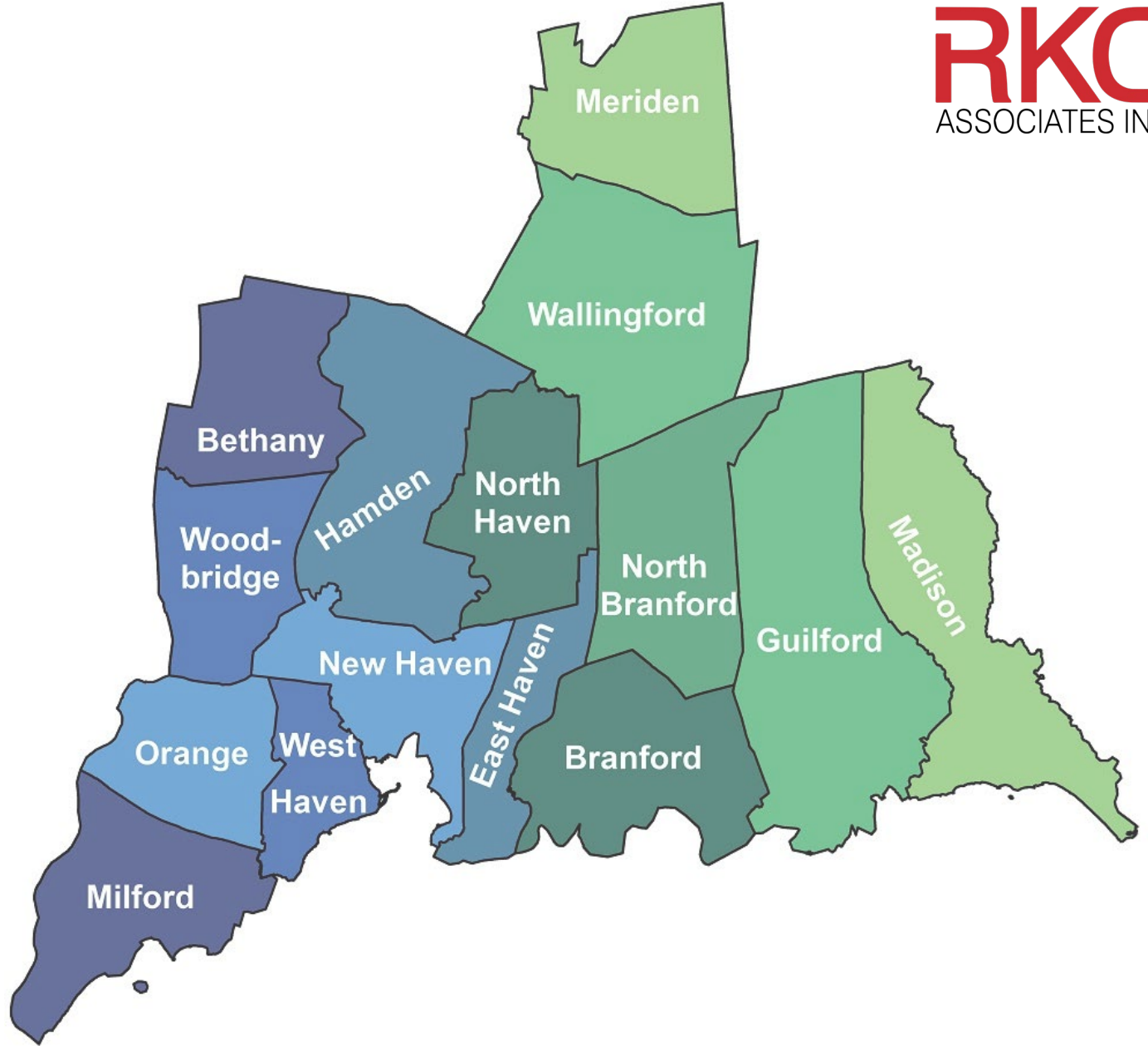


Affordable Housing Plan

South Central Regional Council of
Governments (COG)

January 2021

Guilford, Milford & Orange



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

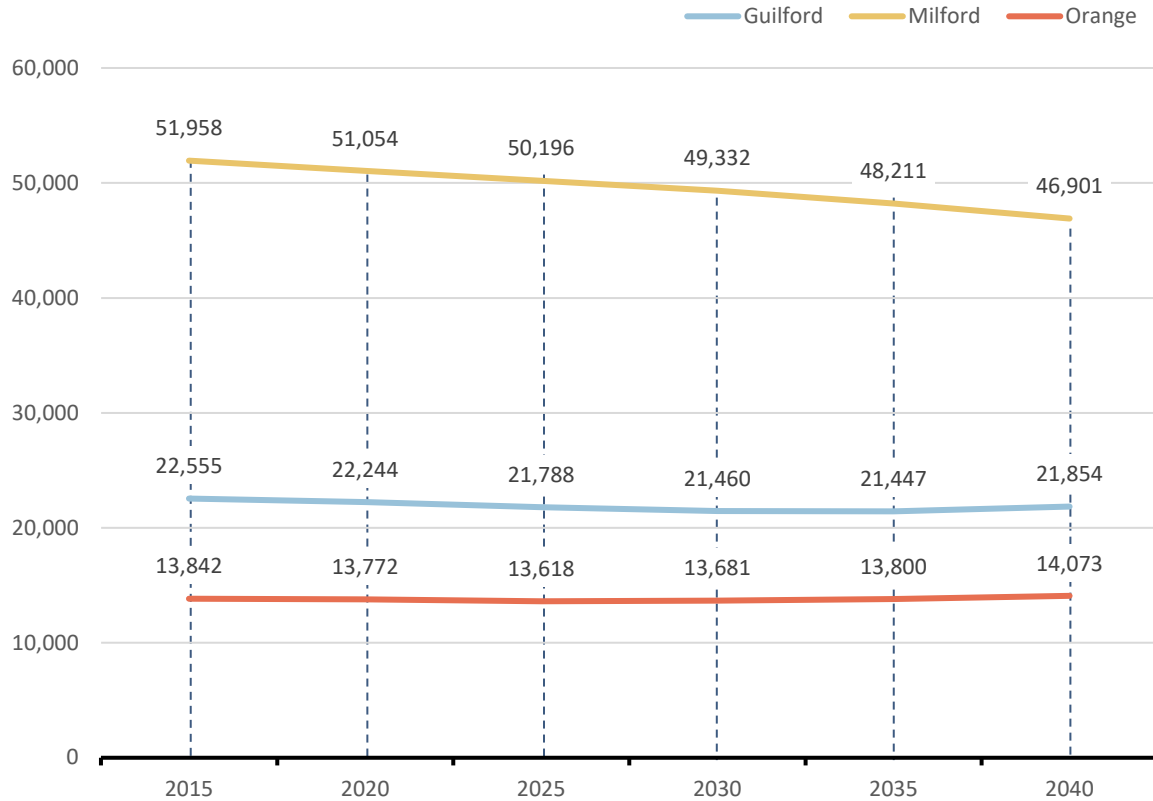
- Guilford
- Milford
- Orange



Population and Age

Total Population Change 2015-2040

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

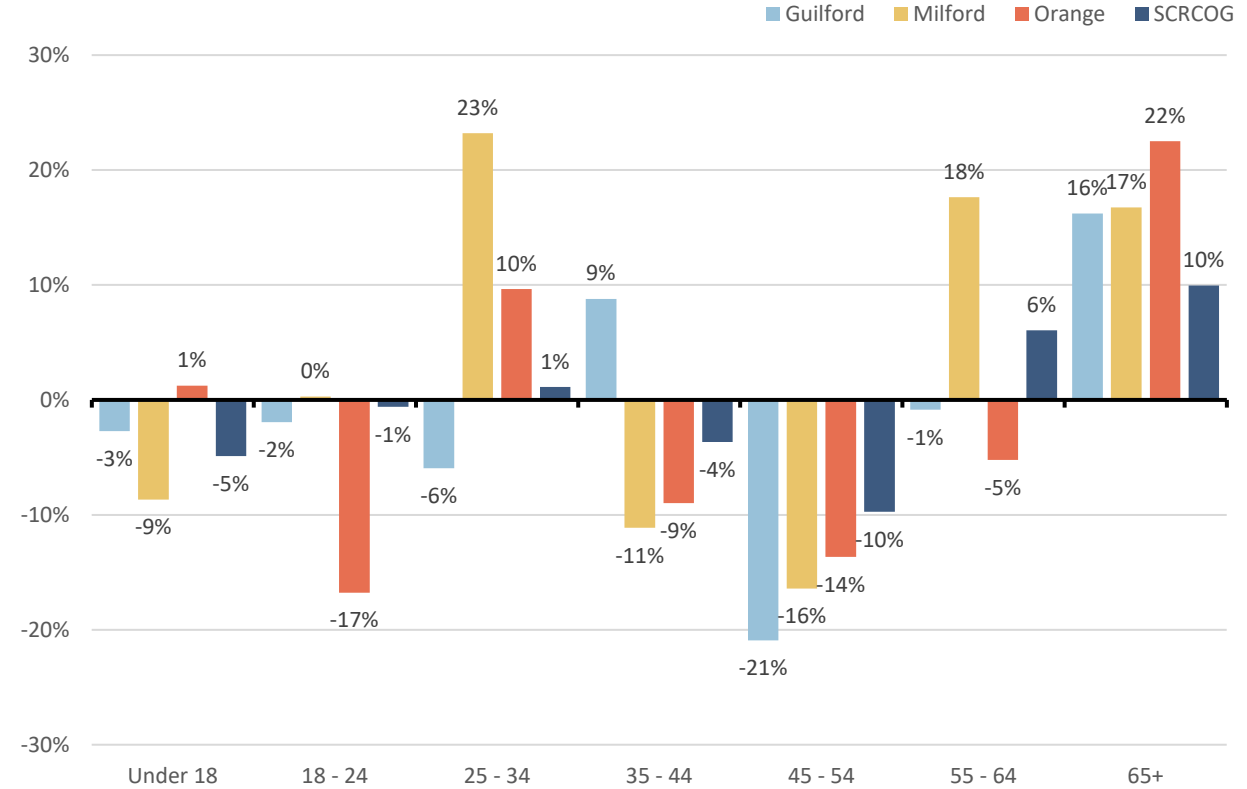


STABLE POPULATION PROJECTIONS

Based on CT State Population Projections, Guilford and Orange will continue to have relatively stable populations through 2040, but Milford will experience an estimated 8.13% decline in population from 2020 – 2040.

