

Town of East Lyme Housing Profile, April 2019



One in four households in the region, and 17% of households in East Lyme, are low-income and pay more than 30% of their income towards housing. Housing is considered *affordable* when a household pays less than 30% of its income towards housing costs, which including rent, mortgage payments, taxes, insurance, and utilities. Households paying more than 30% are termed “cost-burdened.”

Southeastern Connecticut households living elsewhere in the region are more likely to be cost-burdened than residents of East Lyme; however, it’s gotten harder for *everyone* in the region to find housing they can afford. Generally, housing costs have risen faster than incomes, leaving more families to pay greater than 30% of their income on housing. Median income has decreased in East Lyme since 2000 (adjusted for inflation) while home prices and rents have grown substantially.

		Cost-Burdened Renters	Cost-Burdened Owners	Total Cost-Burdened
East Lyme	2000	30%	17%	20%
	2017 5-Yr Ave	46%	26%	31%
NL County	2000	32%	21%	25%
	2017 5-Yr Ave	49%	27%	34%

		Median Household Income	Median Rent	Median Home Value
East Lyme	2000 (\$2017)	\$94,919	\$1,028	\$232,432
	2017 5-Yr Ave	\$83,590	\$1,233	\$300,200
	2000-2017	-14%	17%	23%
Region (NL County)	2000 (\$2017)	\$72,020	\$919	\$198,841
	2017 5-Yr Ave	\$69,411	\$1,071	\$238,900
	2000-2017	-4%	16%	20%

Source: United States Census Bureau, 2000 Decennial Census & 2013-2017 ACS

About the Southeastern Connecticut Housing Alliance (SECHA)

SECHA is a Connecticut non-stock, non-profit corporation, organized in 2006, with the mission of providing a regional approach to affordable housing challenges. SECHA is an outgrowth of a 2002 housing study conducted by the Southeastern Connecticut Council of Governments (SCCOG).

www.seccog.org/SECHA

2018 Southeastern Connecticut Housing Needs Assessment

The 2018 Southeastern Connecticut Housing Needs Assessment, was prepared by SCCOG staff, for SECHA. The assessment analyzed existing housing challenges within southeastern Connecticut and projected the ways in which housing needs will change through 2030.

Since 2000, the share of apartments occupied by families unable to afford their monthly housing costs has climbed from 32% to nearly half (47%) in 2016.

The 2018 housing needs study suggests a need for about 7,000 more housing units in southeastern Connecticut, by 2030. More than half of that growth is expected to come from households likely to be low-income and seeking rental housing.

Demographic Shifts

The Connecticut State Data Center's most recent population projections (released 2017) show the region growing by 12,000 residents through 2030; this is an increase of 4.1% from 2015.

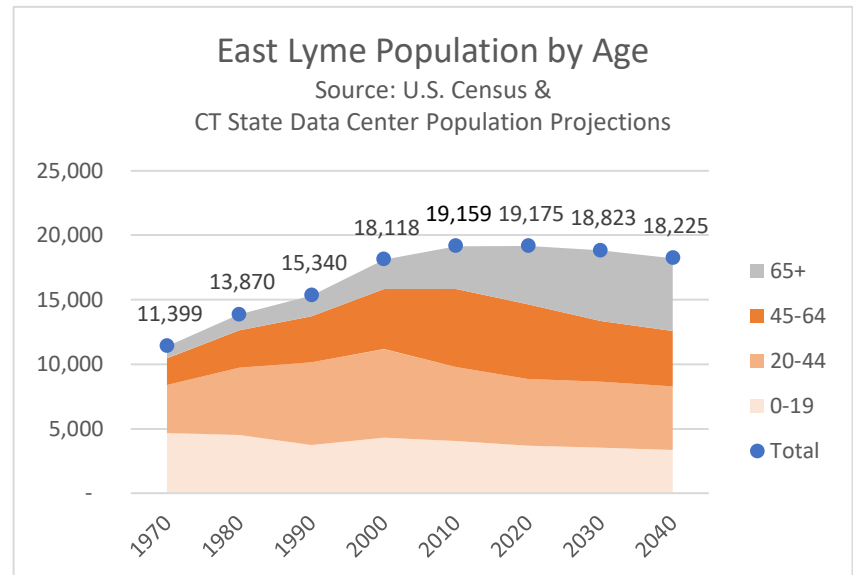
The region's demographic patterns are dominated by the two largest generations: the Baby Boomers and millennials, who are both transitioning into new phases of life. Baby Boomers (born between 1945 and 1964) are becoming empty nesters and retirees. Meanwhile, by 2030 the millennial generation (currently aged 23-38) will be approaching middle-age. Millennials becoming parents will keep the number of children in the region somewhat constant, while the number of middle-aged adults will shrink.

