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
Demographics & Housing Market Conditions

Population and Age

**Total Population Change 2015-2040**
Source: CT State Data Center, ACS 5-Year Estimates

**Change in Population by Age 2010-2019**
Source: ACS 2010, 2019

### 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.

### 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.
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.
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.
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.
**Median Household & Per Capita Income (2015 – 2019)**

Source: ACS 5-Year Estimates

<table>
<thead>
<tr>
<th></th>
<th>Median Household Income</th>
<th>Per Capita Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guilford</td>
<td>$111,870</td>
<td>$72,500</td>
</tr>
<tr>
<td>Milford</td>
<td>$91,799</td>
<td>$50,164</td>
</tr>
<tr>
<td>Orange</td>
<td>$121,308</td>
<td>$64,041</td>
</tr>
<tr>
<td>County</td>
<td>$69,751</td>
<td>$42,635</td>
</tr>
</tbody>
</table>

**Change in Household Income 2011 – 2019**

Source: ACS 5-Year Estimates

- **Guilford**: $64,041 to $38,170
- **Milford**: $50,164 to $38,170
- **Orange**: $54,435 to $38,170

**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.

**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.
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.
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.
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

<table>
<thead>
<tr>
<th>Town</th>
<th>Owner</th>
<th>Renter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guilford</td>
<td>61%</td>
<td>72%</td>
</tr>
<tr>
<td>Milford</td>
<td>75%</td>
<td>64%</td>
</tr>
<tr>
<td>Orange</td>
<td>80%</td>
<td>45%</td>
</tr>
</tbody>
</table>

### Tenure by Year Structure Built (2015 – 2019)

<table>
<thead>
<tr>
<th>Year Built</th>
<th>Guilford</th>
<th>Milford</th>
<th>Orange</th>
</tr>
</thead>
<tbody>
<tr>
<td>Built 2000 or Later</td>
<td>10%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Built Between 1980 and 1999</td>
<td>29%</td>
<td>17%</td>
<td>12%</td>
</tr>
<tr>
<td>Built Between 1960 and 1979</td>
<td>38%</td>
<td>24%</td>
<td>36%</td>
</tr>
<tr>
<td>Built 1959 or Earlier</td>
<td>23%</td>
<td>51%</td>
<td>44%</td>
</tr>
</tbody>
</table>

Source: ACS 5-Year Estimates
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.
Demographics & Housing Market Conditions

Home Values

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 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.
Demographics & Housing Market Conditions

Rent

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.
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%
RENTERS ARE SIGNIFICANTLY MORE COST BURDENED THAN 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.
AFFORDABLE HOUSING APPEALS ACT.

The Affordable Housing Appeals Act or Connecticut General Statues 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.

Subsidized Housing by Type 2020
Source: CT Department of Housing

<table>
<thead>
<tr>
<th>Housing Type</th>
<th>Guilford</th>
<th>Milford</th>
<th>Orange</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHFA/USDA Mortgages</td>
<td>34</td>
<td>192</td>
<td>12</td>
</tr>
<tr>
<td>Deed Restrictions</td>
<td>0</td>
<td>74</td>
<td>6</td>
</tr>
<tr>
<td>Government Assisted</td>
<td>186</td>
<td>726</td>
<td>46</td>
</tr>
<tr>
<td>Tenant Rental Assistance</td>
<td>10</td>
<td>208</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total Assisted</strong></td>
<td><strong>230</strong></td>
<td><strong>1,200</strong></td>
<td><strong>73</strong></td>
</tr>
<tr>
<td><strong>Total Housing Units</strong></td>
<td><strong>9,596</strong></td>
<td><strong>23,074</strong></td>
<td><strong>5,345</strong></td>
</tr>
<tr>
<td><strong>% of Assisted Housing</strong></td>
<td>2.4%</td>
<td>5.2%</td>
<td>1.4%</td>
</tr>
</tbody>
</table>
Guilford, CT
Housing Affordability Gap
**Issues and Opportunities**

**Housing Affordability Gap**

**Housing Affordability for Guilford Households, 2019**

Source: HUD 2021, ACS 2019, RKG Associates

<table>
<thead>
<tr>
<th>Area Median Income Threshold</th>
<th>Income</th>
<th>#</th>
<th>%</th>
<th>FHA Single Family</th>
<th>FHA Condo</th>
<th>Conventional Single Family</th>
<th>Conventional Condo</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% AMI (Extremely Low Income)</td>
<td>$27,250</td>
<td>530</td>
<td>7.3%</td>
<td>$87,796</td>
<td>$37,722</td>
<td>$103,784</td>
<td>$42,605</td>
</tr>
<tr>
<td>50% AMI (Very Low Income)</td>
<td>$45,450</td>
<td>626</td>
<td>8.6%</td>
<td>$146,433</td>
<td>$96,359</td>
<td>$173,100</td>
<td>$111,921</td>
</tr>
<tr>
<td>80% AMI (Low Income)</td>
<td>$67,950</td>
<td>699</td>
<td>9.6%</td>
<td>$218,925</td>
<td>$168,851</td>
<td>$258,793</td>
<td>$197,614</td>
</tr>
<tr>
<td>100% AMI (Moderate Income)</td>
<td>$90,900</td>
<td>721</td>
<td>9.9%</td>
<td>$292,867</td>
<td>$242,793</td>
<td>$346,199</td>
<td>$285,021</td>
</tr>
<tr>
<td>120% AMI (Moderate Income)</td>
<td>$109,080</td>
<td>536</td>
<td>7.4%</td>
<td>$482,746</td>
<td>$413,963</td>
<td>$622,147</td>
<td>$530,528</td>
</tr>
<tr>
<td>Above 120% AMI (Middle Income +)</td>
<td>$109,081+</td>
<td>4,157</td>
<td>57.2%</td>
<td>$482,747+</td>
<td>$413,964+</td>
<td>$622,148+</td>
<td>$530,529+</td>
</tr>
</tbody>
</table>

**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.
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.
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
### Issues and Opportunities: Housing Affordability Gap

**Housing Affordability Gap**

**Source:** HUD 2021, ACS 2019, RKG Associates

### Housing Affordability for Milford Households, 2019

<table>
<thead>
<tr>
<th>Area Median Income Threshold</th>
<th>Owner Households</th>
<th>Affordable Home Purchase Price</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Income</td>
<td>#</td>
</tr>
<tr>
<td>30% AMI (Extremely Low Income)</td>
<td>$27,250</td>
<td>1,758</td>
</tr>
<tr>
<td>50% AMI (Very Low Income)</td>
<td>$45,450</td>
<td>1,456</td>
</tr>
<tr>
<td>80% AMI (Low Income)</td>
<td>$67,950</td>
<td>2,040</td>
</tr>
<tr>
<td>100% AMI (Moderate Income)</td>
<td>$90,900</td>
<td>2,100</td>
</tr>
<tr>
<td>120% AMI (Moderate Income)</td>
<td>$109,080</td>
<td>1,517</td>
</tr>
<tr>
<td>Above 120% AMI (Middle Income +)</td>
<td>$109,081+</td>
<td>7,849</td>
</tr>
</tbody>
</table>

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### Renter Households

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

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**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.
**Issues and Opportunities**

**Housing Affordability Gap**

**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.

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

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 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.
Orange, CT
Housing Affordability Gap
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 | # | % | FHA Single Family | FHA Condo | Conventional Single Family | Conventional 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+

Renter Households

| Area Median Income Threshold | Income | # | % | 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+

Housing Affordability for Orange Households, 2019
Source: HUD 2021, ACS 2019, RKG Associates
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.

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

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 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.
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