

Town of Lyme Affordable Housing Plan (AHP)

Public Information Session

February 7, 2022



Lower Connecticut River Valley
Council of Governments

Project Team



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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 Lyme?

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 ready!



INTRODUCTION



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 **Lyme'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 Lyme, **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, New London County FMR Area



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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
- **52 responses – unique IP addresses**
- 50% of respondents have lived in Lyme for 20+ years, 11% for 10 to 20 years
- 98% live in single family detached homes
- 90% own their home
- 18% are couple households with children in residence
- 21% are empty nesters
- Older adults are oversampled compared to Town population (90% 55+ vs. 43% in Census)
- 48% are retired
- 73% of respondents live in 1- or 2-person households – higher than Census figure (26%)
- 62% report over \$100,000 in annual household income



About the Respondents

- 72% see themselves having the same sized household in 5 years
- 90% of respondents indicated remaining in their current home in 5 years
- 8% 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
- Only 12% personally struggle with housing costs
- 63% 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.
- 62% agree housing in CT is too expensive
- 66% agree housing in the Region is too expensive
- 72% agree housing in Lyme is too expensive

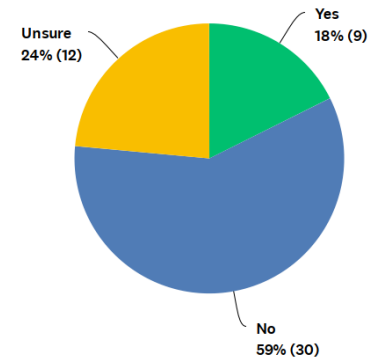
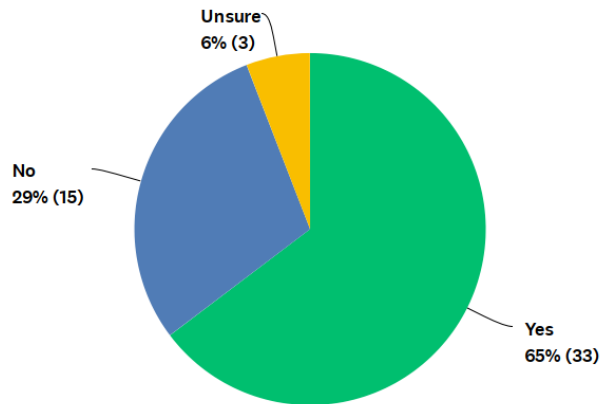


Housing Needs

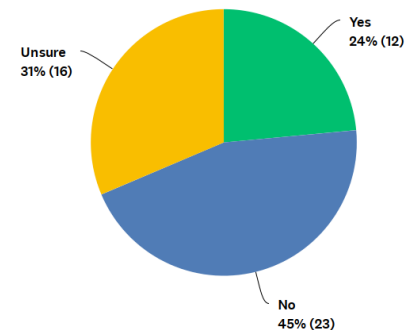
- 65% think housing is an important component in community longevity
- Only 18% of residents think that the current housing options available meet residents' needs
- 45% do not think the existing housing stock is adequate to satisfy future market demands

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

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



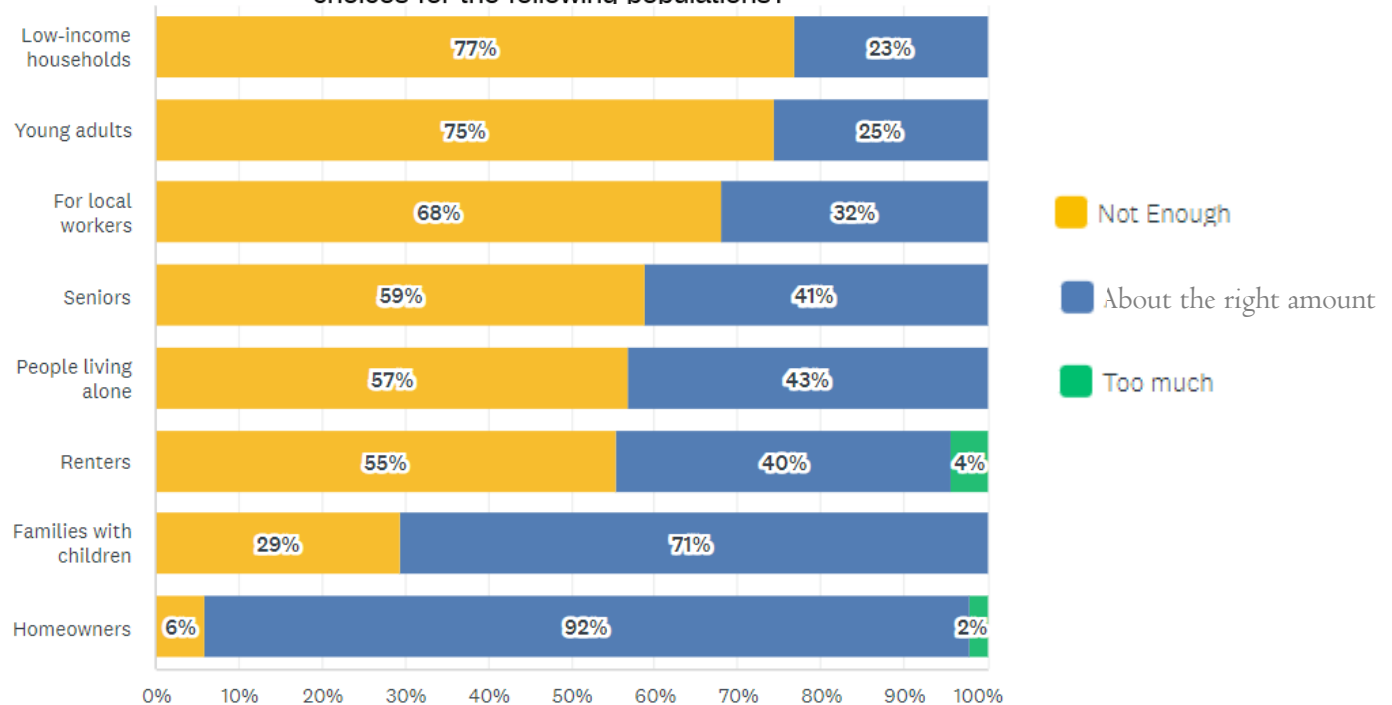
Do you think that the existing housing stock is adequate to satisfy future market demands?



Housing Choices

- Respondents most frequently cited that there are not enough housing choices for:
 - Low-income households (77%)
 - Young Adults (75%)
 - Local workers (68%)
 - Seniors, People living alone, and renters (59%, 57%, 55%)
- Respondents felt that Lyme has about the right amount of housing for homeowners, and families with children.

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

- 51% (26) of respondents said housing diversity would have a positive impact.
 - 16% of respondents said housing diversity would have a negative impact.
- When asked what the benefit of housing diversity would be in Lyme, 25 respondents identified at least one benefit.

Top Benefits

- 1) Increased diversity of residents (socioeconomic, cultural, racial, age, etc.)
- 2) Enable younger people to remain in town
- 3) Improve the community and its longevity
- 4) Enable employees in Lyme to live where they work





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Existing Conditions: Planning & Zoning Review



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Zoning

- Three types of Rural Districts (RU-40, RU-80, RU-120) that allow residential development on various lot sizes
 - Multifamily development is capped at two units
 - Minimum gross lot areas:
 - RU-120: 120,000 square feet (2.75 acres)
 - RU-80: 80,000 square feet (1.8 acres)
 - RU-40: 40,000 square feet (.9 acres)
- Accessory dwelling units allowed in all rural districts, but permitted in RU-40 by special permit only

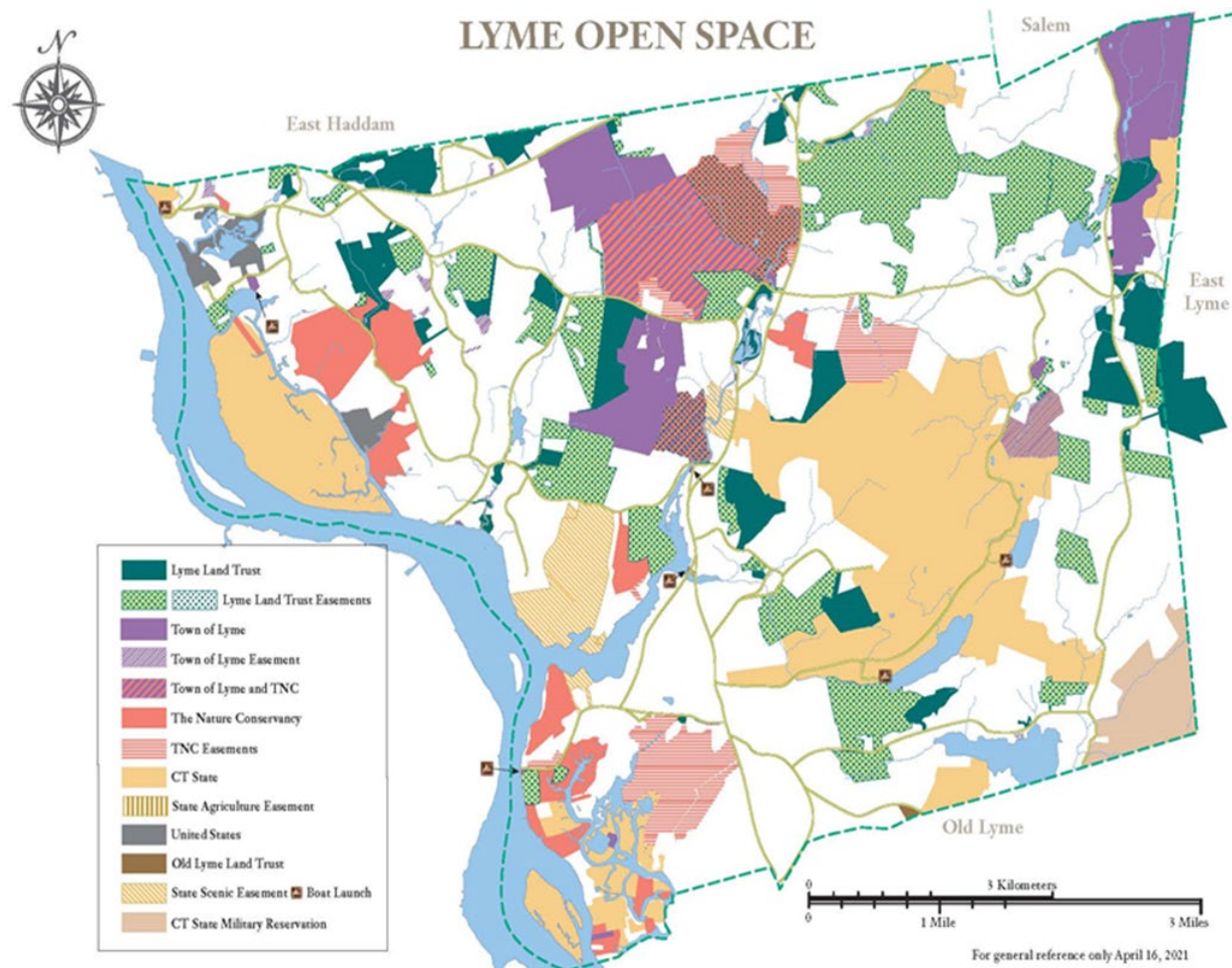


Zoning



Infrastructure & Buildable Land

- Lyme's residents rely on well water and septic
 - Requires well-draining soil and a minimum amount of land to be viable – limiting the number of homes the land can support
- Not all the land in Town can be used for development. Restrictions on development include:
 - Environmentally sensitive areas such as watercourses, wetlands, and their buffers
 - unique scenic, ecological, scientific and historic values which the CT River contributes for public enjoyment, inspiration and scientific study, and to prevent the deterioration of the natural or tradition river scene
- The 2015 POCD estimated about 83% of Lyme's land is undeveloped
 - a large portion of this land is committed to open space



