MADISON AD HOC AFFORDABLE HOUSING PLAN ADVISORY COMMITTEE
MEETING MINUTES (Subject to Approval)
February 04, 2022

A meeting of the Ad Hoc Affordable Housing Plan Advisory Committee was conducted Friday, January 07, at 8:30 a.m., remotely, using Zoom Video conferencing. The public was invited to participate remotely by joining the meeting through a Zoom webinar link. Log-in details were posted to the Town of Madison website (https://www.madisonct.org/), prior to the meeting.

MEMBERS PRESENT:
Sarah Mervine, Andrea Aron, Mathew Keller, Peter Roos, Wendy O'Berg, Cristal Depietro, Chad Greenlee

OTHERS PRESENT:
Heather Noblin, Erin Mannix, John Guszkowski, Al Goldberg, Rachael Burstein, Erin Duques,

NOT PRESENT:
_____

1) **Call Meeting to Order**
   a) The meeting of the Ad Hoc Affordable Housing Plan Advisory Committee was called to order at approximately 8:30 a.m. by Sarah Mervine.

2) **Approval of minutes**
   a) Approved minutes from 01/21/2021

3) **Second Survey Review**
   a) Almost 700 survey responses at this point
   b) Plan to have survey results at next committee meeting
   c) Ask Selectwoman Peggy Lyons to put a reminder in weekly town update

4) **Follow up of zoning regulations**
   a) Erin M. recaps strategies we have in Madison for deploying housing
   b) Erin M. distributes a list of recommendations assembled by John G. and Rachael B.
   c) Erin's analysis should be part of the plan or an appendix to the plan

5) **Narrative**
   a) John clarifies that this narrative is intended to be the beginning of the final plan.
   b) How does this narrative compare to the beginning of the Old Saybrook affordable plan.
   c) The data used in the current narrative is from 2019. We need to be clear about data sets in the narrative. Possibly include a takeaways section.

       i) What is the takeaway from current graphs and data points in the narrative

      ii) Should housing statistics come first before demographics?

     iii) How do data points inform the narrative

  d) Sarah proposes a small group review of narrative

       i) Erin, Peter, and Sarah to do small group review

6) List of Recommendations for Housing Strategies

  a) This list can be seen as a "menu of strategies" to increase affordable housing

  b) This list is generated from other strategies used by other neighboring towns

  c) Committee discusses the best way to approach understanding the distributed list of recommendations.

       i) John/Erin/Rachael will reorganize the list into sections to help understand implications

7) SCROG Meeting 01/14

  a) SCROG is going to help establish community goals meeting (February 23rd at 1:00)

  b) David Fink is doing group discussions 13 towns in 2 days (February 8th 3:00)

8) Next steps

  a) Erin Duques to reach out to local paper editor to discuss marketing the survey or future stories regarding results

  b) Attach handouts to future meeting minutes

  c) Rachael to distribute second round draft of narrative and review with small group

  d) Erin/John/Rachael to organize the recommendations list into categories and redistribute to help the committee better understand implications of each recommendation.

  e) John will distribute a simple survey to get a better understanding of recommendations that the group will need further explanation on.

  f) All committee members should research distributed narrative and recommendations for the next meeting.

