



## 2007/08 Workforce Housing Study Summary, Key Issues, Findings & Recommendations

### BACKGROUND:

- The United Way Community Planning Council's 2006 Assessment of Human Service Needs and State of Greenwich Statistical Report identified the insufficient and shrinking supply of diverse housing options in the community as a priority. According to the Report, *"There appears to be a growing recognition that the lack of housing options for young families, seniors, professionals, and service personnel, is a crisis for the community that is getting worse each year."* Residents, community leaders and agencies who responded to the Report's surveys rated housing as the most **"critically unmet"** service category and the one **most in need of additional resources**.
- Though the term "affordable housing" tends to evoke thoughts of large scale developments comprised of subsidized housing, this is not inherent in the definition. In fact, according to the US Department of Housing and Urban Development (HUD), **the generally accepted definition of "affordable housing" is housing that does not cost a household more than 30% of its annual income**. Thus, the nature of affordable housing is defined, not by a building, but rather the population for whom it is built.

### METHODOLOGY:

- **The results of the 2006 Assessment led to the creation of a Housing Task Force** which began its work by identifying approximately 1,770 housing units that fit within several definitions of affordable, subsidized, supported, or workforce housing in Greenwich.
- The Task Force narrowed its focus to Workforce Housing in order to document the need based on a defined group of people who provide some of the community's most valued services. **The focus on Workforce Housing does not imply that this need is greater or more important than that for any other category of affordable housing.**
- **All local organizations acknowledge the workforce housing challenge and some are taking matters into their own hands.** Greenwich Hospital and most of the independent schools are providing housing for some employees. At least one of the independent schools has started a mortgage assistance program for employees. Unfortunately, other not-for-profit agencies and municipal entities are not in a position to develop these solutions on their own.
- Following extensive research, the Task Force decided to work with and commission two **consultants** to ensure the quality and independence of the analysis - both well known and respected professors from Fairfield University - **one an economist, Ed Deak, and one a sociologist, Kurt Schlichting.**

## FINDINGS:

- **The workforce studied in this report comprises the 5,545 employees of the Town of Greenwich, Greenwich Public Schools, Greenwich Hospital, and several essential not-for-profit agencies.**
- **The Consultants mapped 1,100 units of existing supported housing, which demonstrates that this type of housing is spread throughout the community with most located along the Putnam Avenue or I-95 corridors.** The greatest number of directly supported units are located in central Greenwich.
- The vast majority of employees in this study cannot afford to purchase or rent a home in the community. For example, the **average Town of Greenwich employee earns \$65,500** and, assuming a two-income family, **can theoretically afford to purchase a home for approximately \$450,000** or up to a high maximum of \$600,000, with a much higher down payment. **The median sale price of a Greenwich home is over \$2 million**, with \$600,000 representing the quickly disappearing lower end of the median for condominiums and homes in certain sections of the community. With regard to rental units, for the second year, **the region extending from Greenwich to Norwalk was ranked the most expensive rental market in the country** by The National Low Income Housing Coalition.
- Residential zip codes were gathered for the entire workforce included in this study. Sixty-seven per cent (**67%**) **of the employees live out of town with the average employee spending 103 minutes a day on their round trip commute.** Combined, these employees spend over 1,500,000 hours a year commuting. With regard to those in leadership positions on whom the community has come to rely, it was determined that **only 26% of the Town of Greenwich municipal department heads live locally.**
- **The average employee in this study consumes 455 gallons of gasoline driving to work each year**, assuming an average consumption rate of 22 miles per gallon. At a rate of \$4.00 per gallon, this equates to over **\$1,800 per employee or approximately \$6,820,000 for the 3,743 commuters.** This does not include additional costs of driving, just fuel. Based on the miles driven, **the non-residential workforce generates 4 tons of carbon dioxide (CO<sub>2</sub>) per employee, or over 15,000 tons total per year.**
- **The 3,743 commuters identified in this study represent approximately 15% of the 26,000 people who commute into Greenwich each day from other communities.** Assuming most employees drive to work, the full environmental impact and other costs related to commuting, some potentially as a result of the lack of affordable workforce housing, is actually far greater.

