



**REGIONAL HOUSING MARKET ASSESSMENT**

**PREPARED  
FOR  
THE SOUTH CENTRAL REGIONAL  
COUNCIL OF GOVERNMENTS**

**PREPARED  
BY  
HARRALL-MICHALOWSKI ASSOCIATES  
IN ASSOCIATION WITH  
AMS ADVISORY SERVICES, LLC  
SCILLIA, DOWLING & NATARELLI**

**AS ADOPTED BY THE SCRCOG JUNE 23, 2004 - FINAL**

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**Preface**

*This report has been prepared under the direction of the South Central Regional Council of Governments Housing Committee. This committee is comprised of residents and housing professionals from throughout the region. This report is intended to provide the basis for an amendment to the Regional Plan of Development approved on November 15, 2000. The Plan of Development provides a guide for a variety of land use and related policy issues throughout the region.*

## **EXECUTIVE SUMMARY**

### **WHY IS THERE A NEED FOR AFFORDABLE HOUSING IN THE REGION?**

The New Haven region faces a housing crisis which is negatively impacting the economy, natural environment and most importantly, the thousands of households that cannot reasonably afford housing. The time for an effective regional approach to this regional problem is here. The most logical framework to address the housing issue in Connecticut is the Council of Governments or Council of Elected Officials. In the case of this region, the South Central Regional Council of Governments is the appropriate entity.

This housing crisis is the result of broad trends in the region. Over the last 50 years the population density of communities in the region has shifted, with increases in the more suburban/rural communities and decreases or slowing increases in the core communities. However, this change in densities has not been accompanied by a corresponding change in wealth. If anything, the suburban/rural communities with increasing densities have increased in various measurements of wealth resulting in greater disparities within the region. This change in density has been accompanied by an increase in employment in these communities.

Overall in the New Haven Labor Market there has been a shift away from higher paying manufacturing jobs to non-manufacturing jobs, a shift illustrated during the period between March 2002 and March 2003. The two largest job categories in the region are trade and health services. These job categories are primarily lower paying than manufacturing. People in the region filling these jobs find it more and more necessary to travel to jobs in higher cost sub-regional housing markets. At the same time, the wage levels needed to enable employees to afford housing often make a company non-competitive and limits its ability to retain employees or to attract new employees from outside the state. This adversely impacts economic growth in the state and the South Central Connecticut region. The types of jobs and the incomes paid in a region directly impact the ability to afford housing, and studies needed to fully evaluate this relationship between employment and the ability to afford housing in the South Central Connecticut region, though beyond the scope of this study, may be appropriate as a stand alone issue to be analyzed. The cost, choice and availability of housing is also a significant negative in retaining young people in Connecticut, particularly recent college graduates.

### **ESTIMATE OF NEED**

An extensive analysis and assessment of the housing market in the region was undertaken. In the course of this analysis and assessment, several areas of greatest need were found and it was decided to concentrate this report on those



areas. To identify the most critical housing need of the region, those households that earn 50% or less of the area median income of \$71,000 and pay 30% or more of their income for housing were selected as the subset with the most difficulty affording housing in the South Central Connecticut region. The U.S. Department of Housing and Urban Development (HUD) provides information on income and the percentage of income spent by households on housing based on 2000 U.S. Census data. This information is used by communities throughout the country as the basis for the allocation of housing funds under a wide range of housing programs. Within the South Central Connecticut region, New Haven, West Haven, Meriden, Milford and Hamden use this data to identify housing needs as part of the locally prepared Consolidated Housing and Community Development Plan. The State prepares a similar plan using this same data which covers the balance of the communities in the region. Based upon this information, there are 35,937 households earning less than 50% of median income and paying more than 30% of income for housing in the region. This is 16.9% of the households in the region. Of these 35,937 households, 14,289 or 39.8% are classified as elderly households. The percentage of each community's estimated need that is comprised of elderly households ranged from a low of 25.6% in New Haven to a high of 70.0% in Madison. In addition, an estimated 3,938 people in New Haven experience homelessness at some point during the year. These numbers clearly indicate that the need for affordable housing in the region is at a critical point.

Many communities believe that their housing inventory includes more affordable units than credited under the Affordable Housing Appeals Act. There are units in the community which are affordable either in terms of mortgage and related ownership costs or in rent costs. For purposes of discussion, Figure ES-1 has been prepared which compares 2000 Census home values and rents to households with 80% and 50% of the community median income but not limited to subsidized or deed restricted units. This has been done to be consistent with the 2000 Census data used to determine the number of households in need of affordable housing (earning less than 50% of median income and paying more than 30% of income for housing). The communities of the region have been analyzed with this Metropolitan Area Income definition as shown in Figure ES-2.

Under the State Affordable Housing Appeals Act, the definition of affordable housing is somewhat narrowly defined to include assisted units and/or deed restricted units. These units form the basis for the achievement or non-achievement of the 10% affordable inventory to exempt a community from the Affordable Housing Appeals Act. The current list for communities in the region is included in Figure ES-3. It is noted that the percentages of units in Figures ES-1 and ES-2 are higher than the percentage of units in Figure ES-3. This is attributed to the difference in definitions discussed above. It should also be noted that the affordable housing units in Figures ES-1 and ES-2 are not, for the most part, permanently classified as affordable since there are no deed restrictions on such units. Also, as shown in Figures ES-1 and ES-2, the number of these affordable units on the market at any given time is quite small.

Figure ES-3

**SOUTH CENTRAL REGION**  
**EXISTING AFFORDABLE HOUSING UNITS PER THE STATE DEFINITION**  
**BY TOWN**

<b>Town</b>	<b>Total Housing Units</b>	<b>Existing Assisted Units</b>	<b>% of Housing Stock</b>
Bethany	1,792	3	0.17%
Branford	13,342	531	3.98%
East Haven	11,698	1,146	9.80%
Guilford	8,724	146	1.67%
Hamden	23,464	2,074	8.84%
Madison	7,386	132	1.79%
Meriden	24,631	4,703	19.09%
Milford	21,962	1,301	5.92%
New Haven	52,941	16,437	31.05%
North Branford	5,246	124	2.36%
North Haven	8,773	311	3.54%
Orange	4,870	55	1.13%
Wallingford	17,306	1,272	7.35%
West Haven	22,336	3,144	14.08%
Woodbridge	3,189	16	0.50%

Currently, the region's assisted housing stock to meet the housing needs of these households is disproportionately shared by a few communities. Four communities, New Haven, Meriden, West Haven and Hamden, account for 84% of the entire region's assisted housing stock. New Haven alone accounts for over half of the assisted units in the region. To determine the extent of disproportionate distribution of affordable housing throughout the region, an Assisted Housing Index (AHI) has been developed for each town. The AHI consists of two components: the percentage of the total housing units each town contributes to the regional total and the percentage of assisted housing units in each town. The percentage of the total regional housing units in each town has been divided by the corresponding percentage of the total affordable housing units for that town to complete the AHI factor.

While the AHI correlates each town's share of total housing with its share of assisted housing, workforce housing needs are also an important consideration and must be factored into the need equation. A general assumption is that people want to live relatively close to their place of employment, either in the town of employment or near a transportation corridor that takes them to and from their job; the convenience and shorter commuting times are clear factors as to why this is so. In some of the region's towns, however, the reality is that people who work in the town are priced out of the housing market in that town.

To factor in the key component of workforce needs into the housing need, a Housing Affordability Quotient (HAQ) has been developed. The HAQ takes the community’s percentage of the region’s jobs and divides it by the community’s percentage of the region’s housing need. Dividing the percentage of jobs by the percentage of housing need in each town identifies communities where there is a greater share of regional jobs than its resident percentage of regional housing need as determined from the HUD data, an indicator that the people who work at local businesses are residing in another community and are often priced out of the housing market in the community where they work. Multiplying the HAQ by the AHI completes the correlation between current housing need, existing affordable housing and the economics of employment in the region. A separate estimate of special needs housing in the region was calculated. This is housing for people with physical disabilities, mental illness, substance abuse issues and multi-diagnosed people. Based upon available data, it is estimated that 15% or 5,390 of the households earning less than 50% of median income comprise this category of need. Figure ES-4 shows this adjusted affordable housing need.

Figure ES-4

Town	Need <sup>1</sup>	HAQ <sup>2</sup>	Final Need Adjustment <sup>3</sup>	Difference	% Difference	Special Needs Housing <sup>4</sup>
Bethany	116	4.77	136	20	17.2%	20
Branford	1,738	1.54	1,733	-5	-0.3%	260
East Haven	1,768	0.27	1,605	-163	-9.2%	241
Guilford	624	3.04	800	176	28.2%	120
Hamden	3,449	0.89	3,380	-69	-2.0%	507
Madison	446	2.68	501	55	12.3%	75
Meriden	4,078	0.49	3,855	-223	-5.5%	578
Milford	2,000	3.28	2,244	244	12.2%	337
New Haven	13,744	0.57	13,259	-485	-3.5%	1,989
North Branford	587	1.10	593	6	1.0%	89
North Haven	754	4.21	970	216	28.6%	146
Orange	365	6.81	581	216	59.2%	87
Wallingford	1,755	1.97	1,911	156	8.9%	287
West Haven	4,327	0.38	4,116	-211	-4.9%	617
Woodbridge	186	6.35	248	62	33.3%	37
<b>TOTAL</b>			<b>35,932</b>			<b>5,390</b>
<b>NOTES:</b>						
<sup>1</sup> U.S. Census data provided by HUD.						
<sup>2</sup> Computed by dividing the percentage of the region's jobs in each town by the percentage of the region's housing in each town, then multiplying the result by the AHI for each town.						
<sup>3</sup> Computed by taking the original housing need for each town per the HUD CHAS data and applying the HAQ.						
<sup>4</sup> Computed by applying an estimate of 15% of the adjusted need as provision for special needs housing.						

In recognition that housing and job markets cross municipal boundaries, the region has been divided into ten sub-regions. These sub-regions have similar characteristics in terms of land use, housing markets, employment patterns and transportation corridors. The adjusted affordable housing needs were then assigned to these sub-regions. The map following this page shows these sub-regions and Figure ES-5 on the following page shows the adjusted need.

To illustrate the results of this adjustment process, the specifics of two communities can be compared. For this purpose, West Haven and Guilford have been chosen. West Haven, with a HAQ of 0.38, is a community where the percentage of assisted housing units in its housing stock is higher than its percentage of the total housing units in the region and where its percentage of the total jobs in the region is lower than its percentage of households with housing needs in the region. West Haven’s 0.38 HAQ, when applied to the number of households with housing needs, results in a reduction of its need from 4,327 to 4,116. Guilford has an HAQ of 3.04, which reflects less affordable housing and proportionally more jobs. Thus, the application of its HAQ of 3.04 results in an increase of its need from 624 to 800.

Figure ES-5

Subregion	Housing Units	Adjusted Household Need	Special Needs Housing Provision
Route 10 - Whitney Ave.	41,271	9,043	1,356
Route 1 West	35,360	5,006	751
Route 1 East	35,451	4,695	704
I-95 Central	19,241	4,052	608
Route 5 North	23,597	3,385	508
Route 80	12,939	2,443	367
Route 5 South	13,526	2,126	319
Low Density East	18,487	1,932	290
Low Density North	12,372	1,645	247
Low Density West	15,416	1,604	241
<b>TOTAL</b>	<b>227,660</b>	<b>35,932</b>	<b>5,390</b>

Each of these sub-regions contains portions of two or more communities which further supports the regional approach to meeting housing needs.

It is recognized that there is some debate regarding what constitutes “affordable” housing and the definition of this term. For the purposes of this report, the issue of affordability was examined using both the definition of “affordable housing” under the Connecticut Affordable Housing Appeals Act, Section 8-30g of the Connecticut General Statutes (which is primarily assisted housing and/or deed-restricted units), and a definition based upon economic affordability derived from data provided by the U.S. Department of Housing and Urban Development (HUD).

**HOW TO ADDRESS THE NEED FOR AFFORDABLE HOUSING**

A variety of public policies have impacted the supply of affordable housing and will impact future potential initiatives to meet affordable housing needs. The public policies are:

- Community land use and zoning regulations
- Infrastructure investment, particularly sanitary sewer and public water
- Transit service to increase mobility in the region
- Allocation of public financing for affordable housing

While land use and zoning policies are subject to the limits of municipal boundaries, the balance of the public policies can be addressed at the regional level. Just as housing markets cross municipal boundaries, affordable housing policies must be advanced on a regional basis. It is recommended that a Regional Housing Partnership be formed by the Council of Governments to increase the supply of affordable housing in the region. The Partnership would be a separate 501(c)(3) non-profit organization housed within the COG and governed by a Board of Directors with representation from each municipality. It would be staffed by individuals with housing and finance experience and supported by public and private funds as well as program fees as specific programs are implemented.

The underlying policy goals of this regional affordable housing program include the following:

- Target resources towards individuals and families most in need
- Develop a strategy which addresses housing needs within a market-based approach without the limits of municipal boundaries
- Address special needs housing as a regional issue even though in the past the central cities have assumed the bulk of the burden for provision of resources and services
- Increase the limited financial resources for affordable housing
- Remove the obstacles which current land use and zoning policies present to increasing the supply of affordable housing
- Recognize the need for a regional structure to implement a responsive and efficient affordable housing program

The proposed Regional Housing Partnership would facilitate the achievement of the housing goals through: (a) information sharing through a regional housing clearinghouse and convening function; (b) assisting with financing and technical assistance to member communities and non-profit and for-profit housing developers; and (c) assisting with and monitoring the adoption of regulatory initiatives at the community level to encourage provision of affordable housing. Forms of affordable housing initiatives include:

- Conservation subdivisions which encourage a variety of housing construction types and have a required common open space area, with an affordable component
- Accessory apartments
- Neighborhood center / local route small-scale development
- Mixed use development

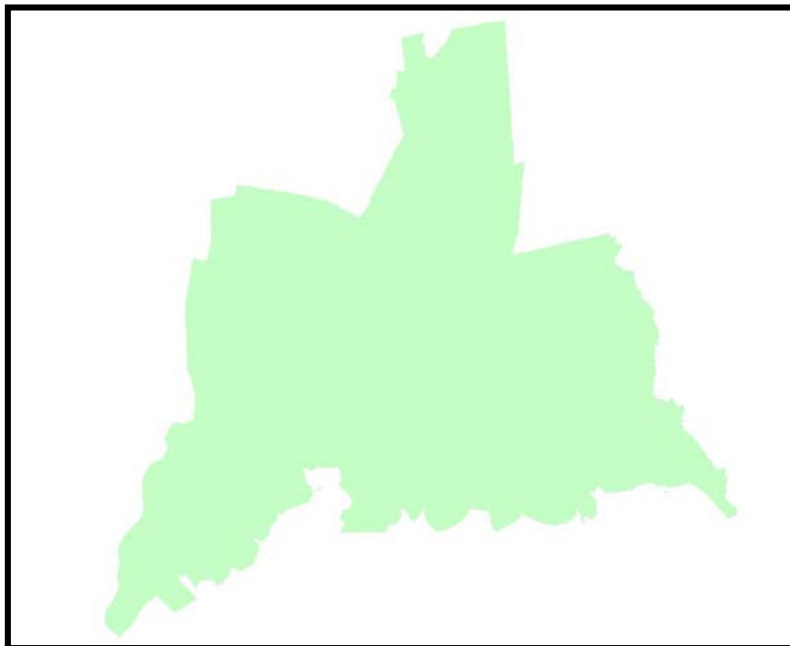
- Apartments over retail/office
- Traditional apartment / rental developments with an affordable component
- Single room occupancy facilities (SROs) and boarding houses
- Home ownership programs funded through public/private partnerships

The affordable housing production goals for the region presented in this study have been allocated at the sub-region level, rather than the individual municipality level, for several key reasons described in the report. The data analyzed and the built form and transportation realities of the region clearly indicate the need for affordable housing production strategies that cross multiple municipal boundaries. It is also important to note, however, that the achievement of affordable housing production goals at the sub-regional level should focus on those municipalities which have traditionally lacked a notable affordable housing component in their respective housing stocks. However, this focus should not be exclusive to the point at which the provision of additional affordable units in those communities with a past record of achievement is not permitted if such additional units effectively address housing needs in the region.