9) Adjourn - 9:31

Recommendations from Connecticut Municipalities for Affordable Housing Plans

1) Establish a standing Housing Committee to oversee and implement recommendations to promote Affordable Housing
2) Designate a municipal housing official as a point-person
3) Devote a municipal web-page highlighting municipal policies regarding housing development, funding opportunities, and informational resources
4) Allow Accessory Dwelling Units (ADU) as-of-right in Zoning Regulations in conformity with PA 21-29
5) Promote ADU as a concept to existing property owners
6) Consider providing tax abatements and administrative support to incentivize income-restrictions on ADU
7) Implement 8-2i "Inclusionary Zoning" on developments over a certain size
8) Allow for middle-density housing as-of-right in targeted areas and as larger/historic home retro-fits
9) Allow for higher-unit multifamily housing, with clear design standards, in core areas and along major transportation corridors
10) Promote USDA and CHFA financing support programs within Real Estate community
11) Consider development potential of surplus, unrestricted, municipally-owned land, including partnering with mission-driven developers
12) Pursue partnerships with nonprofit organizations and senior community developers
13) Streamline Zoning Regulations to better promote Planned Residential Developments in targeted areas
14) Consider innovative zoning approaches, including Incentive Housing Zones, Neighborhood Revitalization Zones, and Transfer of Development Rights
15) Reduce or eliminate minimum lot sizes in favor of soil-based zoning
16) Eliminate arbitrary minimum building/dwelling unit sizes in favor of Public Health and Building Codes
17) Seek to incentivize a community of ownership and building of generational wealth
18) Create Zoning Regulations for cottage clusters, incentivizing starter houses, and pocket neighborhoods
19) Actively solicit and participate with developer efforts to seek Low Income Tax Credits for development projects
20) Create an Affordable Housing Trust Fund (independently or in conjunction with Inclusionary Zoning)
21) Make direct municipal investments in affordable housing development
22) Create and fund a municipal program to "buy down" rents of market units for affordable housing
23) Create and fund a municipal program to support first-time homebuyers
24) Allow conversion of underused office/commercial space to multifamily residential units
25) Provide greater administrative and financial support to local or area Housing Authorities and encourage their higher level of development activity

I.   Introduction & Affordable Housing in CT

In the last few decades, Connecticut has become less affordable for both existing and prospective residents. Median home values, rent, and cost of living have simultaneously increased, outpacing increases in household income. These costs, coupled with an aging population who desires downsizing to live within fixed incomes, have challenged towns in many ways. The need for affordable housing options in many communities is imminent, and requires action on local, state, and regional levels.

Affordable housing is typically defined as housing available to households making less than the area median income and costing less than 30% of a household's annual income. Area Median Income (AMI) is the midpoint in the income distribution for a surrounding area or market, and is the basis for many calculations concerning housing affordability and cost of living.

In Connecticut, an Affordable Housing unit is defined as a dwelling that:
> *1) costs less than thirty percent of the income of a household earning eighty percent of the Area's Median Income; and*
> *2) has been deed restricted to ensure that the housing unit will remain Affordable for a period of forty years; or*
> *3) ownership units that are currently financed by the Connecticut Housing Finance Authority (CHFA) or the U.S. Department of Agriculture (USDA).*

The State's affordable housing concerns have led, in part, to two important statute subsections, 8-30g and 8-30j, that both seek to increase affordable housing supply in the State.

CT General Statute 8-30g allows courts in Connecticut to overrule Zoning denials for affordable housing proposals in towns whose housing stock is less than 10% affordable. "Affordable Housing" in this context is defined by the State as housing made affordable by nonprofit or government subsidies or those that have been deed-restricted or otherwise income-limited for a fixed period. If the town falls below the 10% threshold, a court can override such a zoning decision. This potentially subjects any town with less than 10% affordable housing units to a potential lengthy and expensive appeals process. Because Madison has an Affordable Housing supply of only 1.69%, the town is potentially obligated to undergo this appeals process.

Effective July 24, 2017, Connecticut General Statutes Section 8-30j requires each municipality to prepare or amend and adopt an affordable housing plan at least once every five years; the municipality must specify the ways in which it plans to increase the number of affordable units in the town moving forward. Since its implementation, the statue has spurred several innovative and bold plans in towns across Connecticut, all with the same goal of providing more affordable housing options for current and future residents. Madison looks to recent plans from Essex, Old Saybrook, and Woodbury for inspiration on the range of possibilities that can come from a plan such as this one.

These two statutes work together to mandate and incentivize municipalities in different ways to provide more housing options, whether through subsidized or naturally occurring housing. The statute is intentionally vague; the ambiguity allows towns flexibility in developing their own unique plans. As the gap between annual household income and housing costs grows and grows, so too does the urgency for municipalities to address the housing challenges in their unique communities. The changing

circumstances of housing affordability in the State have pushed local and state actors to develop affordable housing plans and commit to tangible goals.

