

HOUSING

2010 Update

Overview

This chapter was last updated in October of 2010. It is anticipated that the 2010 census data will be released within the next year. Since the most recent data available is nearly ten years old, the Planning Board recognizes the importance of incorporating 2010 data as soon as possible.

Although growth between 1990 and 2000 was much slower than the decade before, Fremont's population continues to grow at a significant rate, with an estimated population increase from 1990-2000 of 36.2% compared to 11.1% for the planning region in which Fremont falls and 11.4% for the state, (see table H-1).

Table H-1 Population

Town	1980	1990	2000
Atkinson	4,397	5,188	6,178
Brentwood	2,004	2,590	3,197
Danville	1,318	2,534	4,023
East Kingston	1,135	1,352	1,784
Epping	3,460	5,162	5,476
Exeter	11,024	12,481	14,058
FREMONT	1,333	2,576	3,510
Greenland	2,129	2,768	3,208
Hampstead	3,785	6,732	8,297
Hampton	10,493	12,278	14,937
Hampton Falls	1,372	1,503	1,880
Kensington	1,322	1,631	1,893
Kingston	4,111	5,591	5,862
New Castle	936	840	1,010
Newfields	817	888	1,551
Newington	716	990	775
Newton	3,068	3,473	4,289
North Hampton	3,425	3,637	4,259
Plaistow	5,609	7,316	7,747
Portsmouth	26,254	25,925	20,784
Rye	4,508	4,612	5,182
South Hampton	660	740	844
Salem	24,124	25,746	28,112
Sandown	2,057	4,060	5,143
Seabrook	5,917	6,503	7,934
Stratham	2,507	4,955	6,355
Windham	5,664	9,000	10,709
REGION	134,145	161,071	178,997
STATE OF NEW HAMPSHIRE	920,475	1,109,117	1,235,786

Source: US Census

This population increase (934 persons) has brought with it a significant increase in housing units. Over this period, Fremont's housing stock has grown by 30.54% (281 units), shown in table H-2.

Table H-2 Housing Units

Town	1990	2000	% change
Brentwood	778	920	18.25%
Danville	960	1,479	54.06%
Epping	2,059	2,215	7.58%
Fremont	920	1,201	30.54%
Kingston	2,115	2,265	7.09%
Sandown	1,488	1,777	19.42%

Source: U.S. Census

The ratio of population increase to new housing units is approximately 3.3 persons per unit, which is higher than the 2000 average Fremont household size of approximately 3.0. This can be explained in part, by the reduction in Fremont's vacancy rate from 1990 to 2000. The percentage of housing units left vacant was cut in half during this decade, from 6% to 3%.

It is evident that Fremont has experienced significant growth over the past few decades. Despite the current housing slump, it is likely that Fremont and other less developed towns will continue to experience a higher rate of growth than more fully developed communities, particularly as the region as a whole continues to develop as bedroom communities serving several commuter sheds.

Housing Types

While Fremont's zoning ordinance provides for a range of housing types, single family and mobile homes compose the bulk of the housing stock. Table H-3 illustrates Fremont's housing stock relative to abutting towns and the state. Fremont provides a greater percentage of single-family homes than the state but falls somewhere in between its neighbors. With a few exceptions, the current mix of housing types in Fremont is consistent with that of its neighbors. Epping has the greatest diversity in housing stock, while Danville accommodates a large share of mobile home parks.

