



## CLAREMONT MASTER PLAN 2017: HOUSING & RENTAL ASSISTANCE REVIEW

### Housing Chapter Appendix A

During its work on scoping the 2016-2017 update to the Master Plan Housing Chapter the Housing Subcommittee asked City staff to find an answer to the following question:

#### *Does Claremont have a disproportionate share of rental households receiving rental assistance?*

A quantitative approach to this question would include determining the ratio of rental households receiving assistance to the total number of rental households in the City. This ratio could then be compared to similar communities in the state. This comparison would address statements or speculation on the topic by City residents and community leaders.

Unfortunately, rental assistance is a much more complex topic than the above exercise. In the course of researching available data it became clear there is no complete set of data for the analysis. This summary discussion outlines the findings after collecting data and interviews:

- New Hampshire Housing Finance Authority (NHHFA, <http://www.nhhfa.org/>) - Discussion with Managing Director of the statewide Rental Assistance Program and data available on the NHHFA web site.
- Claremont Welfare Office - Discussion of program services and activities with staff.
- Claremont Housing Authority - Discussion of program services and activities with staff.
- Southwest Community Services (SCS, <http://www.scshehelps.org/>) - Information available at SCS web site, discussion of program services and activities with staff.
- US Department of Housing and Urban Development (HUD, <https://www.hud.gov/>) - Online database resources.

This is not intended as an exhaustive analysis. Staff determined a summary report of findings to date would help clarify the complexities surrounding the rental assistance topic.

### RENTAL ASSISTANCE PROGRAMS AND ELIGIBILITY

Many organizations provide rental assistance for a variety of reasons from different funding sources. Rental assistance includes construction financing for affordable housing projects, individual financial aid, helping individuals find housing, educational programs, and advocacy services. The following summary focuses on financial assistance and is by no means complete.

#### Common Goals of Financial Rental Assistance

Financial rental assistance, generally, helps individuals and families who lack the resources to find or afford housing on their own. The range of services may cover a range of needs from emergency housing needs to help vulnerable or disadvantaged populations restore stability to their lives (e.g. new housing for victims of domestic violence, shelter for the homeless, etc.) to long-term assistance for households living in poverty.

These two categories of rental assistance have different purposes and different funding sources.

- Emergency housing assistance often looks at broader needs that may require short-term housing solutions with no guarantee of ongoing rental assistance.
- Long-term housing assistance like the Federal Housing Choice Voucher Program (a.k.a. Section 8 Vouchers) seeks to provide ongoing safe, sanitary housing to low income households.

## Range of Rental Assistance Programs

There are many organizations offering financial assistance targeted to meet the respective organizational mission and goals. The following summarizes many of the programs in Claremont:

- **Section 8 Vouchers:** Both NHHFA and Claremont Housing Authority provide Section 8 Vouchers to households per Department of Housing and Urban Development (HUD) standards. These vouchers are assigned to households, not specific properties. The amount paid by Section 8 Vouchers cover the gap between the market-rate rent of the unit and 30% of the household income. There is also a substantial waiting list for this type of voucher: NHHFA estimates its waitlist to be 8 years for new applicants and the Claremont Housing Authority has a waitlist of approximately 100 families. It is important to note the Claremont Housing Authority has an allocated share of 140 vouchers, but, due to funding, it is only able to issue approximately 130. Also, Claremont Housing Authority vouchers do not need to be used in Claremont.
- **Subsidized Rental Properties:** HUD and NHHFA help finance housing developments with the Low Income Housing Tax Credit (LIHTC), grants, and other financial incentive programs for affordable housing. These incentives apply to public and private housing projects and offset development costs with the stipulation that a portion of the housing remains affordable at below-market rental rates. These units can be tracked and are fixed to specific locations, which makes an inventory possible. Examples of such properties include Sugar River Mill, Claremont Manor, and Marion Phillips Apartments.
- **Claremont Welfare Office Housing Assistance:** The Claremont Welfare Office provides short-term financial assistance to individuals and families in need. Most often this is a combination of emergency circumstances and financial need. Individuals requesting rental assistance need to apply each month, demonstrating the program structure as a short-term financial assistance program. City staff reviewed the past two years of data and determined this program benefits the elderly and disabled (38% of total), households with at least one employed individual (35%), households with unemployed individuals (25%) - many actively looking for work, and other households (2%). This program serves 20-40 households per month.
- **Southwest Community Services, Housing Stabilization:** SCS provides a range of grant-funded services in Cheshire and Sullivan Counties. In the context of rental assistance, SCS has a program to provide housing assistance based on emergency housing needs (discussed earlier) and household income. The program intent is to assist individuals and households in an effective transition to stable, safe housing and away from needing rental assistance.

