



Housing Affordability & Availability  
&  
Planning Ahead to Fulfill  
Public Act 25-1  
Requirements

Marlborough Housing Opportunity  
Committee  
&  
Marlborough Planning Commission

March 25, 2026

# IMPACTS ON HOUSING AFFORDABILITY & AVAILABILITY

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- **Interest Rates:** Above 6% since 2022. Between 2009 – 2022 interest rates were lowest in 50 years.
- **Supply Chain Disruption & Inflationary Pressures:** General economic inflation has increased the cost of goods and services across the entire construction supply chain. Costs for essential materials like lumber, steel, cement, and copper have seen volatility and sustained high prices, often driven by global demand, supply chain disruptions, and inflation.
- **Cost & Financing Constraints:** High impact fees, expensive financing, and overall economic inflation reduce developer margins and increase home prices. High-interest rates have increased the cost of financing construction projects for developers.
- **Workforce Shortages:** A lack of skilled labor in the trades slows construction timelines. has led to higher wages as builders compete for staff, which is a major driver of cost increases.
- **Land Availability:** Scarcity of suitable, developed land for residential development. High demand for limited, developed land in desirable areas has increased land acquisition costs.
- **Regulatory & Administrative Hurdles:** Long, costly permit-processing delays, complex zoning regulations. Increased costs arise from strict local, state, and federal building codes, safety regulations, and environmental compliance, including more stringent energy efficiency requirements.
- Due to increase costs only larger homes make financial sense for builders.

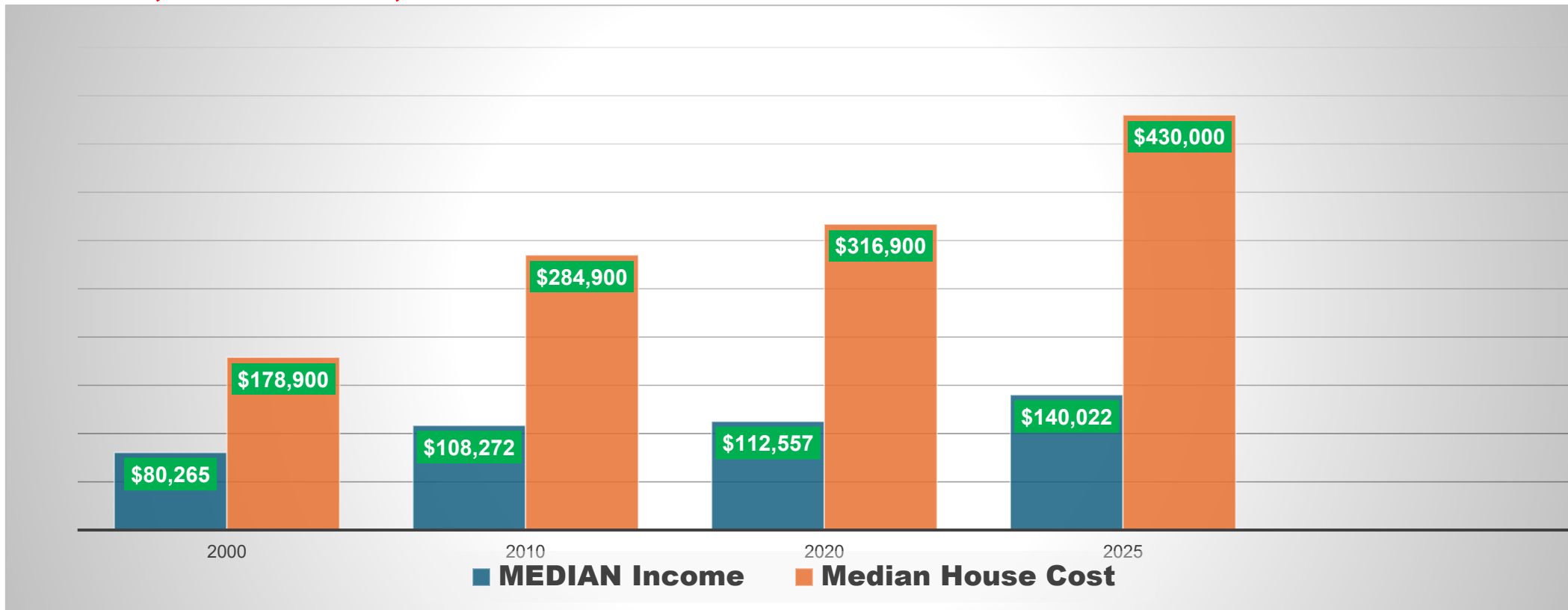
# IMPACTS ON HOUSING AFFORDABILITY & AVAILABILITY

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- Buyer expectations have also changed. Today's new homes almost universally include at least two full bathrooms, a feature found in only about 60 percent of homes built in the 1970s. Multi-car garages have also become standard, with properties featuring space for three or more vehicles peaking at nearly one quarter of new construction
- U.S. Census Bureau data, homes with 4 or more bedrooms accounts for nearly half of all new residential construction. In contrast, such large homes represented only about 1 in 5 new builds during the 1970s.
- Younger buyers may not have had enough time to accumulate significant savings, especially with student loan debts averaging \$30,000 per borrower.
- Obtaining approval for housing construction may be difficult due to perceptions about adding housing units of certain types, the number of children attending local schools, and the impact on local property taxes which is contradictory to the data.
- In Marlborough there are approximately 450 students in elementary school and 375 in RHAM which equates to .36 children per dwelling unit or 1 child per every 3 dwelling units.

# Affordability: Median Household Income & Housing Cost

- Between 2000 to 2025, median housing cost have increased **240%** while median income have increased **75%**.
- Between 2000 to 2025, a 20% down payment has increased **240%**, from **\$35,700** to **\$86,000**.



