

How is Naugatuck's housing stock serving current residents?

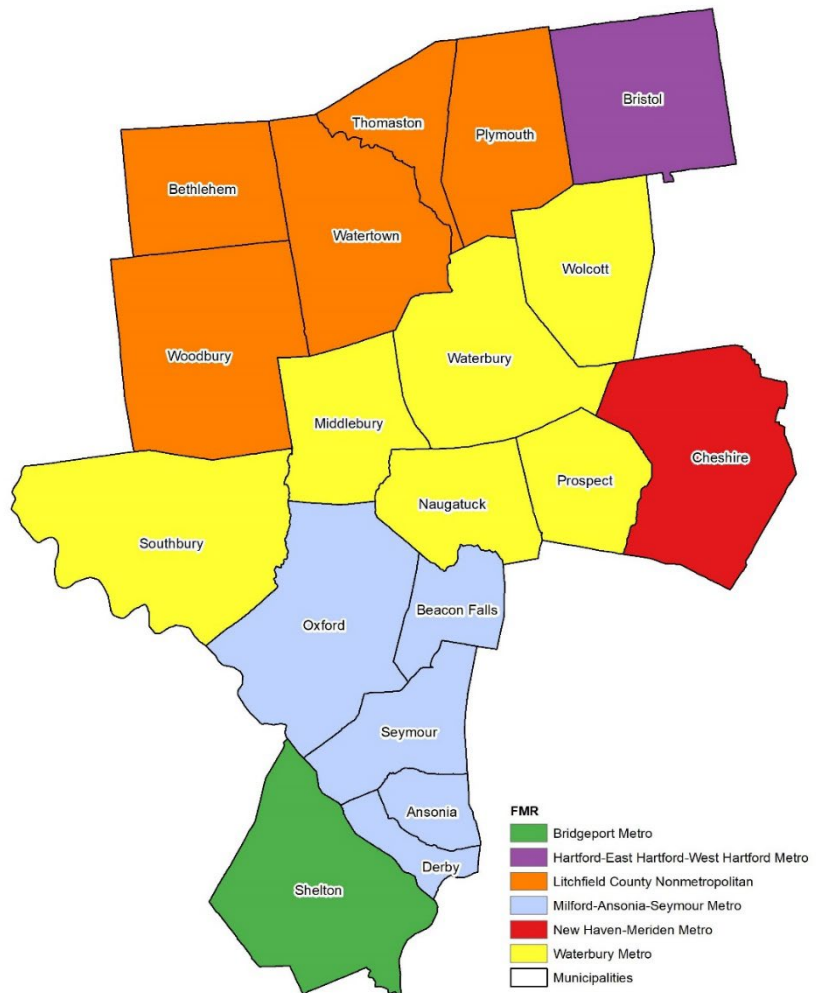
There are two ways to answer this question. The first way is to examine how many households in Naugatuck are cost burdened. The second way is to examine where there are gaps between Naugatuck's housing stock and current household's income.

These questions can be answered using [Comprehensive Housing Affordability Strategy \(CHAS\) data](#) published by the United States Department of Housing and Urban Development (HUD).¹

Data collected by the American Community Survey is shared with HUD to better understand local housing conditions and markets. To understand Naugatuck's current households, HUD calculates the area median income (AMI), sometimes referred to as the median family income (MFI) for specific geographic areas called Fair Market Rent (FMR) areas. Naugatuck is within the Waterbury, CT HUD Metro FMR area.

In 2019, the median family income for a household in Naugatuck was \$76,327.²

The State and Federal government use the area median income to organize households into groups based on specific percentages of the area median income. These groups are then used to determine eligibility for various rental and homeowner assistance programs.



¹ The most recent CHAS data was published on September 9, 2022 and is based on the 2015-2019 American Community Survey 5-year estimates.

² [Link to HUD 2019 MFI.](#)

Question 1: How many households in Naugatuck are cost burdened?

What does it mean for a household to be 'cost burdened'?

A household is considered cost burdened when they spend more than 30% of their income on rent, mortgage, and other housing costs. When a household is cost burdened, they have less income to spend on other household needs such as food, transportation, and healthcare. Being cost burdened could also impact a household's ability to interact with the Naugatuck community.

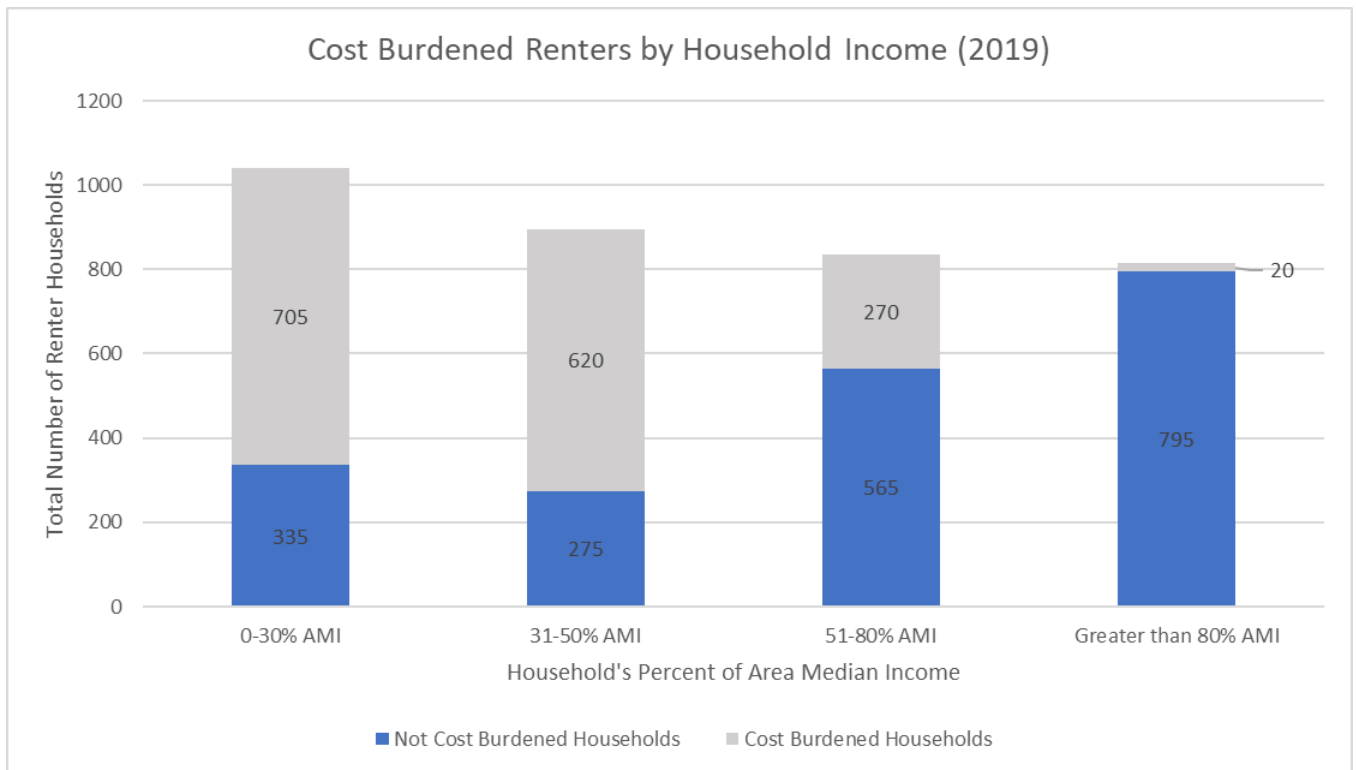
What is included for 'housing costs'?

