

## Reality Check

# WORKFORCE HOUSING *in the Greater Seacoast Region*



Left to Right: Apartment at Osprey Landing (Portsmouth); single family home in the Atlantic Heights neighborhood (Portsmouth); Bellamy Mills Apartments (Dover); Apartment at Mad River Meadows (Farmington)

### ***What do you mean by workforce housing?***

Workforce housing includes single-family homes, townhouses, condominiums and apartments that are affordable to low- and moderate-income households. To be affordable, monthly housing costs shouldn't demand more than 30% of gross household income. To close the widening gap between incomes and housing costs, some developers/owners utilize subsidy programs. But subsidy programs are not synonymous with workforce housing.

NH RSA 674:58 defines workforce housing as for-sale housing which is affordable to a four-person household earning no more than 100 percent of the median area income or rental housing which is affordable to a three-person household earning no more than 60 percent of the median area income.

***In 2009, this translates to an apartment renting for no more than \$1,080 per month (including utilities) or a maximum purchase price of \$244,000.***

### ***Who needs workforce housing?***

The shortage of workforce housing is an increasingly middle-class problem. Most residents of modern workforce housing developments work full-time jobs that pay modest wages<sup>1</sup> In addition, a rent increase, divorce, job loss or other adverse circumstance may cause others to seek workforce housing.

People who need such housing are already living and working in our towns. They are the people who take care of our children, our seniors and our communities. But as housing costs rise, will they be able to stay here? Will our children be able to stay here?



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<sup>1</sup> According to 2005 figures from the NH Economic and Labor Market Information Bureau: NH Occupational Employment and Wages, most workers in the following categories will need help with workforce housing: Bank Teller, Dental Assistant, Fire Fighter (entry level), Police Officer (entry level), Elementary School Teacher, Registered Nurse.

## **What does workforce housing look like?**

Contemporary workforce housing is based on good design and minimal impact. Smaller, mixed-income developments are distributed throughout a town. Buildings in suburban settings are clustered to leave areas of open space. Compared to unplanned sprawl, such land use is much more efficient and attractive.

## **What will be the impact on my neighborhood?**

Studies have shown that well-designed and well-managed workforce housing developments do not have any significant, negative effect on neighboring property values.<sup>2</sup> In fact, some such developments actually increase property values.<sup>3</sup>

## **Will workforce housing generate a lot of school children?**

Workforce housing does not increase school enrollment, generating fewer than one school-aged child per household. Statistics<sup>4</sup> show multifamily homes have fewer students than do single-family residences. In New Hampshire, single family units have an average of .61 public school enrollees per unit, while multifamily units (5 or more units per structure) generate an average of .21 students per occupied unit.<sup>5</sup> There are other reasons to consider multifamily housing – this type of housing consumes less land and places fewer demands on municipal services than traditional single-family developments.

## **What will be the impact on my taxes?**

Workforce housing frequently has a neutral or negligible effect on the local tax rate. In a study comparing taxes in towns that had minimum, moderate and high residential growth, the school property taxes per household increased the most in slow-growing communities.<sup>6</sup>

## **What about crime?**

Studies do not show a relationship between population density and crime. Well-designed housing can actually help protect against crime.<sup>7</sup> Better lighting, landscaping and good management make an area less attractive to criminals.



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<sup>2</sup>The 14 studies reviewed by the California Department of Housing and Community Development in 1988 showed no relationship between workforce housing and property values.

<sup>3</sup> According to the American Housing Surveys between 1987 and 1997, the average annual appreciation rate for single-family homes within 300 feet of a multifamily building was 3.9% compared with 3.6% where no multifamily building was within 300 feet.

<sup>4</sup> National Association of Homebuilders "Housing Facts, Figures and Trends" June 2001.

<sup>5</sup> New Residential Development and School Enrollment: Just the Facts by Russ Thibeault, President, Applied Economic Research, Laconia New Hampshire. 2005.

<sup>6</sup> Houses, Jobs, and Maine People: 2001. Report by Frank O'Hara, Planning Decisions, to the 2001 Governor's Affordable Housing Conference, September 10, 2001.

<sup>7</sup> A survey of studies by the Housing Action Coalition (Santa Clara, CA) found no studies indicating a correlation.