The Town of Madison has embarked on its plan's development to better the Town's situation and promote equity, sustainability, and quality of life in Town. The purpose of this plan is to fulfill the statutory obligation required by the State of Connecticut and provide the Town of Madison with a reasonable set of strategies for future housing development that fits the current and future needs of the community.

II.   Methodology

The team assembled for the plan development includes a nine-member Ad-Hoc Affordable Housing Plan Committee, Town Staff, and consultants (Tyche Planning and Policy Group, LLC). The plan was developed over a period of six months, with regular meetings where the Affordable Housing Committee, Town Staff, and consultants discussed the plan's goals, progress, and components.

Understanding affordable housing requires a holistic approach, as there are strengths and shortcomings to any data set, survey, or report. Therefore, there are several tools and sources referred to throughout this plan, including the US Census American Community Survey, CT Data Center Population Projections, US Department of Housing and Urban Development income limits and fair market rent calculations, US Housing Appeals List, Partnership for Strong Communities (PSC) Housing Profiles, and the report "Planning for Affordability in Connecticut" prepared by Regional Plan Association and Connecticut Department of Housing. In addition, planning staff utilized the Town's Zoning Regulations and Plan of Conservation and Development to review current town policies' role in housing development in Town.

Although optional for the plan's development according to CGS 8-30j, the Affordable Housing Committee decided to create and administer a community survey to tap into the concerns and local knowledge of the public. The initial development of a regional housing survey conducted by the South-Central Region Council of Governments (SCRCOG) informed survey results and discussion as well and allowed the Town to focus on more specific and targeted questions for the Plan's survey.

Lastly, a glossary of terms has been provided in Appendix A for clarity in definitions used throughout the report.

## III.   Madison's Current Demographics, Infrastructure and Other Trends

Examining Madison's demographics and trends can help explain some of the observations made from reviewing the Town's housing situation. Most observations in this section are made using the most recent five-year estimates from the 2019 American Community Survey, which do not account for the recent and ongoing COVID-19 pandemic. While the pandemic may have slightly affected local housing markets over the short term, it is unlikely to have significantly altered the nature of Madison's population in that time.

As of 2019 American Community Survey estimates, 18,113 people reside in Madison, enjoying its central location on the Long Island Sound shoreline, among the other often lauded amenities in Town such as its local restaurants, cafes, and parks. The Town is also known for its high achieving public school system and beautiful beaches.

A sizable portion, 91.2%, of Madison is white, with the remainder being Hispanic or Latino, Asian, and Two or More Races; a very small percentage, 0.4% are Black or African American (ACS 2019). Like the State overall, Madison has an aging population, with a median age of 48 expected to trend older over the next two decades. Interestingly, Madison's largest age cohorts are the very young, and the older groups. Over a quarter of the population is 19 years old or younger. Over 56% of the population is 45 and older, with about a quarter of the residents being 65 and up.

