



Southbury Housing Needs Assessment



This assessment was prepared for the Town of Southbury by the Naugatuck Valley Council of Governments.

Table of Contents

Data Disclaimer.....	3
Evaluating Southbury’s Current Housing Stock.....	5
Explanation of Income Levels.....	6
Household Income Estimates and Affordable Housing Costs.....	7
Cost Burdened Households.....	10
Renter Household Cost Burden.....	11
Owner Household Cost Burden.....	13
Owner Household Comparison.....	15
Comparison to Other Municipalities.....	16
Understanding a Housing Needs Assessment.....	17
Estimating Cost Burden from a Gap Analysis.....	22
Renter Households.....	23
0-30% of AMI.....	24
31-50% of AMI.....	25
51-80% of AMI.....	26
Greater than 81% of AMI.....	27
Owner Households.....	28
0-50% of AMI.....	29
51-80% of AMI.....	30
81-100% of AMI.....	31
Greater than 101% of AMI.....	32
Citation and Acknowledgement.....	33

This Housing Needs Assessment (HNA) was completed using 2020 Comprehensive Housing Affordability Strategy (CHAS) and 2016-2020 American Community Survey (ACS) data.

Data Disclaimer

CHAS Data

The 2016-2020 Comprehensive Housing Affordability Strategy (CHAS) data is a custom tabulation of the U.S. Census Bureau's 2016-2020 American Community Survey and the U.S. Department of Housing and Urban Development's Area Median Family Income figures.¹ The CHAS data is tabulated to demonstrate the extent of housing problems and needs.

The American Community Survey creates estimates for specific geographic areas by sampling the population. About 1 in 38 United States households per year receive an invitation to participate in the American Community Survey.² The Census Bureau sends the American Community Survey to a selected number of addresses to sample the population within a specific geographic area. The results of the sample population surveyed are used to create larger population estimates.

The Census Bureau receives fewer survey results in areas with less population density, so the accuracy of the estimates is reduced because a lower proportion of the population is sampled. While the American Community Survey is less accurate in geographic areas with a smaller population, it is still the most accurate information that NVCOG has for its member municipalities.

Moreover, the Census Bureau requires that all CHAS data be rounded. The rounding scheme is as follows:

- 0 Households/Housing Units remains 0 Households/Housing Units
- 1-7 Households/Housing Units rounds to 4 Households/Housing Units
- 8 or greater Households/Housing Units rounds to the nearest multiple of 5 Households/Housing Units³

For example, if there were 6 renter households earning 0-30% of the Area Median Income, 8 renter households earning 31-50% of the Area Median income, 3 renter households earning 51-80% of the Area Median Income, and 5 renter households earning 81-100% of the Area Median Income, the CHAS data would round to 4, 10, 4, 4 households respectively. The total number of renter households would be rounded to 20.

NVCOG does not have access to the unrounded numbers to resolve the discrepancies within the data across CHAS tables that is common for smaller geographies. To mitigate the number of discrepancies within the CHAS data, NVCOG used each categorical sum instead of the CHAS total summations provided for the aggregate of each category. Using the example above, this methodological choice means that NVCOG's report for the hypothetical above would sum the total households to 22 rather than 20.

In addition to the rounding scheme used to create CHAS estimates, the data for owner households is combined for households with mortgages and households without mortgages. The American Community Survey data breaks owner households with a mortgage and without a mortgage into separate groups. More information about household cost burden broken down by mortgaged housing units can be found later in the report.

HUD Income Limits

¹ [HUD ACS 5-Year CHAS Estimate Data by Tract Summary](#)

² [American Community Survey Information Guide](#)

³ [CHAS Data Documentation](#)

Area Median Income (AMI) and income thresholds throughout this report are estimated based on U.S. Department of Housing and Urban Development (HUD) income limits. These federally designated limits create eligibility thresholds for extremely low-income, very low-income, and low-income households (for more information about income limits and how they are used to determine eligibility for subsidy programs, please see page 6).

These income limits are typically calculated based on percentages of the median income for the Fair Market Rent (FMR) area in which the locality exists. However, to ensure consistency with statutory intent, very low-income limits are not always based on 50% of the median, and therefore may cause inconsistencies. To account for this, low-income limits, or 80% AMI, is calculated at 1.6 times the very low-income limit. The exception to this rule is that the resulting low-income limit cannot exceed the federal Median Family Income (MFI) level.

The cap for low-income limits for a 4-person household in FY 2020 is \$78,500. The preliminary 4-person low-income limit for Southbury in FY 2020 is \$82,100.

- $82,100 > 78,500$ – the resulting low-income limit (80% AMI) for Southbury is set at \$78,500.⁴

⁴ [HUD User FY 2020 Income Limits Summary](#) *click the Explanation button under Low (80%) Income Limits to view full explanation.

Evaluating Southbury's Current Housing Stock

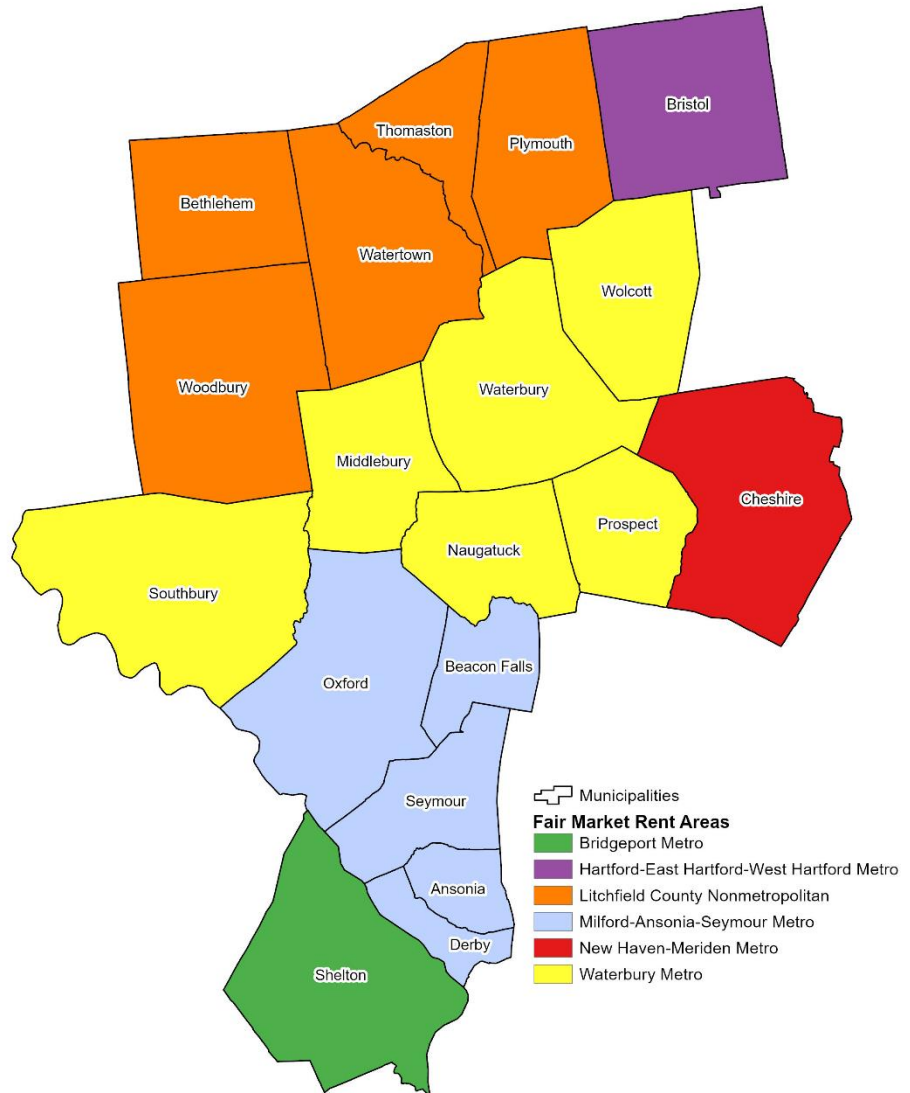
Southbury's current housing stock can be evaluated using two different measures. First, examining how many households are cost burdened. Second, understanding where gaps exist between Southbury's housing stock and resident's current household income.

Both methods of evaluation can be completed using Comprehensive Housing Affordability Strategy (CHAS) data published by the United States Department of Housing and Urban Development (HUD).⁵

To conduct both evaluations, the State and Federal government use the Area Median Income (AMI) to organize households into income groups based on specific percentages of the AMI. These groups are then used to determine eligibility for various rental and homeowner assistance programs, as well as subsidy programs for affordable housing development. The AMI is calculated for geographical areas called Fair Market Rent (FMR) areas, as shown on the map.

Southbury is located in the Waterbury Metropolitan FMR area, along with Middlebury, Naugatuck, Waterbury, Wolcott, and Prospect.

The 2020 Area Median Income in Southbury is \$80,300.⁶



⁵ [Comprehensive Housing Affordability Strategy \(CHAS\) Data](#)

⁶ [CT DOH Income Limits based on HUD Median Incomes](#)

Explanation of Income Levels

The U.S. Department of Housing and Urban Development (HUD) calculates Area Median Income (AMI) each year by Fair Market Rent (FMR) Areas. These AMIs are then used as eligibility thresholds to subsidize affordable units for households using voucher programs such as Housing Choice Vouchers (formally known as Section 8) and the State of Connecticut's Rental Assistance Program. The thresholds are also used to subsidize the development of affordable units through programs such as the Low-Income Housing Tax Credit (LIHTC).

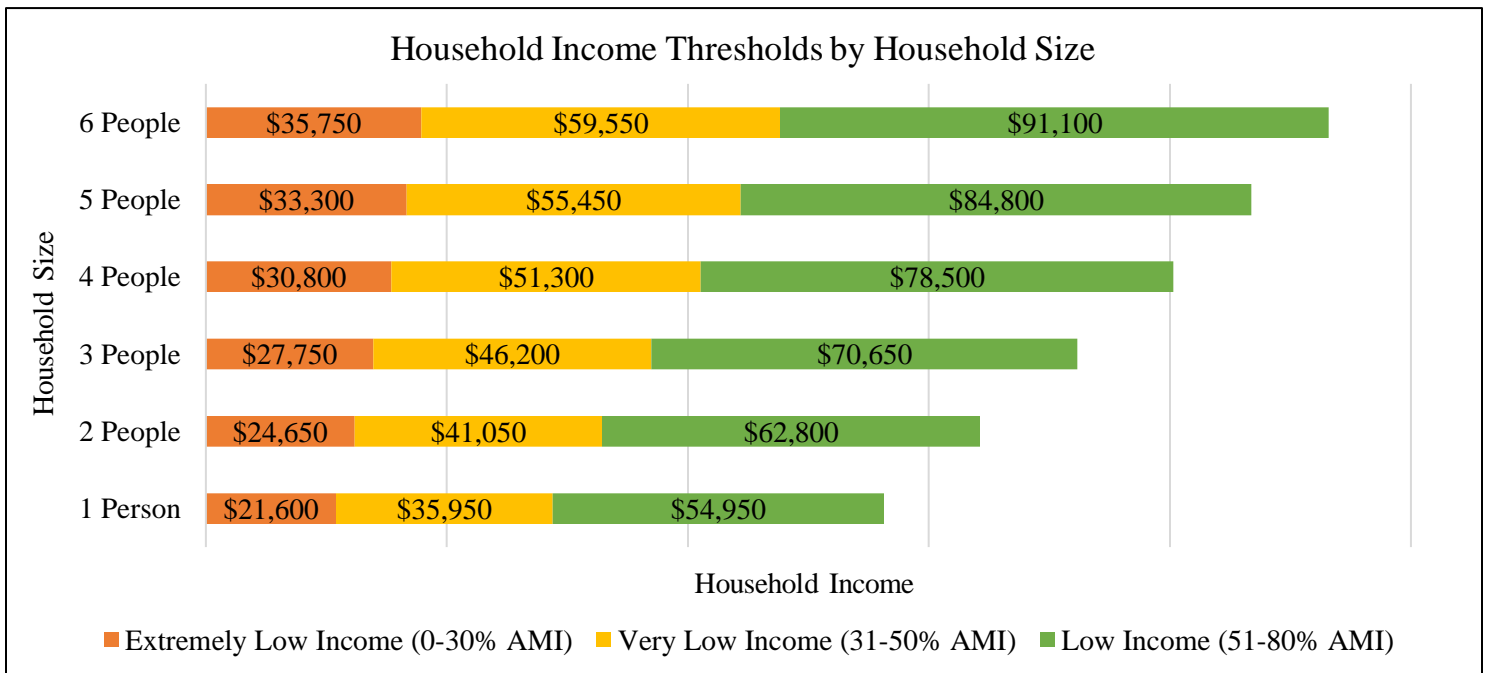
HUD refers to the AMI as Median Family Income (MFI), and bases this threshold on a 4-person household. The figures are then adjusted based on household size, which establishes different thresholds for different household sizes. For example, a 2-person household would have a lower income threshold than a 4-person household.