The logic for a regional approach has been recognized in numerous studies and by many organizations. The recently released Blue Ribbon Commission on Property Tax Burdens and Smart Growth Incentives report contains various recommendations concerning fiscal and land use issues; the provision of affordable housing on a regional basis must be an integral part of a strategy to address such issues. Connecticut Metropatterns – A Regional Agenda for Community and Prosperity in Connecticut, prepared for the Center Edge Coalition, also addresses the role of regions in addressing a variety of community needs. The role in providing housing on a regional basis is similar to the current regional ranking and funding of transportation projects as part of the Transportation Improvement Program, which is currently the responsibility of the Council of Governments. The proposed housing strategy looks to coordinate with regional transportation policy to enhance effectiveness in addressing the two critical regional needs of housing and transportation. The strategy includes initiatives summarized above which show the way to meet housing needs in the future. The issue for the future is whether there will be the will. For the future economic and social health of the region, there is no alternative, but to address the issue facing us all.

## **Chapter One**

### **The Problem**



The New Haven region (Figure 1) faces a housing crisis which is negatively impacting the economy, natural environment and most importantly, the thousands of households that cannot reasonably afford housing. Currently, 35,937 of the 213,000 households in the region are earning less than 50% of the area median income and paying more than 30% of their income for housing. The average home sale price of \$259,981 for single family homes in the July 2002 to July 2003 period and a fair market rent of \$939 for a two-bedroom apartment is beyond their means. It should be made clear that these households are not what people often think of as low income households; a household can earn up to \$35,500 and still be only 50% of the area median income. These are working families providing valuable services and supporting the region's economy. Many are families who have lived in the region for generations and cannot afford housing which was within the financial reach of their parent's and grandparent's generation. The housing market is not and has not for a number of years provided an adequate supply of affordable housing. A new way of addressing this situation is required. The time for an effective regional approach to this regional problem is here.

### **Why A Regional Approach To Affordable Housing Is Required**

Recently, there has been extensive public dialogue as to the need for a regional approach on a variety of public policy issues. These issues include the financing of public education, reduction in sprawl development, more efficient public

transportation, protection of the natural environment and sustainable development in general. Running throughout these issues is the challenge of providing affordable housing on a regional basis. Shelter is one of the most basic human needs and yet is one of the most complicated to deal with as a public policy issue. Since the Housing Act of 1937, decent housing for every American has been a national policy goal which has been repeated in a variety of state and local policy statements. Yet this goal has not been met.

The complexities of providing housing for all are extensive.

- While housing is a public policy issue, it is unlike public education for example, as there are a wide range of opinions as to the extent to which public policy should control or influence the housing market.
- Housing markets are impacted by national factors such as interest rate changes which are beyond the control of non-monetary policy makers.
- Housing choice in terms of location and type is a highly personal decision with a wide range of desires.
- Housing has become much more of an asset-building technique rather than purely a home.
- Housing markets do not recognize municipal boundaries to the same extent as other public policy issues.

For all of these reasons, the issue of housing, particularly affordable housing, must be addressed at a broad yet effective level of government. In some states, this is at the county or metropolitan level where a range of government services are provided and policy decisions are already being made. In Connecticut, there are effectively only two levels of government where services are being provided and policy decisions are made: the state and the 169 municipalities. Some specific regional cooperative efforts in the areas of public utilities (water and sewer), solid waste management and education (regional districts) as well as regional transit districts exist. However, none of these cooperative efforts or institutional structures are appropriate to address the housing issue.

The most logical framework to address the housing issue in Connecticut is the Council of Governments or Council of Elected Officials. In the case of this region, the South Central Regional Council of Governments is the appropriate entity. This group is comprised of the chief elected officials of the 15 communities in the region. In addition, the Council of Governments works closely with the Regional Planning Commission, which is comprised of members of local Planning Commissions. These two groups are responsible for the preparation and approval of the South Central Connecticut Regional Plan. This



Plan is the official policy document for a variety of land use issues including housing.

Recently, two well-regarded reports dealing with the issue of regionalism have been released. The report *“Connecticut Metropatterns – A Regional Agenda for Community and Prosperity in Connecticut”* (Ameregis; Metropolitan Area Research Corporation, March 2003) prepared for the Center Edge Coalition addresses the role of the regions. Under the section of conclusions entitled *“Regional Leadership and Decision-Making”* there is the following statement:

***“There are Councils of Government already established in some parts of Connecticut. If strengthened, these councils could encourage regional cooperation while honoring Connecticut’s tradition of local control. The chief elected officials of the municipality hold the power in a COG, which provides a means for democratic control and accountability. Strengthened COG – like structures could make headway on a whole host of regional issues, such as land-use planning, housing and redevelopment efforts, investment in regional priorities and the protection of farmland and other open space.”***

In September of 2003, the State of Connecticut Blue Ribbon Commission on Property Tax Burdens and Smart Growth Incentives released a report addressing fiscal and land use policies in Connecticut. The issues in the report have been raised by other groups in addition to the Connecticut Metropatterns Report and discussed in the following reports: *Connecticut Strategic Economic Framework* [the “Gallis” report] (1999); *Connecticut: Economic Vitality and Land Use* (May 2003) from the Connecticut Regional Institute for the 21<sup>st</sup> Century; *Is Connecticut Sprawling* (2002) by the Regional Plan Association; *Promoting Smart Growth in Connecticut* (2002) by the Harvard Design School; *10 Principles of Smart Growth in Connecticut* by the Connecticut Conference of Municipalities; and work done by the Connecticut chapter of the American Planning Association, the Connecticut Association of Homebuilders, and others. The Blue Ribbon Report contains the following recommendation in terms of affordable housing:

***“The regional plans of conservation and development should include a housing needs assessment. Regional Planning Organizations (RPOs) should establish a fair-share allocation for affordable and mixed-income housing and require that each municipality develop implementation measures to meet the housing needs of all income levels as determined in the housing needs assessment.”***

On the national level, similar calls for regional cooperation in the area of affordable housing have grown louder in recent years. In February of 2003, the American Planning Association published a comprehensive report entitled *“Regional Approaches to Affordable Housing.”* This report examines the history of regional housing approaches, the issues facing a region and provides an extensive description as well as evaluation of programs in place throughout the

country. The report concludes with a set of best practices and strategies for affordable housing as follows:

- The most important element in ensuring the provision of affordable housing on a regional basis is political will and leadership.
- Advocates for regional change must reframe the question of the need for affordable housing as a market inefficiency to be corrected rather than as charity or welfare for the poor or less deserving.
- A regional institution must be charged with identifying and understanding the scope of the affordability problem on a regional basis and creating a forum for action.
- Advocates for affordable housing production must understand the role of the market.
- The state's role is critical, especially in high-cost, high-growth regions of the United States.
- States need to persuade local governments to remove regulatory barriers to affordable housing.
- Reliable sources of funding for subsidies and for supporting infrastructure for affordable housing are essential.
- Local governments must have a full toolbox of techniques to provide affordable housing opportunities.

All of these best practices and strategies are applicable to the South Central Connecticut region.

### **The Basic Facts About Housing in the Region**

With housing prices rising rapidly and little or modest amounts of affordably priced units being added to the regional supply, employees are having difficulty finding housing that they can afford at their present salaries. In the past, affordable housing was often viewed as a central city issue. However, this is clearly no longer the case. A regional economy goes hand-in-hand with regional housing availability. Journey-to-work data from the 2000 Census demonstrates the economic interconnectedness of the New Haven region. Therefore, if businesses in the region are unable to grow or are forced to scale back employment, it does not just impact the town or city in which the businesses are located. Every town in the region is affected by a stagnating or shrinking regional economy and thus affordable housing is an issue to all communities in the region. Some might ask what is the importance of affordable housing being available

throughout the region as part of our daily lives. The importance reflects itself in many ways.

### Regional Economy

As will be shown in this report, the South Central Connecticut regional economy displays an interdependence in the movement of people and goods without regard for municipal boundaries. While New Haven has continued to be the economic center of the region, there has been a dispersal of economic activity throughout the region. This dispersal is reflected in the *2000 Census Journey to Work* data.

### Housing Markets Are Not Defined By Municipal Boundaries

Housing markets in the region are defined more by density, price and access to employment than by municipal boundaries. As will be discussed in this report, there are clusters of housing market segments on a sub-regional basis which reflect particular characteristics.

### People Who Provide Services Are Being Priced Out Of Some Communities

There are several communities in the region where the choice and cost of housing is making it unaffordable for police, fire, teachers and other public employees to reside in the town. Even those towns which have volunteer fire departments are being impacted because the financial pressures related to increased housing costs are detracting from volunteer hours. In addition to public services, many people providing services as part of the private economy, such as nursing aides, medical and legal secretaries, construction workers, retail salespeople and machinists, cannot reside in the towns which rely on these services and the support of their tax base in the form of facilities where these people are employed. This is particularly true in those communities where retail trade is the predominant portion of the non-residential tax base.

### Consistency With The Regional Plan Corridor-Based Smart Growth

The South Central Connecticut Region is fortunate to have a well-developed transportation system in place. This system includes the major highway corridors of I-95, I-91, and I-691, as well as Route 15. In addition, the older state routes such as Route 1, Route 5 and Route 10 provide development corridors. There is also a public transit system including both rail and bus service which for the most part is located within these corridors. In recognition of these transportation linkages, the recently adopted Plan for the Region contains a corridor-based development strategy. This strategy proposes to build upon the strength of the existing infrastructure and advance smart growth principles. The increase in the supply of affordable housing must be incorporated into this smart growth philosophy both officially and in the form of policy commitments.

Over the next several chapters, words and graphics will be used to present a summary of the current condition of the housing market in the South Central Connecticut region. These current conditions and future trends will be used to describe obstacles to addressing affordable housing needs in the region. The

report will conclude with recommended regional approaches to meet these affordable housing needs.

## Chapter Two

### **Regional Economic Setting Impacting Affordable Housing**



The relationship between a region's economy and its housing market is a dynamic one. On the one hand, the consumer spending power generated by the economy drives the housing market. While at the same time, the housing market has a major impact on the economy as a result of the wages generated by housing construction and renovation. Also, the overall attractiveness of a region within which companies locate or expand is often determined by the cost of doing business of which housing costs are a major component.

#### **Regional Growth and Job Shifts**

The South Central Connecticut region's economy reflects the overall economy of Connecticut. Connecticut is a high income state with the highest per capita income in the United States. However, there are wide divergencies in this high income economy with lower income persons generally concentrated in the major urban areas or the rural northeast and northwest corners. This pattern is the same within the South Central Connecticut region. Over the last 50 years the population density of communities in the region has shifted, with increases in the more suburban/rural communities and decreases or slowing increases in the core communities (Figure 2). However, this change in densities has not been accompanied by a corresponding change in wealth. If anything, the suburban/rural communities with increasing densities have increased in various measurements of wealth resulting in greater disparities within the region. This change in density has been accompanied by an increase in employment in these communities. The absolute change in total non-farm employment in communities in the region between June 2001 and June 2002 indicates that communities

gaining jobs during that period are among the communities with increasing densities (Figure 3). When one goes back over the last 25 years, this trend is even more dramatic.

What is most significant in this job change trend is not only the number, but the types of jobs being created. Overall in the New Haven Labor Market there has been a shift away from higher paying manufacturing jobs to non-manufacturing jobs, a shift illustrated during the period between March 2002 and March 2003 (Figure 4). The two largest job categories in the region are trade and health services. Both of these job categories are primarily lower paying than manufacturing. The communities gaining jobs have experienced significant growth in retail development as well as non-hospital (urban core) medical facilities. This trend has a significant impact on the regional need for a distribution of affordable housing discussed in this report. Lower income people in the region find it more and more necessary to travel to generally low paying jobs in higher cost sub-regional housing markets.

### **Disposable Income Relation To Housing Costs**

The issue of the ability to afford housing in the region is not limited to people filling low paying jobs. If one looks at the overall economy of Connecticut over the last 30 years, increases in real disposable income have not been dramatic (Figure 5). In fact, over the last 3 years change in disposable income has been virtually flat or negative. In a normal economic environment, this would lead one to assume that housing cost increases would be equally flat or negative. This has not been the case in Connecticut or the South Central Region. The reason for this has been 2 factors: historically low interest rates and very small increases in the number of housing units. The region added 12,098 housing units between 1990 and 2000 of which 10,162 or 84% were single-family units. During this same time period, housing units were removed from the supply by demolition or conversion to non-residential uses. During that same period, the region added 9,066 households of which many were single person households due to new household formation rather than in-migration. An increasing demand has been chasing a slowly increasing supply which has raised both purchase prices and rents. The cost of rents has been further impacted by the conversion of condominium units built in the 1980's which became rentals back to originally intended sales units thereby further reducing the supply of rental units.

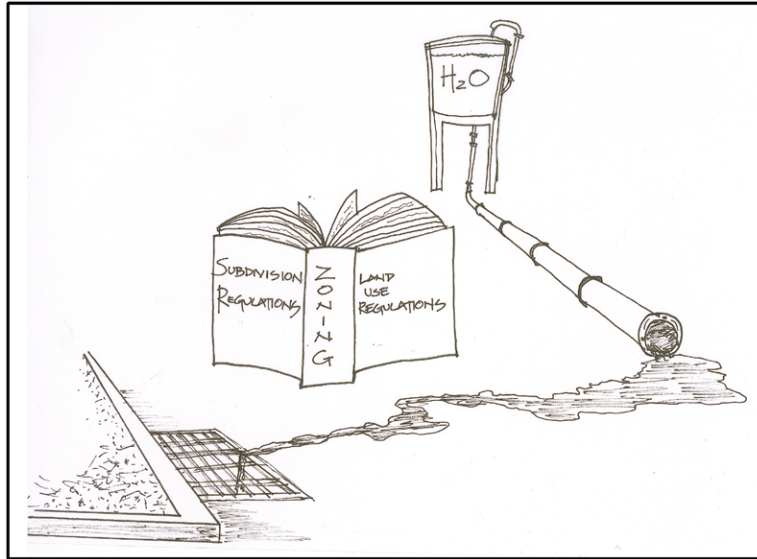
### **Perception of Housing Need**

In early 2003, the United Way conducted a survey of New Haven area community leaders. When asked to list the three greatest needs in the New Haven region, housing was named first by 18.7% of the participants, second only to the economy/employment at 20.7%. In the rating of 30 issues by importance, lack of affordable housing ranked fourth, homelessness ranked 11<sup>th</sup> and special needs housing ranked 15<sup>th</sup>. In a similar survey of the Connecticut Business and Industry Association conducted in 2002, the membership was asked to list the most important problem facing Connecticut businesses today. The second most

common response at 19.6% was the cost of doing business. A major component of the cost of doing business is the cost of labor. The major component of the wages required by employees is the cost of housing. The required wage levels often make a company non-competitive and limits its ability to retain employees or to attract new employees from outside the state. This adversely impacts economic growth in the state and the South Central Connecticut region. The cost, choice and availability of housing is also a significant negative in retaining young people in Connecticut, particularly recent college graduates.