Age Distribution, Madison CT
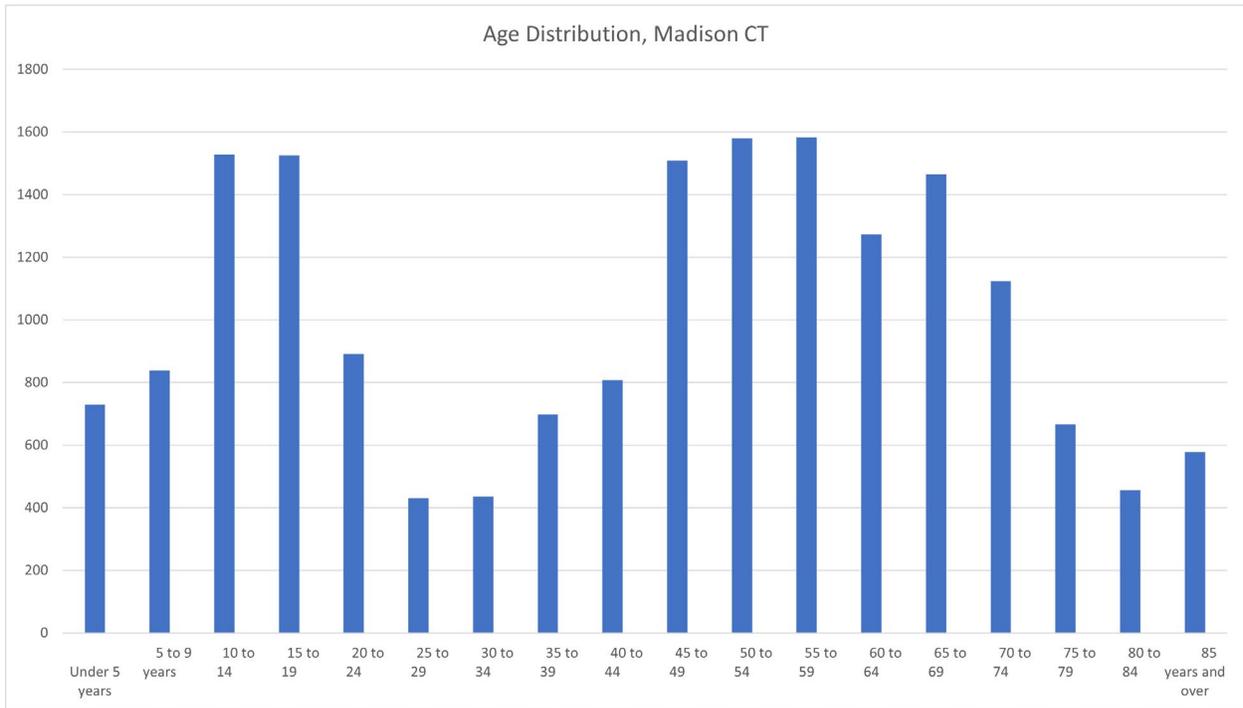
The average household size in Town has decreased from 2.72 in 2000 to 2.59, per 2019 estimates. The Connecticut State Data Center projects a decline in Madison's population over the next two decades. There is no single factor responsible for this projected decline and it may not accurately represent Madison's future. The decline can likely be attributed to an overall aging of the population without sufficient replacement numbers. This senior demographic can also potentially require more assisted or supportive living arrangements and might seek to live outside of Madison in their later years if local options are unavailable.
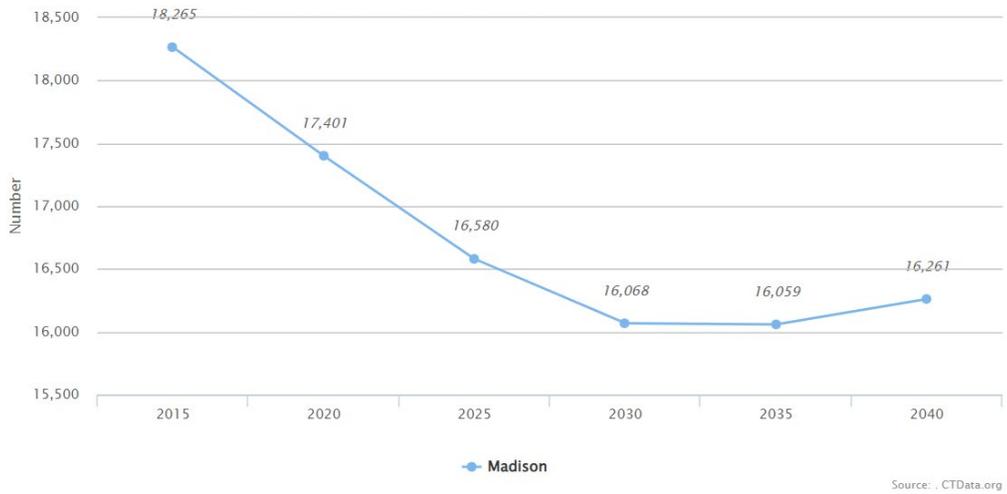
