Strafford Regional Planning Area

New Hampshire

Regional Master Plan:

Toward the Year 2020

Planning Background Report:

Regional Housing Needs Assessment: Toward Housing Policies and Implementation Strategies

Prepared by

Strafford Regional Planning Commission

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Executive Summary

Housing Need

- More housing will be needed as population increases in the SRPC region.
- There is a critical need for affordable housing in the region (e.g. teachers, firefighters, bank tellers, retail workers, nurses, and the elderly).
- Affordable housing is vital for the overall economic development of the Region and long-term sustainability of our communities' well-being and quality of life.

Housing Need Definitions

- Housing need is generally defined in terms of the relationship between household income (median area income- MAI) and housing costs.
- Housing need may also be defined in terms of total housing production required to maintain the employment base versus housing supplied by the market forces.
- Affordable housing need may be defined in terms of total housing production required based on the gap between what a household can afford for housing and what they can actually spend.

Housing Need Projections

General housing needs were developed based on three variables that produce three different projections. The projections and variables include:

- **Housing Need 1: Constant Share of Projected Employment Growth.**

Each community's housing need is based on a constant or full share of projected employment growth.

- **Housing Need 2: Growth Share of Projected Employment Growth.**

Each community's housing need is based on a share or percentage of the total projected employment growth.

- **Housing Need 3: Population Growth.**

Each community's housing need is based on the Office of State Planning's population growth projections.

Housing Need Projections by Year 2010

Housing Need 1, the Constant Share of Projected Employment Growth model projects the need for:

Approximately 61,800 total housing units.
Approximately **10,500 new housing units** or 1050 new housing units annually.
58% of the new housing units needed are for residents working in the SRPC region.

Housing Need 2, the Growth Share of Projected Employment Growth model projects the need for:

Approximately 60,200 total housing units.
Approximately **9,000 new housing units** or 900 new housing units annually.
58% of the new housing units needed are for residents working in the SRPC region.

Housing Need 3, the Population Growth model projects the need for:

Approximately 60,000 total housing units.
Approximately **8,900 new housing units** or 890 new housing units annually.

*****Thus, The New Housing Need is between 9,000-11,000 dwelling units.**

Affordable Workforce Housing Need Definition

- Housing is considered "affordable" when the cost is less than or equal to 30% of a homeowner's (household) or renter's median area income (MAI).
- Currently the Region's MAI is $53,784, so an affordable home would cost approximately $161,000 or less.
- The greater the gaps between housing cost and a household's or renter's income below the MAI (i.e. 30%, 40%, or 50%less) the greater the need.
- Families earning under 50% of median area income (MAI) (i.e. $26,892 or 50% of MAI of $53,784) are considered low income and have a greater housing need.
- The greatest need is for families earning under 50% MAI (ie. $26,892 with a cost burden of 30% (30% or more of family income is spent on rent/mortgage).

Affordable Workforce Housing Projections by Year 2010

- The number of homeowners, renters, and total households projected to earn under 50% MAI (i.e. $26,892 or 50% of MAI of $53,784) in 2010 is:
  - 6,673 or 17.5% of all homeowner dwelling units
  - 9,351 or 46.8% of all renter dwelling units
  - 16,964 or 29.1% of all household dwelling units

- Increase from 2000-2010:
  - **881 homeowner dwelling units or 88 annually**
  - **1,327 renter dwelling units or 133 annually**
  - **2,208 total household dwelling units or 221 annually**

- Renters and single family homeowners earning under 50% MAI, as well as paying 30% or more of their income on housing in 2010 are:
  - 6,326 of all renter dwelling units
  - 2,788 of all single-family homeowner dwelling units
  - 9,114 total dwelling units

- Increase from 2000-2010
  - **1,242 renter dwelling units or 124 annually**
  - **437 single-family homeowner dwelling units or 44 annually**
  - **1,679 total dwelling units or 168 annually**

How Should Housing Need Be Met?

- Market Response- Market response involves no action at all. Communities will allow the markets to drive the activities to meet the need. This option may address a general housing need, however it will not produce an adequate number of affordable workforce or lower income homes. Due to the cost of land and construction and limited profit margins when offering affordable rents or purchase prices, this type of development offers developers no or limited (i.e. less than 10%) profit margin.

- Local Response- Given market conditions, local response involves each community and determining the appropriate policies and implementation strategies to meet the housing need in their community. Local response means that local actions will drive the housing solutions for the region.

- Regional Response- Given market conditions, regional response involves communities working together to determine all the appropriate policies and implementation strategies to meet the housing needs in all communities and in the region. It also means balancing these housing needs with related regional economic development and environmental protection goals.

