

SRPC Regional Housing Needs Assessment DRAFT

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I. Acknowledgements

II. Executive Summary

- Current & historical housing needs and conditions
- Future housing needs (compare to prior production needs_
- Population and Housing Projections
- Fair Housing/Equity Successes & Challenges
- Successes
- Challenges to fair housing
- Findings and Recommendations
- Regulatory changes
- Tools/Strategies

Seacoast residents live in one of the most unique and opportune geographies in the Granite State and on the East Coast. The Strafford Region has treasured natural spaces, thriving downtowns, and growing diversity that make the area an increasingly attractive place to live. The Strafford Region is on the outermost fringes of the Boston sphere of influence while maintaining traditions for thousands of families who vacation in the region every year. Northern New England has witnessed the collision of these factors in the Covid-19 pandemic. The “work from home” lifestyle and the migration patterns that accompany it have brought both challenges and possibilities to the vision of housing for rural, semi-rural, and exurban communities. Prior to the pandemic, the Strafford Region was struggling to fully recover the rate of housing being added yearly before the Great Recession. Demand for all types of housing have surfaced, from rural hideaways to walkable, vehicle-free arrangements in the area’s downtowns. This is expected to continue, with notably decreased listing times for homes for sale and increased waitlists for rental units since the pandemic. The region recorded a population that broke 150,000 residents in 2017, passed 156,000 residents at the 2020 Census, and is expected to reach 175,000 residents shortly after 2040. With them, XX number of housing units are expected to be needed. The 2022 housing needs assessments completed by the state of New Hampshire and the regional planning commissions record diverse community character, different jobs, and different priorities, but the message is the same: every resident, native or new, deserves an affordable and stable housing solution.

- [Add housing positives... maybe number of LIHTC units that went online since previous RHNA, zoning amendments in the region... thoughts?]

III. Introduction

The State of New Hampshire, through Revised Statute Annotated (RSA) 672 (III-E), states that municipalities have the responsibility to support a balanced supply of safe and affordable housing and prohibits them from discouraging decent, safe, sanitary, and affordable housing in each community. The state's regional planning commissions play an active role in aiding municipalities in planning for this balanced supply through technical assistance on matters related to land use and housing, as well as related issues of transportation, energy, environment, and the economy.

New Hampshire RSA 36:47 (II) requires that each Regional Planning Commission (RPC) compile an assessment of the region's housing needs by evaluating current, local, and regional data and projecting future needs of residents of all income levels and ages. The Strafford Regional Planning Commission, along with the eight other regional planning commissions in the state, the New Hampshire Housing Finance Authority (NHHFA), and the New Hampshire Office of Planning and Development (OPD, formerly the Office of Strategic Initiatives), coordinated their activities in 2021-2022 to produce a statewide housing needs assessment as well as individual housing needs assessments for each region.

The development of this regional housing needs assessment is a means for the planning commission to support the activities of its member communities in fulfilling their role in allowing a balanced housing stock under state's enabled planning and zoning powers. This assessment is to be updated every 5 years and made available to the region's municipalities so they can have a comprehensive understanding of demand while serving as a guiding tool in complying with RSA 674:2 (III), which refers to the housing section of a community's local master plan. In addition to evaluating current conditions and projecting current and future needs, the purpose of this document is to provide actionable, realistic solutions for municipalities, businesses, developers, social service providers, and other stakeholders on ways they can help meet the projected needs of their communities. Moreover, it is intended to help municipalities determine their compliance with New Hampshire's Workforce Housing Statute, RSA 674:58-61, which says that all municipalities must provide reasonable and realistic opportunities for the development, as well as their "fair share" of workforce housing inventory.

As an enhancement to this year's update and based on recommendations from the New Hampshire Council for Housing Stability's 2021-2024 Strategic Plan, all RPCs will provide strategies for meeting housing needs of specific sub-populations and communities of interest when conducting their Regional Housing Needs Assessments.

Changes Since the 2015 RHNA

SRPC's last RHNA was completed in 2015. Unlike previous years, the development of the 2022 assessment has been done in collaboration with the New Hampshire Office of Planning and Development and eight other NH Regional Planning Commissions as a statewide effort, initiated by the Council on Housing Stability 2021-2024 Strategic Plan led by Governor Chris Sununu. This iteration of the assessment has been funded through the American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Fund as part of the response to the Covid-19 pandemic and its related economic impacts.

As a requirement of the ARPA funds received by the State of NH, Fair Housing and Equity Assessment (FHEA) elements are to be added to this RHNA. This comprehensive addition will help communities better understand what the existing barriers to housing access are, how barriers are disparately impacting different groups across the region, and what they can do to address such disparities.

This iteration of the RHNA is unique in the level of statewide collaboration through the entirety of the process, with all nine RPCs partnering to create common outreach strategies, methodologies, data analysis, and an outline for each plan to allow for easy comparison between regions. Planners from across the state have been involved on different sub-committees to work on various parts of the RHNA.

Compared to the last iteration, there has also been greater emphasis on outreach efforts to different stakeholders, including homeowners, renters, housing authorities, social service providers, developers, and more, to supplement the quantitative data of this plan. To detail the outreach designed for this process, it is important to note that SRPC started with a public outreach survey created in part by the statewide collaborative of RPCs and adapted slightly for each region. SRPC opened this survey from February 2022 until July 2022, gathering 425 responses. Additionally, SRPC dissected regionally specific results from statewide landlord and social service provider surveys, and had 40 submissions on a regional business survey.

To complement the important data gathered via the survey, SRPC held three outreach events. The SRPC Housing Workshop was geared towards municipal planning and administrative staff and took place on August 16 in two sessions, one for SRPC's smaller, more rural communities, and one for SRPC's larger, more urban communities. SRPC then held its RHNA Commissioner Workshop on September 22, followed by its last outreach event, the Housing Forum on September 26. This last event was attended by housing authority & workforce housing representatives and social service providers.

A few final differences include the current plan being completed in-house by SRPC staff, and the assessment being issued in the midst of a nationwide housing crisis.

Since the last iteration of the RHNA, new policies and laws related to housing have been enacted across the state. HB 1661, for instance, was a significant victory for pro-housing groups and was led by NH Housing, Housing Action NH, and other partner organizations. This bill contains new provisions that are designed to encourage affordable housing, including the requirement for land use boards to improve transparency and speed up the local approval process. Other policies enacted at the state level to support housing include:

- Effective April 1, 2022, a city or town can establish a Housing Opportunity Zone under the Community Revitalization Tax Relief Incentive (RSA 79-E: 4-C). No less than one-third of the housing units constructed can be designated for households with an income of 80 percent or less of the area median income as measured by the U.S. Department of Housing and Urban Development, or the housing units in a qualifying structure shall be designated for households with incomes as provided in RSA 204-C:57, IV. A qualifying structure under this section can be eligible for tax assessment relief for a period of up to 10 years.
- Beginning July 1, 2023, incentives established for housing for older persons shall be deemed applicable to workforce housing development under RSA 674:17 (IV). If a municipality allows for increased density, reduced lot size, expedited approval, or other dimensional or procedural incentive under this section for the development of housing for older persons, as defined and regulated pursuant to RSA 354-A:15, VIII, it may allow the same incentive for the development of workforce housing as defined in RSA 674:58, IV.

- Moreover, it is through RSA 354-A, also known as the “Law Against Discrimination”, that New Hampshire celebrated the addition of gender identity to protections within housing nondiscrimination policy under the Sununu administration in 2018.

→ Other policies/laws enacted since last RHNA?

The Strafford Region

The Strafford Regional Planning Commission is responsible for one of the nine planning regions in the state. This region is comprised of eighteen municipalities, including all thirteen municipalities of Strafford County, two communities in Carroll County, and three communities in Rockingham County. The Strafford Region is in southeastern New Hampshire, with Maine to the northeast, Portsmouth and the Rockingham Region to the south, the Lakes Region to the north and northwest, and the outer reaches of the Concord and Manchester areas to the west.