For **renters**, this includes: the cost of rent, common charges in the case of a rental in a common interest community, and heat and utility costs, excluding television, telecommunications, and information-technology services.

For **homeowners**, this includes: periodic mortgage payments, real property taxes, real property insurance, common charges in the case of a common interest community, and heat and utility costs, excluding television, telecommunications, and information technology services.

How many renter households are cost burdened in Naugatuck?

Cost Burdened Renters				
Household's Percent of Area Median Income	Household Income Estimates	All Households	Percent Cost Burdened	Total Households Cost Burdened
0-30% Area Median Income	\$0.00 to \$22,898.10	1,040	67.79%	705
31-50% Area Median Income	\$23,661.37 to \$38,163.50	895	69.27%	620
51-80% Area Median Income	\$38,926.77 to \$61,061.60	835	32.34%	270
Greater than 80% Area Median Income	\$61,824.87 or Greater	815	2.45%	20

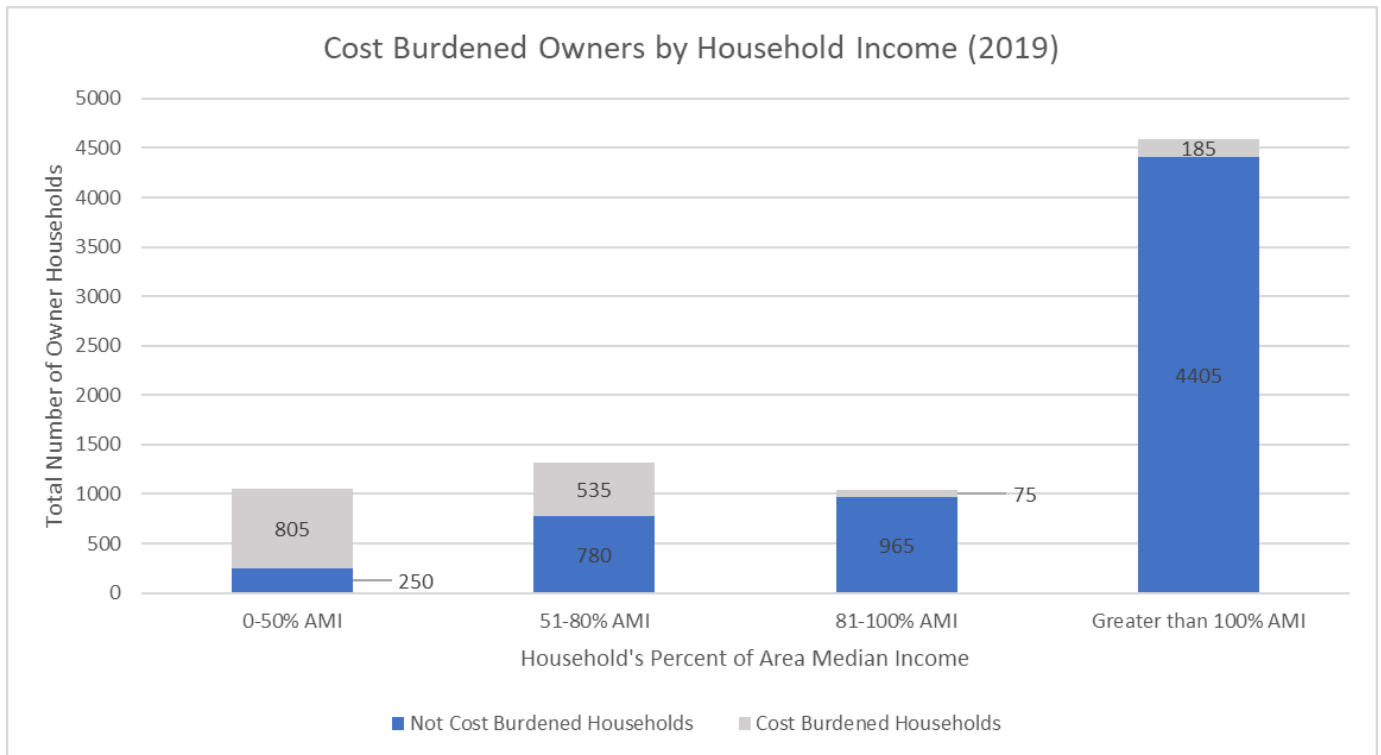


Key Findings for Renter Households:

- Most renter households making at least 81% of the area median income (\$61,824.87 or greater) are not cost burdened.
- More than half of renter households making 0-30% of the area median income (\$0.00 to \$22,898.10) and 31-50% of the area median income (\$23,661.37 to \$38,163.50) are cost burdened.
- Around one-third of renter households making 51-80% of the area median income (\$38,926.77 to \$61,061.50) are cost burdened.

How many owner households are cost burdened?

Cost Burdened Owners				
Household's Percent of Area Median Income	Household Income Estimates	All Households	Percent Cost Burdened	Total Households Cost Burdened
0-50% Area Median Income	\$0.00 to \$38,163.5	1,055	76.30%	805
51-80% Area Median Income	\$38,926.77 to \$61,061.60	1,315	40.68%	535
81-100% Area Median Income	\$61,824.87 to \$76,327.00	1,040	7.21%	75
Greater than 100% AMI	\$76,327.00 or Greater	4,590	4.03%	185



Key Findings for Owner Households:

- Most owner households making 81-100% of the area median income (\$61,824.87 to \$76,327.00) and 100% or Greater of the area median income (\$76,327.00 or greater) are not cost burdened.
- More than three quarters of owner households making 0-50% of the area median income (\$0.00 to \$38,163.5) are cost burdened.
- Over one-third of owner households making 51-80% of the area median income (\$38,926.77 to \$61,061.60) are cost burdened.

How does Naugatuck compare with other municipalities in the Waterbury, CT HUD Metro Fair Market Rent Area?

Naugatuck Valley Council of Governments (NVCOG) staff attended the May 1, 2023, Regular Meeting of the Naugatuck Planning Commission to discuss the data included in this section. During that meeting, the Naugatuck Planning Commission requested cost-burdened data for the entire Waterbury, CT HUD Metro Fair Market Rent Area.

The data is as follows:

Renter Cost Burdened	Middlebury	Naugatuck	Prospect	Southbury	Waterbury	Wolcott
Total Renter-Occupied Housing Units	220	3,590	357	1,159	23,987	916
Households Spending 30 – 50% of Household Income on Housing Costs	17	862	56	291	5,644	226
	7.7%	24.0%	15.7%	25.1%	23.5%	24.7%
Households Spending more than 50% of Household Income on Housing Costs	65	803	47	239	7,047	138
	29.5%	22.4%	13.2%	20.6%	29.4%	15.1%

Owner Cost Burdened	Middlebury	Naugatuck	Prospect	Southbury	Waterbury	Wolcott
Total Owner-Occupied Housing Units	2,529	7,999	2,990	6,807	16,950	5,136
Households Spending 30 – 50% of Household Income on Housing Costs	328	1,062	395	1,319	3,528	569
	13.0%	13.3%	13.2%	19.4%	20.8%	11.1%
Households Spending more than 50% of Household Income on Housing Costs	220	632	320	822	2,500	482
	8.7%	7.9%	10.7%	12.1%	14.7%	9.4%

Question 2: Are there gaps between Naugatuck's housing stock and current household's income?