Findings must be discussed. Options considered. Decisions are required.
Let’s begin. Comments are welcome.

Part 1 --Introduction

The general purpose of this planning background report is to:

(1) Conduct a housing needs assessment at the regional level based on general housing need and affordable housing need.
(2) Evaluate the current status and content of the regional housing elements and to suggest alternative approaches.
(3) Examine regional housing need allocation models that measure the relative performance of areas in achieving a proportional distribution of assisted housing.
(4) Establish the basis for developing updated regional and local Master Plan housing policies and implementation strategies.

Part 2.0 Background

2.1 Housing Need/Demand

The need or demand for housing is generated by population growth, as well as regional employment growth and demographic and economic forces that transcend municipal and state boundaries. In New Hampshire, the supply of land available for housing development to meet the demand is controlled locally by municipal policies and regulations. In economic terms, the need for a community to enable a portion of regional housing needs to be met is clear. The regional housing needs assessment should act as a bridge between the housing needs identified within a region and the local land use regulatory process that will affect the type, density, and distribution of housing production. (NHHFA, 2003)

2.2 Regional Housing Needs Assessment Purpose /Use

Compliance with New Hampshire law RSA 36:47 II requires that "For the purpose of assisting municipalities in complying with RSA 674:2 III (m), each regional planning commission shall compile a regional housing needs assessment, which shall include an assessment of the regional need for housing for person and families of all levels of income. The regional housing needs assessment shall be updated every five years and made available to all municipalities in the planning region." Pursuant to RSA 674:2 III (l), involving master plan implementation, "a housing section which assesses local housing conditions and projects future housing needs of residents of all levels of income and ages in the municipality and the region as identified in the regional housing needs assessment performed by the regional planning commission…" is an optional component that should be considered as a section in the master plan. This regional housing needs assessment will fulfill the requirements of the above-mentioned statutes.

The Strafford Regional Planning Commission (SRPC) developed its first housing needs assessment in 1988 as a component of the regional master plan. The data was updated in 1999 as required by RSA 674:2 III (m). While RSA 36:47 requires that all regional planning commissions prepare a regional housing needs assessment, the statute does not specify a methodology. An examination of the other planning commissions' methodologies reveals that those commissions in the southern portion of New Hampshire developed methodologies similar to that previously utilized by the SRPC. These methodologies have not held up to the market reality of housing costs or the growth rates.

In 2002 the New Hampshire Housing Finance Authority hired a consultant to develop a single recommended methodology for projecting the demand of housing on a statewide basis. It was the NHHFA's goal to also offer a subset of the methodology that could be applied at a regional level and that would ensure more consistency in the development of the regional housing needs studies, while allowing each region the opportunity to tailor the methodology to address the region's own issues. A committee including representatives from the NHHFA, NH Office of State Planning and the regional planning commissions have been meeting since 2002 to assist in the development of the methodology.

The function or purpose of the regional housing needs assessment is to project the demand for housing within the SRPC region through the year 2010, as well as measure affordability among different demographics including ages, income levels, and housing tenure. Three different methods for projection were used in this model. Method 1 assumes a constant share of the states employment. Method 2 is an approach that assumes that the area consumes the same amount of employment growth that the area experienced during 1990-2000. Method 3 is based on population projections by the NH Office of State Planning. The projections provided are not absolute numbers, but provide a range that can be helpful in determining the need of the region and communities.

While this Regional Housing Needs Assessment is an update to the 1999 study, it does not follow the same structure or methodology used in the first two assessments. The more general purpose of the regional housing needs assessment is to provide communities in the region with the background information and analysis needed to develop their own housing needs assessments for master planning purposes. Efforts have been made to analyze specific housing needs for the communities within the SRPC region in regards to housing stock, elderly vs. non-elderly housing needs, and affordability based on tenure. It should be noted that this regional housing needs assessment does not incorporate a fair-share apportionment, as was incorporated in past regional housing needs assessments. Exclusion of the fair-share apportionment is due to limitations contained within the methodologies used by SRPC and other regional planning commissions.

This update to the SRPC's 1999 Regional Housing Needs Assessment utilizes the "housing production model" that has been developed by the NHHFA. The following sections provide a brief description of the model and the projected housing needs for the

SRPC region, as well as information on affordable housing by tenure and income range that could be expected to have a high housing cost burden.

