

MEMORANDUM

To: Ridgefield Affordable Housing Committee

From: Kirk Carr

Date: January 18, 2022

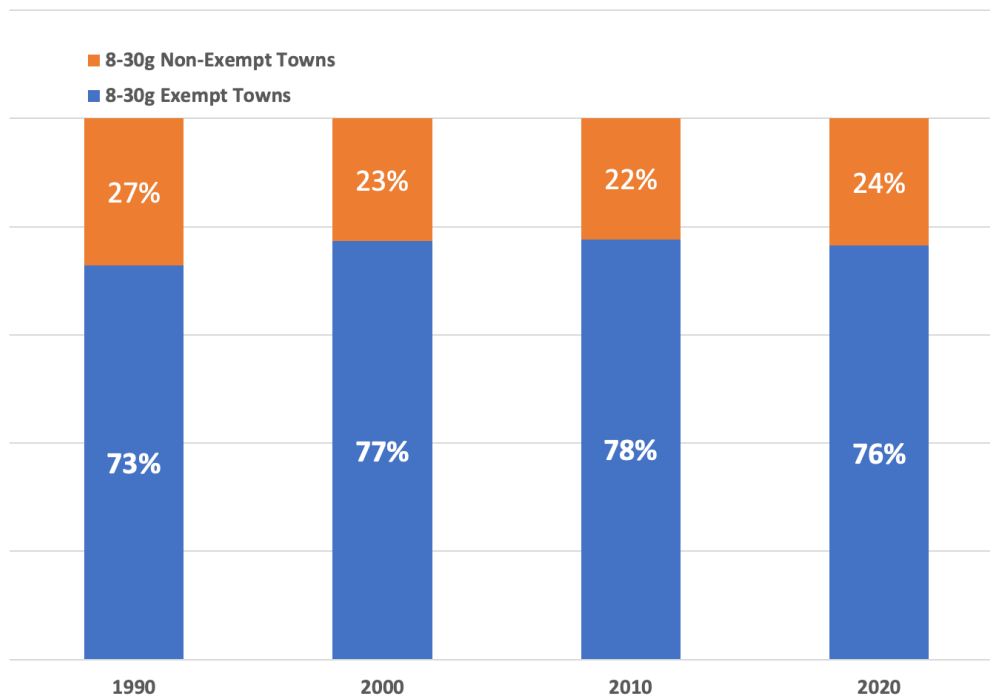
Subject: **Ridgefield Affordable Housing Plan**

Effective July 24, 2017, C.G.S. Title 8, Chapter § 8-30j requires every municipality in the state to prepare an affordable housing plan at least every 5 years. The first one is due no later than July of 2022. “Such plan shall specify how the municipality intends to increase the number of affordable housing developments in the municipality” whether a need for such developments exists or not.

Municipalities have been under considerable duress to increase the amount of affordable housing as defined by 8-30g (i.e. assisted and low income restricted) to no less than 10% of the town’s dwelling units regardless of any local need for such housing since passage in 1989. Failure to do so has left them vulnerable to developers nullifying all local zoning regulations to build housing of which 30% or more is deed restricted for 40 years to low-income households with income 80% or less of the area median income as defined by the US Department of Housing and Urban Development (HUD).

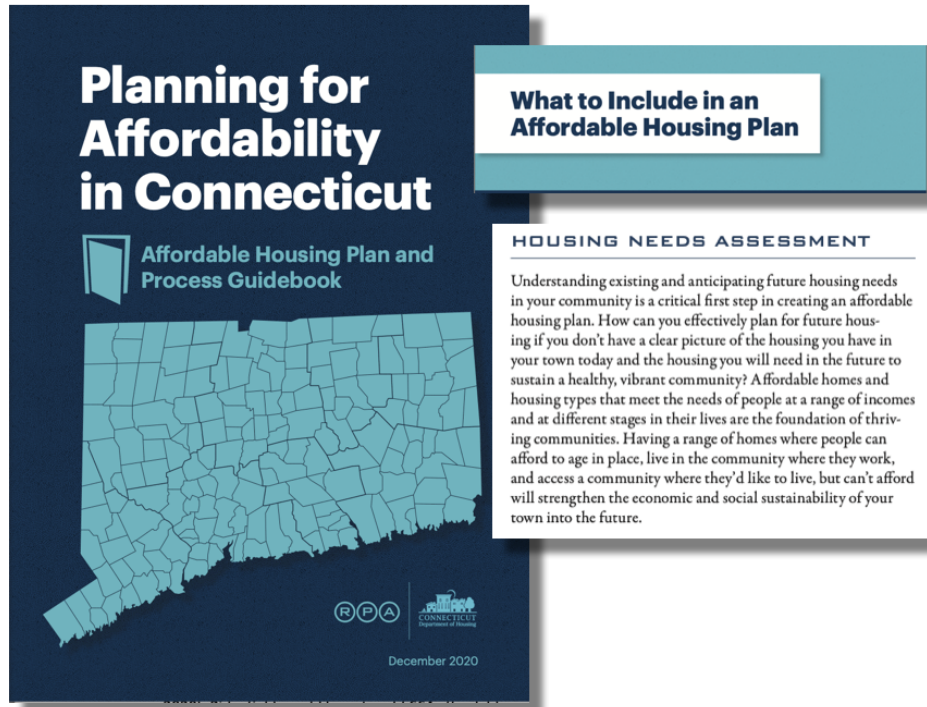
In the last 30 years, despite this considerable duress, Connecticut municipalities have largely resisted the pressure to increase low-income housing to exceed local demand and to thereby create local gluts of low-income housing where it is not needed, while these policies have attempted to distort the investment away from where low-income housing is needed. Since 1989, the number of exempt towns with 10% or more of their units restricted has increased from 23 to 31. The remaining 138 non-exempt towns have reduced their total share of restricted units from 27% to 24%. The median percent of restricted units among all towns has increased from 3.4% to 4.7%. The total percent of restricted units as a percent of total units has increased from 9.7% to 11.7%.

8-30g Restricted Units



Source: [Affordable Housing Appeals Lists](#) supplemented by archive files supplied by Michael Santoro, Connecticut Department of Housing.

8-30g and 8-30j completely ignore the central question of any plan: what is the problem an Affordable Housing Plan is attempting to solve, in simple terms what is the need? Despite that glaring omission, the Department of Housing in cooperation with the Regional Plan Association has prepared a comprehensive guide to preparing a municipal Affordable Housing Plan that begins with, you guessed it, a housing needs assessment.



On a recent webinar hosted by Ridgefield's Affordable Housing Committee, Tony Phillips, Ridgefield's Social Services Director was asked about Ridgefield's chronic homeless population, which he reported does not exist with the possible exception of occasional campers and people who very briefly may live in their car. Connecticut's Coalition to End Homelessness documents that fact comprehensively in their [2019 Point in Time Report](#). The report is extremely detailed and comprehensive and the chart below from it doesn't do it justice. But clearly the most acute unsatisfied housing demand in Connecticut is elsewhere and putting resources to building affordable housing where it is not needed is a misallocation of capital, at which governments generally excel.