Change in Population by Age 2010-2019

Source: ACS 2010, 2019



AGING POPULATIONS

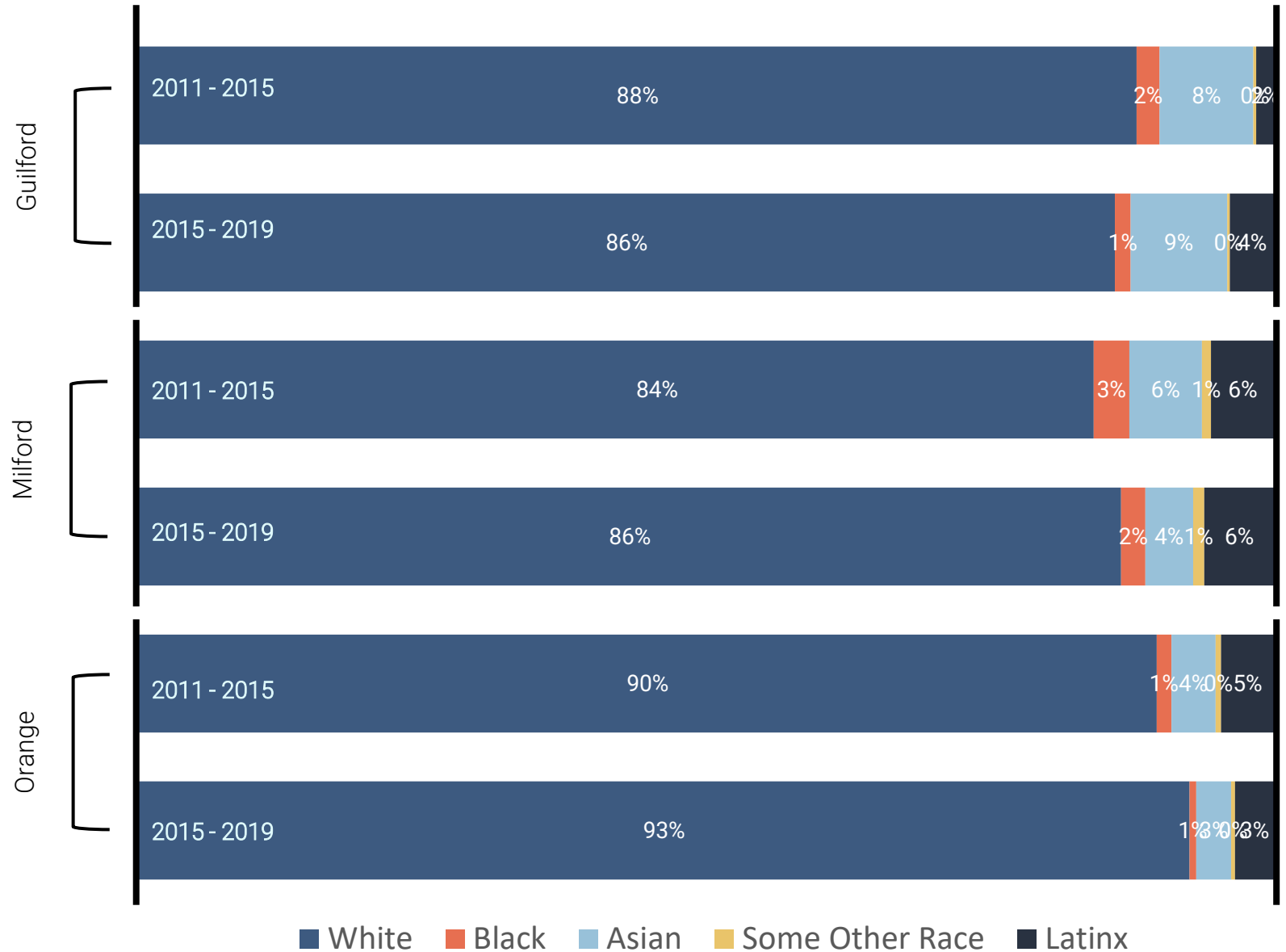
Similar to the SCRCOG region and Connecticut as a whole, all three towns have experienced larger population increases in residents 55+ and losses to residents 35 – 44.

Population by Race/Ethnicity

Source: ACS 5 Year Estimates 2011 - 2019

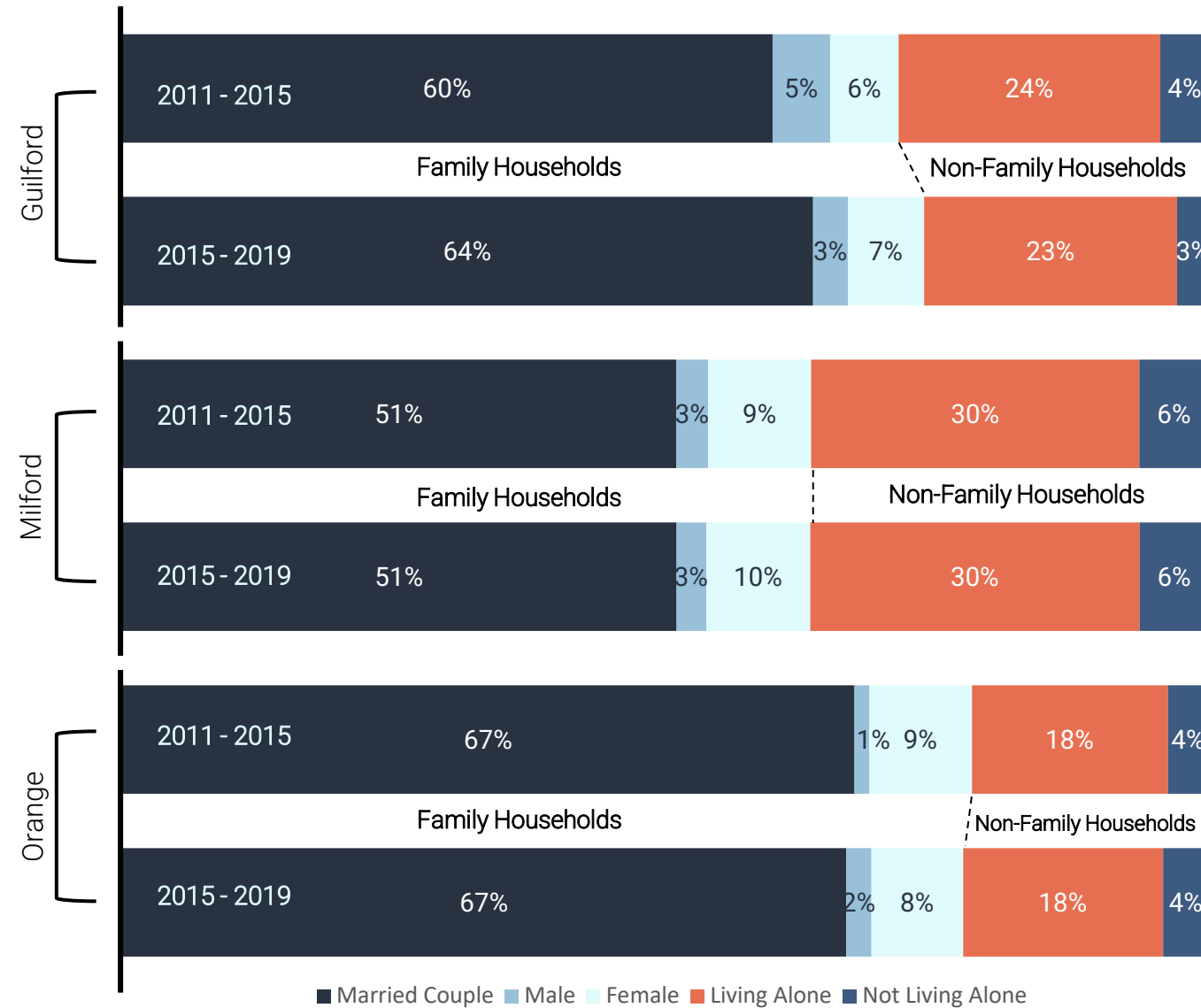
DIVERSIFYING POPULATIONS.

Despite the relatively stable population statistics for Guilford, Milford and Orange, all three towns are experiencing some degree of diversification. Although predominantly white, in all three towns, the Black and African American and Latinx populations have increased in Guilford and Milford.



Change in Household Composition (2011 – 2019)

Source: ACS 5-Year Estimates



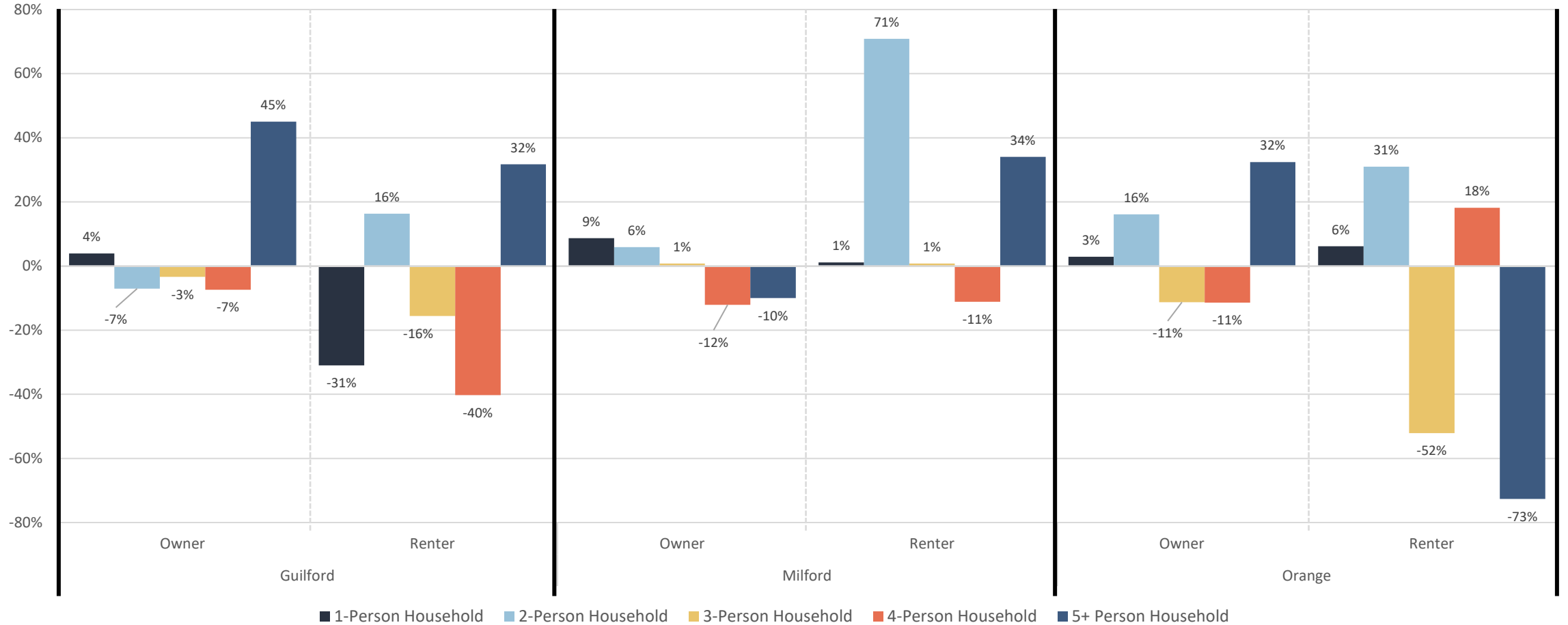
CHANGES IN HOUSEHOLD CHARACTERISTICS.

Over the past decade, two of the three towns experienced shifts in household composition. Guilford experienced increases in family households while Orange saw a slight decrease in family households. Milford, despite population losses, continued to have a similar composition of household types.

Household Composition

Change in Household Size by Tenure (2011 – 2019)

Source: ACS 5-Year Estimates



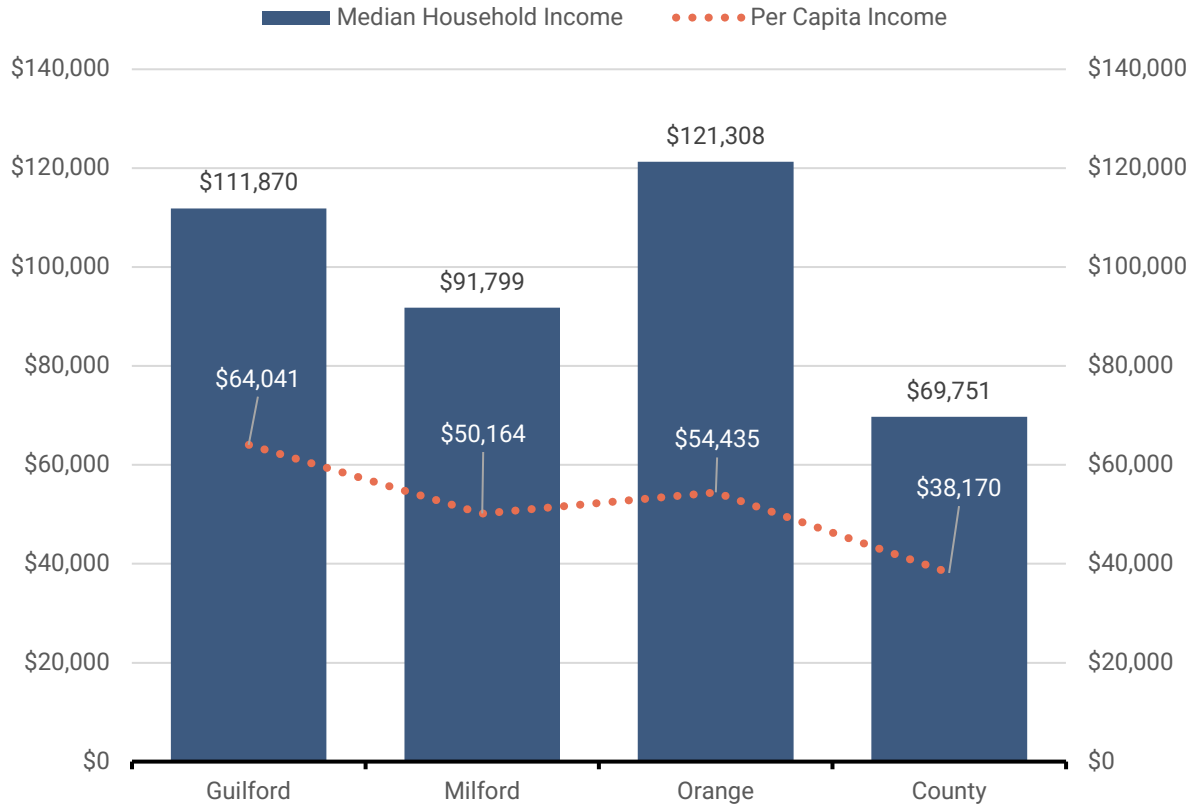
RISE IN SINGLE PERSON OWNER HOUSEHOLD AND 5+ RENTER HOUSEHOLDS.

