

CITY OF WATERBURY, CT AFFORDABLE HOUSING PLAN 2022-2027



Adopted by the City Plan Commission, July 13, 2022

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Vision Statement

While it may be a former industrial city of established neighborhoods and traditional settlement patterns, Waterbury is a city on the rise. Through focused growth in the Downtown area, the City will foster a vibrant center of employment, education, culture, entertainment, housing, and mixed-uses to encourage a 24-hour community. At the same time, the city will promote high quality housing throughout Waterbury, encouraging reinvestment and equity of opportunity.

Housing is needed to fuel growth, to improve quality of life for current residents, and to provide greater range of housing opportunities for both renters and owners. The vision of this plan is to strategically identify geographic areas and policy changes that will act as the catalyst for investment in housing development and redevelopment of former commercial and industrial properties to shape future of Waterbury as a city in demand; with the overarching objective of promoting fair and equitable housing policies designed to meet the needs of a socially and economically diverse community.



INTRODUCTION



Introduction

In the last few decades, housing has become an increasingly important issue for towns and cities across Connecticut. Median home values, rent, and cost of living have simultaneously increased, outpacing increases in household income in most areas. The lack of affordable housing in Connecticut has stressed communities, and, in many cases, has intensified issues of equity in the state. The need for affordable housing options in communities is urgent, 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.

Waterbury has an Area Median Income of \$87,400 for a family of four. The table above shows the calculation for the maximum non-burdened budget for a moderate-income household living for Waterbury, which is \$1,748 a month. This number represents 30% of 80% of the AMI, broken down per month; this is the standard definition of Affordable Housing used by the State of Connecticut, quoted below:

In Connecticut, housing is considered “affordable” to households with incomes at or below the area median income if its cost, including heat and utilities, does not exceed 30% of the household’s income.

Breakdown of the 2022 Fair Market Rate for a Two-Bedroom Unit for a Four-Person Household in Waterbury

Example: Two-bedroom unit for a four-person household	Total/Year	Total/Month
Area Median Income (AMI)	\$87,400	\$7,283
<i>Median income level per household in the surrounding market/area</i>		
80% of AMI	\$69,920	\$5,827
<i>80% of median income listed above</i>		
30% of 80% of the AMI	\$20,976	\$1,748
<i>Maximum non-burdened budget for living</i>		
HUD 2022 Fair Market Rate, 2BR in Waterbury, CT HUD Metro FMR Area= \$1,748		

Source: HUD

The State’s affordable housing concerns have led, in part, to two important statutes, 8-30g and 8-30j, that both seek to increase affordable housing supply in the State. Together, 8-30g and 8-30j encourage municipalities to provide more housing options, whether through subsidized or naturally occurring housing.

CT General Statute 8-30g allows the courts to override local zoning denials of affordable housing proposals (provided those denials were done without sufficient cause). “Affordable Housing” in this context is defined by the State as housing made affordable by government subsidies or that has been deed-restricted or otherwise income-limited for a fixed period. This process potentially subjects any town with a housing stock in which less than 10% of the housing stock is government-

assisted or subject to affordability deed restrictions to judicial challenge by a housing developer. Waterbury, however, is exempt from this process because such housing comprises 21.22% of its total housing stock.

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 moving forward. The statute is intentionally vague, allowing municipalities the flexibility to craft their own unique plans.

As the gap between annual household income and housing costs 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. These statutes

have 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.

The City of Waterbury began developing this Plan in the Fall of 2021, intent on creating a Housing Plan that reflects Waterbury's history, current conditions, and vision for affordable housing development. The purpose of this plan is to not only fulfill the statutory obligation required by the State of Connecticut, but also to recommend a reasonable set of strategies for future housing development that fits the current and future needs of the community.

Waterbury is a city undergoing many changes and facing both new and ongoing challenges. Nonetheless, Waterbury is a city on the rise. This plan proposes a set of recommendations to guide residential development over the next five years, and hopefully better meet the needs and desires of current and prospective residents of Waterbury.



POPULATION & HOUSING IN WATERBURY

Population and Housing in Waterbury

Current Population

Waterbury is a vibrant city of over 114,400 (U.S. Census 2020) residents who enjoy the economic, social, and cultural center the area provides. The diversity of the city is reflected in a wide array of dynamic neighborhoods, shopping areas, and a proud, multicultural community.

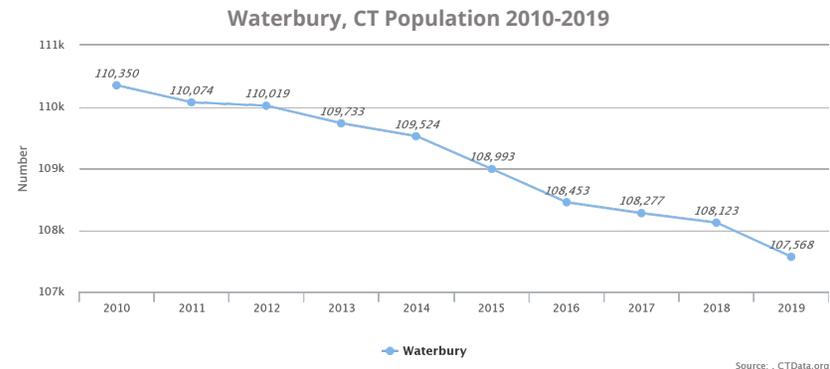
About 37% of the population is Hispanic or Latino, and nearly 40% speak a language other than English at home. Waterbury is home to large Latino, Albanian, and Italian-American communities, among others. 61% of Waterbury's population is White, 22% Black or African American, 2.4% Asian, 4.5% Two or More Races and 10% Other Race.

Median Household Income in Waterbury falls below the State and County, at \$42,401. This relatively low median household income is also reflected in a high poverty rate – one quarter of Waterbury's population lives below the poverty line.

Between 2010 and 2020, the city has witnessed a decline of 2.5% in its overall population. Bucking state trends toward smaller household sizes, Waterbury's average household size has increased in the last two decades, from 2.46 people in 2000 to 2.6 people in 2019. No one household size appears to dominate, with a spread of household sizes between 1 and 4 or more person households. This indicates a presence of quite a few larger families in the city, but also many young adults and elderly residents living with smaller average household sizes. There is a diverse spread of household types, with no one group dominating. About 32% of people are part of

married-couple families, and 33% of people live with one or more people under 18. Of the non-family households in the City (which comprise 40% of the population), 86% live alone rather than with roommates.

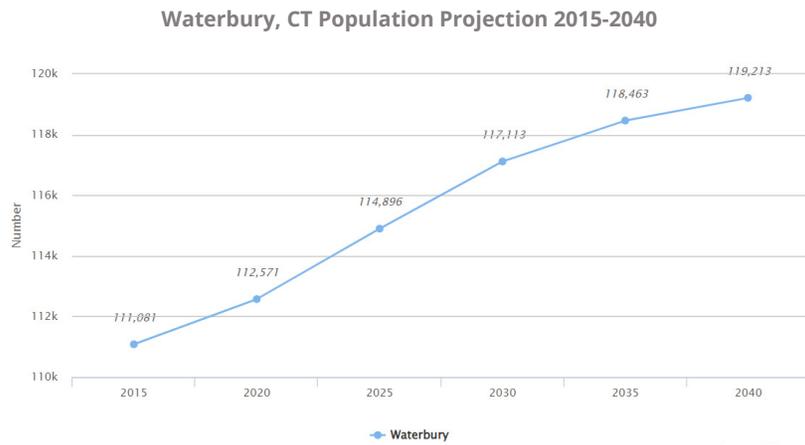
Waterbury has a younger population than Connecticut overall, with a median age of 34.8 compared to Connecticut's median age of 41.1. About a fifth of residents are under 18, and 40% are between 25-54 years old.



