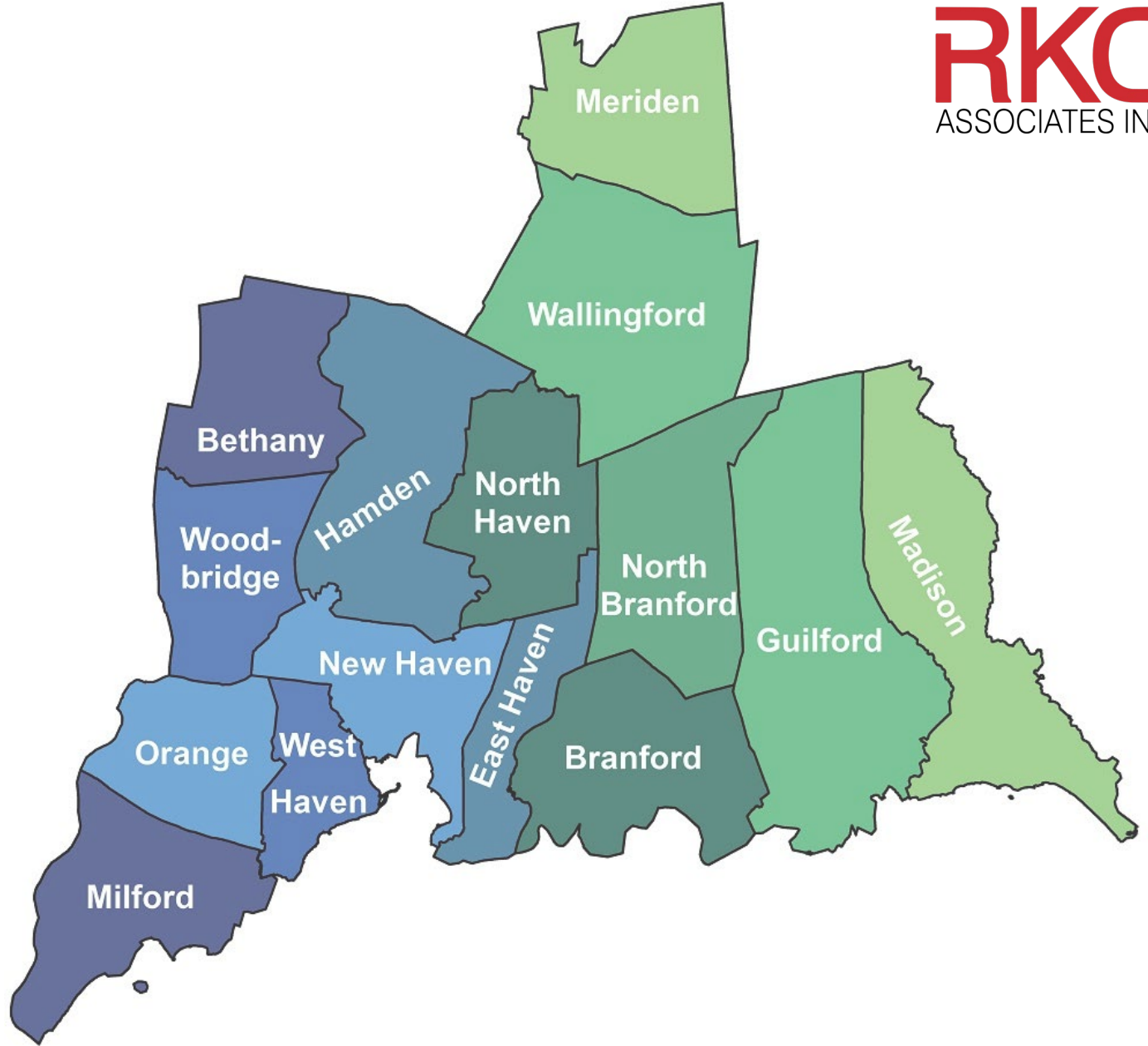


Affordable Housing Plan

South Central Regional Council of
Governments (SCRCOG)

January 2021

**East Haven, New Haven
&
West Haven**



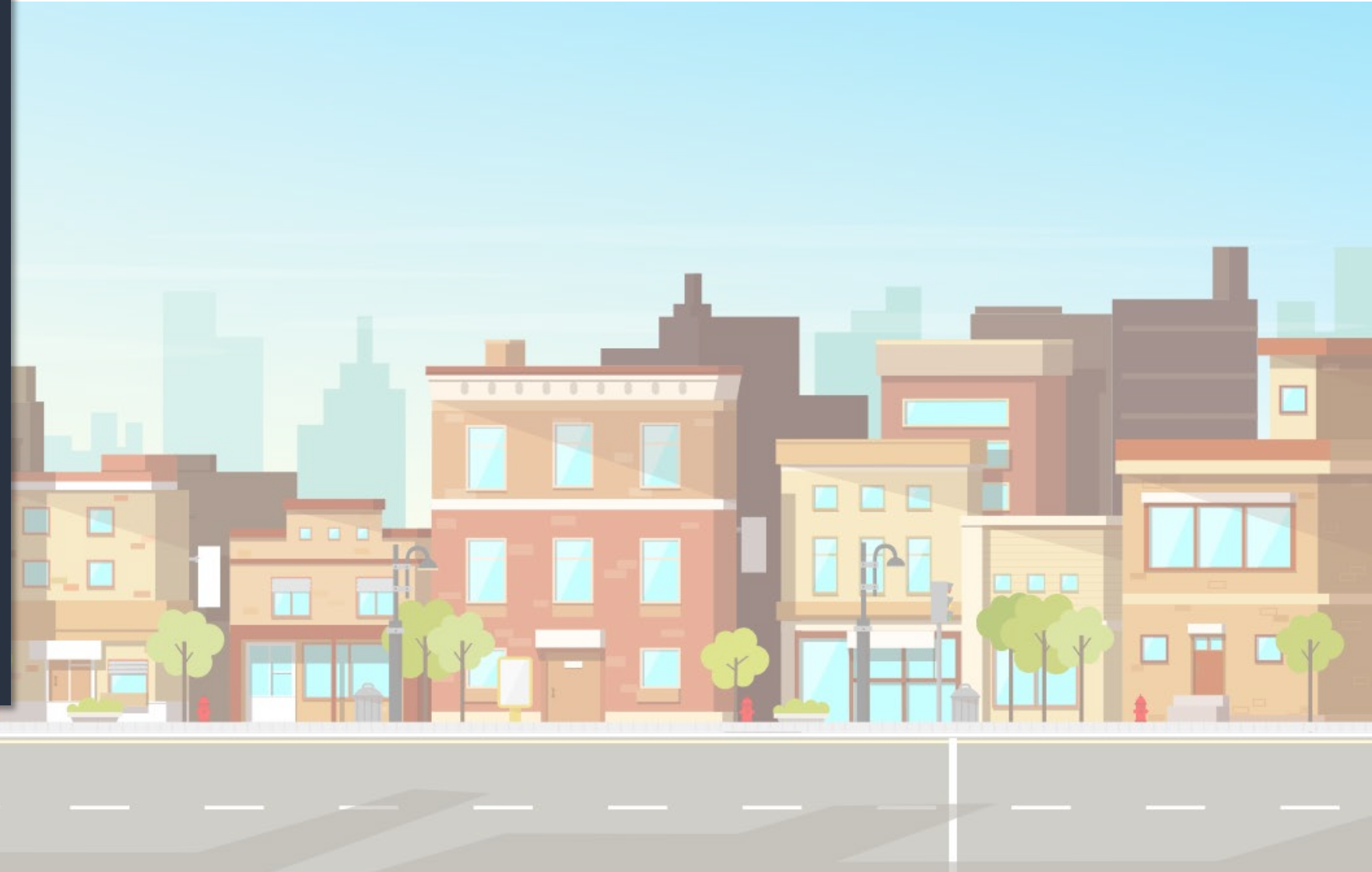
Content:

Demographic & Market Conditions

- Population, Age, Race/Ethnicity
- Household Composition
- Income
- Employment
- Housing Stock
- Housing Tenure
- Vacancy
- Home Values
- Rents
- Cost Burden
- Assisted Housing

Housing Affordability Gap

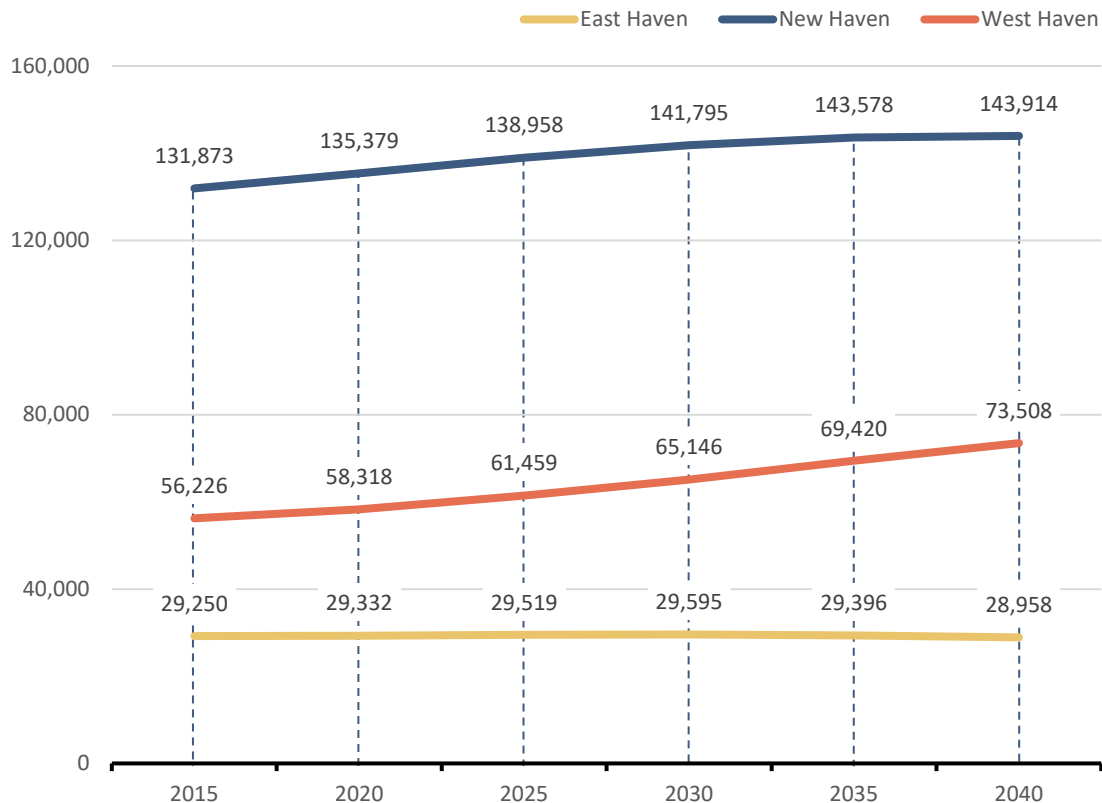
- East Haven
- New Haven
- West Haven



Population and Age

Total Population Change 2015-2040

Source: CT State Data Center, ACS 5-Year Estimates

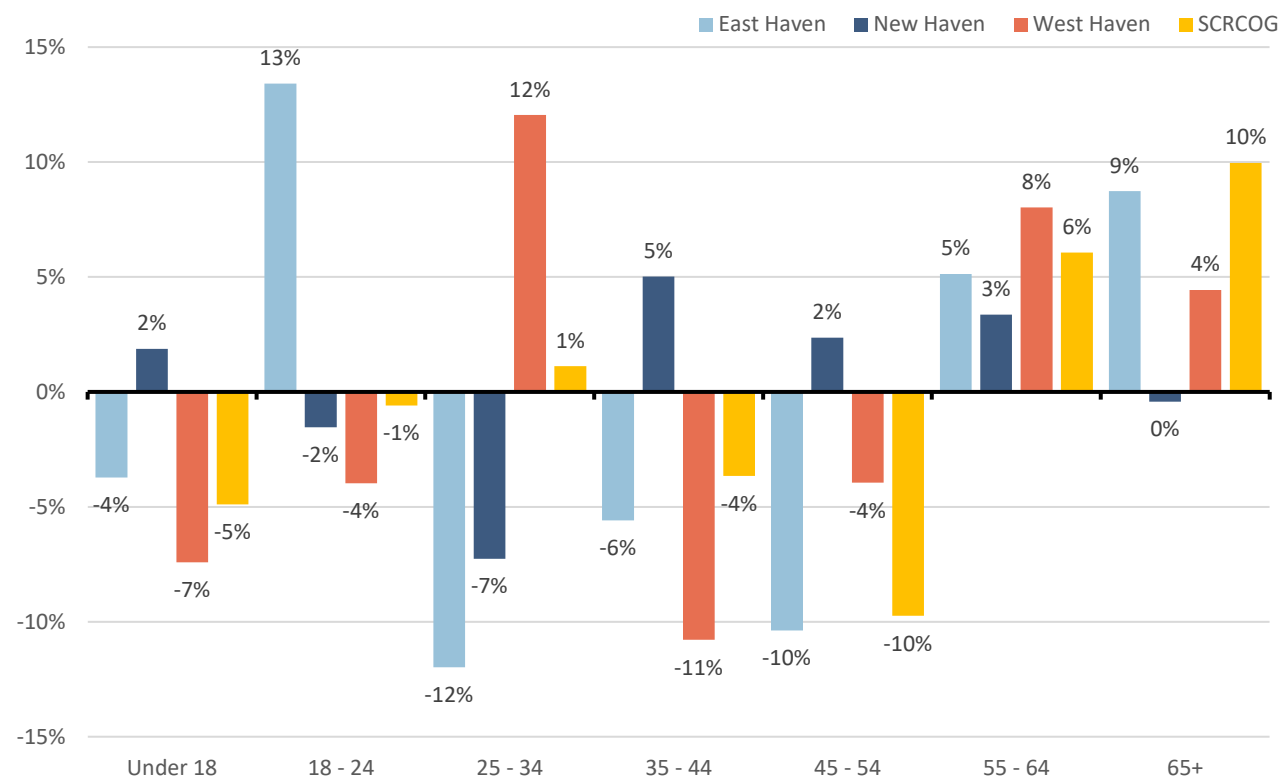


STABLE POPULATION PROJECTIONS

Based on CT State Population Projections, East Haven and New Haven will continue to have relatively stable populations through 2040, but West Haven will experience an estimated 26% growth in population from 2020 – 2040.