Over the past decade, all three towns have seen increases in single person owner households and 5+ person renter households save Orange on the renter side. Overall, Guilford has seen a loss in owner households across most household sizes, Milford an increase in both renter and owner households particularly 1-person owners, and Orange although large in percentage terms, household composition changes have been fairly small in absolute terms, meaning overall population change has been minimal.

Income

Median Household & Per Capita Income (2015 – 2019)

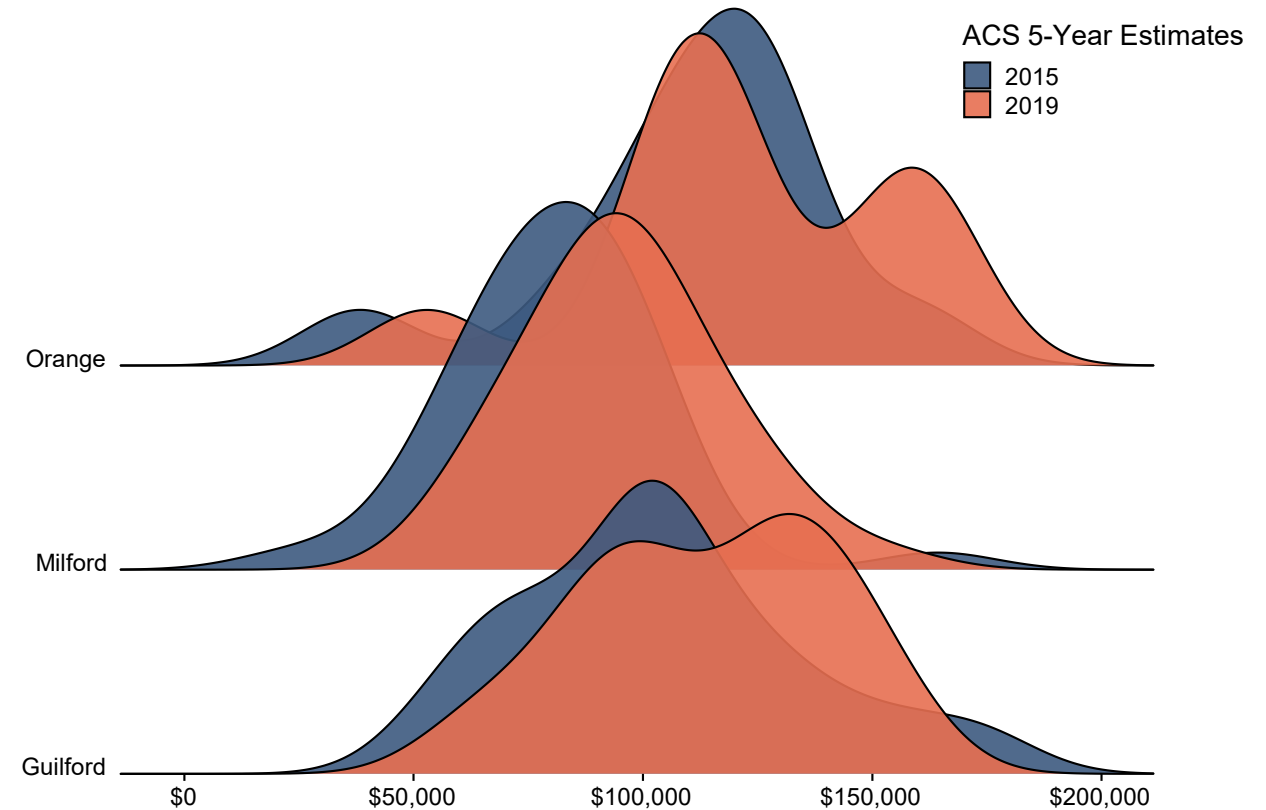
Source: ACS 5-Year Estimates



ALL THREE TOWNS SIGNIFICANTLY EXCEED COUNTY LEVEL INCOMES. Median household incomes in Guilford, Milford and Orange exceed median county level incomes by over \$30k. These are some of the highest in SCRCOG.

Change in Household Income 2011 – 2019

Source: ACS 5-Year Estimates



THE DISTRIBUTION OF HOUSEHOLDS IS SHIFTING TO HIGHER INCOMES. In all three towns, the majority of residents are moving towards higher income brackets (>\$90k) suggesting that households are either become wealthier or domestic migration is causing lower income households to leave while wealthier households continue to move into town.

Employment

STABLE LABOR FORCE.

Over the past decade, all three towns 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, Guilford experiences a net job outflow meaning that the majority of residents commute to jobs outside of town while Milford and Orange experience net job inflows, suggesting people from surrounding towns are commuting in for employment opportunities.

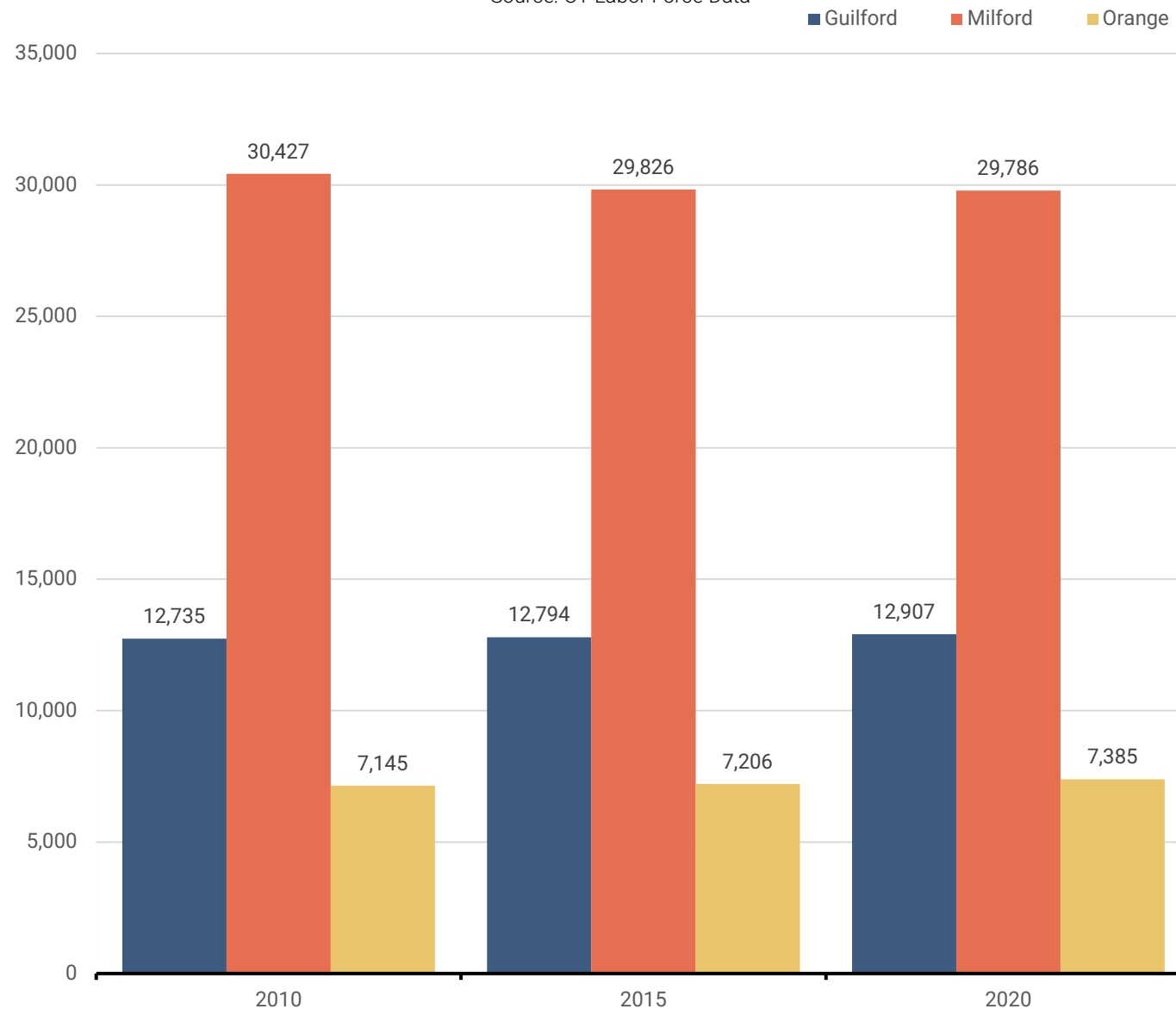
Labor Market Size (All Jobs), 2019

Source: OnTheMap 2019



Labor Force by Town (2010 – 2020)

Source: CT Labor Force Data



Housing Stock & Tenure

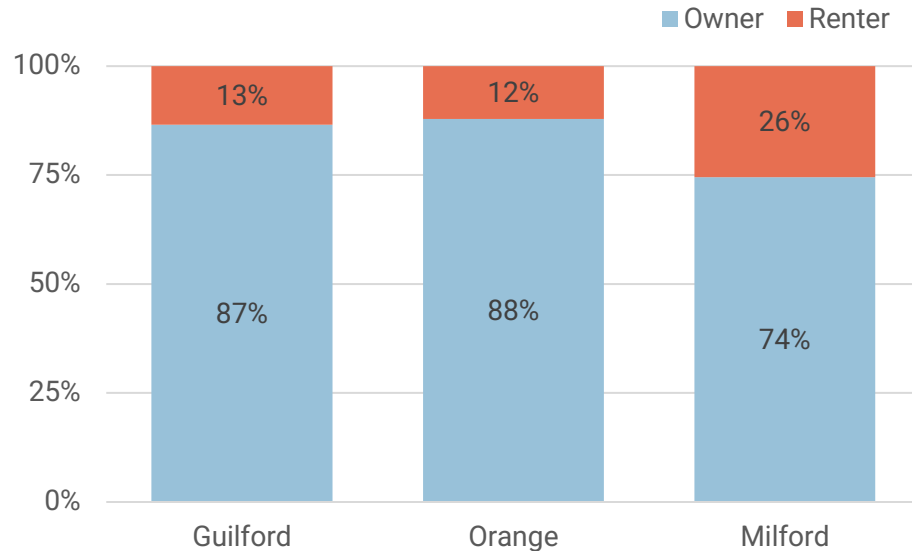
ALL THREE TOWNS ARE PREDOMINANTLY HOMEOWNERS.

Most households in all three towns are homeowners which reflect similar tenure rates to many other communities across the SCRCOG region.

In terms of housing structure type by units, Guilford and Orange are predominantly single units, while Milford, despite its high homeownership rates, has a smaller proportion of single-family units compared to towns with similar tenure rates.

