

# CHFA Housing Market Inventory

## Summary Conclusions



## Connecticut Housing Finance Authority

Prepared for the  
December 3, 2013  
Interagency Council  
Meeting

# Study Background

- CHFA Board of Directors requested a market study in context of CHFA's 5-year strategic plan.
- CHFA issued RFP in March 2013 for housing market inventory study to help determine need for affordable housing across CT and on regional, county and urban vs. rural level.
  - Assess CHFA market for first time homebuyer program
  - Assess CHFA market need for affordable rental housing
  - Update of 2000 Blue Ribbon Commission Study which estimated the need for affordable housing of 68,000 homes (single and multi-family housing)
- BFJ Planning and Urbanomics engaged in April 2013
- Report complete 11/12/13
- Reviewed affordable housing needs for multifamily housing and single family mortgages
- Added data refinement from the 2000 Blue Ribbon Commission



**CHFA**  
*the key to affordable housing*

# Methodology - Considerations

## HUD Area Median Income (AMI) Data

- Published annually by HUD and used by CHFA for eligibility for programs
- AMI is adjusted for family size and bedroom mix
- Takes into account at 80% AMI a 4-person household's annual income equals 100% of the cost of the Fair Market Rent (FMR) for a 2-bedroom apartment
- AMI is not available on an individual town level but rather at a metropolitan area or non-metropolitan county level
  - In order to attain AMI at the smallest possible geographic level, this study used HUD Metro Fairmarket Areas (HMFA)
- The major implication for this study is that housing costs for town are compared to income by region
  - Income in the cities is most likely overstated which understates the need

## Housing Mobility

- This study does not take into account household mobility
- The study only analyzes the ability of households to afford housing in the town where they currently reside

## Existing Affordable Housing

- This study takes into account the number of existing assisted rental homes that are currently in the state
- However it does not take into account the condition of the existing housing
- This could understate the need in the cities that have the majority of the assisted housing

# Methodology for Home Purchase

## Housing Costs (Town Level)

Mortgage Payment

Insurance

Property Taxes

## Income

(HUD Metro Fair Market Area HMFA)

Area Median Income (AMI)

- Low and Moderate income (80%-120% AMI)

CHFA Average Down Payment and Interest Rates (3.75%)

CHFA Income and Sales Limits

# Methodology for Multifamily

## Housing Costs (Town Level)

HUD Fair Market Rents

## Income

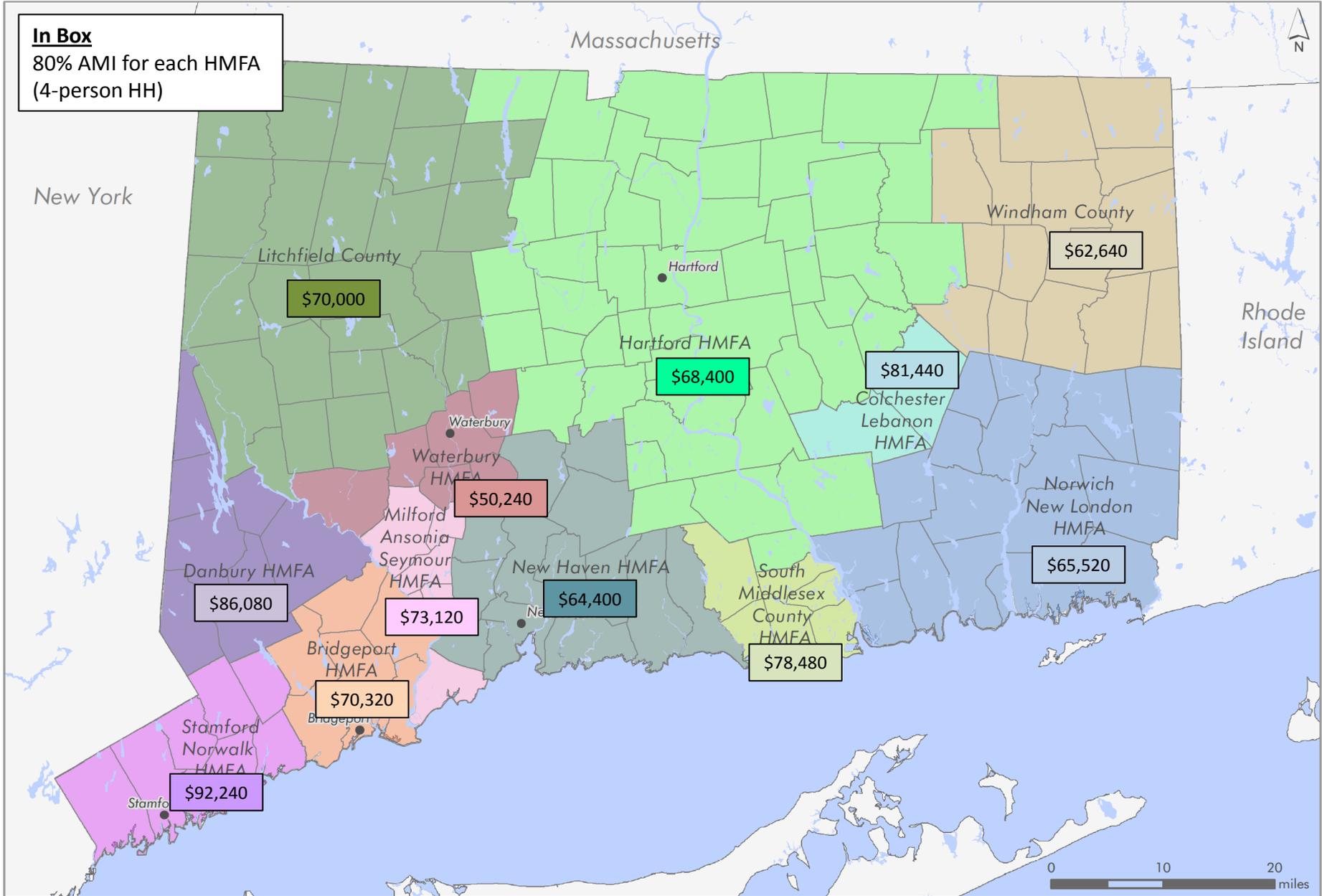
(HUD Metro Fair Market Area HMFA)