It is one of the fastest growing in the state, attracting residents from diverse backgrounds to build vibrant and resilient communities. The region is home to many lakes, rivers, conservation areas, family-owned farms, and scenic surroundings. Many of the communities in the region have vibrant community centers, active arts scenes, beautiful country sides, rich agricultural heritage, and a thriving economy with a longstanding tradition in manufacturing and higher education. The region is home to the state's only Tri-City area, the University of New Hampshire, and the two largest public transportation systems in the state. In addition to these resources, the region benefits from its placement in New England, with Boston and Portland both within fifty miles at their closest points. Lake Winnepesaukee and the White Mountains are just to the north, and Portsmouth and NH's 13 miles of coastline are just to the south. This creates a varied and diverse range of needs and expectations for housing, commuting, and amenities in a small geographic area.

The Strafford Region has roots in its communities' industrial history and tradition. Many traditional New England mill buildings were constructed during the Industrial Revolution. SRPC's urban communities became export hubs for textiles, shoes, ice, and the region's agriculture during the peak of the railroad. This traditional mill-town development is visible today, built upon the veins of the Cochecho, Lamprey, Salmon Falls, and Oyster rivers all leading south to the port of Portsmouth. Today, the urban fabric of the SRPC region is characterized by Rochester, Somersworth, and Dover – the Tri-Cities, all with revitalizing downtowns – as well as Durham, the home of the University of New Hampshire, and Newmarket, another historic mill town.

Overview of the Regional Housing Needs Assessment

The information provided by SRPC's RHNA is intended to inform the public of the region's housing conditions and the data enclosed is to be used by municipalities in planning a balanced housing stock. In addition to analyzing historical trends, existing conditions, and making projections of future conditions and housing needs, this assessment also identifies tools and techniques that communities can use to further balance housing based on proven successful housing solutions identified within the Northeast and across the nation. The assessment includes information gathered from the extensive outreach to residents and stakeholder groups in every community within the region, which was gathered through surveys, housing forums and workshops, a public project website, and direct communications through

email, targeted social media, and public press releases. The outreach process is documented within this report as well as (insert location).

Analysis of Past Conditions

SRPC worked closely with the other regions to identify the best and most consistent data sources for all nine regions to have comparable and reliable data. The data used in the regional housing needs assessments include data with varied levels of coverage and accuracy but are all the most reliable data available for the entirety of the state. Whenever possible, these data sources were supplemented with more regionally focused data from SRPC's data collection efforts or surveys conducted through this assessment.

The analysis of past conditions looked at topics including population growth, housing stock, and the earning potential of the population. Much of the data comes from the US Census Bureau's American Community Survey (ACS). The ACS surveys a random selection of roughly 10,000 households in New Hampshire each year. All ACS data used in this document rely on the 5-year ACS estimates that consist of an average of 5 years of data. In this case, we use the 2006-2010, 2011-2015, and 2016-2020 5-year estimates. In addition to ACS data, there is also limited data from the 2020 Decennial Census. The Decennial Census strives to count every person, making that data far more reliable than the ACS data. Only a few of the Decennial Census data tables have been released so far, so much of the Census data is still from the ACS. As a result, the numbers do not always add up to the same total but are the best and most current available data.

In addition to data from the ACS, data about housing costs and affordability come from New Hampshire Housing Finance Authority (NHHFA) and other third-party sources. Building permit data came from OPD and was supplemented by additional details that SRPC collects. Zoning requirements and municipal taxes are all data that is regularly kept by municipalities or RPCs.

All of this data allows for calculations to be made about availability and affordability of housing within the region via vacancy rates, prices, and the proportion of income households are spending on available housing. [See the Data Companion for more detail about data sources.](#)

Future Projections

Because known housing, demographic, and economic conditions can be established for the region, they can also be used to develop projections. Population changes such as the rate of births and deaths are used to project a future population for the region across age, sex, household size, and race. Rates of housing production (and replacement) by housing types and their respective costs both to build and to occupy can also be projected into the future. Housing stock, housing costs, and population trends taken together allow for a prediction of the region's future housing availability and affordability. This assessment uses such predictions to anticipate what outcomes will result for the region. For example, no changes in existing patterns of housing stock, population, or costs will yield outcomes that look similar to current conditions. Today's trends point to a general population that will continue to grow and get older, household size and households with children will see a decline, the supply of housing will become increasingly limited, and the cost of housing will consume a greater proportion of household incomes. These trends cannot be sustained indefinitely, which is why it will be imperative for municipalities to examine the amount of housing constructed in their communities and the ease of doing so.

If the experiences of the Great Recession and the worldwide Covid-19 pandemic are any indication, the knowns for how the region changes in the future are in many ways influenced by factors outside the control of individuals, governments, and the region as a whole. In order to account for these unknowns, the needs assessment explores different scenarios for the future of the region. The scenarios are based on potential shifts in trends. For example, a shift from the majority of housing development being single-family homes in suburban setting to one where a majority of housing development is clustered within areas with existing infrastructure and jobs. Changes in homeownership or zoning regulations can also be used to make assumptions about the impact such shifts would have on housing location, costs, and supply of specific housing types. The scenarios for future housing conditions can be helpful to municipalities seeking to develop strategies for meeting changing conditions. SRPC provides the needs assessment to its member municipalities as a playbook for adapting to the uncertain housing conditions as they arise in the future. Towns and cities can use the needs assessment to identify policy and zoning solutions to support the increased development of units.

Choices Today

The variety of future housing scenarios are combined for a best guess of future housing needs based on today's information. The result is an estimated number of needed housing units, which is then distributed to each community in the region with the anticipation that municipalities will use the information provided by the planning commission to set effective housing policy. Specifically, the state has an expectation that each municipality will use their planning and zoning powers to allow for the development of a balance housing stock. The planning commission, in its role of providing technical assistance to the communities within its region, offers a variety of housing solutions based on the need and context of individual communities.

The Housing Choices section of this report provides insight into additional aspects of housing which are within the control of the state, region, and local government. As this section implies, these aspects of housing constitute choices which can be made in the near term to influence housing outcomes both in the immediate future as well as long term. The needs assessment identifies the types of housing issues communities may encounter in effort to assist their decision-making. Communities may seek to explore issues such as attitudes towards growth and exclusionary zoning to better understand how they can impact where and how housing is built, who can afford it, and effects on the environment and economy. Choices made at the local level today will impact workforce attraction, job growth, and the makeup of the region's population into the future. Housing is also affected by the availability and efficiency of the region's infrastructure elements. Transportation, water/sewer service, and high-speed internet all play an important role in helping determine where housing should be built, and through zoning and development regulations, municipalities determine the level of efficiency of such infrastructure and services by setting limits on density of land use for areas with services.