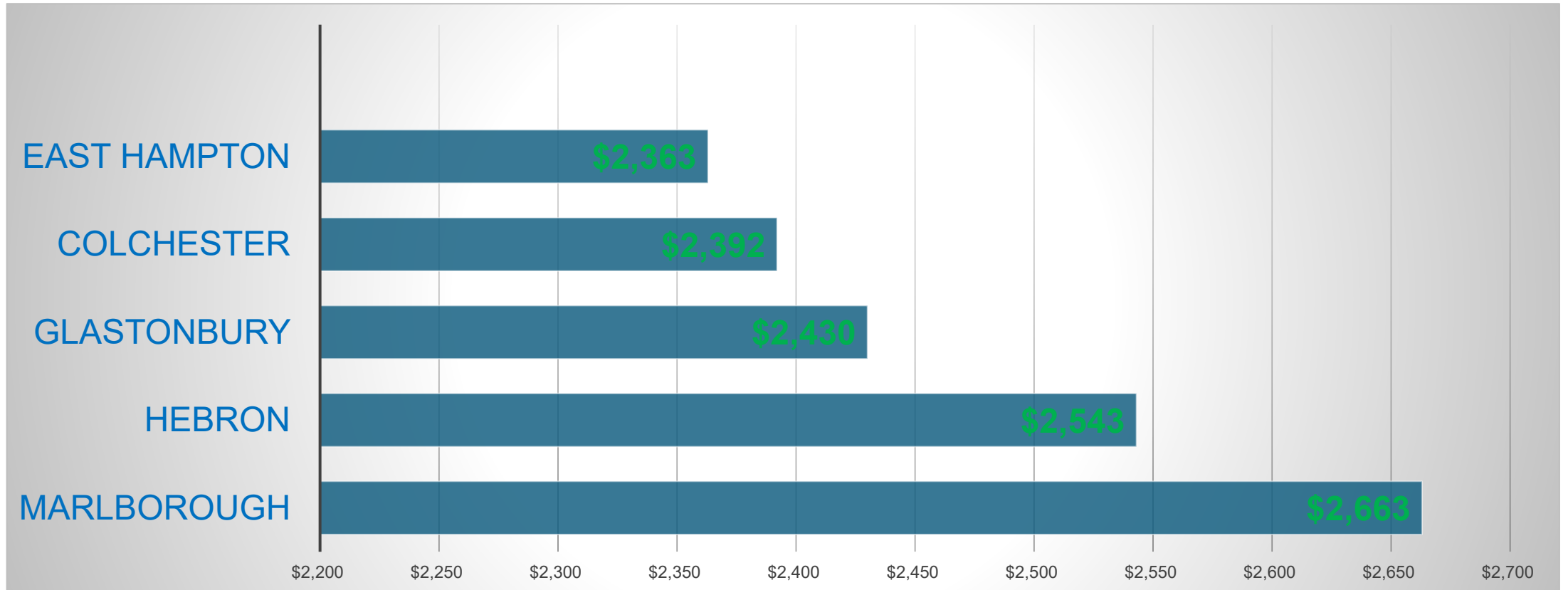
# Affordability: Marlborough Cost Of Housing

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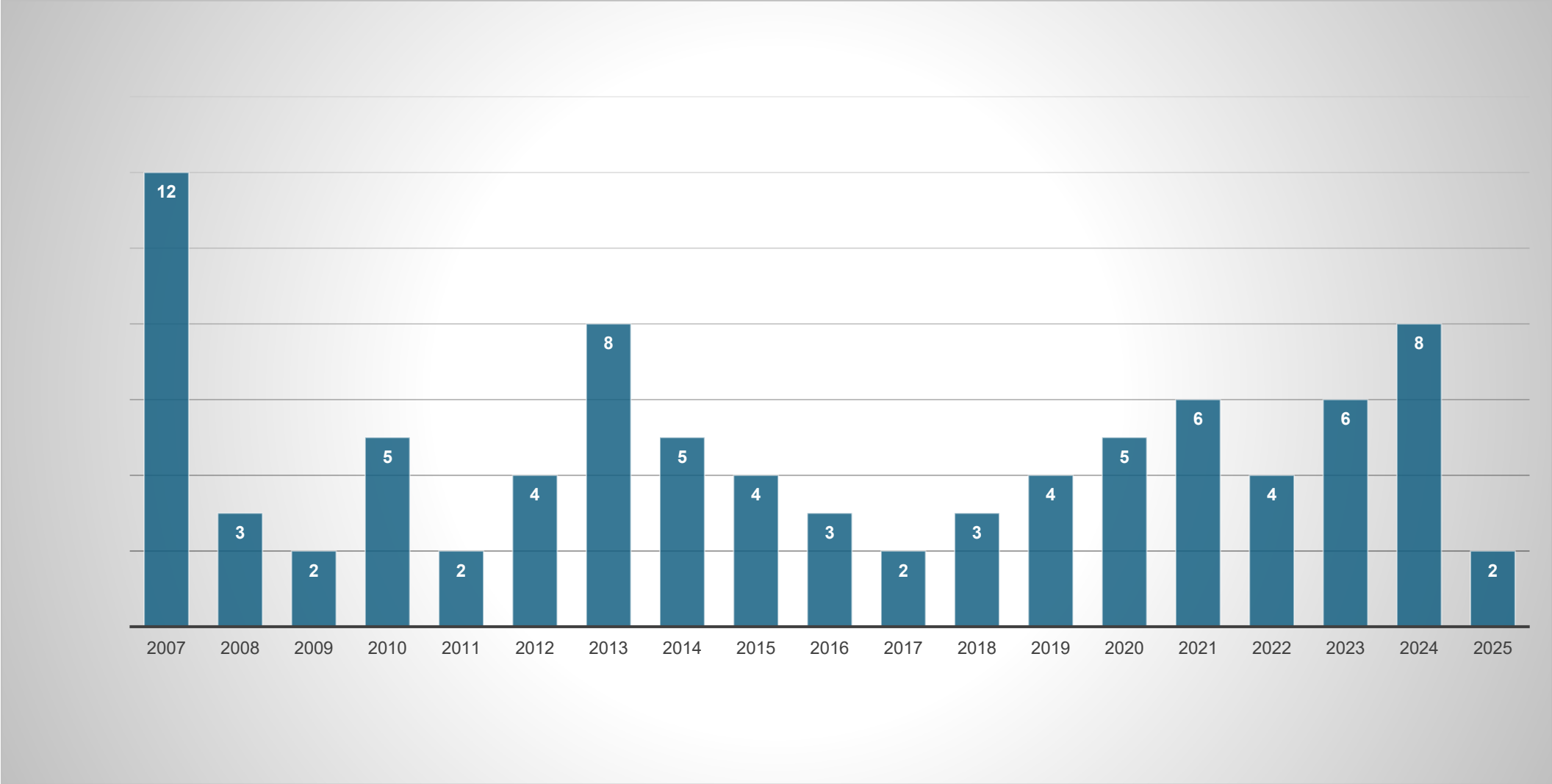
- **Median Owner Costs (With Mortgage): \$2,663 per month.**
- **Median Owner Costs (No Mortgage): \$1,027 per month.**
- **Market Trend:**
  - The market is active with high demand and low inventory less than 2 months supply.
  - Average sale to list ratio is **102.2%** and hot properties can sell as much as **6%** above list price.
  - Days on the market is between **30 to 50** days with hot properties less than **10** days.
  - The overall trend in Marlborough shows it is out pacing the State for the average percentage of homes selling above list price.
- **Affordability:** The town is part of a high-cost area, with a substantial portion of owners **23%** classified as cost-burdened.
- Among those who own their homes without a mortgage, **28%** are considered "**cost-burdened**" meaning they spend more than **30%** of their income on housing costs like property taxes and utilities.
- Housing cost have out paced income growth **400%** between 2020 – 2025

