



Land Use Commissioner Training With Naugatuck Valley Council of Governments

Sean Ghio, Policy Director
September 21, 2023

Agenda

What is Affordable Housing?

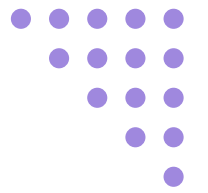
History of Affordable Housing in Connecticut

Planning and Zoning Strategies to Promote Diverse Housing Options

Questions and Answers

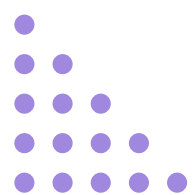


Partnership for Strong Communities

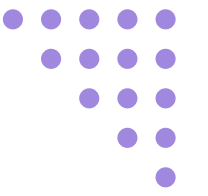


We are dedicated to ensuring everyone in Connecticut has a safe, stable home that is affordable to them in an equitable community of their choice.

Celebrating our 25th Year of Affordable Housing Advocacy



What is Affordable Housing?



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- Housing that received financing from a government program and is restricted to residents with low or moderate income.
- Properties with deed restrictions limiting the rental or sale to income-qualifying families.

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- Less-expensive market-rate rental housing, sometimes called naturally occurring affordable housing (NOAH).
- Rents are relatively low compared to the regional housing market.
- Housing quality can be poor.
- Tenants are unprotected from rent increases.
- More affluent towns typically don't have a large supply of NOAH.



NOAH Benefits and Risks?



Unrestricted lower cost housing, when available, is a critical supply, but it is at risk in the Naugatuck Valley as the region continues to revitalize, but also as these older homes continue to age.



Do you have **NOAH** in your community?



NOAH Benefits and Risks?



What rent or mortgage payment is affordable to the “median household” in your town? 80% of median? 50% of median?

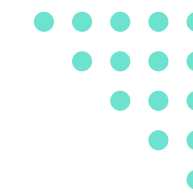
A family of three earning the state median income can “afford” a monthly housing cost of \$2,600.

At **80%** the affordable cost drops to **\$2,141**, **50% = \$1,338**, and at **30%** of the state median they can afford a monthly housing cost of **\$803**.

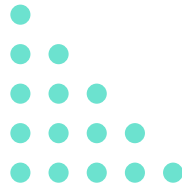
How many “unrestricted” homes are in your community that these families could afford?



What was Affordable Housing?



What is Affordable Housing Now?



Who Needs Affordable Housing?

