



Town of Essex Affordable Housing Plan (AHP)

Public Information Meeting
March 17, 2022



Lower Connecticut River Valley
Council of Governments

Project Team



Lower Connecticut River Valley
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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 Essex?

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



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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
- Essex approved its first Plan in March 2019



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



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 Essex, **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



\$1,200/month
for an individual
\$59,950 annual income



\$1,713/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
- **67 responses – unique IP addresses**
- Majority of respondents have lived in Essex for 20+ years
- Respondents trended older on average, with 33% over 65
- Diverse population in terms of household type
 - A quarter of households are married couples with children
 - 18% were couples with adult children (empty nesters)
 - 18% were couples without children
 - 18% live alone
- Respondents mostly in smaller, 1-3 person households
 - 46% in 2-person households, 64% in combined 1 or 2 person households
- Vast majority of respondents live in single family houses
- 76% of respondents own their homes, while about 20% rent
- 55% of respondents make \$100,000 or more in annual household income



About the Respondents

- 63% see themselves having the same sized household in 5 years
- Only 55% of respondents indicated remaining in their current home in 5 years
- 38% are likely looking to downsize in 5 years
 - into a smaller single-family home, condo/townhome, multifamily, senior living, or ADUs
- 55% 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
- 27% personally struggle with housing costs
- 73% 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.
- 77% agree housing in CT is too expensive
- 55% agree housing in the Region is too expensive
- 71% agree housing in Essex is too expensive

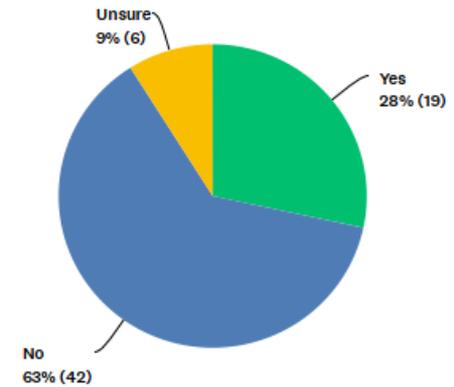
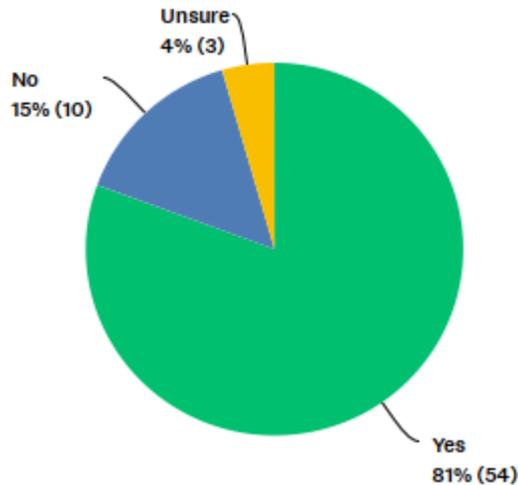


Housing Needs

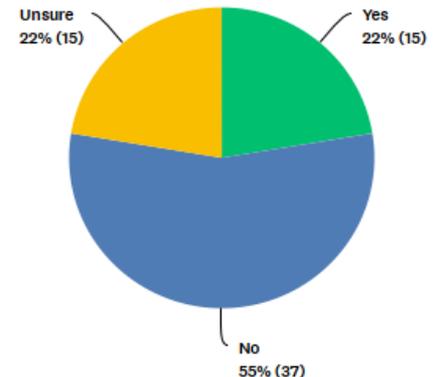
- 81% think housing is an important component in community longevity
- 63% do not think that the current housing options available meet residents' needs
- 55% do not think the existing housing stock is adequate to satisfy future market demands

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?



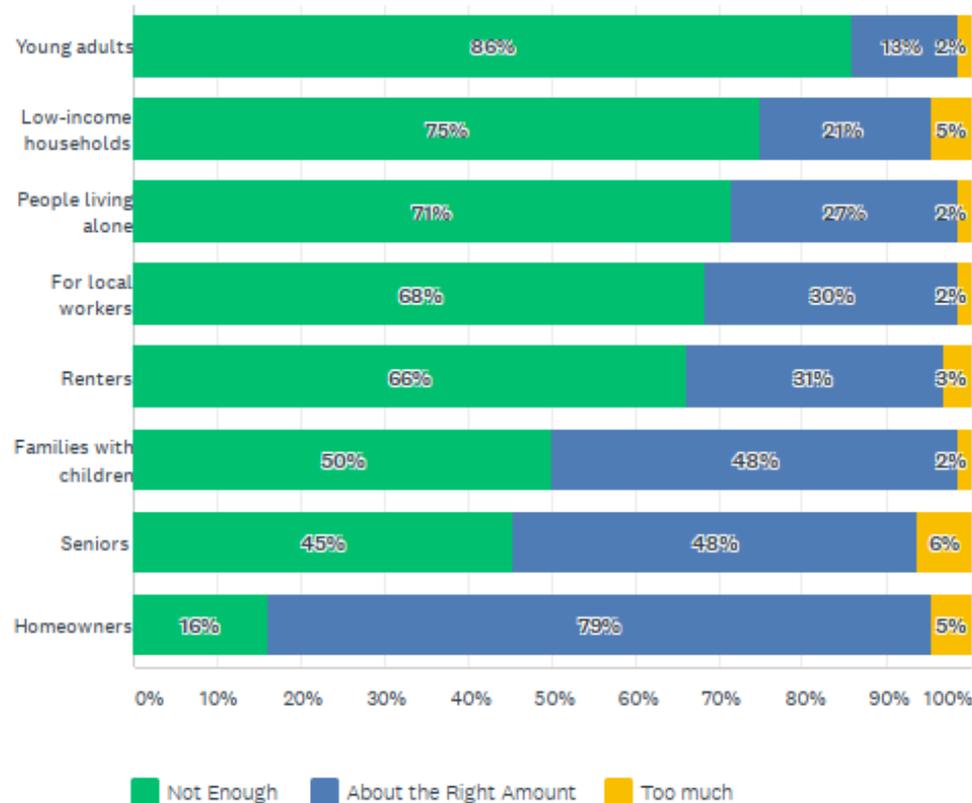
Do you think that the existing housing stock is adequate to satisfy future market demands?



Housing Choices

- Respondents most frequently cited that there are not enough housing choices for:
 - Young adults
 - Low-income households
 - People living alone
 - Local workers
 - Renters
- Respondents felt that Essex 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?





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Existing Conditions: Planning & Zoning Review



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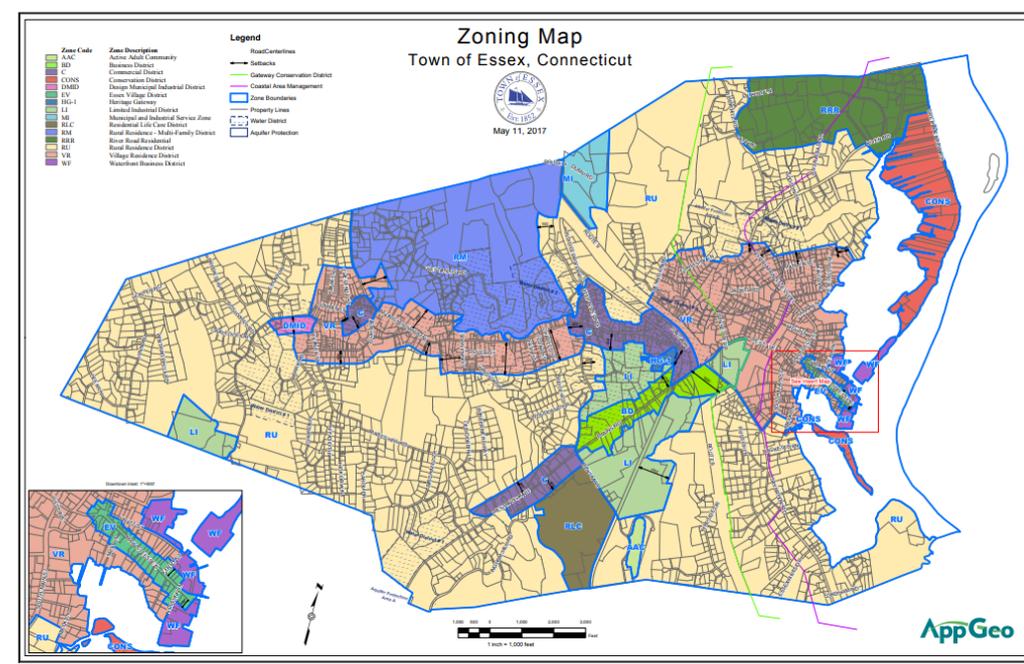
Zoning

Source: Essex Zoning Regulations

- Single family dwellings allowed in all residential districts + commercial district
 - Village Residence District
 - Residence District
 - Multifamily District
 - Active Adult Community District
 - River Road Residential
 - Essex Village District
 - Commercial District

- Accessory dwelling units allowed in all residential districts, via Site Plan
- Apartments in Commercial Buildings allowed in Essex Village District, Business District, Commercial District
- Multifamily allowed only in Rural Residence Multi-Family District (Special exception)
 - Max of four family dwelling units

Zone Code	Zone Description
AAC	Active Adult Community
BD	Business District
C	Commercial District
CONS	Conservation District
DMID	Design Municipal Industrial District
EV	Essex Village District
HG-1	Heritage Gateway
LI	Limited Industrial District
MI	Municipal and Industrial Service Zone
RLC	Residential Life Care District
RM	Rural Residence - Multi-Family District
RRR	River Road Residential
RU	Rural Residence District
VR	Village Residence District
WF	Waterfront Business District



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Housing Opportunities from POCD

- Adopted in 2015

“Promote Mixed Use, Compact, Architecturally-Appropriate Development and Redevelopment in Villages of Essex, Centerbrook, and Ivoryton and in key hubs of Bokum Corner and the Route 9 Gateway”

“Expand the variety of housing options available throughout Essex, including more affordable housing opportunities in both mixed use developments and within traditional subdivision development”

- Essex has made progress on several of its housing development goals
 - Ex: Accessory apartments
- PoCD identifies increasing density and mixed-use development in village center / downtown as top priorities
 - via zoning changes, revising multifamily residential zoning, developing Incentive Housing Zone regulations
- Infrastructure improvements (i.e. sewer, natural gas)





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Existing Conditions: Demographic Trends