2.3 Toward A Regional Master Plan and Housing Policies and Implementation Strategies

State Requirements

New Hampshire law (RSA 674:2) describes the purpose and structure of a Master Plan as follows:

The purpose of the Master Plan is to:

- *Set down as clearly and practically as possible the best and most appropriate future development of the area under the jurisdiction of the Planning Board, to*
- *Aid the Board in designing ordinances that result in preserving and enhancing the unique quality of life and culture of New Hampshire, and to*
- *Guide the Board in the performance of its other duties in a manner that achieves the principles of smart growth, sound planning and wise resource protection.*

The Master Plan shall be a set of statements and land use and development principles for the municipality with such accompanying maps, diagrams, charts and descriptions as to give legal standing to the implementation ordinances and other measures of the planning board.

Each section of the Master Plan shall be consistent with the others in its implementation of the vision section.

The Master Plan shall be a public record subject to the provisions of RSA 91-A (i.e. pertaining to assess to public records and meetings.).

The Master Plan shall include, at a minimum, the following sections:

- *A vision section that serves to direct the other sections of the plan. This section shall contain a set of statements, which articulate the desires of the citizens affected by the Master Plan, not only for their locality but also for the region and the whole state. It shall contain a set of guiding principles and priorities to implement that vision.*
- *A land use section upon which all the following sections shall be based. This section shall translate the vision statements into physical terms. Based on a study of population, economic activity, and natural, historic, and cultural resources, it shall show existing conditions and the proposed location, extent, and intensity of future land use.*

- *The Master Plan may also include the following sections: transportation, community facilities, economic development, natural resources, natural hazards, recreation, utility and public services, cultural and historic resources, regional concerns, neighborhood plans, community design,* ***housing*** *and implementation.* (See RSA 674:2III.)

Thus, a Master Plan is:

- A long range, comprehensive, general description of what a municipality wants to be and how it will achieve it.
- A commitment to do something.
- Adopted, thus it reflects public policy.
- Used to make decisions about community development and preservation issues. The issues may range from water resource protection, residential development, and transportation improvements to community facilities and services.
- The basis for land use and development ordinances (e.g. zoning ordinance, street and highways ordinance, growth management ordinance) or regulations (e.g. subdivision regulations, site plan review regulations), capital improvement programming, downtown center development and beautification, open space or land conservation, and other programs and projects to improve the quality of life in the region including housing programs and improvement projects.
- The basis for the housing programs may include adoption of building codes, housing construction programs, housing financing programs and/or housing assistance programs. Thus, a housing element including policies and implementation programs is an important component of a master plan.

Strafford Regional Master Plan

The Strafford Regional Planning Commission has an adopted Regional Master Plan that is periodically updated.

The Regional Master Plan policy goals, principles and standards are aimed at achieving a quality sustainable community development. Achieving them will require implementation (i.e. action to achieve results). These actions are described in the Regional Master Plan.

In part this means setting and meeting current or new principles and standards for development. For if "quality" is defined as conformance to a standard, then continually improving quality means continually setting and achieving higher standards for excellence in planning, design, development, service and operations.

Citizens drive the standards: their aspirations, expectations, goals and principles.

Setting standards and monitoring progress will enable the SRPC to:

- Retain and improve the quality of life.
- Promote economic opportunity.
- Promote health and safety.
- Promote educational opportunity.
- Promote environmental conservation, protection and management.
- Enable sustainable development.

The Regional Master Plan will describe these standards. Some exist in current ordinances and regulations. Others will need to be prepared and adopted over time. Achieving them will result in achieving the vision of a quality sustainable community.

<u>New housing policies including standards and implementation strategies are needed. In light of the new Unites States Census year 2000 data, existing conditions need to be reviewed, trends analyzed and projected and policies and implementation strategies updated.</u>

Part 2.4 Regional Housing Needs Assessment

2.4.a Housing Need Definitions

- Housing need is generally defined in terms of the relationship between household income (median area income- MAI) and housing costs.
- Housing need may also be defined in terms of total housing production required to maintain the employment base versus housing supplied by the market forces.
- Affordable housing need may be defined in terms of total housing production required to ensure households meet the generally accepted standard of not spending 30% of their monthly income on housing costs.

2.4.b Housing Need Projections

Housing needs are projected based on three variables that produce three different projections. The projections and variables include:

- Housing Need 1: Constant Share of Projected Employment Growth.

This means each community’s housing need is based on using a constant or full share of projected employment growth. In other words, this employment-based projection assumes that each county and metro area maintains its year 2000 share of the state’s wage and salary employment through 2010.

- Housing Need 2: Growth Share of Projected Employment Growth.

This means each community's housing need is based on a share or percentage of the total projected employment growth. This employment-based projection allocates wage and salary employment growth (including government) to each county and metro based on its share of private sector covered employment growth during the prior decade (1990-2000).

