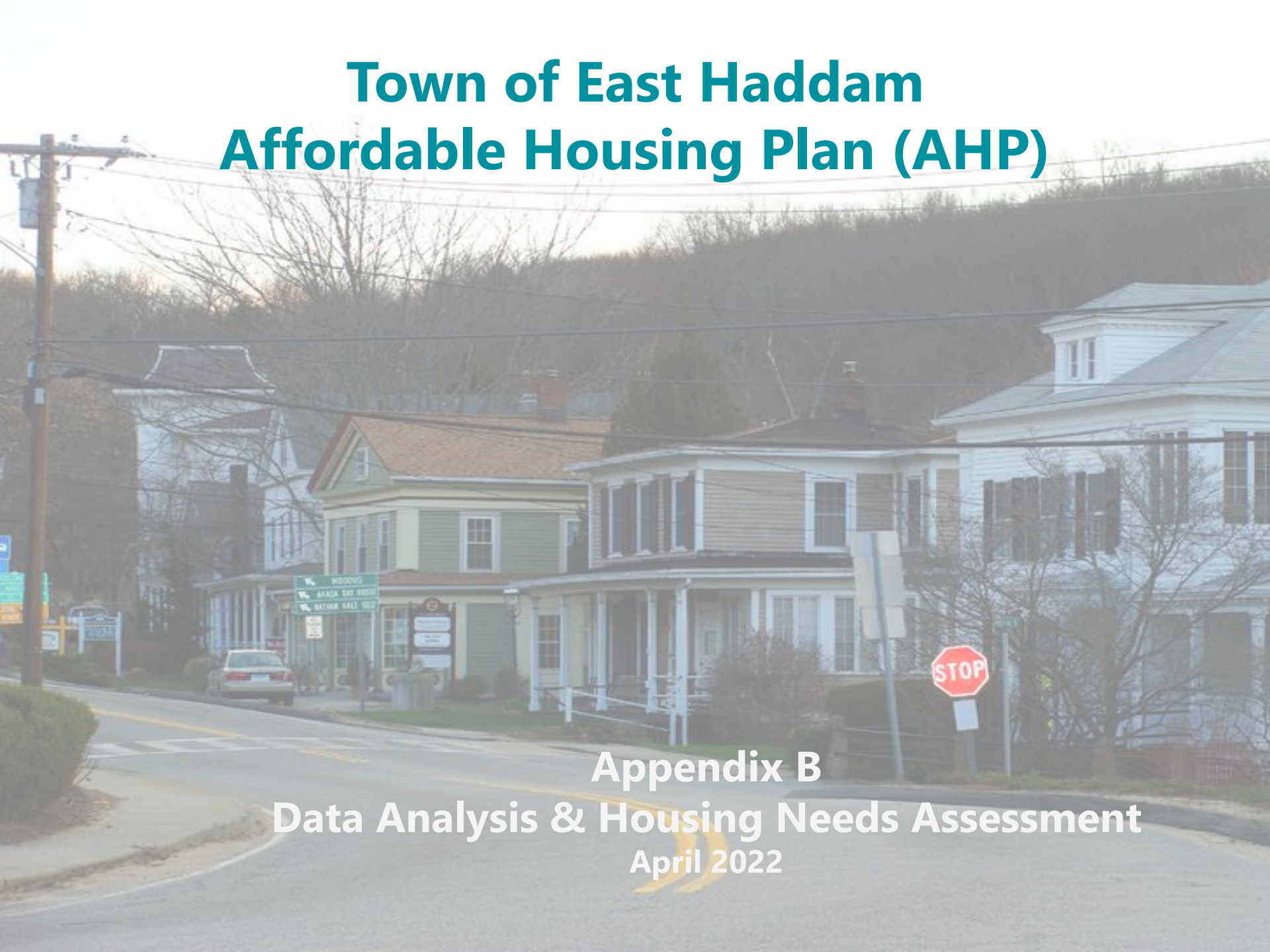
Town of East Haddam
Affordable Housing Plan (AHP)



Appendix B
Data Analysis & Housing Needs Assessment
April 2022

ACRONYMS AND DEFINITIONS

Definitions

American Community Survey (ACS) – The ACS is a data collection program overseen by the U.S. Census Bureau that collects demographic and housing data for individuals and households. The ACS surveys approximately 3 million households across the nation per year (roughly 2.5% of households) and aggregates the data on multi-year intervals. Because it is based on a multi-year sample, it is not directly comparable to the Decennial Census, which is based on a 100% population count every ten years.

Affordable Housing - Affordable housing is generally defined as housing on which the occupant is paying no more than 30 percent of gross income for housing costs, including utilities.

> **Protected Affordable Housing –** housing which, due to deed restriction or subsidy, costs a low-income household no more than 30% of their income, and is reserved for occupancy by a low-income household.
>
> **Naturally Occurring Affordable Housing (NOAH) –** housing *without* deed restriction or subsidy and costs a low-income household no more than 30% of their income but is not reserved for only low-income households.

Market Rate Rent - The prevailing monthly cost for rental housing. It is set by the landlord without restrictions.

Acronyms:

ACS – American Community Survey

AMI – Area Median Income

CTSDC – Connecticut State Data Center

DECD – Department of Economic Community Development

HUD – US Department of Housing and Urban Development

NOAH – Naturally Occurring Affordable Housing

POCD – Plan of Conservation and Development

PSC – Partnership for Strong Communities

RPA – Regional Plan Association

COMMUNITY SURVEY RESULTS



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ABOUT THE RESPONDENTS

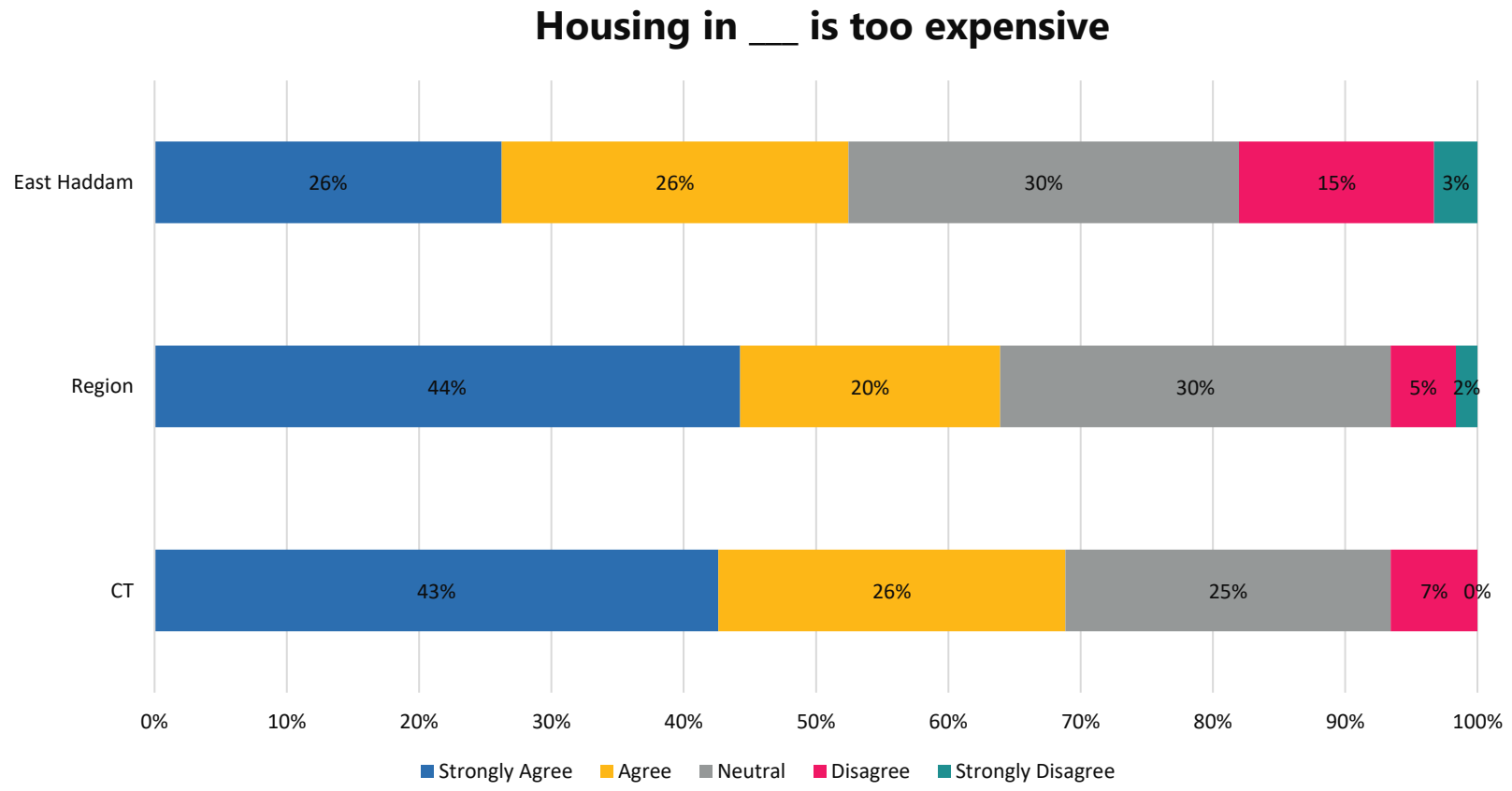
- Survey conducted in September – October 2021
  - Left open through late 2021 but did not receive much subsequent response
- **64 responses – unique IP addresses**
- 67% of respondents have lived in East Haddam for 20+ years, 25% for 10-20 years
- 94% live in single-family detached homes
- 94% own their home
- 34% are couple households with children in residence
- 20% are empty nesters
- Older adults are oversampled compared to Town population (66% 55+ vs. 31% in Census)
- 33% are retired
- 53% of respondents live in 1- or 2-person households – lower than Census figure (65%)
- 57% report over $100,000 in annual household income

