



# HOUSING

## The Role of Government

New Hampshire Fiscal Policy Institute  
1<sup>st</sup> Annual Policy Conference  
January 31, 2014

# ■ Road Map

- Who is New Hampshire Housing?
- State of the Housing Market
- Federal Role
- State Role
- A Look Ahead

# ■ New Hampshire Housing

## (New Hampshire Housing Finance Authority)

- Established by State Legislature under RSA 204-C
- Independent self sustaining public benefit corporation
  - *An “instrumentality of the state” not a department or agency*
- Mission
  - To promote, finance and support safe, affordable and needed housing and related services thereby contributing to the economic and social development of the State and its communities.
  - Continuum of Services from Rental Assistance for very low income households to Homeownership Programs for moderate income households
- New Hampshire Housing is a “public housing authority” (PHA), but does not oversee local housing authorities



# ■ New Hampshire Housing

- Tenant Assistance
  - 3,000+ units of Tenant Based rental assistance
  - 5,000+ units of Project Based rental assistance
  - \$78M/year
- Housing Services/Self Sufficiency
- Multi-Family Housing Development
  - 300+ units financed/year, \$60M of development funding
  - Over 50% of the MF construction activity in 2012
  - 14,200 units
  - Senior and Family
  - Lender, not developer or owner
- Multi-Family Compliance/Asset Management
  - Oversee 15,000 units on behalf of HUD, IRS and ourselves



# ■ New Hampshire Housing

- Housing Research/Planning/Technical Assistance / Grant Administration
- Homeownership ([www.GoNewHampshireHousing.com](http://www.GoNewHampshireHousing.com))
  - Work through partnerships with lenders and real estate professionals
  - Single Family Mortgages
  - Approximately 1000 loans/year
  - 40,000 Mortgages or \$3.4 Billion
  - Emergency Home Repair Loan, Home Access loans
  - Homebuyer Education
- HomeHelpNH.org

