

**LAKES REGION HOUSING
NEEDS ASSESSMENT
2010**

Lakes Region Planning Commission

July 30, 2010

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Acknowledgements

The Lakes Region Planning Commission would like to thank the following persons for participating on the Regional Housing Needs Assessment Steering Committee:

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Funding for the Lakes Region Housing Needs Assessment was provided by the NH Office of Energy and Planning through the Targeted Block Program and the Lakes Region Planning Commission.

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LAKES REGION PLANNING COMMISSION
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Glossary of Terms

Affordable Housing: The term affordable housing is typically used to refer to housing with covenants, subsidies, or other mechanisms to ensure availability to low and moderate-income households at a cost that leaves an adequate amount of household income for other necessities. New Hampshire RSA 674:58 contains a specific definition of “affordable” with respect to workforce housing for a specific range of household incomes by tenure.

Area Median Family Income (AMFI): The area median family income divides the distribution of area incomes for a group of two or more people who reside together and who are related by birth, marriage, or adoption into two equal parts: one-half of the family households falling below the median value and one-half above the median.

Assisted Rental Housing Units: Assisted housing developments are housing facilities that provide subsidized or below-market rental housing units for low and very low income households. Assisted housing units are generally classified in three groups: special needs, elderly, and general occupancy or “family” units.

Barrier Free Housing: A general term for housing that is fully accessible (the building and the housing unit) by a person using a wheelchair.

Equalized Assessed Valuation (EAV): An estimate of the full value or market value of taxable real estate, based on adjustments to municipal property valuation adjustments, made by the NH Department of Revenue Administration. Property values by community must be equalized for the purpose of equivalent assessments of county taxes to each municipality.

Fair Market Rent (FMR): Fair market rents are gross rent estimates established by the US Department of Housing and Urban Development. Fair market rents are established based on the dollar amount below which 40 percent of the standard-quality rental housing units are rented within a 15 month period. Public housing units and units less than two years old are not included in fair market rent distributions.

Fair Share: Municipal accommodation of a reasonable proportion of the low to moderate income housing needs of a market area or region. In some states, fair share is a numerical quantity, goal or quota defined by state or regional housing allocation plans. This quantity may be defined by various proportionate distribution factors relative to community share of property wealth, income, total housing units, population, employment or other factors. In New Hampshire, fair share is used in the context of either hosting a supply of workforce housing units, or providing reasonable opportunities for the creation of such housing, without a specific numerical formula for its measurement.

Gross Rent: The cost of rental housing to a tenant including rent paid to the landlord plus any additional cost paid by the tenant for water, sewer, heat, hot water, cooking fuel, and domestic electricity.

Headship: Refers to the ratio of households by age of the head of household to the total population within the same adult age groups. Headship ratios may be used to convert population estimates by age to estimates of the number of households by age using these relationships.

Housing Cost Burden: The percentage of total household income that is spent on gross monthly housing costs. For renters, this includes rent plus any additional utility or fuel costs for heat, hot water, cooking fuel, and electricity. For homeowners, the costs include mortgage principal and interest, property taxes, hazard insurance, and utilities, plus any applicable condominium association fees or site rent within a manufactured housing park. An affordable housing cost burden is generally considered to be not more than 30 percent of a household's gross income. A high housing cost burden is one that exceeds 30 percent of a household's income.

Linkage: Linkage refers to the relationship between commercial development and job creation and the workforce housing demand it generates. In some parts of the United States, development policies and ordinances can require commercial developments to provide a certain number of affordable units to help meet the workforce housing demand generated by expected employment, or to pay linkage fees based on the relationship between jobs, wage levels of related service workers, and local development costs.

Low Income Housing Tax Credit (LIHTC): A program used to leverage the development or rehabilitation of rental housing serving low income households. In New Hampshire, the New Hampshire Housing Finance Authority administers this program, which awards a share of federal income tax credits to qualifying projects or investors. At least 20% of the units in a LIHTC project must be occupied by households earning less than 50% of the area median family income (AMFI); or at least 40% must be occupied by households earning not more than 60% of the AMFI. The remaining units in a development need not be subject to restrictions on income.

Market Rate: Refers to prices or rents that are not subsidized by government programs, and where there are no restrictions on the property that would limit the price or rent from rising or falling according to market demand.

Median Household Income: The median household income divides the distribution of incomes for the occupants of a housing unit that is their usual place of residence into two equal parts: one-half of the households falling below the median value and one-half above the median.

New England City and Town Area (NECTA): Effective in 2003, the federal Office of Management and Budget (OMB) designated certain core based statistical areas in New England as metropolitan or micropolitan NECTAs. Two of the seven Micropolitan NECTAs are in the Lakes Region: the Laconia Micropolitan NECTA and the Franklin Micropolitan NECTA. These are core based statistical areas with at least one urban cluster that has a population of at least 10,000, but less than 50,000. Each Micropolitan NECTA must also have adjacent cities and towns or groups of cities and towns that have a high degree of social and economic integration with the "core" as measured through commuting ties. In New Hampshire, the NECTAs comprise the statistical labor market geographies for those locations. The US Bureau of Labor Statistics, with input from the Economic and Labor Market Information Bureau of New Hampshire Employment Security, divides the remainder of the state that is not within a metropolitan or micropolitan NECTA into small Labor Market Areas.

Moderate, Low, and Very Low-Incomes: The US Department of Housing and Urban Development (HUD) provides income limits based on US Census data. Estimates are based on percent of median family income and calculated at three income levels; Moderate-Income (80 percent), Low-Income (50 percent), and Very Low-Income (30 percent). These benchmarks are published annually and are frequently used as income limits applicable to various regions within each state for affordable housing programs.

Private Covered Employment: Non-government employment that is subject to employment compensation insurance payments by the employer. Covered employment generally excludes self-employed persons and fully commissioned salespersons.

Tenure: In the context of housing analysis, a classification of households into two groups: ownership versus rental occupancy.

Universal Design: A broad range of efforts to produce buildings, products and environments that are usable by everyone, not limited to specialized designs for specific age groups or people with disabilities. With increased life expectancy, there is a growing interest in universal design to deal with adaptation of design that serves an aging population, various disability levels, as well as general needs. Curb cuts or sidewalk ramps, essential for people in wheelchairs but used by all, are a common example. Additional examples include cabinets with pull-out shelves, or kitchen counters at several heights to accommodate different tasks and postures.

Workforce Housing: Workforce housing includes a variety of housing types affordable to households deriving their income from local or area employment, most typically referring to working residents and households with incomes at or below the area median family income of a region. In New Hampshire, workforce housing has been more specifically defined in RSA 674:58 to include ownership housing affordable to households with incomes up to 100% of the HUD area median family income (AMFI), and for rental housing up to 60% of the AMFI for a household of three persons. Workforce housing options available in the community must include allowances for multifamily structures with five or more units.

EXECUTIVE SUMMARY

The production and preservation of affordable and workforce housing depends on public-private partnerships. These partnerships arise from a shared understanding of housing affordability issues and the relationship between housing and economic development. The purpose of the Lakes Region Housing Needs Assessment is to describe the affordable and workforce housing needs of the area in the context of regional market trends, and to help member communities examine their role in meeting regional housing needs.

Changing Data Resources

There has been a significant change in the way income and housing data is collected, which now limits the availability of detailed housing need information by municipality.

- The American Community Survey (ACS) has become the principal source of information on household income and housing cost ratios.
- Relevant statistical data on income and housing cost burden is no longer available from the decennial Census by municipality; ACS data reflects sampling of counties and selected statistical areas. This assessment recognizes a need for transition to those sources.

New Workforce Housing Requirements

In 2009, New Hampshire passed legislation that defines “workforce housing” and which may require municipal action for compliance.

- New Hampshire RSA 674:58 to 61 requires each municipality to enable reasonable opportunities to create housing affordable to the workforce.
- Municipalities must also make specific provisions that enable multifamily housing in structures of five or more units.
- This needs assessment presents information for municipalities seeking guidance on how to meet these requirements and provide for a portion of Lakes Region workforce needs.

Rental Affordability Gap

Based on ACS data on housing cost and income, the affordability gap in 2008 was far greater than indicated by Census data for the Lakes Region in 1990 or 2000.

- The Census years showed 36 percent (1990) and 31 percent (2000) of renters had gross rental cost of 30 percent or more of their income.
- The ACS sample data suggests that the ratio has become substantially higher (about 43 percent) in 2008. Approximately 5,000 Lakes Region renter households are

estimated to have a high housing cost burden as of 2008. Since the ACS has a relatively high margin for error, comparison to historic Census data may be faulty.

- About 80 percent of the renters with these high costs are non-elderly households and 20 percent are 65 or older.

Ownership Affordability Gap

Estimates for the Lakes Region using ACS data for 2008 indicate that about 36 percent of its homeowners have gross housing costs that consume 30 percent or more of household income. This data is not comparable to past Census samples, which represented only a portion of ownership units.

- The 2008 estimates indicate that a high housing cost burden affects about 13,000 Lakes Region homeowners.
- About 76 percent of the homeowners with a high housing cost burden are under age 65 and 24 percent are 65 or older.
- Market data on home price shows that the median purchase price of Lakes Region primary homes increased by over \$100,000 (by about 19 percent per year) during the period 1999 to 2005.
- Since wages during the same period increased by only about 4 percent per year, the affordability gap for homeowners widened. For most occupations, a single wage household is unable to afford the median priced home, and two incomes are generally needed to afford homeownership.

Housing Cost Trends

Home prices increased much faster than wages or income, while changes in rental costs were more gradual. Both prices and rents have increased faster than average wages.

- The median price of a Lakes Region home doubled between 1999 and 2005, then remained relatively stable until 2008. The median sales price then declined by about 20 percent between 2008 and 2009.
- Rental costs have risen steadily but less steeply than home prices since 2000. Lakes Region rental vacancy rates have remained at or below 2 percent from 2008 to 2010.
- While rents have climbed faster than average wages, it is still possible for the average wage worker in the Lakes Region to afford the median rent on a single income. Homeownership will typically require two working household members.
- The cost of homes is driven significantly by the increasing size of single family houses. Average new home size in the U. S. is now over 1,000 square feet larger than the average home constructed in the early 1970s.

Affordability to Workforce

In the Lakes Region, about 52 percent of homeowners and 55 percent of renters are estimated to have incomes at or below the statutory workforce income guidelines for each tenure group. Based on housing costs in 2009, the proportion of homes sold and the percentage of rental units that are affordable to the workforce is reasonably balanced at the regional level, though there are differences by labor market area.

- In 2008 and 2009, homes priced at or below about \$210,000 in the Lakes Region would be affordable to the workforce using the income benchmarks for those years. In 2009, 71 percent of the primary homes sold in the Lakes Region were sold at or below this price. Sales data for the prior year 2008 indicated that about 51 percent of sales were at or below the affordable workforce price.
- Data for newly constructed homes showed that 47 percent of new units were sold at workforce price levels in 2009 compared to 35 percent in 2008. Homeowners who purchased during a period of price escalation may continue to have high housing cost ratios, but the recent decline in prices has opened up a greater share of the ownership inventory to the workforce.
- Rental data for 2009 indicates that about 57 percent of market rate rental units were affordable to workforce renter households (rented for under \$900 per month gross rent).
- In 2010, the median gross rent (market rate) in the Lakes Region was \$879 per month, requiring an annual household income of about \$35,000. This rent is affordable to the average wage worker, but is above the level affordable to entry level employees in the Lakes Region who earn about \$20,000 per year.
- Both the median home price and the median gross rent in the Lakes Region are affordable at the statutory workforce income benchmark. However, market costs are not necessarily affordable to working households with incomes well below the benchmark.
- The housing affordability gap across the Lakes Region may be measured in thousands of homeowner and renter households. Statistical indicators suggest that the proportion of households with a high housing cost burden increased significantly between 2000 and 2008. Renter households are likely to continue to strive for homeownership even if it results in a high housing cost burden.
- The absence of rent subsidies to bridge the affordability gap for the lowest income renters means that a significant portion of renters will continue to have a very high housing cost burden.

Housing Production

Housing demand modeling and building permit data indicate that the Lakes Region is not producing enough multifamily or rental housing stock, especially in consideration of an aging population.

- The age groups most heavily dependent on rental and multifamily housing are young workers and the elderly.
- Long term demographic projections indicate that about 25 percent of Lakes Region households are headed by a person age 65 or older, and that this proportion could increase to 49 percent of all households by the year 2030. During this period, the number of households under age 65 will begin to decline in both number and as a percent of total households.
- Housing need projections indicate that in the Lakes Region, about 20 percent of housing construction should be for rental or multifamily housing development. During the 1980s and 1990s, about 23 percent of Lakes Region housing production was in multifamily or attached housing development; from 1990 through 2008 it has represented about 7 percent of the total.
- The high dependency of the region on single family homes may not provide the diversity of housing options needed to support young workers for the Lakes Region service economy or for an aging population with increasing levels of disability.
- An estimated 43 percent of all rental housing occupied by the elderly in the Lakes Region was constructed under an assisted housing program, much of it at a time when there were extensive rent subsidies available. Today, there are fewer production programs or subsidies to support the transition of seniors from ownership to rental housing.

The Municipal Response to Regional Needs

The local response to regional needs can help to reduce the housing affordability gap. Most communities should review their development regulations and consider whether changes are needed to address the new workforce legislation. Some communities will go beyond basic statutory compliance to provide incentives or actively participate in affordable housing creation. A few communities may find that their current housing stock and development standards already enable them to support a fair share of the region's workforce housing needs. Municipal officials working on housing issues might start their analysis by asking a few central questions:

- If you were new to the workforce and earned an entry level wage in the Lakes Region, where could you afford to live, and what options are there in your community?
- How far would you need to commute to find a house or apartment you could afford along with your other household and transportation costs?

- How can we build our jobs and economic base if we don't have enough affordable housing to attract a workforce?
- Where will your aging parents live when they can no longer handle the physical demands and costs of running a single family house?

Meeting Basic Statutory Workforce Requirements

Under NH RSA 58 to 61, each municipality should examine whether land use regulations need to be modified to enable workforce housing creation. Small changes that produce even modest gains in workforce housing can help address regional supply and affordability needs:

- Enable accessory apartments and duplexes within single family zoning districts.
- Allow multifamily housing units within commercial mixed use sites, or within the upper stories of commercial buildings.
- Re-examine zoning limits on street frontage per unit, the maximum number of housing units per structure and maximum structures per lot to create more flexibility to accommodate development other than single family detached homes.
- Provide opportunities for multifamily or attached housing units in structures with five units or more.
- If the potential to create affordable workforce housing under current regulations is in doubt, a workforce housing overlay district is an option. Such provisions might allow density to be defined using site specific soil-based development capacity measures subject to performance in creating and preserving affordable housing units.

Developing Incentives and Linkages

To go beyond basic compliance with the workforce statute and encourage permanent affordable housing will require more sophisticated approaches that create and preserve affordable housing.

- The best efforts to increase density to leverage affordable housing can be overwhelmed by market pressure to pursue more profitable development, especially near the waterfront.
- Market prices and rents will rise to whatever level the market will bear. Therefore, home prices or rent levels of affordable housing units in a development must be limited by the conditions of financing programs or by specific affordability covenants attached to the property deed.
- Recent declines in home prices may present an opportunity to acquire homes at a low cost and preserve them as affordable units.

- Affordability covenants used in association with new inclusionary housing developments may also be applied to less expensive housing purchased from the existing stock.
- Lasting affordability could be created within an inventory of protected affordable homes in scattered locations. A non-profit organization could acquire and improve selected properties and attach affordability covenants prior to resale to workforce buyers.
- In some states, *mandatory* inclusionary housing provisions may be applied to new residential development, or linkage ordinances require commercial developments to provide or contribute to the workforce housing demand it generates. This approach has worked in resort-oriented communities, but its success is owed to a mandated process.
- In New Hampshire, inclusionary housing provisions must provide voluntary incentives. There is no specific legislation allowing mandatory inclusion or linkage approaches, but voluntary incentives based on similar principles could be explored.

Regional Housing Affordability

“Declining housing prices in the past few years have mixed implications for housing affordability in both New England and the United States. The income adequacy ratio – the ratio of median annual household income to the annual household income needed to afford the median-priced house – suggests that housing affordability in the region recently returned to the levels of the early 2000s. However, concurrent declines in housing prices nationwide have meant the New England states still lag behind the nation housing affordability.” **Source:** *The Housing Bust and Housing Affordability in New England: An Update of Housing Affordability Measures*

PART 1: HOUSING AFFORDABILITY AND PRODUCTION NEEDS IN THE LAKES REGION

A. Purpose and Organization of Housing Needs Assessment

1. Statutory Requirements

New Hampshire RSA 36:47, II requires regional planning commissions to prepare assessments of the need for housing for persons and families of all income levels within their service area. These need assessments are to be updated every five years and made available to all municipalities within the region. The statutory purpose of the need assessments is to assist municipalities in complying with RSA 674:2, III (I) which outlines the content of the housing section of a local master plan. The housing section of a local master plan should assess local housing conditions and project future housing needs of residents of all levels of income and ages in the municipality and the region as identified in the regional housing needs assessment.

2. Content of Assessment

This assessment of Lakes Region housing needs centers on the following elements:

- (1) Household income of homeowners and renters
- (2) Housing cost burden by tenure and age
- (3) Trends in home purchase price and gross rent
- (4) Housing supply required to meet anticipated growth
- (5) Workforce housing needs as defined by statute
- (6) Local government response in enabling workforce housing

Since the *Lakes Region Housing Needs Assessment* of 2004, there have been two significant changes that affect the approach to assessing regional housing needs. The first is the major reduction in municipal-level Census detail on housing costs and household income that will be available from the 2010 decennial Census. The analysis of housing costs relative to income must rely on county and regional data. Increasingly, housing data generated by state agencies, the New Hampshire Housing Finance Authority and local governments will become far more important in establishing housing needs.

The second major event is New Hampshire's adoption of workforce housing legislation (RSA 674:58) which requires that communities allow the development of multifamily structures and that local regulations allow the possibility for the creation of homes affordable to the workforce. Municipalities will look to their regional needs assessments for guidance on how to address these issues.

B. Income and Housing Cost Burden

In this section, estimates of the number of households by tenure and income are developed for the Lakes Region using weighted 2008 American Community Survey (ACS) county-level data.

1. Lakes Region Estimates Using American Community Survey (ACS) Data

ACS data on income by tenure is not currently available for Lakes Region municipalities, but is available in county-level samples and for the combined area of the Laconia and Franklin New England City and Town Areas (Micropolitan NECTAs).¹ Because detailed ACS data on income and housing cost is not available for cities and towns in the Lakes Region, this analysis relied on county-level ACS samples. Data from the samples available for Belknap, Carroll, Grafton, and Merrimack counties was weighted to estimate Lakes Region characteristics based on each county's share of the region's homeowners and renters.

2. Workforce Income Limits

In order to develop income distributions by tenure that can be compared over time, the ACS income distributions were converted to bands of income relative to the US Department of Housing and Urban Development (HUD) area median family income (AMFI) estimated for the Lakes Region. Income ranges for federal housing programs, and those relevant to the New Hampshire workforce housing law (NH RSA 674:58) are also defined relative to the HUD estimates of the AMFI.

Within the Lakes Region, applicable HUD income standards are based on the county of residence. For the 2008 base year, the AMFI standard for homeowners in the Lakes Region was estimated at \$65,702. This also constitutes the maximum income applicable to “workforce housing” for homeowners as of 2008. The maximum workforce income applicable to renters is defined in NH RSA 674:58 at 60% of the AMFI for a household of three persons, or \$35,479 for the Lakes Region as of 2008 (see **Table 1** for derivation).

Table 1

2008 Maximum Workforce Household Income		
COUNTY	2008 HUD Income Schedule	
	NH Workforce Owner Maximum - 100% of AMFI	NH Workforce Renter Maximum - 90% of 60% of AMFI
BELKNAP	\$65,700	\$35,478
CARROLL	\$61,300	\$33,102
GRAFTON	\$69,100	\$37,314
MERRIMACK	\$69,900	\$37,746
Lakes Region Weighted	\$65,702	\$35,479

¹ New England City and Town Area (NECTA) is a Census Bureau designation used in New England. The Franklin and Laconia NECTAs also define respective labor market area definitions used by New Hampshire Employment Security's Labor Market Information Bureau.

3. Lakes Region Household Income by Tenure 2008

The estimated income distributions by tenure reflect weighted 2008 ACS data for the four counties of the Lakes Region. Relative weights were assigned to the ACS income distributions for homeowners and renters in each county based on the share of Lakes Region households in each tenure group living in each county in 2000. Using this method, an estimated income distribution for Lakes Region households was developed (see **Tables 2 and 3**).

Table 2

Lakes Region Household Income Distribution in 2008		
2008 Household Income	Percent of Households by Tenure	
Income Range	Homeowners	Renters
Less than \$5,000	1.5%	4.3%
\$5,000 to \$9,999	1.1%	8.3%
\$10,000 to \$14,999	3.0%	11.0%
\$15,000 to \$19,999	3.1%	8.2%
\$20,000 to \$24,999	3.9%	8.2%
\$25,000 to \$34,999	8.5%	14.5%
\$35,000 to \$49,999	16.0%	14.1%
\$50,000 to \$74,999	23.9%	16.5%
\$75,000 to \$99,999	16.0%	9.6%
\$100,000 to \$149,999	14.6%	3.8%
\$150,000 or more	8.3%	1.5%
Income as % of AMFI (1)	Homeowners	Renters
< 40% of AMFI	13.8%	37.8%
< 50% of AMFI	19.4%	47.9%
< 60% of AMFI	25.9%	55.0%
< 80% of AMFI	39.6%	66.1%
< 100% AMFI	52.2%	74.6%
<i>(1) Owner income band computed relative to 100% of HUD AMFI; renter income band computed relative to 90% of HUD AMFI for 3-person household (adjusts for household size)</i>		
<i>Source of income distribution data: ACS 3-year sample for 2006-2008 ; BCM Planning, LLC estimates for Lakes Region based on weighted distribution County data from ACS.</i>		

Weighting of ACS Income Data by County

Tenure Group	Belknap County	Carroll County	Grafton County	Merrimack County
Lakes Region Homeowners in 2000 by County	52.17%	24.86%	8.98%	13.99%
Lakes Region Renters in 2000 by County	53.01%	16.91%	10.03%	20.05%

Source: Based on 2000 Census count of owner and renter Households in the Lakes Region by County of residence

Table 3

Lakes Region Households By Tenure and Income in 2008			
Household Income in 2008	Homeowners	Renters	Total Households
Less than \$5,000	557	498	1,055
\$5,000 to \$9,999	420	963	1,383
\$10,000 to \$14,999	1,097	1,283	2,380
\$15,000 to \$19,999	1,157	957	2,114
\$20,000 to \$24,999	1,455	953	2,408
\$25,000 to \$34,999	3,157	1,690	4,847
\$35,000 to \$49,999	5,927	1,640	7,567
\$50,000 to \$74,999	8,841	1,916	10,757
\$75,000 to \$99,999	5,931	1,117	7,048
\$100,000 to \$149,999	5,415	438	5,853
\$150,000 or more	3,059	179	3,238
Total Households	37,016	11,634	48,650
Households by Income Relative to HUD Benchmarks			
< 40% of AMFI	5,090	4,397	9,487
< 50% of AMFI	7,164	5,572	12,736
< 60% of AMFI (Renter Workforce Max)	9,589	6,396	15,985
< 80% of AMFI	14,676	7,689	22,365
<100% AMFI (Owner Workforce Max)	19,322	8,684	28,006
Over 100% of AMFI	17,694	2,950	20,644
Workforce Households	19,322	6,396	25,718
Workforce Percent of Total	52%	55%	53%
<i>Source: BCM Planning, LLC estimates using weighted ACS income distributions by tenure for counties in the Lakes Region applied to an estimate of 2008 households by tenure</i>			

4. Housing Cost Burden by Tenure and Income

Households who spend 30% or more of their gross income on monthly housing costs are considered to have a high housing cost burden. In the American Community Survey data, monthly housing costs for renters include their rent plus any additional utility or fuel costs for heat, hot water, cooking and electricity. The data for homeowners includes the selected costs of mortgage principal and interest, property taxes, and hazard insurance (PITI) as well as the cost of utilities, condominium fees or manufactured housing site rent where applicable.² The available ACS data pertaining to housing costs as a percentage of gross income by tenure is limited to relatively broad bands of income (see **Table 4**).

² Note that some mortgage lending standards for homeowners compute affordability differently, by excluding utility costs from the housing payment ratios used to qualify the borrower. The inclusion of utilities as part of the monthly ownership costs in the ACS data is consistent with the affordability definitions applicable under New Hampshire RSA 674:58 (Workforce Housing).

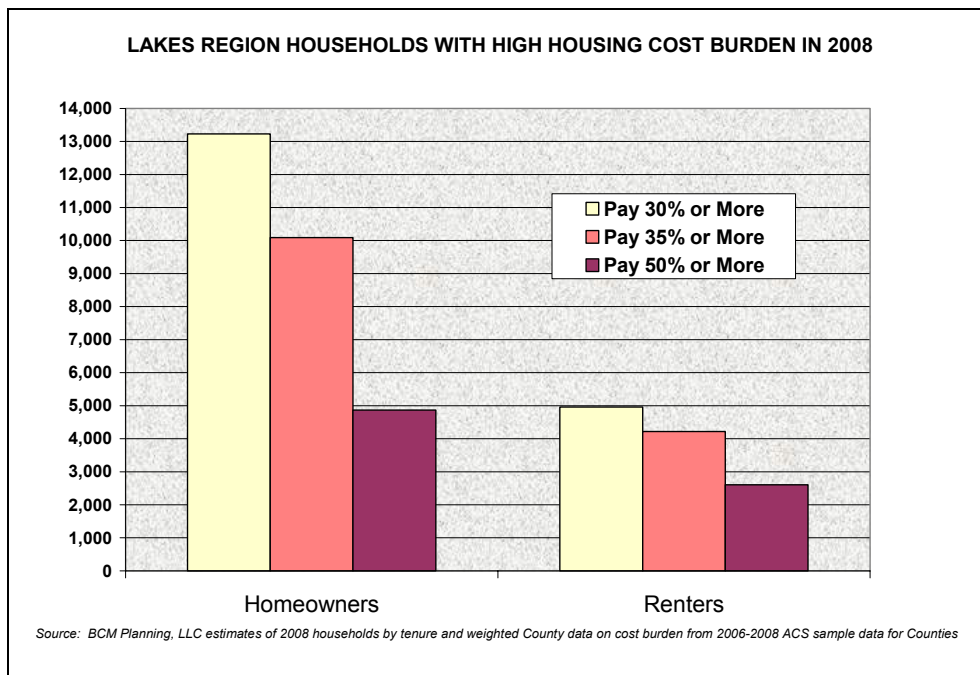
Table 4

2008 Lakes Region Households by Tenure and Income: Percent with Housing Cost Burden of 30% or More	
Tenure and Household Income in 2008	Percent Pay 30%+
OWNER OCCUPIED	
Under \$20,000	83.5%
\$20,000-\$34,999	60.0%
\$35,000-\$49,999	49.2%
\$50,000-\$74,999	36.5%
\$75,000 or More	12.5%
RENTER OCCUPIED	
Under \$20,000	80.0%
\$20,000-\$34,999	64.7%
\$35,000-\$49,999	34.8%
\$50,000-\$74,999	6.0%
\$75,000 or More	0.3%

Ratios based on ACS Table B25106, 3-year sample data (2006-2008) by County, weighted by percent of Lakes Region owners and renters living in each County in 2000.

To estimate the total number of Lakes Region households with a high housing cost burden, the percentages shown in **Table 4** were applied to the household income distributions estimated for the Lakes Region based on County income data. Housing costs and household income distributions are based on the American Community Survey sample for the period 2006-2008, with dollar amounts adjusted for inflation to reflect 2008 costs.

Figure 1



*a. Cost Burden for Homeowners*³

For homeowners in the Lakes Region, an estimated 36% of households had monthly costs equivalent to 30% or more of their household income; 27% had a payment ratio of 35% or more, and 13% spent 50% or more of their income on ownership costs. A high housing cost burden of 30% or more of household income is estimated to affect more than 13,000 homeowner households in the Lakes Region.

The new ACS data is not directly comparable to the 2000 decennial Census data with respect to homeowner costs relative to income. The 1990 and 2000 Census samples for homeowners did not measure costs and income for owner-occupants of single family homes on large lots, in two or more family homes, condominiums, or manufactured housing units. The 2008 ACS data represents a sample of all owner-occupied units.

Table 5

Estimated Households by Tenure and Cost Burden in 2008			
Housing Cost as Percent of Income	Homeowners	Renters	Total
Pay 30% or More	13,230	4,960	18,189
Pay 35% or More	10,090	4,218	14,308
Pay 50% or More	4,868	2,606	7,474

b. Cost Burden for Renters

The relative cost burden among Lakes Region renters is even higher. Based on 2008 ACS data, it is estimated that 43% to 46% of Lakes Region have gross rental costs equivalent to 30% or more of their income. About 22% of renters spend 50% or more of their household income on gross rent. Approximately 5,000 renter households living in the Lakes Region are estimated to have a high housing cost burden at 30% of gross income or higher.

c. Detailed Cost Burden Estimates by Tenure and Income

Tables 6-8 contain detailed components of estimated cost burden by tenure for Lakes Region households, including the subtotal estimated to have incomes within the statutory workforce limits.