What is a 'housing gap'?

A **housing gap** occurs when the total number of households at a specified income group exceeds the available units that correspond to their income group.

The CHAS data allows us to identify gaps by collecting:

- The number of households earning a specific percentage of area median income in defined income groups (e.g. 0-30% AMI, 31-50% AMI, etc.);
- The number of occupied and vacant units available for households earning within the defined income groups; and
- The income of households currently occupying units at specific income groups.

Why do housing gaps matter?

When a household occupies a unit that corresponds to their income group, a municipality can have confidence that the household will not spend more than 30% of their income on rent or a mortgage and additional housing costs.

When a household occupies a unit that is affordable to households with lower income groups (e.g. an renter household earning between 51-80% AMI is occupying a rental unit that would be affordable to a household earning between 31-50% AMI), the household is more likely to be spending less than 30% of their income on housing costs, lowering their likelihood of being cost burdened.

However, in this example, the household earning between 51-80% AMI occupying a rental unit that would be affordable to household earning 31-50% AMI reduces the supply of units available for households earning 31-50% AMI. This reduction in the supply of units can raise prices for all if there is demand for units priced in this range.

When a household occupies a unit that is affordable to households with higher income groups (e.g. an owner household earning 81-100% AMI owns a unit that would be affordable to a household earning greater than 100% AMI), the household is more likely to be spending more than 30% of their income on housing costs, increasing their likelihood of being cost burdened.

A housing gap analysis is a tool to understand how Naugatuck's current households are occupying the current housing stock. A housing gap identifies the total number of households at specific income groups that would not be able to find an available unit that corresponded to their income group if they desired.

What is the housing gap for renter households?

Renter Household Unit Gap					
Household's Percentage of Area Median Income (AMI)	Household Income Estimates	Households	Affordable Housing Units	Units Occupied by Upper or Lower Income Households	Unit Gap
0-30% Area Median Income	\$0.00 to \$22,898.10	1,040	595	265	710
31-50% Area Median Income	\$23,661.37 to \$38,163.50	895	1,690	1,315	520
51-80% Area Median Income	\$38,926.77 to \$61,061.60	835	1,215	800	420
81 or Greater Area Median Income	\$61,824.87 or Greater	815	90	55	780

Note on Reading the Following Graphs

The housing gap for renter households can be examined closer below. The graphs are labeled by the area median income (AMI) groups. We recommend referring to the above table when reading the AMI groups to identify the corresponding household income.

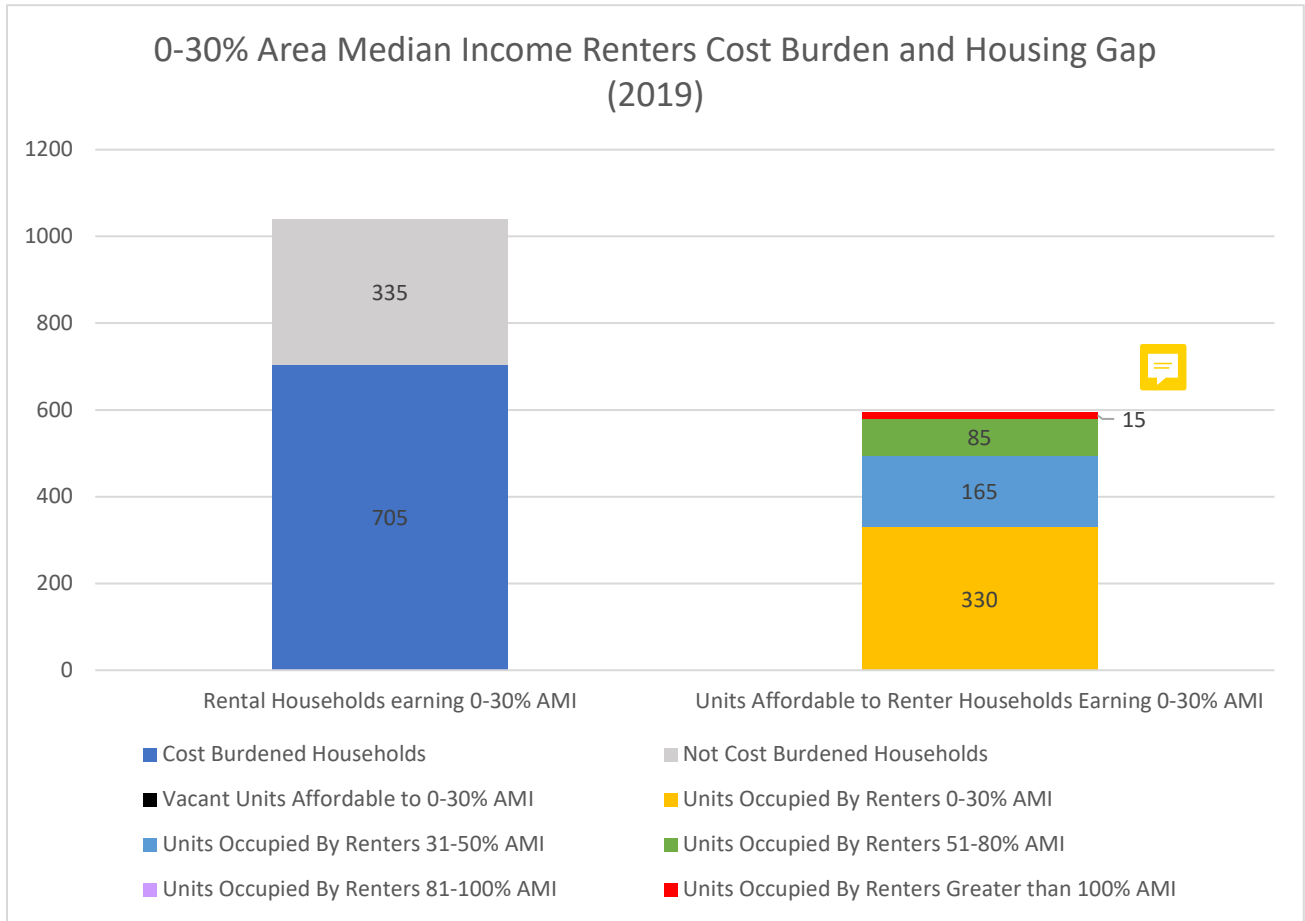
Each graph looks at:

- The total number of households in each income group (AMI) and the breakdown of which households are cost burdened; and
- The total number of units (vacant and occupied) that would be affordable to the specific income group and the composition of households occupying those units by household income group.