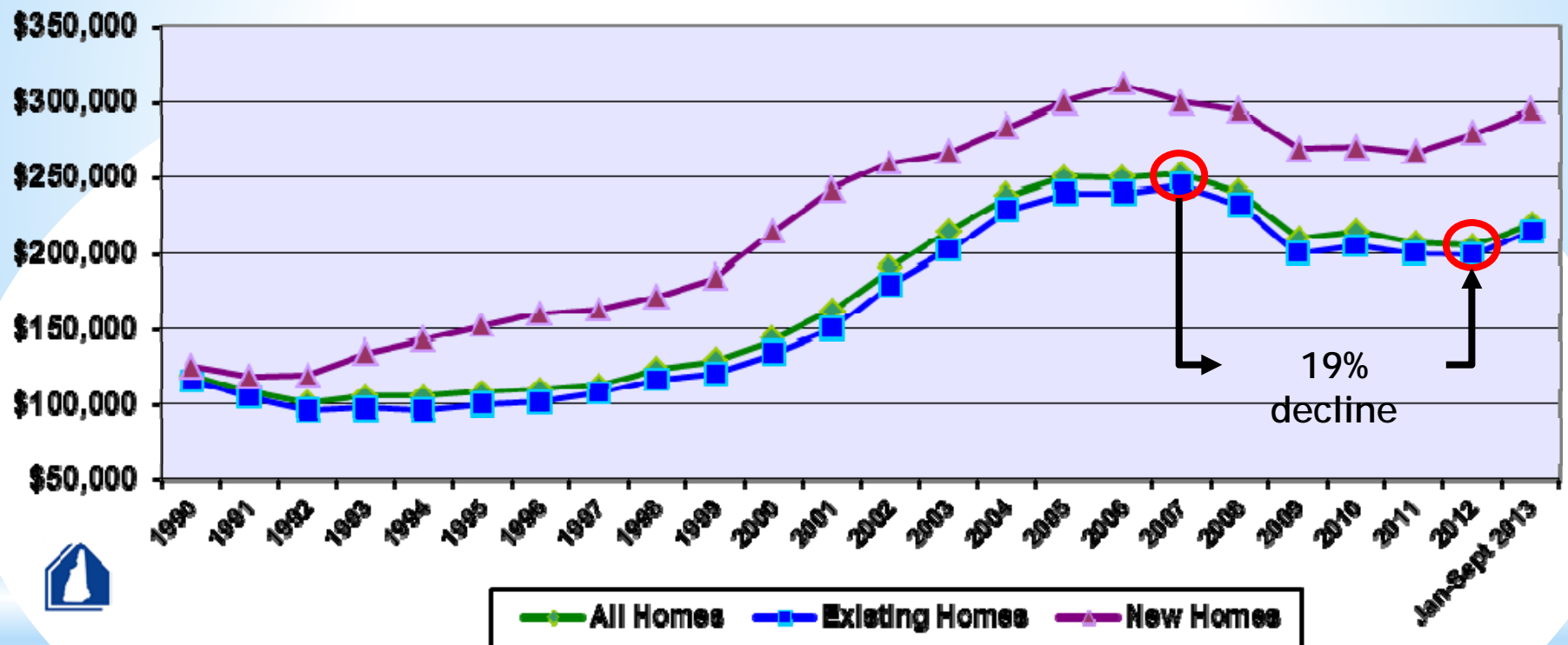




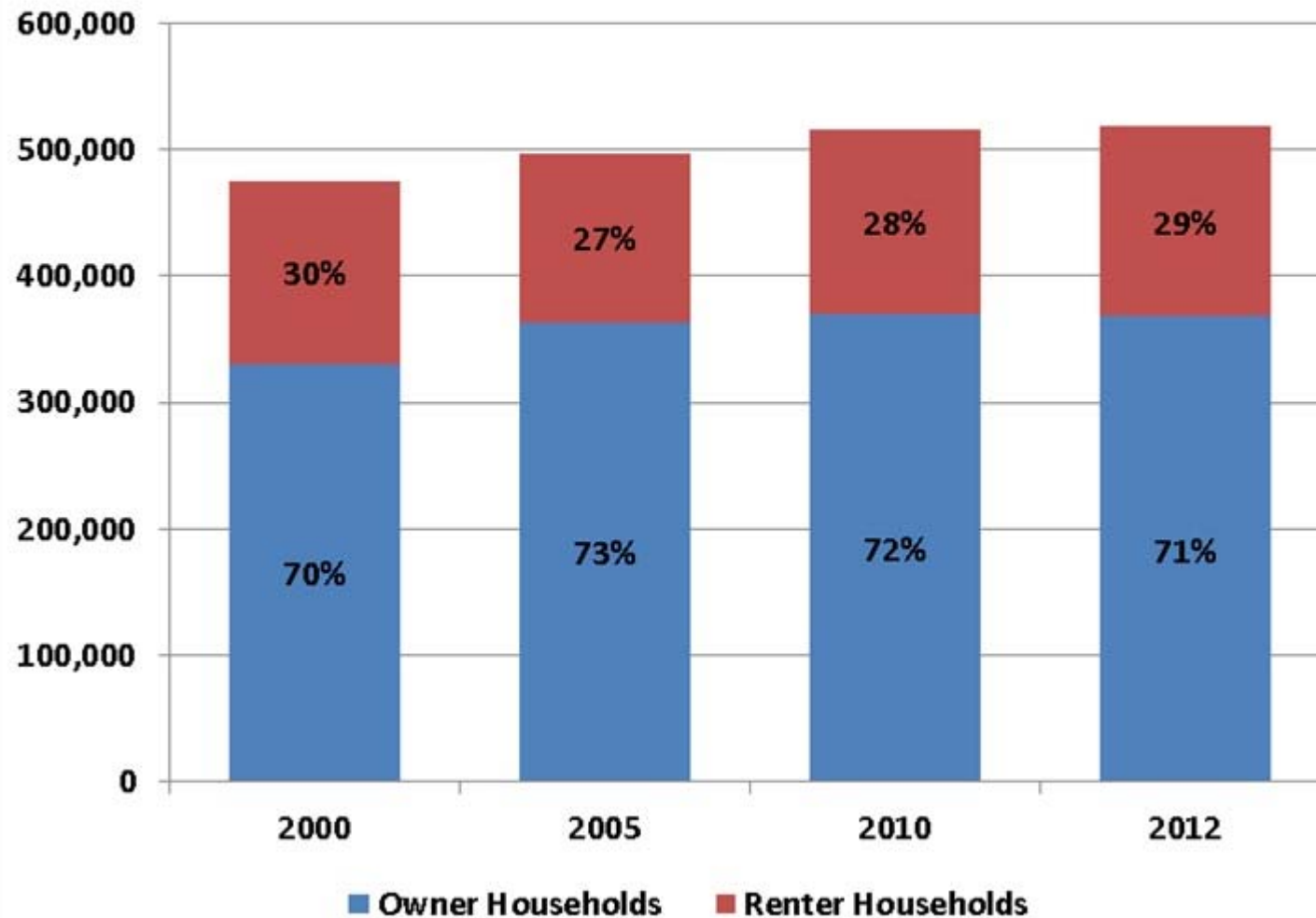
# ■ The Housing Market

# NEW HAMPSHIRE, 1990-2013

