

# Town of Chester Affordable Housing Plan (AHP)

## Community Presentation

March 10, 2022



Lower Connecticut River Valley  
Council of Governments

# Project Team



Lower Connecticut River Valley  
Council of Governments



 **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 Chester?

## 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!



# 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 **Chester'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 Chester, **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



**\$1,415/month**  
for an individual  
\$59,950 annual income



**\$2,021/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
- **86 responses – unique IP addresses**
- 55% of respondents have lived in Chester for 20+ years, 19% for 10 to 20 years
- 86% live in single family detached homes
- 86% own their home
- 26% are couple households with children in residence
- 28% are couple households without children
- 22% are empty nesters
- Older adults are oversampled compared to Town population (59% 55+ vs. 44% in Census)
- 30% are retired
- 53% of respondents live in 2-person households - higher than Census figure (40% live in 2-person households)
- 54% report over \$100,000 in annual household income



# About the Respondents

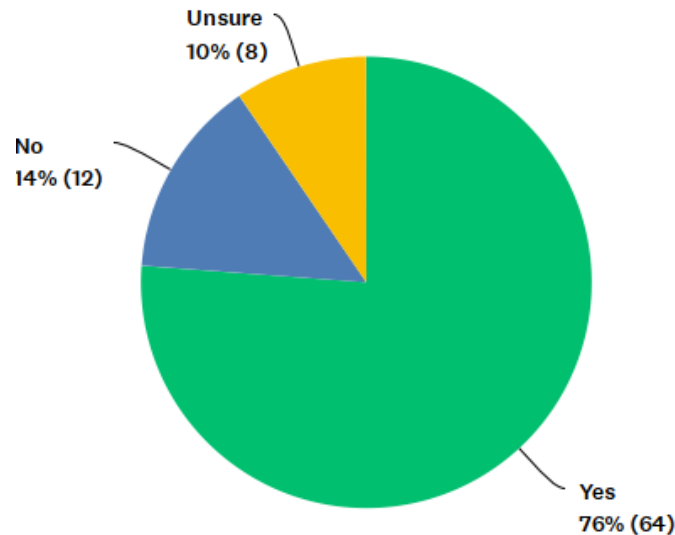
- 83% see themselves having the same sized household in 5 years
- 79% of respondents indicated remaining in their current home in 5 years
- 14% are likely looking to downsize in 5 years
  - into a smaller single-family home, condo/townhome, multifamily, senior living, or ADUs
- 57% of respondents are aware of households who would benefit from more affordable housing in the community.
- 46% know some one who struggles with housing costs
- 13% personally struggle with housing costs
- 50% 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.
- 79% agree housing in CT is too expensive
- 76% agree housing in the Region is too expensive
- 63% agree housing in Chester is too expensive



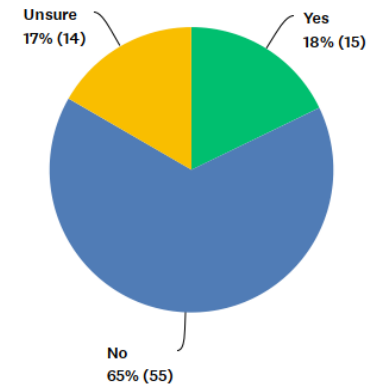
# Housing Needs

- 76% think housing is an important component in community longevity
- 65% do not think that the current housing options available meet residents' needs
- 56% do not think the existing housing stock is adequate to satisfy future market demands

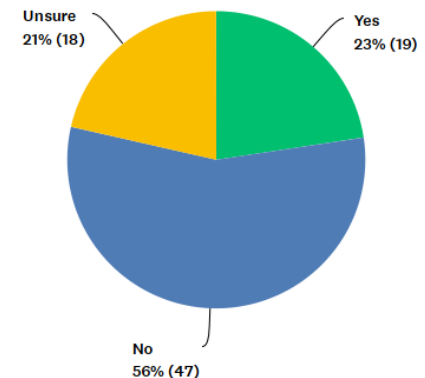
Do you think affordable or attainable housing is an important component of your community's longevity?



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



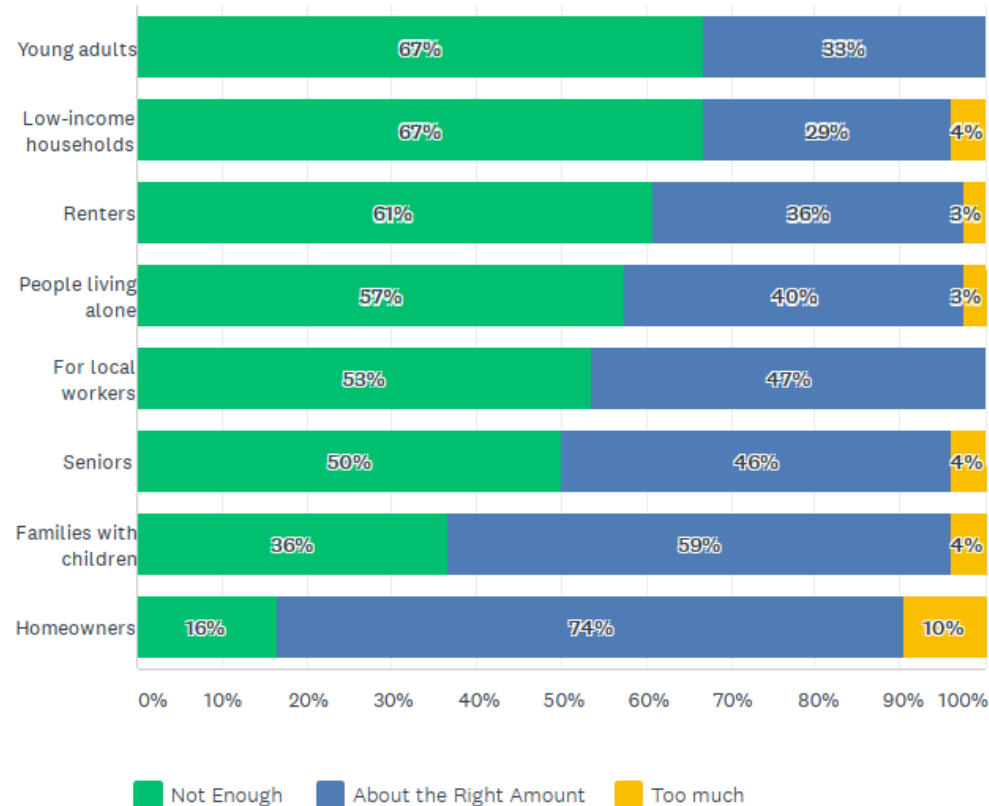
Do you think that the existing housing stock is adequate to satisfy future market demands?



# Housing Choices

- Respondents most frequently cited that there are not enough housing choices for:
  - Young Adults (67%)
  - Low-income households (67%)
  - Renters (61%)
  - People living alone (57%)
- Respondents felt that Chester 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

- 56% (47) of respondents said housing diversity would have a positive impact.
  - 19% of respondents said housing diversity would have a negative impact.
- When asked what the benefit of housing diversity would be in Chester, 41 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 Chester to live where they work





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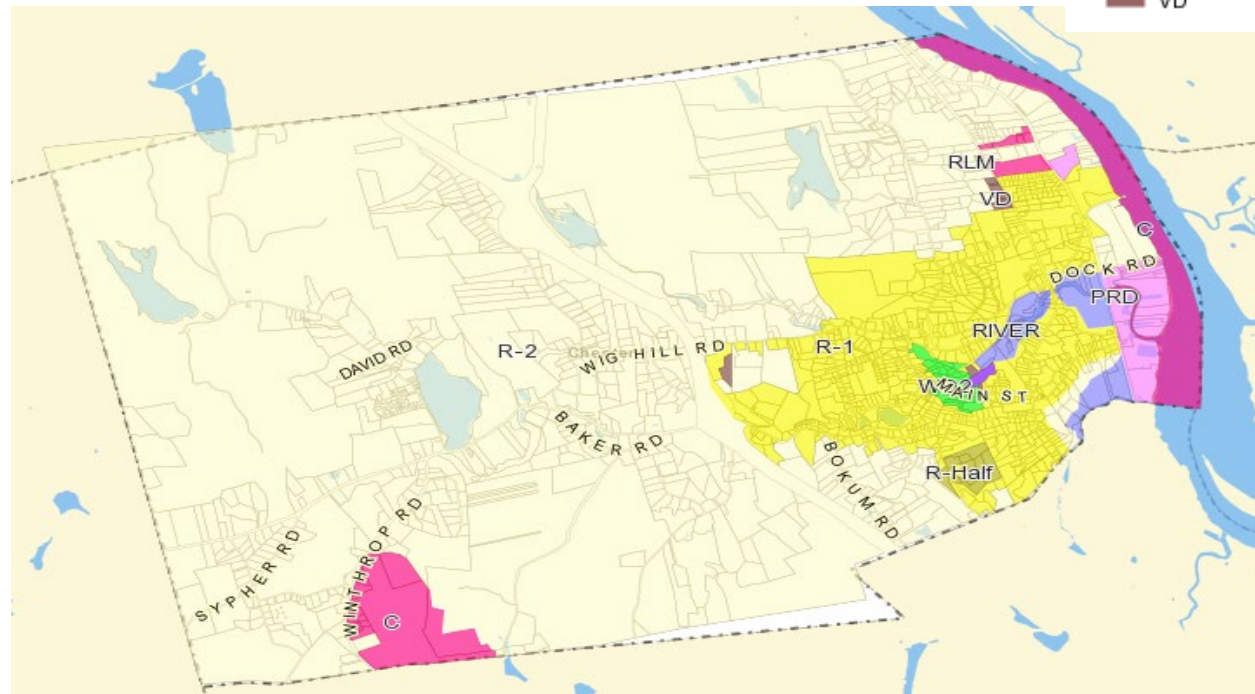
# Existing Conditions: Planning & Zoning Review