Source: CT Data Collaborative Population Estimates by Town

Projected Population

Although Waterbury’s population has witnessed a slight decline in the last two decades, population projections see a different story unfolding over the next twenty years. Waterbury’s population is expected to steadily increase by 5.9% by 2040, to just over 118,000 residents. This means that there is the potential for 7,000 new residents in the City of Waterbury in just the next decade or two.

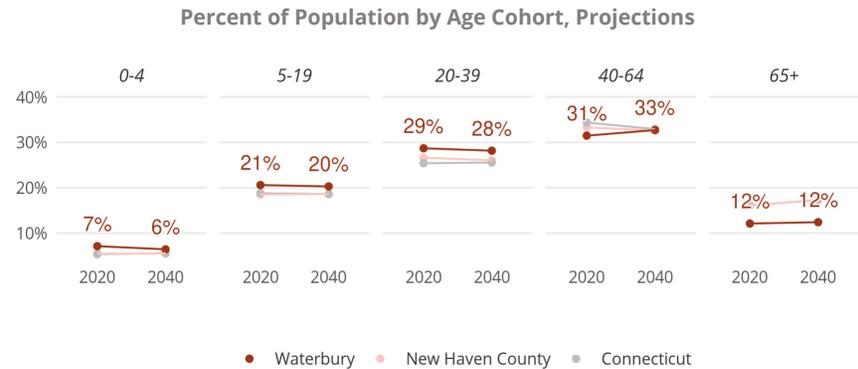


Source: CT Data Collaborative Population Projections by Town

Looking more closely at this projection, it is important to consider if there are any age groups responsible for this growth. It appears that most age groups in Waterbury are decreasing very slightly (between 1 or 2 percentage points) or staying the same. The graphic below depicts how these various age cohorts are expecting to change.

Infrastructure and Other Trends

Waterbury has many assets that serve the community and attract new residents. The city grew to its current urban status and gained its reputation during the industrial revolution, mainly manufacturing brassware, watches and clocks. In the mid-20th century, like many other cities, the construction of



Source: CT Data Center via Partnership for Strong Communities

highways and suburbanization lead to a large exodus of many city dwellers to surrounding suburbs. Still, Waterbury has successfully maintained a population above 100,000 since this time.

As the fifth largest city in Connecticut, Waterbury is reasonably built out, with access to I-84 and Route 8, as well as a various public transportation options. Several bus lines cover the areas between the city center and surrounding neighborhoods, in addition to local buses that allow residents to commute between Waterbury and Cheshire, Southington, New Britain and Hartford. The Metro North Railroad also connects residents to Bridgeport, CT and New York City.

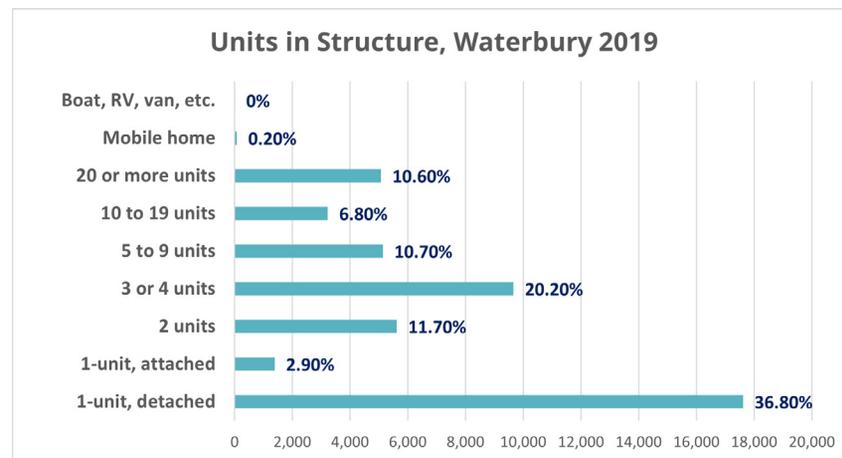
Waterbury also has several educational institutions, including over two dozen elementary schools, three middle schools, five high schools, and a handful of colleges and universities. Higher educational institutions include Post University, in addition to the regional campuses of the University of Connecticut, University of Bridgeport, Western Connecticut State University and the Naugatuck Valley Community College.

The Housing Situation in Waterbury

There are approximately 47,800 total housing units in Waterbury. Of these existing housing units about 60% are renter occupied while 40% are owner occupied. There is a high vacancy rate of 14.4% in this city; this represents about 6,800 vacant units.

About 3/4 of all housing units in Waterbury are two or more-bedroom units. Given the amount of one or two person households in the city, there is a lack of supply of appropriate units for smaller households.

Of the housing units in structure existing in Waterbury today there appears to be a decent spread of types of housing. almost 40% of units are single family residential, 60% of units are multifamily. About a fifth of total housing units are in 3-4-unit buildings and 12% are in 20 or more-unit developments. While housing costs differ depending on the neighborhood, Waterbury median home values and rents across the board trend lower than state and county averages. The median home value, as of 2019, was \$130,700, and the median gross rent was \$969 per month.



Source: 2019 American Community Survey DP04 Selected Housing Characteristics

Permitting activity for housing has been relatively slow in the last decade. In 2017 there were only 29 building permits issued, all for one-unit developments. In 2020 there were 20 permits issued; 18 of these were one-unit projects while two were two-unit projects. Permitting data is collected by the department of economic and community development and only represents new construction, not accounting for conversions and renovations, which in an urban area typically accounts for the bulk of construction activity.

Because Waterbury is an older city, much of its housing stock is aging. Nearly 80% of Waterbury's housing stock was built before 1970 and is therefore considered aging. More than half, 55%, was built before 1950. This means that the bulk of Waterbury's housing stock is at risk for, or currently experiencing increased maintenance costs, associated health risks for occupants, and environmental damage.