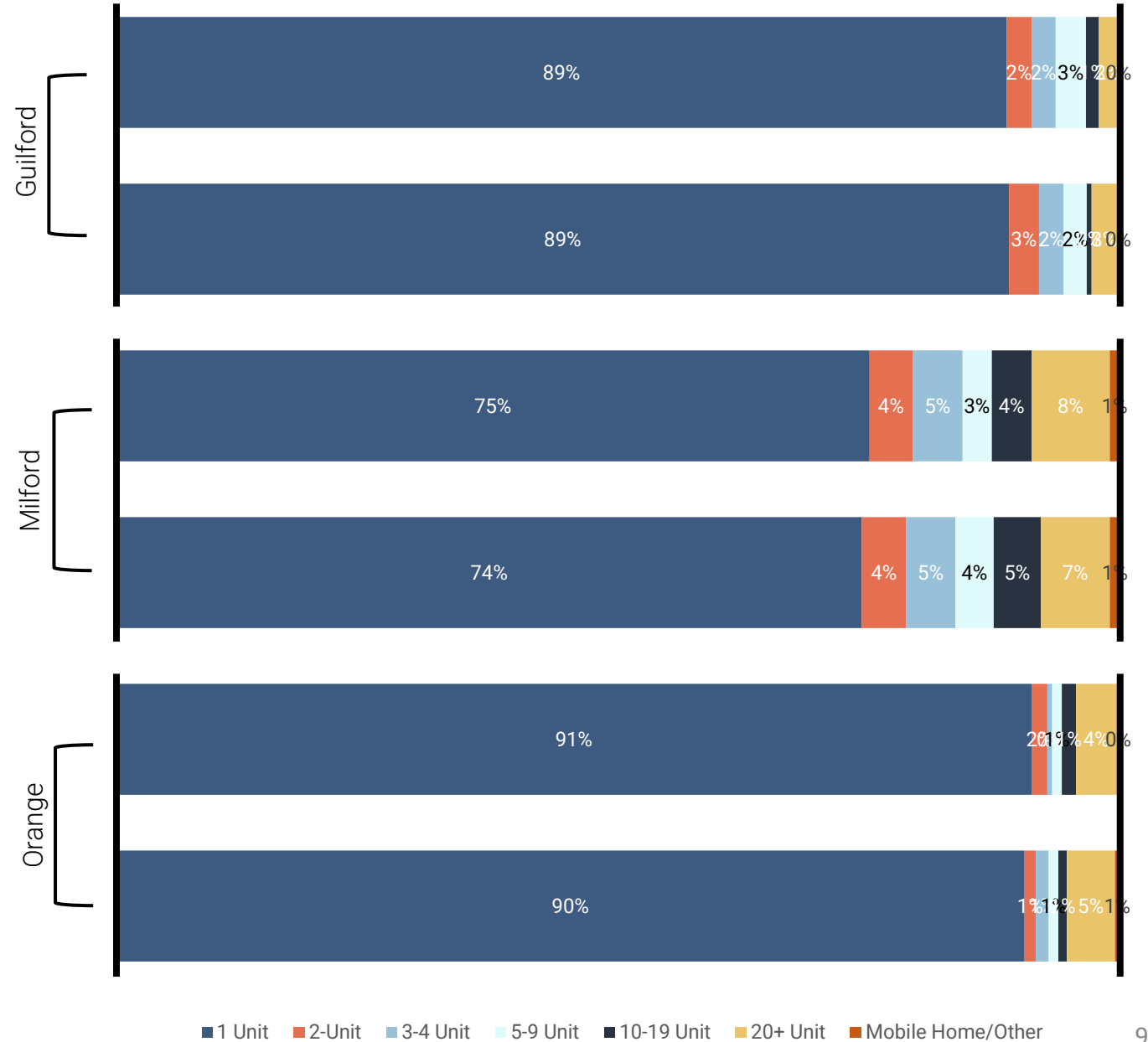
Housing Tenure (2015 – 2019)

Source: ACS 5-Year Estimates



Units in Structure (2011 – 2019)

Source: ACS 5-Year Estimates



Age of Housing Stock by Tenure

Tenure by Year Structure Built (2015 – 2019)

Source: ACS 5-Year Estimates

AGING HOUSING STOCK.

For all three towns, most 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 often make homeownership unaffordable for lower income households.

Built Prior to 1980

Source: ACS 5-Year Estimates

Town	Owner	Renter
Guilford	61%	72%
Milford	75%	64%
Orange	80%	45%

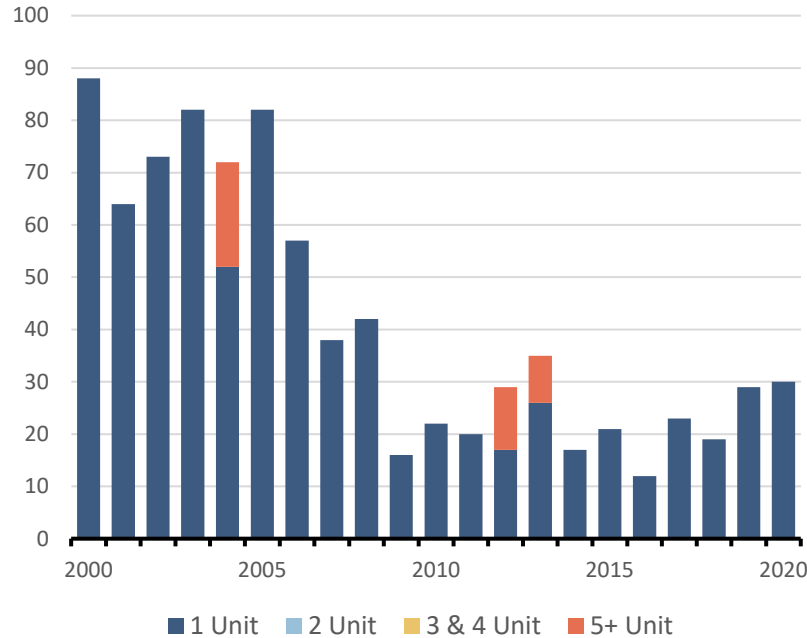
Year Built	Guilford	Milford	Orange
OWNER			
Built 2000 or Later	10%	8%	8%
Built Between 1980 and 1999	29%	17%	12%
Built Between 1960 and 1979	38%	24%	36%
Built 1959 or Earlier	23%	51%	44%
RENTER			
Built 2000 or Later	7%	14%	23%
Built Between 1980 and 1999	21%	22%	32%
Built Between 1960 and 1979	25%	28%	7%
Built 1959 or Earlier	47%	36%	38%

New Housing Supply

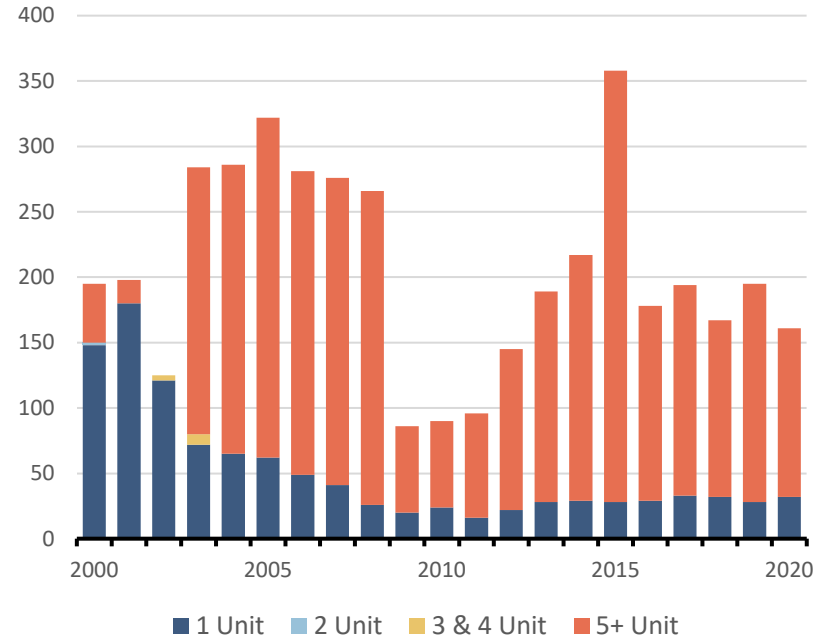
Housing Permits Issued Annually by Units in Building, (2000 – 2020)

Source: CT Department of Economic and Community Development

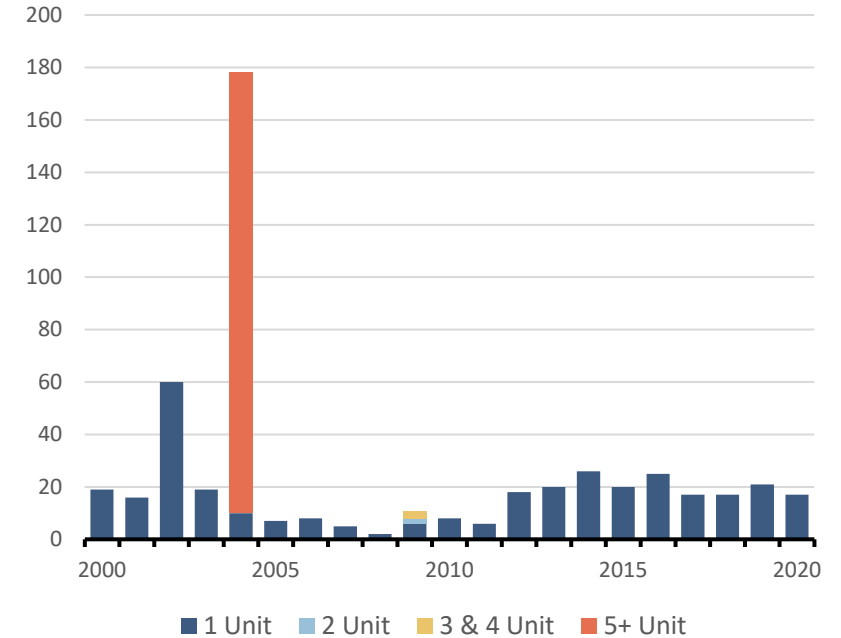
Guilford, CT



Milford, CT



Orange, CT



CONSTRUCTION PERMITTING LARGELY SINGLE FAMILY IN GUILFORD AND ORANGE AND LARGE MULTI-FAMILY (5+) IN MILFORD

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 high in the early 2000’s particularly for single family and large multi unit structures but dropped off following the Great Recession (2007 – 2009).

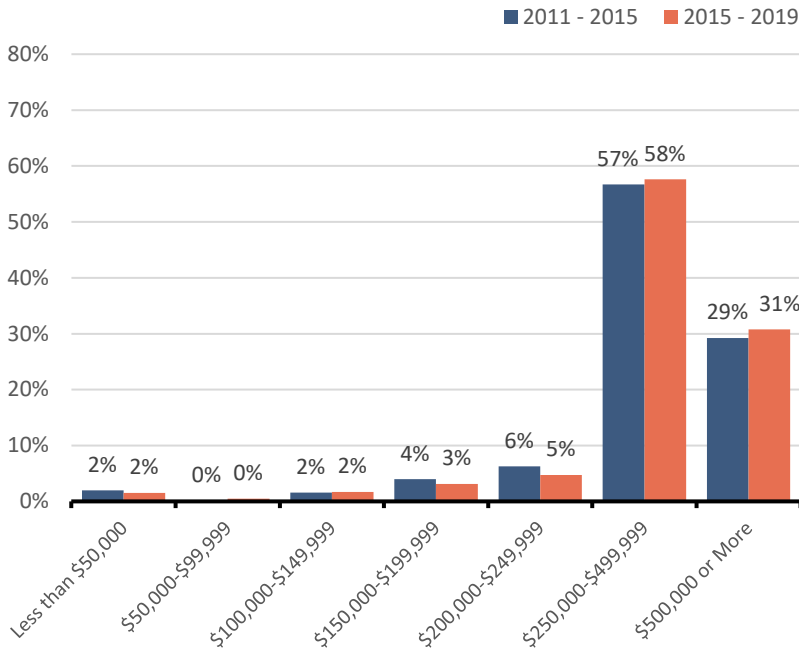
Permits for new housing construction have not returned to prerecession levels but over the latter part of the last decade there has been steady increases in permitting levels for single unit structures in Guilford and Orange and for large multi-family structures in Milford.

