

Town of Deep River Affordable Housing Plan (AHP)

Public Information Meeting

February 17, 2022



**Lower Connecticut River Valley
Council of Governments**

Project Team



Lower Connecticut River Valley
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 **TYCHE**
PLANNING & POLICY GROUP

GOMAN+YORK
ADVISORY SERVICES



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TONIGHT'S AGENDA

1. Introduction

- Regional Housing Plan & Municipal Annexes
- What are Affordable Housing and Affordable Housing Plans?
- What does this mean in Deep River?

2. Existing Conditions Related to Housing

- Zoning / Planning / Infrastructure
- Available Land / Buildable Land / Suitable Land
- Demographics / Housing Trends

3. Housing Needs Assessment

4. Live Polling & Next Steps



TONIGHT'S AGENDA

Your primary role tonight is to:

- Learn more about affordable housing and why it is important to your community
- Ask questions you may have on the subject. Please type them in the chat - questions will be answered at the end of the workshop
- Provide some feedback on possible strategies – have your cell phone or browser ready!





MILONE & MACBROOM

INTRODUCTION



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RELATIONSHIP TO REGIONAL HOUSING

REGIONAL HOUSING PLAN

- Follow up to Regional Plan of Conservation and Development (RPOCD)
- Completed in two parts:
 - Regional Housing Analysis
 - Focus on region-wide trends / challenges
 - Recommendations focus on how the region can assist the towns in housing coordination and creation
 - Municipal 8-30j Plans (Annexes)
 - Focus on town specific affordability conditions and strategies



Each part of the
process will
inform the other



WHAT IS AN AFFORDABLE HOUSING PLAN?

Under CGS 8-30j, passed in 2017, all communities in Connecticut are required to create and adopt an affordable housing plan by June 2022 and update it every five years.

- Bottom-up approach to increase the State's affordable housing supply
- Show actionable progress towards meeting State goals
- Each community decides what strategies are best for their community



This is an opportunity to create
a Housing Affordability Plan
that reflects **Deep River's**
values and priorities.



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WHAT IS AFFORDABLE HOUSING?

Affordable housing is typically defined as housing that costs no more than 30% of a household's income

- Under 8-30g, "affordable housing" is housing which, due to deed restriction or subsidy, costs a low-income household no more than 30% of their income.
 - A goal of state law is for 10% of housing units in every town to be "affordable," per this definition
 - "Low-income household" is a household making <80% of State or Area Median Income (AMI), whichever is less. Note this standard is used by HUD and the State.
- In Deep River, **based on this definition**:
 - A **family of 4** making **<\$70,900** per year or an **individual** making **<\$59,950** per year would **qualify as low-income** based on AMI.
 - Housing costs include rent or mortgage payments, property taxes, utilities, HOA fees, and maintenance costs. Income-based calculation. Does not include wealth, assets, or benefits.

Maximum Monthly Housing Budget



\$1,499/month
for an individual
\$59,950 annual income



\$1,773/month
for a family of 4
\$70,900 annual income

Source: FY 2021 Income Limits, HUD



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Community Survey Results



About the Respondents

- Survey conducted in September – October 2021
 - Left open through 2021 but did not receive much subsequent response
- **89 responses – unique IP addresses**
- 46% of respondents have lived in Deep River for 20+ years, 18% for 10 to 20 years
- 88% live in single family detached homes
- 92% own their home
- 27% are couple households with children in residence
- 22% are empty nesters
- Older adults are oversampled compared to Town population (68% 55+ vs. 33% in Census)
- 31% are retired
- 49% of respondents live in 2-person households – higher than Census figure (37%)
- 56% report over \$100,000 in annual household income



About the Respondents

- 67% see themselves having the same sized household in 5 years
- 68% of respondents indicated remaining in their current home in 5 years
- 22% are likely looking to downsize in 5 years
 - into a smaller single-family home, condo/townhome, multifamily, senior living, or ADUs
- 57% of respondents are aware of households who would benefit from more affordable housing in the community.
- 48% know some one who struggles with housing costs
- 23% personally struggle with housing costs
- 56% are aware of affordable housing
 - *Feedback Loop* – If community lacks options, people seeking those options will leave/not move in, and respondents would not know them.
- 72% agree housing in CT is too expensive
- 66% agree housing in the Region is too expensive
- 48% agree housing in Deep River is too expensive

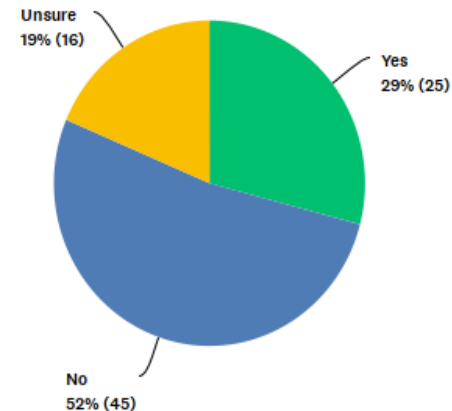


Housing Needs

- 67% think housing is an important component in community longevity
- 52% do not think that the current housing options available meet residents' needs
- 51% do not think the existing housing stock is adequate to satisfy future market demands

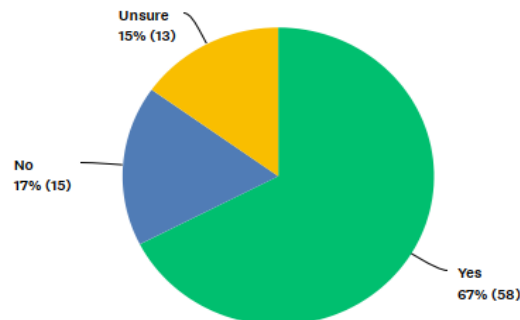
Thinking of the types of housing in your community do you think there are enough options to meet residents' current needs?

Answered: 86 Skipped: 3



Do you think that affordable or attainable housing is an important component of your community's longevity?

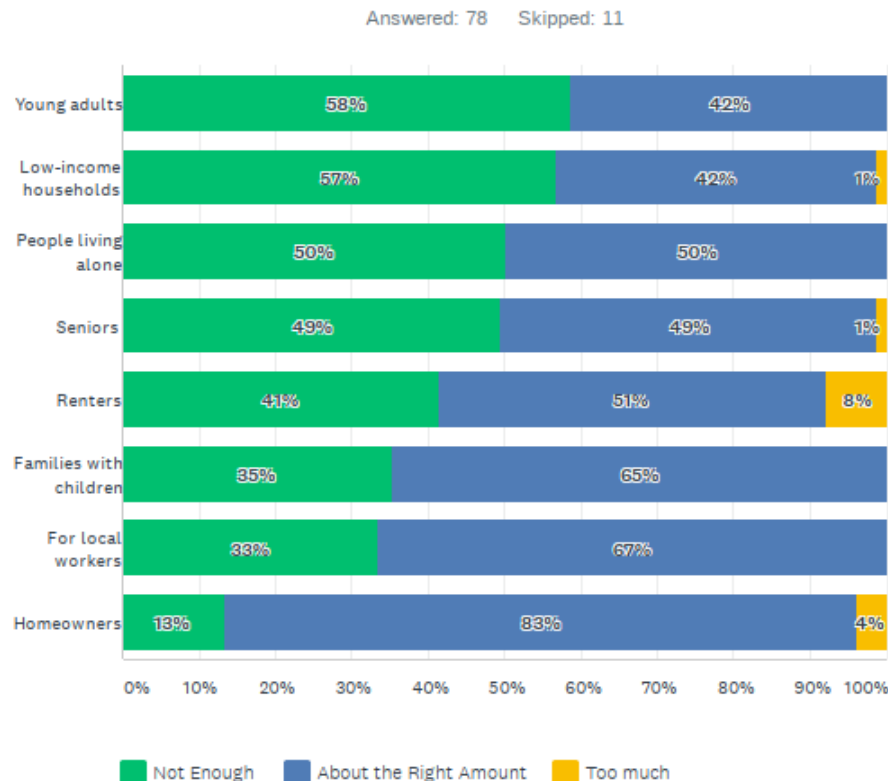
Answered: 86 Skipped: 3



Housing Choices

- Respondents most frequently cited that there are not enough housing choices for:
 - Young Adults (58%)
 - Low-income households (57%)
 - People living alone (50%)
 - Seniors (49%)
 - Renters (41%)
- Respondents felt that Deep River has about the right amount of housing for homeowners

Does your community have not enough, too much, or about the right amount of housing choices for the following populations?



