



Town of Milford

MASTER PLAN

Adopted October 19, 1999

Updates :

May 08, 2007

September 16, 2008

February 23, 2010

July 17, 2012

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Chapter 7:

HOUSING CHAPTER**INTRODUCTION**

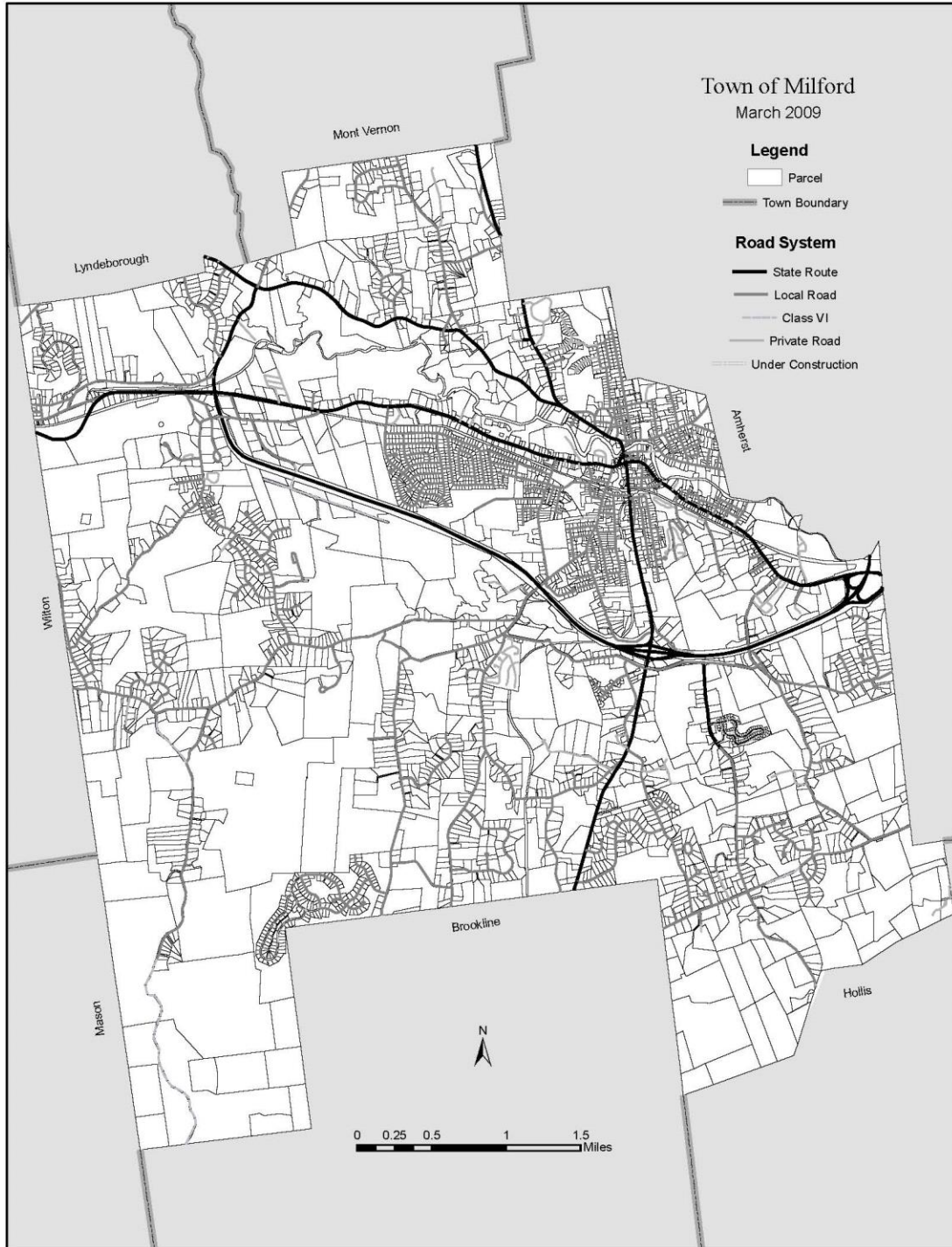
The Town of Milford is part of Hillsborough County, the Souhegan Valley and the Nashua Regional Planning Commission. The robust population and housing growth experienced in Milford has been and will continue to be influenced by its geographic and economic location. Milford lies at the intersections of the State's major east-west highway, Route 101 and Route 101A. It is further bisected by Route 13, a north-south roadway running from Massachusetts to New Hampshire's state capital, Concord.

Given its location, Milford serves as a hub of commercial and industrial activities. In addition to its geographic connections, as of 2009 Milford is one of only four communities within the Nashua Regional Planning Commission region to have a municipal water system and wastewater treatment plant. These municipal utilities serve the community throughout the more densely populated downtown area and along major roadway corridors. As a Town with a substantial commercial-industrial sector and municipal water and sewer utilities, Milford has historically provided a diverse range of housing options for all income and age ranges, and continues to do so.

Per state statute, the Housing Chapter of a Master Plan must assess the local housing conditions and project the future housing needs of the community and the region for all income levels and ages. The purpose of this chapter is to examine trends and forecasts for population, income and housing in Milford, in the context of the region defined by the Nashua Regional Planning Commission's (NRPC) borders. In addition, this chapter outlines the community's program of action to help ensure Milford's housing stock continues to provide for the needs of its current and future population. Safe, quality housing that reflects the economic and community character of Milford is vital to the long-term future of Milford.

II. CURRENT HOUSING TRENDS AND STATUS

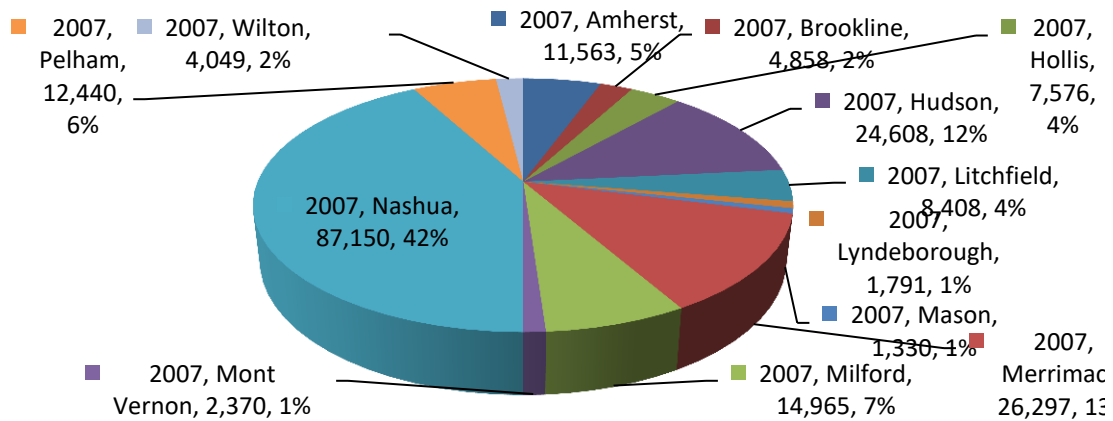
2.01 TOWN OF MILFORD MAP



2.02 POPULATION TRENDS

As of 2009, Milford was the fourth largest of the thirteen communities in the NRPC⁵ region. From 1990 to 2000 the NRPC region expanded its total population by 14%. The growth in population has continued into the following decade at a slightly slower rate; from 2000 to 2007 the population growth registered at just over 5.3% for the region as a whole.

Chart 1: NRPC Communities 2007 Population Estimates



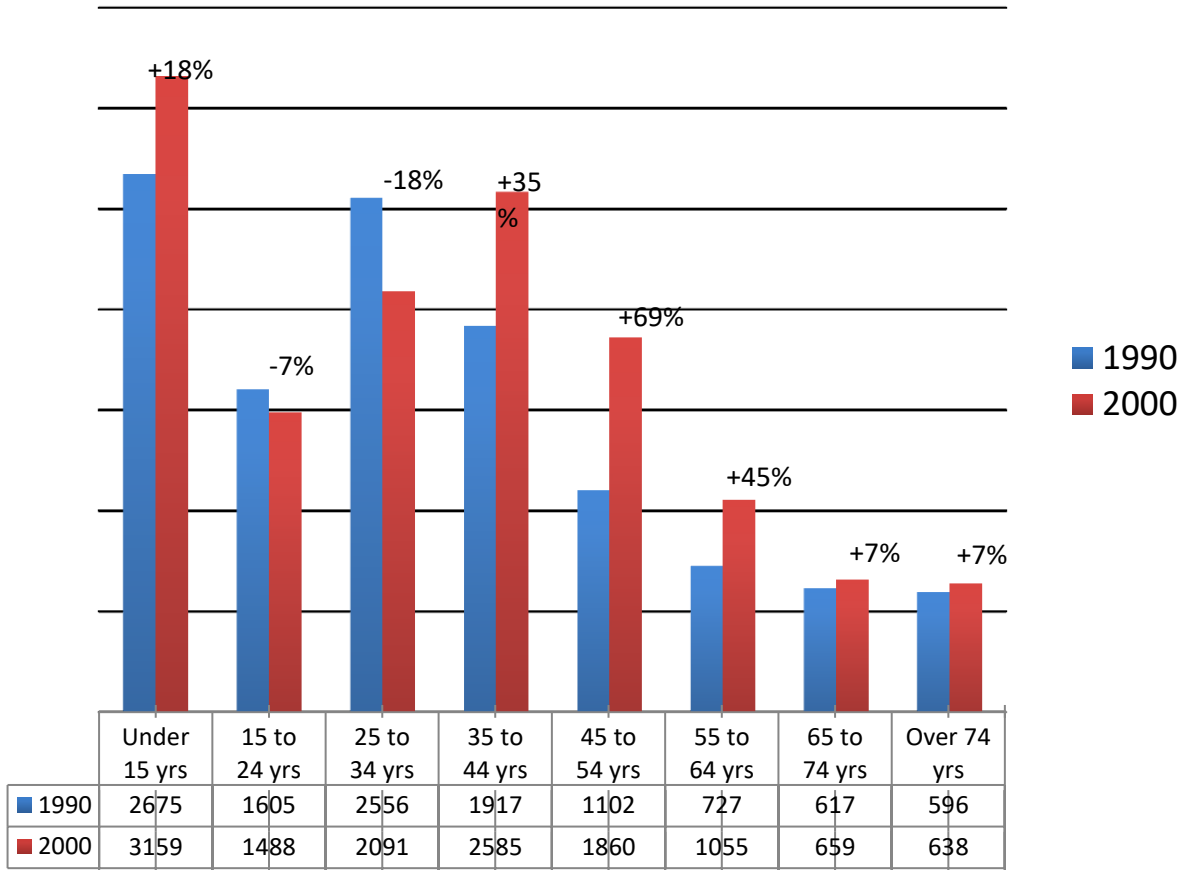
Source: NH Office of Energy and Planning (OEP)

Milford’s growth from 1990 to 2000 closely mirrors that of the NRPC region, increasing from 11,795 in 1990 to 13,535 in 2000 or 14.8%. Milford’s growth increased significantly from 2000 to 2007 up to 14,965 or 10.5% compared to the 5.3% regional average. Due to the economic downturn in 2008 growth slowed significantly in Milford after 2007. However, the community should still have a substantial increase to report in the 2010 Census.

The population increases in Milford between 1990 and 2000 were not evenly distributed by age groups. As has been noted for Hillsborough county and New Hampshire as a whole, Milford’s population is “graying” or increasing its population of residents over 45 years old at a much faster rate than the younger age groups. Chart 2 depicts the aging of our population.

⁵ NRPC Region includes the following communities: Amherst, Brookline, Hollis, Hudson, Litchfield, Lyndeborough, Mason, Merrimack, Milford, Mont Vernon, Nashua, Pelham and Wilton.

Chart 2: Milford’s Population by Age Group 1990-2000



Source: US Census

From 1990 to 2000 Milford residents 44 years old and younger increased by 6% compared to residents 45 years old or older increasing 38%.

It is likely the trend of an aging population has continued since the 2000 Census. Prior to 2000 there were only 229 age-restricted or senior housing units (either 55 or 62+) in Milford. Between 2000 and 2008 eight new age-restricted housing developments were approved and constructed in Milford, adding 378 new age-restricted housing units. This more than doubled the availability of senior housing in Milford to a total of 607 units in 2008.

On the opposite end of the population spectrum, Milford’s school population has remained relatively stable between 2000 and 2008, with long-term projections showing a stable population between 2008 and 2013. Data provided by the Milford School District for the 2008/2009 school year reports a 2.7% increase in the population of students enrolled in grades Readiness through 12th, from the 2001/2002 school year. Over the 2008/2009 school year the school district has expanded to include a small population of students from the neighboring community of Mason, and will further expand for the 2009/2010 school year to include kindergarten.

2.03 INCOME TRENDS

Income data is typically reported in one of three major indices: Per Capita Income, Median Family Income and Median Household Income.

Per Capita Income is a measure of the income for an entire geography (in this case the Town of Milford) divided by the total population, or every man, woman and child. This index takes into account children, who do not generally contribute any income, producing a lower value than median incomes.

A median measure divides an income distribution into two equal parts, with one-half falling below and one-half above the median number. Median Family Income includes the incomes of all family members 15 years old and over related to the “householder” versus the Median Household Income which includes the income of all individuals in the household whether they are related or not. As there are many households with one person, this index is generally lower than the family income.

As this report evaluates housing in Milford and the NRPC region, the median family and household incomes data are used for comparison purposes. The major source for broadly reported income data at the community level comes from the US Census Bureau’s dicentennial census. Due to the constraints of the data available in 2009, this report was not able to evaluate more recent trends in income data; however as the new census data becomes available in 2011 this report should be updated.

The decade from 1990 through 2000 details considerable increases in income for all New Hampshire residents. The Median Family Income increased by 38.3% over the decade and the Median Household Income by 36.2% for the state as a whole. Hillsborough County reported similar growth in both family and household income for the same period, at 34.8% and 32.1% respectively. Looking at the smaller NRPC region, the increases in income are even greater than the state and county averages. In 1989 the Median Family Income for the NRPC region was \$52,667, which increased to \$74,659 in 1999, a 41.8% growth. Households fared better than the state and county as well, with a reported \$49,458 income in 1989, increasing to \$68,012 in 1999, a 37.5% increase.

The prosperous growth of this decade carried into Milford as well. Milford’s median incomes are approximately \$10,000 less than the NRPC region’s average, but show similar rates of growth over the decade (See Tables 1 & 2).