Home Values

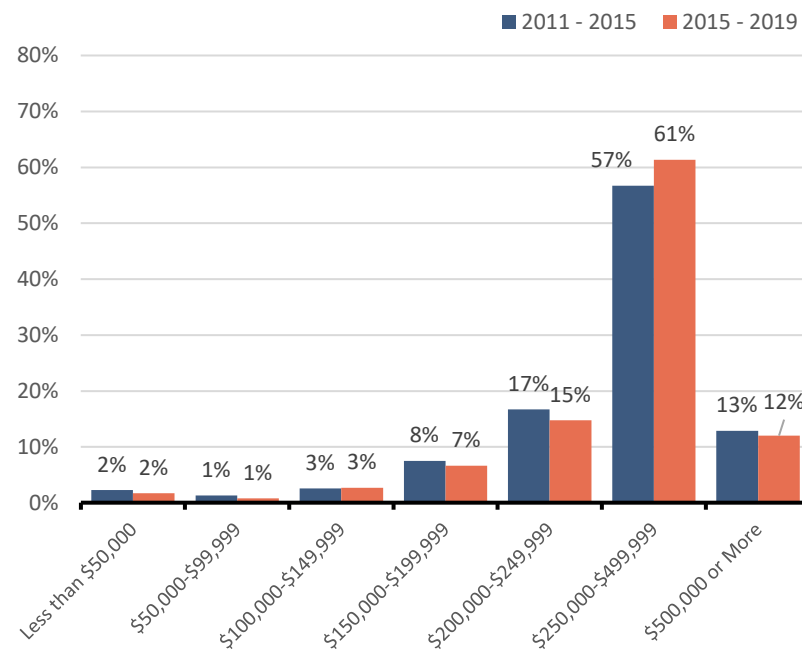
Change in Home Value Distribution, (2011 – 2019)

Source: ACS 5-Year Estimates

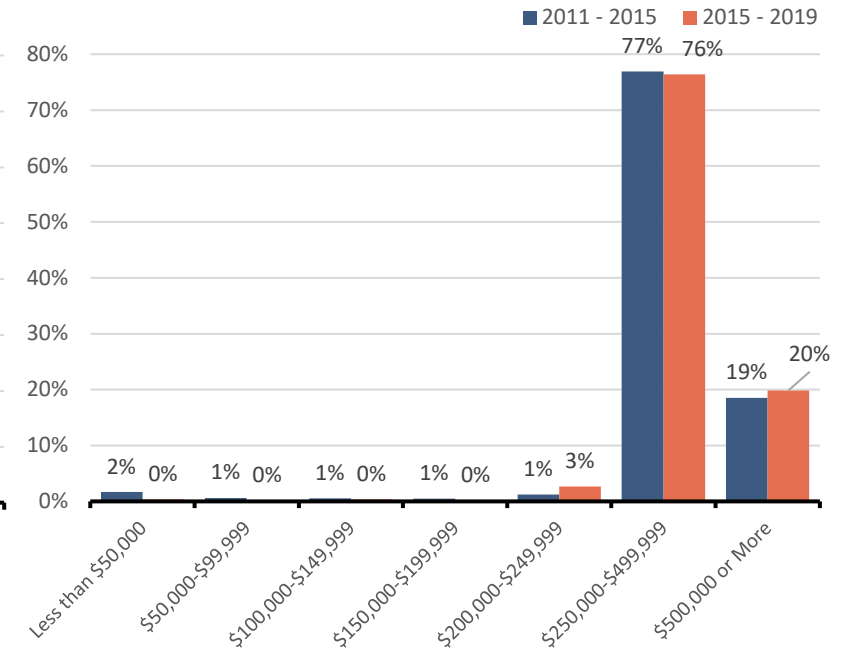
Guilford, CT



Milford, CT



Orange, CT



THE MAJORITY OF THE HOUSING STOCK IS HIGH VALUE HOMES.

Across all three towns the majority of the housing stock is valued at over \$250k, making Guilford, Milford and Orange some of the most expensive towns to live in the region. Over the past decade, the distribution of home values has continued to trend upward, and the availability of affordable home options is also tightening dramatically. Research that suggests that when home prices increase dramatically, often gross rents follow a similar rate of growth pricing out households across tenure.

Median Sale Price All Residential, 2015-2021

Source: Redfin Market Data 2015 - 2021

MEDIAN SALE PRICE IS RISING.

Over the past 6 years, median sale prices have continued to rise in all three towns. 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 towns, the average building assessed value (per SF) for single family homes has increased by \$50 (some of the largest increases in SCRCOG) from those built pre-2000 to those built in 2016+. This translates to roughly \$87 - \$105 per SF in assessed value or \$125 - \$150 per SF in market value. The development trends also indicate that the average FAR for single family homes has increased in Milford from pre-2000 construction to 2016+ meaning denser developments of new single-family homes. For Guilford and Orange, FARs have remained relatively the same at 0.03 - 0.05 meaning single family homes continue to be constructed on large plots of land.

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 towns and New Haven County as a whole.

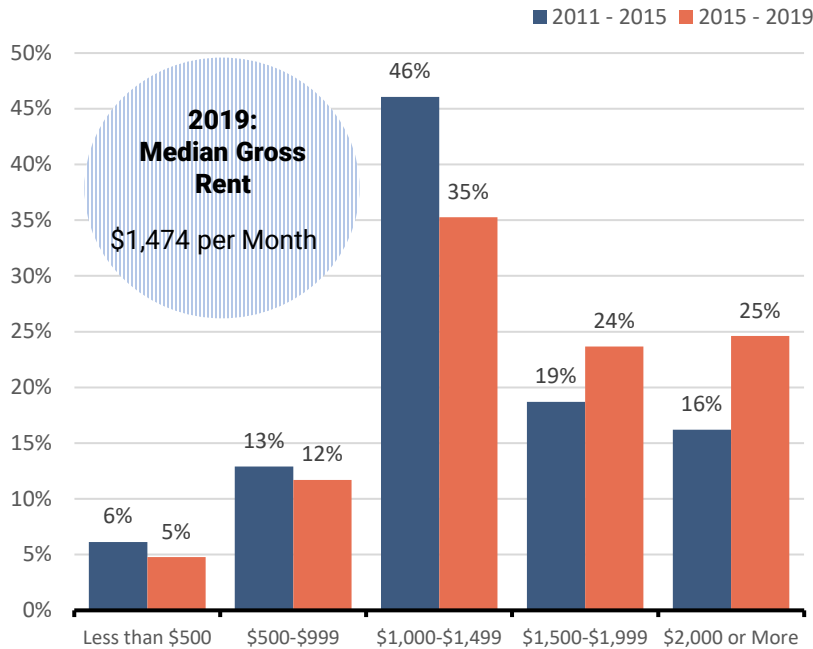


Rent

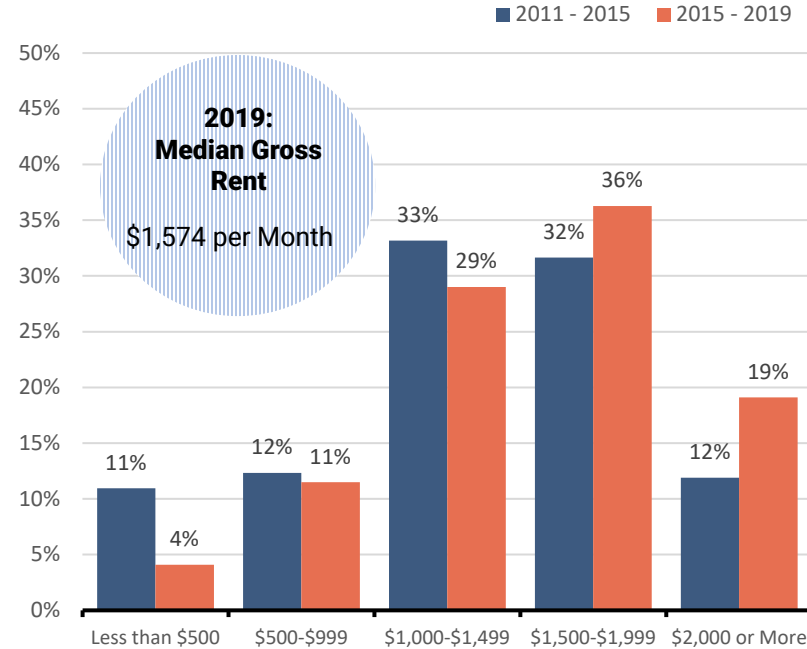
Change in Gross Rent Distribution, (2011 – 2019)

Source: ACS 5-Year Estimates

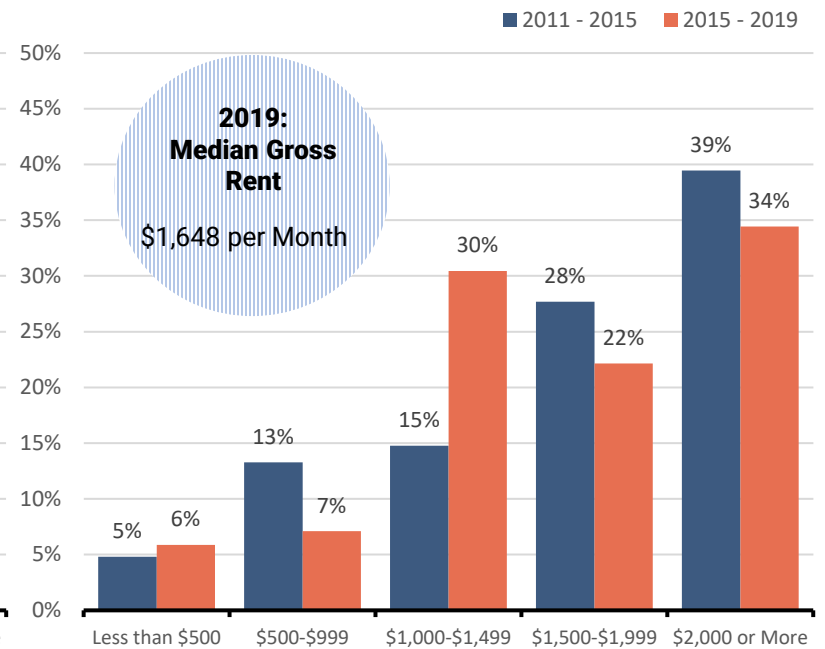
Guilford, CT



Milford, CT



Orange, CT



GROSS RENTS ARE INCREASING.

Across all three towns 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 pressure on those renters struggling to afford housing.

Vacancy

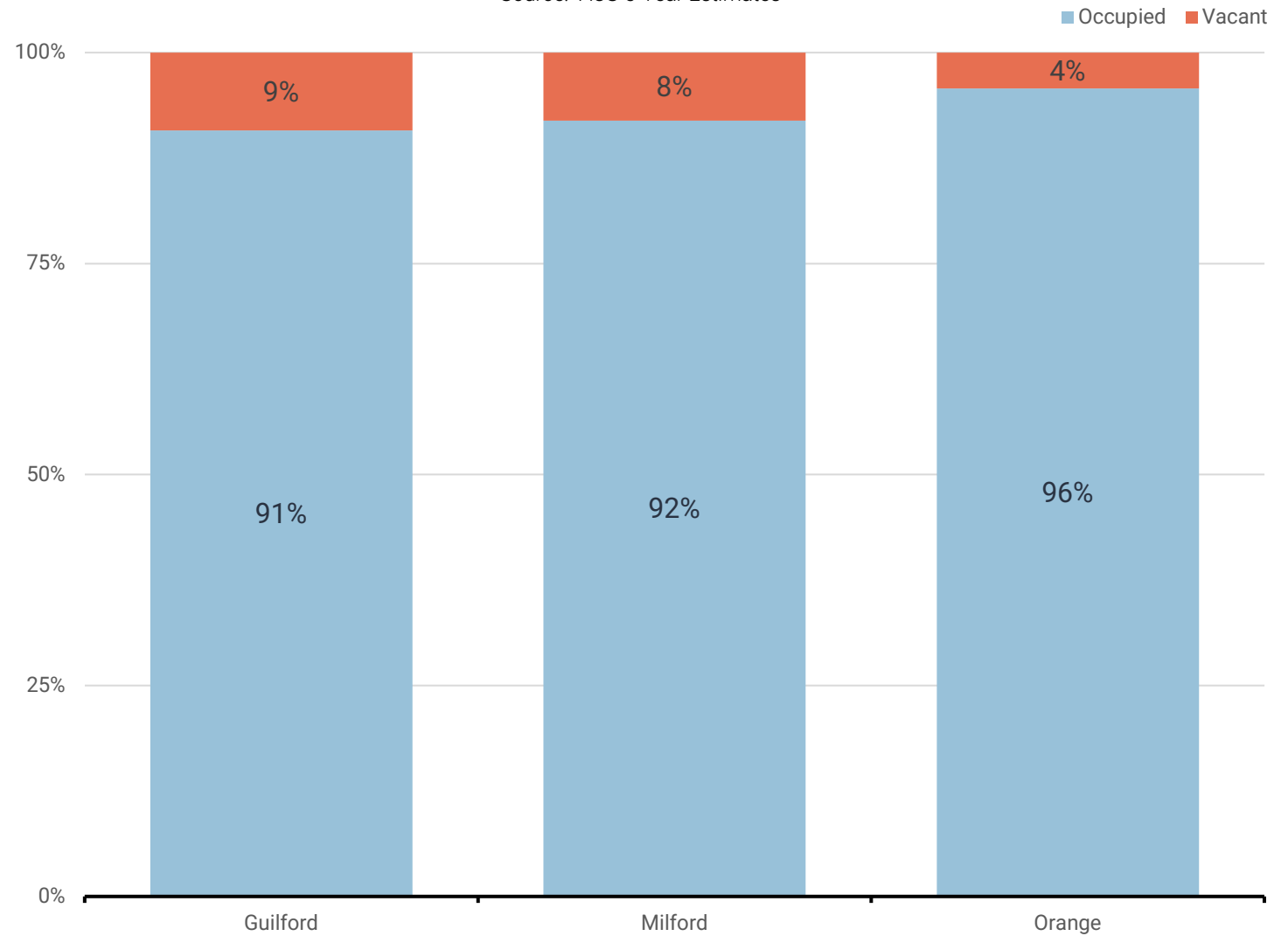
GUILFORD AND ORANGE HAVE VERY LITTLE VACANT AND AVAILABLE HOUSING.