Table 13: Block Groups Where Homeless Were Found in 2018

PIT Region	People Found in 2018	No People Found in 2018	Total
Bristol	6	86	92
Danbury	3	153	156
Greater Bridgeport	14	180	194
Greater Hartford	5	473	478
Hartford	10	86	96
Litchfield County	2	127	129
Meriden Wallingford	3	78	81
Middletown	2	116	118
New Britain	3	57	60
New Haven	20	87	107
New Haven East	0	81	81
New Haven North South	7	166	173
New Haven West	2	58	60
Northeast	4	116	120
Norwalk Area	0	163	163
Southeast	8	179	187
Stamford Greenwich	7	130	137
Waterbury	9	140	149
Grand Total	105	2476	2581

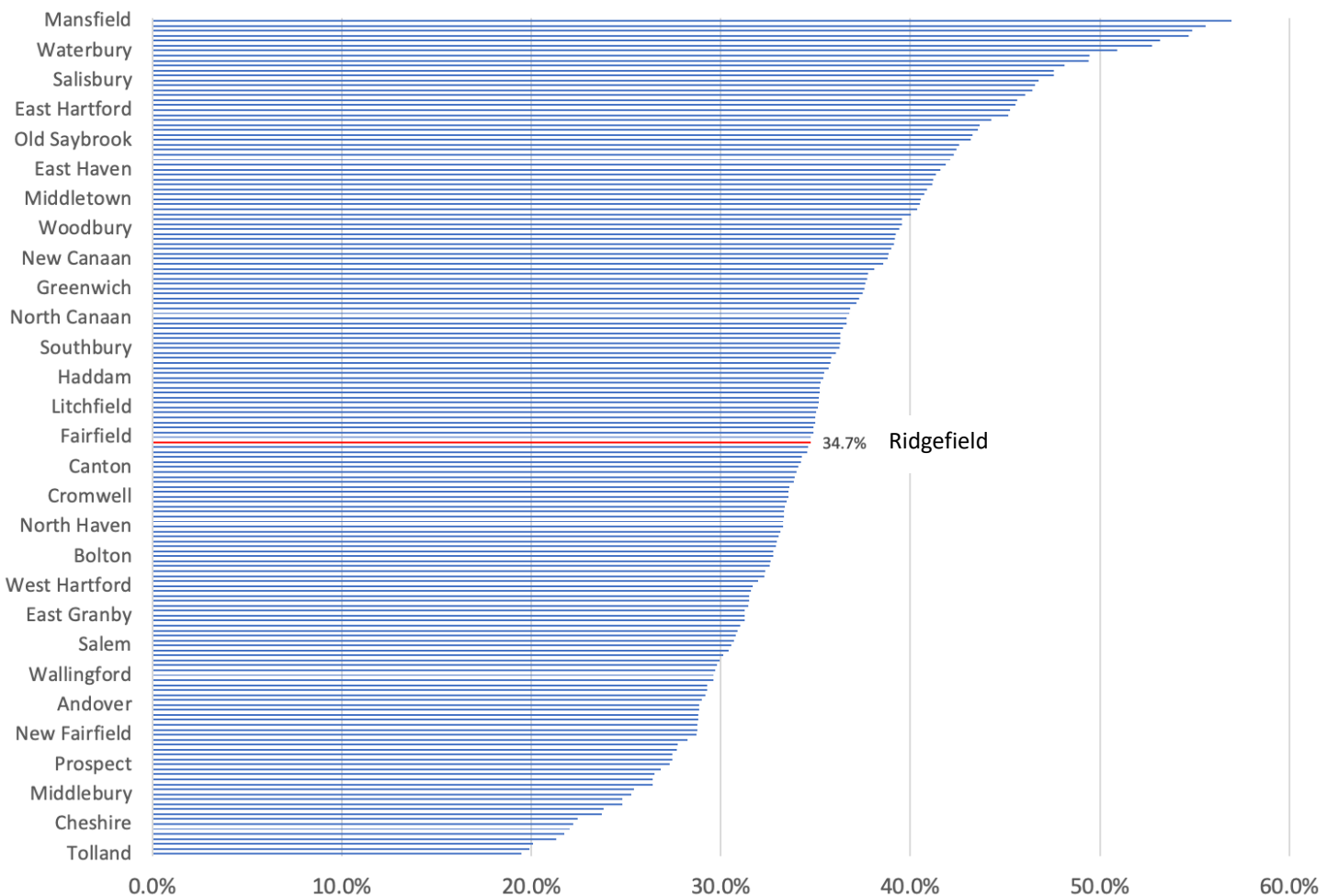
So, if homelessness in Ridgefield is not the problem, what is. David Goldenberg, Ridgefield Affordable Housing Committee Chair and Glenn Chalder, the Planimetrics consultant hired to help write the Ridgefield Affordable Housing Plan have relied on three metrics to make their case that Ridgefield needs more low-income restricted, 8-30g compliant dwelling units. The three metrics are the percentage of cost-burdened households, the percentage of what United Way has defined as “Asset Limited, Income Constrained, Employed” (ALICE) and the waiting list for Ridgefield Housing Authority Units. Of the three, the waiting list may be the best metric for unsatisfied need. That subject will be addressed later.

The connection between Cost Burdened households or ALICE households translating into unsatisfied housing need is tenuous at best and Ridgefield’s metrics in both measures are not alarmingly high.

The Truth About Cost Burdened Households

Ridgefield Cost-Burdened households, at 34.7% is just below the median of all Connecticut towns at 34.8% and below Connecticut as whole at 39.6%. For many Cost-Burdened households it is a rite of passage as young first-time home buyers struggle to buy and maintain their first home, before their incomes grow and mature.