Units are considered affordable to a specific income group if the annual housing costs do not exceed 30% of the household's annual income. For renters, the following annual housing costs are associated with each income group:

Annual "Affordable" Housing Cost Ranges for Each Household Income Group			
Household's Percentage of Area Median Income (AMI)	Household Income Estimates	Annual "Affordable" Housing Cost Range"	Monthly "Affordable" Housing Cost Range
0-30% Area Median Income	\$0.00 to \$22,898.10	\$0.00 to \$6,869.43	\$0.00 to \$572.45
31-50% Area Median Income	\$23,661.37 to \$38,163.50	\$7,098.41 to \$11,449.05	\$591.53 to \$954.09
51-80% Area Median Income	\$38,926.77 to \$61,061.60	\$11,678.03 to \$18,318.48	\$973.17 to \$1,526.54
81 or Greater Area Median Income	\$61,824.87 or Greater	\$18,547.46 or greater	\$1,545.62 or greater

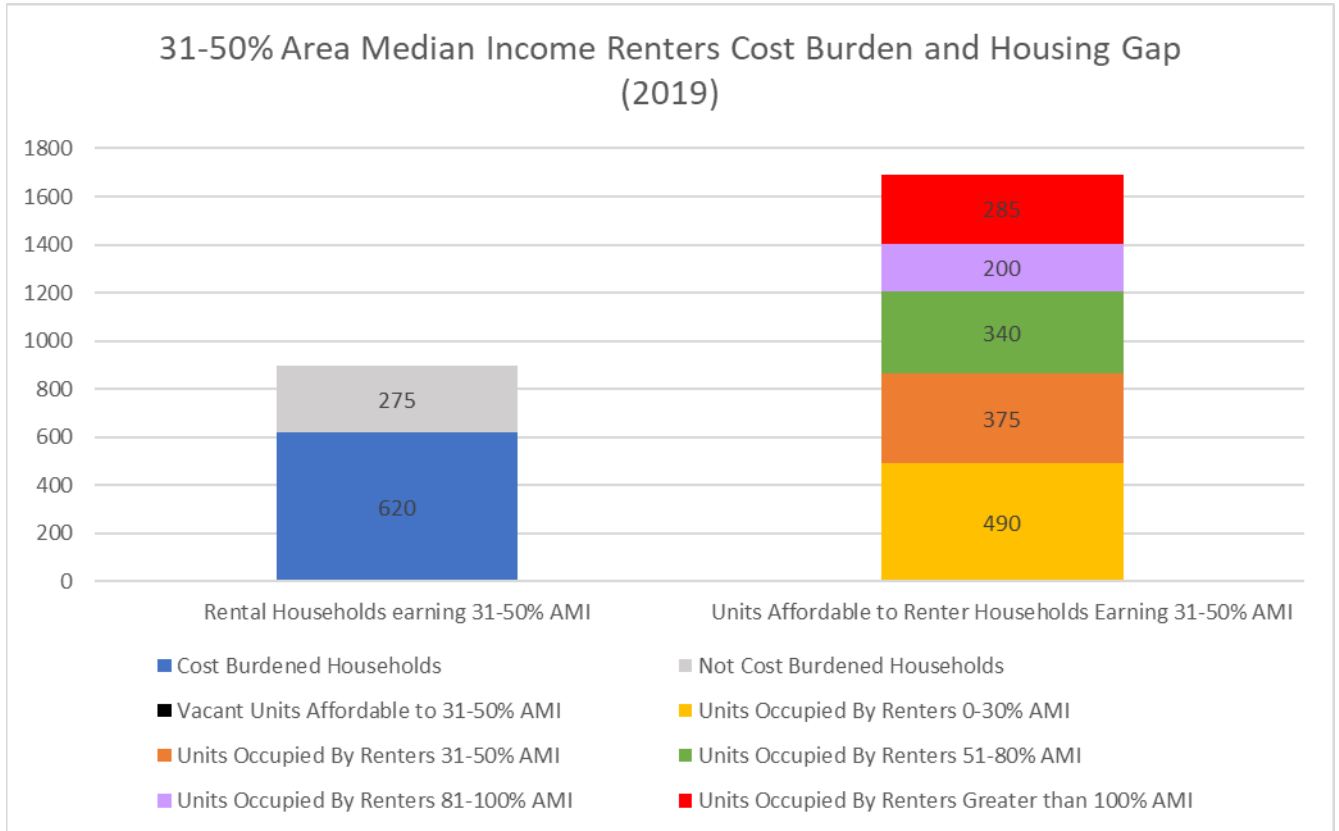
A. Renter Households Earning 0-30% of the Area Median Income



Key Findings for Renter Households Earning 0-30% AMI:

- There are 1,040 households in Naugatuck that earn 0-30% AMI (\$0.00 to \$22,898.10). There are 595 units affordable to households earning 0-30% AMI.
- 265 units affordable to households earning 0-30% AMI are being occupied by households with income groups higher than 0-30% AMI. These households are less likely to be cost burdened as they are occupying a unit that is affordable to a lower income group.
- 330 units are being occupied by households earning 0-30% AMI. There are no vacant rental units that would be affordable to households earning 0-30% AMI.
- Out of the 1,040 households earning 0-30% AMI, 330 households occupy units that are affordable in their income groups. This leaves 710 households earning 0-30% AMI that are not occupying units affordable at their income group. With no vacant rental units, this leaves a gap of 710 units.