- Housing Need 3: Population Growth.

This means each community's housing need is not employment driven, but based on the Office of State Planning's municipal-level population growth projections for 2010.

Each of these projections is derived from the following methodology.

2.4.c Housing Need Projections 2000-2010 Methodology

To project 2010 population and households, the following steps are reflected in the model (as described by Bruce C. Mayberry, Planning Consultant**):**

1. The annual percentage growth rate assumption for employment from 2000-2010 in the "State Total" tab is the initial "driver" for this model. The initial estimate based on Employment Security projections is about 1.6% per year. This rate is then compounded in the model to estimate year 2010 wage and salary employment including government. Higher or lower rates can be input to produce alternative estimates of statewide wage and salary employment. That employment is then distributed to the various counties and metro areas based on (1) their 2000 share of the state total and (2) their share of private sector employment growth during the prior decade (1990-2000).

2. Within each county and metro area, the 2010 projected employment is multiplied by the 2000 ratio of [working residents/area employment] to generate an estimate of working residents in 2010.

3. The projected number of working residents in 2010 is then multiplied by 2000 ratio of [households/working residents] to estimate the number of households in 2010.

4. The number of households is multiplied by an estimate of average persons per household in 2010 (estimated at 98% of the 2000 average for the area, based on U.S. Census national projections). This yields total persons living in housing units. The group quarters population is

estimated as a function of persons in living units, using the 2000 ratio of [2000 GQ population/population in households]. The resulting GQ population estimate, plus population in households, equals total population for the area. (This is shown for information and comparison only, as the primary focus of the model is on household growth).

5. In the population-driven projection column, there are no independent employment assumptions. Rather, total population projected by NH Office of State Planning is the beginning point. For this projection, the 2010 GQ population is assumed to be the same share of the total as in the 2000 Census, with the remainder allocated to population living in dwelling units.

6. The number of households for each set of projections is split between owner and rental tenure using the 2000 Census ratios. In alternative projections, it would also be possible to use a "trended" ratio that reflects anticipated changes in tenure.

7. The vacancy rates assigned to 2010 are pre-set at 1.5% for ownership units and 5% for rental units. For each tenure category, the required number of vacant units is estimated as [households/(1-vacancy rate)]-households. This yields the total ownership or rental housing needed to provide reasonably adequate housing choice. Note that the vacancy rate established by the U. S. Census does not include vacant units that are "rented or sold, awaiting occupancy". This portion of the housing inventory is ignored for the purposes of modeling, as the split between owner and rental shares is not available in the Census data.

8. The final step in estimating the housing need requirement for 2010 is to add a replacement factor for housing units lost as the result of demolition or disaster. The model assumes that about 0.17% of the base year (2000) housing stock would need to be replaced each year due to these factors (or 1.7% of the base year need over the 10-year projection period). The same rate was applied to ownership and rental housing. This loss rate is based on an interpretation of estimates of the components of housing inventory change compiled by the U. S. Census and U. S. Department of Housing and Urban development using data from the Annual Housing Survey. The most recent cumulative report on long-term components of change available from this source was based on the 1980-1993. The indicated replacement need figure is based on data for the Northeastern portion of the U.S.

9. The total 2010 need for the resident population of each area is then computed as the sum of households, vacancy reserve, and replacement. The results for each county are then summed to the state level for an estimate of total

production needs. These demand estimates do not include other housing unit production that may be generated by seasonal, occasional use, or second home use. The year 2010 projection, less the comparable units present in 2000, yields the housing growth estimates. Implicitly, the projections include production that is needed to rectify base year (2000) deficits indicated by vacancy rates.

2.4.d Affordable Housing Projections

To calculate affordable housing projections, affordable housing must be defined. "Most regional planning commissions use a combination of low to moderate income and a cost burden standard (30% of income or more spent on housing cost) when analyzing affordable housing. Several of the regions include both owners and renters in their need definition, but most are based solely on renter households (New Hampshire Housing Finance Authority)." The SRPC Area will analyze both renters and homeowners in terms of affordable housing. Renters should be given the opportunity to be homeowners, if they so desire. Community members, especially young families who cannot currently afford to be homeowners should be given the chance to be homeowners, particularly if the community wants to thrive and sustain current members. Further emphasis will be placed on families that earn under 50% of the median family area income (MAI), as well as spend 30% or more of that income on housing. This is because in the New Hampshire Consolidated Plan 2001-2005, families earning under 50% of the median income are stated to be a high priority need level.