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# Zoning

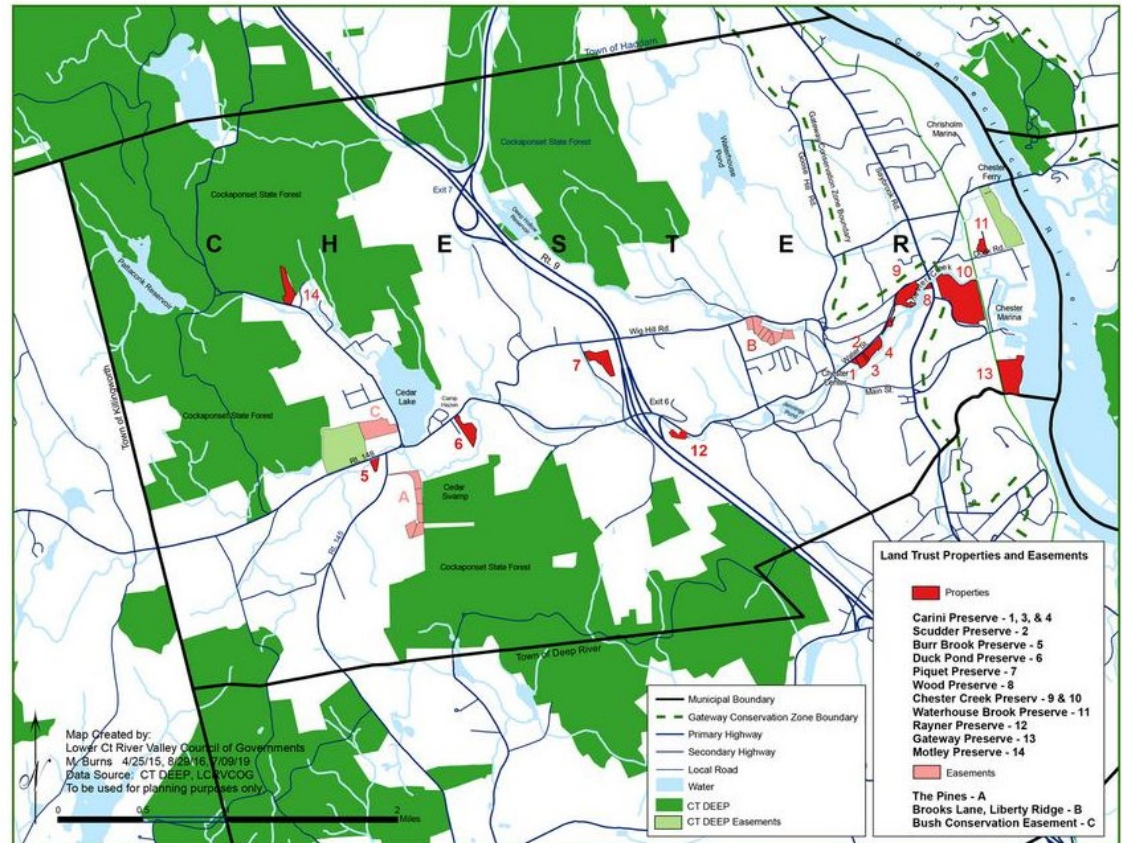
- Four residential zones that permit single family, two family, and accessory dwellings as of right
  - R-1
  - R-2
  - Planned Residential District
  - R-1/2 Residential
- Minimum lot areas and maximum lot coverages differ in each zone
  - R-2 has largest minimum lot area, at 2 acres
  - R-1/2 has the smallest minimum lot area, at ½ acre
  - R-1 requires one acre minimum
- Multiple dwelling units allowed only in Planned Residential District (Special Principal Use), Village District
- Elderly housing and life care facilities allowed as special principal use in all residential zones



# Infrastructure & Buildable Land

- Limited area of public water/sewer. Most of Chester'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
  - Waterfront Design Zone, Tidal Wetlands Zone, Gateway Conservation District, Conservation Subdivisions
- Portion of Chester's land protected via land trust and DEEP

## Land Trust Properties & Easements





# Housing Opportunities from POCD

- Adopted in 2019
- Goals & Objectives:
  - Promote housing development within and adjacent to Village District and in mixed use nodes along Route 154
  - Increase regulatory flexibility to enabled a range of housing opportunities
    - i.e. modifications to PRD to allow more units on lots with public water and sewer, density bonuses, modifications to ADU regulations, changes to minimum lot size requirements etc
  - Establish programs and partnerships to expand opportunities to increase affordable, attainable and sustainable housing units
    - i.e. requiring 10% of lots and build homes in future subdivisions to have deed restricted affordable housing, encourage conversion/construction for secondary housing units, educate community on diverse housing options etc.
  - Support and maintain households at various life-cycle stages





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# Existing Conditions: Demographic Trends



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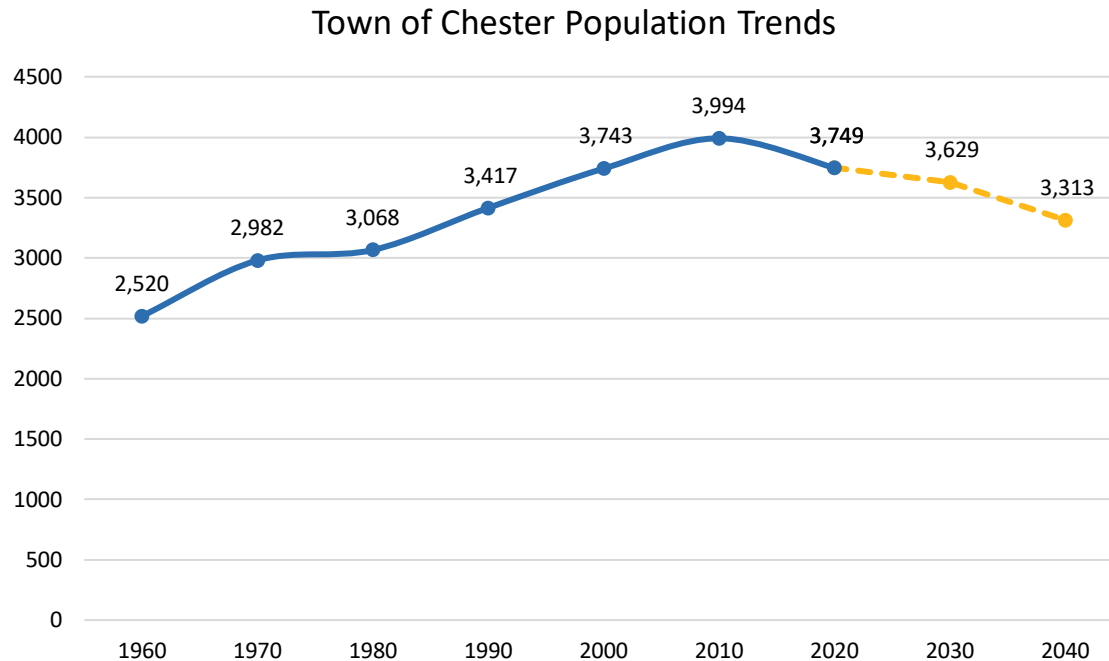


## DATA NOTE

- **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



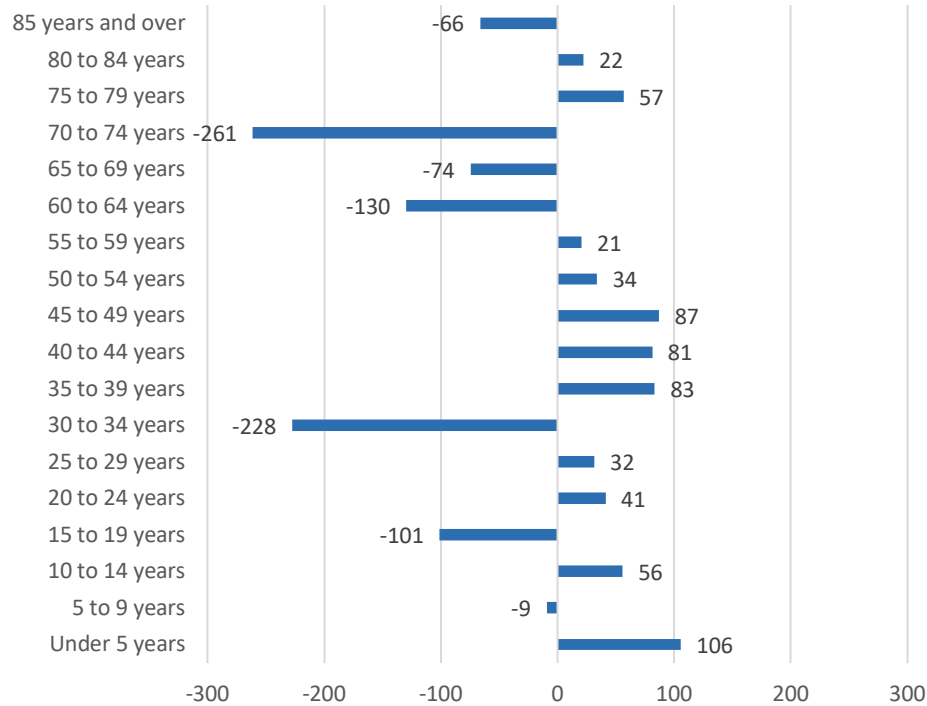
Source: Decennial Census 1960-2020, CT Data Center Projections

- After a peak in 2010, the population has been on a slow decline, with a -6.1% change in the last ten years
- **Future population drivers will likely include housing turnover**, followed by housing construction, including new dwelling units, additions, and expansions

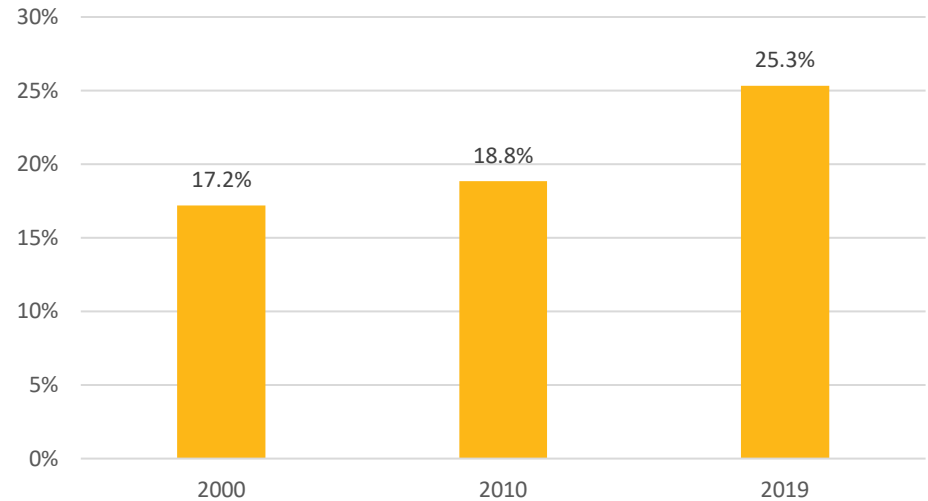


# AGE DISTRIBUTION

Change in Population Age Group, 2010 to 2019



Percent of Population Age 65 years old and over



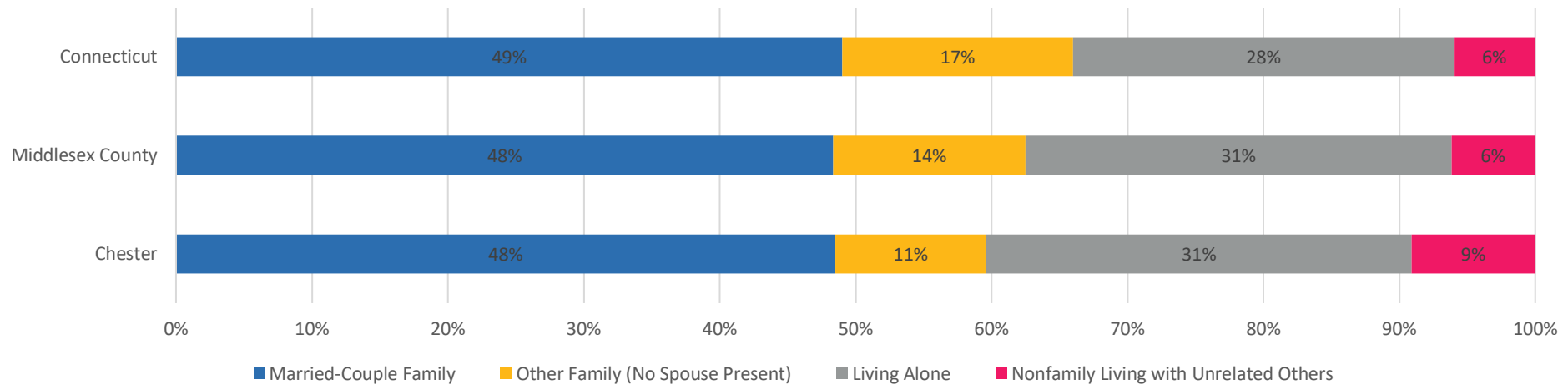
Source: 2000 and 2010 decennial census; 2019 ACS 5-Year Estimates, Table B01001