B. Renter Households Earning 31-50% of the Area Median Income

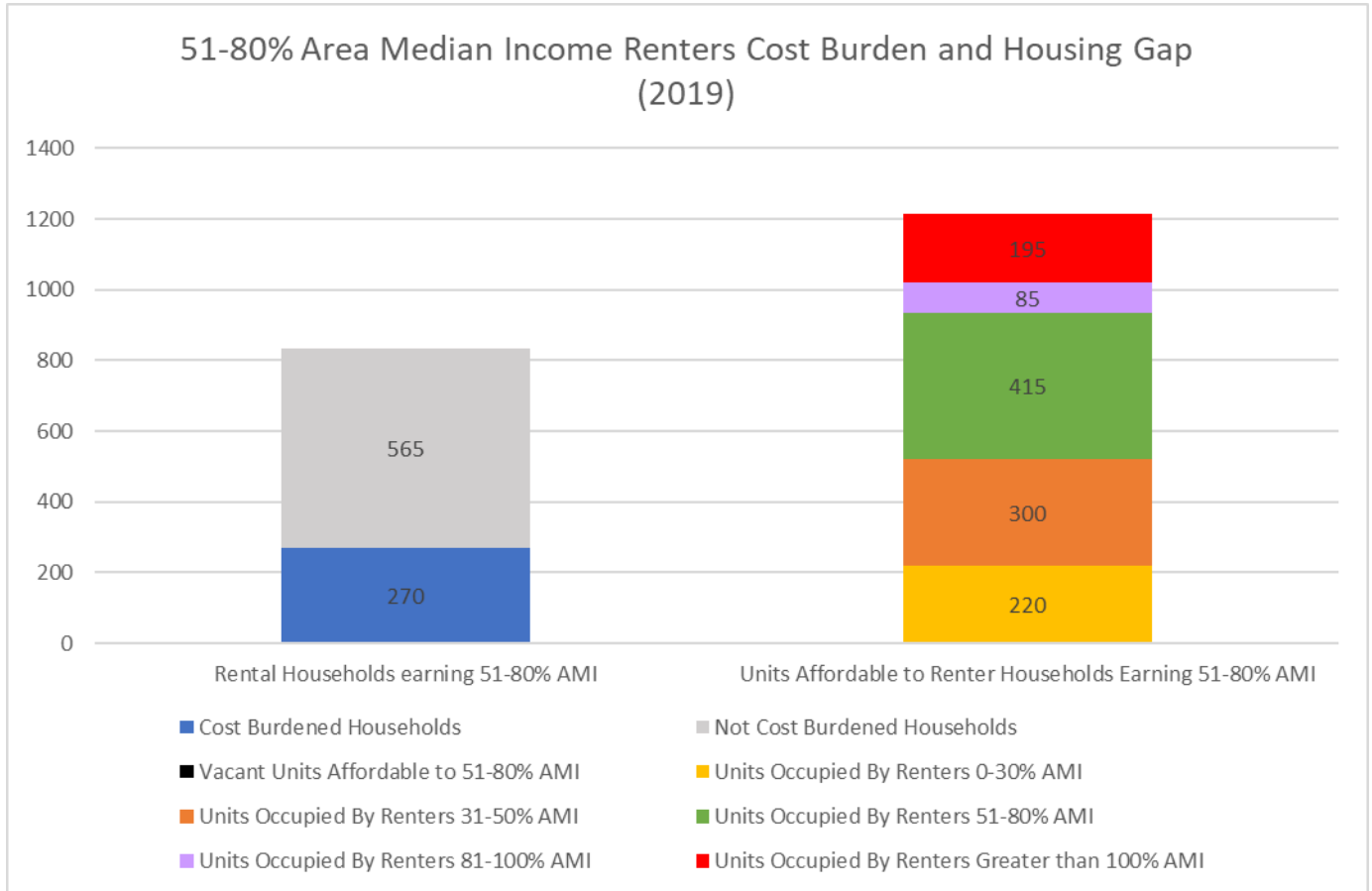


Key Findings for Renter Households Earning 31-50% AMI:

- There are 895 households in Naugatuck that earn 31-50% AMI (\$23,661.37 to \$38,163.50). There are 1,690 units affordable to households earning 31-50% AMI.
- 1,315 units affordable to households earning 31-50% AMI are being occupied by households with income groups higher or lower than 31-50% AMI.
 - 490 units are being occupied by households earning 0-30% AMI, totaling 490 households who have a higher likelihood of being cost burdened.
 - 340 units are being occupied by households earning 51-80% AMI, 200 units are being occupied by households earning 81-100% AMI, and 285 units are being occupied by households earning greater than 100% AMI, totaling 825 households who have a lower likelihood of being cost burdened.
- 375 units are being occupied by households earning 31-50% AMI. There are no vacant units affordable to households earning 31-50% AMI.
- Out of the 895 households earning 31-50% AMI, 375 households occupy units that are affordable at their income groups. This leaves 520 households earning 31-50% AMI that

are not occupying units at their income group. With no vacant rental units, this leaves a gap of 520 units.

C. Renter Households Earning 51-80% of the Area Median Income

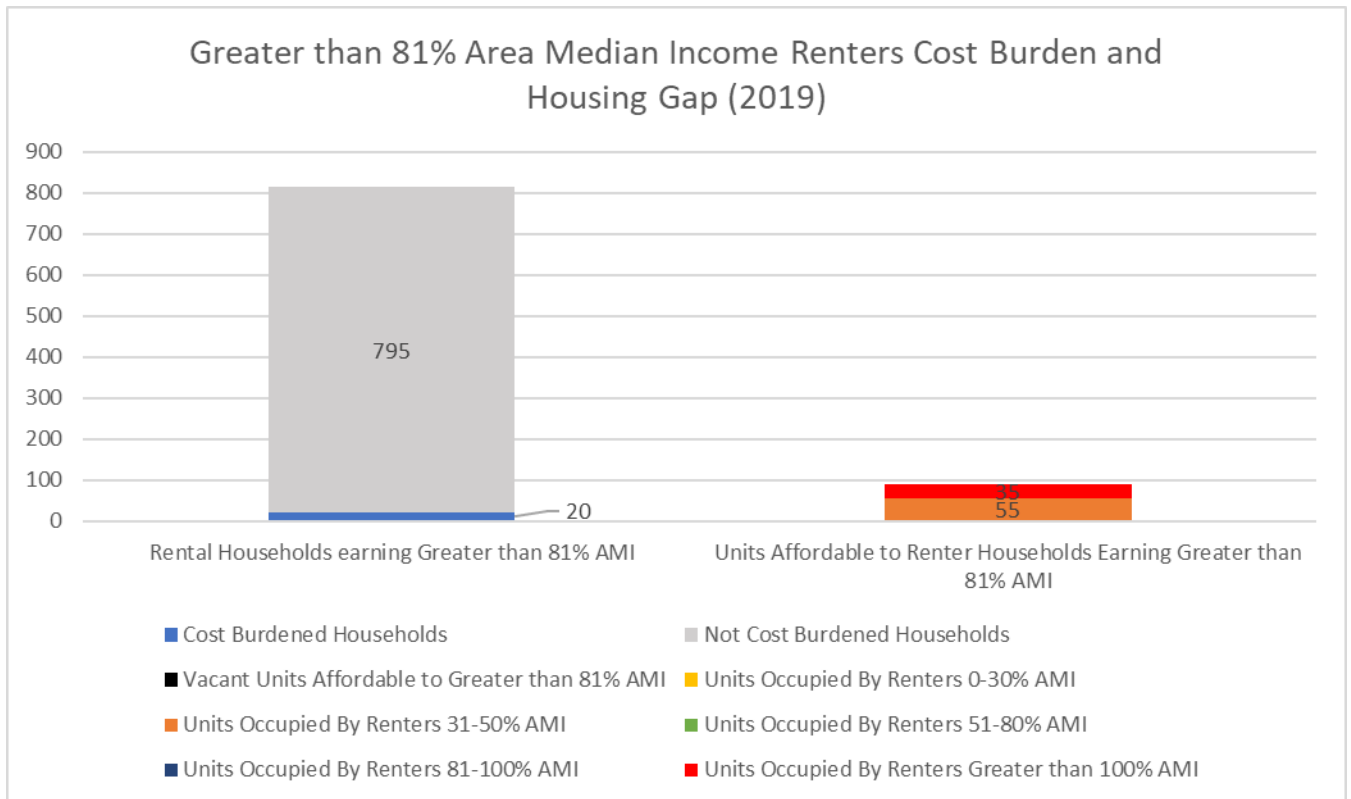


Key Findings for Renter Households Earning 51-80% AMI:

- There are 835 households in Naugatuck that earn 51-80% AMI (\$38,926.77 to \$61,061.60). There are 1,215 units that are affordable to households earning 51-80% AMI.
- 800 units affordable to households earning 51-80% AMI are currently being occupied by households with income groups that are higher or lower than 51-80% AMI.
 - 220 units are being occupied by households earning 0-30% AMI and 300 units are being occupied by households earning 31-50% AMI, totaling 520 households who have a higher likelihood of being cost burdened.
 - 85 units are being occupied by households earning 81-100% AMI and 195 units are being occupied by households earning greater than 100% AMI, totaling 280 households who have a lower likelihood of being cost burdened.

