

INCLUSIONARY HOUSING

At-A-Glance

Inclusionary Housing Options

October 2007

The New Hampshire population is currently 1.3 million and is predicted to reach over 1.5 million by 2020, in part due to an influx of retirees and second home-owners. Market pressures have contributed to an increase in the cost of homes and subsequent decrease in the availability of affordable housing options. Due to this lack of affordable housing, paired with the high cost of living, workforce attraction and retention are key economic concerns.

Communities in New Hampshire have the opportunity to help by promoting the development of affordable housing options that can help businesses retain a vital workforce. Municipalities can adopt an inclusionary housing ordinance that provides voluntary incentives or benefits, such as:

- Density bonuses
- Smaller lot sizes and setbacks
- Zoning exemptions/waivers
- Expedited permit and/or application
- Public and private partnerships
- Mixed-use projects
- Waived or reduced fees
- Exemption from phasing
- Financial assistance, land donations

Definitions¹

Inclusionary Housing— mechanisms to spur affordable housing development within the private market, e.g. zoning ordinances and incentives.

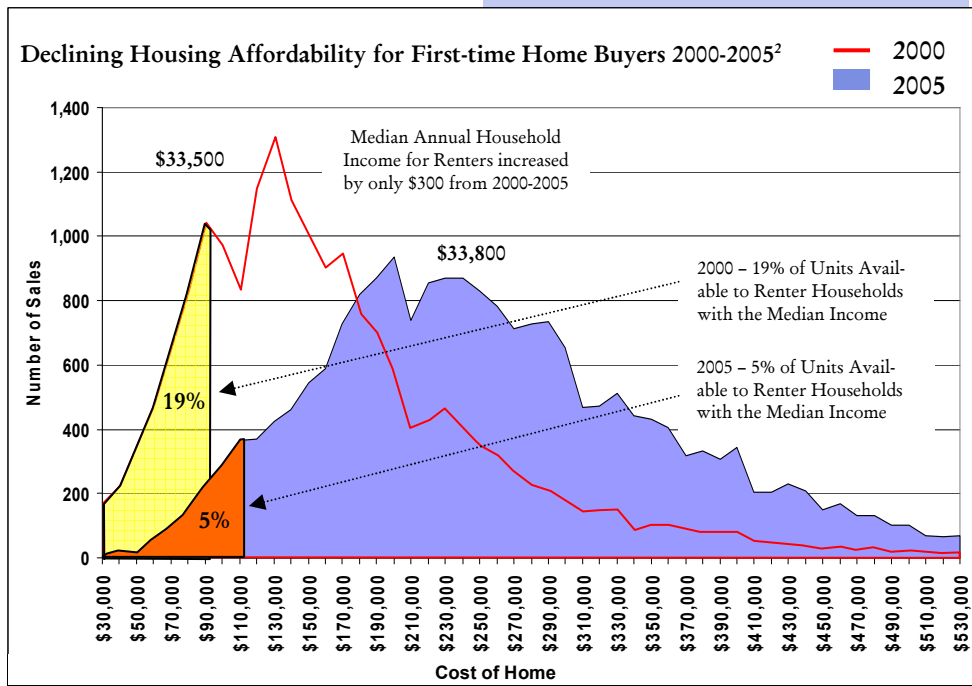
Affordable Housing— a housing unit available for sale or lease, at a cost not to exceed 30% of the gross income of a household, where an owner household makes no more than 80% of the area median income, or a renter household makes no more than 60% of the area median income, as determined by the U.S. Department of Housing and Urban Development.

Inclusionary Zoning— [RSA 674:21 Section IV.(a)] a voluntary incentive or benefit to a property owner to produce housing units which are affordable to low and moderate income populations.

Workforce Housing — a variety of housing types (affordable housing, market-rate housing, mixed-income housing) suitable for households with different needs and income levels, including starter homes, townhouses, condominiums, apartments, and co-housing.



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¹New Hampshire Housing Finance Authority

²Total Number of Houses Sold Statewide 2000-2005, NHHFA



Inclusionary Housing provides options and opportunities...

Do you have adequate options for the workforce population in your community? Do you have inclusionary zoning and/or provide incentives so potential developers can create affordable housing?

Municipalities can encourage inclusionary housing options through ordinances, subdivision regulations and incentives.

Inclusionary Housing Ordinance Basic Principles

- **Retain the long-term affordability**—link rental cost or the initial price and future sale price to a percentage of the area median income, as established annually by the U.S. Department of Housing and Urban Development
- **Fairness to all**—municipalities, developer, buyer, and renter all benefit
- **No decrease in local tax revenue**—recommended incentives are not tax breaks
- **Integrates well with existing regulations**—affordable housing fits well with preservation of open space, village character, infill and mixed-use development, brownfields redevelopment, adaptive reuse, etc.
- **Driven by market forces**—the housing market establishes the cost of homes, on which the median level of affordability is based

In short, we need **affordable choices** for our workforce to ensure continued economic growth.

The New Hampshire Workforce:

Police officers
Fire fighters and emergency responders
Teachers
Childcare providers
Nurses and health care professionals
Business and industry professionals
Service workers
Elderly and disabled
Artists
Skilled laborers
Etc.



For more information on ordinance development, please contact the LRPC at 279-8171.