ABOUT THE RESPONDENTS

- 64% see themselves having the same household size in 5 years
- 65% of respondents indicated remaining in their current home in 5 years
- 27% are likely looking to downsize in 5 years
    - into a smaller single-family home, condo/townhome, multifamily, senior living, or ADU
- 43% of respondents are aware of households who would benefit from more affordable housing in the community
- 46% know someone who struggles with housing costs
- 25% personally struggle with housing costs
- 43% are aware of affordable housing in Town

HOUSING NEEDS

- 69% agree housing in Connecticut is too expensive
- 64% agree housing in the Region is too expensive
- 52% agree housing in East Haddam is too expensive

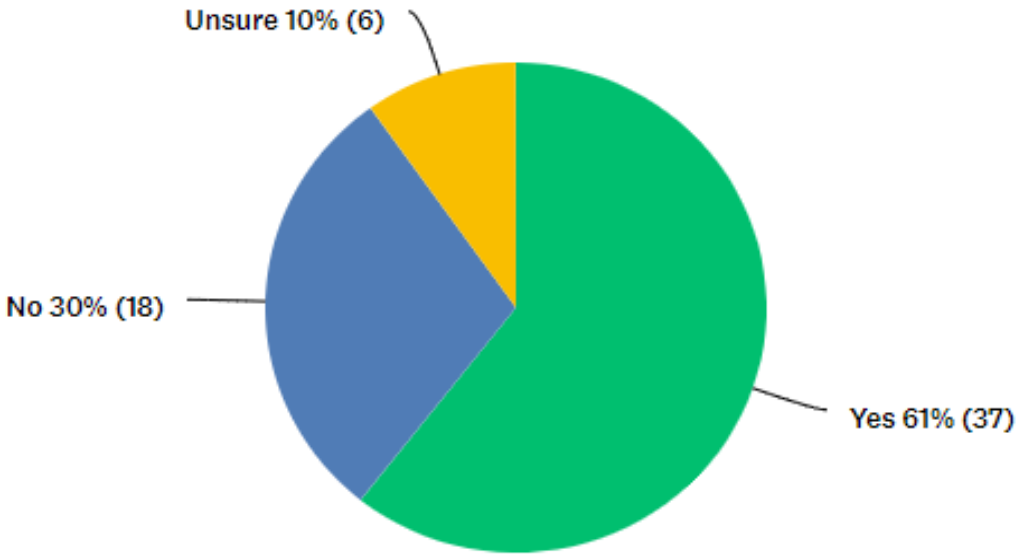


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HOUSING NEEDS

- 54% Respondents think housing is an important component in community longevity
- 45% do not think that the current housing options available meet residents' needs
- 40% do not think the existing housing stock is adequate to satisfy future market demands

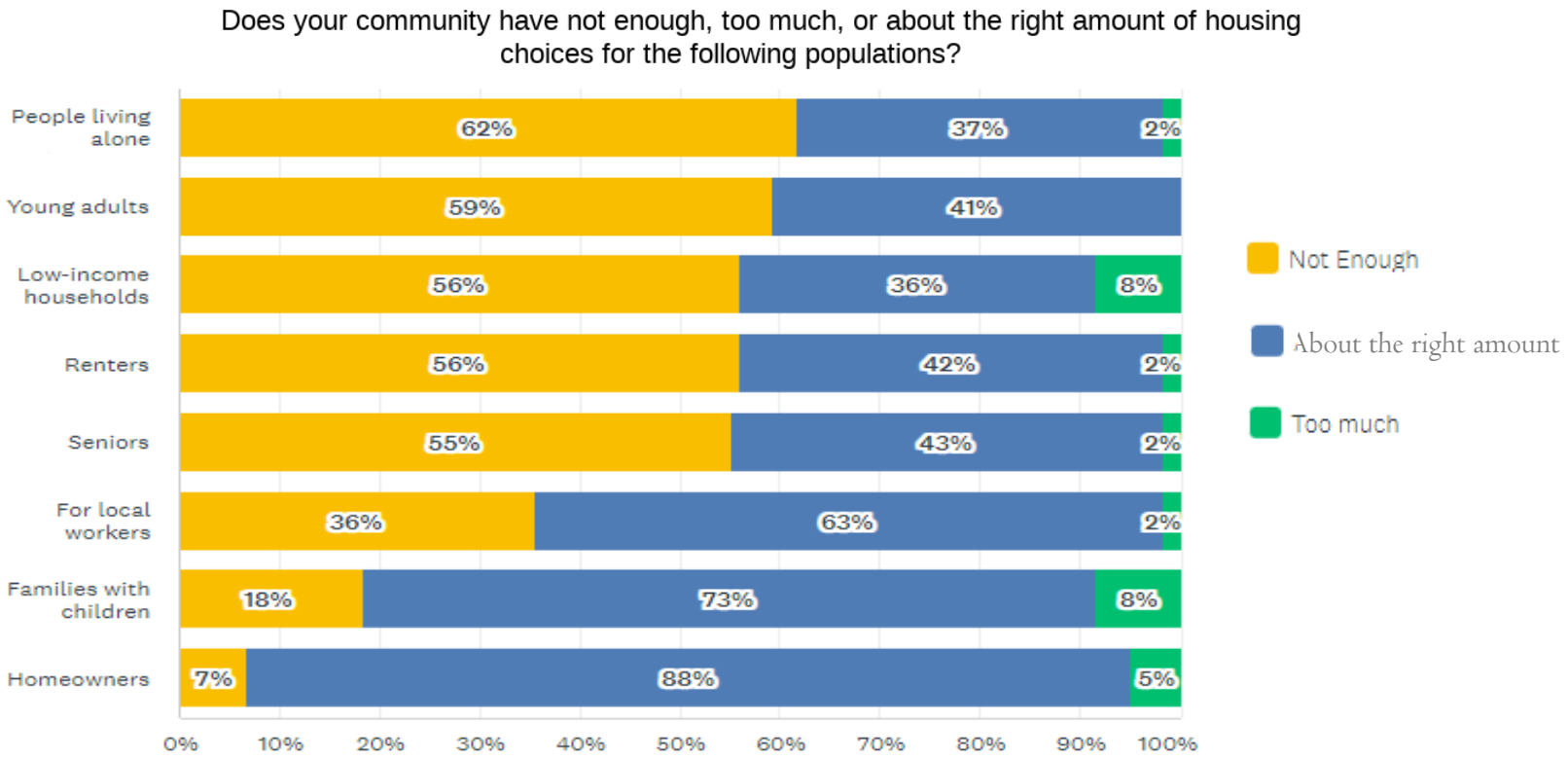
Do you think affordable or attainable housing is an important component of your community's longevity?



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HOUSING CHOICES

- Respondents most frequently cited that there are not enough housing choices for:
  - People living alone (62%)
  - Young Adults (59%)
  - Low-income households and Renters(56%)
  - Seniors (55%)
- Respondents felt that East Haddam has about the right amount of housing for homeowners, families with children, and local workers.



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POTENTIAL BENEFITS OF HOUSING DIVERSITY

- 49% of respondents said housing diversity would have a positive impact.
  - 30% of respondents said housing diversity would have a negative impact.

Top Benefits

1) Economic growth
2) Increased diversity of residents (socioeconomic, cultural, racial, age, etc.)
3) Enable seniors to age in place
4) Enable young people to remain in Town
5) Create opportunities for lower-income residents
6) Provide options for single income households
7) Equity