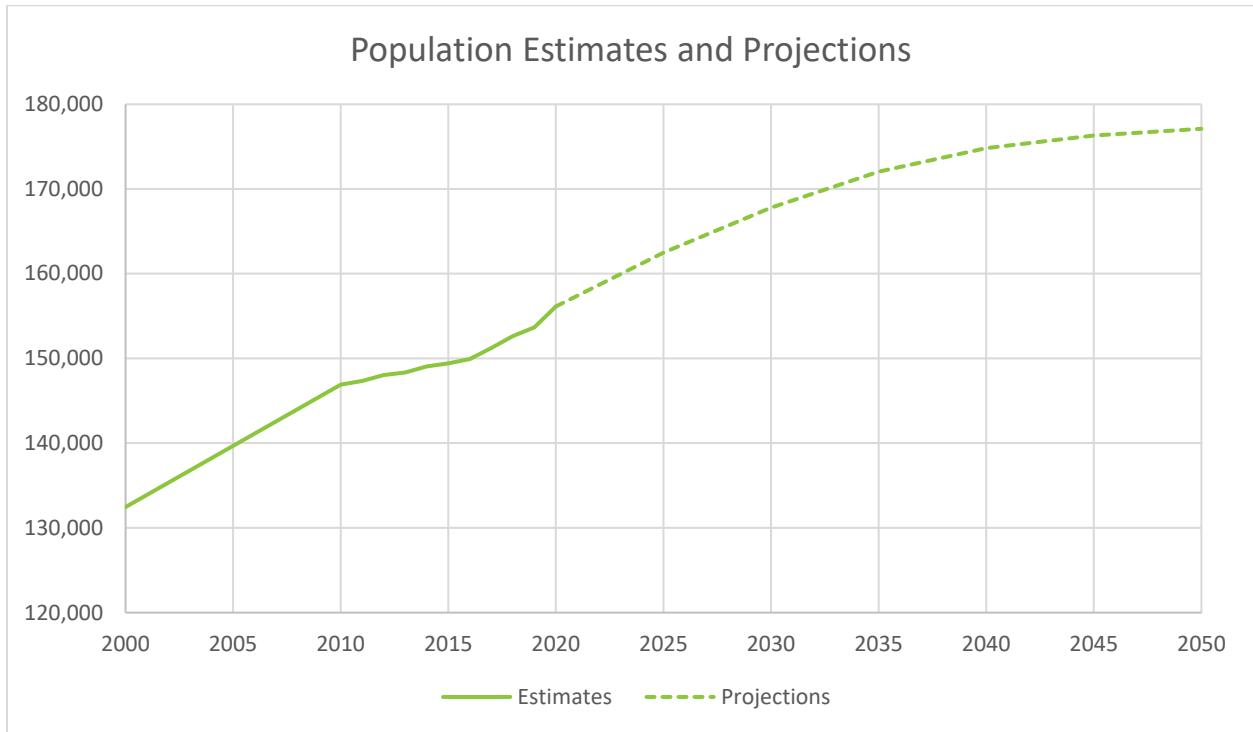
IV. Conditions and Trends Analysis

Demographic Trends

Population

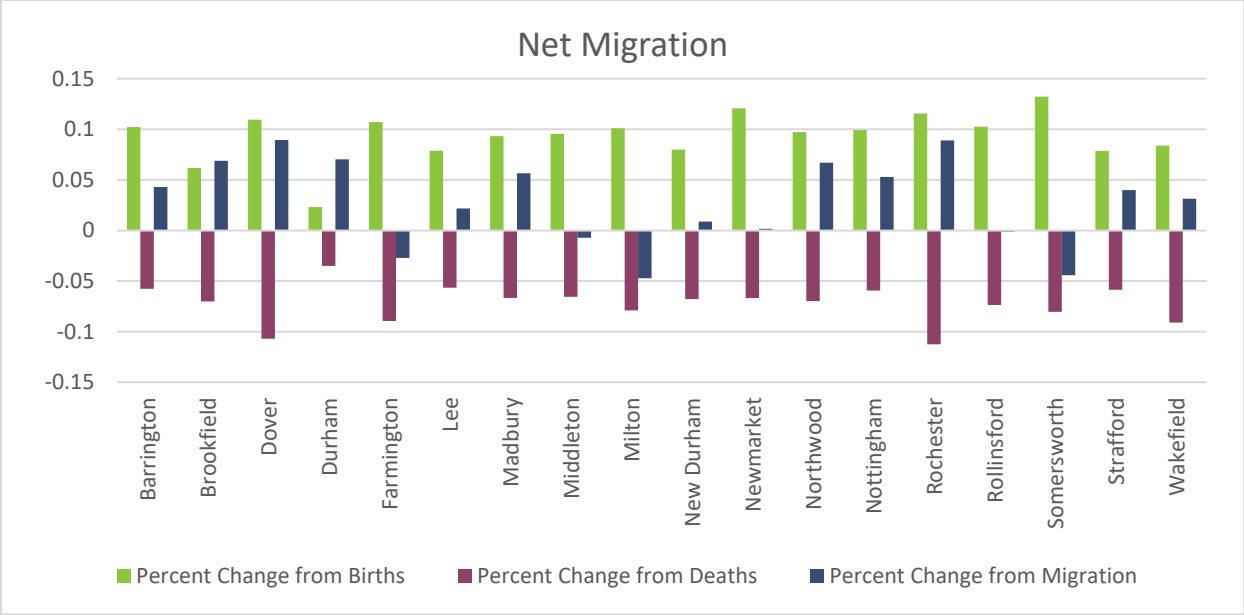
The Strafford region is one of the fastest growing regions in the state, with a population that increased by 6.3 percent (or 9,250 people) from 2010 to 156,154 people in 2020. In 2020, the communities with the largest population were Dover (32,741 people), closely followed by Rochester (32,492). The

community with the smallest population, at 755 people, was Brookfield. Farmington and Milton were the only two communities to see decreases in population, albeit a combined decrease of less than 200 people.

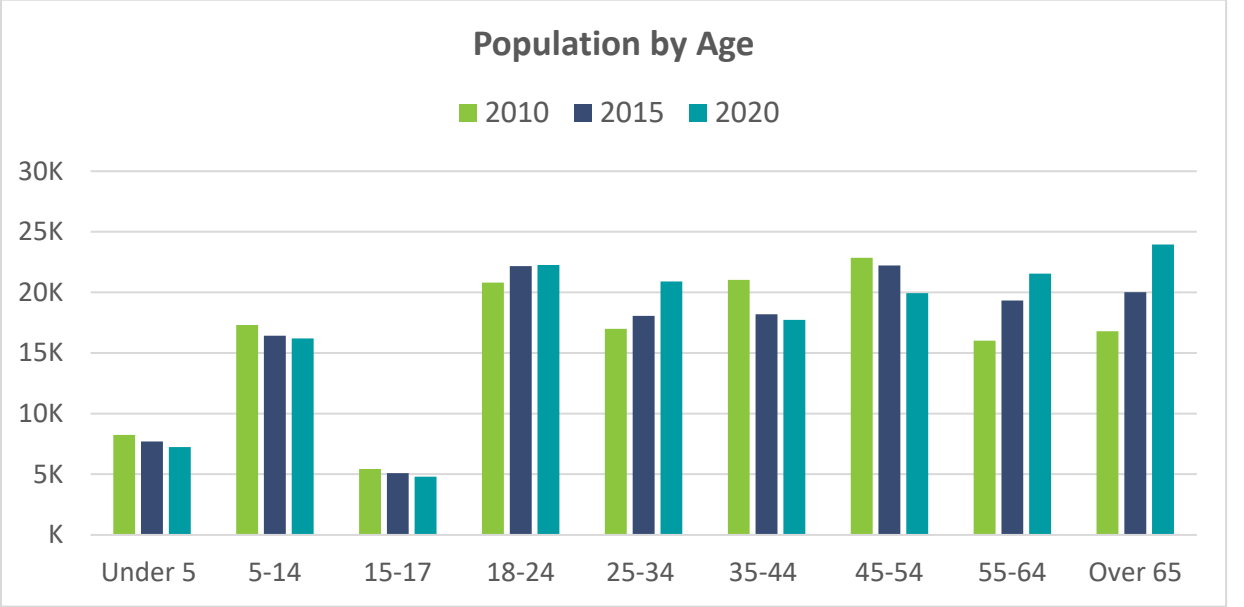


The region is also projected to remain one of the fastest growing regions in the state. 2022 population projections by the New Hampshire Office of Planning and Development provide future projected populations in five-year increments through 2050. When compiled by regional planning commission, the SRPC region will demonstrate the highest overall growth rate, showing anticipated population growth of 13.4 percent by the year 2050 compared to our 2020 baseline. SRPC's projected 5-year growth rate is in the top half of planning commissions in every 5-year increment, and SRPC is the only planning region to project sustained positive population growth in every period through 2050.

Across New Hampshire, the birth rate is declining, and the majority of new residents are moving from out of state. The Strafford Region is among only three regions that are experiencing natural population growth (more births than deaths from 2010-2019). In the Strafford Region, the population growth from migration is three times the natural population growth. In Dover, migration growth is up to 35 times the natural population growth. Very few communities in the region have a negative net migration, where residents are moving out and any increased population is due to births. Somersworth and Rollinsford both have a negative net migration, but still saw population growth. Meanwhile, Farmington and Milton had negative net migration, but their total population decreased.



The region is also aging. From 2010 to 2020, median ages have increased in 15 of the region’s 18 municipalities. The town of Strafford has had the greatest hike in median age, increasing by 10 years over the decade. Communities that experienced a decline in median age were Dover, New Durham, and Brookfield. The population 55 and up increased the most, while children under 18 and their parents aged 35 to 44 are decreasing significantly. Young adults aged 18 to 24 years old remain fairly constant, due in part to UNH enrollment. An increasing cost of living is making the choice to have children more difficult, and a decrease of children is evident. Some communities have seen their populations over 65 double or even triple since 2010.