Potential Benefits of Housing Diversity

- 48% (41) of respondents said housing diversity would have a positive impact.
 - 24% of respondents said housing diversity would have a negative impact.
- When asked what the benefit of housing diversity would be in Deep River, 28 respondents identified at least one benefit.

Top Benefits

- 1) Increased diversity of residents (socioeconomic, cultural, racial, age, etc.)
- 2) Housing options for lower-income families
- 3) Increased workforce, volunteers, and young children/families
- 4) Enable younger people to remain in town



Existing Conditions: Planning & Zoning Review

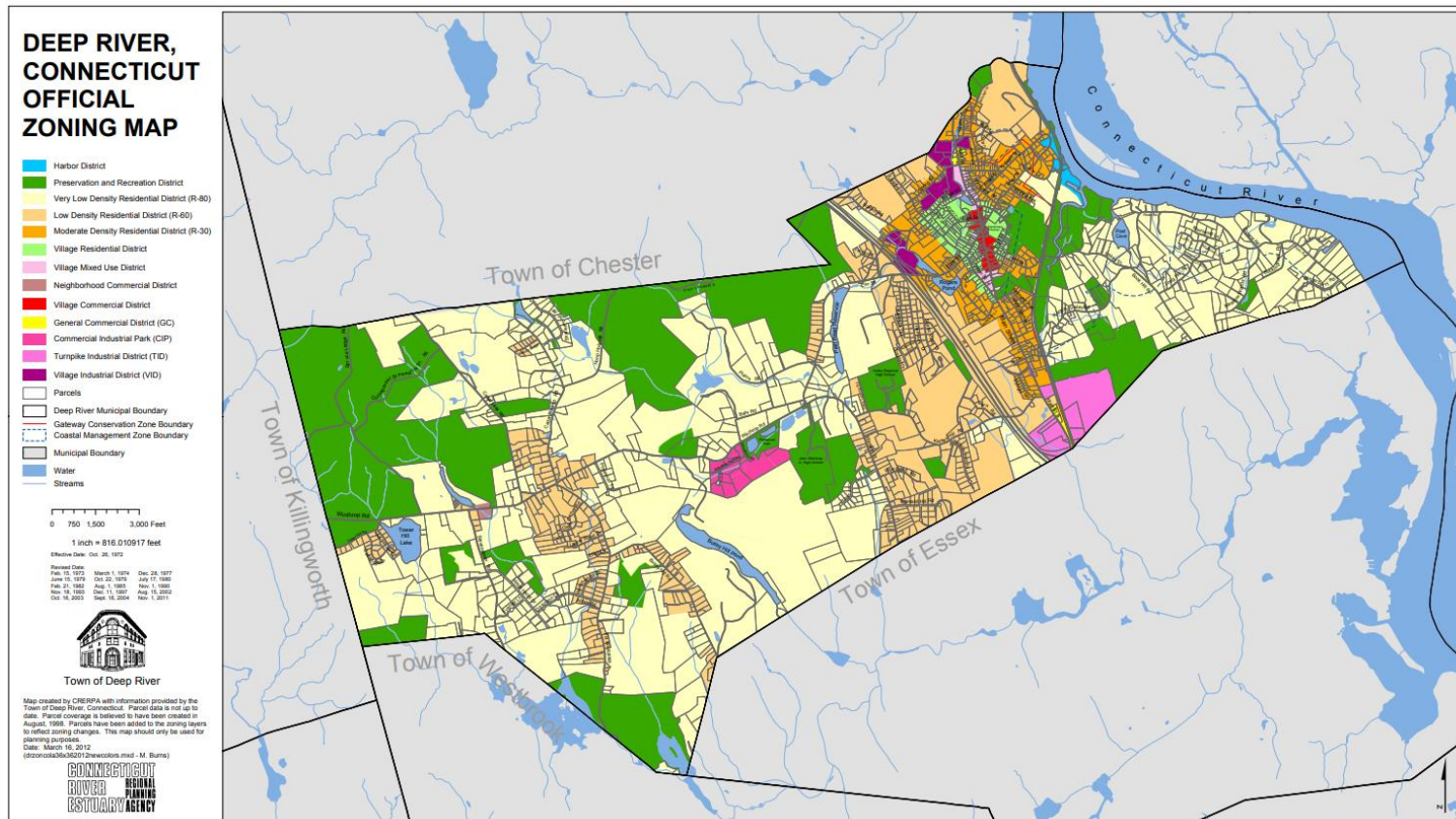


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Source: Deep River
Zoning Regulations

- Residential Zones

- R-80 Very Low Density Residential
- R-60 Low Density Residential
- R-30 Moderate Density Residential
- VR - Village Residential
- VMU - Village Mixed Use [allows multifamily SE]
- HD – Harbor District Zone
- General Commercial [allows two-family residences SE]



Infrastructure & Buildable Land

- Development restrictions - Environmentally sensitive areas; conservation and recreation
 - PRD – Preservation and Recreation Zone
 - GC - Gateway Conservation Zone (CT River)
 - SFH - Special Flood Hazard Areas
 - Coastal Areas – CT Coastal Management Act standards
- Public Sewer and Water available in center of Deep River, outlying areas on private well/septic
- Conservation and recreation opportunities are extremely important to the Town



Housing Opportunities from POCD

- The Town encourages Planned Conservation Developments
 - Develop while preserving open space
- Affordable Housing: Support zoning regulations to maintain housing affordable to persons with incomes at or below the area's median income, consistent with good land use practices.
 - Support for such housing must be based on legal guarantees that the units will remain perpetually affordable.
- Rental Housing: Encourage the upgrading of existing rental housing stock
- Age Restricted Development: Encourage housing for aging Baby Boomers in proportion to the Deep River population.



Existing Conditions: Demographic Trends



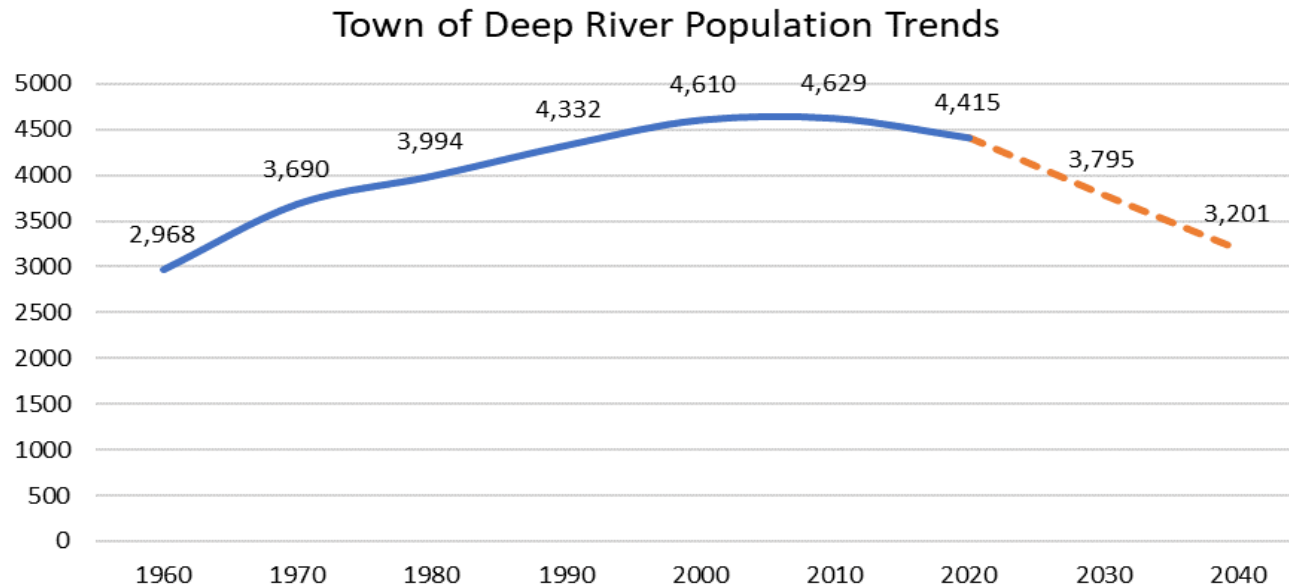
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DATA NOTE

- **Not all Census Data for 2020 is available at this time**
- The most current published sources of data are being utilized, of which many sources provide estimates
- All data sources and analysis on demographics and housing market trends is in accordance with DOH Guidance for AHP's