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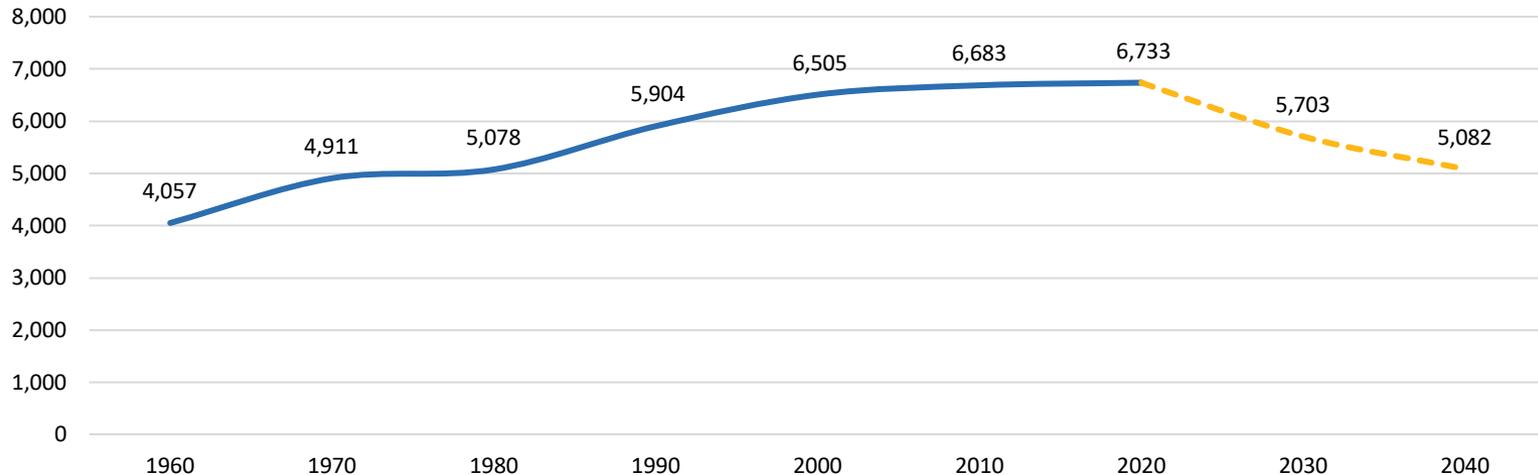
DATA NOTE

- **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

Town of Essex Population Trends



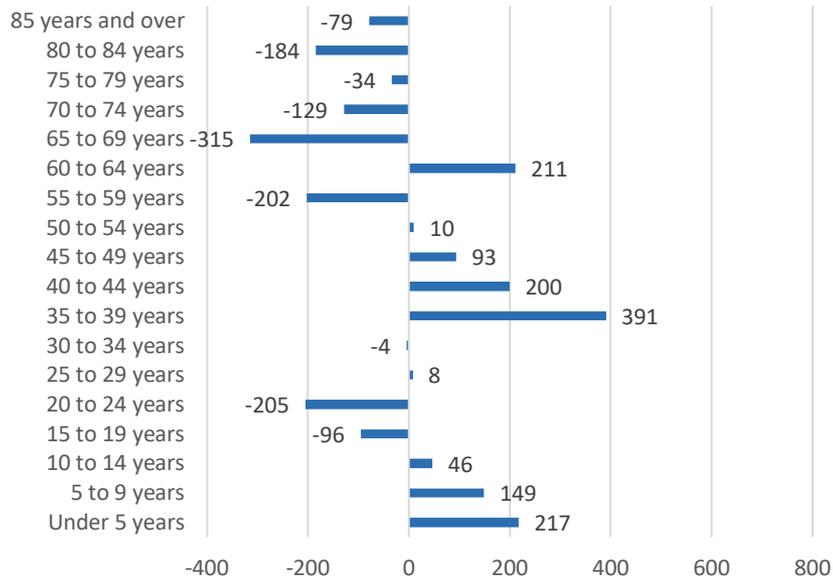
Source: Decennial Census 1960-2020, CT Data Center Projections

- Population has been on a steady rise, but expecting decline in the next twenty years
- **Future population drivers will likely include housing turnover**, followed by housing construction, including new dwelling units, additions, and expansions

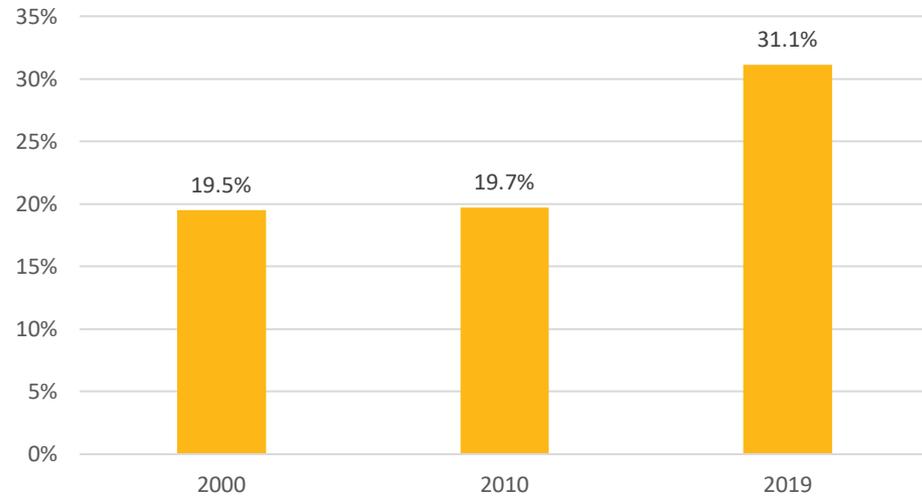


AGE DISTRIBUTION

Change in Population Age Group, 2010 to 2019



Percent of Population Age 65 years old and over



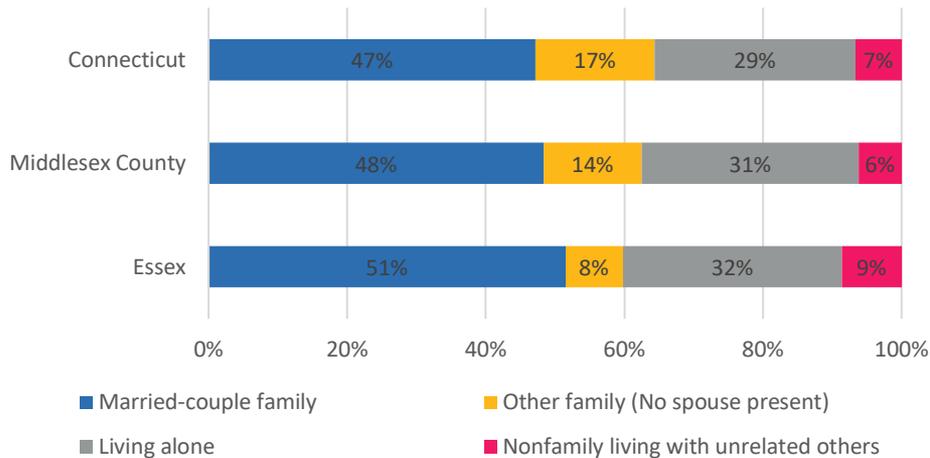
Source: 2000 and 2010 decennial census; 2019 ACS 5-Year Estimates, Table B01001

- Last ten years has seen a growing middle aged population, and decline in 65+
- Share of population 65 years old and over has consistently grown since 2000, reaching 31.1% of the total population in 2019
- Growth in some younger age groups, children under 5, 5-15 year olds
- Young adult groups seeing decline – may indicate a trend of young adults aging out of the community

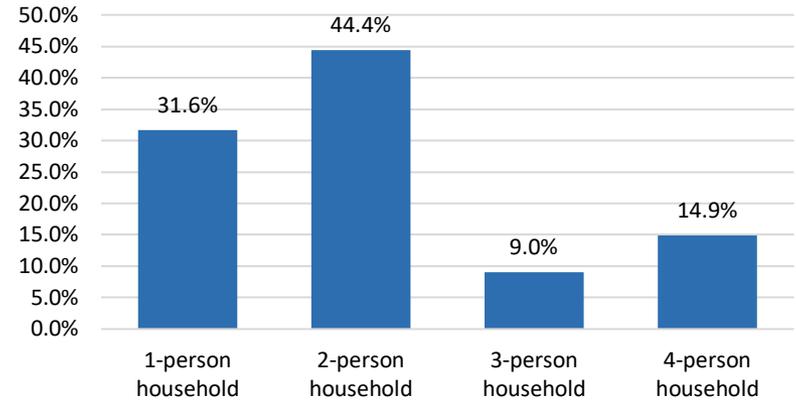


HOUSEHOLD COMPOSITION

Household Distribution



Essex Household Size Distribution



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

- Essex is primarily made up of people in married-couple families, with generally fewer residents living with other family (with no spouse present) than Connecticut and Middlesex County on average
- **In 2019, 76% of Essex households are made up of one or two people**
 - Indicates trend to empty nester households



DEMOGRAPHIC TRENDS: TAKEAWAYS

- Population has been growing but may expect a decline in the next two decades
- Aging community - growing share of population age 65 years old and over
- Growing share of population made up of middle aged groups
- The majority of Essex households made up of 1 or 2 people





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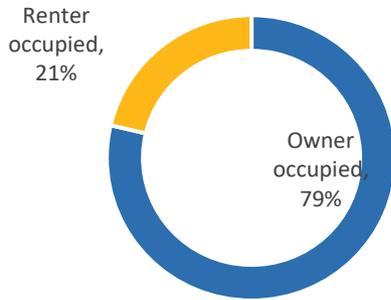
Existing Conditions: Housing Market Trends



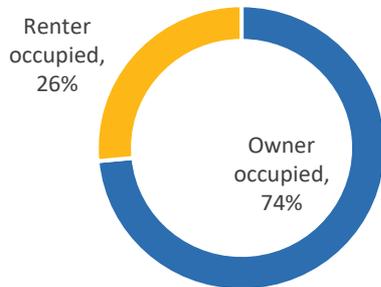
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HOUSING TYPOLOGY