## Median Purchase Price of Primary Homes



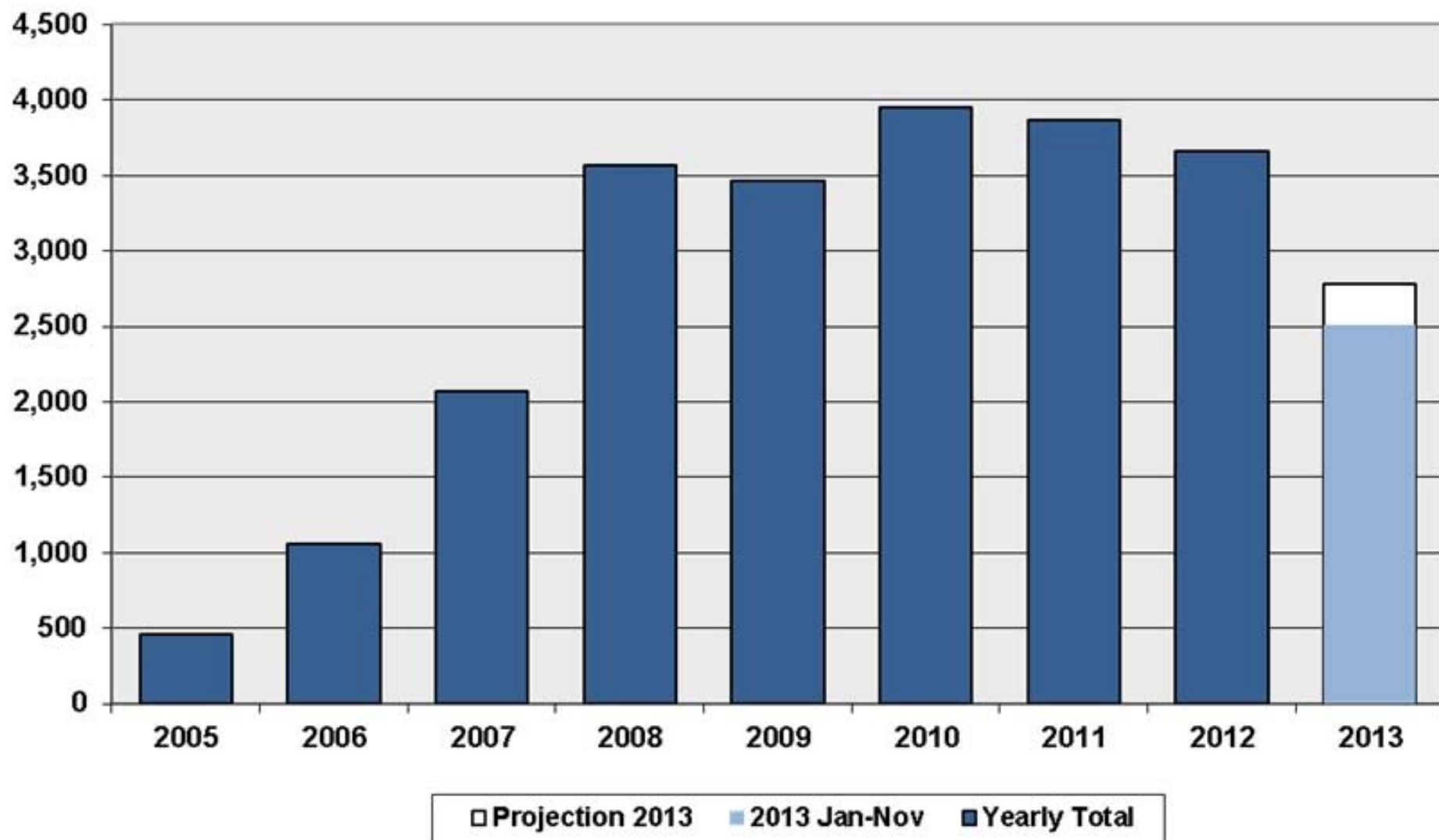
## Owner and Renter Households In New Hampshire