AFFORDABLE HOUSING IN WATERBURY

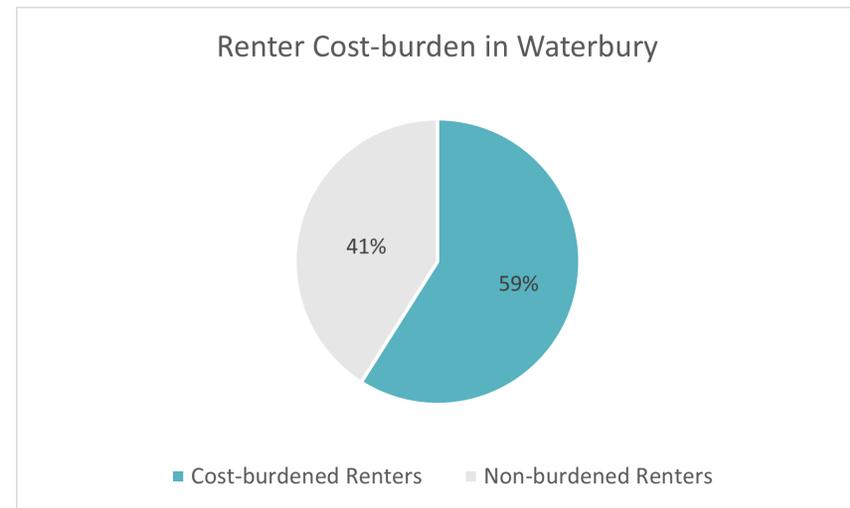
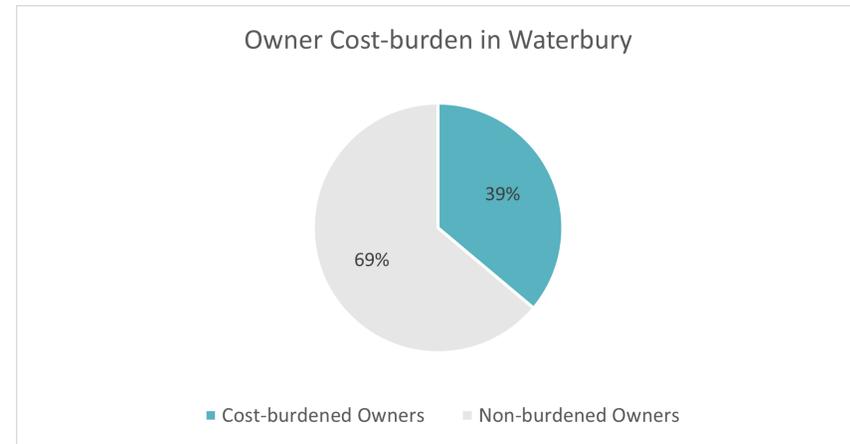
Affordable Housing in Waterbury

As previously mentioned, about a fifth of Waterbury's housing units are government-assisted or affordability deed-restricted and fit into the State of Connecticut's definition of affordable housing quoted below.

In Connecticut, housing is considered "affordable" to households with incomes at or below the area median income if its cost, including heat and utilities, does not exceed 30% of the household's income.

Although this is a higher percentage than most towns and cities in Connecticut, there are several other factors that determine whether Waterbury has enough housing that is sufficiently affordable to meet the need of the city's residents. Considering rates of cost burden, status of existing affordable housing developments, fair market rent, and households qualifying as 'ALICE' further illustrate the need for affordable housing in Waterbury. ALICE, discussed later in this chapter, is an acronym for "Asset Limited, Income Constrained, Employed" households; a condition whereby one's income exceeds the poverty level; yet, falls below the cost of living for the area.

A common way to assess housing needs in a community is by looking at rates of cost-burdened households. 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, including heat and utilities. According to 2019 estimates, in Waterbury, 51% of households are cost burdened. Breaking this number down between renters and owners, renters struggle much more with housing costs than homeowners, as 57% of renters are cost burdened compared to 39% of homeowners. While this method of evaluating affordability and burden is widely used, it should be considered alongside other measurements for a more comprehensive understanding of Waterbury's housing situation.



Source: CT Data

It is also helpful for our understanding to break down what Area Median Income means for Waterbury, and what housing costs are deemed "affordable." As previously mentioned, the state defines affordable housing as units that cost less than 30% of the annual income of a household earning 80% of the Area Median Income (AMI). In Waterbury, the AMI for 2021 is

\$87,400 for a family of four. 48% of Waterbury households earn less than 50% of the AMI. That equals nearly 19,395 households in Waterbury that may experience unstable housing situations and need assistance. As previously mentioned, the state has defined an Affordable Housing unit as a dwelling costing less than 30% of the income of a household earning 80% of the Area Median Income. According to the calculation below, for a two-bedroom unit for a four-person household, the maximum that household should spend on housing is \$1,748 a month.

There are more than 10,200 government-assisted housing units in Waterbury. The Waterbury Housing Authority has

conditions. These properties include Fieldstone Court, which lost its contract in 2021, and Porter Street, which is currently undergoing that process. These properties represent 80 units of lost Affordable Housing, limiting the pool of housing options for many Waterbury residents.

Types of Affordable Housing Units in Waterbury

Type of Assistance	Number of Housing Units
<i>Government Assisted</i>	5,344
<i>Tenant Rental Assistance</i>	3,123
<i>Single Family CHFA/USDA Mortgages</i>	1,751
<i>Deed Restricted</i>	21
Total Assisted	19,239
Percent Affordable	21.34%

Source: CT Affordable Housing Appeals Listing 2021

18 public housing campuses in the city serving over 2,000 tenants. The Housing Authority has 100% occupancy and a wait list of over 1,300 people, indicating a need for affordable housing options in the city. In the past few years of the Covid-19 pandemic, HUD has pulled a handful of Section 8 contracts with properties in the City after consecutive failures with the Real Estate Assessment Center citing substandard



Another way of viewing affordability is by looking at the Fair Market Rent (FMR) for an area, which is determined by 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 Waterbury, that unit’s gross rent could not exceed \$1,190/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	\$791	\$960	\$1,190	\$1,485	\$1,749
FY 2021 FMR	\$773	\$948	\$1,172	\$1,458	\$1,669