- Key stakeholders interviewed for the report repeatedly cited the challenges related to attracting and retaining a skilled workforce. Teachers, for example, are known to join the Greenwich Public Schools early in their careers. **Of the 912 teachers in the Greenwich Public Schools, 75% live out of town.** The school system spends \$10,000-\$15,000 dollars to train each of these teachers over their first five years of service, following which many of the teachers leave to find a job in a community in which they can live closer to their workplace. Between 1998 and 2007, **teachers with fewer than eight years of experience comprised 468 of the 581 (81%) teachers who left the system for reasons other than retirement.**
- **Greenwich employees earn more than those in comparable positions throughout the State of Connecticut** and the consultants surmise that some of this is **due to the lack of local housing and the difficulty attracting and retaining employees** willing to cope with the expense and inconvenience of commuting long distances to work. The consultants developed a model combining the average hourly wages and benefits of a municipal employee (not including the public schools) with the out-of-pocket expenses related to commuting. Based on this, it is estimated that a **non-residential workforce costs the Town of Greenwich approximately \$12,896 extra per employee each year, \$11,632,000 for the 900+ non-resident employees, or a total of \$18,982,720 annually for the entire municipal workforce of just over 1,470.** This model may seem like a stretch, but, in fact, the average Greenwich teacher is currently earning \$12,338 a year more than the average teacher in the State of Connecticut.
- **In Greenwich, there is not one defined entity responsible for the many sides of the housing issue.** The Greenwich Housing Authority develops and manages subsidized housing, the Planning and Zoning Commission deals with land use issues, and Community Development manages federal funding from the Department of Housing and Urban Development. Each is an integral part of the issue, yet no one has the entire view or responsibility.

#### POTENTIAL SOLUTIONS:

- **Solutions and tools for addressing the affordable housing challenge exist and are being used throughout the country, often in communities similar to Greenwich.** The State of Connecticut has funding available to assist towns in their planning efforts. **Many of the most common solutions do not require municipal funds** and many involve a combination of for-profit and not-for-profit developers.
- **The most likely solution to the housing issue in Greenwich will be a combination of several of the tools currently in use:** inclusionary zoning rules, density bonuses, tax abatements, direct assistance for renters and/or purchasers, accessory dwellings, etc. Though many solutions require no special funding, there are several ways that other solutions can be funded, including Housing Trust Funds, State Housing Programs, and even special funds from commercial banks. **The housing issue can be addressed without burdening local taxpayers.**

## **CONCLUSIONS & RECOMMENDATIONS:**

### **The lack of affordable and diverse workforce housing options:**

- **jeopardizes the quality of life and key services Greenwich residents value,**
- **threatens the economic vitality of the community,**
- **costs the Town of Greenwich and local taxpayers significant dollars,**
- **increases traffic throughout the region,**
- **is detrimental to the environment, and**
- **could ultimately transform a community that values its cultural and economic diversity into a homogenous town accessible only to the wealthy.**

**Addressing these issues with clear and consistent policies must become a local priority. For this to happen, it is essential that the Greenwich community and its leaders:**

- 1) acknowledge the need,**
- 2) accept the community's collective responsibility to address the need,**
- 3) make use of the best thinking and best practices available,**
- 4) formalize as policy that the Town shall give priority to facilitating and encouraging the development of workforce and other types of affordable housing, and**
- 5) provide municipal planning entities with clear direction and the tools necessary to implement Town policy and execute creative solutions.**

**Greenwich needs a coordinated action plan that clarifies the roles and responsibilities of different municipal departments with regard to the housing issue, clearly and consistently expresses what is and isn't acceptable in terms of development, challenges the notion that the issue is too big to be addressed, and demonstrates a new willingness to work with private for profit and non-profit developers to achieve common goals.**

### **United Way of Greenwich Housing Task Force:**

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