Once HUD releases the AMI each year, subsidy programs such as Housing Choice Vouchers use parameters set out in the [U.S. Housing Act of 1937](#) to designate eligible households. This Act also defines the income thresholds for households considered Low-Income, Very Low-Income, and Extremely Low-Income.

The U.S. Housing Act of 1937 defines:

- **Low-Income** households as families whose incomes do not exceed 80 percent of the AMI,
- **Very Low-Income** households as families whose incomes do not exceed 50 percent of the AMI, and
- **Extremely Low-Income** households as families whose incomes do not exceed 30 percent of the AMI.⁷

The graphic below illustrates incomes for households of 1-6 people and demonstrates incomes that are considered low-income, very low-income, and extremely low-income for Southbury residents.



⁷ [Section 3, subsections \(b\)\(2\)\(A\), \(b\)\(2\)\(B\), and \(b\)\(2\)\(C\) of the United States Housing Act of 1937](#)

Household Income Estimates and Affordable Housing Costs

The state and federal government define housing affordability by the percent of a household’s income that is spent on housing costs. For a housing unit to be considered affordable, the occupying household must be spending 30% or less of their income on their total housing costs.

The federal and state government group renter and owner households into different income thresholds. Renters are grouped into the following income thresholds: 0-30% AMI; 31-50% AMI; 51-80% AMI; and 81% or greater AMI. Owners are grouped into the following income thresholds: 0-50% AMI; 51-80% AMI; 81-100% AMI, and 101% or greater AMI.

Both renter and owner households who earn less than 80% of the area median income are considered low income.

What is included in ‘housing costs’?

For renter households: The cost of rent, common charges in the case of a rental in a common interest community, and heat and utility costs.

For owner households: Periodic mortgage payments, real property taxes, real property insurance, common charges in the case of a common interest community, and heat and utility costs.

Television, telecommunications, and information technology services are not included as utility costs in the housing costs of either renter or owner households.⁸



What is included as a “housing cost” for...

- 1) **Renters:** 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.
- 2) **Homeowners:** periodic mortgage payments, real property taxes, real property insurance, common charges in the case of common interest community, and heat and utility costs, excluding television, telecommunications and information-technology services.

⁸ [CT Housing Assessment Report](#)

Below are tables for households of 1-6 people with estimates of their annual income, their annual affordable housing costs range, and their monthly affordable housing cost range. These estimates can help to better understand the range of affordability for households of different sizes and different income ranges.

The tables provide estimates and cost ranges for both renter and owner households. The federal and state government group renter households who earn 81-100% AMI and greater than 101% AMI into one group. Owner households who earn 0-30% AMI and 31-50% AMI are also grouped together.

1-Person Household

Household Income as Percent of AMI	Household Income Estimates	Annual Affordable Housing Cost Range	Monthly Affordable Housing Cost Range
Extremely Low Income (0-30% AMI)	\$0.00 - \$21,600	\$0.00 - \$6,480.00	\$0.00 - \$540.00
Very Low Income (31-50% AMI)	\$21,816 - \$35,950	\$6,544.80 - \$10,785.00	\$545.40 - \$898.75
Low Income (51-80% AMI)	\$36,310 - \$54,950	\$10,893.00 - \$16,485.00	\$907.75 - \$1,373.75
81-100% AMI	\$55,500 - \$56,210	\$16,650.00 - \$16,863.00	\$1,387.50 - \$1,405.25
Greater than 101% AMI	\$56,772 and greater	\$17,031.60 and greater	\$1,419.30 and greater

2-Person Household

Household Income as Percent of AMI	Household Income Estimates	Annual Affordable Housing Cost Range	Monthly Affordable Housing Cost Range
Extremely Low Income (0-30% AMI)	\$0.00 - \$24,650	\$0.00 - \$7,395.00	\$0.00 - \$616.25
Very Low Income (31-50% AMI)	\$24,897 - \$41,050	\$7,469.10 - \$12,315.00	\$622.43 - \$1,026.25
Low Income (51-80% AMI)	\$41,461 - \$62,800	\$12,438.30 - \$18,840.00	\$1,036.53 - \$1,570.00
81-100% Area Median Income	\$63,428 - \$64,240	\$19,028.40 - \$19,272.00	\$1,585.70 - \$1,606.00
Greater than 101% AMI	\$64,882 and greater	\$19,464.60 and greater	\$1,622.05 and greater

3-Person Household

Household Income as Percent of AMI	Household Income Estimates	Annual Affordable Housing Cost Range	Monthly Affordable Housing Cost Range
Extremely Low Income (0-30% AMI)	\$0.00 - \$27,750	\$0.00 - \$8,325.00	\$0.00 - \$693.75
Very Low Income (31-50% AMI)	\$28,028 - \$46,200	\$8,408.40 - \$13,860.00	\$700.70 - \$1,155.00
Low Income (51-80% AMI)	\$46,662 - \$70,650	\$13,998.60 - \$21,195.00	\$1,166.55 - \$1,766.25
81-100% AMI	\$71,357 - \$72,270	\$21,407.10 - \$21,681.00	\$1,783.93 - \$1,806.75
Greater than 101% AMI	\$72,993 and greater	\$21,897.81 and greater	\$1,824.82 and greater

4-Person Household

Household Income as Percent of AMI	Household Income Estimates	Annual Affordable Housing Cost Range	Monthly Affordable Housing Cost Range
Extremely Low Income (0-30% AMI)	\$0.00 - \$30,800	\$0.00 - \$9,240.00	\$0.00 - \$770.00
Very Low Income (31-50% AMI)	\$31,108 - \$51,300	\$9,332.40 - \$15,390.00	\$777.70 - \$1,285.50
Low Income (51-80% AMI)	\$51,813 - \$78,500	\$15,543.90 - \$23,550.00	\$1,295.33 - \$1,962.50
81-100% AMI	\$79,285 - \$80,300	\$23,785.50 - \$24,090.00	\$1,982.13 - \$2,007.50
Greater than 101% AMI	\$81,103 and greater	\$24,330.90 and greater	\$2,027.58 and greater

5-Person Household

Household Income as Percent of AMI	Household Income Estimates	Annual Affordable Housing Cost Range	Monthly Affordable Housing Cost Range
Extremely Low Income (0-30% AMI)	\$0.00 - \$33,300	\$0.00 - \$9,990.00	\$0.00 - \$832.50
Very Low Income (31-50% AMI)	\$33,633 - \$55,450	\$10,089.90 - \$16,635.00	\$840.83 - \$1,386.25
Low Income (51-80% AMI)	\$56,005 - \$84,800	\$16,801.50 - \$25,440.00	\$1,400.13 - \$2,120.00
81-100% AMI	\$85,648 - \$86,724	\$25,694.40 - \$26,017.20	\$2,141.20 - \$2,168.10
Greater than 101% AMI	\$87,591 and greater	\$26,277.37 and greater	\$2,189.78 and greater

6-Person Household

Household Income as Percent of AMI	Household Income Estimates	Annual Affordable Housing Cost Range	Monthly Affordable Housing Cost Range
Extremely Low Income (0-30% AMI)	\$0.00 - \$35,750	\$0.00 - \$10,725.00	\$0.00 - \$893.75
Very Low Income (31-50% AMI)	\$36,108 - \$59,550	\$10,832.40 - \$17,865.00	\$902.70 - \$1,488.75
Low Income (51-80% AMI)	\$60,146 - \$91,100	\$18,043.80 - \$27,330.00	\$1,503.65 - \$2,277.50
81-100% AMI	\$92,011 - \$93,148	\$27,603.30 - \$27,944.40	\$2,300.28 - \$2,328.70
Greater than 101% AMI	\$94,079 and greater	\$28,223.84 and greater	\$2,351.99 and greater

Cost Burdened Households

What households are considered cost burdened?

A household is considered cost burdened when they spend more than 30% of their income on housing costs such as rent and mortgage payments. Cost burdened households have less income to spend on other needs such as food, transportation, and healthcare.

What households are considered severely cost burdened?

A household is considered severely cost burdened when they spend more than 50% of their income on housing costs such as rent and mortgage. Severely cost burdened households will have even less money available to spend on necessities such as food and healthcare and may not be able to economically participate in their communities.

Note About Cost Burden Data Found on the Following Pages:

The cost burden data on the following pages uses estimated numbers from both Comprehensive Housing Affordability Strategy (CHAS) and American Community Survey (ACS) datasets. The comparison of totals from these two data sources is provided to demonstrate the estimated range of a municipality's cost burdened households resulting from different datasets.

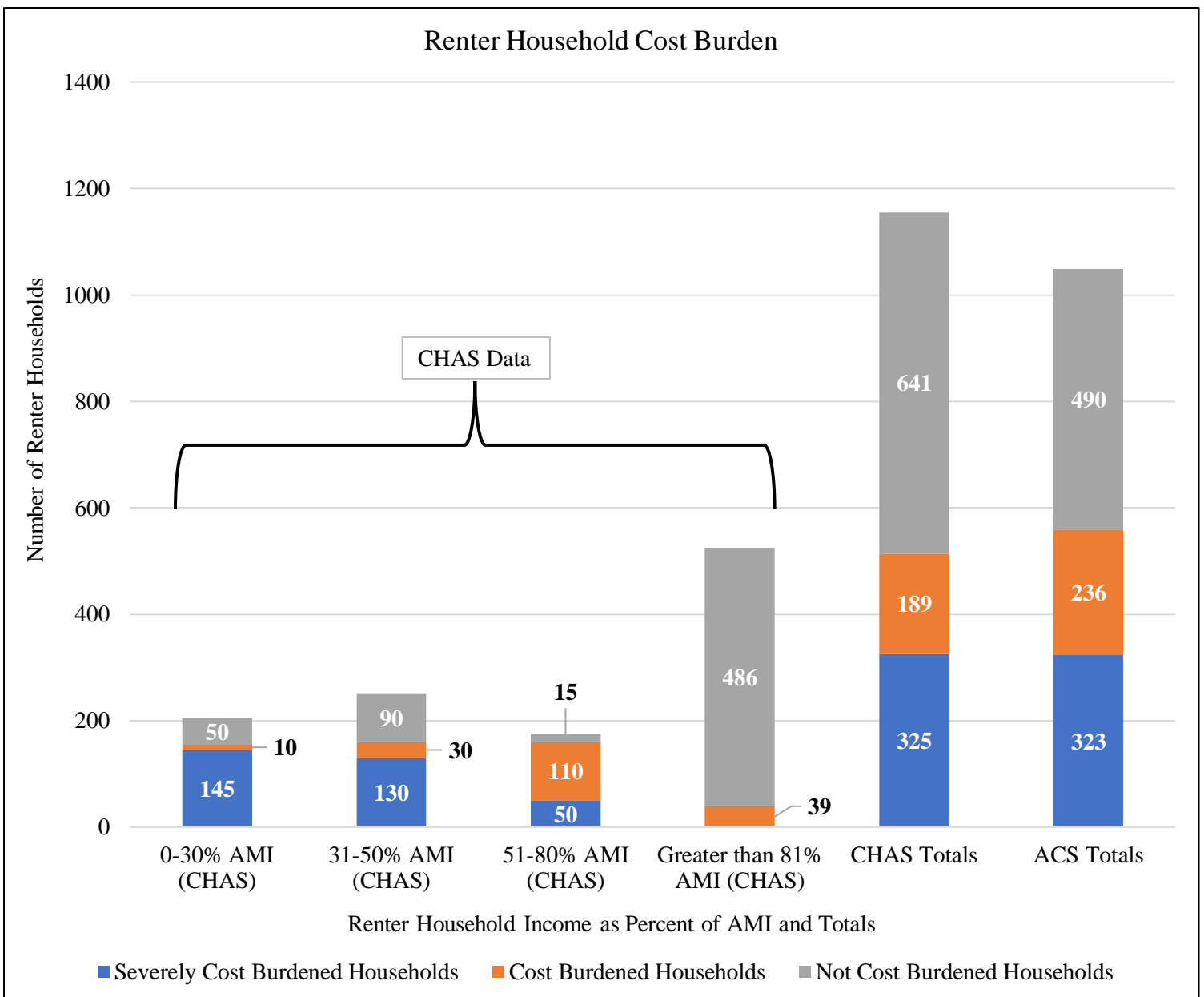
Both the CHAS and ACS datasets provide vital information to better understand the cost burdened households in each municipality.