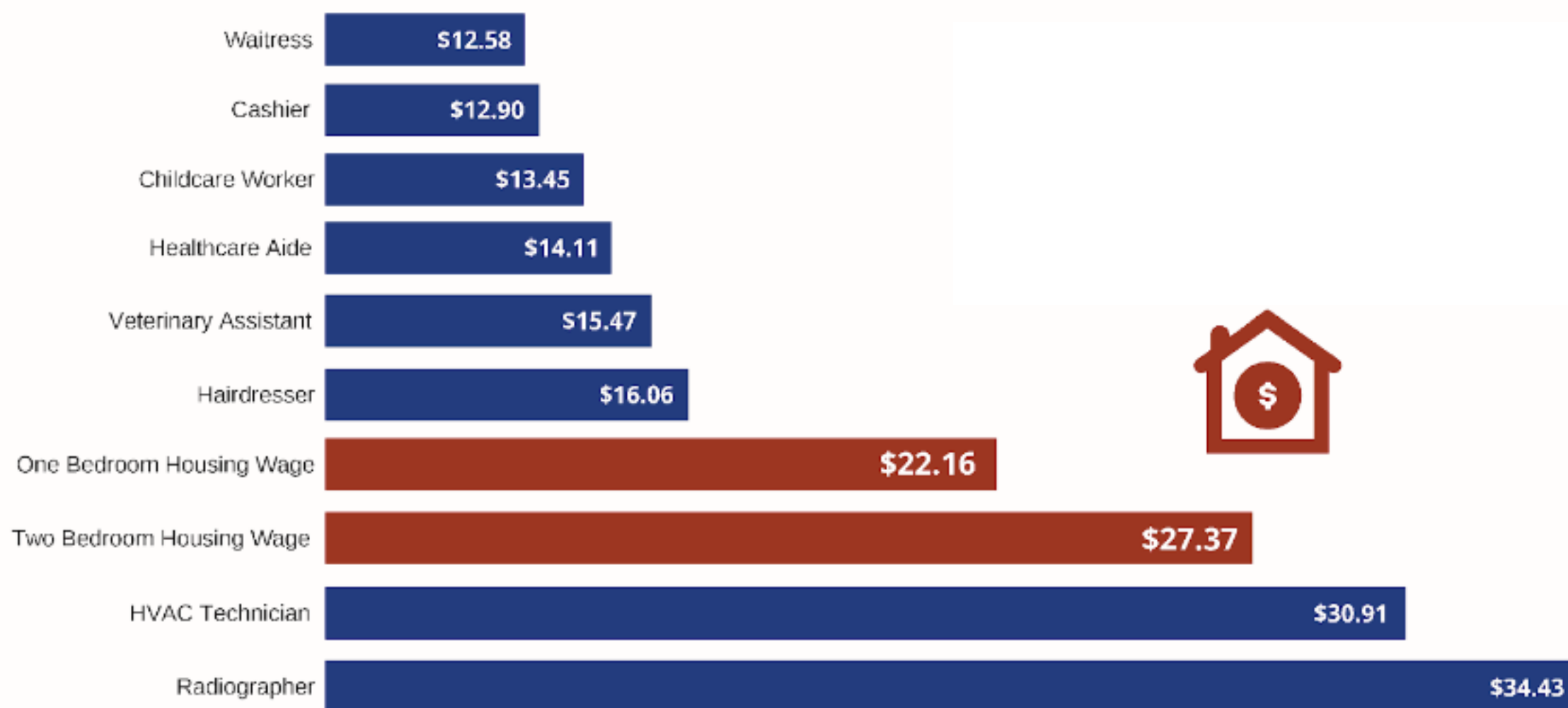


Last Updated May 2022

CT's Housing Wage

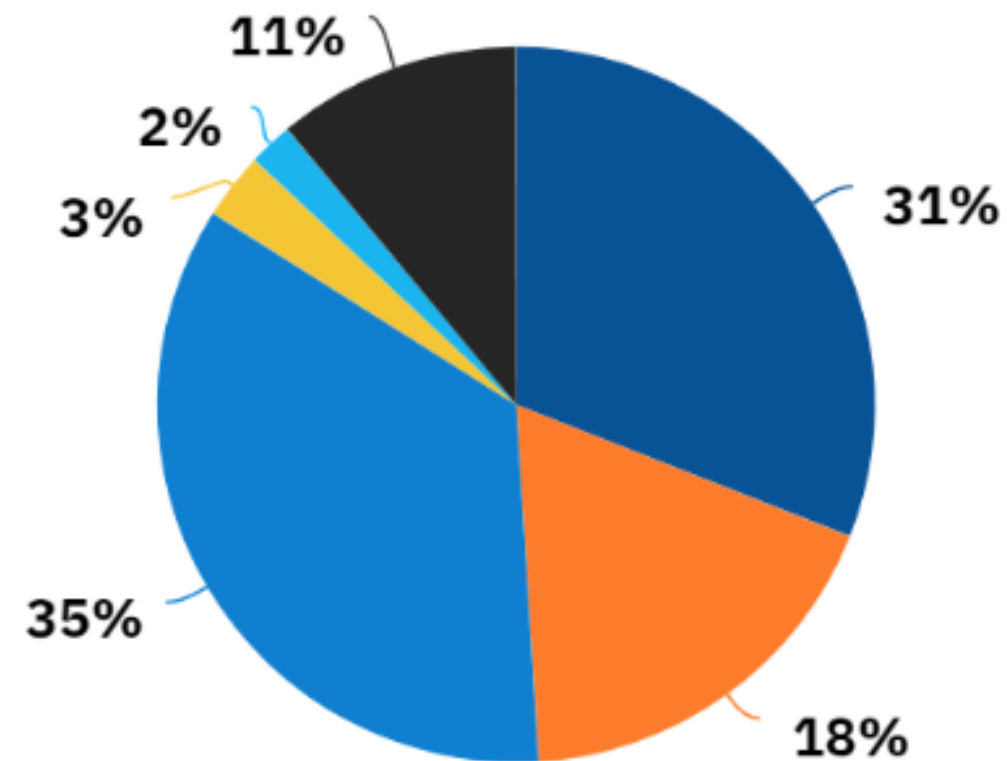
The Struggle to Afford Housing

Changes in the economy, household formation, inflation, and wage stagnation -- leave many in Connecticut struggling to afford housing. Many jobs pay less than the state's median household income of \$79,855 annually and have an hourly wage that is less than the housing wage (what one needs to afford a typical 2-BR apartment) of \$27.37.



Who Needs Affordable Housing?

EXTREMELY LOW INCOME
RENTER HOUSEHOLDS



In Labor Force
Senior
Single Caregiver
Disabled
School
Other

- Elderly households on fixed incomes
- Individuals with disabilities with very limited/fixed incomes
