

A Citizen's Guide to Workforce Housing In Londonderry, NH

Understanding the
Workforce Housing Law and
What It Means for Our Town



Prepared by the Town of Londonderry
Community Development Department
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What is Workforce Housing?

According to the New Hampshire Workforce Housing Law, RSA 674:58-61, (with emphasis added):

“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.

Workforce Housing offers an array of housing options including rental apartments, condominiums and single family homes. All of these options qualify under the Workforce Housing Law.

The entire text of RSA 674:58-61 is available to the public at <http://www.gencourt.state.nh.us/>

What is Workforce Housing?

Affordable: No more than 30% of income should be spent on housing, meaning rent and utilities or mortgage principle with interest, taxes, and insurance

Multi-family workforce housing: 5 or more dwelling units

Reasonable and Realistic Opportunities: Opportunities to develop economically viable workforce housing considering the collective impact of land use ordinances and regulations. Natural features and market considerations may be beyond the control of the municipality

Examples of Successful Workforce Housing Projects



Housing Partnership
Towns in NH & ME



Pepperidge Woods
Barrington, NH



Watson Woods
Exeter, NH

*Source: Workforce
Housing Coalition of
the Greater Seacoast*

What is Workforce Housing?

The basic requirements of RSA 674:58-61 essentially come down to:

- Provide reasonable and realistic opportunities for the development of workforce housing.
- Provide reasonable and realistic opportunities for multi-family housing (5+ dwelling units), including rental multifamily units.
- Lots sizes and density requirements for workforce housing “shall be reasonable”
- Allow workforce housing on >50% of residentially zoned land area.

In terms of planning and zoning, RSA 674:58-61 states:

All citizens of the state benefit from a balanced supply of housing which is affordable to persons and families of low and moderate income. Establishment of housing which is decent, safe, sanitary and affordable to low and moderate income persons and families is in the best interests of each community and the state of New Hampshire, and serves a vital public need. Opportunity for development of such housing shall not be prohibited or unreasonably discouraged by use of municipal planning and zoning powers or by unreasonable interpretation of such powers.

Other Requirements of RSA 674:58-61

As part of the site plan application, the developer must notify the Planning Board that a workforce housing development is being proposed. The Planning Board RSA 676:4 plat review (or other process) proceeds as normal.

Upon approval with conditions, the planning board notifies the applicant of the conditions, who then has at least 30 days to identify the cost impact of the conditions upon the economic viability of the project. The board may then modify its conditions accordingly.

Appeals may be made to superior court if the application is denied or has conditions that have a substantial adverse effect on the project's viability. The burden is on developer to show how the municipality's actions violated the Workforce Housing statute (an as-applied test).

Retention of housing affordability is proposed in Londonderry as a requirement for all projects that create workforce housing.

The New Hampshire Housing Finance Authority (NHHFA) has spelled out in great detail the mechanics of long-term housing affordability with a retention model ordinance, and adopting the associated language is required if Londonderry wants the NHHFA to be the monitoring agent for the Town.

What Does This Mean for Londonderry?

Based on the limits for 4-person and 3-person households in New Hampshire's Workforce Housing Law, the following monthly payments would serve as the **maximum** limits for workforce housing in the Town of Londonderry:

Intended for Sale ; 100% of Median Income; 4 Person Household			
Median Income	Target Income	Annual Housing Allowance	Maximum Monthly Affordable Payments
\$95,200	\$95,200	\$31,733	\$2,644

Intended for Rent ; 60% of Median Income; 3 Person Household			
Median Income	Target Income*	Annual Housing Allowance	Maximum Monthly Affordable Rent
\$95,200	\$51,410	\$15,423	\$1,285

*Adjusted to a 3-person household, per HUD standards

According to New Hampshire Housing Finance Authority, a household making 100% of the median income, or the **maximum** to meet the standards of workforce housing, may be able to afford a **\$289,000** home.

Median Income

The Median Income Level required by RSA 674:58-61 to calculate the affordability of housing is published every year by the United States Department of Housing and Urban Development. For the Fiscal Year 2009, Londonderry's median income was calculated to be **\$95,200**.

So, What's Happening in Londonderry?

A Housing Task Force was organized with local leaders and board members. The Task Force met 8 times, met with 4 guest speakers, created 5 report drafts, and issued a Final Report in April 2008. Now, a major goal for the Planning Board is to utilize the work done by the Housing Task force to comply with the State law.

Currently, Londonderry's planning staff is working on revising the zoning ordinance to better suit the requirements of RSA 674:58-61.

- The ordinance's language about residential phasing and impact fees is being revised.
- Revisions have been proposed to give priority to workforce housing development building permits in the Growth Management Ordinance, in accordance with the current scoring system.
- Included in the revision is the development of Conditional Use Permit criteria for Workforce Housing.
- Also being developed are standards and regulations for multi-family workforce housing developments and requirements for maintenance of housing affordability.
- The zoning ordinance is in the process of being revised, so these changes will not be final until the revisions have gone through the appropriate approval process.