Vacancy Rate is 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:

- **Guilford 1.5%**
- **Milford 3.2%**
- **Orange 0.8%**

Total Vacancy 2015 - 2019

Source: ACS 5-Year Estimates



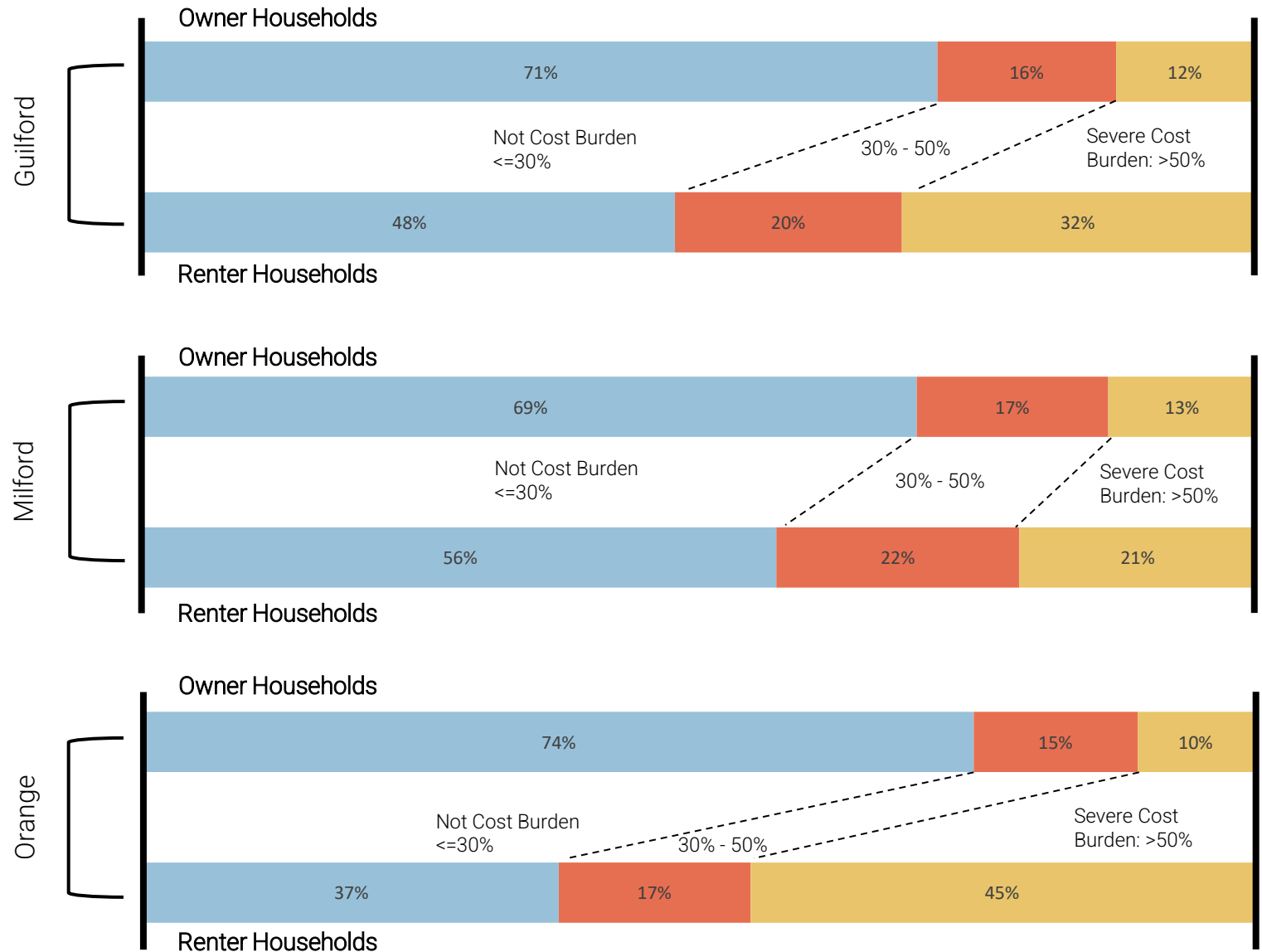
Cost Burdened Owner vs. Renter Households 2018

Source: CHAS 2018

RENTERS ARE SIGNIFICANTLY MORE COST BURDENED THAT HOMEOWNERS.

Across all three towns the number of severely cost burdened renter households ranges from 21% to 45%. For Milford where there are more renters both in absolute and percentage terms the number of cost burdened households is about 43%.

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 a quarter, or more, of each community's renter population.



Subsidized Housing by Type

Subsidized Housing by Type 2020

Source: CT Department of Housing

Housing Type	Guilford	Milford	Orange
CHFA/USDA Mortgages	34	192	12
Deed Restrictions	0	74	6
Government Assisted	186	726	46
Tenant Rental Assistance	10	208	9
Total Assisted	230	1,200	73
Total Housing Units	9,596	23,074	5,345
% of Assisted Housing	2.4%	5.2%	1.4%

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 town 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 towns. The '% of Assisted Housing' represents the percentage of total housing considered affordable by CT DOH.

Guilford, CT Housing Affordability Gap

Housing Affordability for Guilford Households, 2019

Source: HUD 2021, ACS 2019, RKG Associates

THERE IS STILL A GREAT NEED FOR AFFORDABLE HOUSING IN GUILFORD.

In Guilford, about **35% of the renter households and 16% of the owner households earn less than 50% of the area median income (AMI), totaling 1,550 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	530	7.3%	\$87,796	\$37,722	\$103,784	\$42,605
50% AMI (Very Low Income)	\$45,450	626	8.6%	\$146,433	\$96,359	\$173,100	\$111,921
80% AMI (Low Income)	\$67,950	699	9.6%	\$218,925	\$168,851	\$258,793	\$197,614
100% AMI (Moderate Income)	\$90,900	721	9.9%	\$292,867	\$242,793	\$346,199	\$285,021
120% AMI (Moderate Income)	\$109,080	536	7.4%	\$482,746	\$413,963	\$622,147	\$530,528
Above 120% AMI (Middle Income +)	109,081+	4,157	57.2%	\$482,747+	\$413,964+	\$622,148+	\$530,529+

Area Median Income Threshold	Income	Renter Households		Affordable Monthly Rent
		#	%	
30% AMI (Extremely Low Income)	\$24,200	214	19.0%	\$605
50% AMI (Very Low Income)	\$40,400	180	16.0%	\$1,010
80% AMI (Low Income)	\$60,400	223	19.8%	\$1,510
100% AMI (Moderate Income)	\$80,800	96	8.5%	\$2,020
120% AMI (Moderate Income)	\$96,960	107	9.5%	\$2,424
Above 120% AMI (Middle Income +)	\$96,961+	308	27.3%	\$2,425+

Supply and Demand Gap for Ownership Housing Units, Town of Guilford

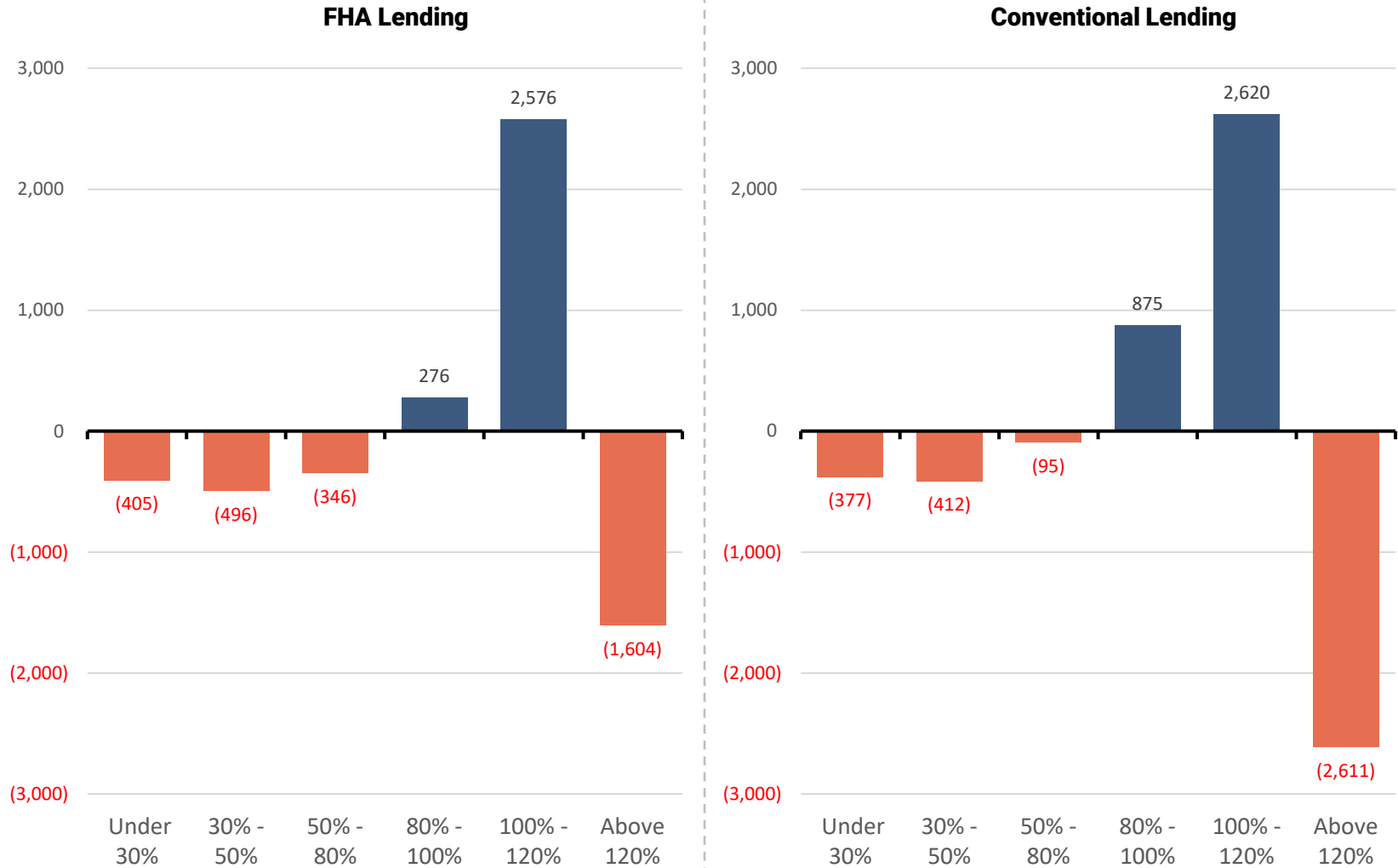
Source: HUD & ACS 5-Year 2019 Estimates

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 789 housing units in the conventional lending scenario, and a shortage of 901 units in the FHA lending scenario.

For units valued between 50-100% of AMI there is a net shortage of 70 units in the FHA scenario, and a net surplus of 780 units in the conventional lending scenario, indicating higher income households are likely buying down in Guilford’s market.