	<u>Total</u>	<u>Pay 30%+</u>	<u>Percent with High Cost</u>
Workforce owners:	19,322	10,106	52 %
Workforce renters:	6,396	4,575	72 %

Note that the “workforce income” definitions are applied based only on tenure and income, and not by age. Therefore the workforce totals include senior households within incomes in each income range.

³ The use of ACS data to estimate housing cost burden by income range produces a somewhat different total cost burden estimate than the application of ACS data for overall cost burden by tenure group.

Table 6

Lakes Region Homeowners by Income and Cost Burden in 2008				
Tenure and Income in 2008	Households	% by Income	% Pay 30%+ for Housing	Number Pay 30%+ for Housing
Owner occupied:	37,016	100.0%	36.2%	13,409
Less than \$5,000	557	1.5%	83.5%	465
\$5,000 to \$9,999	420	1.1%	83.5%	351
\$10,000 to \$14,999	1,097	3.0%	83.5%	916
\$15,000 to \$19,999	1,157	3.1%	83.5%	966
\$20,000 to \$24,999	1,455	3.9%	60.0%	873
\$25,000 to \$34,999	3,157	8.5%	60.0%	1,894
\$35,000 to \$49,999	5,927	16.0%	49.2%	2,916
\$50,000 to \$74,999	8,841	23.9%	36.5%	3,227
\$75,000 to \$99,999	5,931	16.0%	12.5%	741
\$100,000 to \$149,999	5,415	14.6%	12.5%	677
\$150,000 or more	3,059	8.3%	12.5%	382
Income as Percent of AMFI for Owners				
< 40% of AMFI	5,090	13.8%	71.4%	3,636
< 50% of AMFI	7,164	19.4%	67.5%	4,837
< 60% of AMFI	9,589	25.9%	67.2%	6,441
< 80% of AMFI	14,676	39.6%	57.7%	8,470
<100% AMFI (Owner Workforce Max)	19,322	52.2%	52.3%	10,106
Over 100%	17,694		18.7%	3,303
Workforce Owners	19,322	52.2%	52.3%	10,106

Table 7

Lakes Region Renters by Income and Cost Burden in 2008				
Tenure and Income in 2008	Households	% by Income	% Pay 30%+ for Housing	Number Pay 30%+ for Housing
Renter occupied:	11,634	100.0%	46.1%	5,362
Less than \$5,000	498	4.3%	80.0%	398
\$5,000 to \$9,999	963	8.3%	80.0%	770
\$10,000 to \$14,999	1,283	11.0%	80.0%	1,026
\$15,000 to \$19,999	957	8.2%	80.0%	766
\$20,000 to \$24,999	953	8.2%	64.7%	617
\$25,000 to \$34,999	1,690	14.5%	64.7%	1,093
\$35,000 to \$49,999	1,640	14.1%	34.8%	571
\$50,000 to \$74,999	1,916	16.5%	6.0%	115
\$75,000 to \$99,999	1,117	9.6%	0.3%	3
\$100,000 to \$149,999	438	3.8%	0.3%	1
\$150,000 or more	179	1.5%	0.3%	1
Income as Percent of AMFI for Renters				
< 40% of AMFI	4,397	37.8%	75.1%	3,300
< 50% of AMFI	5,572	47.9%	71.0%	3,953
< 60% of AMFI (Workforce Renter Max)	6,396	55.0%	71.5%	4,575
< 80% of AMFI	7,689	66.1%	65.9%	5,070
<100% AMFI	8,684	74.6%	60.7%	5,273
Over 100% AMFI	2,950	25.4%	3.0%	89
Workforce Renters	6,396	54.98%	71.5%	4,575

Table 8

Lakes Region Households by Income and Cost Burden in 2008				
Tenure and Income in 2008	Households	% by Income	% Pay 30%+ for Housing	Number Pay 30%+ for Housing
Total Households	48,650	100.0%	38.6%	18,770
Less than \$5,000	1,055	2.2%	81.8%	863
\$5,000 to \$9,999	1,383	2.8%	81.1%	1,121
\$10,000 to \$14,999	2,380	4.9%	81.6%	1,942
\$15,000 to \$19,999	2,114	4.3%	81.9%	1,732
\$20,000 to \$24,999	2,408	4.9%	61.9%	1,490
\$25,000 to \$34,999	4,847	10.0%	61.6%	2,988
\$35,000 to \$49,999	7,567	15.6%	46.1%	3,487
\$50,000 to \$74,999	10,757	22.1%	31.1%	3,342
\$75,000 to \$99,999	7,048	14.5%	10.6%	745
\$100,000 to \$149,999	5,853	12.0%	11.6%	678
\$150,000 or more	3,238	6.7%	11.8%	383
Income Relative to AMFI				
< 40% of AMFI	9,487	19.5%	73.1%	6,936
< 50% of AMFI	12,736	26.2%	69.0%	8,790
< 60% of AMFI	15,985	32.9%	68.9%	11,016
< 80% of AMFI	22,365	46.0%	60.5%	13,541
<100% AMFI	28,006	57.6%	54.9%	15,379
Over 100% AMFI	20,644	42.4%	16.4%	3,391
Workforce Total Owner and Renter Households	25,718	52.9%	57.1%	14,681

Source: The weighted income distributions and cost burden data derived from County ACS sample data for 2006-2008 have been applied to BCM Planning, LLC estimates of Lakes Region households by tenure in 2008.

5. Housing Cost Burden by Age and Tenure

Table 9 contains the ACS sample data for household cost burden by age group for homeowners and renters. Among homeowners the highest relative cost burden is found in younger households under age 35. For renters, the youngest (age under 25) and oldest (65 and over) households tend to have higher housing cost burdens.

Table 9

Lakes Region Households with Housing Cost Burden of 30% of Income or More in 2008 By Age and Tenure			
Total Households 2008 Estimate	Homeowners	Renters	Total
Age 15-24	324	1,241	1,565
Age 25-34	2,939	2,748	5,687
Age 35-64	23,772	5,521	29,293
Age 65+	9,981	2,124	12,105
Total	37,016	11,634	48,650
Percent of Households with Cost Burden 30%+	Homeowners	Renters	Total
Age 15-24	40%	54%	51%
Age 25-34	41%	39%	40%
Age 35-64	37%	41%	37%
Age 65+	32%	46%	34%
Total	36%	43%	37%
Estimated Households Paying 30%+ for Housing	Homeowners	Renters	Total
Age 15-24	129	667	796
Age 25-34	1,218	1,074	2,292
Age 35-64	8,700	2,264	10,964
Age 65+	3,161	985	4,146
Total	13,208	4,990	18,198

Source: BCM Planning, LLC estimates of total households by age and tenure from headship model and application of weighted County data on percent of households with cost burden of 30% or more by age and tenure from American Community Survey 2006-2008 sample data.

The vast majority of households with high housing cost burden are under the age of 65. Among homeowners with a high housing cost burden: age 65+ represents about 24% of those with high cost burden and under age 65 represent 76%. Among the renter households with high gross rental cost burdens, the elderly comprise about 20% of the total and the younger age groups about 80% of the total.

Housing and Economic Development in NH

The document *Housing New Hampshire's Workforce* (March 2005), prepared for the Workforce Housing Council, estimated the annual cost of the workforce housing market in New Hampshire. The study estimates that the tight workforce housing market annually costs the state of New Hampshire:

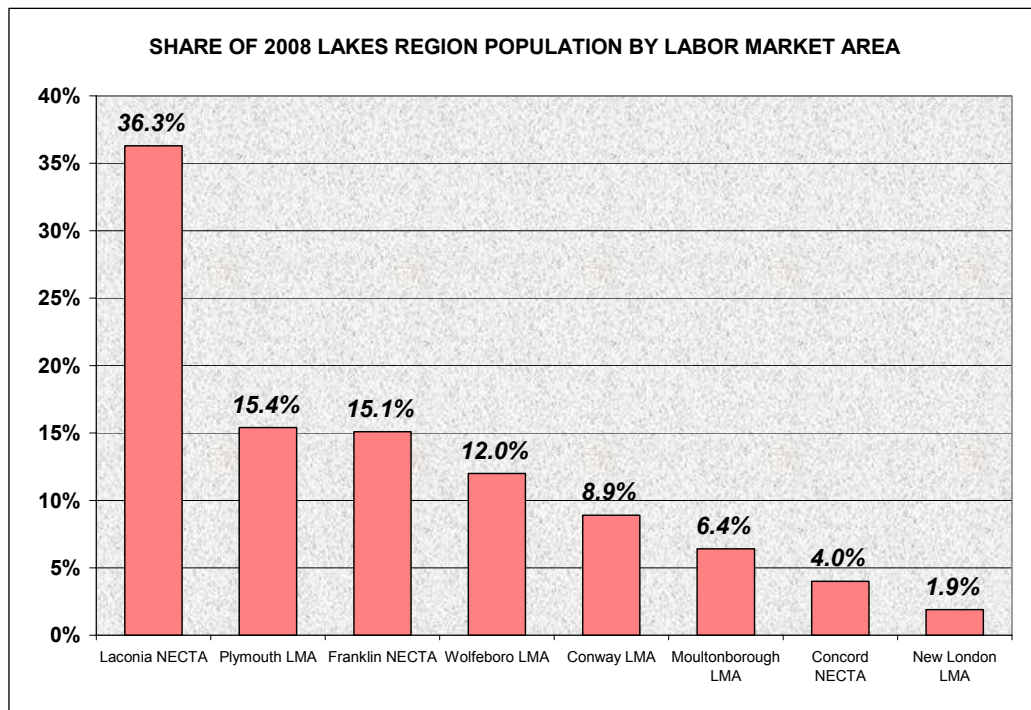
- 1,300 to 2,800 fewer jobs;
- \$57 to \$121 million less personal income;
- \$123 to \$253 million reduction in Gross State Product;
- \$21 to \$33 million less in state and local revenues.

Source: www.workforcehousingnh.com/ImpactStudy_wcover.pdf

C. Home Prices and Rental Costs in the Lakes Region

The cost of housing within any large geographic area such as the Lakes Region may differ internally. Communities are oriented toward different economic centers that may affect price and rent. In this section, rent and housing price are reviewed for the Lakes Region and for the various Labor Market Areas (LMAs) represented within it. A labor market orientation helps define wage and housing cost differences between communities and commuting patterns of residents.

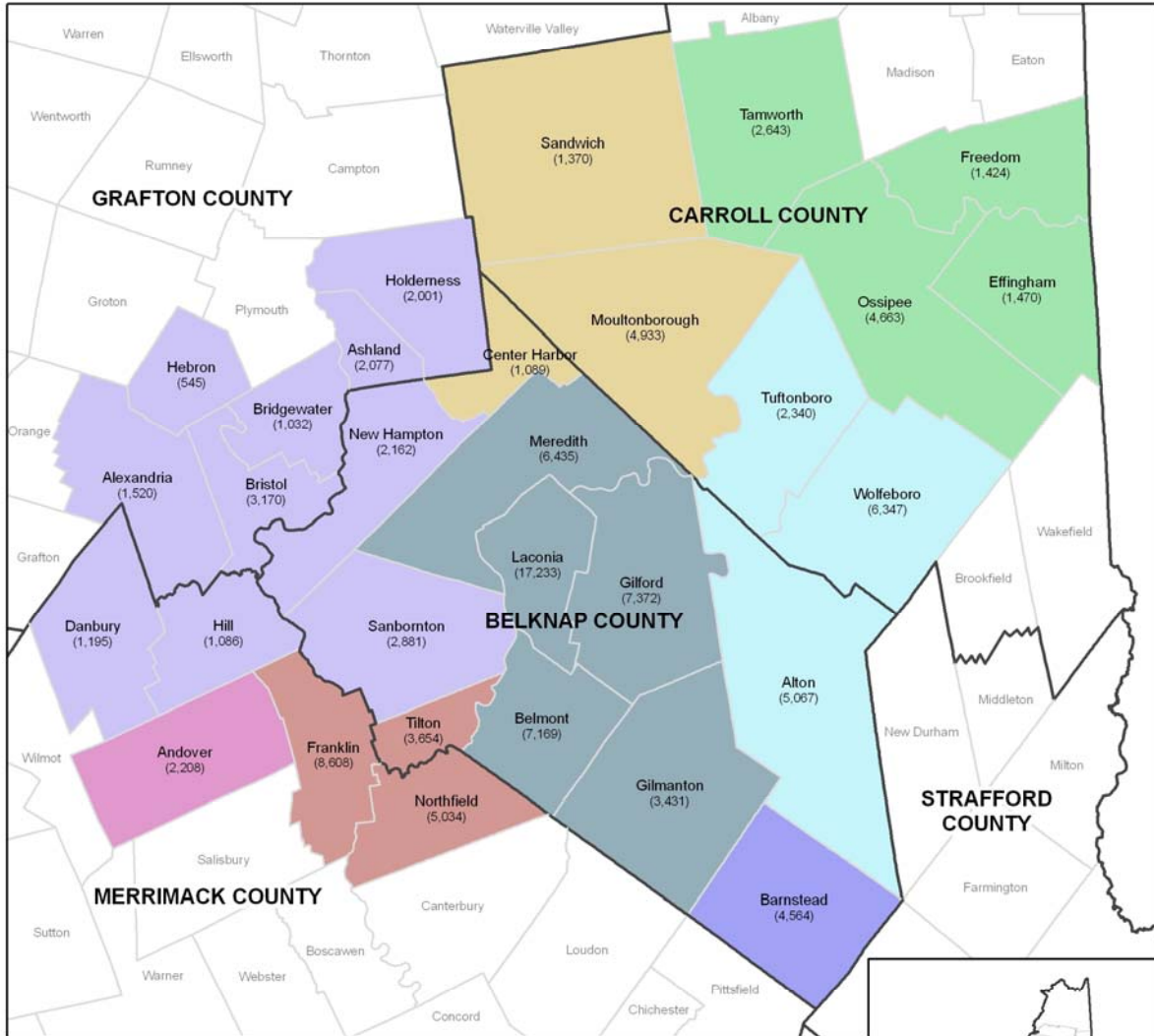
Figure 2



There are eight LMAs represented within the Lakes Region (see Map). The share of the Lakes Region population living in each LMA is shown in **Figure 2**. The Laconia, Franklin, and Moultonborough LMAs lie entirely within the Lakes Region, as does most of the Wolfeboro LMA (except for the town of Brookfield). Nearly 70% of the Lakes Region population lives in one of these four LMAs. These areas comprise the principal labor market areas of the Lakes Region. The remaining 30% of the Lakes Region population resides within the Plymouth, Conway, Concord, and New London LMAs. The town of Barnstead is the only Lakes Region community within the Concord NECTA and the town of Andover is the only Lakes Region in the New London LMA.

Map 1

Labor Markets Associated with Lakes Region Communities

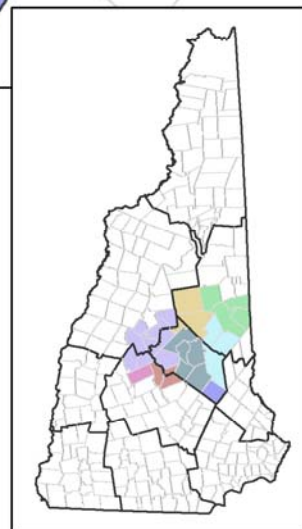


Name of Labor Market Area

- Concord Micropolitan NECTA
- Conway
- Franklin Micropolitan NECTA
- Laconia Micropolitan NECTA
- Moultonborough
- New London
- Plymouth
- Wolfeboro
- County Boundary
- Town Boundary

(1,000) 2008 Population Estimate

New England City and Town Areas (NECTAs) are areas where additional data is available beyond county level data. Each NECTA consists of a cluster of cities and towns defined by commuting patterns, which therefore correspond roughly to local labor markets. While the US Census Bureau defines metropolitan areas by county boundaries, the U.S. Bureau of Labor Statistics (BLS) offers data on employment by NECTA.



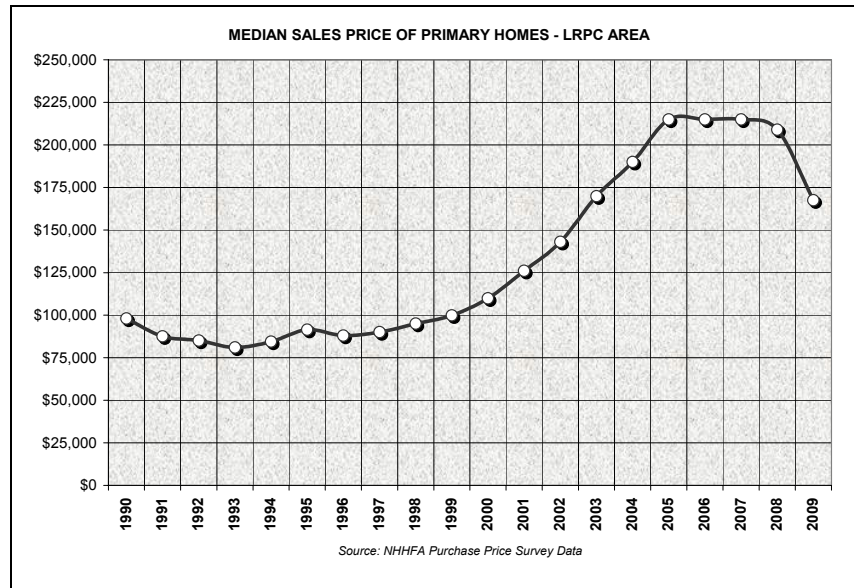
1. Sales Price of Primary Homes

a. Trend in Median Sales Price in Lakes Region

One means of measuring the capacity of the Lakes Region to supply affordable ownership units is to review the sales price trends and price distribution of homes sold. This section relies on sales data for primary homes (principal residence of the buyer) that is compiled by the New Hampshire Housing Finance Authority (NHHFA) in its annual purchase price survey.

Figure 3 shows the long-term change in the median price of primary homes in the Lakes Region Planning Commission area. From 1990 through 1999, the median home price in the Lakes Region remained at or below \$100,000. Between 1999 and 2005, the median sales price more than doubled to about \$215,000. The median price stabilized until 2008, then fell by about 20% between 2008 and 2009. Even with this price decline, the long term change in median home was still greater than the average annual growth in the average wage (about 4% per year).

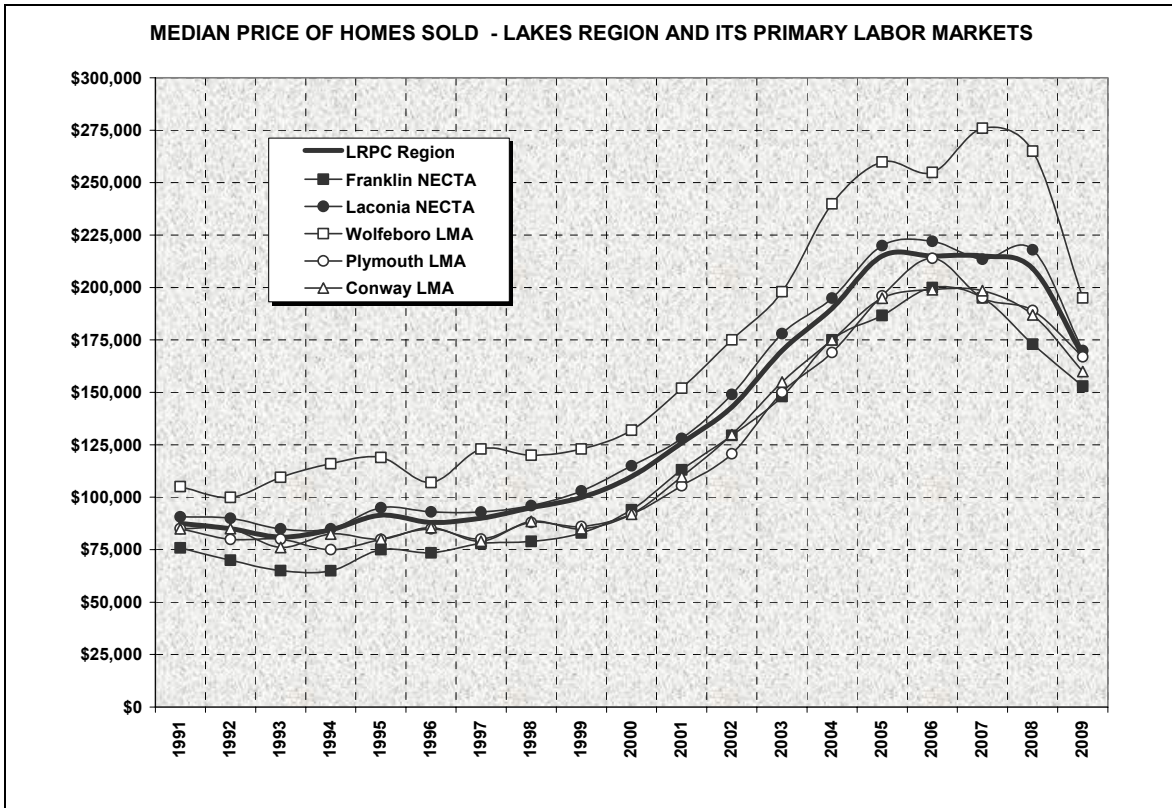
Figure 3



The steep rise in price shown in **Figure 3** reflects the national trend toward a “bubble” in housing prices generated by low interest rates, relaxed documentation in mortgage underwriting practices, and home buyers and lender expectations of continued price appreciation. However, price increases averaging 19% per year were not sustainable when average wage rates were increasing by only about 4% per year.

As illustrated in **Figure 4** and **Table 10** the median price trend in the principal labor market areas has shown the same general pattern. But one may expect home prices to be relatively higher if oriented toward New London, Wolfeboro, Moultonborough or Concord, and more affordable in markets oriented toward Conway, Franklin, Plymouth and Laconia.

Figure 4



Source: NHHFA Purchase Price Survey – Primary Homes

Table 10

Detailed Median Price Trend by Labor Market Area									
Year	Lakes Region	Laconia NECTA	Plymouth LMA	Franklin NECTA	Wolfeboro LMA	Conway LMA	Moultonborough LMA	Concord NECTA	New London LMA
1990	\$98,000	\$95,048	\$89,300	---	\$112,000	\$90,000	---	\$102,000	\$123,000
1991	\$87,524	\$90,667	\$85,048	\$75,900	\$105,048	\$85,000	---	\$98,000	\$105,000
1992	\$85,048	\$90,000	\$79,905	\$70,000	\$99,905	\$85,048	---	\$89,000	\$123,048
1993	\$81,000	\$85,000	\$80,000	\$65,000	\$109,500	\$76,048	---	\$92,500	\$102,500
1994	\$84,500	\$85,000	\$75,000	\$64,900	\$116,000	\$82,500	\$109,000	\$93,000	\$139,000
1995	\$91,500	\$95,000	\$79,900	\$75,000	\$119,000	\$80,000	\$90,000	\$99,900	\$137,500
1996	\$88,000	\$93,000	\$85,000	\$73,500	\$107,000	\$85,500	\$109,900	\$97,500	\$125,000
1997	\$90,000	\$92,900	\$80,000	\$78,000	\$123,000	\$79,000	\$119,000	\$96,500	\$107,000
1998	\$95,000	\$96,000	\$88,000	\$78,900	\$120,000	\$88,500	\$117,500	\$103,700	\$130,000
1999	\$99,900	\$103,000	\$86,000	\$83,000	\$123,000	\$85,000	\$133,000	\$113,000	\$133,500
2000	\$109,900	\$115,000	\$92,000	\$94,000	\$132,000	\$92,000	\$149,900	\$127,000	\$140,000
2001	\$126,000	\$128,000	\$105,500	\$113,000	\$151,933	\$109,800	\$153,000	\$142,900	\$152,500
2002	\$143,000	\$149,000	\$120,700	\$129,500	\$175,000	\$129,900	\$170,000	\$169,900	\$175,000
2003	\$169,900	\$178,000	\$150,000	\$148,000	\$198,000	\$154,900	\$215,000	\$191,000	\$198,900
2004	\$190,000	\$194,900	\$169,000	\$175,000	\$239,900	\$175,000	\$236,000	\$215,900	\$225,000
2005	\$215,000	\$220,000	\$196,000	\$186,700	\$259,900	\$194,900	\$269,000	\$230,000	\$264,400
2006	\$215,000	\$222,000	\$214,000	\$200,000	\$254,900	\$199,000	\$310,000	\$237,000	\$245,000
2007	\$215,000	\$223,500	\$195,000	\$195,000	\$276,000	\$198,500	\$300,000	\$235,000	\$280,000
2008	\$209,000	\$218,000	\$189,000	\$173,000	\$265,000	\$187,000	\$245,200	\$225,559	\$281,000
2009	\$167,533	\$169,900	\$167,000	\$153,000	\$195,000	\$160,000	\$195,000	\$197,500	\$228,000

b. Percent of Homes Sold Affordable to Workforce

While statutory workforce price thresholds vary by county, an affordable workforce price for the Lakes Region during the period 2008-2009 was about \$210,000 (see **Table 11**). About 71% of total primary homes sold in the Lakes Region during 2009 were purchased for less than \$210,000. This is a significant change from 2008, when about 51% of homes sold for less than \$210,000. The downturn in the median price from 2008 to 2009 may indicate that modest priced homes are selling much faster than the higher priced inventory, or it may indicate an overall decline in achievable prices for all primary homes.

Table 11

Workforce Price and Rent Benchmarks for 2009 and 2010				
COUNTY	2009 NHHFA Affordable Cost		2010 NHHFA Affordable Cost	
	Max Price	Max Rent	Max Price	Max Rent
BELKNAP	\$211,000	\$909	\$222,000	\$910
CARROLL	\$211,000	\$856	\$219,000	\$850
GRAFTON	\$209,000	\$915	\$220,000	\$920
MERRIMACK	\$224,000	\$1,011	\$238,000	\$1,040
Lakes Region Weighted	\$212,874	\$914	\$223,688	\$918

In **Table 12** the number of homes sold at or below approximate workforce price benchmark for 2009 is estimated based on data from the NHHFA home purchase price survey.

Table 12

SALES PRICE OF HOMES USED AS PRIMARY RESIDENCE (Compiled from NHHFA Purchase Price Survey Data)						
2009 SALES						
Region or Labor Market Area	Total Sales in 2009 Sample	Median Price 2009	Homes Sold in 2009 at Workforce Price Levels			
			Percent of Total 2009 Sales At:			
			Under \$200K	Under \$210K	Under \$220K	Under \$230K
Laconia NECTA	321	\$169,900	64%	68%	70%	74%
Plymouth LMA	254	\$167,000	71%	75%	78%	80%
Franklin NECTA	116	\$153,000	84%	88%	90%	90%
Wolfeboro LMA	122	\$195,000	52%	56%	61%	63%
Conway LMA	225	\$160,000	73%	75%	77%	80%
Moultonborough LMA	52	\$195,000	50%	52%	54%	54%
Concord NECTA	785	\$197,500	53%	58%	61%	65%
New London LMA	122	\$228,000	39%	43%	47%	54%
Lakes Region	861	\$167,533	68%	71%	73%	76%
2008 SALES						
Region or Labor Market Area	Total Sales in 2008 Sample	Median Price 2008	Homes Sold in 2008 at Workforce Price Levels			
			Percent of Total 2008 Sales At:			
			Under \$200K	Under \$210K	Under \$220K	Under \$230K
Laconia NECTA	287	\$218,000	44%	47%	51%	54%
Plymouth LMA	194	\$189,000	59%	64%	69%	73%
Franklin NECTA	73	\$173,000	78%	81%	85%	90%
Wolfeboro LMA	93	\$265,000	22%	25%	31%	35%
Conway LMA	164	\$187,000	55%	60%	62%	67%
Moultonborough LMA	37	\$245,200	27%	30%	38%	46%
Concord NECTA	677	\$225,559	36%	41%	46%	53%
New London LMA	121	\$281,000	20%	22%	28%	31%
Lakes Region	693	\$209,000	48%	51%	56%	61%

Based on the percentage of homes sold within the workforce price level for the Lakes Region, the more affordable sub-areas were in the Franklin, Plymouth, and Conway LMAs. The least affordable were the New London and Moultonborough LMAs.

c. Percent of New Homes Sold Affordable to Workforce

Only a small number of validated new home sales are included in the NHHFA purchase price data (see **Table 13**) for the Lakes Region. In 2008 the median priced new home was \$240,000; in 2009 the median new home price was \$215,000. About 35% of new homes represented in the survey were sold at or below a workforce level price (under \$210,000) in 2008; the proportion was 47% in 2009.