## Chapter Three

### Government Policies Impacting Affordable Housing



Although the production of housing is primarily a private sector activity, public policies impact housing production and affordability in various ways. Some of these impacts are very direct such as the production of federal and state housing units. There is also a direct impact on the ability to pay for housing through the Section 8 Program as well as various mortgage programs including FHA and VA. The financial institution's financing of mortgages is also impacted by the secondary market created by GNMA, FREDDIE MAC, FHLB and other organizations. Most of these housing programs are beyond the control of individual communities or the region.

The public policies within the control of individual communities and the region are land use patterns; zoning and subdivision regulations and public infrastructure investments. These policies are discussed in this chapter.

#### **Land Use and Zoning**

Analysis of the land use/land cover maps (Figures 6 & 7) of the South Central Connecticut region indicate that although the issue of suburban sprawl is important in the region, much of the region's development is concentrated in existing urbanized areas and along transportation corridors. While this reality does not preclude sprawl as a problem in South Central Connecticut, it does show that existing infrastructure assets have served to channel growth in particular directions. This regional form of development is conceptually similar to development patterns espoused in "smart growth" doctrines, such as concentrating new development in existing transportation corridors rather than building new routes to service additional low density development. It is also consistent with the Regional Plan adopted in 2000. However, demand for additional development,



particularly housing, is placing significant pressure on suburban towns and their remaining undeveloped land.

An examination of the land cover map clearly indicates that the “urban core” of the region is comprised of the cities New Haven, West Haven and southern Hamden. This core area extends its tendrils into northern Hamden, North Haven, East Haven, Orange and Milford by way of major regional and local transportation routes. Development in the Foxon area of East Haven has evolved around Route 80 as it branches off from New Haven, and the development in the center of East Haven is clearly tied to the confluence of Main Street, Route 1 and I-95, all of which extend east from New Haven. Development in southern North Haven centers primarily on I-91 and the railroad lines running north from New Haven, as well as Route 17 (Middletown Avenue). In Hamden, Route 10 (Dixwell Avenue), Whitney Avenue and Route 5 (State Street) have been the major conduits for the extension of the urban core from New Haven into southern Hamden. I-95 and Route 1 have been the channels for the expansion of commercial development from West Haven into Orange and Milford, while Route 162 (Jones Hill Avenue/New Haven Avenue) has been an axis for residential development from West Haven into Milford.

In addition to this urban core and its extension along transportation routes, several towns in the region have well-defined and developed town centers. East Haven, Milford, Branford, Guilford, Madison and Wallingford have distinct town centers with a variety of uses that distinguish them from surrounding residential areas. These areas are also generally quite old, dating back to the Colonial time period. The City of Meriden also has a densely developed center that serves as the urban core area in the region, located in the area of I-691 and Route 322 (East Main Street).

In the smallest towns of the region, Bethany, Woodbridge and Orange, development patterns centered on transportation corridors are particularly obvious. The limited amount of development in Bethany is concentrated in three or four pockets along Route 63. In Woodbridge, the overwhelming majority of dense development in the town is centered along the New Haven line where Route 63 and Route 69 intersect with the Wilbur Cross Parkway. Additional development in Woodbridge can be found in the center of town near or along Route 63. In Orange, the regional retail development along Route 1 and near I-95 is in stark contrast to the low-density residential development generally found throughout the rest of the town.

In Branford, Guilford and Madison, the densest development is found from the I-95/Route 1 corridor south to Long Island Sound. The area of highest density in Guilford is located in the southeastern corner of the town, with additional development extending west along Route 1 to the Branford line. Limited development can also be found along Route 80 and Route 77. Similarly, Madison has substantial development south of I-95, with only some limited development extending north of the highway and along Route 80. A small cluster of development can also be found in North Madison. Branford has a high

concentration of development along Route 1, particularly in the area where Route 1, I-95 and Route 139 come together.

Wallingford and North Branford are also good examples of transportation corridor development pattern. Both commercial and residential development of a substantial density can be found in Wallingford; the majority of this development is found between I-91 and the Wilbur Cross Parkway, primarily centering on Route 5. In contrast, the eastern and southeastern areas of Wallingford are sparsely developed. Similarly, both residential and commercial development in North Branford is closely tied to Route 80, Route 22, Route 17 and Route 139; in the other half of the town, north and east of Lake Gaillard, there is very little development at all.

Even in the larger and more developed suburbs of the region, such as Hamden and Milford, the transportation corridor development pattern still holds. Hamden's development is concentrated in the southern and eastern sections of the town along four major routes: Route 5 (State Street), Whitney Avenue, Route 10 (Dixwell Avenue/Whitney Avenue) and the Wilbur Cross Parkway. Milford's development is stratified into bands, with a large proportion of its residential development located between Route 162 (Bridgeport Avenue/Broad Street/New Haven Avenue) and Long Island Sound, substantial commercial development along Route 1, and industrial and commercial development along I-95 in the eastern end of the City.

The fact that much of the development in the region is located either along existing major transportation routes or in urban core areas has important implications for affordable housing. As many low and moderate income households rely on public transportation, transportation corridors are logical locations for affordable housing that could meet the needs of workers in the numerous jobs that are located in these corridors. Combining housing with existing or additional retail and service uses can strengthen these corridors by providing a level of activity that lasts beyond the end of the workday. Finally, locating affordable housing in existing transportation corridors will not only alleviate some of the regional demand for housing, it will do so in a manner that promotes smart growth principles on a regional level.

While density does not necessarily translate into affordable housing, zoning regulations which permit densities greater than the suburban single family lot do provide the opportunity for affordable housing. The figures in the Appendix A list the multiple family zoning districts and the residential zones with a minimum required lot size of 10,000 square feet or less for all 15 communities in the region; these tables have been included for informational purposes only. Not surprisingly, the zoning regulation density provisions generally mirror the land use patterns discussed above with towns such as Orange, Bethany, Woodbridge, Madison and Guilford having the least amount of land zoned to permit multi-family development.

Chapter Six contains a series of recommended regulatory initiatives for consideration by planning and zoning commissions in the region's communities. While not all regulatory changes are appropriate in every community, there are several initiatives which are universally appropriate.

### **Infrastructure Investment**

There are two primary infrastructure investments impacting housing production as well as development patterns in any community or region. These investments are the extension of sanitary sewers and water service and increasing the capacity of the road network to accommodate increased traffic. A further policy related to the street network is the availability of mass transit within the network to serve residents and businesses.

Currently, each of these infrastructure policies is addressed to some extent on a regional basis in the South Central Region. The sanitary sewer cooperation does exist wherein Hamden, East Haven and New Haven treat their effluent at one central plant. In terms of water, the Regional Water Authority serves several communities in the region. However, the primary responsibility for infrastructure investment has remained with the individual communities. The lack of water and/or sewer in many of the communities has established the land use pattern in the region with lower densities in the non-core areas. This has resulted in sprawl dominated by single-family development as the primary housing form in these areas. Strategies for providing additional affordable housing in the future must take into consideration the lack of infrastructure in portions of the region and include initiatives appropriate for this lack of infrastructure.

Transportation infrastructure investment policy has gradually shifted to a regional approach. This shift can be attributed to the requirement for each region to prepare a Transportation Improvement Program (TIP). The TIP prepared by the Council of Governments acting as the Regional Planning Organization (RPO) establishes priorities for all DOT funded transportation improvements. While the individual communities are still responsible for local road improvements, the vast majority of significant improvements are part of the TIP process. Road improvements are also often funded by the private sector as part of the approval requirements of the State Traffic Commission or local planning and zoning commissions. This regional policy role in transportation investments will facilitate the coordination of such investments with advancing regional housing policies. The focus on a corridor development strategy in the recently adopted Regional Plan of Development is consistent with this coordinated approach. Likewise, the current effort by the COG to coordinate transit improvements with other elements of the Regional Plan including the housing element through an on-going transit study is evidence of a regional approach.

## Chapter Four

### What is the Status of the South Central Connecticut Housing Market?



The housing market in South Central Connecticut is as diverse as the natural and built environment in the region. Just as the region ranges from the coastal environment to the ridges of Meriden, the built environment reflects the long history of the region in both type of settlements and land uses, and thus the housing market is diverse in type, density and cost. However, just as the region clusters in terms of the natural environment and settlement patterns by sub-region, housing clusters into sub-markets. These clusters cross municipal lines consistent with historical development patterns. These historical development patterns have been extended and in many ways transformed into new clusters by public policies of the individual communities in regards to zoning and subdivision regulations as well as infrastructure investments.

In addition, the special housing needs of particular groups within the population cross municipal boundaries. While some of these special housing needs including homelessness have a relation to the economics of the market, many are a result of individual challenges which exist throughout society. Issues related to people with substance abuse, mental illness and disabilities exist in all communities. The historical pattern has been that central cities such as New Haven and Meriden provide the bulk of the housing and services for this special needs clientele. A regional solution to address these special needs must be part of an effective regional housing policy.

To understand the status of the current housing market and the implications for the future, it is necessary to examine supply and demand as well as the affordability based on the economics of the region. It is also necessary to

examine current public policies aimed directly at addressing the marketplace components of supply, demand and affordability. The following narrative discusses various components of the housing market. Appendix B contains supplementary tables and charts.

### **Ownership Housing**

The ownership housing market in the South Central Connecticut region has been in a period of expansion, a trend which started slowly in the early 1990s and has continued with acceleration through 2002, especially during the last three years. Major underlying causes have been the decline of mortgage interest rates to historic lows, expansion of jobs and labor force (until recently) and modest net household growth in the region. The supply, largely comprised of resales rather than new construction, grew strongly in response to an improving economy and rising home values. However, we are now seeing a falling supply of single family homes for sale in most regional communities. This has benefited the condominium market, which saw its best year since the 1980s in 2002, both in terms of prices and numbers sold.

Sales distribution in the marketplace indicates that the area remains relatively affordable for those earning a median household income, with half of all transactions (including single family, condominium and multifamily) falling below \$175,000 in a recent twelve month period. Three quarters of all sales were below \$275,000. The majority of these sales are clustered in the core cities and inner ring suburbs, where rising values and transactional volume indicate renewed interest in urban choices for ownership as well as rental housing. Part of this renewed interest is driven, however, by buyers being priced out of outlying suburban communities. As the supply of resale housing continues to come under pressure, affordability even in the urban core may become cause for concern.

### **Single Family Homes**

The region has enjoyed a single family housing price boom over the last ten years which has seen values increase throughout the area, especially in the outer suburbs. These areas recovered most quickly from the recession of the early 1990s with median values now up more than 50% in many cases since 1998. The core cities of New Haven and Meriden and inner suburbs of West Haven and Hamden recovered more slowly, but since 1998 have also experienced good gains.

Madison overtook Woodbridge as the most expensive community during the ten year cycle, with a median sale of \$363,000 in 2002. Woodbridge and Orange medians were \$337,500 and \$308,500 respectively. New Haven remains the most affordable location, with a median sale of \$105,000 in 2002, followed by Meriden at \$118,000.

#### Supply

Rising sales prices have accompanied good liquidity (sales pace) in this market, fueled by falling interest rates and a stabilized jobs base. The supply of homes for

sale in the area grew strongly in the mid 1990s in response to the recovery, with total sales transactions peaking in 1999 at 7,662, up 67% from 1993 when only 4,599 homes were sold. However, since 1999, the number of transactions has leveled off and homes sold actually declined by 6% to 7,178 in 2002. This has resulted on more upward pressure on home prices, helping to explain why median prices have escalated at a faster rate in the last three to four years. If the area continues to experience high demand, especially in response to an improving national economy, entry-level ownership and even move-up ownership will increasingly remain out of reach for many area households.

Even where supply has continued to increase in the area's larger housing markets, the trend indicates that all areas are leveling out if not actually experiencing a decrease in homes for sale. The decline in sales transactions after peaking has been most dramatic in Branford and Guilford, where declines of 30% were experienced. Overall, twelve towns recorded fewer sales in 2002 than in a recent peak year. The exceptions were Bethany, where new construction has helped sustain inventories of homes for sale and the core cities of New Haven and Meriden. New Haven's single family home transactions have increased from 583 in 1993 to 1,343 in 2002, a staggering 130%. Meriden has witnessed a 100% increase in sales from 1993 to 2002, with 964 recorded in 2002. Together these cities represented 32% of all transactions in 2002, up from 23% of all transactions in 1993, demonstrating what an important source of ownership housing they represent to the region in addition to providing the majority of the rental housing.

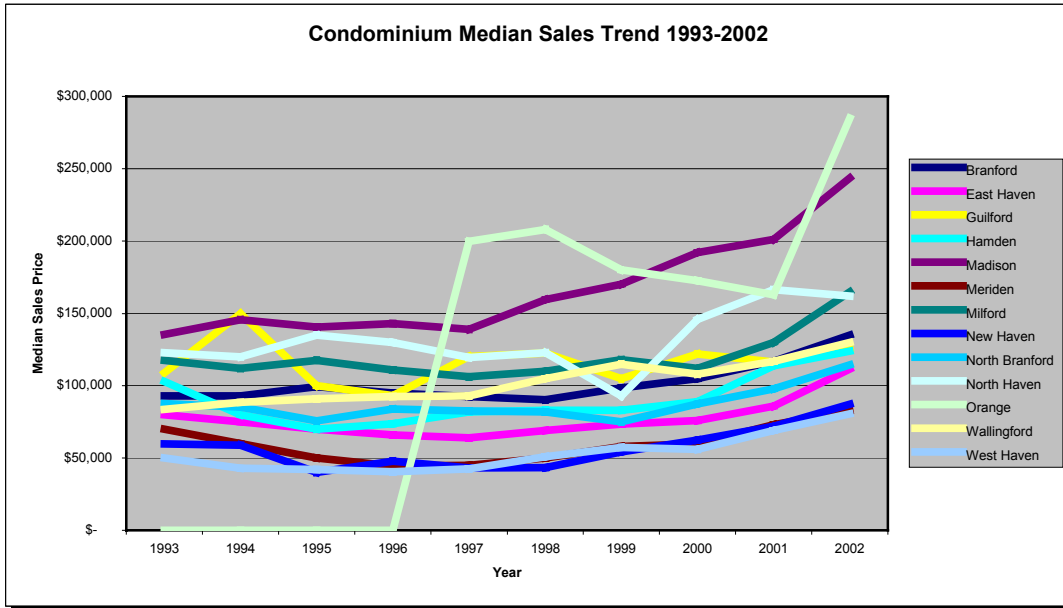
### **Condominiums**

Condominiums continue to represent an affordable ownership choice to wide and growing cross sections of the market. Always popular with the young, the single, just married or newly split, increasing numbers of empty nester baby boomers are and will continue to downsize to condominiums over the next two decades. Downsized older households are increasingly remaining in their home market areas, although they may not be in the area year round. It will be important to retain these older households and their spending power in the region. Equally important will be the need to continue to provide affordable housing for the young and the single or divorced as their incomes enable them to invest in the region's various communities.