Change in Population by Age 2010-2019

Source: ACS 2010, 2019



AGING POPULATIONS

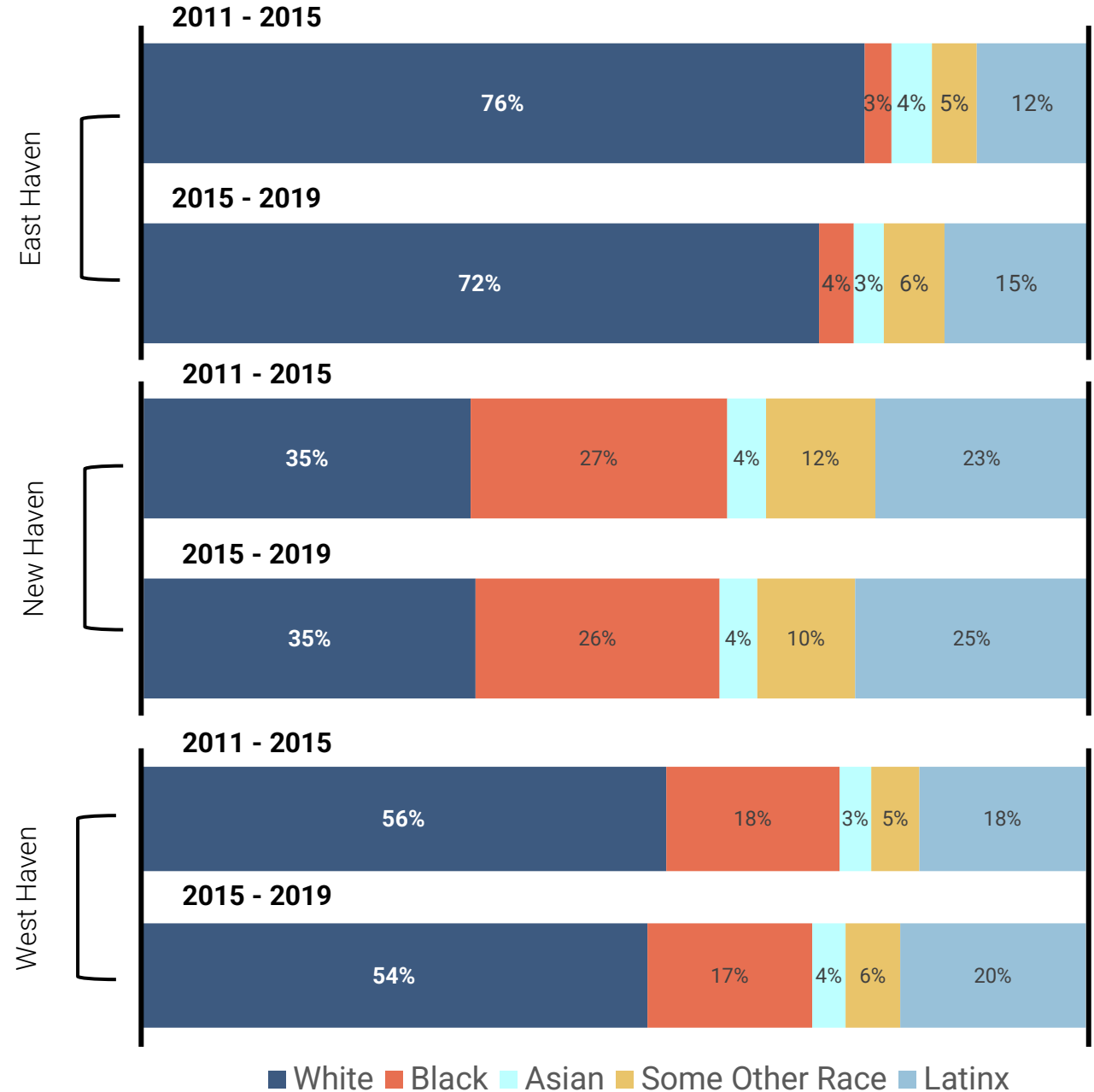
Similar to the SCRCOG region and Connecticut as a whole, all three towns have experienced larger population increases in residents 55+ and losses to residents 35 – 44. East Haven has uniquely experienced a significant increase in young adults aged 18 – 24.

Population by Race/Ethnicity

Source: ACS 5 Year Estimates 2011 - 2019

DIVERSIFYING POPULATIONS

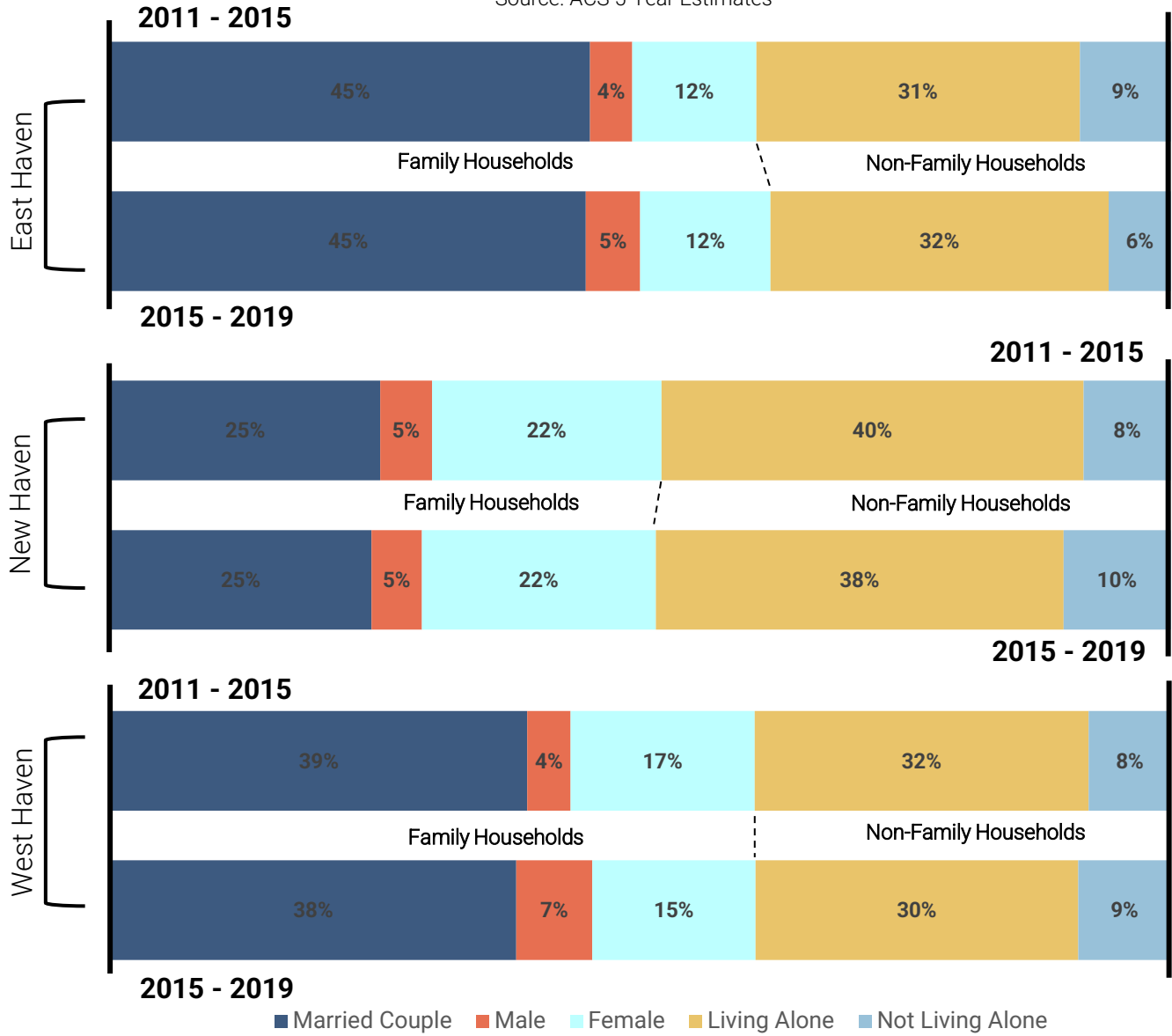
Despite the relatively stable population statistics for East Haven, New Haven and West Haven all three towns are experiencing some degree of diversification. East Haven and West Haven are experiencing increases in Black and African American and Latinx residents while New Haven, already largely diverse, has continued an increasing share of Latinx residents.



Household Composition

Change in Household Composition (2011 – 2019)

Source: ACS 5-Year Estimates



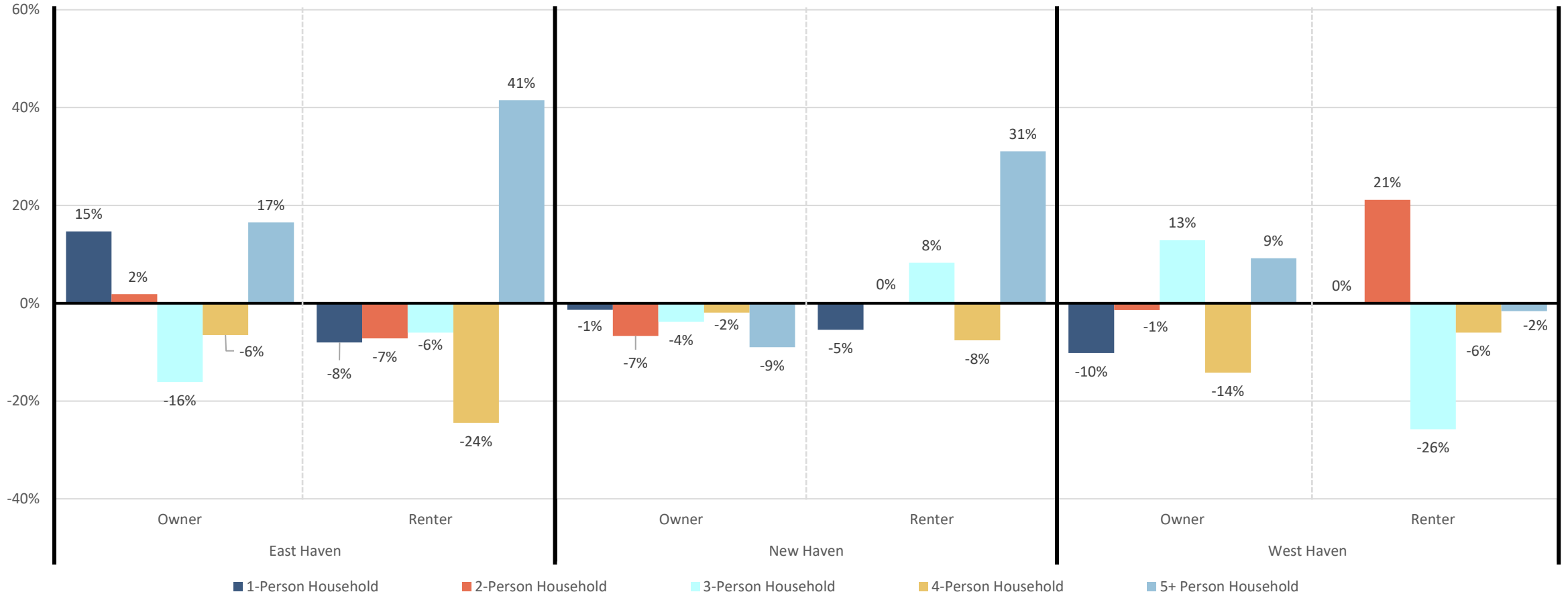
CHANGES IN HOUSEHOLD CHARACTERISTICS

Despite the shared geography, household composition across the three towns has trended in diverging ways. East Haven has experienced an increase in family households, whereas New Haven has seen a decrease in family households and a rise in 1-person households. In contrast with these shifts, West Haven, the only municipality experiencing any substantial population growth has seen stable growth across household types.

Household Composition

Change in Household Size by Tenure (2011 – 2019)

Source: ACS 5-Year Estimates



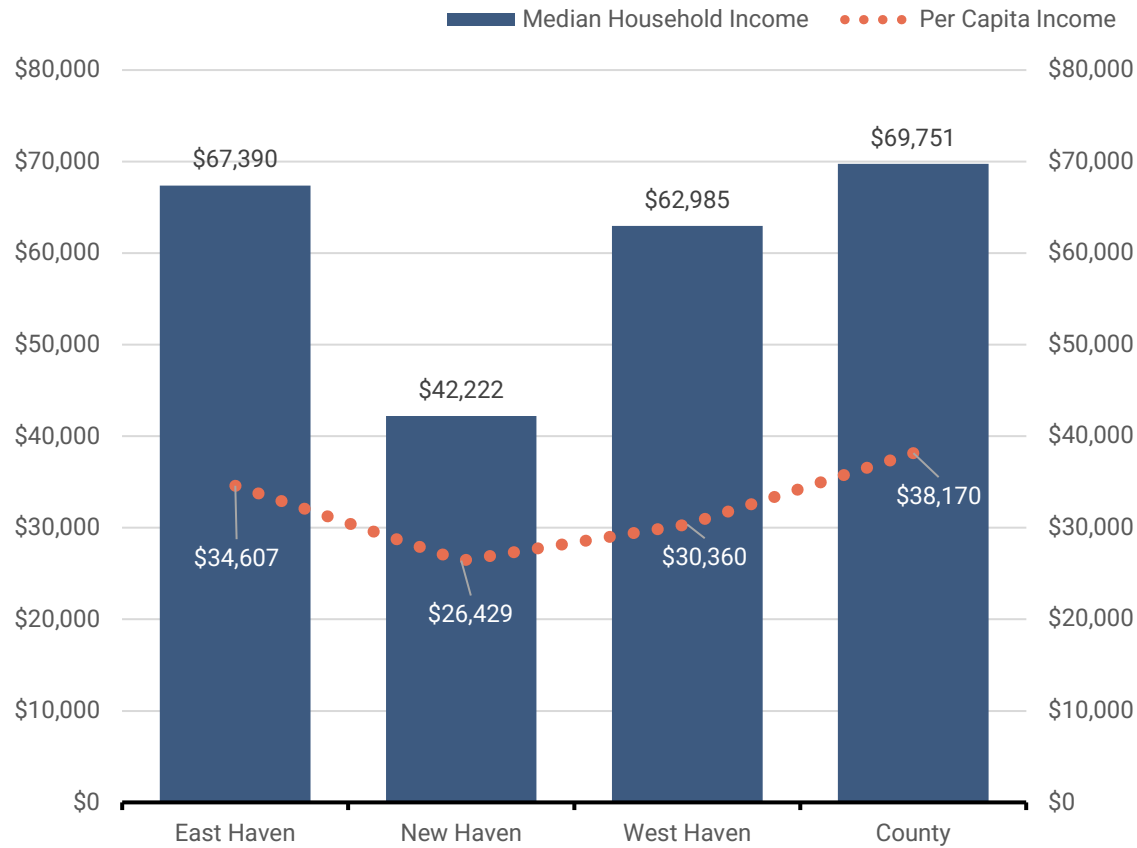
RISE IN LARGE RENTER HOUSEHOLDS

Over the past decade, New Haven has experienced declines in owner households of all sizes while East Haven has seen growth in smaller owner households and West Haven larger owner households. All three towns have experienced increases in renter households with New Haven and East Haven seeing large increases in 5+ person renter households and West Haven in 2-person households. In absolute terms this accounts for an increase of 61 5+ person renter households in East Haven, 731 in New Haven and 494 2-person households in West Haven.

