

Findings Report: Milford's Workforce Housing Statistics
 Prepared for the Milford Planning Board by the Office of Community Development

Introduction

The Town of Milford, New Hampshire is located along the Souhegan River, 11 miles west of Nashua within Hillsborough County. In Milford, the State's major east-west highway, Route 101, intersects with Route 101A from Nashua and Route 13 a north-south roadway running from the Massachusetts border to the State's capital city of Concord NH. Given its location, Milford has served as a hub for commercial and industrial activities in the Souhegan Valley area and along the east-west corridor between Nashua and Keene. For planning purposes and as defined by the State, Milford is included in the Greater Nashua Region and is a member of the Nashua Regional Planning Commission (NRPC).

Milford has had a municipal water system since around 1890. In 1981, Milford's "new" Wastewater Treatment Facility began operating. In addition to providing treatment of wastewater from Milford, this facility also treats wastewater from the Town of Wilton. About a quarter of Milford's population is served by municipal water and sewer services, specifically throughout the more densely populated downtown area and along the major roadway corridors.

As a community with a substantial commercial-industrial sector and municipal water and sewer services, Milford has historically provided a diverse range of housing options for all income ranges and continues to do so. In 2008, the State of New Hampshire enacted RSA 674:58-61 Workforce Housing in an effort to require communities throughout New Hampshire to provide a fair-share of their region's workforce housing needs. In accordance with the RSA Milford undertook the following analysis to determine its level of compliance in providing for workforce housing¹.



¹ The data utilized for this report were the best available, but several years old. The US Census Bureau will soon commence the 2010 Census, with new data for Milford and surrounding communities expected in 2011. Once new data is available the Town will update this findings report, including an analysis of income levels in relation to the amount of workforce housing. There was no reasonably current income data available at the time of this report.

The analysis looks at three types of data. First, housing data for each community within the NRPC region is compared. Second, Milford specific data was compiled from the Assessor's database to understand the types, distribution and values of housing units in Milford and lastly, data on gross rental costs for multiple types of units are compared to the NRPC region. In analyzing these three levels of data together we are able to better understand Milford's workforce housing supply for both owner-occupied and renter occupied units and how that compares to the greater NRPC region.

Owner Occupied Housing

This section reviews the types, values and costs of owner-occupied housing units (including the combined mortgage loan debt services, property taxes and required insurance) in the greater NRPC region² and Milford.

NRPC Region

As stated above Milford is part of the NRPC region and should reasonably supply its fair-share of the region's need for workforce housing. Table 1 details an overview of the types of available housing by community in the NRPC region in 2006.

Table 1: 2006 NRPC Community Housing Data

Town	Single family Units ³	Multifamily Units ⁴	Manufactured Units	Total Units
Nashua	16812	19033	890	36735
Milford	3084	2573	405	6062
Hudson	6117	2829	150	9096
Merrimack	6912	2673	218	9803
Wilton	1246	351	23	1620
Litchfield	2308	416	121	2845
Pelham	3847	537	27	4411
Hollis	2498	251	91	2840
Mont Vernon	775	25	71	871
Amherst	3787	310	73	4170
Lyndeborough	628	32	27	687
Brookline	1537	104	21	1662
Mason	526	0	17	543
NRPC Regional Averages	3,852	2,241	164	6,257

Source: NHES Community Profiles

Milford falls close to the median in both single family units and multifamily units, however has a significantly larger number of manufactured housing units than other communities within the

² The NRPC Region includes the following communities: Lyndeborough, Mason, Wilton, Milford, Mont Vernon, Amherst, Brookline, Hollis, Nashua, Merrimack, Hudson, Pelham and Litchfield.

³ Single Family Units – any structure that is reported as detached in annual OEP community survey.

⁴ Multifamily Units – any structure that is reported as attached in annual OEP community survey.

region. Table 2 compares the distribution of housing types within each community throughout the NRPC Region.