# Affordability: Median Housing Cost With Mortgage

- 2024 Marlborough & Abutting Towns
- House Value for Median Housing w Mortgage
- EH - \$427,000 / Col. \$432,500 / GI \$439,000 / Heb \$459,300 / Marl \$481,250



# Availability:Housing Permits Since Great Recession



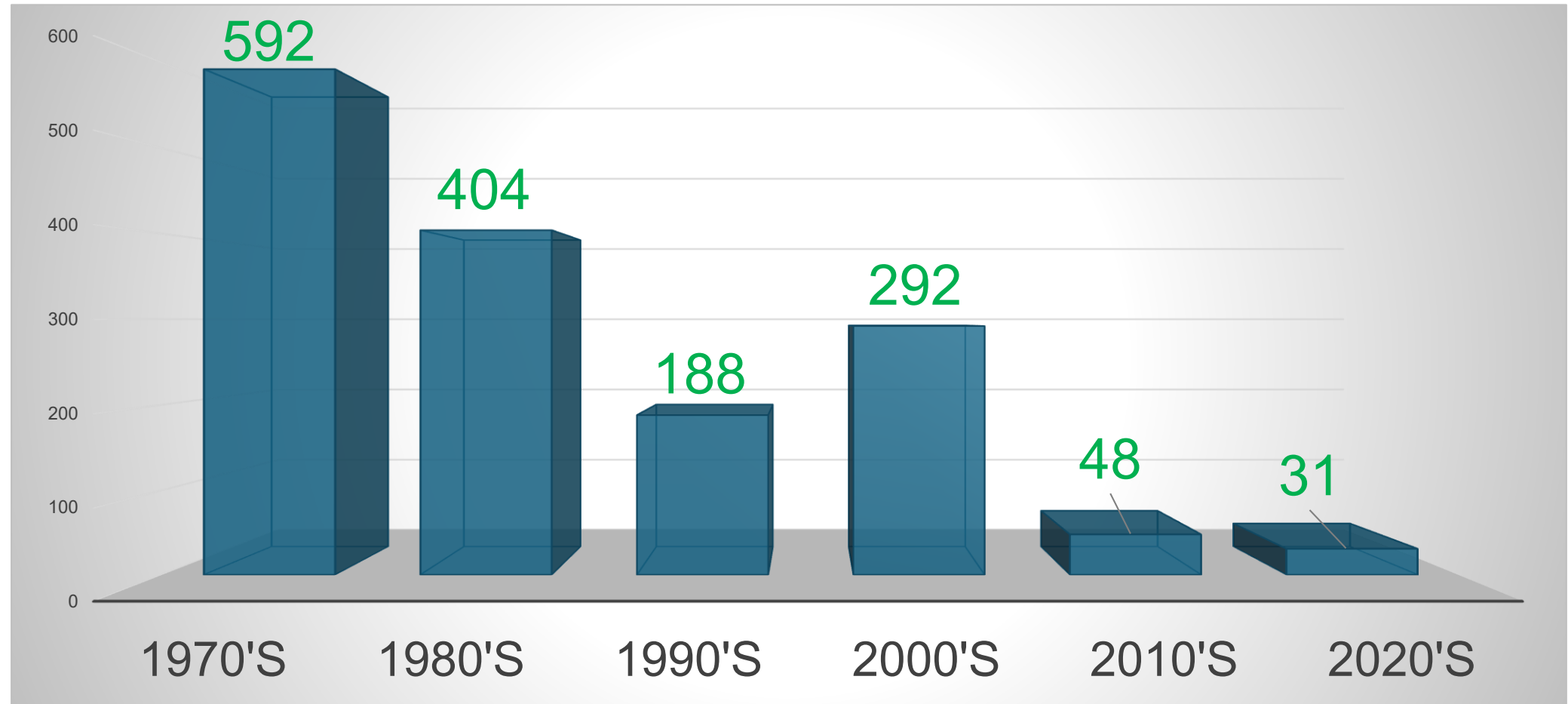
# Factors Affecting Housing Affordability In Marlborough