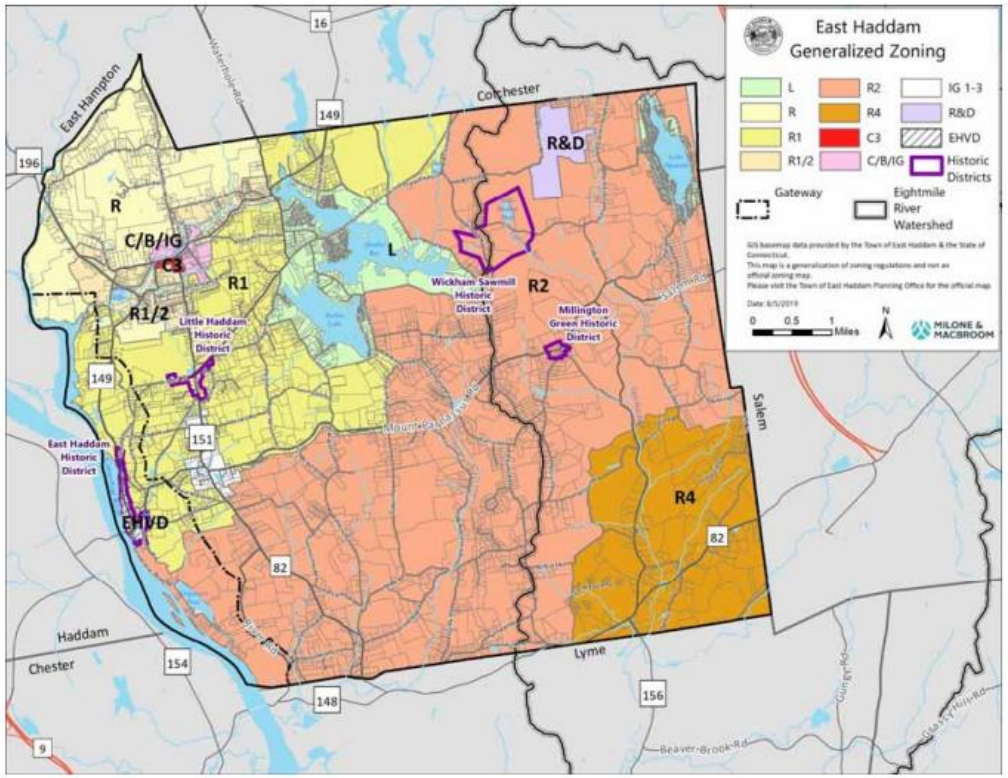


EXISTING CONDITIONS: PLANNING & ZONING REVIEW

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ZONING

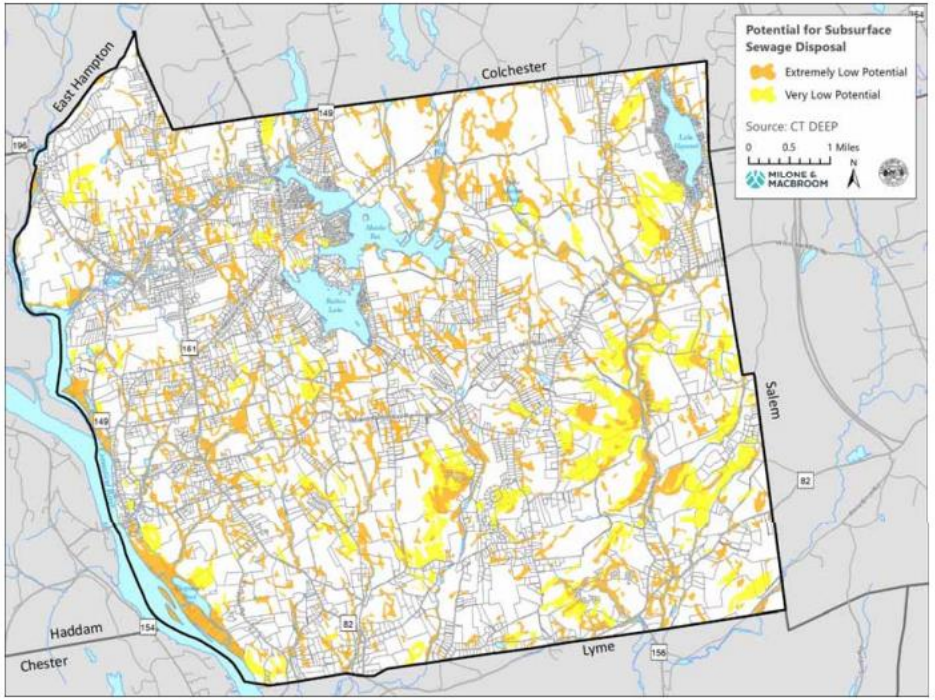
- Residential zones at a variety of densities
  - Mostly low density (1 house/2 acres)
  - Highest (1 house/0.5 acres)
  - Lake district can be more dense
- East Haddam Village
  - Higher density and mixed use by Special Exception



Source: East Haddam POCD 2019

INFRASTRUCTURE & BUILDABLE LAND

- Most of East Haddam's residents rely on well water and septic
  - Much of Town is a sewer avoidance area
- 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
  - Steep slopes and flood zones
  - Aquifer protection areas, and protected open space

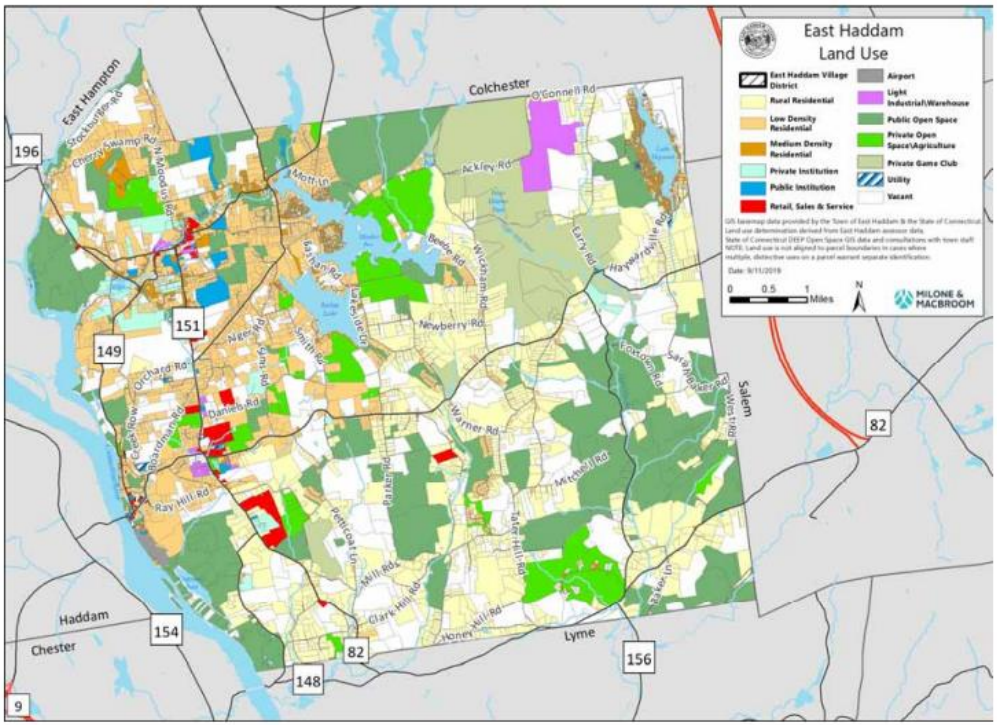


Source: East Haddam POCD 2019

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AVAILABLE LAND

- Nearly 25% of Town land is committed to open space.
- **21% of Town is vacant land**
  - Potential for new development
  - However, there may be environmental or infrastructure constraints



East Haddam Generalized Existing Land Use: 2018

Land Use	Acres	% of Total
Rural Residential	7,132	19.5%
Low Density Residential	5,048	13.8%
Medium Density Residential	564	1.5%
Residential Total	***12,744***	***34.9%***
Private Institution	496	1.4%
Public Institution	235	0.6%
Institutional Total	***731***	***2.0%***
Retail, Sales & Service	308	0.8%
Airport	57	0.2%
Light Industrial\Warehouse\R&D	402	1.1%
Commercial Total	***767***	***2.1%***
Public Open Space	7,264	19.9%
Private Open Space\Agriculture	1,778	4.9%
Private Game Club (Not O.S.)	2,558	7.0%
O.S., Ag., Game Club Total	***11,600***	***31.8%***
Utility	60	0.2%
Vacant	7,817	21.4%
Other	2,790	7.6%
Grand Total	***36,509***	***100%***

Source: East Haddam POCD 2019

HOUSING OPPORTUNITIES FROM POCD

Adopted in 2019, Goals and Strategies include:

Goal 1.1: Diversify housing opportunities to meet the needs of all residents, regardless of age and income				
Strategy	**Lead Entity**	**Support Entity**	**Timeframe**	**Sustainable Initiative**
Direct housing development to areas within and adjacent to East Haddam, Moodus Village and other designated nodes.	PZC		O	
Encourage development of diverse housing types, scale and densities in the village neighborhoods in close proximity to commercial areas and public facilities.	PZC		O	
Discourage neighborhood-scale housing development in rural areas where natural land capacity, rural character, existing transportation and soils are not adequate to support development.	PZC		O	
Consider developing a new Village Residential zoning district for areas within or adjacent to the villages, which allows development of a range of housing types, including small-lot single-family housing, two-family and townhomes within walking distance to the commercial areas.	PZC	LUA	O	
Explore methods to better encourage mixed-use development in East Haddam and Moodus village Centers, including a mix of commercial, office and retail uses combine with an appropriate scale of housing types that support a traditional village character.	PZC	LUA	M	
Explore establishing community programs that assist property owners in 1) maintaining and rehabilitating aging housing units, 2) developing accessory apartments, and/or 3) increasing the energy efficiency/ sustainability of current housing units.				
Evaluate the density provisions of the PRUD floating zones to consider if regulating by units per acre rather than bedroom per acre would allow greater flexibility and variety in unit type to accommodate seniors and smaller households.				
Consider incorporating provisions to allow designation of low-income or moderate-income housing in PRUD developments in exchange for density bonuses.				

Goal 1.2: Establish programs and partnerships to expand housing opportunities
Strategy
Monitor changes in demographics, family structure and composition and the resulting effect on the housing needs of the town.
Investigate and pursue projects with non-profit developers to rehabilitate older housing for affordable housing units as opportunities for first-time buyers.
Pursue partnerships on a regional level to share resources to administer activities that promote housing programs and funding opportunities to expand affordable housing.
Where site conditions permit, explore methods to provide additional housing for senior citizens, such as allowance for increased density in PRUD districts to permit adult living communities at higher densities than is currently allowed.
In a planned manner, increase the percent of affordable housing (as calculated by the state formula) and work toward meeting the state goal of 10% affordable housing.

