washington Street, account for nearly 2,900 dwelling units.

B. Existing Housing Stock

Traditionally, Middletown has been a city in which homeowners represent a significant portion of all occupants and single-family homes comprise the most common form of residential development. According to the 2000 census, Middletown registered a total of 19,697 housing units. Approximately 6% (1,143) of that total was vacant. A breakdown of the housing stock by housing type (e.g. single- or multi-family) has not yet been released. However, occupancy characteristics by housing type can be estimated using 1990 census data and recent building activity. In 2000, approximately 8,350 housing units were single-family detached units. Attached single family homes, or townhouses, provided another 1,117 units, while duplexes and doubles, three- and four-family

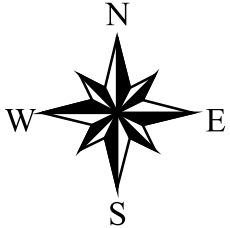
City of Middletown

Figure 4.1 Residential Density



- One- and Two-Family (per lot)
- High Density (<15,000 sq. ft.)
 - Medium Density (15,000-43,560 sq. ft.)
 - Low Density (> 43,560 sq. ft.)

- Multi-Family
- Three-Family, Apartments, and PRDs



This map is not a substitute for on-site inspection

Buckhurst Fish & Jacquemart, Inc.

houses on small lots were nearly three times as numerous, amounting to 3,135 units. An insignificant number of vacant units were boarded up and most idle supply was merely in transition, from owner or renter occupancy to sale or rent. On average, 2.31 persons occupied each unit, with owner occupied dwellings settled at higher densities than renter occupied units, or 2.49 persons per owned home compared to 1.95 per rented unit. Most housing units were built before 1970 and a majority had at least five or more rooms per dwelling.

Homeowners accounted for 51.3% of the occupied housing stock. In comparison, the average ownership rate for Middlesex County was 72.1% and for Connecticut, 66.8%. Homeowners tend to invest more money in their houses, are more likely to take care of their property and, in general, become more involved in the local community. Studies have shown that a higher number of homeowners stabilize neighborhoods, while areas with higher percentages of rental units often show distress through higher rates of crime and depressed living conditions. Owner-occupancy rates are important to city agencies as they attempt to identify and revitalize ailing neighborhoods. The City should encourage greater home ownership, bringing the average closer to the state average. If the city were to add the same number of new housing units through 2010 as it did since the last census (1,589), and every one were owner-occupied, it would raise the city's ownership percentage to 55%. For the upcoming decade, therefore, Middletown may consider an ownership goal of approximately 55%, with a long-term goal of reaching the state average.

Table 4.1 depicts salient occupancy characteristics of Middletown housing by census tract. In 2000, central tracts in and around the Downtown (#s 5411, 5415-5417) contained just over one-fifth of total dwellings (4,263 units), approximately seventy-three percent of which were in structures built before 1970. Vacancy rates averaged 7 percent, exceeding the citywide rate, as did the share of renter households in the central area (71% compared to 51% in Middletown as a whole). Tract 5416, the Downtown, contains the lowest proportion of owner occupied and

**Table 4.1
Occupancy Characteristics of Middletown Housing by Census Tract in 2000**

Cens Tract	Total Units	Sngl Fam Det*	2-4 Fam Units*	Multi Fam & Other*	Town Homes (SF Att)*	Owner Occup %	Pre-1970 %	Vac Rate %	Ave HH Size
5411	1,222	205	813	224	15	30%	93%	7%	2.09
5412	2,057	794	113	829	121	62	48	3	2.25
5413	3,601	367	41	2,420	426	27	5	9	1.82
5414	3,212	1,646	217	884	59	63	54	3	2.40
5415	764	198	238	206	24	27	81	5	2.35
5416	808	44	463	810	19	9	62	13	1.78
5417	1,469	337	441	144	14	40	57	8	2.22
5418	21	7	4	0	0	53	53	28	3.00
5419	2,396	1,302	127	697	86	67	59	4	2.44
5420	1,961	1,200	409	205	38	69	81	5	2.33
5421	1,483	719	242	181	133	59	69	5	2.43
5422	703	365	27	72	182	90	21	2	2.41
TOTAL	19,697	7,184	3,135	6,672	1,117				

Source: U.S. Bureau of the Census, 2000 *Census of Population*

*Information is from the 1990 Census and is shown for general, illustrative purposes.

single-family detached units, the smallest average household size, and the City's highest vacancy rate. These four census tracts have been almost completely built out. Infill housing, development of vacant land between existing houses, is particularly well suited for these census tracts. Existing homes sit on small lots (5,000 square feet), which can make it affordable for moderate-income families to enter the housing market as homeowners.