- The CHAS data provides detailed information about cost burdened households in each Area Median Income (AMI) income group (0-30% AMI, 31-50% AMI, etc.), which is not provided in the ACS data.
- The ACS data provides information about what percentage of their income each household in a municipality is spending on housing costs, from less than 10% of their income to 50% or more of their income. **For the purposes of this document, and to match the state and federal definitions of cost-burden, ACS data is aggregated into the following categories:**
 - Less than 29.9% of household income – Not Cost Burdened
 - 30% - 49.9% of household income – Cost Burdened
 - 50% or more of household income – Severely Cost Burdened
- The ACS data also provides a breakdown of Owner Households that demonstrates cost burden for those with and without a mortgage, a distinction that is not made in the CHAS data.

Cost burden data in the following graphs and tables is broken down by AMI income group, and then demonstrated using totals from both datasets.

Renter Household Cost Burden

Cost Burdened Renter Households (2020)				
Household Income as Percent of AMI	Total Renter Households	Cost Burdened Renter Households	Severely Cost Burdened Renter Households	Percent Cost Burdened
0-30% Area Median Income	205	10	145	76%
31-50% Area Median Income	250	30	130	64%
51-80% Area Median Income	175	110	50	91%
Greater than 81% Area Median Income	525	39	0	7%
CHAS Totals	1,155	189	325	45%
ACS Totals	1,155	236	323	-



Key Findings

CHAS estimates show that in Southbury, 45% of renter households (514 households) are considered cost burdened, or are spending more than 30% of their household income on housing costs.

Renter households making between 51-80% of the Area Median Income are the most likely to be cost burdened in Southbury, with 91% (160 households) spending more than 30% of their household income on housing costs.

Renter households earning between 0-30% of the Area Median Income are the next most likely to be cost burdened. Of this group, 76% (155 households) are spending more than 30% of their household income on housing costs. Of the renter households who earn between 31-50% of the Area Median Income, 64% (160 households) are considered cost burdened. Finally, renter households earning greater than 81% of the Area Median Income are least likely to be cost burdened, with only 7% (39 households) spending more than 30% of their household income on housing costs.

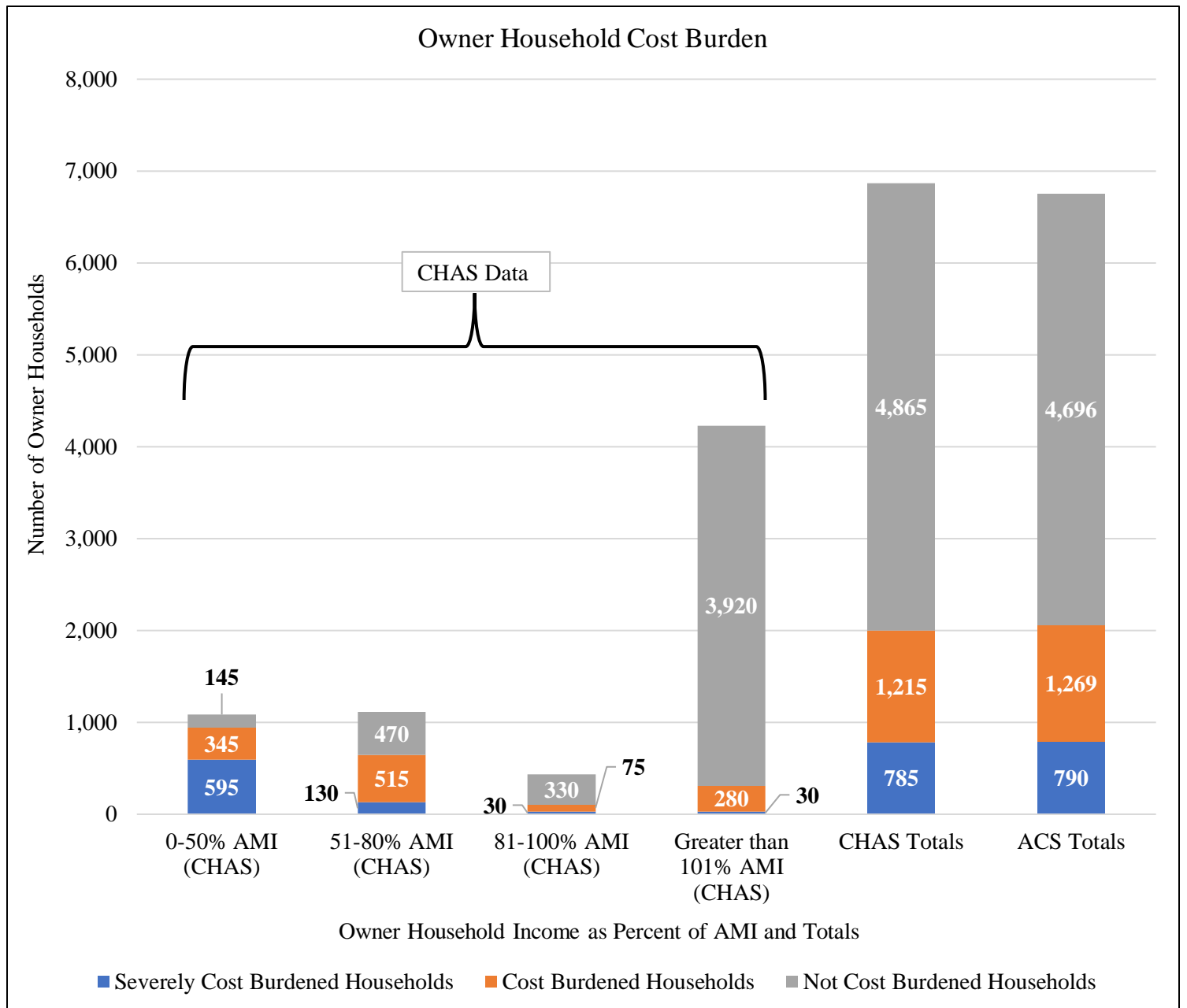
The CHAS and ACS totals depicted in the table and graph above differ because the ACS dataset includes a category of 'not computed' households for which there is not definitive data on their level of cost burden. There are 106 not computed renter households in the 2020 ACS data for Southbury. CHAS data places these households in a cost burden category based on the methodology of the dataset.

Both the CHAS and ACS datasets use the same number of renter households for their estimations. Their different methodologies depict the breakdown of these households differently.

Owner Household Cost Burden

Cost Burdened Owner Households (2020)

Household Income as Percent of AMI	Total Owner Households	Cost Burdened Owner Households	Severely Cost Burdened Owner Households	Percent Cost Burdened
0-50% Area Median Income	1,085	345	595	87%
51-80% Area Median Income	1,115	515	130	58%
81-100% Area Median Income	435	75	30	24%
Greater than 101% Area Median Income	4,230	280	30	7%
CHAS Total	6,865	1,215	785	29%
ACS Total	6,864	1,269	790	-



Key Findings

CHAS estimates show that, in Southbury, 29% of owner households (2,000 households) are considered cost burdened because they are spending more than 30% of their household income on housing costs.

Owner households making between 0-50% of the Area Median Income are most likely to be cost burdened in Southbury, with 87% of this group (940 households) spending more than 30% of their household income on housing costs.

58% of owner households in Southbury making between 51-80% of the Area Median Income (645 households) are considered cost burdened. Of the owner households in Southbury who earn between 81-100% of the Area Median Income, 24% (105 households) are spending more than 30% of their household income on housing costs. Finally, owner households in Southbury who earn more than 101% of the Area Median Income are least likely to be cost burdened, with 7% of this group (310 households) spending more than 30% of their household income on housing costs.

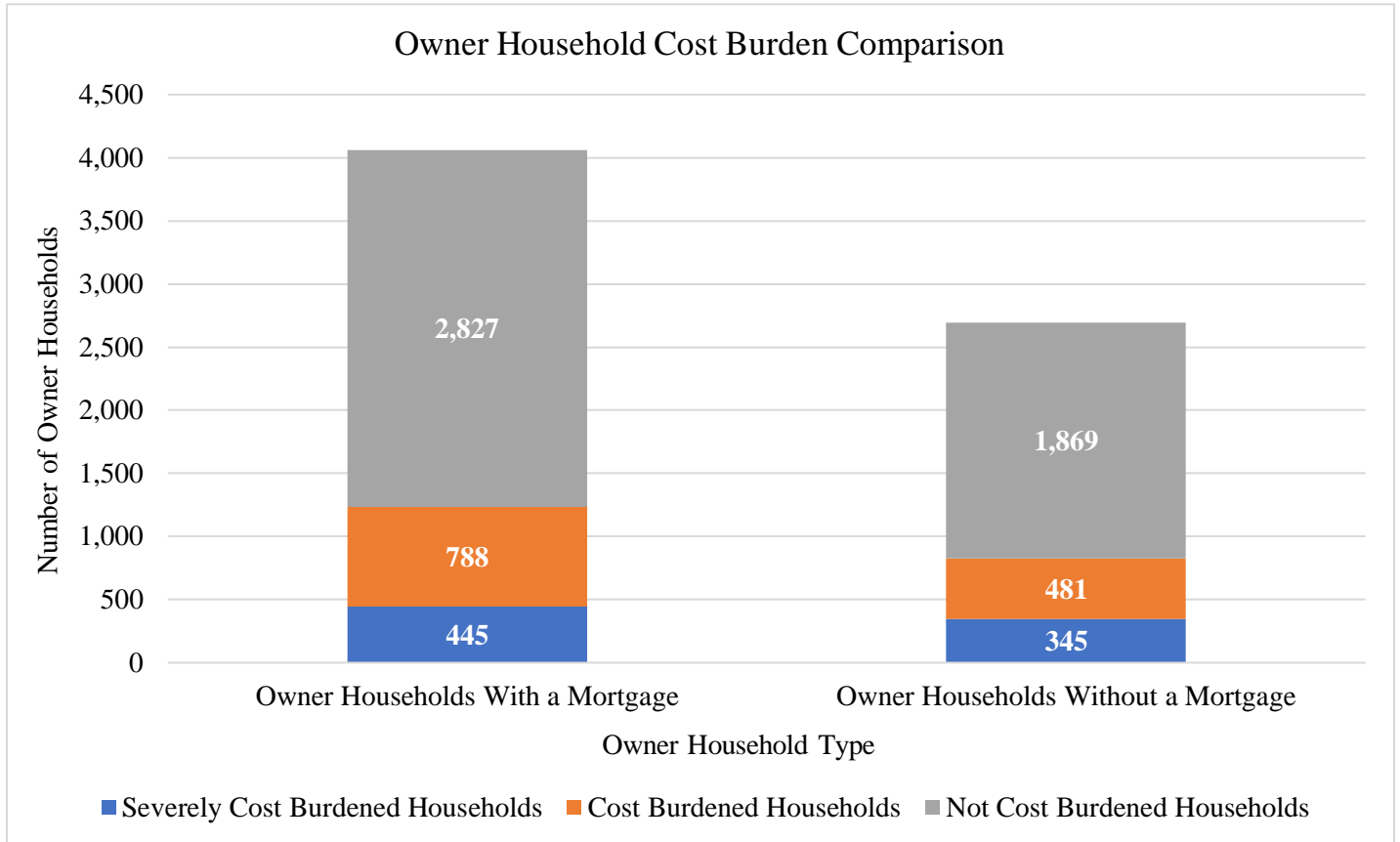
The CHAS and ACS totals depicted in the table and graph above differ slightly, this is because:

1. The total number of owner households is 6,864, based on ACS data. In CHAS, the total number of owner households is rounded to 6,865 likely because of the rounding scheme.
2. ACS includes a category of 'not computed' households for which there is not definitive data on their level of cost burden. There are 109 not computed owner households in the 2020 ACS data for Southbury. CHAS data places these households in a cost burden category based on the methodology of the dataset.