- Minimum wage and low-wage worker households - often service industry employees and their families

Affordable Housing at Risk



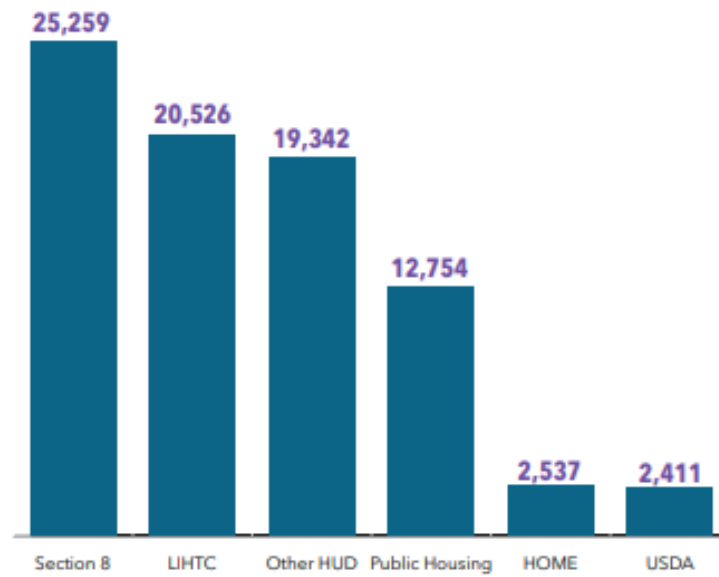
2022 PRESERVATION PROFILE



CONNECTICUT

HUD and USDA programs play an important role in providing affordable homes to extremely low-income (ELI) families across the state. Many of the publicly supported homes, however, face expiring rent restrictions and are at risk of becoming unaffordable to the state's lowest income families.

NUMBER OF PUBLICLY SUPPORTED RENTAL HOMES BY PROGRAM

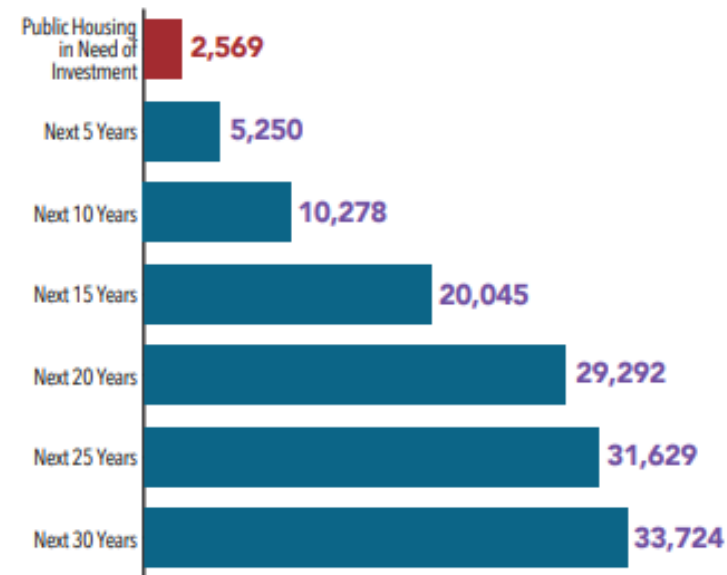


35% publicly supported rental homes across the state receive Section 8 contracts.