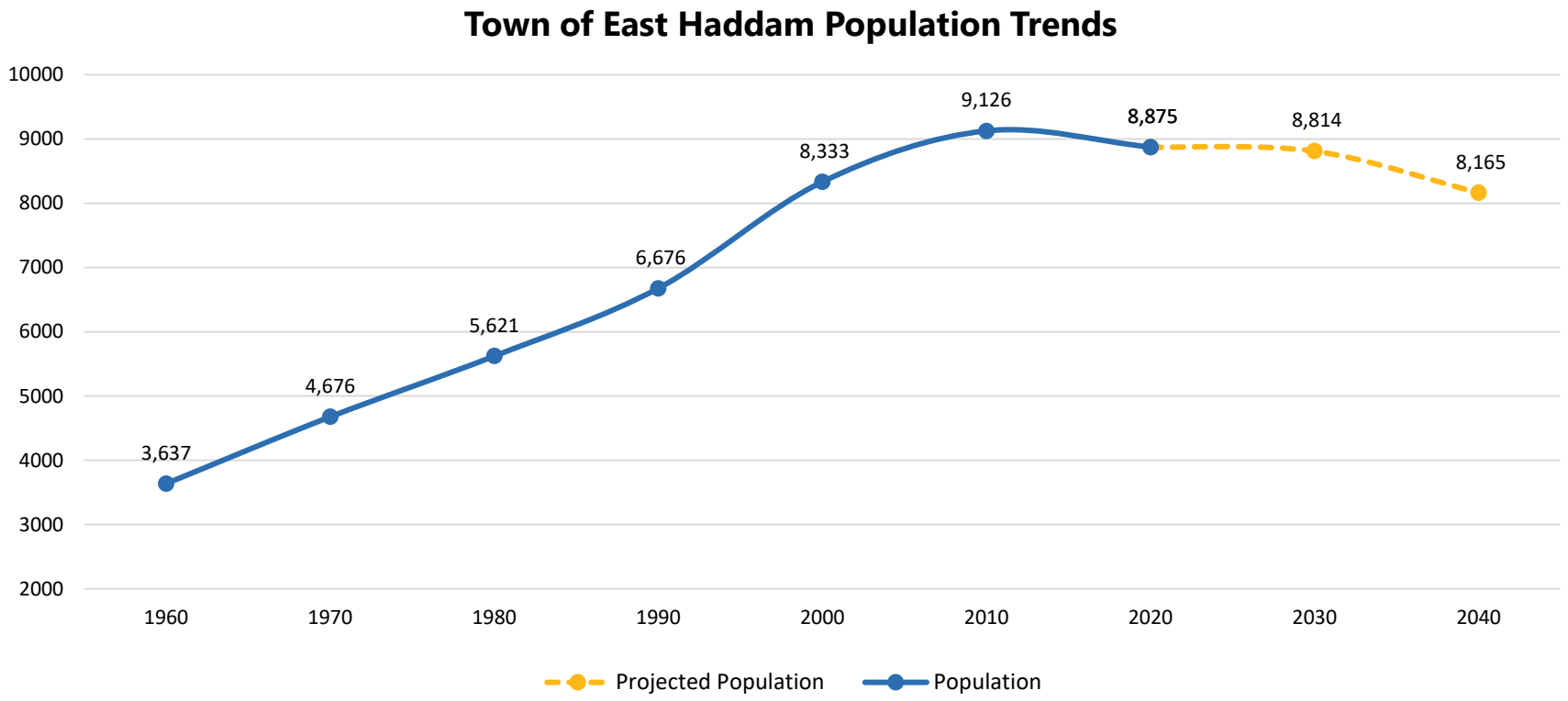
EXISTING CONDITIONS: DEMOGRAPHIC TRENDS

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DATA SOURCE NOTES

- **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

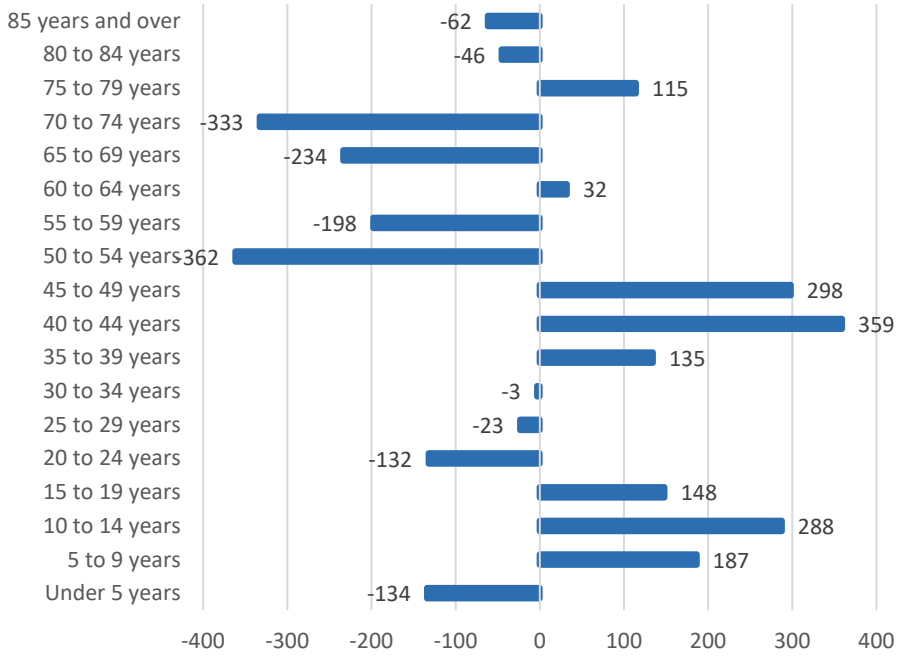


- East Haddam's population is showing it's plateauing
- After a peak in 2010, the population decreased by 2.8% in 2020
- **Future population drivers will likely be housing turnover**
  - Followed by housing construction, including new dwelling units, additions, and expansions

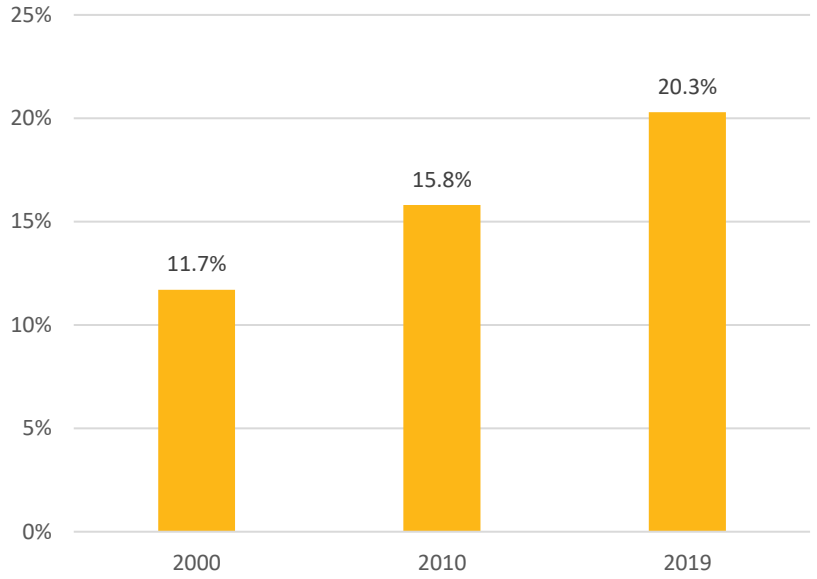
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AGE DISTRIBUTION

Change in Population Age Group, 2010 to 2019



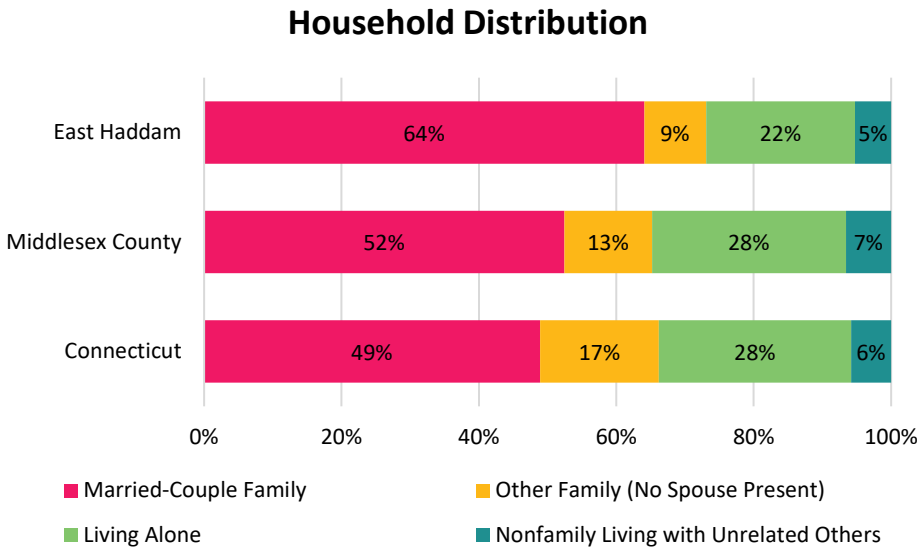
Percent of Population Age 65 years old and over



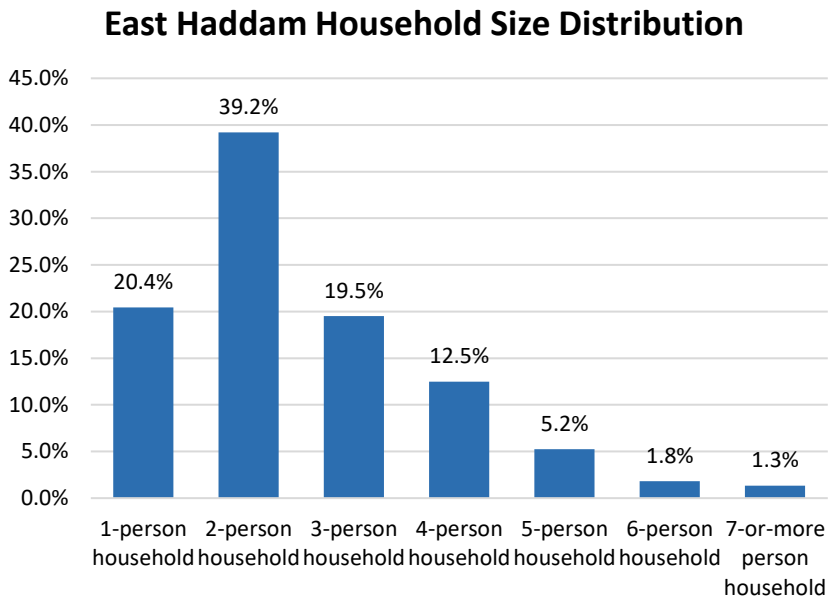
Source: 2010 and 2019 Decennial Census; 2019 ACS 5-Year Estimates, Table S0101