Table 1: NRPC Region Median Family Income 1989-1999

Median Family Income			
Town	1989	1999	% Change
Amherst	\$66,491	\$97,913	47.6%
Brookline	\$57,372	\$80,214	39.8%
Hollis	\$68,096	\$104,737	53.8%
Hudson	\$50,714	\$71,313	40.6%
Litchfield	\$52,438	\$76,931	46.7%
Lyndeborough	\$46,250	\$70,223	51.8%
Mason	\$53,935	\$61,908	14.8%
Merrimack	\$55,844	\$72,011	29.0%
Milford	\$43,628	\$61,682	41.4%
Mont Vernon	\$52,740	\$77,869	47.7%
Nashua	\$46,614	\$61,102	31.1%
Pelham	\$51,147	\$73,365	43.4%
Wilton	\$39,402	\$61,311	55.6%
NRPC Averages	\$52,667	\$74,659	41.76%

Source: 1980 and 1990 Census

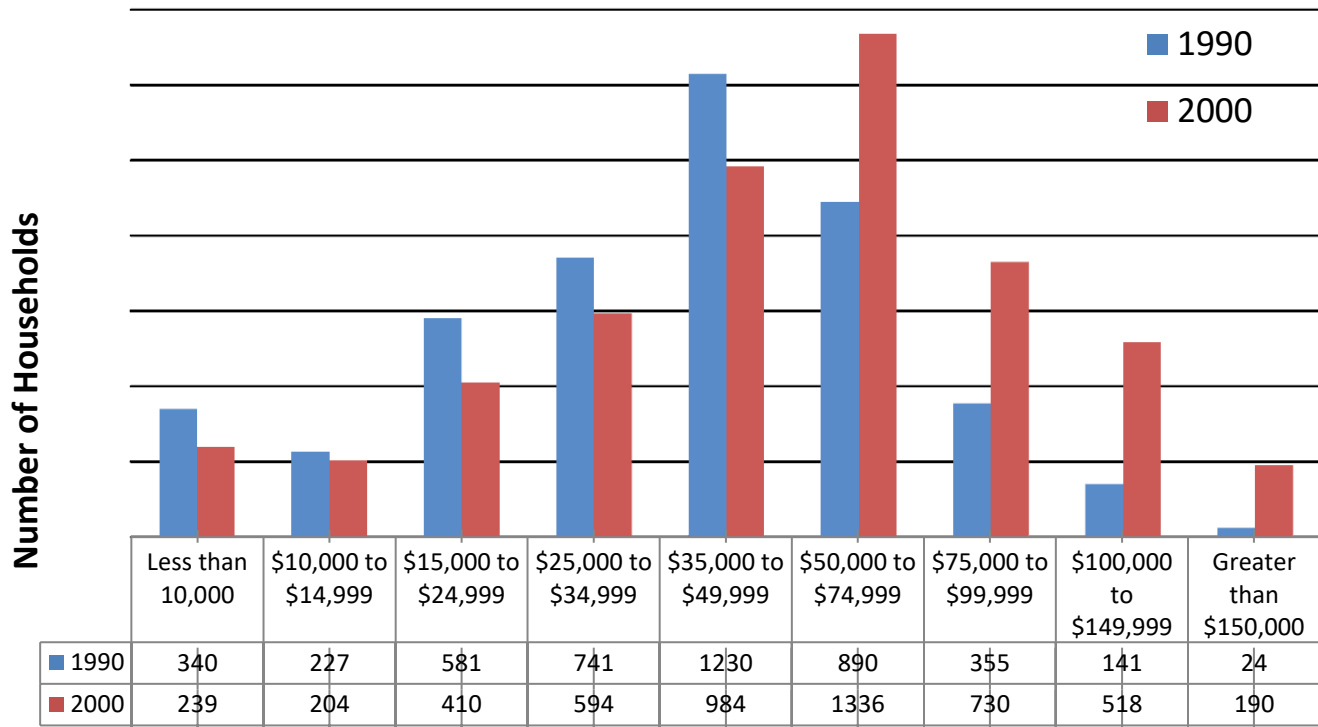
Table 2: NRPC Region Median Household Incomes 1989-1999

Median Household Income			
Town	1989	1999	%Change
Amherst	\$62,568	\$89,384	42.9%
Brookline	\$55,858	\$77,075	38.0%
Hollis	\$64,351	\$92,847	44.3%
Hudson	\$47,859	\$64,169	34.1%
Litchfield	\$49,946	\$73,302	46.8%
Lyndeborough	\$42,208	\$59,688	41.4%
Mason	\$52,137	\$60,433	15.9%
Merrimack	\$52,798	\$68,817	30.3%
Milford	\$38,792	\$52,343	34.9%
Mont Vernon	\$49,650	\$71,250	43.5%
Nashua	\$40,505	\$51,969	28.3%
Pelham	\$50,187	\$68,608	36.7%
Wilton	\$36,098	\$54,276	50.4%
NRPC Averages	\$49,458	\$68,012	37.5%

Source: 1980 and 1990 Census

Within Milford, the growth in income was further displayed through changes in the distribution of income groups. Chart 3 displays the income of Milford households by income group from the 1990 and 2000 Census. As will be discussed later in this report, the number of households and housing units also increased significantly from 1990 to 2000; not only were the incomes of existing residents rising, but it is likely new households were adding to the increase in income for Milford and the region.

Chart 3: Milford Household Income Groups 1990 & 2000



The chart shows a clear trend of increased incomes in Milford. All of the income groups making \$49,999 or less per household lost population over the decade and in contrast, all income groups making \$50,000 or more made significant gains.

After the 2000 Census the economy continued to expand throughout the United States and New Hampshire until late in 2007. It is reasonable to assume that family and household incomes have continued to rise since the census survey in 2000. However, due to the 2008 economic downturn and contraction of the economy, it is likely that the rate of increase in Milford shown in the 2010 Census will be less substantial than over the previous decade.

2.04 FAMILY AND HOUSEHOLD SIZES

As incomes and the number of households increased from 1990 to 2000 the average family and household sizes in the NRPC region declined slightly. A household includes non-related persons within the same housing unit and all housing units in a community, whereas a family only includes housing units with related family members. The average family size in the NRPC region decreased from 3.25 persons per family in 1990 to 3.19 persons in 2000. The average household size also decreased slightly for the region from 2.92 in 1990 to 2.84 in 2000.

Milford was one of only two communities in the NRPC region, the other being Brookline, to increase its family size from 1990 to 2000. The average family size increased from 3.08 persons per household in 1990 to 3.11 in 2000, a small but significant increase compared to the rest of the communities in the region. As the number of housing units continued to grow in Milford after 2000 it will be important to determine, with the 2010 Census data, if the trend of increasing family sizes continued in Milford.

Milford's average household size did show a slight decrease over the same period of time from 2.61 persons per household in 1990 to 2.58 in 2000, which was in line with the rest of the NRPC region.

2.05 LOCAL HOUSING SUPPLY

Existing Supply

As discussed in earlier sections, Milford's population and income have been consistent with the medians of the NRPC region. However, when we look at the existing types of housing units available Milford becomes more of an outlier in the region.

Table 3 details an overview of the types of available housing by community in the NRPC region in 2006.

Table 3: 2006 NRPC Community Housing Data

Town	Single family Units ⁶	Multifamily Units ⁷	Manufactured Units ⁸	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 mean in both single family units and multifamily units, however has a significantly larger number of manufactured housing units than other communities within the region. As a commercial-industrial hub and one of only four communities in the region to have municipal water and sewer supplies, Milford has historically offered more diverse types of housing units than the other communities in the region. Table 4 compares the distribution of housing types within each community throughout the NRPC Region.

⁶ Single Family Units – any structure that is reported as detached in annual OEP community survey.

⁷ Multifamily Units – any structure that is reported as attached in annual OEP community survey.

⁸ Manufactured Units - any structure that is reported as designed to be towed on its own chassis in annual OEP community survey. Excluded are travel trailers, motor homes, and modular housing.

Table 4: 2006 NRPC Communities Housing Units Percent by Type

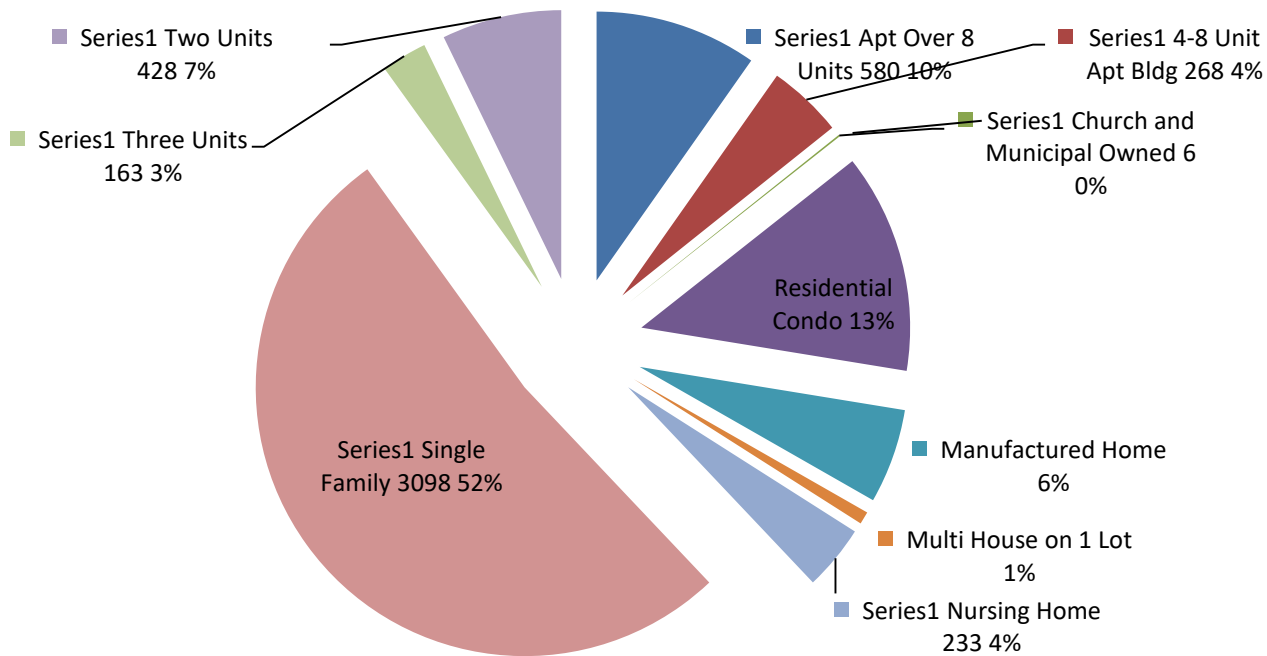
Town	Percent of Single family Units	Percent of Multifamily Units	Percent of Manufactured Units
Nashua	45.8%	51.8%	2.4%
Milford	50.9%	42.4%	6.7%
Hudson	67.2%	31.1%	1.6%
Merrimack	70.5%	27.3%	2.2%
Wilton	76.9%	21.7%	1.4%
Litchfield	81.1%	14.6%	4.3%
Pelham	87.2%	12.2%	0.6%
Hollis	88%	8.8%	3.2%
Mont Vernon	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 regional means in all categories when comparing housing unit distribution. Milford has the second lowest percentage of single family homes at 50.9% and the second highest rate of multifamily (42.4%) and manufactured homes (6.7%) in the region. The municipal water and sewer have allowed for higher densities of housing and commercial-industrial activities, which communities without these services were unable to meet. In addition, the commercial-industrial sector has supplied many local jobs to the community which has in turn encouraged a variety of housing options to serve those businesses. As Table 4 displays, Milford provides a more balanced (percentage wise) and diverse choice of housing types than all communities in our region.

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 2008 and it is important to note, differs slightly from the previous regional statics due to dissimilar source data. Chart 4 details the types of housing units available in Milford.

Chart 4: Housing Units by Type^{9, 10}



Source: Milford Assessing Data

In 2008 single family units accounted for just over half of all housing units in Milford, with condominiums and mobile homes together totaling an additional 19%. While a majority of housing units in Milford would have been considered owner-occupied, the types of owner-occupied units available allowed for a diverse range of housing options and affordability. In addition, there was a significant amount of multifamily housing units in Milford. Multifamily housing units accounted for almost a quarter of all housing units in Milford and included: two units, three units, 4-8 units and over 8 unit apartment buildings. This broad range of multifamily housing type options offered Milford’s rental community a variety of living arrangements to accommodate a variety of age groups and income levels.

Between 2006 and 2008 new housing construction in Milford was dominated by single family units. In 2002, the Town of Milford changed the Senior Housing Zoning Ordinance to require all persons owning or renting a “senior housing unit” be a minimum of 62 years of age and in 2006

⁹ Definitions per Milford Assessing Office database:

Residential Condo = an individual housing unit under condominium ownership regardless of attached or detached.

Manufactured Home = a housing unit built to national HUD construction standards, on a permanent chassis by which it could be moved.

Multi Homes on 1 Lot = Two or more residential structures on a single lot not under condominium ownership.

Accessory Dwelling Unit = A second, accessory unit incorporated within an owner-occupied single family property.

¹⁰ Corresponding numbers of units in each category: Single Family=3098, Nursing Home=233, Multi House on 1 Lot=45, Manufactured Home=338, Res. Condo=785, Church & Municipal Owned=6, 4-8 Unit Apt Bldg=268, Apt Over 8 Units=580, Two Units=428 and Three Units=163.

enacted a Growth Management Ordinance (GMO). These changes caused a dramatic drop in the amount of new multifamily and senior housing units being constructed. In addition, with the downturn in the economy starting in 2008 there was a significant decrease in new construction for all types of housing units.

2.06 LOCAL HOUSING OCCUPANCY RATES

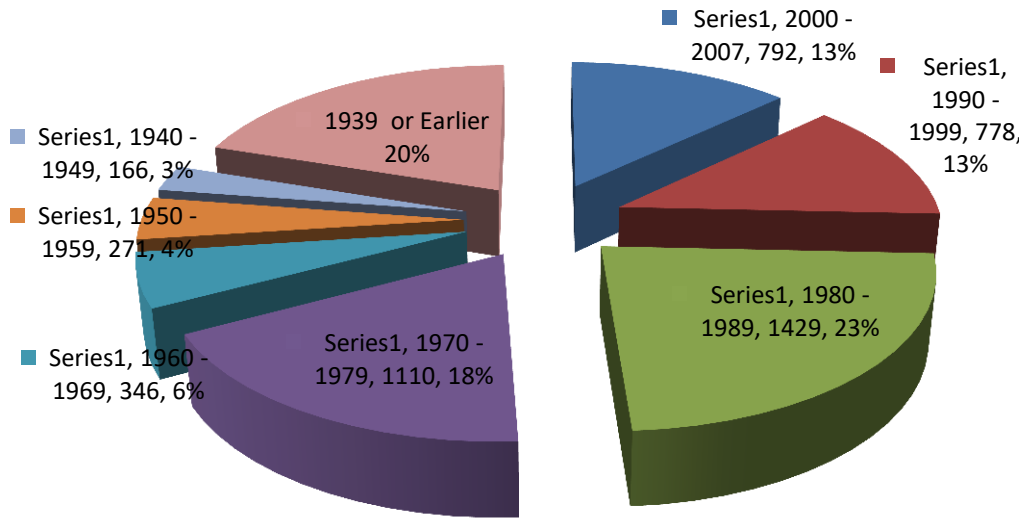
Between 2000 and 2008 Milford experienced a tight housing market. According to the 2000 Census there were only 87 vacant housing units, including both units for sale and for rent. From 2000-2007 Milford experienced a significant boom in the construction of all types of housing units, but the housing market remained very tight. Between 2007 and 2008 the construction of new housing units leveled off and in 2008 began to rapidly decline following the economic downturn. As a result the 2010 vacancy rate is expected to be much higher than noted in the last census, due to unfilled rental apartments, and vacant and foreclosed homes.

2.07 LOCAL HOUSING CONDITIONS

The US Census collects data on housing conditions to estimate the standards of housing within a community. Of the 5,316 housing units reported in 2000, including single family, multifamily and manufactured homes, only 8 were lacking in complete kitchen and plumbing facilities. Well over 99% of Milford's units have complete kitchen and plumbing facilities.

Another indicator of the condition of a communities housing stock is the age or year built. Building codes and requirements have been updated significantly over the last several decades to protect the health and safety of residents. The older a home is the more likely it is to be in need of repair and the less likely it is to meet current building and safety codes. Data from the 2000 Census coupled with new data from Milford's Building Department shows our major housing growth occurred from 1970 to 1989. As seen in Chart 5 nearly half of all housing units were built after 1979.

Chart 5: Age of Housing Units in Milford¹¹



Source: Census 2000 and Building Department Data

Overall, Milford’s existing housing stock is relatively new and provides adequate facilities for our residents.

2.08 CONCLUSION

On the large scale, Milford mirrors the NRPC region and the state, displaying a sustained period of population, income and housing unit growth since 1990. However, Milford’s unique composition and place within the NRPC region becomes clear when evaluating the community on a smaller scale. The population grew significantly between 1990 and 2000, and is projected to continue its growth at a slightly slower rate through 2010. Incomes which grew dramatically between 1990 and 2000 are also projected to continue climbing, but at a lower rate between 2000 and 2010. Most notably, Milford differs from the rest of the communities in the region by providing a wide-ranging base of housing unit types available in both the owner and rental markets for residents to choose from, and a relatively new housing stock.

The lack of recent comprehensive census data required this report to utilize a variety of sources to analyze the most current information available. The diversity of dates and definitions within each data source made cross-category comparative analyses impractical. To allow for better cross-category, regional and more timely trend analysis, the data in this report should be reviewed and refreshed with the release of the 2010 Census data.

¹¹ Corresponding numbers of units in each category: 1939 or earlier =1216, 1940-1949 = 166, 195-1959 = 271, 1960-1969 = 346, 1970-1979 = 1110, 1980-1989 = 1429, 1990-1999 = 778, and 2000-2007 = 792

III: COSTS AND AFFORDABILITY

Housing costs have changed substantially over the last several years in Milford and throughout the NRPC region. Both owner-occupied and rental housing units' costs climbed steadily upward from 2000 through 2007, and began declining in 2008 with the economic downturn. To examine the cost of housing in Milford and our region, this report will look at owner-occupied and rental housing units. In addition, it will examine housing affordability through the definitions provided by the *Workforce Housing* statutes (RSA 674:58-61).

3.01 OWNER-OCCUPIED HOUSING UNITS

The New Hampshire Housing Finance Authority (NHHFA) tracks the median purchase price of primary homes for the NRPC Region. In 2000 the median purchase price for all homes (existing, new construction and condominiums) was \$160,000. By 2007 that price had risen to \$275,000, a 72.0% increase in the price of housing. The regional trend is mirrored in Milford with a 2000 median purchase price of \$144,000, increasing to \$260,000 by 2007, an 80.5% increase.