The 1980s witnessed a sizeable increase in condominium construction throughout the region, resulting in overbuilding and dramatically falling prices as the economy and market retrenched in the early 1990s. A review of median condominium sales for the 1993-2002 period shows essentially the same pattern of market retrenchment and gradual recovery as single family homes although the recovery in condominium values was more gradual until the last five years. However, since 1999, values and transaction levels clearly indicate that the condominium market is fully rejuvenated and filling an important role with respect to affordable entry level ownership housing. This has occurred despite the fact that there has not been a significant amount of new condominium construction regionally since the late 1980s (see Figure 8).

By 2002, the top market price was in Orange where new construction (mainly for empty nesters) resulted in a median sale of \$285,000. Madison was the only other community with a median sale close to that level at \$243,500. (Woodbridge and Bethany had no condominium sales data). Throughout the rest of the market area, medians were at \$165,000 or lower, indicating a good range of affordability. New Haven, Meriden and West Haven medians were all below \$100,000.

Figure 8



A good market for condominiums has an effect on the rental market as well. Many condominiums became rentals during the early to mid 1990s, when selling conditions were poor and owners needed income to carry mortgages. Additionally, investors bought blocks of units at favorable prices and rented them. These units are now increasingly being sold off to owner-occupiers, reducing rental supply and increasing pressure upwards on rental rates.

The tightening of supply due to a lack of new construction and higher price points in the single family home market has had an impact on the condominium market in the region in the last three years, particularly in 2002 when the number of transactions spiked up to 2,817, up 22% in one year. Condominium sales represented 23% of all single unit sales (single family and condominium combined) throughout the 1990s but were 28% in 2002. In a continuing market of price escalation, condominiums may soon represent one in three sales rather than one in four.

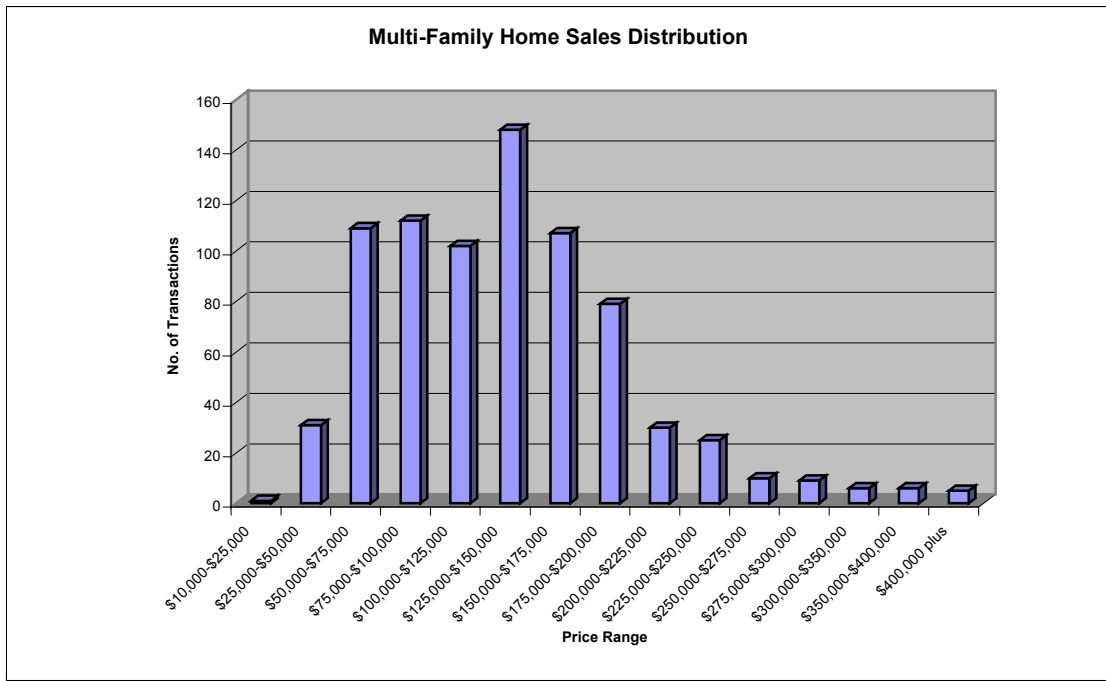
### Multi-Family Homes

Multi-family homes of two, three and four units continue to be an important part of both the rental and homeownership real estate markets in South Central Connecticut. Multi-family dwellings were built in the region's older industrialized cities and near-in suburbs rather than in outlying suburbs. Consequently, the five

communities of East Haven, Hamden, Meriden, New Haven and West Haven are the focus. Multiple Listings Services reports a total of 780 multi-family transactions during the period July 1, 2002 through June 30, 2003 in these five communities.

Across the five communities for which data was reviewed, market support was concentrated in the range of \$50,000 to \$200,000 as shown in Figure 9. There were a limited number of “handy man specials” below this level, but by and large, many of the older, distressed multi-families that were all too common a decade ago have since been refurbished or demolished. The market tops out fairly clearly at \$200,000, diminishing thereafter in all communities except New Haven. New Haven’s East Rock neighborhood has enjoyed a very strong ownership market, including multi-families, where in some cases they are being converted to single families. Rents in that area support higher values as well.

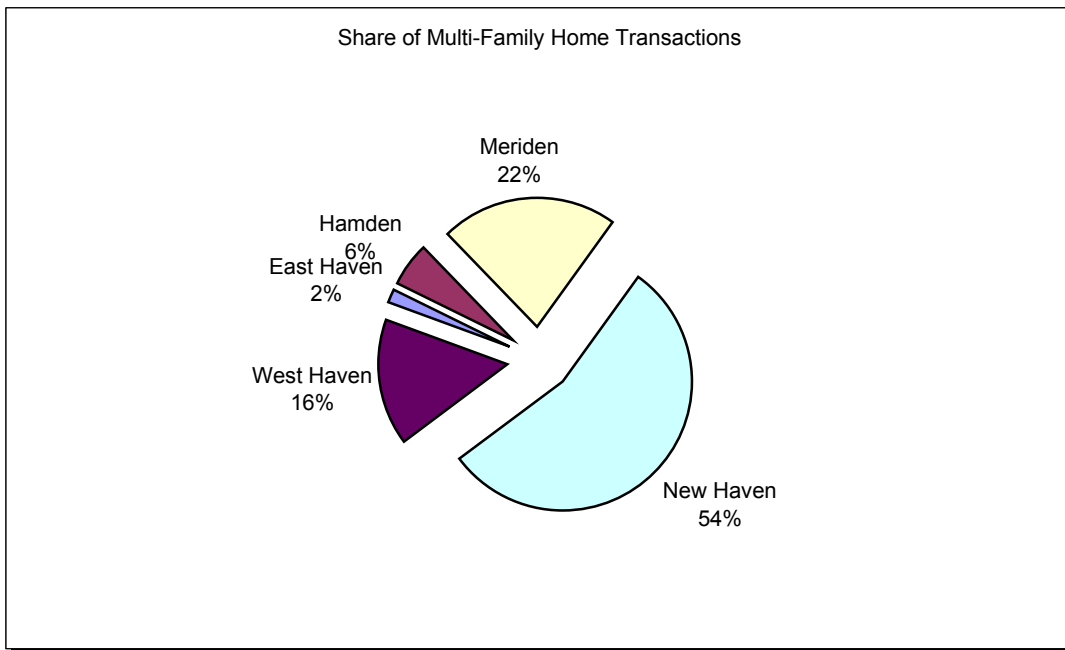
Figure 9



As shown in Figure 10, New Haven dominates the multi-family market, with 428 sales representing 55% of all transactions and an average price for the period of \$138,567. Meriden and West Haven accounted for another 38% of transactions, with the bulk of sales in Meriden distributed in lower price ranges (\$25,000-\$175,000) while in West Haven sales distributed in higher ranges (\$100,000-\$200,000). Hamden and East Haven also contribute a limited amount of multi-family homes to the regional housing supply, generally at higher prices.



Figure 10



### Rental Housing

Throughout the region, the rental housing market showed an improvement in rents achieved and a decrease in vacancy from 1990 to 2000. The vacancy rate in 2000 was highest in New Haven at 11%, *above* 1990's rate of 9% - the only city or town where this was true in the region. This is due in part to a continuing supply of uninhabitable houses, further constraining the supply of affordable housing in that city. Vacancy elsewhere was below 1990 levels or unchanged (Meriden remained at about 6%) with all other communities at 6% or below. This is indicative of tight rental inventory throughout the marketplace. Census data indicates that while the region's rents have increased an average of 9.2% between 1990 and 2000, median incomes adjusted for inflation increased 19%.<sup>1</sup> Most of this increase combined with lower interest rates helped fuel the strong ownership market as households could increasingly afford to own rather than rent.

As mentioned in the prior section on home ownership, the relative affordability of ownership housing, driven by low interest rates, is capping upper tier rental housing rates. Renters faced with four-digit monthly rents can now often afford to own rather than rent, which has pushed some of the high end renter market to entry-level ownership, especially condominiums. The benefit of this capping effect mainly affects the high end renter who can choose to either rent or own. While rents at the high end will not continue to escalate as rapidly, as interest rates are already at historic lows, the vacancy occurring at the top will not have as much impact on moderate and low income renters for whom rental housing is the only option. Additionally, condominium rentals which prevailed during the 1990s

<sup>1</sup> As calculated by Holt, Wexler & Farnum, South Central CT Regional Housing Trends

as a result of overbuilding are disappearing as they are sold to owner-occupiers in the current strong market. This tends to curtail high end rental supply, offsetting the benefit gained by interest-rate sensitive mobility.

#### Market Rate Rents

To qualify for a rental unit with no more than 30% of income needed for housing cost in the region, even a one bedroom unit requires a substantial, non entry-level income. Like the ownership housing market as shown in Figure 11, rentals now require in many instances two wage earners to affordably pay the rent.

**Figure 11**  
**Income Required for Area Average Rentals**

TOWN	1 BR Avg. Rent	Income needed	2 BR Avg. Rent	Income needed	3 BR Avg. Rent	Income needed
Bethany	N/A					
Branford	\$866	\$34,640	\$1,067	\$42,680	\$1,197	\$47,880
East Haven	\$732	\$29,280	\$933	\$37,320	\$1,335	\$53,400
Guilford	\$940	\$37,600	\$1,175	\$47,000	\$1,343	\$53,720
Hamden	\$801	\$32,040	\$1,032	\$41,280	\$1,300	\$52,000
Madison	\$974	\$38,960	\$1,402	\$56,080	\$1,641	\$65,640
Meriden	\$604	\$24,160	\$716	\$28,640	\$785	\$31,400
Milford	\$937	\$37,480	\$1,130	\$45,200	\$1,357	\$54,280
New Haven	\$715	\$28,600	\$897	\$35,880	\$1,108	\$44,320
North Branford	N/A		\$1,200	\$48,000	N/A	
North Haven	\$750	\$30,000	\$925	\$37,000	\$1,215	\$48,600
Orange	N/A		N/A		\$1,650	\$66,000
Wallingford	\$613	\$24,520	\$856	\$34,240	\$925	\$37,000
West Haven	\$669	\$26,760	\$845	\$33,800	\$1,095	\$43,800
Woodbridge	N/A		\$1,600	\$64,000	\$1,825	\$73,000
FMRs	\$761	\$29,320	\$939	\$36,200	\$1,204	\$46,400

Source: AMS Advisory Services

#### Fair Market Rents

The Section 8 voucher program operated by the State and several local housing authorities is a federal program wherein the government pays the difference between monthly rent and 30% of the tenant's income. The program is available to households with incomes at 50% or less than the area's median income, but 75% of vouchers are further restricted to those with incomes at 30% or less than the area median income. The most recent median income prevailing in the New Haven-Meriden area (2002) is \$65,300 which translates into \$32,650 income limit for a family of four at 50% and \$19,600 for a family of four at 30% of area median. Even with the Section 8 voucher program, the Fair Market Rents (FMR) established for the area are currently below the average rents prevailing in many towns in the area. FMRs are \$761 for a one bedroom, \$939 for a two bedroom and \$1,204 for a three bedroom. A survey of average rents throughout the area

indicates that only the following communities had average rents near, at or below the FMRs: Meriden, New Haven, North Haven, Wallingford and West Haven. Additionally, East Haven's averages are within FMR range for one and two bedrooms, but out of reach for three bedrooms. Conversely, Branford is out of range for all, but three bedroom units. Thus, even with a Section 8 voucher, there is no guarantee that affordable housing will be available. This has resulted in some households having to give back a voucher.

A review of Section 8 voucher distribution in the region shown in Figure 12 and on the map in Figure 13 indicates that nearly three quarters of all certificates are used in New Haven. The total used for housing in New Haven is 5,041, of which 76% are issued through the New Haven Housing Authority and the remainder through the State of Connecticut. West Haven is home to the next highest concentration with a total of 1,136, representing 17% of all certificates.

**Figure 12**  
**Section 8 Certificate Distribution**  
**by Housing Authority & Town**

Town or City	New Haven	West Haven	Hamden	Meriden	Milford	Wallingford	State of CT	TOTAL	% by Town	State of Ct %
Bethany	0									
Branford	1						39	40	0.5%	2.4%
East Haven	61						36	97	1.2%	2.2%
Guilford	0						2	2	0.0%	0.1%
Hamden	161						88	249	3.2%	5.3%
Madison	0						1	1	0.0%	0.1%
Meriden	2			580			103	685	8.7%	6.2%
Milford	0				121		13	134	1.7%	0.8%
New Haven	3,848						1,193	5,041	64.1%	71.9%
North Branford	0						0	0	0.0%	0.0%
North Haven	0						4	4	0.1%	0.2%
Orange	0						0	0	0.0%	0.0%
Wallingford	2			31			16	49	0.6%	1.0%
West Haven	195	781					160	1,136	14.5%	9.6%
Woodbridge	0						4	4	0.1%	0.2%
<b>TOTAL</b>	<b>4,270</b>	<b>781</b>	<b>305</b>	<b>611</b>	<b>121</b>	<b>114</b>	<b>1,659</b>	<b>7,861</b>	<b>94.7%*</b>	<b>100.0%</b>

Source: Respective Housing Authorities and State of CT

\*Total does not equal 100% due to incomplete information regarding the distribution of Hamden and Wallingford certificates.