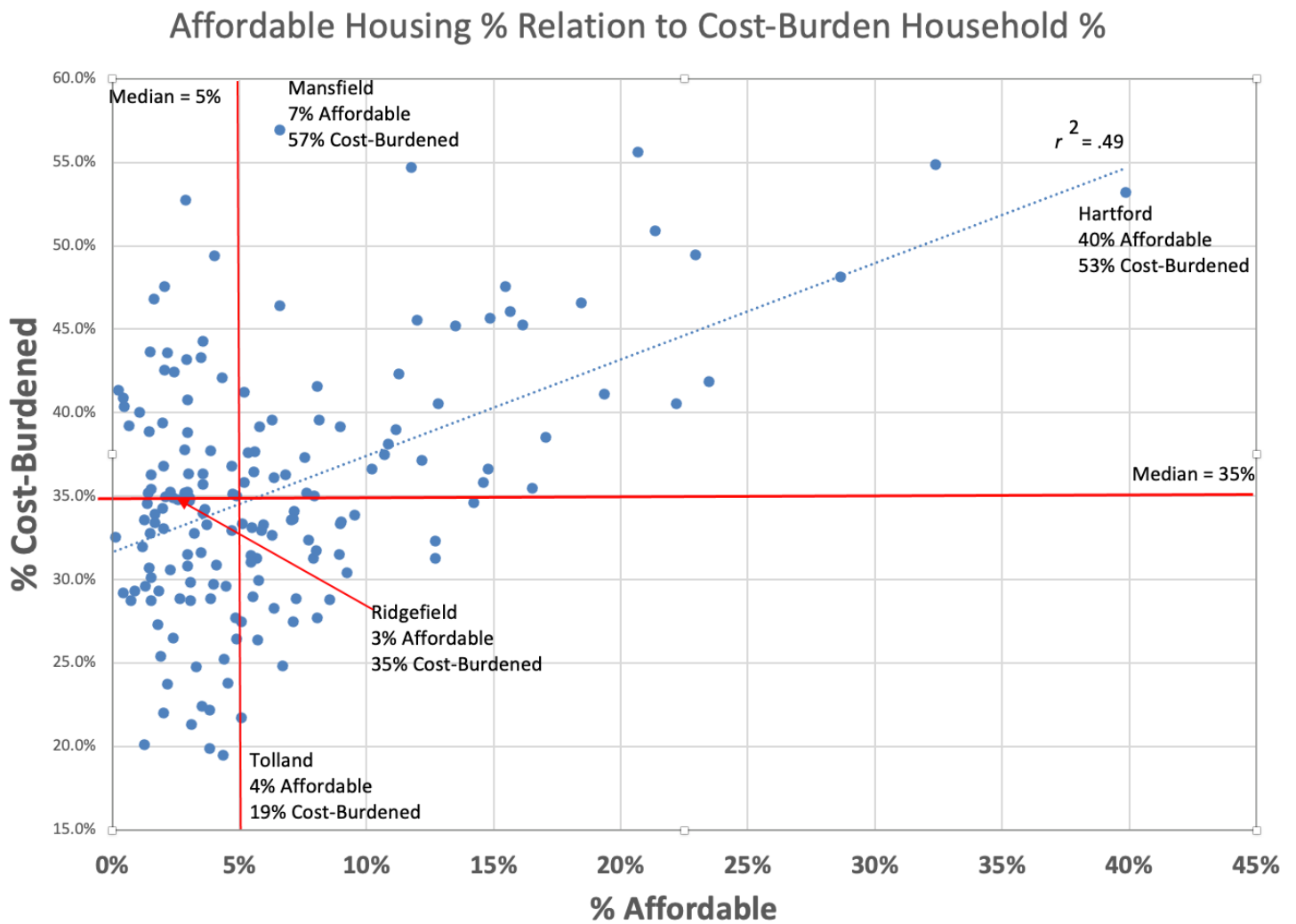
Percent Cost-Burdened Households



Perhaps more importantly, increasing the inventory of 8-30g income restricted housing does not appear to have a positive effect on the percent of Cost-Burdened Households and may have the opposite to the implied and desired effect. Here is a scatter chart of Connecticut towns % Cost Burdened and % 8-30g defined Affordable. There is a strong (.49) correlation that shows that a higher % of “affordable” units does not translate into a lower % of cost-burdened households, but in fact higher.

Compare Hartford with 53% of households Cost Burdened and 40 % of total units “affordable” to Tolland with just 19% Cost Burdened and just 4% “affordable.” Ridgefield is at 35% cost Burdened and 3% “affordable.”

There is no evidence that adding 8-30g income restricted units to Ridgefield’s housing inventory would reduce the Cost Burden metric and it is not a useful measure of need to make a case for more income restricted housing.

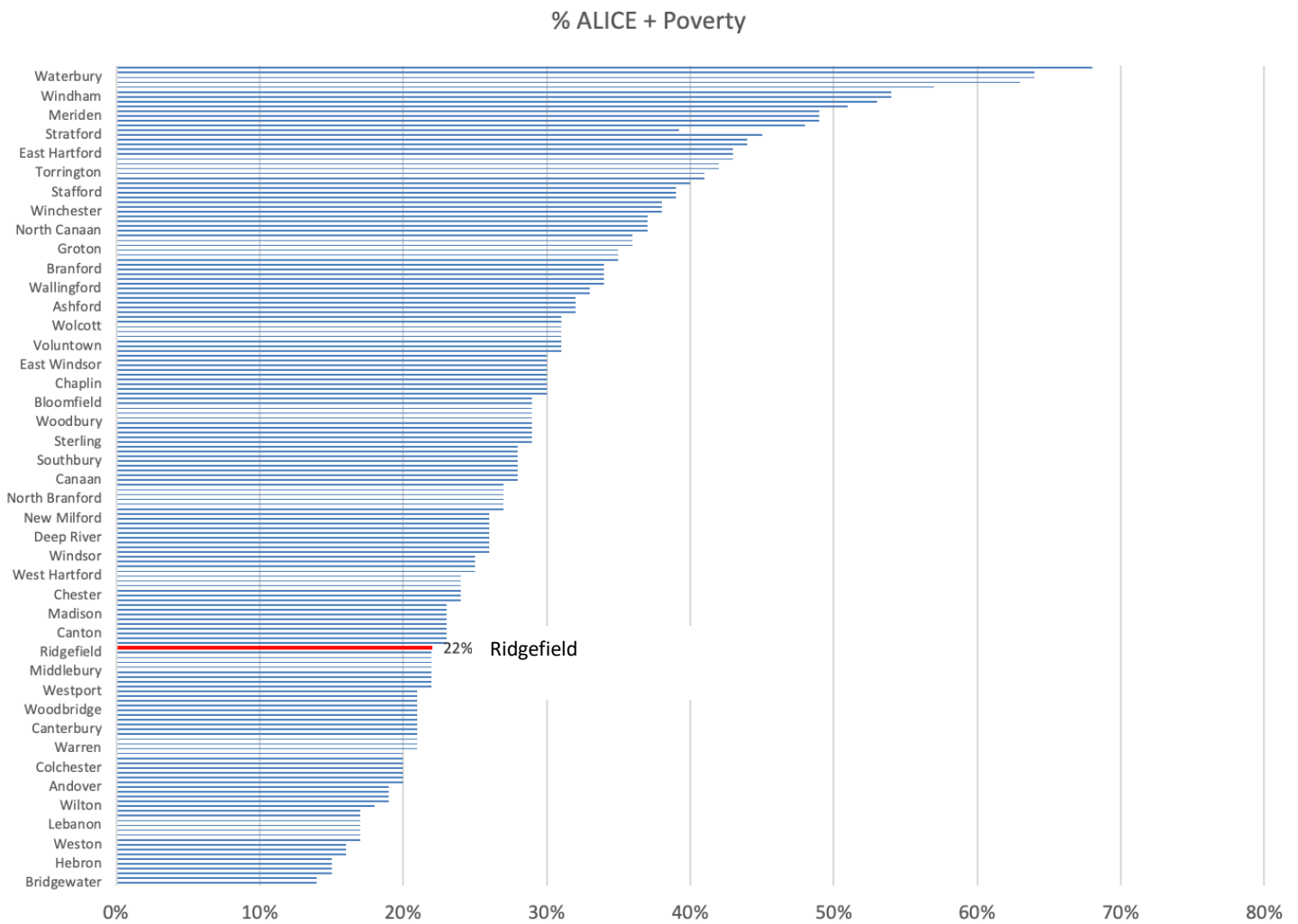


Sources: [Cost Burdened Households, Connecticut Data Collaborative](#), [Affordable Housing Appeals List, Connecticut Department of Housing](#).

