

From: [Michael Behrendt](#)
To: [Tracey Corbin](#)
Subject: FW: Workforce housing Ordinance - HUD Fair Market Rents WEBSITE
Date: Tuesday, May 7, 2024 1:47:31 PM

Tracey,
Please post this email to the website. Planning Board – Workforce Housing Ordinance. “Email from Michael Behrendt about Rent Levels”.
Thanks.

Michael Behrendt
Durham Town Planner
8 Newmarket Road
Durham, NH 03824
(603) 868-8064

From: Michael Behrendt <mbehrendt@ci.durham.nh.us>
Sent: Tuesday, May 7, 2024 11:52 AM
Subject: Workforce housing Ordinance - HUD Fair Market Rents ***

To the Planning Board and Housing Task Force,
We have been discussing how to peg rent levels in the proposed Workforce Housing Ordinance. “Workforce Housing” is defined under RSA 674:58 as “... rental housing which is affordable to a household with an income of no more than 60 percent of the median income for a 3-person household for the metropolitan area or county in which the housing is located as published annually by the United States Department of Housing and Urban Development [HUD].”

For our region the rent figure given is \$1,840 (see figure at bottom right of the second table below). But it has been unclear exactly what this figure is referring to, or at least how it might be used for a local ordinance. The figure is based upon a family of 3 but does not mention number of bedrooms in a unit, nor how it applies to a family of 2 or 4 people. At any rate, we want to peg rent levels in the ordinance to precise figures provided for us by the state or by HUD by *number of bedrooms*. My understanding was that there was a table that gave figures by number of bedrooms that was based on the 60 percent standard above.

I have had a number of conversations over email and then in person (on April 23) trying to get a handle on this question with *John Randolph*, owner of Harmony Homes, potential developer of a project in Durham and developer of the workforce housing project the Cottages in Dover; *Sarah Wrightsman*, Community Engagement Coordinator for New Hampshire Housing; *George Regan*, Community Engagement Director for New Hampshire Housing; *Nick Taylor*, Director of the Workforce Housing Coalition; and *Ryan Pope*, Housing Navigator for the City of Dover.

They pointed me to the HUD Fair Market Rents for our region. These are the rent levels that are being used for the Cottages project, that Dover uses as a reference, and that Sarah Wrightsman and George Regan encouraged us to use as a reference for our ordinance. These rent levels are precise and easy to reference and they are set below market level (They are adjusted each year). I gathered from Ryan that they are somewhat higher than the 60% threshold but there is a somewhat complex formula for deriving these figures. I don't think that we need to dig into that. Even though these figures are thus not pegged to the 60% figure in the statute, George and Sarah assured me that these are the best figures to use. They are the experts in the state housing agency and we should defer to their judgment. I think we will want to modify the proposed definition of “Workforce Housing” in the ordinance accordingly.

On a second related note, I believe that the Town of Durham is in compliance with the workforce housing law. My concern as a professional planner and as staff to the Housing Task Force is to provide as much good housing with as many helpful housing opportunities that fit with Durham's values as we can. Some components of a project may not technically meet the state's definition for workforce housing but that should not be a concern. Plenty of what we try to do will meet the state's definition and our good faith efforts will always count for a lot.

This is the line that we should refer to in our proposed Workforce Housing Ordinance >>>>>:

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Here is the table related to the state's definition for workforce housing. The \$1,840 figure is given at the bottom right. But again, we should use the Fair Market Rent table above for Durham's workforce housing ordinance.

2023 WORKFORCE HOUSING PURCHASE AND RENT LIMITS

This is an update to information that New Hampshire Housing provided to the Legislature in 2008 as it deliberated on the Workforce Housing statute. The purpose of this table is to assist municipalities in implementing the NH Workforce Housing Law (RSA 674:58 - 61). This analysis incorporates statutory requirements, and includes reasonable market assumptions for the targeted households' income levels such as interest rate, downpayment, mortgage term, taxes, and insurance. Please note that this table provides information about the estimated affordable amounts for purchase and rent.

OWNERSHIP				RENTERS		
80% of 2023 HUD Median Area Income Family of four		100% of 2023 HUD Median Area Income Family of four		60% of 2023 HUD Median Area Income Adjusted for a family of three		
Recommended Initial Purchase Price for Workforce Housing		Recommended Maximum Purchase Price for Workforce Housing		Maximum Gross Rent for Workforce Housing		
Not a requirement per RSA 674: 58 - 61		Required per RSA 674: 58 - 61		Required per RSA 674: 58 - 61		
Income	Estimated Affordable Purchase Price ¹	Income	Estimated Affordable Purchase Price ¹	Income	Estimated Maximum Affordable Monthly Rent ²	
HUD Metropolitan Fair Market Rent Areas (HMFA):						
Boston-Cambridge-Quincy MA-NH	\$119,440	\$371,000	\$149,300	\$464,000	\$80,620	\$2,020
Hillsborough Co. NH (Part)	\$92,960	\$266,000	\$116,200	\$333,000	\$62,750	\$1,570
Lawrence, MA-NH	\$94,880	\$282,000	\$118,600	\$352,500	\$64,040	\$1,600
Manchester, NH	\$91,920	\$274,000	\$114,900	\$342,000	\$62,050	\$1,550
Nashua, NH	\$106,560	\$316,500	\$133,200	\$395,500	\$71,930	\$1,800
Portsmouth-Rochester, NH	\$108,800	\$325,500	\$136,000	\$407,000	\$73,440	\$1,840

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