

# Tools for the Creation of Affordable Housing

Portsmouth Planning Board

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# Workforce vs. Affordable Housing

- Affordable Housing – ability to pay based on price and income – targeting is important
  - Many definitions, depending on source of funding
- Workforce Housing – state statute
  - 30% housing cost burden
  - Owners: making up to 100% area median income
  - Renters: making up to 60% area median income

# Workforce Housing / Affordable Housing

## Housing cost that is no more than 30% of gross income

- Ownership: Housing cost includes Principal, Interest, Taxes and Insurance
- Rental: Housing cost includes Rent plus Utilities

## Gross Income: HUD Fair Market Rent Area for Portsmouth-Rochester

### 2015 Affordability-Ownership

100% of Area Median Income (family of 4) Affordable Purchase Price (PITI)	\$86,100 \$289,000
80% of Area Median Income (family of 4) Affordable Purchase Price (PITI)	\$68,880 \$231,200
50% of Area Median Income (family of 4) Affordable Purchase Price (PITI)	\$43,050 \$144,500

# Workforce Housing / Affordable Housing

## Housing cost that is no more than 30% of gross income

- Ownership: Housing cost includes Principal, Interest, Taxes and Insurance
- Rental: Housing cost includes Rent plus Utilities

## Gross Income: HUD Fair Market Rent Area for Portsmouth-Rochester

### 2015 Affordability-Renter

60% of Area Median Income (family of 3)	\$46,490
Affordable Rent (Rent + Utilities)	\$1,160
50% of Area Median Income (family of 4)	\$38,750
Affordable Purchase Price (Rent + Utilities)	\$970



# Inclusionary Zoning

- RSA 674:21,IV(a): "Inclusionary zoning" means land use control regulations which provide
  - a *voluntary incentive* or benefit to a property owner
  - to *induce* the property owner
  - to *produce housing units*
  - which are *affordable* to persons or families of low and moderate income



# Developer Incentives

## *Possibilities include:*

- **Density Bonuses**
- **Reduced lot sizes, frontage, and other dimensions**
- **Expedited Permit / Application Review**
- **Financial Assistance**
- **Exemption from Fees (esp. Impact Fees)**
- **Exemption from Phasing or Growth Management Ordinance**



# Developer Incentives

- Inclusionary Zoning Bonuses

Housing Type	Set Aside	Density Bonus/ Minimum Site Frontage Reduction
Low Income Rental Housing	15 to 25%	15 to 25%
Moderate Income Rental Housing	20 to 30%	15 to 25%
Low Income Owner-occupied Housing	5 to 10%	15 to 25%
Moderate Income Owner-occupied Housing	10 to 20%	15 to 25%
Moderate to Median Income Owner-occupied Housing	15 to 25%	15 to 25%

**These are just examples – you have to determine what will work in your own community. What will induce a developer to do this?**

***Follow the money!***



# Inclusionary Zoning Requirements

- **Compatibility of Style (make the affordable units indistinguishable from the others)**
- **Intersperse affordable units throughout the development**
- **Project phasing (don't allow all market-rate units to be built before the affordable ones)**
- **Purchaser/renter income and asset certification**
- **Long-term deed restriction**





# Inclusionary Zoning Examples in NH

- Londonderry
- Exeter
- Bedford
- Amherst
- Rye



- **Watson Woods, Exeter**
  - **28 Unit-Mixed Income Development**
  - **6 Multi-Family Townhouse Buildings**
  - **In exchange for greater density, 20% of the units must remain affordable**
  - **30 year restriction, renewable upon sale during affordability term**





- **Northwoods/  
Southwoods,  
(Aspen Court &  
Balsam Lane)  
Amherst**

- **25 Single Family  
Condos**
- **Market Rate  
Affordable**



- Peacock Brook,  
Amherst
- Single Family Condo
- Market Rate  
Affordable
- Current unit on the  
market for \$239,000





**Hidden Pond  
Amherst Historic District  
28 Low-Income Family Units  
(60% area median income)**



**The Silverton in the Silver Spring area of Montgomery County (MD) includes 27 affordable condominiums in a 160-unit complex**



# Sources of Financial Support

- Payments in lieu of providing affordable units
  - Strong track record nationally, little experience in NH
- Local Housing Trust Fund
- Housing Revolving Fund – RSA 31:95-h(d) – for creating affordable housing and facilitating transactions
- Provision of municipally-owned property



## Gile Hill, Hanover

- 120 units approved (61 rental)
- 46 affordable rental and 8 affordable ownership units
- Town sold the property to a non-profit developer for \$1





## Availability and Eligibility

Gile Hill has 61 rental apartments. 46 of them meet the [New Hampshire Housing Finance Authority's](#) affordability definition with modest rents available to qualified households.

### Maximum Household Income Limits

Affordable units are restricted to those households earning up to 50% or 60% of Area Median Income for Grafton County, depending on the unit:

Persons in Household	Up to 60%	Up to 50%
1 Person	\$29,580	\$24,650
2 Person	\$33,840	\$28,200
3 Person	\$38,040	\$31,700
4 Person	\$42,240	\$35,200
5 Person	\$45,660	\$38,050
6 Person	\$49,020	\$40,850

# of Persons in Household:

Total Gross Annual Household Income:

*All household income must be included: wages, social security, child support, SSI, etc.\**

*\*Calculating income is not entirely straightforward. If you are interested in an affordable rental and have income of approximately the allowable amount, please [contact Maloney Properties](#) who will work with you to determine your eligibility.*

### Monthly Rents—Affordable Units

- 1 Bedroom.....\$595
- 2 Bedroom.....\$712—\$868
- 3 Bedroom.....\$1,002

There are some two-bedroom units that are not income-restricted. Rents for these units are between \$1275 - \$1479.

**FAQ:** Find answers to [frequently asked questions](#) ►

**Contact us** for more information ►

For information on [Gile Hill Condominiums](#) ►



## Other Resources

- Municipal Housing Commissions – RSA 674:44-h
- Workforce Housing Coalition of the Greater Seacoast
- New Hampshire Housing
  - “Meeting the Workforce Housing Challenge”
  - “Housing Solutions for New Hampshire”