### Area Median Income (AMI)

- Low-Income (below 80% AMI)
- Very Low-Income (below 50% AMI)
- Extremely Low-Income (below 30% AMI)

Less Current Assisted Housing

# HUD Metro Fair Market Areas (HMFAs)



# Current Assisted Housing

## Summary of Assisted Housing Stock in Connecticut

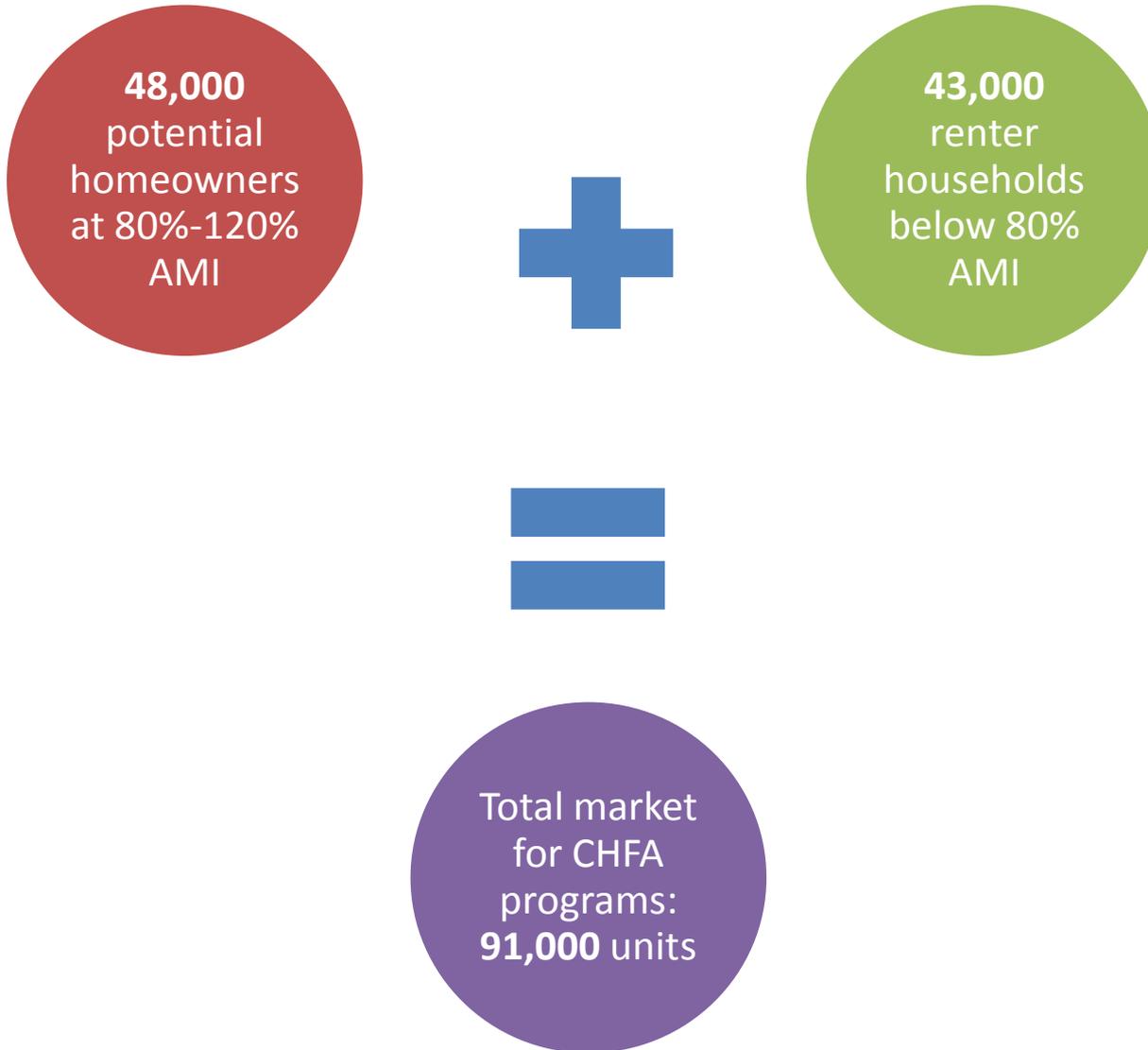
County	CHFA Portfolio											Other Affordable Housing (HUD, Federal, USDA, Unknown/Other)			TOTAL AFFORDABLE RENTAL UNITS*	
	Total CHFA Units	CHFA Private Portfolio Total					State Public Housing					LIHTC Only	Total Other Affordable Housing	Family		Elderly
		LIHTC	Supportive Housing	Sect. 8	Other	Total SHP Units	Elderly	Mod. Rental	Homeless	Other						
Fairfield	9,597	5,135	1,313	391	2,343	1,088	2,828	1,001	1,295	76	456	1,634	9,376	5,230	4,146	18,973
Hartford	14,480	7,783	2,637	259	2,177	2,710	4,828	1,834	1,921	265	808	1,869	12,538	8,058	4,480	27,018
Litchfield	1,181	561	308	17	196	40	462	368	52	14	28	158	1,053	456	597	2,234