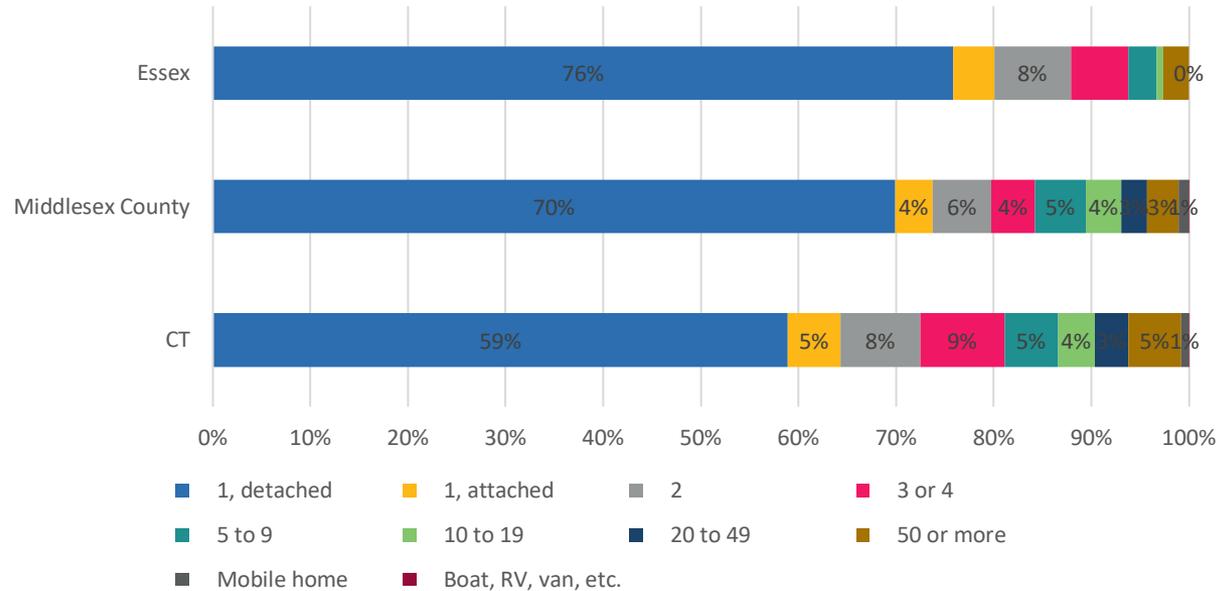
Ownership of Occupied Units
Essex



Ownership of Occupied Units
Middlesex County



Distribution of Housing Units, by Type



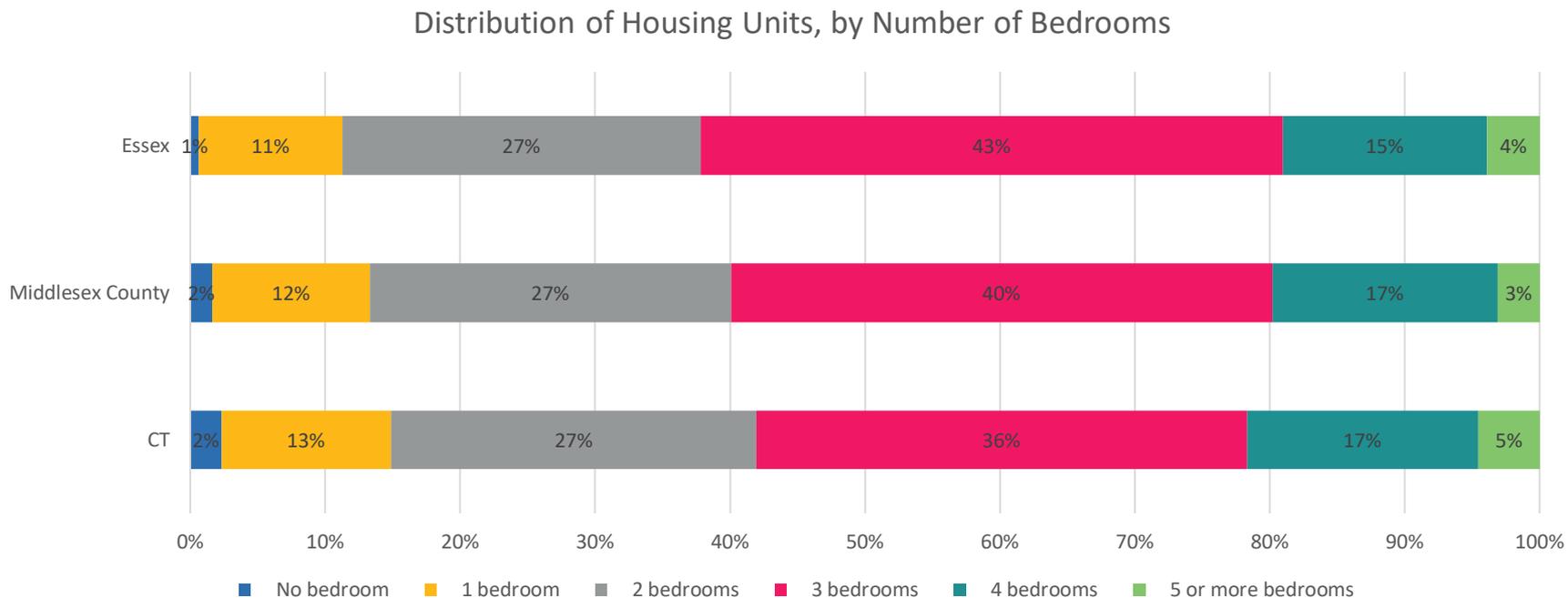
Source: ACS 5-Year Estimates, Table B25008, B25041

- Almost 80% of occupied units are owner-occupied in Essex
- Essex has one of the highest share of single-family homes among neighboring communities, and the state overall – 76%



HOUSING TYPOLOGY

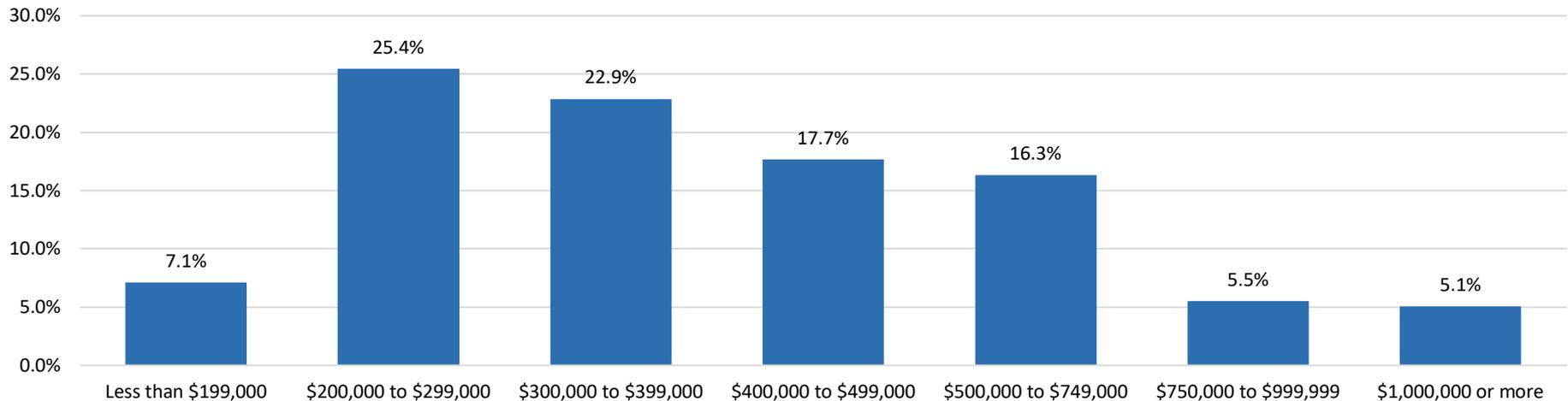
Distribution of Housing Units, by Number of Bedrooms



- 62% of housing units in Essex are 3, 4, or more bedrooms
 - In 2019, 76% of households had two people or fewer
- Size of units largely suited to families with children

HOME VALUE DISTRIBUTION (OWNER-OCCUPIED UNITS)

Distribution of Owner-Occupied Home Values



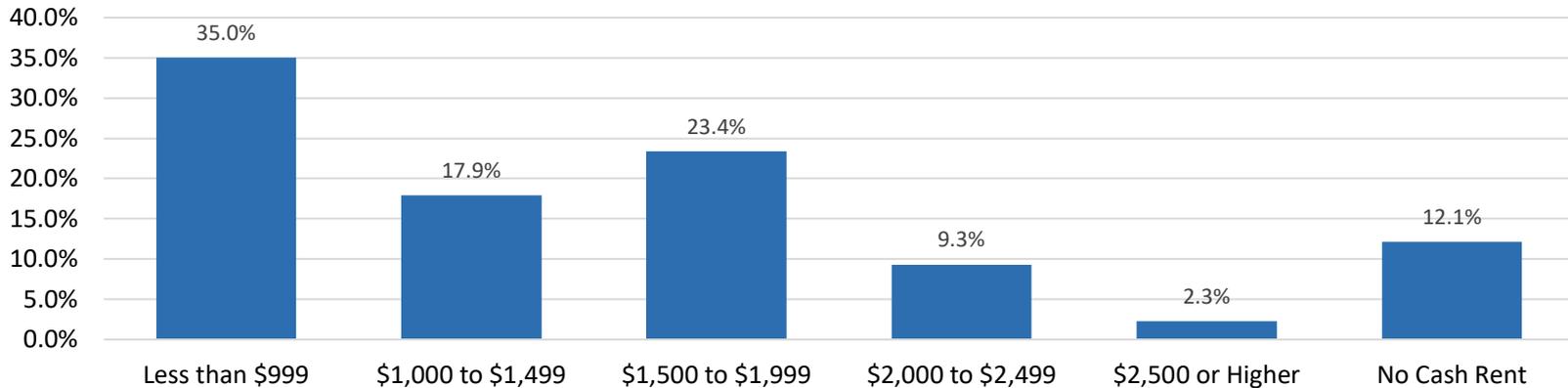
Source: 2019 American Community Survey, 5-Year Estimates, table B25075

- About half of homes in the community are valued less than \$400,000
- Median home values tend to be toward the lower end of price ranges