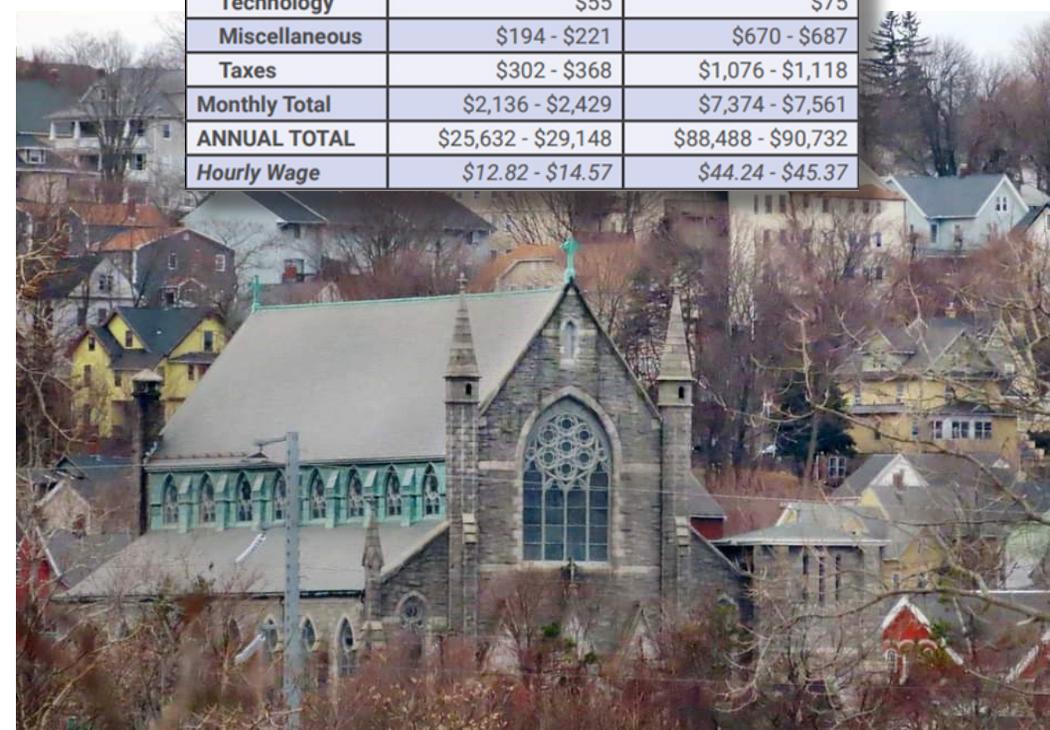
Source: HUD

One last piece to consider when reflecting on Waterbury’s housing affordability is “ALICE.” As discussed, 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 Waterbury as of the 2018 ALICE report, 64% of its 40,579 total households are at this threshold and considered ALICE. The ALICE report also calculates the “ALICE Household Survival Budget,” which is the bare minimum costs of a household to live and work in their area, and includes 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 Waterbury area, the annual household survival budget is \$88,488, or \$7,374 per month.

Although Waterbury has more affordable housing options than many other cities and towns, many of its current residents are seemingly stressed by their financial situations and burdened

by the cost of housing. In turn, much of Waterbury is unable to afford necessities like childcare, groceries, and healthcare. Residents may also be unable to spend money and invest in local businesses, further their educations, or pay for various repairs and maintenance to their homes.

Household Survival Budget		
	SINGLE ADULT	2 ADULTS, 1 INFANT, 1 PRESCHOOLER
Monthly Costs		
Housing	\$697 - \$913	\$1,092 - \$1,310
Child Care	\$-	\$1,917 - \$1,958
Food	\$293 - \$309	\$886 - \$935
Transportation	\$357	\$826
Health Care	\$222	\$742
Technology	\$55	\$75
Miscellaneous	\$194 - \$221	\$670 - \$687
Taxes	\$302 - \$368	\$1,076 - \$1,118
Monthly Total	\$2,136 - \$2,429	\$7,374 - \$7,561
ANNUAL TOTAL	\$25,632 - \$29,148	\$88,488 - \$90,732
Hourly Wage	\$12.82 - \$14.57	\$44.24 - \$45.37



COMMUNITY SURVEY DISCUSSION

Community Survey Discussion

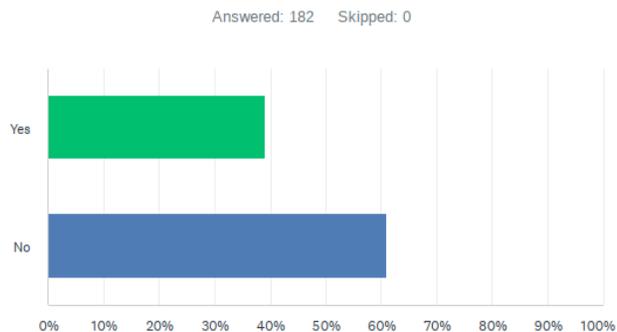
As an initial part of this Plan’s development, a public survey was distributed to better understand the community’s views and experience with affordable housing. The survey was released in English, Spanish, and Albanian. The survey received over 200 responses from a range of residents. Most (63%) respondents were young and middle-aged adults between 25 and 49. A fifth of respondents were between 50-64, and a small portion (10%) were over 65. These proportions vaguely reflected the census data discussed earlier. The survey also reflected a range of income groups, with 26% of respondents earning \$0-\$25,000, 25% earning \$25,001-\$50,000 and 29% earning \$50,001-\$100,000 in annual household income. About 40% of respondents said they own their homes, while 50% rent.

In terms of respondents’ experiences with housing in the City, most were somewhat negative. Over 60% of respondents said that they were not satisfied with their current living arrangements, citing the expense and level of crime in the area as their top two reasons. Many respondents also mentioned their units having no yard or too few bedrooms as top reasons

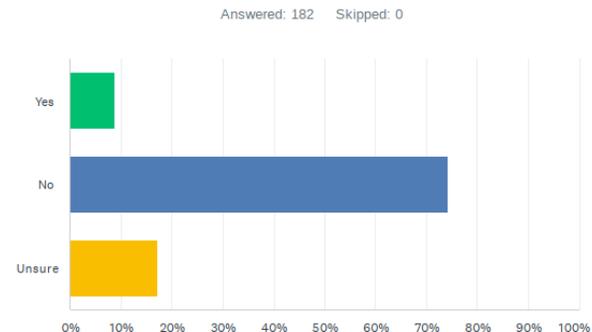
as well. 34% of respondents filled in an ‘other’ reason. Many of these written responses spoke of blighted neighborhoods, substandard living conditions, and ‘slumlords’ mismanaging their properties. Among the most important factors to residents when choosing their homes are affordable costs, low crime rates, liking the neighborhood, and an adequate number of bedrooms.

Perception of affordable housing among respondents was generally positive. 80% of respondents believe Affordable Housing is an important component of the City’s vitality and believe that increasing housing options will have a positive or neutral impact on Waterbury. Most respondents also expressed concerns over the cost of housing and the adequacy of existing housing stock to satisfy current and future needs of the city. 85% of respondents were concerned by the cost of housing and homeownership in Waterbury. 74% of respondents think that Waterbury’s housing stock does not meet current residents’ needs, and 76% of respondents believe the existing housing stock cannot satisfy future residents’ needs.

Q2 Are you satisfied with your current living arrangements?

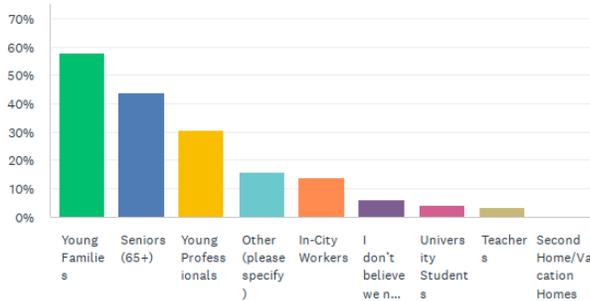


Q5 Do you think the housing options currently available in Waterbury fit existing residents' needs?



**Q10 In Waterbury, for whom do you think housing units are most needed?
(Select top 2)**

Answered: 182 Skipped: 0



ANSWER CHOICES	RESPONSES
Young Families	57.69% 105
Seniors (65+)	43.96% 80
Young Professionals	30.22% 55
Other (please specify)	15.93% 29
In-City Workers	13.74% 25
I don't believe we need more housing options	6.04% 11
University Students	3.85% 7
Teachers	3.30% 6
Second Home/Vacation Homes	0.00% 0
Total Respondents: 182	

When asked about the kinds of housing opportunities needed in Waterbury, respondents gave a variety of answers. Most respondents selected young families, seniors (65+) and young professionals as the groups for whom housing units are most needed. Among the top choices for types of housing were single family detached houses, two-family detached houses, townhomes, small-scale multifamily, and 2–3-bedroom apartments.