For units valued more at 100% - 120% of AMI, **there is a surplus of 2,576 units in the FHA scenario and a surplus of 2,620 units in the conventional lending scenario.** For units valued above 120% of AMI there is a deficit of 1,604 units in the FHA scenario and 2,611 units in the conventional 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 Guilford

Source: HUD & ACS 5-Year 2019 Estimates

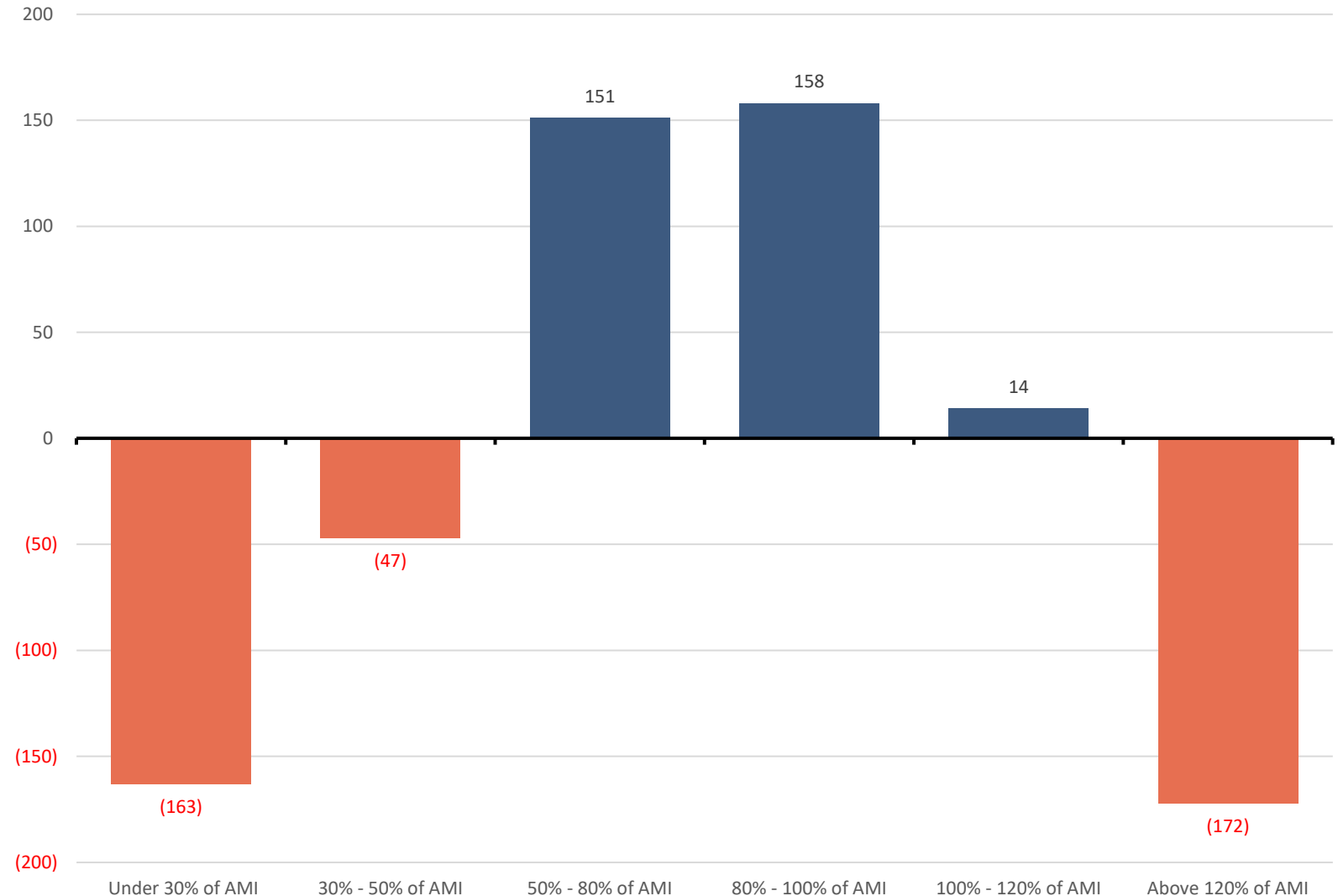
THE RENTAL SUPPLY IS TIGHT AT BOTH THE LOWEST END AND HIGHEST END OF THE INCOME SPECTRUM.

For extremely low-income renter households, the supply of affordable and available units is tight. There are 163 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 309 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 158 units.

The lack of higher priced rental units in Guilford 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.



Milford, CT Housing Affordability Gap

Housing Affordability for Milford Households, 2019

Source: HUD 2021, ACS 2019, RKG Associates

THERE IS STILL A GREAT NEED FOR AFFORDABLE HOUSING IN MILFORD.

In Milford, about **32.3% of the renter households and 19.2% of the owner households earn less than 50% of the area median income (AMI), totaling 5,066 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	1,758	10.5%	\$89,940	\$57,616	\$109,181	\$68,620
50% AMI (Very Low Income)	\$45,450	1,456	8.7%	\$150,011	\$117,686	\$182,102	\$141,541
80% AMI (Low Income)	\$67,950	2,040	12.2%	\$224,273	\$191,949	\$272,251	\$231,690
100% AMI (Moderate Income)	\$90,900	2,100	12.6%	\$300,021	\$267,697	\$364,203	\$323,643
120% AMI (Moderate Income)	\$109,080	1,517	9.1%	\$472,917	\$430,457	\$623,849	\$565,952
Above 120% AMI (Middle Income +)	109,081+	7,849	46.9%	\$472,918+	\$430,458+	\$623,850+	\$565,953+

Area Median Income Threshold	Income	Renter Households		Affordable Monthly Rent
		#	%	
30% AMI (Extremely Low Income)	\$24,200	1,011	17.6%	\$605
50% AMI (Very Low Income)	\$40,400	841	14.7%	\$1,010
80% AMI (Low Income)	\$60,400	925	16.1%	\$1,510
100% AMI (Moderate Income)	\$80,800	665	11.6%	\$2,020
120% AMI (Moderate Income)	\$96,960	458	8.0%	\$2,424
Above 120% AMI (Middle Income +)	\$96,961+	1,831	31.9%	\$2,425+

Supply and Demand Gap for Ownership Housing Units, Town of Milford

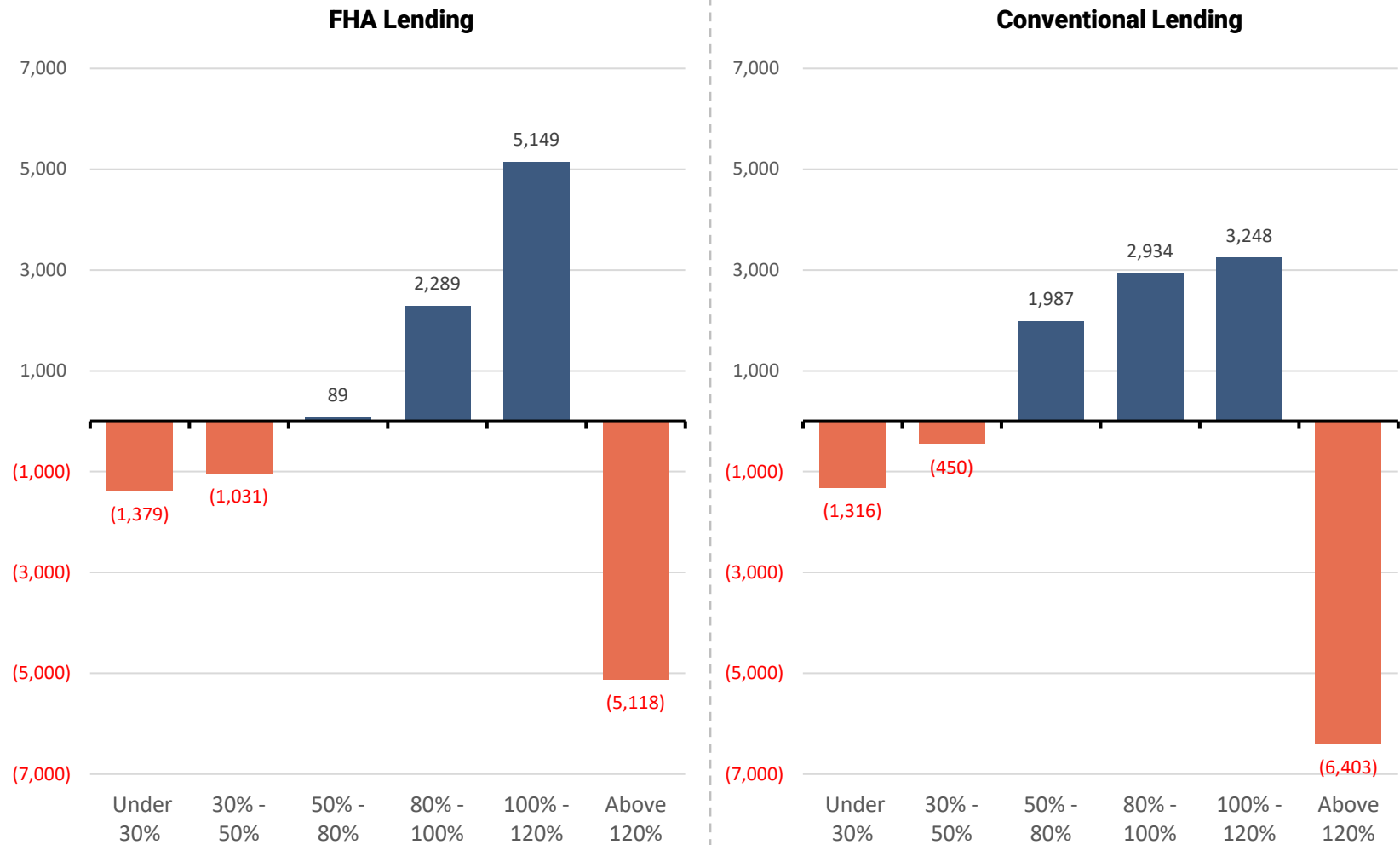
Source: HUD & ACS 5-Year 2019 Estimates

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 1,766 housing units in the conventional lending scenario, and a shortage of 2,410 units in the FHA lending scenario.

For units valued between 50-100% of AMI there is a net surplus of 2,378 units in the FHA scenario, and 4,921 units in the conventional lending scenario, indicating higher income households are likely buying down in Milford’s market since overall vacancy for homeowner units is relatively healthy.

For units valued more than 100% of AMI, **there is a surplus of 31 units in the FHA scenario and a deficit of 3,155 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 HIGHEST END OF THE INCOME SPECTURM.

For extremely low-income renter households, the supply of affordable and available units is tight. There are 699 more households earning less than 30% of AMI than available affordably priced units with monthly gross rents at or below \$605.

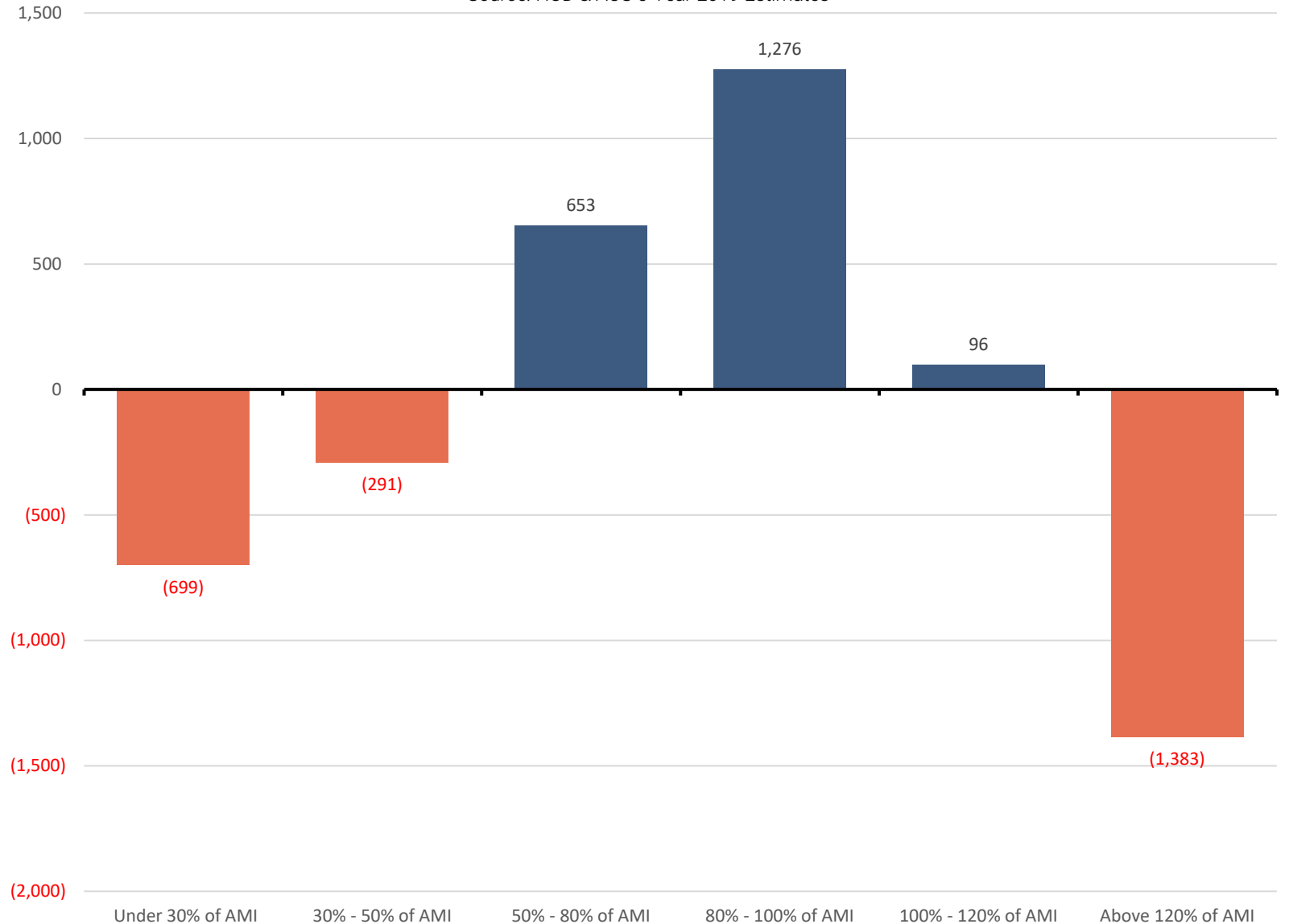
Units priced between 50-100% of AMI account for a **surplus of 1,929 units** that are likely rented by households with lower incomes who are likely spending more than they should on housing costs.

