

Resource Guide

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Affordable Housing:
Fairfield County's Growth Challenge
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Affordable Housing: Fairfield County's Growth Challenge

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Introduction

"Securing access to decent, affordable housing is fundamental to the American Dream. All Americans want to live in good-quality homes they can afford without sacrificing other basic needs. All Americans want to live in safe communities with ready access to job opportunities, good schools, and amenities. All parents want their children to grow up with positive role models and peer influences nearby. And the overwhelming majority of Americans want to purchase a home as a way to build wealth."

The Bipartisan Millennial Housing Commission, 2002

The Business Council of Fairfield County has been asked by members and community leaders to play an active role in addressing Fairfield County's housing challenge. This Resource Guide is intended to provide background information to policymaking and advisory volunteer bodies considering our most appropriate and useful course of action. It is intended to be a basic reference on the subject of Affordable Housing, identifying relevant players and offering a variety of reports and policy summaries that give a flavor for issues, events, and points of view. It will be updated as more data and analysis become available.

Policy Framework

Housing is a competitiveness issue. Successful, sustainable economies need a diverse workforce. All workers need homes that meet their family's needs. As regions evolve economically and demographically, workforce and workforce housing needs change.

As a report from the Brookings Institute recently noted, skill and suitability of the labor market, availability and cost of housing, and adequacy of the transportation system are among the key factors influencing business location decision-making.

So too, did the The Connecticut Regional Institute for the 21st Century identify workforce and workforce housing as keys to Fairfield County's future.

*"Only the NJTpk/Route 1 corridor has a comparable set of resources [to the Coastal Corridor region]". However, this New Jersey Corridor has much better access to international and domestic air and sea hubs in Newark. Its economic and institutional assets include a broad range of corporate headquarters and a large concentration of pharmaceutical companies and institutions (including Princeton and Rutgers). **It has access to a much larger and diverse residential market than Connecticut's Coastal Corridor.**"*

Nationally, 43 percent of the United States workforce will be eligible to retire in the next decade. According to the Census 2000, 23 percent of Fairfield County's population is aged 45-64 and 31 percent are 25-44 years of age. With the largest segment of the workforce aging, and fewer younger workers entering the workforce, the United States will be facing a labor shortage by the end of this decade.

The competition to attract and retain skilled labor will define Fairfield County's ability to maintain its economic vitality and standard of living. We will need workers to fill jobs that are being created and to replace the workers who will be retiring in growing numbers over the next decade. Without steady growth in the labor force, our economy cannot grow and, over time, will contract. The past three decades of Fairfield County growth demonstrate the consequences of economic growth without adequate housing growth. When workers cannot afford to live close to where they work and are forced to drive long distances, highway congestion intensifies, open space is consumed, and urban sprawl is accelerated, further threatening the economic competitiveness of the region.

Investing in housing is investing in Fairfield County's future. Key questions to be answered now are: What kind of housing? For whom? Where? And, most relevant to The Business Council of Fairfield County, who should be involved in the effort?

Additional Resources:

["Why Housing Matters,"](#) Pp. 10-13 in [Meeting our Nation's Housing Challenges](#), Bipartisan Millennial Housing Commission, May 2002. <http://www.mhc.gov/MHCReport.pdf>

["Editors Note: Housing Solutions Reflect the Times"](#) by James Carr. Fannie Mae Foundation, Housing Facts and Findings, Summer 2000, Volume 2, Issue 2, http://www.fanniemae.foundation.org/programs/hff/v2i2-ed_note.shtml

["Reinventing the Company Town: Employer Assisted Housing in the 21st Century"](http://www.fanniemaefoundation.org/programs/hff/v2i2-company_town.shtml) by Stephanie A. Jennings. Fannie Mae Foundation, Housing Facts and Findings, Summer 2000, Volume 2, Issue 2, http://www.fanniemaefoundation.org/programs/hff/v2i2-company_town.shtml.

["Sidebars to Cover Story"](http://www.fanniemaefoundation.org/programs/hff/v2i2-sidebars.shtml) Fannie Mae Foundation, Housing Facts and Findings, Summer 2000, Volume 2, Issue 2, <http://www.fanniemaefoundation.org/programs/hff/v2i2-sidebars.shtml>

["Perspectives: EAH Benefits Employees, Employers, and Communities"](http://www.fanniemaefoundation.org/programs/hff/v2i2-index.shtml) by Ann D. McLaughlin. Fannie Mae Foundation, Housing Facts and Findings, Summer 2000, Volume 2, Issue 2, <http://www.fanniemaefoundation.org/programs/hff/v2i2-index.shtml>

What Is the State of Affordable Housing?