POPULATION TRENDS

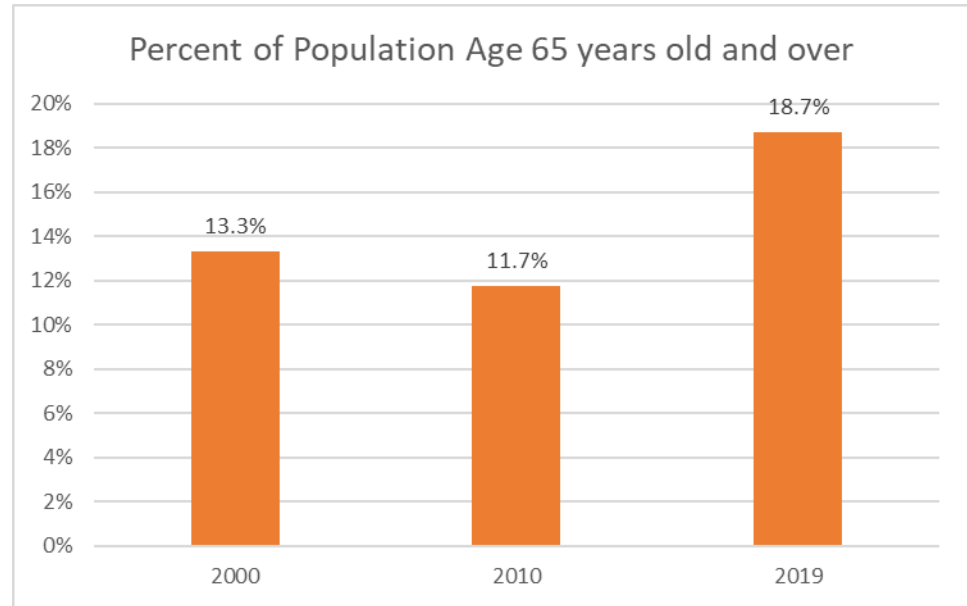
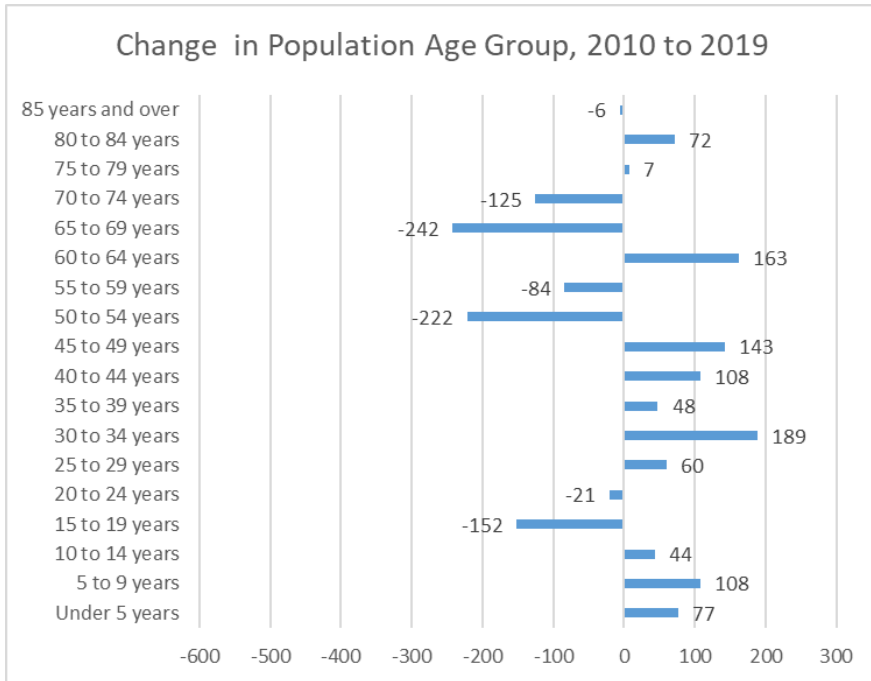


Source: Decennial Census 1960-2020, CT Data Center Projections

- After a peak in 2010, the population has been on a slow decline
- **Future population drivers will likely include housing turnover**, followed by housing construction, including new dwelling units, additions, and expansions



AGE DISTRIBUTION

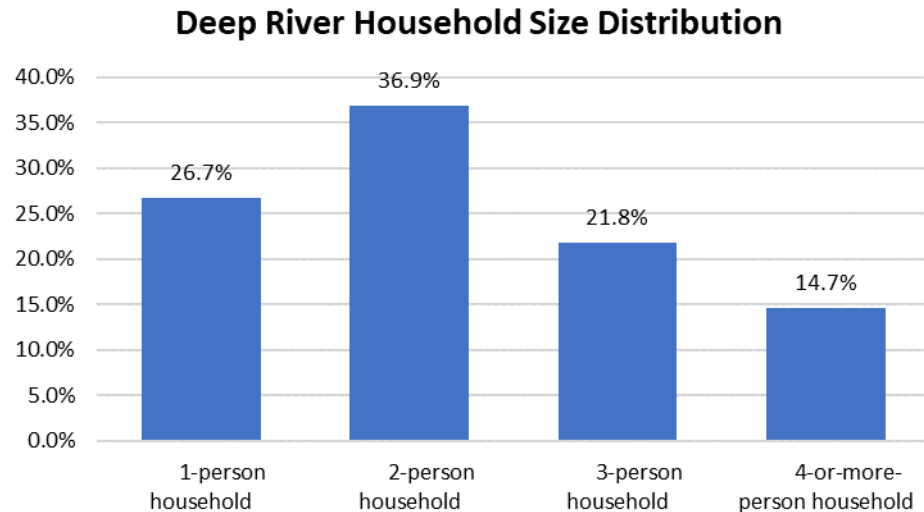
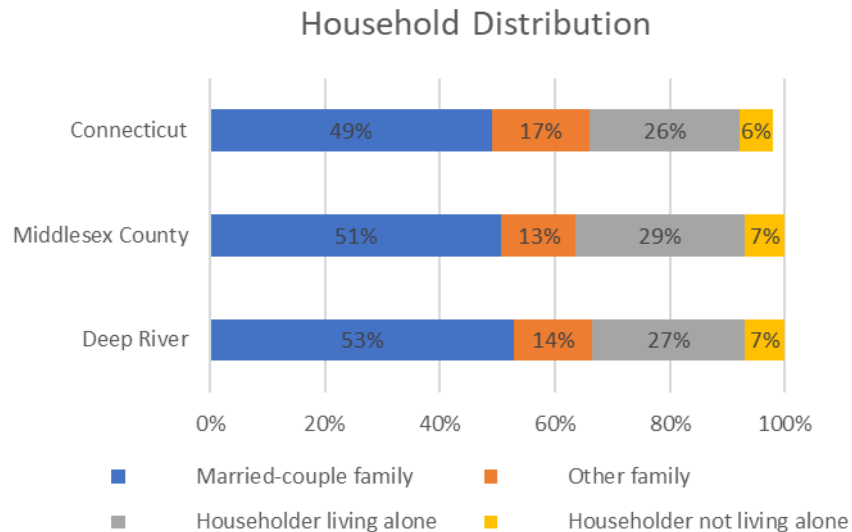


Source: 2000 and 2010 decennial census; 2019 ACS 5-Year Estimates, Table B01001

- Largest population losses observed in the 65-69 and 50-54-year-old age range
- Share of population 65 years old and over dipped in 2010, but has increased by 7% in the following ten years
- Drop in 15-24 year old age range since 2010 - may indicate lack of housing turnover to bring new families and young adults into community
 - Sales in 2020 may reverse this trend



HOUSEHOLD COMPOSITION



Source: 2019 ACS 5-Year Estimates, Tables B01001, B11016

- Deep River household types comparable to CT and County numbers, with over half of its population comprised of married-couple families, and over a quarter living alone
- **In 2019, 64% of Deep River households are made up of one or two people**
 - Indicates trend to empty nester households



DEMOGRAPHIC TRENDS: TAKEAWAYS

- Population may have peaked and is now on a decline
- Aging community – growing share of population age 65 years old and over
- 64% of Deep River households made up of 1 or 2 people

