

FREEDOM PLANNING BOARD PUBLIC HEARING

A meeting of the Freedom Planning Board will be held on **Thursday, January 29, 2009** at 7:00 p.m. at the Freedom Town Hall.

- Workforce Housing Ordinance Changes

Chapter XX: Workforce Housing

I. PURPOSE

The purpose of this Article is to accommodate the development of affordable workforce housing within the town of Freedom as provided by RSA 674:58-61, which seeks to ensure the continued availability of a diverse supply of home ownership and rental opportunities for affordable and workforce housing. This Article was established in order to meet the goals related to the affordable housing provision set forth in the Freedom Master Plan (updated in May 2008). Additionally, in implementing this Article, Freedom has considered the region's affordable housing need as defined in the Lakes Region Planning Commission's September 2004 Housing Needs Assessment.

II. AUTHORITY

This workforce housing Article is adopted under the authority of RSA 674:58-61.

III. APPLICABILITY

A. In accordance with the provisions of this Article, workforce housing is permitted under the following conditions:

1. Family workforce housing is permitted under the following conditions:
 - a) Minimum lot size requirement will be one (1) acre for the first dwelling unit, plus ½'5f acre for each additional unit (for a total of 3 acres for the initial building). Additional multi-family buildings would require ½'5f acre (total of 2.5 acres) for each unit on the same lot of record.
 - b) All buildings must contain a minimum of five units and a maximum of eight units.
 - c) The building must be inside the residential/light commercial district. Other facilities (parking, access roads, septic, etc.) are permitted outside this district.
 - d) Retention of existing vegetation will be based on a review by and agreement with the Planning Board.
 - e) All lots on which these buildings are constructed must have an opaque wooded buffer along the road. If the lot does not have a natural wooded buffer of a mix of trees and shrubs, the developer will plant vegetation to provide such a barrier.
 - f) Road frontage of two hundred (200) feet is required for each building.

issuance of a building permit for any development subject to the provisions of this Article.

- B. To ensure that only eligible households purchase/rent the designated workforce housing units, the purchaser/renter of an affordable and workforce housing unit must submit copies of their last three years' federal income tax returns and written certification verifying their annual income level, to document that they do not exceed the maximum level as established by this ordinance in sections IV of this Article. The tax returns and written certification of income must be submitted to the developer of the housing units, or the developer's agent, prior to the transfer of title. A copy of the tax return and written certification of income must be submitted to all parties charged with administering and monitoring this ordinance, as set forth in sections VIII through VIII-D of this article, within 30 days following the transfer of title.
- C. All applicants under this article must submit the following data to ensure project affordability:
 1. Number of units of workforce housing proposed for the project.
 2. Project Cost Estimate including land, development and construction costs; financing, profit, and sales costs; and other cost factors.
 3. Description of each unit's size, type, estimated cost and other relevant data.
 4. Documentation of household eligibility as required in section VI-C of this Article.
 5. All agreements established as part of sections VII through VII-2 of this Article.

VI. ASSURANCE OF CONTINUED AFFORDABILITY

In order to qualify as workforce housing under this Article, the developer must make a binding commitment that the workforce housing units will remain affordable for a period of 30 years. This shall be enforced through a deed restriction; restrictive covenant; or a contractual arrangement through a local, state or federal housing authority or other non-profit housing trust or agency. For the 30-year term, the deed restriction, restrictive covenant, or contractual arrangement established to meet this criterion must make the following continued affordability commitments:

2. Single Family Workforce Housing

To meet the requirements of RSA 674:59, single family workforce housing is permitted in the Workforce Housing Overlay District:

Single family workforce housing will be allowed under the following conditions:

- a) Each single family dwelling unit will require 2.5 acres in the rural residential zone and 1 acre in the general residential zone.
- b) Developments of more than five units must be built in open space cluster developments.
- c) All lots on which these buildings are constructed must have an opaque wooded buffer along the road. If the lot does not have a natural wooded buffer of a mix of trees and shrubs, the developer will plant vegetation to provide such a barrier.
- d) Undeveloped land must be left in its natural state. Approval of the final plat will include the restrictions on further building within the development.

IV. DEFINITIONS

- A. "Affordable" means housing with combined rental and utility costs or combined mortgage loan debt services, property taxes, and required insurance that do not exceed 30 percent of a household's gross annual income.
- B. "Multi-family housing" for the purpose of workforce housing developments, means a building or structure containing five to eight dwelling units, each designed for occupancy by an individual household.
- C. "Workforce housing" means single-family and multi-family dwellings which are affordable through sale or rent to households that meet specific income requirements as stated in RSA 674:59.

V. ELIGIBILITY REQUIREMENTS

- A. To ensure that the application is completed as permitted, the dwellings qualifying as affordable housing shall be made available for occupancy on approximately the same schedule as a project's market rate units, if any, except that the certificates of occupancy for the last 10 percent of the market rate units shall be withheld until certificates of occupancy have been issued for all the affordable and workforce housing units. A schedule setting forth the phasing of the total number of units in a project under this Article, along with a schedule setting forth the phasing of the required affordable and workforce housing units shall be established prior to the

- A. Workforce housing units offered for sale shall require a lien, granted to the Town of Freedom, be placed on each affordable unit. The value of the lien shall be equal to the difference between the fair market value of the unit and its reduced "affordable" sale price, which is indexed according to the qualifying income standards. The municipality's lien is inflated over time at a rate equal to the Consumer Price Index (CPI). Future maximum resale values shall be calculated as the fair market value minus the CPI adjusted lien value. The workforce housing units will comply with the affordability standards as specified in Section IV. A. for a period of 30 years.
- B. Affordable and workforce housing rental units shall limit annual rent increases to the percentage increase in the area median income, except to the extent that further increases are made necessary by hardship or other unusual conditions.
- C. Deed restrictions, restrictive covenants, or contractual arrangements related to dwelling units established under this Article must be documented on all plans filed with the Freedom planning board and the Registry of Deeds.

VII. ADMINISTRATION, COMPLIANCE AND MONITORING

- A. This article shall be administered by the planning board or local planning department. Applications for the provisions provided under this Article shall be made to the planning board and shall be part of the submission of an application for site plan or subdivision plan approval.
- B. No certificate of occupancy shall be issued for any workforce housing unit without written confirmation of the income eligibility of the tenant or buyer of the workforce housing unit and confirmation of the rent or price of the workforce housing unit as documented by an executed lease or purchase and sale agreement.
- C. On-going responsibility for monitoring the compliance with resale and rental restrictions on workforce units shall be the responsibility of the New Hampshire Housing Finance Authority or their designee.
- D. The owner of a project containing affordable and workforce units for rent shall prepare an annual report, due on June 30, certifying that the gross rents of affordable and workforce units and the household income of tenants of affordable units have been maintained in accordance with this Article. Such reports shall be submitted to the New Hampshire Housing Finance Authority or their designee and shall list the contract rent and occupant household incomes of all affordable and workforce housing units for the calendar year.