Table 13

SALES OF NEW HOMES IN LAKES REGION						
(Compiled from NHHFA Purchase Price Survey Data)						
Year	No. Sales New Homes in Sample	Median New Home Price	New Primary Homes Sold at Prices			
			Percent of Sales At:			
			Under \$200K	Under \$210K	Under \$220K	Under \$230K
2009	70	\$215,000	43%	47%	54%	56%
2008	77	\$240,000	32%	35%	42%	45%

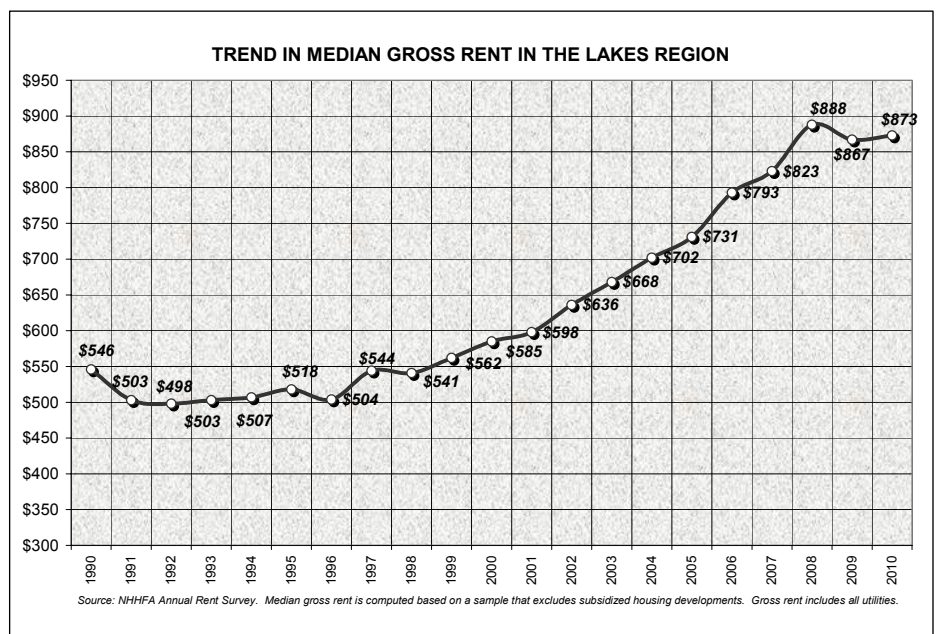
2. Gross Rental Costs (Market Rate)

a. Median Gross Rent in Lakes Region

Gross rent represents the rent paid by a tenant to a landlord, plus the additional cost of heat, hot water, and electricity if paid separately by the tenant. The median gross rent in the Lakes Region in 2010 is \$879 per month. At 30% of gross income, a household in the Lakes Region needs a minimum income of \$35,160 to afford the median rent.

Figure 5

Like the trend in median home prices, the change in the median gross rent in the Lakes Region was minimal from 1990 to 1999, but that period was followed by steady rise in rental costs through 2008 (**Figure 5**). From 1999 to 2008, the median gross rent increased by about 6.4% per year (again at a rate greater than that of average wages in the area) before declining by 2.4% from 2008-2009. While median home prices dropped significantly in that one year period, the median rent registered only a minor change.



b. Median Gross Rent by Labor Market Area

Data on the long-term change in median gross rent were available for the principal labor markets within the Lakes Region, as shown in **Figure 6**. The median rent trend for the Lakes Region closely tracks the pattern for the Laconia LMA in which a large proportion of Lakes Region rental units are located. The highest gross rents within the Lakes Region are found in the Franklin and Wolfeboro LMAs. While the data indicates that the Moultonborough LMA is an area of high rental costs, the limited sample of rental units in this area may affect the reliability of these estimates. Lakes Region residents may pay somewhat lower market rents if they live in the Conway and Plymouth labor market areas.

Figure 6

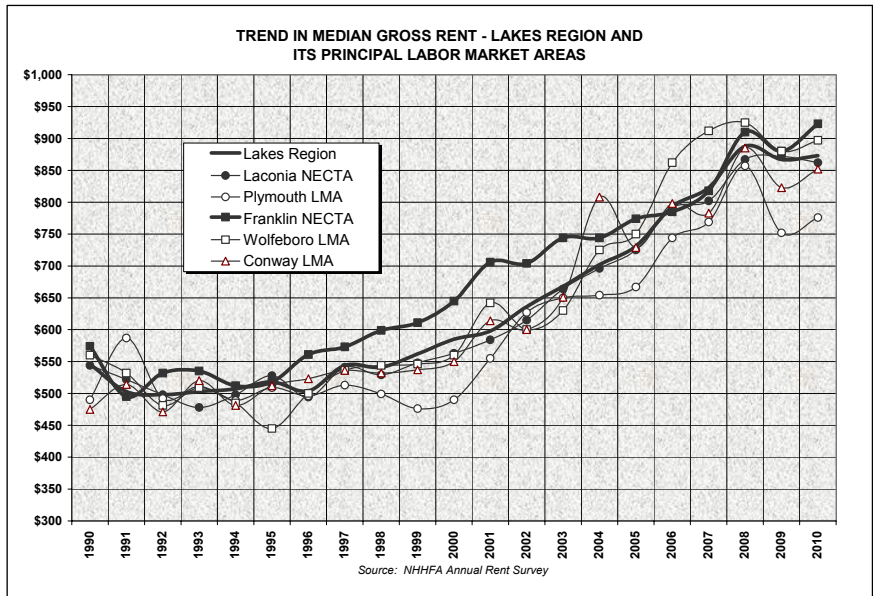
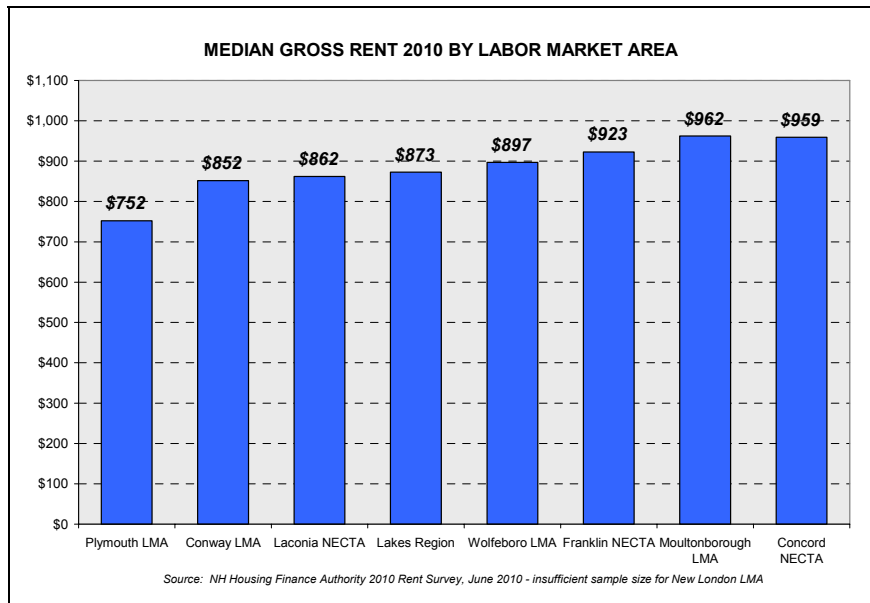


Figure 7



Meredith's Affordable Housing Success Driven by Local Acknowledgement of Need and Capable Non-Profit Organization

Seeking to implement housing recommendations in the town's master plan, municipal officials approached the Laconia Area Community Land Trust (LACLT) to build an affordable housing project. Faced with a host of potential funding sources each with their own guidelines and requirements a key to the successfully increasing the supply of affordable housing is "teaming with an experienced organization, like the LACLT, with an appropriate mission, commitment to work through a myriad of issues and challenges, knowledge and ability to secure funding from multiple sources, and can provide administration of a housing program" states John Edgar, Director of Community Development. Equally important is the local commitment to the cause, which in Meredith, included a supportive environment fostered by the cooperation of the town manager, Board of Selectmen, Planning Board, and other municipal officials that acknowledge a need.

Francis Court manufactured home park was considered a leading candidate site given the availability of land, a provision in the Capital Improvement Plan for the expansion of municipal sewer, existing municipal water, proximity to services, and potential funding sources. The proposal to build 32 apartments in four free standing buildings presented challenges as well which included:

- Land acquisition and lot line adjustment to meet local zoning requirements
- Relocation of six of the 13 existing manufactured homes and one house
- Upgrading manufactured homes that could not be safely moved
- Municipal sewer expansion and road reconstruction
- Town acquisition of right-of-way easements



The Laconia Area Community Land Trust led the construction and funding for the project known as Pinecrest Apartments through a process spanning more than 30 months from site selection to issuance of occupancy permits. A voiced public concern about the project was whether it would serve local and regional needs. The LACLT responded to this concern by preparing and distributing marketing materials to Meredith residents through the schools, fire department, and other sources targeting the local workforce before construction was completed.

The result is what John Edgar describes as "an affordable housing success story that Meredith can take pride in." Key features include: Leadership in Energy and Environmental Design (LEED) gold certification, solar hot water systems, underground utilities, paved sidewalks, downcast street lighting, and landscaping. The responsibility for the ongoing administration of the 100 percent affordable apartments and manufactured housing park lies with LACLT who reports the new apartments are fully occupied as of June 15, 2010. Rents are currently from \$639 to \$919 for one, two, and three bedroom units which include heat and hot water. Current tenants work for a host of local and area employers including: restaurants, supermarkets, hotels, home improvement centers, recreation, higher education, wholesale and retail sales, and community services.

In total 12 funding sources and three donations were used to create the project with total developments costs of \$9.5 million.

c. Market Rate Rental Units Affordable to Workforce

Using the NHHFA 2009 Rent Survey data, the distribution of gross rents was compared by labor market area to the approximate affordable workforce rent for the Lakes Region. Actual workforce gross rent maximums vary by county. For the purpose of comparison, the maximum affordable workforce rent in 2009 in the Lakes Region was about \$900 per month. Depending on location within the Lakes Region, the applicable workforce rent maximum would be between \$850 and \$950 per month.

In 2009 about 57% of the market-rate rental units in the Lakes Region had a monthly gross rent of \$900 or less.⁴ The areas having the lowest proportion of rental units affordable to workforce households were the New London, Concord, and Moultonborough LMAs. Areas having the highest proportion of units affordable to the workforce were the Plymouth and Conway LMAs (see **Table 14**).

Table 14

Percent of Market Rental Units Affordable to Workforce in 2009				
Area	Total Sample	Percent with Gross Rent Under \$850	Percent with Gross Rent Under \$900	Percent With Gross Rent Under \$950
Laconia NECTA	450	46%	53%	65%
Plymouth LMA	172	70%	72%	78%
Franklin NECTA	196	46%	59%	69%
Wolfeboro LMA	112	46%	57%	67%
Conway LMA	188	52%	60%	69%
Moultonborough LMA	26	19%	31%	42%
Concord NECTA	1293	30%	40%	50%
New London LMA	18	33%	33%	33%
Lakes Region	934	49%	57%	67%

Source: Based on rental cost distribution data from the NHHFA Rent Survey for 2009

3. Home Prices and Market Rent Relative to Average Wage

In **Tables 15** and **16** average wages are compared with median home price and gross rent for the Lakes Region and for the labor market areas of the region. In 2008, the average gross rent in the Lakes Region was about 30% of the average annual wage per employee. The median market rent was therefore generally affordable to a person earning the average wage paid in the Lakes Region, assuming full time year round employment.

⁴ The rental costs measured by the NHHFA Rent Survey are market rents. The sample excludes subsidized housing developments. The overall percentage of affordable workforce units will be higher in areas having assisted rental housing developments available for general occupancy.

Table 15

Average Wages for Lakes Region and LMAS					
Area	Average Weekly Wage Per Employee Working in Area				
	2005	2006	2007	2008	2009 2nd Qtr
Laconia NECTA	\$661	\$697	\$717	\$737	\$732
Plymouth LMA	\$547	\$570	\$613	\$616	\$607
Franklin NECTA	\$613	\$612	\$617	\$620	\$600
Wolfeboro LMA	\$603	\$622	\$658	\$671	\$657
Conway LMA	\$507	\$558	\$540	\$546	\$552
Moultonborough LMA	\$576	\$590	\$617	\$631	\$630
Concord NECTA	\$715	\$746	\$785	\$808	\$789
New London LMA	\$587	\$622	\$650	\$658	\$680
Lakes Region	\$623	\$646	\$665	\$680	n.a.

Area	Average Annual Wages Per Employee (Assume Full Time)				
	2005	2006	2007	2008	2009 2nd Qtr
Laconia NECTA	\$34,372	\$36,244	\$37,284	\$38,324	\$38,064
Plymouth LMA	\$28,444	\$29,640	\$31,876	\$32,032	\$31,564
Franklin NECTA	\$31,876	\$31,824	\$32,084	\$32,240	\$31,200
Wolfeboro LMA	\$31,356	\$32,344	\$34,216	\$34,892	\$34,164
Conway LMA	\$26,364	\$29,016	\$28,080	\$28,392	\$28,704
Moultonborough LMA	\$29,952	\$30,680	\$32,084	\$32,812	\$32,760
Concord NECTA	\$37,180	\$38,792	\$40,820	\$42,016	\$41,028
New London LMA	\$30,524	\$32,344	\$33,800	\$34,216	\$35,360
Lakes Region	\$32,396	\$33,592	\$34,580	\$35,360	n.a.

Table 16

Median Rent and Home Price by Area					
Area	Median Gross Rent				
	2005	2006	2007	2008	2009
Laconia NECTA	\$725	\$791	\$802	\$867	\$872
Plymouth LMA	\$667	\$744	\$769	\$857	\$752
Franklin NECTA	\$774	\$785	\$818	\$910	\$880
Wolfeboro LMA	\$750	\$862	\$912	\$925	\$880
Conway LMA	\$729	\$798	\$783	\$885	\$823
Moultonborough LMA	\$768	\$816	\$845	\$932	\$1,049
Concord NECTA	\$882	\$888	\$936	\$980	\$955
New London LMA	---	---	---	---	\$1,027
Lakes Region	\$731	\$793	\$823	\$888	\$867

Area	Median Sales Price - All Homes				
	2005	2006	2007	2008	2009
Laconia NECTA	\$220,000	\$222,000	\$213,500	\$218,000	\$169,900
Plymouth LMA	\$196,000	\$214,000	\$195,000	\$189,000	\$167,000
Franklin NECTA	\$186,700	\$200,000	\$195,000	\$173,000	\$153,000
Wolfeboro LMA	\$259,900	\$254,900	\$276,000	\$265,000	\$195,000
Conway LMA	\$194,900	\$199,000	\$198,500	\$187,000	\$160,000
Moultonborough LMA	\$269,000	\$310,000	\$300,000	\$245,200	\$195,000
Concord NECTA	\$230,000	\$237,000	\$235,000	\$225,559	\$197,500
New London LMA	\$264,400	\$245,000	\$280,000	\$281,000	\$228,000
Lakes Region	\$215,000	\$215,000	\$215,000	\$209,000	\$167,533

Households working in the Lakes Region need to have two persons employed to afford the median home price in the region. The median home price in 2008 was about six times the annual individual wage for a Lakes Region employee. The NHHFA has estimated that the maximum affordable workforce home price under current interest rates is about three times household income. (It is likely that this ratio declined in 2009; there was insufficient regional wage data available for the Lakes Region for comparison to 2009 price and rent data).

D. Household Growth and Housing Production Needs

1. Historic Households and Housing Supply Growth

Table 17 summarizes past trends in the Lakes Region housing supply and the number of households by age (under 65 vs. 65 and older) by tenure. The estimates for 2008 were prepared using the housing production model (see **Appendix A**). One of the more significant indications from past trends is the very high dependency of the Lakes Region on ownership housing and relatively weak production of rental housing which has constituted about 5% to 6% of the net change in the housing supply since 1990. The Lakes Region added about 618 units per year to the year round housing supply during the 1990s and about 735 units per year during the period 2000-2008.

Table 17

Lakes Region Household Growth 1990-2008					
Households by Age and Housing Supply Need	1990	2000	1990-2000 Change	2008 Estimated	2000-2008 Change
Households Under 65	26,984	32,510	5,526	36,545	4,035
Ownership	19,068	23,383	4,315	27,035	3,652
Rental	7,916	9,127	1,211	9,510	383
Households Age 65+	8,295	10,364	2,069	12,105	1,741
Ownership	6,531	8,503	1,972	9,981	1,478
Rental	1,764	1,861	97	2,124	263
All Households	35,279	42,874	7,595	48,650	5,776
Ownership	25,599	31,886	6,287	37,016	5,130
Rental	9,680	10,988	1,308	11,634	646
Housing Supply - Year-Round Housing Units					
Housing Stock - Year Round	37,881	44,061	6,180	49,939	5,878
Ownership	26,544	32,517	5,973	38,043	5,526
Rental	11,337	11,544	207	11,896	352
<i>Source: 1990 and 2000 data from U. S. Census; 2008 estimates based on housing production model in Appendix A</i>					

The data and estimates in **Table 17** exclude housing units occupied seasonally. Past trends have shown that seasonally occupied housing units in the Lakes Region are being converted to year round occupancy, which may reduce the need for construction of additional ownership units, especially for senior households age 65 or older. In 1990 the US Census reported 20,920 vacant seasonal units in the Lakes Region comprising 34.5% of total housing units. The 2000 Census counted 19,161

seasonal units representing 29.8% of total dwelling units in the Lakes Region. These figures imply that 1,759 seasonal units were either lost from the inventory or converted to units available for year-round occupancy during the 1990-2000 period.

2. Housing Production History from Building Permits

The historic average annual growth in housing supply, estimated by building permit activity in the Lakes Region is summarized in **Figures 8** and **9**. The historic pattern of housing production in the Lakes Region is shown in **Figure 8**. The most recent year reported (2008) was the second lowest year of housing production (measured by building permits) on record for the period 1970-2008. **Figure 9** summarizes the number of units authorized by structure type for several historical periods. Some of the housing units authorized include construction of homes used seasonally.

Figure 8

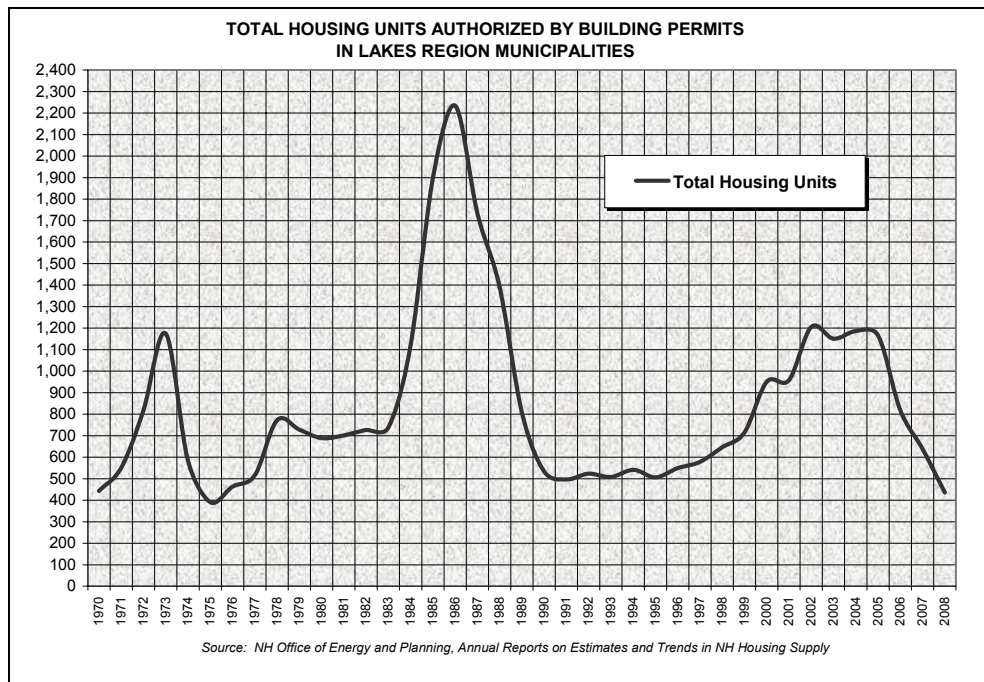
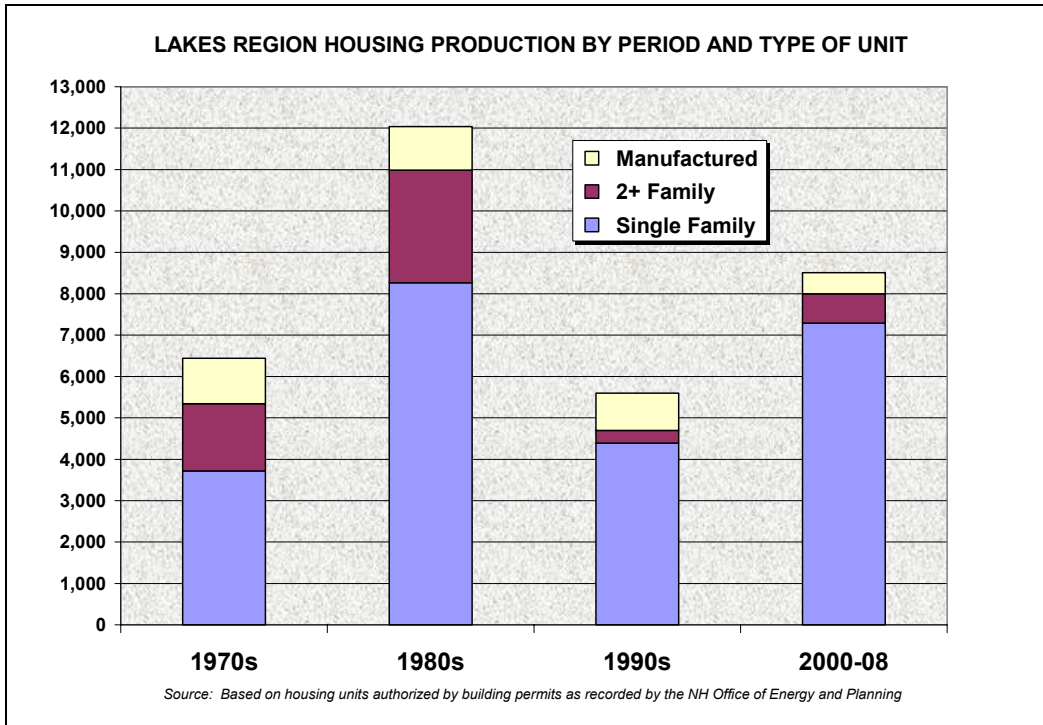


Figure 9



From 1990-2008, housing production based on permit activity averaged about 742 housing units per year. During the very rapid period of growth in the 1980s, total production averaged over 1,200 units per year. The long-term production in the Lakes Region averaged 835 units per year from 1970 to 2008. During the period 2000-2008 average annual production based on permit activity was about 945 units per year. However only about 8% of the housing units authorized (and only 5% in the 1990s) was multifamily or attached housing. The demand models suggest that nearly 20% of production should be in rental housing (typically multifamily structures) to maintain a balanced housing stock.

Table 18
LAKES REGION HOUSING UNITS AUTHORIZED BY BUILDING PERMITS - BY YEAR AND STRUCTURE TYPE

Type of Structure	Total by Period				Annual Avg by Period			
	1970s	1980s	1990s	2000-08	1970s	1980s	1990s	2000-08
Single Family	3,720	8,266	4,391	7,292	372	827	439	810
2+ Family	1,621	2,717	306	706	162	272	31	78
Manufactured	1,100	1,052	899	510	110	105	90	57
Total Units	6,441	12,035	5,596	8,508	644	1,204	560	945
Percent of Total by Type								
Single Family	58%	69%	78%	86%				
2+ Family	25%	23%	5%	8%				
Manufactured	17%	9%	16%	6%				
Total Units	100%	100%	100%	100%				

Source: annual building permit data compiled by the NH Office of Energy and Planning (formerly Office of State Planning) from municipal reports

The median number of units authorized in the Lakes Region based on all years on record is 715 units per year. The average production for the lowest ten years on record is 480 housing units per year.

3. Housing Production Models 2008-2015

Demand and supply modeling indicate that a reasonable expectation for growth in the year round housing supply ranges from about 630 to 880 housing units per year. Of this total, approximately 115 to 175 units per year would be needed for rental housing. The lower figures are based on modest annual employment growth (0.88% per year) from 2008 to 2015; the statewide growth rate 2008-2018 estimated by NH Employment Security. The higher projection is based on modified NHOEP population estimates by age, converted to households by age and tenure. Summaries of the population and employment based housing supply needs are outlined in **Tables 19** and **20**.

Did you know?

The term “Difficult Development Areas” applies to all four counties (Belknap, Carroll, Grafton, and Merrimack) that comprise the Lakes Region. As designated by the Housing and Urban Development (HUD) agency, Difficulty Development Areas are areas with high construction, land, and utilities costs relative to its area median gross income. HUD determines DDAs by comparing incomes with housing costs. (Source: <http://www.huduser.org/datasets/qct.html>)

Table 19

Projection to 2015 Based on Population by Age				
Households by Age and Housing Supply Need	2008 Estimated	2015 Population & Headship Based	Change 2008 to 2015	Average Annual Change
Households Under 65	36,545	37,659	1,114	159
Ownership	27,035	28,016	981	140
Rental	9,510	9,643	133	19
Households Age 65+	12,105	17,052	4,947	707
Ownership	9,981	14,194	4,213	602
Rental	2,124	2,858	734	105
All Households	48,650	54,711	6,061	866
Ownership	37,016	42,210	5,194	742
Rental	11,634	12,501	867	124
Housing Supply - Year-Round Housing Units				
Housing Stock - Year Round	49,939	56,091	6,152	879
Ownership	38,043	42,986	4,943	706
Rental	11,896	13,105	1,209	173

Source: BCM Planning, LLC production model (see details in **Appendix A**)

Table 20

Projection to 2015 Based on Relationship Between Employment and Total Households (No Age Detail)				
Summary by Tenure	2008 Estimated	2015 Employment Based	Change 2008 to 2015	Average Annual
All Households	48,650	53,006	4,356	622
Ownership	37,016	40,895	3,879	554
Rental	11,634	12,111	477	68
Summary - Total Year-Round Housing Units				
Total Housing Stock - Year Round	49,939	54,350	4,411	630
Ownership	38,043	41,651	3,607	515
Rental	11,896	12,699	804	115
<i>Source: BCM Planning, LLC production model (see details in Appendix A)</i>				

These increases in the housing supply would be needed to accommodate growth in population and households across the Lakes Region while providing adequate allowances for replacement of deteriorating housing stock and to provide adequate housing choices by maintaining reasonable vacancy rates. All projections reflect the need for year-round housing units only and make no assumptions about seasonal demand. The purpose of these production models is not to predict actual construction, but to anticipate an adequate housing supply based on long term population and employment growth trends.

At the time of this analysis, the region is at a low point in actual housing production following a rise in unemployment, a loss of jobs, and a downturn in home prices. Details of the housing models and the growth assumptions used to develop the projections are found in **Appendix A**.

Between 1990 and 2000, multifamily housing production was limited because the market was recovering from a high rental vacancy rate in 1990 (14.6% according to the US Census). New renter households found accommodation within the existing stock and the vacancy rate fell to 4.8% by 2000. Since 2000 the Lakes Region appears to have produced relatively little rental housing compared to estimated demand. According to the NH Housing Finance Authority (NHHFA) annual rent survey, the rental vacancy rate in the Lakes Region is estimated at 1.2% for 2010, down from 1.5% in 2009 and 2.2% in 2008. Housing analysts generally use market-wide vacancy rates of 4% to 5% to estimate the total rental supply needed to permit adequate mobility and choice within a rental market. Renters are highly mobile and it is not uncommon for 25% to 30% of renter households to move in a given year. Very low vacancy rates also drive up rental costs when there are too few units available to meet demand.

4. Long Term Considerations for an Aging Population

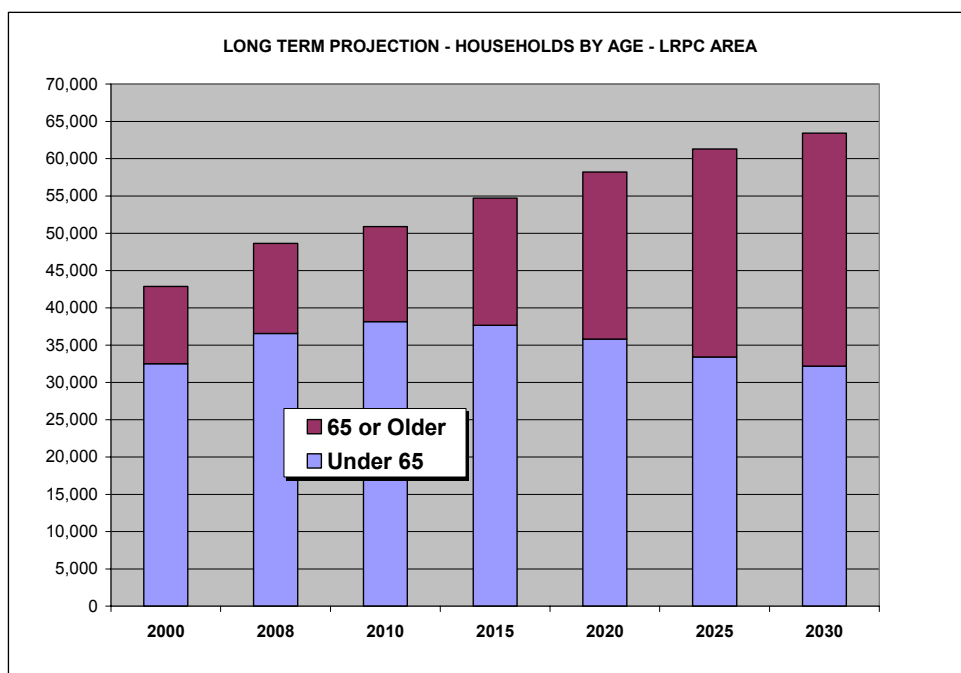
An aging population will introduce changes in the relative size of the labor force. The age shift will have an effect on demand for municipal services and may modify traditional patterns of housing demand and the characteristics of housing production. The demographic projections suggest that an increasing share of the demand for rental units will center on the significant growth in elderly households, especially among those age 75 or older. Their capacity to transition to rental housing

from ownership status will in part be dependent on whether older households retain their ownership status longer, and the availability of affordable rental alternatives.