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- Lack of new housing starts.
  - **88** new homes over this **18** years period.
- Lack of housing diversity.
  - **83%** of houses are 3 bedrooms or more and **92%** of dwelling units are single family.
- Mortgage Free Households – Highest Percentage Ever
  - Nationally **40.3%**
  - CT **37%**
  - Marlborough **33%**.
- **54%** of mortgage free households are age 65 + and a large percentage are aging in place.
- **60%** of mortgage holders have an interest rate **3%** or below.
- These factors cause a tight market **10- 15 houses** available
  - Fuels high competition resulting in most sales at or above asking price.

# HOUSING PERMITS

- 1970 TO 2025 New Construction

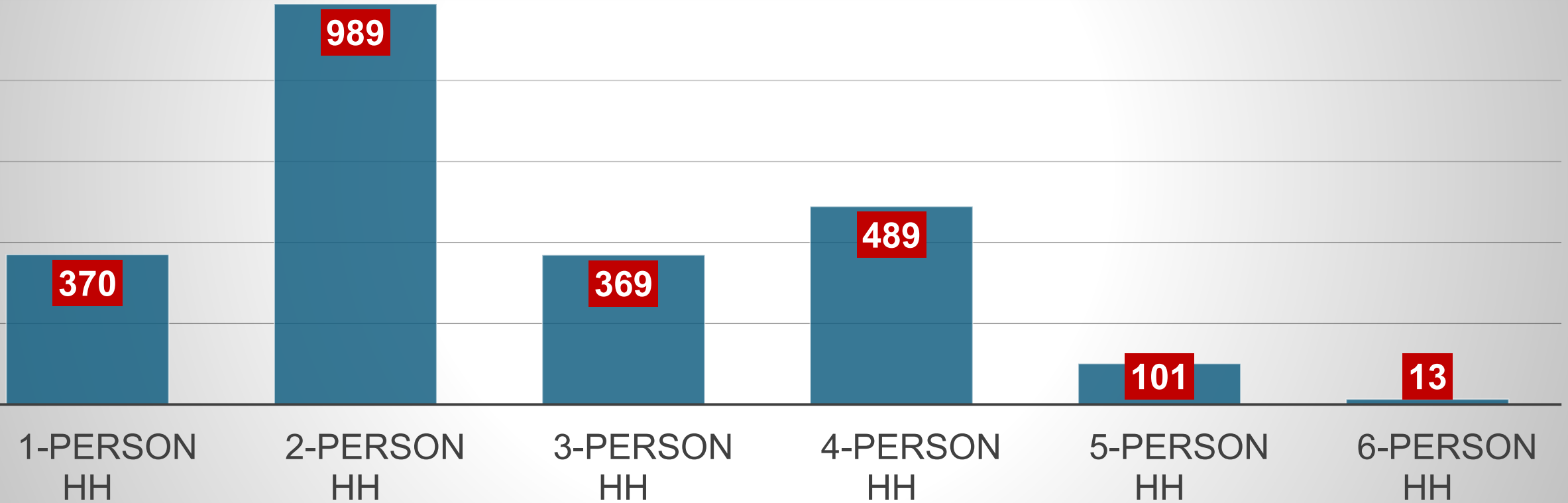


# Marlborough Housing Needs Assessment

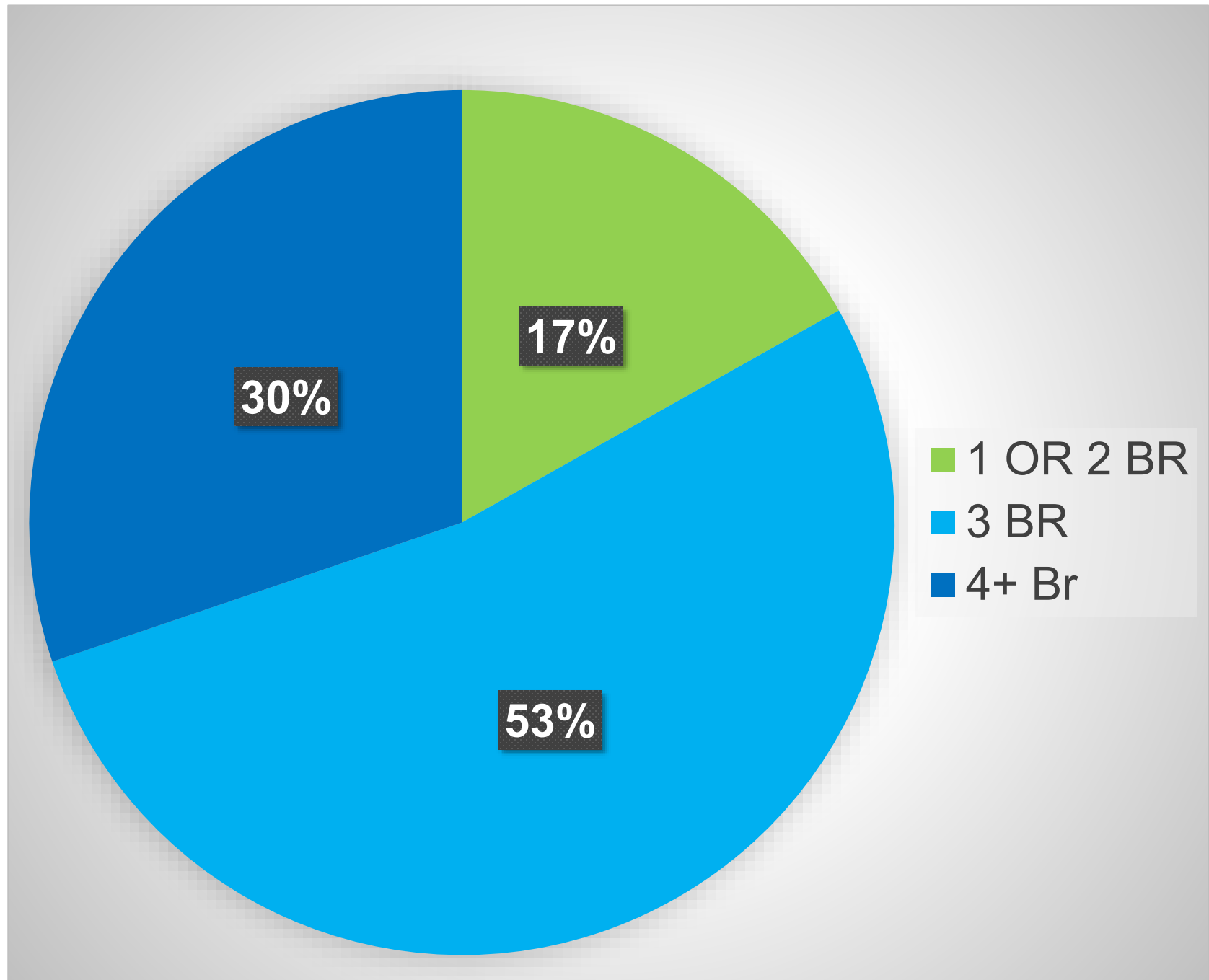
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- There is a need for housing units with 1 & 2 bedroom
  - **71%** of households are occupied by 1 & 2 persons .
  - **68%** of households have no children
- There is a need:
  - To increase the number of housing units available for rent **8%** of Marlborough housing stock is rental.
  - For additional Senior Housing opportunities such as M.A.S.H.
  - For diversity in housing choice for family formation and elderly population groups.
  - Dedicated affordable housing units
  - Marlborough only has **24** such units.