GROSS RENT DISTRIBUTION

Distribution of Gross Monthly Rental Costs



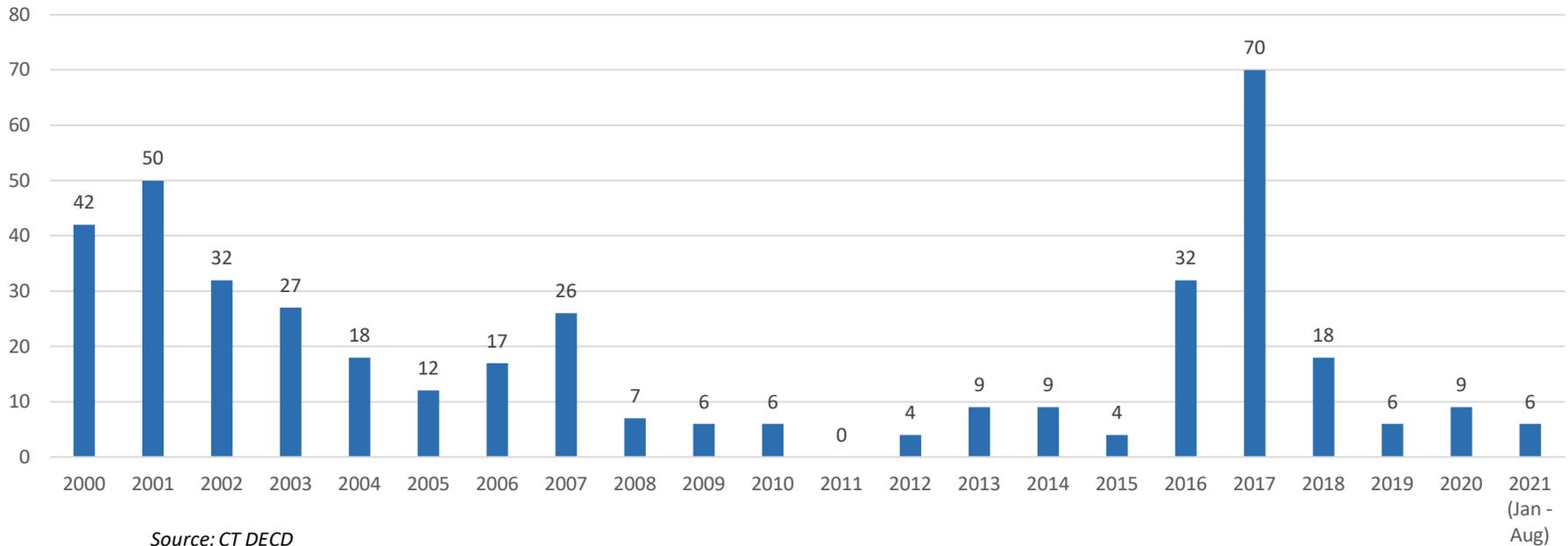
2019 American Community Survey 5-Year Estimates, Table B25063

- Median gross monthly rent in Essex is \$1,125, which is slightly below both Middlesex County (\$1,162) and Connecticut (\$1,180)
- 35% of rental units are less than \$1,000/month
- Over a quarter of rental units are between \$1,500 and \$1,999



HOUSING PERMITS

Housing Permits

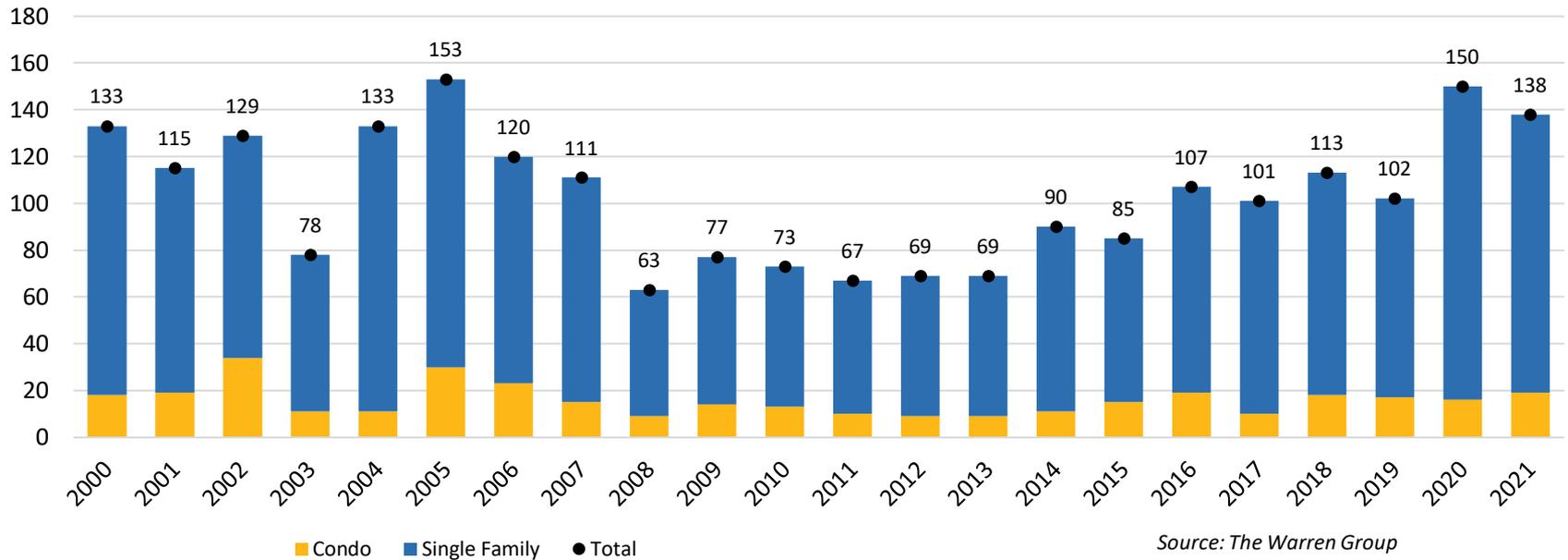


- Housing permit activity dropped off since in the mid-2000s, indicating lack of available land and economic conditions
- Since 2015, Essex has averaged about 27 building permits annually
 - Town had a large spike (all time high) in 2017, where 70 permits were issued, but it dropped off the following years
- Housing permits do not include additions, renovations, nor reinvestment



HOME SALES

Town of Essex Home Sales: 2000 to 2021

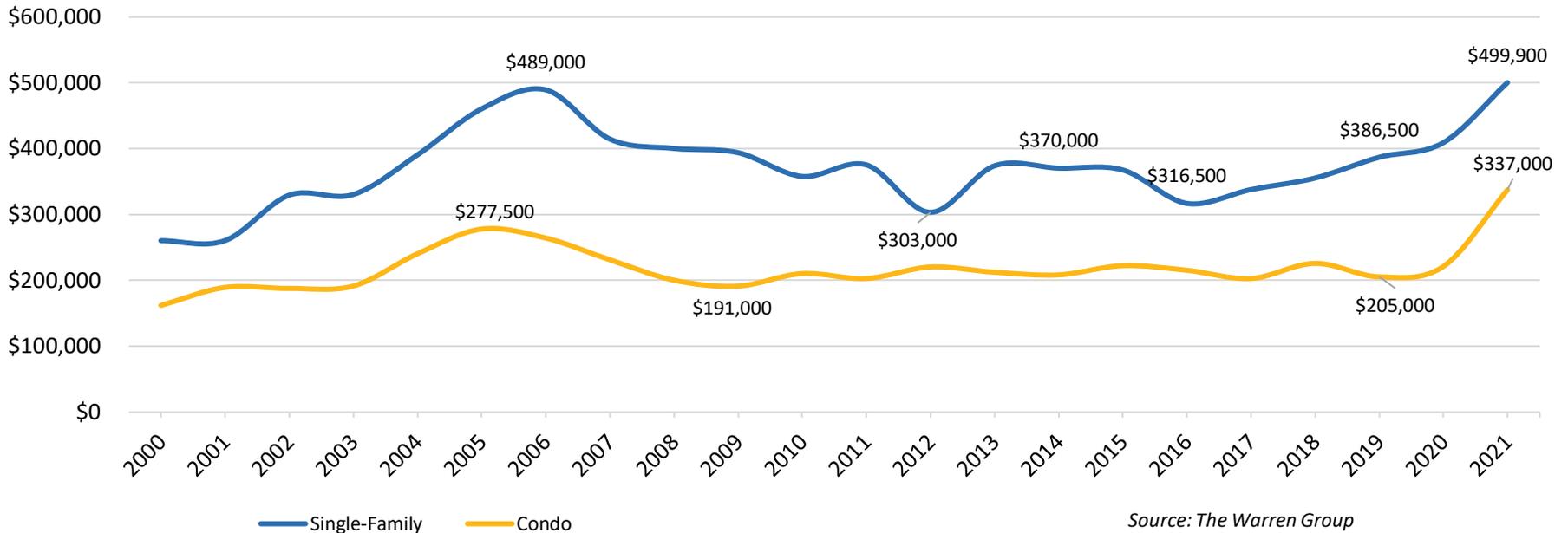


- Nearly exclusive single-family market
- From 2017 to 2021, home sales were generally stable, averaging about 120 per year



HOME SALE PRICES

Town of Essex Median Home Sale Price: 2000 to 2021



- 2020 saw median home sales prices nearly surpassing 2005 historic high
- **2020-2021 median sales price for a single family home increased by 22%**
 - **Median sales price for a condo increased by 53%**



HOUSING MARKET TRENDS: TAKEAWAYS

- Homogenous housing stock
 - Primarily single-family, owner-occupied units
- Downsizers are likely to seek housing outside of Essex
 - Housing stock dominated by 3+ bedroom units
- Both median rents and home values are skewed toward lower price points, but home values have been on the rise in the past few years
 - Could be a short-term bump in housing market





MILONE & MACBROOM

Housing Needs Assessment



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Affordable Housing Needs

How many Essex Families Need Affordable Housing?