Both the CHAS and ACS datasets use the same number of owner households for their estimations. Their different methodologies depict the breakdown of these households differently.

Owner Cost Burden Comparison

Data from the American Community Survey (ACS) provides cost burden data for owner households aggregated by mortgaged housing units, and housing units without a mortgage. The charts below depict this data.



Key Findings

American Community Survey estimates show that there are 4,060 total owner households in Southbury with a mortgage. Of that group, 19.41% (788 households) are considered cost burdened, or are spending more than 30% of their income on their housing costs. Additionally, 10.96% (445) owner households with a mortgage are considered severely cost burdened, or are spending more than 50% of their income on their housing costs. 69.63% (2,827) of these owner households are not considered cost burdened.

There are 2,695 total owner households in Southbury without a mortgage. Of these households, 17.85% (481 households) are considered cost burdened, or are spending more than 30% of their income on housing costs. 12.80% (345 households) are considered severely cost burdened, or are spending more than 50% of their income on housing costs. Additionally, 69.35% (1,869 households) are not considered cost burdened.

The percentages of severely cost burdened, cost burdened, and not cost burdened households are similar for owner households with and without mortgages in Southbury.

Other Municipalities in the Waterbury Metropolitan Fair Market Rent (FMR) Area

Renter Household Cost Burden in Neighboring Communities in the Waterbury Metropolitan FMR Area

Municipalities in the Waterbury FMR Area	Middlebury	Naugatuck	Prospect	Southbury	Waterbury	Wolcott
Total Renter-Occupied Housing Units	375	3,835	270	1,155	23,160	950
Households Spending 30-50% of Household Income on Housing Costs	5%	30%	20%	16%	20%	21%
Households Spending More Than 50% of Household Income on Housing Costs	9%	20%	17%	28%	28%	15%

Owner Household (with and without mortgages) Cost Burden in Neighboring Communities in the Waterbury Metropolitan FMR Area

Municipalities in the Waterbury FMR Area	Middlebury	Naugatuck	Prospect	Southbury	Waterbury	Wolcott
Total Owner-Occupied Housing Units	2,535	8,010	3,055	6,865	18,980	5,460
Households Spending 30-50% of Household Income on Housing Costs	15%	15%	13%	18%	17%	9%
Households Spending More Than 50% of Household Income on Housing Costs	7%	7%	8%	11%	14%	15%

Key Findings

16% of Southbury’s renter households are cost burdened, or spending more than 30% of their income on housing costs. This number is higher than Middlebury, but lower than percentages in the rest of the communities that make up the Waterbury Metro FMR area. Of the renter occupied households in Southbury, 28% are severely cost burdened, or spending more than 50% of their income on housing costs. This is on par with the percentages in Waterbury, but higher than those in Middlebury, Prospect, Naugatuck, and Wolcott. Southbury’s cost burdened percentages are closest to those in Waterbury, though the number of renters most closely resembles that of Wolcott. The same percentage of renters in Southbury and Waterbury are severely cost burdened, and a similar percentage of renters in each municipality are considered cost burdened.

18% of Southbury’s owner households are cost burdened and 11% are severely cost burdened. The percentage of cost burdened owner households in Southbury is higher than in the other communities that make up the Waterbury Metro FMRA. Southbury’s severely cost burdened owner households percentage, however, sits right in the middle with higher percentages in Waterbury and Wolcott, but lower percentages in Middlebury, Naugatuck, and Prospect. Southbury’s owner household cost burden percentages most closely resemble those in Waterbury, though the number of owner households is closest to the number found in Wolcott. Southbury has a slightly lower percentage of severely cost burdened owner households than Waterbury, and a slightly higher percentage of cost burdened owner households than Waterbury.

Understanding a Housing Needs Assessment

Housing Needs Assessments (HNA) are an analytical tool used to estimate the cost burden, housing stock, and housing unit occupancy for a chosen housing tenure and income group of a specific geographical area. When an HNA is completed for a municipality, the resulting estimations can be used to better understand the needs of their residents and to guide further development of housing stock within their city or town.

Housing Needs Assessments are calculated for renter and owner households at specific income groups using:

1. The number of households earning a given percentage of their area's median income (AMI). *(CHAS groups renter and owner households into income groups, such as 0-30% AMI for renter households and 0-50% AMI for owner households).*
2. The number of units, both occupied and vacant, that are available and affordable for each defined income group. *(These units represent housing costs that are 30% or less of the income for each group).*
3. Each housing units' level of affordability and the income of the households currently occupying the units. *(Example: A housing unit may be affordable to households earning 0-30% of the AMI, and occupied by a household earning 51-80% of the AMI.)*

The primary output of an HNA are charts that depict estimated gaps and surpluses in the municipalities' housing stock. A housing gap or surplus is calculated for each occupancy type (renter and owner) and for each income threshold bracket based on the Area Median Income for the Fair Market Rent area in which a municipality exists (0-30% AMI, 31-50% AMI, etc.).

The visual depictions below demonstrate and explain common outcomes found in HNAs.

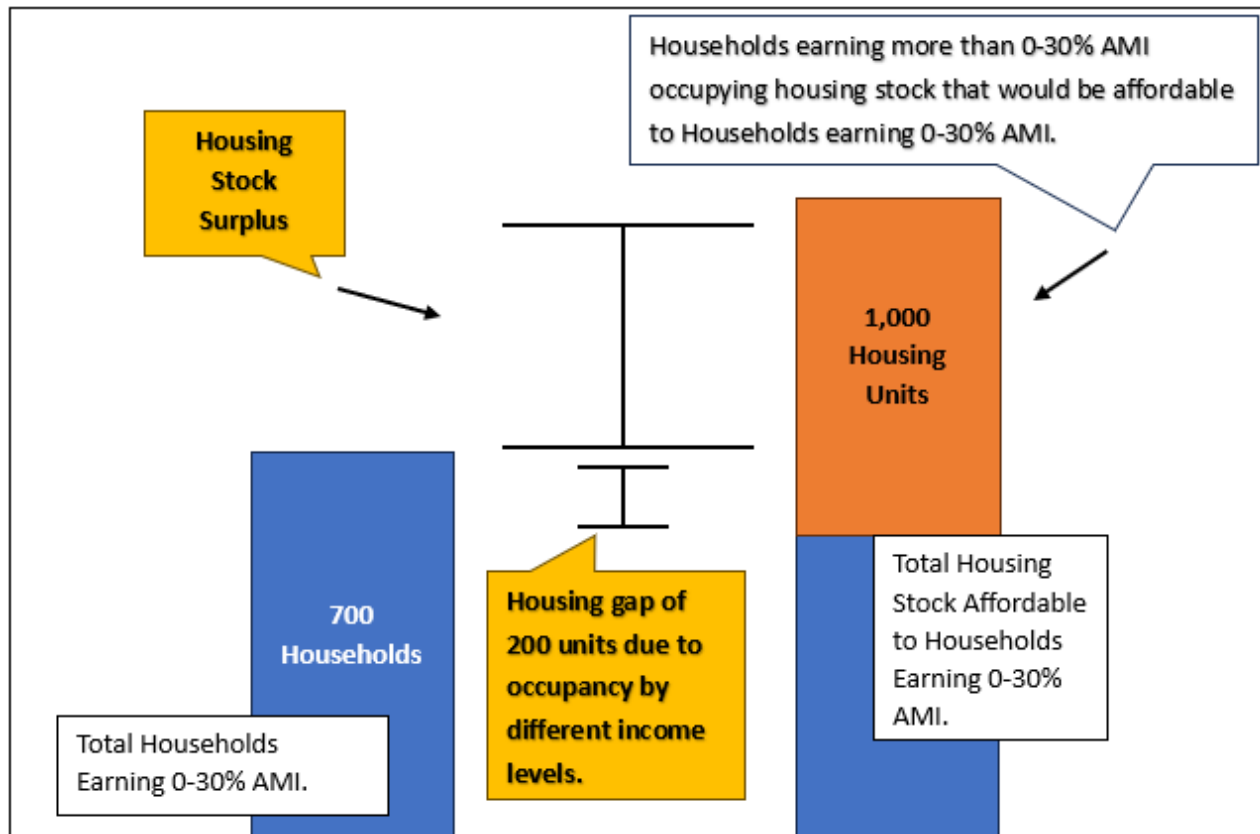
A **Housing Gap** exists when the total number of households at a specific percent of the Area Median Income exceeds the total number of units that are considered affordable for those households.



In this example, there are 500 households who earn 0-30% AMI, and 450 housing units considered affordable to households earning 0-30% AMI. Depicted here is a gap of 50 housing units considered affordable and available to households earning 0-30% AMI.

Gaps in housing stock may also appear because of other factors, like occupancy by households in other income groups.

An example of this can be found below.



In this depiction, there are two different phenomena shown that contribute to the total estimated gap in housing units for this income group. First, there are 700 households depicted who are earning 0-30% AMI and there are 1,000 housing units considered affordable to households earning 0-30% AMI. Since the affordable units outnumber the total households earning 0-30% AMI, there is a unit surplus for this income group.

However, in the second phenomenon depicted here, there are 500 households of higher income groups (shown in orange) that are occupying housing units considered affordable to households earning 0-30% AMI. This occupation by different income groups decreases the number of affordable units that are available for households earning 0-30% AMI to occupy, creating a total housing unit gap of 200 units.

Why does a gap in your housing stock matter?

When a household occupies a unit that is considered affordable for a higher income group, that household is more likely to be spending more than 30% of their income on housing needs. For example, if a household that earns 81-100% AMI occupies a unit that is affordable to households earning 100%+ AMI, the household earning 81-100% AMI is more likely to become cost burdened or severely cost burdened.

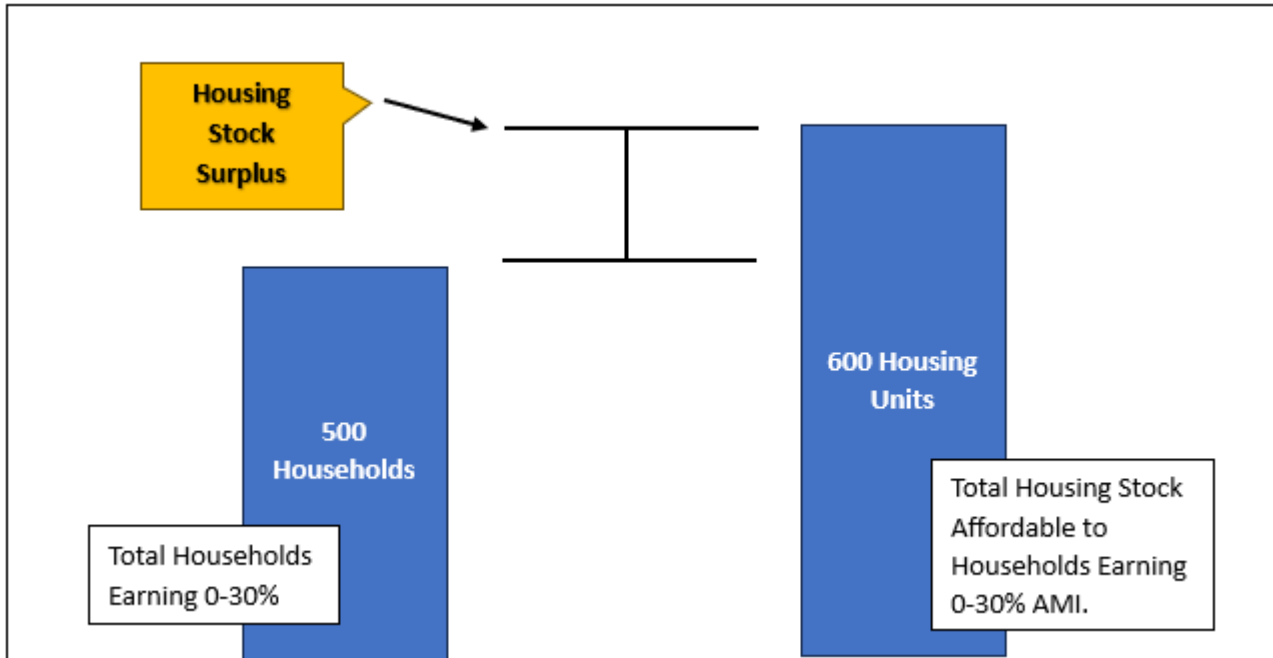
When a household occupies a unit that is considered affordable for a lower income group, the household is more likely to be spending less than 30% of their income on housing needs. For example, a household earning between 51-80% AMI occupying a unit that is affordable to a household earning 30-51% AMI will be spending less of their income on housing but will reduce the number of units available to those in the lower income group.