Researchers develop these projections by looking at current residents, projecting their ages forward, and assuming rates of birth, death, and in- and out-migration. The 2017 projections may be conservative because the assumed out-migration and birth rates are based on rates from the most recent recession. These projections also do not consider local factors, such as anticipated hiring at Electric Boat. SCCOG is currently conducting an analysis of the potential impact that expanded hiring will have on the region's population and on demand for housing and transportation infrastructure.

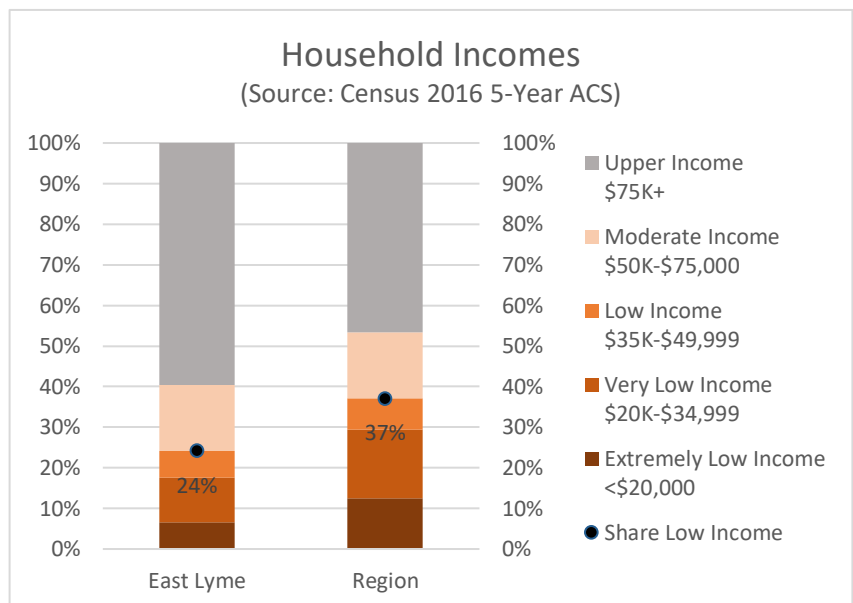
Demographics

East Lyme's residents are older, on average, than the rest of the region. The most recent population projections anticipate that East Lyme will decline in population as households led by seniors shrink in size. In other words, **fewer residents are expected to occupy East Lyme's existing housing stock.**

Projected East Lyme Population Change (2010-2040): -5%



While the median household income in East Lyme is higher than the regional average, 24% of households earn less than \$50,000, likely qualifying as "low-income" under most subsidized housing programs. Households earning less than \$50,000 can spend no more than \$1,250 per month towards housing costs for their housing to be considered "affordable."