As housing prices increased dramatically from 2000 to 2007 the number of housing units affordable to lower and middle income families has diminished. In an effort to provide economic and housing stability to New Hampshire, the state passed the *Workforce Housing* statutes in 2008 mandating each community allow for its 'fair-share' of the regional workforce housing need. This report will utilize definitions from the *Workforce Housing* statutes to assess the affordability of housing in Milford.

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, to examine Milford's housing stock in more detail. The following data was reported for 2007 and it is important to note, differs slightly from the previous regional statistics due to dissimilar source data.

Owner-occupied housing information includes all single family, manufactured homes and condominiums in the Assessing Department's database. There are many two and three family units¹² in Milford which are believed to be owner-occupied, but were not included in this report as the Town does not have information determining whether a property is owner-occupied. Table 5 is a snapshot of Milford's owner-occupied units and associated values.

Table 5: 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

¹² 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.

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.

3.02 AFFORDABILITY OF OWNER-OCCUPIED HOUSING UNITS

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 the income threshold for a four person household in the Nashua, NH HMFA (HUD Fair Market Area), which includes Milford and many of the communities¹³ in the NRPC region for 2007, as \$84,100. Thus, to be considered *Workforce Housing*, the purchase price of a house must be affordable to a household earning no more than \$84,100. To better understand the cost of owner-occupied housing in Milford, this report also assesses units affordable to households making 80% and 60% of the above stated HUD median.

Table 6: 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, housing units in Milford that are affordable to households making between \$50,460 and \$84,100 annually will be examined. To determine what value would be affordable for households making between \$50,460 and \$84,100 the NHHFA’s 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, and;
- A 0.5% home insurance rate.

¹³ Communities of the Nashua, NH HMFA include Amherst, Brookline, Greenville, Hollis, Hudson, Litchfield, Mason, Merrimack, Milford, Mont Vernon, Nashua, New Ipswich, Pelham, Wilton

Table 7: 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 of \$242,079 or less was then compared against the *Total Value* of each owner-occupied unit in the Assessor’s database. Tables 8 thru 10 detail the number and percentage of affordable units for each of the major housing types: single family, condominiums and manufactured homes.

Table 8: 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 3,082 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 80% or less of the median income or \$67,280 a year. The vast majority of affordable units fall into the 81% 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 lower rates of affordable units (as expected).

Table 9: 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 61% and 80% of the median income, with a significant number also affordable to households earning 60% or less 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 10: 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 4, 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 11 details the total number of affordable units in Milford at the median household income and for households making 60% and 80% of the median.

Table 11: 2007 Milford Affordable Housing Units*

Percent of 4 Person Owner Occupied Median Income	Affordable Purchase Price	Number of Affordable Housing Units	Percent of Total Affordable Housing Units
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 4,136 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 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, a comparative analysis cannot be completed. However, as Milford supplies a much greater percentage of manufactured housing than other communities in the NRPC region (Table 4) it is reasonable to assume Milford is providing a greater proportion of affordable owner-occupied housing options than most of the other communities.

3.03 RENTAL HOUSING UNITS

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. However, the NHHFA conducts an annual Residential Rental Cost Survey throughout New Hampshire which provides specific rental data for Milford. Table 12 depicts the median rental values for Milford and the NRPC Region in 2007.

Table 12: 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 workforce housing the next tables compare the median income of residents to the median rental costs.

3.04 AFFORDABILITY 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 rental 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 affordable in Milford the median annual costs would have to be less than \$13,624. Table 13 depicts the annual median costs of rent in Milford and the NRPC Region for 2007.

Table 13: 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.

3.05 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 \$84,100¹⁴ and the median gross rental costs, for all types of units, were considered affordable¹⁵. Given that the 2008 economic downturn reduced housing prices and incomes, it will be important to re-evaluate the affordability of both owner-occupied and rental housing units in Milford with the 2010 Census data.

IV: FUTURE HOUSING PROJECTIONS

4.01 FUTURE HOUSING UNITS

To project Milford’s future housing growth three sets of data will be utilized: population, household size and housing units. The first step is to assess population data projections. The Office of Energy and Planning has reported the following projected increases in population for Hillsborough County.

Table 14: Hillsborough County Population Projections

Year	Population	Population Growth per Year
2000	380,841 (census actual)	-
2010	417,221	0.95% or 1%
2020	446,576	0.7%

Source: 2006 OEP Projections

The county’s population growth is expected to slow between 2010 and 2020 as the population levels out and available undeveloped land becomes more scarce. Milford’s projections follow the same pattern (see Table 15) of a population increasing at a slightly slower rate than observed from 2000 through 2010.

Table 15: Milford Population Projections

Year	Population	Population Growth per Year
2000	13,535 (census actual)	-
2010	15,500	1.45%
2020	16,850	0.9% or 1%

Source: 2006 OEP Projections

¹⁴ HUD specified income threshold for 4 person owner-occupied unit, Nashua NH HUD Fair Market Area.

¹⁵ HUD specified income threshold for 3 person renter-occupied unit, Nashua NH HUD Fair Market Area.

Once population growth rates have been established, the next step is to determine the average household size. As discussed earlier, the average household size at the time of the 2000 Census was reported at 2.58, a slight decrease from the previous decade. To determine a slightly more current average household size this report utilizes 2006 data as shown in Table 16.

Table 16: Milford 2006 Average Household Size

Housing Units	Population	Average Household Size
6062	14860 ¹⁶	2.45

As reported in Table 3, Milford had 6,062 housing units in 2006 including single family, condominiums, multifamily and manufactured housing. As Table 16 displays, the average household size in Milford has continued to decline since the last census.

Based on the above population and household size estimates Milford anticipates 261¹⁷ housing units will be added between 2006 and 2010, and 551¹⁸ new housing units between 2010 and 2020 for a total of 812 new housing units in Milford by 2020.

4.02 FUTURE HOUSING UNITS BY TYPE

Since 2006 the development of multifamily units has slowed in Milford, mainly due to the GMO and changes to the Senior Housing Ordinance. However, as the GMO will sunset in 2010 and the housing market is shifting away from senior housing and 55+ communities, to workforce or affordable housing, it is likely that multifamily housing unit development will remain a large, steady portion of Milford’s housing trends for the foreseeable future.

For consistency with the census and other regional data sources used in this report, future housing projections were calculated utilizing the base numbers and definitions reported in Tables 3 and 4 of this report. Deciphering which unit types (condominiums detached or attached or types of manufactured homes) classify as single family or multifamily per the Assessing data codes is beyond the scope of this report.

The data reported from the census and reported in the NHES community profiles details Milford as 51% single family, 42% multifamily and 7% manufactured housing. For future housing projections these percents are projected forward to result in the addition of the following types of housing units by 2020:

Table 17: New Housing Units by Type Projected for 2020

Single Family Units	471 ¹⁹
Multifamily Units	341 ²⁰

¹⁶ OEP Population Projection

¹⁷ Projected population increase 2006-2010 = 640 / divided by average household size of 2.45 = 640/2.45 = 261

¹⁸ Projected population increase 2010-2020 = 1350 / divided by average household size of 2.45 = 1350/2.45 = 551

¹⁹ 471 new single-family units = 58% of 812, and includes all single-family, manufactured and detached condo housing units.

This breakdown appears realistic as development trends are predicted to change from historic large lot single family developments to somewhat higher density developments with more housing-type diversity, located primarily in areas either currently or proposed to be served with municipal water and sewer service.

V: VISION

5.01 VISION STATEMENT

Each section of the master plan shall have an identified vision per NH RSA, “to set down as clearly and practically as possible the best and most appropriate future development of the Town, ...to aid the Planning Board in designing ordinances and regulations and ...to guide the Board in a manner that achieves the principles of smart growth, sound planning and wise resource protection”.

To that end, the following vision statement has been identified:

In accordance with the vision statements of Milford's Master Plan and Community Development Chapter in particular, Milford shall promote and maintain a diverse and sufficient housing stock that meets the needs of a multigenerational community, while creating functional neighborhoods, interconnected with the greater community and natural resources, that support and advance our sense of community character and place.

VI: ACTION PROGRAM FOR HOUSING

The following section shall form the blueprint for attaining the Town's vision for housing. To carry out this program the Town will need to undertake a concerted effort, drawing upon the expertise and resources of staff, volunteer boards, and citizens.

6.01 TOPIC 1: REGIONAL INTERACTION

Continue to work cooperatively with other Souhegan Valley and Nashua Regional Planning Commission (NRPC) communities on regional issues.

- A. Milford will continue to be open to collaborative ventures which impact regional housing supply, such as infrastructure or workforce housing.

6.02 TOPIC 2: HOUSING SUPPLY

Ensure the Town takes a proactive role in continuing to offer a variety of housing options, in areas of town that will best accommodate residential housing, promoting the sense of community and the economic vitality of the Town.

- A. Evaluate areas of town to promote infill and/or higher density residential uses within a reasonable distance of the Oval, utilizing current infrastructure and encouraging a variety of housing type options (ex. multifamily, townhouses, condominiums and single family dwellings).

²⁰ 341 new multifamily units = 42% of 812, and includes duplexes, 3 or more units & attached condos.

- B. Evaluate community receptiveness to expanded zoning, allowing for more mixed-use land uses (residential and business combinations) and locations where mixed-use developments would best fit within Milford.
- C. Strive to make mixed uses (as currently zoned or if expanded) and economic development policies work in tandem with residential uses, taking into consideration noise, light, fumes, traffic, etc. Facilitate the positive co-existence of residences and businesses in compatible neighborhoods.
- D. Evaluate the impact of Milford's ordinances and regulations on the diversity of the Town's housing stock and make adjustments that will encourage a range of housing to meet the needs of our multigenerational community, for example the Accessory Dwelling Unit Ordinance.
- E. Explore and evaluate opportunities for larger scale developments in town such as Planned Unit Developments (PUD's) or other comparable models, with a mix of housing unit types and uses. Evaluate if we have enough land in close proximity to services that could support or sustain a large mixed use development, interconnected within the neighborhood and with the greater community.
- F. Evaluate the advantages and disadvantages of regulations pertaining to community well and septic systems as part of future developments.

6.03 TOPIC 3: HOUSING AFFORDABILITY

Determine how Milford should support the continued development of housing that meets the needs of our population from entry level housing to aging in place.

- A. Explore and potentially implement a Workforce Housing Overlay District for areas that meet specific criteria (for example: on Town utilities, access to services, pedestrian access, potential future transit access, green site design, outside of natural resource protection areas, community integration, or diversity of housing options).
- B. Explore the potential for density bonuses through the Zoning Ordinance if a residential developer wants to build affordable and/or infill housing.
- C. Evaluate the existing Senior Housing Ordinance to determine if it meets the intended goals of the overlay district and if the ordinance is compatible with current community needs, and amend as necessary.
- D. Evaluate the need to incorporate special exemptions for federally or state subsidized housing units in Milford, and amend ordinances and regulations as necessary.

6.04 TOPIC 4: NEIGHBORHOOD CHARACTER

Evaluate how Milford can encourage the creation of interconnected functional neighborhoods that support the Town's sense of community character.

- A. Analyze existing residential neighborhoods to identify desirable elements of neighborhood development patterns, including building mass, setbacks, and siting. Consider amending regulations that would strengthen existing neighborhoods as growth continues, and encourage successful new interconnected neighborhoods.
- B. As part of neighborhood planning, encourage sidewalks, bike paths, public transit stops, and walking paths, as well as other pedestrian-oriented and traffic calming amenities.

6.05 TOPIC 5: RELATIONSHIP BETWEEN RESIDENTIAL DEVELOPMENT AND OTHER PLANNING GOALS

Strive to make residential development compatible with other planning, natural resources, code enforcement, transportation and economic development goals of Milford.

- A. Work with the Conservation Commission to evaluate Milford's ordinances and regulations, and amend as needed to protect the Town's high priority natural resources by developing a Natural Resource Protection Overlay District.
- B. Review and amend as necessary the Open Space Conservation Subdivision overlay district to meet the intended goals of the district.
- C. In conjunction with the Traffic and Transportation chapter of the Master Plan create a sidewalk and bicycle plan for Milford to increase safety, walkability, and overall community health and connectivity.
- D. Review and amend as necessary the existing Town ordinances and regulations to accommodate public transit systems and evaluate the potential for incentives to include public transit facilities within development.
- E. Promoting and supporting multi-modal transit oriented development principals within Town Ordinances and Regulations.
- F. Work with the Economic Development Advisory Council to study land use relative to existing zoning and economic development opportunities and constraints, and provide recommendations for incorporation into the Master Plan and for potential zoning and regulatory changes.
- G. Work with Code Enforcement to evaluate the possibilities of adopting 'Green Building Codes' for both site and building design, and potential incentives to encourage green site and building designs.

6.06 TOPIC 6: LONG-TERM IMPACT OF DEVELOPMENT ON TOWN INFRASTRUCTURE

New housing development should be designed to minimize the Town's long-term costs in providing services.

- A. Evaluate the advantages and disadvantages of private roadways in new developments as they relate to town costs.
- B. Evaluate the potential need for additional impact fee ordinances in Milford.
- C. Coordinate with the long-term planning of the Water Utilities Department to evaluate areas of potential infill development and increased residential density along the Town's existing and proposed water and sewer systems.
- D. Work with the Water & Sewer Commissioners and Water Utilities Department as they develop a Facility and Capital Improvements Plan that will ensure the long-term viability of the wastewater treatment plant as well as the necessary upgrades in relation to future development and Milford's economic vitality.

Findings Report: Milford's Workforce Housing Statistics

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

Adopted by the Planning Board: February 21, 2012

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.

Nashua Regional Planning Commission

Zoning Ordinance and Development Regulations Audit Report

IN CONJUNCTION WITH THE VISIONS AND GOALS
OF THE 2010 HOUSING CHAPTER OF THE MASTER
PLAN

Town of Milford, New Hampshire

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2013

ZONING ORDINANCE AND DEVELOPMENT REGULATIONS AUDIT IN CONJUNCTION WITH THE VISIONS AND GOALS OF THE 2010 HOUSING CHAPTER OF THE MASTER PLAN

Town of Milford, New Hampshire

I. INTRODUCTION

This audit report is a tool by which the Town of Milford can assess how consistent its existing Zoning Ordinance and Development Regulations are with the vision and action program identified in the 2010 Housing Chapter of the Milford Master Plan. The recommendations that come from the Audit results are intended to be starting points for discussions within the community about how to implement adequate housing for all citizens of Milford within the next decade.

II. OVERVIEW OF RECOMMENDATIONS

Throughout the process of this audit report, the Nashua Regional Planning Commission and the Milford Community Development Department publicly met with the Milford Planning Board to review draft recommendations, exchange ideas, and obtain review comments. The overall research, review, and long-term recommendations have been incorporated into the body of this report. However, the following recommendations have been listed as top priorities for short-term implementation.

- Modify Article 6.04.0 Open Space and Conservation District to allow flexible zoning standards for all types of housing development, by relieving development from rigid zoning requirements in exchange for high standards of open space, building design, etc.
- Overhaul of Article 7.07.0 Senior Housing Development to reflect current housing goals

III. AUDIT REPORT USER GUIDE:

The Milford Master Plan: Housing Chapter 2010 includes a detailed action program for housing, which is further identified as “the blueprint for attaining the Town’s vision for housing.” The following discussion provides a review of the Milford Zoning Ordinance and Subdivision Regulations with respect to the goals identified in the action program for housing. The comments and recommendations that resulted from this review are listed below and have been broken out in individual sections by relevant Action Program/Master Plan Topics (listed right).

Each topic is listed at the top of a table on each page. Within the table are 2 columns; one listed by “Topic” and the other listed by “Findings and Considerations”. A “discussion” occurs within the “Findings and Considerations” column. Specific recommendations for each topic can be found to the right and/or outside of the table and are designated with the following symbol: ➤

In general, the word “Article” throughout the report refers to the Zoning Ordinance (ZO).

MILFORD MASTER PLAN HOUSING – CHAPTER 7 VISION STATEMENT

...“Milford shall promote and maintain a diverse and sufficient housing stock that meets the needs of a multigenerational community, while creating functional neighborhoods, interconnected with the greater community and natural resources that support and enhance our sense of community character and place.”