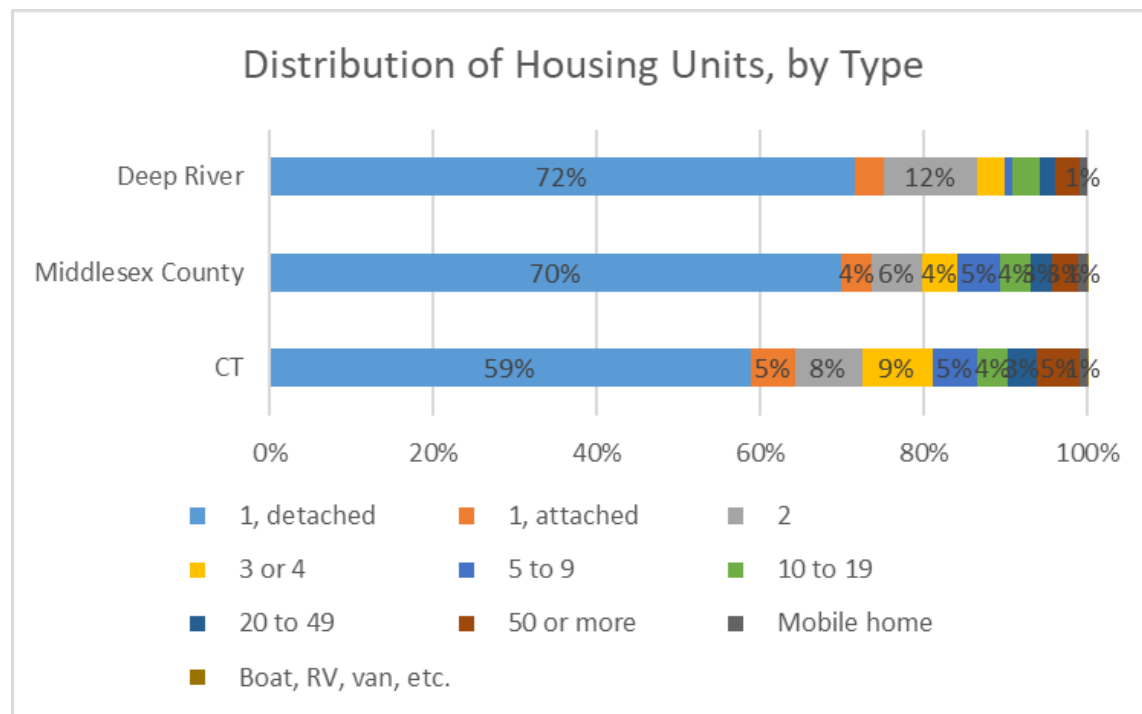
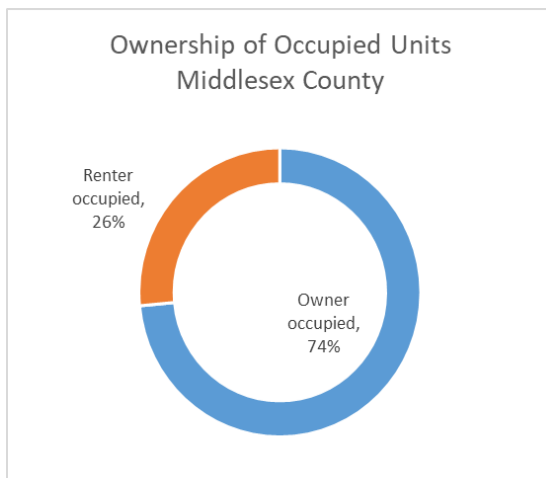
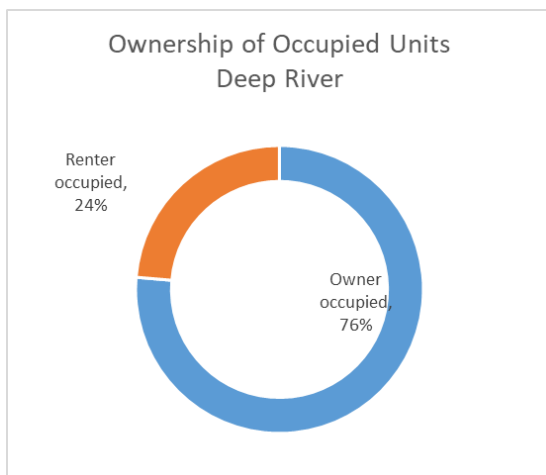


Existing Conditions: Housing Market Trends



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HOUSING TYPOLOGY



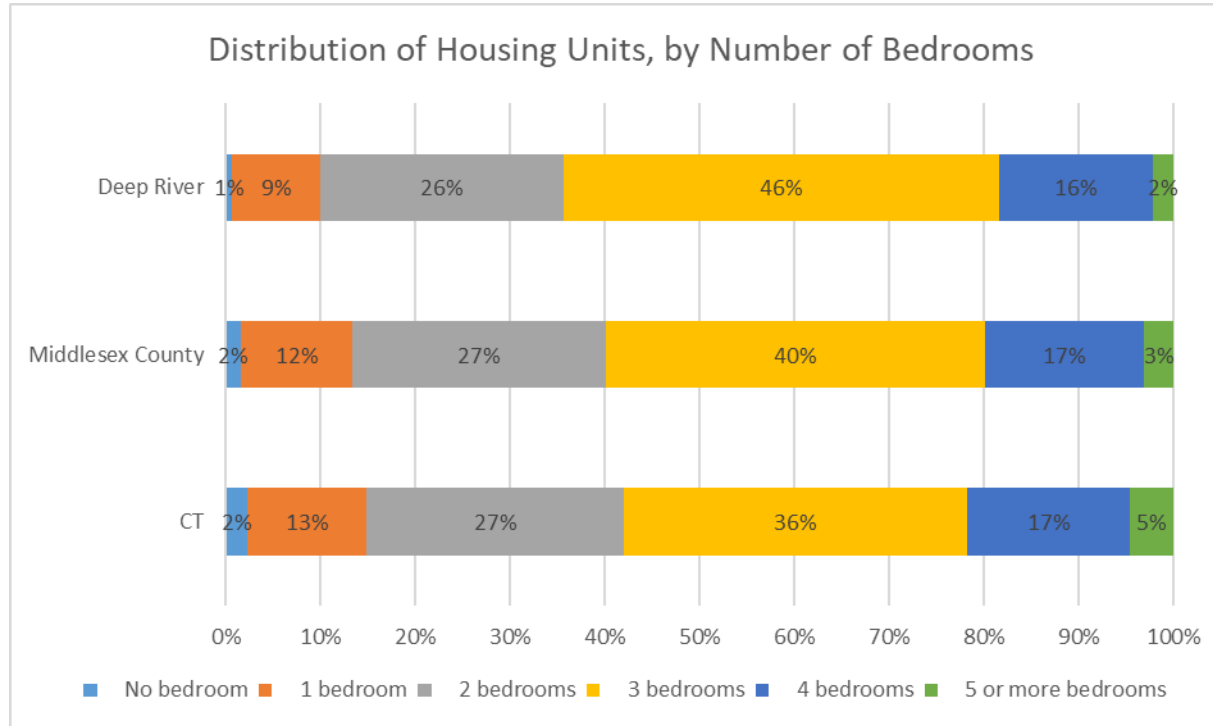
Source: ACS 5-Year Estimates, Table B25008, B25041

- 76% of units in Deep River are owner-occupied – very similar to overall county
- Deep River has a high share of single-family homes
 - Town has more duplexes/two-unit homes than the county and state



HOUSING TYPOLOGY

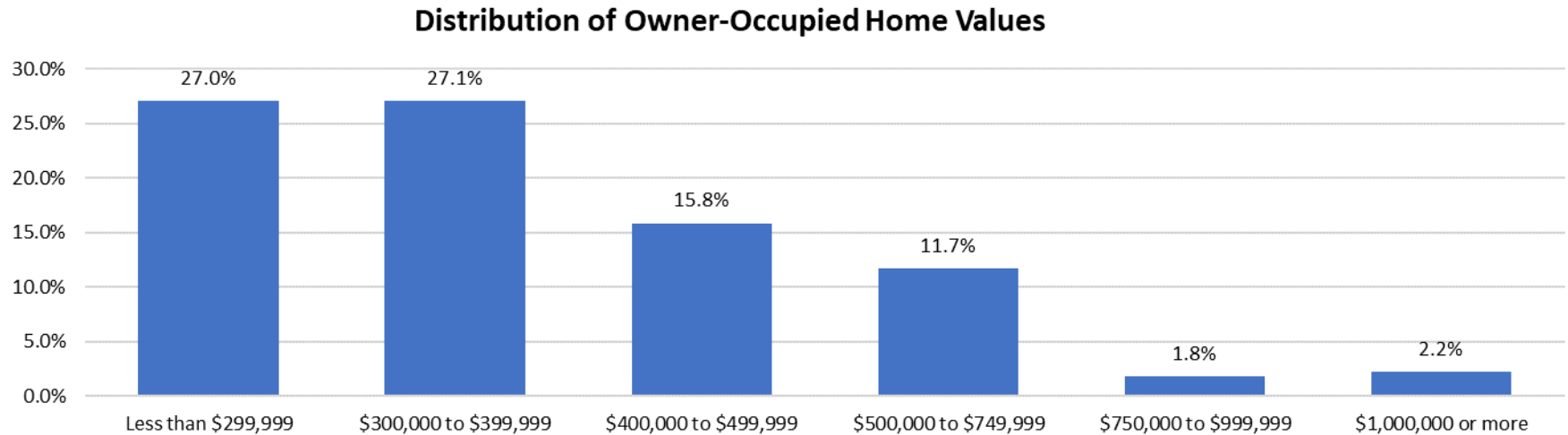
Distribution of Housing Units, by Number of Bedrooms