- Shifts in age cohort distribution occurring
  - Large decreases in 70-74 and 30-34 age groups → increases in most of the other age groups
  - Largest increases in under 5 years old population and middle aged groups (35-50)
- 65+ share of the population still growing, now at 25.3%



# HOUSEHOLD COMPOSITION

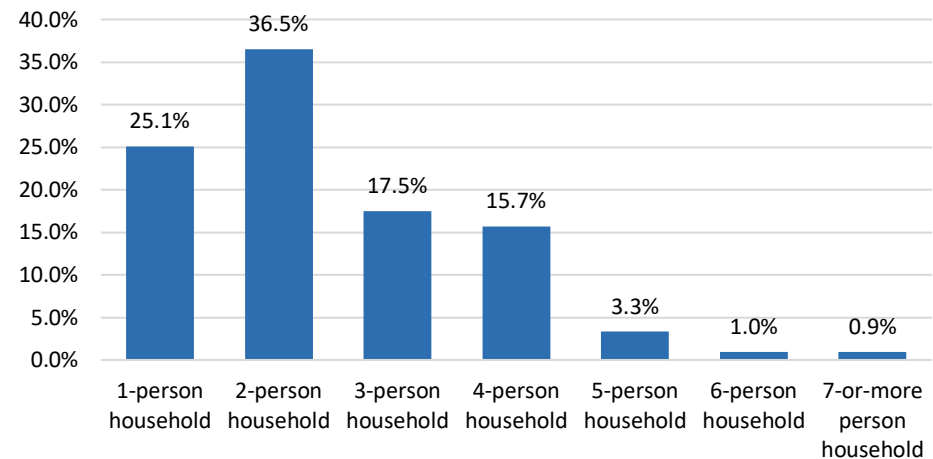
Household Type Distribution



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

- Most Chester households made up of married-couple families
- **In 2019, 62% of Chester households are made up of one or two people**
  - Indicates trend to empty nester households

Chester Household Size Distribution



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## DEMOGRAPHIC TRENDS: TAKEAWAYS

- Population is on a decline, projected to continue
- Aging community – growing share of population age 65 years old and over
- Most households (63% ) are smaller, 1-2 person households





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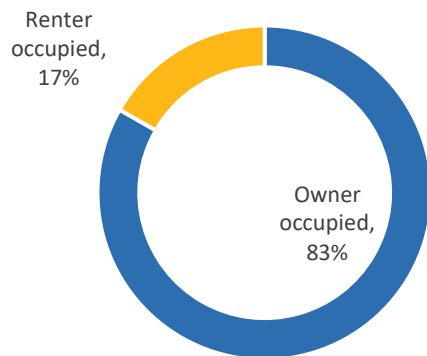
# Existing Conditions: Housing Market Trends



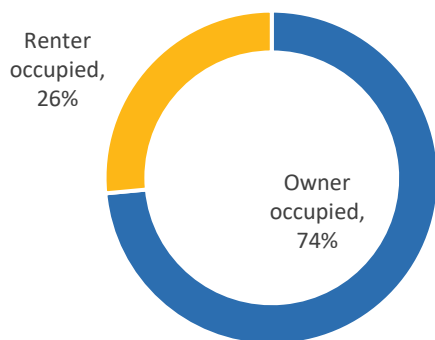
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## Ownership of Occupied Units Chester

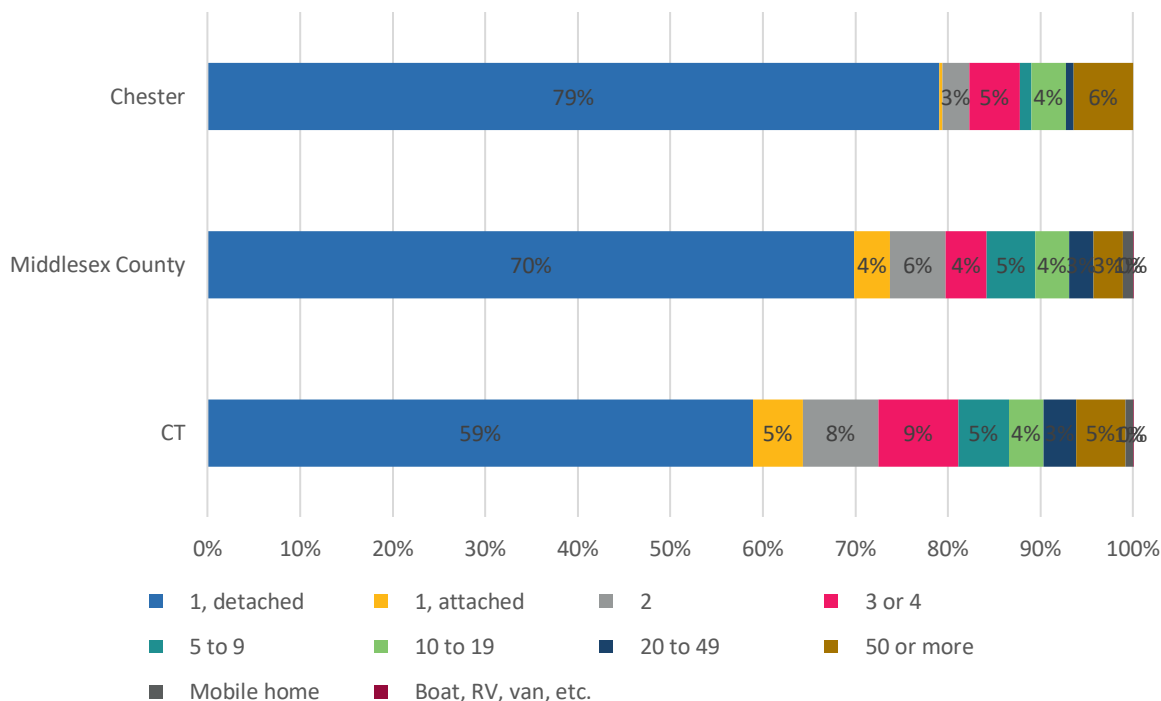


## Ownership of Occupied Units Middlesex County



# HOUSING TYPOLOGY

## Distribution of Housing Units, by Type



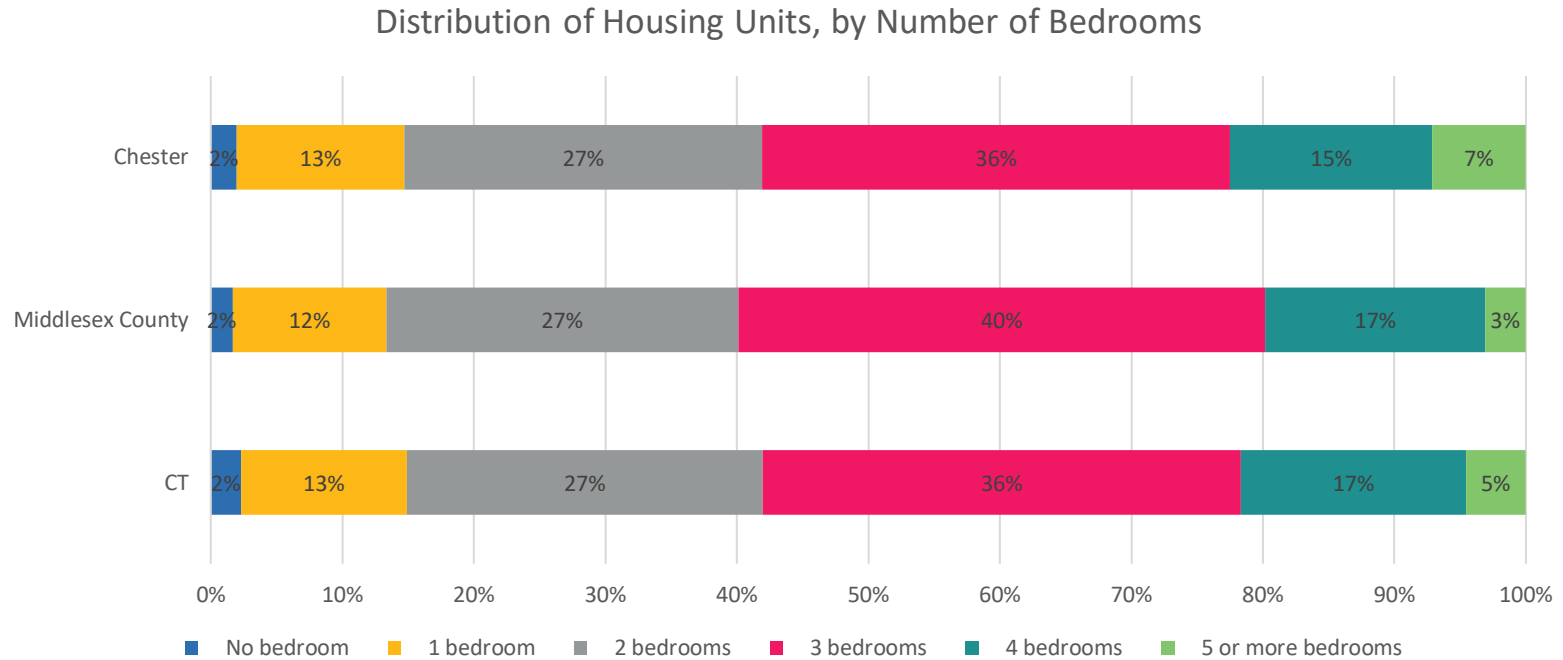
Source: ACS 5-Year Estimates, Table B25008, B25041

- 83% of units in Chester are owner-occupied, compared to only 74% in Middlesex County overall
- Chester has a high share of single family homes – 79%



# HOUSING TYPOLOGY

## Distribution of Housing Units, by Number of Bedrooms



Source: ACS 5-Year Estimates, Table B25041

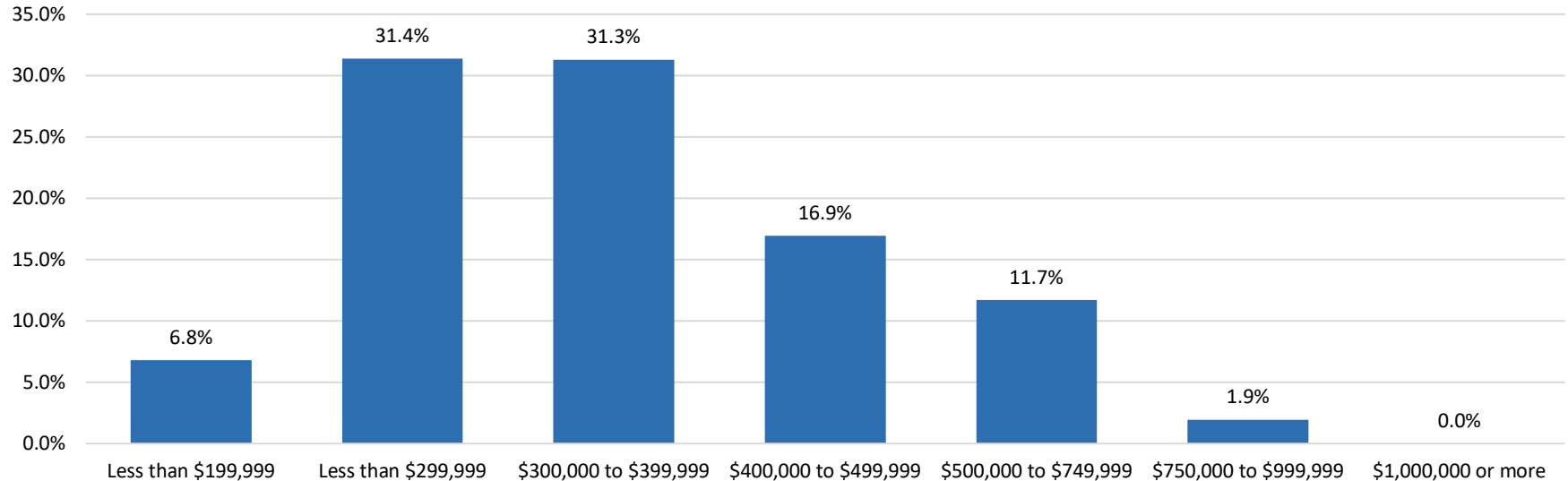
- Over 58% of housing units in Chester are 3, 4, or more bedrooms
  - In 2019, 62% of households had two people or fewer
- Size of units largely suited to families with children