- Aging of large "baby boomer" cohort coinciding with growth in population age 65 and over
  - Regardless of drop from 2010 to 2019
- Share of population 65 years old and over has consistently grown since 2000, reaching 20.3% of the total population in 2019

HOUSEHOLD COMPOSITION



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



- East Haddam has a larger share of married-couple family households compared to state and county
  - Smaller share of other types of households compared to state and county
- **In 2019, 59.6% of East Haddam households are comprised of one or two persons**
  - Indicates trend to empty nester households

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HOUSING WAGE

- The “housing wage” in East Haddam is **$23.65/ hour.**
- Each year, the National Low Income Housing Coalition calculates the "housing wage," the hourly wage needed to afford a **2-bedroom rental home without paying more than 30% of income on housing.**
- According to indeed.com, estimated average salary for an elementary school teacher is $19.07 per hour in East Haddam, CT – less for entry level.
  - $14.90 for nurse’s aides
  - $14.67 for retail sales

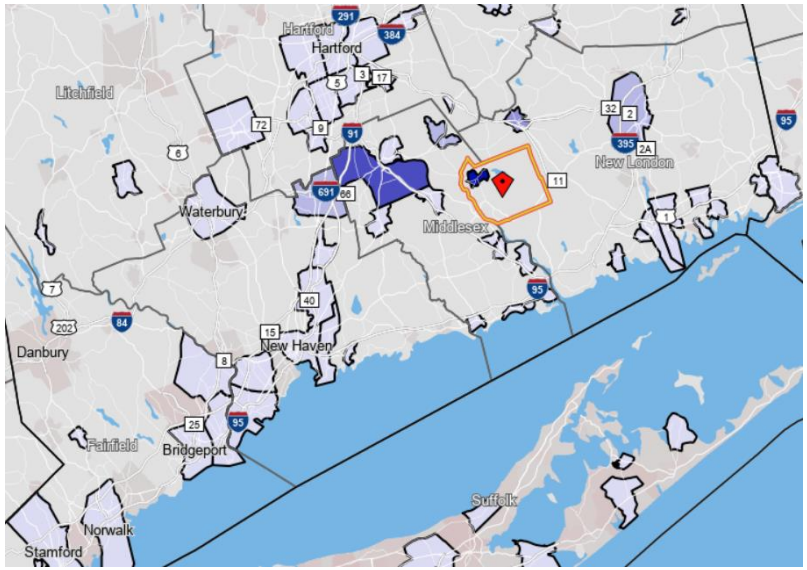
Source: Partnership for Strong Communities, 2019 National Low Income Housing Coalition, https://nlihc.org/

HOUSING WAGE

Major Employers 2021 (Town East Haddam)
Town of East Haddam
Chestelm Health & Rehab Center
Goodspeed Opera House Foundation
Franklin Academy
Dutch Oil, Propane and Landscaping
Shagbark Lumber and Farm Supply

- Major in East Haddam have essential functions
- Most people employed in East Haddam are from out of town
  - Typically, from places with more affordable or more diverse housing

Where Workers Who Commute to East Haddam Live (ACS 2019)		
All Workers	**1,379**	**100.0%**
Moodus, CT	77	5.6%
Middletown, CT	47	3.4%
New York, NY	26	1.9%
Colchester, CT	25	1.8%
East Hampton, CT	22	1.6%
Lake Pocotopaug, CT	20	1.5%
Meriden, CT	15	1.1%
Norwich, CT	15	1.1%
Essex Village, CT	10	0.7%
New London, CT	9	0.7%



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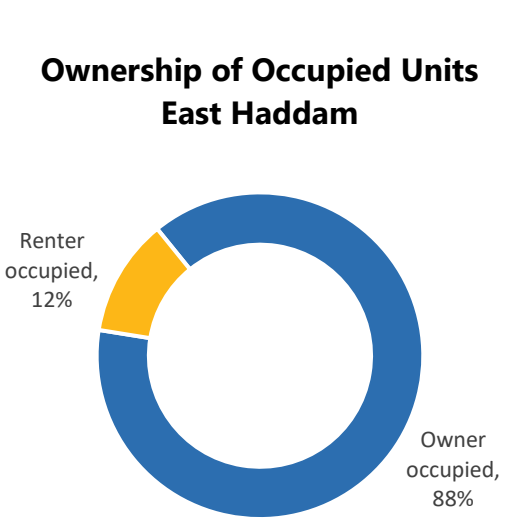
DEMOGRAPHICS SUMMARY

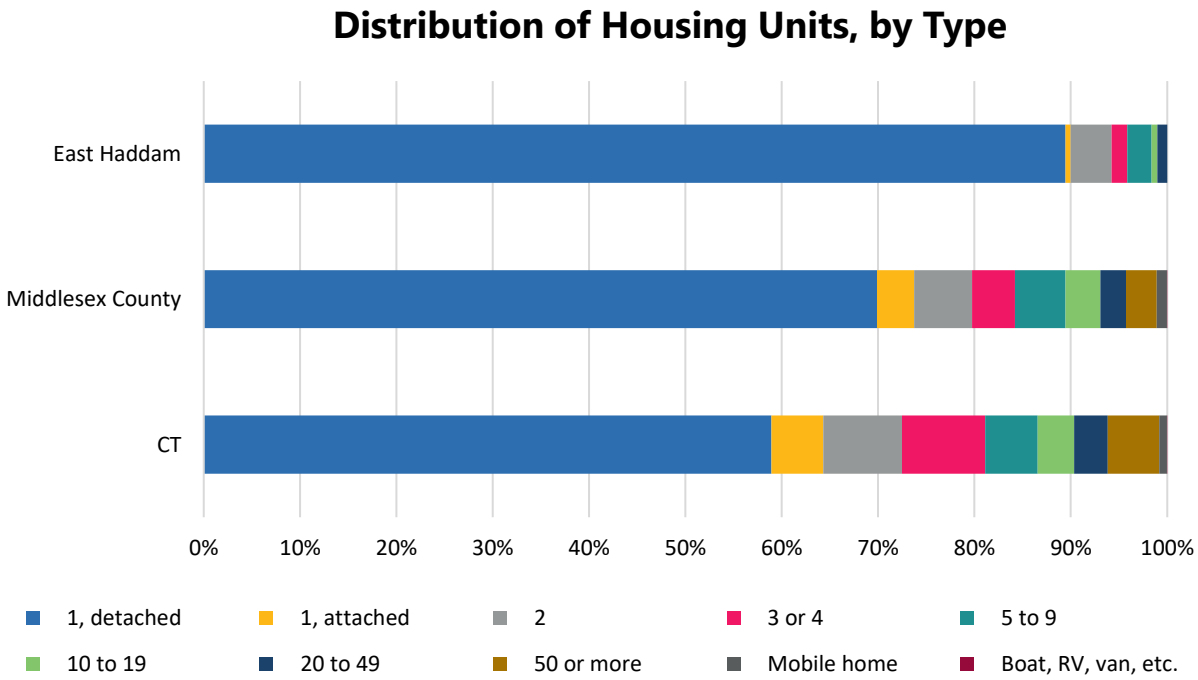
- Population has stabilized
- Largely built out community – future population growth tied to housing construction and turnover
- Aging community – growing share of population age 65 years old and over
- Over half of East Haddam households are made up of one or two people

EXISTING CONDITIONS: HOUSING MARKET TRENDS

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HOUSING TYPOLOGY



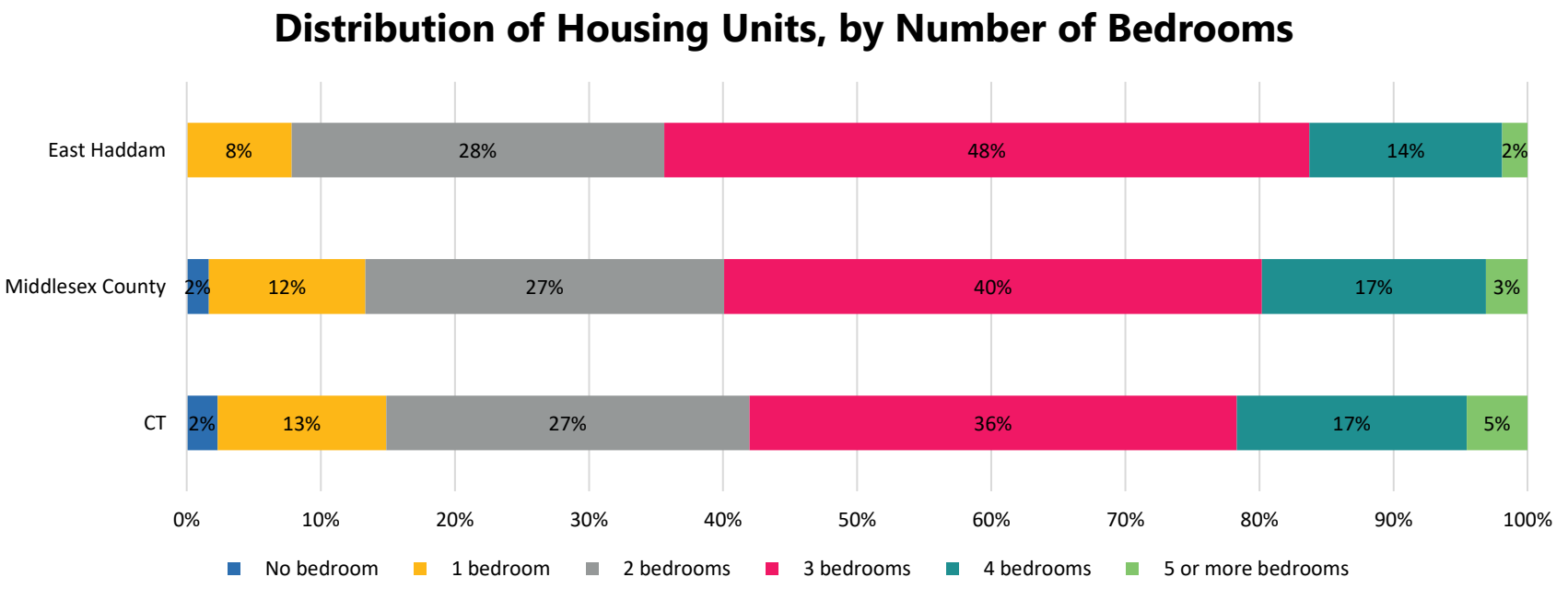


Source: ACS 2019 B25008

- Only 12% of occupied units in East Haddam are renter-occupied compared to 26% in Middlesex County
- East Haddam has a high share of single-family homes - 89%. Much higher than state or county