# PERSONS PER HOUSEHOLD



# BEDROOMS PER DWELLING



# Impact of Changing Marlborough Population

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- Between the years 2000 and 2021, i.e. 21 annual cycles, the population of Marlborough grew for 12 years and declined for 9 years.
- From 2000 to 2021, Marlborough had an average annual population growth rate of **0.30%** per year. Overall, the country population grew **6.26%** between 2000 and 2021.
- From 2001 to 2002, Marlborough population grew the most with an increase of **148 people (2.54%)** while from 2019 to 2020, Marlborough town's population declined the most with a negative growth of **217 people (-3.43%)**.
- Between 2011 and 2021, population of Marlborough has decreased by **320 (-4.99%)**. The population was highest at 6,414 in the year 2014 and lowest at 6,093 in the year 2021. Overall, the average growth rate witnessed for this 10 years was **-0.50%**.
- **BOTTOM LINE:** Unless we increase our population and grand list, real estate taxes will have to increase on each household
  - Much of the entire budget consists of fixed costs – infrastructure (schools, roads, equipment)

# Chamging Population Composition 2000 to 2025

- Marlborough population continues to age as does most of the country over the last 25 years. The reduction of family formation and youth age groups continues to decline, while post-family formation and elderly age group cohorts continues to rise.

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• Age	2000	2010	2020	2025	Net Change
• 0 – 19	29.2%	27.9%	25.2%	22.9%	- 6.3%
• 20 – 44	35.6%	28.1%	22.7%	25.9%	- 9.7%
• 45 – 64	29.8%	34.3%	32.7%	30.8%	+ 1.0%
• 65+	8.3%	9.4%	19.4%	20.4%	+ 12.1%