Table 2: 2006 NRPC Communities Housing Units Percent by Type

Town	Percent of Single family Units	Percent of Multifamily Units	Percent of Manufactured Units
Nashua	45.8%	51.8%	2.4%
Milford	50.9%	42.4%	6.7%
Hudson	67.2%	31.1%	1.6%
Merrimack	70.5%	27.3%	2.2%
Wilton	76.9%	21.7%	1.4%
Litchfield	81.1%	14.6%	4.3%
Pelham	87.2%	12.2%	0.6%
Hollis	88%	8.8%	3.2%
Mont Vernon	89%	2.9%	8.2%
Amherst	90.8%	7.4%	1.8%
Lyndeborough	91.4%	4.7%	3.9%
Brookline	92.5%	6.3%	1.3%
Mason	96.9%	0%	3.1%
NRPC Regional Averages	61.6%	22.6%	2.6%

Source: NHES Community Profiles

Milford is significantly different from the medians in all categories when comparing housing unit distribution. Milford has the second lowest percent of single family homes at 50.9% and the second highest rate of multifamily (42.4%) and manufactured homes (6.7%) in the region. As stated earlier Milford's substantial commercial/industrial sector and municipal services have historically caused Milford to develop with a more diverse range of housing types than some of it's surrounding communities. However as Table 2 displays Milford provides a more balanced (percentage wise) and diverse choice of housing types than all communities except Nashua.

Housing Types and Value

In an effort to examine Milford's housing stock in more detail the Milford Assessor's Office supplied data on all housing units in Milford, including address, number of units and total assessed value of the property. The following data was reported for 2007 and it is important to note, differs slightly from the previous regional statics due to dissimilar source data.

To delve further into owner-occupied housing information all single family, manufactured homes and condominiums were extracted from the database. There are many two and three family units⁵ in Milford which are believed to be owner-occupied but were not included in this report as the Assessor's database does not have information on whether a property is owner-occupied. Table 3 is a snapshot of Milford's owner-occupied units and associated values.

⁵ The Assessor's database details 214 two-family structures and 54 three-family structures in Milford for a total of 428 two-family units and 162 three-family units.

Table 3: 2007 Milford Owner-Occupied Housing Units by Type

Housing Type	Total Assessed Value	Total Number of Units	Average Value
Single Family Houses	\$915,882,436.00	3082	\$297,171.46
Condominiums	\$136,339,200.00	736	\$185,243.48
Manufactured Homes	\$26,091,898.00	318	\$82,049.99
Totals	\$1,089,571,031.00	4136	\$261,916.11

Source: Milford Assessing Database

The total value of each property is utilized in the next section to determine housing units that qualify as affordable in accordance with the *Workforce Housing* statutes (RSA 674:58-61). In 2007, the Assessing Departments valuation data was given a 100% equalization rate by the State Department of Revenue Administration, as such no modifications were necessary to the total value of each housing unit.

Costs of Owner-Occupied Housing

To qualify as workforce housing, owner-occupied units must be “affordable to a household with an income of no more than one hundred (100%) percent of the median income for a four person household” (RSA 674:58.IV). Affordable is further defined as housing units which do not exceed 30 percent of a household’s gross annual income in combined mortgage loan debt services, property taxes and required insurance (RSA 674:58.I).

The US Department of Housing and Urban Development (HUD) specified income threshold for a four person household in the Nashua, NH HMFA (HUD Fair Market Area), which includes Milford and many of the communities⁶ in the NRPC region for 2007, was \$84,100. This annual income is the maximum that can qualify towards the *Workforce Housing* statutes for 2007 in Milford. To better understand the cost of owner-occupied housing in Milford, this report will also look at units affordable to households making 80% and 60% of the above stated HUD median.

