

Workforce Housing - Initial Findings

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Requirements of SB 362:

674:58 Definitions. In this subdivision:

I. "Affordable" means housing with combined rental and utility costs or combined mortgage loan debt services, property taxes, and required insurance that do not exceed 30 percent of a household's gross annual income.

II. "Multi-family housing" for the purpose of workforce housing developments, means a building or structure containing 5 or more dwelling units, each designed for occupancy by an individual household.

III. "Reasonable and realistic opportunities for the development of workforce housing" means opportunities to develop economically viable workforce housing within the framework of a municipality's ordinances and regulations adopted pursuant to this chapter and consistent with RSA 672:1, III-e. The collective impact of all such ordinances and regulations on a proposal for the development of workforce housing shall be considered in determining whether opportunities for the development of workforce housing are reasonable and realistic. If the ordinances and regulations of a municipality make feasible the development of sufficient workforce housing to satisfy the municipality's obligation under RSA 674:59, and such development is not unduly inhibited by natural features, the municipality shall not be in violation of its obligation under RSA 674:59 by virtue of economic conditions beyond the control of the municipality that affect the economic viability of workforce housing development.

IV. "Workforce housing" means housing which is intended for sale and which is affordable to a household with an income of no more than 100 percent of the median income for a 4-person household for the metropolitan area or county in which the housing is located as published annually by the United States Department of Housing and Urban Development. "Workforce housing" also means rental housing which is affordable to a household with an income of no more than 60 percent of the median income for a 3-person household for the metropolitan area or county in which the housing is located as published annually by the United States Department of Housing and Urban Development. Housing developments that exclude minor children from more than 20 percent of the units, or in which more than 50 percent of the dwelling units have fewer than two bedrooms, shall not constitute workforce housing for the purposes of this subdivision.

Median Family Income Figures from HUD:

I was able to find some statistical information on the HUD website:

- In 2005, the median family income (MFI) in Sullivan County for a family of four was \$56,100. (SB 362 indicates that the figures are published yearly, by I was not able to find more recent data.)
- In 2008, HUD projects the MFI for Plainfield to be \$62,800*.
- In 2008, HUD projects the MFI for Lebanon to be \$69,100*.

* Note: It is not clear that the 2008 figures are for a family of four as SB 362 requires.

I include the 2008 projections because they are the most recent figures and because staff at the Upper Valley - Lake Sunapee Regional Planning Board (UVLSRPC) suggested that we might be considered part of the Lebanon 'metro area'. I am expecting clarification on that issue and further direction regarding which income figures to use from the UVLSRPC.

In addition, UVLSRPC staff expressed some concern that the Planning Board was getting hung up on counts which is not the real focus of the law. Rather the goal is to be sure that Planning and Zoning Regulations do not preclude workforce housing. I responded that the PB could not know if our regs were preventing the construction of workforce housing or what provisions might be needed in a workforce housing ordinance without understanding how the law defined workforce housing in practical terms.

Workforce Housing Values – Single Family Homes

Staff at the Claremont Savings Bank provided the following information using the Sullivan County and Plainfield data. The loan officer presumed 'decent credit history' on the part of the applicant but added that there was no way to establish debt ratios which would affect loan amounts. Since SB362 requires that housing cost include principle, interest, taxes, and insurance, the officer necessarily had to estimate taxes and insurance. With the number of variables involved, all figures below should be considered 'ball-park.' Note that the home values are sale price values, not mortgage amounts. All figures are based on a 30 year mortgage.

MFI	Sale Price 10% down	Sale Price 20% down	Type of Unit	Number of Units per Avitar
\$56,100	\$170,000	\$190,000	Residential 2 bedroom min	@175k or less 103 units
\$56,100			Manuf. Housing 2 bedroom min.	@175k or less 84 units
\$62,800	\$190,000	\$215,000	Residential 2 bedroom min	@200k or less 199 units
\$62,800			Manuf. Housing 2 bedroom min.	@200k or less 89 units

Rental Housing

1. Using the definitions in SB 362, Plainfield does not have any rental 'housing developments'.
2. Although SB 362 references MFI for a family of 3, I was unable to find that information on the HUD website.
3. Using \$56,100 (HUD MFI for family of 4 in Sullivan County as of 2005), affordable rent would be approximately \$850 for a two bedroom apartment / house.
4. Plainfield does not collect any information about apartment rental rates. However, anecdotal information suggests that there are very few two-bedroom units that would meet the 'affordable' standard.