Housing Opportunities from POCD

- Adopted in 2015
- POCD discusses enabling the development of a diversity of housing in Lyme while respecting existing character and natural environment.
 - “Continue town efforts to increase the availability of affordable housing including rental considerations for less affluent residents. Continue to provide financial and regulatory support for the work of the Affordable Housing Committee.”
 - “Town officials and local citizens have struggled to find a way to create or retain affordable housing that is compatible with a rural, rather than urban setting. The Affordable Housing Committee has had success in creating [eight] new affordable homes and hopes to continue the effort in the future. One lot devoted to affordable housing remains as of the beginning of 2015.”
 - “Encouraging all new development to choose a scale and design which is compatible with the rural landscape.
- In community surveys, opposition was strong to most types of affordable housing besides accessory apartments and elderly housing
 - Opinions on accessory apartments resulted in zoning regulations allowing the use





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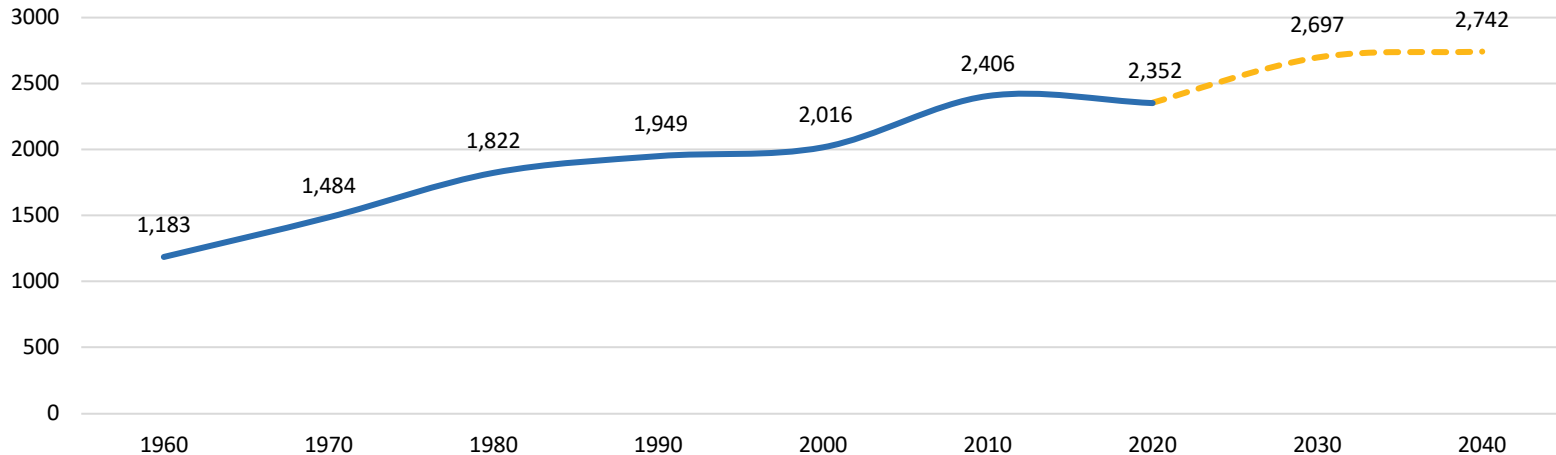
Existing Conditions: Demographic Trends



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POPULATION TRENDS

Town of Lyme Population Trends



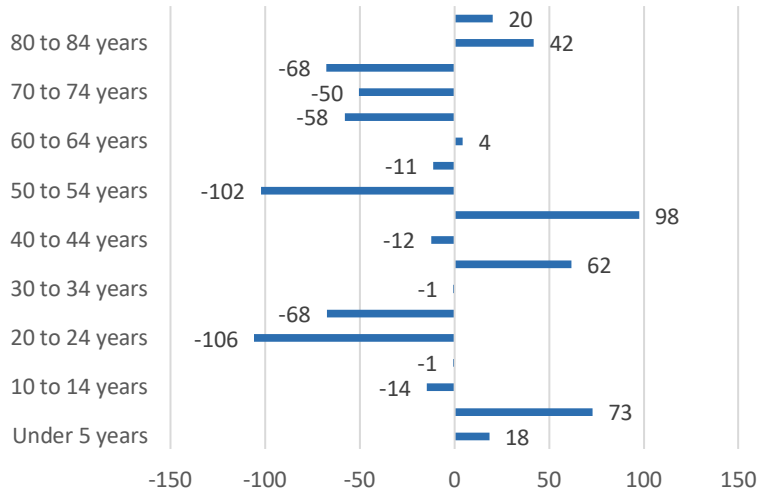
Source: Decennial Census 1960-2020, CT Data Center Projections

- After a peak in 2010, the population has been on a slow decline, with a -1.5% change in the last three years
- **Future population drivers will likely include housing turnover**, followed by housing construction, including new dwelling units, additions, and expansions

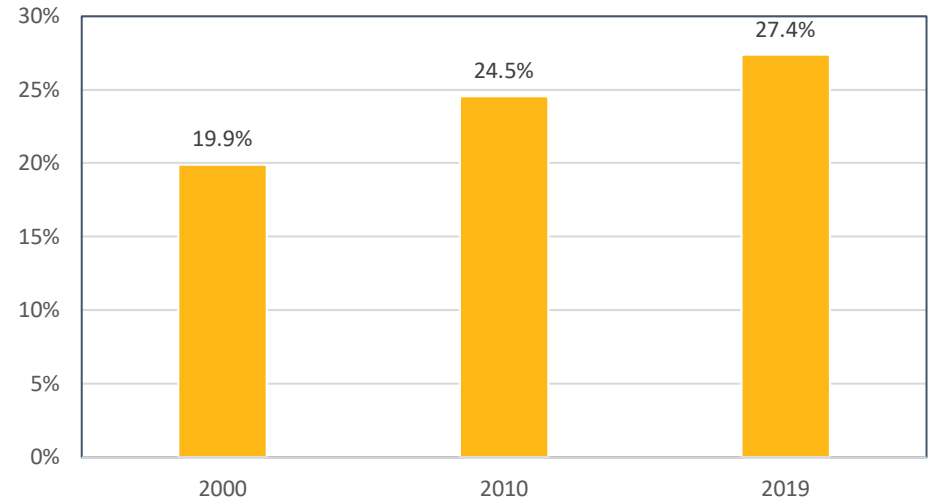


AGE DISTRIBUTION

Town of Lyme Change in Population Age Group, 2010 to 2019



Percent of Population Age 65 years old and over



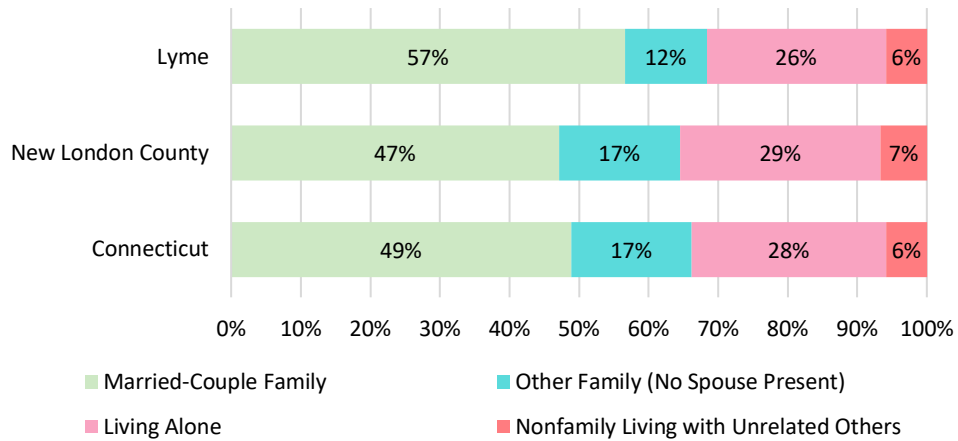
Source: 2000 and 2010 decennial census; 2019 ACS 5-Year Estimates, Table B01001

- Aging of large “baby boomer” cohort coinciding with growth in population 65 and over
- Share of population 65 years old and over has consistently grown since 2000, reaching 27.4% of the total population in 2019
- Lyme has a larger share of households with someone older than 60 than the state and county overall
- Drop in children and 20-24 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

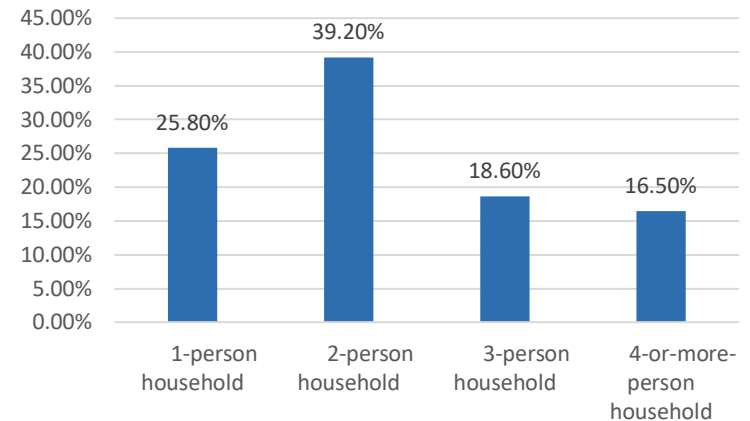


HOUSEHOLD COMPOSITION

2019 Household Distribution, Town of Lyme



Lyme Household Size Distribution 2019



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

- **In 2019, 65% of Lyme households are made up of one or two people**
 - Indicates trend to empty nester households





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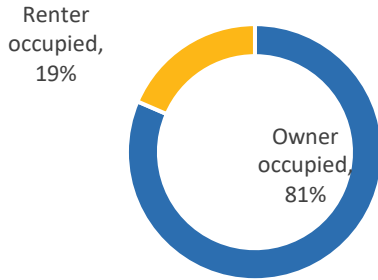
Existing Conditions: Housing Market Trends



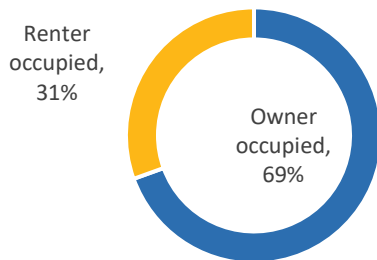
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HOUSING TYPOLOGY