*Other includes Section 236 HUD Insured Mortgages, Section 202 Direct Loans, Section 236, and state sponsored subsidies.

Note: Rental units can be supported by multiple programs.

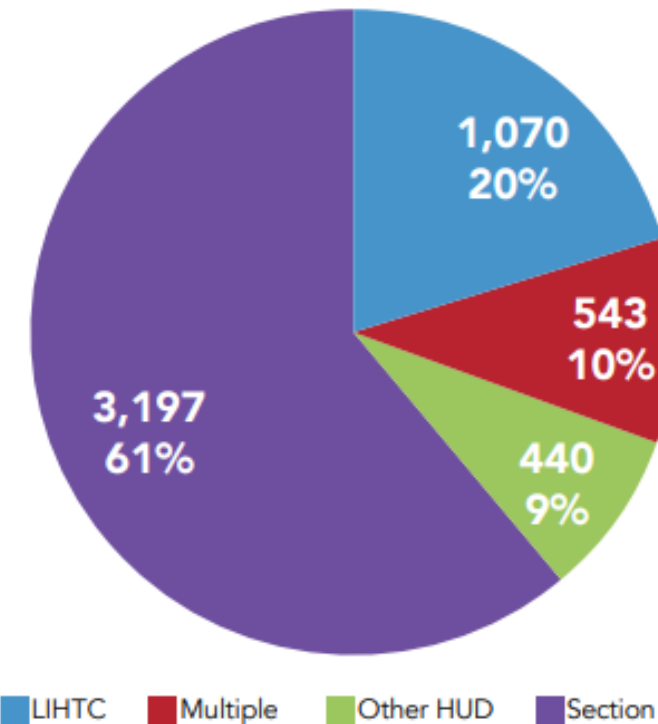
PUBLICLY SUPPORTED RENTAL HOMES AT RISK OF LOSS



7% publicly supported rental homes face an expiring affordability restriction in the next five years and 2,569 public housing units are in need of immediate investment*.

*Indicated by a REAC score less than 60.

PUBLICLY SUPPORTED RENTAL HOMES WITH EXPIRING AFFORDABILITY RESTRICTIONS WITHIN FIVE YEARS BY FUNDING STREAM



61% publicly supported rental homes with expiring affordability restrictions in the next five years are assisted by Section 8 contracts.

KEY FACTS

-85,403

Shortage of rental homes affordable and available for ELI renters

66%

Percent of ELI households spending more than half of their income on rent

72,989

Number of publicly supported rental homes

5,250

Number of publicly supported rental homes with affordability restrictions expiring in next five years