Middlesex	1,725	944	151	61	125	607	663	334	198	74	57	118	2,453	1,517	936	4,178
New Haven	8,952	5,273	2,344	180	2,400	349	2,157	1,228	509	114	306	1,522	14,131	7,522	6,609	23,083
New London	4,163	2,007	674	45	988	300	1,604	987	408	41	168	552	2,975	2,020	955	7,138
Tolland	1,419	824	106	0	114	604	509	381	85	0	43	86	1,210	601	609	2,629
Windham	1,563	612	274	119	129	90	841	475	236	0	130	110	2,064	1,191	873	3,627
<b>State</b>	<b>43,080</b>	<b>23,139</b>	<b>7,807</b>	<b>1,072</b>	<b>8,472</b>	<b>5,788</b>	<b>13,892</b>	<b>6,608</b>	<b>4,704</b>	<b>584</b>	<b>1,996</b>	<b>6,049</b>	<b>45,800</b>	<b>26,595</b>	<b>19,205</b>	<b>88,880</b>

\*Excludes a total of 632 beds in group homes statewide, as follows: 125 beds in Fairfield County, 96 beds in Hartford County, 85 beds in Litchfield County, 38 beds in Middlesex County, 166 beds in New Haven County, 78 beds in New London County, 25 beds in Tolland County and 19 beds in Windham County.