When this happens throughout a municipality, it creates gaps in housing affordability for each income group. A decrease in the number of vacant units can raise the price of those that are available and significantly impact the supply of affordable housing for lower income groups. **A housing needs assessment identifies the total number of current Southbury households at specific income groups that would not be able to find an available unit corresponding to their income group.**

Another possible outcome resulting from an HNA is a housing surplus. It is important to note that not all HNAs will yield estimated surpluses, as not all markets will have excess housing units available.

A **Housing Surplus** exists when the total number of households at a specific percent of the Area Median Income is less than the total number of units that are considered affordable for those households.

The depiction below shows a housing unit surplus for households earning 0-30% AMI. There are 500 total households earning 0-30% AMI, and there are 600 housing units affordable and available for this income group. This means that there is a total housing unit surplus of 100 units for households earning 0-30% AMI.



Why does a surplus in your housing stock matter?

A housing unit surplus can indicate that the housing market for that particular income group is **operating at a healthy level**. For instance, if there are 100 households earning 81-100% AMI and 200 existing housing units considered affordable to them, there is a housing unit surplus of 100 units for this income group.

Another scenario that can be depicted by the estimation of a housing surplus for a given income group is that, while there may be a surplus of housing units, there may be a gap for those belonging to that income group because of occupancy by households of different income levels. For example, if there are 500 households earning between 51-80% AMI and 1,000 housing units considered affordable to that income group, the HNA will depict an estimated surplus of 500 units. However, in some cases, households of other income groups may occupy these units, creating a gap. If 600 of the 1,000 units considered affordable to those earning 51-80% AMI are occupied by households earning 31-50% or 81-100%, then there will be a resulting gap of 100 units for households earning 51-80% AMI.

A housing needs assessment can be used to better understand who is occupying Southbury's housing stock, and the amount of housing that is needed to create equitable access to affordable housing for all income groups.

Estimating Cost Burden from a Gap Analysis

Earlier in this report, cost burden data from the Comprehensive Housing Affordability Strategy and American Community Survey datasets was used to provide estimates of cost burden based on collected information from the two data sources. Cost burden data can also be estimated using scenario planning practices to help hypothesize which households are likely to be cost burdened, and which are not.

Analyzing cost burden from a planning perspective can allow decision makers to extrapolate information that will inform better planning and policy setting.

The cost burden data included in the gap analyses on the following pages was created using the following assumptions:

- 1. Households whose earned income falls in an income group greater than or equal to their occupied housing cost are not likely to be cost burdened.** This assumption can be made because the CHAS data categorizes housing units into groups that correspond to household income groups. If a household earns greater than or equal to their corresponding household unit cost, the unit is considered affordable by the CHAS data because that household is not likely to be spending more than 30% of their income on housing costs.
 - a. For example, a household whose income falls into the 51-80% AMI income group is not likely to be cost burdened if they are occupying housing:
 - i. Considered affordable to households earning 51-80% AMI, or
 - ii. Considered affordable to households earning less than 51-80% AMI (0-30% AMI, and 31-50% AMI).
- 2. Households whose earned income falls in an income group less than their occupied housing cost are likely to be cost burdened.** This assumption can be made because of the same CHAS categorization discussed above. If a household earns less than their corresponding household unit cost, the unit is considered unaffordable by the CHAS data because that household is likely to be spending more than 30% of their income on housing costs.
 - a. For example, a household whose income falls into the 0-30% AMI income group is likely to be cost burdened if they are occupying housing considered affordable to households earning more than 0-30% AMI (31-50% AMI, 51-80% AMI, etc.).
 - i. The likelihood that a household will be cost burdened increases as they occupy housing units considered affordable to higher income groups.

For the purposes of this gap analysis, information about severely cost burdened households, or those spending more than 50% of their household income on housing costs, is not specifically identified. For more detailed information about cost burden, including severely cost burdened households, please see pages 10-15 of this document.

Housing Unit Gaps and Surpluses for Renter Households

Note on Reading the Following Graphs

The housing gap for renter households in Southbury can be examined closer on the following pages. Each graph was completed using AMI groups and is labeled accordingly. You can refer to the tables in the Household Income Estimates and Affordable Housing Costs section on pages 8-9 when reading each graph to help identify the corresponding household income for each AMI group.

Each graph looks at:

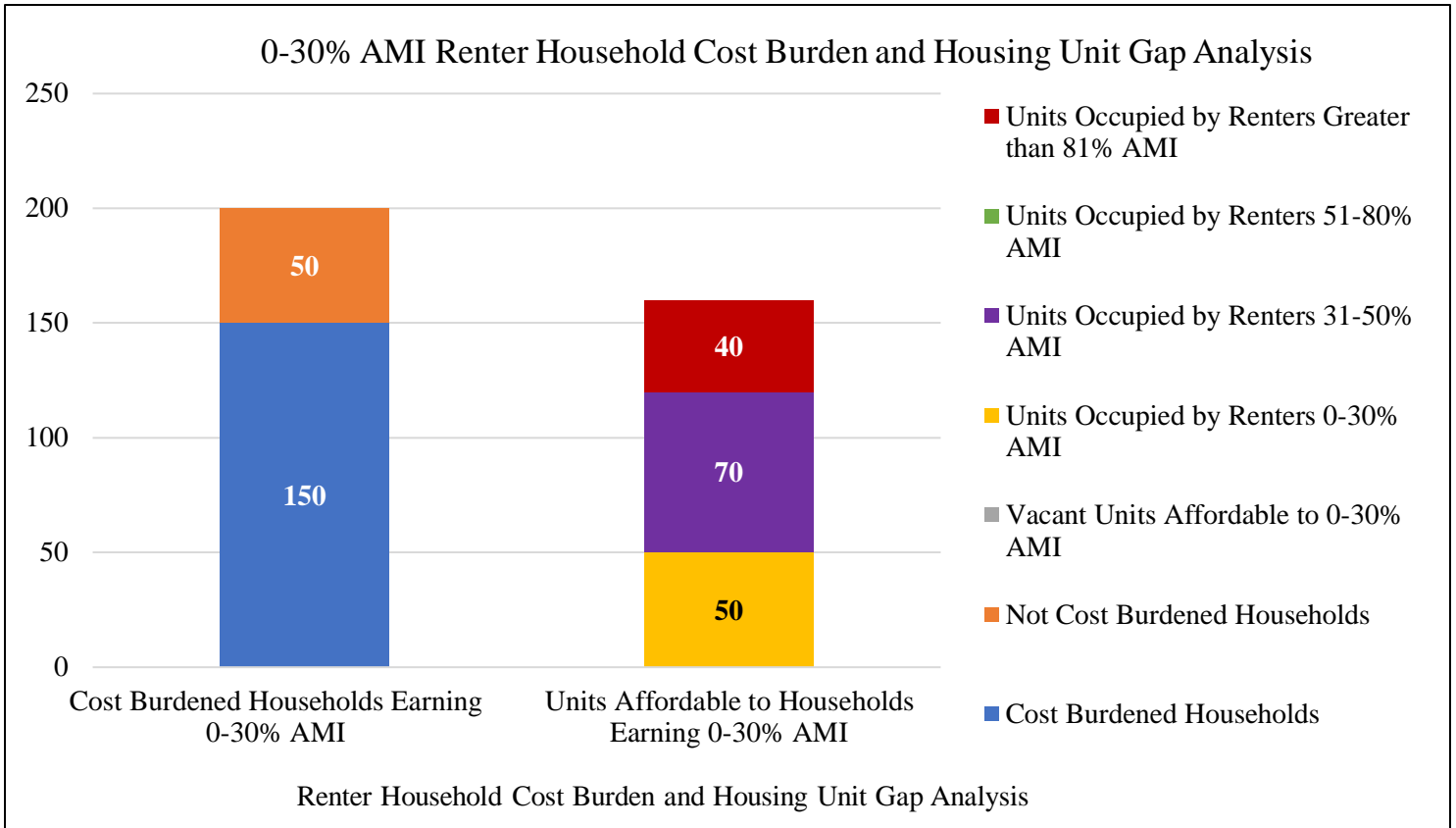
- The total number of units (vacant and occupied) that would be affordable to the specific income group and the composition of households occupying those units by household income group; and
- The total number of households in each income group (AMI) and the breakdown of which households are cost burdened.
 - Cost burdened households are those that are occupying housing considered affordable to households in higher income groups.
 - Not cost burdened households are those that are occupying housing considered affordable to households in the same income group, or a lower income group.

The cost burdened households in this gap analysis are derivative of the CHAS housing unit gap data, and are not direct estimations of cost burden from the dataset. For direct estimations, please see pages 11-15.

The table below summarizes the housing unit gap data that is broken down in the graphs on the following pages.

Renter Household Unit Gap (2020)				
Household Income as Percent of AMI	Total Households	Affordable Housing Units	Units Occupied by Households of Different AMI Group	Unit Gap
0-30% Area Median Income	200	160	110	150
31-50% Area Median Income	230	68	18	180
51-80% Area Median Income	164	535	435	64
Greater than 81% Area Median Income	514	345	185	354

Renter Households 0-30% AMI Gap Analysis



Key Findings

Cost Burden

There are 200 renter households in Southbury earning 0-30% AMI⁹ who are included in this gap analysis. Of the 200 renter households in Southbury earning 0-30% AMI, 25% (50 households) are not considered cost burdened, because they are occupying housing units affordable to households earning 0-30% AMI. Of these 200 renter households, 75% (150 households) are considered cost burdened because they are occupying housing considered affordable to higher income groups. The breakdown is as follows:

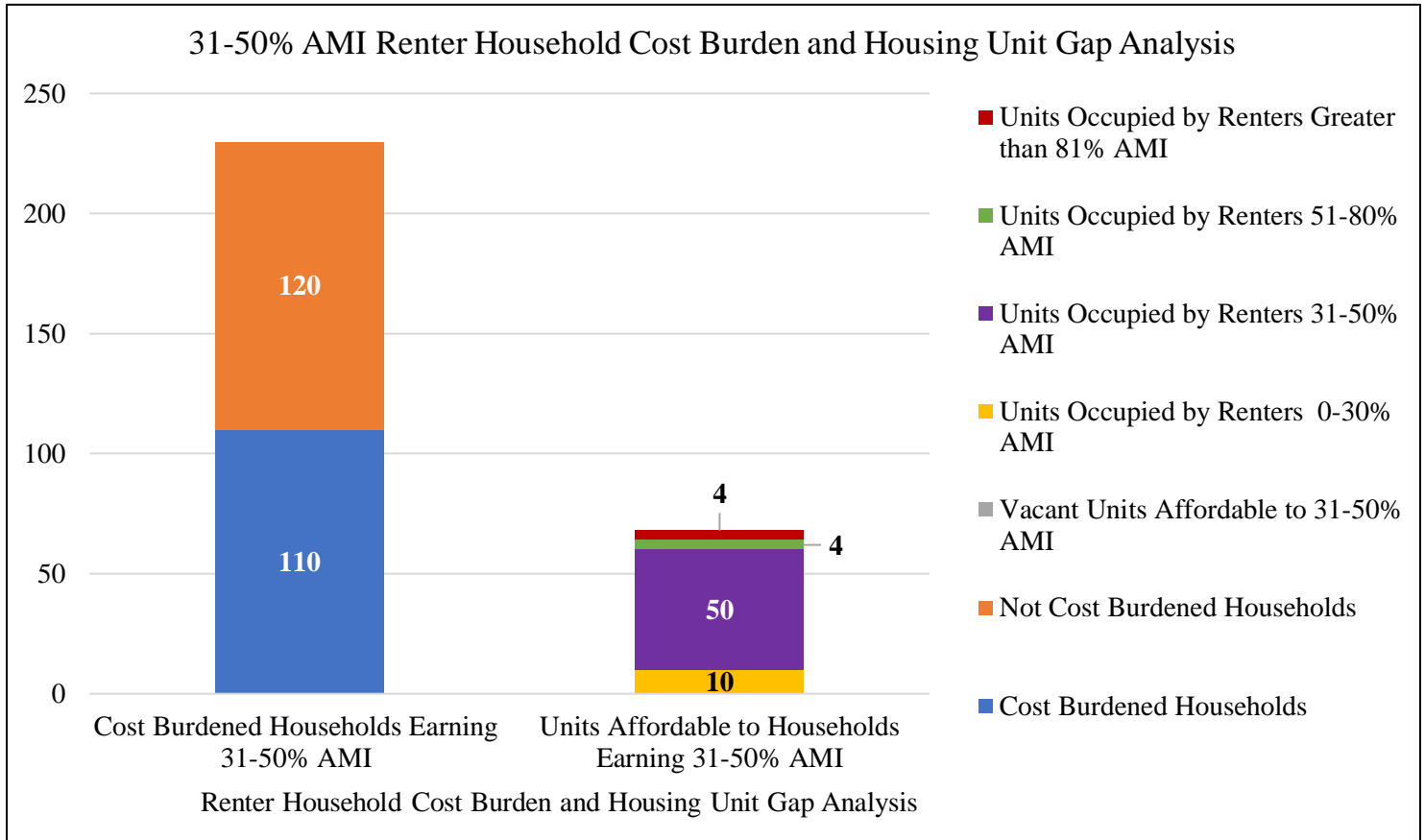
1. 6.67% (10) are occupying units considered affordable to those earning 31-50% AMI,
2. 56.67% (85) are occupying units considered affordable to those earning 51-80% AMI, and
3. 36.67% (55) are occupying units considered affordable to those earning 81%+ AMI.

Housing Gap

There are currently 0 vacant units available to renter households in this income group. Of the 160 units that are considered affordable to households earning 0-30% AMI, 31.25% (50) are occupied by households in that same income group. 43.75% (70) of the units considered affordable to households earning 0-30% AMI are occupied by renter households earning 31-50% AMI, and 25% (40) are occupied by renter households earning greater than 81% AMI. With 50 of the 200 renter households earning 0-30% AMI occupying units considered affordable to this income group and 0 vacant units, the result is a housing gap of 150 units.

⁹ For AMI and household income data for households of 1-6 people, please refer to pages 8-9.

Renter Households 31-50% AMI Gap Analysis



Key Findings

Cost Burden

There are 230 renter households in Southbury earning 31-50% AMI¹⁰ who are included in this gap analysis. Of the 230 renter households in Southbury earning 31-50% AMI, 52.17% (120 households) are not considered cost burdened because they are occupying housing units affordable to households earning 31-50% AMI or less. Of these 230 renter households, 47.83% (110 households) are considered cost burdened because they are occupying housing considered affordable to higher income groups. The breakdown is as follows:

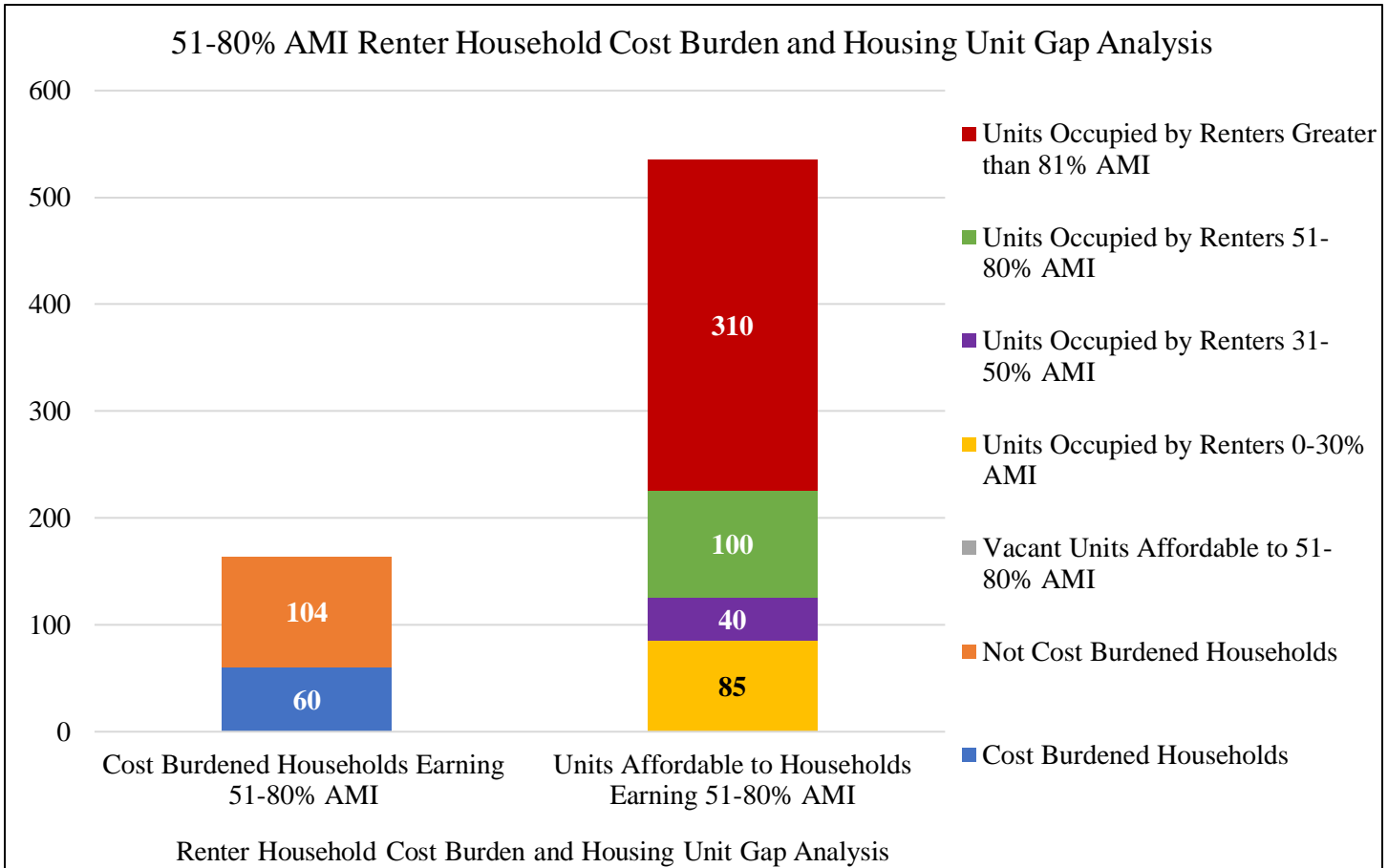
1. 17.39% (40) are occupying housing considered affordable to those earning 51-80% AMI, and
2. 30.43% (70) are occupying units considered affordable to those earning 81%+ AMI.

Housing Gap

There are currently 0 vacant units available to renter households in this income group. Of the 68 units that are considered affordable to renter households earning 31-50% AMI, 71.43% (50) are occupied by households in that same income group. 14.29% (10) are occupied by households earning 0-30% AMI, 5.71% (4) are occupied by households earning 51-80% AMI, and 5.71% (4) are occupied by households earning greater than 81% AMI. With 50 of the 230 renter households earning 31-50% AMI occupying housing considered affordable to them and 0 vacant units, there is a housing gap of 180 units.

¹⁰ For AMI and household income data for households of 1-6 people, please refer to pages 8-9.

Renter Household 51-80% AMI Gap Analysis



Key Findings

Cost Burden

There are 164 renter households in Southbury earning 51-80% AMI¹¹ who are included in this gap analysis. Of the 164 renter households in Southbury earning 51-80% AMI, 63.41% (104 households) are not considered cost burdened because they are occupying housing units affordable to households earning 51-80% AMI or less. The breakdown is as follows:

1. 0% (0) are occupying units considered affordable to those earning 0-30% AMI, and
2. 2.44% (4) are occupying units considered affordable to those earning 31-50% AMI.

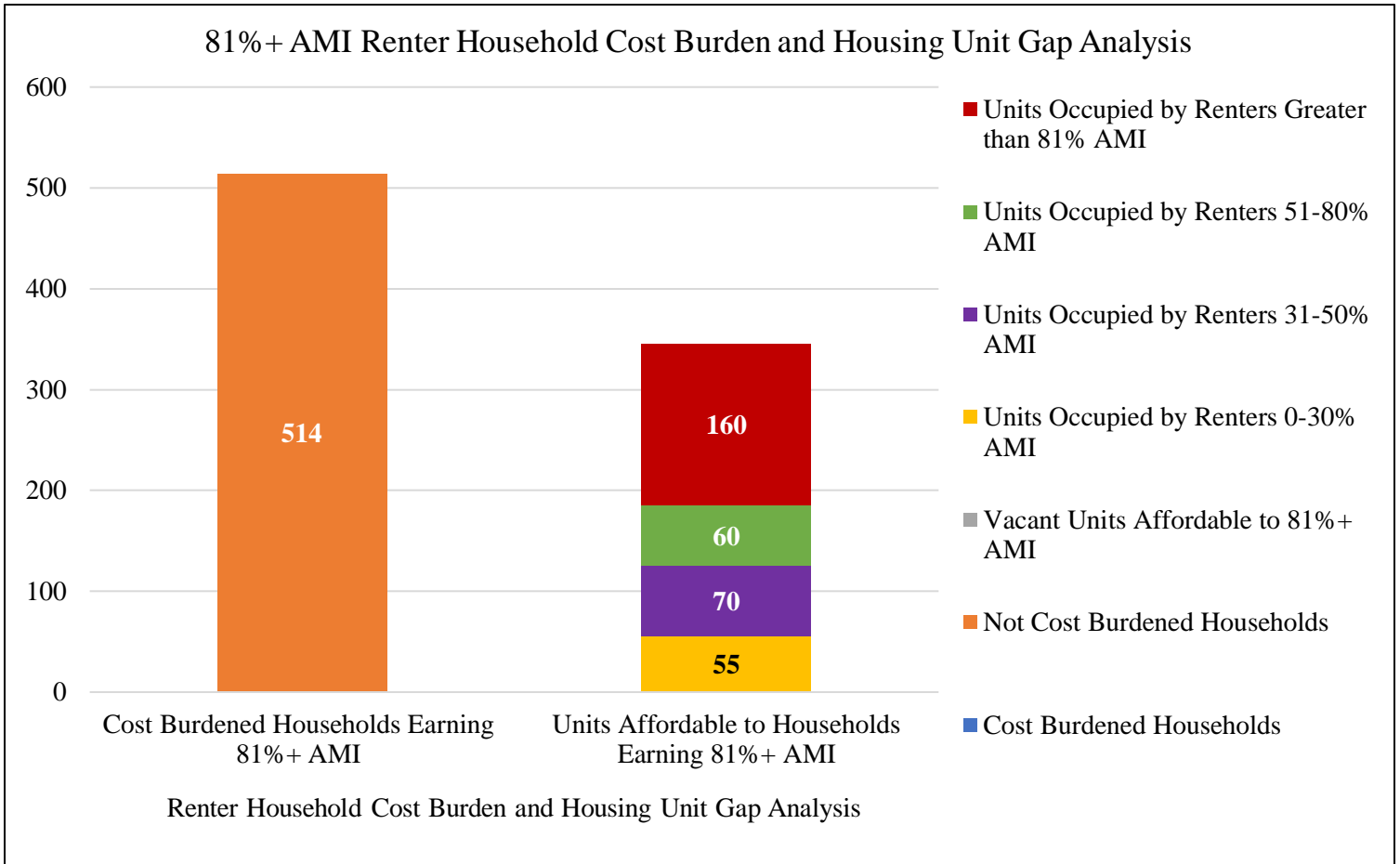
Of these 164 renter households, 36.59% (60 households) are considered cost burdened because they are occupying units considered affordable to those earning 81%+ AMI.