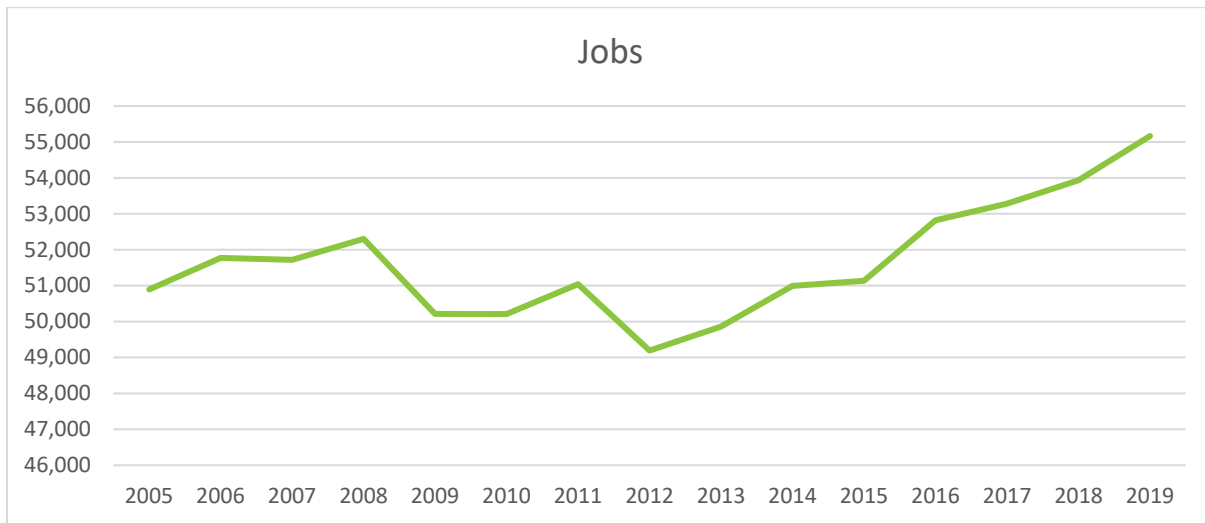
The SRPC region experiences the greatest diversity in its urban and suburban communities, although all communities have seen increases in non-white populations, notably Asian and Hispanic groups, from 2010-2020. As a percentage of their population, Somersworth had the largest percent of non-white

population 2010 and again in 2020 and is also the community that has experienced the greatest increase in non-white populations in that same time period, from 12 percent to 19 percent. Dover had the largest number (over 4,950 non-white people) than any SRPC other community. Durham is notable as the home of UNH, attracting students from a diverse range of backgrounds nationwide and internationally.

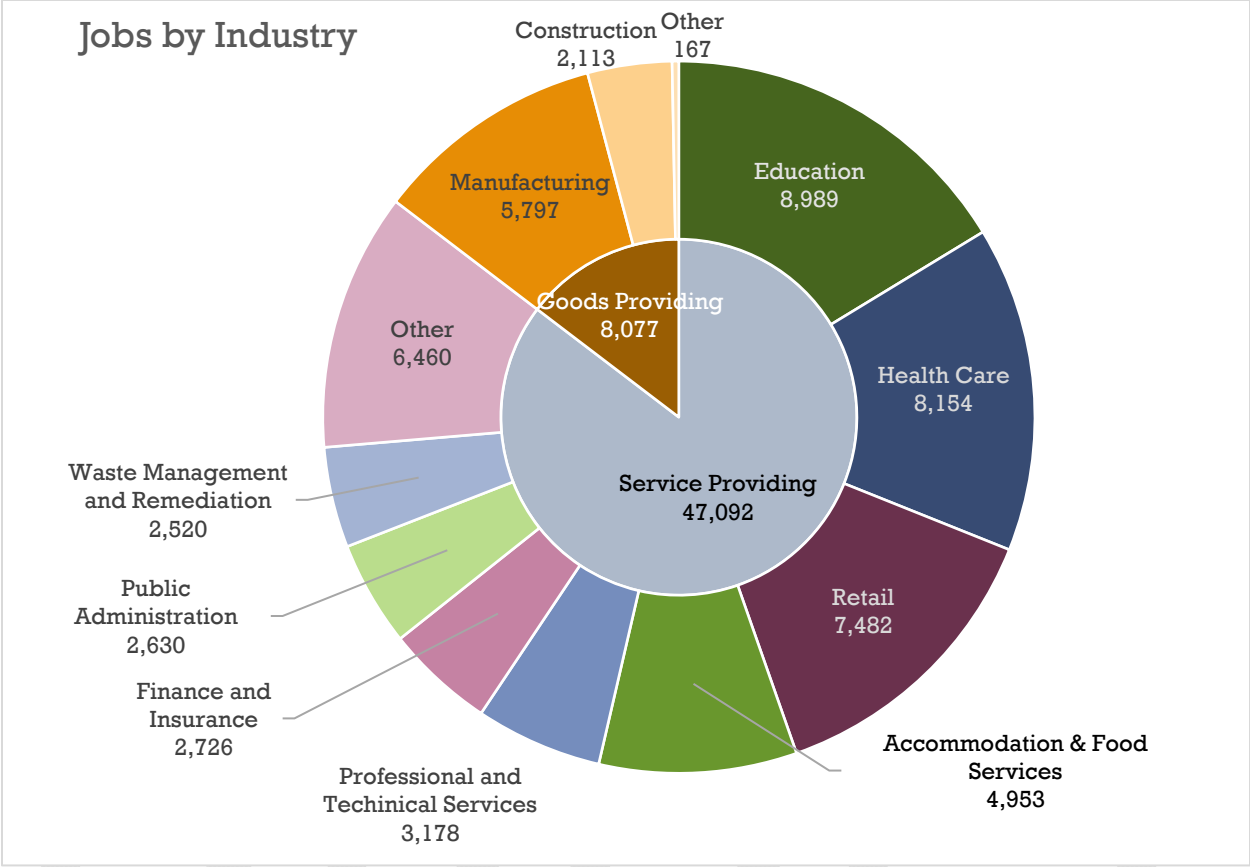
Employment

Regional Industries and Employment Centers

Like population, employment in the Strafford region has been growing. After several years of decreases following the Great Recession, employment has been climbing steadily since 2012 to 55,169 jobs in 2019. An increase was seeing across most industries, with only a few industries decreasing in employment. Education, healthcare, retail, and manufacturing are the top industries in the region, each exceeding 5,000 jobs.



The most common industries in our region based on 2019 employment data were those sectors that fall under the Service-Providing Industry (85 percent of all jobs in the region). This encompasses the Health Care, Social Assistance, Educational Services, Accommodation, Food and Retail sectors, among others (refer to SRPC’s 2022 Regional Data Snapshot for a complete list).



New Hampshire Employment Security (NHES) employment projections through 2045 show an increase in the number of jobs in all 18 municipalities in the region. The 2018 to 2028 industry projections for the region estimated an average increase of 6.5 percent in total employment (from 55,617 in 2018 to 59,235 jobs in 2028). The sectors expected to experience the most significant growth during that time were self-employed workers (8.3 percent), followed by the service-providing industry (7 percent), government (3.06 percent), and the goods-producing industry (2.84 percent).¹ At this point in time, there are no regionally specific projections that account for the Covid-19 pandemic's impact on jobs. Refer to the latest SRPC Comprehensive Economic Development Strategy (CEDS) for annual updates to employment trends.