## Special Needs Housing

Special needs housing includes a whole range of housing types. These include housing for people with physical disabilities, homeless individuals and families; and people in need of supportive housing.

### Homeless Definition and Causes

The federal definition of homelessness is one who “lacks a fixed, regular, and adequate nighttime residence...and has a primary night residency that is (a) a supervised publicly or privately operated shelter designed to provide temporary living accommodations...(b) an institution that provides temporary residence for individuals intended to be institutionalized, or (c) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.” Also included are persons being discharged from institutions that do not have an identified residence to go to within a week, and persons fleeing domestic violence. Not included are those in the correction system.<sup>2</sup>

While this definition applies well to urban areas where there are shelters and numerous homeless, in less urban areas where there are no shelters, homeless individuals may live in overcrowded or substandard houses with relatives or friends and in outbuildings. These stays are often sequential and such homeless individuals are less easily identified.

Within the homeless population, there are two main groups into which households and individuals generally fall:

- *Transitionally* homeless persons and households principally need affordable housing due to income limitations, typically due to entry-level wages or inadequate fixed income. Housing aside, they are able to function independently.
- *Chronically* homeless persons often experience long-term homelessness, cycling through shelters and the streets. They often have health or substance abuse problems in addition to extreme poverty. This population is best served by permanent supportive housing, which combines housing with intensive rehabilitation, treatment and other social services.

Families with children are one of the fastest growing segments of the homeless households. A 2000 survey of 25 cities undertaken by the US Conference of Mayors indicated 36% of the homeless were families with children.<sup>3</sup> The remaining two thirds are single adults, most commonly men aged 31 to 50. Of this group, 20% to 25% has mental illness and approximately half has a substance abuse disorder.

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<sup>2</sup> American Planning Association Policy Guide on Homelessness, March 29, 2003

<sup>3</sup> *Status Report on Hunger and Homelessness*, US Conference of Mayors 2001

Teenage and young adult homelessness is also pervasive and difficult to quantify, as young adults move from couches to cars, schools, motels, the streets and shelters. Homeless youth are estimated to total 1.6 million nationwide.<sup>4</sup>

Causes of homelessness include:

- Poverty - low paying entry-level jobs combined with decreasing welfare benefits and rental assistance. Full time minimum wage jobs often cannot support housing costs. Many people seeking emergency and transitional housing are employed.
- Unemployment and underemployment - an individual on SSI needs 90% of their income to pay for a one bedroom apartment.
- Lack of affordable housing – low market rate rentals are disappearing as older housing stock is demolished or converted to high end housing. New construction units without subsidy must be targeted to a high income market to be economically feasible. Subsidy funds are declining for direct rental assistance. Waiting lists for housing assistance average between one and two years depending on the area.
- Other factors – domestic violence, lack of affordable health care, mental illness and substance abuse

A major problem has been the lack of facilities to discharge persons from treatment. Also contributing to homelessness is the aging out of foster care youth and expiration of welfare benefits:

- Hospitals and treatment programs report no housing to discharge people to after treatment. 30% of the adults served in emergency shelters come directly from other state funded programs including jails, hospitals and substance abuse programs.
- Youth in foster care “age out” at the rate of 18,300 statewide each year.

#### Estimate of the Number of Homeless

From all reports, the trends in homelessness are on the increase. Based on data from the Urban Institute, close to 2,800 Connecticut households are currently facing long-term homelessness. Since the number of people falling into long-term homelessness is increasing, the Urban Institute estimates that as many as 6,000 will face long term homelessness over the course of the next ten years without development of supportive housing.<sup>5</sup> In New Haven, a citywide head count conducted last winter indicated that at least 1,305 people who were counted and possibly up to 4,000 more are homeless in New Haven.

Of the 16,545 people who were served by the state’s network of state funded shelters in the twelve month period October 2001-September 2002, 13% or 2,142 were served in New Haven, Milford, Wallingford and North Haven as well as

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<sup>4</sup> Homeless at least one night per year. Ringwalt, Green, Robertson and McPheeters, “The Prevalence of Homeless Among Adolescents in the United States” *American Journal of Public Health*, 1998.

<sup>5</sup> Discussion between Martha Burt of the Urban Institute and the Corporation for Supportive Housing, 6/02, regarding forecasting of CT estimates.

Derby which while outside the region, serves some clients within the region. Forty percent or 692 said that substance abuse was reason for their homelessness, and 15% said mental illness was the reason. The Corporation for Supportive Housing estimates that a like number are homeless on the streets, in abandoned buildings or cars. About 20% of people entering homelessness stay homeless at least a year or more or are repeatedly homeless.

There has been an increasing incidence of persons being turned away due to lack of space since 1998. In that year, the low point for homelessness in the current economic cycle, the number of turn-aways was 8,556.<sup>6</sup> That number had increased to 27,114 by 2002, a 216% increase.<sup>7</sup>

In February of 2003, the New Haven Continuum undertook an actual count of homeless in New Haven during a one week period. The purposes, in addition to the count, were as follows:

- Document the length of time of homelessness
- Collect information about shelter use, other housing and the frequency of bed turnover
- Conduct basic housing and services needs assessments
- Estimate the annual prevalence rate for New Haven

A total of 962 surveys were completed and the findings of the survey are summarized below:<sup>8</sup>

- A total of 1,305 persons were homeless, an incidence rate of about 1% of city population, on par with national studies of comparable urban centers
- An estimated 3,938 persons in New Haven experience homelessness at some point during the year, an annual prevalence rate of 3%, also on par with other cities
- The homeless included single men and women 18 years or older, families (two or more persons including a head of household), and unaccompanied youth aged 16 to 24
- Breakdown of survey respondents: 82% single adults (2:1 ratio men to women); 18% family heads of household. Singles were 60% of all counted, people in families were 40%. Young singles aged 16-24 were a subset of 9% of all counted.
- Survey respondents were 78% unemployed, 12% had been in the military, 62% were high school graduates or had more advanced schooling.
- The median time spent homeless was 3 to 6 months for singles and 3 months for families. However, 26% had been homeless for 1 to 17 years.

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<sup>6</sup> Number refers to the number of times in a year that the shelters had to refuse a bed due to lack of space.

<sup>7</sup> CT Coalition to End Homelessness, Facts about Homelessness in Connecticut, January 2003

<sup>8</sup> Homeless Count 2003: New Haven; [www.nhcoc.net/doc/hc2003.PDF](http://www.nhcoc.net/doc/hc2003.PDF)

- Of all surveyed, 55% reported needing mental health services and 48% needed substance abuse services. The heads of families survey profile was less disabled than that of the singles, but had the highest need for job training, insurance, child care, etc.

With respect to housing, 53% of those surveyed reported living in emergency shelters, or 514 people. Another 18% or 174 were in transitional housing which offers shelter from a few weeks to a few months. Ten percent were on the streets, nine percent were in treatment or the hospital, two percent were couch hopping and eight percent didn't respond. Analysis of the data reported indicates that more persons said that they were staying at shelters than the current inventory of beds would support. The conclusion was that couch-hopping was underreported and/or that respondents were actually staying in illegal, abandoned or uninhabitable buildings or on the streets and that such persons did not feel comfortable divulging this information.

#### Current Homeless Housing Inventory

The Homeless Count 2003 report indicates there were 497 beds at emergency and transitional shelters in New Haven. That number has increased to 538 with increases at CCA and Columbus House. With respect to the South Central Connecticut Region, a recap of 623 emergency homeless shelter beds is shown in Appendix C.

In addition to emergency shelters, there are transitional housing options for the homeless, which offer affordable housing and services for a period of weeks or months until permanent affordable housing can be found. Families and individuals who are homeless or at risk of homelessness are housed for a finite period of time and receive services designed to increase self-sufficiency, such as parenting skills, budget training, etc. The region's transitional housing programs are listed in Appendix C, with 94% of the beds being located in New Haven.

Emergency shelters report an increased reliance on shelters by people with mental illness and chemical dependency and increased difficulty in securing appropriate treatment and/or placements for them. As these chronically homeless clients tend to be the most frequent users of shelters, they take beds out of the system for the transitionally homeless, for whose needs the shelters are better equipped and prepared. For the chronically homeless, *supportive* housing is a better route to independent living, as discussed in the next section.

#### Supportive Housing

Supportive housing is intended to end the cycle of long-term homelessness, especially for those who require support services to sustain successful independent living. Supportive housing combines affordable housing and support services as a solution to homelessness for people with psychiatric disabilities, chemical dependency, or other chronic health challenges who have had difficulty maintaining an appropriate, independent place to live. Key components of supportive housing include housing that is affordable, safe and of good quality; housing that is permanent, with tenants holding leases; housing that is accessible to transportation and to community resources and amenities; services that are

tailored to the needs of the tenant; services that are voluntary, so that occupancy in housing is not conditional on acceptance of services; and services that are accessible to the tenant.

The concept was developed in the early 1980s by non-profit providers who recognized that more than 70% of adult homeless have additional problems including mental illness, substance abuse and HIV/AIDS, which contribute to their homelessness. Left unaddressed, these root problems contribute to cycles of treatment programs, institutionalization and life on the streets. Supportive housing, a source of permanent housing, promotes independence while offering a safety net of support services enabling tenants to reintegrate into mainstream society. Nationally, sponsors report that tenants stabilize and reintegrate at a rate of 83%.<sup>9</sup> Furthermore, supportive housing benefits the larger community in the following ways:

- Reduced demand for shelter beds and hospital emergency room visits
- Reduced traffic in local courthouses
- Improvements in neighborhood housing quality and safety
- Increased community wellness and employment

The Corporation for Supportive Housing's Southern New England Program has been active in Connecticut since 1993, and with the State of Connecticut, has financed the development of nineteen supportive housing programs with 699 apartments statewide. These programs provide permanent, affordable housing to a mix of low-income and formerly homeless people, including those living with disabilities. Of the total, 186 or 27% are located in the region in four complexes, ranging in size from three units in Branford to 148 in New Haven, where two of the three are located. The fourth is in Hamden. These locations all serve single men and women.

In addition, there have been approximately 1,167 scattered supportive housing sites established statewide, half of which are in the Shelter Plus Care program funded by the Connecticut Department of Mental Health and Addiction Services. In the region, there are approximately 134 scattered site supportive housing units located in New Haven, Meriden and Wallingford, exclusive of 34 DMHAS Shelter Plus Care units and 68 AIDS beds. Veterans' Administration programs support an additional 86 beds for vets. In addition there are 43 beds for homeless youth in scattered sites.

#### Units in Development and Calculation of Need

Currently, CSH is partnering with the State of Connecticut to continue implementing the Pilots Initiative, with a goal of creating 650 units of supportive housing statewide over a four year period. This is being accomplished with two approaches: leasing 300 units in scattered sites and developing 350 more units through acquisition, new construction or rehabilitation. There are currently 59 units of supportive housing assisted by CSH in development in the region, as follows:

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<sup>9</sup> Corporation for Supportive Housing.



- HOME Inc. and Columbus House, New Haven: 30 units; 1/3 will be for homeless adults dually diagnosed with mental illness and chemical dependency
- Mutual Housing Association of SC CT and New Haven Home Recovery 24 units in New Haven, multiple sites: at least 6 units will be for homeless families and headed by a person who has mental illness, chemical dependency or who has AIDS
- Corporation for Independent Living and Leeway are creating 5 condominium units in three complexes of housing for homeless/at risk adults with AIDS and mental illness or chemical dependency

Included in the New Haven Continuum's 2003 federal grant application is a housing gaps analysis chart for New Haven by type of beds needed as shown in Figure 14. According to this methodology, which was based on the 2003 homeless count and estimate of persons who experience homelessness at some point during the year, the unmet need gaps remain substantial, despite ongoing development efforts. Furthermore, these calculations are for the city only, although effectively the city houses most of the region's homeless.

Figure 14

### **NEW HAVEN HOUSING GAPS ANALYSIS CHART**

Type of Bed	2003 Inventory	Under Development	Annual Unmet Need/Gap
<b><u>Individuals</u></b>			
<b><u>Emergency Shelter</u></b>	<b>296</b>	<b>0</b>	<b>393</b>
Transitional Shelter	<b>198</b>	<b>0</b>	<b>1,301</b>
Permanent Supportive Housing	<b>413</b>	<b>35</b>	<b>2,595</b>
<b>TOTAL</b>	<b>907</b>	<b>35</b>	<b>4,675</b>
<b><u>Persons in Families with Children</u></b>			
<b><u>Emergency Shelter</u></b>	201	<b>0</b>	<b>259</b>
Transitional Shelter	126	<b>0</b>	<b>155</b>
Permanent Supportive Housing	<b>279</b>	<b>0</b>	<b>1,034</b>
<b>TOTAL</b>	<b>606</b>	<b>0</b>	<b>1,448</b>

Source: New Haven Continuum 2003.

## Regional Role in Addressing Homelessness – Supportive Housing Initiative

### *State-Wide Initiative to End Homelessness*

In May 2002, a delegation of twenty supportive housing funders, advocates, state leaders and experienced providers from Connecticut traveled to Columbus, Ohio, to be part of the first national leadership summit on Supportive Housing addressing homelessness. The focus of the summit was a national challenge: to end chronic homelessness in America and to create 150,000 units of supportive housing nationwide as the primary means for achieving this end. The Connecticut delegation came back committed to launch a campaign to end long-term homelessness in Connecticut within 10 years. The outcome of this effort is the formation of a state-wide campaign - known as “Reaching Home” - with the goal to create 10,000 units of supportive housing within the next ten years to end homelessness.

A diversified committee of organizations, funders and several state agencies, including Connecticut Housing Finance Authority and Connecticut Department of Mental Health and Addictive Services make up the 10-year Working Committee for ending homelessness. The campaign is staffed by the Partnership for Strong Communities, a collaborative advocacy initiative dedicated to ending homelessness and investing in affordable housing. The initiative for supportive housing has received funding support from the State in two earlier separate programs that will ultimately result in construction of nearly 1,000 permanent units for supportive housing.

The goal of the Reaching Home campaign is to create 10,000 new supportive housing units over the next ten years that will provide homes to individuals and families who are homeless repeatedly or for long periods of time. This includes building 6,600 new housing units over the next 10 years and subsidizing 3,400 apartments in existing rental properties in sites scattered throughout communities, and linking this housing with needed support services. The 10,000 units will also provide homes for people who are at risk of homelessness: close to 40% of the units would bring the cost of housing within the reach of families and adults in low-wage jobs and others who are at risk of falling into homelessness without service-enriched housing.

Current efforts in the *Reaching Home* campaign are:

- Building statewide support for the campaign by engaging people who have a stake in ending long-term homelessness at the community and state levels. *Reaching Home* is creating a leadership council consisting of private and public sector leaders in the fields of healthcare, education, finance, religion, philanthropy, economic development and other areas directly affected by the issues of homelessness.
- Developing a 10-year plan document that will provide information that local communities, the state, and the private sector can use in advancing the creation of supportive housing and setting local goals for ending long-term

homelessness.