- 64% of housing units in Deep River are three or more bedrooms
 - In 2019, 64% of households had two people or fewer
- Size of units largely suited to families with children



HOME VALUE DISTRIBUTION (OWNER-OCCUPIED UNITS)

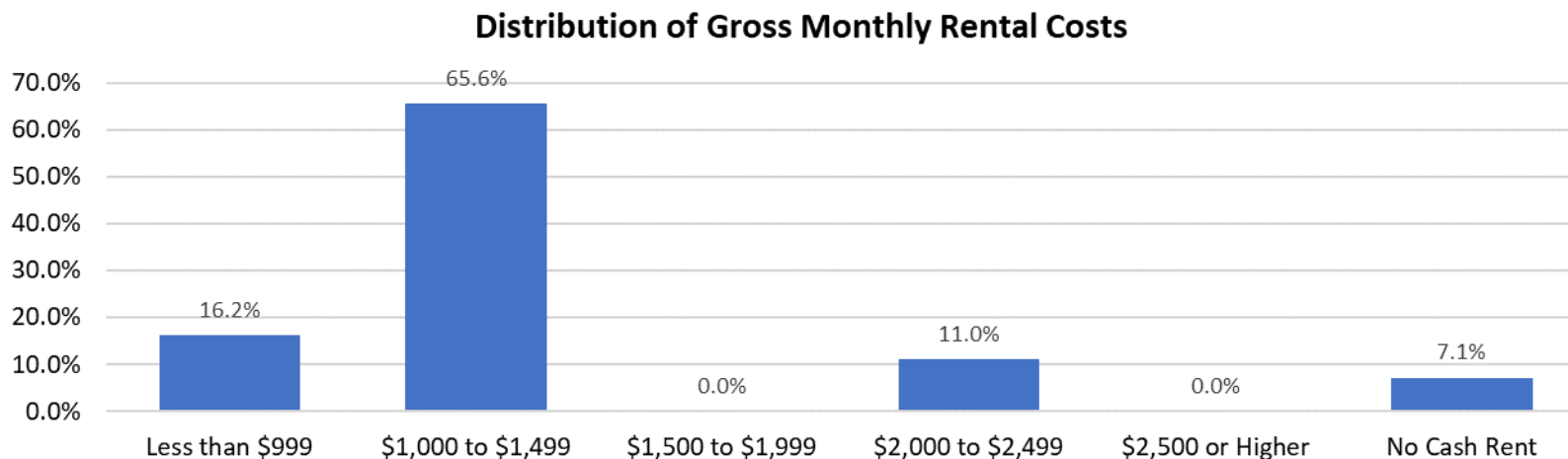


Source: 2019 American Community Survey, 5-Year Estimates, table B25075

- Most homes in Town valued under \$399,000



GROSS RENT DISTRIBUTION

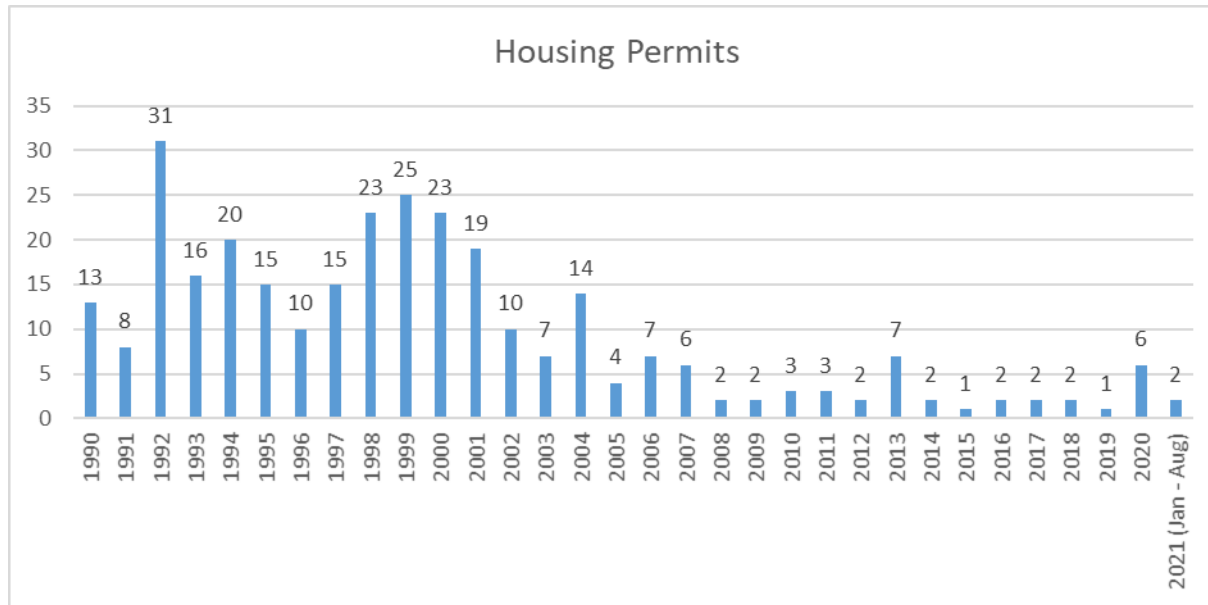


2019 American Community Survey 5-Year Estimates, Table B25063

- Median gross monthly rent in Deep River is \$1,273, which is higher than both Middlesex County (\$1,162) and Connecticut (\$1,180)
- Most rental units (56.2%) are between \$1,000 to \$1,499 a month
- 16% of rental units are less than \$1,000 a month