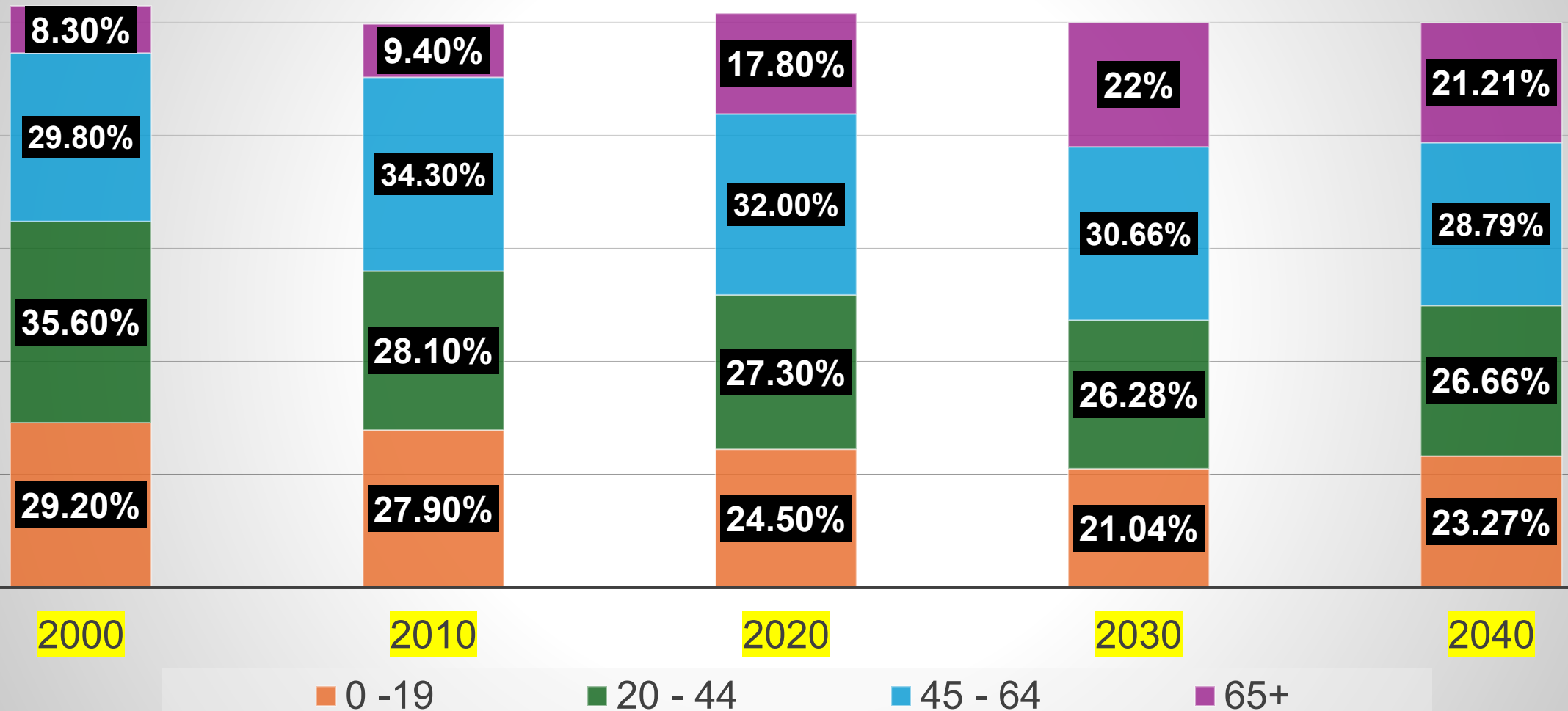
- State Population Projections show a continuing decline in overall population through 2040 with an increasing older population.

# MARLBOROUGH POPULATION & HOUSING

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- Poverty Rate has increased from **1% to 9.66%** of households from 2000 to 2025. Between 2016 to 2023 the poverty rate increased **7.2%** and continues to increase.
- The 2026 projected population is **6,038**. This projection assumes an annual rate of change of **-0.7%**, consistent with the **-3.7%** population change from 2019 to 2024.
- Population projections show continuing decline to **5,741** in 2030 and **5,271** in 2040
- Living costs in Marlborough are **22%** higher than the U.S. national average and **80%** higher than Connecticut's state average. This reflects a **2%** increase from 2025.
- The primary drivers of Marlborough's cost of living are **soaring** housing costs, elevated transportation expenses, and rising food prices.

# POPULATION PROJECTIONS 2030 & 2040



# CGS 8-30g AFFORDABLE HOUSING HOME VALUES & RENTAL VALUES

- Rent 2 Bedroom
  - 80% AMI \$2,164
  - 60% AMI \$2,082
  
- 3 Bedroom House
 

	80% AMI	60% AMI
• Mortgage Payment	\$ 1,502	\$ 854
• 10% down payment	\$268,400	\$152,625
• 20% down payment	\$292,800	\$166,500
  
- 4 Bedroom House
 

	80% AMI	60% AMI
• Mortgage Payment	\$ 1646	\$ 923
• 10% down payment	\$294,250	\$165,000
• 20% down payment	\$321,000	\$180,000

# Planning Ahead to Fulfill Public Act 25-1 Requirements

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# What Are the Issues?

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- State lacks 100K-150K affordable housing units
  - For this purpose, “affordable” means that anyone earning 80% of the Area Median Income(AMI) (~\$101,300 for a family of 4) would spend no more than 30% of their income on that housing
  - **23% or 1 of every 5 households** in Marlborough’s are **cost-burdened**, meaning they spend at least **30 percent** of their total income on housing costs
  - **9.66% or nearly 230** of Marlborough’s households have income below the poverty level
- Fewer homes are available to buy, cost of homes has increased
  - Number of single family homes sold/median price
    - 2020-2021 =183/~\$325K
    - 2022-2023 =114/\$360
    - 2024 =78/\$430K
      - 21 sold for less than \$360K - median age of those homes was 56 years
    - 2025: 85/\$433
      - 19 sold for less than \$360K
  - With 30% income limit, household income required to purchase a \$360K home, with \$36K downpayment, is about \$125,000

# New Legislation – PL 25-1: Some Important Components

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- **Housing Growth & Planning**
  - Requires municipalities to create housing growth plans
  - Towns may create their own plans or opt into a COG regional plan
- **Zoning & Development Changes**
  - Eases zoning barriers to housing by encouraging transit-oriented and middle housing development (e.g., duplexes, triplexes) in appropriate areas
  - Promotes easier conversion of commercial properties into residential units to expand housing stock
- **Parking & Infrastructure**
  - Incentivizes infrastructure improvements (like water/sewer/transportation) to support new housing
- **Financial Incentives & Support**
  - Creates a first-time homebuyer savings account program with potential tax advantages and employer contribution incentives

**Municipalities that comply with the requirements are eligible for grants (e.g., housing growth fund, enhanced school construction reimbursements), while those who are delinquent may incur penalties.**

# Housing Growth Plan Schedule

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- **March 1, 2026** – OPM starts releasing guidance documents
- **July 1, 2026** – OPM release GIS data criteria and tools to determine Developable Land mapping
- **July 1, 2026 – December 1, 2026** – Councils of Government create Developable Land inventory prior to setting Affordable Housing Targets for each municipality
- **December 1, 2026** – OPM provides COG's with Affordable Housing Target numbers for regions communities.
- **December 1, 2026 – June 1, 2026** – COG's determine each municipalities affordable housing target and Developable Land area.
- **June 1, 2026 – July 1, 2026** - Municipalities must accept or reject COG's allocation and if reject do their own plan without any assistance from the COG's.