Looking at more age-specific breakdowns of the projected population in the next twenty years, Madison has a unique situation where one of the largest and fastest growing age cohorts is the 5–19-year-old age range, expected to increase by 4%. Also quickly growing is the 0-4 age range, projected to increase by 3% in the next twenty years, insinuating that there will be more young families in town over the next two decades. One of the other largest age groups in town, the 65+ cohort, is also expecting a 1% increase between 2020 and 2040. Among the shrinking age groups are the 40–64-year-old range, with the biggest net change observed in these projections, decreasing from 37% to 31% in the next twenty years.
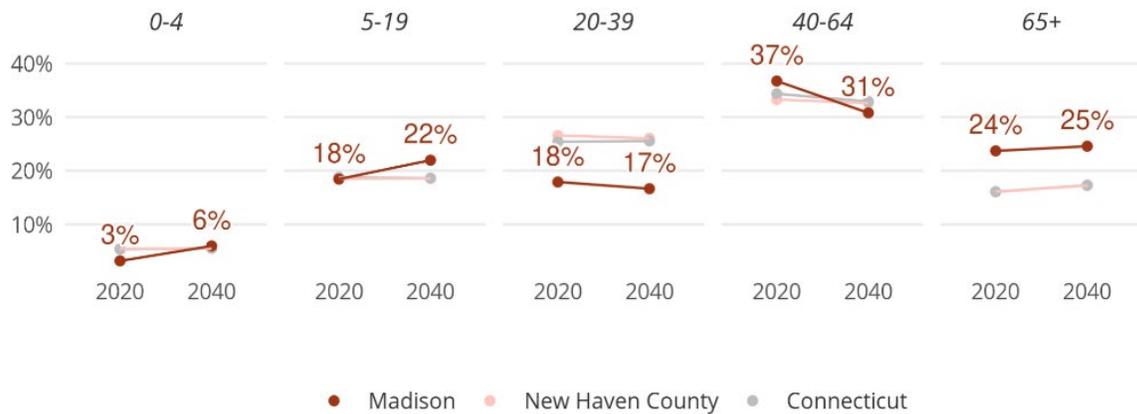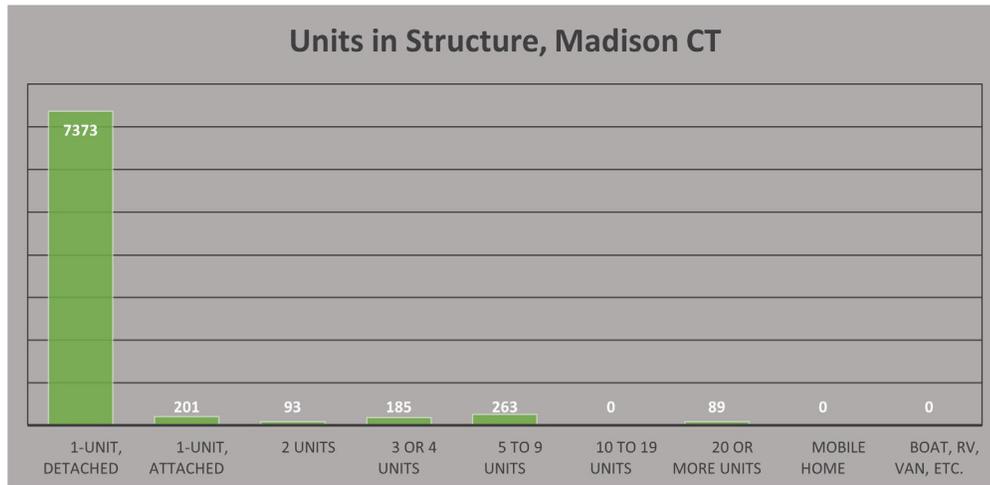

