

Findings Report: Milford's Workforce Housing Statistics

Prepared for the Milford Planning Board by the Office of Community Development

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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, running north-south from the Massachusetts border to Concord. Given its location, Milford has served as a hub of commercial and industrial activities for the Souhegan Valley and is the largest town (2010 pop. 15,115) 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's municipal water system was initiated in 1890. In 1981, Milford's "new" Wastewater Treatment Facility began operation. In addition to providing treatment of Milford's wastewater, this facility also treats wastewater from the neighboring Town of Wilton. About a third of Milford's population is served by municipal water and sewer services, concentrated around the downtown 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 originally in 2009, and most recently updated with 2010 census data to determine its level of compliance in providing for workforce housing¹.



¹ The data utilized for this report were the best available based on the 2010 Census, American Communities Survey, the Office of Energy and Planning's 2009 Housing Report, NH Housing Finance Authority's 2011 Residential Rental Cost Survey and data from the Milford Assessing Office. As the Census simplified its survey to focus on population data other resources were utilized to gather relevant housing related.

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. Analyzing these three levels of data together allows for an understanding of 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 population and the types of available housing by community in the NRPC region in 2009.

Table 1: 2009 NRPC Community Housing Data

Town	Population 2010	Single family Units ³	Multifamily Units ⁴	Manufactured Units	Total Units
Nashua	86,494	17003	19437	881	37321
Merrimack	25,494	6987	2656	223	9866
Hudson	24,467	6164	2887	149	9200
Milford	15,115	3145	2583	404	6132
Pelham	12,897	3901	562	27	4490
Amherst	11,201	3845	326	75	4246
Litchfield	8,271	2368	452	121	2941
Hollis	7,684	2511	249	94	2854
Brookline	4,991	1588	104	20	1712
Wilton	3,677	1261	354	22	1637
Mont Vernon	2,409	786	24	73	883
Lyndeborough	1,683	637	33	27	697
Mason	1,382	545	0	17	562
NRPC Regional Averages	15,828.08	3,903	2,282	164	6,349

Source: 2010 Census and NH OEP 2009 Housing Report

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

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.

Table 2: 2009 NRPC Communities Housing Units Percent by Type

Town	Population 2010	Percent of Single family Units	Percent of Multifamily Units	Percent of Manufactured Units
Nashua	86,494	45.6%	52.1%	2.4%
Merrimack	25,494	70.8%	26.9%	2.3%
Hudson	24,467	67.0%	31.4%	1.6%
Milford	15,115	51.3%	42.1%	6.6%
Pelham	12,897	86.9%	12.5%	0.6%
Amherst	11,201	90.6%	7.7%	1.8%
Litchfield	8,271	80.5%	15.4%	4.1%
Hollis	7,684	88.0%	8.7%	3.3%
Brookline	4,991	92.8%	6.1%	1.2%
Wilton	3,677	77.0%	21.6%	1.3%
Mont Vernon	2,409	89.0%	2.7%	8.3%
Lyndeborough	1,683	91.4%	4.7%	3.9%
Mason	1,382	97.0%	0.0%	3.0%
NRPC Regional Averages	15,828.08	61.5%	35.9%	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 51.3% and the second highest rate of multifamily (42.1%) and manufactured homes (6.6%) in the region. As stated earlier Milford's substantial commercial/industrial sector and municipal services have historically allowed Milford to develop with a more diverse range of housing types than some of its 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 2011 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: 2011 Milford Owner-Occupied Housing Units by Type and Associated Values

Housing Type	Total Assessed Value	Total Number of Units	Average Value
Single Family Houses	\$735,915,065.00	3104	\$237,162.44
Condominiums	\$120,372,500.00	791	\$152,177.62
Manufactured Homes	\$21,091,194.00	321	\$65,704.65
Totals	\$877,382,975.00	4216	\$208,107.92

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 2011, the Assessing Department completed a revaluation of all Milford properties; 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 HFMA (HUD Fair Market Area), which includes Milford and many of the communities⁶ in the NRPC region for 2011, was \$92,700. This annual income is the maximum that can qualify towards the *Workforce Housing* statutes thresholds in Milford for 2011. To better understand the cost of owner-occupied housing in Milford, this report will also look at units deemed affordable to households making 80% and 60% of the above stated HUD median.

Table 4: 2011 Milford Four Person Median Income Values

Percent of 4 Person Owner Occupied Median Income	Income Value
100%	\$92,700
80%	\$74,160
60%	\$55,620

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 \$55,620 and \$92,700 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 2.47% tax rate (Milford’s 2011 rate), \$10,000 cash on hand, a 5% interest rate on a 30-year loan and a 0.5% home insurance rate, in determining the value of housing that would be affordable in Milford’s income range.