- 415 units are being occupied by households earning 51-80% AMI. There are no vacant units affordable to households earning 51-80% AMI.
- Out of the 835 households earning 51-80% AMI, 415 households occupy units that are affordable at their income group. This leaves 420 households earning 51-80% AMI that are not occupying units that are affordable at their income group. With no vacant rental units, this leaves a gap of 420 units.

D. Renter Households Earning Greater than 81% of the Area Median Income



Key Findings for Renter Households Earning Greater than 81% AMI:

- There are 815 households in Naugatuck that earn greater than 81% AMI (\$61,824.87). There are 90 units that are affordable to households earning greater than 81% AMI.
- 55 units affordable to households earning greater than 81% AMI are currently being occupied by households with income groups that are lower than 81% AMI. These households are more likely to be cost burdened.
- 35 units are being occupied by households earning greater than 81% AMI. There are no vacant renter units that would be affordable to households earning greater than 81% AMI.

- Out of the 815 households earning greater than 81% AMI, 35 households occupy housing units that are affordable at their income group. This leaves 780 households earning greater than 81% AMI that are not occupying units affordable at their income group. With no vacant units, this leaves a gap of 780 units.

What is the unit gap for owner households?

Owner Household Unit Gap					
Household's Percentage of Area Median Income	Household Income Estimates	Households	Affordable Housing Units	Units Occupied by Upper or Lower Income Households	Unit Gap
0-50% Area Median Income	\$0.00 to \$38,163.5	1,055	4,020	3,280	315
51-80% Area Median Income	\$38,926.77 to \$61,061.60	1,315	3,260	2,680	730
81-100% Area Median Income	\$61,824.87 to \$76,327.00	1,040	490	470	1,015
100% or Greater Area Median Income	\$76,327.00 or Greater	4,590	340	64	4,089

Note on Reading the Following Graphs

The housing gap for owner households can be examined closer below. The graphs are labeled by the area median income (AMI) groups. We recommend referring to the above table when reading the AMI groups to identify the corresponding household income.

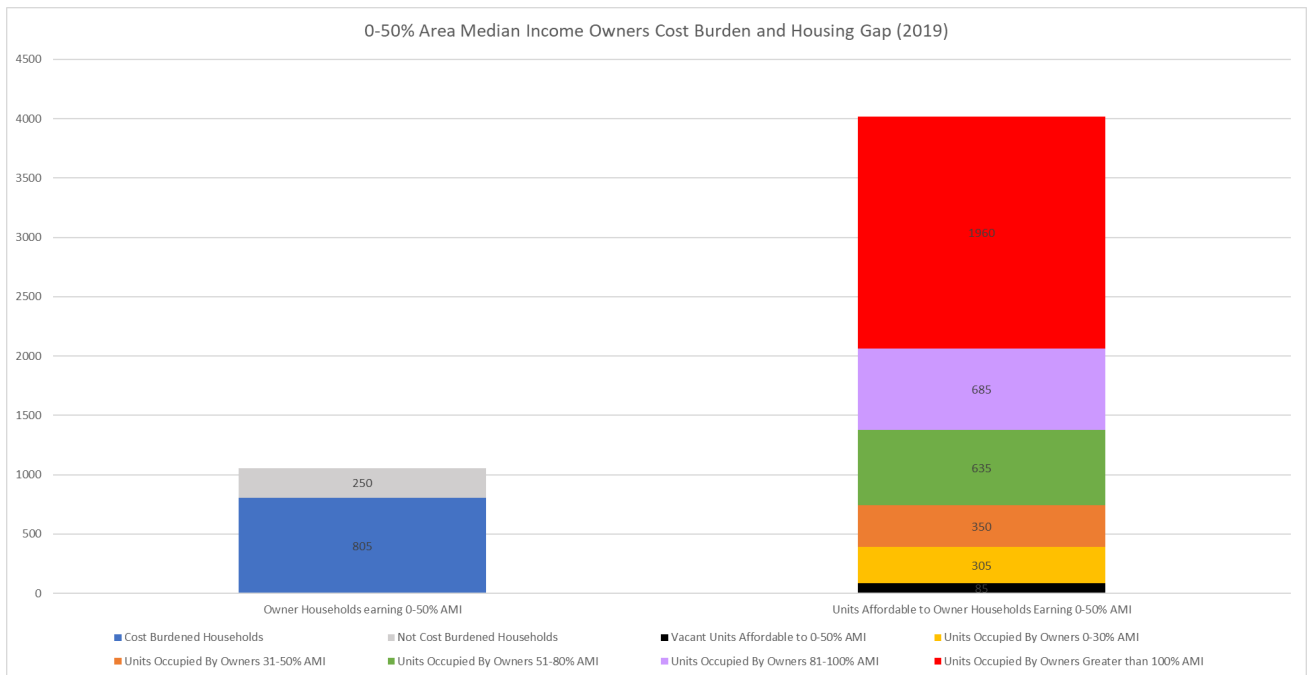
Each graph looks at:

- The total number of households in each income group (AMI) and the breakdown of which households are cost burdened; and
- The total number of units (vacant and occupied) that would be affordable to the specific income group and the composition of households occupying those units by household income group.

Units are considered affordable to a specific income group if the annual housing costs do not exceed 30% of the household's annual income. For owners, the following annual housing costs are associated with each income group:

Annual "Affordable" Housing Cost Ranges for Each Household Income Group			
Household's Percentage of Area Median Income (AMI)	Household Income Estimates	Annual "Affordable" Housing Cost Range	Monthly "Affordable" Housing Cost Range
0-50% Area Median Income	\$0.00 to \$38,163.5	\$0.00 to \$11,449.05	\$0.00 to \$954.09
51-80% Area Median Income	\$38,926.77 to \$61,061.60	\$11,678.03 to \$18,318.48	\$973.17 to \$1,526.54
81-100% Area Median Income	\$61,824.87 to \$76,327.00	\$18,547.46 to \$22,898.10	\$1,545.62 to \$1,908.18
100% or Greater Area Median Income	\$76,327.00 or Greater	\$22,898.10 or greater	\$1,908.18 or greater

