



Town of Old Lyme

Regional and Local Housing Studies Implications for Old Lyme

Affordable Housing Commission
EDC Forum
March 19, 2022



What is “Affordable Housing”?

- Generally defined as owner occupied or rental housing that costs 30% or less of household income
- Legally defined in CT as housing that, through subsidy or deed restriction, costs no more than 30% of the income for low-income households, defined as earning 80% or less of the area median income (AMI) as set by HUD. The current AMI for Old Lyme is \$88,600. There are over 900 households in Old Lyme that qualify as low income.
- Housing costs include mortgage or rent, taxes, fees, utilities, maintenance

Qualification Limits for Old Lyme	Maximum Annual Household Income	Maximum Monthly Housing Budget
Household size = 1	\$55,950	\$1,399
Household size = 4	\$79,900	\$1,998

About 1 in 4 households in Old Lyme today are spending more than 30% of their income on housing



Relevant Statutes and Regulations

- **Connecticut General Statutes Sec. 8-30g**

- Sets qualification requirements for affordable housing
 - For occupants, based on HUD income limits
 - For housing, based on cost of ownership or rent + deed restriction
 - For developments, with at least 30% of the units set aside and restricted as affordable
- Defines a process for developers to appeal denials of applications for affordable housing projects, with the burden of proof on towns
 - Applies to towns with less than 10% of their housing qualified as affordable (Old Lyme has under 2%)
 - Towns lose 70% of appeal cases

- **Connecticut General Statutes Sec. 8-30j**

- Requires towns to prepare and adopt an Affordable Housing Plan that specifies “how the municipality intends to increase the number of affordable housing developments in the municipality”
- First version due by June 1st 2022, updates required every 5 years

- **Other State and Federal Regulations**

- Fair Housing
- Federal Department of Housing and Urban Development Income Limits
- Federal EPA, CT Department of Energy and Environmental Protection Clean Water

The 8-30g “10%” is an exemption threshold for the appeals provisions – NOT a mandate



Regional and Local Housing Plans

Lower CT River Valley Regional Housing Plan RiverCOG

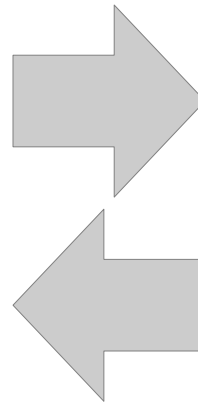
- General housing analysis and plan, including market + affordable
- Covers all 17 municipalities in the Lower CT River Valley Region
- Region-wide housing conditions, trends, challenges, opportunities
- Regional housing needs assessment
- General recommendations for regional cooperation and resources

Regional POCD

Old Lyme Affordable Housing Plan Affordable Housing Commission

- Affordable housing analysis and plan
- Mandated under CGS Sec. 8-30j
- Covers Old Lyme only
- Local housing conditions, trends, challenges, opportunities
- Local affordable housing needs assessment
- Strategy and plan to increase affordable housing locally

Old Lyme POCD





About the Regional and Local Housing Studies

- The information being presented today is highly summarized
- 2020 census data are still being released but are not expected to materially change the results of the studies
- In-depth data for the regional study is available at: <https://www.rivercog.org/rhp>
- In-depth data for the Old Lyme study is available at: <https://www.oldlyme-ct.gov/affordable-housing-commission>
- Regional findings were generally consistent across most of the 17 municipalities in the region including Old Lyme, with Middletown, the largest municipality in the region, as an outlier:
 - 26% of the region's total housing units are in Middletown
 - 81% of the region's multifamily housing is in Middletown
 - 71% of the region's affordable housing is in Middletown
 - Middletown has the lowest median age (35.2 years) in the region, and is the only municipality in the region with a median age that is lower than the national median





Summary Findings from Regional and Local Housing Studies

- **The region's population is stagnant, verging on decline, and projected to decrease**
- **The region's population is aging**
 - Old Lyme's median age at 52 years is among the highest in the region and state
 - There are multi-year wait lists for senior housing today
 - The aging trend is projected to continue for the coming decades
- **Household size is decreasing across the region**
 - 70% of the households in Old Lyme are 1-2 persons today, and that fraction is expected to increase
- **Housing options are limited across the region**
 - 70% of the housing in Old Lyme consists of large 3+ bedroom single family homes
 - There are few multifamily and rental units
 - Current zoning in Old Lyme favors low density detached single family homes in the majority of districts
- **The housing supply is aging across the region, and new construction is limited**
 - Land availability, infrastructure, and environmental factors are barriers
- **Even though the region is generally affluent, there is an inadequate supply of affordable housing**
 - 1 in 4 households in Old Lyme (over 800) are cost-burdened by housing, but there are only 83 qualified affordable units in town, and it has been over 20 years since any new affordable housing has been built
- **Job growth in the region and state has been declining**



Implications for Old Lyme

- Jobs, housing, and the economy are all tightly linked
- Our economy is and will continue to be increasingly dependent on a workforce made up of smaller households seeking smaller homes and rentals
- As our current population continues to age and, willingly or unwillingly due to the lack of housing options, leaves Old Lyme, it will become increasingly difficult to find people to move in and buy the large homes that make up most of the housing stock
- There is a large gap between the number of households in Old Lyme that could benefit from affordable housing and the availability of affordable housing
- The current housing market is being driven by low inventory and a surge in pandemic-related relocation rather than economic growth, and the forecast for the market remains generally weak
- The future socioeconomic health of the community is at risk
- We have opportunities to improve this situation, and creating more housing options needs to be part of the plan

The economy is at risk – housing is part of the problem and needs to be part of the solution



Old Lyme POCD and EDC Report Agree

Planning Commission

“... options should be considered for a quantity and variety of other compatible housing types sufficient to meet the needs of various age groups, income levels and family configurations. This should include multi-family, mixed use and accessory apartments. This process should be open to regulatory changes that provide incentives to develop affordable housing. This should include changes to the current regulations for accessory apartments, possible overlay of zones and mixed-use development”

“... the lack of available housing for young adults is having a negative impact on recruitment for volunteer services such as the Old Lyme Fire Department and Ambulance Association, threatening the sufficiency of such purely voluntary services.”

- 2020 Old Lyme Plan of Conservation and Development

“There is evidence that Old Lyme’s lack of housing diversity is constraining its growth. Furthermore, additional housing options could help bring the density needed to support the additional dining, entertainment, and retail options desired by the residents. A variety of housing types, sizes, and price points should be considered.”

- 2020 Old Lyme Economic Development Commission Report

Economic Development Commission



What Comes Next

- Second Affordable Housing Plan Community Workshop will be held on Tuesday March 29th
 - The first workshop focused on background information, housing data, case studies, and initial thinking on an affordable housing strategy
 - The second workshop will focus on the strategy, recommendations, and action plan
- Development capacity analysis for Old Lyme
 - Will be used to help set realistic expectations and goals
- Old Lyme Affordable Housing Plan adoption by June 1st
- Regional Housing Plan adoption by June 1st

For more information:

<https://www.oldlyme-ct.gov/affordable-housing-commission>

<https://www.rivercog.org/rhp>



THANK YOU