Table H-3 Housing Unit Type

	Brentwood	Danville	Epping	Fremont	Kingston	Sandown	State
Single Family	850 92.4%	1,040 70.3%	1,467 66.2%	1,048 87.3%	1,910 84.3%	1,612 90.7%	365,532 66.8%
Multi-Family	14 1.5%	77 5.2%	320 14.4%	94 7.8%	215 9.5%	89 5.0%	145,163 26.5%
Mobile Home, etc.	56 6.1%	362 24.5%	428 19.3%	59 4.9%	140 6.2%	76 4.3%	36,329 6.6%
TOTAL	920	1,479	2,215	1,201	2,265	1,777	547,024

Source: U.S. Census

New Hampshire state law does not allow towns to inhibit growth. However, because of the high rate of growth, Fremont must continue to monitor its zoning ordinances to ensure that the growth continues in a sensible manner. One step Fremont has already taken to encourage sensible, or “smart growth,” is the incorporation of an Open Space Preservation Ordinance as well as an Elderly Open Space ordinance. Furthermore, much of the Town is within either the Aquifer Protection District and/or the Wetland and Watershed Protection District. This inherently limits the kind of growth that Fremont can accommodate.

Economic Status

One test to evaluate whether Fremont's current land use controls are actually increasing housing values is to examine the current housing values for owner-occupied housing and the rental costs of renter-occupied housing. From Table H-4, it is clear that housing costs have increased between 1990 and 2000 in Fremont. The Town's increase in housing costs of 16.8% over that 10 year period exceeds the State's of 3.0% and the County's increase of 10.1%. However, Fremont's median housing value of \$156,000 is much lower than that of Rockingham County's which was \$164,900 in 2000. Furthermore, rental costs in Fremont grew by 38% between 1990 and 2000, while they grew by only 32.5% and 19.4% in the county and state, respectively. This may indicate that although the cost of living in Fremont is not the highest in the region, it is escalating at a rate which may eventually match the characteristics of the region.

Table H-4 Median Housing Values and Rent

	1980	1990	2000
Median Housing Value	\$43,200	\$133,600	\$156,000
Median Rent Per Month	\$203	\$571	\$788

Source: US Census

Regional Housing Needs Assessment

The following is excerpted from a memorandum to the Fremont Planing Board from the Rockingham Planning Commission dated November 2, 2009. This analysis represents a conservative evaluation of Fremont's housing stock with respect to Workforce Housing needs.

NHRSA §36:47 requires that each regional planning commission compile a regional housing needs assessment, including an assessment of the regional need for housing for persons and families of all levels of income. Municipalities are, in turn, required (RSA 674:2(1)) to assess the need for housing in their community while considering the needs in the wider region. RSA 674:58-61 requires that towns provide “reasonable and realistic” opportunities for workforce housing to be developed unless they can show that their current housing stock meets the current (2006) and reasonably foreseeable need (2015).

The basic methodology used in the RPC's Regional housing Needs Assessment was developed in 2004 as a joint effort of the NH Housing Finance Authority, the NH Office of State Planning and the NH Regional Planning Commissions. This analysis differed from past attempts (which were based on Census-derived estimates of housing overpayment) in that it tied the estimate of present and future regional housing based on employment in the region using a housing production model. In other words, it associated the demand for housing on projected future economic development -- as indicated by employment growth. This revised method did not include town-by-town estimates of housing "fair share", but focused instead on regional needs for housing for households of different incomes, age groups and tenure (owner vs. renter).

In October 2008 the RPC updated its housing needs assessment using the same housing production model methodology that was released by the NHHFA in 2004. It uses 2006 as the base year and 2015 for the projection year. It was updated in part to incorporate currently available housing, employment and income data, and in part to respond to the enactment of SB342, which was passed in June 2008. The new law includes new income based definitions for workforce housing and requires certain zoning and regulatory standards be met if a community does not meet its "fair share" of the regional housing need. To be consistent with these provisions, the 2008 update uses the legislatively defined income levels to determine workforce housing thresholds and expands the regional housing needs estimates to the town level by assigning a proportionate fair share estimate for each Town based on their share of all housing in the region. For additional details see Regional Housing Needs Assessment, Rockingham Planning Commission, October 2008. The regional fair share number is presented as both a percentage and an actual number, shown for both the base year (2006) and the projection year (2015). For Fremont those numbers are 661 for 2006 and 743 for 2015, both representing 46% of the Town's total housing stock, and 1.9% of the region's workforce housing need. (see Table H-5). These are the gross numbers of workforce housing, based on Census and OEP household estimates, that Fremont would need to meet to be deemed in compliance with the workforce housing law.