2.4.e Affordable Housing Methodology

1. The data for total households and renters in increments (under 30%, 50%, 60%, 80%, 100%, and 120% MAI) were obtained from the NHHFA. Data for median household income (MHI) was used to estimate the thresholds for homeowners, due to lack of data. Households are defined as any occupied housing unit with no specified relationship.

2. A percentage distribution is then calculated for total households, renters, and homeowners in each increment specified in the step above. This is calculated by dividing the number in each increment by the total number for that tenure specification. For example, take the number of renters under 30% MAI and divide by total renters.

3. Projections are then calculated for each tenure and each increment specified in step 1 for the year 2010. These projections are estimated by taking an average of the three projection methods (two employment methods and one population method) for the number of total households, renters, and homeowners in the

year 2010. Then multiply the projection number by its corresponding tenure for each increment percentage (obtained in step 2).

4. Year 2000 data for single-family homeowners and renters is also presented in increments (under 30%, 50%, 60%, 80%, 100%, and over 100% MAI) according to families that spend 30% of their income on rent or mortgage. 2010 Projections for renters are calculated in a similar manner stated in the above steps. Due to lack of data, however, projections for single-family homeowners are calculated by obtaining the percentage of single-family homeowners to all homeowners in the year 2000, applying that percentage to all projected homeowners for the year 2010 to retrieve an estimate of single-family homeowners for the year 2010. Finally, some additional data is presented according to age (65+ and under 65).

Part 3: Results

Table #1 Population Projections for Communities and Region Strafford Regional Planning Commission							
			Projections--				
Community	**2000**	**2005**	**2010**	**2015**	**2020**	**Δ 2000-2020**	**%Δ 2000-2020**
Brookfield	604	649	696	765	845	241	39.9%
Barrington	7,475	7,438	7,648	8,056	8,510	1,035	13.8%
Dover	26,884	28,562	29,205	30,389	31,704	4,820	17.9%
Durham	12,664	12,432	12,737	13,285	13,894	1,230	9.7%
Farmington	5,774	6,588	6,759	7,084	7,445	1,671	29.9%
Lee	4,145	4,452	4,606	4,913	5,254	1,109	26.8%
Madbury	1,509	1,684	1,733	1,828	1,934	425	28.2%
Middleton	1,440	1,362	1,407	1,497	1,597	157	10.9%
Milton	3,910	4,238	4,374	4,640	4,935	1,025	26.2%
New Durham	2,220	2,270	2,348	2,502	2,674	454	20.5%
Newmarket	8,027	9,123	9,728	10,621	11,548	3,521	43.9%
Northwood	3,640	4,061	4,413	4,968	5,565	1,925	52.9%
Nottingham	3,701	3,950	4,304	4,867	5,473	1,772	47.9%
Rochester	28,461	31,232	31,962	33,334	34,847	6,386	22.4%
Rollinsford	2,648	2,976	3,046	3,176	3,320	672	25.4%
Somersworth	11,477	12,606	12,878	13,371	13,891	2,414	21.0%
Strafford	3,626	3,604	3,727	3,972	4,244	618	17.0%
Wakefield	4,252	3,933	4,215	4,635	5,120	868	20.4%
SRPC Region	**132,457**	**141,160**	**145,786**	**153,903**	**162,800**	**30,343**	**22.9%**

* NH Office of State Planning Estimates

Table #1 represents the projected population totals through the year 2020 for each community and the SRPC region. For the period between 2001-2020 the SRPC region is projected to be growing at a rate of 22.9% or 30,343 over the twenty-year period. Some of the communities with the largest projected growth rates (in terms of percentage) are Northwood 52.9%, Nottingham 47.9%, Newmarket 43.9%, and Brookfield 39.9%. Brookfield and Middleton however, have two of the smallest growth rates in terms of absolute numbers, 241 and 157 respectively, along with Madbury 425 and New Durham 454. Communities with the largest increases in population (absolute numbers) are projected to be Rochester 6,386, Dover 4,820, Newmarket 3,521, and Somersworth 2,414. Towns with smallest growth rates in terms of percentages are Durham 9.7%, Middleton 10.9%, Barrington 13.8%, and Strafford 17.0%. If these projections hold true, the smaller communities experiencing an affordable housing crisis will encounter a larger population already burdened by not being able to find affordable housing.