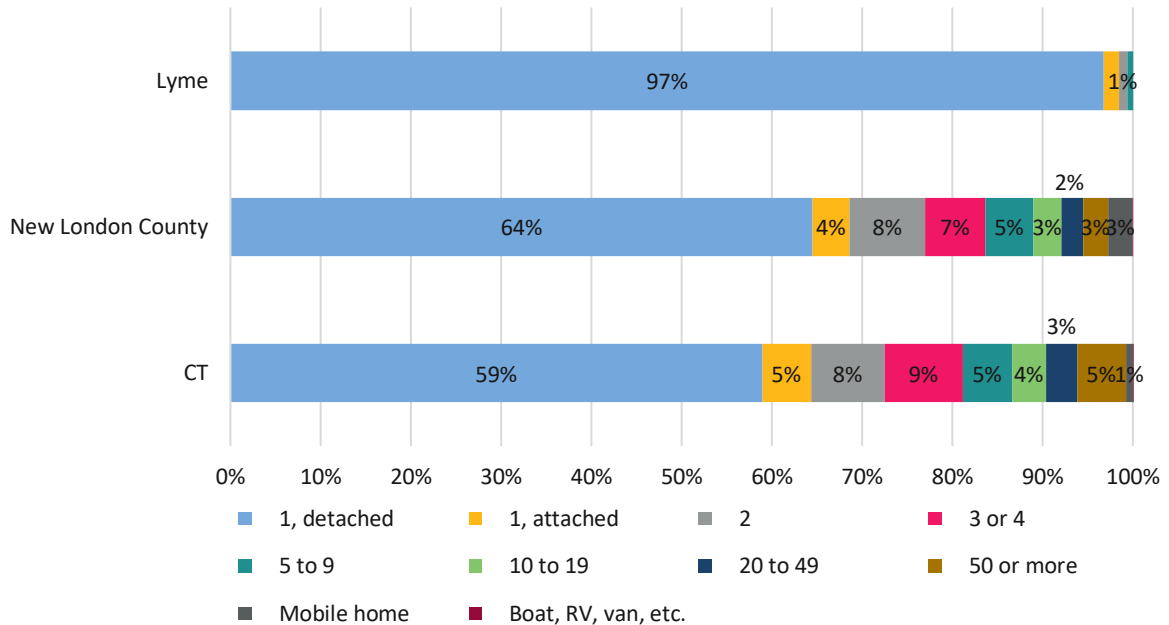
Ownership of Occupied Units
Lyme



Ownership of Occupied Units
New London County



Distribution of Housing Units, by Type



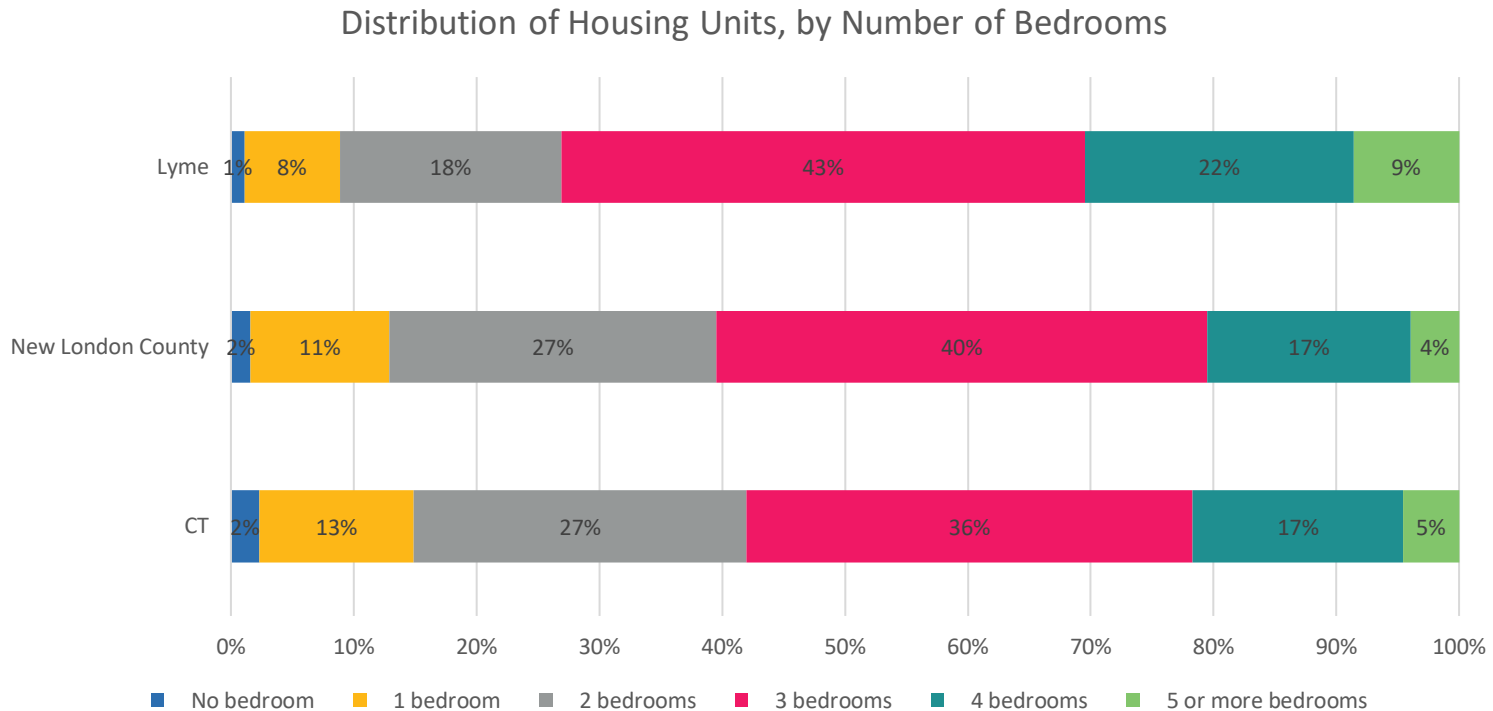
Source: ACS 5-Year Estimates, Table B25008, B25041

- 81% of units in Lyme are owner-occupied, compared to only 69% in New London County overall
- Lyme has one of the highest share of single-family homes among neighboring communities – 97%
 - Nearly two-thirds of housing units in New London County are single-family homes



HOUSING TYPOLOGY

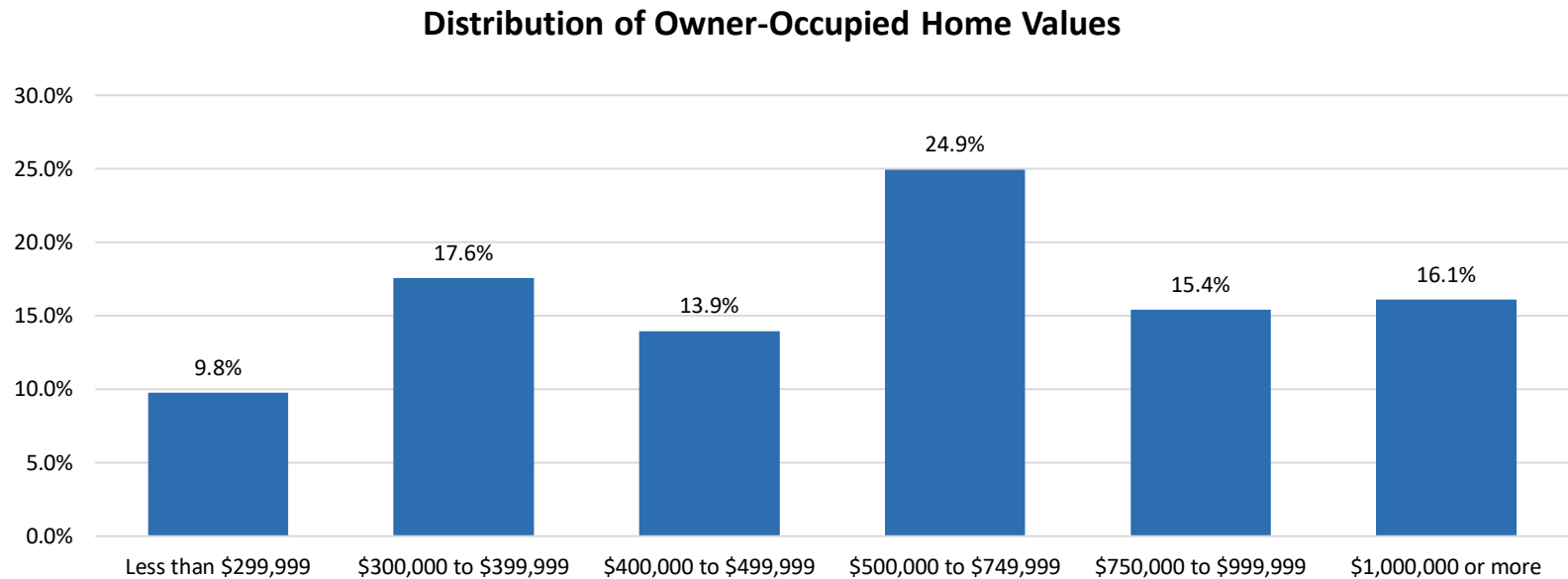
Distribution of Housing Units, by Number of Bedrooms



- Over 71% of housing units in Lyme are 3, 4, or more bedrooms
 - In 2019, 65% of households had two people or fewer
- Size of units largely suited to families with children, 83% of housing units have 2, 3, or 4 bedrooms



HOME VALUE DISTRIBUTION (OWNER-OCCUPIED UNITS)

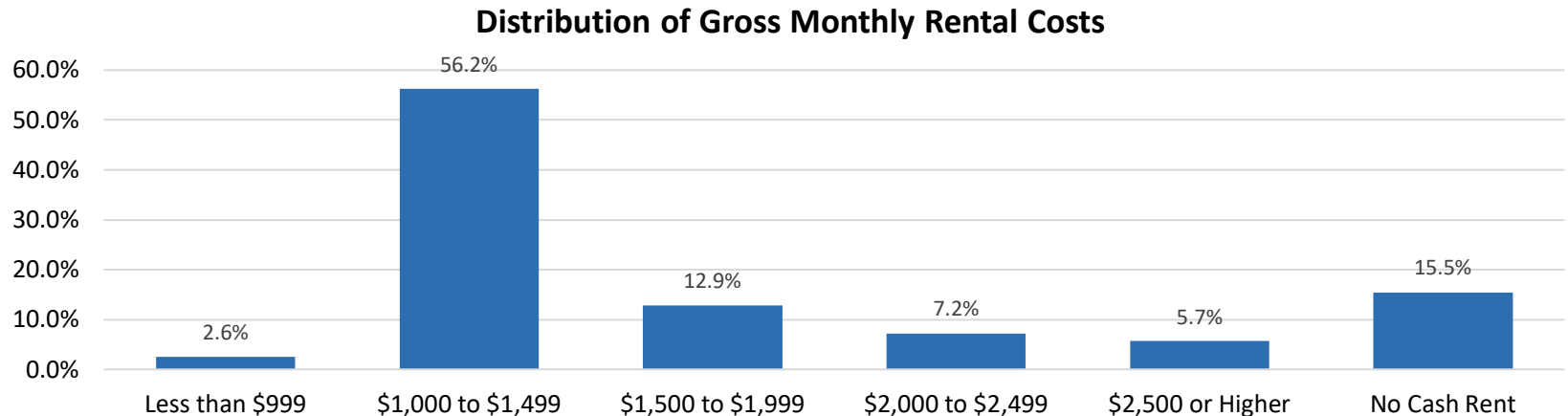


Source: 2019 American Community Survey, 5-Year Estimates, table B25075

- Over 50% of all homes (or 498 properties) were valued over \$500,000 (ACS 2019)



GROSS RENT DISTRIBUTION

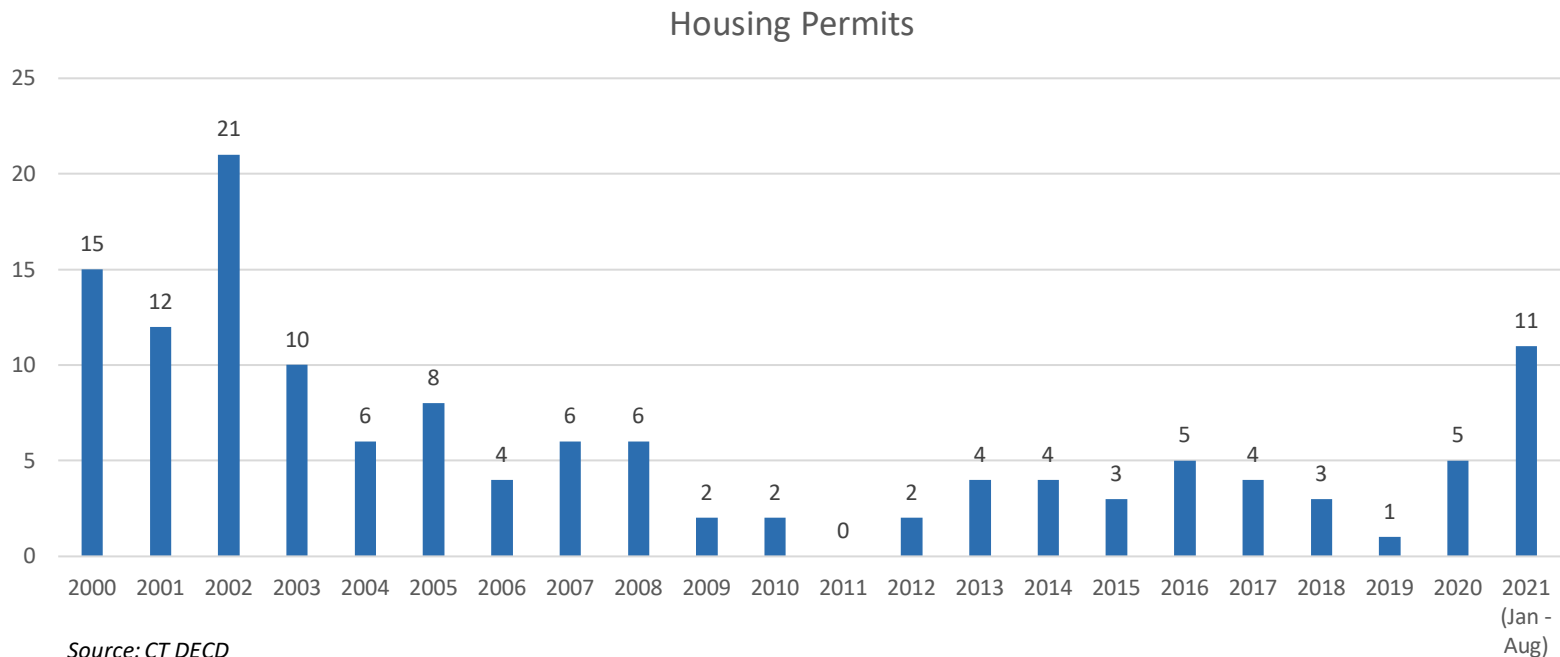


2019 American Community Survey 5-Year Estimates, Table B25063

- Median gross monthly rent in Lyme is \$1,381, which is higher than both New London County (\$1,130) and Connecticut (\$1,180)
- Most rental units (56.2%) are between \$1,000 to \$1,499 a month
- Less than 3% of rental units are less than \$1,000 a month