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# HOME VALUE DISTRIBUTION (OWNER-OCCUPIED UNITS)

Distribution of Owner-Occupied Home Values



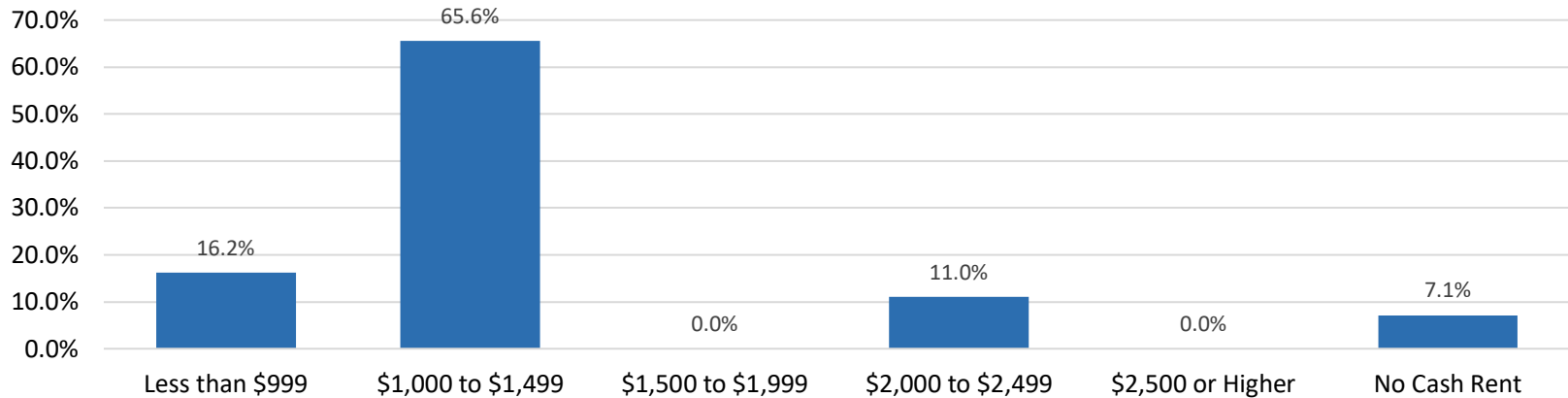
Source: 2019 American Community Survey, 5-Year Estimates, table B25075

- Most homes (63%) valued between \$200k-400k
- 13.6% of homes valued over \$500,000



# GROSS RENT DISTRIBUTION

Distribution of Gross Monthly Rental Costs

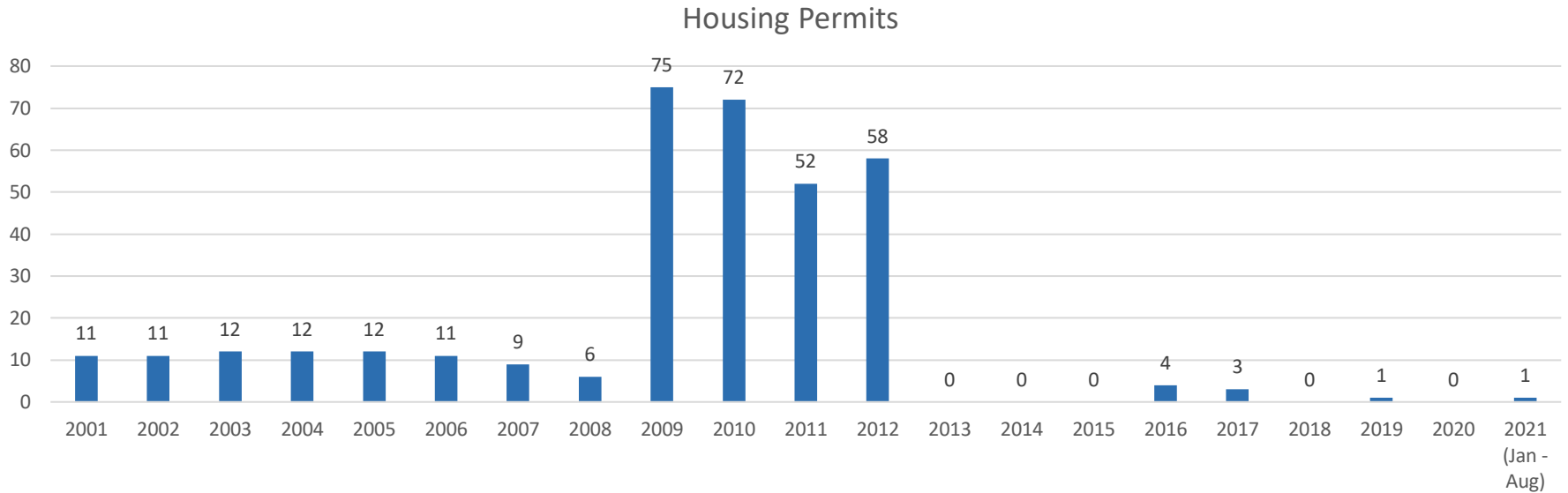


2019 American Community Survey 5-Year Estimates, Table B25063

- Median gross monthly rent in Chester is \$1,219, which is higher than both Middlesex County (\$1,119) and Connecticut (\$1,180)
- Most rental units (66%) are between \$1,000 to \$1,499 a month
- 16% of rental units are less than \$1,000 a month



# HOUSING PERMITS



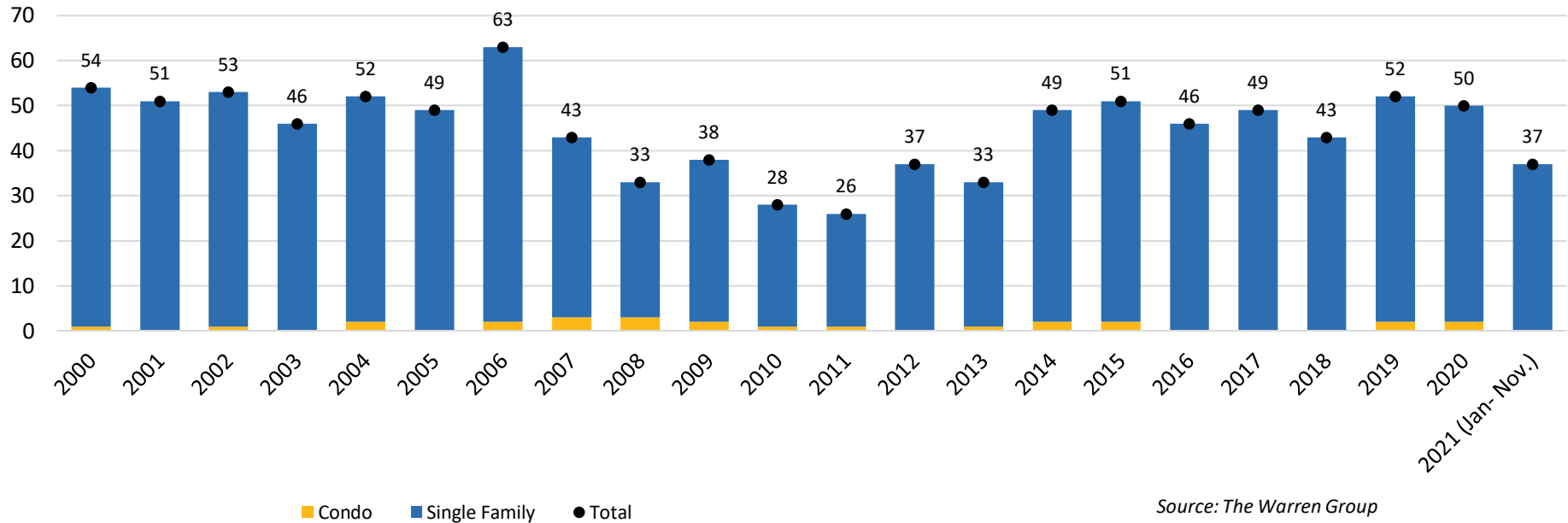
Source: CT DECD

- Housing permit activity dropped off since 2012, indicating lack of available land and economic conditions
- Since 2015, Chester has averaged about 1.6 building permits annually
  - In the first eight months of 2021, Chester has issued only 1 new permit
- Housing permits do not include additions, renovations, nor reinvestment



# HOME SALES

Town of Chester Home Sales: 2001 to 2021



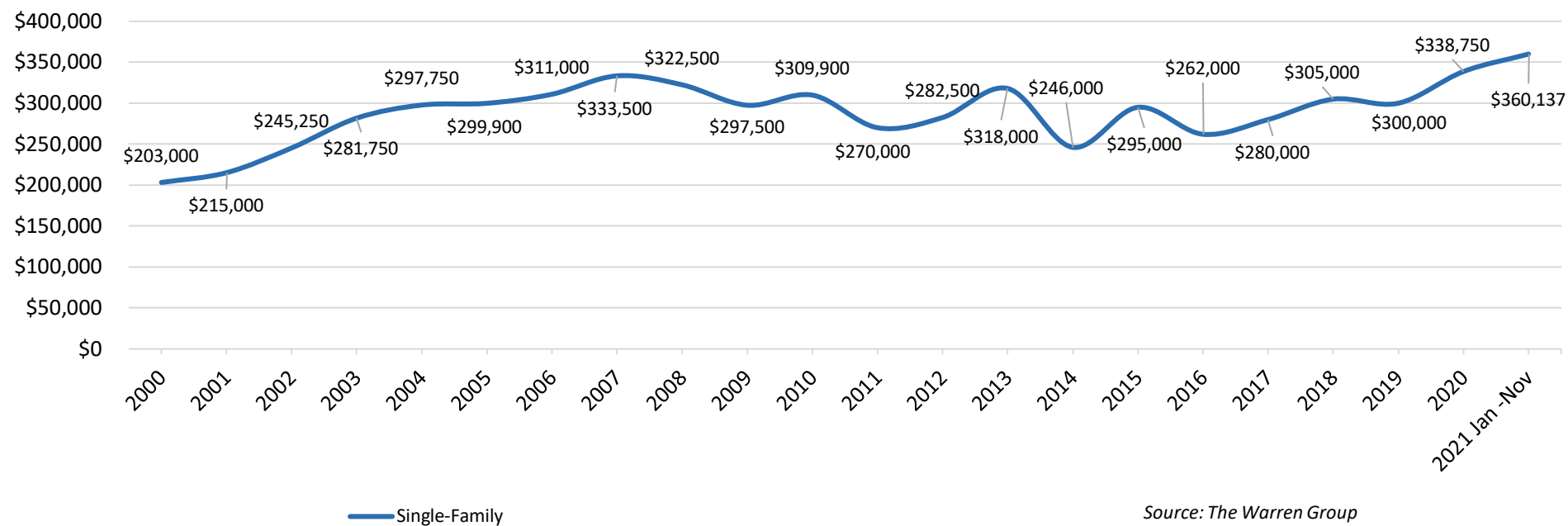
- Nearly exclusive single-family market
- From 2016 to 2019, home sales were generally stable, averaging about 46 per year