HOUSING PERMITS



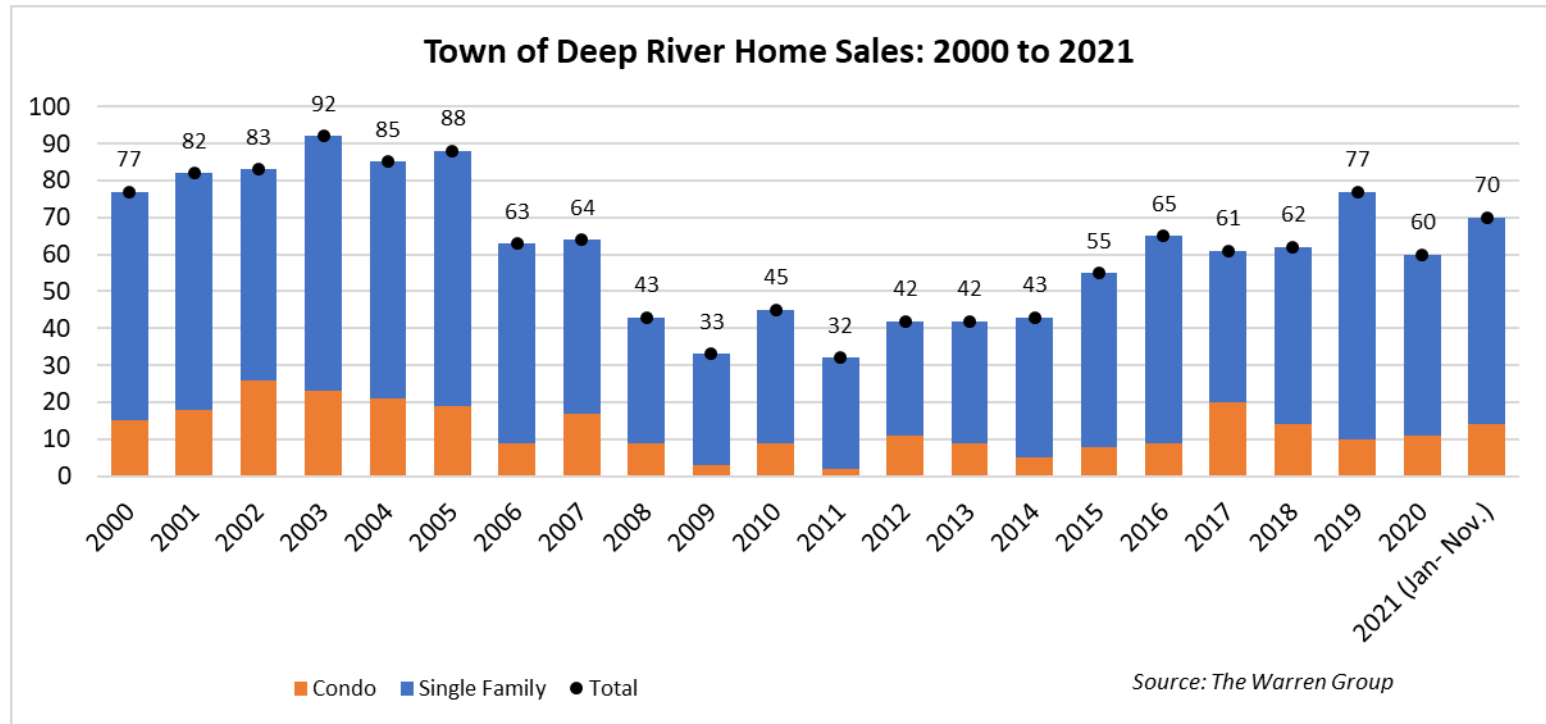
Source: CT DECD

- Housing permit activity dropped off since in the mid-2000s, indicating lack of available land and economic conditions
- Since 2015, Deep River has averaged about 2.6 building permits annually
 - In the first eight months of 2021, Deep River has issued 2 new permits
- Housing permits do not include additions, renovations, nor reinvestment



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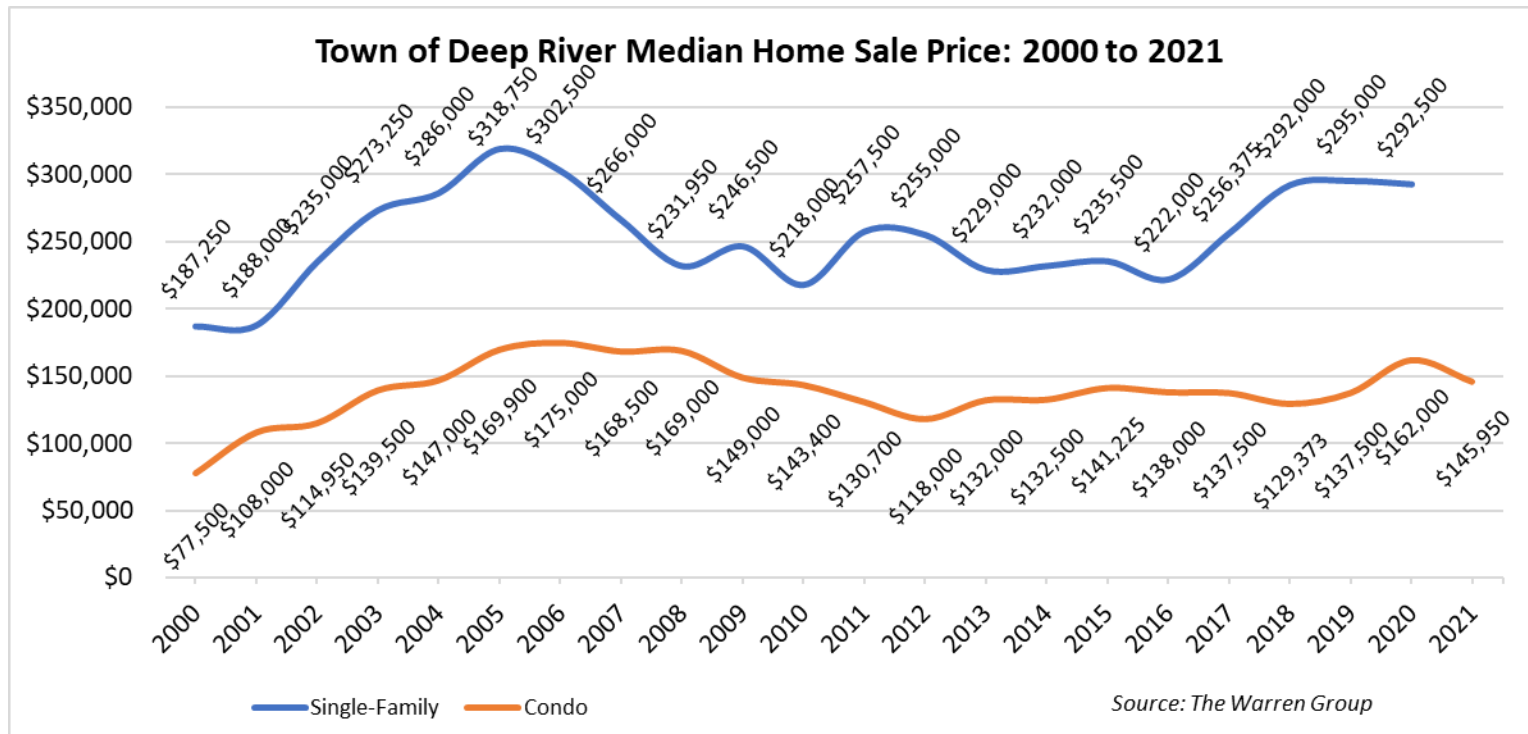
HOME SALES



- Nearly exclusive single-family market
- From 2016 to 2019, home sales were generally stable, averaging about 66 per year
- 2019 and 2021 saw slight bumps compared to previous years



HOME SALE PRICES



- Median sale price for single-family homes in Deep River have decreased since historic high in 2005
 - Prices did begin to increase starting in 2016
- Not much change observed in sales price of single family homes since 2019
 - Although condominiums sales saw an increase of nearly 18% between 2019-2020



HOUSING MARKET TRENDS: TAKEAWAYS

- Housing stock is mostly single-family, owner-occupied units
- Housing market in Town somewhat stagnant
- Downsizers are likely to seek housing outside of Deep River
 - Housing stock dominated by 3+ bedroom units



Housing Needs Assessment



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Affordable Housing Needs

How many Deep River Families Need Affordable Housing?

Low Income

51% to 80% of AMI

<\$59,950 for an individual
<\$70,900 for a family of 4



235

Low income HHs



135

Homeowners



100

Renters

Very Low Income

31% to 50% of AMI

<\$40,150 for an individual
<\$57,300 for a family of 4



220

Very Low income HHs



135

Homeowners



85

Renters

Extremely Low Income

30% of less of AMI

<\$24,100 for an individual
<\$34,000 for a family of 4



230

Extremely Low income HHs



115

Homeowners



115

Renters

Source: U.S. Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Survey (CHAS): 2014-2018

- There are 685 households in Deep River (36% of total) who meet the definition of low income (household income <80% of AMI)
- About half homeowners and half renters



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Affordable Housing: Renter Needs

Maximum Monthly Costs for Low Income Renters

Low Income

51% to 80% of AMI

<\$59,950 for an individual
<\$70,900 for a family of 4



\$1,398/month

for an individual



\$1,863/month

for a family of 4

Very Low Income

31% to 50% of AMI

<\$40,150 for an individual
<\$57,300 for a family of 4



\$936/month

for an individual



\$1,136/month

for a family of 4

Extremely Low Income

30% of less of AMI

<\$24,100 for an individual
<\$34,000 for a family of 4



\$562/month

for an individual



\$753/month

for a family of 4

Source: U.S. Department of Housing and Urban Development (HUD) Income Limits. Based on income limits for the Southern Middlesex County, CT HUD Metro FMR Area

30% Rule: HUD recommends that households spend no more than 30% of their income on housing costs including rent or mortgage payments, property taxes, utilities, HOA fees, and maintenance costs



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Affordable Housing: Homeowner Needs

Maximum Home Value Affordable to Low Income Homeowners

Low Income

51% to 80% of AMI

<\$59,950 for an individual
<\$70,900 for a family of 4



\$214,000

for an individual



\$285,000

for a family of 4

Very Low Income

31% to 50% of AMI

<\$40,150 for an individual
<\$57,300 for a family of 4



\$143,000

for an individual



\$205,000

for a family of 4

Extremely Low Income

30% of less of AMI

<\$24,100 for an individual
<\$34,000 for a family of 4



\$86,000

for an individual



\$121,000

for a family of 4

Source: U.S. Department of Housing and Urban Development (HUD) Income Limits. Based on income limits for the Southern Middlesex County, CT HUD Metro FMR Area Calculation assumes 20% down payment, 30-year mortgage at 5% interest, annual property tax payments, and 1.5% carrying costs for insurance and utilities