HOUSING PERMITS

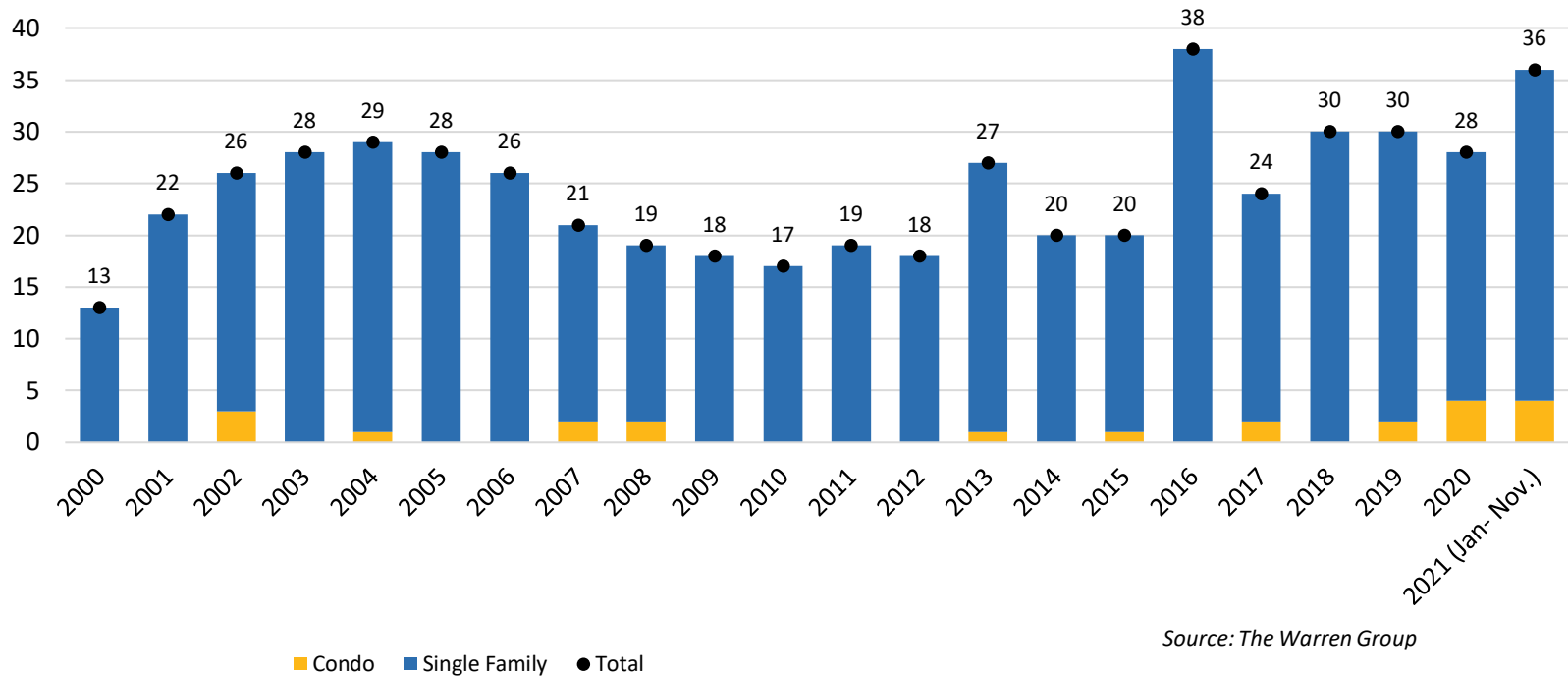


- Housing permit activity dropped off since in the mid-2000s, indicating lack of readily developable land and economic conditions
- Since 2015, Lyme has averaged about 4 building permits annually
 - In the first eight months of 2021, Lyme has issued 11 new permits –possibly a short-term bump
- Housing permits do not include additions, renovations, nor reinvestment



HOME SALES

Town of Lyme Home Sales: 2000 to 2021

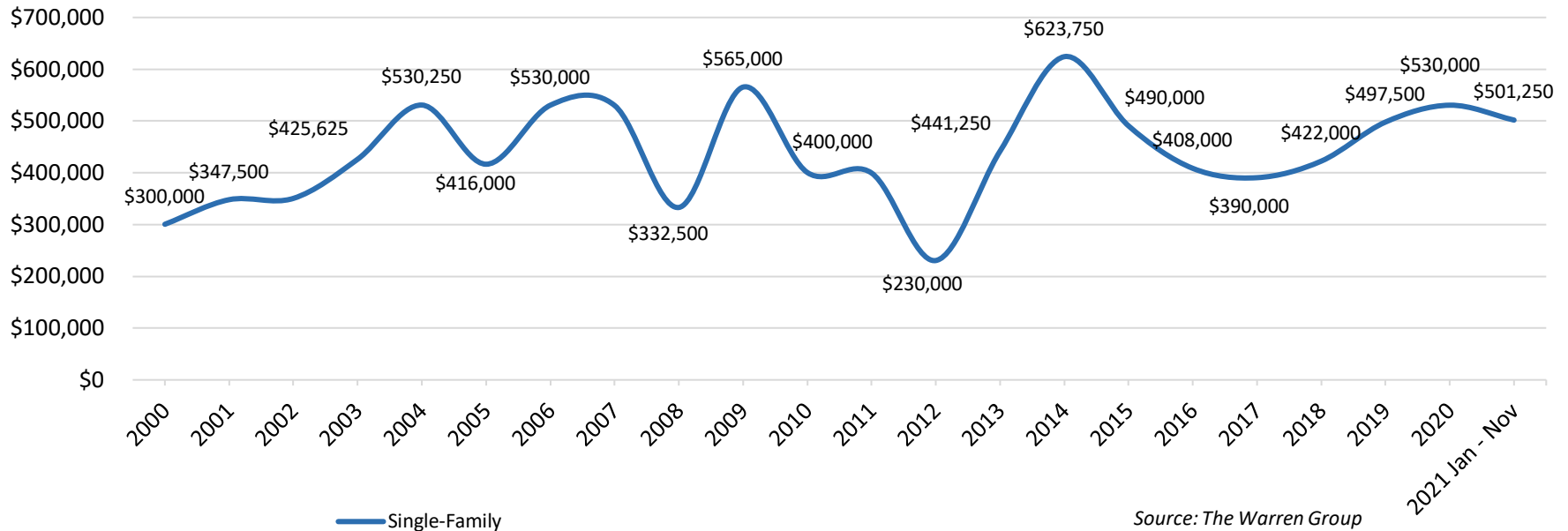


- Nearly exclusive single-family market
- From 2016 to 2019, home sales were generally stable, averaging about 29 per year
- 2021 has seen a slight jump from previous years in home sales



HOME SALE PRICES

Town of Lyme Median Home Sale Price: 2000 to 2021



- Median sale price for single-family homes in Lyme have decreased since historic high in 2014;
 - Prices did begin to increase starting in 2018
- **2020 median sales price decreased by over \$30k**





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Housing Needs Assessment



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Affordable Housing Needs

How many Lyme Families Need Affordable Housing?

Low Income

51% to 80% of AMI

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



150

Low income HHs



125

Homeowners



25

Renters

Very Low Income

31% to 50% of AMI

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



155

Very Low income HHs



110

Homeowners



45

Renters

Extremely Low Income

30% of less of AMI

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



39

Extremely Low income HHs



35

Homeowners



4

Renters

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

- There are 344 households in Lyme (32% of total) who meet the definition of low income (household income <80% of AMI)
- Primarily homeowners



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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 Norwich-New London, 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 U.S. Department of Housing and Urban Development (HUD) Income Limits. Based on income limits for Norwich-New London, 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

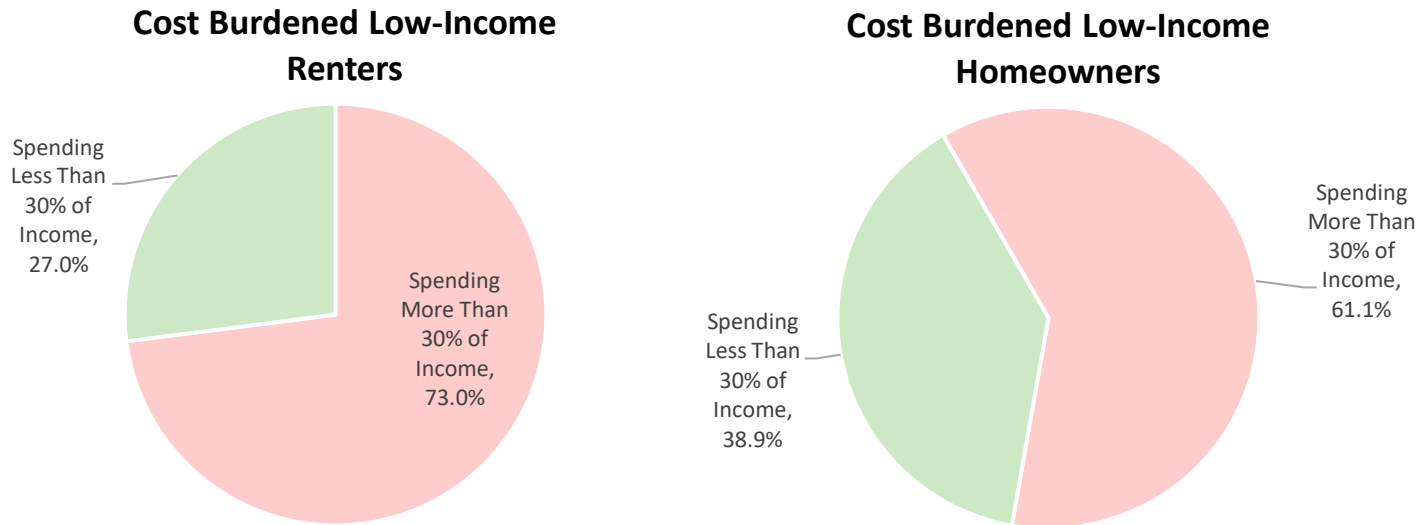
30% Rule: HUD recommends that households spend no more than 30% of their income on housing costs including rent or mortgage payments, property taxes, utilities, HOA fees, and maintenance costs



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Cost Burdens: Existing Conditions

Cost Burden for Low Income Households in Lyme



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 61% of Lyme's low-income households are cost-burdened**
 - **Compares to 15.6% for households who are not considered low-income**