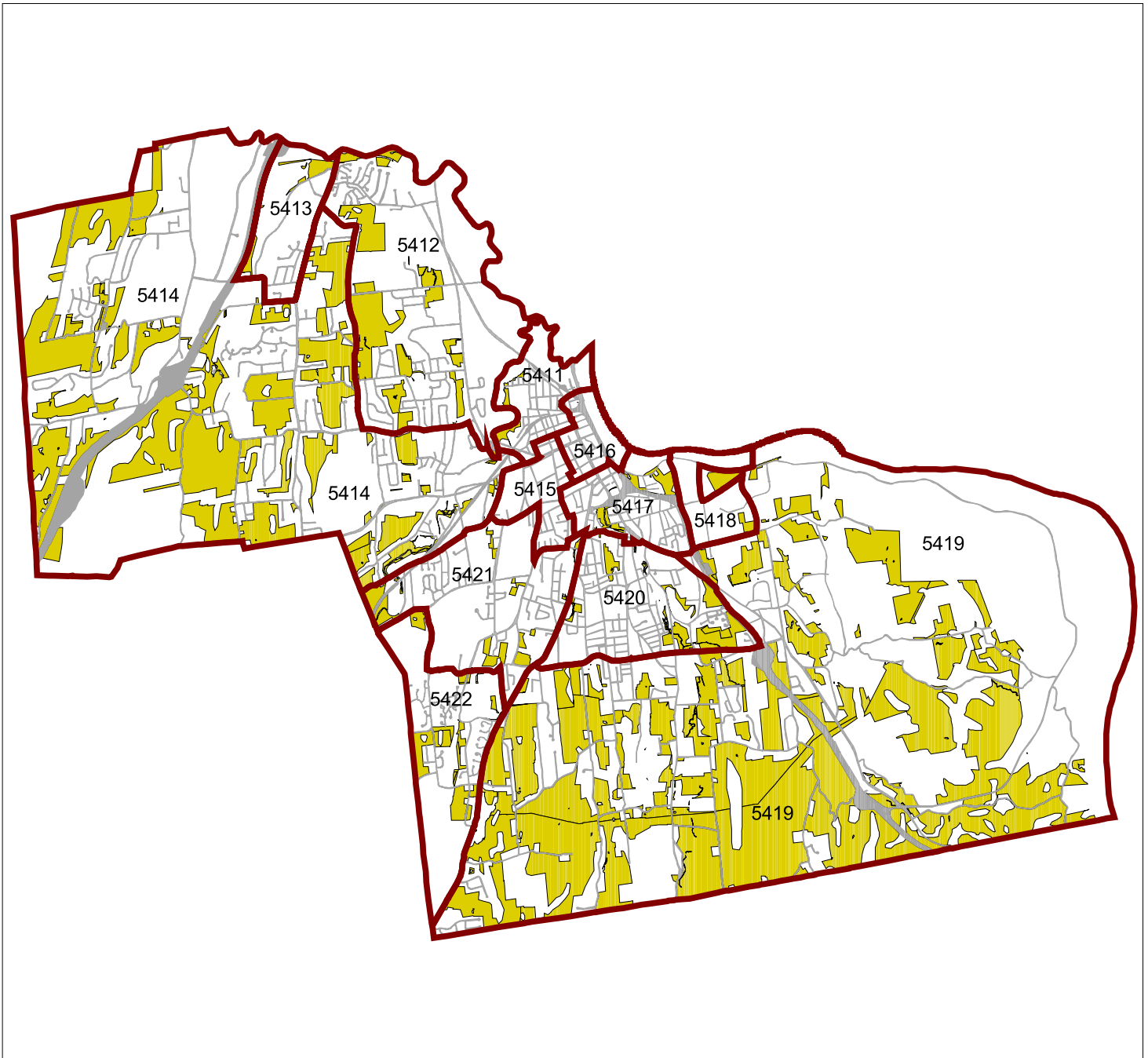
Two census tracts adjacent to the downtown area (#s 5420 & 5421) contain another 17 percent of Middletown's housing (3,444 units). Heavily single-family detached in character, this area also consists of older housing, 84 percent of which was built before 1970. The dominant style of other units is comprised of two-family and smaller multi-family structures (5 to 19 units). Vacancy rates were much lower in this area and average household sizes much higher than citywide averages. Although the age of the housing stock shares similarities with the CBD area, the larger number of single-family, owner-occupied homes differentiates these neighborhoods. As figure 4.2 shows, these two tracts do not contain much undeveloped land. The housing needs here are to maintain the existing neighborhoods and support rehabilitation and reinvestment where appropriate. In order to further homeowner investment, the City can make sure that amenities such as sidewalks and street trees are well cared for.