Source: Connecticut Data Center

In terms of the Town's infrastructure and other trends, Madison has many strengths, but also challenges that may limit its development potential. The Town is in a great, central location on the Long Island Sound shoreline, with many popular beaches. The Town has access to the train station on Shore Line East, which connects to MetroNorth, and is a huge advantage for residents who wish to commute or travel in general to the surrounding towns and cities in Southern Connecticut. However, a potential setback with development potential for Madison is that the town does not have any public sewer infrastructure and relies instead on individual, on-site wastewater (septic) systems.

IV.   Madison's Housing Situation

The vast majority of Madison's housing stock is one-unit, detached owner-occupied single-family homes. In terms of Madison's current housing situation, 93% of homes are single family residential. This is an extremely high rate of single-family homes compared to Connecticut which has 67% of its housing stock comprised of single-family homes (PSC Housing Profile). As for non-single-family units, there are only a small amount of 3–4-unit, 5-9 unit, and 20+ unit developments in town, containing 185, 263, and 89 units respectively. In general, both single family lots and multifamily homes are in high demand in Madison, reflected in a low vacancy rate of 1.4% coupled with a median value of $428,600 for owner-occupied housing units. The average monthly rent in Madison is $1,478 (ACS).

Units in Structure, Madison CT

7373	201	93	185	263	0	89	0	0
1-UNIT, DETACHED	1-UNIT, ATTACHED	2 UNITS	3 OR 4 UNITS	5 TO 9 UNITS	10 TO 19 UNITS	20 OR MORE UNITS	MOBILE HOME	BOAT, RV, VAN, ETC.

Madison has a higher-than-average rate of owner-occupancy, with 85.6% of units owner occupied (ACS). Permitting for new builds decreased in the past 3 decades, with 56 building permits issued in 1990 compared to only 16 in 2017. The homeowner vacancy rate per ACS is 1.4%. Although circumstances may have changed since the US Census American Community Survey data estimates were made in 2019, the statistics at this time show that of 1,292 vacant properties in town, only 82 were for sale, while the rest were labeled as seasonal, recreational, or occasional use. Most of Madison's units are considered newer builds with 60% of units built after 1970. Still, nearly 1/5 of units were built before 1949, putting these units at risk for some of the side effects of old age such as increased health risk, high cost of living, lack of accessible units, and blight.

American Community Survey

B25004 | VACANCY STATUS

2019: ACS 5-Year Estimates Detailed Tables ⌄ | Universe: Vacant housing units

| Notes | 1 Geo | Years | 3 Topics | Surveys | Codes | Hide | Transpose | Margin of Error | Restore | Excel | Download |

Label	Madison town, New Haven County, Connecticut	
	Estimate	Margin of Error
⌄ Total:	1,292	±216
For rent	0	±19
Rented, not occupied	0	±19
For sale only	82	±83
Sold, not occupied	0	±19
For seasonal, recreational, or occasional use	1,028	±213
For migrant workers	0	±19
Other vacant	182	±107

Affordable Housing in Madison

Only 1.69% of Madison housing stock is assisted via the government CHFA or USDA loans, tenant rental assistance, deed restricted units or otherwise, according to Connecticut's Affordable Housing Appeals List in 2020. The Department of Housing and Urban Development defines and deems a household "cost-burdened" when they spend 30% or more of their annual household income on housing costs. According to 2019 estimates, in Madison, 33.9% of its 6,911 households are cost burdened. Breaking this number down between renters and owners, 64.5% of renters and 27.5% of homeowners are cost-burdened (CT Data Collaborative). While this method of evaluating affordability and burden is widely used, it should be considered alongside other measurements for a more comprehensive understanding of Madison's housing situation.

	Number of Units
Gov assisted	90
Tenant Rental Assistance	2
Single Family CHFA/USDA Mortgages	11
Deed Restricted Units	33
Total Assisted	136

The US Department of Housing and Urban Development (HUD) uses Income Limits and Fair Market Rents to determine eligibility for Section 8 Subsidized rental housing. As previously mentioned, the state defines affordable housing as units that cost less than 30% of a household earning 80% of the Area Median Income (AMI). For purposes of this calculation, Madison is part of the New Haven-Meriden, CT HUD Metro Fair Market Rent Area. An explanation of how this calculation is conducted can be found on the Department of Housing and Urban Development's website. In Madison, the AMI for 2021 is $93,000 (huduser.gov). 43.8% of renter households and 12.7% of owner households earn less than 50% of the