Income

Median Household & Per Capita Income (2015 – 2019)

Source: ACS 5-Year Estimates

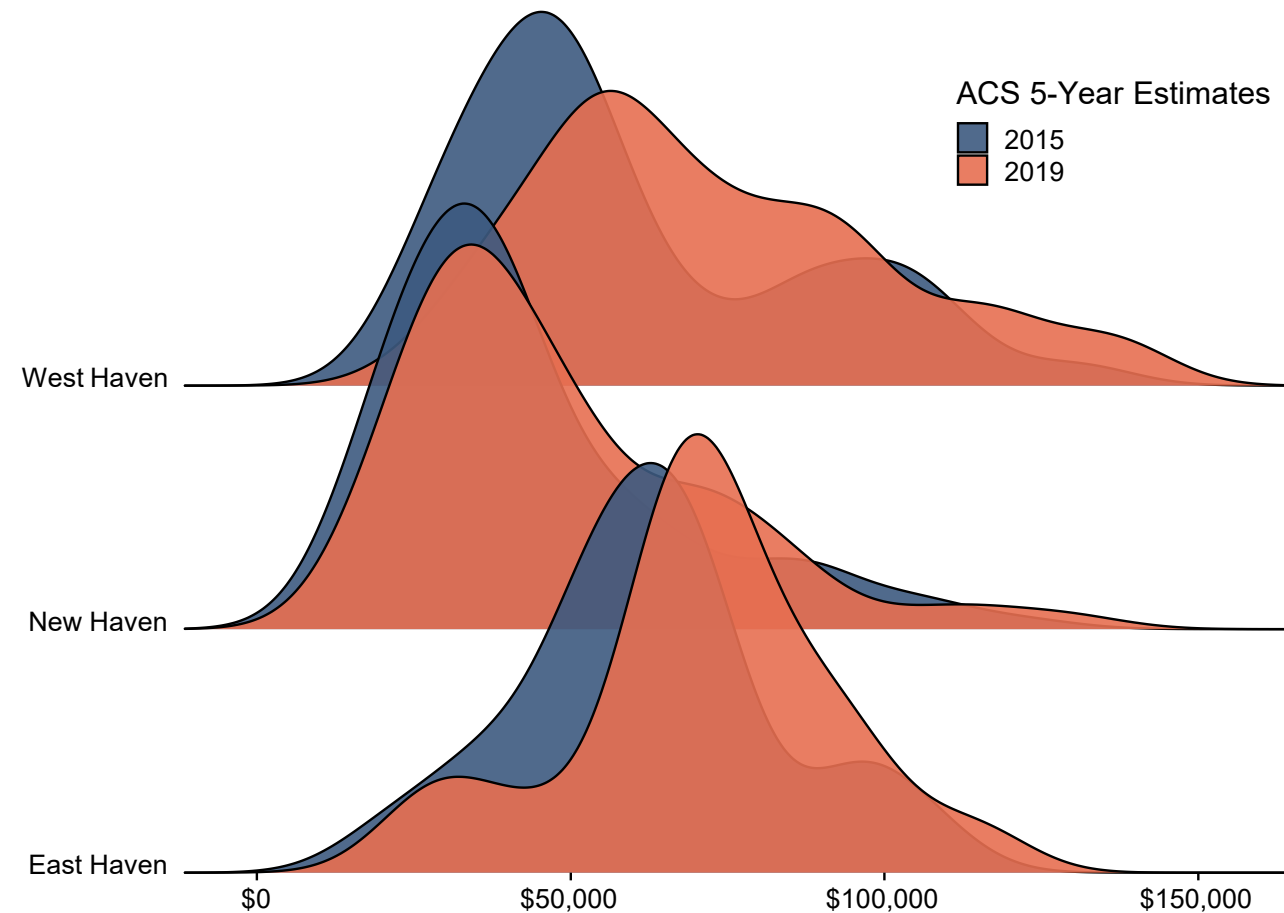


ALL THREE TOWNS HAVE LOWER MEDIAN INCOMES THAN NEW HAVEN COUNTY.

All three municipalities have lower median incomes than New Haven County as a whole, with the City of New Haven falling \$27k below the county level. Given the population size of New Haven compared to other communities in the county, this translates to a much higher concentration of lower income households in one single municipality.

Change in Household Income 2011 – 2019

Source: ACS 5-Year Estimates



THE DISTRIBUTION OF HOUSEHOLDS IS SHIFTING TO HIGHER INCOMES EXCEPT NEW HAVEN.

Like the majority of other towns in New Haven County, East Haven and West Haven have experienced increases in median household income and a distributional shift towards higher incomes. In contrast, New Haven continues to have a concentration of lower income households with pockets of the population moving into higher income cohorts.

Employment

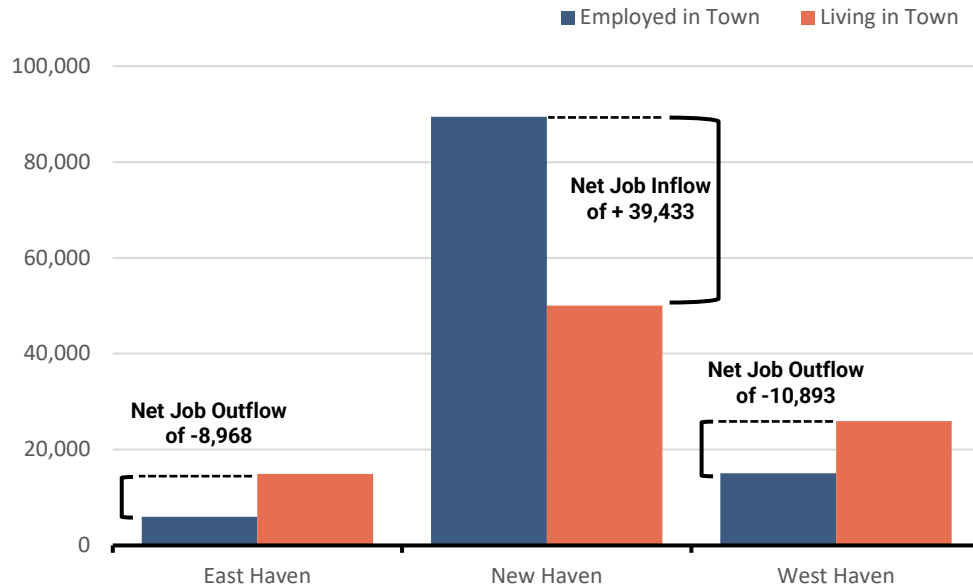
STABLE LABOR FORCE

Over the past decade, all three communities have maintained a relatively stable labor force with unemployment rates falling until the beginning of 2020 when the COVID-19 pandemic dramatically upended local economies, particularly for residents working in the retail, food and accommodation services.

Based on the OnTheMap Inflow-Outflow statistics, East Haven and West Haven experience a net job outflow meaning that the majority of residents commute to jobs outside of town while New Haven experiences a net job inflows suggesting people from surrounding towns (e.g., East & West Haven) are commuting in for employment opportunities.

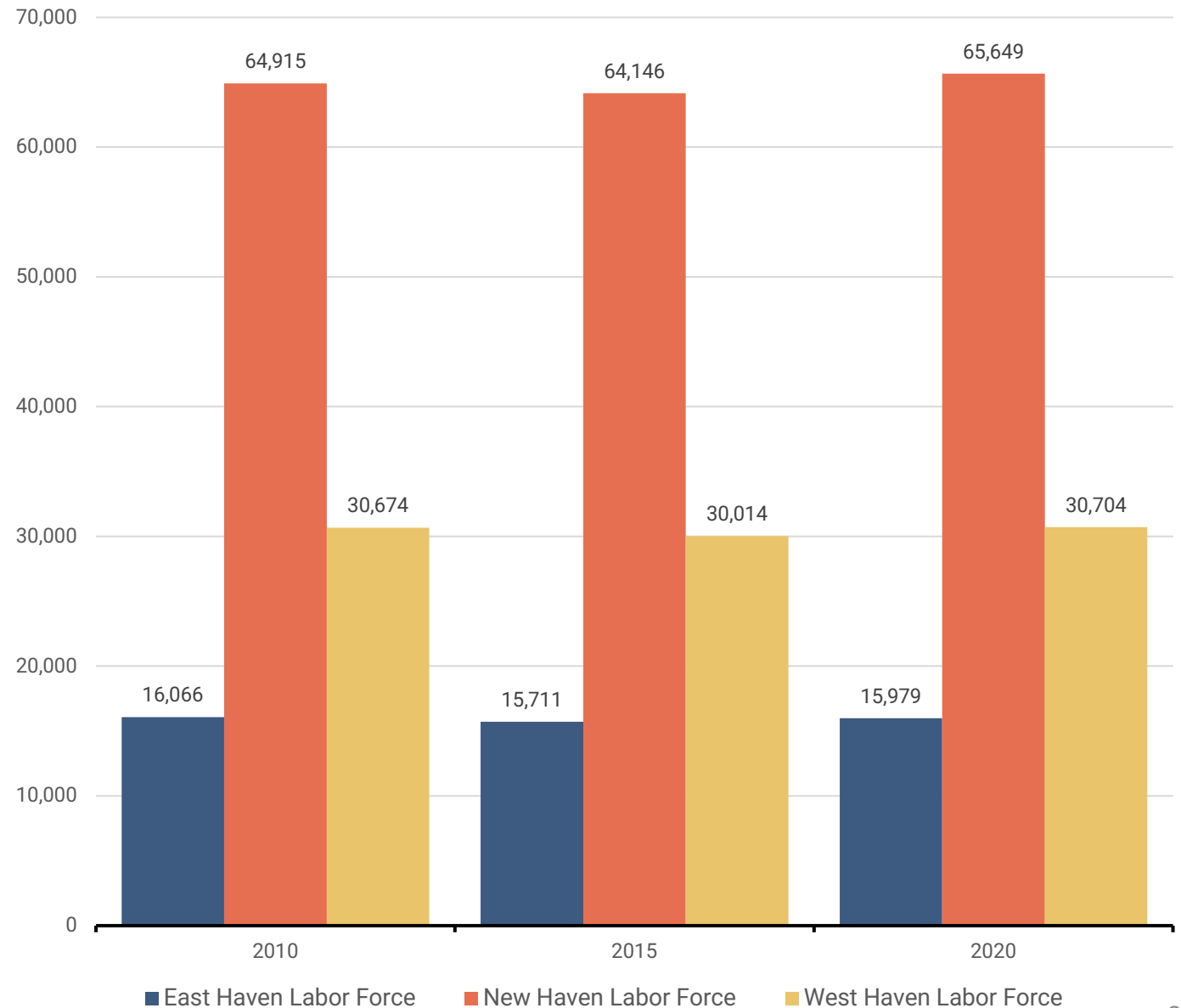
Labor Market Size (All Jobs), 2019

Source: OnTheMap 2019



Labor Force by Town (2010 – 2020)

Source: CT Labor Force Data



Housing Stock & Tenure

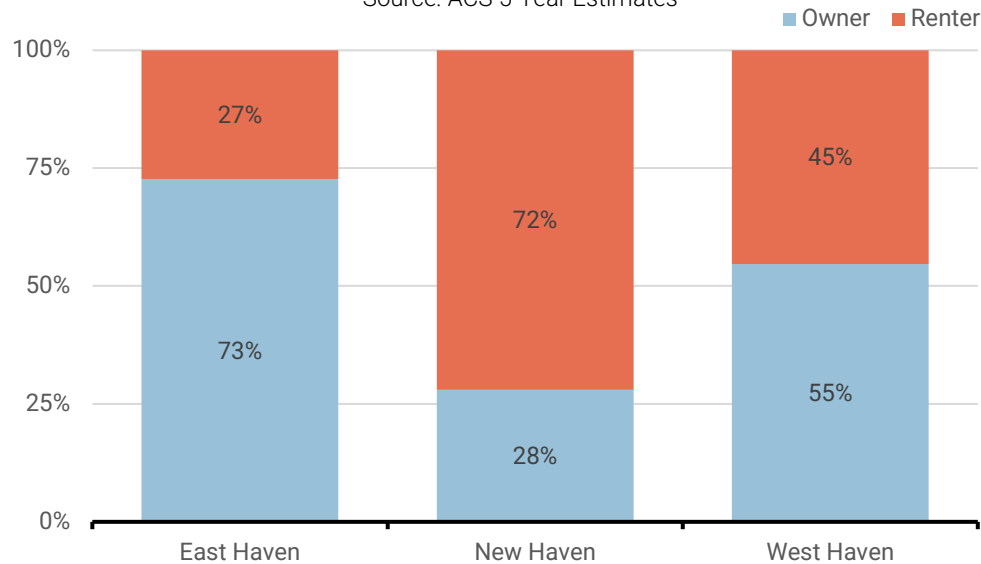
NEW HAVEN IS PREDOMINANTLY RENTERS.

New Haven has the highest percentage and absolute number of renter households within New Haven County. Like other towns within the region, East Haven and West Haven have more owner households than renter but home ownership rates are still significantly lower than the majority of towns within SCRCOG.

These trends in tenure are also reflected in the breakdown of housing structures by unit count. New Haven as a large portion of multi-unit structures while East Haven is predominantly single unit structures and West Haven as a more distributed mix of 51% single unit and 49% multi-unit.