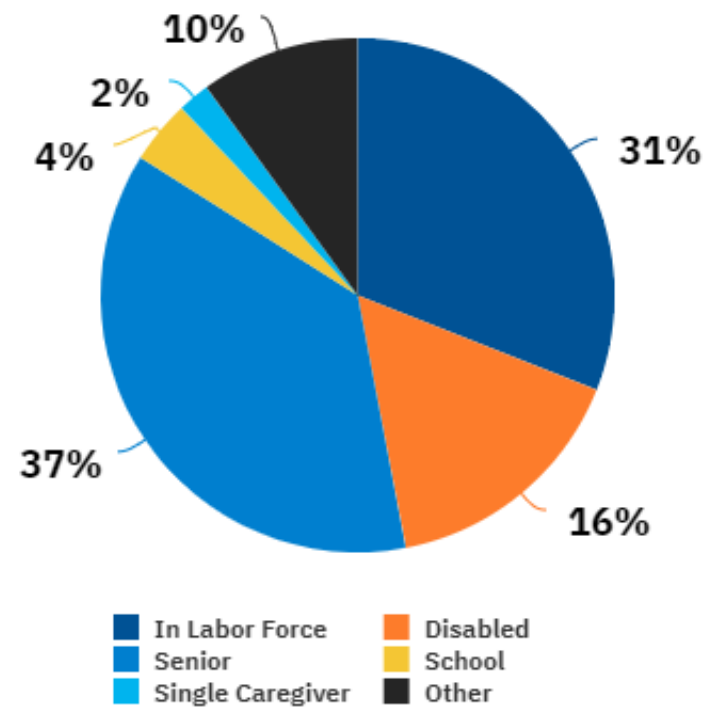
Affordable Housing at Risk



KEY FACTS

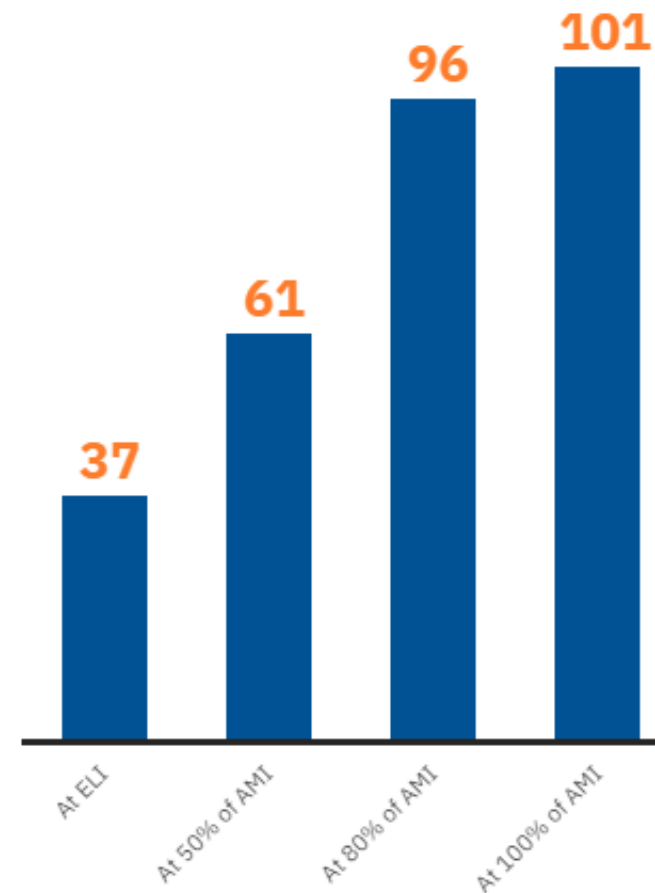
- 142,367 OR 30%**
Renter households that are extremely low income
- 89,013**
Shortage of rental homes affordable and available for extremely low income renters
- \$32,130**
Maximum income for 4-person extremely low income household (state level)
- \$66,412**
Annual household income needed to afford a two-bedroom rental home at HUD's Fair Market Rent.
- 68%**
Percent of extremely low income renter households with severe cost burden