AMI. This makes nearly 1,191 households in Madison that because of their cost burden, may experience unstable housing situations and need assistance. As previously mentioned, the state has defined an Affordable Housing unit has a dwelling costing less than 30% of the income of a household earning 80% of the Area Median Income. Therefore, breaking down what these costs look like for Madison shows what housing costs are deemed "affordable." For a two-bedroom unit for a four-person household, the maximum non-burdened budget for living is $1,860 a month.
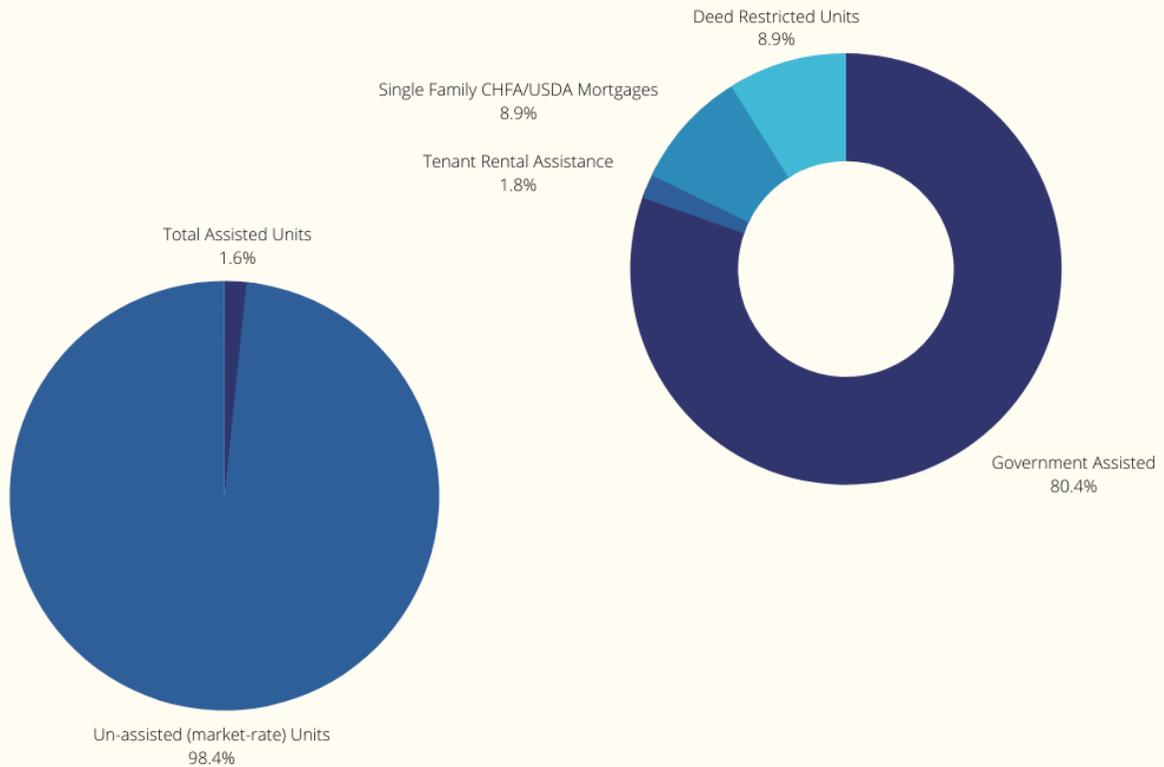
Example: 2 Bedroom Unit and 4-person household	Total/Year	Total/Month
Area Median Income (AMI)	$93,000	$7,750
Median income level per household in the surrounding market/area		
80% of AMI	$74,400	$6,200
80% of median income listed above		
30% of 80% of the AMI	$22,320	$1,860
Maximum non-burdened budget for living		
HUD 2021 Fair Market Rate , 2BR in New Haven-Meriden, CT HUD Metro FMR Area = $1,860		

Another way of viewing affordability is by looking at the Fair Market Rent (FMR) for an area, which is similarly calculated by the US HUD and used to set a limit on what units can be rented in the private market by Certificate and Voucher program households. FMR is calculated from the 40th percentile of gross rents for regular, standard quality units in a local housing market. More information on these calculations can be found on HUD's website. If a Certificate or Voucher program household wanted to rent a two-bedroom unit in Madison, that unit's gross rent could not exceed $1,447/month (HUD).