Census tract 5418 contains just 21 houses. This census tract is composed mostly of institutional land and city-owned property along the riverfront. As long as the land remains in public hands, it is unlikely to be developed for residential purposes.

Tract 5412 represents a true mix of land uses. This tract contains Newfield Street with its mix of residential, commercial and industrial uses, a number of multi-family apartment complexes, and new single-family residential development in the northwest area, adjacent to tract 5413. These new homes will probably raise the number of homeowners in this tract over the coming years. Due to the large number of new and older houses, single-family and apartment buildings, this tract may have the most diverse housing needs. The tract also contains large undeveloped acreage that could be developed and further change the character of the area.

The Westlake PRD comprises nearly all of Census Tract 5413. There is little room in this tract for residential expansion, except in the industrial zone in the northwest corner, where 250 additional units could be built. Houses here consist of townhouses and single-family detached, with the vast majority recently constructed after 1970. However, this tract has the lowest home-ownership rate away from the downtown area (27%) and almost as high a vacancy rate as tract 5416, the CBD. Housing efforts could focus on home-ownership programs, increasing public amenities to strengthen the desirability of the area, and providing revenue for maintenance and home repair.

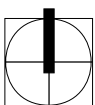
The three remaining tracts (#s 5414, 5419, and 5422) contain 75% of Middletown's land area, yet the three tracts have slightly less than 33% of all housing units in the city. Figure 4.2 shows that the majority of undeveloped land lies within tracts 5414 and 5419. While portions of these two tracts remain relatively rural in character, areas near the downtown have been heavily developed. Many new, large-lot, single-family subdivisions have been built in these areas during the 1990s, so it is likely the new census report will show a younger housing stock and higher home-ownership for these tracts. The City will have to consider a variety of housing policies for these areas, including providing urban services to those areas heavily built out as well as rural policies for undeveloped and developing areas.



**MIDDLETOWN PLAN OF DEVELOPMENT
Middletown, CT**

Figure 4.2 Residential Undeveloped

- 5411 2000 Census Tracts
- Undeveloped Land Zoned Residential



0 5000 10000 15000 Feet

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Since 1990, Middletown has experienced relatively less residential development than in prior periods of housing construction. As Chart 4.1 shows, some 1,323 units were authorized for construction between 1990 and 2000, largely in 1,158 single-family structures. This compares to a construction volume threefold greater in the 1980s, when 3,944 units were authorized for development. Multi-family structures of five or more units accounted for a significant portion of the 1980s construction. However, during the 1990s, multi-family housing has only been produced since 1996. Virtually no two-to-four family dwellings have been built in recent years. Not all housing authorized for construction results in an addition to the housing inventory, with some units never built and other existing units merged, converted to alternative uses, or demolished.

C. Potential Future Housing

Figure 4.2 depicts the distribution of undeveloped, residentially zoned land in Middletown, exclusive of land in steep slopes, wetlands, parks, dedicated open spaces and roads. At current zoning and allowing one tenth of vacant land area for future roads, the developable residential area amounts to 6,443 acres with a housing capacity of 8,837 more dwelling units. As the figure shows, a majority of the buildable sites for housing (60%) are located in the southern portion of the City, specifically in census tract 5419. Table 4.2 summarizes Middletown’s residential development potential by tract and housing type.