Renter households have increased by 20,000 since 2007.

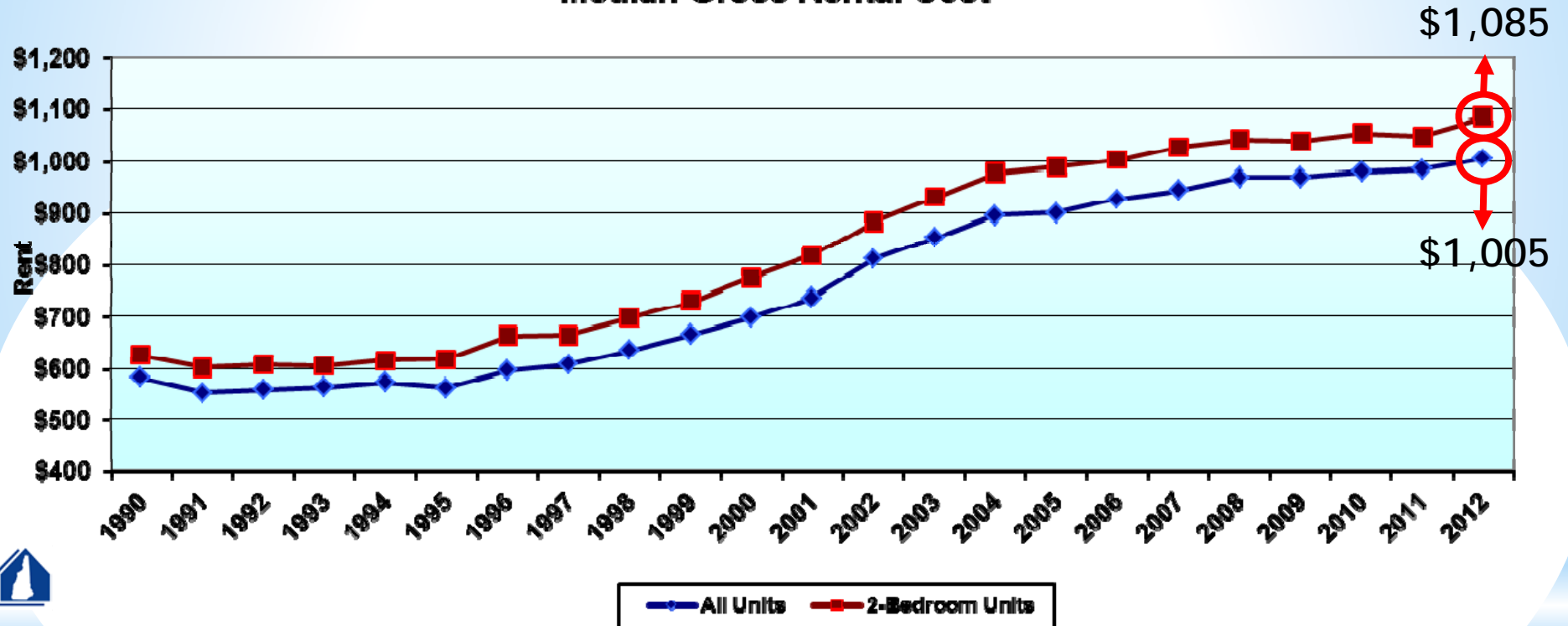


## Foreclosure Deeds Recorded in New Hampshire



# NEW HAMPSHIRE, 1990-2012

## Median Gross Rental Cost



- 44% increase between 1995 and 2012 (all units)
- Renters' income has not kept pace