Final FY 2022 & Final FY 2021 FMRs By Unit Bedrooms					
Year	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY 2022 FMR	$1,048	$1,186	$1,447	$1,789	$1,995
FY 2021 FMR	$1,055	$1,181	$1,438	$1,793	$1,993

One last piece to consider when reflecting on Madison's housing affordability is "ALICE." If a household's annual income is above the Federal Poverty Level but below the basic cost of living in an area, they are considered ALICE: Asset Limited, Income Constrained, Employed households. For Madison, 23% of its 6,911 total households are at this threshold and considered ALICE. The ALICE report also calculates the "ALICE Household Survival Budget" for Connecticut counties, which is the bare minimum costs of a household to live and work in their area, and includes basic necessities like housing, food, transportation, and childcare. This budget excludes any non-essential costs like emergency savings and college funds. For a family of four (two adults, one toddler, and one infant) to live in the Greater New Haven area, the annual total household budget is $90,732, or $7,561 per month (CT United Way Alice Report).

Affordable Housing in Madison

Deed Restricted Units
8.9%

Single Family CHFA/USDA Mortgages
8.9%

Tenant Rental Assistance
1.8%

Total Assisted Units
1.6%

Government Assisted
80.4%

Un-assisted (market-rate) Units
98.4%

This high-cost burden in town coupled with a large amount of single-family homes, higher than average rents and home values, low vacancy rate in town, and recently slow pace of development, stresses existing residents and could impact future prospective homebuyers and renters.

==Appendix A - Glossary==

Affordable Housing: The term "affordable housing" can be broken down into two categories: *subsidized affordable housing* and *naturally occurring affordable housing*.

Subsidized affordable housing is often called as "Capital A Affordable Housing") and refers to housing made affordable by nonprofit or government subsidies instead of the private market. Examples of Affordable Housing range from programs like tenant rental assistance, CHFA/USDA mortgages, and Low-Income Housing Tax Credits, to apartments managed by nonprofits.

Naturally occurring affordable housing (sometimes called "NOAH") is regular, market-rate housing that just so happens to be affordable and within budget for many families. This type of housing is available to anyone, and not subsidized through a government or nonprofit. Most affordable housing in the United States is naturally occurring. Many towns and cities might have older houses that are not as well-maintained compared to newer, more desirable development occurring elsewhere in town, and therefore has a lower, affordable price tag.

ALICE: Households earning more than the Federal Poverty Level but less than the basic cost of living for the area are considered ALICE (Asset Limited, Income Constrained, Employed) households.

Area Median Income (AMI): Median income in a given county or metropolitan region, determined by the US Department of Housing and Urban Development (HUD) on an annual basis. It is often used to determine eligibility for affordable housing programs, and often expressed as a percentage. A shortcoming of using AMI is that it does not consider the often stark differences in median income between zip-codes and even neighborhoods, and can therefore distort data; for this reason, this report considers a number of factors that tell the holistic story of Madison's housing situation, rather than just looking at one piece.

Cost-burdened: A term used to describe households spending 30% or more of annual income on housing costs. Data on cost-burdened households is collected through the American Community Survey (ACS). The ACS collects this data from a sample pool of households on a monthly basis, and aggregates these samples into one, three-, and five-years periods. This report uses five-year estimates, as they are considered the most accurate, particularly for smaller geographic areas.

CT General Statutes (CGS)

CGS 8-30g: In 1989, the CT General Assembly enacted Connecticut General Statutes (CGS) Section 8-30g, the "Connecticut Land Use Appeals Procedure," establishing an appeals process to override rejections of affordable housing proposals by local zoning boards. So long as the town's housing stock includes less than 10% Affordable Housing, developers can appeal a zoning denial in court. Unless the local zoning authority can point out an obvious health or safety concern, municipalities with less than 10% affordable housing units cannot deny such proposals. The HUD calculates income and rental limits using the State Annual Median Salary, which is currently $102,600.

CGS 8-30j: This 2017 statute builds on CGS 8-30j, requiring that at least once every five years, Connecticut municipalities prepare or amend and adopt an affordable housing plan to increase the number of affordable housing options in the town. The broad language of the statute allows towns flexibility in their plan's development and implementation.