**Table 4.2
Residential Development Potential**

Census Tract	Residential Zone	Name	Net Developable Acres	Housing Capacity
5412	R-1	Restricted Residence	112.3	325
	R-15	Residential	200.7	580
	MX	Mixed Use	0.5	2
5413	IM		35.0	250
5414	R-15,30,45,60	Residential	1,884.7	2,655
	M	Multiple Family	20.3	120
5417	MX	Mixed Use	25.0	150
	TD	Transitional Devel	14.0	64
5418	R-30	Residential	9.9	14
	MX	Mixed Use	0.4	3
5419	R-15,30,45,60	Residential	3,819.4	3,750
	M	Multiple Family	25.6	150
	MX	Mixed Use	1.5	9
5420	R-15	Residential	37.6	109
	RPZ	Resid Pre-Zoning	109.4	318
5421	R-15	Residential	39.5	115
	M	Multiple Family	5.4	30
	MX	Mixed Use	2.6	16
5422	R-15,30	Residential	99.5	177
Total	All Zones	All Residential	6,443.3	8,837

Source: Buckhurst Fish & Jacquemart, Inc.

4.3 Housing Affordability Issues

A. Trends in Affordable Housing

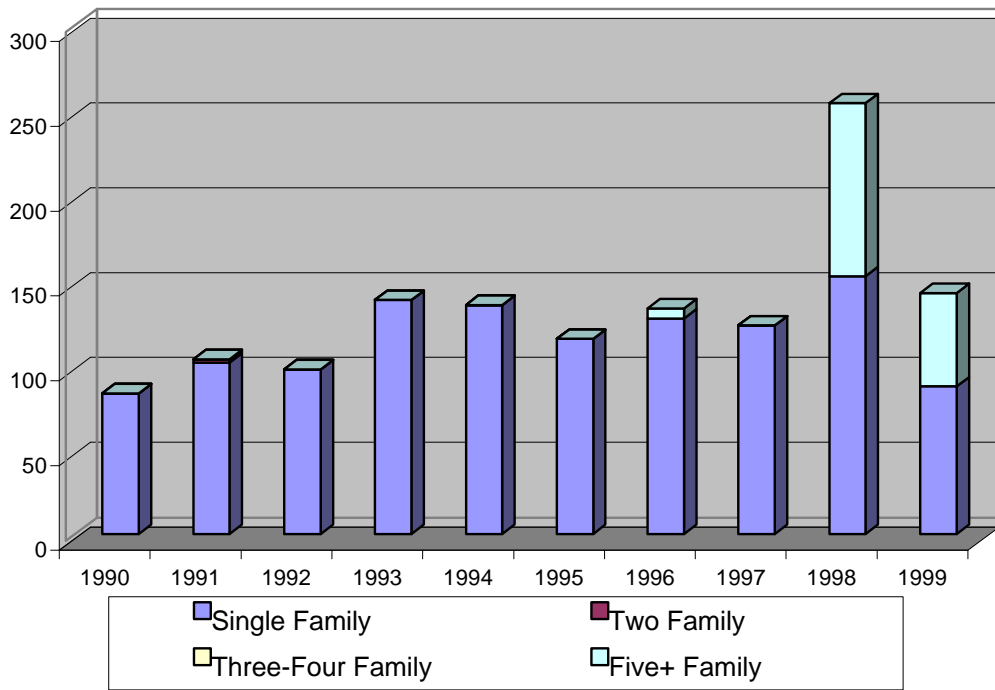
Recent trends in residential construction have addressed the needs of a growing moderate- to middle-income class in Middletown. Future demands to house new households and replace existing units are within the industry's performance level and the market's affordability by most homebuyers. Moreover, an ample supply of vacant available units for sale or rent exists at reasonable price levels according to the multiple listing files of real estate brokers in Middletown. Table 4.3 provides the current listed inventory of single family and condominium units for sale, as well as a sample of rental properties.

**Table 4.3
Vacant Housing Listed for Sale or Rent in Middletown in 2000**

# of Units	Price Range	Average Asking Price	# of Bed Rooms	# of Baths
<i>Detached Single Family Units for Sale</i>				
3	\$350,000 & Over	\$474,967	4	3.0
3	\$250,000 to \$350,000	\$295,933	4	2.5
17	\$200,000 to \$250,000	\$223,435	3	2.4
12	\$150,000 to \$200,000	\$178,676	3	2.0
21	\$100,000 to \$150,000	\$129,573	3	1.4
16	Under \$100,000	\$ 76,444	3	1.2
Total	All Prices	\$169,435	3	1.8
Median		\$149,900	3	1.5
<i>Condominium Townhouse Units for Sale</i>				
2	\$100,000 & Over	\$109,250	2	1.5
6	\$75,000 to \$100,000	\$ 87,560	3	1.7
9	\$50,000 to \$75,000	\$ 65,131	2	1.6
3	Under \$50,000	\$ 45,967	3	1.7
Total	All Prices	\$ 73,397	2	1.6
Median		\$ 67,750	2	1.6
<i>Apartments for Rent</i>				
3	\$805 to \$1345/month	\$903-\$1075	835-1135 sq ft	
2	\$735 to \$1140	\$875-\$950	813-1135 sq ft	
2	\$630 to \$765	\$677-\$715	775-900 sq ft	
1	\$510 to \$720	\$615	653 sq ft	
1	\$460 to \$675	\$567	570 sq ft	
Total	All Prices	\$820	870 sq ft	
Median		\$735-\$1020	813 sq ft	