RELEVANT ACTION PROGRAM TOPICS

Topic 2: Housing Supply
Topic 3: Housing Affordability
Topic 4: Neighborhood Character
Topic 5: Relationship between residential development and other planning goals
Topic 6: Long-term impact of development on Town infrastructure

IV. OVERALL FINDINGS AND CONSIDERATIONS REGARDING TOPIC 2: HOUSING SUPPLY:

6.02 Topic 2: Housing Supply	
Topic	Findings and Considerations
<p>Cluster Open Space</p> <ul style="list-style-type: none"> • Zoning Ordinance (ZO) Article 7.03.0 indicates that a Cluster Open Space Development existed but was deleted in (2000). • (ZO) Article 6.04.0 includes the current Open Space and Conservation District (2011) • Referenced Articles 7.03.0, 6.04.0, Article IV Definitions 	<ul style="list-style-type: none"> • There are significant benefits for the Town to enhance open space and conservation focused development strategies, which include: <ul style="list-style-type: none"> ○ Implementation of the objectives identified in the current Open Space and Conservation District (6.04.0) ○ Promote Master Plan goals identified in Topics 4 and 5 of the 2010 Master Plan Housing Chapter, including interconnected neighborhoods, pedestrian oriented development, protection of natural resources, etc. ○ Reduced development costs, reduced service costs for public infrastructure in the future, enhanced property values, etc. • Considerations: <ul style="list-style-type: none"> ○ Modify (ZO) Article 6.04.0 Open Space and Conservation District ○ The overall dwelling unit density may exceed that which would be allowed in the underlying zoning district. The following are examples of evaluation criteria: <ul style="list-style-type: none"> - A and B District: Require affordable units and sidewalks - All districts: Protection of natural resources and sensitive features like parks, open space, buffers, landscaping, etc. - Deeded open space for public access, trail network, etc. - Require a Yield Plan in application - Require walkable neighborhood with public space - Require specific street design, transportation strategies, etc.



Recommendations:

- Modify (ZO) Article 6.04.0 Open Space and Conservation District to allow flexible zoning standards for all types of development, although the primary focus will be on housing development, by relieving development from rigid zoning requirements, in exchange for high standards of open space, building design, etc. Also, incorporate specific goals of the Master Plan.
- Modify the name of the overlay district to reflect new goals, i.e. “Conservation Cluster Overlay District.”
- Modification to Location and Scope of Authority: Limit density bonuses by zoning district and site specific circumstances. For example, provide a multi-family density bonus in ICI and consider higher density around the 101-South St, and Ponemah Hill Road area).
- Modification to Density: Determine criteria for permitting density bonuses. (Example: Nashua, Bonus Units on Tracts exceeding 25 acres = .5units/acre. On Tracts between 10-25 acres, bonus is .25 units/acre)
- Modification to Dimensional Standards: Allow full or partial waivers from min. lot size requirements, distance between buildings, and general dimensional criteria, in exchange for determinants similar to those identified as “evaluation criteria” (listed above under findings and considerations) so long as maximum density (to be determined) is not exceeded.
- Determine specific open space requirements, i.e. % of total tract, strategic and meaningful buffers, etc.
- Modification to Scope of Authority to allow for a more flexible review process.
- Incorporate specific steps to determine whether a project is eligible under (ZO) Article 7.03.0.

6.02 Topic 2: Housing Supply	
Topic	Findings and Considerations
<p>Infill Housing</p> <ul style="list-style-type: none"> • (Commonly includes strategies such as Mixed Use, Redevelopment, and/or Adaptive Reuse) • Relevant Articles: Conservation Cluster 	<ul style="list-style-type: none"> • Housing goals, including variety of housing choices, strong sense of community and vibrant Town Center, economic vitality, minimal impact on existing Town character, redevelopment of underutilized properties, etc. may be achieved through housing in infill settings throughout the town. • Considerations: <ul style="list-style-type: none"> ○ Mixed-Use/Infill Housing Overlay District in certain existing residential neighborhoods and in the Town Center. ○ Identify specific areas for Adaptive Reuse (converting existing underutilized properties and nonresidential properties into alternative housing or new housing). ○ Housing on upper floors within certain zoning districts ○ Redevelopment of underutilized properties to encourage housing opportunities.
<p>Planned Unit Development (PUD)</p> <ul style="list-style-type: none"> • Relevant Article: Various 	<ul style="list-style-type: none"> • A Planned Unit Development (PUD) was identified in the Housing Chapter as a strategy to evaluate in order to achieve housing goals. • Considerations: <ul style="list-style-type: none"> ○ A detailed analysis on available land is recommended, however it does not appear that there are large enough land areas for a PUD at this time. If land is identified in the future, consideration could be given to expanding the Commerce and Community District (CCD). It is likely that housing goals could be achieved through strategies such as Conservation Cluster Development (see discussion on page 2).

Recommendations:

- After reviewing the Town Regulations, it was determined that a variety of infill strategies are already being exercised in the Town of Milford. Primarily, these include:
 - Adaptive re-use
 - Redevelopment
- To enhance infill in the future, the following strategies are recommended for consideration:
 - Conservation Cluster Overlay District
 - Mixed-use/Infill Overlay District
 - Evaluate each zoning district to determine areas of infill, i.e. Milford Oval and Elm and Nashua Streets. This exercise will help inform the appropriate strategy.
- Identify incentives. **Examples** Include:
 - Housing density bonuses
 - Dimensional flexibility
 - Cost basis, Waiving impact fees
 - Streamlined process
 - 79E-Downtown redevelopment
 - Beautification effort downtown (benches, sidewalk improvements, landscaping)
 - Redevelop buildings into energy efficient units
 - Landscaping (i.e. using various trees instead of shrubs, etc.)



6.02 Topic 2: Housing Supply

Topic	Findings and Considerations
Commerce and Community District (CCD) • Relevant Article: 6.06.0	<ul style="list-style-type: none"> • User Guide: Like many form based codes, the CCD ordinance is very comprehensive. It may be helpful to have a one page user guide to assist an interested developer by quickly referencing applicable sections, etc. • Since the CCD is an overlay district, a developer is permitted to develop under the rules defined in the underlying zoning district. As a result, the innovative housing techniques may be lost.
Use of Publicly-owned property	<ul style="list-style-type: none"> • The sale of publicly-owned land to a developer at a “bargain price” may be an innovative planning tool to achieve housing goals (i.e. variety of housing types, mixed-use, affordability, etc.) • A detailed analysis on available land is recommended in the future (i.e. Brox Community Land), however it does not appear that there is an adequate amount of land owned by the Town at this time. This planning technique is a low priority for this audit report.
Overlay Districts, other Regulations, Ordinances Statutes	<ul style="list-style-type: none"> • Additional regulations that result from the topics in this section should be included in Article I.
Alterations, expansion or change of a non-conforming use or structure is permitted by Special Exception • Relevant Article: 2.03.1.C	<ul style="list-style-type: none"> • By permitting the redevelopment of Non-Conforming structures, etc., mixed-use opportunities may be encouraged as a result. • Consideration: There are already degrees of redevelopment that are allowed in the Town of Milford. The Planning Board is considering changes regarding this topic on the March 2013 Warrant.
Alteration, expansion or change of a conforming use Relevant Article: 2.03.1.C	<ul style="list-style-type: none"> • By permitting the redevelopment of a Conforming Use (meets lot area, setback requirements and other dimensional criteria); mixed-use opportunities may be encouraged as a result. • Consider adding language to Article 2.03.1 to address the redevelopment of conforming and non-conforming uses.

Recommendations:

- Create a user guide to quickly reference sections of the CCD. For example, the ability to reference a quick guide on Form and Land Uses are typically helpful to a developer in determining the feasibility of pursuing a project.

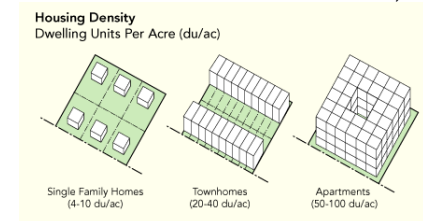


- Modify the Commerce and Community District by making it an underlying zoning district and not an overlay district.
- Alternatively, if the Planning Board prefers to maintain the CCD as an overlay district, it is recommended that at least some of the innovative strategies set forth in the CCD are required if the developer chooses to pursue a standard development under the underlying zoning regulations.

6.02 Topic 2: Housing Supply	
Topic	Findings and Considerations
Conversion of single family home to apartments • Relevant Article: 5.03.4.B	<ul style="list-style-type: none"> The conversion of an existing single family home to apartments or multi-family dwellings is allowed in the Residence “B”, Commercial “C”, and Limited Commercial-Business “LCB” Districts, subject to meeting area, frontage, and setback requirements. To promote the goals of the Master Plan Housing chapter, consideration could be given to allow the conversion of single family homes in other districts.
Public Nuisance • Relevant Article: 2.04	<ul style="list-style-type: none"> Depending on the planning technique, housing could add to public nuisance as described in Article 2.04.0. Specifically, mixed-use development could add additional light, traffic, noise, etc. Consideration: Modify Article 2.04.0 to specifically prohibit nuisances that could be created by poor development planning. Examples: <ul style="list-style-type: none"> Stormwater runoff to protect abutting landowners Prevent traffic congestion Effects of signage, lighting, waste receptacles, fumes and noise
Residential Density • Relevant Articles: 5.02.0 and 5.03.0	<ul style="list-style-type: none"> Density, generally defined as the amount of residential development allowed on a parcel of land, typically dictates development patterns and housing opportunities. To meet the goals of the Milford Master Plan, NH Livability Principles, and smart growth philosophy, density is crucial to future development. Considerations: <ul style="list-style-type: none"> Flexible density in particular residential districts Higher density by location: If the opportunity exists to utilize town services/other potential services, encourage higher density residential use.

Recommendations:

- Consider conversion of single family homes to apartments in the following districts:
 - Residence A District
 - Integrated Commercial “ICI” District
- Revise Article 2.04 Public Nuisance to reference specific public nuisances that should be avoided.
- Residential Density:
 - To increase residential density without affecting the intentions of the underlying zoning district, utilize a Conservation Cluster Overlay District strategy to achieve housing goals.
 - Review existing density by zoning district according to community character, site development costs, and compare to other similar communities (i.e. Exeter, Somersworth, and Goffstown).



(Example density)

- Work with the Water and Sewer Commissioner to determine district expansion and appropriate locations for increased density, and strategies to implement without a developer incurring the total cost of expansion.
- Examples include: Elm Street (near Contemporary Chrysler), Osgood Road past West Street in the Residence A District, and in the undeveloped area off of South Street in the Residence B District (no sewer down South Street, past the Public Works).

V. TABLE OF RESIDENTIAL USES BY DISTRICT AND IMPEDIMENT ANALYSIS

The following is an analysis of residential uses that are allowed in the Town of Milford, by zoning district, and any impediments that exist which would prevent the Town from achieving goals related to housing. The degrees of impediments are ranked as HIGH, MEDIUM, or LOW.

	Key: Y = Acceptable Use SE = Acceptable Uses and Yard Requirements by Special Exception, Blank Cell = Not Permitted								
	A	B	R	C	I	LCB	ICI	ICI-2	CCD
RESIDENTIAL USES BY ZONING DISTRICT									
Single-family dwellings and their accessory uses and structures	Y	Y	Y	Y	Y	Y			Y
Single-family manufactured housing unit, per lot			Y						
Two-family dwelling per lot		Y	SE	Y		Y			Y
Multi-family dwellings		Y		Y		Y			Y
Dwelling, Mixed-use						Y	Y		Y
Accessory Dwelling Units	SE	SE	SE	SE	SE	SE	SE	SE	
Home occupations in accordance with Section 10.02.3	SE	SE	SE	Y		Y			
Senior Housing Developments	SE	Y		Y		Y	SE		
Current Density (units)/Acreage (Max.)	2.9	5	0.5						
FACTORS THAT REQUIRE A SPECIAL EXCEPTION									
Utilities, public or private	SE	SE	SE	Y	Y	Y	Y	Y	
Building and structure height greater than allowed	SE	SE	SE	SE	SE	SE		SE	
Reduced front, side and rear setbacks	SE	SE	SE	SE	SE	SE	SE	SE	
Impediments to planning goals related to housing	H	H	M	M	M	L	H	H	

Impediments:

- A District: There is a high degree of impediment relative to housing options and allowed density. Residential A areas do not have access to water and sewer.
- B District: There is a high degree of impediment relative to housing options and allowed density. Some Residential B areas do not have access to water and sewer.
- I District: No new housing is allowed whatsoever except for accessory dwelling units for single family homes.
- LCB District: This district is limited on size and restricted by smaller lots. Current zoning appears to allow enough flexibility
- ICI and ICI-2 Districts: These districts cover large areas of Town that are largely undeveloped. Some of these parcels may be better suited for residential development and mixed use. Zoning Regulations (i.e. allowed uses) are an impediment.

The following page outlines planning strategies, by zoning district, which address solutions to the impediment analysis listed on this page.

VI. RECOMMENDED PLANNING STRATEGIES FOR IMPEDIMENTS TO HOUSING

6.02 Topic 2: Housing Supply	
Topic	Findings and Considerations
Solutions to impediments by Zoning District • Relevant Articles: All Zoning Districts	<ul style="list-style-type: none"> • Residence “A” District Considerations: <ul style="list-style-type: none"> ○ Allow manufactured homes on single family lot ○ Conservation Cluster Development ○ Conversion to multi-family by special exception ○ Multi-family, restricted by number of units ○ Accessory dwelling units ○ Non-residential commercial uses to promote walkable community (Retail/pharmacy, other supporting amenities.) • Residence “B” District Considerations: <ul style="list-style-type: none"> ○ Multi-family ○ Condominiums ○ Town Homes ○ Conservation Cluster Development ○ Expand Residence B into appropriate locations ○ Section 5.03.5.A.2 discusses minimal lot sizes for lots not serviced by municipal/water sewer. Since multi-family uses not serviced by municipal water/sewer were not listed as an acceptable use, it appears that multi-family is excluded. Consideration could be given to allow multi-family if common wastewater treatment facilities are feasible. • Residence “R” District Considerations <ul style="list-style-type: none"> ○ Reduced lot size and frontage requirements ○ Conservation Cluster Development ○ Consider allowing some of the uses in other residential districts, maintain larger lot sizes (example: Great Brooks)

Recommendations:

- Create a housing brochure for a developer which highlights each zone and the acceptable housing options.
- “Encourage mixed land use and land use density that supports short distances between homes, workplaces, schools and recreation so people can walk and bike more easily to them” (2012 Livable Walkable Communities Toolkit).



- Determine how flexible the land use types are in each district so that it allows existing buildings in certain districts and vacant land to accommodate a variety of uses in the future.
- Residence R District – Encourage new developments in neighborhoods that are closer to existing neighborhoods. Allow higher density in these neighborhoods. This would help preserve the rural character of Residence R while allowing flexible density.

VII. OVERALL FINDINGS AND CONSIDERATIONS REGARDING TOPICS 3-6

6.02 Topic 2: Housing Supply	
Topic	Findings and Considerations
<p>Solutions to impediments by Zoning District</p> <ul style="list-style-type: none"> • Relevant Articles: All Zoning Districts 	<ul style="list-style-type: none"> • Commercial “C” District Considerations <ul style="list-style-type: none"> ○ Allow shared parking lots ○ Consider allowing senior housing by special exception instead of permitting by right as currently allowed ○ Modify 5.05.5 Yard Requirements (reference Topic 4 below) • Limited Commercial-Business “LCB” District Considerations <ul style="list-style-type: none"> ○ This district does not allow businesses/retail that serves the neighborhood and promote walking, etc. ○ Make reference to the section in the Development Regulations to clarify parking requirements in this district • Integrated Commercial-Industrial “ICI” District and ICI-2 District <ul style="list-style-type: none"> ○ Consider Intent related to vehicle oriented business and if other uses are encouraged. ○ Make reference to the section in the Development Regulations to clarify parking requirements in this district. ○ For larger parcels, open space requirements could meet the goals of the master plan, particularly since water bodies and farmland is in close proximity. Consider the quality and purpose of open space in addition to limits on impervious surfaces, specific to the development’s requirements and community needs. ○ Consider allowing work force housing as the primary residential use in this area.

Recommendations:



(Example: Neighborhood Store)

- Allow small retail use in the LCB District that that would promote service to the neighborhood community
- Hold a workshop with the public to determine which non-residential uses should be allowed in residential districts.
- Allow multi-family in the ICI District (i.e. Pine Valley Mill)
- Allow a conservation cluster subdivision by special exception in the ICI District
- Review the “Intent” of each district to determine if it meets current and future (10-20 year projection) housing goals.