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

Table 5: 2011 Milford Affordable Purchase Price

Percent of 4 Person Owner Occupied Median Income	Income Value	Affordable Purchase Price
100%	\$92,700	\$256,664
80%	\$74,160	\$189,786
60%	\$55,620	\$122,977

Source: NHHFA Affordability Calculator

The NHHFA Affordability Calculator's purchase price range of \$256,664 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: 2011 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%	\$207,897 - \$256,664	1014	33%
61% - 80%	\$156,565 - \$207,896	1012	32%
Less than 60%	\$0 - \$156,564	145	5%
	Total Affordable Single Family Homes	2171	70%

*The total number of single family homes in Milford is 3104.

Source: Milford Assessing Database (revaluation in 2011)

Of the 3104 single family homes in Milford 70% or 2171 properties would be affordable to a household earning the median income. There is less affordable single family housing for households earning less than 60% of the median income or \$55,620 a year, however more than half of all single family houses in Milford are affordable for households between 61% 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 significant, but lower rates of affordable units when compared to condominiums and manufactured housing.

Table 7: 2011 Milford Affordable Condominiums

Percent of 4 Person Owner Occupied Median Income	Affordable Purchase Price	Number of Affordable Condos	Percent of Condos
81% - 100%	\$207,897 - \$256,664	100	13%
61% - 80%	\$156,565 - \$207,896	135	17%
Less than 60%	\$0 - \$156,564	527	66%
	Total Affordable Condos	762	96%

*The total number of condominiums in Milford is 791.

Source: Milford Assessing Database (revaluation in 2011)

Of the 791 condominiums in Milford 96% or 762 properties would be affordable to a household earning the median income. In addition, a majority of condominiums are affordable to households earning between 61% and 80% of the median income, with a significant number also affordable to households earning less than 60% of the median or \$55,620. 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 most of condominiums in Milford are considered affordable.

Table 8: 2011 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%	\$207,897 - \$256,664	4	1%
61% - 80%	\$156,565 - \$207,896	9	2%
Less than 60%	\$0 - \$156,564	306	96%
	Total Affordable Manu. Homes	319	99%

*The total number of manufactured homes in Milford is 321.

Source: Milford Assessing Database (revaluation in 2011)

Of the 321 manufactured homes in Milford 99% or 319 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 less than 60% of the median income or \$55,620 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 up to 60% and 80% of the median.

Table 9: 2011 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%	\$207,897 - \$256,664	1118	27%
61% - 80%	\$156,565 - \$207,896	1156	28%
Less than 60%	\$0 - \$156,564	978	24%
	Total Affordable Housing Units	3252	78%

*The total number of owner-occupied units in Milford is 4216.

Source: Milford Assessing Database (revaluation in 2011)

Of the 4216 owner-occupied housing units in Milford 78% are considered affordable to a four person household making \$92,700 or less annually. In addition, there are a significant number of housing units available to households making 61% 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 lower percentage of single family units and 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 2011.

Table 10: Median Gross Rental Costs, 2011

Area	All Units	1-Bedroom Unit	2-Bedroom Unit	3-Bedroom Unit
NRPC Region	\$1096	\$948	\$1164	\$1455
Milford	\$1067	\$880	\$1182	\$1230

Source: NHHFA Residential Rental Cost Survey, 2011

Milford's gross rental costs are lower than the regional median for all except the two-bedroom unit type. 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 2011 was \$50,100. Therefore to consider a rental unit to be affordable in Milford the median annual costs would have to be less than \$15,030. Table 11 depicts the annual median costs of rent in Milford and the NRPC Region for 2011.

Table 11: Annual Median Gross Rental Costs, 2011

Area	All Units	1-Bedroom Unit	2-Bedroom Unit	3-Bedroom Unit
NRPC Region	\$13,152	\$11,376	\$13,968	\$17,460
Milford	\$12,804	\$10,560	\$14,184	\$14,760

Source: NHHFA Housing Needs Assessment Report

Milford's annual median rental costs, \$12,804 for all types of rental units, are less than the maximum 30% of \$15,030.

Conclusion

Milford has a diverse housing supply including both owner-occupied and rental housing. In 2011 78% of the total owner-occupied housing units were considered affordable to households

making up to \$92,700⁷ 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 percentages of supply for multifamily and manufactured housing. The availability of municipal water and sewer service combined with the community's diverse commercial-industrial economic base and housing stock allows the community to provide for a substantial amount of affordable housing, for Milford and the NRPC 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.