# Housing Growth Plan Schedule

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- **July 1, 2027** – COG submits housing needs assessment and affordable housing allocations to OPM. OPM has 120 days to review
- **June 1, 2028**: Municipalities in the CRCOG, RiverCOG, NHCOG, NECCOG, and SECOG planning regions submit plans to OPM for approval. OPM has 120 days to act on the plan.
- After OPM approval municipalities CEO & Planning Commission must adopt and start implementing recommendations.
- The CEO must file a report with OPM yearly stating actions taken to implement the Plan.
- The adopted Housing Growth Plan must be updated every five (5) years and sent to OPM for approval.

# Housing Growth Planning

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- Includes policies that each municipality has adopted or shall adopt to reduce regulatory barriers and to promote the development of housing. In particular the policies will:
  - To the extent practical, identify specific zones or parcels that may be developed to meet the Affordable Housing Goal.
  - Identify strategies the municipality has adopted or shall adopt to improve the accessibility of affordable housing for individuals with an intellectual disability or other developmental disabilities
  - Identify strategies adopted or shall be adopted to promote the development of diverse types of housing units
  - Inventory Developable Land
  - Identify projected infrastructure needs, including wastewater capacity, that would help the municipality meet their Affordable Housing Goal

# Developable Land & Summary Review

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- Housing Growth Plan requires each municipality to identify **10%** of its Developable Land for Summary Review approval for higher density housing including multifamily
- **Summary Review**
  - This is by-right housing without public hearings it is a simple Summary Review of the regulatory requirements
  - Statutory minimum density per acre - **Single Family four (4) units / Townhouses six (6) units / Multifamily/Apartments ten (10) units.**
- **Developable Land**
- Legislation does not define what Developable Land is, but it does identify what it is not
  - E.g., flood zones, dedicated conservation and open space land, steep slopes (not defined) and wetlands
  - The open question is what the criteria to determine what is Developable Land is it all land or is it land double the its zoning district or larger. The statute uses these terms **“can feasibly developed or redeveloped into a residential development or mixed –use development”** and **“provided the feasibility of such development or redevelopment is based on commercially reasonable assumptions”**

# Affordable Housing Targets



- OPM by **December 1, 2026**, submits to COG's their regional affordable housing targets
- COGs must develop a regional housing needs assessment that establishes a recommended affordable housing goal for each municipality in the planning region by **June 1, 2027**, except for the lowest 20 municipalities on the Adjusted Equalized Net Grand List per Capita
- Regional metrics of need to ensure adequate housing options, including, but not limited to:
  - Number of households at or below 30% of area median income with housing costs at or above 50% of income
  - Poverty Rate
  - Overcrowding and other cost-burden indicators, using Comprehensive Housing Affordability Strategy (CHAS) data or a similar source
  - Proximity of housing to any current or planned public transportation project, significant employment opportunities exist, as identified by the COG, or any downtown area
  - Availability of Developable Land
  - Share of multifamily housing stock

# Affordable Housing Targets

- Maximum allowable Affordable Housing Target is **20%** of existing housing stock which today in Marlborough is approximately **460** affordable dwelling units.
- Affordable Housing target will not be lower than 10% since that is the requirement under CGS 8-30g, which for Marlborough is **230** affordable dwelling units.
- There are **24** affordable deed restricted units today.
- Unlike CGS 8-30g CHFA mortgages in the community do not qualify as affordable since they are not deed restricted for 40 years as required by PA 25-1. Marlborough generally has **20 to 30** CHFA mortgage homes.