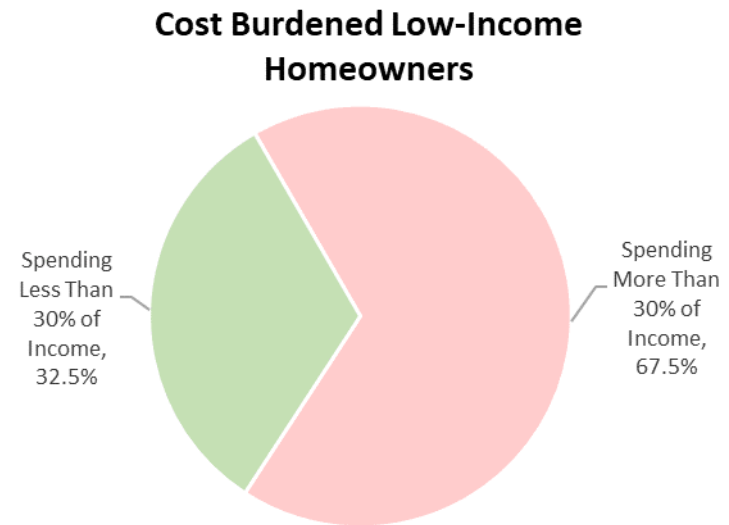
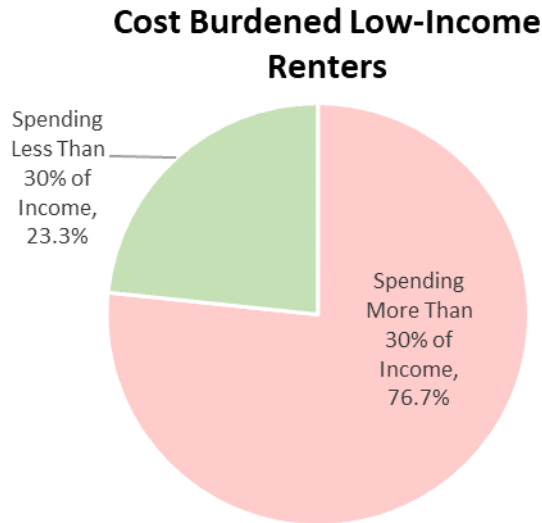
30% Rule: HUD recommends that households spend no more than 30% of their income on housing costs including rent or mortgage payments, property taxes, utilities, HOA fees, and maintenance costs



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Cost Burdens: Existing Conditions

Cost Burden for Low Income Households in Deep River



Source: U.S. Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Survey (CHAS): 2014-2018

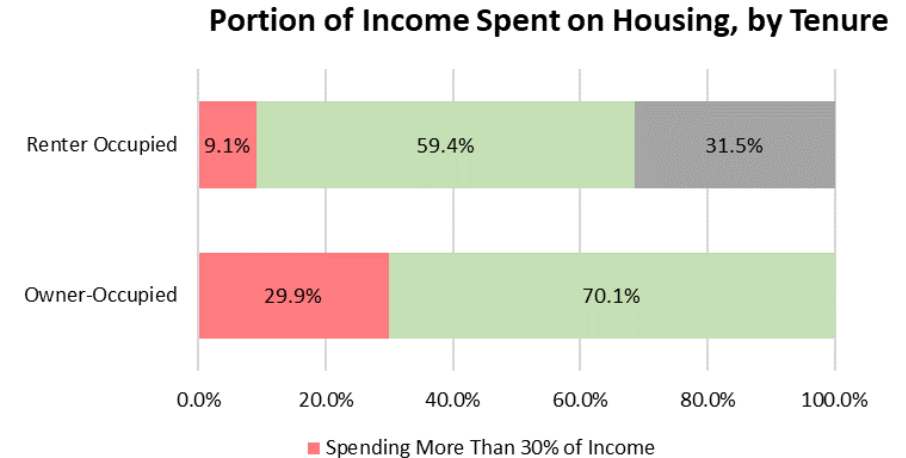
- **Cost Burden** is defined as households that spend greater than 30% of their income on housing. These households may have difficulty affording necessities such as food, clothing, transportation, and medical care
- **In 2018, about 72% of Deep River's low-income households are cost-burdened**
 - **Compares to 13% for households who are not considered low-income**



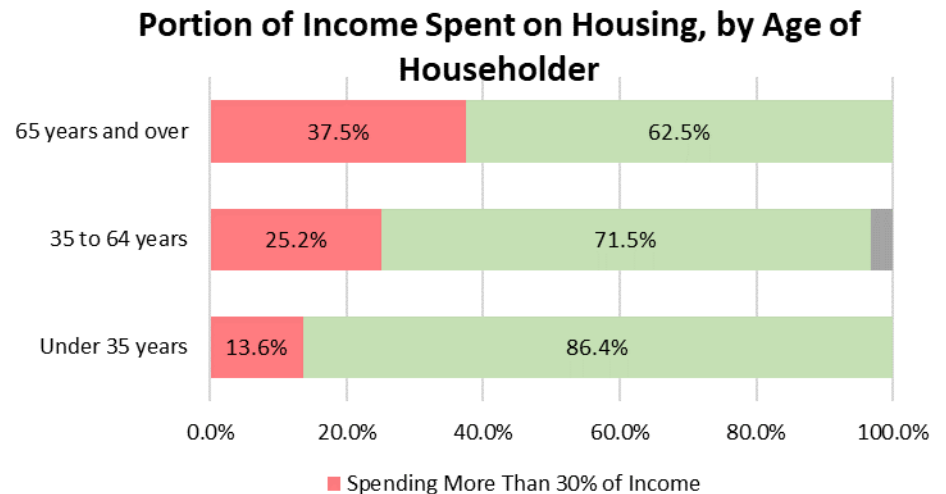
Cost Burdens: Existing Conditions

Cost Burden for Other Populations in Deep River

- owners are more likely to be cost-burdened compared to renters
- Seniors and middle-aged groups are more likely to be cost burdened than young adults



Source: ACS 5-Year Estimates, Table B25072, 25093



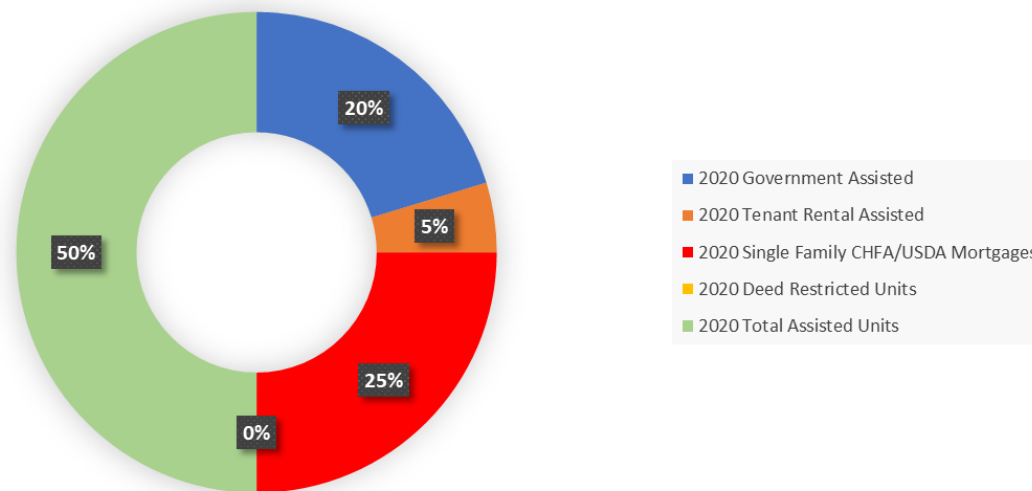
Source: ACS 5-Year Estimates, Table B25072, 25093



Protected Affordable Housing

- **Protected Affordable Housing Units** meet the statutory definition of affordable housing and are restricted to households that make less than 80% of AMI, so that they spend less than 30% of their income on housing
- As of 2020, Deep River **64 protected affordable housing units – 3.07%** Protected Affordable Housing

Protected Affordable Housing Units



Source: DECD Affordable Housing Appeals List, 2020



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Housing Gap Analysis: Methodology

- **Affordable Housing Demand:**
 - Low-income household estimates provided by U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Survey (CHAS)
 - Income limits provided by U.S. Department of Housing and Urban Development (HUD)
- **Affordable Housing Supply:**
 - Naturally occurring affordable housing calculated using 2019 American Community Survey 5-Year Estimates.
 - Home Value Distribution
 - Distribution of Gross Rent
 - SLR calculation of units affordable to low-income households based on HUD income limits
- **Housing Gap:**
 - Compares housing demand to housing supply
 - Two representative case studies for a family of four and a single-person household. These households have different income limits according to HUD