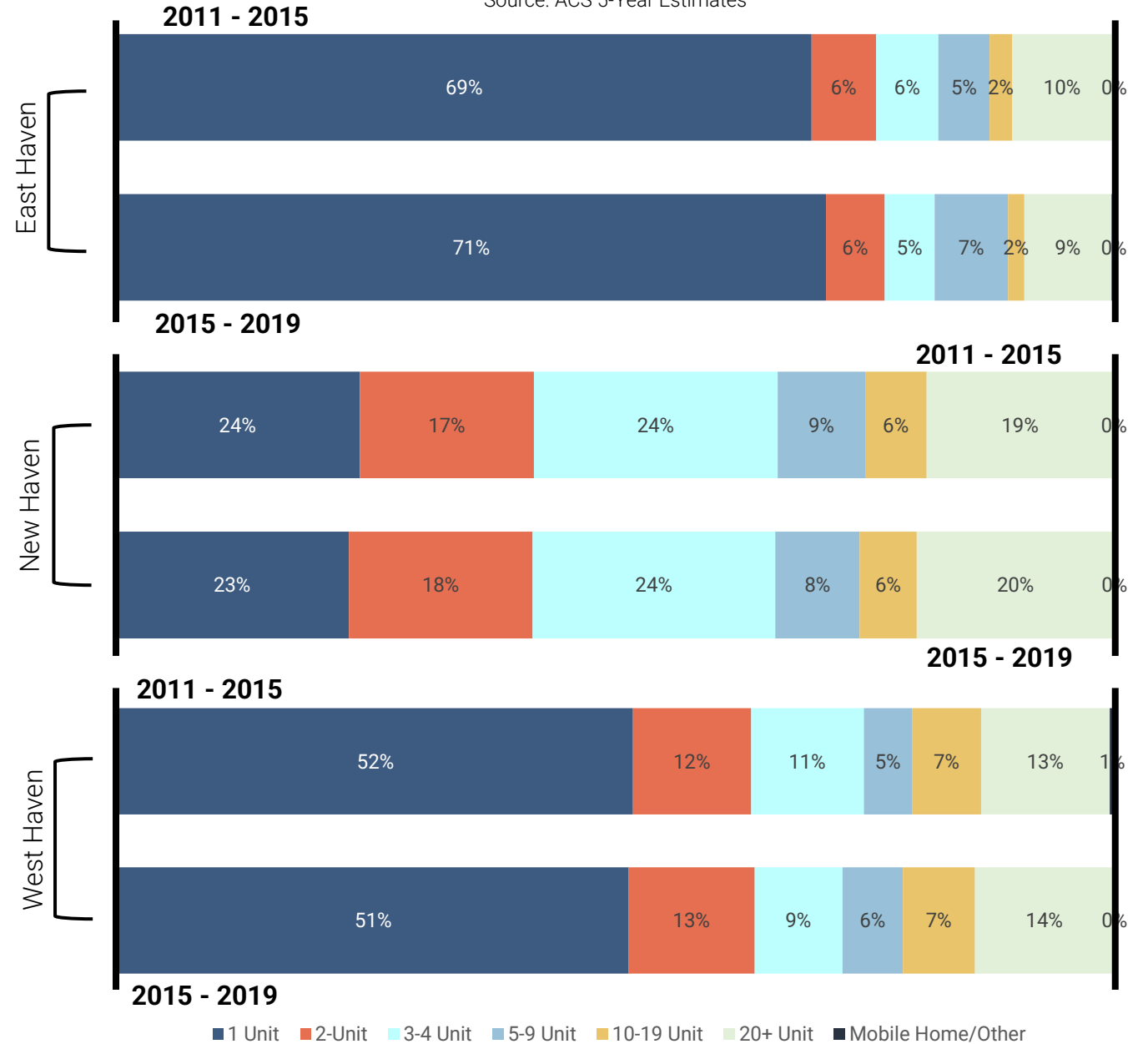
Housing Tenure (2015 – 2019)

Source: ACS 5-Year Estimates



Units in Structure (2011 – 2019)

Source: ACS 5-Year Estimates



Age of Housing Stock by Tenure

AGING HOUSING STOCK.

For all three communities, the majority of the housing stock for both owners and renters was built prior to 1980. Older homes often face numerous challenges such as improving energy efficiency, damage repair, environmental hazards such as lead paint as well as other maintenance costs that can make homeownership unaffordable for lower income households.

Built Prior to 1980

Source: ACS 5-Year Estimates

Town	Owner	Renter
East Haven	67%	58%
New Haven	87%	80%
West Haven	83%	80%

Tenure by Year Structure Built (2015 – 2019)

Source: ACS 5-Year Estimates

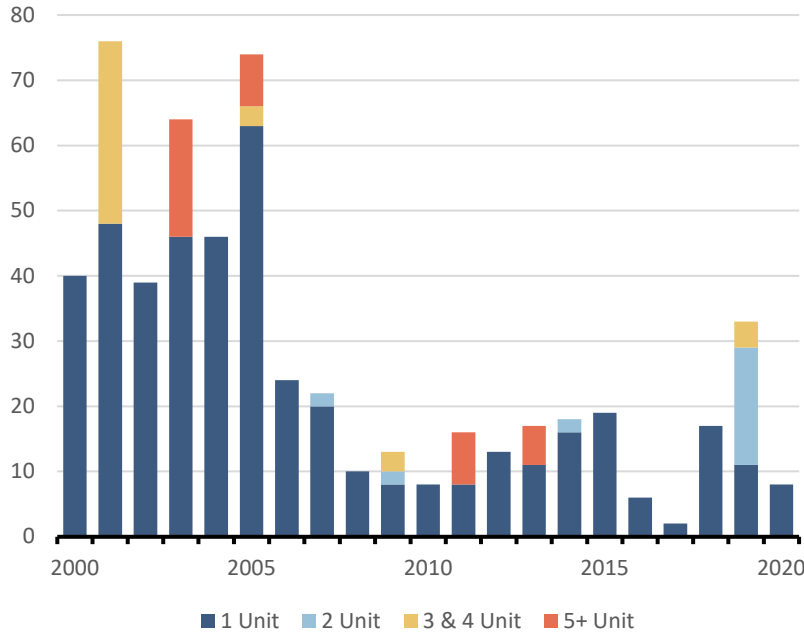
Year Built	East Haven	New Haven	West Haven
OWNER			
Built 2000 or Later	5%	5%	4%
Built Between 1980 and 1999	28%	8%	13%
Built Between 1960 and 1979	23%	10%	24%
Built 1959 or Earlier	44%	77%	59%
RENTER			
Built 2000 or Later	6%	9%	5%
Built Between 1980 and 1999	35%	10%	16%
Built Between 1960 and 1979	25%	21%	31%
Built 1959 or Earlier	33%	59%	49%

New Housing Supply

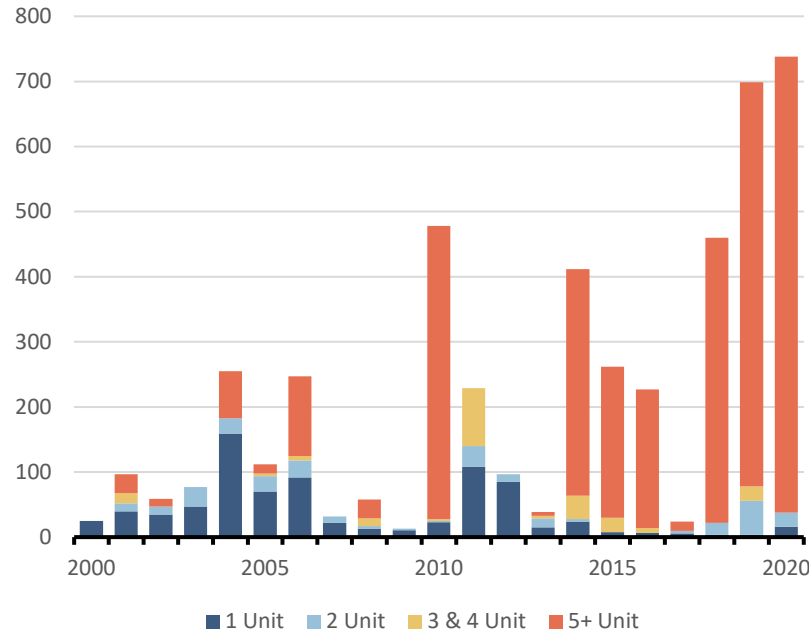
Housing Permits Issued Annually by Units in Building, (2000 – 2020)

Source: CT Department of Economic and Community Development

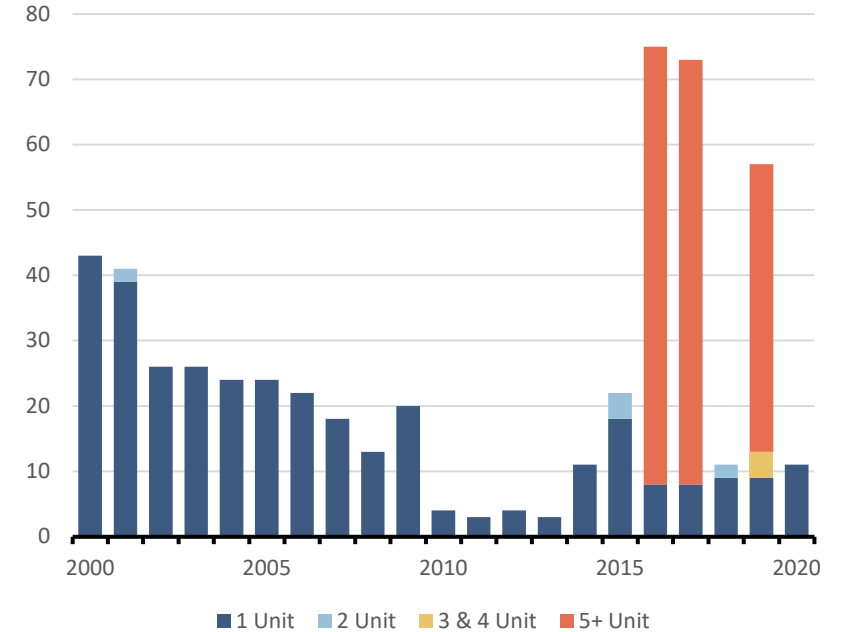
East Haven, CT



New Haven, CT



West Haven, CT



CONSTRUCTION PERMITTING MOSTLY SINGLE FAMILY OR LARGER MULTI-FAMILY (5+).

Looking at the changes in supply and demand of housing over the past two decades provides insight into the dynamics that affect housing market prices and affordability. Over the past two decades, housing production activity, based on building permits issued for new construction, were exceptionally high in the early 2000’s particularly for single family and large multi unit structures but dropped off significantly following the Great Recession (2007 – 2009).

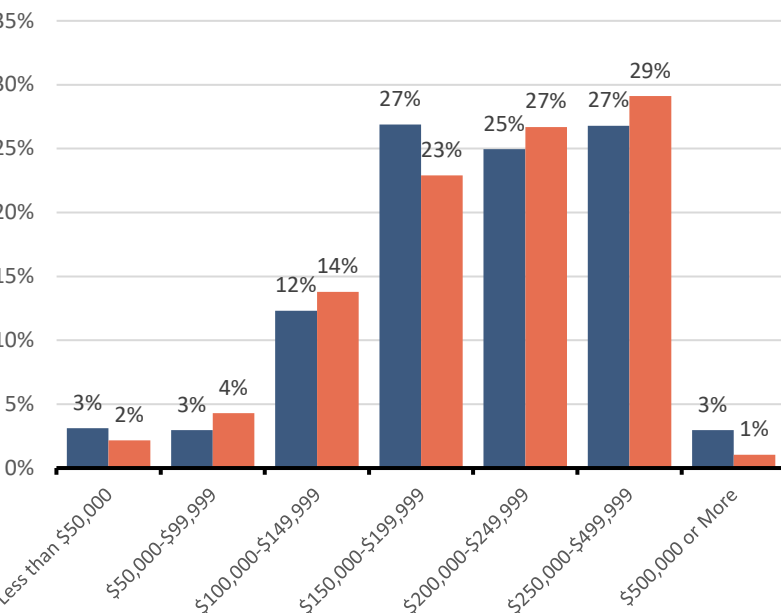
Permits for new housing construction have not returned to prerecession levels but over the latter part of the last decade there has been steady increases in permitting levels for single unit structures in East Haven and West Haven and for large multi-family structures in New Haven and West Haven.

Change in Home Value Distribution, (2011 – 2019)

Source: ACS 5-Year Estimates

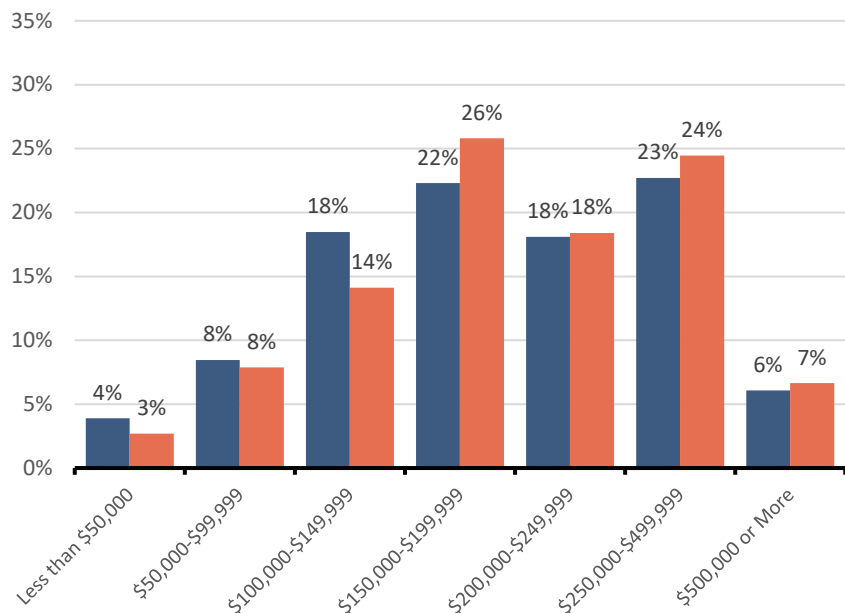
East Haven, CT

■ 2011 - 2015 ■ 2015 - 2019



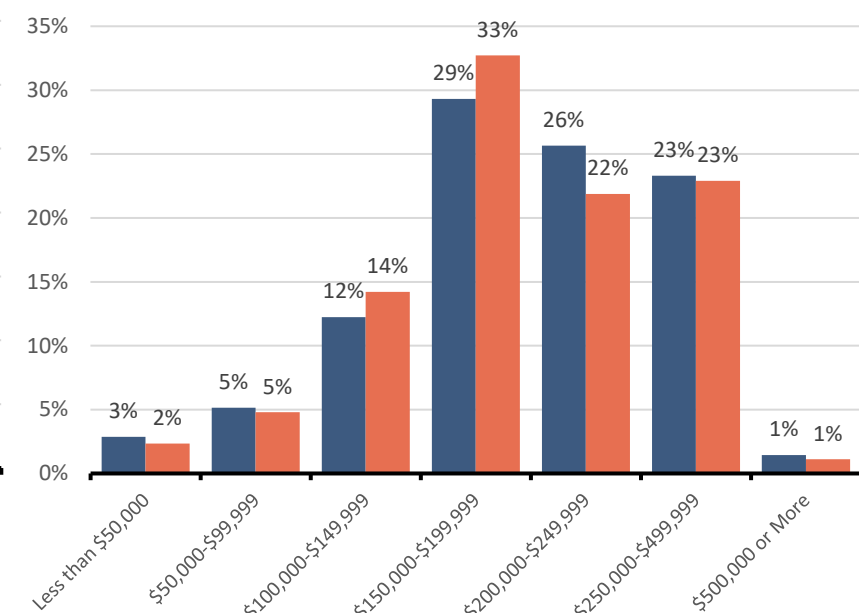
New Haven, CT

■ 2011 - 2015 ■ 2015 - 2019



West Haven, CT

■ 2011 - 2015 ■ 2015 - 2019



THE MAJORITY OF THE HOUSING STOCK IS IN HIGHER VALUE HOMES.