The region's two largest employers are the University of New Hampshire, located in Durham, and Lincoln Life Assurance (also known as the parent company of Liberty Mutual), located in Dover. Below is a list of the region's largest employers (employers with 250 employees or more):

¹ 2022 SRPC Data Snapshot, pg. 36

Size	Employers	Sector
>1000 Employees	UNH (Durham)	Education
	Liberty Mutual (Dover)	Insurance
500-999 Employees	Frisbee Memorial Hospital (Rochester)	Health Care
	Community Partners BH (Dover)	Health Care
	Albany International Corp. (Rochester)	Manufacturing
250-499 Employees	Thermopol (Somersworth)	Manufacturing
	Walmart (Somersworth)	Retail
	Riverside Rest Home (Dover)	Government
	City of Dover	Government
	Target (Somersworth)	Retail
	Market Basket (Rochester)	Retail
	Aclara Meters (Somersworth)	Manufacturers
	City of Rochester	Government

Commuter Patterns

SRPC's housing stock serves those working beyond the region's boundaries, likely due to its affordability relative to some of its neighboring communities to the south. SRPC communities may also be a "middle ground" between a married couple's employers.

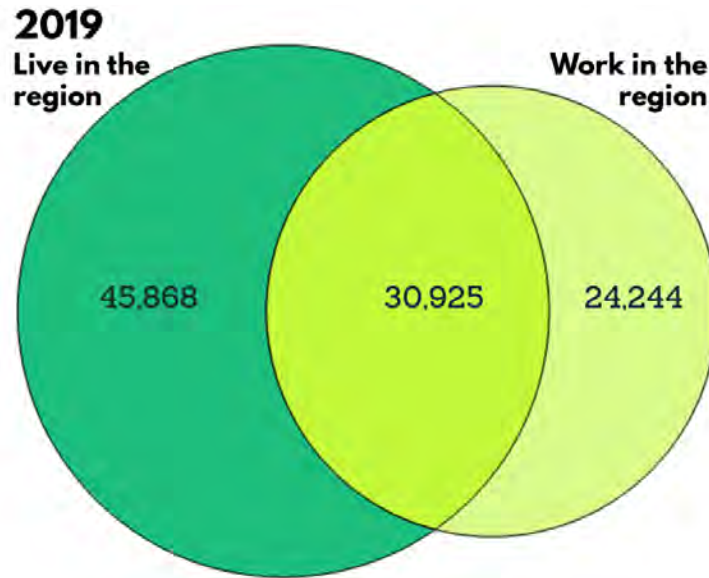
In SRPC's public outreach survey there were over 30 mentions of people ending up in their current housing situation due to proximity to work. In the same vein, 34 percent of respondents placed a high priority on being close to work when identifying characteristics that were important to choosing a neighborhood to live in.

The Census Bureau's 2019 Longitudinal Employer-Household Dynamics (LEHD) data reports the home and work locations of all jobs. This data shows that more job holders living in the region do not work in the region. According to this data:

45,868 workers lived in the region, but worked outside of the region

30,925 workers lived and worked in the region

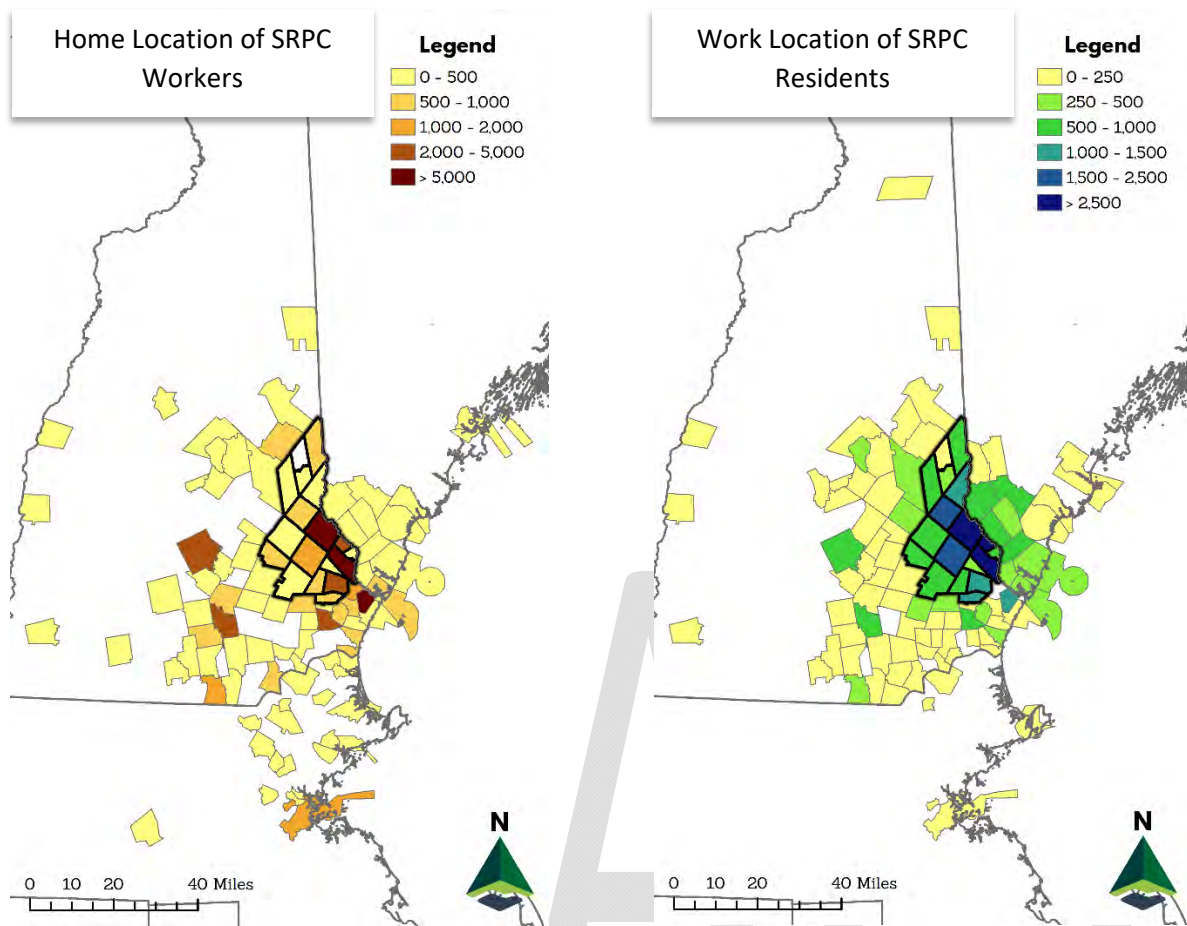
24,244 workers lived outside of the region but worked in the region



In 2019, 40 percent of the region’s employed population lived and worked in the region, while 60 percent lived in the region but worked outside. The majority of those living in the region but working outside of it commuted to work in other parts of New Hampshire (47.46 percent), followed by Massachusetts (7.61 percent), Maine (4.12 percent), and less than 1 percent worked in another state. The largest share of New Hampshire commuters to the Portsmouth Naval Air Base come from Farmington.

The jobs held by SRPC residents are spread out across different areas, including southern New Hampshire and Maine, and as far south as Boston. The largest concentrations of jobs outside the region held by SRPC residents are Portsmouth, Concord, Manchester, and in several communities in southern Maine. Jobs within the region that are held SRPC by residents are concentrated in the Tri-Cities, Farmington, and Barrington.

The home locations of SRPC workers are similarly distributed. Within the region, most SRPC workers live in the Tri-Cities and Durham, and outside of the region, most SRPC workers live in Portsmouth, Exeter, Manchester, and Concord.



The mean travel time to work in the SRPC region was 27.5 minutes in 2020 but varied greatly by municipality. This aligns with responses to a question addressing commute times in SRPC’s public outreach survey. Over 70 percent of respondents noted that they travel less than 30 minutes for work, childcare, or other daily needs.

Residents of rural, particularly northern, communities in the region are more likely to have a longer commute to work. The municipality with the lowest mean travel time to work in 2020 was Durham (21.1 minutes), followed by the three cities and Barrington. For Durham, the proximity of faculty housing to UNH might play a role in reducing the mean travel time to work in that community. Wakefield had the longest commute (40.8 minutes), followed by Middleton, Brookfield, and New Durham. Northwood, Nottingham, and Strafford residents report long commute times, as they are the communities most accessible to Concord and Manchester in the region and were previously known for their affordable housing.