6.02 Topic 2: Housing Supply

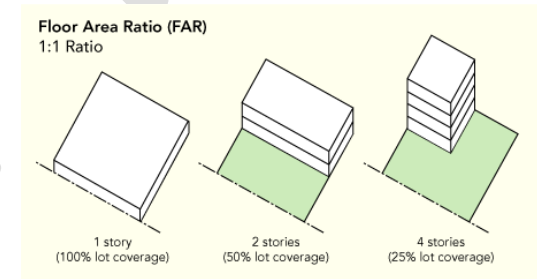
Topic	Findings and Considerations
Lot Sizes and Frontages, Yard Requirements • Relevant Article: All Zoning Districts	<ul style="list-style-type: none"> For site-specific locations, consider permitting some of the allowed uses to have flexibility in dimensional criteria. After uses are considered in each zoning district, it is recommended that the dimensional criteria be carefully examined and updated accordingly. Section 5.02.4.A and B (Residence A Lot Sizes and Frontages). Should this section mention that lot areas should exclude wetland and land contained in the 100 year floodplain?
Height Requirements • Relevant Articles: All Zoning Districts	<ul style="list-style-type: none"> If other densities are required in the districts, height requirements should be considered. Outcomes are to be determined. Consider adding a requirement for number of stories (multi-family units, redevelopment) or limiting the number of stories to fit in with the character of the surrounding neighborhood Consider requirements of Town’s Fire Trucks.

6.03 Topic 3: Housing Affordability

Topic	Findings and Considerations
<u>Accessory Dwelling Units</u> • Accessory Dwelling Units (ADU’s) are allowed by Special Exception • Relevant Articles: Article V, Definitions, Article 10.02.6	<ul style="list-style-type: none"> Accessory Dwelling Units achieve housing goals by promoting housing that is affordable to a variety of users, is an alternative to multi-family housing, and provides a diversity of housing stock without changing neighborhood character or the intent of a zoning district. ADU’s have been relatively problem free in Milford since adoption. Research as part of this review has determined that the Planning Board continues to review and refine the effectiveness of practical implementation of ADU’s.

Recommendations:

- Incorporate strategies for dimensional criteria
 - Floor Area Ratio, defined as:
 - the ratio of a building's total floor area to the size of the parcel of land upon which it is built. The terms can also refer to limits imposed on such a ratio.
 - As a formula: Floor area ratio = (total covered area on all floors of all buildings on a certain plot)/(area of the plot)



(Example)

- Lot Coverage: The percentage of the plot of land that is covered by: ____ (examples include: structures, parking, etc.)
- Allow % flexibility in lot coverage requirements if the volume of stormwater runoff remains on site.
- Zero Lot Line allowances
- Building placement close to street
- Can't exceed more than ? % of the land as impervious
- Modify Article 10.02.6 with requirements for users, number of bedrooms allowed (if more than 1), design criteria, parking, residential density requirements, etc.

6.03 Topic 3: Housing Affordability

Topic	Findings and Considerations
<p>Senior Housing Development</p> <ul style="list-style-type: none"> Senior Housing Developments are acceptable uses in the B, C, and LCB districts. Senior Housing Developments are allowed by special exception in the A and ICI districts. Relevant Article: Article V, Definitions, Article 7.07 	<ul style="list-style-type: none"> Consider amending the Senior Housing Development Ordinance Opportunities: <ul style="list-style-type: none"> Prevent surplus in Senior Housing in future Allow future market trends to determine need Continue to serve needs of persons 55+ Strategies/Modifications: <ul style="list-style-type: none"> Allow via special exception <ul style="list-style-type: none"> Require market analysis as part of application Amend ordinances accordingly Re-evaluate eligibility requirements <ul style="list-style-type: none"> Location dependent Re-evaluate density, open space, buffer, setback requirements based on projected effect on Town Amend Section 7.07 accordingly Create Senior Housing Overlay District – location dependent Incorporate Senior Housing specific criteria into a Conservation Cluster Development
<p>Fast Track Permitting</p>	<ul style="list-style-type: none"> Consider adopting a streamlined approval process to achieve goals of the master plan. Determine criteria for the fast tracked permitting process. Examples include: <ul style="list-style-type: none"> Developers commitment to building affordable housing Construction of sidewalks, other Town goals

Recommendations:

- Cap the total number of senior housing units to a % of the total units in Town.
- Perform an overhaul of Article 7.07.0 Senior Housing Development to reflect current housing goals.



(Milford Mill)

- Review approval process to determine if there are opportunities for a fast track permitting process (i.e. similar to the CCD District). Determine the types of development that would be subject to a fast track process.
- Create a User Guide for development regulations



6.03 Topic 3: Housing Affordability

Topic	Findings and Considerations
Inclusionary Housing	<ul style="list-style-type: none"> ● Inclusionary Zoning is a way to increase the supply of housing stock in Milford that is available and affordable to qualified low-income and moderate-income households, provide greater housing options for municipal residents, provide an adequate supply of workforce housing and to provide employment and economic development opportunities ● Considerations <ul style="list-style-type: none"> ○ Determine incentives ○ Determine if a separate ordinance is applicable, if a conditional use permit/special exception would apply, or if a variance is needed to make units affordable ○ Determine where the greatest incentive for inclusionary housing would be (all residential areas, those that are compatible mixed-use/commercial zones, etc.) ○ Require a certain amount of low-income/moderate-income housing units for a certain number of market rate units in a proposed development (regardless of the zoning or overlay district) ○ Smaller development projects under a determined number of dwellings (say 4, for example) may be exempt. ○ Attach deed restriction to require units to be affordable as long as possible ○ Consider compatible architecture for affordable housing to market rate homes and develop design guidelines <p>Examples of Inclusionary Housing:</p> <ul style="list-style-type: none"> ○ Amherst, Nashua (affordable), ○ Brookline (Workforce Housing Option, Section 610.00, Town of Brookline Zoning and Land Use Ordinance) ○ Wayland, Massachusetts

Recommendations:

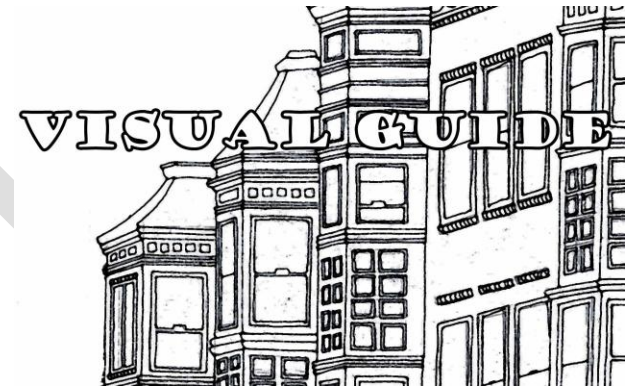
- If modifications are made to the Zoning Ordinance to include conservation cluster development strategies, consider building inclusionary housing criteria into those requirements.
- Inclusionary Housing styles may include:
 - Cottage-style smaller homes
 - Town Homes
 - Identical houses to market rate homes placed within a Cluster Development
 - Garden Apartments
 - See Article 6.06.H of the Milford Zoning Ordinance for other examples of Townhouse/Small Apartment frontage



- Incentives for Inclusionary Housing (built within the Conservation Cluster Development Regulations) may include:
 - Density bonuses
 - Fast track permitting
 - Reduce or waive parking requirements
 - Flexibility in housing type

6.03 Topic 3: Housing Affordability	
Topic	Findings and Considerations
Conservation Cluster Development District	<ul style="list-style-type: none"> It is anticipated that housing affordability goals can be achieved through a Conservation Cluster Development District. Please reference Master Plan Topic 2: Housing Supply of this report for detailed recommendations.
Redevelopment	<ul style="list-style-type: none"> It is anticipated that housing affordability goals can be achieved through redevelopment of underutilized properties. Please reference Master Plan Topic 2: Housing Supply of this report for detailed recommendations.
6.04 Topic 4: Neighborhood Character	
Topic	Findings and Considerations
Lot Sizes and Frontages, Yard Requirements	<ul style="list-style-type: none"> Within districts that include residential uses, consideration could be given to the certain look of the buildings, common setback, and desirable characteristics. If reasonable, setbacks could be lenient to match the surrounding character (with restrictions).
Parking	<ul style="list-style-type: none"> Recommended to add parking section to the zoning districts to achieve the neighborhood character goals of the master plan. Alternatively, provide a reference in the Zoning Ordinance to the parking section of the Development Regulations. Consider if parking should be allowed in the front yard in certain districts. Consider if parking should have a setback to property lines Consider shared parking
Access and Curb Cuts	<ul style="list-style-type: none"> Mention “Access and Curb Cuts” in the zoning criteria or make reference to the Development Regulations

Recommendations:



- Create an overall visual guide for housing in the Town of Milford. The guide would be a supplemental document to the Development Regulations. Provide a quick reference in the Zoning Ordinance referencing the section of the Development Regulations that contains the overall visual guide
- Utilize the 79-E Strategy (Community Revitalization Tax Relief Incentive) that is available in New Hampshire to make certain areas in the downtown fit with desirable master plan goals.
- Review effectiveness of the Nashua/Elm Street Overlay District relative to parking requirements (i.e. for specific sites, allow parking in the front of the building if adequate screening is provided and/or require additional landscaping requirements.)

6.04 Topic 4: Neighborhood Character

Topic	Findings and Considerations
Oval District Section 5.05.7 discusses exemptions from yard and open space requirements in the Oval Sub district	<ul style="list-style-type: none"> In specific cases, it may be appropriate for certain design criteria to apply to multi-family residences to match the form of surrounding uses in the commercial district. In this case, the yard requirements for this use could be more flexible and a specific set of design standards could be developed. Consider if there are other areas other than the Oval District where leniency in yard and open space requirements would apply. Consider how the leniency would tie to mixed use.
5.08.0 Integrated Commercial-Industrial “ICI” District	<ul style="list-style-type: none"> There are a lot of shops, restaurants, etc. along 101A. <ul style="list-style-type: none"> Consider meeting transportation oriented goals in this area for residents to travel <u>safely</u> to jobs
Nashua and Elm Streets Corridor District Language <ul style="list-style-type: none"> Relevant Article: 6.05 	<ul style="list-style-type: none"> The language “additions or alterations to a site plan or buildings used for non-residential or multi-family purposes which significantly alter the visual appearance of the site or façade visible from a public way” could be added to all underlying districts. Significantly alter: Provide a definition 6.05.0 Consider requiring a site analysis to demonstrate an understanding of the performance standards, prior to development review. 6.05.6.C.4 Landscaping: Sometimes lists can prohibit proper planting (sun/shade exposure, water requirements, etc.). Consider requiring a Registered Landscape Architect’s stamp, depending on the type of project.

Recommendations:

- Identify areas surrounding the Oval Sub District where it would make sense for yard requirements to be exempt (examples: Amherst Street, Elm and Nashua Streets, Pleasant Street, Union Street area).



- Once identified, expand the Oval District to include these areas.
- Confirm that yard exemptions in the Oval District do not conflict with goals identified in the housing chapter (neighborhood character, etc.).
- Create plans for sidewalk expansion for pedestrians to travel safely from home to jobs, amenities, etc.
- Provide a definition for “Significantly Alter”

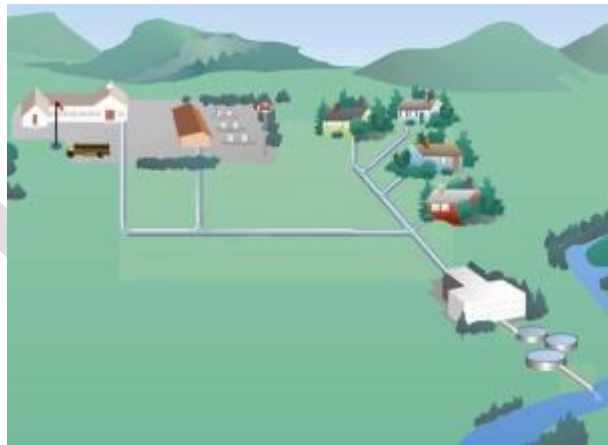
6.05 Topic 5: Relationship between residential development and other planning goals	
Topic	Findings and Considerations
Open Space	<ul style="list-style-type: none"> • Cluster housing to preserve open space • Focus higher density development in appropriate areas • Encourage redevelopment • Convert existing housing to housing that is affordable for many users • Provide incentives for existing land owners • Support the use of vacant lots for recreational activities
Open Space and Conservation District (OSCD) (Article 6.04.0)	<ul style="list-style-type: none"> • Consider allowing higher densities if more open space is provided than is required by this section (Cluster Development) • Consider a reference in the underlying base districts that references this section. • Clarification between the meaning of open space and permanent open space is suggested. • Discretion of the Planning Board is noted in several locations under 6.04.4 Location and Scope of Authority <ul style="list-style-type: none"> ○ Similarly to the Nashua and Elm Street Corridor District, the applicant could be encouraged to meet with the Town Planner prior to submittal of a plan to ensure that the OSCD criteria are being met. • Under objectives, recreational opportunities could be added. For non-permanent open space, an exclusion easement(s) could be considered to meet the goals of public open spaces, parks, playgrounds, recreational trails, etc.

- Topic 5 of the Housing Chapter includes relationships between residential development and other planning goals. Included within the “Findings and Considerations” table (shown to left) are some overarching themes considered to achieve the goals of Topic 5. Please reference previous Topics 2-4 in this report for specific recommendations.
- Preserve and enhance Milford Open Space and Recreation



6.06 Topic 6: Long-term impact of development on Town infrastructure	
Topic	Findings and Considerations
Town Water/Sewer	<ul style="list-style-type: none"> • If water expanded, will need to modify aquifer protection district • Consider if there would be incentives to developers to expand Town Water/Sewer beyond what is allowed in the current regulations. • Most districts limit lot densities by access to municipal water and sewer. If a wastewater treatment facility were proposed, a section could be added regarding general rule, studies to be performed, permits to be obtained, etc. • As stated in the master plan, work with the Water Utilities Department to evaluate potential areas for infill and increased residential density
Town Wastewater	<ul style="list-style-type: none"> • Limits opportunities for higher density housing in some areas of Town, impeding goals of master plan such as pedestrian oriented development patterns • Can be impediment to residential development because of lot size, septic location, soil suitability • Can limit redevelopment of single family to multi family
Commerce and Community District	<ul style="list-style-type: none"> • Consider costs of new roads • Consider requiring an infrastructure/utility assessment report as part of development requirements to determine impact on the larger Town system.

Recommendation:



- Ensure that there is capacity and capability to expand water and sewer
- Ensure that housing strategies and implementations into the regulations are based on practical utility of water, sewer, and expanded service
- 1/3. 1/3. 1/3: Consider splitting the costs of the expansion of Town infrastructure between the Town, State, and the Developer.
- For higher density/affordable housing developments, consider infrastructure constraints. Consider requiring subsidies as part of the project to make sure that the proper service is provided and the environment is protected

General	
Topic	Findings and Considerations
<p><u>Article IV Definitions New Definitions</u> The modifications to the ordinance that consider the goals of the Housing Chapter of the master plan will likely require modifications to definitions</p>	<ul style="list-style-type: none"> The following definitions may be considered, depending on ordinance changes: <ul style="list-style-type: none"> Affordable Housing; Infill Housing; Applicant; Buffer (if buffers are part of new development strategies); Building, non-conforming, Cluster Housing ; Cohousing; Condominium; Town Home; Easement; Green Building Code; Green Development; Landscaping; Master Plan; Mobile Home; Mobile Home Park; Multigenerational housing; Off-street parking; Redevelopment or Alteration; Rooming House; Rental; Zoning Map
<p><u>Article IV Definitions Modified Definitions</u> The modifications to the ordinance that consider the goals of the Housing Chapter of the master plan will likely require modifications to definitions</p>	<ul style="list-style-type: none"> The following definitions may be considered for <u>modification</u>, depending on ordinance changes: <ul style="list-style-type: none"> Density: depending on decisions on density changes Driveway/Private Way: depending on decisions relative to density, this definition may require modification to allow a different number of residential lots allowed Dwelling, Mixed-Use: If the number of dwelling units allowed is reconsidered, change definition Open Space: Should the definition reference “usable land?” Should exclude the use of wetlands and slopes? Senior Housing: Consider after re-evaluation of this use Usable Land: Currently usable land is defined as land that does not consist of wetland. In a cluster/open space type development, open space may be considered as an exclusion to usable land.

Recommendations:

- Add definitions to the Zoning Ordinance and Development Regulations as needed

Town of Milford
 Zoning Ordinance

Article IV
 Definitions

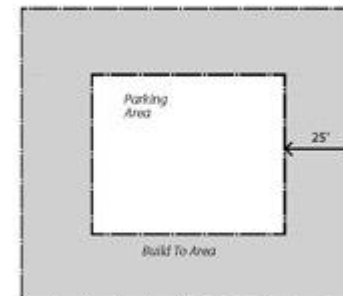
ARTICLE IV: DEFINITIONS

4.01.0 PURPOSE

For the purpose of this Ordinance, the word "shall" is mandatory, the word "may" is permissive, and the following terms shall have the following meanings.