Table 4: 2007 Milford Four Person Median Income Values

Percent of 4 Person Owner Occupied Median Income	Income Value
100%	\$84,100
80%	\$67,280
60%	\$50,460

Source: US Department of Housing and Urban Development

To address affordability the following will focus on housing units in Milford that are affordable to households making between \$50,460 and \$84,100 annually. To determine what value would be affordable for this income range the New Hampshire Housing Finance Authority’s (NHHFA) Affordability Calculator was utilized. The calculator for a home purchase was set to include a 1.75% tax rate (Milford’s 2007 rate), \$10,000 cash on hand, a 6% interest rate on a 30 year loan

⁶ Communities of the Nashua, NH HMFA include Amherst, Brookline, Greenville, Hollis, Hudson, Litchfield, Mason, Merrimack, Milford, Mont Vernon, Nashua, New Ipswich, Pelham, Wilton

and a 0.5% home insurance rate in determining the value of housing that would be affordable in Milford's income range.

Table 5: 2007 Milford Affordable Purchase Price

Percent of 4 Person Owner Occupied Median Income	Income Value	Affordable Purchase Price
100%	\$84,100	\$242,079
80%	\$67,280	\$195,123
60%	\$50,460	\$140,572

Source: NHHFA Affordability Calculator

The NHHFA Affordability Calculator's purchase price range of \$242,079 or less was then compared against the Total Value of each owner-occupied unit in the Assessor's database. Tables 6 thru 8 detail the number and percentage of affordable units for each of the major housing types: single family, condominiums and manufactured homes.

Table 6: 2007 Milford Affordable Single Family Homes

Percent of 4 Person Owner Occupied Median Income	Affordable Purchase Price	Number of Affordable Single Family Homes	Percent of Single Family Homes
81% - 100%	\$195,124 - \$242,079	518	17%
61% - 80%	\$140,573 - \$195,123	54	2%
Less than 60%	\$0 - \$140,572	4	0%
	Total Affordable Single Family Homes	576	19%

*The total number of single family homes in Milford is 3082.

Source: Milford Assessing Database

Of the 3082 single family homes in Milford 19% or 576 properties would be affordable to a household earning the median income. With single family homes there is less affordable housing for households earning less than 80% of the median income or \$67,280 a year. The vast majority of affordable units fall into the 80% to 100% of the median earnings level. Single family housing has the highest total value of all the housing types evaluated in this report, causing the still significant, but lower rates of affordable units as expected.

Table 7: 2007 Milford Affordable Condominiums

Percent of 4 Person Owner Occupied Median Income	Affordable Purchase Price	Number of Affordable Condos	Percent of Condos
81% - 100%	\$195,124 - \$242,079	176	24%
61% - 80%	\$140,573 - \$195,123	388	53%
Less than 60%	\$0 - \$140,572	103	14%
	Total Affordable Condos	667	91%

*The total number of condominiums in Milford is 736.

Source: Milford Assessing Database

Of the 736 condominiums in Milford 91% or 667 properties would be affordable to a household earning the median income. In addition, a majority of condominiums are affordable to households earning between 60% and 80% of the median income, with a significant number also affordable to households earning less than 60% of the median or \$50,460. The total value of condominiums varies greatly in Milford depending on if there is land associated with the housing unit or if the units are attached or detached. However, even with these variations in options and values, the vast majority of condominiums in Milford are considered affordable.

Table 8: 2007 Milford Affordable Manufactured Homes

Percent of 4 Person Owner Occupied Median Income	Affordable Purchase Price	Number of Affordable Manu. Homes	Percent of Manu. Homes
81% - 100%	\$195,124 - \$242,079	14	4%
61% - 80%	\$140,573 - \$195,123	32	10%
Less than 60%	\$0 - \$140,572	268	84%
	Total Affordable Manu. Homes	314	99%

*The total number of manufactured homes in Milford is 318.

Source: Milford Assessing Database

Of the 318 manufactured homes in Milford 99% or 314 of the properties would be affordable to a household earning the median income. Furthermore, the vast majority of all manufactured homes would be considered affordable to a household making only 60% of the median income or \$50,460 a year. The high rates of affordability are expected with manufactured homes as they traditionally have a lower total value than both single family homes and condominiums. Additionally, as shown in Table 2 above, except for Mont Vernon, Milford far exceeds the rest of the region in its percentage supply of this type of affordable housing relative to total housing units.