Low Income

51% to 80% of AMI

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



280

Low income HHs



205

Homeowners



75

Renters

Very Low Income

31% to 50% of AMI

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



380

Very Low income HHs



225

Homeowners



125

Renters

Extremely Low Income

30% of less of AMI

<\$24,100 for an individual
<\$34,400 for a family of 4



350

Extremely Low income HHs



200

Homeowners



150

Renters

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

- There are 1,010 households in Essex (34% of total) who meet the definition of low income (household income <80% of AMI)
- Primarily homeowners



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



\$1,200/month

for an individual



\$1,713/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



\$861/month

for an individual



\$1,229/month

for a family of 4

Extremely Low Income

30% of less of AMI

<\$24,100 for an individual
<\$34,400 for a family of 4



\$517/month

for an individual



\$738/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



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



\$291,000

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



\$146,000

for an individual



\$209,000

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



\$87,000

for an individual



\$125,000

for a family of 4

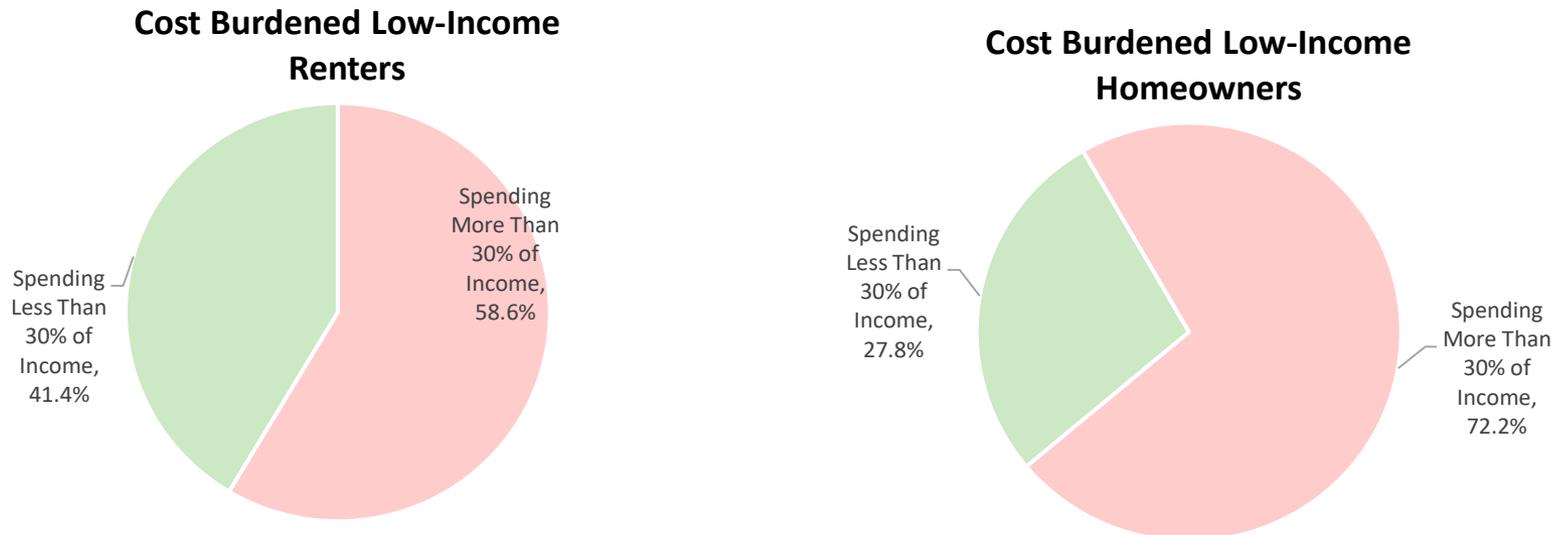
Source: U.S. Department of Housing and Urban Development (HUD) Income Limits. Based on income limits for the Southern Middlesex County, CT HUD Metro FMR Area Calculation assumes 20% down payment, 30-year mortgage at 5% interest, annual property tax payments, and 1.5% carrying costs for insurance and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



Cost Burdens: Existing Conditions

Cost Burden for Low Income Households in Essex



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 65% of Essex's low-income households are cost-burdened**
 - **Compares to 11% for households who are not considered low-income**

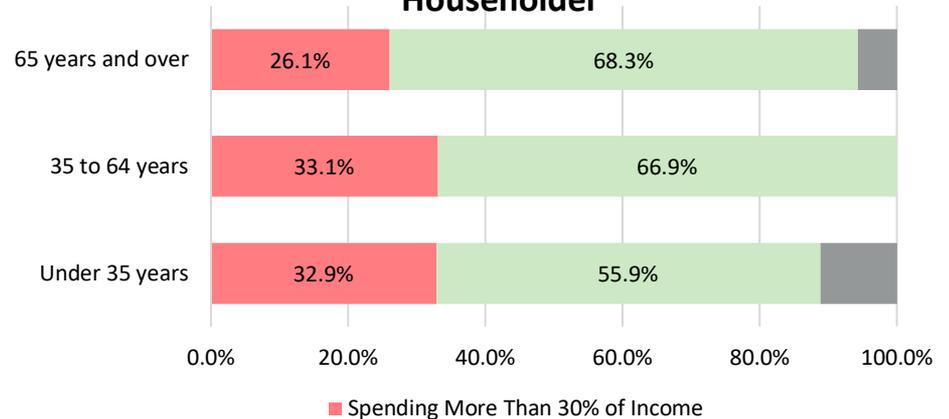


Cost Burdens: Existing Conditions

Cost Burden for Other Populations in Essex

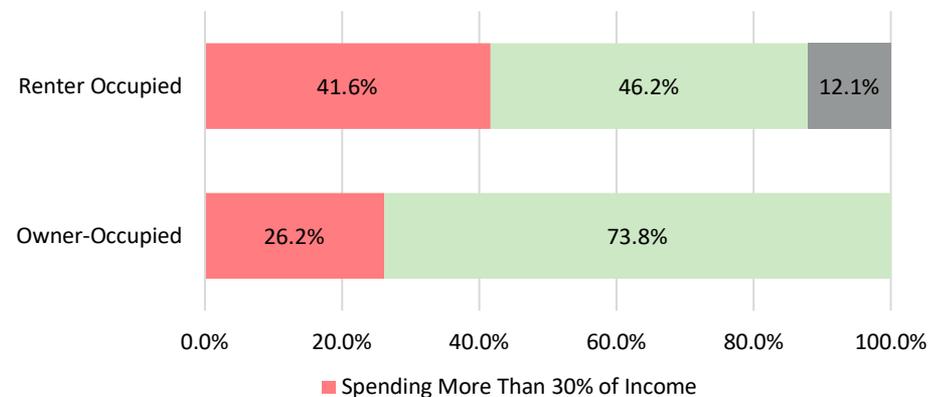
- Renter are more likely to be cost-burdened compared to owners
- Similar rates of cost burden between different age groups, but under 35 and 35-64 year old groups spend slightly more of their income on housing than 65+ population

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

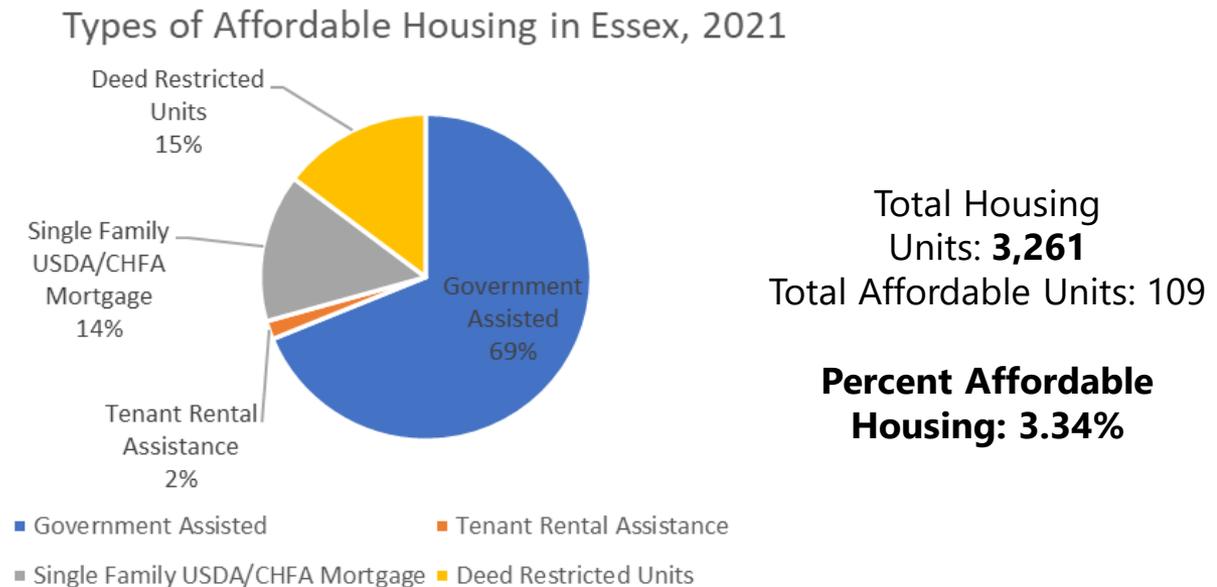


Source: ACS 5-Year Estimates, Table B25072, 25093



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, Essex has 109 Affordable Housing units**



Source: DECD Affordable Housing Appeals List, 2021



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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)	\$125,000	200	96	(104)
Very Low Income (<50% of AMI)	\$209,000	425	193	(232)
Low Income (<80% of AMI)	\$291,000	630	662	32

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)	\$738	150	168	18
Very Low Income (<50% of AMI)	\$1,229	275	425	150
Low Income (<80% of AMI)	\$1,713	350	519	169

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)	\$87,000	200	54	(146)
Very Low Income (<50% of AMI)	\$146,000	425	150	(275)
Low Income (<80% of AMI)	\$214,000	630	212	(418)

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)	\$517	150	42	(108)
Very Low Income (30% to 50% of AMI)	\$816	275	228	(47)
Low Income (50% to 80% of AMI)	\$1,200	350	408	58

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 Essex
 - 1,010 households (34% of total) are classified as low income and could be eligible for affordable housing
- 29% of households are spending more than 30% of their income on housing costs (cost burdened)
- Low-income homeowners have greater rates of cost-burden than low-income renters
- Populations with disproportionate cost burdens and housing needs include:
 - Low-income households making less than 80% AMI
 - Senior households
 - Renters
 - Young families
 - Single-person/ single-income households