Figure 10 reflects a projection of households by age group (age 65 and older vs. other households) for the Lakes Region. These projections were based on county population projections by age group, converted to estimated households by age group (see details in **Appendix A**).

Figure 10

Currently, about 25% of all households living in the Lakes Region are headed by a person age 65 or older; the long term projections indicate that this ratio could rise to 49% by the year 2030. Creating or adapting housing for the needs of an aging population will become an increasingly important element in addressing housing needs. There will be increased needs for barrier-free housing and for considering housing construction that



Source: *Headship model assumptions and projections (Appendix A) reflecting NHOEP projections of population by age group for the counties of the Lakes Region*

recognizes universal design principles so that new housing can address the physical needs of all age groups, particularly in adapting to the requirements of a growing senior population.

5. Households by Tenure and Income – 2008-2015

The number of Lakes Region households by tenure and income has been projected in **Table 21** based on the housing production model and modified NHOEP projections of population by age for the counties of the region. The estimated income distributions are shown as ranges of income relative to selected HUD benchmarks (percentages of the area median family income or AMFI). These HUD benchmarks are important to organizations developing workforce and affordable housing because they provide indicators of eligibility for affordable housing programs. In the projections, the future distribution of owner and renter household incomes is presumed to be constant relative to the AMFI. The model is not intended to predict changes in the cost of housing relative to income during the projection period.

Table 21

Households by Tenure and Income Group 2008 and 2015				
Tenure and Income Range	Lakes Region Households by Income Range			
	2008	2015	Change 2008 to 2015	Avg Annual 2008 to 2015
Owner Occupied	37,016	42,210	5,194	742
Under 40% AMFI	5,090	5,804	714	102
40-60% AMFI	4,499	5,131	631	90
60-80% AMFI	5,086	5,800	714	102
80-100% AMFI	4,647	5,299	652	93
Over 100% AMFI	17,694	20,176	2,483	355
Renter Occupied	11,634	12,501	867	124
Under 40% AMFI	4,397	4,724	328	47
40-60% AMFI	1,999	2,148	149	21
60-80% AMFI	1,293	1,390	96	14
80-100% AMFI	995	1,069	74	11
Over 100% AMFI	2,950	3,170	220	31
All Households	48,650	54,711	6,061	866
Under 40% AMFI	9,487	10,528	1,042	149
40-60% AMFI	6,498	7,279	780	111
60-80% AMFI	6,380	7,190	810	116
80-100% AMFI	5,641	6,368	726	104
Over 100% AMFI	20,644	23,347	2,703	386
Workforce Income Levels				
Workforce Owner	19,322	22,034	2,711	387
Workforce Renter	6,396	6,872	477	68
Workforce Total	25,718	28,906	3,188	455

Note: The above projections represent households only; total housing production needs may be higher due to vacancy and replacement requirements.

The projection model also shows the number of additional workforce households that could be expected based on existing income distributions:

- 52% of homeowner households at workforce income
- 55% of renter households at workforce incomes

Given the overall supply projections of the population-based headship model, the Lakes Region would need to add about **450** total *workforce housing units* per year. Of this total, about **70** units per year should be created with affordable workforce rents and about **380** units per year to meet workforce ownership demand. Household growth projections are about 73% of these estimates under the slower growth projection model.

A reasonable range for *workforce housing* production goals for the Lakes Region is that between **330 to 450** workforce housing units should be created annually to meet the demands of growth anticipated for the period 2008-2015:

Average Annual Anticipated Workforce
Household Growth - Lakes Region 2008-2015

	<u>High</u>	<u>Low</u>
Total	450	330
Owner	380	290
Renter	70	40

For renter households, the most serious gap in affordability will be for households earning less than 40% of the AMFI. At this income level, renter households will usually require direct subsidies to afford rent, and subsidy commitments are not widely available. The principal production and program supporting lower cost rental housing is the Low Income Housing Tax Credit (LIHTC) program which can effectively target households earning between 40-60% of AMFI unless additional subsidy commitments are present. Most other rental needs can be met by market-rate rental housing.

As of 2008 about 52% of all homeowner household in the Lakes Region have incomes at or below the statutory workforce benchmark. In 2008 about 51% of all primary homes sold in the Lakes Region were purchased at prices affordable at the workforce income benchmark. The price of homes sold in 2009 declined significantly from the prior year. In 2009, about 71% of home sales were at prices at or below the affordable workforce price benchmark. While the declining medial sales price has probably reduced the affordability gap for homeownership, there is nothing to prevent the market price gap between income and home price from widening again when market conditions change.

PART 2: ADDRESSING REGIONAL HOUSING NEEDS AT THE LOCAL LEVEL

A. Introduction

Part 1 of the Housing Needs Assessment explored the extent of housing cost burden in the region as of 2008 and projected total housing production needs for ownership and rental units from 2008-2015. It explored trends in Lakes Region housing costs and estimated the range in workforce housing and total housing units needed in the future (2008-2015). Achieving regional housing goals for affordable housing preservation or the creation of new workforce housing can take place only if sufficient opportunities for housing of various structural types and cost levels are available throughout the Lakes Region.

It is recognized that community capacity to support various levels of density and development intensity varies according to the presence of public sewer and water utilities, soil type, distance from jobs and essential services and other factors. But even smaller scale opportunities in the most rural communities such as accessory apartments and duplexes are important contributors to the affordable supply of the region.

Part 2 discusses the rationale for affordable and workforce housing and provides a framework for communities to evaluate the housing options they offer. Certain questions are suggested for evaluating the local housing supply from an economic perspective. A more detailed description of common barriers is also provided as a guideline for review of local land use regulations and their relationship to workforce options. Special provisions used in coastal and resort areas to leverage affordable housing in other parts of the country are also discussed.

Enabling housing diversity in local regulations sets the stage for innovation in creating more flexibility to achieve affordable housing development. Experience has shown that opportunities for higher density or more flexible site development must be coupled with appropriate covenants or conditions to create or preserve affordable or workforce housing for target income groups. The same affordability covenants that are applied in creating new housing units can also be applied to acquisition and resale of existing housing units. The creation of affordable or workforce housing need not be limited to new development.

B. Housing and Employment

1. Supportable Housing Costs at Entry Level and Median Wage

The availability of affordable workforce housing should be a component of an economic development strategy. Without affordable housing reasonably convenient to the workplace, employers cannot attract a sufficient labor supply. Many of the large employment sectors of the Lakes Region have entry level and median wages that are insufficient to support the typical home price or market rent in the region (see **Table 22**). For most working households, two incomes will be necessary to afford virtually any home ownership option. For some entry level employees, even

the cost of monthly rent will not be affordable unless the rental unit is shared with a working spouse or other employed person. Based on the statutory workforce income levels applicable to the Lakes Region in 2008, a monthly gross rent of about \$900 would be considered affordable to the workforce. As shown in **Table 22**, this rent would be affordable to many job sectors in the Lakes Region if the worker is earning the median wage in that sector. At the typical entry level wage, however, many sectors do not generate a wage level that is sufficient to support a rent of \$900 per month.

Table 22

Wages by Occupation in Laconia Area and Supportable Monthly Housing Cost						
Occupational Grouping	Average Weekly Wage		Annual Wage Assuming Full Time Employment		Monthly Housing Cost Supportable @ 30% of Income	
	Entry Level	Median	Entry Level	Median	Entry Level	Median
Office and Administrative Support	\$10.43	\$14.30	\$21,694	\$29,744	\$542	\$744
Food Preparation and Serving-Related	\$7.55	\$9.27	\$15,704	\$19,282	\$393	\$482
Sales & Related	\$7.70	\$10.95	\$16,016	\$22,776	\$400	\$569
Production	\$10.46	\$14.07	\$21,757	\$29,266	\$544	\$732
Education, Training and Library	\$10.30	\$18.28	\$21,424	\$38,022	\$536	\$951
Healthcare Practitioners & Technical	\$19.56	\$25.71	\$40,685	\$53,477	\$1,017	\$1,337
Management	\$23.72	\$38.08	\$49,338	\$79,206	\$1,233	\$1,980
Construction & Extraction	\$13.47	\$18.60	\$28,018	\$38,688	\$700	\$967
Transportation & Material Moving	\$9.88	\$15.54	\$20,550	\$32,323	\$514	\$808
Building & Grounds Cleaning & Maint.	\$9.65	\$12.63	\$20,072	\$26,270	\$502	\$657
Business & Financial Operations	\$17.98	\$25.81	\$37,398	\$53,685	\$935	\$1,342
Installation, Maintenance & Repair	\$13.26	\$18.20	\$27,581	\$37,856	\$690	\$946
Healthcare Support	\$10.82	\$12.99	\$22,506	\$27,019	\$563	\$675
Personal Care and Service	\$7.78	\$9.87	\$16,182	\$20,530	\$405	\$513
Protective Services	\$11.04	\$17.96	\$22,963	\$37,357	\$574	\$934
Computer & Mathematical	\$22.92	\$38.85	\$47,674	\$80,808	\$1,192	\$2,020
Architecture & Engineering	\$19.29	\$25.85	\$40,123	\$53,768	\$1,003	\$1,344
Community & Social Services	\$11.75	\$15.58	\$24,440	\$32,406	\$611	\$810
Life, Physical, Social Science	\$22.72	\$32.88	\$47,258	\$68,390	\$1,181	\$1,710
Arts, Design, Entertain., Sports & Medi	\$8.01	\$18.84	\$16,661	\$39,187	\$417	\$980
Legal Occupations	\$20.92	\$45.30	\$43,514	\$94,224	\$1,088	\$2,356
Total/All Occupations	\$9.44	\$15.16	\$19,635	\$31,533	\$491	\$788

Source of wage & salary data NH Employment Security, Labor Market Information Bureau, NH Occupational Employment and Wages - 2009 for the Laconia Area

New Program Supports Regional Housing and Transportation Planning

A total of \$150,000,000 is available to Housing and Urban Development Agency (HUD) for a Sustainable Communities Initiative to improve regional planning efforts that integrate housing and transportation decisions, and increase the capacity to improve land use and zoning. The Sustainable Communities Planning Grant Program is being initiated in close coordination with the U.S. Department of Transportation (DOT) and the U.S. Environmental Protection Agency (EPA), co-leaders with HUD in the Partnership for Sustainable Communities. The Partnership for Sustainable Communities established six livability principles that will act as a foundation for interagency coordination:

1. Provide more transportation choices.
2. Promote equitable, affordable housing: Expand location- and energy-efficient housing choices for people of all ages, incomes, races and ethnicities to increase mobility and lower the combined cost of housing and transportation.
3. Enhance economic competitiveness.
4. Support existing communities.
5. Coordinate policies and leverage investment.
6. Value communities and neighborhoods.

Of special concern in the Lakes Region is the need to support service workers in the retail, food and lodging sectors in a second home and summer-destination oriented economy. The entry level wages for hotel clerks, cashiers, retail sales and food preparation workers (see **Table 23**) support gross rental costs that are typically less than half of the median gross rent in the Lakes Region. Local government employees such as fire fighters, police officers, and teachers may be able to afford the market cost of gross rent in some cases, but on a single wage could not generally afford homeownership. Retaining these workers by providing affordable housing close to the service centers of the region is essential support of critical municipal services and the service economy of the Lakes Region.

Table 23

Wages for Selected Service Sector Occupations in the Laconia Area and Supportable Monthly Housing Costs				
Selected Occupations	Avg Weekly Wage or Salary 2009		Monthly Housing Cost Supportable @ 30% of Income	
	Entry Level	Median	Entry Level	Median
Cashiers	\$6.90	\$7.79	\$359	\$405
Hotel, Motel, Resort Desk Clerks	\$7.39	\$11.07	\$384	\$576
Retail Salesperson	\$8.09	\$9.54	\$421	\$496
Food Preparation Workers	\$8.13	\$9.02	\$423	\$469
Fire Fighter	\$11.68	\$15.28	\$607	\$795
Maintenance & Repair Workers	\$13.37	\$16.21	\$695	\$843
Police Officer	\$17.91	\$22.44	\$931	\$1,167
Middle School Teacher	n.a.	n.a.	\$950	\$1,241

Symbol (-) indicates wage not reported hourly. Source of wage & salary data NH Employment Security, Labor Market Information Bureau, NH Occupational Employment and Wages - 2009 for Laconia Area

2. Employment and Wages by Community

Questions to Consider on Employment and Housing:

If one of my children just got an entry level job in the area, where in the Lakes Region could they afford to live?

As employment shifts outward from the older urban centers to more suburban and rural communities, will we have local housing opportunities for those workers?

Does our community provide rental or ownership housing affordable to workers earning entry level and median wages?

How does our employment growth compare with local options for workforce housing including multifamily development?

One way of appreciating the issue of affordable workforce housing is for the community to look at its internal job structure, average wages, and earnings generated by local employment. **Table 24** shows available wage data for Lakes Region communities as of 2008. The community should consider whether there are local rental and ownership housing alternatives affordable based on the wages of a single worker household, or a typical household with an average of 1.5 full time equivalent workers.

Some communities are adding more employment and associated commercial-industrial valuation than others. Over the long term, each community should consider whether its housing growth has been at least commensurate with its own contribution to regional employment growth. The community may want to examine whether it is providing or enabling an affordable housing supply to generate adequate housing choices within the region for new workers. Consider the data shown in **Table 25**.

Table 24

Household Income Potential from Local Employment 2008											
Municipality	Average Weekly Wage 2008				2008 Annual Wage At Average Weekly Wages				2008 Avg Household Earning Potential by Number of Workers		
	Private Goods Producing	Private Service Producing	Total Government	Total Private & Government	Private Goods Producing	Private Service Producing	Total Government	Total Private & Government	1 FT Worker	1.5 FTE Workers	2 FTE Workers
Alexandria	--	--	\$318	\$508	--	--	\$16,536	\$26,416	\$26,416	\$39,624	\$52,832
Alton	\$805	\$472	\$650	\$551	\$41,860	\$24,544	\$33,800	\$28,652	\$28,652	\$42,978	\$57,304
Andover	\$791	\$663	\$570	\$671	\$41,132	\$34,476	\$29,640	\$34,892	\$34,892	\$52,338	\$69,784
Ashland	\$522	\$486	\$573	\$505	\$27,144	\$25,272	\$29,796	\$26,260	\$26,260	\$39,390	\$52,520
Barnstead	\$526	\$434	\$615	\$518	\$27,352	\$22,568	\$31,980	\$26,936	\$26,936	\$40,404	\$53,872
Belmont	\$1,072	\$693	\$804	\$801	\$55,744	\$36,036	\$41,808	\$41,652	\$41,652	\$62,478	\$83,304
Bridgewater	\$619	\$1,197	\$430	\$990	\$32,188	\$62,244	\$22,360	\$51,480	\$51,480	\$77,220	\$102,960
Bristol	\$990	\$487	\$642	\$685	\$51,480	\$25,324	\$33,384	\$35,620	\$35,620	\$53,430	\$71,240
Center Harbor	\$956	\$520	\$717	\$586	\$49,712	\$27,040	\$37,284	\$30,472	\$30,472	\$45,708	\$60,944
Danbury	\$776	\$553	\$575	\$597	\$40,352	\$28,756	\$29,900	\$31,044	\$31,044	\$46,566	\$62,088
Effingham	--	--	\$356	--	--	--	\$18,512	--	--	--	--
Franklin	\$830	\$656	\$632	\$710	\$43,160	\$34,112	\$32,864	\$36,920	\$36,920	\$55,380	\$73,840
Freedom	\$805	\$580	\$580	\$608	\$41,860	\$30,160	\$30,160	\$31,616	\$31,616	\$47,424	\$63,232
Gilford	\$857	\$573	\$684	\$624	\$44,564	\$29,796	\$35,568	\$32,448	\$32,448	\$48,672	\$64,896
Gilmanton	\$779	\$521	\$622	\$623	\$40,508	\$27,092	\$32,344	\$32,396	\$32,396	\$48,594	\$64,792
Hebron	\$496	\$714	\$399	\$521	\$25,792	\$37,128	\$20,748	\$27,092	\$27,092	\$40,638	\$54,184
Hill	--	--	\$426	\$683	--	--	\$22,152	\$35,516	\$35,516	\$53,274	\$71,032
Holderness	\$990	\$558	\$712	\$644	\$51,480	\$29,016	\$37,024	\$33,488	\$33,488	\$50,232	\$66,976
Laconia	\$909	\$691	\$820	\$758	\$47,268	\$35,932	\$42,640	\$39,416	\$39,416	\$59,124	\$78,832
Meredith	\$990	\$642	\$819	\$739	\$51,480	\$33,384	\$42,588	\$38,428	\$38,428	\$57,642	\$76,856
Moultonborough	\$829	\$572	\$827	\$660	\$43,108	\$29,744	\$43,004	\$34,320	\$34,320	\$51,480	\$68,640
New Hampton	\$865	\$704	\$657	\$718	\$44,980	\$36,608	\$34,164	\$37,336	\$37,336	\$56,004	\$74,672
Northfield	\$870	\$569	\$638	\$719	\$45,240	\$29,588	\$33,176	\$37,388	\$37,388	\$56,082	\$74,776
Ossipee	\$793	\$528	\$672	\$603	\$41,236	\$27,456	\$34,944	\$31,356	\$31,356	\$47,034	\$62,712
Sanbornton	\$565	\$992	\$545	\$765	\$29,380	\$51,584	\$28,340	\$39,780	\$39,780	\$59,670	\$79,560
Sandwich	\$754	\$437	\$613	\$561	\$39,208	\$22,724	\$31,876	\$29,172	\$29,172	\$43,758	\$58,344
Tamworth	\$733	\$429	\$619	\$535	\$38,116	\$22,308	\$32,188	\$27,820	\$27,820	\$41,730	\$55,640
Tilton	\$1,052	\$481	\$659	\$543	\$54,704	\$25,012	\$34,268	\$28,236	\$28,236	\$42,354	\$56,472
Tuftonboro	\$659	\$587	\$537	\$588	\$34,268	\$30,524	\$27,924	\$30,576	\$30,576	\$45,864	\$61,152
Wolfeboro	\$713	\$701	\$729	\$716	\$37,076	\$36,452	\$37,908	\$37,232	\$37,232	\$55,848	\$74,464
Lakes Region	\$895	\$612	\$703	\$680	\$46,540	\$31,824	\$36,556	\$35,360	\$35,360	\$53,040	\$70,720

Table 25

Employment by Community: 1990, 2000, 2008					
Municipality	Private Covered and Government Employment			Share of Lakes Region Employment in 2008	Change in Total Employment 1990-2008
	1990	2000	2008		
Alexandria	66	49	79	0.2%	13
Alton	575	688	1,052	2.5%	477
Andover	458	534	567	1.3%	109
Ashland	1,088	733	726	1.7%	(362)
Barnstead	344	445	379	0.9%	35
Belmont	1,177	2,215	2,649	6.2%	1,472
Bridgewater	55	44	83	0.2%	28
Bristol	1,742	2,064	1,293	3.0%	(449)
Center Harbor	248	476	470	1.1%	222
Danbury *	70	136	166	0.4%	96
Effingham **	260	321	325	0.8%	65
Franklin	3,057	3,482	2,875	6.7%	(182)
Freedom	74	210	214	0.5%	140
Gilford	2,028	3,121	3,070	7.2%	1,042
Gilmanton	176	326	333	0.8%	157
Hebron	50	90	126	0.3%	76
Hill *	46	68	87	0.2%	41
Holderness	235	517	636	1.5%	401
Laconia	11,221	11,108	10,043	23.4%	(1,178)
Meredith	2,643	2,993	3,156	7.4%	513
Moultonborough	641	1,001	1,370	3.2%	729
New Hampton	340	450	613	1.4%	273
Northfield	832	761	1,010	2.4%	178
Ossipee	1,271	1,900	1,790	4.2%	519
Sanbornton	133	316	304	0.7%	171
Sandwich +	152	287	251	0.6%	99
Tamworth	418	650	643	1.5%	225
Tilton	1,774	3,752	4,744	11.1%	2,970
Tuftonboro	352	383	449	1.0%	97
Wolfeboro	2,843	3,185	3,382	7.9%	539
Lakes Region	34,369	42,305	42,885	100.0%	8,516

Source: NH Employment Security, Labor Market Information Bureau

* 2001 value substituted - 2000 not available

+ 1991 value substituted - 1990 not available for private plus government

** Estimated by subtraction (not disclosed as local data)

C. Diversity of the Local Housing Supply

1. Housing Units by Structure Type

Questions to Consider on Housing Diversity:

Our community has seen very little growth in multifamily housing. Could this be because local regulations do not allow it or tend to discourage it, or are there other reasons?

Can we create more diversity in our housing stock, even at a small scale such as enabling duplex units, multifamily or attached units, and accessory apartments?

Where would I go in my community if I wanted a smaller, more efficient unit with less upkeep such as an apartment or condominium?

Is it possible or practical under current regulations for a landowner to build multifamily units?

To help answer some of these questions, the municipality should look at its long term production pattern as well as its recent history of housing development to determine if it is contributing to a diversified housing stock and if not, why? If virtually no long term production is evident for two or more family units, it could be related to local zoning restrictions.

Table 26 is a summary of the long-term history of housing production based on permit data for the period 1970-2008. The community can examine the total number of units authorized by structure type, and consider its share of the Lakes Region's total production of each structural category. In some towns there has been little if any production of attached, multifamily or manufactured housing over the 38-year period shown in the charts and table above. More detailed tables are found at the end of Part 2 that provide community level data from the US Census and from building permit data.

Wolfeboro Workforce Housing Overlay (2006) – Doubling Allowable Density - Aids Affordable Housing Project

The Eastern Lakes Region Housing Coalition (ELRHC) formed in 2004 and receiving tax exempt status in 2006 is comprised of local business leaders, bankers, and public service providers. Understanding an existing zoning requirement of 2 units per acre was too restrictive to support the development of affordable housing, ELRHC worked diligently with the Wolfeboro Planning Board to amend zoning. Approved in 2006, a workforce housing overlay zone was created allowing up to four units per acre, doubling the allowable density. The changed ordinance applies to selected areas of town deemed most suitable for workforce housing which includes a 35 acre affordable housing project site called Harriman Hill.

The Hartland Group (HG) which serves as development consultants for the Harriman Hill project are working for a construction of phase 1 of a three phased project to begin in July 2010 with partial occupancy in May 2011, and first phase completion in July 2011. The over-all project includes the creation of 48 rental units in two phases and the eventual third phase creation of 20 workforce house lots for purchase. The mix of rentals and for purchase housing is consistent with a community stated goal of mixed tenure development at Harriman Hill. The project has local and state permitting to proceed with construction when financing is finalized.



*Front and side views of
Harriman Hill four-plex rental*

Acquired by ELRHC, the land for the Harriman Hill project is located on NH Route 109A, is situated within a walkable distance of Wolfeboro Falls (1/2 mile) and Wolfeboro center (1 mile), and has access to municipal water and sewer at the property line. Project challenges adding to costs include extensive ledge on site and a zoning defined limit of four units per multi-family building. As proposed, 65 percent of the site will remain undeveloped.



The need for affordable housing in Wolfeboro has been articulated in the community master plan as a consistent theme over time. Market pressures include a significant second home stock and in town land holdings of Brewster Academy near the boarding school site. The Board of Selectmen supported a Community Development Block Grant for \$500,000 in support of project infrastructure, and Low Income Housing Tax Credits and a capital subsidy have been applied for through the New Hampshire Housing Finance Authority. Long-term the rental housing will be managed by an entity formed through a partnership between ELRHC and Laconia Area Community Land Trust (LACLT). The rental units will be affordable to households earning up to 60 percent of the area median income for Carroll County.

Table 26

Long Term Building Permit History by Community											
Percent of Community's Production by Type of Structure				Total Units Authorized 1970 to 2008				Share of Lakes Region Housing Production			
Municipality	Single Family	Two + Family	Manufactured	Total	Single Family	Two + Family	Manufactured	Total	Single Family	Two + Family	Manufactured
Alexandria	89.2%	1.0%	9.7%	586	523	6	57	1.8%	2.2%	0.1%	1.6%
Alton	89.1%	2.8%	8.1%	2,073	1,847	59	167	6.4%	7.8%	1.1%	4.7%
Andover	78.4%	4.8%	16.8%	518	406	25	87	1.6%	1.7%	0.5%	2.4%
Ashland	41.6%	52.2%	6.2%	890	370	465	55	2.7%	1.6%	8.7%	1.5%
Barnstead	81.6%	10.0%	8.5%	1,223	998	122	104	3.8%	4.2%	2.3%	2.9%
Belmont	44.2%	17.8%	38.0%	2,840	1,256	506	1,078	8.7%	5.3%	9.5%	30.3%
Bridgewater	85.4%	1.5%	13.2%	342	292	5	45	1.0%	1.2%	0.1%	1.3%
Bristol	69.2%	17.6%	13.3%	860	595	151	114	2.6%	2.5%	2.8%	3.2%
Center Harbor	83.5%	7.6%	8.7%	357	298	27	31	1.1%	1.3%	0.5%	0.9%
Danbury	69.6%	2.0%	28.4%	250	174	5	71	0.8%	0.7%	0.1%	2.0%
Effingham	79.8%	1.3%	18.9%	297	237	4	56	0.9%	1.0%	0.1%	1.6%
Franklin	51.7%	38.0%	10.3%	1,328	687	504	137	4.1%	2.9%	9.4%	3.8%
Freedom	84.1%	0.0%	15.9%	459	386	0	73	1.4%	1.6%	0.0%	2.0%
Gilford	74.1%	14.0%	11.9%	2,924	2,167	408	349	9.0%	9.2%	7.6%	9.8%
Gilmanton	93.9%	0.7%	4.0%	1,118	1,050	8	45	3.4%	4.4%	0.1%	1.3%
Hebron	97.4%	0.9%	1.7%	234	228	2	4	0.7%	1.0%	0.0%	0.1%
Hill	77.2%	0.8%	22.0%	246	190	2	54	0.8%	0.8%	0.0%	1.5%
Holderness	94.7%	2.4%	2.9%	416	394	10	12	1.3%	1.7%	0.2%	0.3%
Laconia	46.4%	49.3%	4.7%	3,855	1,788	1,899	183	11.8%	7.6%	35.5%	5.1%
Meredith	76.4%	15.1%	8.6%	1,993	1,522	300	171	6.1%	6.4%	5.6%	4.8%
Moultonborough	97.5%	0.9%	1.6%	2,310	2,253	21	36	7.1%	9.5%	0.4%	1.0%
New Hampton	80.4%	8.7%	10.9%	450	362	39	49	1.4%	1.5%	0.7%	1.4%
Northfield	62.2%	29.8%	8.0%	1,029	640	307	82	3.2%	2.7%	5.7%	2.3%
Ossipee	72.2%	8.2%	19.6%	904	653	74	177	2.8%	2.8%	1.4%	5.0%
Sanbornton	92.3%	1.2%	6.5%	896	827	11	58	2.8%	3.5%	0.2%	1.6%
Sandwich	92.5%	5.0%	2.5%	442	409	22	11	1.4%	1.7%	0.4%	0.3%
Tamworth	74.6%	16.5%	8.9%	437	326	72	39	1.3%	1.4%	1.3%	1.1%
Tilton	66.4%	19.4%	14.2%	536	356	104	76	1.6%	1.5%	1.9%	2.1%
Tuftonboro	89.7%	4.3%	6.0%	748	671	32	45	2.3%	2.8%	0.6%	1.3%
Wolfboro	87.4%	7.9%	4.7%	2,019	1,764	160	95	6.2%	7.5%	3.0%	2.7%
Lakes Region	72.6%	16.4%	10.9%	32,580	23,669	5,350	3,561	100.0%	100.0%	100.0%	100.0%

2. Assisted Rental Housing Supply

Questions to Consider on Rental Housing:

When my parents get older, what housing choices will be they have for affordable, barrier free living when they can no longer manage in their single family house?

Our community has hosted none of the region's multifamily assisted projects for either elderly or general occupancy housing. Is this a market limitation or a regulatory one?

We have rental housing developments for the elderly, but none for general occupancy. Is this because our zoning has provisions for senior multifamily housing, but not for the same type of apartments for non-elderly households?

An inventory of assisted rental housing in the Lakes Region is listed by community in **Table 27**. There are a total of 1,738 housing units in these developments, with most of the units in these projects reserved for lower income residents. Overall, the total number of assisted housing units represents about 15% of all occupied rental units. It is noteworthy that approximately 43% of all senior renters (age 65+) live in an assisted housing development.

Most of these apartment developments have been in place for many years, and were developed during a period of strong direct federal involvement in financing lower income rental housing through the US Department of HUD, Rural Development (formerly Farmer's Home Administration).

Most new assisted rental housing is developed under the Low Income Housing Tax Credit (LIHTC) program. In most cases, the multifamily housing developed under this program will not reach the lowest income households without additional rent subsidies committed to the development.