Housing Gap

There are currently 0 vacant units available to renter households in Southbury earning 51-80% AMI. Of the 535 units that are considered affordable to this income group, 15.89% (85) are occupied by households earning 0-30% AMI, 7.48% (40) are occupied by households earning 31-50% AMI, and 57.94% (310) are occupied by households earning greater than 81% AMI. With 100 of the 164 renter households earning 51-80% AMI occupying housing considered affordable to them and 0 vacant units, there is a housing gap of 64 units. As there is a surplus of housing units for this income level, this gap is caused by households of other income levels occupying housing considered affordable to households earning 51-80% AMI.

¹¹ For AMI and household income data for households of 1-6 people, please refer to pages 8-9.

Renter Household 81%+ AMI Unit Gap Analysis



Key Findings

Cost Burden

There are 514 renter households in Southbury earning 81%+ AMI¹² who are included in this gap analysis. Of the 514 renter households in Southbury earning 81%+ AMI, 100% (514 households) are not considered cost burdened because they are occupying housing units affordable to households earning 81%+ AMI or less. The breakdown is as follows:

1. 7.78% (40) are occupying units considered affordable to those earning 0-30% AMI,
2. 0.78% (4) are occupying units considered affordable to those earning 31-50% AMI, and
3. 60.31% (310) are occupying units considered affordable to those earning 51-80% AMI.

Housing Gap

There are currently 0 units available to renter households earning greater than 81% AMI in Southbury. Of the 345 units considered affordable to this income group, 15.71% (55) are occupied by households earning 0-30% AMI, 20.00% (70) are occupied by households earning 31-50% AMI, and 17.14% (60) are occupied by renter households earning 51-80% AMI. With 160 of the 514 renter households earning greater than 81% AMI occupying housing that is considered affordable to them and 0 vacant units, there is a housing gap of 354 units.

¹² For AMI and household income data for households of 1-6 people, please refer to pages 8-9.

Housing Unit Gaps and Surpluses for Owner Households

Note on Reading the Following Graphs

The housing gap for owner households can be examined closer on the following pages. Each graph was completed using AMI groups and is labeled accordingly. You can refer to the tables in the Household Income Estimates and Affordable Housing Costs section on pages 8-9 when reading each graph to help identify the corresponding household income for each AMI group.

Each graph looks at:

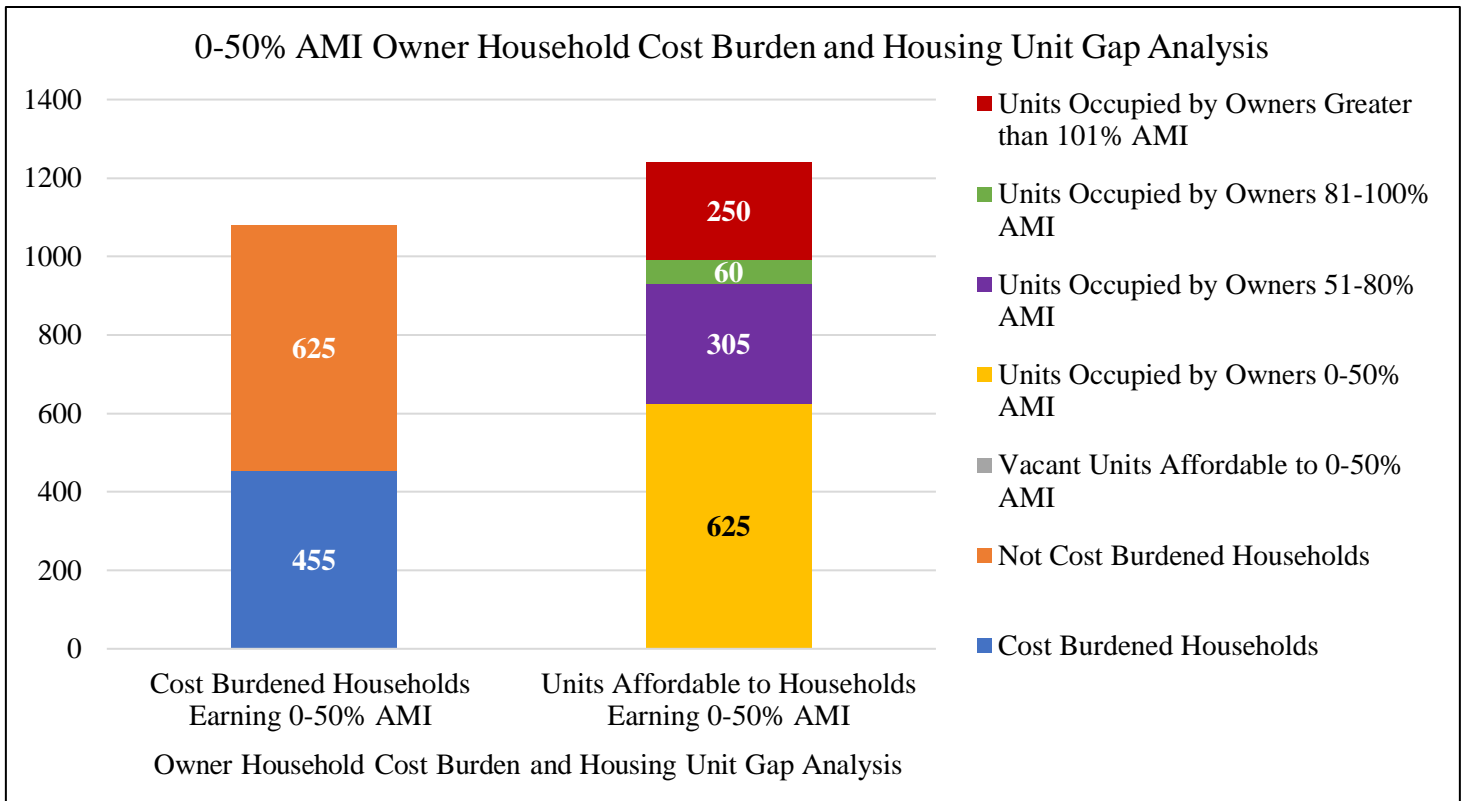
- The total number of units (vacant and occupied) that would be affordable to the specific income group and the composition of households occupying those units by household income group; and
- The total number of households in each income group (AMI) and the breakdown of which households are cost burdened.
 - Cost burdened households are those that are occupying housing considered affordable to households in higher income groups.
 - Not cost burdened households are those that are occupying housing considered affordable to households in the same income group, or a lower income group.

The cost burdened households in this gap analysis are derivative of the CHAS housing unit gap data, and are not direct estimations of cost burden from the dataset. For direct estimations, please see pages 11-15.

The table below summarizes the housing unit gap data that is broken down in the graphs on the following pages.

Owner Household Unit Gap (2020)				
Household Income as Percent of AMI	Total Households	Affordable Housing Units	Units Occupied by Households of Different AMI Group	Unit Gap
0-50% Area Median Income	1,080	1,240	615	455
51-80% Area Median Income	1,115	1,595	1,200	720
81-100% Area Median Income	430	1,640	1,550	340
Greater than 101% Area Median Income	4,230	2,410	455	2,275

Owner Households 0-50% AMI Gap Analysis



Key Findings

Cost Burden

There are 1,080 owner households in Southbury earning 0-50% AMI¹³ who are included in this gap analysis. Of the 1,080 owner households in Southbury earning 0-50% AMI, 57.87% (625 households) are not considered cost burdened, because they are occupying housing units affordable to households earning 0-50% AMI. Of these 1,080 owner households, 42.13% (455 households) are considered cost burdened because they are occupying housing considered affordable to higher income groups. The breakdown is as follows:

1. 20.83% (225) are occupying units considered affordable to those earning 51-80% AMI,
2. 5.56% (60) are occupying units considered affordable to those earning 81-100% AMI, and
3. 15.74% (170) are occupying units considered affordable to those earning 101%+ AMI.

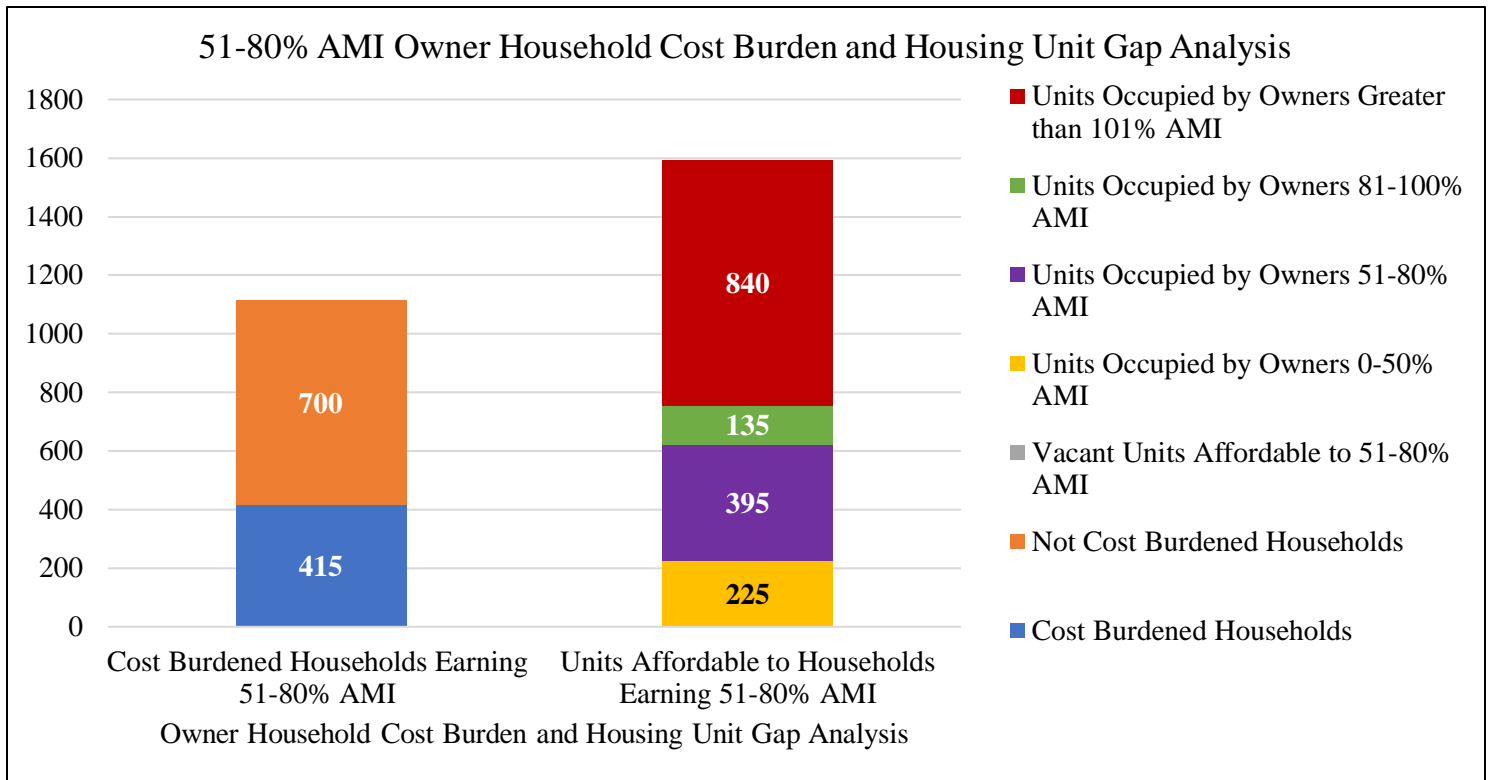
Housing Gap

There are currently 0 vacant units available to owner households earning 0-50% AMI in Southbury. Of the 1,240 units considered affordable to this income group, 24.60% (305) are occupied by households earning 51-80% AMI, 4.84% (60) are occupied by households earning 81-100% AMI, and 20.16% (250) are occupied by owner households earning more than 101% AMI. With 625 of the 1,080 owner households earning 0-50% AMI occupying units considered affordable to this income group and 0 vacant units, there is a housing gap of 455 units.