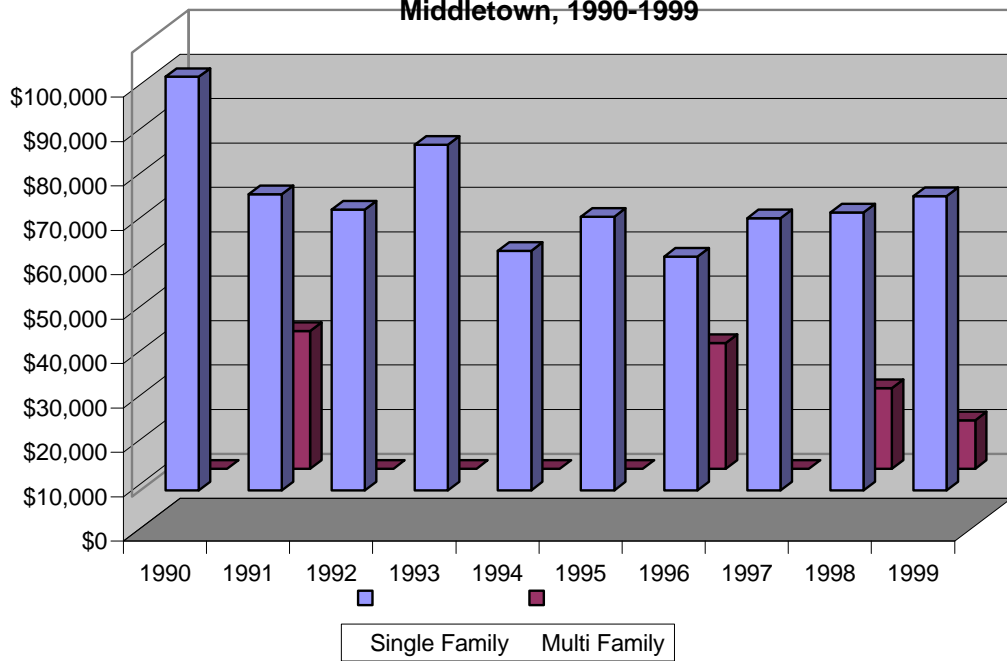
Source: Yahoo! Multiple Listing File of Middletown Real Estate Brokers (sale units); Homestore.com (rental units)

Chart 4.1 Housing Permits Authorized in Middletown, 1990-1999



Source: U.S. Bureau of the Census

Chart 4.2 Average Construction Cost of Housing in Middletown, 1990-1999



Source: U.S. Bureau of the Census

As Table 4.3 shows, some 72 single-family houses listed for sale in mid-year 2000 by real estate brokers in Middletown range in asking price from under \$100,000 to over \$350,000. The median home price of \$149,900 provides a three-bedroom unit with 1.5 baths, affordable to households with annual income of \$50,000. Two in every three houses are available for sale under \$200,000 and only one in every twelve are priced above \$250,000. Even more affordable, of 20 townhouse condominiums on the market, fully half are available for sale at \$67,750 or less. Consisting of two bedrooms and 1.5 baths, most condos are adequate for singles, childless couples or starter families, and affordable by households with incomes of \$30,000 or more annually. Most units offered at market rents in Middletown also consist of townhouse dwellings. At average asking rental rates that range from \$460 to \$1,345 per month, and provide from 570 to 1135 square feet of living space, the PRD apartments typically require annual incomes of \$35,000 or more.