Abutter: Any person whose property is located in New Hampshire and adjoins or is directly across the street or stream from the land under consideration by the local land use Board. For purposes of receiving testimony only, and not for purposes of notification, the term "abutter" shall include any person who is able to demonstrate that his/her land will be directly affected by the proposal under consideration. For purposes of receipt of notification by a municipality of a local land use Board hearing, in the case of an abutting property being under a condominium or other collective form of ownership, the term abutter means the officers of the collective or association, as defined in NH RSA 356-B:3, XXIII. For purposes of receipt of notification by a municipality of a local land use Board hearing in the case of an abutting property being under a manufactured housing park form of

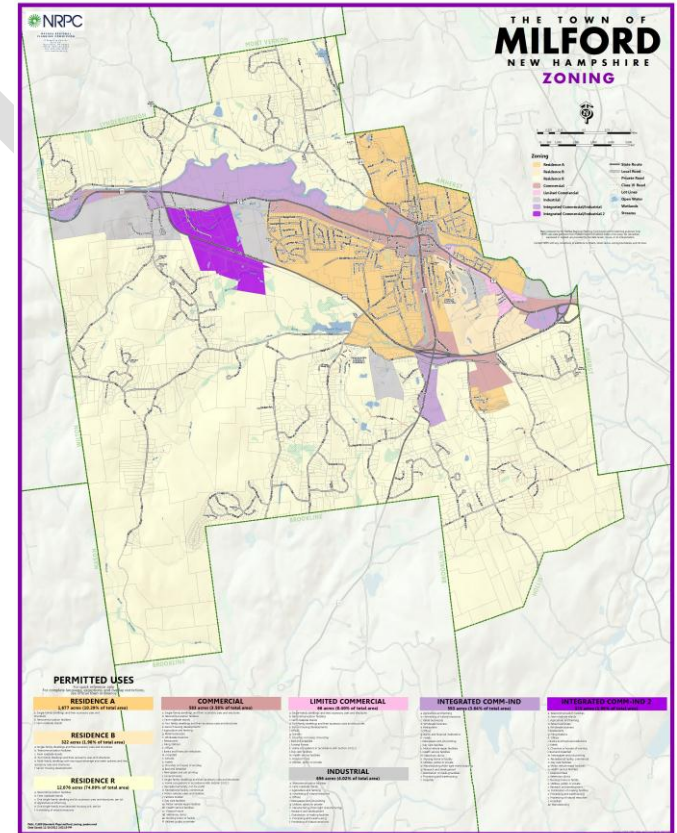
- Provide language to describe setback requirements to parking in conjunction with the landscape buffer requirements.



General	
Topic	Findings and Considerations
Zoning Map <ul style="list-style-type: none"> Relevant Article: 3.02.0 	Any modifications to zoning districts or overlay districts will require changing the zoning map and Section 3.01.0
Commerce and Community District <ul style="list-style-type: none"> Relevant Article: 6.06.6.B.1.a 	<ul style="list-style-type: none"> Illustrative Plan: Consider specifying what the illustrative plan should include. Board could receive a plan that is vague/hard to review.
West Elm Street Gateway District <ul style="list-style-type: none"> Relevant Article: 6.07.0 	<ul style="list-style-type: none"> Difficult to find a map for this district. Guidelines could potentially be cumbersome to an applicant. Add additional criteria for design review
Development Regulations	<ul style="list-style-type: none"> All new subdivisions (i.e over 10 units) could be required to include a “center” or main street/public space that creates places to play and gather, improves neighborhood character, takes on complete streets strategies. Require open space to be designed to create linkages and shape development patterns Examine street design guidelines for multimodal transportation, bicycle lanes, etc. Setbacks closer to the streets (may be appropriate for the conservation cluster type subdivision) Create, conserve green space and parks that are easy to get to in a variety of ways Low Impact Development (LID) approach for land development and stormwater management Encourage setting aside land for community gardening, farming
Livable/Walkable Communities	<ul style="list-style-type: none"> Consideration for Pedestrian/Bike linkages <ul style="list-style-type: none"> Create map of linkages between historic places, public parks, pedestrian paths, bicycles paths, linkages to bordering towns, connections between neighborhoods and town center, etc. Consideration of Public Transit <ul style="list-style-type: none"> Opportunities for access for a variety of incomes and stages of life

Recommendations:

- Include Overlay Districts Maps as an Appendix in the Zoning Ordinance
- Add all relevant maps to the appendix



- Create a survey to distribute to the community (post on website) to ask for suggestions on where to implement bike lanes and bike paths (i.e. North River Road).
- Create a pedestrian and bicycle path expansion plan

General	
Topic	Findings and Considerations
Open Space requirement for all districts other than residential	<ul style="list-style-type: none"> • Open space is required in all districts for uses other than residential. • The concept of open space is often associated with an area that is dedicated to conservation land, land that protects environmental features, recreational land, landscaped areas, etc. <ul style="list-style-type: none"> ○ The definition could be confused with the intent of open space in the Open Space and Conservation District. ○ 6.04.3.B (Open Space and Conservation District General Regulations) states that all open space shall be dedicated as permanently preserved from future development. • The definition of open space in Article IV defines open space as a “permeable surface on a lot that is unoccupied by building...” <ul style="list-style-type: none"> ○ It appears that the definition of open space fits the context of Article V (Zoning Districts and Regulations). ○ If landscape islands qualify as open space, the definition could say so. ○ If a lot contains wetlands, severe slopes, etc., it should be evaluated whether this land is counted towards meeting the open space requirement • Instead of defining open space that is required in the zoning districts, a limit on the amount of “impervious surface, structures, etc.” could be incorporated, which limits the confusion on the intent of open space. • Alternatively, it is recommended to further define the intent of open space in the base zoning districts and regulations. <ul style="list-style-type: none"> ○ A certain amount could be required in the yard setbacks, islands could be a certain size, and other goals could be incorporated to design open space to meet planning goals (check subdivision regs) • Floor area ratios are also common tools in many zoning bylaws.
Ordinance Revision	<ul style="list-style-type: none"> • See recommendations listed in the right column.

Recommendations:

- Decipher requirements for site plan open space and all other open space requirements relative to wetlands, etc.



Example of commercial open space in parking lot



Example of open space in a conservation cluster setting

- Ordinance Revision
 - Consider amending Article V of the Zoning Ordinance to replace the requirements in each zoning district into two Use Tables; one for allowable uses by district and one that lists dimensional regulations (frontages, setbacks, height, etc.). See the appendices for a table prepared by the Milford Community Development Department, which is a good starting point for this recommendation.
 - It appears that the Zoning Ordinance has been amended numerous times. It is recommended that the entire Ordinance is re-worked subsequent to this Audit Report and according to current development trends/regulations.

Neighborhood Overlay District

An Introduction to Milford, New Hampshire's
Round 2 Community Planning Grant Project - 2013-2014



Milford's Neighborhood Overlay District as envisioned is to insure that all relevant Master Plan goals are fully integrated into the types of new housing and development that are either currently or proposed to be permitted in each zoning district.

POSSIBLE OUTCOMES

- Creation of highly functional/desirable neighborhoods
- High standards of open space, public access to open space
- High standards of development and building design
- Development opportunities that are innovative yet affordable for developers
- Variety of housing stock and affordability across all price points
- Low impact on environmental features
- Protection of natural/historic resources
- Creation of quality recreational opportunities
- Livable, walkable community
- Overall Town beautification
- Preservation of neighborhood and community character
- Respect of new development to existing neighborhoods
- Neighborhood comradery
- Adaptive reuse and redevelopment
- Downtown redevelopment
- Mixed-use development opportunities
- Economic development

Introduction

In 2012-2013, the Milford Planning Board completed a comprehensive audit/regulatory review of the Town's Zoning Ordinance and Development Regulations to assess 1) how consistent the existing regulations are with implementing the vision and action program identified in the 2010 Housing Chapter of the Milford Master Plan, and 2) to provide recommendations for regulatory changes for Town consideration in addressing inconsistencies and conflicts between the regulations and achieving housing goals. These housing goals are predicated in the vision statement:

In accordance with the vision statement of Milford's Master Plan and the Community Character Chapter in particular, Milford shall promote and maintain a diverse and sufficient housing stock that meets the needs of a multigenerational community, while creating functional neighborhoods, interconnected with the greater community and natural resources that support and advance our sense of community character and place.

This opportunity was made possible by funding from the Round One of the New Hampshire Planning Grant Program and with assistance from the Town's consultant, the Nashua Regional Planning Commission, and support from the Milford Community Development Office staff.

AUDIT REPORT KEY RECOMMENDATIONS

- 1) Modify Article 6.04.0 Open Space and Conservation District to allow flexible zoning standards for all types of housing development, by relieving development from rigid zoning requirements in exchange for high standards of open space, building design, etc.
- 2) Perform an overhaul of Article 7.07.0 Senior Housing Development to reflect current housing goals.

WHERE WE'RE HEADED

The audit identified an opportunity that the Planning Board believes bears additional study, analysis and possible implementation. This opportunity is the development of a new comprehensive 'cluster residential zoning overlay,' tentatively called the Neighborhood Overlay District. It is anticipated that the overlay would be developed in tangent with the existing Open Space and Conservation District (OSCD), which is an overlay district that governs development of five or more dwelling units.

The OSCD has been effective in encouraging environmentally sensitive residential development and conservation of critical open space and natural resources valued by the Town, particularly in the low density, more rural zoning districts. However, it is not as effective in Milford's more urbanized and dense core nor does it fully provide the tools to meet housing and transportation goals. With this in mind, the Town of Milford sought and was awarded Round 2 grant funding for the following project:

The development of a comprehensive cluster residential regulation that incorporates Master Plan Housing Chapter Goals for inclusionary and affordable housing choice and site design, tailored to specifically address goals for conservation and open space connections, transportation and mobility needs, multigenerational housing demand, economic development, infrastructure, services, and the neighborhood character and livability intended for, and appropriate in, each of the Town's zoning districts.

MOVING FORWARD

This project will be based on significant stakeholder and community involvement and is anticipated to be placed on the March 2014 warrant. Here are a few immediate ways to get involved:

- Planning Board Work Sessions are open to the Public. Please check the agendas on the Planning Board website to see which meetings will discuss the development and progress of the new Regulation.
- The Planning Board will be holding an Open House in the Milford Town Hall Auditorium, on Tuesday evening, July 23rd to solicit local feedback on the proposed zoning change. Please join us.
- Check the project website at: <http://www.milford.nh.gov/town/boards-committees-and-commissions/planning-and-gis/neighborhood-overlay-district>



OPEN HOUSE

An Analysis of Milford's Current Open Space and Conservation District

PROS

Additional requirements and restrictions to those of the underlying base zoning districts for the purpose of open space and conservation goals such as:

- Preservation of rural character
- Linkages between open spaces
- Recreation opportunities
- Preservation of rural character and enhancement of aesthetic enjoyment
- Smart development that limits adverse impacts on environmental resources
- Flexible development such as lot size, frontage, and setbacks (at the discretion of the Planning Board) in exchange for high standards of open space and well design development

AREAS OF IMPROVEMENT

- Opportunity to provide density bonuses and incentives to developers in exchange for high standards of open space, building design, etc.
- Opportunity to provide and maintain a diverse housing stock while encouraging conservation planning
- Opportunity to encourage wetlands to be placed within the development's open space to the maximum extent practicable instead of across residential property lines
- Opportunity to modify the current OSCD to fix inconsistencies in the language
- Opportunity to advance the goals of the OSCD by 1) physically interconnecting these assets across Town, 2) visually preserving and improving these assets, which will further create connections with the greater community, and by 3) providing opportunities to interconnect community facilities, such as broadband, cable access, and infrastructure.

Examples of New Hampshire Conservation Subdivisions



Nubanusit—Peterborough, NH

Peterborough—In 2004, voters in the Town of Peterborough approved a special zoning district designed to provide the planning board greater flexibility in preserving and enhancing the character of the West Peterborough Village area. The West Peterborough District was adopted with the goals of: 1.) concentrating development; 2.) allowing and encouraging a vibrant mix of land uses; 3.) encouraging infill development; and 4.) providing for a pedestrian-friendly environment.

The Nubanusit Co-Housing Development, a 113-acre residential development centered around a pond and a farm, was constructed in Peterborough following passage of the zoning ordinance. The development embodies a number of best practices including the preservation of significant conservation land (including a working farm), the clustering of residential structures in one primary area, environmentally sensitive construction and siting techniques, condominiums designed to mimic the appearance of single-family homes, and the minimal use of hardscaping for roads and parking as most residences are located along pedestrian ways.

Amherst—Peacock Brook development includes 18 detached condominium units, each on .13 acre lots, and serviced by public water and a community sewer system. The units are dispersed around a loop drive, which contains common open space. The project was developed under Section 4.14—Affordable Housing of the Zoning Ordinance which allows for increased density in exchange for restrictions on unit size (1300SF) and income limits (to be included in the deeds for twenty years).

Exeter—With a total of 90 units on 112 acres, the Watson Road Subdivision also includes 153 acres of open space that links to other protected parcels in the area and preserve an existing trail network. Twenty starter homes are included in multi-family structures along with some market rate multi-family units, duplex units and single family residences. The development uses a community well and relies on individual and community septic fields.



Peacock Brook—Amherst, NH

Applying a Local Example, for Discussion's Sake



Over the course of developing the Neighborhood Overlay District Regulation, specific strategies and outcomes will naturally unfold through detailed research, effort and a lot of community input. Below is a local example for your consideration.

Local Example: Vacant Parcel on West Street

The following apply to the parcel under the current Zoning Ordinance:

Existing conditions:

Location: 25 acre vacant parcel on West Street. The parcel is located across the Street from the Milford High School and Middle School and is located just over one mile from the Milford Oval and Downtown.

Possible outcomes under current Zoning:

By observing the conditions of the surrounding neighborhoods, it is possible that more than 60-70 single family homes could be potentially built at this location under the current zoning district. If 5 or more units were developed, the requirements of the Open Space and Conservation District would apply.

Existing zoning criteria:

Zoning District: Residence A

Minimum Lot size: 15,000SF, Density: 2.9 dwelling units/acre

Minimum frontage: 100' (assuming extension of nearby municipal water and sewer).

Acceptable Uses: Single-family homes

Uses allowed by Special Exception: Reduced setbacks, senior housing developments and accessory dwelling units

WHAT WOULD YOU LIKE TO SEE HERE?

If you had the opportunity to develop this parcel, what strategies would you use? What would you like to see happen here? Would you implement conservation goals and what would they be?

What development types would you like to see here?

- Single-family
- Two-family
- Multi-family
- Town homes
- Corner store
- Mixed-Use (mixed use refers to any development that blends a combination of residential, commercial, cultural, institutional or industrial uses, which are typically found in a building or complex of buildings.)
- Recreation
- Others?

What reasonable incentives would you consider giving to a developer to help create a well planned neighborhood?

- Density Bonus
- Flexibility of residential unit types
- Streamlined approval process
- Others?
- Reduction of required pavement widths and other infrastructure requirements
- Flexible dimensional criteria (frontage, yard setbacks, etc.)

What would you like in exchange for the incentive(s) that you chose above?

- High percentage of open space
- Pocket parks and recreation
- Infrastructure improvements on West Street
- Improve walkability to the Oval
- Improvements associated with the high school
- "Green" Development
- Expand open space network by linking to Spaulding Farm (already classified as Open Space)
- Preservation of community character through a particular housing development type
- Require building design standards and/or height limitations
- Others?

Note: The strategies and ideas that are generated from this discussion do not imply that they will be implemented and are not guaranteed. Feedback received will be used only to inform the Planning Board of the public's interests and to aid in the planning process. Thank you for your input.

1.9 Inclusionary Housing

BACKGROUND AND PURPOSE

Inclusionary housing ordinances are one mechanism, among many, intended to spur affordable housing development within the private market. The typical argument justifying why the private market does not create affordable units is that it is not economically viable given the economics of housing production. Inclusionary housing ordinances work to overcome that economic barrier and establish incentives that may make affordable housing development feasible. These incentives may be in the form of zoning exemptions and density bonuses in return for units reserved for low and moderate income households and may assist communities to meet their fair share of regional affordable housing needs.

The ordinances facilitate mixed-income development, where a portion of the new units created are reserved for qualified low to moderate income households, while the remaining units are sold or rented at or above market value. Developments should be designed with a common aesthetic, making the affordable units blend in and be visually unidentifiable from the rest. Thus, inclusionary zoning helps avoid the segregation of affordable or low-income housing, allowing a more diverse and appealing housing stock to be created.