The regionwide mean commute time has increased by a minute and a half since 2010. Only three communities experienced a decrease in mean travel times in this period, the greatest of which was Barrington. Rollinsford and Durham were previously the only two communities with a mean commute time of less than 20 minutes in 2010. No communities hold a mean commute time under 20 minutes as

of 2020. This metric will be closely watched in future years as the long-term impacts of Covid-19 on telecommuting become more evident.

Labor Force

In the years leading up to the pandemic, the region had been experiencing growth in labor force participation – which includes residents who are actively employed and residents who are unemployed but looking for work. In 2019, the labor force in the SRPC region was close to 89,000 people, compared to roughly 83,000 in 2010. In addition to a growing labor pool, the overall number of people employed in the SRPC region increased as the number of unemployed people and looking for work decreased within the labor force, a positive sign for our region’s economy. This, however, shrunk drastically in March 2020, as a result of the Covid-19 pandemic.

Seasonal employment is common in New Hampshire and there has historically been a spike in teen workers under 18 every Q3 for the summer months. This is very pronounced in Carroll County and the southern reaches of the tourism economy of the lakes, even during summer 2020. Traditionally, Strafford County has a more moderated rate of underage workers that is similar to the statewide average. However, since the Covid-19 pandemic, more Strafford County teens are working than before (relative to time of year).

Although there is less seasonal variability for workers 65 and older, an already rising cost of living and rising median age prior to the pandemic was leading to an increase in workers in that age group. During the pandemic there was a decrease in these workers, due to early retirements, deaths, or as a preventative measure from working in high-exposure environments.² The percent of the labor force over 64 remains above 10 percent in Carroll County and hovers near the state average of 7.7 percent in Strafford and Rockingham counties.

Since the sharp drop in labor force participation in March 2020, the labor force in the region has grown but until recently, lagged pre-pandemic levels. While unemployment rates were quick to recover and even exceed pre-pandemic levels, regional labor force participation (which consisted of 88,713 people in March 2020) has bounced back at a much slower pace. The first time that labor force participation reached pre-pandemic levels since the March 2020 benchmark was July 2022, reaching a regional labor force of 88,903 people. While this metric seems to be back on track at last, the region’s businesses have still been burdened by the challenges associated with hiring and retaining workers over the past few months.

Today, through constant engagement efforts with local businesses, we know that employers across the state and region continue to struggle to find workers. The reduction in labor force participation is likely a consequence of early retirement trends, the “great resignation”, pandemic-related barriers to immigration, and the lack of available and affordable housing and childcare. Also, according to a discussion at SRPC’s September Housing Forum outreach event, lack of public transportation options can cause additional challenges with workers relocating into the Strafford region.

Meanwhile, as companies compete for workers, there are other circumstances that are putting even greater strain on the workforce shortage. According to New Hampshire Employment Security (NHES), as

² <https://nhfpi.org/assets/2021/03/NHFPI-Economic-Conditions-of-the-COVID-19-Crisis-3.19.2021.pdf>

of June 2022 there were roughly 6,000 more employers in the state than there were before the pandemic and about twice the number of job postings.³

Unemployment

Since 2010, the region's unemployment rate had been declining. This trend continued into the months approaching the pandemic, when unemployment rates saw a sharp increase beginning in April 2020. In February 2020, unemployment rate for the SRPC region was 2.70 percent, and increased drastically to 15.30 percent by April 2020 as many businesses shut down due to Covid-19. Statewide unemployment insurance claims showed that the industries with the highest number of claims around the state were food and beverage, administrative and support services, ambulatory health care services, educational services, and social assistance.

However, since that drastic increase in April 2020, unemployment rates in the region went on to decline and by September 2021, had reached the pre-pandemic levels of 2.70 percent. Other than one small spike in January 2022 (3.20 percent), the region's unemployment rate has been below the pre-pandemic February 2020 benchmark all year and even reached an all-time low of 1.60 percent in May 2022.

Housing Unit Trends and Characteristics

The availability, affordability, type, and quality of housing are significant factors for attracting social diversity and retaining a qualified workforce. Housing that meets the above criteria, available both for purchase and rent, supports a region's economy and allows communities to welcome a wide range of residents from different backgrounds, income levels, and ages, making communities more resilient and competitive.

How Many Homes (or Housing Units) Do We Have in the SRPC Region?

In the 2020 Census, the SRPC region had a total of 68,836 housing units. This is a 7.4 percent increase, or 4,715 more units, from 2010 (in SRPC's 2015 RHNA, the average estimates of production called for a total of 6,305 new units to be produced by from 2010 to 2020). Of those, 61,985 were occupied and 6,851 were vacant. The housing units are very much concentrated in the region's more urban communities, including the tri-cities, as well as Durham (particularly in the geographical area near UNH), Newmarket, Rollinsford, and Farmington. The densest areas in the region are in downtown Dover, Newmarket, Durham, and Somersworth.

The new Orpheum Apartments in Dover are the densest housing in the region at 62 units per acre for the 126 apartments. This is followed by apartments on Orchard Street (43 units per acre), the Great Bay Woods Condominiums in Newmarket (28 units per acre), and Madbury Commons in Durham (28 units per acre).

Less than one tenth of a percent of the region's land area is denser than 10 units per acre, and over 96 percent of the region has less than 4 units per acre. Brookfield is the least dense part of the region, with 1 house per 31 acres.

³ <https://www.wmur.com/article/unemployment-rate-new-low-new-hampshire/40398372>



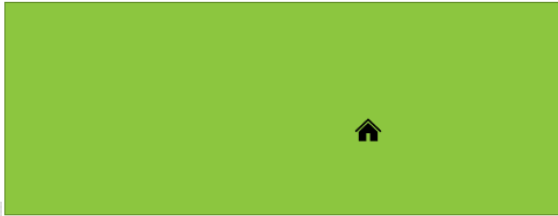
10 acres at 10 units per acre
(Dover and Rochester)



10 acres at 8 units per acre
(Dover, Rochester, and Durham)



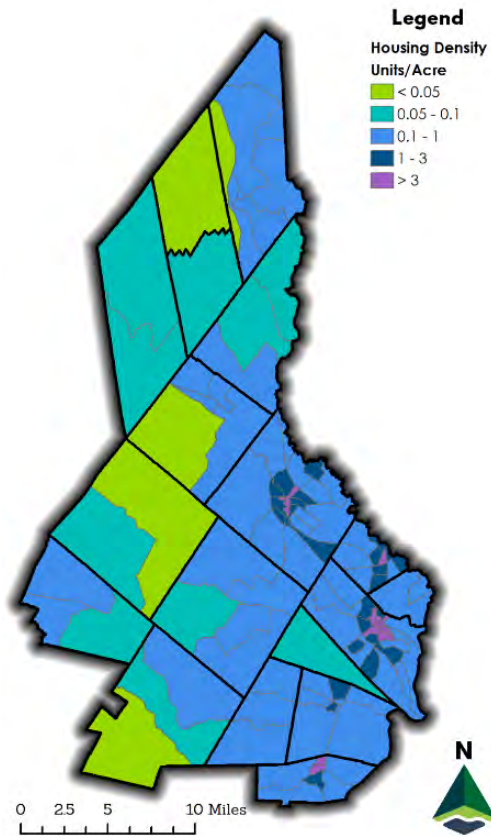
10 acres at 4 units per acre
(Rochester, Farmington, Northwood, Durham)



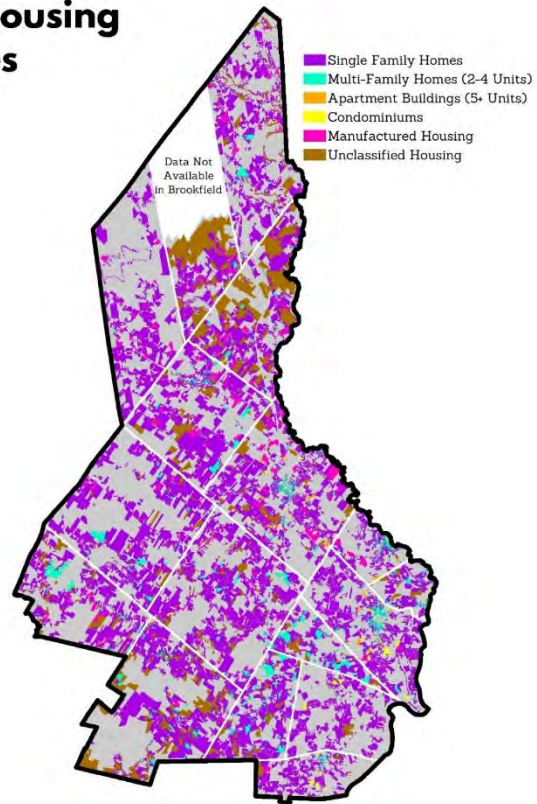
31 acres at 31 acres per unit
(Brookfield)

Housing Across the SRPC Region

→ Analysis of where we have housing...