As of 2010, 15 of the 30 Lakes Region communities have at least one assisted rental housing development. Some communities, especially those with public sewer infrastructure, have a relatively high share of the Lakes Region total. The communities that have no assisted rental housing developments should ask whether this is due to limitations posed by their development regulations, by the distance of the community from service centers, or by other market factors.

Did you know?

Created in 1986 by the Tax Reform Act, the Low-Income Housing Tax Credit is the most important US resource for creating affordable housing. This program provides state and local allocating agencies the equivalent of \$8 billion annually in budgeting authority for acquisition, rehabilitation, or new construction of lower income rental housing. (Source: <http://www.huduser.org/portal/datasets/lihtc.html>)

Table 27

Lakes Region Assisted Rental Housing Inventory by Community									
City or Town	Project Name	Year Placed in Service (1)	Total Units			Assisted Units			Contact or Management Agent
			Elderly or Disabled	General Occupancy Incl. Special Needs	Total Units	Elderly (Age Restricted)	General Occupancy Incl. Special Needs	Total Units	
Alton	Prospect View	1986	26	--	26	26	--	26	Belknap-Merrimack CAP
Ashland	Common Man Commons	2008	28	--	28	28	--	28	Southern NH Services
Ashland	Highland Apartments	1987	24	--	24	23	--	23	Stewart Property Mgmt
Ashland	Ledgewood Estates	1976	--	40	40	--	39	39	Hodges Co.
Belmont	Belmont Housing for the Elderly	1998	40	--	40	40	--	40	Belknap-Merrimack CAP
Belmont	Belmont Village Apartments	1987	--	30	30	--	26	26	Sterling Management
Belmont	Maple Hill Acres	2008	--	32	32	--	32	32	Realty Resources
Belmont	Orchard Hill II	1981	--	32	32	--	27	27	Laconia HRA
Belmont	Sandy Ledge Housing	2003	--	11	11	--	11	11	Belknap-Merrimack CAP
Bristol	Bristol Town Square	1980	16	--	16	16	--	16	Beno Management
Bristol	Country Manor	1980	--	20	20	--	20	20	Beno Management
Bristol	Newfound Meadows	1991	--	28	28	--	26	26	SK Management Inc
Bristol	Riverview Village	2009	19	--	19	19	--	19	Southern NH Services
Bristol	Season's Edge	2009	--	8	8	--	8	8	Hodges Co.
Franklin	Bow Street	1992	--	3	3	--	3	3	Stewart Property Mgmt
Franklin	Bow Glen Transitional	n.a.	--	10	10	--	10	10	Belknap-Merrimack CAP
Franklin	Cottage Hotel	1994	--	6	6	--	5	5	Belknap-Merrimack CAP
Franklin	Forest Hill	1986	--	40	40	--	35	35	Allgeyer Mgmt
Franklin	Franklin Knolls	1975	--	48	48	--	35	35	EastPoint Properties
Franklin	Franklin Plantation	1986	--	36	36	--	28	28	THM, Inc
Franklin	Franklin Woods	1995	--	36	36	--	36	36	Housing Mgmt Resources
Franklin	New Franklin Apartments (36)	1980	36	--	36	36	--	36	New Franklin Prop. Mgmt
Franklin	New Franklin Apartments (75)	1980	75	--	75	75	--	75	New Franklin Prop. Mgmt
Franklin	Riverside Housing for Elderly	1984	40	--	40	40	--	40	Belknap-Merrimack CAP
Gilford	Breton Woods	1988	--	36	36	--	31	31	Allgeyer Mgmt
Gilford	Gilford Village Knolls	1988	22	--	22	13	--	13	Stewart Property Mgmt
Gilford	Gilford Village Knolls II	2006	24	--	24	24	--	24	Stewart Property Mgmt
Laconia	Avery Hill	1997	--	14	14	--	14	14	Hodges Co.
Laconia	Blueberry Place	1982	--	35	35	--	35	35	Laconia HRA
Laconia	Laconia Neighborhood Initiatives	2001	--	19	19	--	19	19	Hodges Co.
Laconia	Lakeport Square	2004	75	--	75	75	--	75	Stewart Property Mgmt
Laconia	Lincoln Street	1995	--	2	2	--	2	2	Hodges Co.
Laconia	Mechanic Street School	2006	--	6	6	--	6	6	Hodges Co.
Laconia	Millview	2004	--	18	18	--	18	18	Hodges Co.
Laconia	Normandin Square	2006	--	60	60	--	60	60	Stewart Property Mgmt
Laconia	Pine Hill	1998	--	18	18	--	18	18	Hodges Co.
Laconia	Sunrise Towers	1969	98	--	98	98	--	98	Laconia HRA
Laconia	Tavern Apartments	1999	50	--	50	50	--	50	Laconia HRA
Laconia	Victoria Woods	1993	24	--	24	24	--	24	SK Management Inc
Laconia	Wingate Apartments	2003	--	100	100	--	20	20	Winn Management
Meredith	Deer Run Apartments	1977	--	25	25	--	22	22	Hodges Co.
Meredith	Hillside Apartments	1980	50	0	50	50	--	50	Hodges Co.
Meredith	Pinecrest Apartments	2009	--	32	32	--	32	32	Hodges Co.
Meredith	Red Gate Lane	1986	--	32	32	--	28	28	Foxfire Mgmt
Moultonborough	West Wynde Center	1999	12	--	12	12	--	12	Stewart Property Mgmt
Northfield	Northfield Village Apartments	1978	36	--	36	36	--	36	Laconia HRA
Ossipee	Mountainview Apartments	1980	24	--	24	24	--	24	Stewart Property Mgmt
Ossipee	Ossipee Village Apartments	2006	24	--	24	--	24	24	Stewart Property Mgmt
Ossipee	Pine Grove Apartments	1983	--	15	15	--	15	15	George Zavas
Sandwich	Spokesfield Common	1987	10	--	10	10	--	10	Stewart Property Mgmt
Tamworth	Chocorua Woods	1985	--	15	15	--	15	15	Sonata Housing Inc.
Tamworth	Remick Acres	2008	24	--	24	24	--	24	Stewart Property Mgmt
Tilton	Mill Knoll	1997	--	17	17	--	17	17	Belknap-Merrimack CAP
Tilton	New Franklin Apartments (60)	1978	60	--	60	60	--	60	New Franklin Prop. Mgmt
Wolfeboro	Christian Ridge	1978	32	--	32	32	--	32	Hearthstone Homes
Wolfeboro	The Ledges	1983	45	--	45	44	--	44	Hearthstone Homes
Lakes Region Total			914	824	1,738	879	717	1,596	
	<i>Percent of Lakes Region Units</i>		<i>52.6%</i>	<i>47.4%</i>	<i>100.0%</i>	<i>55.1%</i>	<i>44.9%</i>	<i>100.0%</i>	

(1) "Year placed in service" is the most recent year in which the development was subject to income restrictions for project financing or subsidy agreements. In some cases, older developments that have converted to the Low Income Housing Tax Credit program show a "placed in service" date that is much more recent than its actual construction.

D. Equalized Valuation and Housing Supply

Questions to Consider – Property Wealth and Workforce Housing:

How does our strong second home market affect the price of land and year round homes near the water?

Do our high land values limit the development of workforce housing because other development is more profitable regardless of allowable density?

We have multifamily and attached housing that serves seasonal residents. Could the same structure types be developed today under local regulations if it were intended for resident workforce housing?

How does our inventory of assisted rental housing for families compare with our share of the region's total housing units, population, or property wealth?

How many assisted rental units do we have per thousand persons or dwelling units compared to the regional average?

Is there a way we can leverage the creation of affordable or workforce housing units by working with commercial developments or second home developers to encourage them to help create workforce housing?

Some Lakes Region communities face special challenges in meeting workforce housing needs. Additional pressure may be exerted on home prices due to strong second home market, while the earnings of employees who help service this market are very limited. In some markets, the demand for second homes can drive up land and home prices that eventually affect the cost of year round primary homes. The local government workforce such as police officers, firefighters, teachers, as well as employees of retail, resort and related service establishments may be priced out the community in which they work. As a result, the workforce may face longer commute distances and related travel costs, creating other social and environmental impacts from highway congestion and resource consumption.

Figure 11 shows the significant differences, by community, in the average equalized assessed valuation (EAV) per capita of the municipality as of 2008. Communities oriented toward the major lakes have market valuations per capita that are on average twice that of the other Lakes Region municipalities. The second homes that contribute to this property wealth form part of the demand on the Lakes Region service sector.

The concept of fair share often uses equalized property valuation as one factor in evaluating local fiscal capacity to accommodate affordable (lower cost) housing from a fiscal standpoint. While the lakefront communities tend to have the highest equalized valuations per capita, other proportionate factors such as their share of Lakes Region employment and total payroll generated by those jobs may be comparatively low. Consider the data in **Table 28** which relates the number of assisted rental housing units and total multifamily units to the distribution of equalized property valuation with the Lakes Region.

Figure 11

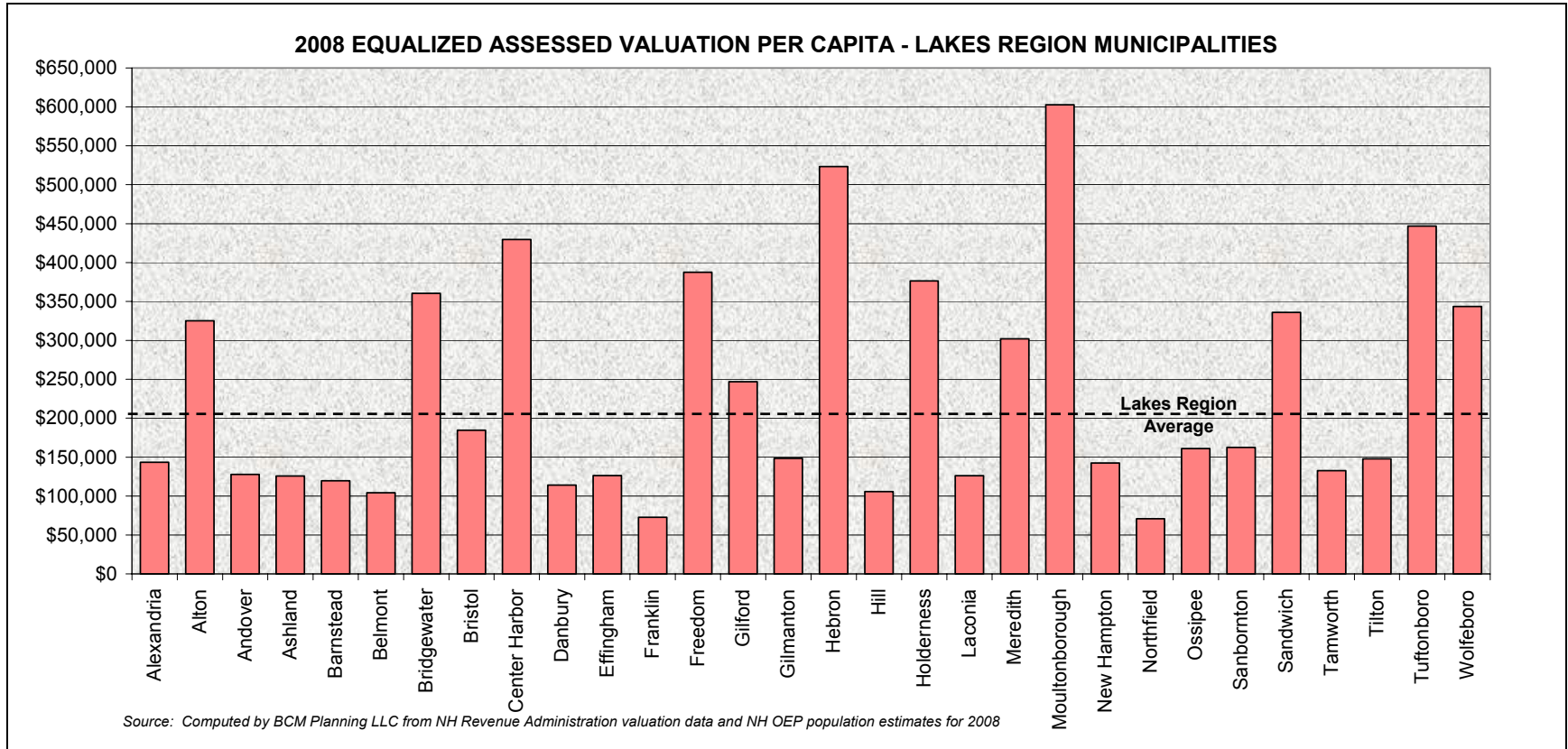


Table 28

Equalized Valuation, Population and Housing Units by Community (2008)															
Municipality	Total Equalized Valuation 2008 (Millions)	Land & Water Area Sq. Miles	Water Area % of Total Area	Rank Water Area % of Total Area	2008 Population	2008 Total Housing Units	2008 Units in 2+ Unit Structures	2008 Units Manufactured Housing	2008 Total EAV Per Capita	2008 Total EAV Per Housing Unit	Units in Assisted Rental Projects: Elderly	Units in Assisted Rental Projects: General Occ.	Assisted Rental Housing Total	Assisted Units Elderly Per Thousand Dwellings	Assisted Units Gen. Occupancy Per Thousand Dwellings
Alexandria	\$218.1	43.62	0.2%	30	1,520	941	93	97	\$143,493	\$231,785	0	0	0	0.0	0.0
Alton	\$1,648.0	83.16	23.1%	3	5,067	4,199	241	204	\$325,252	\$392,486	26	0	26	6.2	0.0
Andover	\$282.3	41.04	2.1%	24	2,208	1,141	78	88	\$127,842	\$247,393	0	0	0	0.0	0.0
Ashland	\$261.6	11.76	3.8%	20	2,077	1,276	567	109	\$125,954	\$205,021	52	40	92	40.8	31.3
Barnstead	\$546.2	44.93	4.4%	17	4,564	2,464	113	129	\$119,667	\$221,656	0	0	0	0.0	0.0
Belmont	\$748.2	31.91	5.5%	14	7,169	3,503	538	917	\$104,363	\$213,582	40	105	145	11.4	30.0
Bridgewater	\$371.9	21.69	1.0%	26	1,032	941	55	103	\$360,406	\$395,259	0	0	0	0.0	0.0
Bristol	\$585.0	21.90	22.1%	5	3,170	2,290	582	135	\$184,546	\$255,463	35	56	91	15.3	24.5
Center Harbor	\$467.7	16.23	17.9%	7	1,089	737	15	47	\$429,465	\$634,583	0	0	0	0.0	0.0
Danbury	\$136.5	38.03	0.7%	28	1,195	693	38	76	\$114,218	\$196,956	0	0	0	0.0	0.0
Effingham	\$186.0	39.92	2.6%	23	1,470	944	48	135	\$126,509	\$197,000	0	0	0	0.0	0.0
Franklin	\$625.1	29.15	5.1%	15	8,608	3,957	1,414	217	\$72,619	\$157,975	151	179	330	38.2	45.2
Freedom	\$551.8	37.90	9.0%	12	1,424	1,618	105	132	\$387,521	\$341,057	0	0	0	0.0	0.0
Gilford	\$1,821.2	53.50	27.5%	1	7,372	4,875	569	612	\$247,045	\$373,583	46	36	82	9.4	7.4
Gilmanton	\$509.6	59.57	3.2%	21	3,431	2,158	78	49	\$148,536	\$236,157	0	0	0	0.0	0.0
Hebron	\$285.2	18.97	11.2%	11	545	600	33	6	\$523,292	\$475,324	0	0	0	0.0	0.0
Hill	\$114.9	26.72	0.2%	29	1,086	499	22	63	\$105,814	\$230,288	0	0	0	0.0	0.0
Holderness	\$753.3	35.89	14.9%	10	2,001	1,309	99	106	\$376,440	\$575,444	0	0	0	0.0	0.0
Laconia	\$2,174.5	26.10	23.0%	4	17,233	9,475	4,282	265	\$126,185	\$229,503	247	272	519	26.1	28.7
Meredith	\$1,943.0	54.55	26.1%	2	6,435	4,744	627	295	\$301,940	\$409,566	50	89	139	10.5	18.8
Moultonborough	\$2,972.7	75.06	20.0%	6	4,933	5,226	249	137	\$602,613	\$568,827	12	0	12	2.3	0.0
New Hampton	\$307.8	38.37	4.1%	19	2,162	1,109	63	80	\$142,378	\$277,566	0	0	0	0.0	0.0
Northfield	\$357.5	28.88	1.0%	27	5,034	2,061	563	221	\$71,008	\$173,437	36	0	36	17.5	0.0
Ossipee	\$750.2	75.25	5.8%	13	4,663	3,173	232	556	\$160,883	\$236,432	48	15	63	15.1	4.7
Sanbornton	\$467.8	49.64	4.8%	16	2,881	1,587	45	65	\$162,381	\$294,782	0	0	0	0.0	0.0
Sandwich	\$460.4	94.14	3.1%	22	1,370	1,080	51	31	\$336,058	\$426,296	10	0	10	9.3	0.0
Tamworth	\$350.9	60.63	1.3%	25	2,643	1,810	196	188	\$132,772	\$193,877	24	15	39	13.3	8.3
Tilton	\$540.3	11.93	4.4%	18	3,654	1,774	474	288	\$147,877	\$304,590	60	17	77	33.8	9.6
Tuftonboro	\$1,045.9	49.43	17.8%	8	2,340	2,304	137	159	\$446,962	\$453,946	0	0	0	0.0	0.0
Wolfeboro	\$2,179.9	58.44	17.3%	9	6,347	4,260	710	108	\$343,457	\$511,718	77	0	77	18.1	0.0
Lakes Region	\$23,663.6	1,278.31	10.1%		114,723	72,748	12,317	5,618	\$206,267	\$325,282	914	824	1,738	12.6	11.3
<i>High Waterfront Influence (Highest 11 in % Water Area)</i>	\$15,876.4	493.23	21.0%		56,532	40,019	7,544	2,074	\$280,840	\$396,723	493	453	946	12.3	11.3
<i>All Other Lakes Region Communities</i>	\$7,787.2	785.08	3.4%		58,191	32,729	4,773	3,544	\$133,821	\$237,928	421	371	792	12.9	11.3

Sources of raw data: Equalized valuation from NH Department of Revenue Administration. Land and water area, population and housing unit data from the NH Office of Energy and Planning. Inventory of assisted housing units is based on the 2010 listings from the NH Housing Finance Authority Directory of Assisted Housing.

E. Enabling Workforce Housing: The Local Response

1. Statutory Guidance on Workforce Housing

In the New Hampshire Supreme Court decision *Britton v. Chester*, considered the State's landmark decision on exclusionary zoning, the Court did not impose a mathematical quota as a test of whether Chester was meeting a proportionate share of regional housing needs. Rather it focused on an analysis of the reasonableness of local regulations and whether a combination of regulatory standards would even permit a reasonable multifamily supply to be constructed in the community. The key principle expressed by the *Britton v. Chester* decision is that serving "the general welfare" (a foundation for municipal police power regulations including zoning) means the general welfare of a *region* and cannot be confined to serving the internal needs of a particular community. The municipality cannot zone out residential uses that it views as creating a fiscal burden.

New Hampshire RSA 674:58 to 61 was intended to clarify the *Britton v. Chester* decision and provide further guidance to municipalities. Its language also centers on the reasonableness of local regulations in enabling various forms of affordable workforce housing. The statute also indicates that the capacity to develop structures of five or more units will be one of the tests of the reasonableness of local regulations. It is also clear that the intent of the statute is to allow reasonable levels of production potential for *general occupancy* multifamily rental housing. This means that regulations limiting multifamily development to senior occupancy would be insufficient to meet the test of reasonableness.

The intent of RSA 674:58 to 61 is to ensure that workforce housing is at least enabled in all communities; market and economic forces beyond the control of local government will also influence where actual workforce housing is constructed. The workforce housing legislation suggests that municipalities that have met their "fair share" of regional workforce housing supply requirements may be less susceptible to regulatory challenges. At the same time, the statute provides no guidance for the proportionate measurement of numerical "fair share" quantities.

RSA 674:58 requires reasonable and realistic opportunities for development of workforce housing which includes multifamily housing structures with five or more dwelling units. It states that lot size and overall density requirements for workforce housing shall be reasonable, and that the collective impact of zoning and regulatory provisions will be considered in a determination of reasonableness.

Wolfeboro Inclusionary Zoning

Consistent with the community master plan and state workforce housing statute, the town of Wolfeboro has adopted an inclusionary zoning ordinance. The ordinance features density bonuses based on a designated percentage of affordable units and use of restrictive covenants and liens that ensure affordable units remain affordable in perpetuity. As defined in the ordinance, affordable is based on household income as a percentage of area median income (AMI); *Low Income* – up to 50% AMI, *Low to Moderate Income* – more than 50% not to exceed 80% AMI, *Moderate Income* -more than 80% not to exceed 100% AMI. Administration is supported by a requirement that owners of projects containing affordable units for rent shall prepare an annual report certifying tenant incomes and rents are in compliance.

Workforce housing opportunities (but not necessarily multifamily housing) must be allowed in a majority of the land area zoned to permit residential uses. The capacity of local regulations to accommodate multifamily housing cannot be limited to housing for the elderly. The scope of reasonable standards on workforce housing development must center on environmental protection,

water supply, sanitary disposal, and fire and life safety protection. Under this statute, the requirement of enabling reasonable opportunities for workforce development may be satisfied through appropriate inclusionary or incentive zoning provisions.

2. Workforce Affordable Price and Rent Benchmarks

To better interpret “workforce housing” goals it is helpful to estimate the actual costs that would meet statutory minimum workforce standards. **Table 29** shows the 2010 NHHFA estimates of affordable workforce prices and rents applicable within the Lakes Region. These target rents and prices are based on the county of residence and the HUD income schedules for those counties.

The NHHFA affordable purchase price calculations include the following mortgage terms: a 5% down payment, 30-year payment term, and private mortgage insurance (PMI). Other valid assumptions could be substituted based on typical lending criteria to establish alternative target price maximums for the associated income levels. Homes sold at or below these benchmark prices would be considered affordable to a workforce household with income equal to 100% of the AMFI.

The homeownership income standard differs from the rental standard. The maximum workforce gross rent is computed using a 30% gross rent to income ratio, applied to a 3-person household earning not more than 60% of the AMFI.

The benchmark prices and rents for workforce housing have been established as *maximums* considered affordable to the applicable income level. If workforce housing meets only these maximum standards, there will be no effective penetration of the lower income market segments most in need. Applicable workforce price and rent benchmarks are subject to change each year, as HUD releases updated income schedules, and in response to changing market conditions that affect financing terms and other elements of housing cost such as taxes and utilities.

Table 29

Workforce Housing Cost Benchmarks by Community				
Municipality	Labor Market	County	2010 Workforce Price Maximum (1)	2010 Workforce Max Gross Rent (2)
Alexandria	Plymouth	Grafton	\$220,000	\$920
Alton	Wolfeboro	Belknap	\$222,000	\$910
Andover	New London	Merrimack	\$238,000	\$1,040
Ashland	Plymouth	Grafton	\$220,000	\$920
Barnstead	Concord	Belknap	\$222,000	\$910
Belmont	Laconia	Belknap	\$222,000	\$910
Bridgewater	Plymouth	Grafton	\$220,000	\$920
Bristol	Plymouth	Grafton	\$220,000	\$920
Center Harbor	Moultonborough	Belknap	\$222,000	\$910
Danbury	Plymouth	Merrimack	\$238,000	\$1,040
Effingham	Conway	Carroll	\$219,000	\$850
Franklin	Franklin	Merrimack	\$238,000	\$1,040
Freedom	Conway	Carroll	\$219,000	\$850
Gilford	Laconia	Belknap	\$222,000	\$910
Gilmanton	Laconia	Belknap	\$222,000	\$910
Hebron	Plymouth	Grafton	\$220,000	\$920
Hill	Plymouth	Merrimack	\$238,000	\$1,040
Holderness	Plymouth	Grafton	\$220,000	\$920
Laconia	Laconia	Belknap	\$222,000	\$910
Meredith	Laconia	Belknap	\$222,000	\$910
Moultonborough	Moultonborough	Carroll	\$219,000	\$850
New Hampton	Plymouth	Belknap	\$222,000	\$910
Northfield	Franklin	Merrimack	\$238,000	\$1,040
Ossipee	Conway	Carroll	\$219,000	\$850
Sanbornton	Plymouth	Belknap	\$222,000	\$910
Sandwich	Moultonborough	Carroll	\$219,000	\$850
Tamworth	Conway	Carroll	\$219,000	\$850
Tilton	Franklin	Belknap	\$222,000	\$910
Tuftonboro	Wolfeboro	Carroll	\$219,000	\$850
Wolfeboro	Wolfeboro	Carroll	\$219,000	\$850
Lakes Region Population Weighted			\$223,688	\$918
<i>(1) Workforce ownership maximum affordable estimated by NHHFA estimates assuming 5% downpayment and use of private mortgage insurance. Computed based on HUD Area Median Family Income (AMFI) for the County.</i>				
<i>(2) Gross rent computed at 30% income based on 90% of the HUD AMFI for a family of three persons</i>				

Table 30 shows the available NHHFA median purchase price data for Lakes Region communities for the years 2007 to 2009. The sales volume and prices shown are based on sales of primary residences only. Because of the very small number of sales in some communities, the median price may not be representative of overall home values in the community. For the period 2008-2009, a price of \$210,000 or less would generally be considered an affordable price for a workforce home within the Lakes Region. In many communities, the median price of homes sold in 2009 was well within the benchmarks for affordable workforce ownership prices shown in Table 29. However, if market conditions improve, median prices could climb again, with fewer units affordable to the workforce.

Table 30

MEDIAN SALES PRICE OF PRIMARY HOMES BY COMMUNITY						
Municipality	2009		2008		2007	
	Median	Sample	2008	Sample	2007	Sample
Alexandria	\$151,200	16	\$173,800	13	\$205,000	13
Alton	\$182,000	48	\$255,900	34	\$299,900	44
Andover	\$197,000	10	\$205,000	14	\$215,000	20
Ashland	\$129,900	20	\$167,500	16	\$192,000	20
Barnstead	\$149,900	53	\$179,900	44	\$183,000	46
Belmont	\$171,000	51	\$199,900	40	\$210,000	58
Bridgewater	--	1	\$240,000	6	\$262,500	6
Bristol	\$149,300	15	\$170,000	15	\$189,500	23
Center Harbor	\$195,000	10	\$200,000	5	\$255,000	8
Danbury	\$145,000	11	\$170,000	8	\$190,000	13
Effingham	\$129,900	7	\$175,000	7	\$210,000	7
Franklin	\$138,000	66	\$160,000	45	\$188,000	65
Freedom	\$149,000	8	\$160,000	8	\$205,000	10
Gilford	\$220,000	69	\$229,000	56	\$242,000	67
Gilmanton	\$171,900	29	\$232,000	28	\$230,000	31
Hebron	\$160,000	4	\$245,000	2	\$273,000	4
Hill	\$153,000	8	\$210,000	2	\$180,000	11
Holderness	\$175,000	11	\$260,000	13	\$262,500	11
Laconia	\$156,000	126	\$200,000	122	\$192,500	154
Meredith	\$190,000	46	\$280,000	41	\$276,000	67
Moultonborough	\$185,000	34	\$244,000	24	\$344,500	27
New Hampton	\$215,000	26	\$220,000	15	\$195,000	18
Northfield	\$158,000	27	\$175,000	17	\$215,000	37
Ossipee	\$126,000	28	\$181,000	21	\$199,000	27
Sanbornton	\$240,000	14	\$199,000	9	\$232,000	32
Sandwich	\$174,000	8	\$300,000	8	\$294,000	10
Tamworth	\$144,000	20	\$169,900	14	\$167,500	24
Tilton	\$180,000	23	\$185,000	11	\$199,000	24
Tuftonboro	\$212,000	23	\$283,500	19	\$236,000	18
Wolfeboro	\$211,000	49	\$265,000	36	\$257,000	64
Lakes Region	\$167,533	861	\$209,000	693	\$215,000	959

Source: NH Housing Finance Authority purchase price data. Note: median prices for Towns with small sample sizes may be unreliable due to limited sales volume represented in the data.

There are a range of possible municipal responses to the provisions of RSA 674:58 on workforce housing opportunities:

- Review development regulations; identify and remove barriers to workforce housing
- Create new inclusionary incentives for the creation of workforce housing
- Pursue opportunities to acquire and preserve affordable housing from the existing stock
- Seek new methods for linking affordable housing and commercial development
- Determine that the municipality already provides its fair share of workforce housing

Various approaches to workforce housing issues and responses are reviewed in the next sections.

Workforce Housing Guidebook Issued - In July 2010 the NHHFA published *Meeting the Workforce Housing Challenge*. This publication provides a comprehensive guide to municipalities for addressing the requirements of NH RSA 674:58 to 61 relative to workforce housing. The new guidebook discusses methods of determining whether the community already complies with the law and, if not, the steps that municipality can take to meet the law's requirements. The guidebook gives examples of what some of the state's communities have already done to encourage workforce housing development. It offers a range of options that would be suitable for use in either large or small communities and in a manner that best fits the community's unique regulatory environment and culture. The publication can be downloaded from: http://www.nhhfa.org/rl_WHguide.cfm

3. Reviewing Regulatory Barriers

For each zoning provision that might affect the feasibility of multifamily or affordable workforce housing development, the community should revisit the particular purpose of the standard or regulation to see whether it has a legitimate foundation in environmental protection or public safety. The checklist which follows points out a number of areas in which local zoning provisions can affect the creation of affordable workforce housing, particularly multifamily development.