Inclusionary housing ideally generates housing for low to moderate income households, elderly households, and disabled persons. It may be difficult or impossible for inclusionary zoning to serve the lowest or very-low income households since the level of cross-subsidization from the market rate units to make a unit affordable to a very-low income household may be too great (APA 2004). It does however, help establish the workforce housing needed to keep community employees, such as firefighters, nurses, teachers, recent graduates and young professionals in the community where they work. The current deficit of workforce housing in New Hampshire has a negative impact on business growth and expansion and economic development throughout the state and within local communities.

According to Paul Fisher and Jo Patton in “Expanding Housing Options through Inclusionary Zoning,” the benefits derived from inclusionary housing ordinances include:

- New incentives for developers,
- Greater housing options for all municipal residents,

RELATED TOOLS:

- Village Plan Alternative
- Conservation Subdivision
- Infill Development
- Feature-Based Density and Lot Size Averaging
- Density Transfer Credit

- Increased supply of workforce housing, and
- Increased supply of employees to bolster the local employment and economy.

The greatest key to the success of inclusionary housing ordinances are the incentives provided. The incentives must compensate the developer for the foregone profits that market rate development would have brought in the affordable units. Incentives to developers can include density bonuses, expedited permitting, zoning exemptions, waived or reduced application or impact fees, reduced parking provisions, or other financial benefits. Additionally, regulations must permit forms of construction or development, such as higher densities, smaller lots or units, multi-family development, or the ability to have multiple structure types in a single project proposal, which cost less than conventional single-family development for inclusionary housing to work. (Ray 2001)

Inclusionary housing developments typically are allowed through either conditional use permit from the planning board or special exception by the zoning board of adjustment. Although inclusionary development could be permitted by right, establishing the inclusionary housing provision as a conditional use or special exception, the municipality is afforded a greater level of project review. Vesting this review in the planning board as a conditional use permit consolidates the permitting process and control over the terms of the project (as opposed to having the zoning board of adjustment grant a special exception in addition to planning board review of subdivision or site plan requirements). This may also reduce the required permitting time, which in turn lowers development costs, helping to keep the price paid by future residents down.

Communities must also decide where to permit inclusionary housing development or whether to permit it in all zones where residential uses are permitted. If specific areas are to be designated for inclusionary zoning the community must consider the most appropriate locations. Marginal lands should not be selected as the primary permitted location. While land may be less expensive in remote areas communities must also consider access to services of interest to developers and future residents. These services may include water and sewer systems, availability of undeveloped land, retail services, and possible employment.

Inclusionary ordinances should include a clause that ensures compatible architectural style and integration of units. Subdivisions or developments created under an inclusionary housing ordinance ought to be designed in a harmonious and equitable manner that will not segregate households based on income. The low-income units should not be singled out in a manner that identifies them as being less desirable than the market rate units. Ideally, the affordable units should be dispersed throughout the proposed development.

In order for the local planning board to ensure they have sufficient information on any given inclusionary housing proposal, they may add related application data requirements to the subdivision and site plan review regulations. These additional provisions may require:

- Calculation of the number of permitted units under the inclusionary ordinance instead of conventional development of the property.

- Provision of data demonstrating affordability requirement compliance – complete cost estimation.
- Descriptions of the affordable units including size, type and cost.
- Identification of any variances or special exceptions required to make the units affordable.
- Provision of any agreements with outside agencies.

Other than issues directly related to the affordability of units, the planning board should not impose data or procedural requirements that exceed those of other developments.

APPROPRIATE CIRCUMSTANCES AND CONTEXT FOR USE

Communities must recognize a specific need for affordable or workforce housing, in the municipality or region, within their master plan before they can implement an inclusionary housing ordinance. To assist with this requirement, the Regional Planning Commissions each prepare a housing needs assessment for their regions that analyzes the housing supply, demand and affordability. These documents can provide the foundation or justification for affordable or workforce housing ordinances.

Affordable housing is defined as housing opportunities for all income levels, where the annual gross housing costs do not exceed 30 percent of the household's annual income. Most often, when addressing affordable housing needs in a state, region, or individual community, analysts and policy makers focus on establishing affordable housing opportunities for households earning at or below 80 percent of the area median income, since market based opportunities are most limited for these households. The area median income is adjusted for household size and typically based on the United States Department of Housing and Urban Development (HUD) Metropolitan or Non-Metropolitan Fair Market Rent Area (HMRA or county RMRA) in which the housing is located. Median area income figures are established and published annually by HUD.

Since ownership units require additional up front capital for purchase, they may have higher income limits than rental units and can include households earning up to 80 or 100 percent of the median income. For rental housing, which typically is more affordable than ownership properties, affordable workforce housing is typically limited to households earning up to 60 or 80 percent of the median income.

Inclusionary zoning is most effective within communities with a growing housing stock since it relies on new housing construction or adaptive reuse of existing structures to generate affordable units. Communities with existing growth control ordinances in effect can exempt inclusionary housing development from the annual development cap or maximum as an implementation incentive. Additionally, the community should work with local trusted developers to ensure their incentives will truly induce the creation of affordable units. Alternately, if multiple communities have similar provisions it will eliminate the chances of builders electing to forego development in one community in preference for another's more profitable

ordinances. If inclusionary housing ordinances are similar across a regional market it increases the probability of utilization. (Ray 2001)

Additionally, inclusionary ordinances can be supplemented by the incorporation of other initiatives that encourage affordability and a variety of housing types. These may include:

- Smaller permitted lot sizes
- Increased density
- Open space or cluster development
- Mixed use development
- Village plan alternative development
- Tax increment financing
- Public/private partnerships
- Manufactured housing
- Smaller dwelling units
- Housing for the elderly and disabled
- Accessory dwelling units

The combination of many affordability mechanisms can produce greater benefits than any of the programs used in isolation. Additionally, there are many agencies and private developers across the state willing to partner with municipalities interested in developing affordable housing. (Frost 2001)

Although it is not necessary for a municipality to partner with a local, regional, or state housing authority or a community housing trust, these partnerships often help facilitate the ordinance's implementation and make associated monitoring easier. The partner agency can help to remove the burden of continued affordability from the municipality, which may not have the administrative means to take on this responsibility. Additionally, the agency can retain a "first right of refusal" through deed restrictions that will allow them the right to purchase the property and guarantee its affordability.

Communities without direct access to a monitoring agency may choose to forgo this partnership, so long as a municipal employee, such as a planning coordinator or building inspector, is available and able to monitor the future sale or transfer of affordable properties. Otherwise, it is advised that these communities look outside their borders for an agency committed to regional participation for assistance. Additionally, the simpler the ordinance, the less administrative time required to maintain it.

LEGAL BASIS AND CONSIDERATIONS FOR NEW HAMPSHIRE

The power to establish inclusionary housing or zoning ordinances is granted to New Hampshire communities under the statutes providing for Innovative Land Use Controls, RSA 674:21, I (k). The statute defines inclusionary zoning in RSA 647:21, IV(a) as "...land use control regulations which provide a **voluntary** incentive or

benefit to a property owner in order to induce the property owner to produce housing units which are affordable to persons or families of low and moderate income. Inclusionary zoning includes, but is not limited to, density bonuses, growth control exemptions, and a streamlined application process.” This means that, under New Hampshire law, inclusionary zoning may not be made mandatory. Municipalities wishing to implement inclusionary zoning must find ways to induce developers to voluntarily engage in such an effort.

Inclusionary housing ordinances are one tool, among others, that can help communities ensure that their land use regulations would not be considered exclusionary by a court. This concern is generally addressed by RSA 672:1, III-e, which states:

All citizens of the state benefit from a balanced supply of housing which is affordable to persons and families of low and moderate income. Establishment of housing which is decent, safe, sanitary and affordable to low and moderate income persons and families is in the best interests of each community and the state of New Hampshire, and serves a vital public need. Opportunity for development of such housing, including so-called cluster development and the development of multi-family structures, should not be prohibited or discouraged by use of municipal planning and zoning powers or by unreasonable interpretation of such powers...

The *Britton v. Town of Chester* case (1991) was the second case in the State of New Hampshire to rule against exclusionary zoning, the first being *Soares v. Atkinson* (1986 and 1987). In the *Britton* case the court stated that the Town of Chester’s exclusionary zoning was in violation of RSA 674:16, the zoning enabling act, and that the provision of housing for all income levels was a fundamental part of “promoting the health, safety, or the general welfare of the community.”

As with the development of affordable housing through any mechanism, maintaining affordability becomes one of the greatest complications. Many ordinances require a deed restriction to be set in place and recorded when the unit is constructed. These restrictions set resale price limits, allowing the seller to benefit from some of the appreciated value, yet limiting the resale price.

The Strafford Regional Planning Commission and the Workforce Housing Coalition of the Greater Seacoast recently prepared a model “Affordable Housing Restrictive Covenant and Agreement.” It is intended for use by municipal officials, long-term affordability monitoring agencies, developers, and homebuyers to establish terms of resale. The agreement is made between the property owner and The Housing Partnership, a non-profit community-based organization in Portsmouth. The covenant provides essential definitions, maintains rights of first refusal for The Housing Partnership, sets resale and transfer restrictions, as well as restrictions on use, rental and junior encumbrances, establishes mortgage protections, and sets the term, in years, the covenant will run with the home.

The New Hampshire Housing Finance Authority has prepared a “Long Term Value Retention Model,” through which municipalities may ensure affordability of housing units over time. The New Hampshire Housing model includes an ordinance that is intended to work together with an inclusionary zoning ordinance. The model establishes an easily administered mechanism through which municipalities acquire a

lien on properties that are built as affordable housing units under an inclusionary zoning ordinance. The value of the lien is based on the difference between the fair market value of the unit and its reduced “affordable” sale price, which is indexed according to qualifying income standards that are previously established. The municipality’s lien is inflation indexed, so its value does not degrade over time, but the owner is able to reap the benefits of an expanding real estate market. Subsequent sales are not limited based on income targets, but the maintenance of the municipality’s lien will tend to keep units affordable for a relatively long period.

EXAMPLES AND OUTCOMES

Amherst, New Hampshire

Amherst has established an “Affordable Housing” provision in its Zoning Ordinance as a conditional use. The ordinance first establishes suitability criteria for proposed projects including style, affordability standards, environmental concerns, and required tract areas. Amherst’s ordinance defines affordability as dwelling units available for sale or rent to households earning at or below 100 percent of the median area income. In exchange, the town provides flexible lot size, setback, and density standards which are reduced from those for traditional subdivisions. This allows otherwise non-conforming lots to be developed for affordable units. Additionally, a maximum dwelling unit size of 1,300 square feet is set, which cannot be expanded or increased for ten years.

Using the ordinance, developers have created a variety of affordable housing types in Amherst including duplexes, multi-family, and single family homes. By requiring smaller units and allowing smaller lots, prices have been reduced from \$350,000 or higher for market rate townhouses down to \$170,000 for affordable ones.

Chester, New Hampshire

Chester has established an “Incentive System for Low-Moderate Income Cluster Housing” within Article 7 of its Zoning Ordinance. This ordinance established definitions for four different income levels, which are each permitted different density bonuses dependent on whether the proposed units will be owner or renter occupied. The density bonus is calculated using a multiplier, so that the percent of units in the development dedicated to a specific income group is multiplied by a factor ranging from 1.25 to 5.00 (dependent of the type) to determine the increase in density. Applicants can combine types of housing for a mix of income groups and add up density bonuses until they have achieved a the maximum permissible density for that site based on on-site well and septic standards of the New Hampshire Department of Environmental Services.

Projects developed under this ordinance are required to set purchase price and resale restrictions to maintain affordability. Additionally, occupancy restrictions are set to ensure that the target income group identified during permitting becomes the unit inhabitants. The town’s building inspector is charged with administration and monitoring of housing developments created under this cluster housing ordinance. Since the ordinance was enacted, there have been three developments built in

Chester that have utilized this option. A total of 72 units were created within these subdivisions with 13 units (18 percent of units) affordable to moderate income households.

Exeter, New Hampshire

Exeter's inclusionary housing ordinance is incorporated into the zoning provisions for elderly congregate health care facilities and open space development. Within both sections, the zoning ordinance simply grants a 15 percent density bonus in exchange for 20 percent of the total number of proposed units provided as affordable (15 percent for households with incomes between 80 and 120 percent of the area median income and 5 percent for households with incomes below 80 percent of the area median income). The area median income is defined as the New Hampshire portion of the Portsmouth HUD Metropolitan Fair Market Rent Area. All units are to be sold with deed restrictions and a recorded housing agreement that limit the resale value to no more than the purchase price plus two times the accumulated consumer price index for a period of 30 years. The Exeter inclusionary housing ordinance is one of the most straightforward.

The ordinance was implemented in the Watson Road mixed income subdivision. The development has 86 single family homes, 20 of which are two-bedroom condominiums priced at \$180,000 and up. Another eight units are priced starting at \$300,000. The remaining homes begin at \$400,000. Income limits have been set for prospective buyers. While the affordable units were priced about \$60,000 below their market value, the combined benefits of the density bonus and higher cost unit revenues will offset the price reduction.

Nashua, New Hampshire

Nashua's Inclusionary Zoning, Section 16-93 of the city's Land Use Code, begins with a clear set of definitions particular to this section, and potentially helpful to others looking to establish an inclusionary housing ordinance. To allow for greater flexibility in affordable housing, Nashua has created a series of 12 different potential exchange rates—affordable units for density—based on the type of housing offered. Alternately, the ordinance allows developers to pay a fee, equal to the dwelling unit construction cost, into a housing trust fund as means of compliance.

All types of affordable housing created under the ordinance must be designed to be “compatible in architectural style and appearance” to all other units in the development. Additionally, an affordability “control period” is specified for each affordable housing type, which must be enforced through deed restrictions, restrictive covenants or contractual agreements with a housing authority or trust. The ordinance provides project phasing requirements that ensure all affordable units have been constructed and completed before the final ten percent of the market rate units are completed and marketed. The city's Community Development Department is charged with administering the ordinances and monitoring of completed developments.

More information on financial assistance programs for affordable housing development through statewide agencies can be found at the following websites:

- New Hampshire Housing Finance Authority: www.nhhfa.org
- New Hampshire Community Development Finance Authority: www.nhcdfa.org
- New Hampshire Community Loan Fund: www.nhclf.org

Additional resources may be available from local and regional non-profit housing organizations.

Model Language and Guidance for Implementation

MODEL ORDINANCE FOR INCLUSIONARY HOUSING

I. PURPOSE

The purpose of this *Article* is to encourage and provide for the development of affordable housing within [Community Name]. It is intended to ensure the continued availability of a diverse supply of home ownership and rental opportunities for low to moderate income households. This *Article* was established in order to meet the goals related to affordable housing provision set forth in the [Community Name] Master Plan. Additionally, in implementing this Article [Community Name] has considered the region’s affordable housing need as defined in the [Regional Planning Commission] Housing Needs Assessment.

II. AUTHORITY

This innovative land use control *Article* is adopted under the authority of RSA 674:21, and is intended as an “Inclusionary Zoning” provision, as defined in RSA 674:21(I)(k) and 674:21(IV)(a).

III. APPLICABILITY

Communities must decide where to permit inclusionary housing development. Options include either in all residentially zoned areas or selected locations. Decisions should be weighed carefully to determine where the greatest incentive for inclusionary housing development would be. Inclusionary housing could be extended as a permitted use into compatible mixed use or commercial zones. Industrial and other incompatible lands should retain their strict prohibition of residential development.

Applications under this ordinance should allow greater flexibility in the permitted housing types as an added incentive to developers. This is especially true in areas where only single family residential is permitted. Alternate, more affordable housing construction types need to be encouraged as a way of ensuring lower development costs and subsequently lower sale or rental prices.

A. Development in accordance with the provisions of this Article is permitted as a conditional use within the following zoning districts as defined in this Zoning Ordinance:

1. [List Zoning Districts]

B. Permitted Uses: In the interest of encouraging affordability, single-family, duplex, multi-family, and manufactured housing is permitted within an application under this Article irrespective of the permitted uses of the underlying zoning requirements in the areas identified in section III-A above.

C. Any person aggrieved by a Planning Board decision that constitutes a denial of a Conditional Use Permit due to noncompliance with one or more of the provisions of this ordinance may appeal that decision to the Superior Court, as provided for in RSA 677:15. A Planning Board decision on the issuance of a Conditional Use Permit cannot be appealed to the Zoning Board of Adjustment (RSA 676:5 III).

IV. DEFINITIONS

Affordable Rental Housing: where the rent plus utilities for the dwelling unit does not exceed 30 percent of the allowed individual household income.