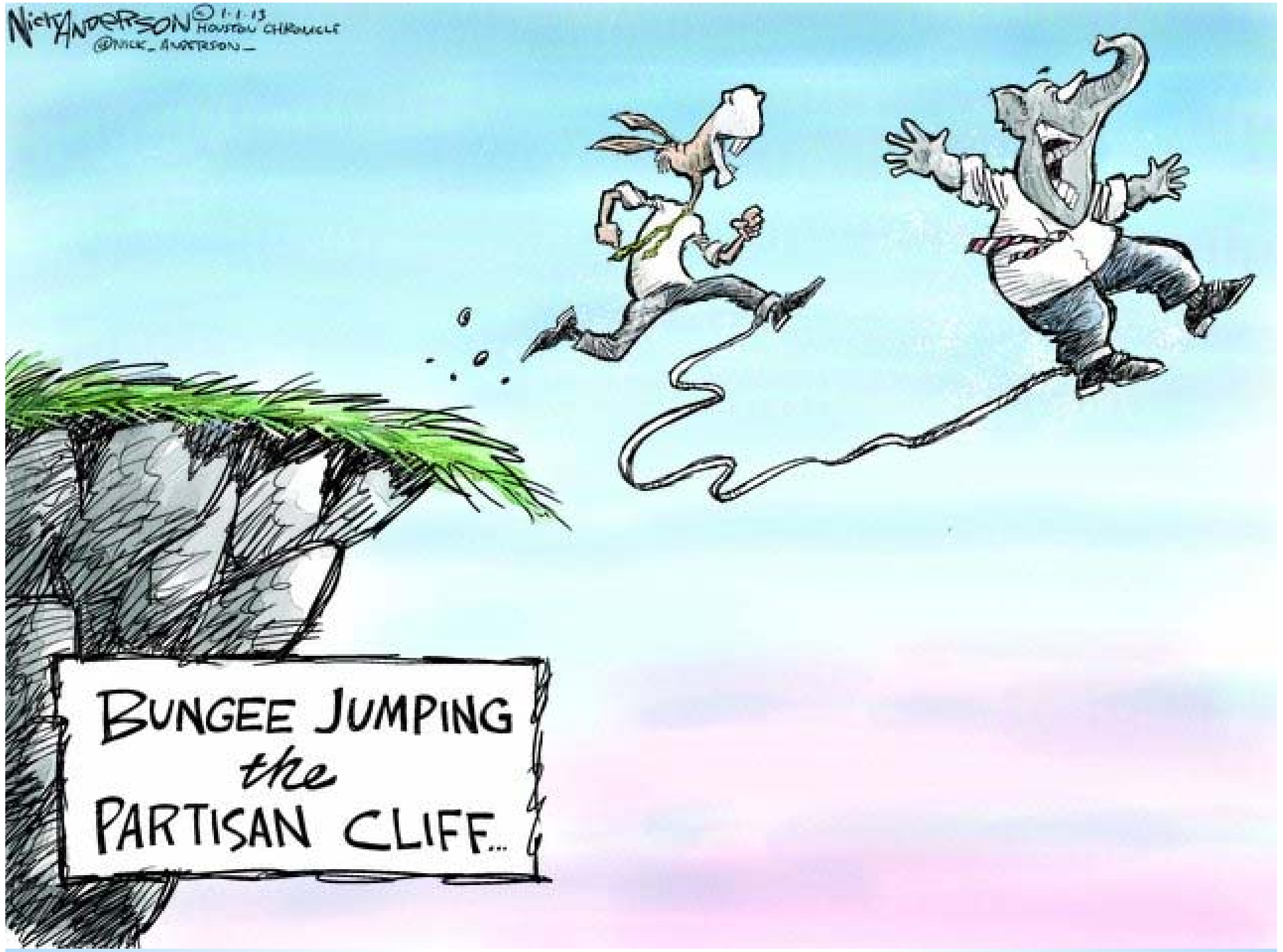
# ■ Housing Market Trends in NH

- Slow growth, aging population, younger people disinclined to buy - prefer to rent
- Little demand for new housing construction
- Relatively stronger demand for rental housing
- Results:
  - slow price recovery of owner housing
  - increasing rent prices, decreasing vacancy rates
- Questions:
  - Who will buy the suburban Boomer houses?
  - Where will the young renters go?