Definitions that Contain Regulations

Zoning ordinance definitions sometimes contain "hidden" regulatory language. As a general rule, ordinance definitions should be limited to a description of what a particular term means, without incorporating standards or regulations as part of a definition. Regulations should be found within the development standards sections of the ordinance.

No Provisions for Multifamily Housing in Ordinance

The absence of any provision for multifamily housing, including the potential for creating housing with five unit structures, will not comply with RSA 674:58. In some communities, multifamily regulations or definitions limit such structures to three or four units per structure.

Multifamily Housing Potential in Commercial Districts

There are many instances where multifamily housing could be compatible within or adjacent to commercial development, but the zoning district prohibits mixed uses or the incorporation of any dwelling units on the same parcel. Ordinances may provide for multifamily housing within commercial districts or within mixed use developments on the same lot.

Multifamily Opportunities Limited to Seniors Only

In New Hampshire some communities have created zoning districts, sometimes as a special floating or overlay zone that allows attached or multifamily development, but only for age-restricted housing. If the community uses this type of zoning provision, but

provides no parallel opportunity for the same type of structures for non-elderly occupants, it will probably not satisfy RSA 674:58. If a multifamily housing development is permissible in a special senior housing overlay district, a development opportunity of the same structure type and density should also be possible not restricted by the age of the occupant.

Land Availability by Zoning District.

Municipal zoning ordinances sometimes contain provisions that permit various forms of multifamily housing, but only in districts that are virtually built out, or which contain very little developable land. This may create the impression that multifamily structures are permitted when in fact there is no reasonable opportunity for such development. There should be an adequate supply of land within the districts that permit multifamily housing to enable actual opportunities for development.

Workforce Housing at a Glance

In response to the 2008 Workforce Housing statute, the Lakes Region Planning Commission prepared a distributed a summary overview to Lakes Communities. The statute outlines that NH municipalities have an obligation to provide “reasonable and realistic opportunity” for the development of workforce housing in the majority of the areas zoned for residential use within their community, but does not specify “fair share”. The LRPC suggests three basic questions a community should ask themselves regarding compliance with the statute:

Do our land use regulations allow workforce housing?

Do we provide an ample amount of workforce housing to satisfy regional need or is more local opportunity warranted?

Can workforce housing be profitably developed in our community?



14 affordable housing units in a multi-family in Laconia

The overview goes on to say, provided local regulations do not exclude workforce housing development, your municipality may wish to conduct a review of existing conditions to gain an understanding of comparative workforce housing need factors in your community and the labor market that your community is a part of. The LRPC has worked with several Lakes Region communities to assess local regulations for compliance with the Workforce Housing statute and make associated recommendations.

Number of Housing Units per Structure

Limitations on the number of units per structure may affect the economic viability of a project, especially multifamily housing. Limiting each structure to 3 or 4 units will not comply with RSA 674:58 (requires opportunity for structures containing 5 units or more). In addition, it may make construction more expensive for apartments due to the need for construction of multiple foundations and buildings, as well as higher costs for lengthier roads, driveways, and water and wastewater disposal infrastructure. A more aesthetic, less expansive development with more open space might be achieved where multiple units are

incorporated into a single structure (provided that soils will accommodate the overall number of units to be developed on the site). The limit on units per structure can also limit the creation of senior housing developments with in-house resident services as well as multifamily housing for general occupancy.

Maximum Structures per Lot

In many communities, standard zoning language often contains a general limitation of only one principal structure per lot. This can force a development of multiple buildings to be spread out across many individual lots, each with its own curb cut and road frontage even if a single lot could support multiple structures. If each lot is secured by a separate mortgage, the financing of an affordable development may be made more difficult. In the case of multifamily or condominium development, these provisions may force unnecessary inefficiencies onto an otherwise environmentally supportable development. The combined limits of number of units per structure, with a maximum of one structure per lot compound the difficulty of creating affordable multifamily housing (including senior housing developments).

Minimum Lot Size or Density Limitations Unrelated to Environmental Standards

In some cases, the required land area per dwelling unit may greatly exceed the land area required to support subsurface wastewater disposal requirements based on soil-based criteria. There also may be instances where permitted density and limitations on units per acre or structures per lot are unduly limited even where public wastewater systems are available.

Minimum Dwelling Unit Size

A minimum floor area may be a legitimate requirement where it establishes a reasonable minimum occupancy standard for habitation. Ordinances in non-urban locations may specify standards that reflect floor area standards based on the assumption of single family construction, without considering the smaller floor areas typical of apartments. In such cases, a floor area standard could effectively exclude multifamily development or make the construction cost of such units unreasonable.

Road Frontage per Unit

Required road frontage per unit may prove excessive relative to actual public health and safety protection purposes. When single family frontage standards are applied to multifamily housing on a per unit basis, total public road frontage requirements may become excessive. Minimum road frontage requirements per unit may compound the difficulty of land assembly for both senior and general occupancy multifamily units for purposes that do not appear related to health, safety, or general welfare.

Growth Management Ordinance (GMO) Limitations

Local growth management ordinances are generally applied only to residential development, while commercial or industrial uses are typically exempt. When the source

of workforce housing demand (jobs) is unlimited, but the housing supply is restricted, the likely result is an increase in housing cost and a decrease in affordable housing resources close to the workplace. If the zoning ordinance creates incentives for workforce housing, but the GMO places special limits on the number of affordable housing units that may be created in a given year, another conflict is created. Given the difficulty of creating affordable housing at all, the public purpose of a ceiling on affordable housing construction seems questionable.

Inclusionary Housing Incentives Offset by Affordable Housing Cap

In New Hampshire, voluntary inclusionary housing provisions are enabled under which the community may provide density or other incentives for the incorporation of affordable housing developments. Other conditions for inclusionary developments however place an upper limit on the number or percentage of the housing units that are affordable. In cases where all of the units in such a development could meet the workforce income limits established under RSA 674:58, an otherwise affordable development could be discouraged by a growth management cap on total affordable units, or on the number or percent of affordable units a particular development can contain.

Limits on the number or percent of affordable units permissible within a development may conflict with typical programs that support affordable rental housing development. For example, a typical tax credit rental development must have at least 20% of its units affordable at 50% of AMFI or at least 40% of its units affordable to households at 60% of AMFI. A tax credit project containing 100% affordable units may be economically feasible based on the rent structure and financing source. But if a local ordinance arbitrarily caps the percentage of units that may be affordable, it could directly affect the economic feasibility of an otherwise achievable workforce rental project.

Higher Performance Standards for Affordable Housing

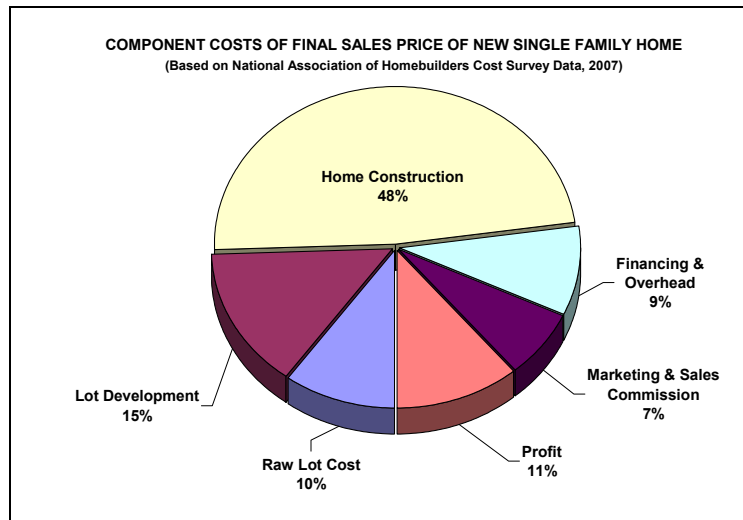
When regulations require higher performance standards for affordable housing developments than other new housing, the public purpose rationale may be suspect. If the frontage, setbacks, buffers, open space, design review or other requirements for affordable or workforce units greatly exceed the standards applied to similar structure types in other developments, a higher development cost may be incurred per unit. In developing inclusionary incentive provisions for affordable or workforce development, the community should be careful not to negate these advantages with other requirements that go beyond health and safety concerns.

Municipalities reviewing their ordinances and procedures may want to reexamine the purpose of each of these types of standards. The community should objectively evaluate whether each element is grounded in rational principles necessary to safeguard health and safety, or whether the particular provision acts to discourage the creation of workforce housing options. Standards may be modified generally to enhance the overall affordability of housing development, or special incentive provisions may be offered such as inclusionary provisions, that enable flexible or minimum soil based lot standards to apply where workforce housing goals will be achieved.

4. Home Size as a Component of Development Cost

The discussion of regulatory barriers tends to focus on housing costs related to local regulatory standards and the review process. Home size also represents a factor that is a significant part of the affordability equation, and a variable within the discretion of the consumer and the developer. Data on the cost of new single family home construction in the United States (see **Figure 12**) indicates that municipal regulations influence only a portion of total housing development costs.

Figure 12



About 25% of the end sale price of a new home may be attributable to raw land acquisition and lot development costs. Other components are construction of the home itself, financing and overhead, marketing and profit.

The cost of home construction itself represents nearly half of the total price. In determining the economic feasibility of developing workforce housing, the size of the homes proposed in a development should be part of the discussion. The average single family home constructed in the Northeastern United States in 2008 was 2,651 square feet compared to the average new home in 1973 at 1,595 square feet.⁵ This increase in average home size (by over 1,000 square feet) occurred while average household size declined.

Changes in home size as well as adjustment to regulatory standards should both be weighed in determining the economic feasibility of workforce housing in a particular location. If a new development were to challenge local regulatory provisions relative to enabling reasonable workforce opportunities the cost of the housing unit contributed by floor area should be part of the affordability discussion. Working toward a reduction in average home size may help reduce the cost of housing while addressing the needs of an aging population with fewer persons per unit.

⁵ US Census Bureau, Median and Average Square Feet of Floor Area in New One-Family Houses Completed by Location (table) derived from annual Survey of Construction.

5. Exploring Opportunities and Incentives

The Lakes Region communities served by public sewer are best able to offer density incentives for affordable housing development, but they are lakefront communities in which the competition for land includes a high-value second home market. Communities in locations with strong seasonal home or resort-oriented markets may remove regulatory barriers, but with minimal effect in providing an incentive to create affordable housing. Voluntary incentives, regardless of density bonuses, may not be enough to compete with more profitable opportunities. Lakes Region communities that want to keep their resident workforce close may need to more actively participate in developing new incentives and partnerships for affordable housing.

a. Create Opportunities from the Existing Stock

The combination of the price downturn since 2007 and record low mortgage interest rates may offer opportunities to work with area nonprofit organizations to acquire existing housing at relatively low prices. Such housing could be acquired, rehabilitated if necessary, then resold to qualified workforce buyers under a deed that contains affordability covenants limiting the resale of the home to other qualified buyers, or to a price that limits equity gains. The same types of affordability limitations that are applied to new inclusionary housing developments may be applied to existing units. This approach could create a scattered supply of affordable workforce units within the existing stock. The purchase of existing housing will often be a more affordable alternative to the higher cost of new development.

Small scale opportunities also exist throughout the Lakes Region to diversify the housing stock by enabling accessory apartments, duplexes, or even smaller scale multifamily housing within or attached to existing single family homes where lot size and soil type allow adequate water supply and septic capacity. A combination of small scale actions multiplied across the region can create a significant number of units without generating new lots and road frontage.

b. Study New Linkage Mechanisms

In other parts of the United States, resort area communities have dealt with affordable and workforce housing needs using mandatory inclusionary zoning, linkage fees, or payments in lieu, to offset the workforce housing impacts of second home and commercial development. The techniques used include:

Residential Inclusionary Provisions. Residential development is required to include a specified percentage of units within that development for workforce or affordable housing as defined by the jurisdiction.

Commercial Inclusionary or Mitigation Requirement. Inclusionary provisions are applied directly to new commercial developments. The commercial development may be required to offset its impact on local or area demand for housing its workforce, usually based on standardized computations of the number of affordable units required per employee using specified ratios of employees per square foot of commercial floor area.

Linkage Fees, Payments in Lieu. Linkage fees, land donations, or other payments are assessed to residential or non residential as a substitute for the provision of affordable housing. Fee amounts are typically pre-calculated based on a prior study of the relationship between employment and the associated demand for affordable housing. Linkage fee funds generally would flow to a local or regional housing trust or housing authority to provide matching capital for affordable housing development. Some jurisdictions require a housing mitigation plan to be submitted to demonstrate how affordable housing need will be met.

Employer Assisted Housing. Municipalities sometimes work with employers to generate awareness of the affordable housing needs generated by job creation, and the special local challenges in sustaining affordable housing for workers. Employer assisted housing sometimes includes down payment assistance, counseling, contributions to an affordable housing fund, or direct participation in housing development. The incentive of the employer is to create goodwill, and to retain employees close to the workplace. This assistance also helps reduce absenteeism and retraining costs generated by turnover.

While the mandatory inclusionary zoning or linkage fees listed above are not currently permissible in NH, their principles, and possible partnerships with employers, could become components of voluntary contributions to the creation or preservation of workforce housing linked with regional economic development.

**LR Regional Plan:
Housing Goals and Objectives**

The lack of affordable housing has been identified as a key regional issue during the Comprehensive Economic Development Strategy development process. This importance was emphasized through the establishment of the Live Here Work Here Housing subcommittee. The subcommittee has developed a number of objectives, strategies and tasks in an effort to foster workforce housing development activities in the region that provide affordable and sustainable home ownership and renter opportunities.

Goal: *Promote affordable, safe, and sanitary housing in a suitable living environment for all of the region's residents.*

Objectives:

- Support state and local efforts that increase and diversify the supply and affordability of housing for all income levels.
- Facilitate region-wide discussions on developing workforce and affordable housing.
- Identify funding opportunities that enable communities to promote affordable housing.
- Encourage communities to include housing in their local master plan.

Source: Lakes Region Plan for Sustainable Progress, February 2009

6. Using Proportionate Fair Share Indicators

A few communities may determine that they already provide their fair share of the region's current and future workforce housing supply. Such a determination might be based on hosting a large share of the region's assisted rental housing units, or a comparatively high proportion of regional sales of home priced at workforce levels.

While there is no statutory guideline for measuring "fair share" numerically, the measures used in such comparisons center on factors such as the community share of a region's population, total housing units, employment, income or wages, equalized valuation and other statistical indicators.

Table 31 illustrates the municipal share of various possible distribution factors based on actual data for the communities of the Lakes Region. In actual practice the applicable region may be an economic one such as a labor market area rather than the regional planning commission membership area.

Using this reference table, the community can quickly compare its share of assisted rental housing or its share of the total multifamily housing stock (2+ family units) with other distribution measures such as equalized valuation, population, employment or wages derived from area jobs.

In making an analysis of fair share, the community must consider not only its existing housing stock and the workforce housing opportunities it provides, but also the capacity to support a fair share of future workforce housing needs.

There are no numerical fair share quotas or formula incorporated within the workforce housing provisions of NH RSA 674:58. The primary objective of the legislation is to encourage municipalities to review and modify regulations if they are found to effectively prohibit such housing from being developed. Therefore, all communities are encouraged to their review their development regulations in the context of that goal, as well as their inventory of affordable and workforce housing.

Belmont Planning Board Fair Share Analysis

The Belmont set out to answer the question, "Does the town of Belmont provide its "fair share" of affordable housing in Belknap County?" Using home purchase and rental affordability benchmarks updated annually by the Housing and Urban Development agency (HUD) and home sales data from January 2008 to June 2009, the data support the conclusion that Belmont is meeting its fair share of the region's affordable workforce housing needs. According to the consultant study, Belmont accounted for the following percentages of homes sold in Belknap County: 17 percent under \$150,000 (higher limit purchase price for workforce housing in 2009 was \$211,000), and 11 percent meeting NH Housing Finance Authority affordability thresholds (essentially identical to the town's share of county households). In terms of housing rentals similar conclusions made. Using a 2006 benchmark, Belmont represented 12 percent of the occupied housing units in Belknap County, in comparison assisted units (15 percent) and family assisted units (21 percent) exceeded the benchmark leading to the conclusion the town provides more than their share of the County's total assisted units and family assisted units.

Table 31

Proportionate Distribution Measures: Municipal Share of Lakes Region Total									
Municipality	Population 2008	Employment 2008	2008 Wages Generated by Local Employment	2008 Equalized Valuation	2008 Total Housing Units	2008 Two or More Family Units	2008 Manufactured Housing Units	2010 Rental Units in Assisted Senior Developments	2010 Rental Units in Assisted General Occupancy Developments
Alexandria	1.3%	0.2%	0.1%	0.9%	1.3%	0.8%	1.7%	0.0%	0.0%
Alton	4.4%	2.4%	2.0%	7.0%	5.8%	2.0%	3.6%	2.8%	0.0%
Andover	1.9%	1.3%	1.3%	1.2%	1.6%	0.6%	1.6%	0.0%	0.0%
Ashland	1.8%	1.7%	1.3%	1.1%	1.8%	4.6%	1.9%	5.7%	4.9%
Barnstead	4.0%	0.9%	0.7%	2.3%	3.4%	0.9%	2.3%	0.0%	0.0%
Belmont	6.2%	6.2%	7.3%	3.2%	4.8%	4.4%	16.3%	4.4%	12.7%
Bridgewater	0.9%	0.2%	0.3%	1.6%	1.3%	0.4%	1.8%	0.0%	0.0%
Bristol	2.8%	3.0%	3.0%	2.5%	3.1%	4.7%	2.4%	3.8%	6.8%
Center Harbor	0.9%	1.1%	0.9%	2.0%	1.0%	0.1%	0.8%	0.0%	0.0%
Danbury	1.0%	0.4%	0.3%	0.6%	1.0%	0.3%	1.4%	0.0%	0.0%
Effingham	1.3%	0.7%	0.7%	0.8%	1.3%	0.4%	2.4%	0.0%	0.0%
Franklin	7.5%	6.7%	7.0%	2.6%	5.4%	11.5%	3.9%	16.5%	21.7%
Freedom	1.2%	0.5%	0.4%	2.3%	2.2%	0.9%	2.3%	0.0%	0.0%
Gilford	6.4%	7.2%	6.6%	7.7%	6.7%	4.6%	10.9%	5.0%	4.4%
Gilmanton	3.0%	0.8%	0.7%	2.2%	3.0%	0.6%	0.9%	0.0%	0.0%
Hebron	0.5%	0.3%	0.2%	1.2%	0.8%	0.3%	0.1%	0.0%	0.0%
Hill	0.9%	0.2%	0.2%	0.5%	0.7%	0.2%	1.1%	0.0%	0.0%
Holderness	1.7%	1.5%	1.4%	3.2%	1.8%	0.8%	1.9%	0.0%	0.0%
Laconia	15.0%	23.4%	26.1%	9.2%	13.0%	34.8%	4.7%	27.0%	33.0%
Meredith	5.6%	7.4%	8.0%	8.2%	6.5%	5.1%	5.3%	5.5%	10.8%
Moultonborough	4.3%	3.2%	3.1%	12.6%	7.2%	2.0%	2.4%	1.3%	0.0%
New Hampton	1.9%	1.4%	1.5%	1.3%	1.5%	0.5%	1.4%	0.0%	0.0%
Northfield	4.4%	2.4%	2.5%	1.5%	2.8%	4.6%	3.9%	3.9%	0.0%
Ossipee	4.1%	4.2%	3.7%	3.2%	4.4%	1.9%	9.9%	5.3%	1.8%
Sanbornton	2.5%	0.7%	0.8%	2.0%	2.2%	0.4%	1.2%	0.0%	0.0%
Sandwich	1.2%	0.6%	0.5%	1.9%	1.5%	0.4%	0.6%	1.1%	0.0%
Tamworth	2.3%	1.5%	1.2%	1.5%	2.5%	1.6%	3.3%	2.6%	1.8%
Tilton	3.2%	11.1%	8.8%	2.3%	2.4%	3.8%	5.1%	6.6%	2.1%
Tuftonboro	2.0%	1.0%	0.9%	4.4%	3.2%	1.1%	2.8%	0.0%	0.0%
Wolfeboro	5.5%	7.9%	8.3%	9.2%	5.9%	5.8%	1.9%	8.4%	0.0%
Lakes Region	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

See previous tables for sources of the various distribution factors from which the percentages are derived

F. Supplementary Housing Data by Community

Table 32

Housing Units Authorized by Building Permits 1970-2008: Total Housing Units								
TOTAL HOUSING UNITS	Total By Period				Annual Avg by Period			
Municipality	1970s	1980s	1990s	2000-08	1970s	1980s	1990s	2000-08
Alexandria	44	255	129	158	4	26	13	18
Alton	386	590	420	677	39	59	42	75
Andover	155	161	99	103	16	16	10	11
Ashland	437	259	67	127	44	26	7	14
Barnstead	162	385	206	470	16	39	21	52
Belmont	843	1,202	405	390	84	120	41	43
Bridgewater	56	95	100	91	6	10	10	10
Bristol	51	468	124	217	5	47	12	24
Center Harbor	91	112	70	84	9	11	7	9
Danbury	20	51	82	97	2	5	8	11
Effingham	64	46	34	153	6	5	3	17
Franklin	371	592	84	281	37	59	8	31
Freedom	20	133	94	212	2	13	9	24
Gilford	856	1,240	265	563	86	124	27	63
Gilmanton	227	398	183	310	23	40	18	34
Hebron	36	37	78	83	4	4	8	9
Hill	65	72	46	63	7	7	5	7
Holderness	26	190	99	101	3	19	10	11
Laconia	969	1,520	445	921	97	152	45	102
Meredith	400	651	389	553	40	65	39	61
Moultonborough	50	898	659	703	5	90	66	78
New Hampton	0	149	136	165	0	15	14	18
Northfield	44	556	150	279	4	56	15	31
Ossipee	84	188	201	431	8	19	20	48
Sanbornton	254	265	149	228	25	27	15	25
Sandwich	97	140	90	115	10	14	9	13
Tamworth	24	155	110	148	2	16	11	16
Tilton	158	178	57	143	16	18	6	16
Tuftonboro	17	275	171	285	2	28	17	32
Wolfeboro	434	774	454	357	43	77	45	40
Lakes Region	6,441	12,035	5,596	8,508	644	1,204	560	945

Table 33

Housing Units Authorized by Building Permits 1970-2008: Single Family Homes								
SINGLE FAMILY HOUSING	Total By Period				Annual Avg by Period			
Municipality	1970s	1980s	1990s	2000-08	1970s	1980s	1990s	2000-08
Alexandria	33	249	97	144	3	25	10	16
Alton	355	460	387	645	36	46	39	72
Andover	110	125	67	104	11	13	7	12
Ashland	92	185	27	66	9	19	3	7
Barnstead	132	280	168	418	13	28	17	46
Belmont	254	602	150	250	25	60	15	28
Bridgewater	51	68	94	79	5	7	9	9
Bristol	44	318	74	159	4	32	7	18
Center Harbor	69	87	63	79	7	9	6	9
Danbury	12	26	51	85	1	3	5	9
Effingham	23	45	22	147	2	5	2	16
Franklin	143	261	47	236	14	26	5	26
Freedom	12	117	80	177	1	12	8	20
Gilford	595	868	210	494	60	87	21	55
Gilmanton	192	387	171	300	19	39	17	33
Hebron	36	35	77	80	4	4	8	9
Hill	41	64	35	50	4	6	4	6
Holderness	17	183	94	100	2	18	9	11
Laconia	269	582	232	705	27	58	23	78
Meredith	235	508	345	434	24	51	35	48
Moultonborough	50	855	645	703	5	86	65	78
New Hampton	0	102	105	155	0	10	11	17
Northfield	22	314	108	196	2	31	11	22
Ossipee	40	123	136	354	4	12	14	39
Sanbornton	236	255	126	210	24	26	13	23
Sandwich	97	123	77	112	10	12	8	12
Tamworth	12	122	85	107	1	12	9	12
Tilton	133	104	42	77	13	10	4	9
Tuftonboro	13	224	158	276	1	22	16	31
Wolfeboro	402	594	418	350	40	59	42	39
Lakes Region	3,720	8,266	4,391	7,292	372	827	439	810

Table 34

Housing Units Authorized by Building Permits 1970-2008: Two or More Unit Structures								
TWO OR MORE FAMILY Municipality	Total By Period				Annual Avg by Period			
	1970s	1980s	1990s	2000-08	1970s	1980s	1990s	2000-08
Alexandria	0	2	0	4	0	0	0	0
Alton	4	31	7	17	0	3	1	2
Andover	10	8	4	3	1	1	0	0
Ashland	329	57	34	45	33	6	3	5
Barnstead	21	84	6	11	2	8	1	1
Belmont	28	355	46	77	3	36	5	9
Bridgewater	0	3	2	0	0	0	0	0
Bristol	1	91	21	38	0	9	2	4
Center Harbor	15	12	0	0	2	1	0	0
Danbury	0	4	1	0	0	0	0	0
Effingham	0	0	3	1	0	0	0	0
Franklin	201	311	-11	3	20	31	-1	0
Freedom	0	0	0	0	0	0	0	0
Gilford	132	238	0	38	13	24	0	4
Gilmanton	-15	5	10	8	-2	1	1	1
Hebron	0	0	1	1	0	0	0	0
Hill	0	0	2	0	0	0	0	0
Holderness	1	10	4	-5	0	1	0	-1
Laconia	704	932	75	188	70	93	8	21
Meredith	113	81	6	100	11	8	1	11
Moultonborough	0	19	2	0	0	2	0	0
New Hampton	0	25	5	9	0	3	1	1
Northfield	3	211	21	72	0	21	2	8
Ossipee	24	0	23	27	2	0	2	3
Sanbornton	2	4	2	3	0	0	0	0
Sandwich	0	11	11	0	0	1	1	0
Tamworth	0	30	7	35	0	3	1	4
Tilton	20	53	8	23	2	5	1	3
Tuftonboro	0	20	10	2	0	2	1	0
Wolfeboro	28	120	6	6	3	12	1	1
Lakes Region	1,621	2,717	306	706	162	272	31	78

Table 35

Housing Units Authorized by Building Permits 1970-2008: Manufactured Housing Units								
MANUFACTURED HOUSING	Total By Period				Annual Avg by Period			
Municipality	1970s	1980s	1990s	2000-08	1970s	1980s	1990s	2000-08
Alexandria	11	4	32	10	1	0	3	1
Alton	27	99	26	15	3	10	3	2
Andover	35	28	28	-4	4	3	3	0
Ashland	16	17	6	16	2	2	1	2
Barnstead	9	22	32	41	1	2	3	5
Belmont	561	245	209	63	56	25	21	7
Bridgewater	5	24	4	12	1	2	0	1
Bristol	6	59	29	20	1	6	3	2
Center Harbor	7	12	7	5	1	1	1	1
Danbury	8	21	30	12	1	2	3	1
Effingham	41	1	9	5	4	0	1	1
Franklin	27	20	48	42	3	2	5	5
Freedom	8	16	14	35	1	2	1	4
Gilford	129	134	55	31	13	13	6	3
Gilmanton	35	6	2	2	4	1	0	0
Hebron	0	2	0	2	0	0	0	0
Hill	24	8	9	13	2	1	1	1
Holderness	8	-3	1	6	1	0	0	1
Laconia	11	6	138	28	1	1	14	3
Meredith	52	62	38	19	5	6	4	2
Moultonborough	0	24	12	0	0	2	1	0
New Hampton	0	22	26	1	0	2	3	0
Northfield	19	31	21	11	2	3	2	1
Ossipee	20	65	42	50	2	7	4	6
Sanbornton	16	6	21	15	2	1	2	2
Sandwich	0	6	2	3	0	1	0	0
Tamworth	12	3	18	6	1	0	2	1
Tilton	5	21	7	43	1	2	1	5
Tuftonboro	4	31	3	7	0	3	0	1
Wolfeboro	4	60	30	1	0	6	3	0
Lakes Region	1,100	1,052	899	510	110	105	90	57

Reference Tables - Population and Housing - 1990 and 2000 Census Data

The three tables which follow are based on decennial U. S. Census data for 1990 and 2000. At this time, 2010 decennial Census data is not available. Upon release of that data, these tables will allow comparisons with prior Census years. However, the data being collected in the decennial Census 100% count may be more limited in scope than the information provided in these tables.