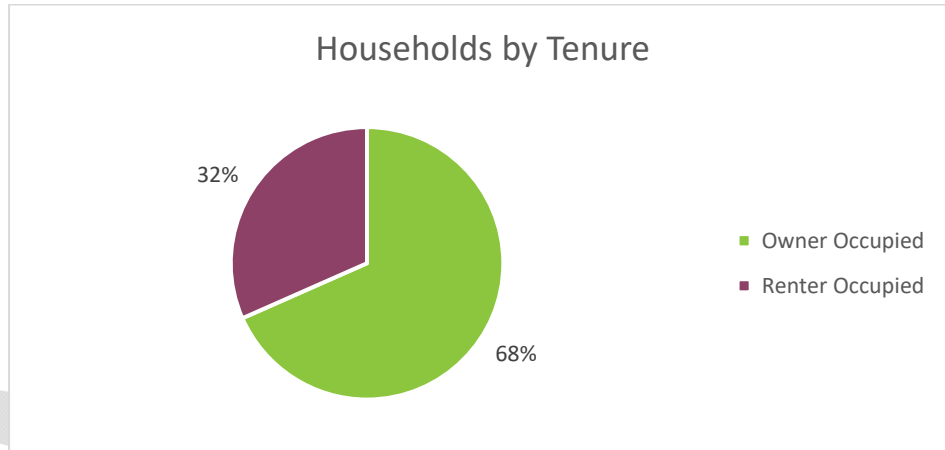


All Housing Types



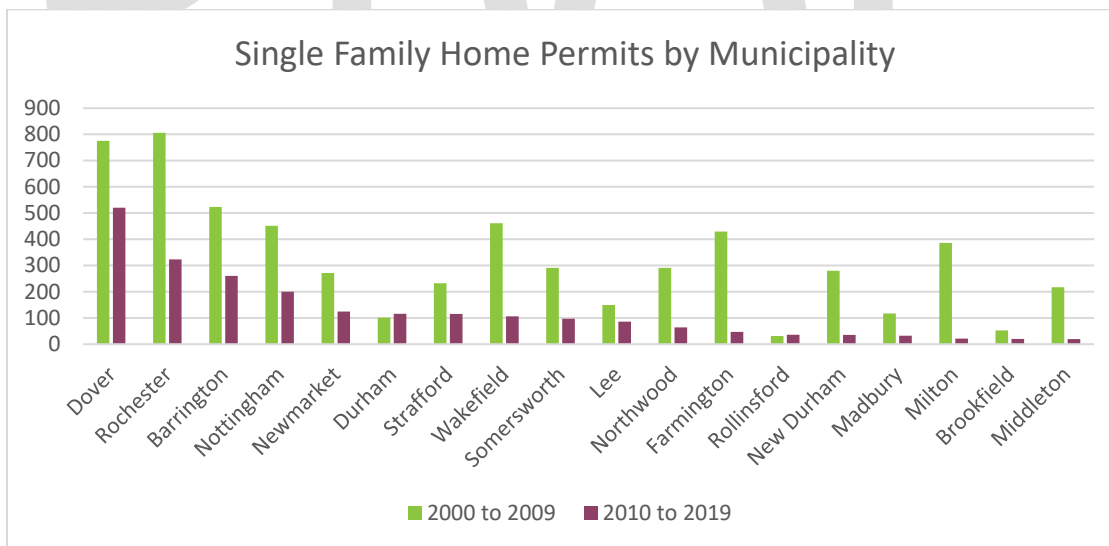
Occupied Homes

Ninety percent of the housing in the region was occupied year-round in 2020. Of those, 68 percent were owner-occupied, and 32 percent were renter occupied. The renter-occupied housing units are primarily in the tri-cities, Newmarket, Durham, and Farmington.



Building Permits

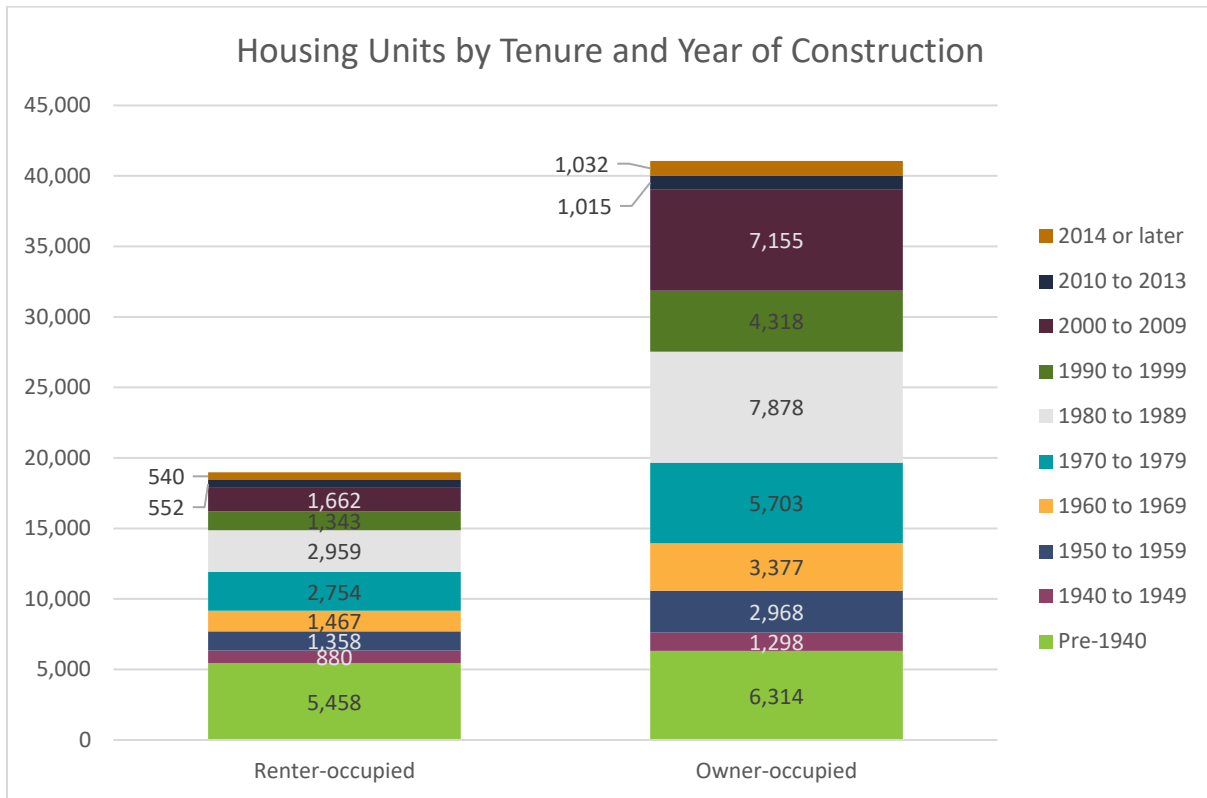
The early 2000s were a time of rapid development in the region. For the first time in 2000, building permits exceeded 1,000 units in a single year. The number of building permits remained high until the housing bubble in 2006, and then dropped to 256 units in 2009. Although permitting has somewhat recovered, the number of permitted units has remained much lower than in prior years until 2016 when they began to climb over 500 permits per year. The post-recession peak in building permits issued was in 2018, with just over 800 permits issued that year. Permits in 2018 included significant multi-family permits, including the Riverwoods project in Durham which brought about 150 units, and a 34-unit development in Rochester.