The Truth About ALICE

Ridgefield’s percentage of Asset Limited, Income Constrained Employed (ALICE) as defined by the United Way is at 20% plus 2% below the poverty rate or 22%. Is this neither an alarmingly high figure nor a metric that can support the need for more income-restricted low-income “affordable” housing.

Aggregated Unite Way data indicates that 39% of households in Connecticut qualify as ALICE + those below the poverty rate. The median among all Connecticut towns is 28%.

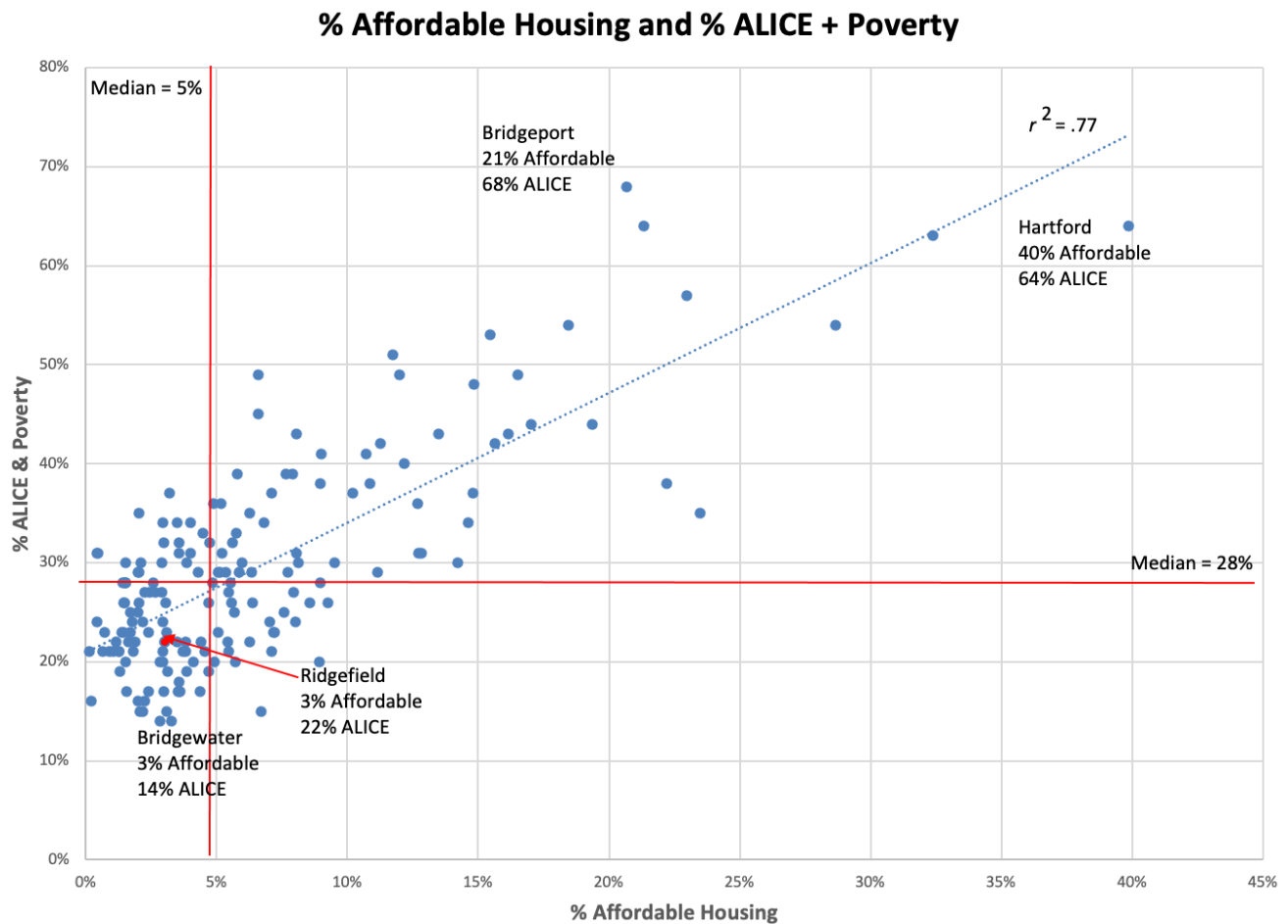


Source: [2020 ALICE Reports, United Way of Connecticut.](#)

More importantly, the relationship between increasing 8-30g “Affordable” housing and ALICE + Poverty does not support the case that adding more housing reduces ALICE + Poverty. In fact, the evidence suggests just the opposite.

Here is a scatter chart of Connecticut towns comparing the % Affordable Housing to the % of ALICE + Poverty. There is a strong (.77) correlation between the two. As 8-30g “Affordable” housing increases as a percent of total units the % of ALICE + Poverty households increases with it. For example Hartford with 40% Affordable units has an ALICE + Poverty percent of 64%. Bridgeport is 21% Affordable and 68% ALICE.. Bridgewater has only 3% Affordable housing and just 14% ALICE. Ridgefield is at 3% affordable housing and 22% ALICE.

Raising the percentage of Affordable units as a percent of total unite does NOT reduce the ALICE + Poverty rate and appears to instead increase it. Using ALICE + Poverty data cannot support the need for increases in the 8-30g Affordable housing percent.



Source: [2020 ALICE Reports, United Way of Connecticut](#). [Affordable Housing Appeals List, Connecticut Department of Housing](#).