Source: Connecticut Housing Finance Authority, 2013

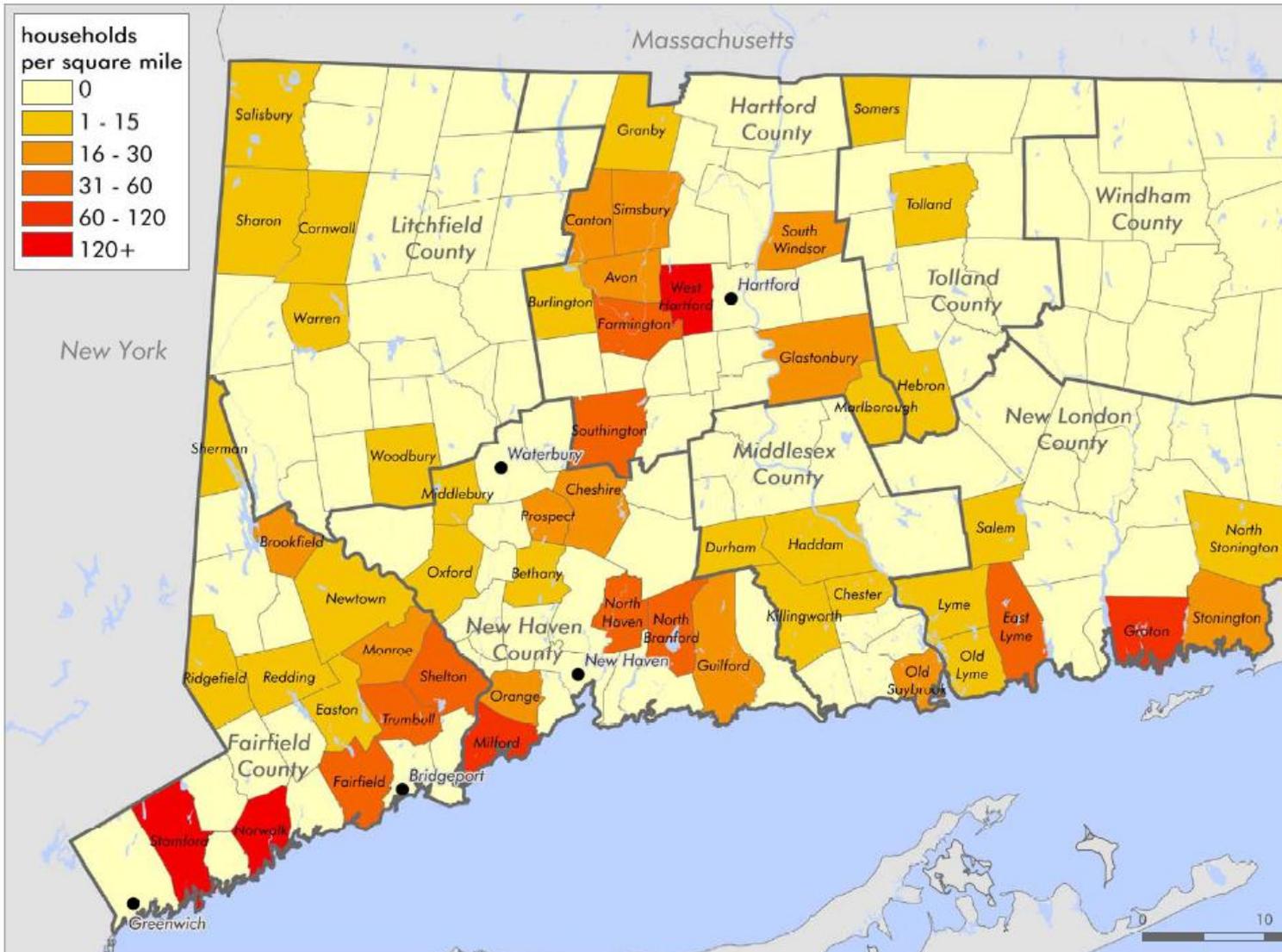
- Significant public housing in major cities:
  - Hartford: 10,680 units
  - New Haven: 9,487 units
  - Bridgeport: 6,019 units
  - Waterbury: 5,338 units
  - Stamford: 5,109 units