Table #2 Comparison of Projected Housing Need by Tenure, Through 2010
Utilizing All Three Projection Methods
Strafford Regional Planning Commission

	Housing Need 1	**Housing Need 2**	**Housing Need 3**	**Average Annual Need 2000-2010**		
Total Need 2000-2010						
Owner	40,094	39,082	38,993			
Renter	21,696	21,148	21,100			
Total	**61,790**	**60,230**	**60,093**			
New Need 2000-2010				Need 1	Need 2	Need 3
Owner	6,624	5,612	5,523	662	561	552
Renter	3,931	3,383	3,335	393	338	334
Total	**10,555**	**8,995**	**8,858**	**1,055**	**900**	**886**
New Need for Residents Working in County						
Owner	3,870	3,278	nc	387	328	nc
Renter	2,296	1,976	nc	230	198	nc
Total	**6,166**	**5,255**	nc	**617**	**526**	nc

Housing Need 1, the Constant Share employment based model, projects that approximately 62,800 housing units are considered necessary in the SRPC region to meet the needs of residents by the year 2010. To reach the desired goal, approximately **10,500 new housing units** or 1,050 new housing units annually will need to be built over the next ten years. Of the housing units built, 58% of the units will be required to house residents working in the SRPC region.

Housing Need 2, the Growth Share employment based model, projects that approximately 60,200 housing units are considered necessary in the SRPC region to meet the needs of residents by the year 2010. Again, to reach the desired goal, approximately **9,000 new housing units** or 900 new housing units annually will need to be built over the next ten years. Of the housing units built, 58% of the units will be required to house residents working in the SRPC region.

Housing Need 3, a population based model, indicates a projected housing demand of approximately 60,000 housing units needed to provide adequate housing for residents of the SRPC Region. Based on current housing stock, 890 new homes are going to need to be built per year by the year 2010, resulting in an increase to the housing need of **8,900 new homes**.

Projections provided by the three different models are not absolute and should not be considered binding. Instead, careful attention should be provided to the underlying information that can be derived by analyzing the relationships among the three models, of which two relationships stand out. First, based on the projections of the three different models, a range of new housing units needed to satisfy all residents of the SRPC Area is **9,000-11,000 housing units**. Secondly, the percentage of new housing stock projected for residents' working in the county is 58% for both employment based projection models.

Table #3 Total Housing Need/Demand by Tenure and Income Range Projected Through 2010 Strafford Regional Planning Commission Region							
	2000	**Cum. %**	**Δ By Increment**	**2010**	**Cum. %**	**Δ By Increment**	**Δ From 2000-10**
Homeowners*							
Total	33,191			38,239			5,048
Earning Under 30% MAI	2,456	7.4%	2,456	2,829	7.4%	2,829	373
Earning Under 50% MAI	**5,792**	17.5%	3,336	**6,673**	17.5%	3,844	**881**
Earning Under 60% MAI	8,021	24.2%	2,229	9,241	24.2%	2,568	1,220
Earning Under 80% MAI	12,429	37.4%	4,408	14,319	37.4%	5,078	1,890
Earning Under 100% MAI	16,654	50.2%	4,225	19,187	50.2%	4,868	2,533
Earning Under 120% MAI	20,572	62.0%	3,918	23,700	62.0%	4,513	3,128
Renters							
Total	17,130			19,962			2,832
Earning Under 30% MAI	4,589	26.8%	4,589	5,348	26.8%	5,348	759
Earning Under 50% MAI	**8,024**	46.8%	3,435	**9,351**	46.8%	4,003	**1,327**
Earning Under 60% MAI	9,691	56.6%	1,667	11,293	56.6%	1,942	1,602
Earning Under 80% MAI	12,481	72.9%	2,790	14,544	72.9%	3,251	2,063
Earning Under 100% MAI	14,203	82.9%	1,722	16,551	82.9%	2,007	2,348
Earning Under 120% MAI	15,524	90.6%	1,321	18,090	90.6%	1,539	2,566
Total Households							
Total	50,559			58,200			7,641
Earning Under 30% MAI	7,491	14.8%	7,491	8,623	14.8%	8,623	1,132
Earning Under 50% MAI	**14,737**	29.1%	7,246	**16,964**	29.1%	8,341	**2,227**
Earning Under 60% MAI	18,548	36.7%	3,811	21,351	36.7%	4,387	2,803
Earning Under 80% MAI	26,076	51.6%	7,528	30,017	51.6%	8,666	3,941
Earning Under 100% MAI	32,180	63.6%	6,104	37,044	63.6%	7,027	4,864
Earning Under 120% MAI	37,616	74.4%	5,436	43,301	74.4%	6,257	5,685

*MHI (Median Household Income) was used to estimate the thresholds for homeowners due to lack of data. Households are defined as any occupied housing units. A relationship is not specified. This is why the cumulative %'s for total households are not exactly the same (One is adding Homeowners using MHI and renters using MAI).