Ridgefield Housing Authority

On October 20, 2021, David Goldenberg, Chair of the Ridgefield Affordable Housing Committee presented to Ridgefield’s Board of Selectmen a proposal to apply for a grant from the Connecticut Department of Housing to study expanding the low-income restricted housing at Prospect Ridge, which is operated under the auspices of the Ridgefield Housing Authority. In that presentation he shared the following information:

RHA availability vs. need

Currently 152 RHA-owned units

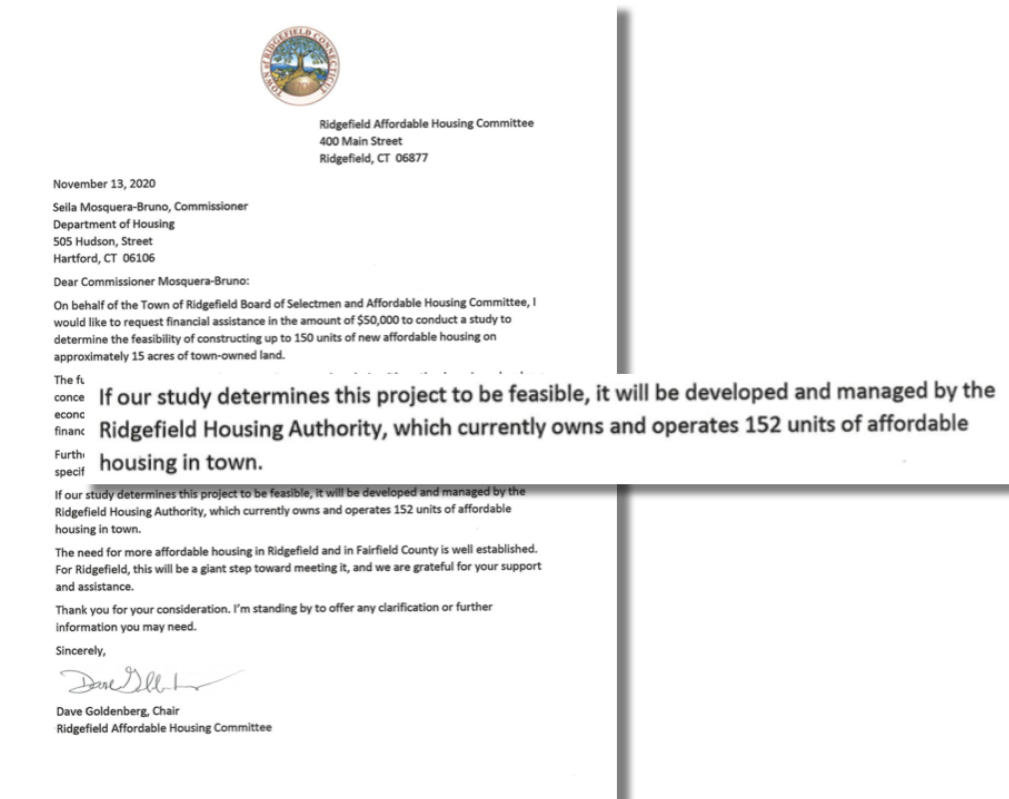
- 60 Ballard Green Subsidized
- 38 General Affordable
- 34 Congregate Subsidized
- 20 Family–Meadows

Current waiting list status

- 129 Ballard Green
- 265 General Affordable
- 76 General Affordable
- 148 Family–Meadows



The Board of Selectmen voted 4 to 1 to authorize the Affordable Housing Committee to apply for the grant. Two weeks later Mr. Goldenberg applied for a \$50,000 State grant indicating that the Ridgefield Housing Authority would develop and operate the project if the project is feasible. A discussion of this application by the Ridgefield Housing Authority on December 1, 2021 reveals that they have made no such commitment. Here is a [link](#) to an audio of that portion of the meeting.



What the occupancy and wait list was at the time that the presentation was made to the Board of Selectmen on October 21, 2020, is not known. An active FOIA request for the Ridgefield Housing Authority's 2020 annual report to State and Federal lenders and agencies may shed further light on the veracity of the statements made to the Board of Selectmen at that time.

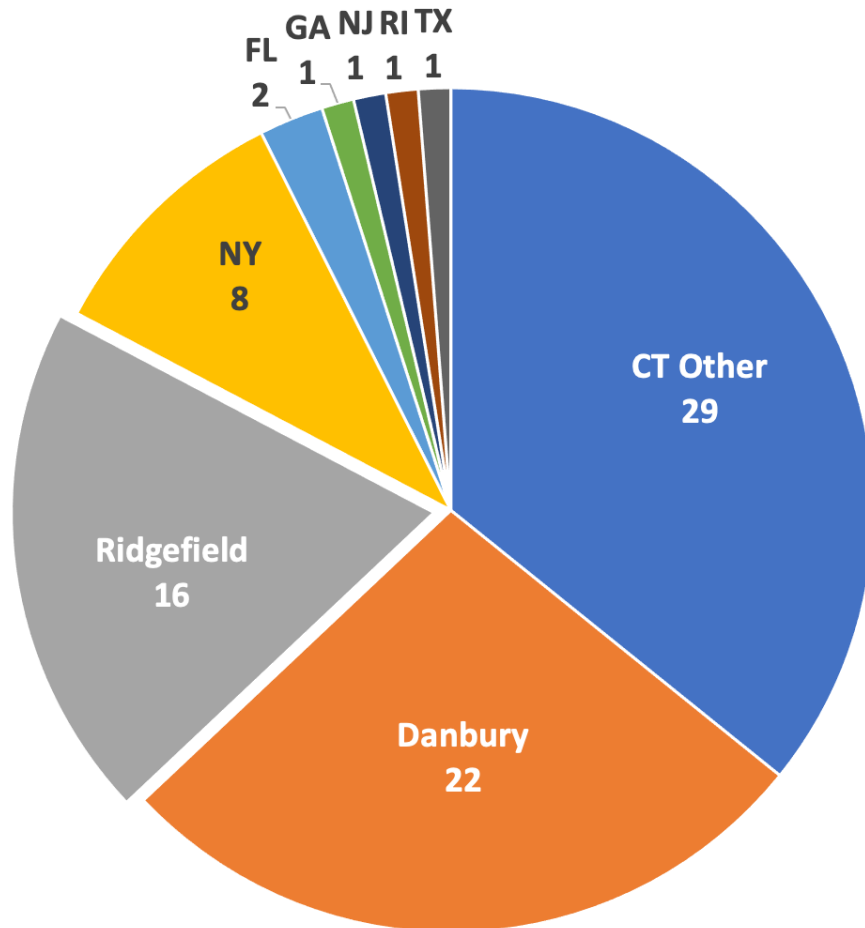
But from information about the current occupancy and wait list for the 152 Ridgefield Housing Authority units suggest that the waiting list statistics presented exaggerate the needs at least as they exist as of December 31, 2021.

Here are a few facts that FOIA request produced, provided by Frank Coyle, Chair of the Ridgefield Housing Authority and Bob Williamson, Property Manager for the Ridgefield Housing Authority at Simon Konover Company.