AUDIENCE POLLING INTRO

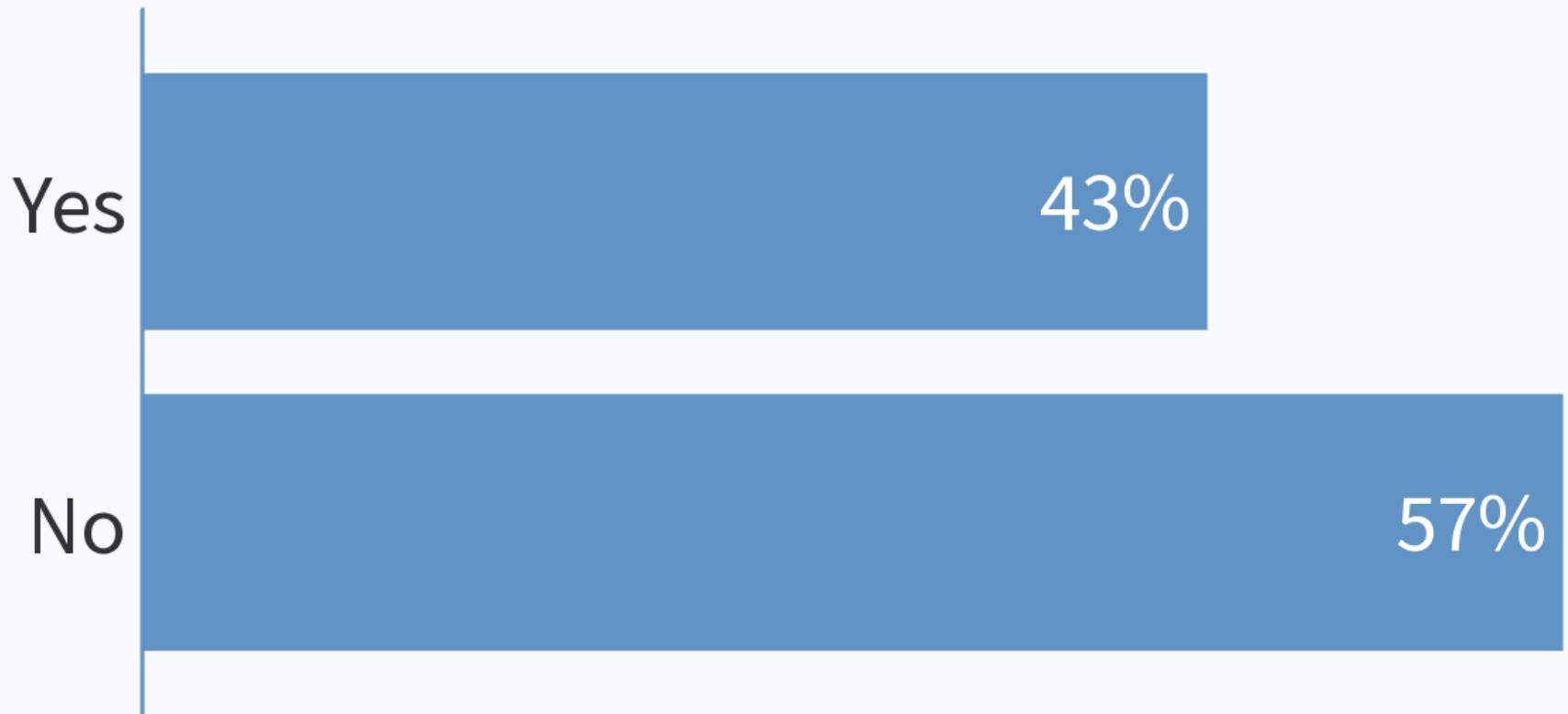
*We are going to use interactive polling during this workshop.
You will need access to an additional webpage,
or you can use your phone.*

Let's get started!

Go to pollev.com/SLR2021

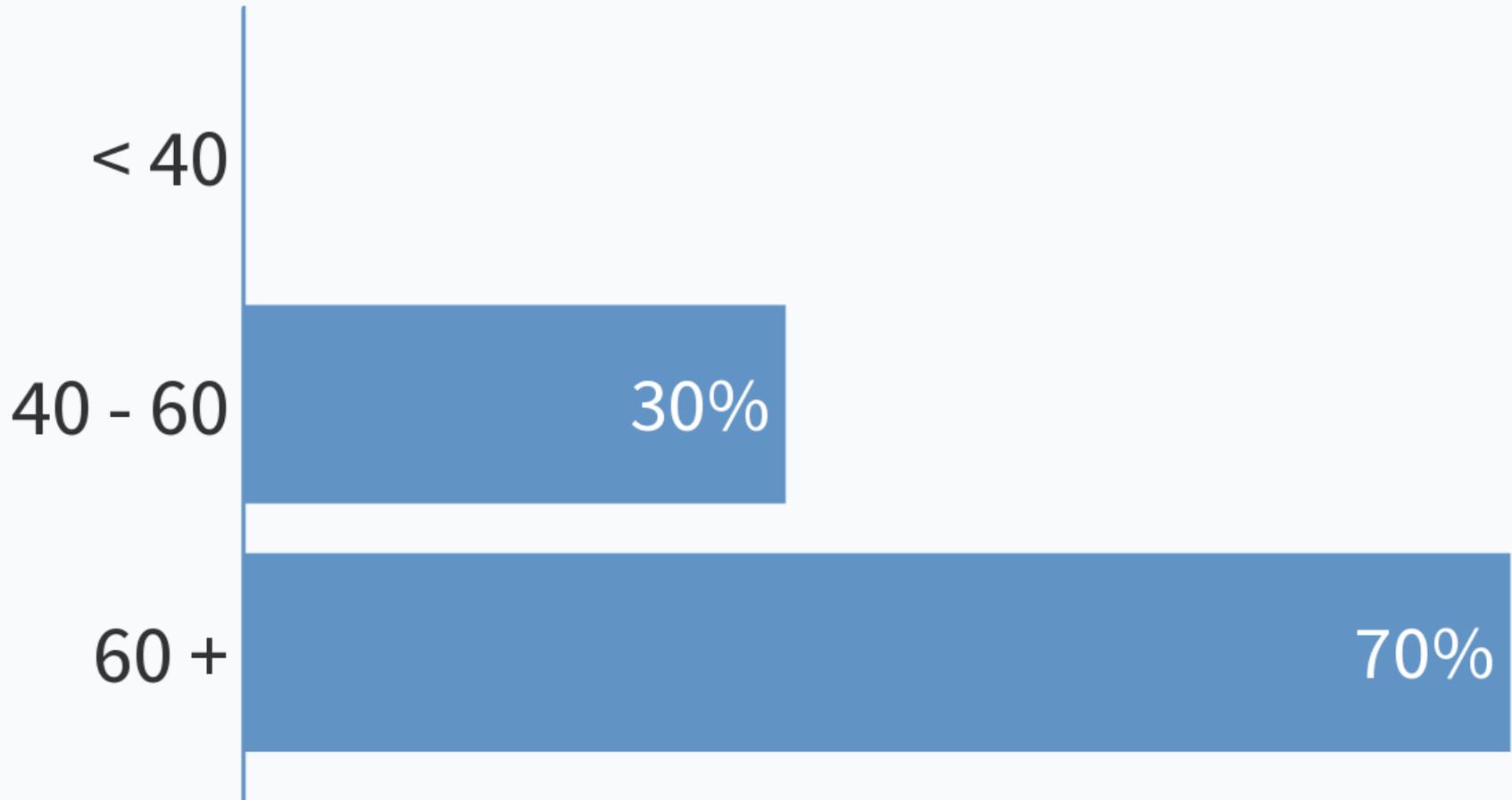


Have you attended a workshop for the Regional Housing Plan?



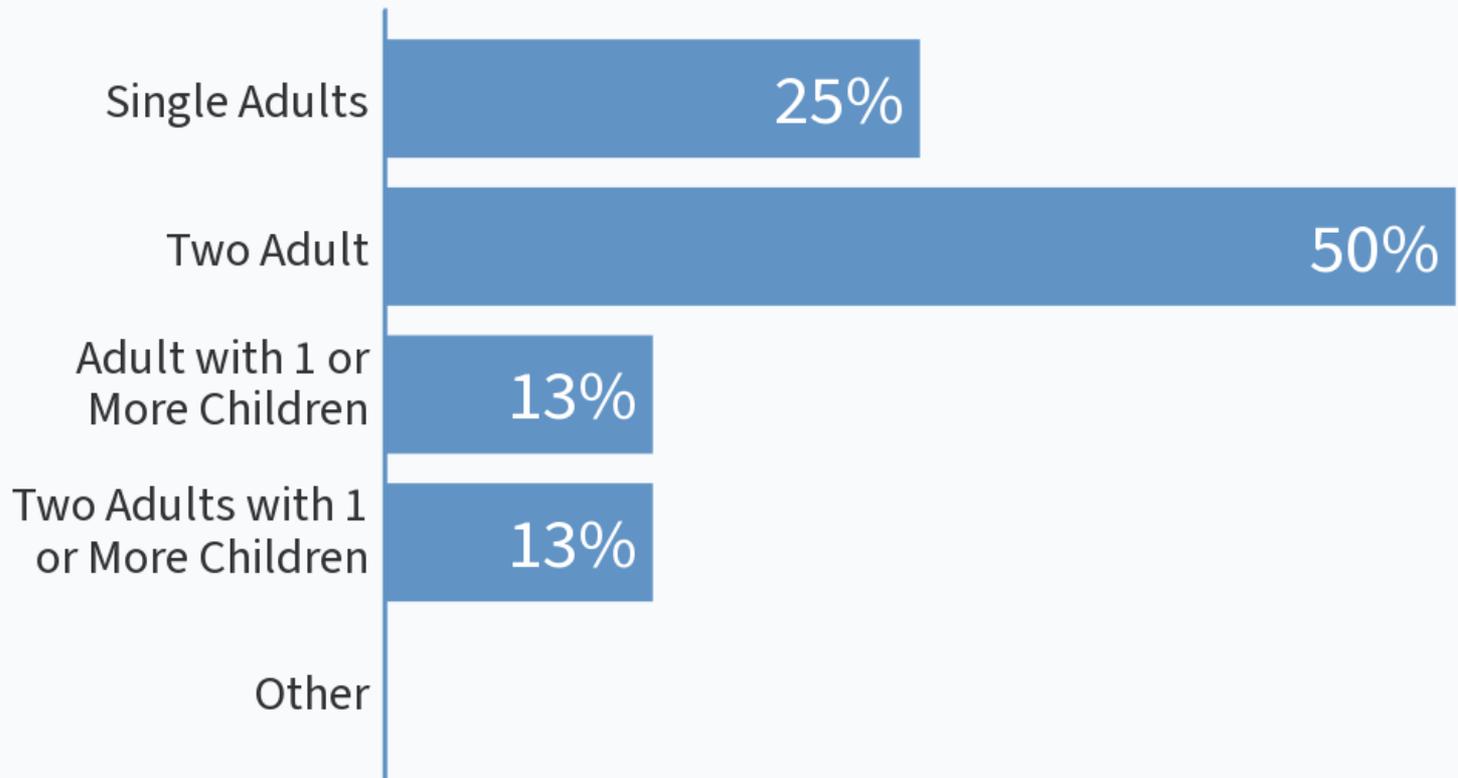
Total Results: 7

What is your age?