Housing Inventory

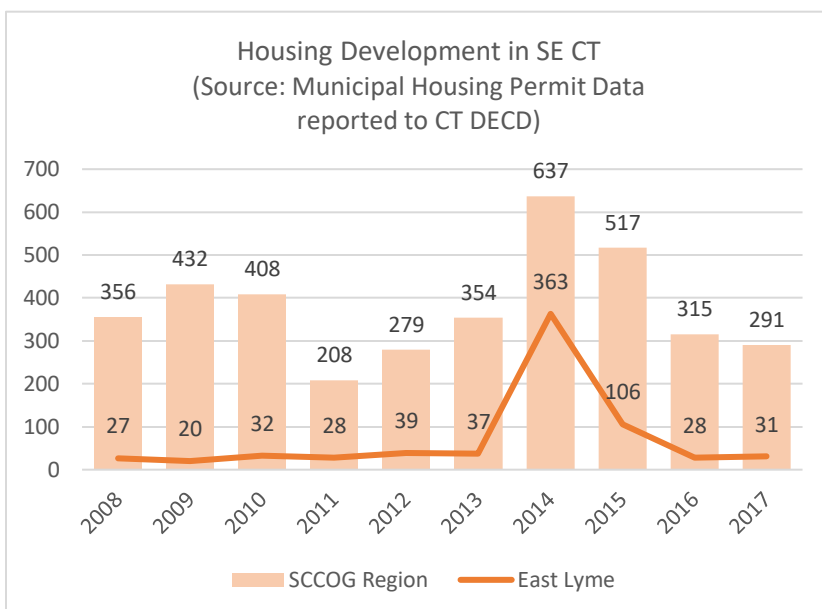
Available homes in towns like East Lyme tend to be large, single-family homes that lack the characteristics sought by young homebuyers and empty-nesters. East Lyme has 1,537 units of multi-family and other housing (18% of total inventory).

Housing construction in southeastern Connecticut is slowly recovering from the late 2000s bust. Permit activity in East Lyme peaked in 2014 and 2015, leading a bump in the number of units permitted across the region.

8-30g Affordable Housing Appeals

East Lyme is subject to developer appeals under Connecticut’s 8-30g statute, with 497 units qualifying as “low-income” (6% of total inventory). **East Lyme could earn a moratorium from appeals with as few as 62 new units of affordable housing (3-bedroom units @ 40% AMI, not age-restricted), or 340 affordable age-restricted units.** The moratorium threshold increases if units have fewer bedrooms or are exclusively for occupancy by senior citizens, and decreases when built housing is preserved for occupancy by very-low or extremely-low income households.

Housing Inventory Characteristics	East Lyme	Region
Single Family, Detached Homes	82%	66%
4 or More Bedrooms	28%	20%
Home built 1999 or earlier	85%	90%
Residents in home since 1999	38%	33%



How Housing Needs Are Changing

Post-WWII construction booms across the country pushed the development of suburban single-family neighborhoods, where Baby Boomers were raised and later raised their own children. Today those neighborhoods are more likely to include empty-nesters or retirees. The share households in southeastern Connecticut headed by someone over the age of 65 will increase from 25% to 30% from 2015 to 2030. While most seniors prefer to stay in their family homes as long as possible, some will opt for, or require, a move to lower-maintenance housing, perhaps with accessibility features. The region’s single-family housing stock does not address these needs.

New households will be formed by younger people moving from family or roommate situations to their own apartments or houses. Lower-cost and/or rental housing will continue to be in demand by southeastern Connecticut residents of all ages.