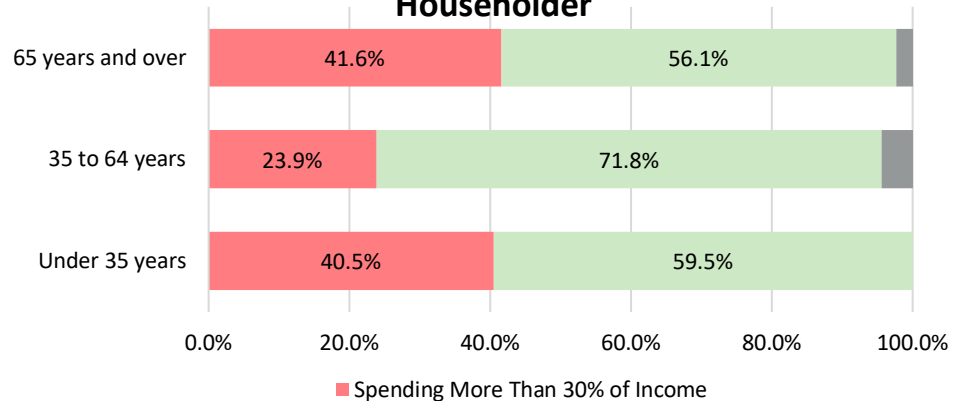


Cost Burdens: Existing Conditions

Cost Burden for Other Populations in Lyme

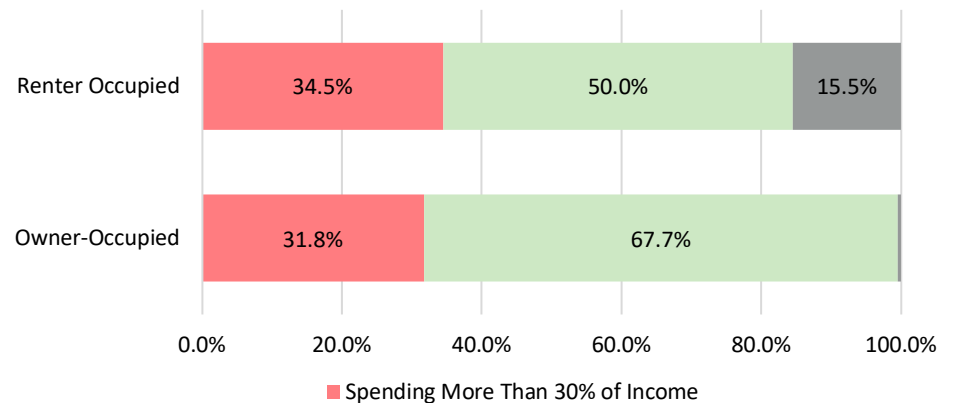
- Renter are slightly more likely to be cost-burdened compared to owners
- Seniors and young professionals are more likely to be cost burdened than middle aged householders

Portion of Income Spent on Housing, by Age of Householder



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

Portion of Income Spent on Housing, by Tenure



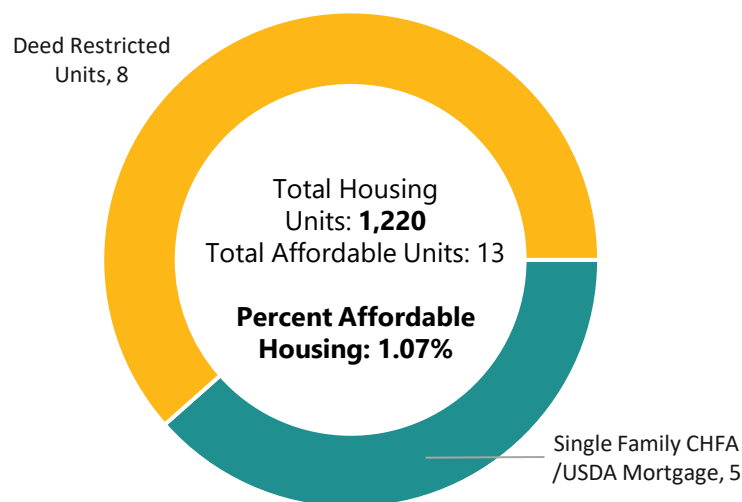
Source: ACS 5-Year Estimates, Table B25072, 25093



Protected Affordable Housing

- **Protected Affordable Housing Units** meet the statutory definition of affordable housing so they are either restricted to households that make less than 80% of AMI, so that they spend less than 30% of their income on housing; or they are financed through the Connecticut Housing Finance Authority (CHFA) or US Department of Agriculture (USDA)
- **As of 2020, Lyme has 13 assisted affordable housing units.**

Affordable Housing Units in Lyme, by Type: 2020



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
 - 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	35	7	(28)
Very Low Income (<50% of AMI)	205,000	145	16	(129)
Low Income (<80% of AMI)	285,000	270	71	(199)

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	4	0	(4)
Very Low Income (<50% of AMI)	\$1,136	49	27	(22)
Low Income (<80% of AMI)	\$1,863	74	127	53

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	35	3	(32)
Very Low Income (<50% of AMI)	\$143,000	145	13	(132)
Low Income (<80% of AMI)	\$214,000	270	20	(250)

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	4	0	(4)
Very Low Income (30% to 50% of AMI)	\$936	49	5	(44)
Low Income (50% to 80% of AMI)	\$1,398	74	43	(31)

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 Lyme
 - 344 households (32% of total) are classified as low income and could be eligible for affordable housing
- 33% of households are spending more than 30% of their income on housing costs (cost burdened)
- Lyme has only 1.06% affordable housing
 - Town does not have ANY affordable units supported by government assistance or tenant rental assistance
- **Shortage of units affordable to households across all household sizes and housing types**
- Populations with disproportionate cost burdens and housing needs include:
 - Low-income households making less than 80% AMI
 - Senior households
 - Renters
 - Single-person/ single-income households



AUDIENCE POLLING INTRO

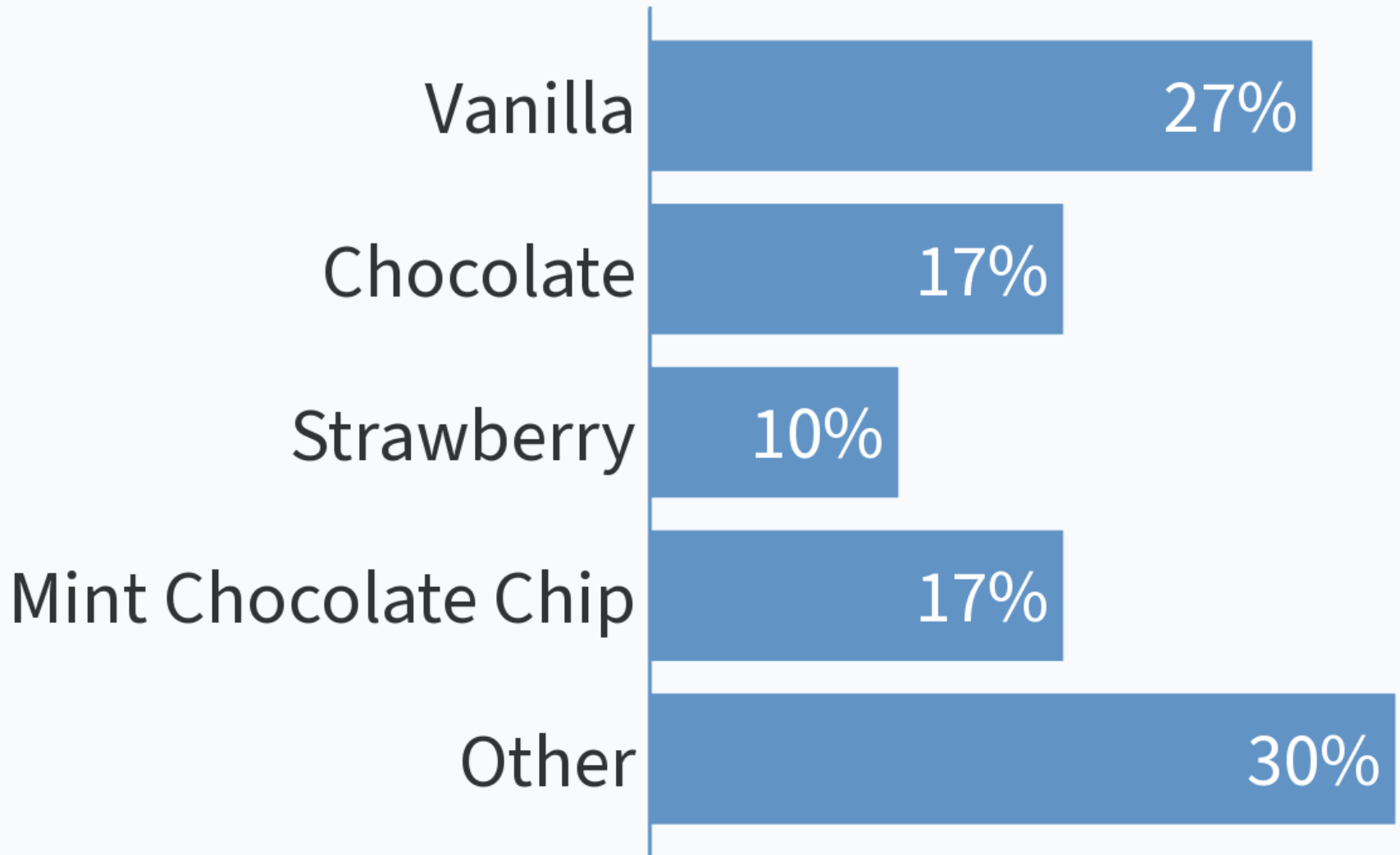
*We are going to use interactive polling during this workshop.
You will need access to an additional webpage,
or you can use your phone.*

Let's get started!