## Rental Assistance Programs - Observations

There is no simple approach to answer the question of Claremont's share of the overall rental assistance need. The following observations are based on information collected to date:

- The households receiving rental assistance live in units that must meet a minimum standard for most programs. Rental units must be inspected to qualify for the Section 8 Voucher Program and the Claremont Welfare Department rental assistance program. Property owners receiving grants or tax credits often need to maintain the affordable rental units to a certain standard.
- The Section 8 Voucher program supports the local housing market. The program helps ensure reliable rental income to the property owners while easing the housing cost burden of the voucher recipients.
- Typically, rental assistance payments ensure the landlord receives market value (or almost market value) for the unit. The tax credits and grants offset affordable housing development costs to make such a development attractive to the developer.

- There is a certain tension between low income renters and the landlords providing below-market rental units. Landlords may be concerned tenants may damage the property while the tenants feel they have no choice but to live in substandard and unsafe units without any opportunity for relief.

### COMPARATIVE ANALYSIS OF AVAILABLE DATA

The following tables provide some data to help understand the relative share of rental assistance households as compared with similar communities statewide. This analysis helps provide context for the question about the City’s share of rental assistance households. Conclusions and observations based on the individual interviews, the above general information and these analyses are in the following section.

#### Comparison Communities

The following communities have been chosen as ‘comparable’ to Claremont because of the overall community size and composition. Other communities, like Plymouth, Hanover, or Keene have higher education institutions that skew the overall housing and demographic data. This analysis is determined to be guidance and not a final quantitative analysis.

#### Low Income Rental Property Comparison

NHHFA maintains an online database of all fixed location rent-assisted, or subsidized rental, units . The summary data are based on specific data sources that may not match other references in the Housing Chapter of the Master Plan.

These numbers provide a general estimate. There may be a nominal overstatement of % Subsidized Rentals due to how some facilities may be counted either as rental buildings or more institutional group quarters in the US Census.

Municipality	Total Households (HH)	Renter HH	Subsidized Rentals	% Subsidized Rentals for Elderly	% Subsidized Rentals to Total HH	% Subsidized Rentals to Renter HH
Berlin	4,185	1,650	333	62%	8%	20%
Claremont	5,420	1,930	543	48%	10%	28%
Laconia	6,910	3,000	472	42%	7%	16%
Lebanon	6,225	3,155	476	52%	8%	15%

Sources: HUD CHAS Data using ACS 2010-2014, NHHFA Housing Directory of Assisted Housing (7/20/17)

#### Summary of Findings:

- Age-restricted elderly housing units account for 40%-60% of subsidized rentals in the comparison communities. Claremont is in the middle with 48%.
- Claremont has the highest share of subsidized rentals with 10% of all households and 28% of rental households.

#### Section 8 Voucher Comparison

This analysis is based on a snapshot of Section 8 Voucher program data provided by HUD and NHHFA staff. The figures reported in the following table ignore the ‘portability’ of the vouchers from one municipality to another. Additionally:

- NHHFA issues nearly 5,000 vouchers statewide. The reported vouchers by location were provided September 2017 by NHHFA staff and very likely change over time.

- Locally administered vouchers by Housing Authorities are subject to available funding and may be used in other municipalities. This analysis assumes the reported vouchers remain in the respective municipalities.
- Section 8 Vouchers are issued based on household income. For purpose of this analysis “Qualifying Renters” is a subset of the total rental households with gross income equal or less than 80% of the Area Median Income.

Municipality	NHHFA Section 8 Vouchers	Est. Local Section 8 Vouchers	Total Section 8 Vouchers	Qualifying Renters	% Qualifying Renters w/Section 8 Vouchers
Berlin	29	285	314	1,450	21.7%
Claremont	29	140	169	1,525	11.1%
Laconia	94	407	501	2,075	24.1%
Lebanon	6	163	169	1,820	9.3%

Sources: HUD CHAS Data using ACS 2010-2014, NHHFA Section 8 Database, HUD Housing Authority Profile

**Summary of Findings:**

- It is highly likely the reported share of qualifying renters receiving vouchers overstates the actual municipal share due to their portability and funding availability.
- This analysis and separate NHHFA analysis of 11 municipalities both indicate Claremont is generally in the “middle of the pack” with respect to the use of vouchers.

**OVERALL FINDINGS AND CONCLUSIONS**

- Rental assistance programs are an important service that offsets the cost of housing for low and moderate income households.
- Rental assistance programs support the local housing market by helping make housing affordable to the recipients and ensuring reliable rental income for the property owners. Additionally, the largest rental assistance programs require inspections to ensure a standard of housing safety and quality for recipients.
- The City does not have a disproportionate share of Section 8 Vouchers.
- There is an above average number of fixed location subsidized rentals in Claremont. Nearly half are dedicated to elderly housing and an additional number are dedicated to disabled tenants.
- Housing quality is an important issue in Claremont, but that issue is unrelated to rental assistance programs in the community. Blaming poor housing quality on the welfare and other rental assistance services distracts from making tangible improvements to the housing stock.