Across all three municipalities the majority of the housing stock is valued at over \$200k. Over the past decade, the distribution of home values has continued to trend upwards suggesting that home values are rising, and the availability of affordable home options is tightening.

Home Sales

MEDIAN SALE PRICES ARE RISING.

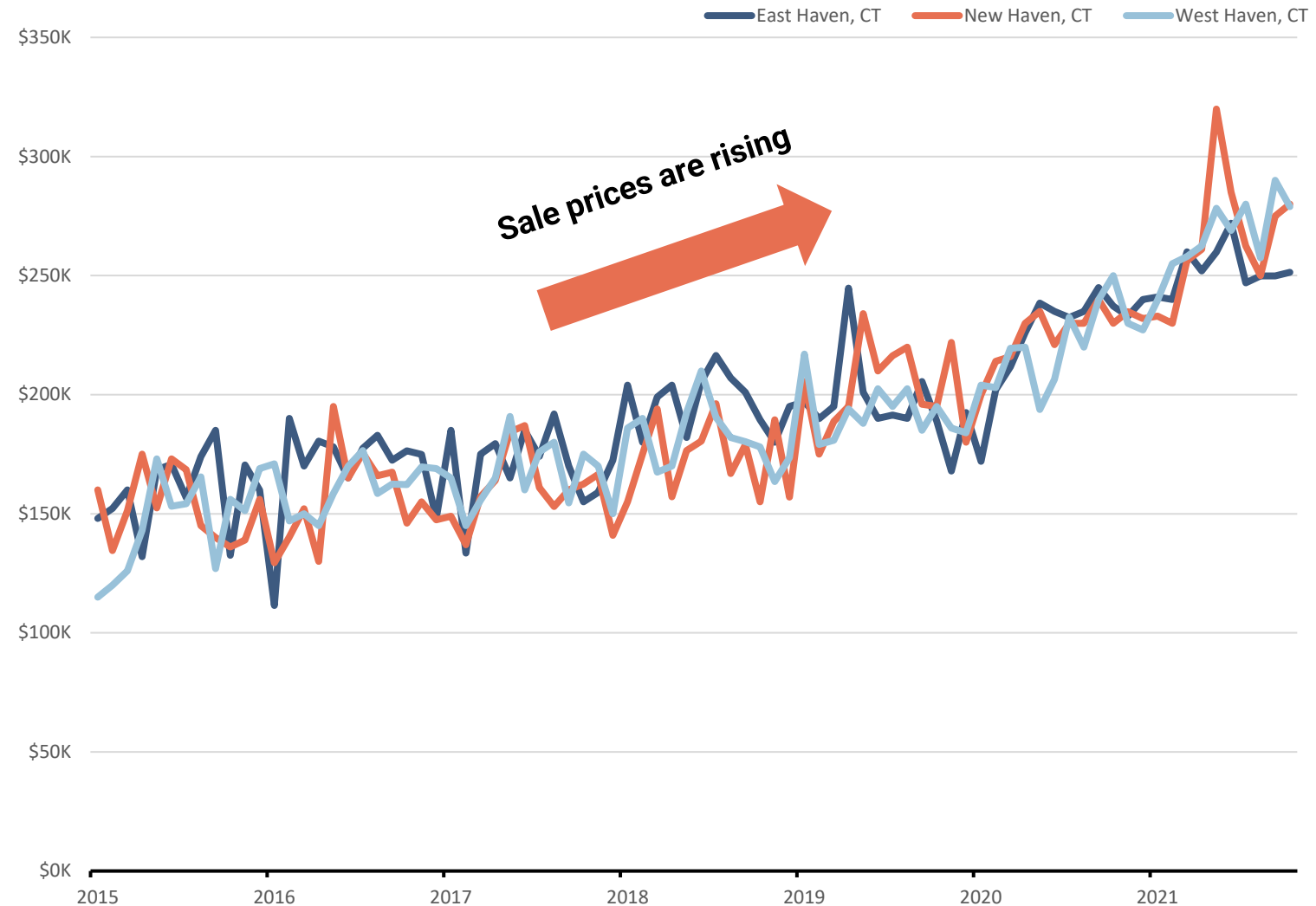
Over the past 6 years, median sale prices have continued to rise in all three communities. These increases have started to rise even more rapidly in the past 3 years, which contributes to a fall in affordable options for lower income households.

Based on the development trends analysis for all three communities, the average building assessed value (per SF) for single family homes has increased by \$40 from those built pre-2000 to those built in 2016+. This translates to roughly \$80 - \$100 per SF in assessed value or \$114 - \$143 per SF in market value. The development trends also indicate that the average FAR for single family homes has increased from pre-2000 construction to 2016+ meaning denser developments of new single-family homes.

This follows national trends where newer homes over the last twenty years have been larger than homes built before the year 2000. These larger homes are also selling at higher prices which could be in demand from the growth in higher income households in the three municipalities and New Haven County as a whole.

Median Sale Price All Residential, 2015-2021

Source: Redfin Market Data 2015 - 2021

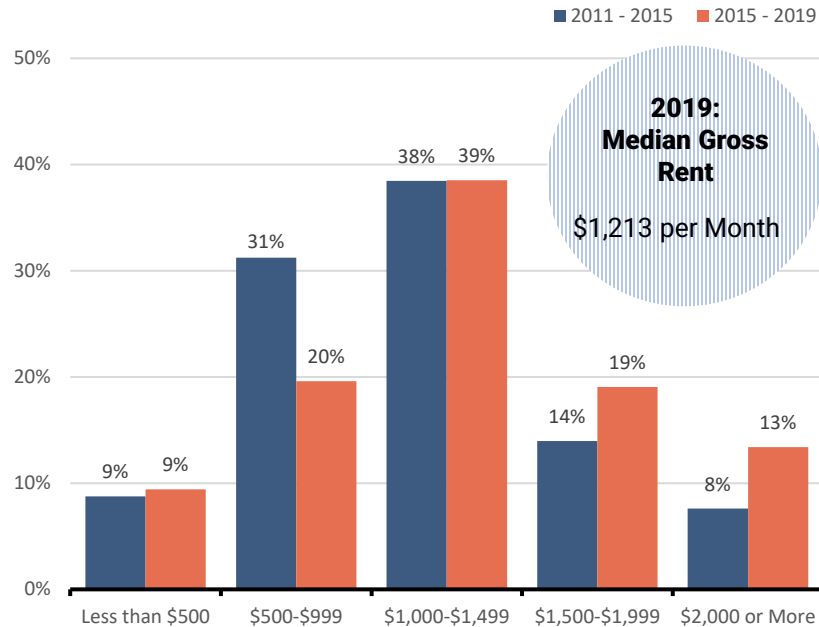


Rent

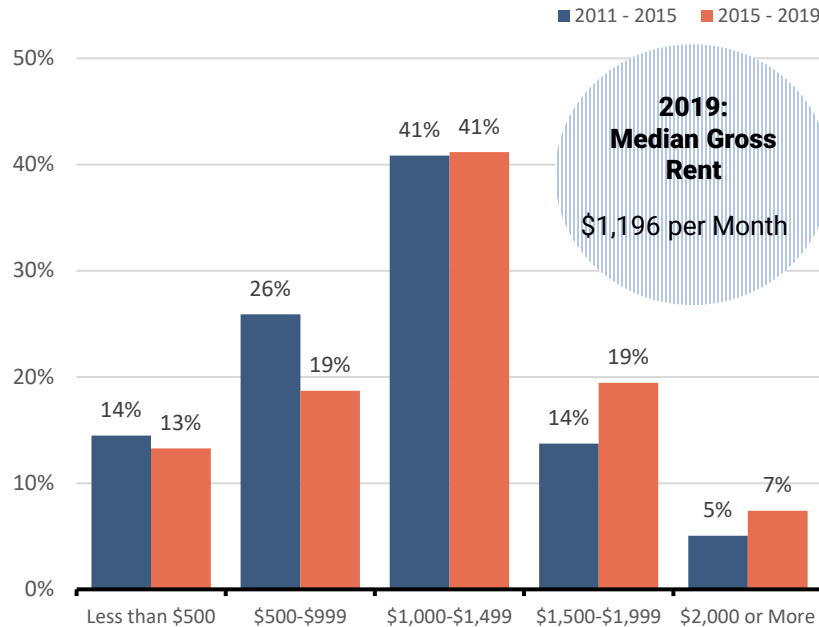
Change in Gross Rent Distribution, (2011 – 2019)

Source: ACS 5-Year Estimates

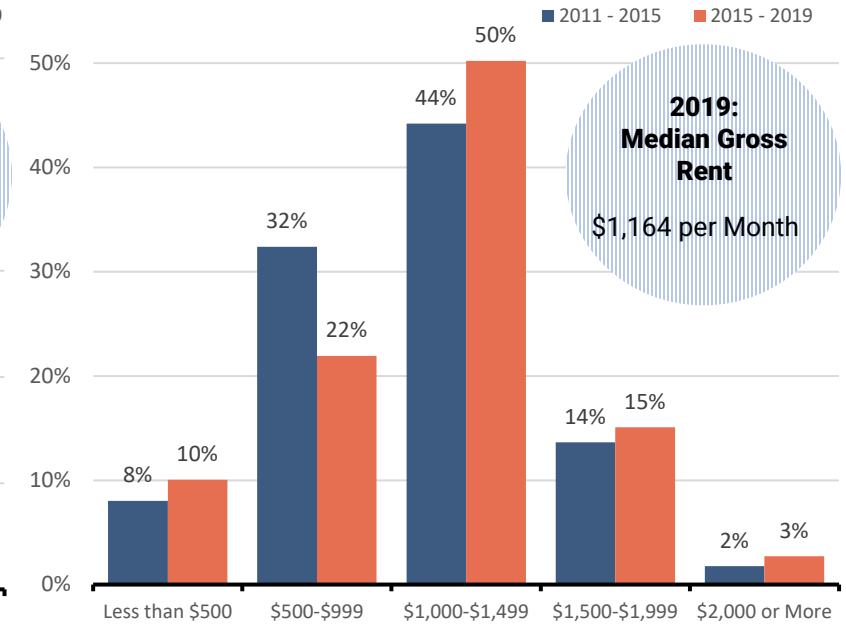
East Haven, CT



New Haven, CT



West Haven, CT



GROSS RENTS ARE INCREASING.

Across all three municipalities the past decade has seen an increase in median gross rent due to the shift in rent distribution to higher rents, namely those >\$1,500 a month.

All three towns have experienced an influx in higher income households particularly renters, which has contributed to an increased demand and consequent supply of market rate rentals, which has raised prices placing downward pressure on local rental markets.

Vacancy

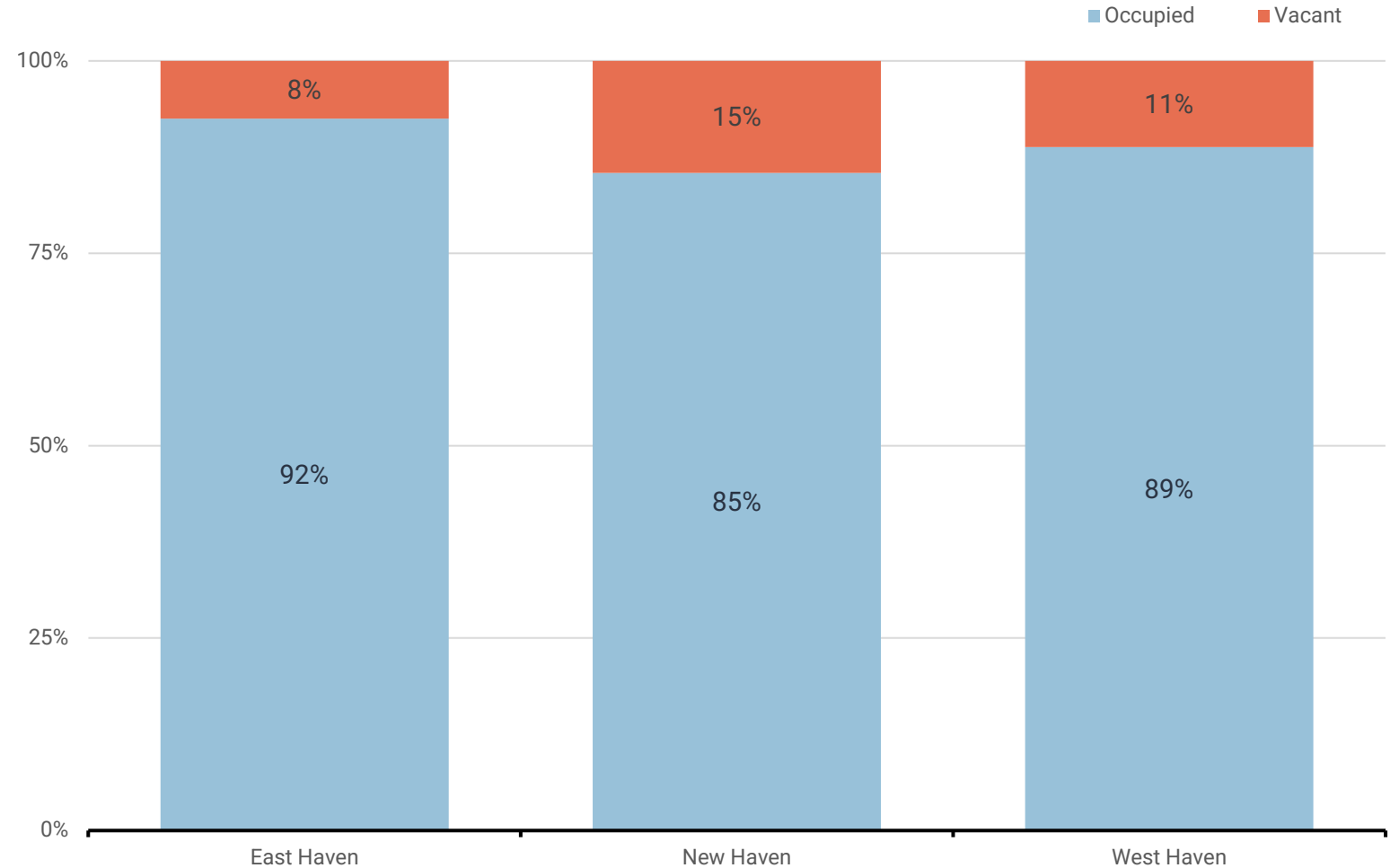
WEST HAVEN AND EAST HAVEN HAVE VERY LITTLE VACANT AND AVAILABLE HOUSING.