Milford has a diverse owner-occupied housing stock which translates into many affordable housing units within the community. Table 9 details the total numbers of affordable units in Milford at the median household income and for households making 60% and 80% of the median.

Table 9: 2007 Milford Affordable Housing Units

Percent of 4 Person Owner Occupied Median Income	Affordable Purchase Price	Number of Affordable Housing Units	Percent of Total Housing Units by Type
81% - 100%	\$195,124 - \$242,079	708	17%
61% - 80%	\$140,573 - \$195,123	474	15%
Less than 60%	\$0 - \$140,572	375	9%
	Total Affordable Housing Units	1557	38%

*The total number of owner-occupied units in Milford is 4136.

Source: Milford Assessing Database

Of the 4136 owner-occupied housing units in Milford 38% are considered affordable to a four person household making \$84,100 or less annually. In addition, there are a significant number of housing units available to households making 60% to 80% and less than 60% of the median. Unfortunately, as there is no data available on the number and percentage of affordable units in other NRPC communities, there is no ability to make a comparative analysis. However, as

Milford supplies a much lower percentage of single family units and much greater percentage of manufactured housing than other NRPC communities (Table 2) it is reasonable to assume the community is providing a greater proportion of affordable owner-occupied housing options than most of the other NRPC communities.

Rental Housing

The costs of renting a dwelling unit with utilities in the NRPC Region and Milford are discussed in this section. The Town of Milford has no specific data on the costs of rental units within the community. Fortunately, the NHHFA conducts an annual Residential Rental Cost Survey throughout New Hampshire which is able to provide specific rental data for Milford. Table 10 depicts the median rental values for Milford and the NRPC Region in 2007.

Table 10: Median Gross Rental Costs, 2007

Area	All Units	1-Bedroom Unit	2-Bedroom Unit	3-Bedroom Unit
NRPC Region	\$1071	\$881	\$1123	\$1353
Milford	\$994	\$865	\$1112	\$1080

Source: NHHFA Residential Rental Cost Survey, 2008

Milford's gross rental costs are lower than the regional median for all unit types. However, to determine if Milford is providing for affordable workforce housing the next tables compares the median income of residents to the median rental costs.

Costs of Renter-Occupied Housing

To qualify as workforce housing, rental units must be "affordable to a household with an income of no more than sixty (60%) percent of the median income for a three person household"(RSA 674:58.IV). Affordable housing units are defined as units that do not exceed 30 percent of a household's gross annual income in combined rental and utility costs (RSA 674:58.I).

The HUD specified income threshold for a three person household in the Nashua, NH HMFA for 2007 was \$45,414. Therefore to consider a rental unit to be affordable in Milford the median annual costs would have to be less than \$13,624. Table 11 depicts the annual median costs of rent in Milford and the NRPC Region for 2007.

Table 11: Annual Median Gross Rental Costs, 2007

Area	All Units	1-Bedroom Unit	2-Bedroom Unit	3-Bedroom Unit
NRPC Region	\$12,852	\$10,572	\$13,476	\$16,236
Milford	\$11,928	\$10,380	\$13,344	\$12,960

Source: NHHFA Housing Needs Assessment Report

Milford's annual median rental costs, \$11,928 for all types of rental units, are less than the maximum 30% of \$13,624.

Conclusion

Milford has a diverse housing supply including both owner-occupied and rental housing; in 2007 38% of the total owner-occupied housing units were considered affordable to households making up to \$84,100⁷ and the median gross rental costs, for all types of units, were considered affordable⁸.

In comparison to the NRPC region Milford has a more balanced distribution of housing types, including much higher percents of supply for multifamily and manufactured housing. The availability of municipal water and sewer service combined with the community's commercial-industrial economic base and the diversity of the housing stock has helped the community to provide for a substantial amount of affordable housing, and likely much greater amounts than most of the communities in the region.

⁷ HUD specified income threshold for 4 person owner-occupied unit, Nashua NH HUD Fair Market Area.

⁸ HUD specified income threshold for 3 person renter-occupied unit, Nashua NH HUD Fair Market Area.