Affordable housing is typically considered housing for individuals whose income is thirty to eighty percent of the area median income. Housing the workforce has emerged as an issue for not only housing advocates, but also for policy makers and employers.

The National Context

The Bipartisan Millennial Housing Commission reported that while most Americans are exceptionally well housed, millions of families still have serious housing problems. Affordability is the single greatest housing challenge facing the nation. According to their study, in 1999, one in nine households reported spending more than half its income on housing, while hundreds of thousands went homeless on any given night.

Spending 30 percent or more of household income on housing is an indicator of an affordability problem; spending more than 50 percent of household income on housing is a severe affordability problem. In Fairfield County, more than one out of four households spent 30 percent or more on household income on housing:

- 51,100 or 27.8 percent of the owner occupied households (224,516) spent 30 percent or more of their household income on housing costs.
- 37,962 or 38.2 percent of the renter occupied households (99,716) spent 30 percent or more of their household income on rent.
- 89,062 or 27.5 percent of the total Fairfield County households (324,232) spent 30 percent or more of their household income on housing.

Workers are under housing pressure

“Working full time does not guarantee immunity from acute housing affordability problems.”

The Bipartisan Millennial Housing Commission.

The lack of affordable housing is an issue faced by workers across the nation. A 2001 study conducted by the National Housing Conference’s Center for Housing Policy, [*Paycheck to Paycheck: Working Families and the Cost of Housing in America*](#), studied whether working families who earn the prevailing wages for selected occupations are able to pay reasonable costs for housing in the communities in which they live. The analysis was carried out for 5 vital occupations - Janitor, Elementary School Teacher, Police Officer, Licensed Practical Nurse, and Retail Salesperson - in 60 of the nation's largest housing markets.

These occupations were selected because of the vital role these occupations play in the community. Retail Salesperson and Janitor represent occupations that are attractive to first-time entrants in the workforce. Licensed Practical Nurse was chosen as it represents the health care sector and since this occupation has lower qualifications than a registered nurse it was viewed as an occupation suitable for a career ladder.

These same occupations have relevance for Connecticut. According to the [*Connecticut Occupation Forecast*](#), these same five occupations studied elsewhere are listed among those occupations projected to have the most openings over the next ten years. Indeed, the shortage of nurses and allied health care professionals and teachers is a looming issue in Connecticut.

The National Housing Conference’s study concluded that:

- The number of working families with “critical housing needs, i.e. those who pay at least 50 percent of their income for housing or are living in severely inadequate housing, has grown from 3 million to 3.7 million between 1997 and 1999. About 8 out of 10 pay more than half their income for housing. The other 20 percent live in severely inadequate housing and a small fraction of working families deal with both of these problems.
- With regard to rental housing, on a single income Janitors are able to rent a one-bedroom apartment on 30 percent of their income in just 6 out of 60 metropolitan areas, while Retail Sales persons manage to afford a one-bedroom using this traditional standard in only 3 out of 60 localities. For two-bedroom apartments, the situation is even worse. The same problem exists for Teachers, Police Officers, and Licensed Practical Nurses in the highest cost metropolitan areas.

- On the homeowner side, it was found that households dependent on one Teacher's or one Police Officer's salary alone cannot afford to buy a median priced home in two-thirds of the metropolitan areas. Licensed Practical Nurses are priced out of all but the lowest cost-to-income markets, while Janitors and Retail Salesperson cannot afford to purchase a home across the board.

In Fairfield County

The high cost of housing in Fairfield County compounds the affordability problem. According to a national study by the National Low Income Housing Coalition:

- There are severe housing cost problems across the nation.
- **Connecticut is the sixth most expensive state for renters in the country**
- **The Stamford-Norwalk metropolitan area remains the third costliest rental market in the entire nation.**

Affordable Housing in Fairfield County is housing for individuals in the following income ranges:

Primary Metropolitan Statistical Area within Fairfield County	FY 2002 Median Family Income	Affordable Housing Income Range (30-80% Median Income)
Bridgeport PMSA	\$75,000	\$22,500-60,000
Danbury PMSA	\$98,000	\$29,400-78,480
Stamford PMSA	\$115,500	\$34,650-92,400

Source: [Housing and Urban Development \(HUD\) as reported by the Connecticut Department of Economic and Community Development \(DECD\)](#).

Additional Resources:

["America's Housing Challenges"](#) Pp. 14-21 in [Meeting our Nation's Housing Challenges](#), Bipartisan Millennial Housing Commission, May 2002. <http://www.mhc.gov/MHCReport.pdf>.