The last question on the survey asked respondents for any other comments they wanted to share on affordable housing

or housing policy in Waterbury. Over 125 respondents offered comments on their lived experiences with housing in Waterbury. Among the most common topics or issues brought up were poor landlord practices, substandard and aging housing conditions, and unaffordable rent increases. These issues are discussed further in this Plan’s section on Key Issues.

Overall, the survey provided clarity on the attitudes and experiences of the community. These results were able to better inform this Plan’s recommendations and eventual implementation.

GAP ANALYSIS

Gap Analysis

Introduction

As part of this Housing Study, a gap analysis was conducted to understand where gaps exist in Waterbury’s current housing stock. Using Comprehensive Housing Affordability Strategy (“CHAS”) data, we were able to see how many rental and owner-occupied units exist within each group’s price range, as well as how many respective renters and homeowners currently fall within those income groups.

Information is well-documented on rates of cost-burden in households in Waterbury, for both renters and owners in various income groups. More than half of Waterbury renter households are cost-burdened, spending 30% or more of their annual household income on housing costs. Extremely low-income renters represent over 10,000 households, the largest of any other income group in Waterbury, even when combined with owners as well. Owners also struggle with housing costs; nearly 43% of homeowners are cost-burdened.



Renter Cost Burden

Incomes by Cost Burden (Renters Only)	Cost Burden >30%	Significant Cost Burden >50%	Total Households
<i>Household Income <= 30% HAMFI</i>	7,210	6,015	10,150
<i>Household Income >30% to <=50% HAMFI</i>	3,510	955	4,810
<i>Household Income >50% to <=80% HAMFI</i>	1,055	25	3,535
<i>Household Income >80% to <= 100% HAMFI</i>	105	0	1,655
<i>Household Income >100% HAMFI</i>	10	0	3,125
Total	11,890	6,995	23,275

Owner Cost Burden

Incomes by Cost Burden (Owners only)	Cost Burden >30%	Significant Cost Burden >50%	Total Households
<i>Household Income <=30% HAMFI</i>	1,640	1,340	1,830
<i>Household Income >30% to <=50% HAMFI</i>	1,890	810	2,605
<i>Household Income >50% to <=80% HAMFI</i>	1,880	420	3,305
<i>Household Income >80% to <= 100% HAMFI</i>	515	40	2,060
<i>Household Income >100% HAMFI</i>	400	20	7,505
Total	6,325	2,630	17,305

Source: Comprehensive Housing Affordability Strategy Data 2014-2018

CHAS data uses two separate measures for rental and owner-occupied unit affordability, RHUD for rentals and VHUD for owner-occupied units. For example, a unit in the RHUD 50-80% category can be interpreted as “a unit that is affordable for renter households earning between 50% and 80% of the Area Median Income.” For owner-occupied units, this measure groups together units that are affordable within 0-30% AMI and 30-50% AMI into a single category of VHUD 0-50%. For purposes of this gap analysis, we combine the 0-30% AMI and 30-50% AMI income groups (i.e. the Very Low and Extremely Low Income groups) together for the ownership analysis.

Income Distribution Waterbury, New Haven County, CT

Income Distribution	Total Renters	Total Owners	Total Owners and Renters
0-30% AMI	10,150	1,830	11,980
30-50% AMI	4,810	2,605	7,415
50-80% AMI	3,535	3,305	6,840
80-100% AMI	1,655	2,060	3,715
>100% AMI	3,125	7,505	10,630

Total 40,580

Source: Comprehensive Housing Affordability Strategy Data 2014-2018

Rental Gap

Most households in Waterbury rent their homes. Renter-occupied units comprise nearly 60% of total units, while owner-occupied units comprise about 41%. As is common with renters across the state, they tend to earn less than their owner counterparts and struggle more with housing costs. Extremely Low-Income Renters (renters making 0-30% of the AMI) comprise about a quarter of Waterbury's households.

The rental gap analysis revealed substantial gaps between how many renter households exist and how many rental units are affordable for them. Waterbury's housing stock is lacking the most housing for Extremely Low-Income renters (those making less than 30% of the Area Median Income. As previously mentioned, Extremely Low-Income Renters make up a large portion of households in Waterbury and have a proportionally small amount of housing that is affordable for them. This helps explain rates of cost-burden in the Extremely Low-Income group in general, but especially in the context of renters.

Income Distribution Overview	Cumulative Renter Households in Income Range	Cumulative Renter-occupied Units in Price Range	Gap
RHUD <30%	10,150	4,895	-5,255
RHUD 30-50%	4,810	10,094	5,284
RHUD 50-80%	3,535	7,725	4,190
RHUD 80%+	4,780	515	-4,265

Waterbury's rental housing stock also has an over-supply of units that are affordable to renters earning 30-50% of the AMI and 50-80% of the AMI. With a surplus of housing within this price range, many Extremely Low-Income renters must stretch their means to afford their homes. Oppositely, renters who make 80% or more of the Area Median Income (and are NOT considered Low, Very Low, or Extremely Low Income) can better afford and therefore tend to rent within this middle range.

There is also too little housing affordable for renters earning 80% of the Area Median Income (\$80,800) or more. There are

some renters who make 80% or more of the AMI who could afford and may prefer to rent housing in the other price ranges, but instead are able to rent at a lower (and more affordable) rates than their Low, Very Low, and Extremely Low-Income counterparts. The oversupply of housing in the RHUD 30-50% and RHUD 50-80% range encourages these “renting down” actions.

Owner Gap

Although most of Waterbury is renter households, a significant portion of the city own their homes.

Income Distribution Overview	Cumulative Owner Households in Income Range	Cumulative Owner-occupied Units in Price Range	Gap
<i>VHUD <= 0-50% of AMI</i>	4,435	13,185	8,750
<i>VHUD 50-80% of AMI</i>	3,305	2,925	-380
<i>VHUD 80-100%</i>	2,060	689	-1,371
<i>VHUD 100%+ AMI</i>	7,505	512	-6,993

The largest gaps for owner-occupied units exist for the higher income groups, specifically those earning 80% or more of the Area Median Income. There is little housing within the appropriate price ranges for these income groups, and a mismatch of ownership housing, of nearly 9,000 more units affordable for lower-income groups earning 0-50% of the AMI.

Conclusion

This gap analysis has provided the following takeaways:

- Extremely Low-Income Renters have too few housing options within their price range.
- There is an over-supply of housing within the RHUD 30-80% range for renters.
- There is a deficit of housing within the RHUD 80% + price range.
- There is a surplus of owner-occupied housing affordable in the VHUD 0-50% AMI range, and lack of housing in other affordability tiers.

While noting an “over-supply” of housing within various affordability tiers, it does not necessarily follow that there are “too many” housing options for those affordability tiers, or that any housing should be taken away from such groups. It is an unfair and impractical assumption that every resident should pay their exact maximum affordable monthly housing costs. Instead, this should be interpreted as Waterbury having more severe affordability issues when it comes to Extremely Low Income Renters, compared to the other affordability tiers. Even so, high rates of cost burden are present and relevant at all affordability tiers, as detailed earlier in this Plan’s discussion on affordable housing in Waterbury.

