

# New law may lead to more affordable workforce housing

By ROBERT M. COOK

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A new workforce housing law could make it easier for developers to build affordable units in some communities that have resisted it, although some advocates say it will take time before the state has enough affordable housing to meet demand.

Gov. John Lynch signed Senate Bill 342, sponsored by State Sen. Martha Fuller Clark, D-Portsmouth, into law in July 2008. It is due to go into effect on Wednesday, although the Legislature since has passed a bill to delay it.

The law requires towns to provide a chance for developers to build workforce housing. It also provides an expedited appeals process if a developer believes the town isn't complying with the law.

Several New Hampshire cities and towns have pushed for a delay because they are not ready to implement the new zoning ordinances, according to Ben Frost, a spokesman with the New Hampshire Housing Finance Authority in Bedford.

Once all of New Hampshire's cities and towns add new ordinances to comply with the law, the market then will drive the creation of workforce housing over time, Frost said.

He said the new state law also requires communities to provide opportunities to build multifamily rental housing that could include up to five units per building.

According to the finance authority, six towns adopted new zoning ordinances in May to comply with the state law: Atkinson, Bedford, Brookline, East Kingston, Hampton Falls and Wolfeboro. The town of Deerfield rejected the new ordinances at a special town meeting this spring.

The town of Rye had discussed adding new ordinances, but has not scheduled any special town meetings, according to Kimberly Reed, Rye's planning administrator.

"We're in the drafting and talking stages," Reed said this week.

She said the town could use six more months to come into compliance.

Workforce housing is defined as privately owned or rented houses, condominiums or apartments with mortgages or monthly rents that do not exceed 30 percent of an individual's or family's income.

Lisa Henderson, director of the Workforce Housing Coalition of the Greater Seacoast in Portsmouth, said the Legislature recognized some communities have made more strides than others to create affordable housing.

Within the Seacoast region, Henderson said, there is a striking need for rental units costing no more than \$1,044 per month with utilities.

The 2008 median sale price of a home in the Seacoast was \$270,000, and the 2008 median sales price for a condominium was \$218,000, Henderson said.

The new law doesn't specify what percentage of a given community's housing has to be workforce housing, Henderson said, although 10 percent is viewed as a respectable goal.

She believes the biggest change the new law will bring is that it will give developers a remedy if they present plans that meet all of a community's requirements and feel they have been rejected without just cause. The law will let developers appeal a town's decision to a superior court judge in six months.

Henderson said one way communities could bring their ordinances into compliance is to adopt inclusionary zoning, listed in the new state law as an option. This lets towns offer developers economic incentives to build affordable workforce housing in addition to regularly priced units.

"It boils down to economic feasibility," she said.

She said Exeter has this zoning, and if a developer agrees to build a few workforce housing condos or homes, Henderson said, the town would give the developer a density bonus to build three more high-end units.

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**EJ Hersom/Staff photographer Brookside Place at Ledgeview in Rochester offers affordable apartments for residents who meet income guidelines.**

Henderson said the region needs more workforce housing so people employed as teachers, nurses, hairdressers and firefighters can have an affordable place to live.

Particularly when the economy rebounds and the demand for middle-income workers increases, workforce housing will once again be at the forefront, as it was in the late 1990s, she said.

Private developers and nonprofits already have created some workforce housing in York County and the Seacoast region.

For example, Great Bridge Properties of Manchester developed Brookside Place in Rochester in 2003. There are 90 two-bedroom units that rent for \$865 per month, including heat and hot water. The complex includes an outdoor play area, an exercise room, air conditioning and ample parking, said Barry Leblanc, senior occupancy manager of Stewart Property Management in Bedford, the company that manages the complex.

He said the complex met with fierce resistance from private homeowners who live on Ledgeview Circle. Some residents complained the apartments would draw undesirable people and create a negative impact on schools and city services. They also were concerned the complex would decrease home values, he said.

In many cases, people already living in Rochester are the ones who moved into the complex, and the fears expressed by the neighbors were not realized, he said.

To qualify to live at Brookside Place, a family of three has to make less than \$43,000 in annual income, he said. Full-time students can't rent the units unless at least one person is employed.

Stewart Property Management oversees 110 properties in New Hampshire, including several in Dover, Durham and Rochester that cater to working families, the elderly and the disabled. Leblanc said the waiting list for some properties is two years.

Ken Ortmann, director of Rochester's planning and development department, said the city has allowed many types of housing to be built, ranging from mobile home parks and apartment complexes to condominiums and moderate and high-priced homes.

"What is not fair is if other communities in the area are not approaching this the same way," he said.

The new state law will "prohibit communities from illegally and inappropriately discriminating against a particular type of housing," he said.

Maine, like New Hampshire, does not require communities to have a set amount of workforce housing.

Yet inroads have been made in York County, according to Paul Schumacher, executive director of the southern Maine Regional Planning Commission.

For instance, York is close to adopting workforce housing zoning ordinances after debating the issue for nearly a decade. In Biddeford and Saco, city officials recently approved 40 units of workforce housing in a revitalized mill building, he said.

Sanford also has created several affordable housing projects, to the point where town officials feel they are carrying a heavier burden than the rest of the county, he said.

The nonprofit Housing Partnership Project in Portsmouth is building Bethesda Place in Kennebunk, Maine, a 41-unit affordable apartment complex off Route 1, according to Marty Chapman, the group's executive director. It is to be completed by early spring 2010.

It will blend in with the area in Kennebunk where it is being built, he said.

He said his group has developed more than 225 affordable housing units for low-to-moderate income residents in Strafford, Rockingham and York counties. More than 500 adults, seniors, children and disabled people live in those units.

He said believes the new state law will make a difference because "it sort of compels a conversation at the local level, which is where it has to happen" about the importance of permitting workforce housing projects.