# HOME SALE PRICES

Town of Chester Median Home Sale Price: 2000 to 2021



- Median sale price for single-family homes in Chester are at a historic high, at \$360,137 in 2021
- Since 2019, median home sales price has increased by 20%



# HOUSING MARKET TRENDS: TAKEAWAYS

- Homogenous housing stock
  - Mostly single-family, owner-occupied units
- Downsizers are likely to seek housing outside of Chester
  - Housing stock dominated by 3+ bedroom units
- The pace of development has been very slow
- Housing is getting more expensive in Chester
  - 20% increase in the last few years





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# Housing Needs Assessment



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# Affordable Housing Needs

## How many Chester Families Need Affordable Housing?

### Low Income

51% to 80% of AMI

<\$55,950 for an individual  
<\$79,900 for a family of 4



**180**

Low income HHs



**100**

Homeowners



**80**

Renters

### Very Low Income

31% to 50% of AMI

<\$36,550 for an individual  
<\$52,150 for a family of 4



**155**

Very Low income HHs



**100**

Homeowners



**55**

Renters

### Extremely Low Income

30% of less of AMI

<\$21,950 for an individual  
<\$31,300 for a family of 4



**165**

Extremely Low income HHs



**95**

Homeowners



**70**

Renters

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

- There are 500 households in Chester (29% 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

<\$55,950 for an individual  
<\$79,900 for a family of 4



**\$1,281/month**

for an individual



**\$1,829/month**

for a family of 4

### Very Low Income

31% to 50% of AMI

<\$36,550 for an individual  
<\$52,150 for a family of 4



**\$837/month**

for an individual



**\$1,194/month**

for a family of 4

### Extremely Low Income

30% of less of AMI

<\$21,950 for an individual  
<\$31,300 for a family of 4



**\$502/month**

for an individual



**\$716/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

<\$55,950 for an individual  
<\$79,900 for a family of 4



**\$192,000**

for an individual



**\$247,000**

for a family of 4

### Very Low Income

31% to 50% of AMI

<\$36,550 for an individual  
<\$52,150 for a family of 4



**\$125,000**

for an individual



**\$178,000**

for a family of 4

### Extremely Low Income

30% of less of AMI

<\$21,950 for an individual  
<\$31,300 for a family of 4



**\$75,000**

for an individual



**\$107,000**

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

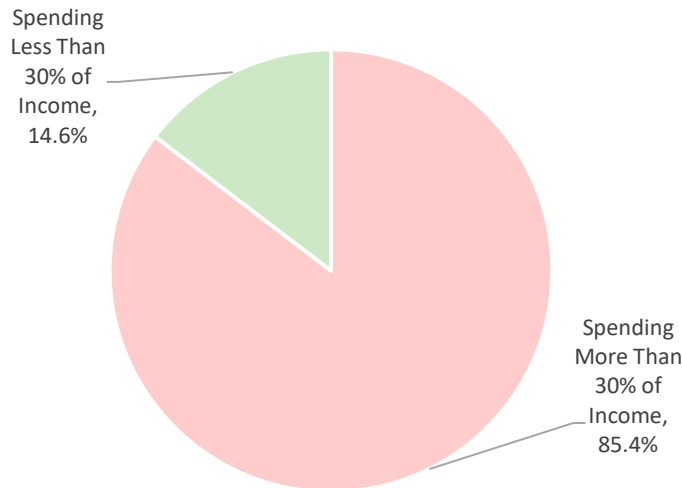


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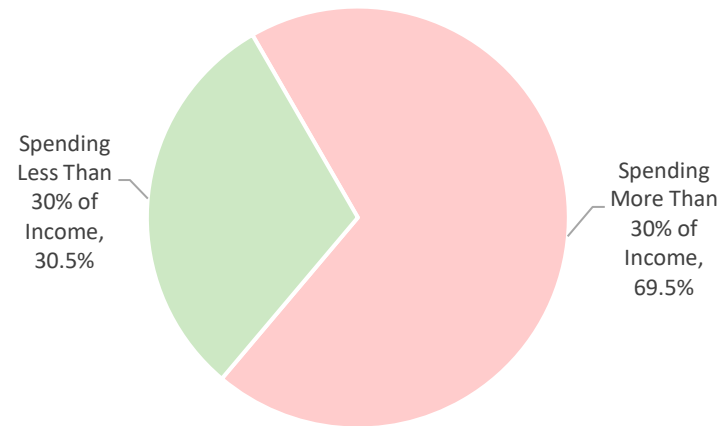
# Cost Burdens: Existing Conditions

## Cost Burden for Low Income Households in Chester

### Cost Burdened Low-Income Renters



### Cost Burdened Low-Income Homeowners



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 Chester's low-income households are cost-burdened**
  - **Compares to 12.7% for households who are not considered low-income**

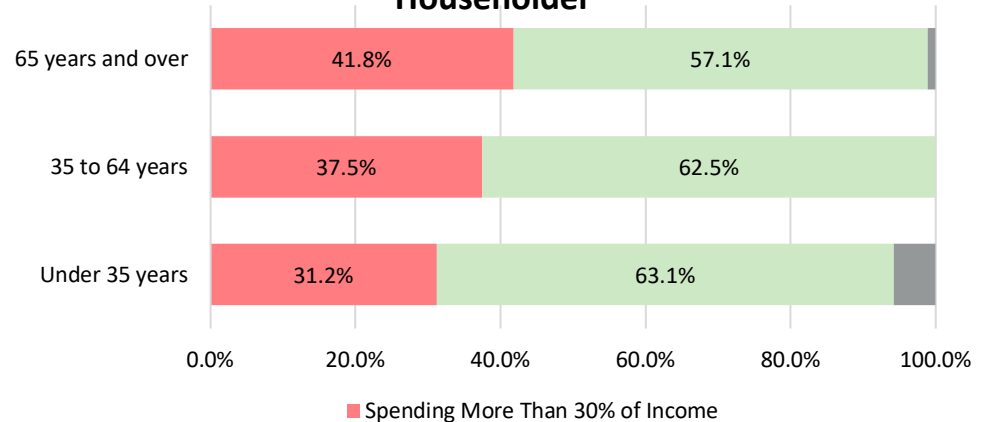


# Cost Burdens: Existing Conditions

## Cost Burden for Other Populations in Chester

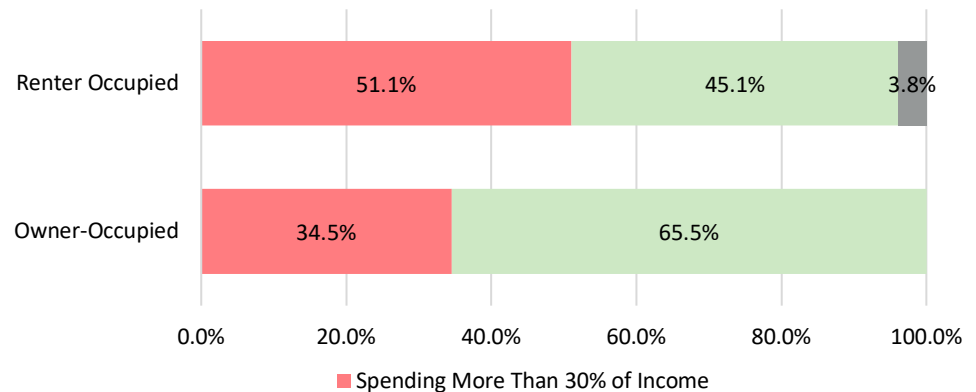
- Renter are slightly more likely to be cost-burdened compared to owners
- Seniors and young adults are more likely to be cost burdened than middle aged householders

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

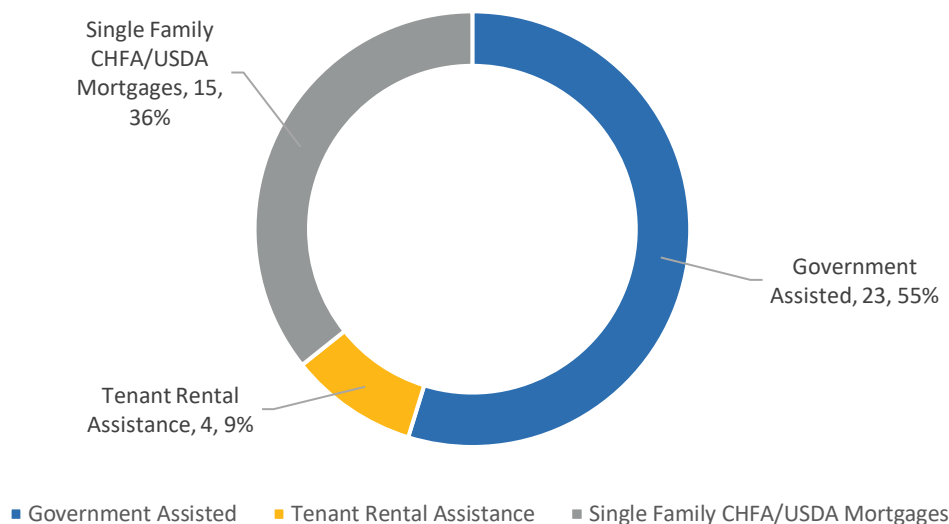




# Protected Affordable Housing

- **Protected Affordable Housing Units** meet the statutory definition of affordable housing 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 2021, Chester 42 affordable housing units.**
  - No deed restricted units

2021 Affordable Housing Units, Chester



Total Housing Units: **1,923**  
Total Affordable Units: 42

**Percent Affordable Housing: 2.18%**

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)	\$107,000	95	29	(66)
Very Low Income (<50% of AMI)	179,000	195	58	(137)
Low Income (<80% of AMI)	274,000	295	374	79

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)	\$792	70	25	(45)
Very Low Income (<50% of AMI)	\$1,319	125	105	(20)
Low Income (<80% of AMI)	\$2,021	205	127	(78)

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)	\$75,000	95	29	(66)
Very Low Income (<50% of AMI)	\$125,000	195	29	(166)
Low Income (<80% of AMI)	\$192,000	295	83	(212)

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)	\$555	70	0	(70)
Very Low Income (30% to 50% of AMI)	\$925	125	25	(100)
Low Income (50% to 80% of AMI)	\$1,415	205	116	(89)

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 Chester
  - 500 households (29% of total) are classified as low income and could be eligible for affordable housing
- 31% of households are spending more than 30% of their income on housing costs (cost burdened)
- Town does not have deed restricted affordable housing units
- 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
  - Young adults