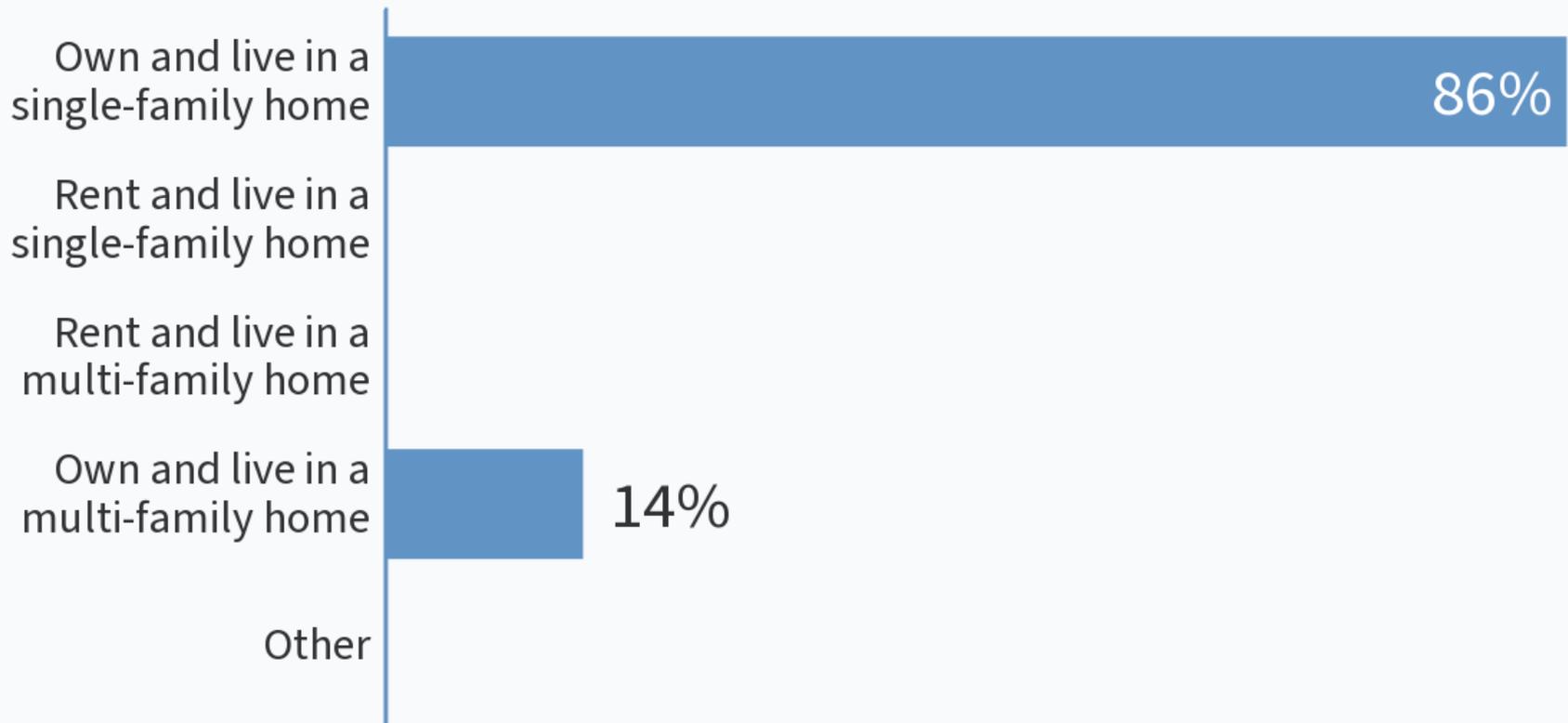
Total Results: 10

Which of the following is your household currently composed of?



Total Results: 8

Which of the following best describes your current home?



Total Results: 7

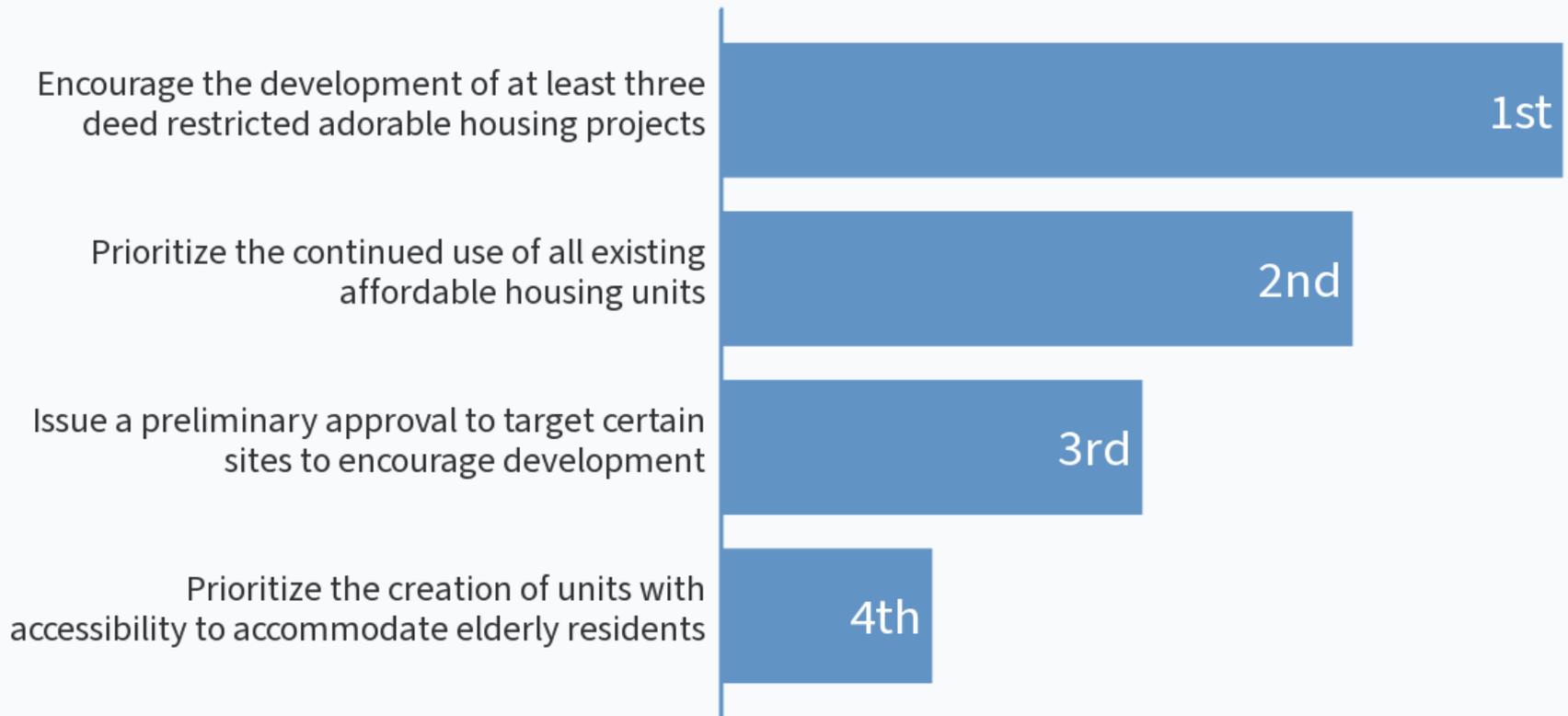
PRIORITIES OF THE 2019 AHP

Essex was the first community in the RiverCOG region to have approved an Affordable Housing Plan under CGS Section 8-30j. Some of the “high priority” implementation items from the 2019 Plan included:

- Issue a preliminary approval to target certain sites to encourage development
- Prioritize the creation of units with accessibility to accommodate elderly residents
- Encourage the development of at least three deed restricted affordable housing projects
- Prioritize the continued use of all existing affordable housing units



Rank the priorities from the 2019 Plan. The first being the most important.



Total Results: 6

EXPANDING HOUSING AFFORDABILITY CONCEPT #1

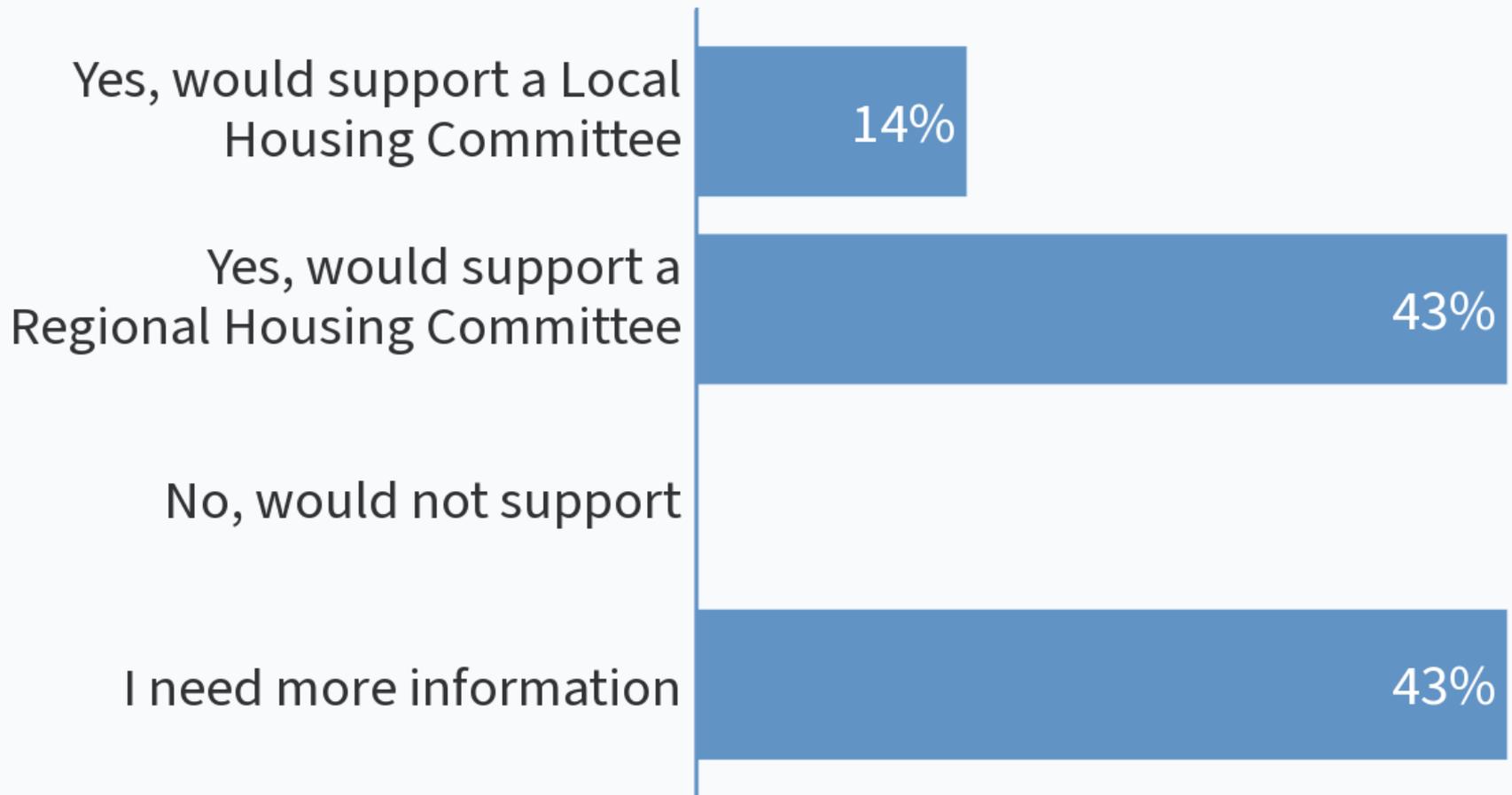
Housing is an issue that cuts across several “traditional” municipal departments, including Board of Selectmen, Planning & Zoning, Economic Development, Housing Authority, Board of Education, etc. In Essex, no single entity pays attention to the larger idea of affordability of housing for the current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