Table H-5 – Regional Housing Needs
(from RPC Regional Housing Needs Assessment, October 2008)

Area	Total Households 2006	Estimated Workforce Housing Need - 2006	Est. Total Households 2015	Estimated Workforce Housing Need - 2015
Fremont	1,435	661	1,615	743
RPC Region	76,141	35,053	85,666	39,438
Fremont as % of Region	1.9%	1.9%	1.9%	1.9%

As specified in the law, workforce housing is defined for owned homes as housing that is affordable for a four person family earning 100% of the median family income, and for rented homes, affordable for a family of three earning 60% of the median family income. Median income is established by the Housing and Urban Development agency (HUD) within designated fair market rent areas (HMFAs). Fremont is located within the Lawrence MA-NH HFMA. The median income for a four person household in this HFMA in 2006 was \$80,667, translating to an estimated maximum housing purchase price of \$249,624 with a 10% down payment or \$271,701 with a 20% down payment. For renter affordability, 60% of the median income for a 3 person family was \$43,600, translating to a maximum affordable monthly rent of \$1,090.

According to the 2008 Regional Housing Needs Assessment, Fremont can be said to be providing its fair share of workforce housing if 46% of its housing units can be purchased for \$249,624 or less and/or rented for \$1,090 per month or less, both in the base year (2006) and in 2015.

A method for estimating whether or not a community is currently meeting its fair share using these affordability thresholds is suggested in the regional housing needs analysis as follows:

- For owner housing: Town assessor records can be used to estimate the number of homes that have an assessed value that is less than the maximum purchase price (\$249,624) of homes needed to qualify as “workforce housing”
- For rental housing: Use the NH Housing Finance Authority’s current rental price survey data to estimate the portion of the rental properties in the region that meet the affordability criteria and multiply that by the number of rental units in the Town (using 2000 Census or assessor local data if available)

Existing and Projected Workforce Housing in Fremont

The Town of Fremont furnished the RPC with the Town Assessor’s data. This provides the best available data for determining existing housing value for owner-occupied housing units. The data was analyzed to determine the number of residential properties that had a threshold value of \$249,624, the estimated affordable purchase price used in the Regional Housing Needs Assessment (assuming 10% down payment, the more conservative estimate of affordability). The assessed value was determined to be a valid substitute for the purchase price homes in Fremont. Also, if a house had double occupancy (duplex) and was assessed at or below the affordable purchase price, two affordable units were counted. The resulting data shows that out of Fremont’s approximately 1,488 living units, 514 (or 34.5%) of these units are under the affordable purchase price threshold.

As indicated above, the Regional Housing Needs Assessment places the need for Workforce Housing at 46% of any given town’s housing stock. Through this approach (assuming 10% down payment), the assessor records indicate that on both a numbers basis and a percentage basis, the regional fair share obligation is not met through ownership. However, in using a 20%

down payment approach as discussed later in this section, the assessor's records indicate that Fremont meets its 2006 need.

To include apartment information into this analysis, the RPC reviewed data supplied by the New Hampshire Housing Finance Authority (NHHFA) and the U.S. Census. NHHFA conducts a detailed rental price survey each year. According to the 2000 Census, 11.6% of Fremont's housing stock is rental units, which yields approximately 172 units. According to the rental cost survey data published by the NHHFA, 65.5% of rental units in the Lawrence MA-NH HUD FMR area are affordable and 55.1% of these are two-bedroom units. The HUD fair market rent used to establish affordability is \$1,171 for a two bedroom unit in fiscal year 2010. This figure was used instead of the \$1,090 per month mentioned earlier, since this number was established for 2006. Since the rental survey reflects current statistics, it should be compared to the current fair market rent.