- Engaging State and regional leadership in planning for the creation of 900 units of supportive housing within four years, the next increment toward the 10-year statewide goal.
- A campaign kick-off event in early 2005.

### **What is the Number of Households in Need of Affordable Housing**

To determine and quantify the regional need for affordable housing, recently released cross-tabulated 2000 Census data on household income and housing cost burden were analyzed. This information, known as the Comprehensive Housing Affordability Strategy data or CHAS data, is a specialized data set produced by the Bureau of the Census for the Department of Housing and Urban Development (HUD). Figure 15 presents this housing need for all income classifications. To address the most critical housing need of the region, those households that earn 50% or less of the area median income and pay 30% or more of their income for housing have been selected as the focus to address their housing needs. The total regional number of these households is 35,937 as shown in Figure 15.

Figure 15

**SOUTH CENTRAL REGION**  
**HOUSEHOLDS PAYING MORE THAN 30% OF INCOME FOR HOUSING**  
**BY INCOME AND TOWN**

<b>Town</b>	<b>Total Households</b>	<b>30% or Less of MFI</b>	<b>30%-50% of MFI</b>	<b>50%-80% of MFI</b>	<b>80% or More of MFI</b>
Bethany	1,721	44	72	149	189
Branford	12,446	892	846	740	775
East Haven	11,028	964	804	1,020	641
Guilford	7,965	314	310	382	947
Hamden	22,017	1,857	1,592	1,649	1,133
Madison	6,477	183	263	335	736
Meriden	22,569	2,523	1,555	1,313	731
Milford	20,425	1,077	923	1,285	1,549
New Haven	46,484	8,936	4,808	2,505	1,148
North Branford	5,123	238	349	449	438
North Haven	8,669	461	293	618	632
Orange	4,561	189	176	259	382
Wallingford	16,516	896	859	967	1,000
West Haven	20,863	2,280	2,047	1,462	927
Woodbridge	3,041	118	68	215	392
<b>TOTAL</b>	<b>209,905</b>	<b>20,972</b>	<b>14,965</b>	<b>13,348</b>	<b>11,620</b>
<b>NOTES:</b>					
<i>"MFI" = The area's Median Family Income.</i>					

Of the 35,937 households, 14,289 or 39.8% are classified as elderly households. The percentage of each community's estimated need that is comprised of elderly households ranged from a low of 25.6% in New Haven to a high of 70.0% in Madison. As the housing market for elderly residents is varied and complex in and of itself in terms of the facilities and form as well as financial situation, an additional study focused solely on the housing needs of the elderly population in the region is warranted.

### **Current Supply of Affordable Housing**

Within the South Central Region and the state as a whole, there is much debate as to what estimate of the number of affordable units represents the actual situation in a community. Under the State Affordable Housing Appeals Act, the definition of affordable housing is somewhat narrowly defined to include assisted units and/or deed restricted units. These units form the basis for the achievement or non-achievement of the 10% affordable inventory to exempt a community from the Affordable Housing Appeals Act. The current list for communities in the region is included in Figure 16.

Figure 16

**SOUTH CENTRAL REGION**  
**EXISTING AFFORDABLE HOUSING UNITS PER THE STATE DEFINITION**  
**BY TOWN**

Town	Total Housing Units	Existing Assisted Units	% of Housing Stock
Bethany	1,792	3	0.17%
Branford	13,342	531	3.98%
East Haven	11,698	1,146	9.80%
Guilford	8,724	146	1.67%
Hamden	23,464	2,074	8.84%
Madison	7,386	132	1.79%
Meriden	24,631	4,703	19.09%
Milford	21,962	1,301	5.92%
New Haven	52,941	16,437	31.05%
North Branford	5,246	124	2.36%
North Haven	8,773	311	3.54%
Orange	4,870	55	1.13%
Wallingford	17,306	1,272	7.35%
West Haven	22,336	3,144	14.08%
Woodbridge	3,189	16	0.50%

Many communities believe that their housing inventory includes more affordable units than credited under the Affordable Housing Appeals Act. There are units in the community which are affordable either in terms of mortgage and related ownership costs or in rent costs. For purposes of discussion, Figure 17 has been prepared which compares 2000 Census home values and rents to households with 80% and 50% of the community median income but not limited to subsidized or deed restricted units. This has been done to be consistent with the 2000 Census data used to determine the number of households in need of affordable housing (earning less than 50% of median income and paying more than 30% of income for housing). You will note that a percentage of such units in Figure 17 is higher than the percentage of units in Figure 16. This is attributed to the difference in definition discussed above. It should also be noted that the affordable housing units in Figure 17 are not, for the most part, permanently classified as affordable since there are no deed restrictions on such units. Also, as shown in Figure 17 the number of these affordable units on the market at any given time is quite small. Lastly, the use of the community's median income in Figure 17 is different than the 2000 Census data for need as well as the Affordable Housing Appeals Act definition. Both of these methods of calculation use the Metropolitan Area Median Income not the community median income. If the Metropolitan Area Median Income were used, the number of affordable units declines in some communities and increases in others. The communities of the region have been analyzed with this Metropolitan Area Income definition as shown in Figure 18.

Regardless of which affordable housing definition is used, the fact is that there are over 35,000 households in the region earning less than 50% of the median for the region and paying more than 30% of income for housing who are not residing in

affordable units. The challenge for the future is how the region working cooperatively can address this housing need. Chapter 6 presents suggested approaches to meet this need.

### **Distribution of Affordable Housing in the Region**

As the data on assisted housing units as defined by the State of Connecticut under the Affordable Housing Appeals Act presented in the housing patterns and trends report conducted by Holt, Wexler & Farnum indicates, the region's assisted housing stock is disproportionately shared by a few communities. The top four communities (New Haven, Meriden, West Haven and Hamden) account for 84% of the entire region's assisted housing stock; New Haven alone accounts for over half of the assisted units in the region. To determine the extent of disproportionate distribution of assisted housing throughout the region, an Assisted Housing Index (AHI) was developed for each town. The AHI consists of two components: the percentage of the total housing units each town contributes to the regional total and the percentage of assisted housing units in each town. These components are found in Figure 19. The percentage of the total regional housing units in each town was divided by the corresponding percentage of the total assisted housing units for that town. The assumption underlying the AHI is, if a town contributes 5% of the total housing units in the region, it should also have 5% of the assisted housing units in the community. Indices higher than one indicate that a town provides a greater percentage of total housing units to the region than the percentage of assisted units in the community; indices under one indicate the opposite effect. The indices ranged from a low of 0.52 in East Haven to a high of 4.70 in Bethany. AHI numbers for each town are listed in Figure 20.

Figure 19

**SOUTH CENTRAL REGION**  
**COMPONENTS OF HOUSING NEED REDISTRIBUTION BY TOWN**

Town	Housing Need <sup>1</sup>	% of Region By Town	Jobs <sup>2</sup>	% of Region By Town	Housing Units <sup>3</sup>	% Units in Region	% Assisted in Town
Bethany	116	0.3%	1,050	0.4%	1,792	0.8%	0.2%
Branford	1,738	4.8%	13,640	5.1%	13,342	5.9%	4.0%
East Haven	1,768	4.9%	6,810	2.5%	11,698	5.1%	9.8%
Guilford	624	1.7%	6,280	2.3%	8,724	3.8%	1.7%
Hamden	3,449	9.6%	19,680	7.3%	23,464	10.3%	8.8%
Madison	446	1.2%	4,950	1.8%	7,386	3.2%	1.8%
Meriden	4,078	11.3%	26,250	9.8%	24,631	10.8%	19.1%
Milford	2,000	5.6%	29,930	11.2%	21,962	9.6%	5.9%
New Haven	13,744	38.2%	77,920	29.0%	52,941	23.3%	31.0%
North Branford	587	1.6%	5,020	1.9%	5,246	2.3%	2.4%
North Haven	754	2.1%	21,540	8.0%	8,773	3.9%	3.5%
Orange	365	1.0%	9,540	3.6%	4,870	2.1%	1.1%
Wallingford	1,755	4.9%	25,180	9.4%	17,306	7.6%	7.4%
West Haven	4,327	12.0%	17,440	6.5%	22,336	9.8%	14.1%
Woodbridge	186	0.5%	3,150	1.2%	3,189	1.4%	0.5%
<b>TOTAL</b>	<b>35,937</b>	<b>100.0%</b>	<b>268,380</b>	<b>100.0%</b>	<b>227,660</b>	<b>100.0%</b>	<b>13.8%</b>
NOTES:							
1 Households earning 50% or less of the area median income and paying more than 30% of income for housing. Source: HUD CHAS Data.							
2 Source: State of Connecticut, Department of Labor.							
3 Source: U.S. Bureau of the Census.							

While the AHI correlates each town's share of total housing with its share of assisted housing, employment is also an important consideration in the provision of affordable housing and needs to be factored into an adjusted need. A general assumption is that people want to live relatively close to their place of employment, either in the town of employment or near a transportation corridor that takes them to and from their job; the convenience and shorter commuting times are clear factors as to why this is so. In some of the region's towns, however, the reality is that people who work in the town are priced out of the housing market in that town. For example, many residents of New Haven and West Haven commute to Orange and Milford to work in retail or service sector jobs that clearly do not pay enough income to allow these individuals to purchase homes or pay rent in these towns. The street network in the region experiences more traffic as people commute from the town where they can afford to live to the town where they actually work. These commuting patterns put a greater strain on the region's street network than would otherwise be the case.

Figure 20

**SOUTH CENTRAL REGION**  
**HOUSING NEED ADJUSTMENT CALCULATIONS**  
**BY TOWN**

Town	AHI <sup>1</sup>	HAQ <sup>2</sup>	Final Need Adjustment <sup>3</sup>	Difference	% Difference	Special Needs Housing <sup>4</sup>
Bethany	3.94	4.77	136	20	17.2%	20
Branford	1.47	1.54	1,733	-5	-0.3%	260
East Haven	0.52	0.27	1,605	-163	-9.2%	241
Guilford	2.25	3.04	800	176	28.2%	120
Hamden	1.17	0.89	3,380	-69	-2.0%	507
Madison	1.80	2.68	501	55	12.3%	75
Meriden	0.57	0.49	3,855	-223	-5.5%	578
Milford	1.64	3.28	2,244	244	12.2%	337
New Haven	0.75	0.57	13,259	-485	-3.5%	1,989
North Branford	0.96	1.10	593	6	1.0%	89
North Haven	1.10	4.21	970	216	28.6%	146
Orange	1.94	6.81	581	216	59.2%	87
Wallingford	1.03	1.97	1,911	156	8.9%	287
West Haven	0.70	0.38	4,116	-211	-4.9%	617
Woodbridge	2.80	6.35	248	62	33.3%	37
TOTAL			35,932			5,390

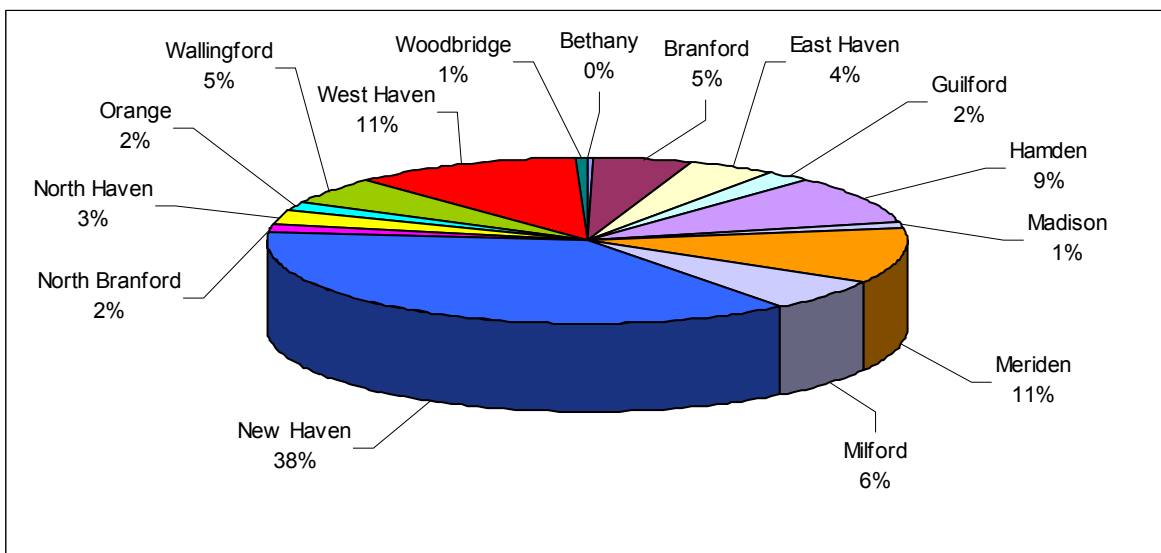
NOTES:

<sup>1</sup> Computed by dividing the percentage of the total regional housing units in each town by the percentage of each town's housing stock that is considered "affordable" under the State's Affordable Housing Appeals law.

<sup>2</sup> Computed by dividing the percentage of the region's jobs in each town by the percentage of the region's housing in each town, then multiplying the result by the AHI for each town.

<sup>3</sup> Computed by taking the original housing need for each town per the HUD CHAS data and applying the HAQ to it on a subregional basis.

<sup>4</sup> Computed by applying an estimate of 15% of the adjusted need as provision for special needs housing.





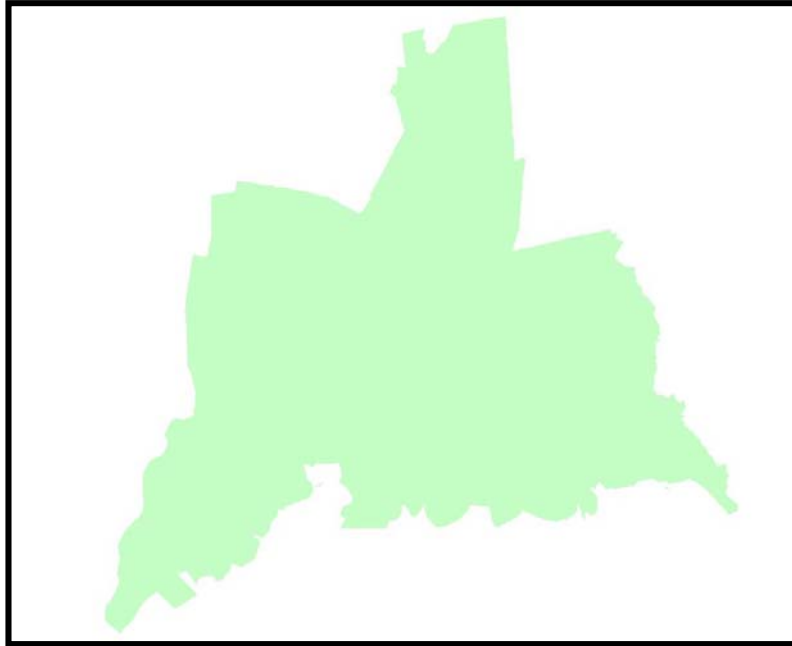
To factor in the key component of employment into the adjusted housing need, a Housing Affordability Quotient (HAQ) was developed. The HAQ involves taking the community's percentage of the region's jobs and dividing it by the community's percentage of the region's housing need as determined from the CHAS data. Dividing the percentage of jobs by the percentage of housing need in each town identifies communities where there is a greater share of regional jobs than households in need of housing, an indicator that the people who work at those jobs are residing in another community and priced out of the housing market in the community where they work. Multiplying this indicator by the Affordable Housing Index (AHI) described earlier completes the correlation between existing affordable housing, the economics of employment and the housing stock in a community. HAQs ranged from a low of 0.27 in East Haven which has a high ratio of assisted housing to jobs to a high of 6.63 in Orange which has a low ratio of assisted housing to jobs.