KEY ISSUES

Key Issues

As the fifth largest city in Connecticut, as well as one of the poorest in terms of Area Median Income, Waterbury deals with a range of issues – some unique, and others more common. Public survey commentary, housing and demographic data, as well as discussions with the City Plan Commission and other key stakeholders informed this Plan of some of the key issues Waterbury faces. An aging and poor-quality housing stock, rapidly rising rental rates that have outpaced income growth, and a long-standing desire to improve the downtown in Waterbury are among the major concerns the area is facing.

One of the more pressing and persistent issues in Waterbury is an aging and code-deficient housing stock. As previously mentioned in this Plan's discussion of housing data, over 80% of Waterbury's housing stock was built before 1970. Older housing stock typically is associated with increased maintenance and repair costs, health risks for occupants from outdated building materials such as lead paint, and inaccessibility for elderly residents. Much of the aging housing stock can also be considered 'substandard,' which is a broad term used to characterize housing that is not up to code, or, in extreme cases, includes any condition that endangers life, safety, or welfare of the occupants. The portion of Waterbury's housing stock that is 'substandard' benefits some residents by being naturally affordable; even so, residents occupying these homes may face health and safety risks by doing so. Balancing the improvement of these aging units with maintaining the affordability of such units should be a major goal of Waterbury in the next five years and thereafter.

Another consideration is the City's rising median rents. The increased rent prices observed in the city are likely a result of several conditions, including inflation, rising heat utilities costs,



and other Covid-19 impacts. An often-cited problem in the city is that out-of-state investors purchase property in the city and then raise the rent after making minimal (if any) improvements to these units. This is a huge frustration for tenants, who must either find alternative living arrangements, or endure low quality housing conditions. As revealed in the gap analysis portion of this plan, Extremely Low-Income renters are most impacted by rising rents and are at high risk for homelessness as a result; increasing housing options and low-income rental assistance to low-income renters in general is critical for keeping residents

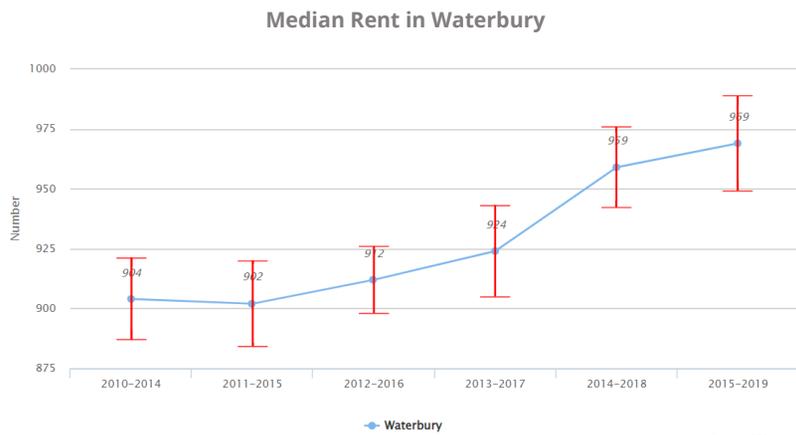
housed in the city. The anecdotal experiences of members of the public further speak to this issue:

"This city has to do a better job monitoring current housing conditions and how landlord are treating tenants. Out of state property management companies are the worst. [The] City needs a housing ombudsman to monitor and assist families and individuals forced to live in substandard conditions."

"We need to get rid of the out of state landlords who let the properties deteriorate. We need to step in and clean up and fix up those homes in the willow street, Waterville area"

"[There is a] lack of accountability in both renters and landlords re: maintenance, respect for property"

Source: Public Survey Open-Ended Comments on Affordable Housing in Waterbury



Source: CT Data

Lastly, there is a common desire and goal in the City to improve amenities in the downtown area to support high-end housing development. Currently, Waterbury's downtown does not see the level of activity typically observed in a city's core; much of the existing bustle in the downtown is employment related, making the area mostly active during the standard 9-5 workday. This trend has been perpetuated by the recent work-from-home trend brought by the Covid-19 Pandemic. The promotion of higher-end housing development coupled with increasing amenities in the Central Business District can transform the core of Waterbury into a 24/7 area for all residents to live, work, or play.



Many of the issues Waterbury faces are time-sensitive and should be addressed diligently with the overarching goal of elevating living conditions while maintaining housing affordability. Housing and affordability are complex issues with dozens of externalities that affect the City as a whole, including food security, education, health and safety, pollution, and more. In the next section of this Plan, we review Waterbury's current policies and regulations for their impacts on affordable housing and housing development in general in the City.

POLICY & REGULATION REVIEW



Policy & Regulation Review

Plan of Conservation and Development Review

Waterbury's 2015-2025 Plan of Conservation & Development (PoCD) identifies several goals and corresponding action items for addressing general housing concerns in addition to more specific affordable housing issues. Among the issues brought up in the Plan are the following:

- Need for more affordable and market rate housing options
- Need for mixed-use development and development that takes advantage of existing infrastructure
- Aging housing stock (both market rate and affordable)
- Blight
- Growing senior population and the need for more well-suited housing options for the elderly
- Dedensification of urban core neighborhoods, as legal nonconforming lots are redeveloped to conform to updated zoning regulations

The following table discusses each goal and action item as it relates to the City's development of its Housing Plan.

GOAL OR OBJECTIVE	SIGNIFICANCE	OBSERVATION
<p>GOAL: Encourage infill development and redevelopment in areas with existing infrastructure (PoCD p. 52)</p> <ul style="list-style-type: none"> • 38. Promote infill sites to reduce blight and take advantage of existing infrastructure (sewer, water, public transportation) • 40. Maintain density of urban core neighborhoods 	<p>Focusing development efforts in areas with existing infrastructure prevents sprawl, takes advantage of infrastructure, and increases residential densities in areas that: a) can support it; and b) have access to the amenities that make places valuable to residents, such as public transportation and commercial centers.</p>	<p>This section brings up the issue of the dedensification of some of Waterbury's neighborhoods. With many of the lots in the city's urban core neighborhoods being legal nonconforming uses, they are at risk for being redeveloped into smaller structures, decreasing densities in the area. In our review of the city's zoning regulations, we note regulations that have been changed to allow this unwanted type of development (i.e. dedensification). This Plan should seek to recommend changes to the zoning code that complete the action items listed in this section of the PoCD.</p>
<p>Provide high-quality affordable housing stock</p> <ul style="list-style-type: none"> • 41. Renovate existing affordable housing stock • 42. Develop new affordable housing units 	<p>Refreshing the City's housing stock, as well as developing new affordable housing units is critical to sustaining affordability in Waterbury. As the City grows, so too does the need for more housing types.</p>	<p>As so much of Waterbury's general housing stock is aging, it's not surprising that the City's affordable housing stock is similarly in decline. Securing the funding to redevelop existing units and develop more units where necessary is important to the future of Waterbury's housing stock. Establishing areas that are ideal for new housing development and identifying decommissioned units or those at risk could be good first steps to later target such places for development. Locking in funding streams for affordable housing development, perhaps through a housing trust fund, could be key to moving more quickly on these action items.</p>