EXTREMELY LOW INCOME RENTER HOUSEHOLDS



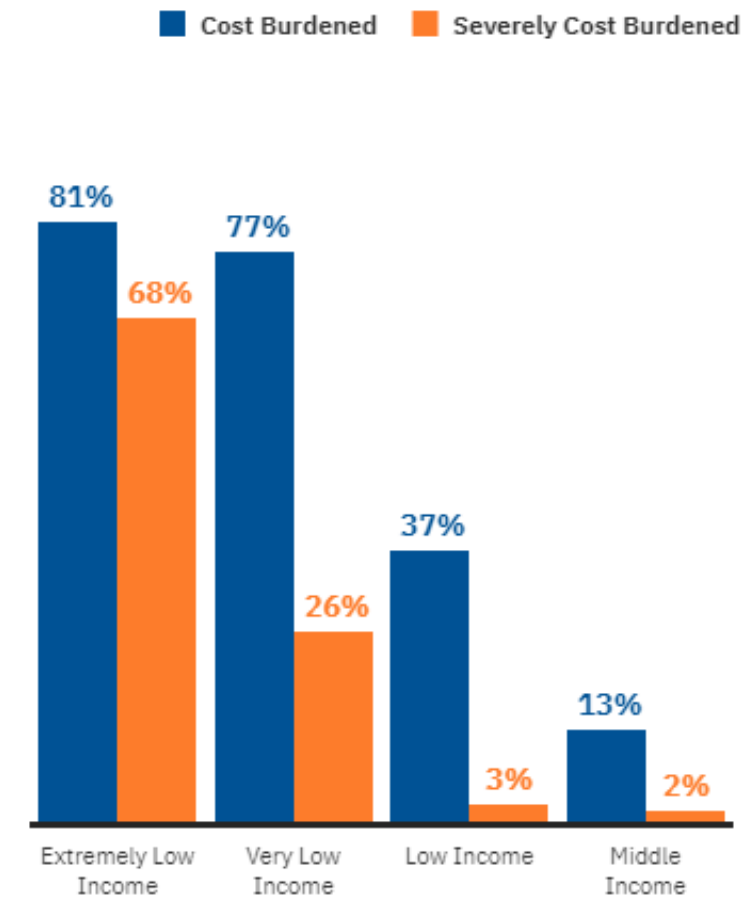
Note: Mutually exclusive categories applied in the following order: senior, disabled, in labor force, enrolled in school, single adult caregiver of a child under 7 or a person with a disability, and other. Thirteen percent of extremely low-income renter households include a single adult caregiver, 49% of whom usually work at least 20 hours per week. Ten percent of extremely low-income renter households are enrolled in school, 47% of whom usually work at least 20 hours per week. Source: 2021 ACS PUMS
Source: 2021 ACS PUMS

AFFORDABLE AND AVAILABLE HOMES PER 100 RENTER HOUSEHOLDS



Source: NLIHC tabulations of 2021 ACS PUMS

HOUSING COST BURDEN BY INCOME GROUP



Note: Renter households spending more than 30% of their income on housing costs and utilities are cost burdened; those spending more than half of their income are severely cost burdened.
Source: NLIHC tabulations of 2021 ACS PUMS



Housing Facts in Your Community and Region



Housing Data Profiles

Data on housing and affordability for each of Connecticut's 169 towns and cities

Funded through support from Fairfield County's Community Foundation and Liberty Bank Foundation

Created by
CT data
2022

Find your town's housing data



<https://housingprofiles.pschoosing.org/>

Housing data for each CT municipality, every county, and the state

Data includes:

- Housing type mix
- Housing cost burden
- Building permit activity
- Affordable housing activity
- And, more!

Profiles are updated every other year.






The Zoning Enabling Act (§ 8-2) and Housing Diversity

Zoning regulations must:

- “encourage the development of housing opportunities, including opportunities for multifamily dwellings, ... **for all residents of the municipality and the planning region** in which the municipality is located.”
- “promote housing choice and economic diversity in housing, **including housing for both low- and moderate-income households.**”

Zoning regulations cannot:

- Establish a minimum floor area for dwellings greater than that contained in building, housing or other codes.
 - Place a numerical or percentage cap on the number of mixed use or multi-family dwellings in a town.
- 



The Zoning Enabling Act (§ 8-2)

What Can't be Considered in Land Use Decisions?

Local land use decisions may not be made based upon:

- Consideration of the financial viability of a proposal.
- Consideration of a proposal's projected number of school children, effect on the town's education budget, or impacts on property taxes.
- A proposal's perceived inconsistency with the "character of the town" and must reference demonstrable physical characteristics of the proposal in a denial.