By applying the HAQ to the housing need as determined from CHAS data for each town, regional housing need was adjusted to correlate to the presence of existing assisted housing and employment. Thus, for towns with a smaller percentage of assisted housing units as compared to total housing units and towns with a greater share of jobs than housing need (or both), the need was adjusted upwards. Those towns that provide a greater share of assisted housing or have more housing need than jobs had their need adjusted downward. East Haven, West Haven, New Haven, Meriden and Hamden had their need adjusted downward, Branford and North Branford essentially remained the same, and Orange, Woodbridge, Bethany, North Haven, Milford, Guilford, Madison, and Wallingford had their need adjusted upward. As a result, East Haven has a 9.2% reduction in its affordable housing need and Orange has a 59.2% increase. The revised housing need, difference between original housing need and the final need adjustment, and the percent difference between the two are summarized by town in Figure 20.

In summary, the AHI takes the original housing need for each community as determined by 2000 Census data and adjusts it by taking into consideration the existing percentage of assisted housing in the community per the State of Connecticut Department of Economic and Community Development's definition of assisted housing units. The HAQ then adjusts the AHI based upon the percentage of the region's jobs in a community as a ratio to the percentage of the region's housing need in a community to determine the final adjusted need.

## **Chapter Five**

### **Principles Underlying a Regional Affordable Housing Strategy**



To provide structure and purpose to a regional affordable housing strategy, the following underlying principles for increasing the supply of affordable housing and providing supportive services are vital to a successful initiative.

#### **Target Resources Towards Individuals and Families Most In Need**

It is recognized that the region must have extensive housing choice in order to support a healthy economy and provide for a diversity in its population. The private market has been generally capable of providing housing choice for those with incomes close to or above the median income for the region. However, even this market segment must spend a greater portion of its income for housing than is the case nationally. The primary public policy focus must be on increasing housing resources for individuals and families earning 50% of the area median income or less. It is this segment of the region's population which is finding themselves in an ever tightening housing market to the detriment of the entire region.

#### **Develop a Strategy Which Addresses Housing Needs Within a Market Based Approach Without the Limits of Municipal Boundaries**

As described in the preceding chapters, the issue of affordable housing facing the South Central Connecticut Region is the result of a mix of economic conditions, public policies and individual attitudes. While the need for decent, affordable

housing has been recognized as a public policy for over 65 years (Housing Act of 1937), the accelerated change in American society has exacerbated the problem in the post WWII era. In many ways, government in Connecticut has been least able to address this issue due to the heavy reliance on home rule, the reliance on the local property base for tax revenue and a lack of regional approaches to match the geographic realities of housing markets.

The need for affordable housing impacts all types of households and individuals including young singles, two lower wage earner households, single parent households and the elderly. The need for housing for the homeless and special needs households is also region-wide. Housing markets operate across municipal boundaries as does the regional economy. In the first half of the twentieth century, the regional economy relied on employment in the community within which one resided or a daily trip into the central cities of the region (primarily New Haven and Meriden). Today and into the future, it is a much different situation with an employee's journey to work as well as access goods and services crisscrossing the region rather than as spokes in a wheel from the hub cities. This pattern of movement is particularly true in the retail and service employment sectors. These sectors are among the lowest paying in the economy. The availability and location of housing resources must be consistent with the daily life of the region. Furthermore, just as the economy functions best by including people of all races and ethnic groups, housing availability must provide an opportunity for all.

### **Special Needs Housing Is a Regional Issue Even Though the Central Cities Have Assumed the Bulk of the Burden For Provision of Resources and Services**

The demand for special needs housing for persons with handicaps, mental illness, substance abuse and the multi-diagnosed does not come from one particular community in the region. It is a personal issue that crosses all socio-economic groups. The central cities of New Haven and Meriden due to the location of medical facilities, special needs housing and services within their corporate limits end up as the place of residence of this segment of the population. A better approach is to address the needs of folks in their hometown. This does not require the provision of housing units or beds in every community in the region, but the strategy must improve access to services and allow for early intervention. There should be a structure for a coordinated regional approach involving the Continuum of Care where information is shared between communities and the development of additional special needs resources becomes a unified effort.

### **The Limited Financial Resources For Affordable Housing Must Be Increased**

Despite continued increases in housing costs, the amount of public resources for housing made available at the national and state level have decreased. The current and projected budget deficits give little hope that this situation will be

reversed in the foreseeable future. Therefore, a regional strategy must make more effective use of available resources and look to innovative approaches to increase resources without relying on new state or federal programs.

### **Current Land Use and Zoning Policies Present Obstacles To Increasing The Supply of Affordable Housing**

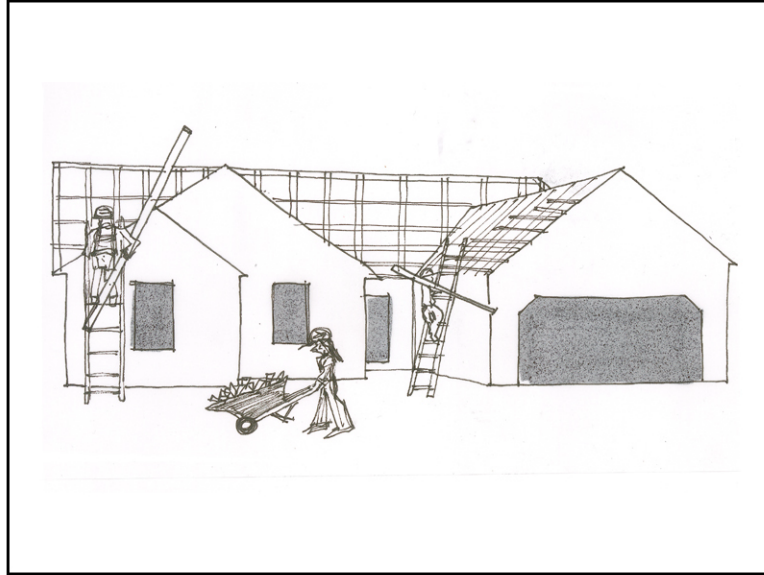
Communities in the region differ greatly in terms of land use controls. These differences are most striking in terms of permitted densities. It is recognized that the natural environment and utility infrastructure in each community is a factor underlying these differences. However, it is important for each community to recognize its responsibilities to provide housing choice and to work towards creating regional level solutions within a sustainable environment.

### **There is a Need For a Regional Structure To Implement a Responsive and Efficient Affordable Housing Program**

There are currently 15 communities in the region responsible for land use decisions, as well as 7 housing authorities responsible for the direct provision of housing. There are numerous non-profit housing organizations and private development companies addressing a wide range of housing issues. There are realtors and financial institutions involved in the building, financing and sales/rental of housing. However, there is not an organization with powers and/or authority to act on a regional basis. Unlike many areas of the country, there is no county government or metropolitan council, district, etc. to serve this purpose in the South Central Connecticut Region. The principles discussed above can only be implemented successfully if such a regional organization is created. This organization will not replace existing governmental and non-profit housing and supportive service providers, but rather make achievement of their mission a reality.

## **Chapter Six**

### **Strategy To Meet Identified Needs**



Based upon the analysis of affordable housing needs, it is recommended that a regional strategy for meeting these needs be implemented. This regional strategy is appropriate for the following reasons:

- Housing markets operate on a regional basis.
- The economy inclusive of local tax base growth does not function on a community basis.
- Specific sub-regions provide unique resources to meet overall regional housing needs.
- A more effective use of limited financial resources can be achieved on a regional basis.
- A regional approach to affordable housing is consistent with various initiatives recommended by the Blue Ribbon Commission on Property Tax Burdens and Smart Growth Incentives as well as the Metropatterns report.

#### **Sub-Region Housing Needs and Goals**

In recognition of existing land use, zoning, transportation corridors, housing market realities, and commuting and employment patterns, housing strategies to meet needs should be addressed on a sub-regional approach that reflects the social and economic interrelationships between different areas of South Central Connecticut. Based upon the analysis of factors discussed in this report, the South Central Region has been divided into ten sub-regions, indicated on the map in Figure 21. Figure 22 presents key housing-related Census data for each sub-

region. It should be noted that these sub-regions have been established for program planning and benchmarking purposes. The exact boundaries are intended to be somewhat flexible in order to achieve the greatest level of success.

In each sub-region, the percentage of total housing need for each parent town was calculated. Each census tract in each sub-region was assigned the Housing Affordability Quotient (HAQ) described in Chapter 4 for its parent town; a mean HAQ was then calculated for each sub-region. The housing need for the census tracts of each parent town was then adjusted using the following equation:

$$A = (HAQ_t - HAQ_m)(n_t/10n_s)$$

Where: A = Adjustment (%)  
 HAQ<sub>t</sub> = Housing Affordability Quotient of the parent town  
 HAQ<sub>m</sub> = Mean HAQ for the subregion  
 n<sub>t</sub> = number of tracts in the subregion from the parent town  
 n<sub>s</sub> = number of total tracts in the subregion

This equation provided a percentage adjustment for each parent town in the sub-region. This adjustment was allocated through the census tracts on a percentage basis. A revised housing need was then calculated for each census tract. This revised need reflects a redistribution of housing need through the sub-region based on the location of jobs and existing affordable housing stock. Figure 23 presents the redistributed need by sub-region. More detailed data at the census tract level is available upon request.

### **What Is The Range of Affordable Housing Being Discussed?**

This revised need for each sub-region has been established as a long-term goal against which affordable housing initiatives will be measured. The way in which affordable housing goals can be achieved will vary greatly. The term “affordable housing” in the past was often a designation given to any type of housing where a governmental subsidy or other public financial assistance is used or where the law mandates the income levels of the residents. In the minds of many people, “affordable housing” is still identified with large-scale, high-density and poor quality rental units where poor persons reside and that reflect many of society’s ills. However, the reality is that affordable housing is as varied in style and cost as is the private market housing stock. Just as not every single family home in the suburbs is a colonial, cape cod, or raised ranch, affordable housing can span a wide variety of densities, designs and income levels.

### **What Physical Form or Program Is Best For Affordable Housing?**

Affordable housing can take many different forms. What often goes unrealized is that many of the housing units one sees everyday could be considered affordable. Therefore, affordable housing developments, when done properly, can

successfully mesh with the surrounding community. Since the land use patterns, population densities and service provision capabilities vary greatly from community to community in the region, as well as between subregions, the affordable housing initiatives utilized in each subregion should logically reflect these differences. The following is a list of possible affordable housing initiatives that could be used in the region.

*Conservation Subdivisions with an Affordable Component* – Recommend as an option that all new subdivisions in low-density areas to utilize conservation subdivision principles and techniques and require a certain percentage of housing units (say 20%) be affordable. This strategy would almost certainly require some sort of density bonus or other form of incentive to be realistic.

*Accessory Apartments* – Create a program to identify and, if necessary, properly permit all existing accessory apartments and obtain deed restrictions to make them affordable so that they can be credited for affordable housing purposes. Encourage the development of accessory apartments for singles and elderly as a small but important component of the affordable housing supply.

*Neighborhood Center/ Local Route Small-Scale Development* – In the low density subregions and the parts of the Route 1 and Route 80 subregions that are not particularly close to Route 1 or Route 80, promote the creation of small-scale affordable housing developments of 12 or fewer units along other local routes of note or in the “hamlet” type centers that can be found scattered throughout them. In the shoreline communities in the Low Density East subregion, these developments could be focused along key north-south routes such as Routes 77 and 79.

*Mixed Use Developments* – In all of the primary transportation corridor areas (i.e., all of the subregions except the “low density” ones), mixed use developments combining housing with an affordable component with retail, office or institutional uses along major transportation corridors should be encouraged. The housing in these developments can range from single family attached units, condos, cluster housing or traditional multifamily units. Buildings themselves do not need to be mixed, but rather the whole parcel could be a mixed development.

*Apartments Over Retail/Office* – These developments would be more of the “urban/suburban center” variety of mixed use development, consisting of multiple story buildings with ground floor commercial use and apartments on the floors above, again located along major transportation corridors.

*Traditional Apartment/Rental Developments with an Affordable Component* – In some of the existing high density subregions, housing developments with an affordable component could be more along the lines of traditional apartment buildings, albeit better designed and more attractive.

*SROs and Boarding Houses* – Single room occupancy residences and boarding houses could be a useful form of housing to provide additional units for persons with special needs, singles and the elderly. An example of such a use can be found on lower State Street in New Haven, where an old building has been renovated as housing for people suffering from HIV/AIDS.

*Home Ownership Program* – Home ownership programs include a wide variety of approaches such as downpayment assistance, Yale University’s housing purchase program, FHA/CHFA mortgages, and Community Development Block Grant and HOME program initiatives in several communities in the region. In the instances where a home ownership program is proposed in suburban subregions, it means making home ownership for someone who commutes from New Haven to a retail/service job more of a reality by using the tools mentioned above as well as others to be developed.

The photographs below and on the next page illustrate housing types that already exist in the region which represent some of the forms of affordable housing developments discussed above.



*Mixed Use Development, Hamden*



*Multi-family Apartments, Hamden*



*Apartments Over Retail/Office, New Haven*



*Single Family Units, Elm Haven*





*Affordable Condo Units, North Haven*



*Mixed Use Development, Ninth Square*



*Affordable Units at Hubbard Woods, Guilford*



*Affordable Units at Hubbard Woods, Guilford*



*Conservation Subdivision, Guilford*



*Conservation Subdivision, Monroe*

### **Suggested Housing Initiatives By Sub-Region**

The affordable housing initiatives listed above have been allocated to the ten sub-regions identified in this report (Figure 24) with which they matched up best based upon their existing built environments, population densities, home ownership rates and transportation infrastructures. This recommendation of strategies does not mean that a strategy not included for one sub-region could not

be used. Rather, these recommendations are intended to be a guide for each sub-region as to directions in which they should focus their energy.