[Rental Housing for America's Poor Farther Out of Reach 2004 Than Ever](#), National Low Income Housing Coalition. http://www.nlihc.org/oor_current/

[Paycheck to Paycheck: Working Families and the Cost of Housing in America](#), Center for Housing Policy/National Housing Conference. Volume 2, Issue 1, June 2001. http://www.knowledgeplex.org/kp/report/report/refiles/nhc_paycheck.pdf

[U.S. Census Bureau, Census 2000, Fairfield County. http://www.ct.gov/ecd/cwp/view.asp?a=1106&q=250616](http://www.ct.gov/ecd/cwp/view.asp?a=1106&q=250616)

What Are the Barriers to Supplying Affordable Housing?

There are a number of factors that deter creation of affordable housing. These obstacles include the following:

- **Land** - Sites physically suitable and appropriately zoned are limited and expensive
- **Availability of Financing** - Lack of financial resources required to subsidize the cost of land and development of new units or to finance existing units.
- **Governmental constraints** - The local regulatory process for residential development is complex. Additionally, many communities have adopted restrictive residential zoning policies or policies that add to development costs.
- **Public attitudes** - While there is awareness of the lack of Affordable Housing among community leaders, gaining public support for new housing, especially affordable housing can be a thorny issue. Increased public awareness on the need for and the economic benefits of Affordable Housing is needed to address the perception that housing is a drain on municipal budgets.

What Are the Solutions?

There are no simple solutions or a silver bullet that will solve the issue of affordable housing in Fairfield County. A comprehensive approach involving a number of different entities will be required to address this issue.

A recent study, "A Blueprint for Affordable Housing", prepared for the Stamford Partnership for the benefit of Stamford's Affordable Housing Action Collaborative describes an approach to address issue of housing the workforce:

- Organize a Fairfield County Workforce campaign to expand the resources allocated to affordable housing and to expand the affordable housing constituency. The campaign would involve a regional approach that delivers a message focused upon people who work but cannot not afford to live in Fairfield County communities. Key components of the campaign involve development of a marketing strategy, engaging new partners and existing partners more deeply, broad based leadership, and staff resources.
- Investment vehicles that provide both equity capital and debt to strengthen the affordable housing strategy. Suggested investment vehicles include:

- Land Acquisition Fund;
 - Community Reinvestment Fund which provides corporations and financial institutions with a means of investing in different types of community housing development projects through a proven investment vehicle;
 - Family Housing Fund that is designed to reduce monthly payments of low-down payment mortgages and to reduce the amount of cash required for down payment and closing costs that lower income households need to purchase a home; and
 - Below Market Interest Rate Financing.
- Suggests possible program directions that could be pursued such as a Community Land Trust and Employer Assisted Housing.

Additional Resources:

["Executive Summary"](#) Pp. 1-9 in [Meeting our Nation's Housing Challenges](#), Bipartisan Millennial Housing Commission, May 2002. <http://www.mhc.gov/MHCReport.pdf>.

Examples of view different viewpoints on residential development:

[Growth is Good and Homes Can Pay for Themselves](#), Home Builders Association of Connecticut, Inc. <http://www.hbact.com/GovtAffairs/Smart%20Growth%20Policy%20Statement%202-03.htm>

[Fact Sheet Cost of Community Services Studies](#), American Farmland Trust, Farmland Information Center, Washington, DC. http://www.farmlandinfo.org/fic/tas/COCS_9-01.pdf

Fannie Mae Housing Facts and Findings, Volume 4, Number 2, 2002, "[Workforce Housing: The New Economic Imperative?](#)" by Carol A. Bell, <http://www.fanniemaefoundation.org/programs/hff/v4i2-workforce.shtml>

[Family Home Fund, Workforce Housing: The Key to Ongoing Regional Prosperity, A Study of Housing's Economic Impact on the Twin Cities](#), September 2001. <http://www.fhfund.org/Research/Workforce%20Housing.pdf>.

A Blueprint for Affordable Housing, prepared for the Stamford Partnership, December 2002.

Who Are the Key Players?

Entities involved in the provision of Affordable Housing include private for-profit as well as private non-profit organizations, governmental bodies at the federal, state, and local levels. Private sector participants include financial institutions,

builder/developers, foundations and realtors. Local financial institutions provide construction financing, low interest rehabilitation loans, mortgage financing and loan servicing. Builders and developers have also become involved in production of affordable housing developments. Nonprofit organizations play an important role in the provision of Affordable Housing. The State of Connecticut Consolidated Plan notes that nonprofits: are eligible to receive public and private funds targeted to serving specific need groups, are identified by regulation or certain governmental programs serving specific need groups; are in daily contact with, or represent or advocate on behalf of certain populations in need. Information on key players is included in the appendix of this report.