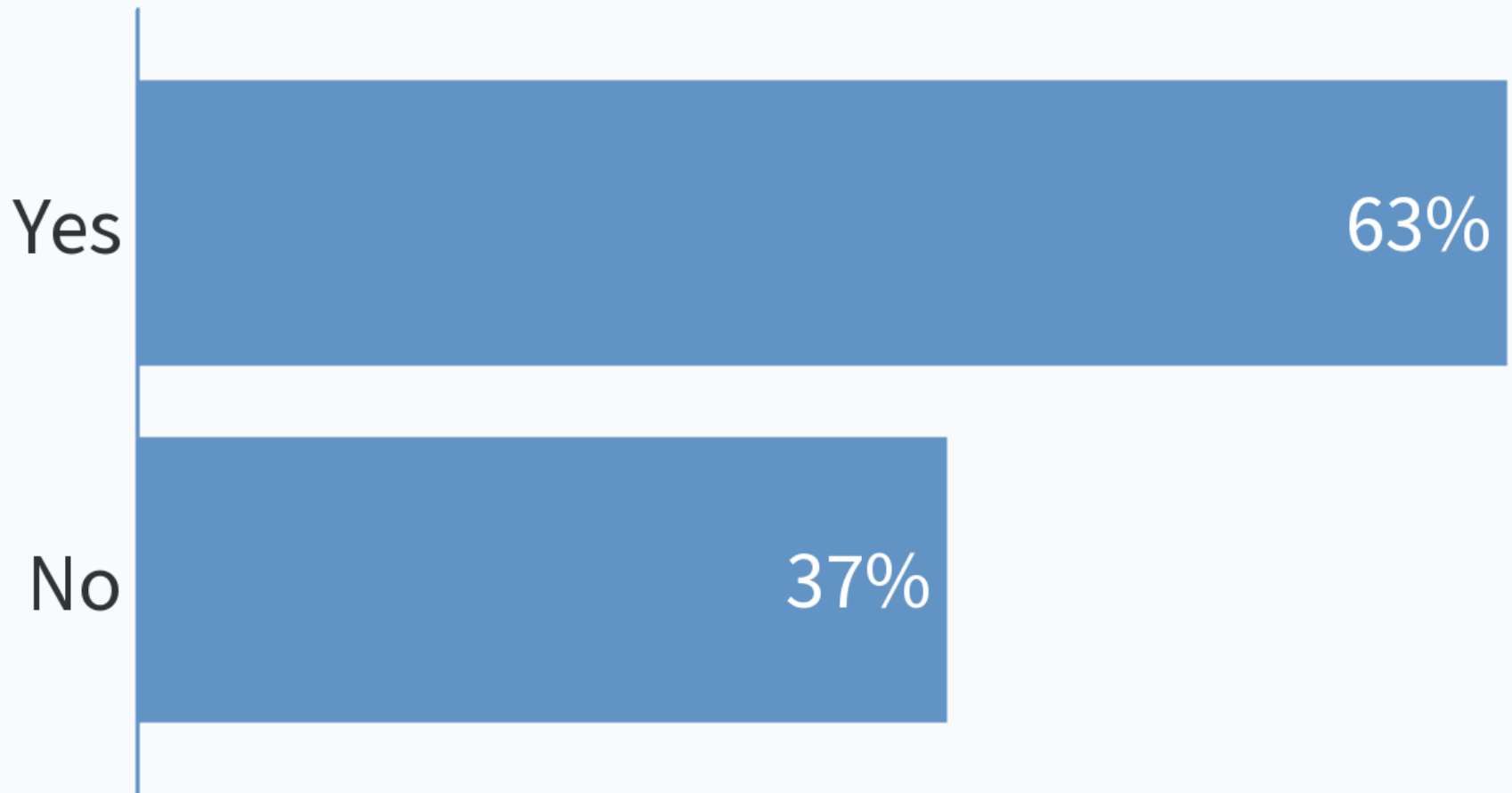
Go to pollev.com/SLR2021



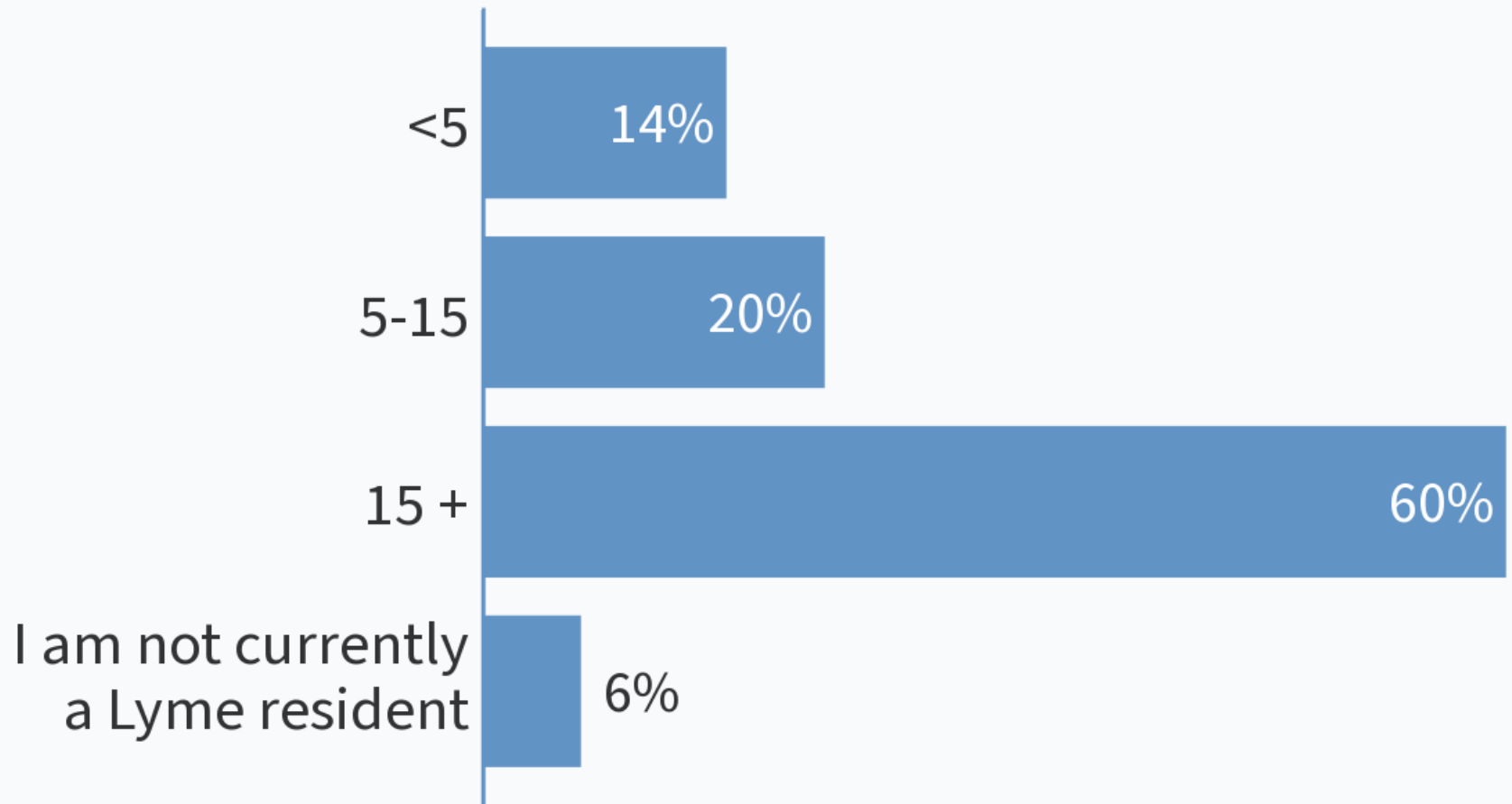
What is your favorite flavor of ice cream?



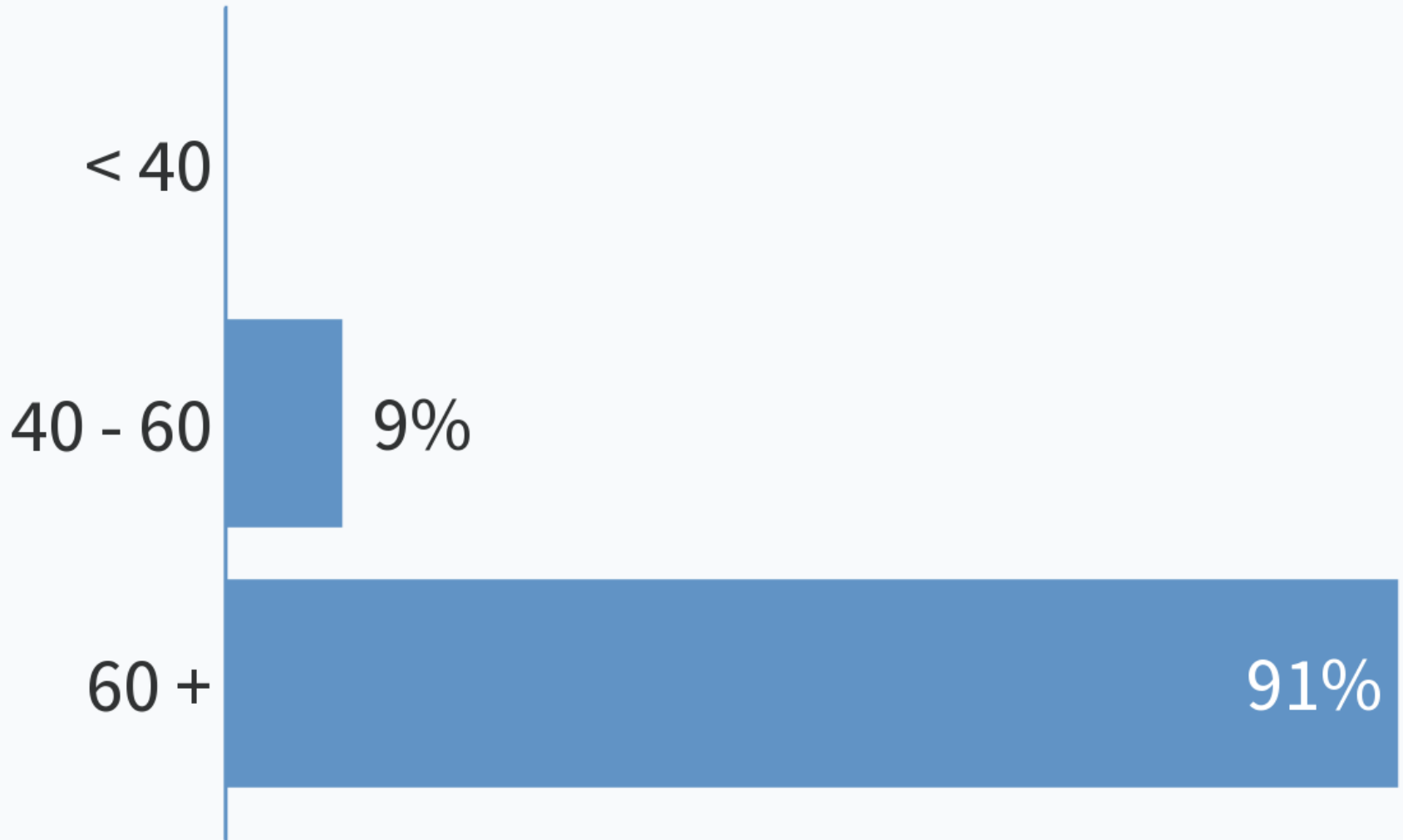
Have you completed the Regional Housing Plan Survey?



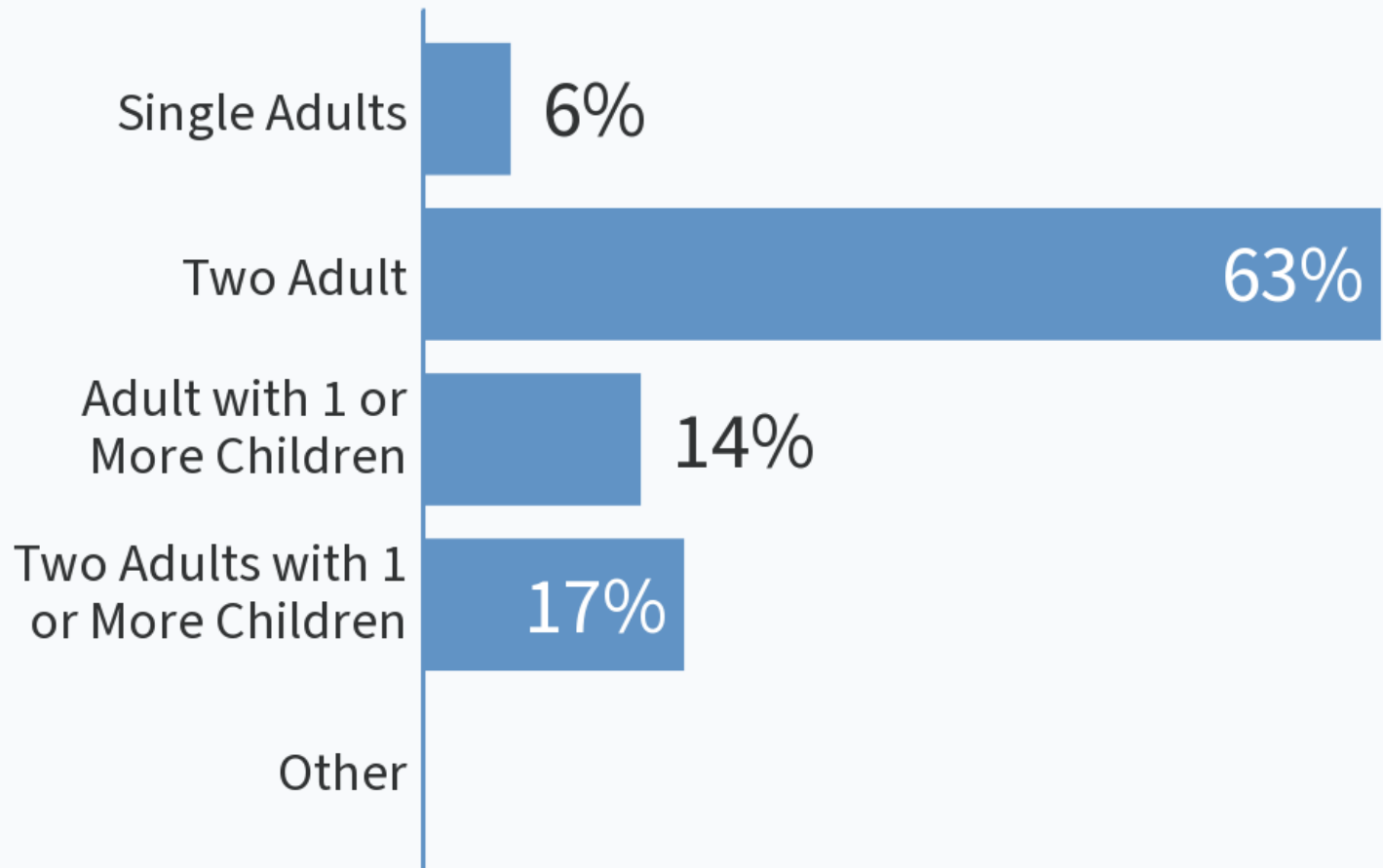
How many years have you been Lyme resident?