- There are currently a net of 81 households on multiple Housing Authority waiting lists as follows
 - Ballard Green 57
 - Congregate 6
 - Apartments 36
 - Meadows 21
 - PR ? 2

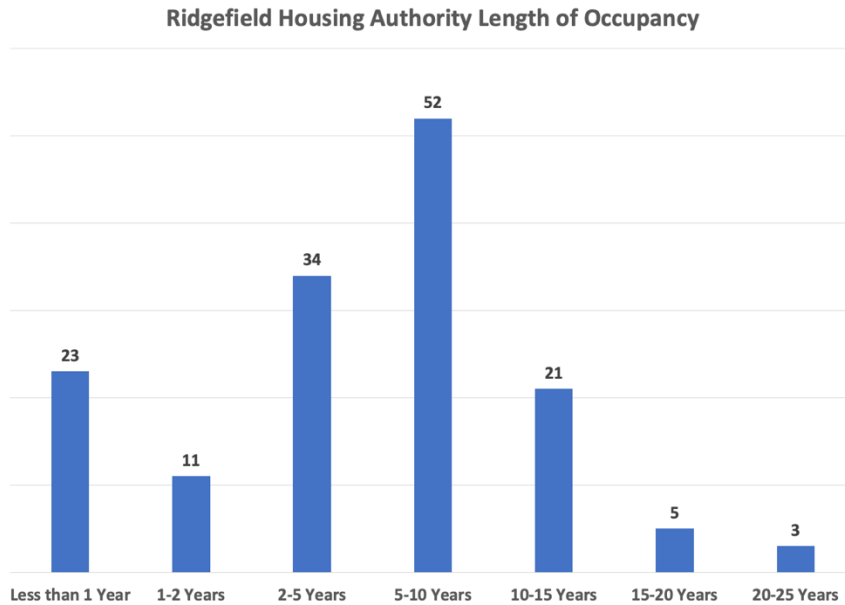
- Only 16 or 1 out of 5 on the list are from Ridgefield

Housing Authority Wait List Current Residence



- Ridgefield residents have been on the list an average of 11 months
- Non-Ridgefield residents have been on the list an average of 16 months

- 34 of the 149 occupied units or 23% have turned over in the last 24 months.



Based on current data it is hard to argue that the current inventory of 152 units presents a shortage of supply to demand, at least from Ridgefield residents. With 16 applicants from Ridgefield on the wait list on average less than a year and an average of 17 units turning over annually during the last 24 months, there seems to be adequate supply and this does not count any naturally occurring affordable (NOA) housing in Ridgefield.

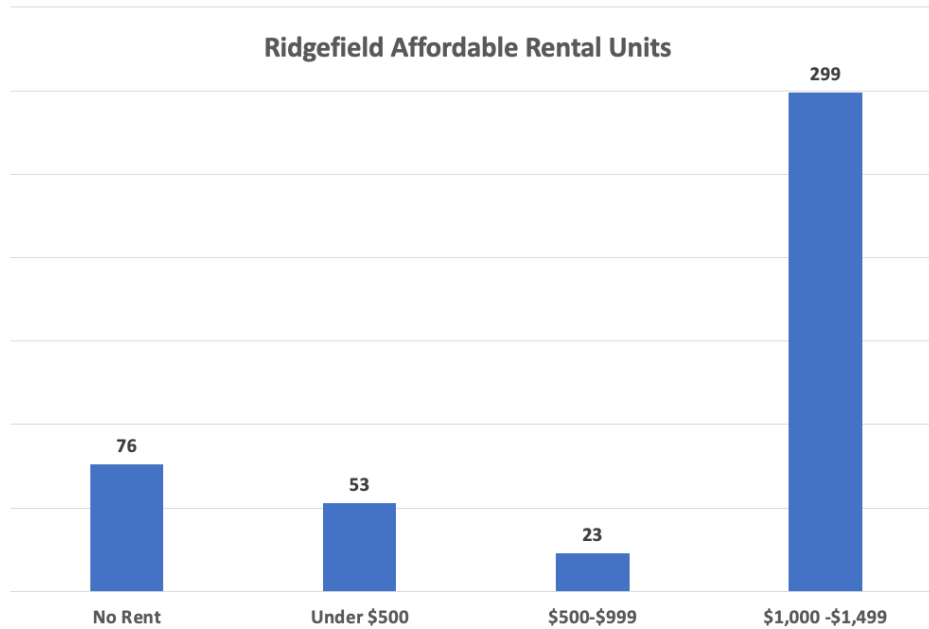
Natural Occurring Affordable Housing

Dismissing natural affordable housing from the equation distorts the true affordability of a town. The Danbury HUD Fair Market Area (HFMA) median household income of \$104,400 is only 64% of Ridgefield’s actual median household income of \$163,945. At the 80% the low-income threshold is only \$83,520 which is only 51% of Ridgefield’s actual median income. Using HUDs 80% figure for the Danbury HMFA, affordable rents at 80% of median would range between \$1,708 and \$2,832.

DANBURY HMFA								
For use by developments Placed In Service On or Before March 31, 2021 (FY2020 HERA & HH)								
INCOME LIMITS	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
20% of Median	17080	19520	21960	24400	26360	28320	30260	32220
25% of Median	21350	24400	27450	30500	32950	35400	37825	40275
30% of Median	25620	29280	32940	36600	39540	42480	45390	48330
40% of Median	34160	39040	43920	48800	52720	56640	60520	64440
50% of Median	42700	48800	54900	61000	65900	70800	75650	80550
60% of Median	51240	58560	65880	73200	79080	84960	90780	96660
70% of Median	59780	68320	76860	85400	92260	99120	105910	112770
80% of Median	68320	78080	87840	97600	105440	113280	121040	128880
RENT LIMITS	Studio	1 bedroom	2 bedroom	3 bedroom	4 bedroom			
20% of Median	427	457	549	634	708			
25% of Median	533	571	686	793	885			
30% of Median	640	686	823	951	1062			
40% of Median	854	915	1098	1269	1416			
50% of Median	1067	1143	1372	1586	1770			
60% of Median	1281	1372	1647	1903	2124			
70% of Median	1494	1601	1921	2220	2478			
80% of Median	1708	1830	2196	2538	2832			