# AUDIENCE POLLING INTRO

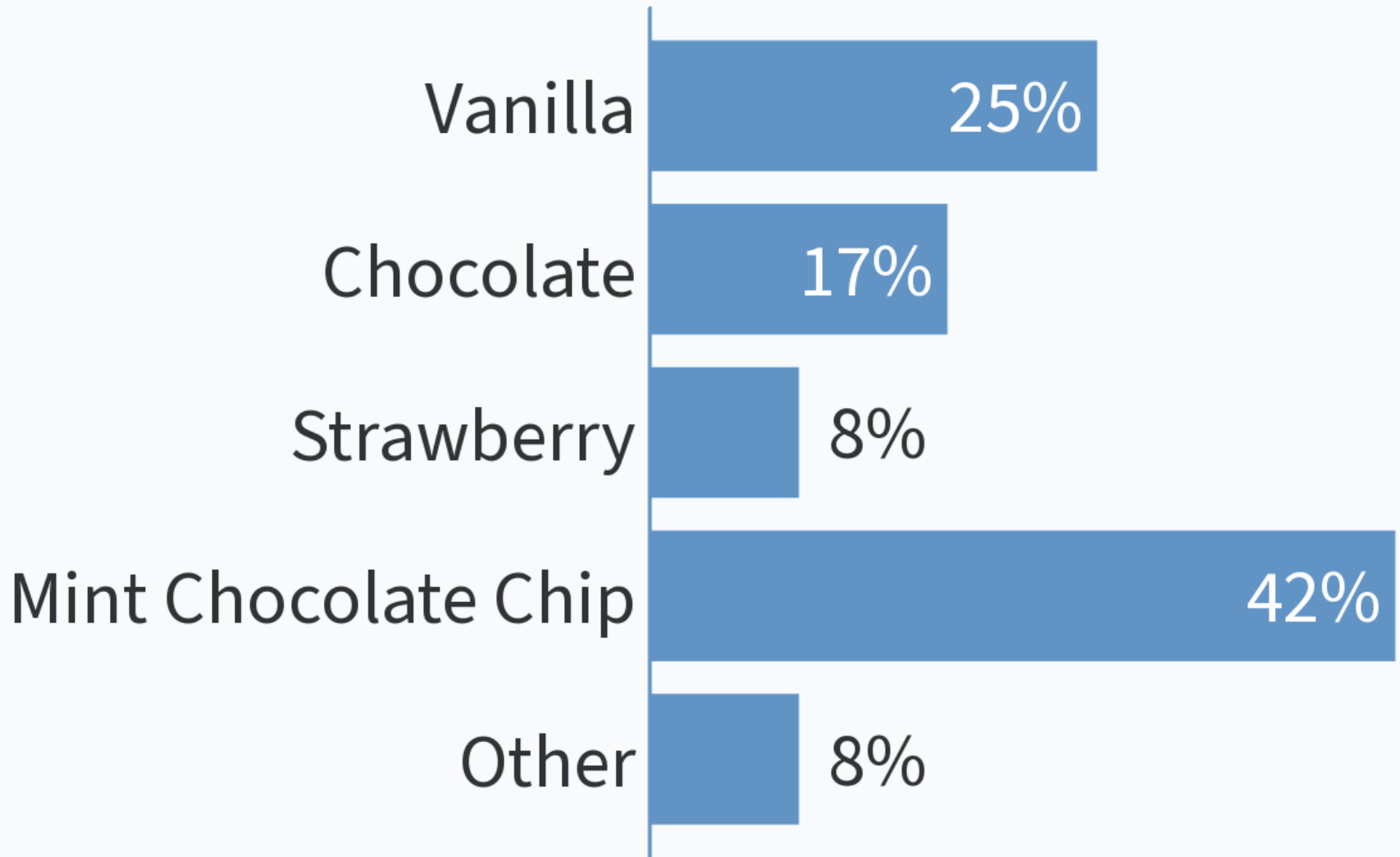
*We are going to use interactive polling during this workshop.  
You will need access to an additional webpage,  
or you can use your phone.*