Increasingly, employers around the nation are taking an active role in affordable housing issues:

- Silicon Valley Manufacturers Group - The Silicon Valley Manufacturing Group (SVMG) is organized to involve principal officers and senior managers of member companies in a cooperative effort with local, regional, state and federal government officials to address major public policy issues affecting the economic health and quality of life in Silicon Valley. Currently, SVMG addresses the following five core issues: affordable housing, comprehensive transportation, reliable energy, quality education and a sustainable environment. The SVMG has an active Housing Committee whose members testify in support of Affordable Housing initiatives.
- The Housing Trust of Santa Clara County California is a public/private partnership, dedicated to building and sustaining a revolving loan fund and grant-making program that will complement and leverage other housing resources throughout Silicon Valley. Major community, business and government leaders have joined together to address the gap between rapid new job creation and affordable, available housing within Santa Clara County. One of the founding organizations was the SVMG.
- San Francisco Chamber of Commerce- The San Francisco Chamber of Commerce has a Workforce Housing Committee that is focused on creating affordable homeownership opportunities for middle-income workers in San Francisco. The Workforce Housing and Land Use Committee are pursuing a three-pronged approach towards creating homeownership opportunities for our local workforce. The Committee is raising \$4 million for the Workforce Housing Fund that will issue deferred second mortgages to the San Francisco workforce. We are working with local developers, housing advocates, planners and architects to increase the available supply and density of housing in San Francisco.

- The Greater Boston Chamber of Commerce- The Greater Boston Chamber has created a guide that is a primer on Employer Assisted Housing. The guide was an outgrowth of a partnership between the Greater Boston Chamber of Commerce and Fannie Mae to make employer assisted housing a focus of the GBCC's membership.

Affordable Housing: An Economic Growth Issue

The Twin Cities area of Minnesota repositioned the need for affordable housing as an economic prosperity issue. The study, [Workforce Housing: The Key to Ongoing Regional Prosperity A Study of Housing's Economic Impact on the Twin Cities](#), conducted by The Family Housing Fund, Maxfield Research Inc., and GVA Marquette Advisors, found that:

- Supplying an adequate amount of workforce housing is critical for the Twin Cities to compete with other metropolitan areas. Every positive move to resolve the shortage of workforce housing makes the Twin Cities region stronger in the competition to capture new economic growth.
- The net economic benefit to the Twin Cities economy of constructing 31,700 needed workforce housing units could be as much as \$2.8 billion through 2005, and up to \$12.2 billion over the next 15 years.
- Devoting money to housing is an investment that lasts for decades.

Clearly, business can play an important role in solution to Fairfield County's workforce housing issues.

Additional Resources:

[Chapter 15. Institutional Structure - 2000 Consolidated Plan. 2000 Consolidated Plan. Department of Economic and Community Development.](#)
<http://www.ct.gov/e cd/cwp/view.asp?a=1105&q=250548>

[Appendix 3-Description of Housing Programs](#), Pp. 106-120 in [Meeting our Nation's Housing Challenges](#), Bipartisan Millennial Housing Commission, May 2002.
<http://www.mhc.gov/MHCReport.pdf>.

Examples of Business Involvement in the Workforce Housing Issue:

Greater Boston Chamber of Commerce, Employer Assisted Housing: A Guide for Chambers of Commerce.

[Silicon Valley Leadership Group](#)
<http://www.svmg.org/>

[Housing Trust Fund of Santa Clara County](#)
<http://www.housingtrustscc.org/>

[San Francisco Chamber of Commerce, http://www.sfchamber.com/workforce_housing_committee.htm](http://www.sfchamber.com/workforce_housing_committee.htm)

Organizations Involved in Housing in Fairfield County

Fairfield County Non-Profit Developers/Funding Intermediary

Action Housing

[Housing Development Fund of Fairfield County and Adopt a House](#)

Mutual Housing Association of Fairfield County

Neighborhood Housing Services

New Neighborhoods, Inc.

[Partnership for Strong Communities](#) (statewide advocacy organization)

[Operation Hope](#)

[St. Luke's LifeWorks](#)

Fairfield County Housing Authorities (<http://www.ct.gov/ecl/lib/ecl/20/14/LHA%20LIST.xls>)

Bethel Housing Authority

Bridgeport Housing Authority

Brookfield Housing Authority

Danbury Housing Authority

Darien Housing Authority

Fairfield Housing Authority

Greenwich Housing Authority

Monroe Housing Authority

New Canaan Housing Authority

Norwalk Housing Authority

Ridgefield Housing Authority

Stamford Housing Authority

Stratford Housing Authority

Trumbull Housing Authority

Westport Housing Authority

(top)

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