The Vacancy Rate shown below represents the number of units actively listed for rent or sale out of total housing units. A healthy vacancy rate for a community is typically between 3% to 5%. Based on ACS estimates in 2019, the vacancy rate for each community is as follows:

- **East Haven 3.5%**
- **New Haven 6.1%**
- **West Haven 2.6%**

Total Vacancy 2015 - 2019

Source: ACS 5-Year Estimates



Cost Burden

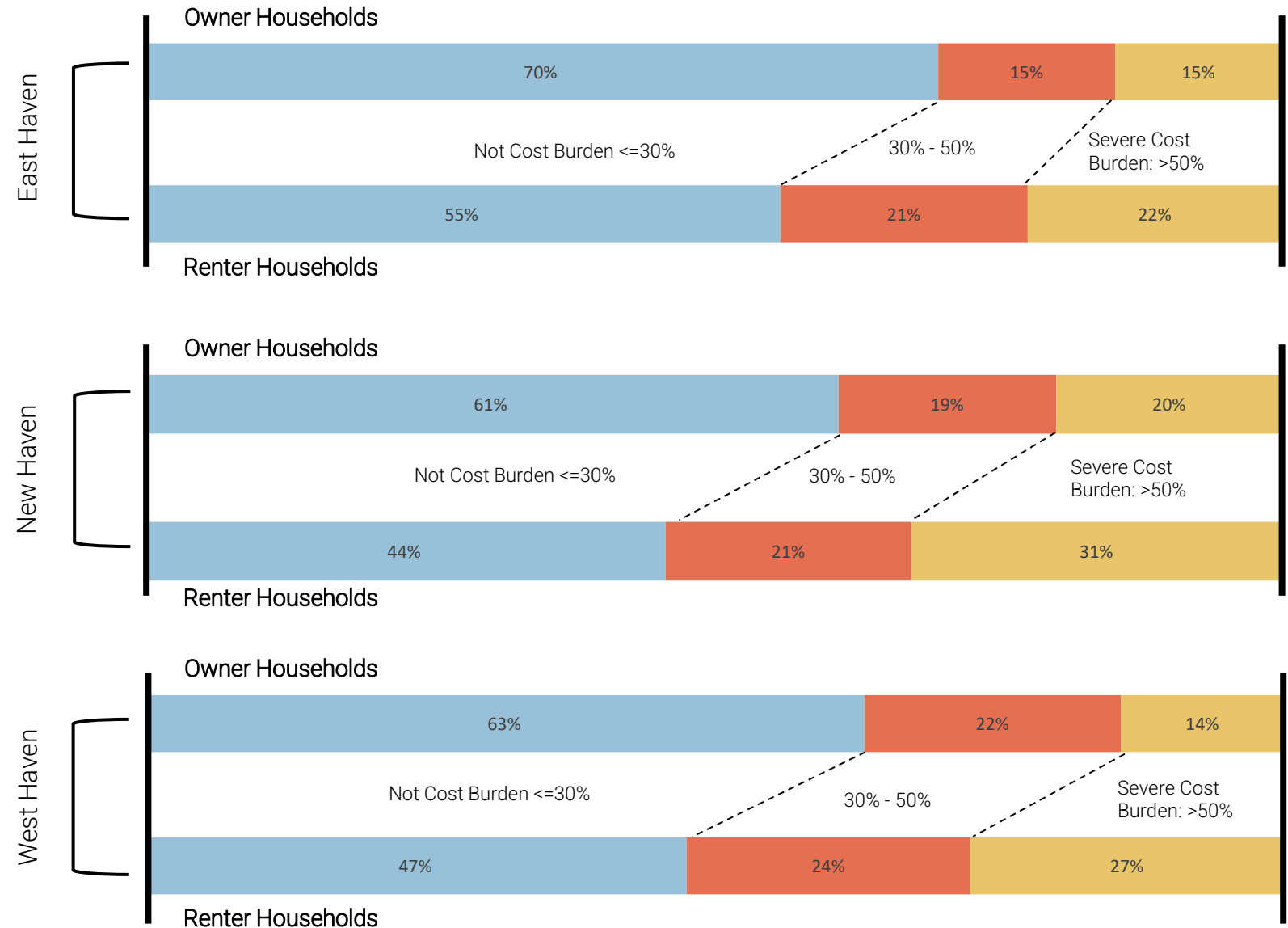
RENTERS ARE SIGNIFICANTLY MORE COST BURDENED THAN HOMEOWNERS.

Across all three municipalities the number of severely cost burdened renter households ranges from 22% to 31%. For New Haven where there are significantly more renters both in absolute and percentage terms the number of cost burdened households is about 52%.

Lower income renters face numerous challenges ranging from paying rent, containing cost burdening as prices escalate, and finding affordable housing options in an increasingly expensive market. As rents and home prices continue to rise, the most vulnerable households are cost burdened renter households who constitute 40-50% of each community's renter households.

Cost Burdened Owner vs. Renter Households 2018

Source: CHAS 2018



Subsidized Housing by Type

Subsidized Housing by Type 2020

Source: CT Department of Housing

AFFORDABLE HOUSING APPEALS ACT.

The Affordable Housing Appeals Act or Connecticut General Statutes 8 – 30g, provided an avenue for additional affordable housing in Connecticut. The aim of this law is to commit each municipality to provide no less than 10% of total housing stock as affordable housing.

The table to the right highlights the Connecticut Department of Housing's 2020 Affordable Housing Appeals List for each of the three municipalities. The ' % of Assisted Housing ' represents the percentage of total housing considered affordable by CT DOH.

Housing Type	East Haven	New Haven	West Haven
CHFA/USDA Mortgages	302	982	439
Deed Restrictions	0	440	0
Government Assisted	542	9,511	1,024
Tenant Rental Assistance	168	6,867	1,868
Total Assisted	1,012	17,800	3,331
Total Housing Units	12,533	54,967	22,446
% of Assisted Housing	8.07%	32.38%	14.84%

East Haven, CT Housing Affordability Gap

Housing Affordability for East Haven Households, 2019

Source: HUD 2021, ACS 2019, RKG Associates

THERE IS STILL A GREAT NEED FOR AFFORDABLE HOUSING IN EAST HAVEN.

In East Haven, about **45.3% of the renter households and 24% of the owner households earn less than 50% of the area median income (AMI), totaling 3,324 households.** These households often experience housing instability, may rely on housing assistance, and are typically spending more on housing as a percentage of their overall income.

Area Median Income (AMI) refers to the midpoint of a region's income distribution where half the households in a region earn more than the median and half earn less than the median. For housing, AMI thresholds set the limits for households eligible to live in income-restricted housing units and how much those units can be rented or sold for.

Area Median Income Threshold	Income	Owner Households		Affordable Home Purchase Price			
		#	%	FHA		Conventional	
				Single Family	Condo	Single Family	Condo
30% AMI (Extremely Low Income)	\$27,250	1,000	12.3%	\$85,330	\$55,996	\$100,774	\$64,964
50% AMI (Very Low Income)	\$45,450	945	11.7%	\$142,322	\$112,988	\$168,081	\$132,270
80% AMI (Low Income)	\$67,950	1,393	17.2%	\$212,778	\$183,444	\$251,289	\$215,478
100% AMI (Moderate Income)	\$90,900	1,193	14.7%	\$284,644	\$255,310	\$336,161	\$300,351
120% AMI (Moderate Income)	\$109,080	724	8.9%	\$474,561	\$433,806	\$613,047	\$558,625
Above 120% AMI (Middle Income +)	109,081+	2,847	35.1%	\$474,562+	\$433,807+	\$613,048+	\$558,626+

Area Median Income Threshold	Income	Renter Households		Affordable Monthly Rent
		#	%	
30% AMI (Extremely Low Income)	\$24,200	861	28.3%	\$605
50% AMI (Very Low Income)	\$40,400	518	17.0%	\$1,010
80% AMI (Low Income)	\$60,400	614	20.2%	\$1,510
100% AMI (Moderate Income)	\$80,800	493	16.2%	\$2,020
120% AMI (Moderate Income)	\$96,960	139	4.6%	\$2,424
Above 120% AMI (Middle Income +)	\$96,961+	420	13.8%	\$2,425+

Supply and Demand Gap for Ownership Housing Units, Town of East Haven

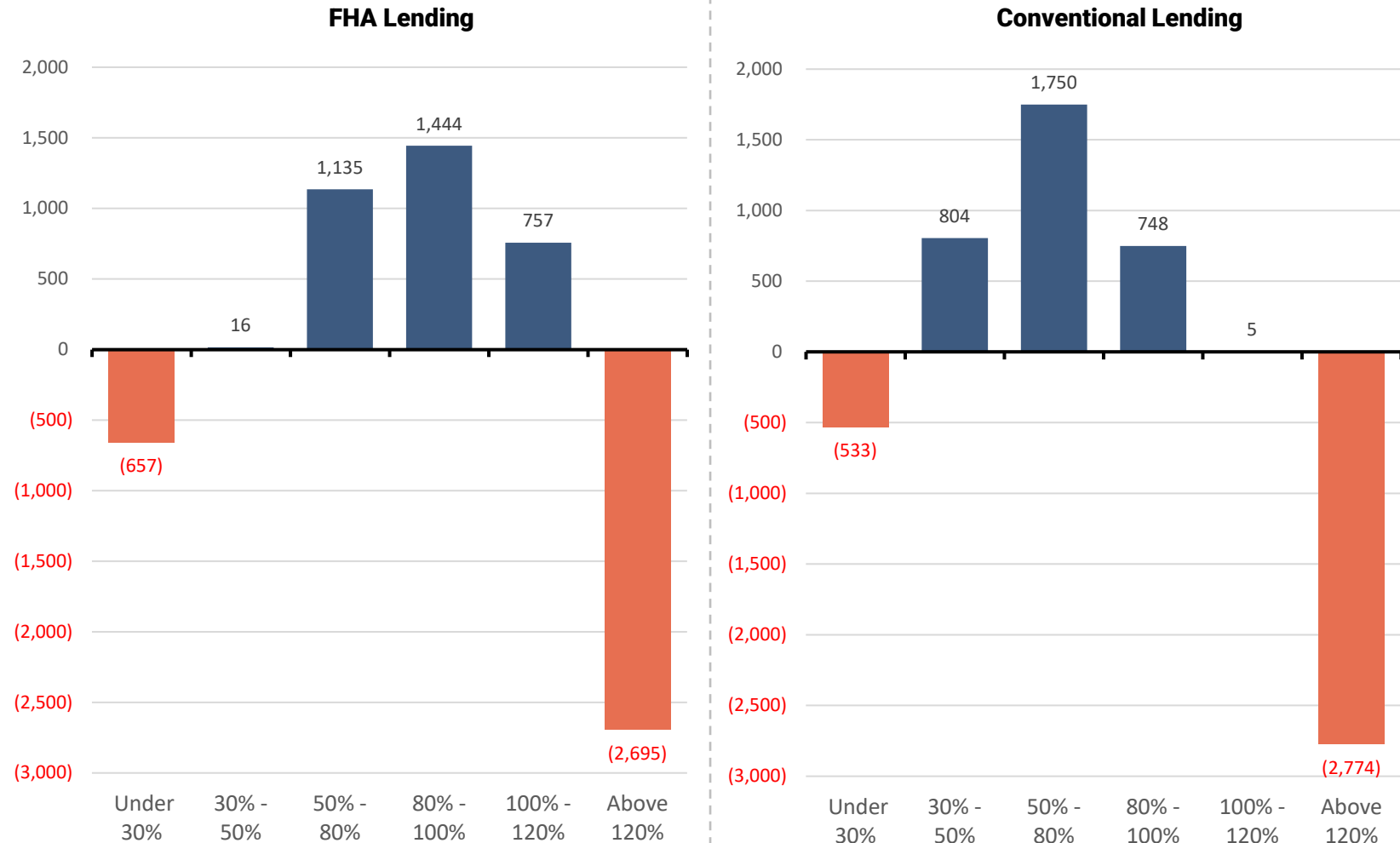
Source: HUD & ACS 5-Year 2019 Estimates

THERE ARE MORE POTENTIAL BUYERS IN HIGHER INCOME BRACKETS THAN THERE ARE HOUSING UNITS THAT MATCH THEIR PRICE POINTS.

For households earning at or below 50% of AMI, there is a surplus of 271 housing units in the conventional lending scenario, and a shortage of 641 units in the FHA lending scenario.

For units valued between 50-100% of AMI there is a net surplus of 2,579 units in the FHA scenario, and 2,498 units in the conventional lending scenario, indicating higher income households are likely buying down in East Haven’s market since overall vacancy for homeowner units is relatively healthy.