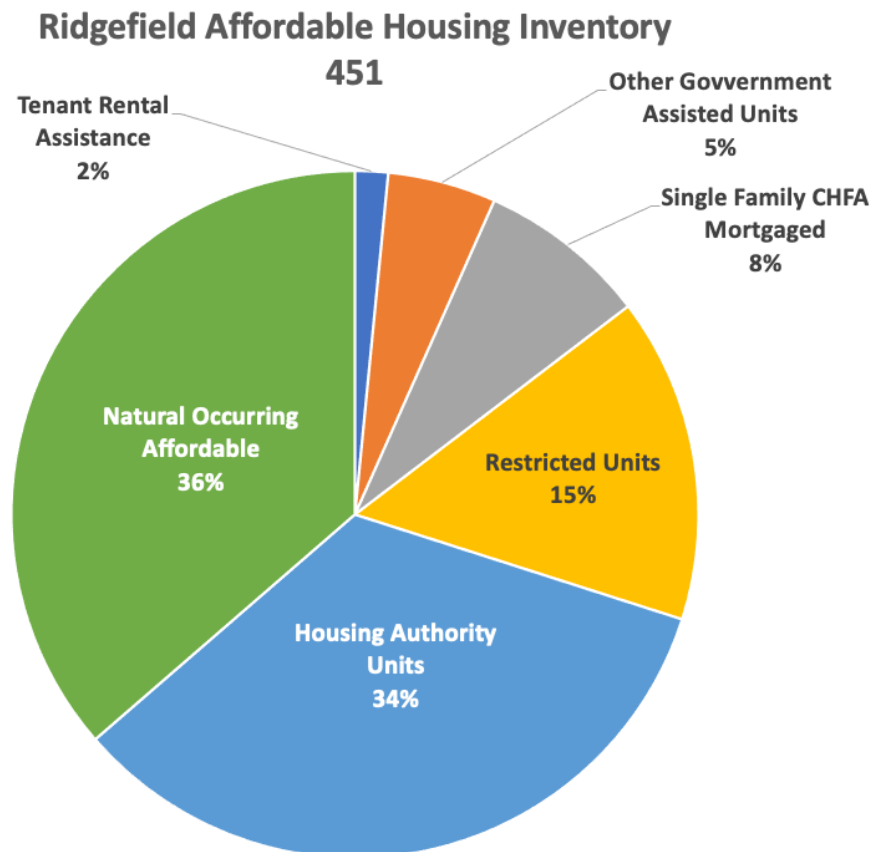
Source: [Income Area Income Definitions, Housing and Urban Development.](#)

Based on these rents here is a breakdown of units renting for less than \$1,500, all of which qualify under the Danbury HFMA as do some not included that rent for as much as \$2,832.



Source: [Ridgefield Units by Gross Rents, Partnership for Strong Communities](#).

Breaking these units down further, 451 units renting for less than \$1,500 (excluding those from \$1,500 to \$2,832) indicates that the largest and under-estimated share are the over 164 natural occurring affordable units.



Source: [Ridgefield Units by Gross Rents, Partnership for Strong Communities](#). [Affordable Housing Appeals List, Connecticut Department of Housing](#).

The market remains by far the best arbiter of supply and demand, including the mix of housing within any given municipality, including Ridgefield. Governments excel in distorting and misdirecting capital to less efficient and less worthwhile uses.

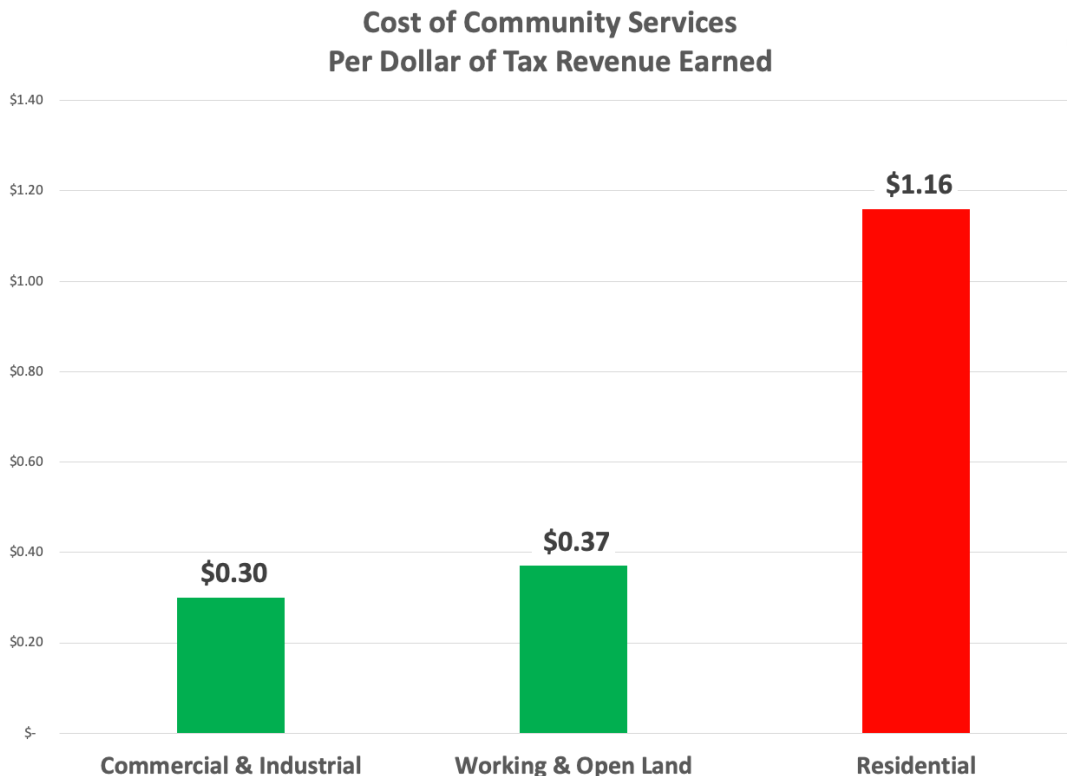
Connecticut’s use of 8-30g has largely failed to bludgeon towns and markets into creating local gluts of low-income restricted affordable housing. But by using various financial and regulatory levers they may risk diverting capital from towns in greater need of affordable housing with chronic homeless populations.

Setting a goal of 10% of all dwelling units as 8-30g affordable in all Connecticut towns is arbitrary and capricious. It obviates the first rule of planning, which is a needs assessment and scaling solutions to needs.

Ridgefield is much too smart to fall into such an arbitrary mindset and to conform mindlessly to dictates made from a distance both physically and knowledgeable. Ridgefield may need to look elsewhere for a housing affordability problem to solve.