Table 36

1990 CENSUS DATA -100% COUNT														
Municipality	Population	Group Quarters Population	Household Population	Households	Average Household Size	Owner Occupied Units	Renter Occupied Units	Home Ownership Ratio	Total Housing Units	Vacant for Rent	Vacant for Sale	Vacant Seasonal	Other Vacant	Seasonal Units % of Total
Alexandria	1,190	0	1,190	406	2.93	353	53	86.9%	721	6	14	245	50	34.0%
Alton	3,286	28	3,258	1,262	2.58	984	278	78.0%	3,267	25	56	1,834	90	56.1%
Andover	1,883	9	1,874	686	2.73	581	105	84.7%	855	8	11	123	27	14.4%
Ashland	1,915	0	1,915	770	2.49	433	337	56.2%	1,162	49	5	292	46	25.1%
Barnstead	3,100	0	3,100	1,096	2.83	934	162	85.2%	1,861	15	13	679	58	36.5%
Belmont	5,796	12	5,784	2,146	2.70	1,675	471	78.1%	2,869	77	65	525	56	18.3%
Bridgewater	796	0	796	311	2.56	267	44	85.9%	839	2	10	472	44	56.3%
Bristol	2,537	0	2,537	994	2.55	655	339	65.9%	2,250	78	44	1,086	48	48.3%
Center Harbor	996	0	996	377	2.64	318	59	84.4%	649	7	8	239	18	36.8%
Danbury	881	0	881	333	2.65	296	37	88.9%	541	10	17	166	15	30.7%
Effingham	941	76	865	320	2.70	287	33	89.7%	682	3	15	287	57	42.1%
Franklin	8,304	195	8,109	3,143	2.58	1,876	1,267	59.7%	3,744	289	33	191	88	5.1%
Freedom	935	0	935	376	2.49	308	68	81.9%	1,359	7	15	890	71	65.5%
Gilford	5,867	0	5,867	2,298	2.55	1,854	444	80.7%	4,397	134	60	1,833	72	41.7%
Gilmanton	2,609	0	2,609	914	2.85	828	86	90.6%	1,744	7	26	752	45	43.1%
Hebron	386	0	386	155	2.49	127	28	81.9%	452	13	5	267	12	59.1%
Hill	814	0	814	300	2.71	278	22	92.7%	360	1	2	48	9	13.3%
Holderness	1,694	0	1,694	656	2.58	507	149	77.3%	1,136	21	16	417	26	36.7%
Laconia	15,743	431	15,312	6,176	2.48	3,494	2,682	56.6%	8,201	469	148	1,216	192	14.8%
Meredith	4,837	111	4,726	1,936	2.44	1,408	528	72.7%	3,720	51	50	1,603	80	43.1%
Moultonborough	2,956	0	2,956	1,164	2.54	942	222	80.9%	3,850	23	58	2,526	79	65.6%
New Hampton	1,606	0	1,606	590	2.72	488	102	82.7%	855	37	13	182	33	21.3%
Northfield	4,263	11	4,252	1,514	2.81	1,074	440	70.9%	1,671	59	14	65	19	3.9%
Ossipee	3,309	133	3,176	1,254	2.53	999	255	79.7%	2,617	44	44	1,069	206	40.8%
Sanbornton	2,136	0	2,136	756	2.83	650	106	86.0%	1,131	10	19	311	35	27.5%
Sandwich	1,066	0	1,066	456	2.34	386	70	84.6%	864	7	11	352	38	40.7%
Tamworth	2,165	0	2,165	875	2.47	677	198	77.4%	1,523	29	25	524	70	34.4%
Tilton	3,240	118	3,122	1,288	2.42	842	446	65.4%	1,612	94	51	145	34	9.0%
Tuftonboro	1,842	0	1,842	710	2.59	596	114	83.9%	2,027	5	33	1,236	43	61.0%
Wolfeboro	4,807	91	4,716	2,017	2.34	1,482	535	73.5%	3,631	77	64	1,345	128	37.0%
Lakes Region	91,900	1,215	90,685	35,279	2.57	25,599	9,680	72.6%	60,590	1,657	945	20,920	1,789	34.5%

Table 37

2000 CENSUS DATA -100% COUNT														
Municipality	Total Population	Group Quarters Population	Household Population	Households	Average Household Size	Owner Occupied Units	Renter Occupied Units	Home Ownership Ratio	Total Housing Units	Vacant for Rent	Vacant for Sale	Vacant Seasonal	Other Vacant	Seasonal Units % of Total
Alexandria	1,329	0	1,329	504	2.64	436	68	86.5%	783	1	10	260	8	33.2%
Alton	4,502	0	4,502	1,825	2.47	1,478	347	81.0%	3,522	26	24	1,610	37	45.7%
Andover	2,109	14	2,095	823	2.55	685	138	83.2%	1,038	4	12	176	23	17.0%
Ashland	1,955	0	1,955	853	2.29	483	370	56.6%	1,149	21	11	249	15	21.7%
Barnstead	3,886	0	3,886	1,422	2.73	1,260	162	88.6%	1,994	13	7	528	24	26.5%
Belmont	6,716	11	6,705	2,641	2.54	2,076	565	78.6%	3,113	27	40	351	54	11.3%
Bridgewater	974	0	974	414	2.35	352	62	85.0%	850	0	11	420	5	49.4%
Bristol	3,033	27	3,006	1,219	2.47	820	399	67.3%	2,073	29	14	772	39	37.2%
Center Harbor	996	9	987	414	2.38	353	61	85.3%	653	5	5	208	21	31.9%
Danbury	1,071	0	1,071	435	2.46	375	60	86.2%	596	1	15	121	24	20.3%
Effingham	1,273	80	1,193	490	2.43	396	94	80.8%	791	1	12	260	28	32.9%
Franklin	8,405	217	8,188	3,319	2.47	1,911	1,408	57.6%	3,676	63	23	215	56	5.8%
Freedom	1,303	6	1,297	602	2.15	536	66	89.0%	1,406	4	17	771	12	54.8%
Gilford	6,803	2	6,801	2,766	2.46	2,385	381	86.2%	4,312	34	47	1,427	38	33.1%
Gilmanton	3,060	7	3,053	1,165	2.62	1,042	123	89.4%	1,848	5	7	648	23	35.1%
Hebron	459	0	459	206	2.23	169	37	82.0%	517	0	4	294	13	56.9%
Hill	992	0	992	382	2.60	332	50	86.9%	436	0	3	47	4	10.8%
Holderness	1,930	22	1,908	768	2.48	602	166	78.4%	1,208	5	6	404	25	33.4%
Laconia	16,411	820	15,591	6,724	2.32	3,819	2,905	56.8%	8,554	209	40	1,477	104	17.3%
Meredith	5,943	130	5,813	2,447	2.38	1,891	556	77.3%	4,191	27	31	1,611	75	38.4%
Moultonborough	4,484	31	4,453	1,884	2.36	1,636	248	86.8%	4,523	19	40	2,519	61	55.7%
New Hampton	1,950	3	1,947	726	2.68	624	102	86.0%	944	5	7	180	26	19.1%
Northfield	4,548	59	4,489	1,706	2.63	1,159	547	67.9%	1,782	7	9	41	19	2.3%
Ossipee	4,211	147	4,064	1,672	2.43	1,323	349	79.1%	2,742	33	32	920	85	33.6%
Sanbornton	2,581	0	2,581	969	2.66	848	121	87.5%	1,359	14	10	343	23	25.2%
Sandwich	1,286	0	1,286	564	2.28	451	113	80.0%	965	2	18	360	21	37.3%
Tamworth	2,510	6	2,504	1,074	2.33	791	283	73.6%	1,662	11	20	526	31	31.6%
Tilton	3,477	231	3,246	1,360	2.39	858	502	63.1%	1,631	38	22	186	25	11.4%
Tuftonboro	2,148	0	2,148	926	2.32	808	118	87.3%	2,019	3	19	1,043	28	51.7%
Wolfeboro	6,083	105	5,978	2,574	2.32	1,987	587	77.2%	3,903	24	40	1,194	71	30.6%
Lakes Region	106,428	1,927	104,501	42,874	2.44	31,886	10,988	74.4%	64,240	631	556	19,161	1,018	29.8%

Table 38

CHANGE FROM 1990 TO 2000 - CENSUS DATA - 100% COUNT														
Municipality	Total Population	Group Quarters Population	Household Population	Households	Average Household Size	Owner Occupied Units	Renter Occupied Units	Home Ownership Ratio (change in percentage points)	Total Housing Units	Vacant for Rent	Vacant for Sale	Vacant Seasonal	Other Vacant	Seasonal Units % of Total (change in percentage points)
Alexandria	139	0	139	98	(0.29)	83	15	-0.4%	62	(5)	(4)	15	(42)	-0.8%
Alton	1,216	(28)	1,244	563	(0.11)	494	69	3.0%	255	1	(32)	(224)	(53)	-10.4%
Andover	226	5	221	137	(0.19)	104	33	-1.5%	183	(4)	1	53	(4)	2.6%
Ashland	40	0	40	83	(0.20)	50	33	0.4%	(13)	(28)	6	(43)	(31)	-3.5%
Barnstead	786	0	786	326	(0.10)	326	0	3.4%	133	(2)	(6)	(151)	(34)	-10.0%
Belmont	920	(1)	921	495	(0.16)	401	94	0.6%	244	(50)	(25)	(174)	(2)	-7.0%
Bridgewater	178	0	178	103	(0.21)	85	18	-0.8%	11	(2)	1	(52)	(39)	-6.8%
Bristol	496	27	469	225	(0.09)	165	60	1.4%	(177)	(49)	(30)	(314)	(9)	-11.0%
Center Harbor	0	9	(9)	37	(0.26)	35	2	0.9%	4	(2)	(3)	(31)	3	-5.0%
Danbury	190	0	190	102	(0.18)	79	23	-2.7%	55	(9)	(2)	(45)	9	-10.4%
Effingham	332	4	328	170	(0.27)	109	61	-8.9%	109	(2)	(3)	(27)	(29)	-9.2%
Franklin	101	22	79	176	(0.11)	35	141	-2.1%	(68)	(226)	(10)	24	(32)	0.7%
Freedom	368	6	362	226	(0.33)	228	-2	7.1%	47	(3)	2	(119)	(59)	-10.7%
Gilford	936	2	934	468	(0.09)	531	-63	5.5%	(85)	(100)	(13)	(406)	(34)	-8.6%
Gilmanton	451	7	444	251	(0.23)	214	37	-1.1%	104	(2)	(19)	(104)	(22)	-8.1%
Hebron	73	0	73	51	(0.26)	42	9	0.1%	65	(13)	(1)	27	1	-2.2%
Hill	178	0	178	82	(0.12)	54	28	-5.8%	76	(1)	1	(1)	(5)	-2.6%
Holderness	236	22	214	112	(0.10)	95	17	1.1%	72	(16)	(10)	(13)	(1)	-3.3%
Laconia	668	389	279	548	(0.16)	325	223	0.2%	353	(260)	(108)	261	(88)	2.4%
Meredith	1,106	19	1,087	511	(0.07)	483	28	4.6%	471	(24)	(19)	8	(5)	-4.7%
Moultonborough	1,528	31	1,497	720	(0.18)	694	26	5.9%	673	(4)	(18)	(7)	(18)	-9.9%
New Hampton	344	3	341	136	(0.04)	136	0	3.2%	89	(32)	(6)	(2)	(7)	-2.2%
Northfield	285	48	237	192	(0.18)	85	107	-3.0%	111	(52)	(5)	(24)	0	-1.6%
Ossipee	902	14	888	418	(0.10)	324	94	-0.5%	125	(11)	(12)	(149)	(121)	-7.3%
Sanbornton	445	0	445	213	(0.16)	198	15	1.5%	228	4	(9)	32	(12)	-2.3%
Sandwich	220	0	220	108	(0.06)	65	43	-4.7%	101	(5)	7	8	(17)	-3.4%
Tamworth	345	6	339	199	(0.14)	114	85	-3.7%	139	(18)	(5)	2	(39)	-2.8%
Tilton	237	113	124	72	(0.04)	16	56	-2.3%	19	(56)	(29)	41	(9)	2.4%
Tuftonboro	306	0	306	216	(0.27)	212	4	3.3%	(8)	(2)	(14)	(193)	(15)	-9.3%
Wolfeboro	1,276	14	1,262	557	(0.02)	505	52	3.7%	272	(53)	(24)	(151)	(57)	-6.5%
Lakes Region	14,528	712	13,816	7,595	(0.13)	6,287	1,308	1.8%	3,650	(1,026)	(389)	(1,759)	(771)	-4.7%

APPENDIX A: HOUSING PRODUCTION MODELS FOR THE LAKES REGION

PRODUCTION NEEDS SUMMARY

This report summarizes projections of regional housing supply needs for the period 2008 to 2015 for the Lakes Region Planning Commission (LRPC) area. One projection estimates the number of housing units needed to accommodate projected population growth and expected age shifts in the population. A second model projects housing production needs as a function of employment growth and demand on the labor force.

Several terms are important to an understanding the housing supply models in Appendix A:

Total housing units: all dwelling units (occupied, vacant, and seasonal/vacation use)

Year-round housing stock: occupied units plus those available for sale or rent for year round use.

Households: the number of occupied dwelling units. Households are divided into two categories of tenure: homeowners and renters.

Vacancy rate: the number of vacant for rent or vacant for sale units available for year round occupancy as a percentage of the year round housing stock (occupied units plus vacant for rent or for sale units). Some vacancies are desirable to enable mobility and choice within the housing market. Therefore year round housing supply needs exceed the number of households.

Group quarters: living quarters that are not classified as separate dwelling units. These living situations include dormitories, correctional facilities, group homes, nursing homes and most licensed care facilities. The population residing in them is called the group quarters population. The population living in group quarters is not included when measuring average household size (persons in households divided by total households).

The primary purpose of the housing supply models is to project the total number of households and the total year-round housing stock needed to support mobility and choice within the region.

Part 1 of Appendix A reflects a demographic model that projects population, households, and tenure by age group. The demographic projection is based on population projections by age and the conversion of that population to households by age group. The model's assumptions about household formation and housing tenure are age-specific. Under this model, total housing production needs are estimated at 879 units per year between 2008 and 2015. This growth assumes that household headship ratios by age as well as housing tenure ratios remain constant at the level indicated in the 2000 Census.

Part 2 of Appendix A reflects an alternative estimate of housing production needs based on the historic relationship between employment, total labor force, and households. In the employment-based projection, it is assumed that employment growth generates demand for additional housing in proportion to the size of the total labor force required meet that employment demand. It is

assumed that an adequate labor force may be drawn from the total population regardless of its age structure to meet the demands of that employment growth. No details by age of household are assumed or projected.

The employment based model assumes that the resident labor force would need to increase in proportion to growth in area employment opportunities, requiring more housing to support the overall economy of the Lakes Region. During the period 2000-2008 there was virtually no net growth in Lakes Region employment, while there was growth in the number of housing units. Therefore immediate short term housing production needs may be lower than predicted by this model until unemployment rates decline and the number of jobs begins growing again.

1. POPULATION-BASED PROJECTIONS BY AGE

A. Headship Model Structure and Assumptions

Census data (2000) on population by age group was compiled for the Lakes Region and the four counties represented within its boundaries. The projected population distribution of each of the four counties was used as a baseline for projecting the age distribution of the Lakes Region population in future years.

Proportionate estimates were made for the Lakes Region considering the relative shares of the region's population living within each county. As of 2008, the share of the Lakes Region population residing within the four counties was:

Belknap	53.2 %
Carroll	22.0 %
Grafton	9.0 %
Merrimack	15.8 %

The most recent projections of population by age group available for the counties were made by the NH Office of Energy and Planning (NHOEP) in 1997. Using this source, a weighted percent distribution of the projected population by age group was estimated for the Lakes Region based on the county projections. The percent distribution for 2008 was estimated by interpolating between the 2000 base year and the 2010 projection year. The resulting age distributions for the Lakes Region (see **Table A-1** below) were subsequently used to allocate the projected population for the Lakes Region to the various age groups.

Table A-1

LAKES REGION ESTIMATED POPULATION DISTRIBUTION BY AGE							
Age Group	2000 Actual	2008 Interpolated	2010	2015	2020	2025	2030
Under 15	19.2%	16.2%	15.5%	14.9%	14.6%	14.3%	14.0%
15-24	10.9%	10.8%	10.8%	9.6%	8.8%	8.7%	8.9%
25-34	10.9%	10.4%	10.3%	10.8%	10.1%	9.2%	8.7%
35-44	16.6%	11.3%	9.9%	8.8%	9.4%	10.1%	9.8%
45-54	15.8%	16.3%	16.4%	12.8%	9.9%	9.0%	9.9%
55-64	10.7%	17.8%	19.6%	20.8%	19.2%	15.3%	12.3%
65-74	8.6%	10.2%	10.6%	15.3%	19.3%	21.1%	20.0%
75-84	5.4%	5.1%	5.0%	5.2%	6.9%	10.4%	13.6%
85+	1.8%	1.9%	1.9%	1.9%	1.8%	2.0%	2.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Age 65+	15.8%	17.2%	17.5%	22.3%	28.0%	33.4%	36.4%

2000 population distribution based on actual Census count; 2010-2030 county population distributions based on NH OEP projections published November 2006; estimates for 2008 interpolated based on 2000 actual data and 2010 projection. The LRPC estimates for 2008-2030 are weighted based on the proportion of total 2008 LRPC population within within each of the four counties.

The year 2008 estimates of population by age and the distributions for the projection years 2010 to 2030 for Lakes Region were estimated based on the age distributions in **Table A-1**, applied to the total population estimates in **Table A-2**.

Due to the slower than expected growth in population between 2000 and 2008, BCM Planning has proportionately reduced the NHOEP total population projection for the Lakes Region communities for 2010 to 2030 to about 98% of the original projections developed by the NHOEP in 2006. Without this adjustment, the household and housing projections would likely overestimate the population and household growth potential from the base year 2008 to the horizon year 2015.

Table A-2

LRPC Area Population by Age Group	CENSUS 1990	CENSUS 2000	2008 Estimate	Total Population Based on Projected Annual Growth Rates Indicated by NHOEP Municipal Population Projections				
				2010	2015	2020	2025	2030
Total Population								
Under 15	20,050	20,457	18,641	18,376	18,440	18,916	19,254	19,334
15-24	10,683	11,649	12,415	12,789	11,898	11,390	11,644	12,370
25-34	14,980	11,596	11,954	12,207	13,377	13,054	12,358	12,056
35-44	14,969	17,656	12,926	11,776	10,934	12,190	13,616	13,600
45-54	9,390	16,827	18,697	19,459	15,839	12,783	12,052	13,709
55-64	8,584	11,417	20,413	23,181	25,826	24,824	20,590	17,014
65-74	7,684	9,104	11,695	12,567	18,981	24,976	28,346	27,664
75-84	4,198	5,778	5,858	5,955	6,427	8,977	13,980	18,848
85+	1,362	1,944	2,124	2,201	2,297	2,299	2,653	3,850
Total & Modified Projections	91,900	106,428	114,723	118,511	124,019	129,409	134,495	138,445
Original NHOEP Projections of Population:				120,930	126,550	132,050	137,240	141,270

Using the data in **Table A-2**, the population in the base year and projection years is then summed for non-elderly vs. elderly age groups (under 65, 65 and older). The group quarters population has been estimated directly from NHOEP data by municipality for 2008. The under 65 vs. 65+ group

quarters population has been estimated by BCM Planning based on the NHOEP inventory of group quarters facilities.

The projected group quarters population by age is subtracted from total population in the projections to yield the estimated number of persons in households within the two age groups.

Table A-3

SUMMARY OF LAKES REGION POPULATION PROJECTIONS BY AGE GROUP									
Year	1990	2000		2008	2010	2015	2020	2025	2030
Persons Under 65 Total	78,656	89,602	Population by age estimated for Lakes Region based on 2000 base year relative to weighted projected age distribution of Counties	95,047	97,788	96,314	93,156	89,515	88,083
Persons 65+ Total	13,244	16,826		19,676	20,723	27,705	36,253	44,980	50,362
Total	91,900	106,428		114,723	118,511	124,019	129,409	134,495	138,445
Total Group Quarters *	1,215	1,927	2008 GQ by age based on BCM Planning review of NHOEP facility survey data for LRPC municipalities	2,051	2,110	2,184	2,551	3,359	4,305
Group Quarters <65	403	836		786	817	801	764	723	707
Group Quarters 65+	812	1,091		1,265	1,293	1,383	1,787	2,636	3,598
Total Persons in Hhlds	90,685	104,501	Persons in households is total by age group less est. GQ by age group	112,672	116,402	121,835	126,858	131,136	134,140
Under 65	78,253	88,766		94,261	96,971	95,513	92,393	88,792	87,376
65 and Over	12,432	15,735		18,411	19,431	26,322	34,465	42,344	46,764
GQ Share of Population	1.3%	1.8%		1.8%	1.8%	1.8%	2.0%	2.5%	3.1%
Under 65	0.5%	0.9%		0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
65+	6.1%	6.5%		6.4%	6.2%	5.0%	4.9%	5.9%	7.1%
Age 65 GQ % of Total GQ	66.8%	56.6%		61.7%	61.3%	63.3%	70.1%	78.5%	83.6%

Source: BCM Planning, LLC headship model assumptions applied to NHOEP population projections by age for constituent Counties.
 * In projections for 2010 to 2030, it is assumed that the GQ population under 65 will grow as a function of the age 15-64 population. Projections of the GQ population age 65+ is based on the assumption that it will grow as a function of the age 75+ population.

The estimated number of households by age is computed using a “headship model”. A “headship ratio” (using 2000 Census data) is calculated by age group for the population age 15 or older. The ratio is the number of households by age of the head of household divided by the total population in that age group for each projection year to project households by age. Headship ratios for the Lakes Region for 1990 and 2000 are shown in **Table A-4**.

Table A-4

Headship Ratios by Age - Lakes Region		
Age Group	1990 Census	2000 Census
15-24	0.1428	0.1260
25-34	0.4716	0.4758
35-44	0.5465	0.5360
45-54	0.5596	0.5577
55-64	0.5778	0.5847
65-74	0.6299	0.6158
75+	0.6214	0.6162
75-84	n.a.	0.6454
85+	n.a.	0.5293

Source: BCM Planning, LLC and U. S. Census for 1990 and 2000.
 Headship ratio is total persons in age group divided by total households in the same age group.

The population in households for age groups under 65 vs. 65 and older is then summed and divided by the number of households within those major age groups to derive an estimate of average persons per household for the non-elderly, elderly, and total households of the region. The results of those estimates are shown in **Table A-5**.

Table A-5: Household Size Projected by Headship Model

Projections of Average Household Size for SNHPC Area							
	2000	2008	2010	2015	2020	2025	2030
All Households	All Households						
	2.44	2.32	2.29	2.23	2.18	2.14	2.12
Non-Elderly	Households Headed by Person Under 65						
	2.73	2.58	2.54	2.54	2.58	2.66	2.72
Elderly	Households Headed by Person Age 65+						
	1.52	1.52	1.52	1.54	1.54	1.52	1.50

Age-specific homeownership rates are applied in the projections to the number of households in each age group to estimate the number of homeowner households. The year 2000 ownership rates (**Table A-6**) by age group are applied to the household estimates for each of the projection years. Results are then summed for households under age 65 vs. age 65+ households. Renter households are estimated as the remainder (total households less ownership households).

Table A-6

Lakes Region Homeownership Rate By Age		
Age Group	1990 Census	2000 Census
15-24	20.4%	20.7%
25-34	55.8%	51.7%
35-44	76.5%	72.1%
45-54	82.5%	81.8%
55-64	85.1%	85.9%
65-74	82.7%	85.9%
75+	73.1%	77.5%
Total Households	72.6%	74.4%
75-84	n.a.	79.2%
85+	n.a.	71.0%

(Ownership rates not available for 75-84 vs. 85+ in 1990)

Source: BCM Planning, LLC and U. S. Census for 1990 and 2000.

Homeownership rate is percent of total households reported as homeowners.

B. Results of Population - Based Headship Model

The headship model generates the estimates of number of households, homeowners and renters for the 2008 base year and the projection years (see **Tables A-7 to A-10** below).

Table A-7

Lakes Region	Households by Age Predicted from Constant Headship Rate by Age Group						
	2000 Actual	2008 Est.	2010	2015	2020	2025	2030
Households							
15-24	1,468	1,565	1,612	1,499	1,435	1,467	1,559
25-34	5,517	5,687	5,808	6,364	6,210	5,880	5,736
35-44	9,464	6,929	6,312	5,861	6,534	7,299	7,290
45-54	9,385	10,428	10,853	8,834	7,130	6,722	7,646
55-64	6,676	11,936	13,555	15,101	14,515	12,040	9,949
65-74	5,606	7,201	7,738	11,688	15,380	17,455	17,035
75-84	3,729	3,780	3,843	4,148	5,794	9,023	12,164
85+	1,029	1,124	1,165	1,216	1,217	1,404	2,038
Total	42,874	48,650	50,886	54,711	58,215	61,290	63,417
Under 65	32,510	36,545	38,140	37,659	35,824	33,408	32,180
Age 65+	10,364	12,105	12,746	17,052	22,391	27,882	31,237

Table A-8

Lakes Region	Homeowners Predicted by Constant Age-Specific Ownership Rates						
	2000 Actual	2008 Est.	2010	2015	2020	2025	2030
Homeowners							
15-24	304	324	334	310	297	304	323
25-34	2,851	2,939	3,001	3,289	3,209	3,039	2,964
35-44	6,819	4,992	4,548	4,223	4,708	5,259	5,253
45-54	7,675	8,528	8,876	7,224	5,831	5,497	6,253
55-64	5,734	10,252	11,642	12,970	12,467	10,341	8,545
65-74	4,817	6,188	6,649	10,043	13,215	14,998	14,637
75-84	2,955	2,995	3,045	3,287	4,591	7,150	9,639
85+	731	798	828	864	865	997	1,448
Total	31,886	37,016	38,923	42,210	45,183	47,585	49,062
Under 65	23,383	27,035	28,401	28,016	26,512	24,440	23,338
Age 65+	8,503	9,981	10,522	14,194	18,671	23,145	25,724

Table A-9

Lakes Region	Renters Predicted by Rental Tenure Ratio by Age (Residual)						
	2000 Actual	2008 Est.	2010	2015	2020	2025	2030
Renters							
15-24	1,164	1,241	1,278	1,189	1,138	1,163	1,236
25-34	2,666	2,748	2,807	3,075	3,001	2,841	2,772
35-44	2,645	1,937	1,764	1,638	1,826	2,040	2,037
45-54	1,710	1,900	1,977	1,610	1,299	1,225	1,393
55-64	942	1,684	1,913	2,131	2,048	1,699	1,404
65-74	789	1,013	1,089	1,645	2,165	2,457	2,398
75-84	774	785	798	861	1,203	1,873	2,525
85+	298	326	337	352	352	407	590
Total	10,988	11,634	11,963	12,501	13,032	13,705	14,355
Under 65	9,127	9,510	9,739	9,643	9,312	8,968	8,842
Age 65+	1,861	2,124	2,224	2,858	3,720	4,737	5,513

Table A-10

Lakes Region	Overall Homeownership Rate with Age-Specific Tenure Constant						
	2000 Actual	2008 Est.	2010	2015	2020	2025	2030
Ownership Rate							
15-24	20.7%						
25-34	51.7%						
35-44	72.1%						
45-54	81.8%						
55-64	85.9%						
65-74	85.9%						
75-84	79.2%						
85+	71.0%						
Total	74.4%	76.1%	76.5%	77.2%	77.6%	77.6%	77.4%
Under 65	71.9%	74.0%	74.5%	74.4%	74.0%	73.2%	72.5%
Age 65+	82.0%	82.5%	82.6%	83.2%	83.4%	83.0%	82.4%

The headship model described here provides estimates and projection of households by age and tenure. The 2008 estimates are used as the base year and the 2015 projections as the future year for housing production estimates. Other elements are added to estimate total housing production needs.

The base year (2008) vacancy rate for ownership housing is based on the estimated population-weighted average for the four counties of the Lakes Region using American Community Survey 2006-2008 sample data. The indicated homeownership vacancy rate was estimated at 2.7%. For rental housing, the 2008 vacancy rate reflects the results of the NHHFA Annual Rent Survey, which showed a 2008 rental vacancy rate estimate of 2.2%.

A modest allowance has been added for reserves for replacement of housing units. An average annual percentage is assumed for these projections at 0.05% per year for ownership housing and 0.10% per year for rental housing. This is equivalent to replacing approximately 1% of the baseline housing stock of ownership units in a 20-year period and 2% of the rental stock over a 20-year period.