*Let's get started!*

**Go to [pollev.com/SLR2021](https://pollev.com/SLR2021)**



# What is your favorite flavor of ice cream?

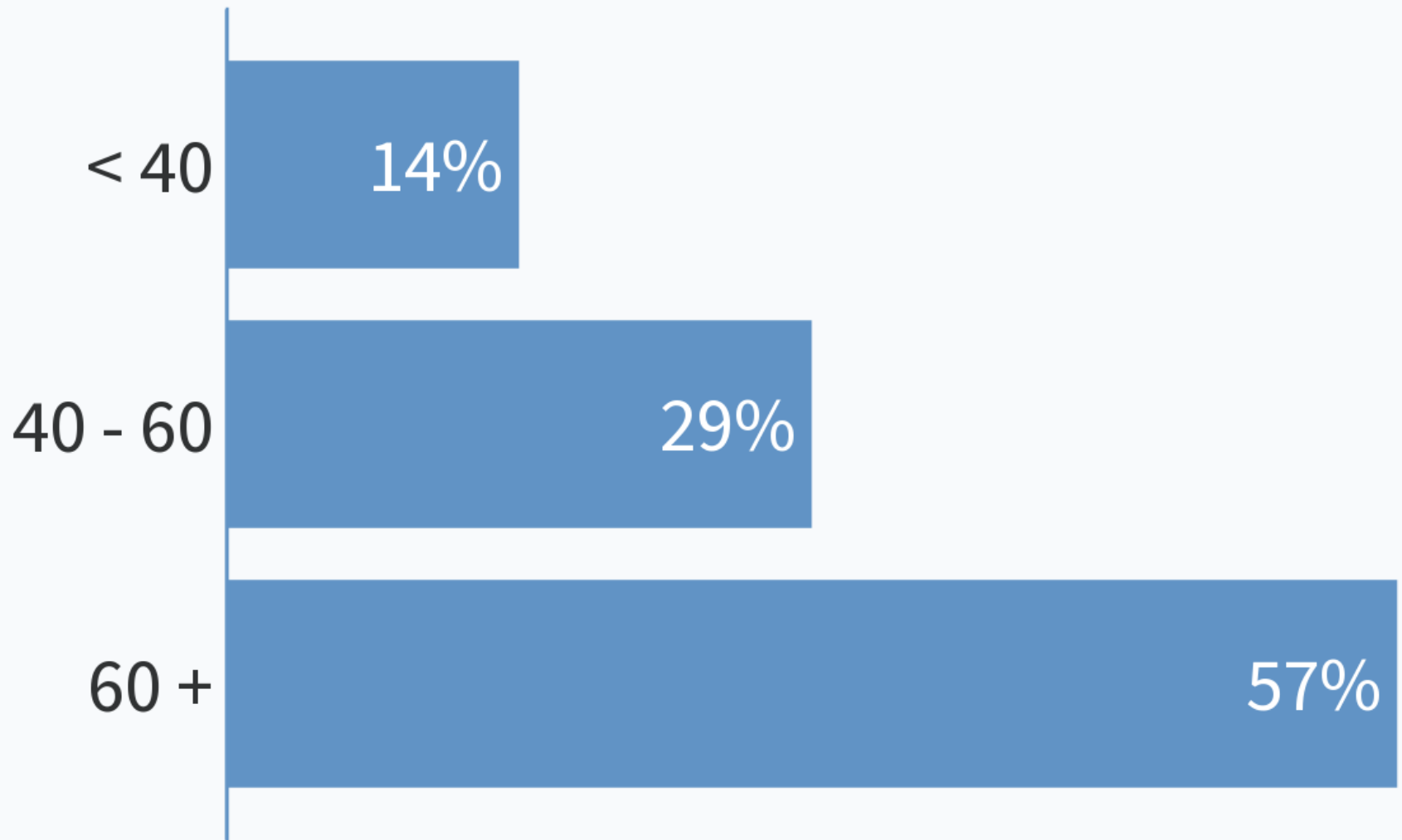


# Have you completed the Regional Housing Plan Survey?

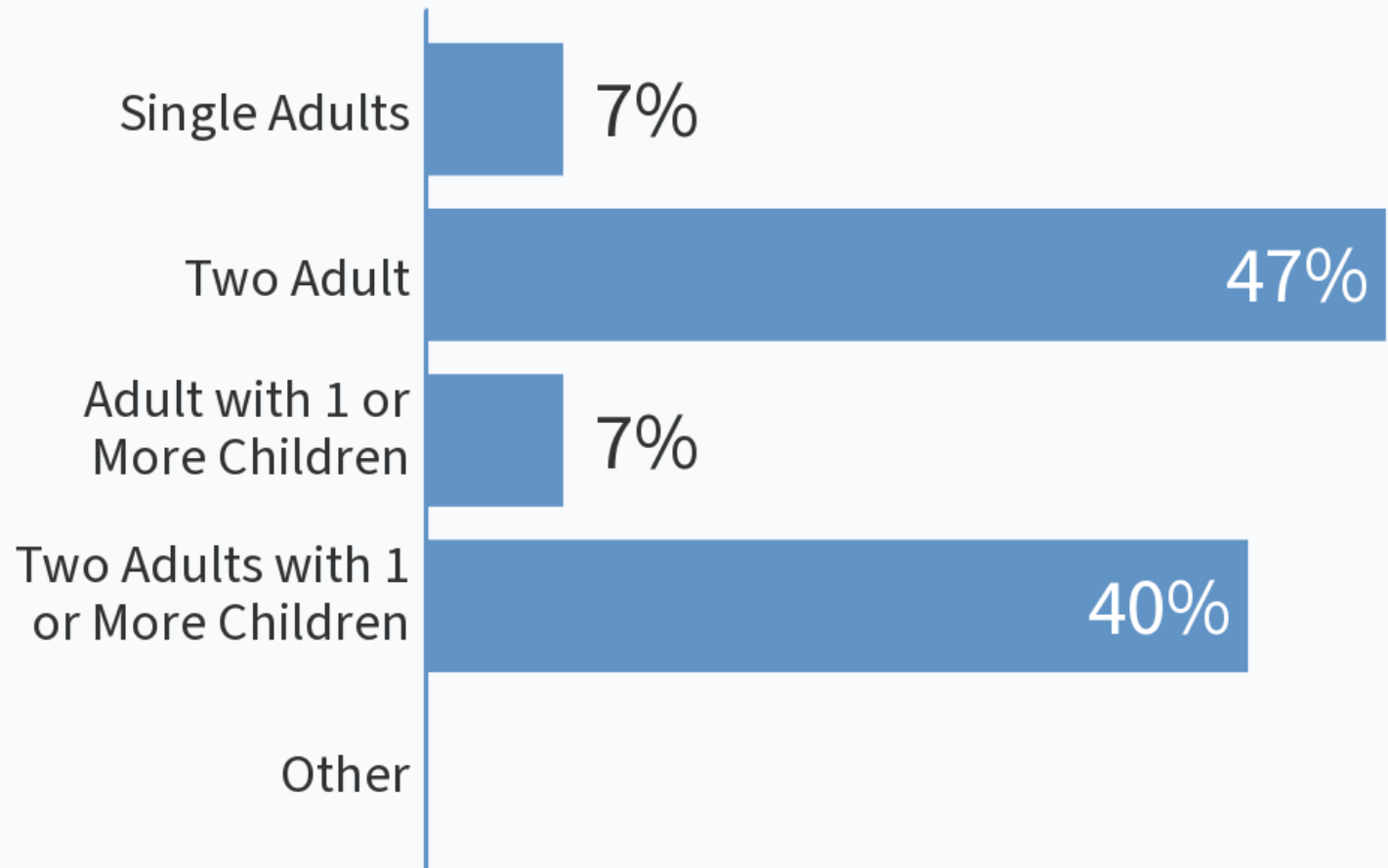




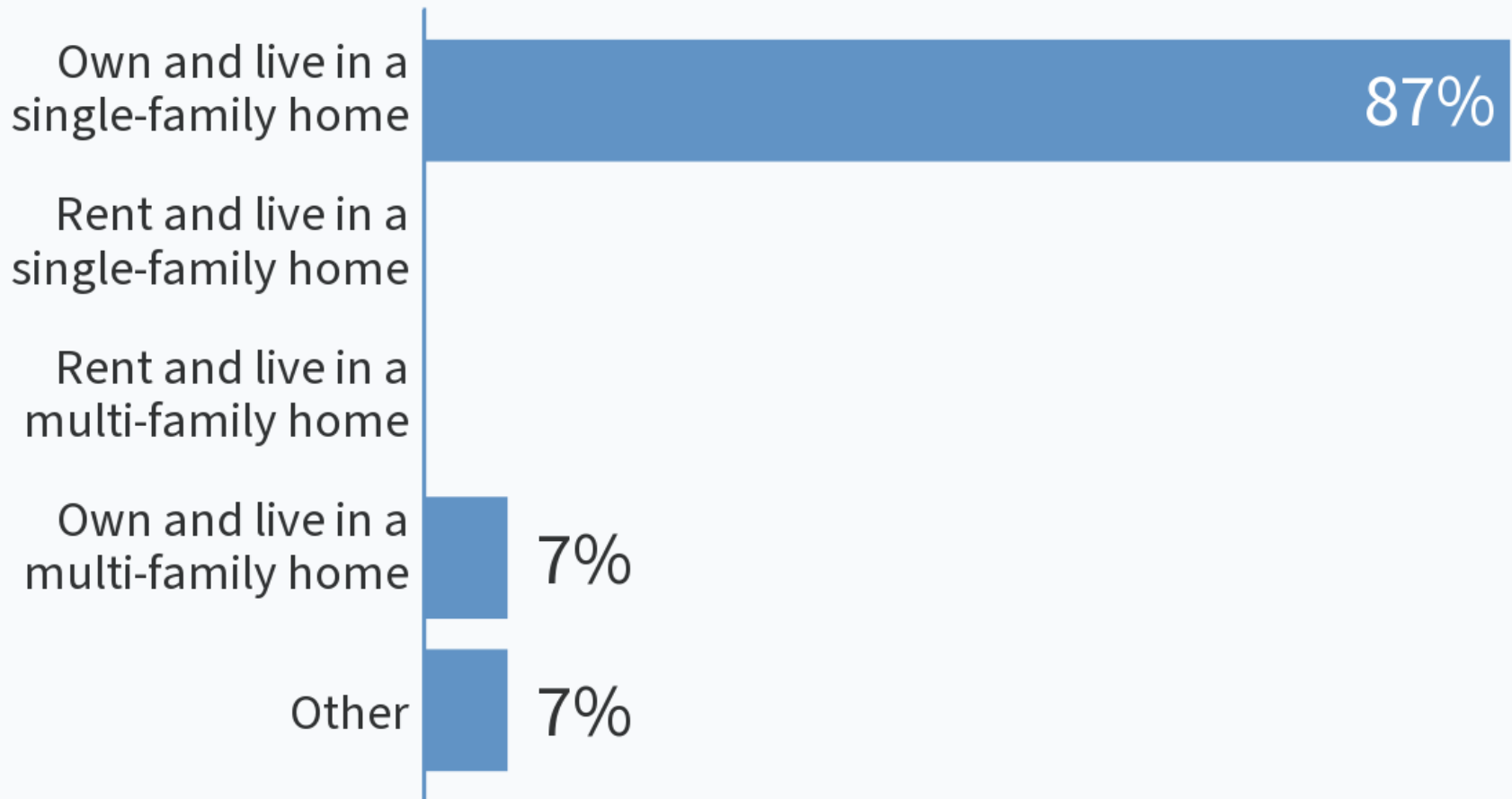
# What is your age?



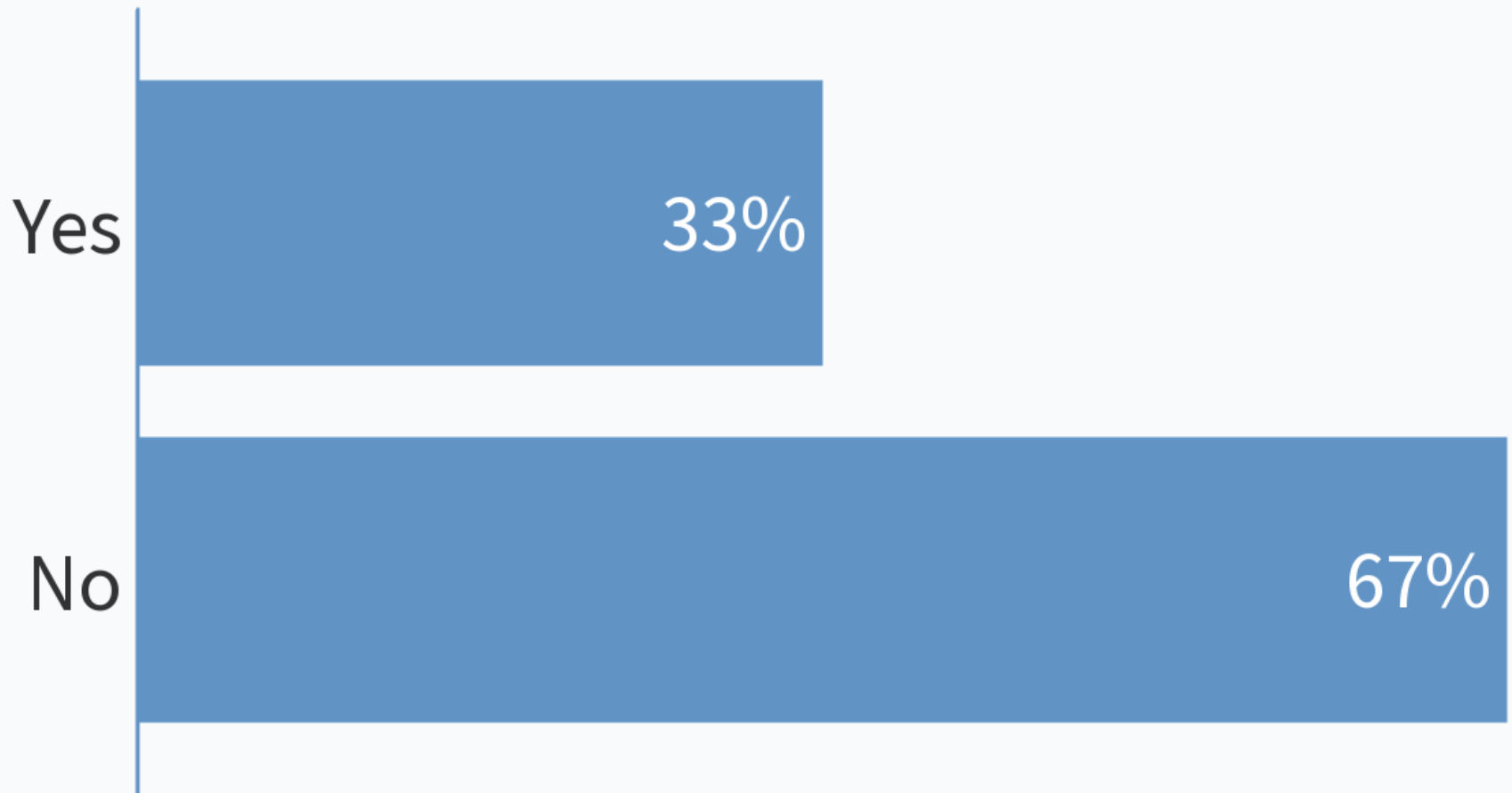
# Which of the following is your household currently composed of?



# Which of the following best describes your current home?



# Have you attended a workshop for the Regional Housing Plan?



# EXPANDING HOUSING AFFORDABILITY CONCEPTS #1

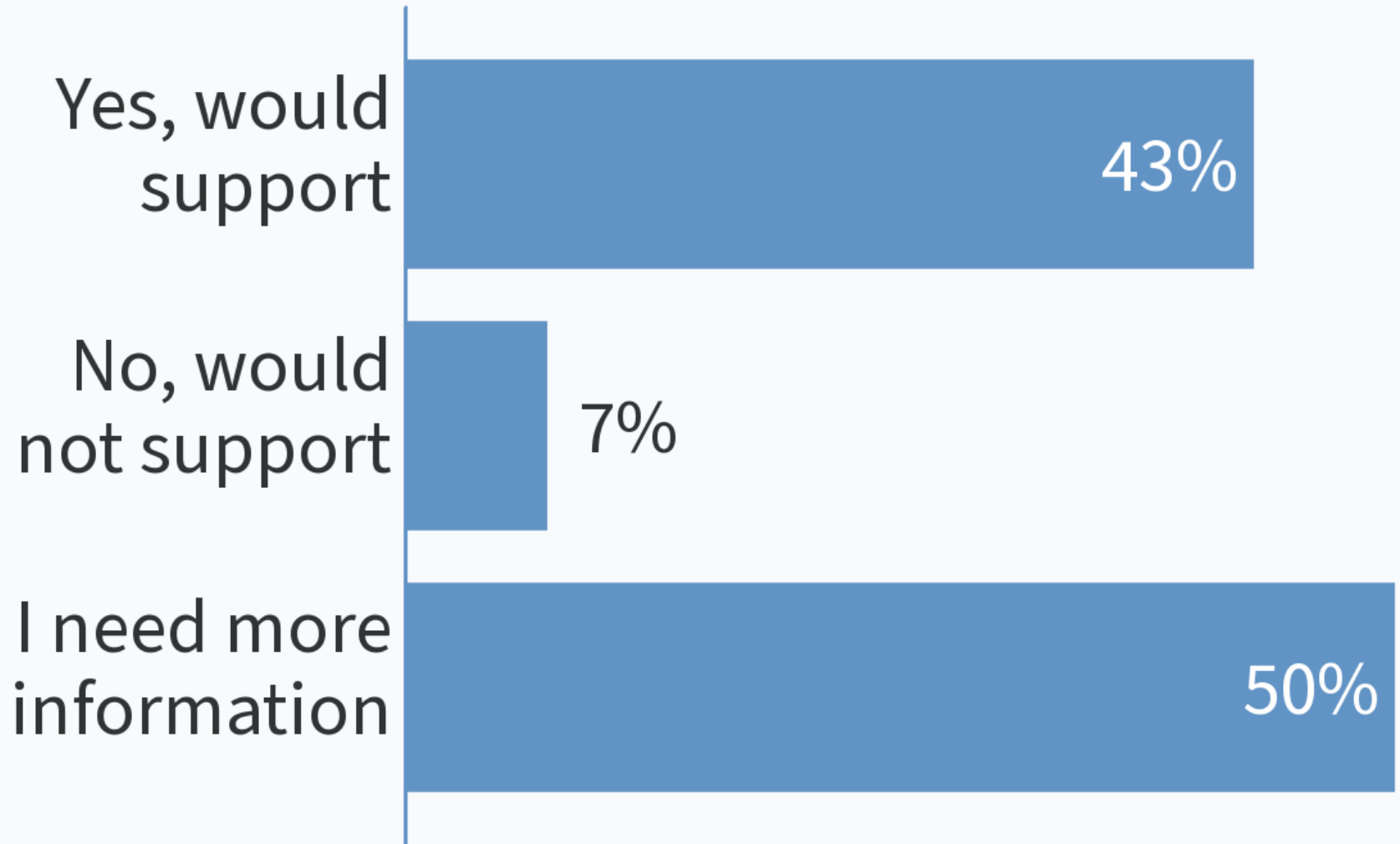
The Town Zoning Regulations currently only allows multi-family development in the Planned Residential Development district (PRD), following a Special Permit process or in parts of the Village District (CVD) with a Design Review process. These two districts comprise a geographically small portion of the town, and consists of primarily existing, developed properties.