*Southeastern Connecticut's
Housing Development Landscape*

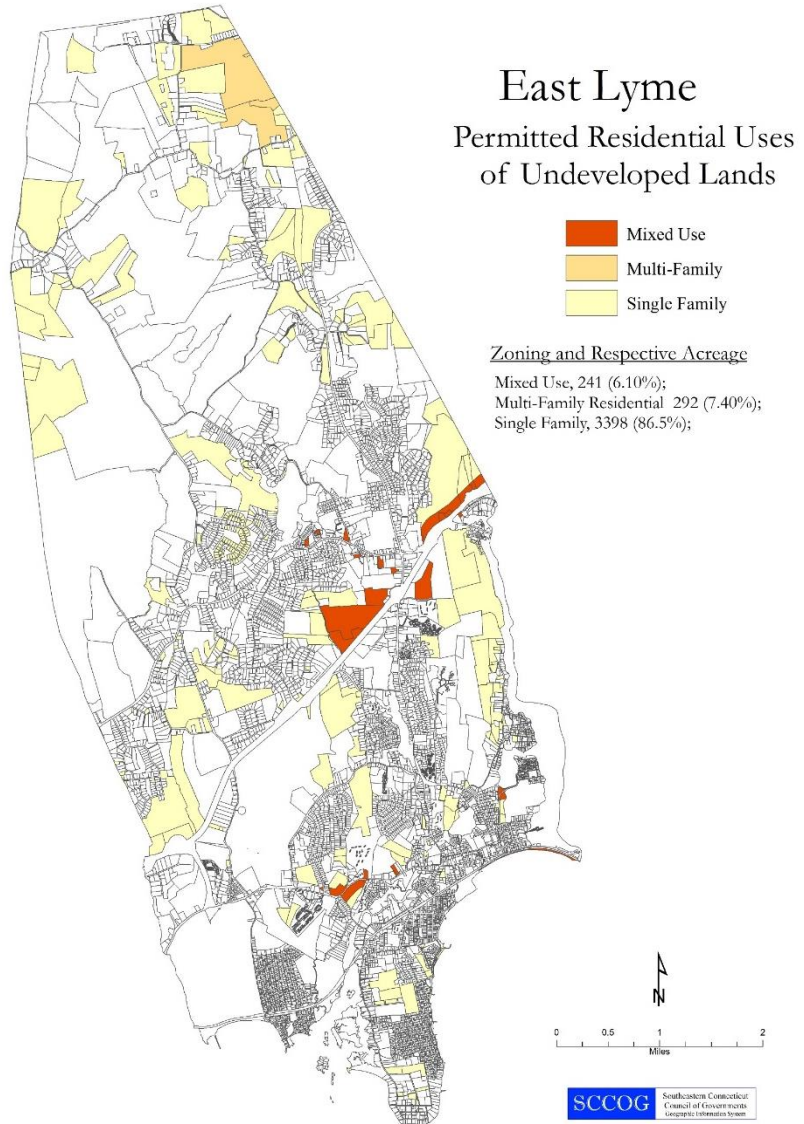
Where new housing gets built depends on where vacant land is located and what zoning and other development regulations control its use. An initial review of undeveloped land in southeastern Connecticut shows opportunities for new multi-family housing in nearly all of the region's municipalities. While the absence of public water and sewer systems can make development more complicated, it does not preclude multi-family construction.

About half of the region's municipalities allow the construction of accessory apartments on single-family lots. Nine municipalities have adopted Incentive Housing Zones or other vehicles for the construction of affordable housing. Colchester's inclusionary zoning policy requires low-income housing to be included in all multi-family developments over three units and single-family developments with more than six houses.

A dedicated municipal housing committee can be effective in reviewing local housing challenges, guiding a community planning process, and implementing solutions.

Opportunities for New Housing in East Lyme

East Lyme has an Affordable Housing District as well as identified Incentive Housing Zones. There are also Special Use zones that permit multifamily and age-restricted housing by right. Several commercial zones allow mixed use residential by special permit. However, few of these zones have vacant parcels available.



Sources:

Connecticut State Data Center, 2015 to 2040 Population Projections for Connecticut.

Connecticut Department of Economic and Community Development, Connecticut Economic Digest, Building Permit Data.

United States Census Bureau, Decennial Census for years 1970 – 2010.

United States Census Bureau, 2012-2016 American Community Survey 5-year Estimates.

United States Census Bureau, 2013-2017 American Community Survey 5-year Estimates.