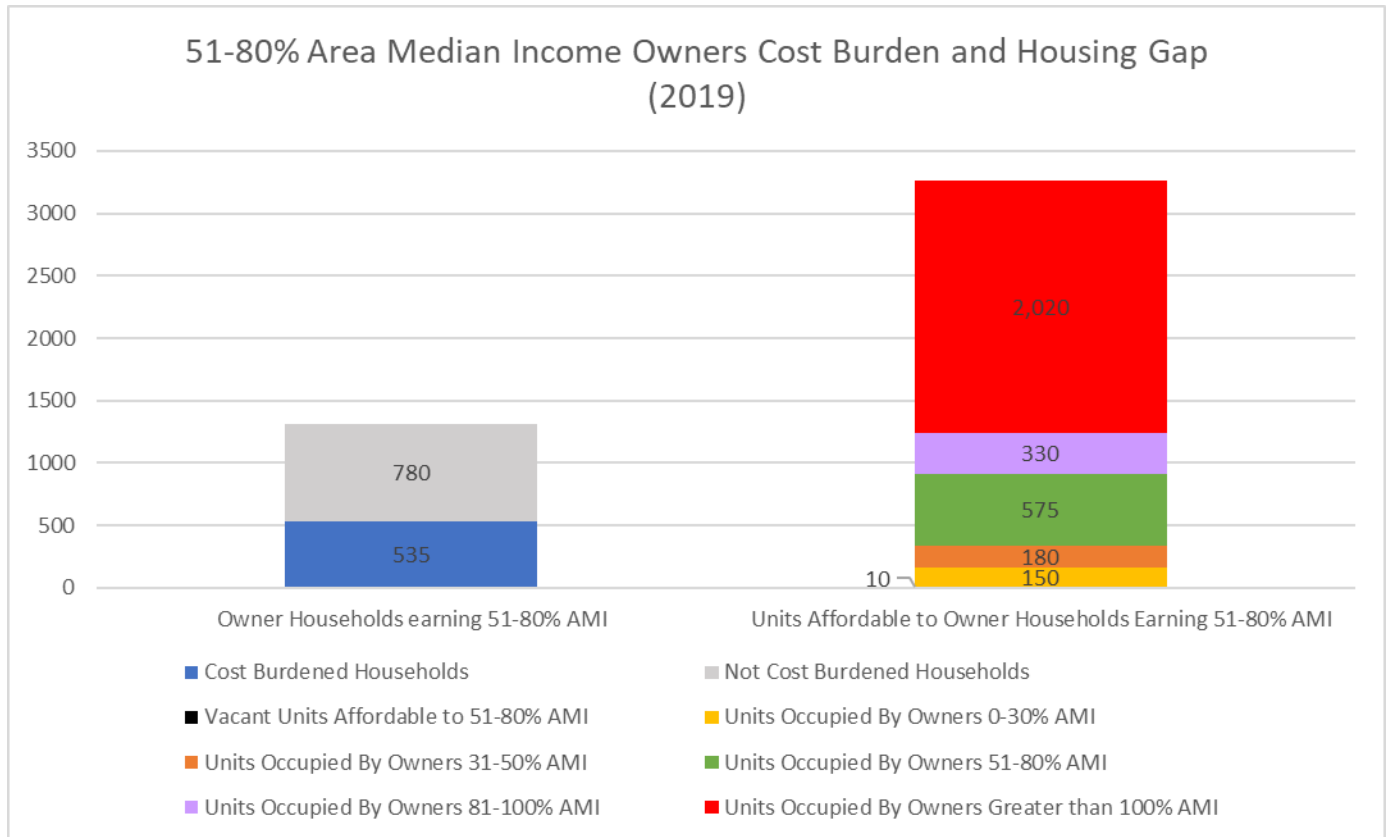
A. Owner Households Earning 0-50% of the Area Median Income



Key Findings for Owner Households Earning 0-50% AMI:

- There are 1,055 households in Naugatuck that earn 0-50% AMI (\$0.00 to \$38,163.50). There are 4,020 units that are affordable to households earning 0-50% AMI.
- 3,280 units affordable to households earning 0-50% AMI are currently being occupied by households with income groups that are higher than 0-50% AMI. These households are less likely to be cost burdened as they are occupying a unit that is affordable to a lower income group.
- 655 units are being occupied by households earning 0-30% AMI (305 households) and 31-51% AMI (350 households). There are 85 vacant ownership units that would be affordable to households earning 0-50% AMI.
- Out of the 1,055 households earning 0-50% AMI, 655 households occupy units that are affordable at their income group. This leaves 400 households earning 0-50% AMI that are not occupying units affordable at their income group. If we subtract the 85 vacant ownership units, this leaves a gap of 315 units.

B. Owner Households Earning 51-80% of the Area Median Income

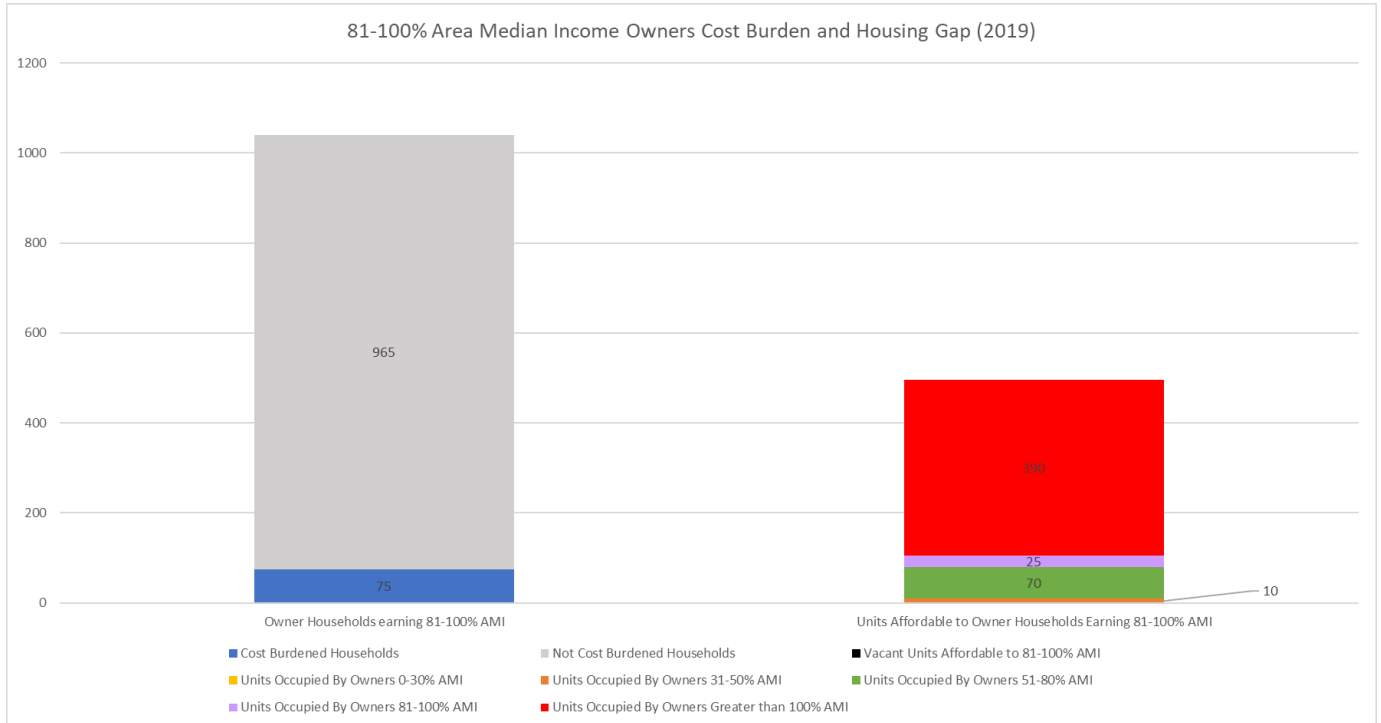


Key Findings for Owner Households Earning 51-80% AMI:

- There are 1,315 households in Naugatuck that earn 51-80% AMI (\$38,926.77 to \$61,061.60). There are 3,260 units that are affordable to households earning 51-80% AMI.
- 2,680 units affordable to households earning 51-80% AMI are currently being occupied by households with incomes higher or lower than 51-80% AMI.
 - 150 units are being occupied by households earning 0-30% AMI and 180 units are being occupied by households earning 31-50% AMI, totaling 330 households who have a higher likelihood of being cost burdened.
 - 330 units are being occupied by households earning 81-100% AMI and 2,020 units are being occupied by households earning greater than 100% AMI, totaling 2,350 households who have a lower likelihood of being cost burdened.
- 575 units are being occupied by households earning 51-80% AMI. There are 10 vacant ownership units that would be affordable to households earning 51-80% AMI.
- Out of the 1,315 households earning 51-80% AMI, 575 households occupy units that are affordable at their income household. This leaves 740 households earning 51-80% AMI

that are not occupying units affordable at their income group. If we subtract the 10 vacant units, this leaves a gap of 730 units.

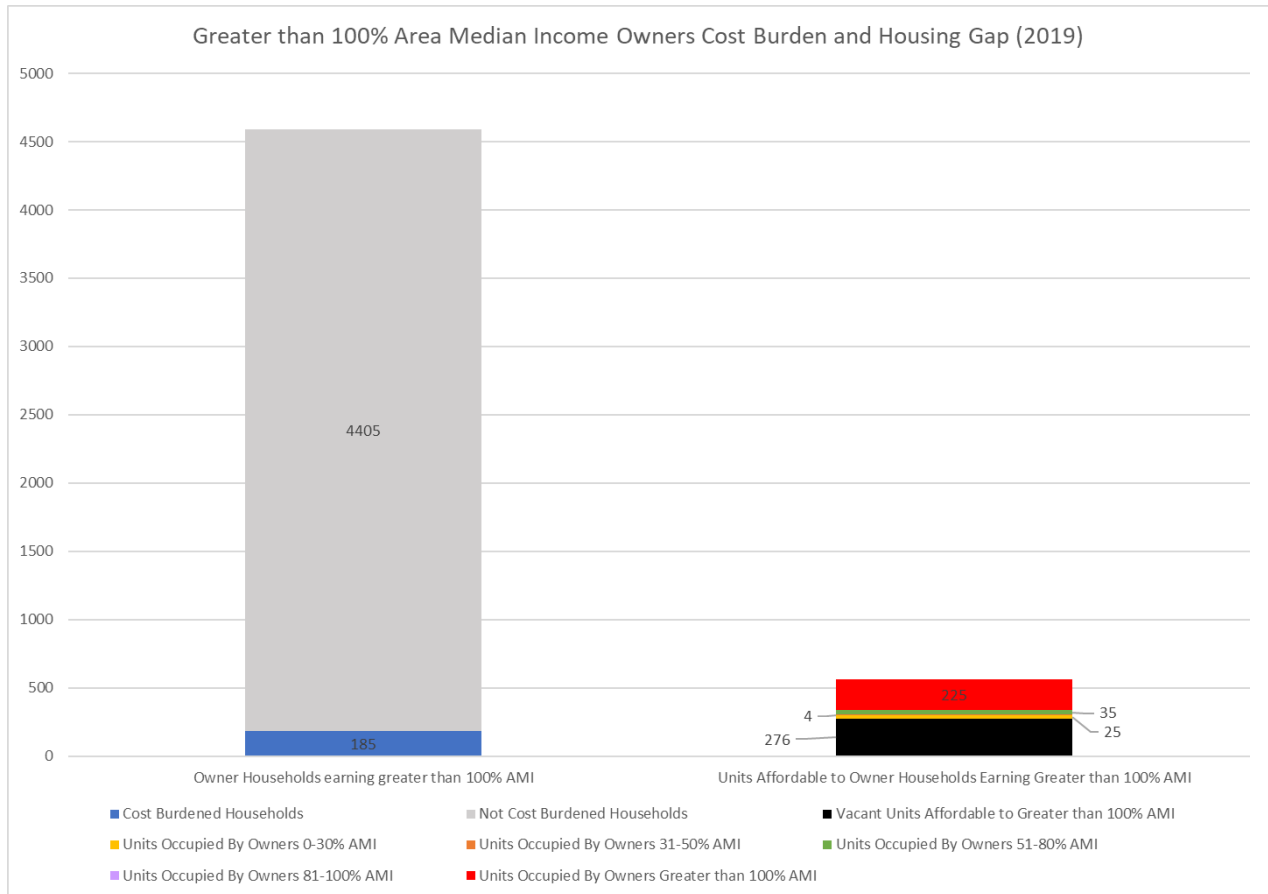
C. Owner Households Earning 81-100% of the Area Median Income



Key Findings for Owner Households Earning 81-100% AMI:

- There are 1,040 households in Naugatuck that earn 81-100% AMI (\$61,824.87 to \$76,327.00). There are 490 units that are affordable to households earning 81-100% AMI.
- 485 units affordable to households earning 81-100% AMI are currently being occupied by households with incomes higher or lower than 81-100% AMI.
 - 10 units are being occupied by households earning 31-50% AMI and 70 units are being occupied by households earning 51-80% AMI, totaling 80 households who have a higher likelihood of being cost burdened.
 - 390 units are being occupied by households earning greater than 100% AMI. These households have a lower likelihood of being cost burdened.
- 25 units are being occupied by households earning 81-100% AMI. There are no vacant ownership units that would be affordable to households earning 81-100% AMI.
- Out of the 1,040 households earning 81-100% AMI, 25 households occupy units that are affordable at their income group. This leaves 1,015 households earning 81-100% AMI that are not occupying units affordable at their income group. With no vacant units, this leaves a gap of 1,015 units.

D. Owner Households Earning Greater than 100% of the Area Median Income



Key Findings for Owner Households Earning Greater than 100% AMI:

- There are 4,590 households in Naugatuck that earn greater than 100% AMI (\$76,327.00). There are 340 units that are affordable to households earning greater than 100% AMI.
- 64 units affordable to households earning greater than 100% AMI are currently being occupied by households with incomes lower than 100% AMI.
 - 25 units are being occupied by households earning 0-30% AMI, 4 units are being occupied by household earning 31-50% AMI, and 35 households are being occupied by households earning 51-80% AMI, totaling 64 households who have a higher likelihood of being cost burdened.
- 225 units are being occupied by households earning greater than 100% AMI. There are 276 vacant ownership units that would be affordable to households earning greater than 100% AMI.
- Out of the 4,590 households earning greater than 100% AMI, 225 households occupy units that are affordable at their income group. This leaves 4,365 households earning

greater than 100% AMI that are not occupying units affordable at their income group. If we subtract the 276 vacant units that are available for ownership, this leaves a gap of 4,089 units.

CITATION AND ACKNOWLEDGEMENT

This analysis was conducted using the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy (CHAS) Data. Special thanks to the Connecticut Housing Finance Authority for assistance in collecting the data and the Naugatuck Valley Council of Governments for assistance in summarizing the data.