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HOUSING TYPOLOGY

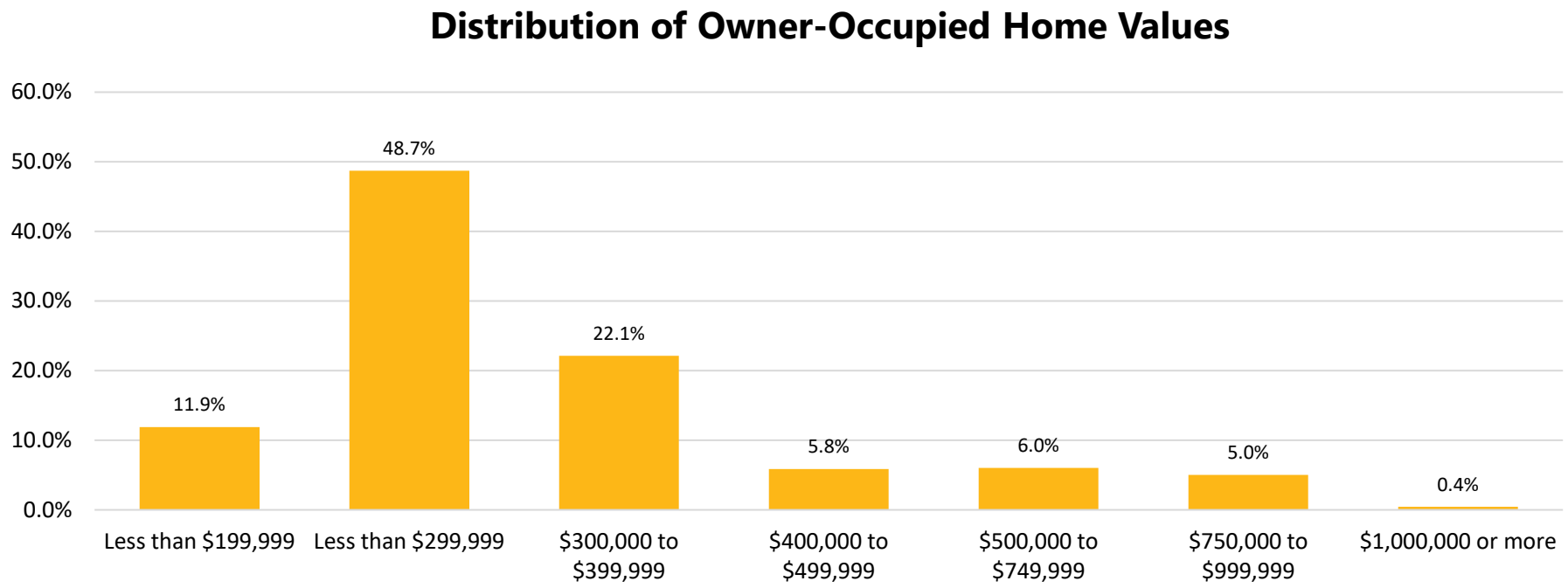


Source: 2019 American Community Survey, 5-Year Estimates

- Over 74% of housing units in East Haddam are 3, 4, or more bedrooms
  - In 2019, 57% of households had two people or fewer
- Size of housing units are largely suited to families with children

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HOME VALUE DISTRIBUTION

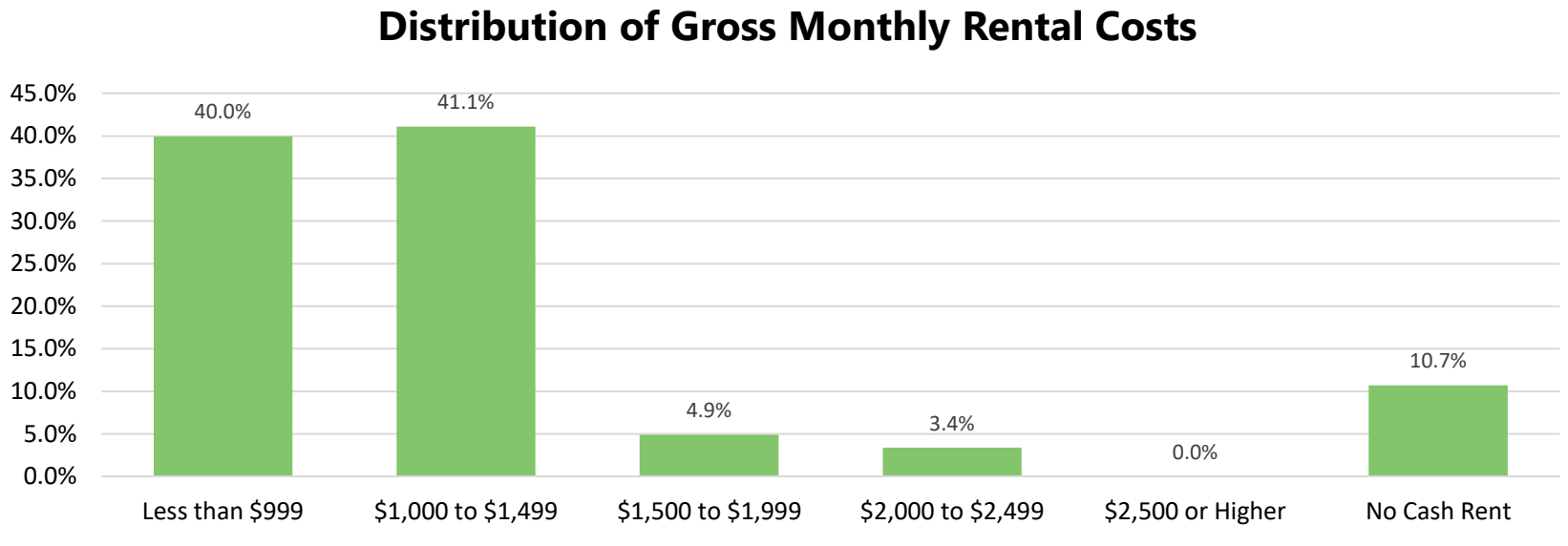


Source: 2019 American Community Survey, 5-Year Estimates, table B25075

- Somewhat evenly distributed range of housing prices for owner-occupied
  - Clustered between $200k and $300k

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GROSS RENT DISTRIBUTION

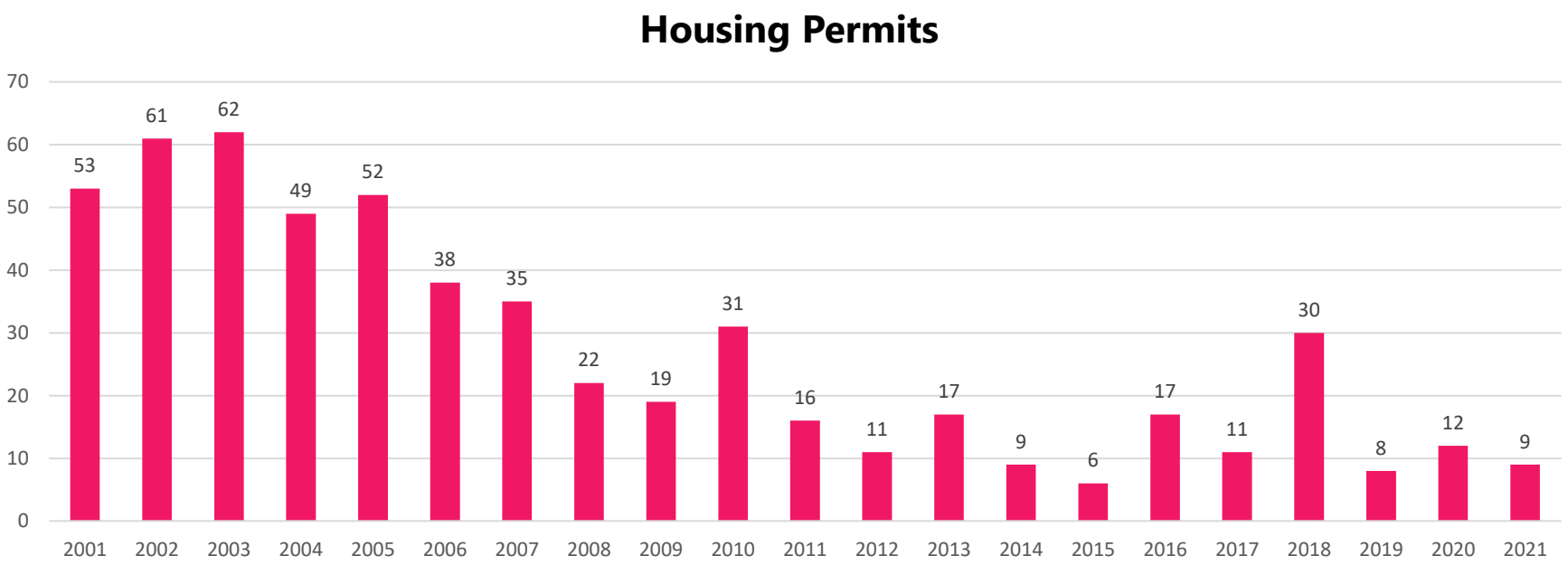


2015 American Community Survey 5-Year Estimates, Table B25063

- Median gross monthly rent in East Haddam is $1,039, which is lower than both Middlesex County ($1,162) and Connecticut ($1,156)
- 40% of rental units are under $1,000
- "No cash rent" units may allow occupancy without charge. Rent-free houses or apartments may be provided to compensate caretakers, ministers, farmers, actors, or others.