According to the U.S. Department of Housing and Urban Development, the median family income⁷ of Middletown was \$61,300 in 2000, or adequate for a family of four to purchase a unit valued at \$184,000 or less with conventional down payment and credit requirements. The median income of a single person household was estimated at \$42,900. Thus, at least half of all family households in Middletown could afford up to 60 percent of all single family houses offered for sale, while a comparable share of all single person households could afford to rent up to half of all apartments. A still larger share of singles and smaller family households are in position to buy condominium townhouses with adequate credit and assets.

For Middletown households that lie below the limits of market affordability, or cannot meet the down payment or credit requirements, housing ownership opportunities may be acquired through public subsidy programs, foreclosures, or the occasional resale of older single family homes. Currently 8 units, mostly priced under \$60,000, are available for sale through foreclosures. For low to moderate income renters, the City's large housing developments include four public housing projects comprising 276 units: Sbona Tower (126), Traverse Square (60), Maplewood Terrace (50) and Marino Manor (40). Both Sbona Tower and Marino Manor are elderly housing projects. Together with eleven other publicly assisted housing developments built or rehabilitated for elderly in Middletown, as well as HUD Section 8 vouchers, some 1,400 units are available for non-institutionalized persons 65 years of age and over. Middletown's Consolidated Plan lists 198 other state-sponsored units along Daddario, Santangelo, and Keift Roads.

B. Existing Housing Deficiencies and Affordability Needs

In a well-functioning housing market, such as Middletown's, the relationship between housing demand and supply, or available stock, should match not only household preferences but also housing needs and the ability to pay. Housing needs are best defined by measurement against acceptable standards of housing condition, such as household occupancy by housing size and physical condition. Ability to pay is largely determined by whether housing costs, associated with household preferences, represent an affordable percentage of household income. A gap in the relationship between demand and supply can be considered a housing market deficit or deficiency.

⁷ See www.huduser.org for HAMFI, the HUD-adjusted Median Family Income by states and areas. Middletown's median family income is drawn from the metropolitan portion of Middlesex County, as estimated in October 1999.

Housing deficiencies existing in Middletown, as of 1990, stemmed primarily from a lack of affordable housing to meet the needs of then current residents. Virtually all inhabitants were adequately housed from the perspective of modern housing standards. Only 250 households, or 1.5 percent, had homes or apartments providing less than one room per occupant, the standard at which overcrowding is perceived to exist. An unduplicated 27 households lacked complete plumbing facilities in their housing units. Thus, fewer than 1.7 percent of all households were ill housed from a lack of adequate housing and the majority of these (nearly 200) were renter households. Indeed, most existing vacancies, which were largely in units built after 1970, would have been more than ample to address these adequacy needs, irrespective of affordability issues.

From the perspective of affordable housing, Middletown contained a sizeable portion of households that spent more than 30 percent of their incomes on gross rent or monthly owner costs, a threshold at which housing affordability becomes an issue. As Table 4.4 shows, of the 4,021 households (24% of the City total) spending excessive shares of their budgets on housing, two in every three were renter households (2,678) and a clear majority (2,576 renters) had incomes under \$35,000 in 1989 dollars. With median rent levels pitched at \$500 per month in Middletown in 1989, renters with annual household incomes under \$20,000 actually experienced housing deficiencies from a lack of affordable housing options. By contrast, less importance is paid to renters with moderate- to higher-income levels who could switch housing, or to homeowners with relatively large housing outlays irrespective of incomes, since their expenditures also contained mortgage principle repayments that built owner equity.

**Table 4.4
Housing Affordability Conditions in Middletown, 1990**

Annual Household Income in 1989 Dollars	Households Spending 30% or More on Housing Costs			
	Owner Occupants		Renter Occupants	
	# of Hslds	% of Such Hslds	# of Hslds	% of Such Hslds
Less than \$10,000	279	88.3%	876	72.1%
\$10,000 to \$19,000	114	23.9%	835	64.9%
\$20,000 to \$34,999	310	31.5%	865	34.7%
\$35,000 to \$49,999	396	27.4%	90	5.4%
\$50,000 or More	244	7.4%	12	0.9%
Total	1,343	20.5%	2,678	33.4%

Source: U.S. Bureau of the Census, *1990 Census of Housing: Connecticut*

Note: U.S. Bureau of the Census 2000 figures are not yet available. These figures will be updated when the information is released.