Housing Gap Analysis: Family Of 4

Owner-Occupied Units

| Income Group | Max Home Value (Family of 4) | Cumulative Owner Households in Income Range | Cumulative Owner-Occupied Units in Price Range | Owner Gap |
|------------------------------------|------------------------------|---|--|-----------|
| Extremely Low Income (<30% of AMI) | \$121,000 | 115 | 149 | 34 |
| Very Low Income (<50% of AMI) | 205,000 | 250 | 360 | 110 |
| Low Income (<80% of AMI) | 285,000 | 385 | 589 | 204 |

Source: HUD Income Limits; Comprehensive Housing Affordability Survey (CHAS): 2014-2018; ACS Five-Year Estimates B25075

Renter-Occupied Units

| Income Group | Max Monthly Rent (Family of 4) | Cumulative Renter Households in Income Range | Cumulative Renter-Occupied Units in Price Range | Renter Gap |
|------------------------------------|--------------------------------|--|---|------------|
| Extremely Low Income (<30% of AMI) | \$753 | 115 | 1 | (114) |
| Very Low Income (<50% of AMI) | \$1,136 | 200 | 73 | (127) |
| Low Income (<80% of AMI) | \$1,863 | 300 | 126 | (174) |

Source: HUD Income Limits; Comprehensive Housing Affordability Survey (CHAS): 2014-2018; ACS Five-Year Estimates B25063



Housing Gap Analysis: Individuals

Owner-Occupied Units

| Income Group | Max Home Value (Individual) | Cumulative Owner Households in Income Range | Cumulative Owner-Occupied Units in Price Range | Owner Gap |
|------------------------------------|-----------------------------|---|--|-----------|
| Extremely Low Income (<30% of AMI) | \$86,000 | 115 | 0 | (115) |
| Very Low Income (<50% of AMI) | \$143,000 | 250 | 25 | (225) |
| Low Income (<80% of AMI) | \$214,000 | 385 | 65 | (320) |

Source: HUD Income Limits; Comprehensive Housing Affordability Survey (CHAS): 2014-2018; ACS Five-Year Estimates B25075

Renter-Occupied Units

| Income Group | Max Monthly Rent (Individual) | Cumulative Renter Households in Income Range | Cumulative Renter-Occupied Units in Price Range | Renter Gap |
|-------------------------------------|-------------------------------|--|---|------------|
| Extremely Low Income (<30% of AMI) | \$562 | 115 | 118 | 3 |
| Very Low Income (30% to 50% of AMI) | \$936 | 200 | 217 | 17 |
| Low Income (50% to 80% of AMI) | \$1,398 | 300 | 354 | 54 |

Source: HUD Income Limits; Comprehensive Housing Affordability Survey (CHAS): 2014-2018; ACS Five-Year Estimates B25063



Housing Needs Assessment: Takeaways

- Significant affordable housing needs within Deep River
 - 685 low-income households (36% of total households) that could be eligible for Affordable Housing
- More homeowners are burdened by the cost of their housing than renters
- Town has very few protected affordable housing units
- **Biggest gaps are for families to rent and individuals to purchase**
- Populations with disproportionate cost burdens and housing needs include:
 - Homeowners
 - Low-income households making less than 80% AMI
 - Senior households



AUDIENCE POLLING INTRO

*We are going to use interactive polling during this workshop.
You will need access to an additional webpage,
or you can use your phone.*

Let's get started!

Go to pollev.com/SLR2021



What is your favorite flavor of ice cream?

Vanilla

Chocolate

Strawberry

Mint Chocolate Chip

Other

What is your age?

< 40

40 - 60

60 +

Which of the following is your household currently composed of

Single Adults

Two Adult

Adult with 1 or
More Children

Two Adults with 1
or More Children

Other

Which of the following best describes your current home?

Own and live in a single-family home

Rent and live in a single-family home

Rent and live in a multi-family home

Own and live in a multi-family home

Other

Have you attended a workshop for the Regional Housing Plan?

Yes

No

EXPANDING HOUSING AFFORDABILITY CONCEPT #1

Housing is an issue that cuts across several “traditional” municipal departments, including Human Services, Board of Selectmen, Planning & Zoning, Economic Development, Senior Services, Board of Education, etc. In Deep River, no single entity pays attention to the larger idea of affordability of housing for the current population in Town and the hope of allowing the Town to grow.

One idea for addressing the lack of affordable housing options in Deep River would be to establish a standing Housing Committee, populated by representatives of other Committees/Boards, plus other stakeholders and members of the public, to put an ongoing focus on housing issues in Town. This Housing Committee would be primarily responsible for ensuring the implementation of the Town’s housing goals.

Would you support this approach?



Would you support this approach?

Yes, would support

No, would not support

I need more information
before expressing support

EXPANDING HOUSING AFFORDABILITY CONCEPTS #2

The Town Zoning Regulations currently only allows multi-family development in the Village Mixed-Use zoning district (VMU), following a Special Permit and Design Review process. The VMU district comprises a geographically small portion of the Main Street area, and consists of primarily existing, developed properties.

One idea to expand housing opportunities in Deep River would be to allow multifamily development in more zoning districts – at lower densities in R-60 or R-80 districts, at higher densities in R-30 and where public sewer/water lines are available, and via Site Plan review in VMU areas and for redevelopment of existing buildings.

Would you support this approach?



Would you support this approach?

Yes, would support

No, would not support

I need more information
before expressing support

EXPANDING HOUSING AFFORDABILITY

CONCEPT #3

The Connecticut General Statutes, in Section 8-2i, allow for “Inclusionary Zoning” requirements at the local level. Similar to requirements that subdivisions set aside open space or pay a fee-in-lieu, this Statute allows municipalities to require that a certain percentage of new development would need to be set aside as affordable (or pay a fee).

One concept for expanding Deep River’s supply of affordable housing would be to implement “Inclusionary Zoning” and require any developments over 10 units (for example) to set aside 10% - 20% of the new housing units to be affordable to those making 60-80% of the Area Median Income, or to pay into an Affordable Housing Trust Fund.

Would you support this approach?



Would you support this approach?

Yes, would support

No, would not support

I need more information
before expressing support

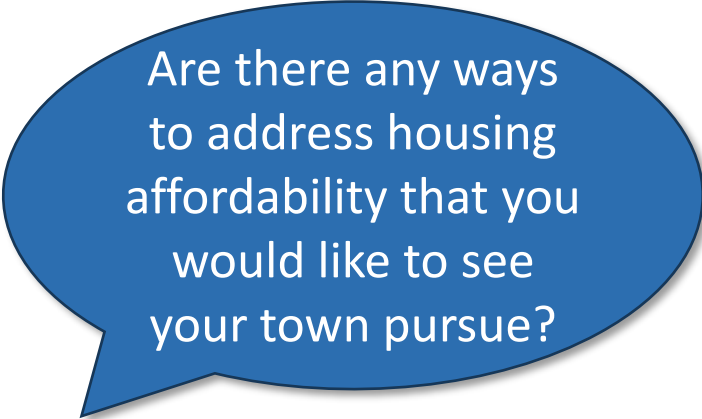
NEXT STEPS

- Discussion of Strategies with Deep River's Team
 - Prepare Deep River's 8-30j plan – March-May
 - Draft will be available for public review in mid-spring
 - Finalize 8-30j plan
 - Adoption of plan & submission to state by June 1, 2022
-
- Email any questions to: amcdonald@deepriverct.us or zoning@deepriverct.us

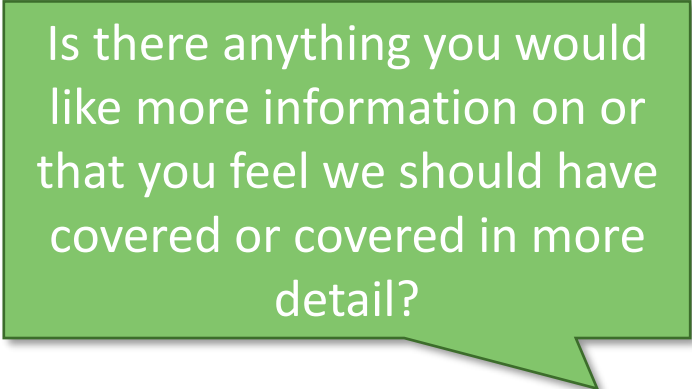


QUESTIONS AND ANSWERS


If you have any questions or comments, please type them in the chat.




Are there any ways to address housing affordability that you would like to see your town pursue?



Is there anything you would like more information on or that you feel we should have covered or covered in more detail?



How do you feel about the current state of housing in your community?



Did anything you heard today change your opinion?



Thank You!



Lower Connecticut River Valley
Council of Governments