To determine 2010 projections, the 2000 ratio of overpayment by income was applied to 2010 projections for homeowners and renters across different income thresholds. The results of this analysis can be seen in table #3. In the years 2000 and 2010, the majority of homeowners earn between 60-80% below the MAI. The majority of renters, however earn under 50% MAI. When combined, the majority of total households earn under 50% MAI and under 60-80% MAI. The number of homeowners and renters projected to earn under 50% MAI in 2010 is 6,673 or 17.5% of all homeowners and 9,351 or 46.8% of all renters respectively. The total number of households in 2010 projected to be earning under 50% MAI is 16,964 or 29.1% of all households. **This is an increase of 881 homeowners, 1,327 renters, and 2,227 total households earning under 50% MAI from 2000 to 2010.** About 50% of homeowners earn over 100% MAI, whereas only about 20% of renters earn over 100% MAI.

Table #4 Housing Cost Burden by Tenure, Paying 30% or More on Rent or Mortgage Strafford Regional Planning Commission Region								
	1990	**Δ By Increment**	**2000**	**Δ By Increment**	**Δ 1990-2000**	**2010**	**Δ By Increment**	**Δ 2000-2010**
Renters –								
Total Paying 30%+ for Gross Rent	6,041		6,042		1	7,518		1,476
Earning Under 30% MAI	2,689	2,689	3,428	3,428	739	4,265	4,265	837
Earning Under 50% MAI	4,850	2,161	5,084	1,656	234	**6,326**	2,061	1,242
Earning Under 60% MAI	5,149	299	5,732	648	583	7,132	806	1,400
Earning Under 80% MAI	5,724	575	5,924	192	200	7,371	239	1,447
Earning Under 100% MAI	5,961	237	5,998	74	37	7,463	92	1,465
Earning Over 100% MAI	80		44		-36	55		11
Renter Households Age 65+ Paying 30%+			901			1,121		220
Renter Households Under Age 65 Paying 30%+			5,141			6,397		1,256
Non-Elderly Share of Renters Paying 30%+			85.1%			85.1%		
Percent of Renters Age 65+ Paying 30%+			41.8%			41.8%		
Percent of Renters Under Age 65 Paying 30%+			33.9%			33.9%		
Percent of All Renters Paying 30%+	40.4%		35.3%			35.3%		
Single Family Homeowners								
Total – Paying 30%+	5,647		5,120		-527	6,071		951
Earning Under 30% MAI	1,097	1,097	1,170	1,170	73	1,387	1,387	217
Earning Under 50% MAI	1,841	744	2,351	1,181	510	**2,788**	1,401	437
Earning Under 60% MAI	2,306	465	2,915	564	609	3,457	669	542
Earning Under 80% MAI	3,249	943	3,828	913	579	4,539	1,082	711
Earning Under 100% MAI	4,088	839	4,357	529	269	5,167	628	810
Earning Over 100% MAI	1,559		763		-796	905		142
Single Family Owner Age 65+ Paying 30%+			1,240			1,470		230
Single Family Owner Under Age 65 Pay 30%+			3,880			4,601		721
Non-Elderly Share of SF Owners Paying 30%+			75.8%			75.8%		
Percent of SF Owners Age 65+ Paying 30%+			25.5%			25.5%		
Percent of SF Owners Under Age 65 Paying 30%+			20.5%			20.5%		
Percent of All SF Owners Paying 30%+	29.1%		21.5%			21.5%		

Table #4 represents a housing cost burden over 30%, which means families are spending at least 30% of their earnings on rent or mortgage. This is shown in categories by tenure, renters, single-family homeowners and elderly vs. non-elderly. The number of renters from 1990 to 2000 with a 30% cost burden barely changed. In both years 1990 and 2000, the majority of renters earned under 30% MAI and there was a 739 renter increase in this interval from 1990 to 2000. The number of renters earning over 100% MAI actually decreased from 1990 to 2000 by about 40. The non-elderly category has the highest percentage of renters, 85.1%, with a cost burden over 30%. Overall, renters with a cost burden over 30%, accounted for 35.3% of all renters for the year 2000, with 41.8% being renters 65 years and older and 33.9% under the age of 65.