# Zoning Amendments Required by 7/1/26

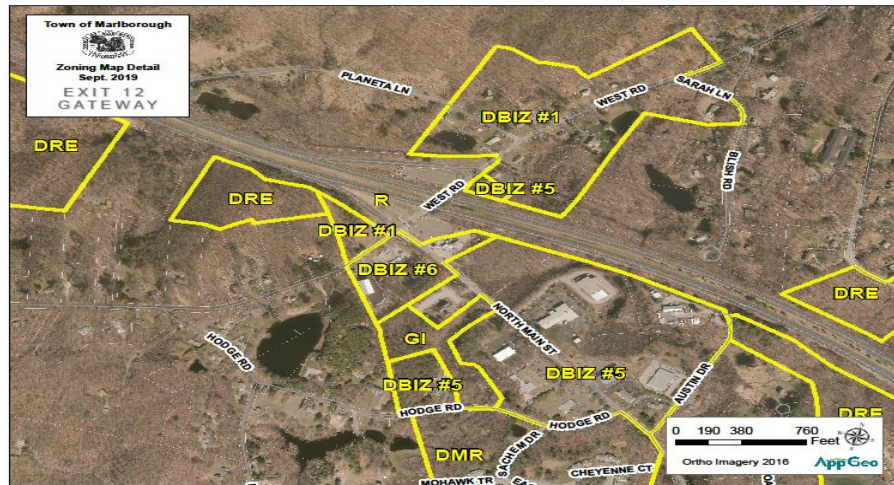
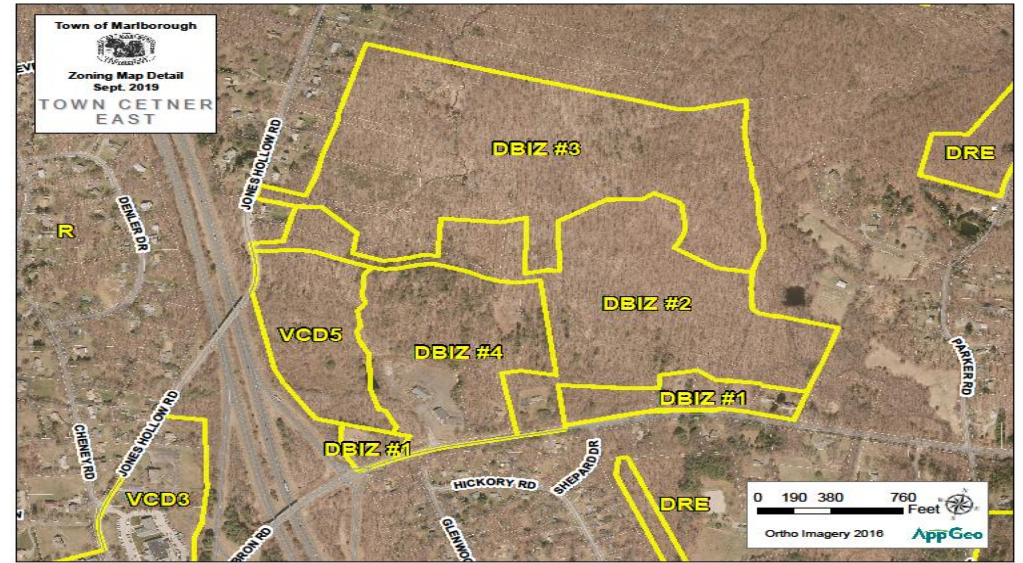
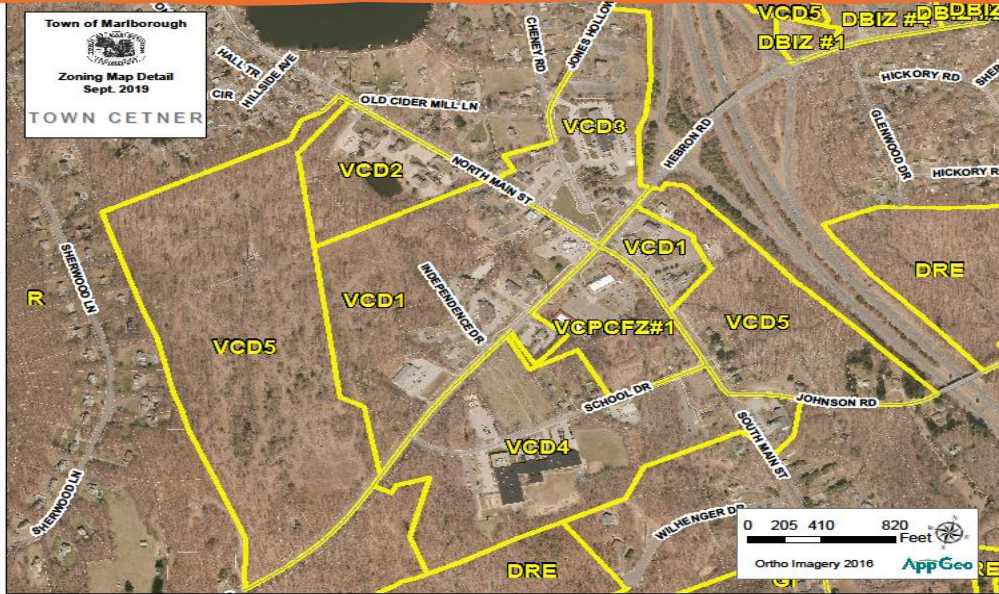
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- Permit by right Transit Community Middle Housing
  - Residential building permitting 2 to 9 units on **any lot** in a commercial or mixed-use zones by right through Summary Review by right without a public hearing.
  - Can require some retail on first floor
  - No affordable housing requirement
  - Statute allows for the option to permit Transit Community Middle Housing in Residential Zones.
- Removes reference to the 22-foot width threshold for mobile manufactured homes
  - Manufactured home must be built to federal manufactured home construction and safety standards
  - Municipalities cannot subject mobile manufactured homes to conditions and requirements that substantially differ from other residential uses

# Cottage Cluster / Pocket Neighborhoods



# Transit Community Middle Housing Locations



# Other Zoning Amendments

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- Regulations can't require a minimum number of off-street parking spaces for any residential development of 16 units or less
  - For developments more than 16 units a municipality may require parking minimums but must allow developers to submit a Parking Needs Assessment
  - If a Parking Needs Assessment is submitted by the developer, the municipality must condition the approval on the lesser of:
    - The amount recommended by the Parking Needs Assessment, or
    - One off-street parking space for every studio / one-bedroom unit, and two off-street parking spaces for every two or more-bedroom unit
  - Municipalities can't reject an application for residential development solely based on failure to meet off-street parking requirements Exception is if lack of parking will have a "specific adverse impact" on public health and safety
- Permit Fee In-Lieu-Fee for parking.
- A protest petition can no longer force a two-thirds vote when a zoning change is needed to allow housing required under state law.
  - This limits the power of protest petitions to block or delay multifamily and affordable housing regulations and amendments to the Zoning Map.

# OTHER REQUIREMENTS OF PA 25 - 1

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- **June 2026** - Sewer Capacity Study to COG's & OPM
- OPM has rest date to **June 1, 2028**
- Requires each municipality with a public sewer system to evaluate its current flows and existing capacity for additional flow.
- Identify future sewer flows to meet affordable housing targets
- Determine infrastructure costs to construct affordable housing target flow.
- Marlborough Sewer Flows today is approximately **60,000 gpd.** that serves 374 houses, Town Center, & Marlborough Health Care.
- The Sewer Transit Agreement with EH WPCA allows Marlborough to flow **225,000 gpd.**