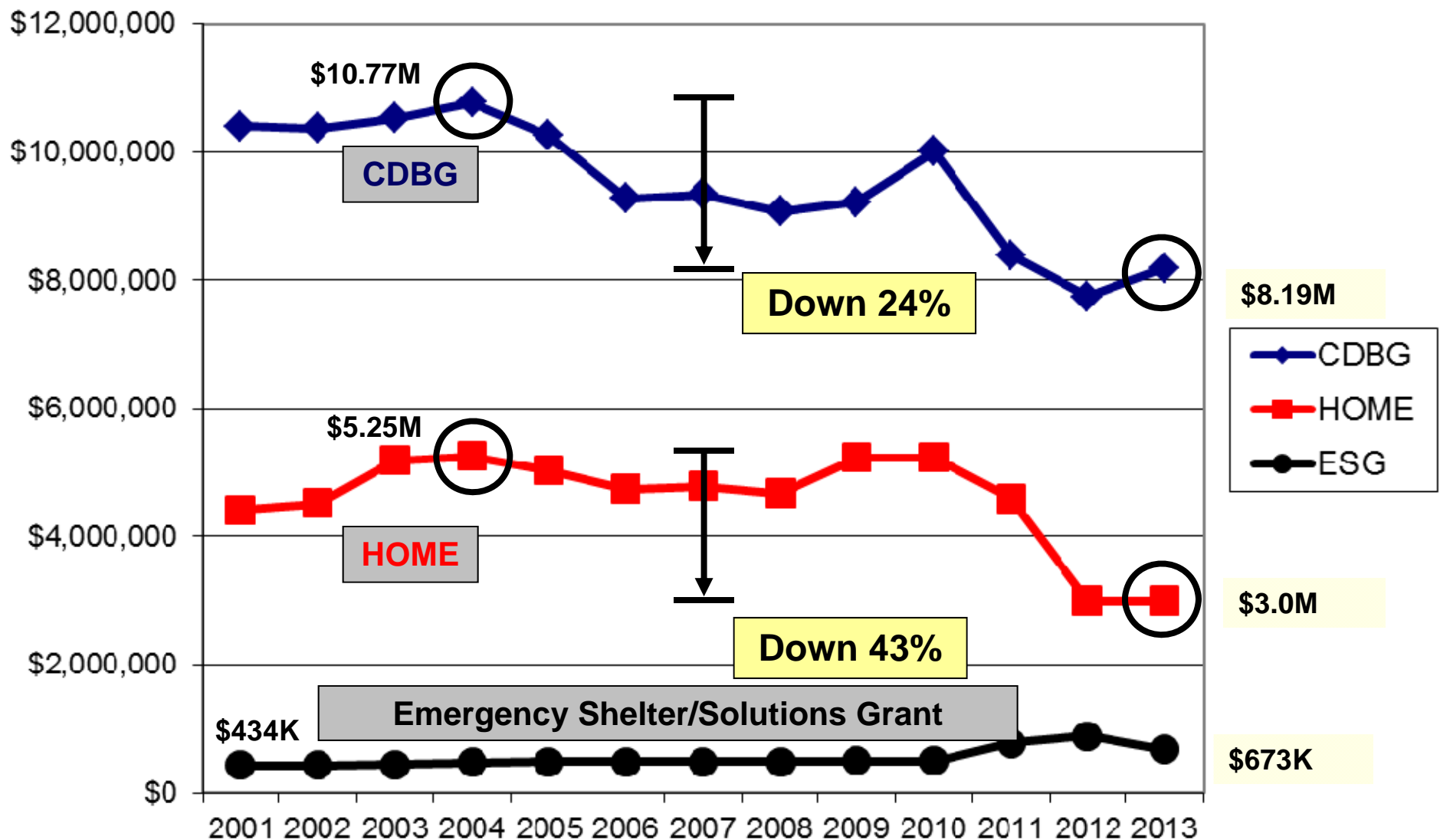
# ■ The Federal Role

Alphabet Soup

NICK ANDERSON © 1-1-13 HOUSTON CHRONICLE  
@NICK\_ANDERSON



# Federal Program Funding



# ■ Federal Budget

- 2-Year Deal - Provides program stability, introduces some innovations
  - Housing Choice Voucher program stable (but see impact of inflation); some admin restored
  - Public Housing - partial restoration of both operational and admin budgets
  - HOME restored to \$1B; CDBG cut again