Despite a solid housing stock and a population largely endowed with adequate resources, Middletown nonetheless experienced housing market deficiencies from a lack of affordable housing (1,711 households), a lack of adequate housing (27 households), and a lack of available housing for special needs (perhaps 425 elderly disabled and homeless persons). Excluding multiple representation, the housing gap may have affected 2,000 households in 1990, or 12 percent of the City's households. Between 1990 and 1998, the level of unduplicated housing deficiencies is estimated to have risen by some 500 households in Middletown, owing largely to increasing lack of affordability of apartments by low income renters (up 400 households) and to a

rise in homelessness (up 100 persons).⁸ At 2,580 current households, housing deficiencies and affordability needs affect some 15 percent of the City's households.

Nonetheless, Middletown has attained a solid reputation for meeting its affordable housing needs. According to the 1989 Connecticut statute establishing the Affordable Housing Land Use Appeals Procedure, public and private developers may appeal local decisions rejecting affordable housing projects if less than 10 percent of current housing stock in the municipality consists of specified affordable units.⁹ Middletown is officially exempt from these provisions, having 3,019 government-assisted units and 566 CHFA/FMHA mortgage assisted units, for a total of 3,585 specified affordable units that comprise 18.7 percent of housing stock.

Unlike surrounding towns, Middletown is truly a place where people from any point on the income range can live. Whether it be a homeless shelter, transitional housing, a group home or apartment, a condominium, a moderately priced home, or a \$500,000 house, Middletown is truly providing for its diverse population.

4.4 Residential Property Market Indicators

A. Demand for Housing, 1990-2020

The number of households in Middletown increased to 18,554 in 2000, a gain of 1,727 households over 1990's level of 16,827. At the same time, the emphasis in housing production favored greater home ownership, affordable to households with annual incomes of \$40,000 or more. Since 1995, as Chart 4.2 shows, the average cost of building multifamily units in Middletown has been \$63,300 in 1999 dollars. The median price of single-family homes, including land purchases and builder's soft costs, would have been about \$110,000.

According to the Connecticut Office of Policy and Management (OPM), the population of Middletown is projected to expand by 3,033 persons, between 2000-2010. Between 2010 and 2020, projections indicate another 2,850 residents for the City. With household size unchanged at 2.3 persons per occupied unit, the number of households will likely expand from 18,554 in 2000 to 19,872 by 2010, and to 21,165 in 2020. Thus, based upon the population projections, over the 20-year period 2000-2020, the City can expect an increase in housing demand of nearly 110 units per year from new household formation alone. Added to this production requirement are the needs to replace units demolished, consolidated, converted to alternative uses, or retired from the available inventory for reasons of age or structural condition.

B. Current and Future Supply Conditions

Table 4.5 unites the population forecast with the components of future housing demand and supply, under the assumption that housing producers will fully meet the needs of an adequate market supply. Over the 2000 to 2010 period, the City of Middletown will need to increase its rate of new housing production from an average of 130 units (annual number of housing units authorized, 1990-1998) to an annual rate of 255 new units between 2000 and 2010.

⁸ See the *Five-Year Consolidated Plan for Housing & Community Development* of the City of Middletown, June 2000.

⁹ PA00-206 amended PA89-311 by changing the base for calculating 10% from current housing stock to stock as of the last census.

**Table 4.5
Relationship Between Housing Demand & Supply, 1980 to 2020**

	1980- 1990*	1990- 2000*	2000- 2010	2010- 2020
<i>Demand</i>				
Households (BOP)	14,130	16,827	18,554	19,872
Households (EOP)	16,827	18,554	19,872	21,165
Net Hsld Formation	+2,691	+1,727	+1,318	+1,293
<i>Supply</i>				
Housing Units (BOP)	14,774	18,102	19,697	19,960
Housing Units (EOP)	18,102	19,697	21,263	22,647
Period Change	3,328	1,595	1,566	1,393
New Construction	3,944	1,794	2,551	2,391
Stock Replacement	-616	-199	-985	-998

*Source: U.S. Bureau of the Census

Note: BOP stands for “Beginning of Period”; EOP stands for “End of Period”

To house an expected population of 51,446 persons (2000 Census Bureau figure plus OPM projected population growth) in 2020, another 239 units per year need to be constructed between 2010 and 2020. This forecast assumes an overall vacancy rate of 7 percent, and an annual replacement rate of 0.5 percent.