GOAL OR OBJECTIVE	SIGNIFICANCE	OBSERVATION
<p>GOAL: Develop more market rate housing</p> <ul style="list-style-type: none"> • 43. Housing options for seniors 	<p>Waterbury is well above its statutory obligation for affordable housing units in the City, with 21% government-assisted housing stock. It is therefore a goal of the PoCD to address market rate needs for housing development, particularly as it relates to the senior population in the City, which does not have adequate housing stock that supports the needs of that life stage.</p>	<p>The PoCD identifies a few action items to address this goal, including adding a senior housing floating zone to the zoning regulations and identifying sites for potential senior housing development. These are tangible, efficient ways to move ahead in completing this goal, and are certainly able to be tackled through the development of this Housing Plan.</p>
<p>GOAL: promote economic development</p> <ul style="list-style-type: none"> • 6. Create more market rate housing options • 7. Encourage the residential uses of the Upper Floors in Downtown 	<p>The development of Waterbury's downtown is extremely important for the City's overall vitality, attractiveness to newcomers, and quality of life for residents. The City needs a variety of housing options of varying affordability levels to support a population with a diverse set of needs. Putting housing in commercial areas and creating mixed-use areas can strengthen a downtown significantly and improve the business environment.</p>	<p>Converting the upper levels of downtown buildings to residential uses is a fantastic way to utilize space and improve economic development of areas of Waterbury. Given Waterbury's general build-out as a city, redeveloping, reusing, and converting lots is the primary tool for housing construction, as opposed to new construction. Making this process easier for developers and property owners via flexible zoning regulations and potential funding through Historic Preservation Tax Credits is key.</p>

Zoning Regulation Review

The City has a current set of Zoning Regulations in effect, which have guided development in Waterbury and have been revised periodically. Significant amendments have been added since 2010 and the last Plan of Conservation and Development was generated in 2015. There are several areas within the Regulations that can encourage or discourage the development of additional housing units, of all types. Many of these areas are outlined below, in consideration for the furtherance of affordable housing within the framework of this Plan:

TOPIC	RELEVANCE	REGULATION	OBSERVATION
<i>Multi-Family Residential Density</i>	Increased density allows for more housing units on a given parcel of land, increasing financial viability, and lowering costs.	Section 10.02.03 (ii-iii) Standards for Intensified Two, Three and Multifamily Development cap the maximum number of units per development in the RM and RO zones. Section 4.09, Master Development Standards, caps building coverage at 30% for RO zones.	While the regulations do allow these types of uses, the bulk requirements and unit caps create barriers for this type of development. Increasing the allowed density and building coverage requirements would increase the viability of these projects for builders. Increased allowable density could be counteracted with increased building design standards or increased buffering requirements to ensure projects continue to be compatible with the neighborhood form.
<i>Form and Zoning for Multi-Family Senior Development</i>	Waterbury's PoCD identifies a desire to allow adult housing in the CBD and expand the allowable locations and forms of adult housing. Waterbury's PoCD also indicates that there is a significant shortage of subsidized senior housing.	Section 10.03 limits Active Adult Developments to Residential Zones and CO, CA, CG districts. Sections 10.03 (i-iii) Active Adult Housing and section 10.03.03 (12) restrict the form and density of adult housing.	Allowing Adult Housing and Multi-Family Housing in the same zones would help create flexibility in the location of senior housing and may provide additional access to public transit, shopping, healthcare, and other resources. Reducing or modifying restriction on the form and density of senior housing can encourage this type of development. It may be advantageous to allow increased density under section 10.03.03 with the addition of a percentage affordable units.

TOPIC	RELEVANCE	REGULATION	OBSERVATION
<p>Minimum Density Requirements</p>	<p>The Waterbury PoCD has identified the need for transit-oriented developments and multi-family housing in close relation to workplaces of residences. Changing the incentive structure for building single-family residences in lieu of multifamily developments can help preserve higher density developable land.</p>	<p>Section 4.08, Master Use Table, allows Single Family residences in the RM and RH zones.</p>	<p>Incentivizing multifamily development over traditional single-family residences in the RM and RH zone would better increase housing supply and facilitate the creation of higher density development in close relation to transit, commercial districts, and work locations.</p>
<p>Zoning Flexibility for Adaptive Re-Use and Mixed-Use Development</p>	<p>The Waterbury PoCD identifies reuse of existing buildings and expansion of zoning allowances for housing development in downtown areas as priorities. Waterbury's current regulations provide some excellent options for flexible, mixed-use development via streamlined regulation and reduction of administrative hurdles and site requirements.</p>	<p>Section 10.29.02 allows Mixed Use Buildings by Zoning Permit in the CBD, CN, CG, and CO Districts. Section 9.03.05 exempts uses in the CBD from all parking requirements with conditions.</p>	<p>Creating flexibility in use and density as well as reducing administrative barriers to development are important to growing housing supply and affordability. Bulk and setback standards in the CBD are conducive to infill or redevelopment for mixed residential and bottom floor commercial uses.</p>

TOPIC	RELEVANCE	REGULATION	OBSERVATION
Accessory Dwelling Units	Allowing an additional dwelling unit within existing single-family homes can effectively double residential densities in a low impact, compatible way and generate significant housing opportunity in an area of the housing market that currently underserved.	4.02.03 Conditional Accessory Uses in Residential Single-Family Zones do not currently allow accessory apartments in single family residential zones.	4.02.03 could be updated to be compliant with Public Act 21-29 guidelines for Accessory Apartments, allowing as-of-right approvals in residential single family zoned properties in a form which maintains the appearance of a single-family residence.
Inclusionary Zoning	Section 8-2i of the State Statutes allow towns to require affordable set-asides	Not Included in Regulations.	For larger developments (10+ units), the City could require a percentage set aside for income-restrictions, or otherwise establish a housing trust fund to finance the establishment of affordable units
Incentive Zoning	Section 8-13n of the State Statutes allow communities to create high-density areas with 20% affordable stock	Not included in Regulations.	As-of-right developments with a minimum 20% affordable units and increased densities (above baseline), along with design control, could be targeted at specific properties or areas of the City.

RECOMMENDATIONS FOR ACTION

Recommendations for Action

GOAL 1: Improve Access to Information about Housing in Waterbury

- 1) Explore the feasibility of developing a municipal web-page highlighting municipal policies regarding housing development, targeted sites for redevelopment, mapping of infrastructure and neighborhood resources, and assistance opportunities including grants and incentives.



An example of a municipal webpage for housing from Salisbury, CT

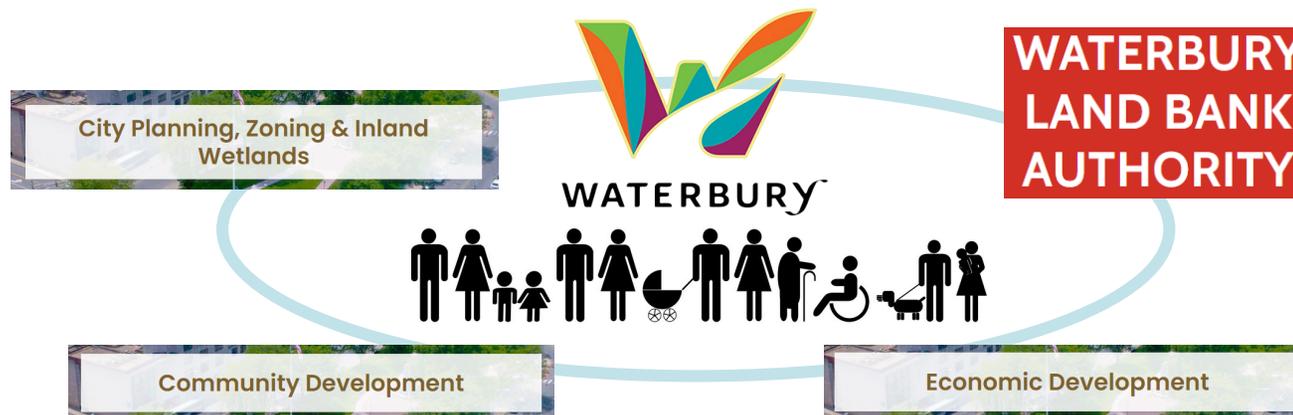
- 2) Considering offering a Spanish-language version of municipal website (or sections thereof) to provide more access to Waterbury's residents.
- 3) Promote USDA and CHFA financing support programs within Real Estate community.
- 4) Develop internal capacity for "single point of contact" on housing concerns and draw upon available housing and code enforcement resources as available.