The Affordable Housing Appeals Act (§ 8-30g)

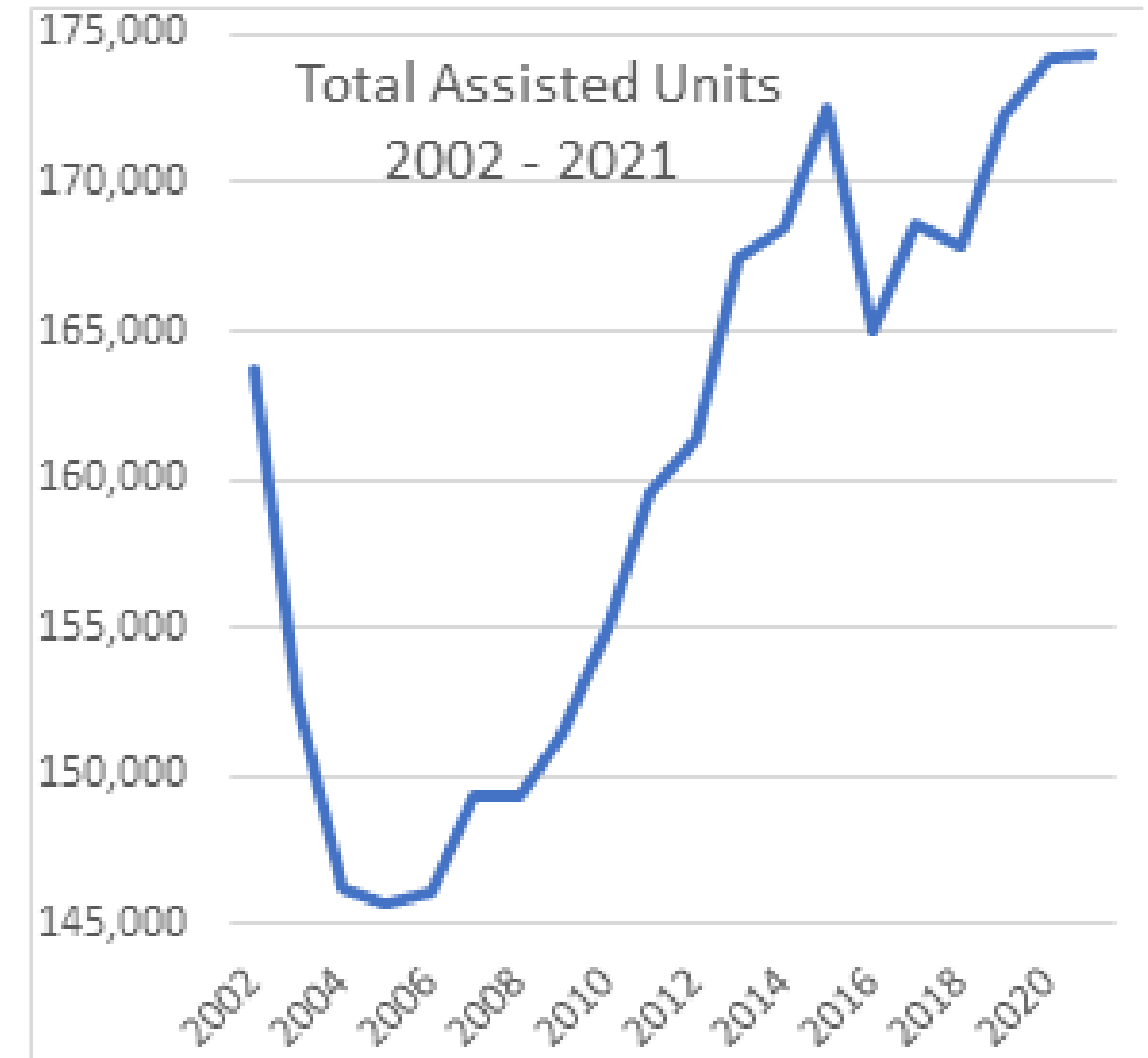
- §8-30g allows housing developers willing to build housing with long-term affordability to low- and moderate-income households to challenge a town's failure to approve the proposal.
- At least 30% of homes in these developments must be priced so that lower income earners will spend less than 30% of their income on housing costs.
- A town can achieve a four-year exemption from 8-30g if it builds a sufficient number of affordable homes.
- Twenty-nine municipalities are exempt from 8-30g (>10% affordable housing).