# Summary Conclusion



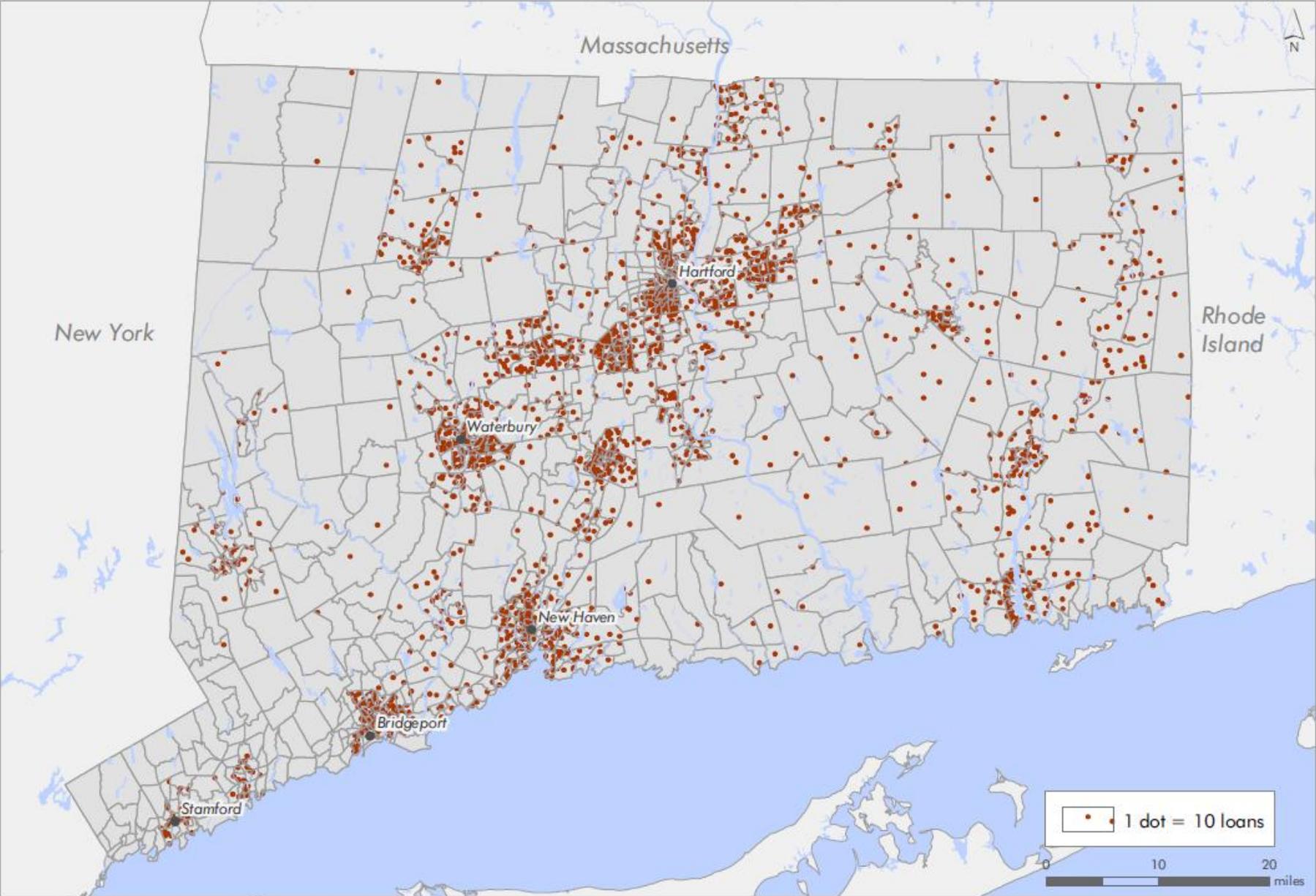
# Summary Conclusions

## Market for CHFA Homeownership Program (80%-120% AMI)



- Based on CHFA's current customer profiles, demand for CHFA's homeownership program continues to be strong in the urban cities
  - In addition, demand exists for income eligible households in non-urban towns where awareness of CHFA programs may be lower
  - Demand for down payment assistance in all areas is likely to be strong
- 9