One idea to expand housing opportunities in Chester would be to allow multifamily development in more zoning districts – at lower densities in R-2 or R-1 districts, at higher densities in R-1/2 and where public sewer/water lines are available, and with a streamlined process for redevelopment of existing buildings.

Would you support this approach?



# Would you support Concept 1?



# EXPANDING HOUSING AFFORDABILITY

## CONCEPT #2

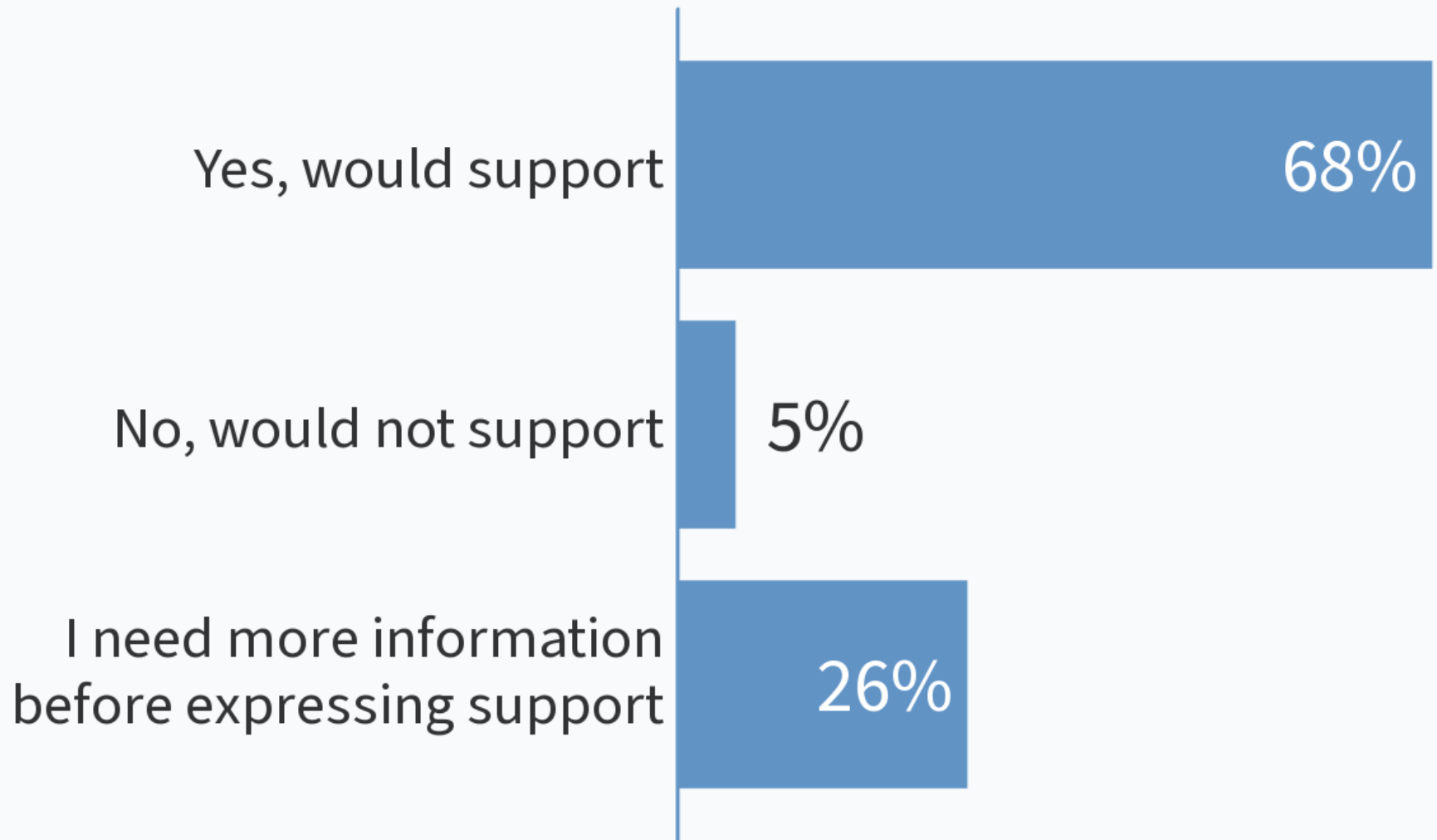
The Connecticut General Statutes, in Section 8-2i, allow for “Inclusionary Zoning” requirements at the local level. Similar to requirements that subdivisions set aside open space or pay a fee-in-lieu, this Statute allows municipalities to require that a certain percentage of new development would need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

One concept for expanding Chester’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 Concept 2?





# EXPANDING HOUSING AFFORDABILITY

## CONCEPT #3

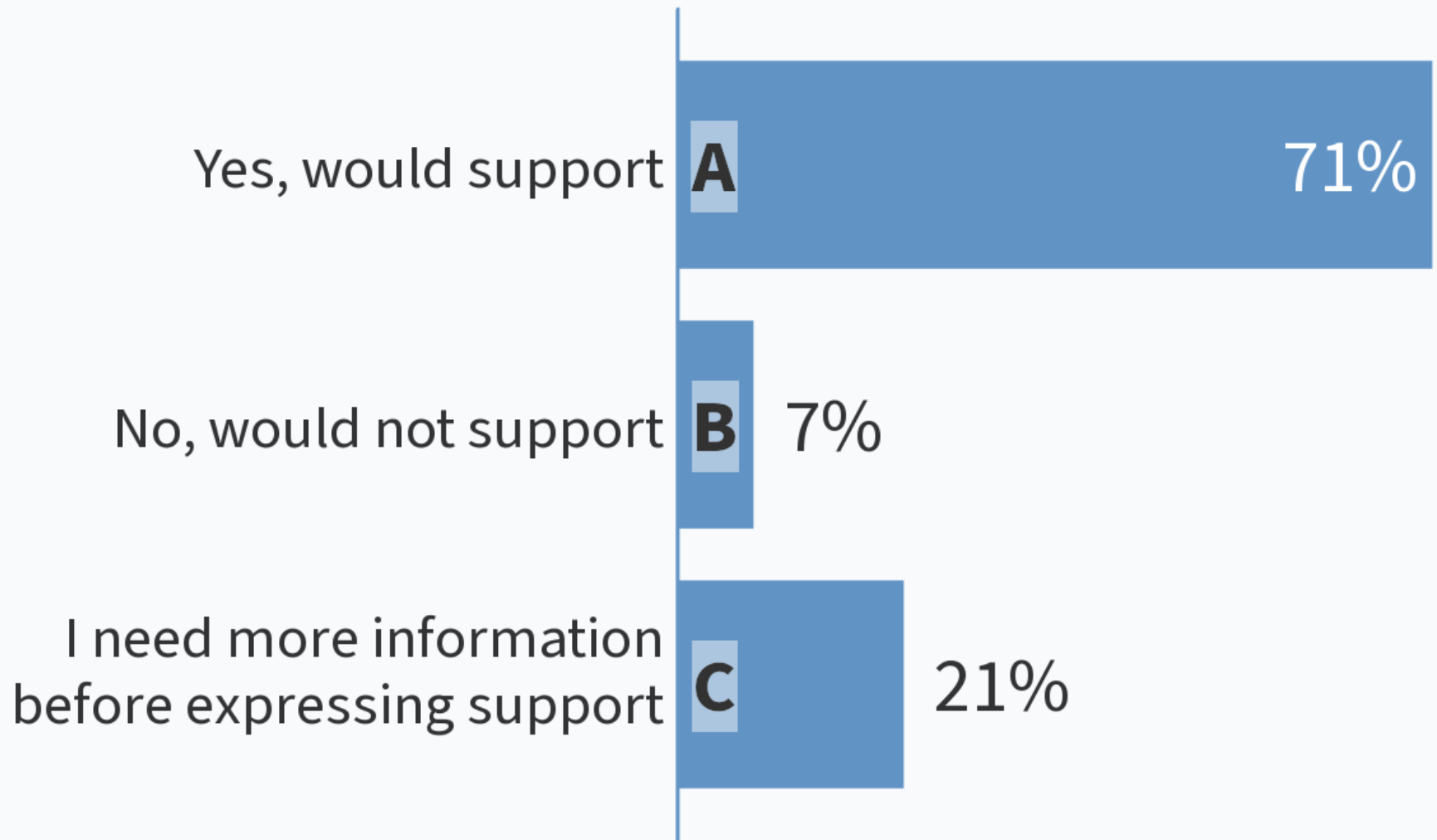
One of the primary ways that municipalities and developers can finance the creation of new affordable housing units is to acquire Low Income Housing Tax Credits (LIHTC) that are made available through the Connecticut Housing Finance Authority. These tax credits can make a significant difference in the financial viability of a new development project, and they tend to be very competitive. Projects that have a high level of community support tend to “score” better in the selection process.

One concept for expanding Chester’s supply of affordable housing would be to actively support private- and non-profit LIHTC projects by partnering on site identification, considering property tax abatements or even financial contributions to projects to increase the potential of successfully funded developments.

Would you support this approach?



# Would you support Concept 3?



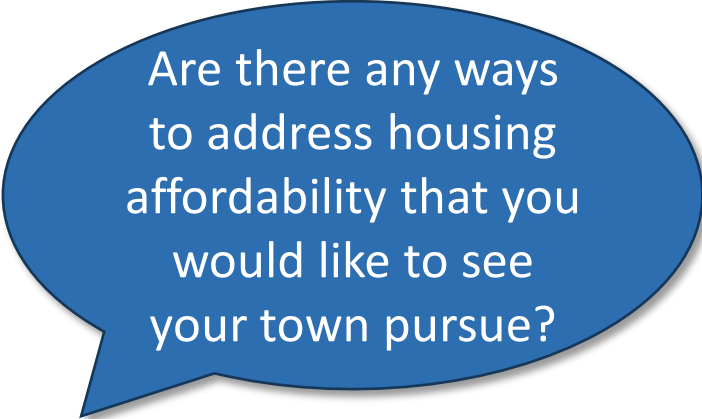
# NEXT STEPS

- Discussion of Strategies with Chester's Team
  - Prepare Chester'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: [pbandzes@gmail.com](mailto:pbandzes@gmail.com)  
or [zoningofficial@chesterct.org](mailto:zoningofficial@chesterct.org)

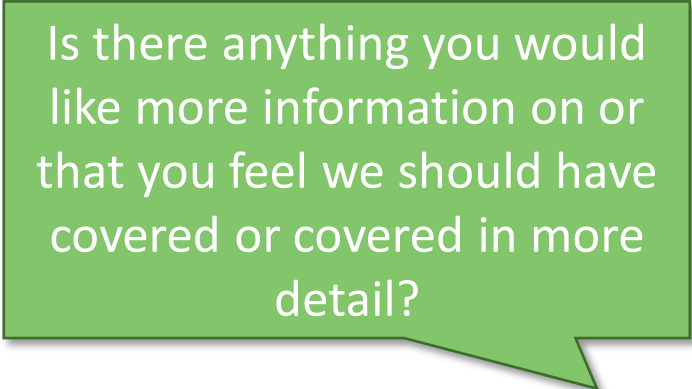


# QUESTIONS AND ANSWERS


**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