Table A-11: Baseline Data and Housing Projection Using Headship Model Result

LAKES REGION - HOUSING PRODUCTION NEEDS BY AGE GROUP	1990	2000	Change 1990 to 2000	2008 Estimate	Change 2000-2008	2015 Population Based Using NHOEP Projection	
Covered Private Sector Employment in Area (NHDES) Percent of State Total	29,195 6.8%	36,318 6.9%	7,123 7.2%	35,582 6.6%	(736)	This column is based on the age-headship-tenure module assumptions, adapted from NHOEP County population projections by age. That model produces long term estimates of household size by age group and tenure split by age (<65 and 65+)	
Government Employment in Area (NHDES) Total Private + Government Employment Percent of State Total	5,174 34,369 6.9%	5,987 42,305 7.0%	813 7,936 7.3%	7,303 42,885 6.8%	1,316 580		
Labor Force Population (NH Employment Security) Ratio: Labor Force Population to Private & Govt Employment	47,879 1.393	57,937 1.370	10,058	61,412 1.432	3,475 Constant:		
Ratio-Census Working Residents/NHES Labor Force	0.915	0.898		0.898	Constant:		
Number of Working Residents Age 16+ (Census Commuting Data) Work within LRPC Area Work Outside of LRPC Area Percent Commute Out of LRPC Area	43,828 32,717 11,111 25.4%	52,036 36,965 15,071 29.0%	8,208 4,248 3,960	55,157 39,182 15,975 29.0%	3,121 2,217 904 Constant:		
Ratio Private Covered Employment Per Resident Household	0.83	0.85		0.73			
Ratio Total Population in Households Under 65 to Labor Force Ratio Households < 65 to Labor Force Population	1.63 0.56	1.53 0.56		1.53 0.60	Derived: Constant:		
Population & Households Under Age 65							
Total Persons Under 65 Group Quarters Population Population in Households Average Household Size (<65)	78,656 403 78,253 2.90	89,602 836 88,766 2.73	10,946 433 10,513	95,047 786 94,261 2.58	5,445 (50) 5,495		96,314 801 95,513 2.54
Households Headed by Person Under 65 Homeowners Renters Ownership Tenure % Rental Tenure %	26,984 19,068 7,916 70.7% 29.3%	32,510 23,383 9,127 71.9% 28.1%	5,526 4,315 1,211	36,545 27,035 9,510 74.0% 26.0%	4,035 3,652 383		37,659 28,016 9,643 74.4% 25.6%
Population & Households Age 65+							
Total Persons Age 65+ As Percent of Total Population Group Quarters Population Age 65+ Population in Households - Age 65+	13,244 14.4% 812 12,432	16,826 15.8% 1,091 15,735	3,582 279 3,303	19,676 17.2% 1,265 18,411	2,850 174 2,676		27,705 22.3% 801 26,904
Households Headed by Persons 65+ Percent of Total Households Average Household Size (65+)	8,295 23.5% 1.50	10,364 24.2% 1.52	2,069	12,105 24.9% 1.52	1,741		17,052 31.2% 1.58
Homeowners Age 65+ Renters Age 65+ Ownership Tenure % (65+) Rental Tenure % (65+)	6,531 1,764 78.7% 21.3%	8,503 1,861 82.0% 18.0%	1,972 97	9,981 2,124 82.5% 17.5%	1,478 263		14,194 2,858 83.2% 16.8%
Total Population	91,900	106,428	14,528	114,723	8,295		124,019
Group Quarters Population Population in Households Average Household Size	1,215 90,685 2.57	1,927 104,501 2.44	712 13,816	2,051 112,672 2.32	124 8,171		1,602 122,417 2.24
Total Households	35,279	42,874	7,595	48,650	5,776		54,711
Homeowners Renters Ownership Tenure % Rental Tenure %	25,599 9,680 72.6% 27.4%	31,886 10,988 74.4% 25.6%	6,287 1,308	37,016 11,634 76.1% 23.9%	5,130 646		42,210 12,501 77.2% 22.8%
Vacant Housing Stock							
Vacant for Sale Units Vacant for Rent Units Vacant-Rented/Sold - Awaiting Occupancy Vacant-Occasional Use, Seasonal, Migratory Other Vacant Units Total Vacant/Seasonal/Occ Use Units Total Housing Units	945 1,657 325 20,920 1,464 25,311 60,590	631 556 248 19,161 770 21,366 64,240	-314 -1,101 -77 -1,759 -694 -3,945 3,650	1,027 262 n.c. n.c. n.c. n.c. n.c.			643 521
Vacancy Rate Ownership (Census and 2008 Estimated) Vacancy Rate Rental (Census; 2008 NHHFA) Vacancy Rate Total	3.6% 14.6% 6.9%	1.9% 4.8% 2.7%		2.7% 2.2% 2.6%		1.5% 4.0% 2.1%	
Add Replacement for Deterioration, Demolition - Ownership						133	
Add Replacement for Deterioration, Demolition - Rental						83	
Add Replacement for Deterioration, Demolition - Total						216	

Table A-12: Summary Results of Population-Headship Mod

Housing Supply Available for Year-Round Occupancy	1990	2000	1990-2000 Change	2008 Estimated	Tenure	2015	
						Housing Supply Projection Headship	
Total Ownership Stock Except Sold, Not	26,544	32,517	5,973	38,043	Owner	42,986	
Total Rental Units Except Rented, Not O	11,337	11,544	207	11,896	Renter	13,105	
Total Stock Occupied or Available	37,881	44,061	6,180	49,939	Total	56,091	
SUMMARY OF LAKES REGION HOUSING PRODUCTION NEEDS - POPULATION & HEADSHIP MODEL						Net Production Need 2008-2015	
						Owner	4,943
						Renter	1,209
						Total	6,152
						Subtotal: Production for residents working in LR	
						Owner	3,511
						Renter	859
						Total	4,370
						Average Annual Production Need 2008-2015	
						Owner	706
						Renter	173
						Total	879
						Subtotal Avg. Annual Units - Working in LR	
						Owner	502
						Renter	123
Total	624						

2. Employment Based Model (No Age Details)

A. Model Assumptions

A simple production model that bases its projection on employment growth and its relationship to the total labor force and households (no age details assumed) is shown in the tables which follow. This model uses the 2008 and 2015 estimates of average household size and the overall tenure ratios derived from the population-headship model.

In this model, the relationship between employment, labor force and other factors are related directly to total households (which includes the age 65+ portions of the population). Under the employment growth assumptions, total households are expected to increase as a function of higher labor force demand. No separate breakouts or assumptions by age group are included.

An employment-based projection for the region was developed using an annual average employment growth rate of 0.88% per year, which is the anticipated average annual statewide growth rate shown in the occupational projections issued by New Hampshire Employment Security for the period 2008-2018. In the production model, this assumed growth rate may be modified to yield an alternative projection of housing production needs.

The assumptions about ownership and rental vacancy rates in 2008 and assumptions for future vacancy and reserves for replacement used in the population-headship model are also applied in this employment-based model.

A review of Census-based place of residence vs. workplace data by BCM Planning, LLC indicates that in 1990 an estimated 25.4% of Lakes Region resident workers were employed outside its boundaries, and in 2000 the ratio was 29.0%. For 2008, there is no direct method of measuring this ratio, but based on County level data from the American Community Survey, the 2000 ratios for Belknap and Carroll Counties are about the same as indicated by the 2000 Census. Therefore, the 2000 ratio has been assigned to 2008 and the projection year 2015. While this element is not essential to the production model, it may be of interest in estimating the minimum production need required to satisfy demand from those working locally.

Detailed outputs of this production include a housing supply estimate that reflects total housing needs as well as the estimated portion of housing supply required to meet the needs of area residents who work within the Lakes Region. This number is computed based on estimated proportions of resident workers who are employed within the region vs. those who commute to destinations outside the Lakes Region.

Table A-13: Housing Production Model Based on General Employment Growth

LAKES REGION HOUSING PRODUCTION MODEL	1990	2000	Change 1990 to 2000	2008 Estimate	Change 2000-2008	2015 Employment Based Projection
Covered Private Sector Employment in Area (NHDES) Percent of State Total	29,195 6.8%	36,318 6.9%	7,123 7.2%	35,582 6.6%	(736) -6.0%	Employment Growth Annual Rate (1) 0.88%
Government Employment in Area (NHDES)	5,174	5,987	813	7,303	1,316	Employment Potential: 45,527
Total Private + Government Employment Percent of State Total	34,369 6.9%	42,305 7.0%	7,936 7.3%	42,885 7.3%	580 2.5%	
Labor Force Population (NH Employment Security) Ratio: Labor Force Population to Private & Govt Employment	47,879 1.393	57,937 1.370	10,058	61,412 1.432	3,475 Constant:	65,195 1.432
Ratio-Census Working Residents/NHES Labor Force	0.915	0.898		0.898	Constant:	0.898
Number of Working Residents Age 16+ (Census defined)	43,828	52,036	8,208	55,157	3,121	58,555
Work within SNHPC Area	32,717	36,965	4,248	39,182	2,217	41,596
Work Outside of SNHPC Area	11,111	15,071	3,960	15,975	904	16,959
Percent Commute Out of SNHPC Area	25.4%	29.0%		29.0%	Constant:	29.0%
Ratio Private Covered Employment Per Resident Household	0.83	0.85		0.73		
Ratio Total Population in Households to Labor Force	1.89	1.80		1.83	Constant (Avg 2000 & 2008):	1.82
Ratio Total Households to Labor Force Population	0.74	0.74		0.79	Derived:	0.76
Total Population	91,900	106,428	14,528	114,723	8,295	120,205
Group Quarters Population	1,215	1,927	712	2,051	124	1,602
Population in Households	90,685	104,501	13,816	112,672	8,171	118,602
Average Household Size	2.57	2.44		2.32		2.24
Total Households	35,279	42,874	7,595	48,650	5,776	53,006
Homeowners	25,599	31,886	6,287	37,016	5,130	40,895
Renters	9,680	10,988	1,308	11,634	646	12,111
Ownership Tenure %	72.6%	74.4%		76.1%		77.2%
Rental Tenure %	27.4%	25.6%		23.9%		22.8%
Vacant Housing Stock						
Vacant for Sale Units	945	631	-314	1,027		623
Vacant for Rent Units	1,657	556	-1,101	262		505
Vacant-Rented/Sold - Awaiting Occupancy	325	248	-77	n.c.		not projected
Vacant-Occasional Use, Seasonal, Migratory	20,920	19,161	-1,759	n.c.		not projected
Other Vacant Units	1,464	770	-694	n.c.		not projected
Total Vacant/Seasonal/Occ Use Units	25,311	21,366	-3,945	n.c.		not projected
Total Housing Units	60,590	64,240	3,650	n.c.		not projected
Vacancy Rate Ownership (Census and 2008 Estimated)	3.6%	1.9%		2.7%		1.5%
Vacancy Rate Rental (Census; 2008 NHHFA)	14.6%	4.8%		2.2%		4.0%
Vacancy Rate Total	6.9%	2.7%		2.6%		2.1%
Add Replacement for Deterioration, Demolition - Ownership						133
Add Replacement for Deterioration, Demolition - Rental						83
Add Replacement for Deterioration, Demolition - Total						216

Table A-14: Results of Employment-Based Projection

Housing Supply Available for Year-Round Occupancy	1990	2000	1990-2000 Change	2008 Estimated	Tenure	2015					
						Housing Supply Projection Employment Based					
Total Ownership Stock Except Sold, Not	26,544	32,517	5,973	38,043	Owner	41,651					
Total Rental Units Except Rented, Not O	11,337	11,544	207	11,896	Renter	12,699					
Total Stock Occupied or Available	37,881	44,061	6,180	49,939	Total	54,350					
SUMMARY OF LAKES REGION HOUSING PRODUCTION NEEDS USING GENERAL EMPLOYMENT BASED MODEL (NO DETAILED ASSUMPTIONS BY AGE)						Net Production Need 2008-2015					
						Owner	3,607				
						Renter	804				
						Total	4,411				
						Subtotal: Production for residents working in LR					
						Owner	2,563				
						Renter	571				
						Total	3,134				
						Average Annual Production Need 2008-2015					
						Owner	515				
						Renter	115				
						Total	630				
						Subtotal Avg. Annual Units - Working in LR					
						Owner	366				
						Renter	82				
Total	448										

APPENDIX B:

Resources for Affordable Housing

A multitude of programs exist through different agencies and non-profit organizations designed to address affordable housing issues. These include programs specifically for consumers, municipalities/counties, and developers. For example, funding through New Hampshire Housing Finance Authority's HOME Rental Housing Production Program, funding is available for both non-profit and for profit organizations specifically for the development of rental housing. The USDA's Rural Housing Guaranteed Loan Program provides low-income individuals or households low interest rate loans for homeownership in rural areas. An overview of the various affordable housing programs and organizations are listed below.

Community Development Finance Authority (CDFA).

Website: www.nhcdfa.org

Telephone: (603) 226-2170

Established by legislation (RSA 162-L) in 1983, the CDFFA addresses the issues of affordable housing and economic opportunity for low and moderate income New Hampshire residents. The Authority is both a body politic and a nonprofit corporation that is governed by an eleven-member board of directors who are appointed by the governor for five-year terms.

Community Development Block Grant (CDBG). CDBG funds are allocated to the state of New Hampshire by the U. S. Department of Housing and Urban Development (HUD) and administered through the CDFFA. CDBG grants fall into three categories, housing, infrastructure, and economic development. Common CDBG projects include:

- Acquisition and rehabilitation of properties through housing trusts;
- Single family housing rehabilitation loans and grants;
- Loans and grants for landlords that provide decent, safe, and sanitary affordable housing to low and moderate income renters; and
- The acquisition and rehabilitation of structures to provide alternative living environments, such as elderly homes, group homes and boarding houses.

Downtown Initiative. The NH Community Development Finance Authority (CDFFA), NH Housing Finance Authority (NHHFA), and NH Department of Resources and Economic Development (DRED) have combined resources to encourage downtown redevelopment by providing financial support and incentives to encourage reinvestment into New Hampshire's downtowns through extensive renovations to multi-use structures that contain commercial or retail spaces on the ground floor and residential units on the upper floors. The Downtown Initiative will focus on renovation of underutilized properties that are integral to a community's downtown commercial center. The Downtown Initiative is targeted at communities throughout the state that have a plan for their downtowns. The goal is to create new housing units across the housing market in the form of market-rate rental units, affordable first home condominiums, and subsidized rental units.

Tax Credit Program. Through the Tax Credit Program, also known as the Community Development Investment Program (CDIP), CDFR offers highly desirable tax credits to New Hampshire businesses. Nonprofit community development organizations, cooperatives, and municipalities that have been awarded CDIP funding can use these tax credits as a fundraising tool. CDFR then allocates the credit to donors who support a particular project. The tax credit may be applied against the business profits tax, business enterprise tax, and/or the insurance premium tax. The donation also may be eligible for treatment as a state and federal charitable contribution.

Eastern Lakes Housing Coalition (New Hampshire)

Website: <http://www.elrhc.org>

Contact: Administrative Assistant Donna Beaudoin Fax: (603)-569-3317

The Eastern Lakes Region Housing Coalition (ELRHC) was established as a non-profit corporation in 2005. The Board of Directors is composed of individuals representing community, business, health, construction, and education entities from the rural towns east of Lake Winnepesaukee. Its purpose is to promote responsible housing for the local workforce. The Coalition states that it was formed because:

- Community Master Plans and regional statistics indicate that a growing number of people in the area can't find affordable places to live.
- While salaries have remained level, the cost of housing has risen dramatically in the past decade.
- A lack of affordable/workforce housing close to jobs and services stifles economic growth, increases traffic problems, creates worker stress, and affects the quality of life in area communities.
- Retail, service, clerical, health care, child care, public safety, and small business workers cannot afford to rent or purchase suitable homes.
- Lack of affordable housing forces many families to pay far more than 30% of their income for housing, or live in overcrowded, substandard conditions.
- Well-kept, reasonably priced housing can provide individuals and families with safe and healthy places to live.

Federal Home Loan Bank of Boston (FHLB)

Website: <http://www.fhlbboston.com>

Telephone: (617) 292-9600

The Affordable Housing Program (AHP)- allows the Federal Home Loan Bank of Boston to address, in partnership with member institutions, the affordable-housing needs of communities across New England. Ten percent of the Bank's net earnings fund the program, which awards grants and low-interest advances, or loans, through member institutions.

Federal Housing Administration and Veterans Administration

Website: www.hud.gov/offices/hsg/hsgabout.cfm

Telephone: (202) 708-1112

These Federal Government programs provide assistance to qualifying home buyers primarily by (1) allowing for a higher percentage of household income to be devoted to housing costs; 2) providing mortgage insurance or guarantees; and 3) by allowing for reduced down payments. These programs provide essential assistance to moderate-income households throughout the nation. The FHA insures single family mortgages issued through conventional lenders; the VA has a loan guarantee program for eligible veterans. The FHA also provides mortgage insurance for multifamily rental developments.

Franklin Housing Authority

Telephone: (603) 934-3508

The Franklin Housing Authority administers the Section 8 rental housing program locally. The Section 8 program is designed to provide assistance for low-income families in the private rental market.

Laconia Area Community Land Trust (LACLT)

Website: <http://www.laclt.org/>

Telephone: (603) 524-0747

LACLT is a nonprofit organization serving the Lakes Region that partners with municipalities to develop affordable housing for local communities. With demonstrated expertise in scattered site development, substantial rehabilitation, new construction, and neighborhood revitalization, LACLT assists communities with identifying its needs and meeting its housing and community development goals. LACLT has received local, state, and national recognition and awards for its excellence in housing development and management. The organization is also lauded for paying full property taxes on all of its real estate. LACLT provides an array of educational and support programs to its tenants. Its Homebuyer Resource Center provides an extensive range of educational programs and services to assist Lakes Region residents to become home owners.

Laconia Housing Authority (LHA)

Website: <http://www.laconiahousing.org/>

Telephone: (603) 524-2112

The Laconia Housing Authority was originally formed in 1966 as the Laconia Housing and Redevelopment Authority. LHA manages housing rental programs for people with low or limited means including seniors and disabled. LHA manages one Public Housing project for seniors, and has developed several other rental housing developments in Laconia and the area. The current program called Section 8 provides rent subsidies which are paid directly to the landlord. The LHA provides housing opportunities for over 1,000 people in the Laconia area.

New Hampshire Community Loan Fund (NHCLF)

Website: <http://www.communityloanfund.org/how-we-help/affordable-housing>

Telephone: (603) 224-6669

A nonprofit organization and a Community Development Financial Institution, certified by the Community Development Financial Institutions Fund of the US Department of the Treasury. Established in 1983, the NHCLF was the first statewide loan fund established in the United States, and is the only loan fund of its type serving the entire state of New Hampshire. The NHCLF was founded upon two fundamental premises, 1) The belief that one of the barriers that keeps low income people from achieving greater self sufficiency is lack of access to credit; 2) the belief that people and organizations that have (or manage) financial resources would be willing to help their neighbors if they had a mechanism to do so. Since 1984, the NHCLF has funded hundreds of initiatives for affordable housing, community facilities which provide essential services (like child care), and economic opportunity (including self-employment and job creation). This activity is possible because of loans and donations from individuals, families, religious communities, foundations, trusts, municipalities, businesses, banks and others.

New Hampshire Housing Finance Authority (NHHFA)

Website: <http://www.nhhfa.org/>

Telephone: (603) 472-8623

Affordable Housing Trust Fund The fund is used to provide loans and grants to support rental housing, group homes, and manufactured housing cooperatives. Funds are typically reserved for below market rate loans or grants to cover financing gaps or fund projects that cannot support debt. Both for and non-profit sponsors are eligible for financing. Minimum requirements are that 50% of the units in a project must be affordable to households at 80% or less of the Median Area Income. Typically, projects financed by the AHF have other funding programs, the most common being tax credits. These other programs generally have more restrictive affordability requirements.

Assisted Living Program Independent Housing With Assisted Living Services- NH Housing partnered with the Department of Health & Human Services, Division of Elderly and Adult Services to combine affordable housing with assisted living services to serve low-income seniors who are nursing home eligible. This partnership resulted in three independent housing facilities where a total of 48 residents can receive assisted living services paid for through the HCBC-ECI Medicaid Waiver.

HOME Rental Housing Production Program This program supplies permanent financing for the development of rental housing opportunities for low and very low income households. Projects are provided with subordinate, deferred mortgage loans payable on resale, refinancing, or default. Approximately 60 to 70 units can be assisted with HOME funds annually at the current funding level of approximately \$2,000,000. A portion of funds under this program is reserved for the exclusive use of community housing development organizations (CHDO), a subset of non-profit housing providers meeting the federal CHDO definition. Both for and non-profit sponsored projects are eligible for financing. Twenty percent of the HOME units must be rented to households earning less than 50% or the median area income and the balance of units must be targeted to households earning 60% or

less of the median area income. HOME funds are allocated on a competitive basis two times annually.

Housing Choice Voucher Program- NHHFA administers the Federal Housing Choice Voucher Rental Assistance Program throughout the State of New Hampshire. The rental assistance program provides subsidies on behalf of households who reside in a community's existing rental stock. The dwelling unit is selected by the household and must meet certain housing quality standards. The principal goal of the Housing Choice Voucher Program is to provide safe, decent, sanitary and affordable housing to very low income households. Program eligibility and assistance is based upon income and household size. Through the program, a qualified household pays a portion of their adjusted income towards rent and utilities and New Hampshire Housing pays the remainder directly to the landlord.

Low Income Housing Tax Credit Program- The Low Income Tax Credit Program (LIHTC) provides an effective vehicle for encouraging private investment in new affordable rental housing. Eligible projects receive federal income tax credits over a ten year period, commensurate with the percentage of the units set aside for eligible households. In order to be eligible, a minimum of 20% of the project must be targeted to households earning 50% or less of median area income or 40% of the project must be targeted to households earning 60% or less of median area income.

The LIHTC program was created by the Tax Reform Act of 1986 as an alternate method of funding housing for low- and moderate-income households, and has been in operation since 1987. These tax credits are then used to leverage private capital into new construction or acquisition and rehabilitation of affordable housing. Tax Credits may be used for new construction, rehabilitation, or acquisition and rehabilitation projects. When the LIHTC program began in 1987, properties receiving tax credits were required to stay eligible for 15 years. This eligibility time period has since been increased to 30 years.

Multifamily Development Programs- New Hampshire Housing Finance Authority offers a number of programs and financing options to encourage the development and/or rehabilitation of multifamily rental housing.

Resident Service Coordination- Resident Service Coordinators (RSCs) are an integral part of the management team within multifamily rental housing complexes in addressing the needs and difficulties of residents that can jeopardize their tenancy. They promote effective partnerships among housing providers, property managers and service providers to improve a project's financial viability/stability, benefiting current and future residents and ultimately, the community at large.

Single Family Mortgage Program- Designed primarily for first-time home buyers and provides 30-year mortgages with below market interest rates, options with points or with no points, low down payment requirements, new cash assistance option, and other flexible underwriting criteria. The interest rate available is usually below conventional mortgage interest rates. To qualify for the program, borrowers must meet certain income limits and purchase price limits.

Special Needs Housing Program- The Special Needs Housing Program is made available in response to a growing demand from organizations that provide social services and housing to special needs groups. The program provides permanent financing for the development of rental housing for low and very low income people. Eligible projects include transitional housing, women/children crisis centers, handicapped/disabled, HIV/AIDS, and drug/alcohol rehabilitation housing.

Supportive Services Programs- The Supportive Services Programs have been developed to provide assistance to housing managers, resident service coordinators (RSCs), and residents to decrease evictions, property damage, and resident complaints and to increase resident's self-sufficiency and independence. Staff provides technical assistance and training to owners and management companies in developing, implementing, and maintaining quality supportive services programs for residents of elderly and family housing complexes, primarily Section 8 New Construction and other subsidized housing. We also provide information, training, monitoring and technical assistance to managers and RSCs of both elderly and family housing on an on-going basis. The GOAL/Family Self-Sufficiency Program provides information, access to resources, advocacy, liaisons with other agencies, case management, job training, and homeownership counseling to participating Housing Choice Voucher tenants.

Tax Exempt Bond Financing- Tax exempt private activity bonds can be issued by the Authority to finance multifamily housing. In return for the reduced interest financing, at least thirty percent of the units must be rented to households earning 50% or less of the median area income or fifty percent of the units must be rented to households earning 60% or less of the median area income. The Authority also adds rent restrictions for the compliance period. The restrictions are in effect for the longer of 15 years or the life of the bond. Any for-profit development entity is eligible to participate

Workforce Housing - In July 2010 the NHHFA published *Meeting the Workforce Housing Challenge*. This publication provides a comprehensive guide to municipalities for addressing the requirements of NH RSA 674:58 to 61 relative to workforce housing. The new guidebook discusses methods of determining whether the community already complies with the law and, if not, the steps that municipality can take to meet the law's requirements. The guidebook gives examples of what some of the state's communities have already done to encourage workforce housing development. It offers a range of options that would be suitable for use in either large or small communities and in a manner that best fits the community's unique regulatory environment and culture. The publication can be downloaded at: http://www.nhhfa.org/rl_WHguide.cfm

USDA Rural Development Housing Programs

Website: <http://www.rurdev.usda.gov/vt/vtnhhousing.htm>

Telephone: (603) 223-6035

Mutual Self-Help Housing Loan- This program is used primarily to help very low- and low-income households construct their own homes. The program is targeted to families who are unable to buy clean, safe housing through conventional methods. Families participating in a mutual self-help project perform approximately 65 percent of the construction labor on

each other's homes under qualified supervision. The savings from the reduction in labor costs allows otherwise ineligible families to own their homes. If families cannot meet their mortgage payments during the construction phase, the funds for these payments can be included in the loan.

Rural Housing Direct Loans- Section 502 loans are primarily used to help low-income individuals or households purchase homes in rural areas. Funds can be used to build, repair, renovate or relocate a home, or to purchase and prepare sites, including providing water and sewage facilities. These loans are available for low- and very low-income households to obtain homeownership. Applicants may obtain 100% financing to purchase an existing dwelling, purchase a site and construct a dwelling, or purchase newly constructed dwellings located in rural areas. The purpose of this loan is to provide financing at reasonable rates and terms with no down payment. Applicants for direct loans from RHS must have very low or low incomes. Very low income is defined as below 50 percent of the area median income (AMI); low income is between 50 and 80 percent of AMI; moderate income is 80 to 100 percent of AMI. Families must be without adequate housing, but be able to afford the mortgage payments, including taxes and insurance. These payments are typically within 22 to 26 percent of an applicant's income. In addition, applicants must be unable to obtain credit elsewhere, yet have reasonable credit histories. Elderly and disabled persons applying for the program may have incomes up to 80 percent of area median income (AMI).

Rural Housing Guaranteed Loan- Section 502 loans are primarily used to help low-income individuals or households purchase homes in rural areas. Funds can be used to build, repair, renovate or relocate a home, or to purchase and prepare sites, including providing water and sewage facilities. Applicants for loans may have an income of up to 115% of the median income for the area. Families must be without adequate housing, but be able to afford the mortgage payments, including taxes and insurance. In addition, applicants must have reasonable credit histories. There is no required down payment. The lender must also determine repayment feasibility, using ratios of repayment (gross) income to PITI and to total family debt.

Rural Rental Housing Guaranteed Loan Program- Guaranteed loans specifically for development of multifamily housing facilities in rural areas of the United States. Loan guarantees are provided for the construction, acquisition, or rehabilitation of rural multifamily housing. Occupants must be very low, low or moderate-income households, elderly, handicapped, or disabled persons with income not in excess of 115% of the area median income. Very low income is defined as below 50 percent of the area median income (AMI); low income is between 50 and 80 percent of AMI; moderate income is capped at \$5,500 above the low-income limit. The average rent of all units is 30% of 100% of the median income of the surrounding area (adjusted for family size).

Rural Housing Site Loans- Housing Site Loans are made to provide financing for the purchase and development of housing sites for low- and moderate-income families. Section 523 loans are made to acquire and develop sites only for housing to be constructed by the self-help method. Section 524 loans are made to acquire and develop sites for any low- or moderate-income family. Low income is defined as between 50 and 80 percent of the area median income (AMI); the upper limit for moderate income is \$5,500 above the low-income limit.

Rural Housing Repair and Rehabilitation Grants- The Very Low-Income Housing Repair program provides loans and grants to very low-income homeowners to repair, improve, or modernize their dwellings or to remove health and safety hazards. To obtain a loan, homeowner-occupants must be unable to obtain affordable credit elsewhere and must have very low incomes, defined as below 50 percent of the area median income. They must need to make repairs and improvements to make the dwelling more safe and sanitary or to remove health and safety hazards. Grants are only available to homeowners who are 62 years old or older and cannot repay a Section 504 loan.

Rural Housing Repair and Rehabilitation Loans- The Very Low-Income Housing Repair program provides loans and grants to very low-income homeowners to repair, improve, or modernize their dwellings or to remove health and safety hazards. These loans are available to very low-income rural residents who own and occupy a dwelling in need of repairs. Funds are available for repairs to improve or modernize a home, or to remove health and safety hazards. To obtain a loan, homeowner-occupants must be unable to obtain affordable credit elsewhere and must have very low incomes, defined as below 50 percent of the area median income. They must need to make repairs and improvements to make the dwelling more safe and sanitary or to remove health and safety hazards. Grants are only available to homeowners who are 62 years old or older and cannot repay a Section 504 loan.

Rural Rental Assistance (RA) Program – The USDA provides an additional source of support for households with incomes too low to pay the RHS subsidized (basic) rent from their own resources. RHS pays the owner of a multifamily housing complex the difference between the tenant's contribution (30 percent of adjusted income) and the monthly rental rate

Rural Rental Housing Loans- The program is adaptable for participation by a wide variety of owners. Loans can be made to individuals, trusts, associations, partnerships, limited partnerships, State or local public agencies, consumer cooperatives, and profit or nonprofit corporations. These loans are direct, competitive mortgage loans made to provide affordable multifamily rental housing for very low, low, and moderate-income families; the elderly; and persons with disabilities. This is primarily a direct mortgage program, but its funds may also be used to buy and improve land and to provide necessary facilities such as water and waste disposal systems.

Self-Help Technical Assistance Grant- These grants provide financial assistance to non-profit organizations that will provide technical assistance to low- and very low-income households to build their own homes in a rural area. Funds may be used to pay salaries, rent, and office expenses of the non-profit organization.

The Housing Preservation Grant (HPG)- This program provides grants to sponsoring organizations for the repair or rehabilitation of low- and very low-income housing. The grants are competitive and are made available in areas where there is a concentration of need. The objective of the HPG program is to repair or rehabilitate individual housing, rental properties, or co-ops owned and/or occupied by very low- and low-income rural persons.