One idea for addressing the lack of affordable housing options in Essex would be to establish a standing Town or Regional 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 Essex or several neighboring towns. This Housing Committee would be primarily responsible for ensuring the implementation of the Town’s or Region’s housing goals.

Would you support this approach?



Would you support Concept 1?



Total Results: 7

EXPANDING HOUSING AFFORDABILITY CONCEPTS #2

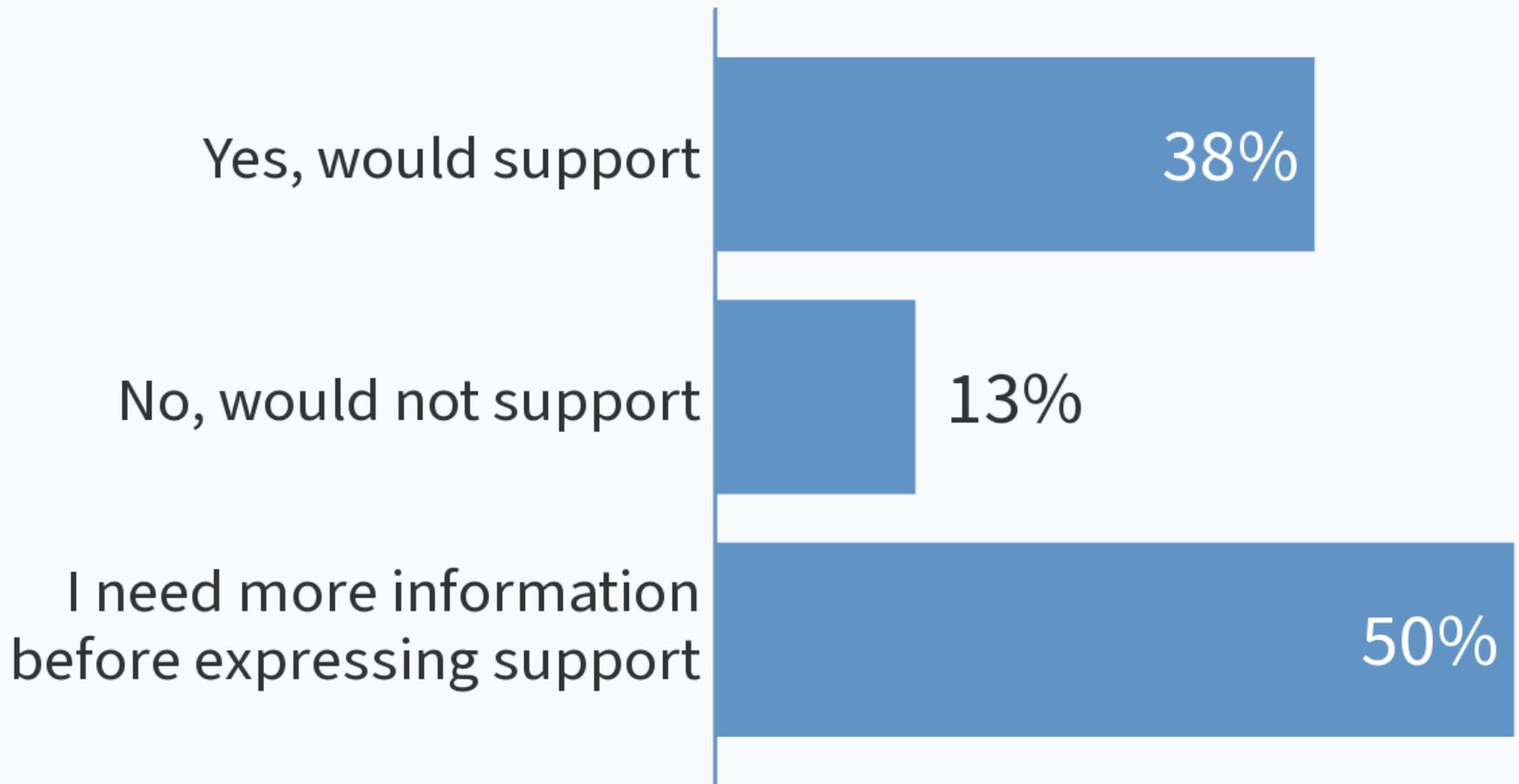
The Town Zoning Regulations currently only allows multi-family development in the Rural Multifamily Zoning District (RUM) at relatively low densities, following a Special Permit or via the newly-created Route 9 Gateway Special Development District. These areas comprise a geographically limited area of Town, and the RUM district consists of primarily existing, developed properties or remote and environmentally-constrained land.

One idea to expand housing opportunities in Essex would be to allow multifamily development in more zoning districts – at lower densities in Rural Residential district, at higher densities in Village Residence with suitable soils to support the density, and via Site Plan review in for redevelopment of existing buildings.

Would you support this approach?



Would you support Concept 2?



Total Results: 8

EXPANDING HOUSING AFFORDABILITY CONCEPT #3

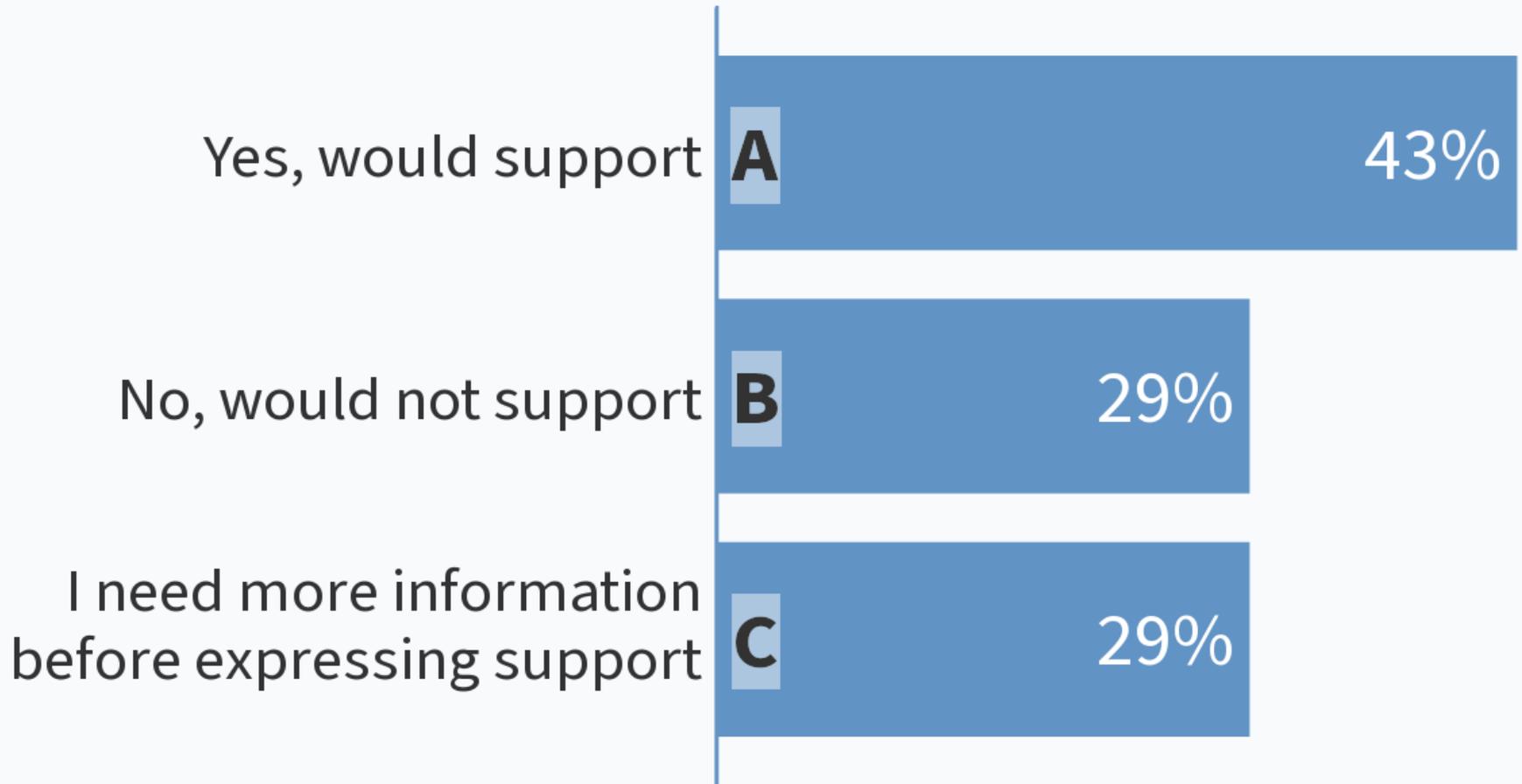
The Connecticut General Statutes, in Section 8-2i, allow for “Inclusionary Zoning” requirements at the local level. Similar to requirements that subdivisions set aside open space or pay a fee-in-lieu, this Statute allows municipalities to require that a certain percentage of new development would need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

One concept for expanding Essex’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 3?



Total Results: 7

NEXT STEPS

- Discussion of Strategies with Essex's Team
- Prepare Essex's 8-30j plan update – April/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: cduques@essexct.gov
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