See summary below:

Summary of Fair Share Analysis

1. <u>Owner Occupied</u>			
A. Assessor Housing Data:			
• Total Living Units:	1,488	100%	
B. Affordable Owner-occupied units			
• Owner-occupied units:	1,316	88.4%	
• Properties with assessed value <\$249,624*:	514	34.5%	
* assumes 10% down payment, 30 yr conventional mort.			
Total Affordable Owner –Occupied:	<u>514</u>	34.5%	
2. <u>Rental Housing:</u>			
(from NHHFA and 2000 Census)			
• Total Rental units (Census):	172	11.6%	
• Percent Affordable (NHHFA):	x 65.5%		
• Percent 2 bedrooms (NHHFA):	x 55.1%		
Total Affordable Renter Occupied:	<u>62</u>	4.2%	
3. TOTAL WORKFORCE AFFORDABLE HOUSING:	<u>576</u>	<u>38.7%</u>	

In summary, adding the Assessor's derived owner-occupied affordable unit estimate with the Census and NHHFA-derived affordable rental unit for 2-bedroom units, we arrive at 576 Workforce Housing units. This is 38.7% of the estimated housing stock and 85 units under the current target of 661. It is also under the estimated need in 2015 of 743 units, by 167 units.

Reasonably Foreseeable Need

The analysis of Fremont's housing stock indicates a slight shortfall of owner and renter housing units that meet the workforce housing criteria to satisfy the Town's regional fair share need both present and the reasonably foreseeable future (2015). This analysis was as conservative as possible in its assumptions. For instance, had the analysis assumed an affordable purchase price relative to a 20% down payment, the benchmark price would have risen from \$249,624 to \$271,701 thus including more units. Had this number been used in the analysis, 679 of Fremont's owner occupied units would be considered towards the regional workforce housing need thus suggesting Fremont is currently exceeding the 2006 target.

The number of qualified workforce housing is a moving target as the housing market is a constant state of change. Furthermore, the estimated regional need, and Fremont's fair share of that need, will also change as the Regional Housing Needs is updated from time to time. Given the small workforce housing deficit, the Town may wish to review and adjust their Zoning Ordinance to ensure that it complies with the regulatory requirements of RSA 674:58-61. In December of 2009, the Rockingham Planning Commission provided suggested zoning changes to the Town to ensure future compliance.

Updated Housing Affordability Analysis

In November 2010, the Fremont Planning Board conducted an updated analysis of the affordability of the Town's housing stock. This analysis used an equalization rate of 118%, which reflects that the 2010 assessed values were well above 2010 market values. (The equalization rate is equal to the assessed value divided by the market value.)

The equalized values were then put to two different tests. The first test compared the equalized rates to the 2006 affordable housing values provided by the RPC's Regional Housing Needs Assessment for both the 10% down payment and 20% down payment scenarios (The regional fair share for Fremont in 2006 and 2015 are provided in Table H-5. This analysis shows that Fremont's housing stock meets both the 2006 and 2015 workforce housing needs, 661 and 743, respectively, as shown below in Table H-6.

**Table H-6 – Updated Qualifying Housing Units
(based on Regional Housing Needs Assessment)**

Down Payment	Workforce Housing Purchase Price	Estimated Qualifying Housing Units*
10%	\$249,624	827
20%	\$271,701	980

*adjusted for an equalization rate of 118%

The second test took into consideration updated median income as well as an updated affordable purchase price for 2010 furnished by New Hampshire Housing and Finance Authority (\$268,000 with 5% down payment). This test also shows that Fremont is currently meeting the 2006 and 2015 needs as shown in Table H-7. Therefore, this data suggests that Fremont is deemed to be in compliance with RSA 674:58-61.