Affordable Owner-Occupied Housing: where the total cost of mortgage principal and interest, mortgage insurance premiums, property taxes, association fees, and homeowner’s insurance does not exceed 30 percent of the maximum allowed income of the purchaser. The calculation of housing costs shall be based on current taxes, a 30-year fixed rate mortgage, a 5 percent down payment, and prevailing mortgage rates within the region.

Area Median Income (AMI): the median income of the greater region, either the HUD Metropolitan or Non-Metropolitan Fair Market Rent Area to which [Community Name] belongs, as is established and updated annually by the United States Department of Housing and Urban Development.

Assets: As defined as “Net Family Assets” by 24 CFR Part 5, Subpart F, and as amended from time to time.

Income: As defined as “Annual Income” by 24 CFR Part 5, Subpart F, and as amended from time to time.

Low Income: A household income (as defined herein) that does not exceed 50 percent of the area median income.

Low to Moderate Income: A household income (as defined herein) that is more than 50 percent and does not exceed 80 percent of the area median income.

Market Rate Housing: Any unit within a development, whether the unit is to be owner or renter occupied, that is intended to be available for sale or occupancy at the prevailing market value for the area similar to comparable real estate transactions.

Moderate Income: A household income (as defined herein) that is more than 80 percent and does not exceed 100 percent of the area median income.

Owner-occupied Housing: Any dwelling unit intended to be conveyed in fee simple, condominium or equity-sharing arrangement such as a community housing land trust and limited equity cooperatives.

Rental Housing: Any dwelling unit intended to be leased.

The definition of **Annual Income** considers both wage income and assets when determining a family’s income level eligibility—the full definitions are provided in the reference section at the end of this chapter. This definition **MUST** be considered in conjunction with the definitions of Low, Low to Moderate, and Moderate Income herein.

The **Area Median Income (AMI)** is determined and published annually by the United States Department of Housing and Urban Development. The AMI varies by location and by household size. Each community’s AMI, or HUD Income Limit, is that of the Metropolitan Fair Market Rent Area (HMRA) or County based Non-Metropolitan Fair Market Rent Area (RMRA) if the community is not part of a HMRA. The NH Housing Finance Authority also publishes these limits on their website on the “HUD Limits and Allowances” page.

V. AFFORDABLE HOUSING CATEGORIES AND INCENTIVES

- A. A site plan or subdivision plan that will guarantee a designated percentage of units, reserved as affordable housing, may be approved with an increase in the density of the site and a reduction of the minimum site frontage as is set forth in Table 9.1.1. The planning board may allow a reduction of the minimum lot size to accommodate the increased site density.

The incentives section could be expanded to allow others including parking reductions, setback reductions, exemption from impact fees, exemption from application fees, or exemption from growth control ordinances.

Table 9.1.1 Affordable Housing Incentives

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

The designated affordable percentage, density bonus, and minimum site frontage reductions presented in Table 9.1.1 are recommended ranges. A fixed percent should be established for both the designated affordable percentage and bonus in consultation with local developers or housing professionals actively engaged in the local housing market. The fixed percentage is not recommended to be less than the bottom limit of the range but could be in excess of the upper limit if market conditions will support such development. The bonus MUST compensate the developer for the designated affordable percentage. Too low a bonus will cause the ordinance to fail or not be implemented.

Inclusion of “Low Income Owner-occupied Housing” incentives is optional. Very few households in this income bracket are able to support the costs of home ownership. To provide ownership opportunities for these households will require deeper subsidies given the higher risk of loan default.

Allowing developers to combine bonuses and increase the number of designated affordable units they provide is mutually beneficial to the municipality and the developer. The incentives need to maintain some flexibility to respond to the market conditions developers are working within. Aggregated bonuses will allow this flexibility. Communities may leave the aggregated density bonus uncapped or set a cap of 20 percent or greater.

- B. A site plan or subdivision plan can mix affordable housing types and accumulate density bonuses to a maximum bonus equal to 30 percent where municipal sewer and water are available or in areas without water and sewer service to the maximum density permitted by on-site well and septic standards of the New Hampshire Department of Environmental Services as applied to the site.

When mixing affordable unit types the designated affordable percentage for each individual affordable housing type may be less than that required in Table 9.1.1. The density bonus is then proportioned to the actual percentage of designated affordable units provided, so that if the applicant provides only one-half of the required designation of one type of affordable housing they will receive one-half of the density bonus. The combined total of all affordable housing types must equal a 15 percent designation of affordable units, at a minimum.

- C. Individual lots within an application under this Article are also granted a frontage reduction equal to the density bonus established in section V-A or V-B of this Article.

VI. GENERAL REQUIREMENTS OF AFFORDABLE UNITS

- A. The dwellings qualifying as affordable housing shall be compatible in architectural style and appearance with the market rate dwellings in the proposed development. The affordable units should be interspersed throughout the overall development.
- B. To ensure that the application is completed as permitted, the dwellings qualifying as affordable housing shall be made available for occupancy on approximately

the same schedule as a project's market units, except that the certificates of occupancy for the last 10 percent of the market rate units shall be withheld until certificates of occupancy have been issued for all the affordable housing units. A schedule setting forth the phasing of the total number of units in a project under this Article, along with a schedule setting forth the phasing of the required affordable housing units shall be established prior to the issuance of a building permit for any development subject to the provisions of this Article.

- C. To ensure that only eligible households purchase/rent the designated affordable housing units, the purchaser/renter of an affordable unit must submit copies of their last three years' federal income tax returns and written certification verifying their annual income level, combined with household assets, does not exceed the maximum level as established by this ordinance in sections IV and V-A of this Article. The tax returns and written certification of income and assets must be submitted to the developer of the housing units, or the developer's agent, prior to the transfer of title. A copy of the tax return and written certification of income and assets must be submitted to all parties charged with administering and monitoring this ordinance, as set forth in sections VIII through VIII-D of this article, within 30 days following the transfer of title.
- D. All applicants under this article must submit the following data to ensure project affordability:
 1. Calculation of the number of units provided under this Article and how it relates to its provisions.
 2. Project Cost Estimate including land, development and construction costs; financing, profit, and sales costs; and other cost factors.
 3. Description of each unit's size, type, estimated cost and other relevant data.
 4. Documentation of household eligibility as required in section VI-C of this Article.
 5. All agreements established as part of sections VII through VII-2 of this Article.
 6. List of required variances, conditional use permits, and special exceptions including justification of their necessity and effectiveness in contributing to affordability.

Requiring compatible architectural styles does not indicate that all units must be identical. The affordable units may be smaller or scaled down versions of the higher cost units, using different interior finishes, fixtures, or amenities. The overall subdivision or development should be designed in a harmonious and equitable manner that will not promote segregation based on income. Ideally, the affordable units should be dispersed throughout the proposed development and not clustered together independent from market rate units.

By requiring that the affordable units are completed before the market rate units gives a certain level of protection to the municipality that the proposed affordable units will be completed as permitted. This percentage may be adjusted and a more regimented schedule could be utilized. To ensure that sufficient project capital is generated for the project to be successful, municipalities should not mandate affordable unit provision prior to completion of the first third of the market rate units.

It is essential that prospective affordable unit occupants document both their actual income and assets to prevent misuse of the units by those households that may be on a fixed income but have significant assets. For example, many recent retirees may be on a fixed income from a retirement or pension plan that meets the income requirements, but also own outright a large single family or vacation home or have other large assets, rendering the household more than capable of affording market rate housing. Additionally, community members should review income related documents with the utmost confidentiality as permitted under state statutes.

The provisions of section VII-A are established to be consistent with NHHFA's Value Retention Model, which is required if the community wishes to have NHHFA administer their inclusionary housing ordinance. Alternate mechanisms of continued affordability could be utilized, such as alternate indexed, itemized, or appraisal-based formulas. The Workforce Housing Coalition of the Greater Seacoast's "Affordable Housing Restrictive Covenant and Agreement" requires limiting equity appreciation to an amount not to exceed 25 percent of the increase of the affordable housing unit's value, as determined by the difference between fair market appraisal at the time of purchase of the property and a fair market appraisal at the time of resale, with such adjustments for improvements made by the seller and necessary costs of sale.

Inclusionary Ordinances must include assurances for continued affordability. Municipalities should review any possible continued affordability or value retention programs they find locally suitable and review them with their attorney to establish the most appropriate and enforceable ordinance language. The process adopted by the community should be referenced here and appropriate revisions made to Section VII to VII-B of this model.

VII. ASSURANCE OF CONTINUED AFFORDABILITY

In order to qualify as affordable housing under this Article, the developer must make a binding commitment that the affordable housing units will remain affordable for a period of 30 years. This shall be enforced through a deed restriction; restrictive covenant; or a contractual arrangement through a local, state or federal housing authority or other non-profit housing trust or agency. For the 30-year term, the deed restriction, restrictive covenant, or contractual arrangement established to meet this criterion must make the following continued affordability commitments:

- A. Affordable housing units offered for sale shall require a lien, granted to [*Community Name*], be placed on each affordable unit. The value of the lien shall be equal to the difference between the fair market value of the unit and its reduced "affordable" sale price, which is indexed according to the qualifying income standards. The municipality's lien is inflated over time at a rate equal to the Consumer Price Index (CPI). Future maximum resale values shall be calculated as the fair market value minus the CPI adjusted lien value. Subsequent sales are not limited based on income targets, but the combination of maintenance of the municipality's lien and adherence to this Article's Definition of Affordable Owner-Occupied Housing for a period of 30 years.
- B. Affordable housing rental units shall limit annual rent increases to the percentage increase in the area median income, except to the extent that further increases are made necessary by hardship or other unusual conditions.
- C. Deed restrictions, restrictive covenants, or contractual arrangements related to dwelling units established under this Article must be documented on all plans filed with the [*Community Name*] planning board and the Registry of Deeds.

VIII. ADMINISTRATION, COMPLIANCE AND MONITORING

- A. This article shall be administered by the planning board or local planning department. Applications for the provisions provided under this Article shall be made to the planning board and shall be part of the submission of an application for site plan or subdivision plan approval.
- B. No certificate of occupancy shall be issued for an affordable housing unit without written confirmation of the income eligibility of the tenant or buyer of the affordable housing unit and confirmation of the rent or price of the affordable housing unit as documented by an executed lease or purchase and sale agreement.

- C. On-going responsibility for monitoring the compliance with resale and rental restrictions on affordable units shall be the responsibility of [insert designated entity, i.e. board of selectmen, building inspector, planning department, other coordinating housing authority or trust] or their designee.
- D. The owner of a project containing affordable units for rent shall prepare an annual report, due on [Insert Date], certifying that the gross rents of affordable units and the household income of tenants of affordable units have been maintained in accordance this Article. Such reports shall be submitted to [insert designated entity set in section VIII-C above] or their designee and shall list the contract rent and occupant household incomes of all affordable housing units for the calendar year.

It is critical there be a municipal staff person or designated agent, rather than a volunteer, with the capacity to take on the required monitoring in conjunction with the Planning Board and Planning Department. This could be a town administrator, building inspector, planning department staff, or other coordinating housing authority or trust. This person/agency must be specified in sections VIII-C and VIII-D of this model. Additionally, all documents produced should be reviewed by legal counsel.

REFERENCES

The following publications provide an overview of inclusionary housing, how the ordinances work, and present many ideas to consider when planning an inclusionary ordinance for a community.

- American Planning Association (APA). 2004. "Housing Choice in Southern New England Scoping Session Summary." www.planning.org/housingchoice/pdf/newenglandsummary.pdf October 19, 2005.
- Fischer, Paul and Jo Patton. 2001. "Expanding Housing Options through Inclusionary Zoning," *ideas@work*, Volume No. 3, June 2001. www.growingsensibly.org/cmapdfs/ideasv3.pdf October 19, 2005.
- Mallach, Alan. 1984. *Inclusionary Housing Programs: Policies and Practices*. New Jersey: Center for Urban Policy Research.
- Ray, Anne, MUPP. 2001. *Inclusionary Housing: A Discussion of Policy Issues*. Florida: Alachua County Department of Planning and Development. www.shimberg.ufl.edu/pdfs/IncluHousingPolicy.pdf October 19, 2005.
- Taylor, Jeffery H. and Associates. 2004. *Housing Solutions for New Hampshire*. New Hampshire: New Hampshire Housing Finance Authority.
- University of New Hampshire Cooperative Extension. 1990. *Innovative Land Use Controls*. New Hampshire: Author. www.nh.gov/oep/resourcelibrary/reference/library/coopxiluc.htm October 19, 2005.
- Werwath, Peter. 1994. *Inclusionary Zoning: Program Design Considerations with a Program Design Checklist*. New Mexico: The Enterprise Foundation, Inc. www.enterprisefoundation.org/model%20documents/e512.htm October 19, 2005.

The following ordinances were used herein either as examples or as guidance when formulating the model.

- Cape Cod Commission. 2002. *Inclusionary Housing Bylaw/Ordinance for Towns in Barnstable County, Massachusetts*. www.capecodcommission.org/bylaws/affordhous.html October 19, 2005.

- City of Burlington, Vermont. 2002. "Article 14: Inclusionary Zoning/Density Bonus," *Burlington Zoning Ordinance*. www.ci.burlington.vt.us/planning/zoning/z ordinance/article14.html October 19, 2005.
- City of Nashua, New Hampshire. 2006. "16-93 Inclusionary Zoning," *Land Use Code*. www.gonashua.com/planning/planningboard/finalluc.pdf January 27, 2006.
- Code of Federal Regulations. 2006. *24 CFR, Part 5, Subpart F*. ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&tpl=/ecfrbrowse/Title24/24cfr5_main_02.tpl October 19, 2006.
- Town of Amherst, New Hampshire. 2006. "Section 8-5 Affordable Housing," *Zoning Ordinance*. www.amherstnh.gov/Regulations/zoning2005-II.pdf January 31, 2006.
- Town of Chester, New Hampshire. 2005. *Zoning Ordinance*.
- Town of Exeter, New Hampshire. 2004. *Zoning Ordinance*. www.exeternh.org/zoneord.pdf October 19, 2005.
- Town of Lexington, Massachusetts. 1998. *Inclusionary Housing Policy*. ci.lexington.ma.us/Planning/Documents/Inclus.pol.html September 10, 2004.
- Town of Salem, New Hampshire. 1992. *Article XVI Affordable Housing Ordinance*.

REFERENCED CODE OF FEDERAL REGULATIONS LANGUAGE

For the purpose of general reference, the definitions of Net Family Assets and Annual Income provided by 24 CFR Part 5, Subpart F, as of October 2006, are included below. The actual language must be verified as it changes periodically.

NET FAMILY ASSETS

§ 5.603 Definitions

- (1) Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.
- (2) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under §5.609.
- (3) In determining net family assets, PHAs or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be

considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

- (4) For purposes of determining annual income under §5.609, the term “net family assets” does not include the value of a home currently being purchased with assistance under part 982, subpart M of this title. This exclusion is limited to the first 10 years after the purchase date of the home.

§ 5.609 Annual Income

(a) Annual income means all amounts, monetary or not, which:

- (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
- (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
- (3) Which are not specifically excluded in paragraph (c) of this section.
- (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

(b) Annual income includes, but is not limited to:

- (1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- (2) The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;
- (3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b)(2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;
- (4) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death

benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph (c)(14) of this section);

(5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);

(6) Welfare assistance payments. (i) Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments:

(A) Qualify as assistance under the TANF program definition at 45 CFR 260.31; and

(B) Are not otherwise excluded under paragraph (c) of this section.

(ii) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

(a) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus

(b) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

(7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;

(8) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c)(7) of this section).

(9) For section 8 programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, "financial assistance" does not include loan proceeds for the purpose of determining income.

(c) Annual income does not include the following:

(1) Income from employment of children (including foster children) under the age of 18 years;

- (2) Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
- (3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in paragraph (b)(5) of this section);
- (4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- (5) Income of a live-in aide, as defined in §5.403;
- (6) Subject to paragraph (b)(9) of this section, the full amount of student financial assistance paid directly to the student or to the educational institution;
- (7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- (8)(i) Amounts received under training programs funded by HUD;
 - (ii) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
 - (iii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
 - (iv) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time;
 - (v) Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program;
- (9) Temporary, nonrecurring or sporadic income (including gifts);

- (10) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
 - (11) Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
 - (12) Adoption assistance payments in excess of \$480 per adopted child;
 - (13) [Reserved]
 - (14) Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.
 - (15) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;
 - (16) Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or
 - (17) Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to PHAs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary.
- (d) **Annualization of income.** If it is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income), or the PHA believes that past income is the best available indicator of expected future income, the PHA may annualize the income anticipated for a shorter period, subject to a redetermination at the end of the shorter period.