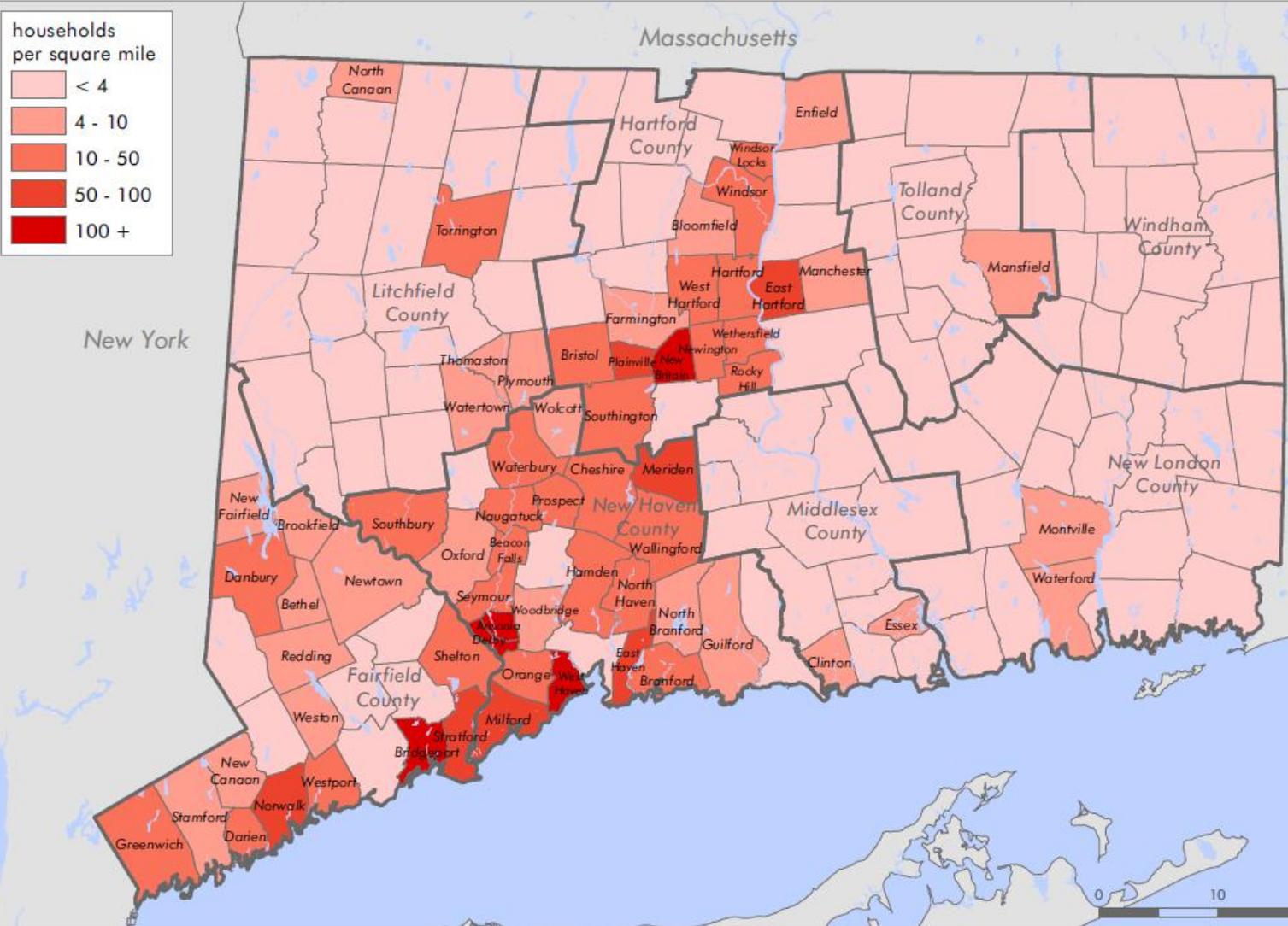
# CHFA Active Single-Family Mortgages



Through March 2013

# Summary Conclusion

## Market for CHFA Rental Program (<80% AMI)



- Need in urban areas is understated due to income limitations of HMFA areas
- Need for affordable rental homes in non-urban areas is high due to lower numbers of assisted rental housing in some non-urban towns
- The physical condition of the assisted rental housing is not part of the analysis which would lead to a potential overstatement of the available units in the urban areas

# Summary Conclusions

- Minimal CT population growth in 2000-2010, expected to continue:
  - UConn projects state population growth of 0.4% annually to 2020
- Most growth will occur:
  - In suburban areas of Hartford, Fairfield and New Haven Counties
  - In older households (headed by age 55+)
  - In wealthier households (earning \$100,000+)
- These factors should lead to smaller household sizes



# Summary Conclusions

- Continuing need for CHFA homeownership program in cities
- Opportunities in suburbs, especially those with water/sewer (consistent with State plan)
- Elderly households represent ongoing market, but 25% of anticipated population growth to be for those earning over \$125,000 – indicates differing needs across State
- Recommendation to determine town-level AMI based on HUD methodology to provide more refined affordable housing picture



**CHFA**  
*the key to affordable housing*