While there is a surplus of housing units existing and affordable to owner households earning 0-50% AMI, the housing unit gap is a result of households from higher income groups occupying these units.

¹³ For AMI and household income data for households of 1-6 people, please refer to pages 8-9.

Owner Household 51-80% AMI Gap Analysis



Key Findings

Cost Burden

There are 1,115 owner households in Southbury earning 51-80% AMI¹⁴ who are included in this gap analysis. Of the 1,115 owner households in Southbury earning 51-80% AMI, 62.78% (700 households) are not considered cost burdened because they are occupying housing units affordable to households earning 51-80% AMI or less. Of these 1,115 owner households, 37.23% (415 households) are considered cost burdened because they are occupying housing considered affordable to higher income groups. The breakdown is as follows:

1. 24.66% (275) are occupying housing considered affordable to those earning 81-100% AMI, and
2. 12.56% (140) are occupying units considered affordable to those earning 101%+ AMI.

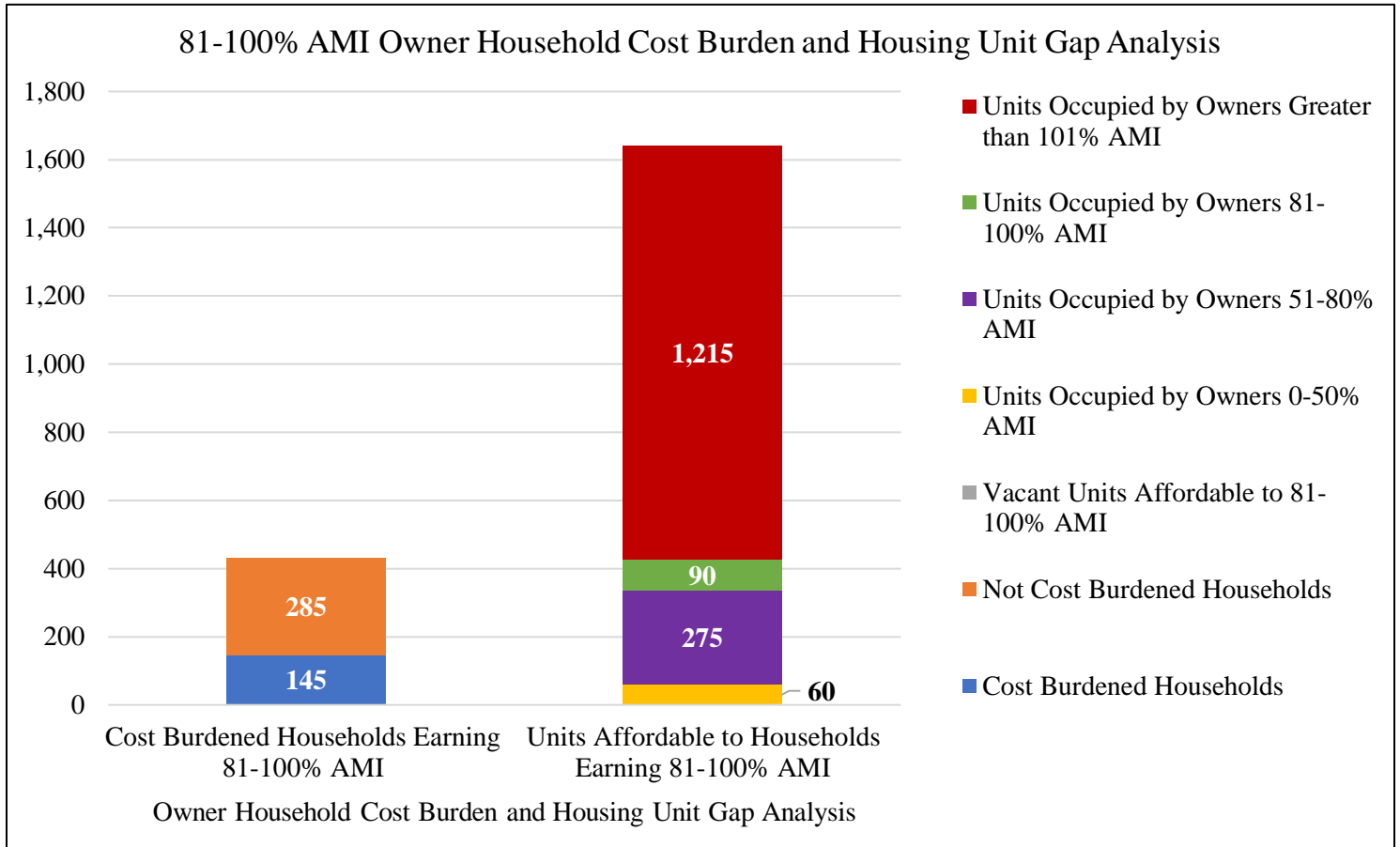
Housing Gap

There are currently 0 vacant units available to owner households earning 51-80% AMI in Southbury. Of the 1,595 units considered affordable to this income group, 14.02% (225) are occupied by households earning 0-50% AMI, 8.41% (135) are occupied by households earning 81-100% AMI, and 52.34% (840) are occupied by households earning greater than 101% AMI. With 395 of the 1,115 owner households earning 51-80% AMI occupying units considered affordable to this income group and 0 vacant units, there is a housing gap of 720 units.

As there is a surplus of units, this gap is a result of households of other income groups occupying housing considered affordable to those earning 51-80% AMI.

¹⁴ For AMI and household income data for households of 1-6 people, please refer to pages 8-9.

Owner Households 81-100% AMI Gap Analysis



Key Findings

Cost Burden

There are 430 owner households in Southbury earning 81-100% AMI¹⁵ who are included in this gap analysis. Of the 430 owner households in Southbury earning 81-100% AMI, 66.23% (285 households) are not considered cost burdened because they are occupying housing units affordable to households earning 81-100% AMI or less. The breakdown is as follows:

1. 13.95% (60) are occupying units considered affordable to those earning 0-50% AMI, and
2. 31.40% (135) are occupying units considered affordable to those earning 51-80% AMI.

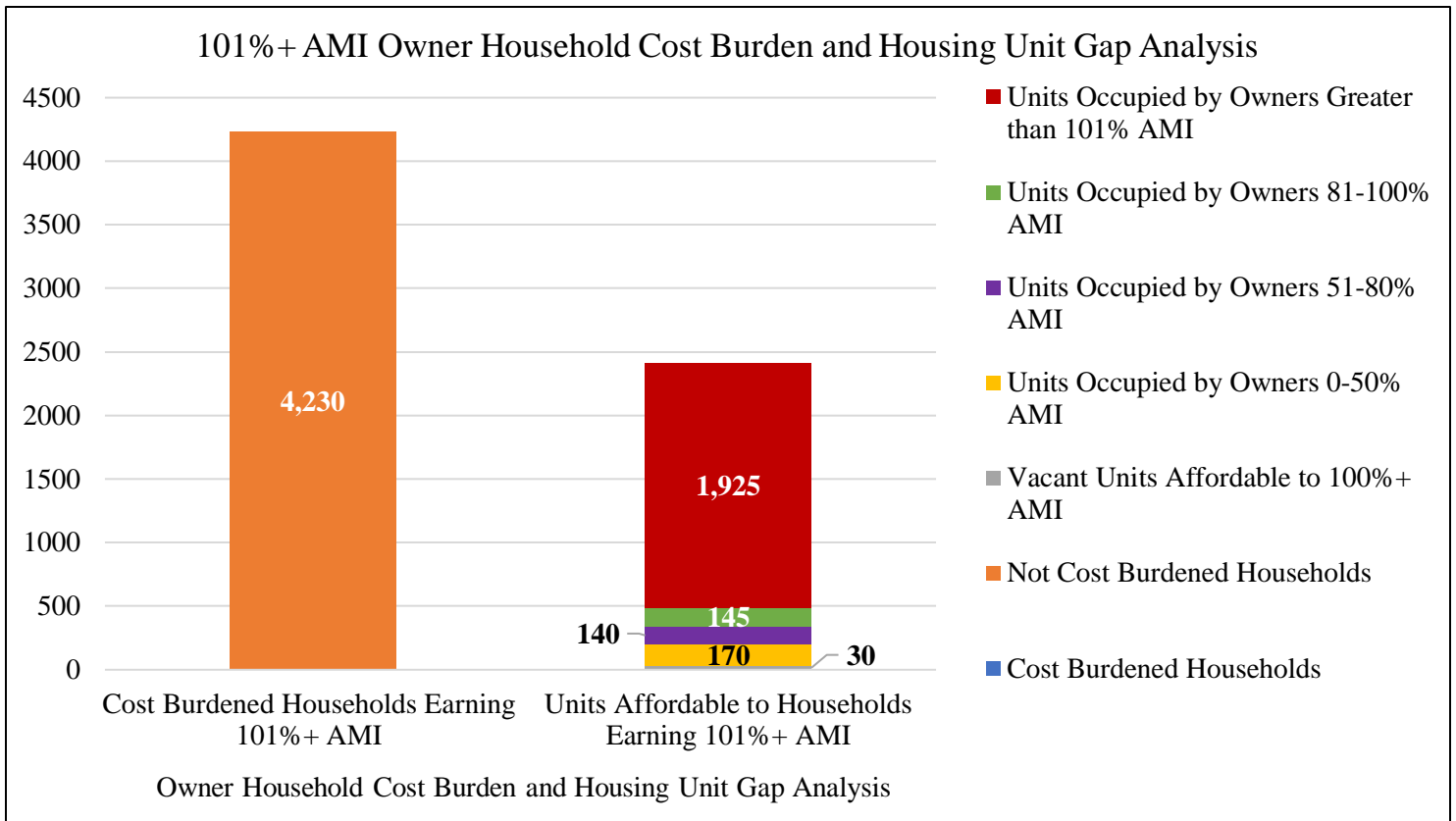
Of these 430 owner households, 33.72% (145 households) are considered cost burdened because they are occupying units considered affordable to those earning 101%+ AMI.

Housing Gap

There are currently 0 vacant units considered affordable to households earning 81-100% AMI in Southbury. Of the 1,640 units that are occupied, 3.66% (60) are occupied by households earning 0-50% AMI, 16.77% (275) are occupied by households earning 51-80% AMI, and 74.09% (1,215) are occupied by households earning greater than 101% AMI. With 90 of the 430 owner households earning 81-100% AMI occupying housing that is considered affordable to this income group and 0 vacant units, there is a housing gap of 340 units. As there is a housing unit surplus, this unit gap is a result of households in other income groups occupying housing considered affordable to owner households earning 81-100% AMI.

¹⁵ For AMI and household income data for households of 1-6 people, please refer to pages 8-9.

Owner Households 101%+ AMI Gap Analysis



Key Findings

Cost Burden

There are 4,230 owner households in Southbury earning 101%+ AMI¹⁶ who are included in this gap analysis. Of the 4,230 owner households in Southbury earning 101%+ AMI, 100% (4,230 households) are not considered cost burdened because they are occupying housing units affordable to households earning 101%+ AMI or less. The breakdown is as follows:

1. 5.91% (250) are occupying units considered affordable to those earning 0-50% AMI,
2. 19.86% (840) are occupying units considered affordable to those earning 51-80% AMI, and
3. 28.72% (1,215) are occupying units considered affordable to those earning 81-100% AMI.
4. The remaining 45.51% (1,925) are occupying units considered affordable to those earning 101%+ AMI.

Housing Gap

There are currently 30 vacant units available to owner households earning greater than 101% AMI in Southbury. Of the 2,380 that are occupied, 7.14% (170) are occupied by households earning 0-50% AMI, 5.88% (140) are occupied by households earning 51-80% AMI, and 6.09% (145) are occupied by households earning 81-100% AMI. With 1,925 of the 4,230 owner households earning greater than 101% AMI occupying housing considered affordable to this income group and 30 vacant units, there is a housing gap of 2,275 units.

¹⁶ For AMI and household income data for households of 1-6 people, please refer to pages 8-9.

Citation and Acknowledgement

This assessment was completed using the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy (CHAS) data and the Census Bureau's American Community Survey (ACS) data. Thank you to the Connecticut Housing Finance Authority (CHFA) for their assistance in compiling the data for this assessment and to the Naugatuck Valley Council of Governments (NVCOG) for their assistance in interpreting data.