For units valued more than 100% of AMI, **there is a deficit of 1,938 units in the FHA scenario and a deficit of 2,769 units in the conventional lending scenario.** This indicates a potential market for new higher priced housing that could ease the competition for high-to-moderate income units.



Rental Supply and Demand Gap, Town of East Haven

Source: HUD & ACS 5-Year 2019 Estimates

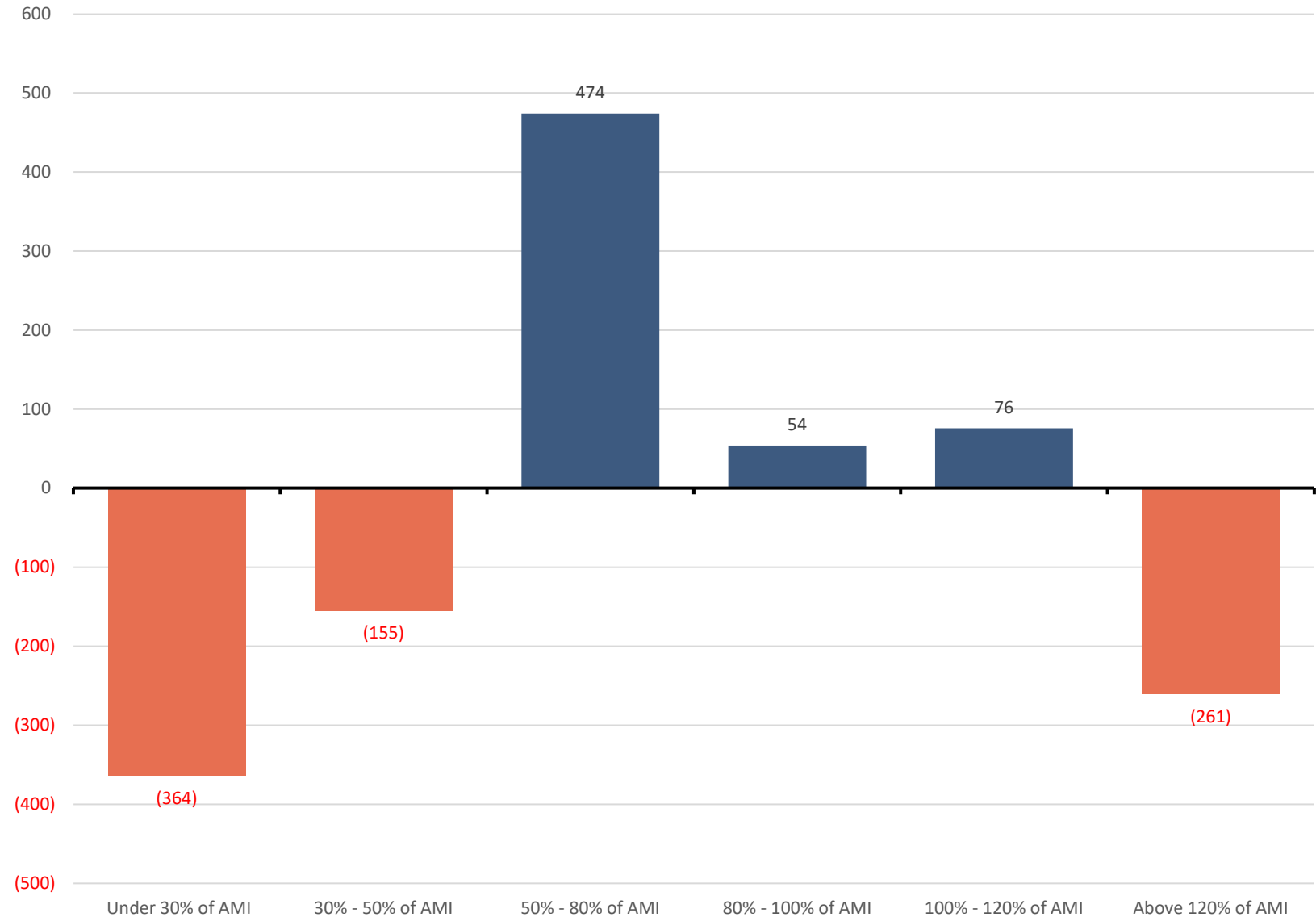
THE RENTAL SUPPLY IS TIGHT AT BOTH THE LOWEST END AND HIGH END OF THE INCOME SPECTURM.

For extremely low-income renter households, the supply of affordable and available units is tight. There are 364 more households earning less than 30% of AMI than available affordably priced units with monthly gross rents at or below \$605.

Units priced between 50-100% of AMI account for a **surplus of 528 units** that are likely rented by households with lower incomes who are likely spending more than they should on housing costs.

The gap between demand and supply for households above 100% AMI is 185 units.

The lack of higher priced rental units in East Haven puts downward pressure on the supply of housing priced for lower income households. Higher income households have more choices in the housing market and are likely renting units at a lower price point than they could otherwise afford.



New Haven, CT Housing Affordability Gap

Housing Affordability for New Haven Households, 2019

Source: HUD 2021, ACS 2019, RKG Associates

THERE IS STILL A GREAT NEED FOR AFFORDABLE HOUSING IN NEW HAVEN.

In New Haven, about **57% of the renter households and 26.6% of the owner households earn less than 50% of the area median income (AMI), totaling 23,859 households.** These households often experience housing instability, may rely on housing assistance, and are typically spending more on housing as a percentage of their overall income.

Area Median Income (AMI) refers to the midpoint of a region's income distribution where half the households in a region earn more than the median and half earn less than the median. For housing, AMI thresholds set the limits for households eligible to live in income-restricted housing units and how much those units can be rented or sold for.

Area Median Income Threshold	Income	Owner Households		Affordable Home Purchase Price			
		#	%	FHA		Conventional	
				Single Family	Condo	Single Family	Condo
30% AMI (Extremely Low Income)	\$27,250	1,838	13.4%	\$76,408	\$34,852	\$88,375	\$38,698
50% AMI (Very Low Income)	\$45,450	1,816	13.2%	\$127,439	\$85,884	\$147,399	\$97,722
80% AMI (Low Income)	\$67,950	2,135	15.5%	\$190,528	\$148,973	\$220,369	\$170,692
100% AMI (Moderate Income)	\$90,900	1,877	13.6%	\$254,879	\$213,323	\$294,798	\$245,122
120% AMI (Moderate Income)	\$109,080	1,113	8.1%	\$450,770	\$389,525	\$574,497	\$493,823
Above 120% AMI (Middle Income +)	109,081+	4,978	36.2%	\$450,771+	\$389,526+	\$574,498+	\$493,824+

Area Median Income Threshold	Income	Renter Households		Affordable Monthly Rent
		#	%	
30% AMI (Extremely Low Income)	\$24,200	13,791	38.9%	\$605
50% AMI (Very Low Income)	\$40,400	6,414	18.1%	\$1,010
80% AMI (Low Income)	\$60,400	5,317	15.0%	\$1,510
100% AMI (Moderate Income)	\$80,800	3,769	10.6%	\$2,020
120% AMI (Moderate Income)	\$96,960	1,837	5.2%	\$2,424
Above 120% AMI (Middle Income +)	\$96,961+	4,291	12.1%	\$2,425+

Supply and Demand Gap for Ownership Housing Units, New Haven

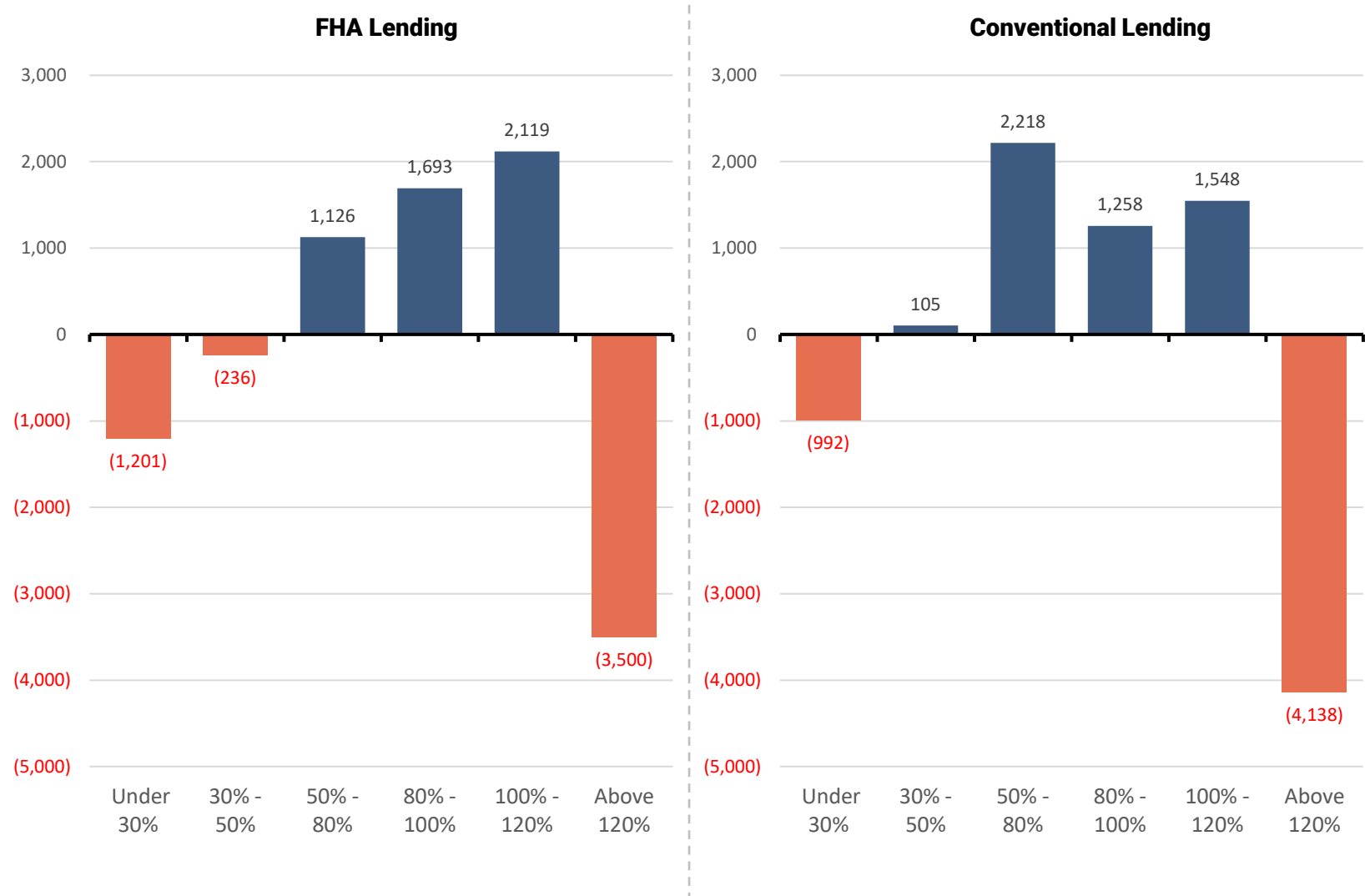
Source: HUD & ACS 5-Year 2019 Estimates

THERE ARE MORE POTENTIAL BUYERS IN HIGHER INCOME BRACKETS THAN THERE ARE HOUSING UNITS THAT MATCH THEIR PRICE POINTS.

For households earning at or below 50% of AMI, there is a shortage of 887 housing units in the conventional lending scenario, and a shortage of 1,437 units in the FHA lending scenario.

For units valued between 50-100% of AMI there is a net surplus of 2,819 units in the FHA scenario, and 3,476 units in the conventional lending scenario, indicating higher income households are likely buying down in New Haven’s market since overall vacancy for homeowner units is relatively healthy.

For units valued more than 100% of AMI, **there is a deficit of 1,381 units in the FHA scenario and a deficit of 2,590 units in the conventional lending scenario.** This indicates a potential market for new higher priced housing that could ease the competition for high-to-moderate income units.



THE RENTAL SUPPLY IS TIGHT AT BOTH THE LOWEST END AND HIGH END OF THE INCOME SPECTURM.

For extremely low-income renter households, the supply of affordable and available units is tight. There are 8,390 more households earning less than 30% of AMI than available affordably priced units with monthly gross rents at or below \$605.

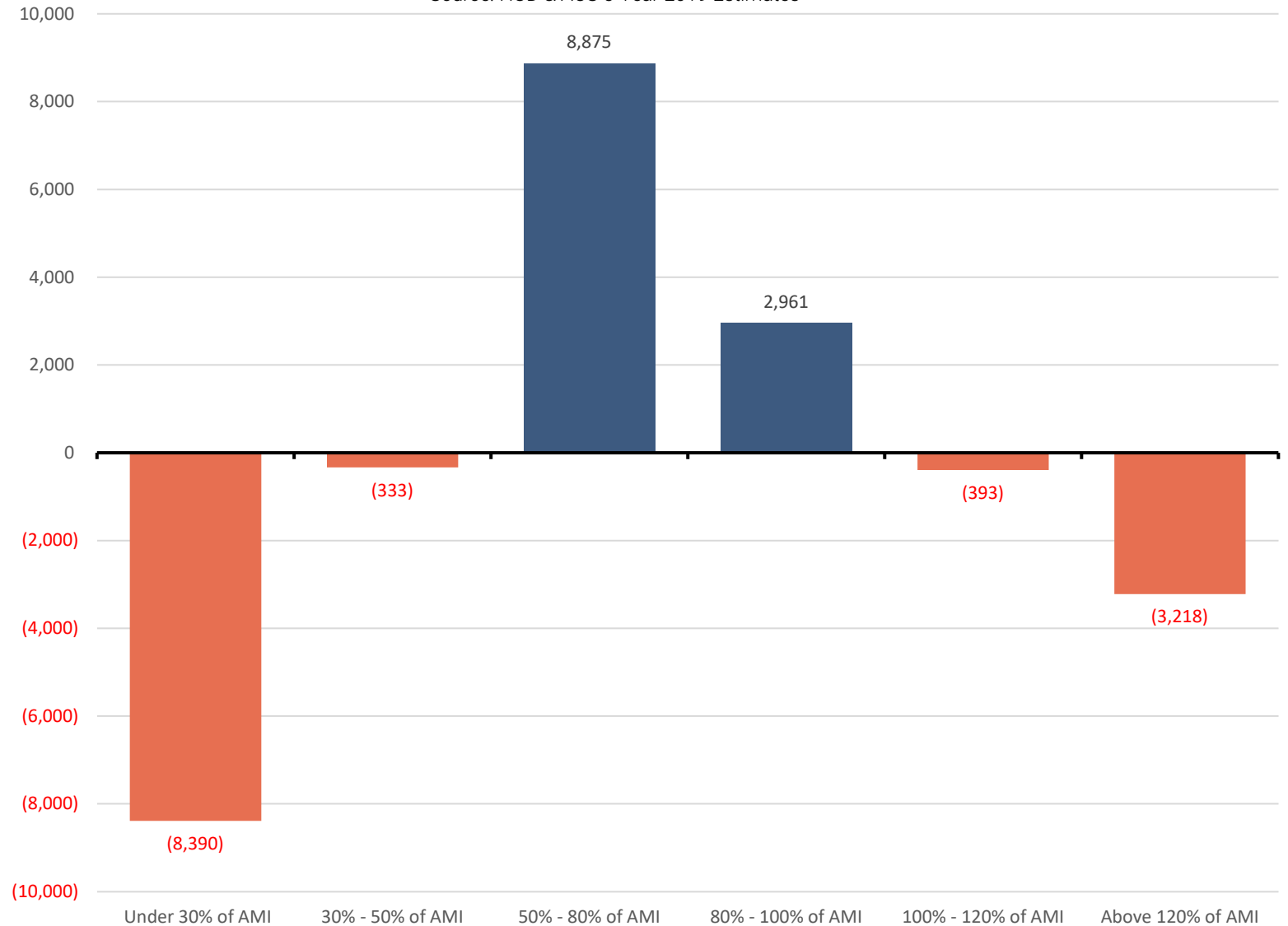
Units priced between 50-100% of AMI account for a **surplus of 11,836 units** that are likely rented by households with lower incomes who are likely spending more than they should on housing costs.