The gap between demand and supply for households above 100% AMI is 1,287 units.

The lack of higher priced rental units in Milford 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, Town of Milford

Source: HUD & ACS 5-Year 2019 Estimates



Orange, CT Housing Affordability Gap

Housing Affordability for Orange Households, 2019

Source: HUD 2021, ACS 2019, RKG Associates

THERE IS STILL A GREAT NEED FOR AFFORDABLE HOUSING IN ORANGE.

In Orange, about **47.7% of the renter households and 11.1% of the owner households earn less than 50% of the area median income (AMI), totaling 770 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	205	4.7%	\$87,269	\$47,822	\$103,590	\$55,192
50% AMI (Very Low Income)	\$45,450	278	6.4%	\$145,555	\$106,108	\$172,777	\$124,379
80% AMI (Low Income)	\$67,950	425	9.7%	\$217,611	\$178,165	\$258,310	\$209,912
100% AMI (Moderate Income)	\$90,900	435	9.9%	\$291,109	\$251,662	\$345,554	\$297,156
120% AMI (Moderate Income)	\$109,080	337	7.7%	\$481,149	\$426,817	\$624,535	\$551,642
Above 120% AMI (Middle Income +)	109,081+	2,692	61.6%	\$481,150+	\$426,818+	\$624,536+	\$551,643+

Area Median Income Threshold	Income	Renter Households		Affordable Monthly Rent
		#	%	
30% AMI (Extremely Low Income)	\$24,200	181	30.1%	\$605
50% AMI (Very Low Income)	\$40,400	106	17.6%	\$1,010
80% AMI (Low Income)	\$60,400	97	16.1%	\$1,510
100% AMI (Moderate Income)	\$80,800	68	11.3%	\$2,020
120% AMI (Moderate Income)	\$96,960	29	4.8%	\$2,424
Above 120% AMI (Middle Income +)	\$96,961+	120	20.0%	\$2,425+

Supply and Demand Gap for Ownership Housing Units, Town of Orange

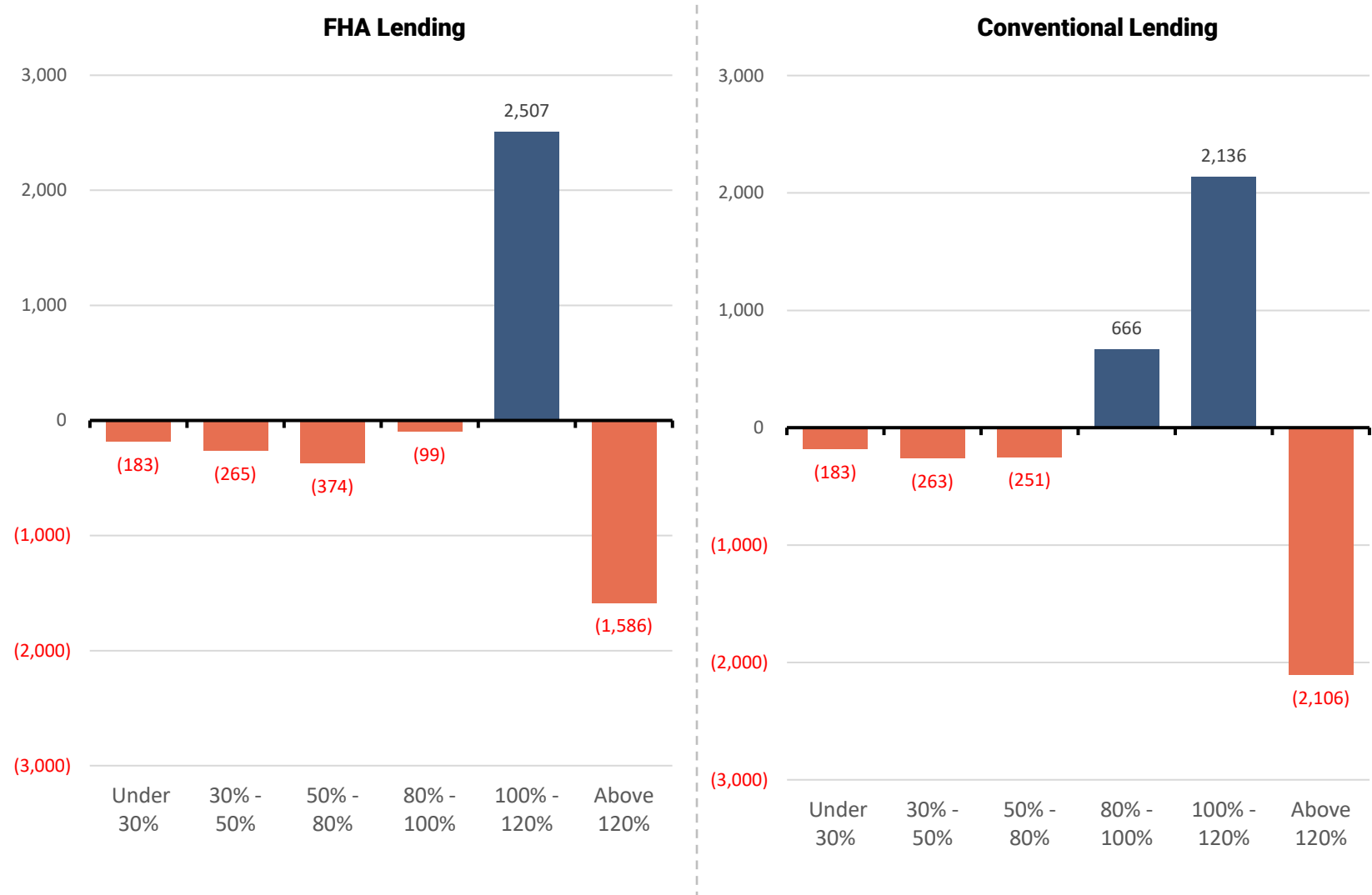
Source: HUD & ACS 5-Year 2019 Estimates

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 446 housing units in the conventional lending scenario, and a shortage of 448 units in the FHA lending scenario.

For units valued between 50-100% of AMI there is a net deficit of 473 units in the FHA scenario, and surplus of 415 units in the conventional lending scenario, indicating higher income households are likely buying down in Orange’s market.

For units valued 100% - 120% of AMI, **there is a surplus of 2,507 units in the FHA scenario and a surplus of 2,136 units in the conventional lending scenario.** For units valued at or above 120% AMI, there is a shortage of 1,586 units in the FHA scenario and 2,106 in the conventional 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 HIGHEST END OF THE INCOME SPECTRUM.

For extremely low-income renter households, the supply of affordable and available units is tight. There are 146 more households earning less than 30% of AMI than available affordably priced units with monthly gross rents at or below \$605.

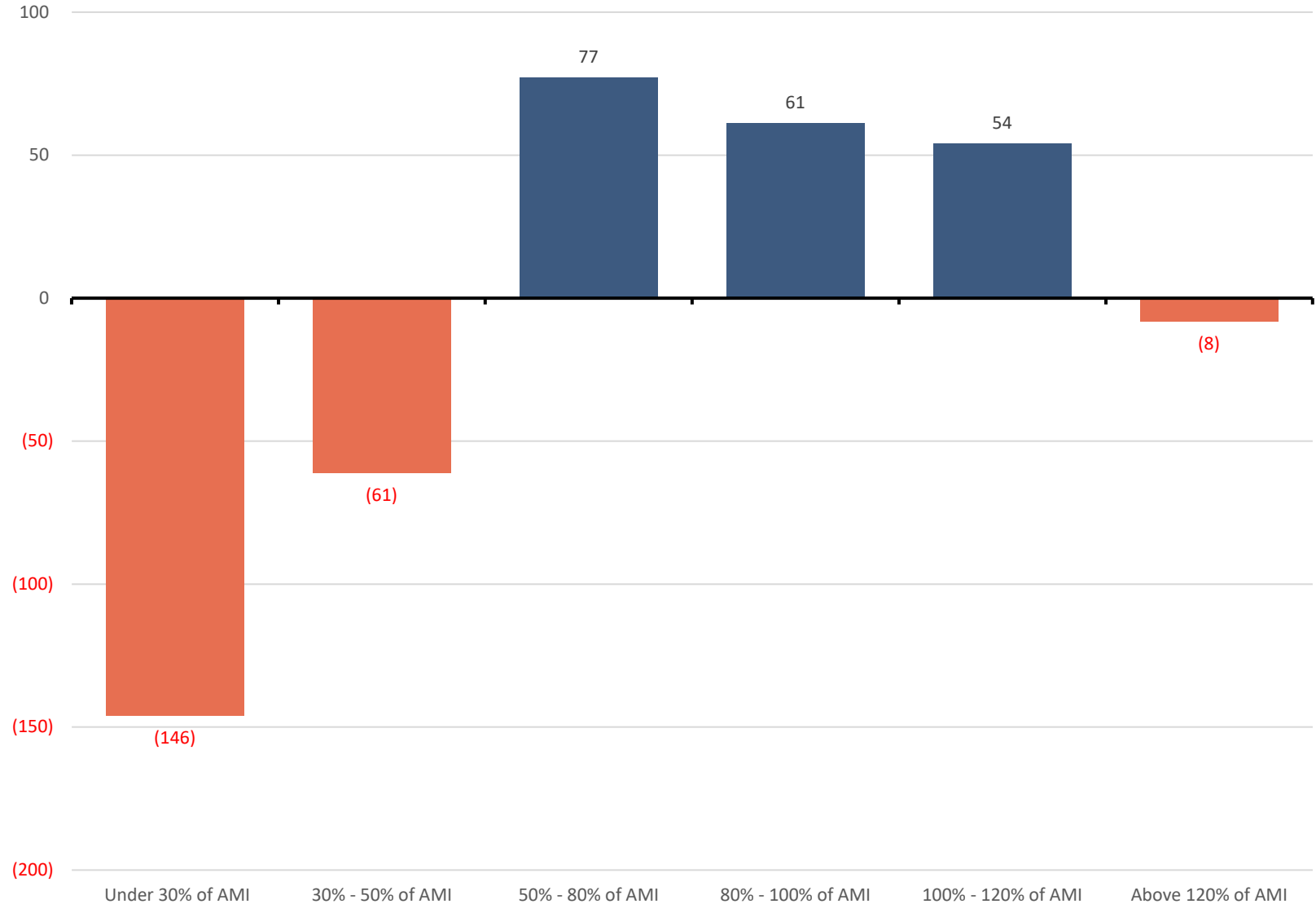
Units priced between 50-100% of AMI account for a **surplus of 138 units** that are likely rented by households with lower incomes who are likely spending more than they should on housing costs.

The gap between demand and supply for households above 100% AMI is a surplus of 46 units.

With Orange’s lower rates of renter households, the majority of higher income demand is being met with the existing rental stock but there is still relatively significant strain in percentage terms on the available supply for households at or below 50% of AMI.

Rental Supply and Demand Gap, Town of Orange

Source: HUD & ACS 5-Year 2019 Estimates



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 individual Housing Goals discussions with each community in February.
4. Schedule group discussions on Housing Strategies in March.
5. Issue reports for each community in April.

Thank You

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