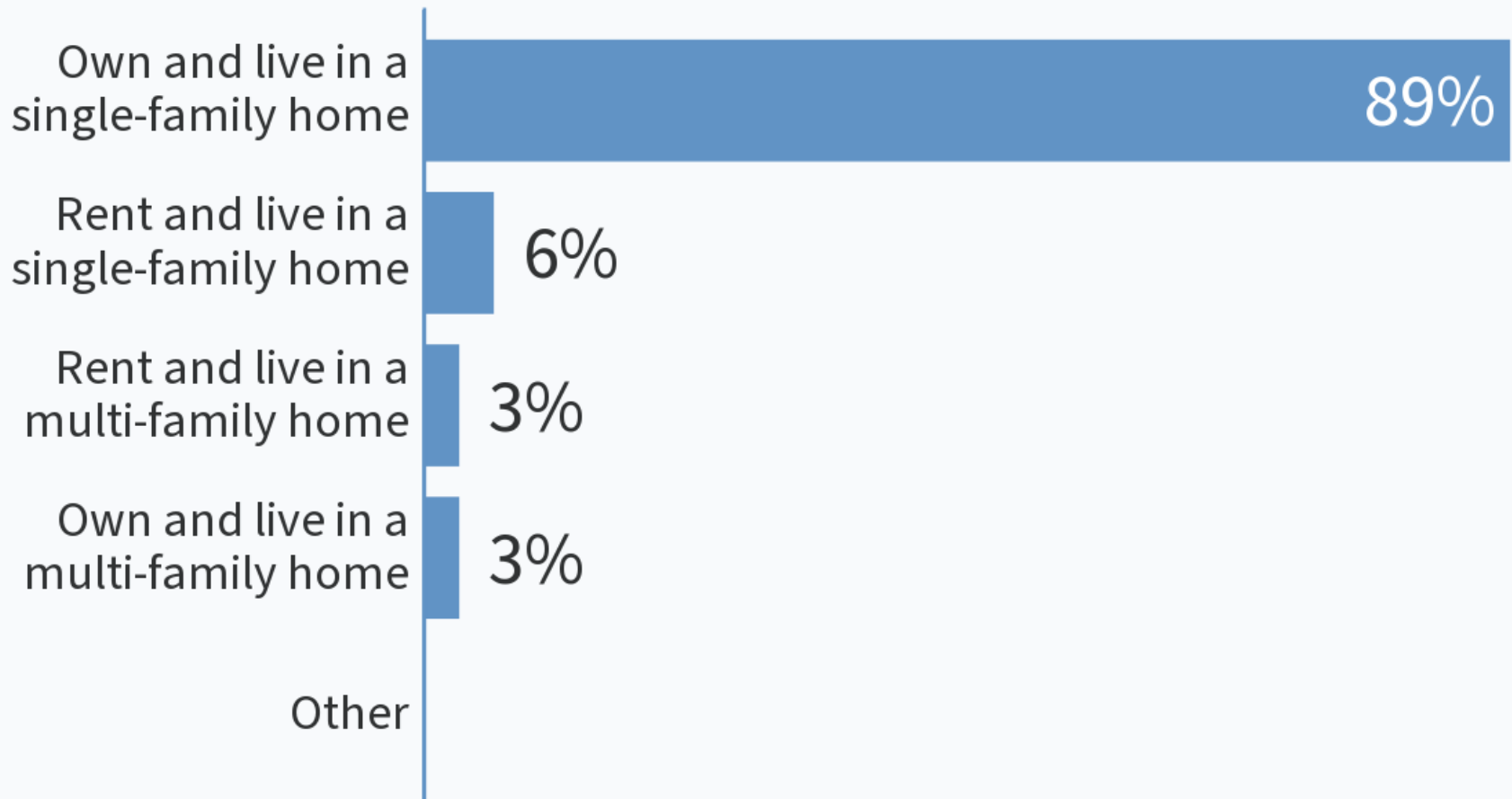
What is your age?



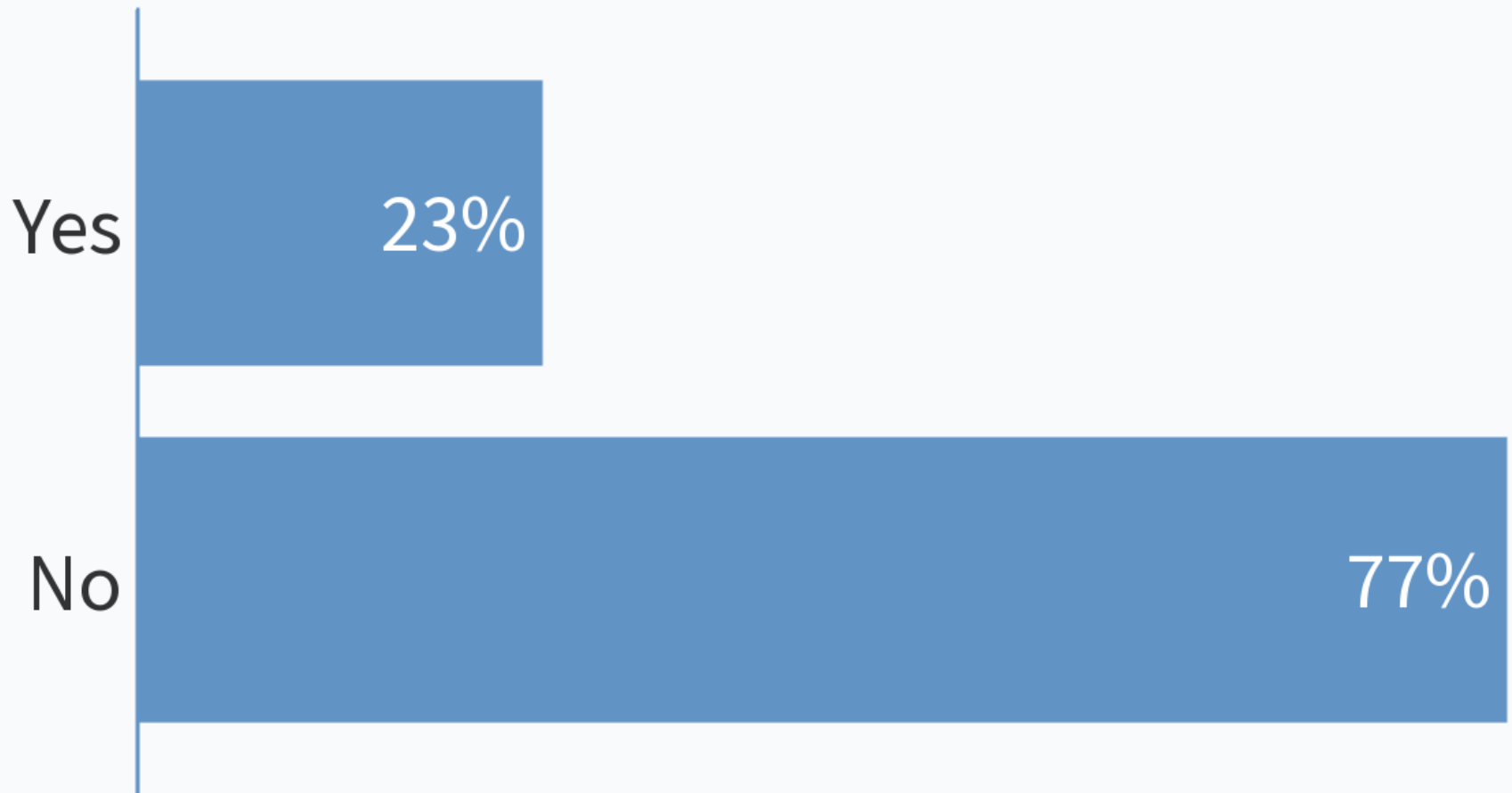
Which of the following is your household currently composed of



Which of the following best describes your current home?



Have you attended a workshop for the Regional Housing Plan?