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HOUSING PERMIT ACTIVITY

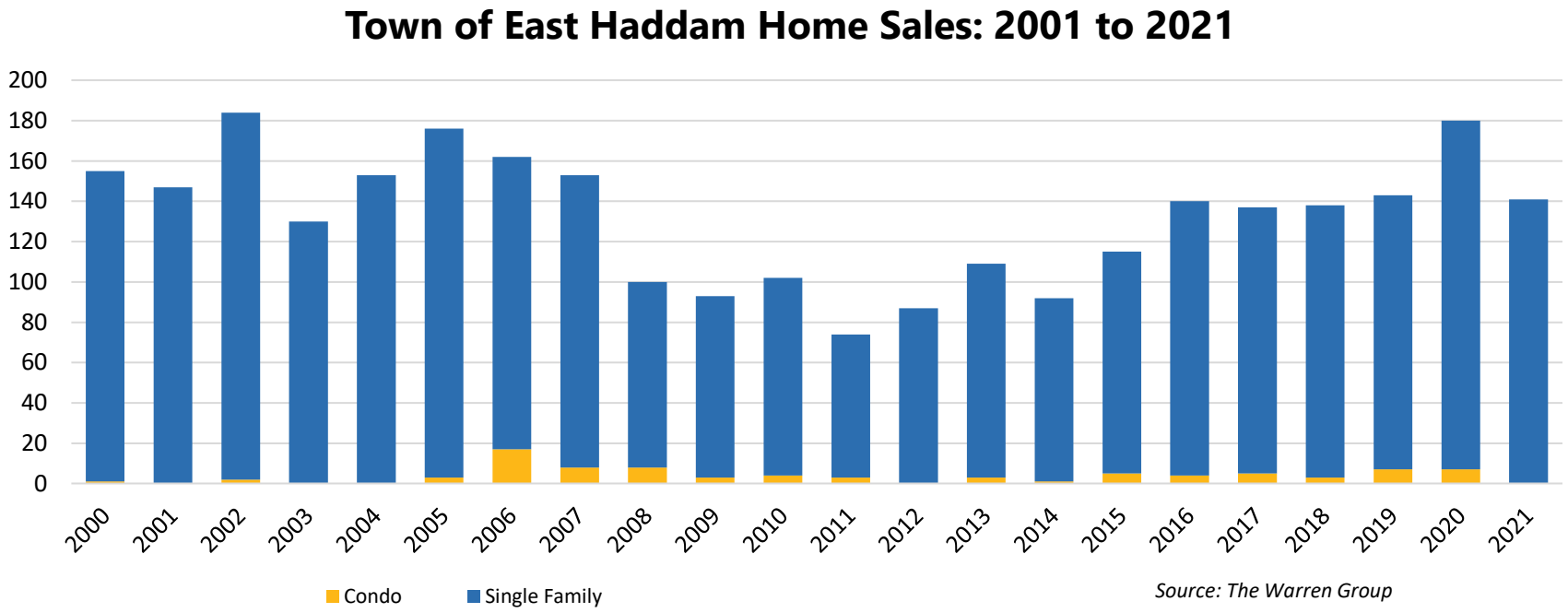


Source: CT DECD Permits by Town

- Housing permit activity dropped off significantly in the 2000s, indicating lack of available land and economic conditions – decline is continuing
- Since 2015, East Haddam has averaged 16 housing permits annually
- Housing permits do not include additions, renovations, nor reinvestment

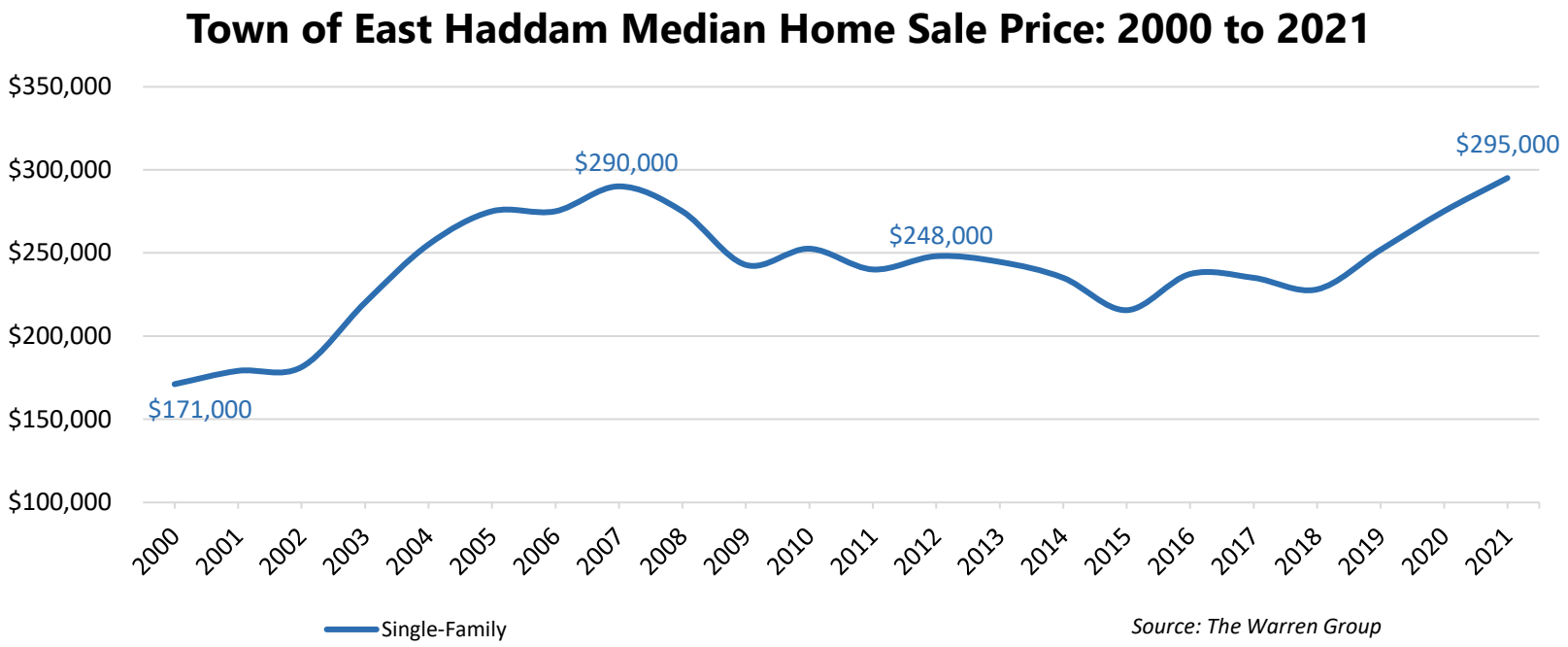
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HOME SALES



- Nearly exclusive single-family market
- From 2016 to 2019, home sales were generally stable, averaging about 95 per year
- 2021 saw slight decline from COVID-related bump

HOME SALE PRICES



- **Median sale price for single-family homes in East Haddam increased by 5% in 2020 and 7% 2021 to a historic high surpassing 2007 prices**
- Increasing sale prices may encourage more current owners to sell

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HOUSING MARKET TRENDS: TAKEAWAYS

- Homogenous housing stock
  - Primarily single-family, owner-occupied units
- Downsizers and individuals are likely to seek housing outside of East Haddam
- Largely built out community
- Strengthening of the single-family sales market in 2020 likely driven by the pandemic
  - Increasing sale prices may incentivize more current owners to sell

HOUSING NEEDS ASSESSMENT

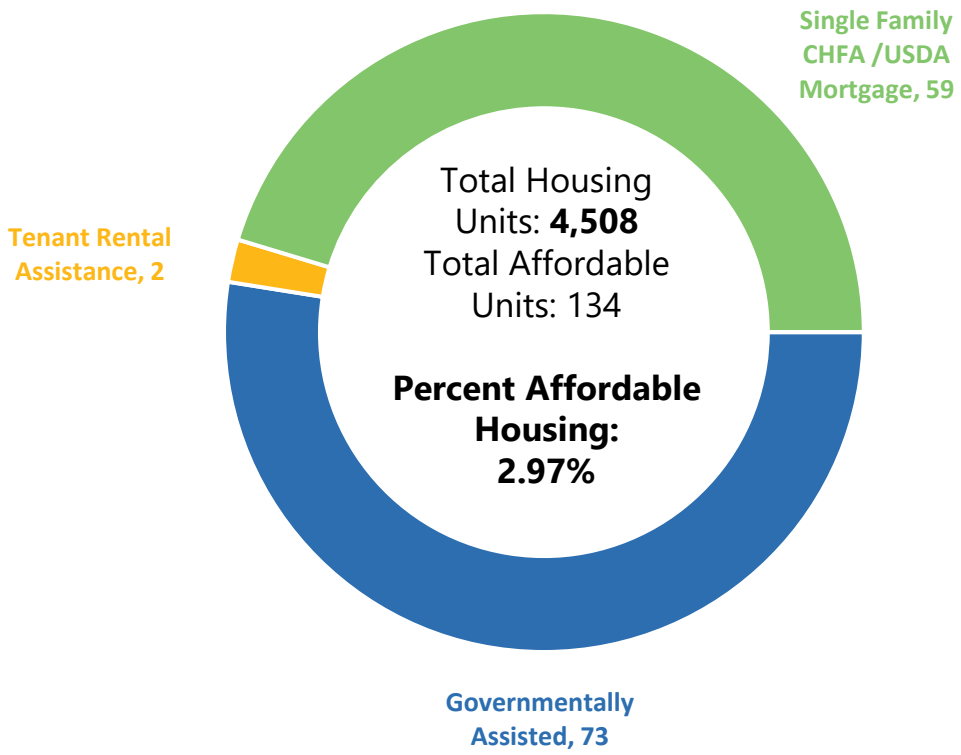
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PROTECTED AFFORDABLE HOUSING

- **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, 134 units, or 2.97% of East Haddam's total housing units were protected affordable units**

Affordable Housing Units in East Haddam, by Type: 2021



Source: DECD Affordable Housing Appeals List, 2021

AFFORDABLE HOUSING NEEDS

How many East Haddam Families Need Affordable Housing?