Resources for Real Estate Agents provided by CHFA

GOAL 2: Promote Redevelopment and Increased Activity in the Central Business District and other “Housing for Growth” Opportunities

1) Establish a “Housing For Growth” Task Force comprised of representatives from City Planning Office, Economic Development, Housing & Community Development, Waterbury Land Bank, the Mayor’s Office, and citizen representatives



2) Solicit redevelopment grants and investment funding in coordination with private property developers, the Land Bank, and Economic Development.

3) Promote development opportunities (including mixed-use development and “work, live and play environments”) based on permissive zoning regulations in Central Business District



- 4) Actively solicit and participate with developer efforts to seek Low Income Tax Credits for development projects.
- 5) Consider development potential of surplus, unrestricted, municipally-owned land, including partnering with the Land Bank and mission-driven developers.
- 6) Seek to support housing development and redevelopment through a focus on expanding amenities in Central Business District to attract and retain residents
- 7) Work collaboratively with nonprofit providers of affordable housing by providing support and financial assistance when available.



GOAL 3: Consider Regulatory Adjustments to Target Housing Development

- 1) Opt out of Accessory Apartment standards of PA 21-29 and convene a panel comprised of City agencies and commissions to assess the feasibility of allowing accessory units.
- 2) Consider implementing 8-2i “Inclusionary Zoning” on developments over a certain size in residential districts and particularly in higher-end and redevelopment projects.
- 3) Consider innovative zoning approaches including Neighborhood Revitalization Zones and Transfer of Development Rights – with receiving zones including redevelopment of residential areas immediately surrounding the Central Business District



GOAL 4: Devote Additional Municipal Funding to Housing Development and Improvement

- 1) Consider the creation of an Affordable Housing Trust Fund (independently or in conjunction with Inclusionary Zoning)
- 2) Explore the feasibility of creating and funding a municipal program to support first-time homebuyers.
- 3) Subject to funding availability, make homeowner grants or housing trust funds available to help with housing repairs and to allow cost-burdened owners to stay in their homes.
- 4) Focus on housing support to make it possible for extremely low-income renters (income less than 30% of AMI) to afford units that are otherwise affordable to 30-80% AMI households.
- 5) Create, per recent State Law, a Fair Rent Commission, to be a strong advocate for curbing dramatic rent increases and compel broader compliance with health, building, and fire codes among multifamily property owners.



IMPLEMENTATION

Implementation

POLICY OR ACTION	LEADING ENTITY	PRIORITY
Action 1.1 - Consider the formation of a municipal web-page highlighting municipal policies regarding housing development, targeted sites for redevelopment, mapping of infrastructure and neighborhood resources, and assistance opportunities including grants and incentives.	Administration/ City Staff	High – Year 1
Action 1.2 – Explore the feasibility of creating a Spanish-language version of municipal website to provide more access to Waterbury’s residents	Administration/ City Staff	High – Year 1
Action 1.3 - Promote USDA and CHFA financing support programs within Real Estate community	Administration/ City Staff	Moderate – Year 1-3
Action 1.4 toward establishing a “single point of contact” on for housing-related concerns; drawing upon available City resources.	Administration/ City Staff	High – Years 1-2
Action 2.1 - Establish a “Housing For Growth” Task Force comprised of representatives from City Planning Office, Economic Development, Housing & Community Development, Waterbury Land Bank, the Mayor’s Office, and citizen representatives	Board of Aldermen	High – Year 1
Action 2.2 - Solicit redevelopment grants and investment funding in coordination with private property developers, the Land Bank, and Economic Development.	Administration/ City Staff	High- Year 1 and ongoing
Action 2.3 - Promote development opportunities (including mix-use and “work, live and play environments”) based on permissive zoning regulations in Central Business District	Administration/ City Staff	Moderate – Year 1-3

POLICY OR ACTION	LEADING ENTITY	PRIORITY
Action 2.4 - Actively solicit and participate with developer efforts to seek Low Income Tax Credits for development projects	Board of Aldermen	Moderate- Years 2-3
Action 2.5 - Consider development potential of surplus, unrestricted, municipally-owned land, including partnering with the Land Bank and mission-driven developers	City Plan Commission	Moderate – Year 1-2
Action 2.6 - Seek to support housing development and redevelopment through a focus on expanding amenities in Central Business District to attract and retain residents	Administration/ City Staff	Moderate – Year 1-2
Action 2.7 – Assist and support nonprofit housing agencies when fiscally feasible.	Administration/ City Staff	Moderate – Year 1-2
Action 3.1 - Opt out of Accessory Apartment standards of PA 21-29 and convene a panel comprised of City agencies and commissions to assess the feasibility of allowing accessory units.	Zoning Commission	High – Year 1
Action 3.2 – Consider the implementation of 8-2i “Inclusionary Zoning” on developments over a certain size in residential districts and particularly in higher-end and redevelopment projects	Zoning Commission	High – Year 1-2
Action 3.3 - Consider innovative zoning approaches including Neighborhood Revitalization Zones and Transfer of Development Rights – with receiving zones including redevelopment of residential areas immediately surrounding the Central Business District	Zoning Commission	High – Year 1-2

POLICY OR ACTION	LEADING ENTITY	PRIORITY
Action 4.1 – Consider the creation of an Affordable Housing Trust Fund (independently or in conjunction with Inclusionary Zoning)	Board of Aldermen / Zoning Commission	High – Year 1-2
Action 4.2 – Consider the creation and funding of municipal program to support first-time homebuyers	Board of Aldermen / City Staff	Moderate – Year 2-5
Action 4.3 – Subject to funding availability, make homeowner grants or housing trust funds available to help with housing repairs and to allow cost-burdened owners to stay in their homes.	Board of Aldermen / City Staff	Moderate – Year 2-5
Action 4.4 - Focus on housing support to make it possible for extremely low-income renters (income less than 30% of AMI) to afford units that are otherwise affordable to 30-80% AMI households.	Administration / City Staff / City Plan Commission	High – Year 1-3
Action 4.5 - Create, per recent State Law, a Fair Rent Commission, to be a strong advocate for curbing dramatic rent increases and compel broader compliance with health, building, and fire codes among multifamily property owners	Board of Aldermen	High – Year 1 and ongoing