**Table H-7 – Updated Qualifying Housing Units
(based on 2010 Median Income)**

Down Payment	Workforce Housing Purchase Price*	Estimated Qualifying Housing Units**
5%	\$268,000	881

*based on revised 2010 median income for a 4 person household

**adjusted for an equalization rate of 118%

CTAP Buildout Report 2010

The Community Technical Assistance Program (CTAP) is a five-year initiative designed to assist communities that will be affected by the rebuilding of I-93. As part of this program, a Buildout analysis was completed by the Rockingham Planning Commission for Fremont. A buildout is a tool that allows planners to estimate future development based on different scenarios. This buildout is an analysis of existing adopted municipal policy. Fremont's buildout contains three scenarios: base, standard alternative, and community alternative. A buildout is not a prediction of what will occur. It is a planning tool to allow community decision makers to understand the impacts of growth under a set of land use rules.

The Base Scenario is a maximum development buildout under current regulations and environmental constraints such as wetlands, floodplain and conservation lands. The Community Scenario added the lands identified in Fremont's CTAP Open Space Report as priority parcels for open space conservation as an additional constraint. Furthermore, the number of additional housing units possible under the Base Scenario is held constant to compare the densities that result from preserving priority open space. Table H-8 below shows the effect on residential densities when preserving both the current maximum number of remaining buildable units and the priority open space. As seen, a relatively small shift in zoning policy (from 2 acre lot to 1.5 acre lots) the amount of open space preserved more than doubles. Furthermore, the Town may want to periodically evaluate the effect 2 acre zoning has on preservation capabilities and property tax revenue. A lower acreage requirement would allow more taxable structures on the same amount of developable land.

Table H-8 – Buildout Scenario Comparison

Indicator	Base Scenario	Community Scenario
New Units at Buildout	730	730
Open Space Preserved	2108 acres	4811 acres
Residential Density	2 acres/unit	1.5 acres/unit
Residential Density within Aquifer	3 acres/unit	2.17 acres/unit

Previous Recommendations:

The following recommendations are from the previous iteration of this chapter, written in 1992:.

1. Amend the zoning ordinance to permit cluster developments which: 1) provide greater opportunity for the development of lower-rent housing while maintaining community character; 2) allows greater efficiency in the use of Fremont's remaining developable land; and 3) encourages the preservation of open space.

Status: This recommendation was completed in part by the adoption of Article XVI - Elderly Open Space as well as Article XVIII.10 – Open Space Preservation Ordinance. In addition, Fremont has conducted a workforce housing audit and has drafted an Inclusionary Housing ordinance which has not yet been brought before Town vote.

2. Establish criteria including: soil-type lot size, access capability, aquifer capacity and protection, gravel excavation control and septic regulations to ensure fair and equitable housing opportunities can be provided without endangering Fremont's resources.

Status: Fremont has since adopted an Aquifer Protection District and revised (as of 2008) Excavation Regulations.

3. Review and amend, as appropriate, the Zoning Ordinance to ensure that regulations are clear and unambiguous.

Status: With the assistance of the Rockingham Planning Commission, Fremont is currently (Fall 2010) conducting an audit of the Master Plan, Zoning and Regulations to ensure clarity and consistency.

4. Study the need for elderly and low income housing and the potential for encouraging multi-family units.

Status: See status of Previous Recommendation #1

Current Recommendations:

The following recommendations are designed to encourage a variety of needed housing, promote community goals, improve local housing controls and ensure compliance with relevant state and federal legislation.

1. Continue to monitor Town's compliance with Workforce Housing RSA 674:58-61 and make necessary adjustments to Zoning Ordinance to ensure permanent compliance.
2. Continue to consider and establish: regulations to ensure fair and equitable housing opportunities can be provided without endangering Fremont's resources.
3. Periodically evaluate residential zoning policies such as 2 acre zoning to determine its effect on open space preservation and tax revenue. This evaluation should also consider the effect of residential density on rural and village character.