Who Needs Workforce Housing?

- Entry level teachers, Firefighters, Police Officers
- Municipal and University employees
- Artists
- Nursing Assistants and Medical Workers
- Hospitality Employees
- Retail and Service Employees

What Can Towns Do?

- Create a zoning ordinance that allows opportunities for Workforce Housing
- Provide Density Bonuses
- Reduce Lot Sizes and Setbacks
- Allow Accessory Apartments
- Encourage Development of Apartments above retail uses
- Allow clustering to maintain a rural feel

What Can Developers Do?

- Create homes that are space and cost efficient
- Use modular or panelized construction techniques
- Use slab instead of full basements
- Offer unfinished floors in capes
- Build foundation only for future garages

What Can Businesses Do?

- Be clear about the impact of a lack of workforce housing on your business
- Advocate for workforce housing in your home and business towns

*Source: Workforce Housing Coalition of the Greater Seacoast
“Housing for a Healthy Economy”*

Workforce Housing and Economic Development

RSA 674:58-61 recognizes that New Hampshire is experiencing a shortage of housing that is affordable to working households, and is requiring an increase in affordable housing to serve a growing need within the State and to encourage local economic development.

- Economists estimate that for every 1,000 jobs created, 700 housing units also need to be created. New units may be inside and/or within reasonable commuting distance outside the town
- Londonderry has potential for 5,000 – 7,000 new jobs in the airport area alone
- Recent lessons suggest businesses locate where the workers are
- Affordable housing is needed in order for communities to attract and retain new employees
- Business leaders have indicated that housing is a key problem faced in recruiting and retaining a qualified workforce
- Without housing, jobs and citizens will leave a community, and the community loses consumer spending and tax revenue

Londonderry's Existing Housing Stock

In order to provide an estimation of the current housing stock in Londonderry, the data below was gathered from the American FactFinder of the United States Census Bureau.

HOUSING TENURE		
Occupied housing units	8,343	
Owner-occupied	7,429	89.0%
Renter-occupied	914	11.0%
SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME		
Owner-occupied units	7,429	
Housing unit with a mortgage	5,814	
Less than 20.0 percent	1,877	25.3%
20.0 to 24.9 percent	968	13.0%
25.0 to 29.9 percent	827	11.1%
30.0 to 34.9 percent	733	9.9%
35.0 percent or more	1,382	18.6%
Not computed	27	
Housing unit without a mortgage	1,615	
UNITS IN STRUCTURE		
Total housing units	8,484	
1-unit, detached	5,986	70.6%
1-unit, attached	1,171	13.8%
2 units	149	1.8%
3 or 4 units	150	1.8%
5 to 9 units	316	3.7%
10 to 19 units	156	1.8%
20 or more units	174	2.1%
Mobile home	382	4.5%

*Data from the United States Census Bureau
2005-2007 American Community Survey 3-Year Estimate*

How Can I Get Involved?

- Get educated about workforce housing, seek out resources and information
- Encourage your family, friends, and neighbors to also become more educated about the topic
- Participate in the planning and legislative processes, on local, state, and regional levels

Resources

Department of Housing and Urban Development
www.hud.gov

New Hampshire Housing Finance Authority
www.nhhfa.org

Workforce Housing Coalition of the Greater Seacoast
www.seacoastwhc.org

Southern New Hampshire Planning Commission
www.snhpc.org

Town of Londonderry, Community Development Dept.
www.londonderrynh.org
603.432.1100, ext. 134

Sources

U.S. Department of Housing and Urban Development
State of New Hampshire
United States Census Bureau
Workforce Housing Coalition of the Greater Seacoast
Rockingham Planning Commission
Concord Area Trust for Community Housing

The table below has been provided to give residents of Londonderry an idea of the income levels used by the Department of Housing and Urban Development in setting limits on affordable housing costs. Keep in mind, Under RSA 674:58-61 Workforce Housing is defined as being affordable to:
 Intended for Sale: A 4-Person Household at 100% of Median Income
 Intended for Rent: A 3-Person Household at 60% of Median Income

FY 2009 Income Limits Documentation System - FY 2009 Income Limits Summary
 Source: Department of Housing and Urban Development; www.huduser.org

Londonderry town, New Hampshire								
FY 2009 Income Limit Area	Median Income	FY 2009 Income Limit Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person
Londonderry town	\$95,200	Very Low (50%) Income Limits	\$33,300	\$38,100	\$42,850	\$47,600	\$51,400	\$55,200
		Extremely Low (30%) Income Limits	\$20,000	\$22,850	\$25,700	\$28,550	\$30,850	\$33,100
		Low (80%) Income Limits	\$44,800	\$51,200	\$57,600	\$64,000	\$69,100	\$74,250