**Figure 24**

<b>SUBREGION</b>	<b>INITIATIVES</b>
Low Density West	<ul style="list-style-type: none"> <li>• Conservation Subdivisions with an Affordable Component</li> <li>• Formalization of Accessory Apartments</li> <li>• Neighborhood Center/Local Route Small-Scale Development</li> </ul>
Low Density East	<ul style="list-style-type: none"> <li>• Conservation Subdivisions with an Affordable Component</li> <li>• Formalization of Accessory Apartments</li> <li>• Neighborhood Center/Local Route Small-Scale Development</li> </ul>
Low Density North	<ul style="list-style-type: none"> <li>• Conservation Subdivisions with an Affordable Component</li> <li>• Formalization of Accessory Apartments</li> <li>• Neighborhood Center/Local Route Small-Scale Development</li> </ul>
Route 5 North	<ul style="list-style-type: none"> <li>• Mixed Use Developments and Apartments Over Retail/Office</li> <li>• Traditional Apartment/Rental Developments with an Affordable Component Along Route 5</li> <li>• Accessory Apartments, SROs and Boarding Houses</li> </ul>
Route 5 South	<ul style="list-style-type: none"> <li>• Mixed Use Developments and Apartments Over Retail/Office</li> <li>• Traditional Apartment/Rental Developments with an Affordable Component Along Route 5</li> <li>• Accessory Apartments, SROs and Boarding Houses</li> </ul>
Route 1 West	<ul style="list-style-type: none"> <li>• Mixed Use Developments Along Route 1</li> <li>• Neighborhood Center/Local Route Small-Scale Development</li> <li>• Home Ownership Program</li> </ul>
Route 1 East	<ul style="list-style-type: none"> <li>• Mixed Use Developments Along Route 1</li> <li>• Neighborhood Center/Local Route Small-Scale Development</li> <li>• Home Ownership Program</li> </ul>
Route 10 – Whitney Avenue	<ul style="list-style-type: none"> <li>• Home Ownership Program</li> <li>• Mixed Use Developments and Apartments Over Retail/Office</li> <li>• Traditional Apartment/Rental Developments With an Affordable Component Along Major Routes</li> </ul>
I-95 Central	<ul style="list-style-type: none"> <li>• Home Ownership Program</li> <li>• Mixed Use Developments and Apartments Over Retail/Office</li> <li>• Traditional Apartment/Rental Developments With an Affordable Component Along Major Routes</li> </ul>
Route 80	<ul style="list-style-type: none"> <li>• Mixed Use Developments Along Route 80</li> <li>• Neighborhood Center/Local Route Small-Scale Development</li> <li>• Home Ownership Program</li> </ul>

### **Organizational Structure and Funding**

In the case of the South Central Connecticut Region, the logical regional structure to address affordable housing needs is a mission specific organization created under the auspices of the Council of Governments. Established as a 501(c)(3)

non-profit corporation under the Internal Revenue Code, the organization would be designated as the South Central Regional Housing Partnership. The Board of Directors would be comprised of one representative from each community appointed by the chief executive. The Partnership would be staffed by individuals with housing and financing experience. In order to maximize staff effectiveness as well as further strengthen regional functions in general, the Partnership offices would be co-located with the COG.

Initial funding for the Partnership would be a public/private effort in recognition of the mutual benefits of meeting affordable housing needs. On the public side, the financial contribution would be used to leverage private participation. This approach supports the recognition of the regional nature of the affordable housing issue and the public contribution represents a concrete commitment. In regard to public sector funding, state and federal funds will be pursued to support the Partnership in order to substantially defray the costs to the regional municipalities. A private sector funding level equal to or in excess of the public sector would be pursued. Logical sources of such funding would be the banking community, private foundations and philanthropic organizations, as well as major employers. Both financial institutions and major employers have direct vested interest in growing the housing supply in the region. A particularly appropriate source would be bank foundation funds and directing lending for low- income housing. New Haven Savings Bank's foundation funds are proposed to be increased as part of the bank's proposed conversion, as well as other bank- supported foundations. Also, the Neighborhood Assistance Corporation of America (NACA), a Boston-based non-profit affordable housing advocacy group, recently obtained a commitment from the Bank of America to infuse \$3 billion into a program that provides mortgages to low- and moderate-income families. It is anticipated that the bulk of the funds for Partnership activities will come from state and federal government programs as well as the private sector.

Based upon the anticipated functions of the Partnership, an administrative budget of \$300,000 per year with an initial two-year commitment renewable annually based upon performance would be provided. The administrative costs would include staff salaries, seed funds for grant writing and general overhead related to Partnership functions. It is expected that the Partnership will generate fees and income as specific programs are implemented. At the discretion of the Board of Directors, these funds will be used for increased administrative functions or housing production activities.

### **Partnership Functions**

The proposed functions of the Partnership include short term activities achievable within existing programs and statutory limits and longer term activities which will require changes to programs and statutes. These activities are presented within functional categories.

**Short Term:**

Information Sharing

- Create a centralized database of all affordable housing resources available in the region.
- Provide a regularly scheduled forum within the framework of monthly meetings for the exchange of information among affordable housing providers.
- Create a regional based web-site which provides access to the resources created by activities 1 and 2.
- Create a regional clearinghouse for rental property owners to list units available for Section 8 Voucher occupancy. This clearinghouse function would liaison with appropriate public officials in each community as well as private sector real estate agents and property management companies.

Financing/Development

- Establish the Partnership as a 501 C 3 organization.
- Establish a procedure for the issuance of 501 C 3 bonds to supplement existing funding either in support of projects sponsored by others or Partnership sponsored programs/projects.
- Provide direct assistance to the Regional Growth Partnership and/or private companies to expand the concept of employer assisted housing. Particular focus should be placed on national retailers with multiple locations in the region.
- Monitor in conjunction with the Regional Planning Commission the adoption of land use and regulatory initiatives at the community level to encourage the provision of affordable housing. Part of this effort will be to assist communities to address provisions of the Affordable Housing Appeals Act inclusive of achieving moratorium status.
- Undertake a program of site purchase and landbanking for affordable housing development.
- Engage the housing authorities throughout the region in cooperation programs to increase the supply of affordable housing.

Regulatory

- Provide overall technical assistance to member communities and non-profit and for-profit housing developers as well as the general public towards the achievement of affordable housing goals. A major part of this activity will be the building of the capacity through education, the provision of resources and coordinating cooperative housing initiatives.
- Work closely with regional transit providers to support smart growth affordable housing initiatives with efficient public transit options.

**Long Term:**

- The Partnership would assume administration of Section 8 Vouchers currently administered by the State.
- If the recommendations of the Blue Ribbon Commission are implemented, a portion of the additional tax revenue available to the region should be used directly to support affordable housing initiatives. This is particularly appropriate if sales tax proceeds are a source of such additional revenue since retail jobs in the region are filled by many employees in need of affordable housing.

***Recommended Regional Response to Homelessness***

In recognition of the regional nature of homelessness and on-going state-wide efforts to address this critical and insidious problem, it is recommended that either the regional housing partnership to be formed or similar regional organization work with *Reaching Home* and other partnerships and organizations within the region to develop strategies around the creation of supportive housing targeting ending homelessness. An immediate first step would be to participate on the leadership council to be formed for this initiative.

Broader recommendations for the regional partnership could include:

- Recognize creation of supportive housing as a component of the overall goal for promoting affordable housing-special needs housing in the South Central Connecticut region.
- Work with local organizations in the region in seeking 10 year production targets for permanent supportive housing in local continuum of care and balance of state areas within the region.
- Devise shorter-term goals (next 3-4 years) for permanent supportive housing production in the local continuum of care area and region. Ensure that these goals are reflected in the local Consolidated Plan, which determines local priorities for HOME and CDBG funding.
- To meet short-term goals, help identify funding targets and potential funding sources at the local, state and federal levels.
- Supportive housing distribution should be based on an acknowledgement of the current inventory in the region.
- Ensure that proposals for new permanent supportive housing include appropriate supports to effectively serve this population.
- Advocate for increased State and Federal investment in supportive housing.

**Current Resources For All Initiatives**

A significant potential funding source for the Housing Partnership activities is the Community Development Block Grant (CDBG) Program. Currently, New

Haven, West Haven, Hamden, Milford and Meriden receive funds annually as an entitlement. The remaining communities in the region are eligible to apply annually for CDBG funds administered by the State of Connecticut Department of Economic and Community Development. The communities could file a joint application and combine the funds with an allocation from each entitlement community to support the regional affordable housing program. The activities of the program would clearly be eligible and appropriate for the use of CDBG funds. An annual funding goal in the \$500,000 to \$1,000,000 range is not unrealistic. There are also HOME funds available from HUD for New Haven as well as other parts of the region as part of the State allocation.

In the same regard, the New Haven Continuum of Care receives federal funds for special needs housing. These funds could be expanded by other towns in the region applying to the State DECD for federal “Balance of State” funds. There are also private funds, financial institution funds, the Federal Home Loan Bank Affordable Housing Program and foundation funds available.

### **Regulatory Initiatives**

Each community should establish strategies to pursue the report’s goals and objectives. While the goal is to address affordable housing issues on a regional basis, it must be recognized that the public policy most impacting housing is a community’s zoning and subdivision regulations. Unless state enabling statutes are modified to permit regional zoning in support of smart growth principles, zoning initiatives must be implemented at the community level. While each individual community regulation must be examined and possibly modified by the appropriate local commission, there are several zoning and subdivision initiatives which would assist in meeting affordable housing goals. The recommended initiatives are to be considered, customized and incorporated by each community as appropriate and as consistent with the community’s Plan of Conservation and Development. These initiatives are as follows:

- Permit multi-family housing within the corridors identified in this strategy. Such housing should have a requirement that 30% of the units meet the definition of affordable as contained in the Affordable Housing Appeals Act.
- Provide a density bonus for affordable housing units in the designated corridors by requiring less parking per unit since such corridors are served by public transportation. This density bonus would increase public transit ridership, lessen the public transit subsidy per passenger and provide more spendable income for the household by reducing the need for an automobile or a second automobile depending on the situation.
- Permit mixed use developments within the corridor either in the same building or multiple buildings on the parcel. Calculate the extent of shared parking to reduce the required number of spaces with resulting

higher densities. This approach also increases local property tax revenue on a per parcel basis.

- Encourage individual communities to create overlay zoning districts near transit nodes, in town centers and in areas with underutilized commercial or industrial sites that would permit higher densities of housing in combination with commercial uses and open space. Lobby for state legislation that would provide a density bonus from the State to the local community for each potential new housing unit in overlay districts, provide funding to offset increased expenditures for schools due to new housing units built in the overlay districts, and direct state infrastructure spending to those towns that utilize overlay zoning districts.
- Permit accessory apartments where one unit is occupied by the owner, but the rental unit would not be limited to relatives of the owner occupant.
- Increase code enforcement activity to identify substandard units resulting in repair with an increase in standard, habitable housing units.
- Lobby for state legislation that provides tax credits for the creation of affordable accessory apartments and allows such units to be counted on the Affordable Housing Appeals List inventory.
- A program should be considered which requires a payment into a housing fund under the control of the Regional Housing Partnership for all housing sold in the region at a price over an established value. This could be paid as a transfer tax. This will require a change in state law. However, it is not very different than the payment into an open space fund which is in effect in various parts of the country and the state.
- Adopt open space subdivision and zoning regulations. This would both protect the rural nature of parts of the region and also possibly enable a developer to provide homes at a lower price due to savings from infrastructure costs.
- Permit home sharing in single family zones with limits as to the number of unrelated individuals. This could be an effective method of lowering housing costs for the elderly and also provide additional units for homeownership within the existing housing stock. This could be particularly effective in some inner ring communities due to the greater extent of homeownership by elderly persons than in the less developed portions of the region.
- Investigate the possibility of creating a regional fair rent/fair housing commission or encourage the establishment of such commissions in all communities in the region.
- A program should be considered which forgives the annual local property tax on a property in exchange for a deed restriction which requires that the property be sold at an affordable price upon the event of the next transfer. Such a program might be limited to senior citizens such as the current “circuit breaker” is limited.
- Encourage towns and cities in the region to implement these and other inclusionary zoning practices.

## Goals

When viewed as a whole, the goal of producing housing to meet the calculated affordable housing need of 35,937 households in the region appears to be a monumental task. Even when this goal is spread over 20 years, the production per year is still 1,797 units. In comparison, a total of 1,190 total housing units were built in the region in 2000, the last year for which the state Department of Economic and Community Development (DECD) has released statistics for housing production by town. However, the calculated affordable housing unit goal in the region can be misleading from a production standpoint, as many of the units “created” to meet the affordable housing need will be existing units utilized through Section 8 vouchers, homeownership programs and deed restrictions. A further analysis of the calculated affordable housing unit goal has been completed to illustrate the likely number of “new construction” units that would be needed each year.

According to the DECD’s 2002 Affordable Housing Appeals Procedure List, there are 31,395 assisted or deed restricted housing units in the region. Of these, 24,908 are governmentally assisted, 6,220 are CHFA mortgages and 267 are deed-restricted. Previously in Chapter Four, it is noted that there are 7,861 Section 8 vouchers used in the region. Almost all Section 8 vouchers and CHFA mortgages are used for existing units and not new construction; when their numbers are added up, they account for 44.8% of the assisted units in the region. Assuming that this percentage remains relatively constant into the future, the affordable housing unit production per year of 1,797 units would be comprised of 805 units of existing housing and 992 “new” units of affordable housing. Figure 25 following this page graphically presents how these housing goals can be met through a variety of approaches.

Furthermore, the affordable housing production goals for the region presented in this study have been allocated at the sub-region level, rather than the individual municipality level, for several key reasons described in previous chapters. The data analyzed and the built form and transportation realities of the region clearly indicate the need for affordable housing production strategies that cross multiple municipal boundaries. It is also important to note, however, that the achievement of affordable housing production goals at the sub-regional level should focus on those municipalities which have traditionally lacked a notable affordable housing component in their respective housing stocks. However, this focus should not be exclusive to the point at which the provision of additional affordable units in those communities with a past record of achievement is not permitted if such additional units effectively address housing needs in the region.



## Chapter Seven

### Concluding Statement



The affordable housing assessment and strategy presented in this report has focused on a regional approach to a regional issue. The strategy and recommended initiatives recognize that the housing market and overall economy operate in the region in a relationship which has become dysfunctional over the last fifty years. The relationship which has developed with lower cost housing in the central cities and higher cost housing in the suburban areas reflects the sprawl growth patterns in the region. This changing land use pattern is most obvious in terms of employment centers being dispersed throughout the region rather than in the traditional center city locations, but with little if any corresponding growth in the affordable housing supply.

The analysis portion of this report describes this relationship. The geographic distribution of need for affordable housing has been adjusted by using factors related to employment as well as the amount of affordable housing currently available by community. These adjusted housing need numbers have been established as goals against which increases in affordable housing units should be measured. These adjusted needs have been further allocated to sub-regions which combine portions of several communities into like areas of infrastructure systems, transportation availability and existing land use patterns. Specific initiatives are recommended for each sub-region.

An action agenda of housing initiatives has been prepared for a proposed Regional Housing Partnership. The need for such a regional approach has been

recognized in numerous studies and by many organizations. The role in providing housing on a regional basis is similar to the regional ranking and funding of transportation projects as part of the Transportation Improvement Program. The housing strategy looks to coordinate with regional transportation policy to enhance effectiveness in addressing two critical regional needs. The strategy includes various initiatives which show the way to meet housing needs in the future. The issue for the future is whether there will be the will. For the future economic and social health of the region, there is no alternative, but to address the issue facing us.

# **APPENDIX A**

## **APPENDIX B**

## **APPENDIX C**