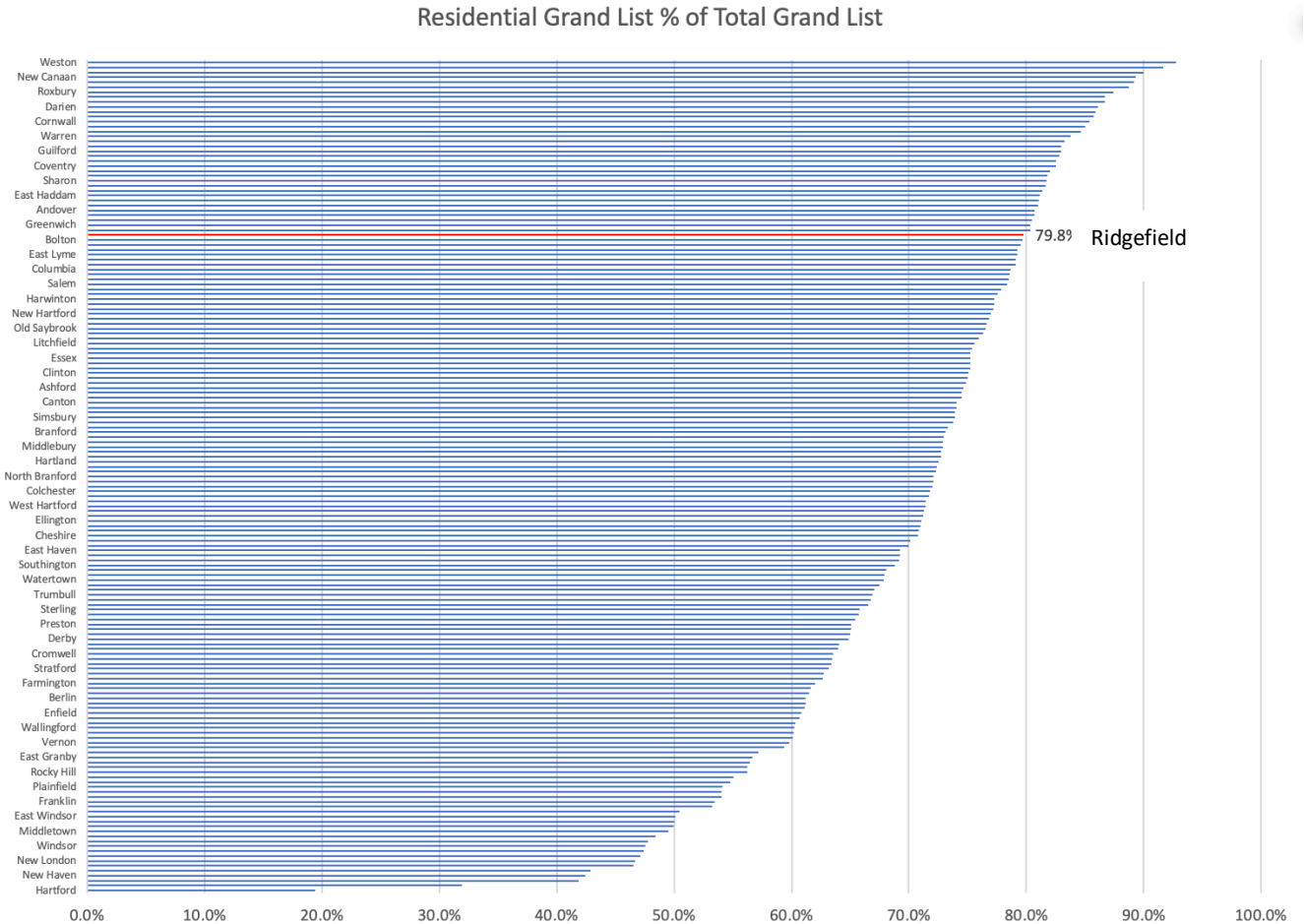
Issues that are completely overlooked by the Connecticut Town Housing Profiles and the Affordable Housing Planning Guide are the fiscal impact of residential development on municipalities and the highly regressive and disparate impact of property taxes on low- and middle-income households.

Over the last 30 years at least 10 Connecticut Communities have conducted Cost of Community Services (COCS) studies that have reached very consistent conclusions: residential development does not cover its cost in tax revenues, largely because of the cost of education. An imbalance of residential development that does not include a healthy mix of open space, agriculture, commercial, industrial and utility development is fiscally unsustainable. This is why many municipalities discourage residential development, particularly low-income development, not because of prejudice or bigotry.



Source: [Planning for Agriculture Guide for Connecticut Municipalities, American Farm Land Trust and Connecticut Department of Agriculture.](#)

Ridgefield’s Residential Grand list at 79.8% of its total Grand List is well above the State municipal average of 67.7% and above the median of 72.1% for all towns. Fiscal sustainability at that level requires high value residential property.



Source: [Municipal Grand Lists, Connecticut Data Collaborative](#).

Any solution that increases residential services burden should incorporate a balanced report card for other tax producing types of development. The solution is not as simple as building more low-income restricted housing. A comprehensive fiscally sensitive approach is imperative.

Which naturally leads to the issue of property taxes and their impact on affordability. This is a topic completely ignored by affordable housing advocates and Town Housing Profiles and the Affordable Housing Planning Guides. The most important thing to know about property taxes and housing affordability for low- and middle-income households is that property taxes are the second most regressive tax paid by Connecticut taxpayers. Excise taxes are only slightly more regressive.

Dividing Connecticut households into 10 deciles accounting for 10% of total aggregate income each, the bottom 48% of households earn 10% of the aggregate Adjusted Gross Income (AGI) and pay 25.9% of the aggregate property taxes which represents a 12.5% effective tax rate, compared to a tax rate of .92% for the top .2% of households.

Property Tax: Income Deciles

Decile	Households	Aggregate CT AGI	Aggregate Property Tax Burden	% of Aggregate Property Tax Burden	Property Effective Tax Rate
1	725,202	\$ 15,103,112,547	\$1,891,446,502	25.9%	12.52%
2	251,321	15,103,182,979	1,155,842,404	15.8%	7.65%
3	173,126	15,103,113,264	1,008,197,182	13.8%	6.68%
4	129,303	15,102,288,605	882,596,703	12.1%	5.84%
5	97,426	15,103,013,303	752,605,941	10.3%	4.98%
6	67,958	15,102,959,408	609,183,682	8.3%	4.03%
7	37,893	15,104,085,522	435,618,721	6.0%	2.88%
8	15,050	15,103,068,542	274,668,774	3.8%	1.82%
9	3,646	15,113,849,361	166,577,761	2.3%	1.10%
10	357	15,090,190,108	138,491,249	1.9%	0.92%
TOTAL	1,501,282	\$151,028,863,639	\$7,315,228,919	100.0%	4.84%

Source: [Tax Incidence Report, Connecticut Department of Revenue Services, 2014](#). An update is due out in February 2022.

Seeking creative ways to level the property tax burden is a largely overlooked as a means of improving affordability for the largest number of low- and middle-income households. For example, these could include tax credits in the form of rent vouchers to low-income renters paying 30% to over 50% of their incomes in rents. The vouchers could be paid by these renters to landlords in lieu of rent and landlords could offset some of their property taxes with rent vouchers to cover their property taxes to the town.

Also, State statutes permitting, property tax assessments could be progressive, assessing homes of higher value at a higher percent than homes of lower value. These graduated assessments could be engineered to be income positive and pay for tax credit rent vouchers for low-income cost burdened renters.

There are many strategies that could be adopted that make housing more affordable and more equitable without building government assisted low-income restricted housing. The affordable housing statues are not designed to prompt that kind of thinking. But the Affordable Housing Committee is limited only by its creativity and imagination.

At the Affordable Housing Committee's meeting on December 13, 2021, Kevin Brown volunteered to interview me and access information I had offered through Debra Franceschini. Debra called to alert me to expect his call and then called again to say that David Goldenberg would be calling me instead. I have yet to hear from Mr. Goldenberg and have prepared this document to engage in the discussion and to offer my services to answer any questions about this research and to research any other questions that might be useful to the committee.

Thank you for your attention.

Respectfully submitted