The number of single family homeowners from 1990 to 2000 with a 30% cost burden decreased by about 500. In 1990 the majority of single family homeowners with a 30% cost burden earned under 30% MAI, however in the year 2000 the majority of homeowners earned under 30-50% MAI with the under 30% MAI only slightly lower. From the year 1990 to 2000, the single-family homeowners with a cost burden of 30% earning under 30% MAI increased only by 73 and earning over 100% MAI decreased by 796. Single family owners with a cost burden of 30% account for 21.5% of all homeowners. Non-elderly single-family homeowners make up 75.1% of single-family owners with a cost burden at 30% or greater. Of special significance in the homeowners category is the elderly. 25% of all single-family homeowners with a cost burden over 30% are the elderly. With the majority of the elderly on fixed incomes, and increases in tax assessments resulting in larger tax bills; affordable housing solutions are needed for the elderly.

The 2010 estimates were calculated using the assumption that the ratios in 2000 will be the same in 2010, thus only a loose interpretation should be realized. In 2010 it is estimated that about 7,500 renters and 6,000 single family homeowners will have a cost burden of at least 30%, up about 1,500 and 1,000 respectively from the year 2000. Further, 6,326 or 84.1% of renters with a cost burden of 30% or more earn under 50% MAI, which is an increase of **1,242** from 2000. Whereas single family homeowners earning under 50% MAI represent 2,788, an increase of **437** from the year 2000 representing 45.9% of all homeowners with a cost burden of 30% (about a 40% difference compared to renters). This shows that in 2010 the majority of low-income renters will be spending a large portion of their income on rent. The number of elderly (age 65+) that will have a cost burden in 2010 is extremely similar for both renters 1,121 up 220 from year 2000 and homeowners 1,470 up 230 from year 2000. However, elderly renters with a cost burden of 30% make up 41.8% of all renters with 30% cost burden, almost double that of elderly single family homeowners with 30% cost burden at 25.5% of all single family homeowners with 30% cost burden.

Table #5 1990-2010 Population, Employment, and Housing Strafford Regional Planning Commission					
	Historical		**2010 Projections**		
	1990	**2000**	**Housing Need 1**	**Housing Need 2**	**Housing Need 3**
Population	121,028	132,457	152,138	148,242	147,900
Employment	61,274	69,694	81,683	79,591	nc
Owners	28,956	33,218	38,932	37,935	37,848
Renters	15,235	17,341	20,324	19,804	19,758
Total Housing Units	52,009	56,009	61,790	60,230	60,093
Ratio of population to total working residents	1.98	1.90	1.86	1.86	nc
Ratio of households to total working residents	0.77	0.72	0.73	0.73	nc
Number of working residents per household	1.39	1.38	1.38	1.38	nc
Average household size	2.59	2.51	2.45	2.45	2.45
Ratio of owners to employment	0.47	0.48	0.48	0.48	nc
Ratio of renters to employment	0.25	0.25	0.25	0.25	nc

Table #5 analyzes the relationship between population, employment, and housing. Currently the region cannot satisfy the housing needs of all employees in the region. Future projections show that the ratio of households to total working residents will be rising slightly from .72 to .73 over the next ten years, moreover the ratio of population to total working residents decreases from 1.90 to 1.86 from 2000 to 2010. In all three of the housing projections the average household size is decreasing, though the ratio of ownership and renter units to employment is staying constant. If this region experienced a major influx of employment brought on by job growth, employees would have to commute from surrounding areas because of the lack of housing available.

Part 4: Issues/Opportunities/Options

4.1 What Next?

Trying to determine who, what, where, when and how SRPC and the local communities are going to address this need is the issue. Some of the questions a community can ask itself are:

- Can the region accommodate projected housing demand given land capability and zoning?
- Where in the region can it be built?
- Have communities provided reasonable opportunities for attached & multifamily housing?

These are just some of the questions that community members can address to determine what opportunities or options are available to them.

4.2 Opportunities/Options

There are at least three options that create opportunities to address the issue of what should be done. These include:

- Market Response- Market response involves no action at all. Communities will allow the markets to drive the activities to meet the need. This option may address a general housing need, however it will not produce an adequate number of affordable workforce or lower income homes. Due to the cost of land and construction and limited profit margins when offering affordable rents or purchase prices, this type of development offers developers no or limited (i.e. less than 10%) profit margin.

- Local Response- Given market conditions, local response involves each community and determining the appropriate policies and implementation strategies to meet the housing need in their community. Local response means that local actions will drive the housing solutions for the region.

- Regional Response- Given local conditions, regional response involves communities working together to determine all the appropriate policies and implementation strategies to meet the housing needs in all communities and in the region. It also means balancing these housing needs with related regional economic development and environmental protection goals.

This is the issue and some options. The challenge is to decide what next?

Part 5 Appendix

5.1 Regional Housing Needs Assessment Analysis – Data Sheets for NH State, SRPC Area, Strafford County, and 18 Towns within SRPC Area.