Low Income
51% to 80% of AMI

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

450 Low income HHs

400 Homeowners

50 Renters

Very Low Income
31% to 50% of AMI

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

260 Very Low income HHs

175 Homeowners

85 Renters

Extremely Low Income
30% of less of AMI

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

365 Extremely Low income HHs

235 Homeowners

130 Renters

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

- There are **1,075 households** in East Haddam **(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

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



$1,554/month
for an individual



$2,219/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



$1,015/month
for an individual



$1,449/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



$869/month
for an individual



$663/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

$191,000
for an individual

$272,000
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

$124,000
for an individual

$178,000
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

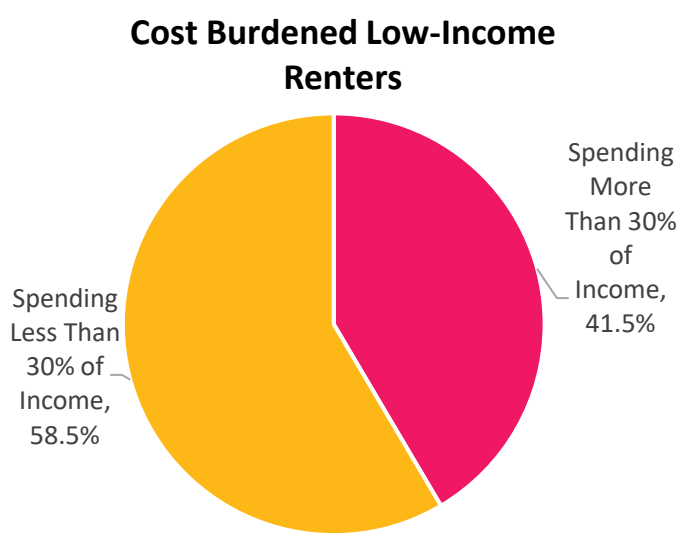
$74,000
for an individual

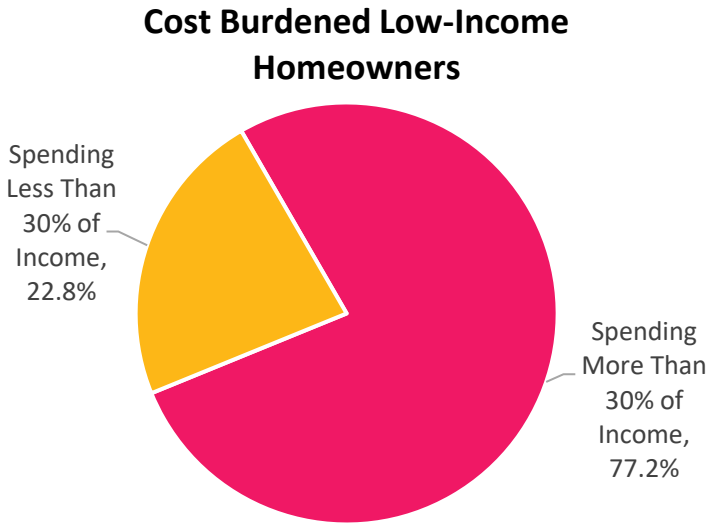
$106,000
for a family of 4

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 BURDEN: EXISTING CONDITIONS





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

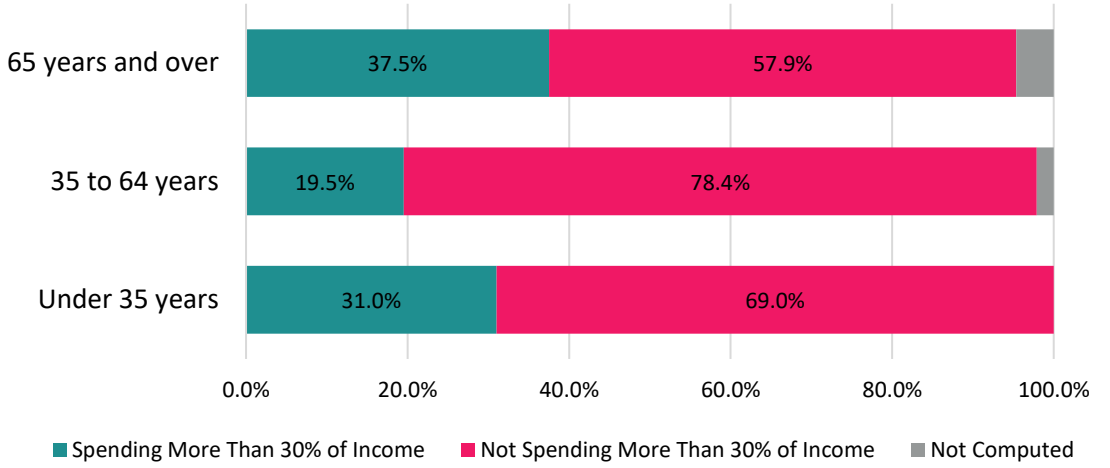
- **Cost Burden** is defined as households that spend greater than 30% of their income on housing. These households may have difficulty affording necessities such as food, clothing, transportation, and medical care
- **In 2018, about 68.4% of East Haddam's low-income households are cost-burdened**
  - **Compares to 9.4% for households who are not considered low-income**

COST BURDEN: EXISTING CONDITIONS

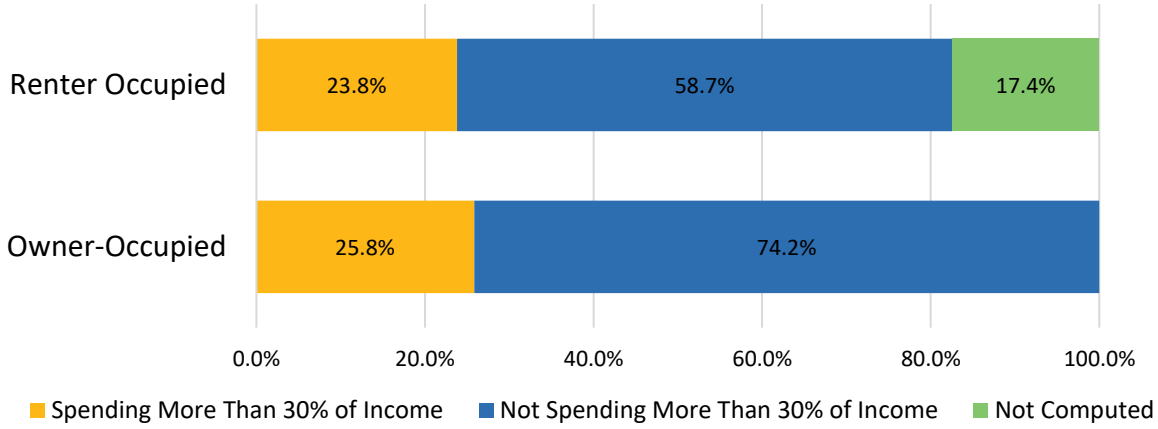
Cost Burden for Other Populations in East Haddam

- Senior households are more likely to experience cost burden (37.5%) compared to other households
- Householder under 35 are also more likely to be cost burdened
- Owners and renters equally likely to be cost-burdened

Portion of Income Spent on Housing, by Age



Portion of Income Spent on Housing, by Tenure



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

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)	$106,000	235	71	(164)
Very Low Income (<50% of AMI)	$178,000	410	307	(103)
Low Income (<80% of AMI)	$272,000	810	1,356	546

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)	$663	130	72	(58)
Very Low Income (<50% of AMI)	$1,449	215	424	209
Low Income (<80% of AMI)	$2,219	265	466	201

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)	$74,000	235	59	(176)
Very Low Income (<50% of AMI)	$124,000	410	108	(302)
Low Income (<80% of AMI)	$191,000	810	373	(437)

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)	$869	130	129	(1)
Very Low Income (30% to 50% of AMI)	$1,015	215	224	9
Low Income (50% to 80% of AMI)	$1,554	265	435	170

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 East Haddam
  - 1,075 households (29% of total) are classified as low income and could be eligible for affordable housing
- 27% of households are spending more than 30% of their income on housing costs (cost burdened)
- Town has 134 protected affordable units, or 2.97% of total housing units
- Populations with disproportionate cost burdens and housing needs include:
  - Low-income households making less than 80% AMI
  - Senior households
  - Homeowners
  - Single-person/ single-income households