Considering differences inherent between housing replacement and housing expansion for new household formation, the period-long construction requirement breaks into a developed versus developable land component. Assuming all replacement construction occurs on the same land as the building being replaced, then 1,983 units or 40 percent of all units to be built between 2000 and 2020 will be rebuilt on already developed sites. By contrast, 2,959 new units will require raw land zoned residential and in-fill residential sites. This compares with the capacity of the City’s vacant developable land zoned residential, identified previously in Table 4.2 as holding 9,338 units.

As figure 4.2 shows, the vast majority of the undeveloped residential land lies in census tracts 5414 and 5419. Together they comprise 89% of all undeveloped residentially zoned land in the City. Widespread residential development homes would negatively impact the current rural nature of these census tracts and impact the local aesthetics, roadways, and environment.

Alternative planning measures to promote compact growth and limit suburban sprawl throughout these areas of Middletown may include rezoning residential land to reduce densities, including the creation of new zones, such as an agricultural zone, greater environmental protection that effectively reduces development densities, and the acquisition of open space land. Such considerations as existing sewer and water district boundaries should govern the selection of priority areas for future residential development, as well as the locational attributes of zoned residential areas that may make them more attractive to commercial development.

4.5 Summary

Respondents to Middletown's 1999 resident questionnaire overwhelmingly reported liking their neighborhoods (93%). Reasons often cited included the attractiveness of their neighborhood, close proximity to work, and convenience for visiting family and friends. In order to pursue its goals of diversity in housing type, density, and price, Middletown has the following assets and issues and opportunities:

Major Assets

- **Varied housing stock for families of different sizes and socioeconomic levels.**
- **Neighborhoods with a sense of identity and community for local residents.**
- **Adequate land to accommodate additional households.**

Issues and Policies

- **Increase the share of home ownership among residents.**

Home ownership contributes to the quality of neighborhood life and, over the long term, to the affordability of housing in household budgets. The City should set a goal of 55% of its housing stock to be owner-occupied over the next decade, with a long-term goal of reaching the state average.

- **Curtail higher density development of single-family housing by limiting further expansion of public water/sewer service into those areas not currently served by these utilities.**

Development of these areas has the greatest adverse impact on the city's visual rural and aesthetic qualities and adds to development pressure of surrounding areas.

- **Encourage housing for seniors and the elderly.**

Living arrangements for the elderly should be encouraged within the downtown health care corridor to support ancillary health needs of the elderly. Zoning should be amended to allow age-restricted (age 55 and over) residential developments.

- **Support construction of in-fill housing within downtown and surrounding neighborhoods, including rehabilitation of upper-floor space within the downtown commercial district.**

Starter homes on small lots should be encouraged on in-fill sites in neighborhoods adjacent to the Downtown. With existing infrastructure capacity, these dwellings will conserve public resources. The rehabilitation of older industrial and institutional buildings to residential usage has represented a visually effective and cost efficient reuse of idle structures. Opportunities for further adaptive reuse lie north and southwest of the Downtown, within the water/sewer area, and if redeveloped for residential purposes would further extend the historic character of Middletown into close-in residential and mixed-use areas.

In-fill housing could also include limited multi-family projects as well. While it can be said that such housing is not in keeping with the City's character, efforts to attract economic development to the downtown area -- or to build lower-cost housing for a young labor force - - would benefit from attractive higher density residences.

- **Encourage up-scale housing in response to professional job opportunities.**

Middletown's employment base has shifted from manufacturing to service and professional positions. New housing types and styles should be encouraged to appeal to these workers so that Middletown can attract new residents, retain a healthy mix of income levels, and strengthen neighborhoods.

- **Encourage neighborhood rehabilitation and improvement programs, with the goal of healthy, vibrant neighborhoods throughout the city.**

These efforts should be supported by aggressive marketing of existing Community Development Block Grant programs for down payment and closing cost assistance and residential rehabilitation loans for those interested in undertaking home improvements in targeted neighborhoods.

The Ferry/Green/Rapallo neighborhood, currently proposed by the North End Action Team (NEAT) for upwards of 150 mixed income housing units, may provide an opportunity to attract private market investment and cross-subsidize techniques to generate affordable housing in an inner-city higher density residential development. Included in the area designated as a Housing Development Zone by the State of Connecticut, this development would be eligible for tax abatements on improvements occupied by low and moderate-income persons. Their development should be encouraged by "sweat equity" programs focused on expanding affordable home ownership by low-to-moderate income persons willing and able to fix up older stock in inner neighborhoods.