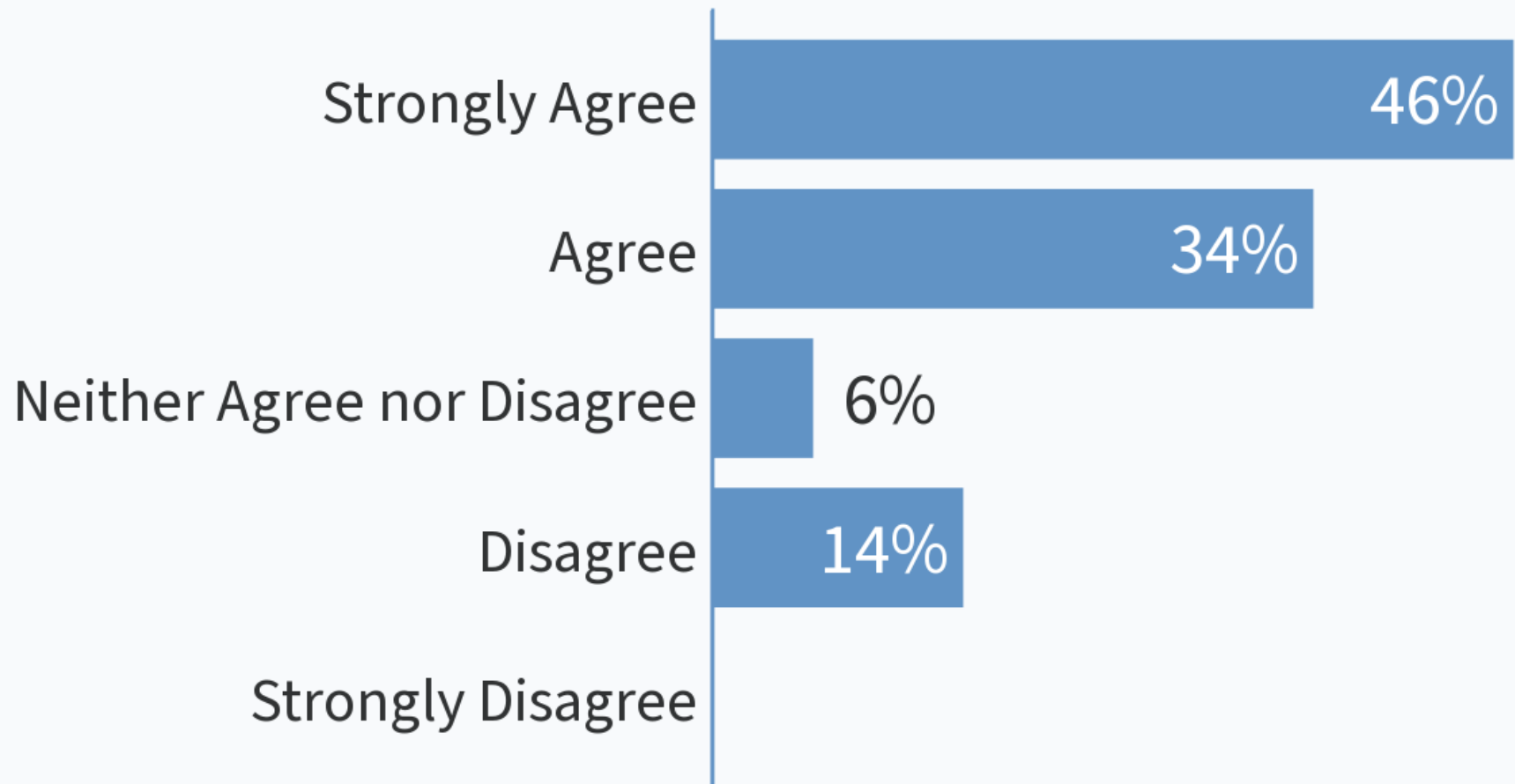


COMMUNITY VALUES STATEMENT

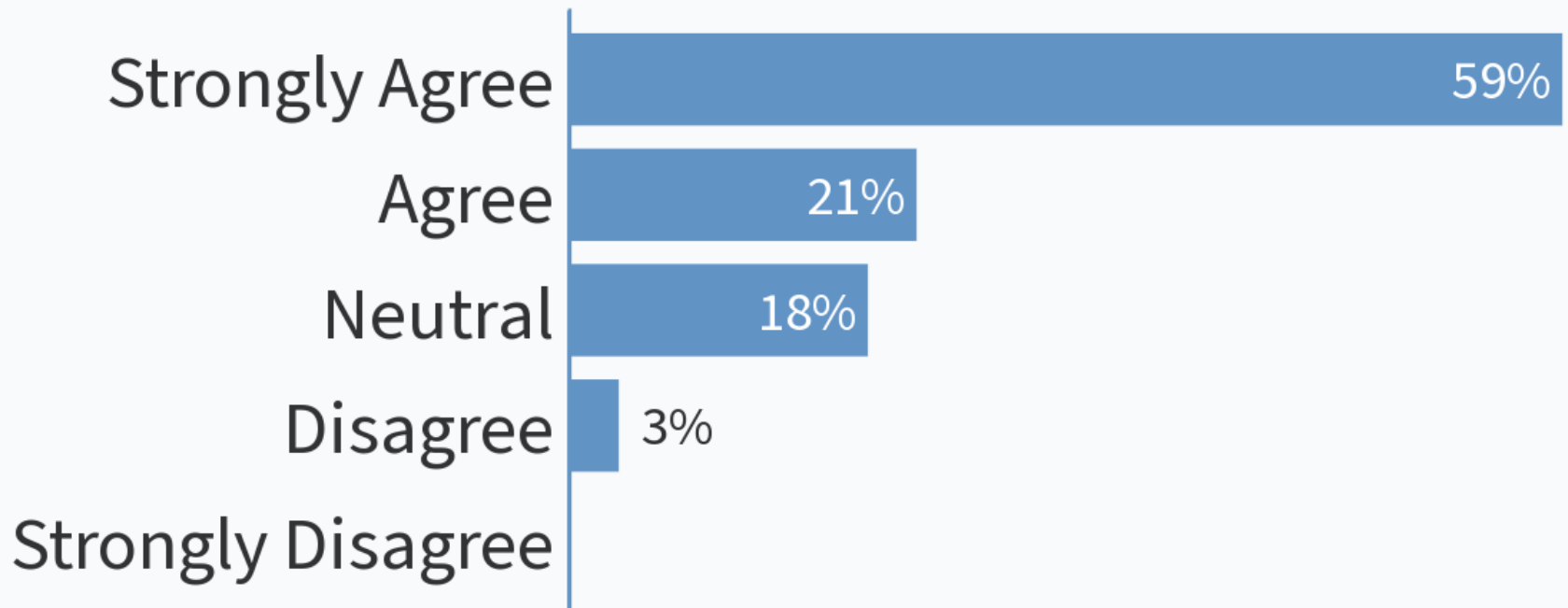
Lyme is a rural community with 12,000 of its 22,000 acres in conservancy and very little commercial activity. Lyme strives to maintain a land use balance between meeting the housing needs for a diverse population in a range of incomes and stages of life and the protection and preservation of our prized natural resources and agricultural heritage. At the heart of future planning should be equilibrium between the need for housing expansion and our desire to retain a low-density community where town residents can live in quiet enjoyment of their lives and property.



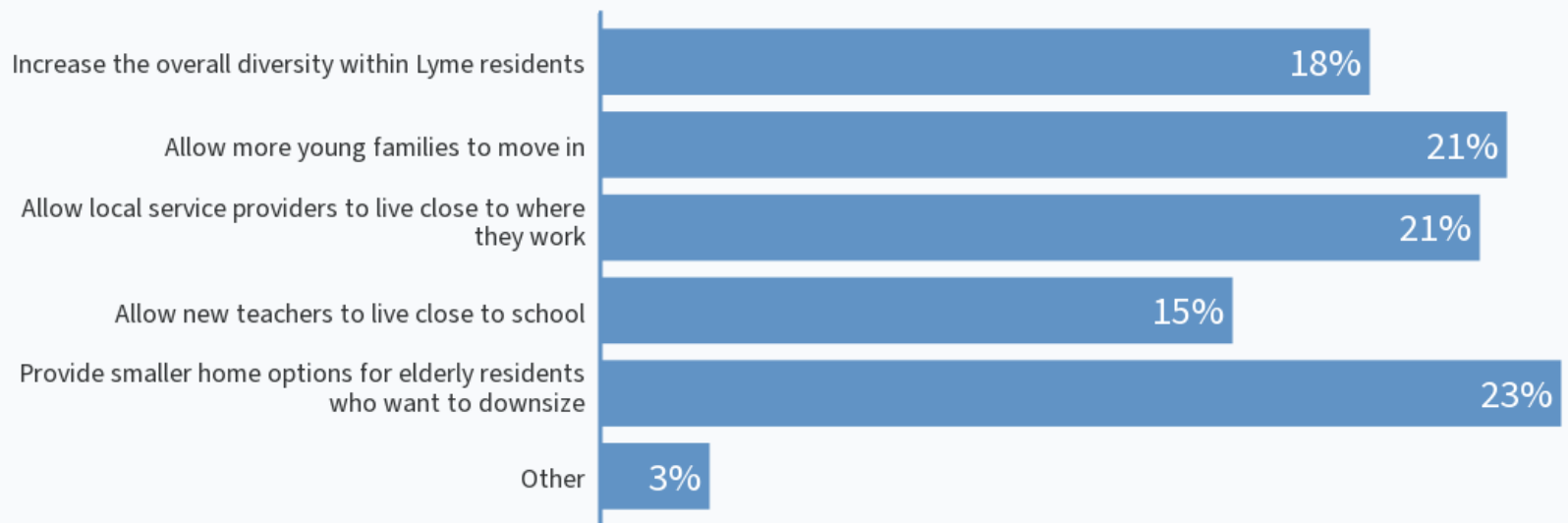
Do you agree that this statement represents your values as a Lyme resident?



The Affordable Housing Commission in Lyme has been encouraging rentals of accessory apartments. Do you agree with continuing to encourage these rentals?



The Town's Affordable Housing Commission has identified the need to have affordable housing available in Lyme. Some of those reasons are listed below. Check all reasons that you consider important.



ADDRESSING HOUSING AFFORDABILITY

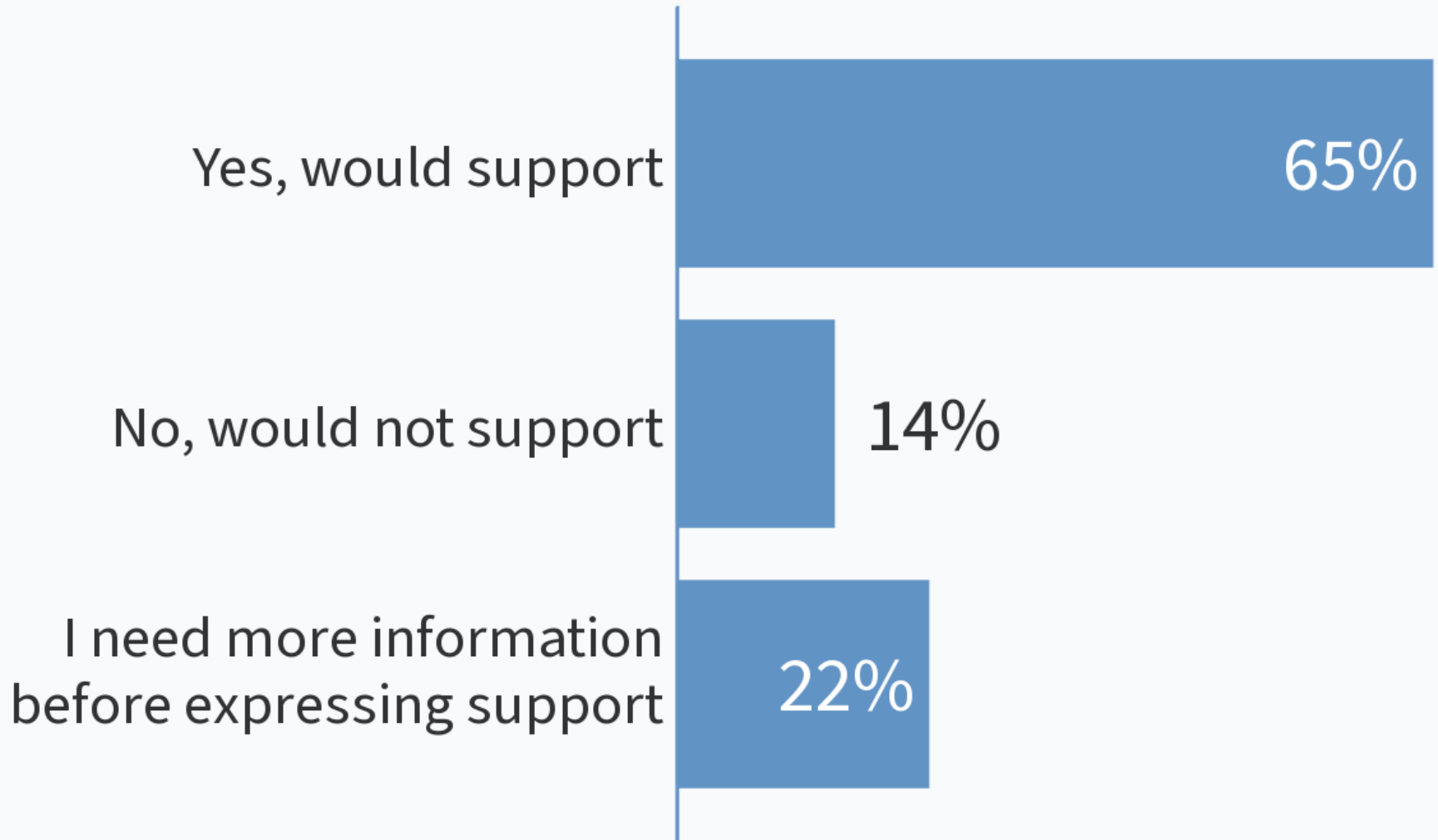
The Affordable Housing Commission's current consensus is around a plan involving the purchase by the Town of a buildable property that will allow a number of residences, providing that the average amount of land attributable to each residence conforms to what is required by the town's zoning regulations.

This would involve private donations to buy the land and provide sustainable housing that would not exceed existing density requirements and would be owned by the Town and managed by a non-profit rental management group.

Would you support this approach?



Would you support this approach?



NEXT STEPS

- Discussion of Strategies with Lyme's Housing Committee
- Prepare Lyme'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: askthelymeahc@gmail.com or jguszkowski@tycheplans.com



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?

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

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

Did anything you heard today change your opinion?



Thank You!



Lower Connecticut River Valley
Council of Governments