The gap between demand and supply for households above 100% AMI is 3,611 units.

The lack of higher priced rental units in New Haven puts downward pressure on the supply of housing priced for lower income households. Higher income households have more choices in the housing market and are likely renting units at a lower price point than they could otherwise afford.

Rental Supply and Demand Gap, New Haven

Source: HUD & ACS 5-Year 2019 Estimates



West Haven, CT Housing Affordability Gap

Housing Affordability for West Haven Households, 2019

Source: HUD 2021, ACS 2019, RKG Associates

THERE IS STILL A GREAT NEED FOR AFFORDABLE HOUSING IN WEST HAVEN.

In West Haven, about **49.7% of the renter households and 19.5% of the owner households earn less than 50% of the area median income (AMI), totaling 6,607 households.** These households often experience housing instability, may rely on housing assistance, and are typically spending more on housing as a percentage of their overall income.

Area Median Income (AMI) refers to the midpoint of a region's income distribution where half the households in a region earn more than the median and half earn less than the median. For housing, AMI thresholds set the limits for households eligible to live in income-restricted housing units and how much those units can be rented or sold for.

Area Median Income Threshold	Income	Owner Households		Affordable Home Purchase Price			
		#	%	FHA		Conventional	
				Single Family	Condo	Single Family	Condo
30% AMI (Extremely Low Income)	\$27,250	904	8.3%	\$82,075	\$38,213	\$96,236	\$43,081
50% AMI (Very Low Income)	\$45,450	1,221	11.2%	\$136,892	\$93,030	\$160,512	\$107,356
80% AMI (Low Income)	\$67,950	1,818	16.7%	\$204,660	\$160,798	\$239,973	\$186,817
100% AMI (Moderate Income)	\$90,900	1,690	15.6%	\$273,783	\$229,922	\$321,023	\$267,868
120% AMI (Moderate Income)	\$109,080	1,110	10.2%	\$465,988	\$403,777	\$599,469	\$516,752
Above 120% AMI (Middle Income +)	109,081+	4,124	37.9%	\$465,989+	\$403,778+	\$599,470+	\$516,753+

Area Median Income Threshold	Income	Renter Households		Affordable Monthly Rent
		#	%	
30% AMI (Extremely Low Income)	\$24,200	2,933	32.5%	\$605
50% AMI (Very Low Income)	\$40,400	1,549	17.2%	\$1,010
80% AMI (Low Income)	\$60,400	1,593	17.7%	\$1,510
100% AMI (Moderate Income)	\$80,800	1,268	14.1%	\$2,020
120% AMI (Moderate Income)	\$96,960	532	5.9%	\$2,424
Above 120% AMI (Middle Income +)	\$96,961+	1,144	12.7%	\$2,425+

Supply and Demand Gap for Ownership Housing Units, Town of West Haven

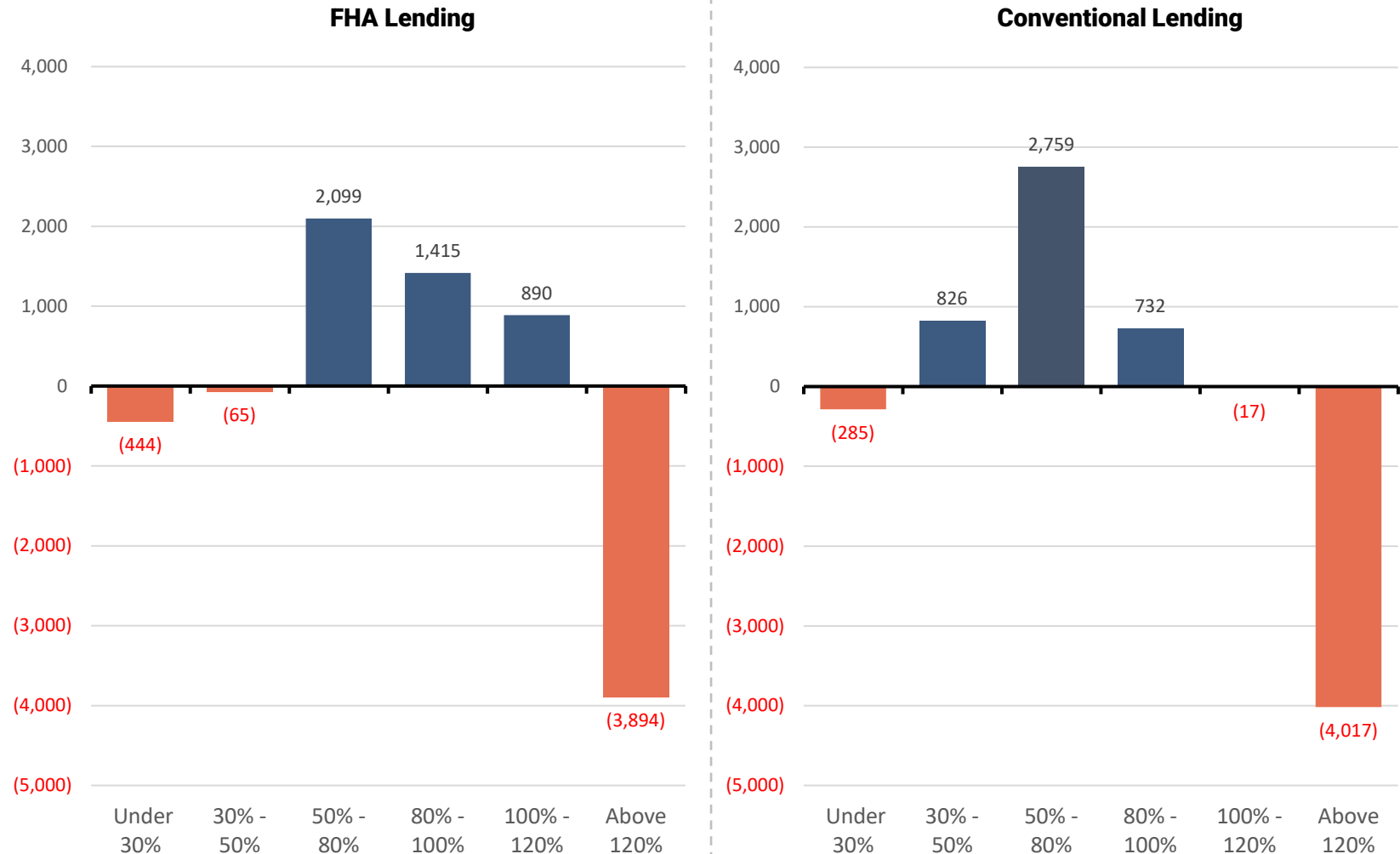
Source: HUD & ACS 5-Year 2019 Estimates

THERE ARE MORE POTENTIAL BUYERS IN HIGHER INCOME BRACKETS THAN THERE ARE HOUSING UNITS THAT MATCH THEIR PRICE POINTS.

For households earning at or below 50% of AMI, there is a surplus of 541 housing units in the conventional lending scenario, and a shortage of 379 units in the FHA lending scenario.

For units valued between 50-100% of AMI there is a net surplus of 3,514 units in the FHA scenario, and 3,491 units in the conventional lending scenario, indicating higher income households are likely buying down in West Haven’s market since overall vacancy for homeowner units is relatively healthy.

For units valued more than 100% of AMI, **there is a deficit of 3,004 units in the FHA scenario and a deficit of 4,034 units in the conventional lending scenario.** This indicates a potential market for new higher priced housing that could ease the competition for high-to-moderate income units.



Rental Supply and Demand Gap, Town of West Haven

Source: HUD & ACS 5-Year 2019 Estimates

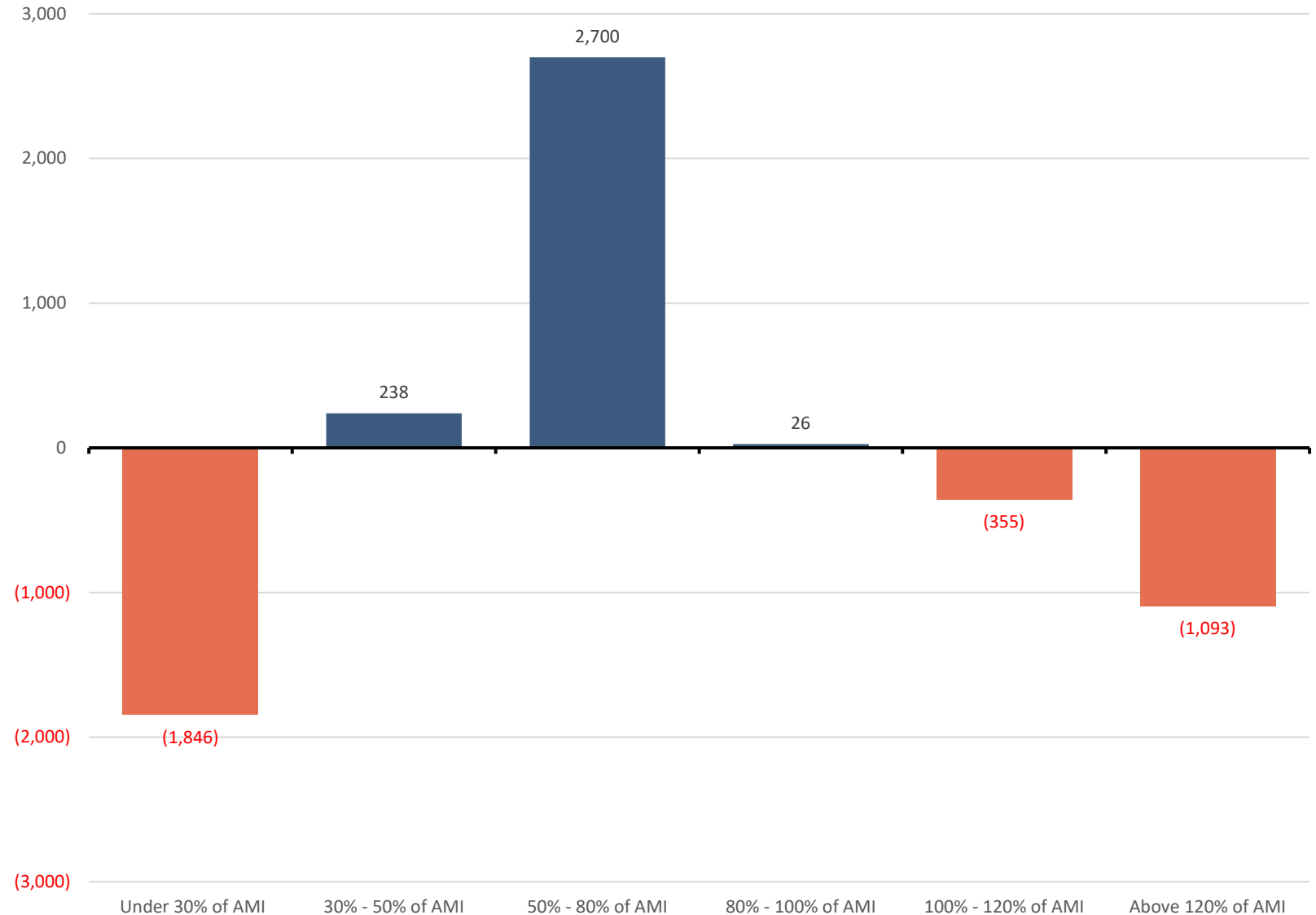
THE RENTAL SUPPLY IS TIGHT AT BOTH THE LOWEST END AND HIGH END OF THE INCOME SPECTRUM.

For extremely low-income renter households, the supply of affordable and available units is tight. There are 1,846 more households earning less than 30% of AMI than available affordably priced units with monthly gross rents at or below \$605.

Units priced between 50-100% of AMI account for a **surplus of 2,726 units** that are likely rented by households with lower incomes who are likely spending more than they should on housing costs.

The gap between demand and supply for households above 100% AMI is 1,448 units.

The lack of higher priced rental units in West Haven puts downward pressure on the supply of housing priced for lower income households. Higher income households have more choices in the housing market and are likely renting units at a lower price point than they could otherwise afford.



Discussion

- 1. Was there anything that surprised you about the data for your community, or this group of communities?**
- 2. Does the information presented today help prepare you for discussing housing goals and strategies over the next few months?**
- 3. What other information may be helpful to you to advance those discussions?**

Next Steps

Next Steps

1. Distribute the presentation as a PDF to each community.
2. Distribute existing conditions reports to each community.
3. Schedule Housing Goals discussions with each community in February.
4. Schedule Housing Strategy discussions in March.
5. Issue reports for each community in April.

Thank You

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