The Affordable Housing Appeals Act (§ 8-30g)

What Housing Counts for 8-30g



- Low- and moderate-income housing with governmental financial assistance
- Housing with tenants who have rental vouchers
- Housing with CHFA or USDA single family mortgages
- Housing with deed restrictions limiting the cost to low- and moderate-income tenants or owners





The Affordable Housing Appeals Act (§ 8-30g)

Why Not Count Unrestricted Lower Cost Housing?

There may be many homes in your town that are affordable for the households living there now. However, the State doesn't count these as "Affordable" homes because there is no way to assure if or for how long the home will continue to be affordable when the home is sold or rented to a new household.

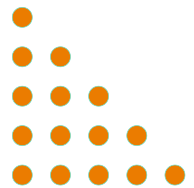
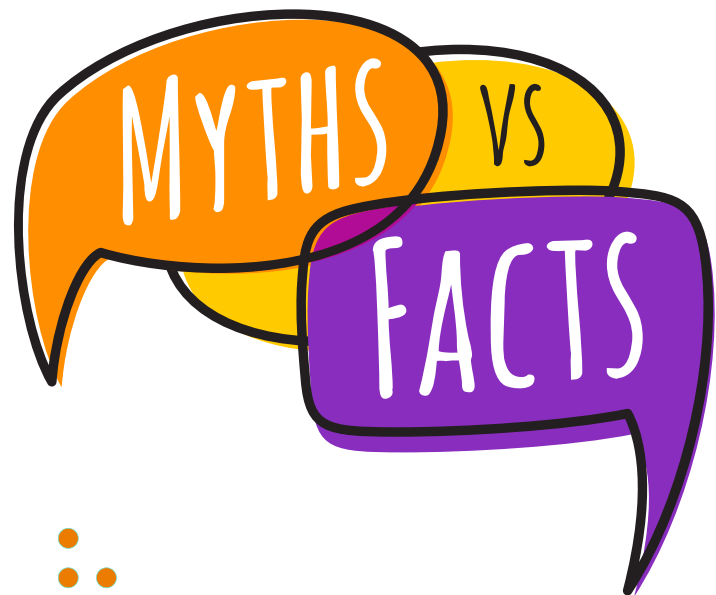
Counting housing with government subsidy or deed restriction:

- requires the housing meet a standard of quality as properties are inspected
- are publicly available
- have housing costs that are affordable to the occupant's income
- certify income of the tenant



The Affordable Housing Appeals Act (§ 8-30g): Answering Common Misconceptions

- Towns are not required to have 10% of their housing units affordable. Ten percent sets the threshold for exemption from the statute.
- Affordable homes aren't just new construction.
- Section 8-30g only applies to zoning regulations.
- What are some other facts we hear about Section 8-30g?





Planning and Zoning Strategies to Promote Diverse Housing Options

Incentive Housing Zone (IHZ): Municipalities can create Incentive Housing Zones (IHZs) with higher minimum densities with at least 20% of the units in the zone are affordable to residents earning 80% of the area median income or less. Municipalities can be eligible for incentive payments from the state for units that could be built in the designated IHZ. Incentive payments to the municipality are also available at the time that building permits are issued in the IHZ.

Accessory Apartments: Make it simple for homeowners to build an accessory dwelling. (Pomfret)

Density Bonuses: can allow developers to build more units than the standard zoning permits if they include a certain percentage of affordable or diverse housing units in their projects. This encourages the creation of mixed-income communities and promote housing diversity. (Ridgefield)

Reduced Parking Requirements: By lowering or eliminating parking requirements for developments near transit or areas with good walkability, zoning commissions can increase housing options that cater to residents who rely less on cars, thereby promoting diverse choices. (West Hartford)



Thank You

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