# ■ Federal Fair Housing Act

1. Race
2. Color
3. Religion
4. National origin
5. Sex
6. Familial status (families with children <18)
7. Disability
  - NH law adds the protected classes of sexual orientation, age, and marital status



# ■ FHA - Types of Discrimination

## ■ Intentional - but no malice required

- includes disparate treatment in terms, conditions, and policies
- includes “benign” practices

## ■ Disparate Impact - also known as “discriminatory effects” - seemingly neutral laws, regulations, policies and practices that have a negative impact on a protected class - structural barriers, such as local zoning

# ■ HUD's Disparate Impact Regulations

## ■ The Fair Housing Act

- Does not explicitly articulate disparate impact
- All federal appellate courts that have adjudicated this issue have supported the theory but with different approaches

## ■ HUD Regulations on Disparate Impact

- Issued February 8, 2013
- Definition of Discriminatory Effect
  - “[a] practice has a discriminatory effect where it actually or predictably results in a disparate impact on a group of persons or creates, increases, reinforces, or perpetuates segregated housing patterns because of race, color, religion, sex, [disability], familial status or national origin.”

# ■ The State Role

“All politics is local.” - Tip O’Neill

# ■ The Law of Affordable Housing in NH

- Britton v. Town of Chester (1991)
  - Interpretation of the zoning power
  - Municipalities are not “isolated enclaves”
  - The obligation of every city and town: provide a reasonable and realistic opportunity for the development of affordable housing
  - “Community” means the region within which a municipality is situated—“fair share”
  - The “builder’s remedy”
- Then what happened?

# ■ 2008 - Workforce Housing Law

- RSA 674:58 - :61 Workforce Housing In Statute
  - Reasonable and realistic opportunities for the development of workforce housing, including rental and multi-family housing
  - Look at the collective impact of all local land use regulations
  - Allow in a majority of residentially-zoned land area
  - Lot size and density must be reasonable

# ■ Workforce Housing

## ■ Definitions - RSA 674:58

- Workforce housing—housing that's "affordable"
  - *Renter* family of 3 making 60% of Area Median Income
  - *Owner* family of 4 making 100% of Area Median Income
  - Does not include age-restricted housing; does not include developments with >50% of units having less than 2 bedrooms
- Affordable—no more than 30% of income should be spent on housing (rent + utilities; or PITI)

# ■ Mixed-Use Infill Development





# ■ Adaptive Re-Use

*Converted Farmhouse,*  
Hopkinton



*Bellamy Mill,* Dover



# ■ Affordable Single Family Homes



*Peacock Brook,  
Amherst, NH*

*Pepperidge Woods,  
Barrington, NH*



# ■ Affordable Multi-Family Developments

*Hidden Pond,  
Amherst, NH*





# ■ Accessory Apartments

*Accessory  
Apartment,  
Warner, NH*





# A Look Ahead

# ■ Federal Reform Discussions

- Corporate Tax Reform - a genuine threat to the Low Income Housing Tax Credit Program
- GSE\* Reform - reeling the Federal government back from 90% participation in the single family mortgage market
- National Housing Trust Fund - originally to have been funded from GSE profits (but that was in 2008...)

\* Government Sponsored Enterprises - Fannie Mae and Freddie Mac



# ■ State Legislation

- An attack on Workforce Housing, again (HB 1297)
- Elimination of regional planning commissions (HB 1573)
- Expanding anti-discrimination laws to apply to “source of income” (HB 1409)
- Ongoing work of **Study Commission on Housing Policy and Regulation** – examination of state agency policies that impact housing affordability
- Advocacy of allies – Housing Action NH

# ■ Foreclosure Help

- National Mortgage Settlement

- Funds to NHDNJ and Banking Department

- Legal Help - Foreclosure Relief Project

- NH Legal Assistance, NH Bar Association, and Legal Advice and Referral Center

- Foreclosure Counseling

- [www.HomeHelpNH.org](http://www.HomeHelpNH.org) or call 2-1-1



■ Questions?