Age of Units

New England is known for older homes. Many formerly single-family structures have been subdivided into several housing units, creating a niche of multifamily homes that preserve a “community character”

so desired by residents and municipalities alike. Dozens of mill buildings across New Hampshire have successfully been converted to mixed-use structures. These housing solutions are not without their challenges, however. In a market that is uniquely comprised of so many older homes, equity has become a concern for both renters and homeowners. Many homeowners have enthusiastically taken on the challenge of restoring an older home when they have the means to do so. Some homes, however, have faced neglect and are in need of updates. Challenges include the presence of lead found in homes built before 1978 and asbestos found in most units built between 1940 and 1978. Older homes are susceptible to structural faults, water leaks, and pests and face higher heating and cooling costs.



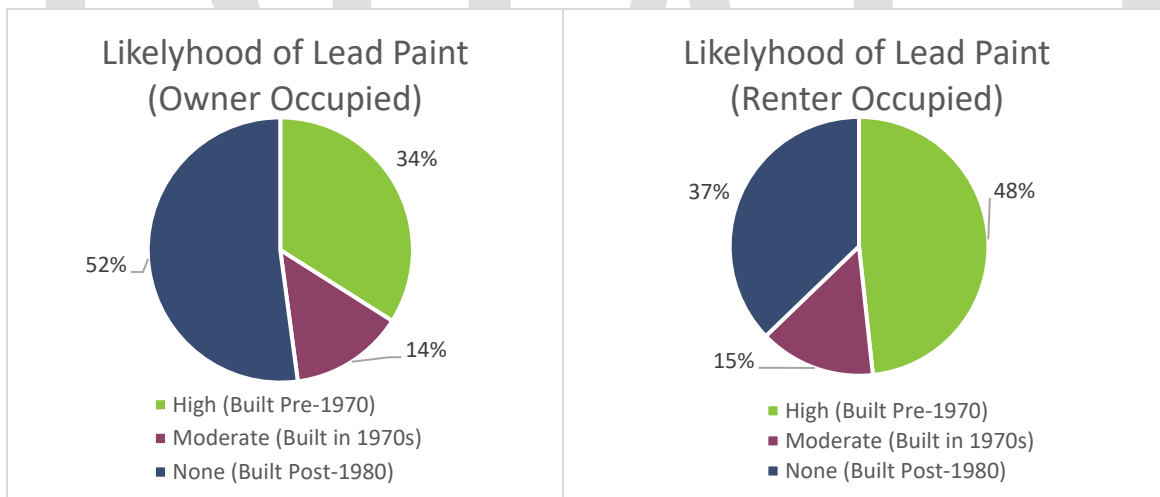
In the Strafford Region, a comparable amount of renter- and owner-occupied housing built before World War II is present, with about 5,400 and 6,300 units respectively. However, these units account for 29 percent of all renter-occupied housing and only 15 percent of owner-occupied housing. The housing boom of the 2000s is evident in this metric, where over 17 percent of owner-occupied housing was constructed between 2000 and 2009, the largest of any single decade. Only nine percent of renter-occupied housing was built during this time. While owner-occupied, and by extension, single family structures, have outpaced rented and multifamily homes since the 1950s, there is a noticeable drop in renter-occupied housing constructed in the 1990s and 2000s, where it becomes apparent that newer housing is likely to be purposely built for owner-occupancy or renter-occupancy. Therefore, subdivided houses, mill buildings, and many other types of structures constructed before 1940 comprise a significant share of the region’s rentable housing in place of units constructed after 1990. This time period instead saw much more construction of owner-occupied housing. As a result, 46.4 percent of the formerly single-family homes, mill buildings, and many other types of structures constructed before 1940 have been converted to multi-unit housing in the region. Renters are more likely to occupy an older building, with 48 percent of renter occupied units built before 1970.

Housing Unit Condition

Due to the strained housing market, both renters and buyers searching for affordable homes have been propelled toward older homes. An older home may have a lower “sticker price” or base rent, but prospective homebuyers frequently face costly improvements and landlords may push increased utility costs associated with older structures on to their tenants.

In SRPC’s public outreach survey, “Cost of repair, maintenance, or ADA accessibility needs” was the third highest housing-related challenge people believe is facing their community, out of 8 options. 40 percent of respondents also noted that quality of available housing significantly impacts their ability to stay in a community, while 26 percent thinks it somewhat impacts.

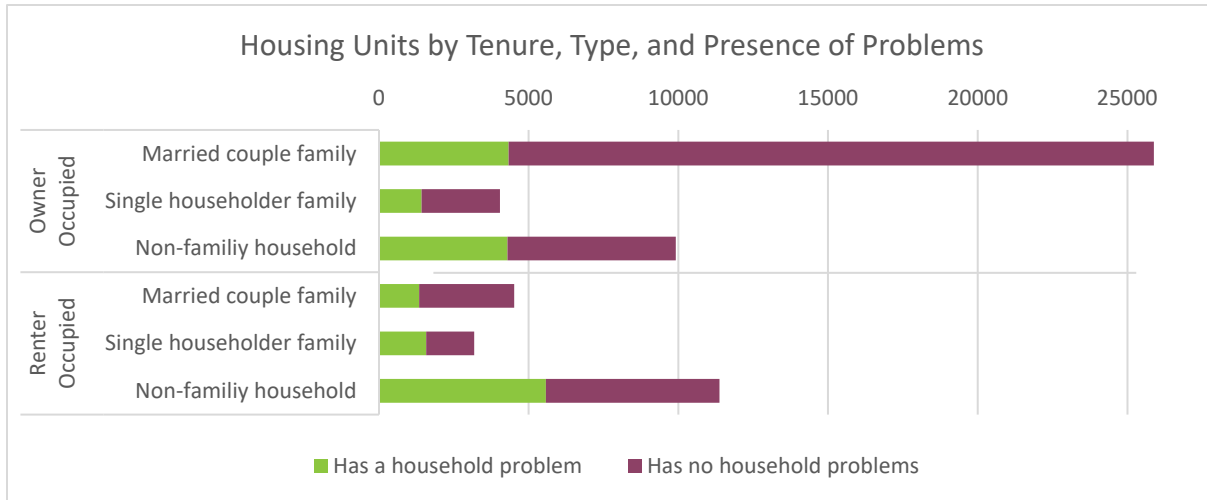
Even where homeowners can afford updates such as the removal of lead paint, these improvements can delay a household from moving into their new home. If the home is safe to live in, owners of older homes still face more expensive monthly utility costs, as do renters of these homes. Alternatively, owners may decide to take on the additional expense of remediating poorly insulated windows and frames, replacing aged insulation, re-roofing a home, or other costs. Even older adults who have owned their home for several decades may not have the financial means to make accessibility improvements that are frequently more costly for older homes.



While the presence of lead and asbestos are largely estimates based on the age of a home, HUD’s CHAS, or Comprehensive Housing Affordability Strategy, reports housing unit condition based on three primary criteria: presence of plumbing and/or kitchen, crowding, and housing cost burden. **Crowding is discussed below and housing cost burden is discussed _____.** Some may assume that in America, homes that lack plumbing or a kitchen are in a transition of ownership, undergoing a “flip” or major renovations, or are older structures being updated to meet municipal code. Unfortunately, many homes that fall within this category are simply in a state of neglect and may serve as a “litmus test” of housing equity.

In the Strafford Region, up to 71 percent of homes without functional plumbing or a kitchen are renter-occupied, and another 17 percent are owner-occupied, leaving only twelve percent that are vacant, as of the 2019 CHAS. This distribution varies widely within New Hampshire. The Strafford, Nashua, and Central (Concord) regions are the only regions where housing without a kitchen or plumbing is most likely to be renter-occupied (71, 70, and 51 percent, respectively). In the North Country, nearly half of this neglected housing is renter-occupied and nearly half is owner-occupied, leaving only five percent

that is vacant; and in the Upper Valley, 71 percent is likely to be owner-occupied. By the account of CHAS, most of the nine New Hampshire regions each have 300 to 700 total units lacking a kitchen or plumbing, except for Southern (Manchester) and Strafford. Respectively, these two regions have 1,334 and 909 such units.



Housing Types

The housing stock in the region is largely comprised of single-family units, including detached homes, attached homes, and mobile homes.

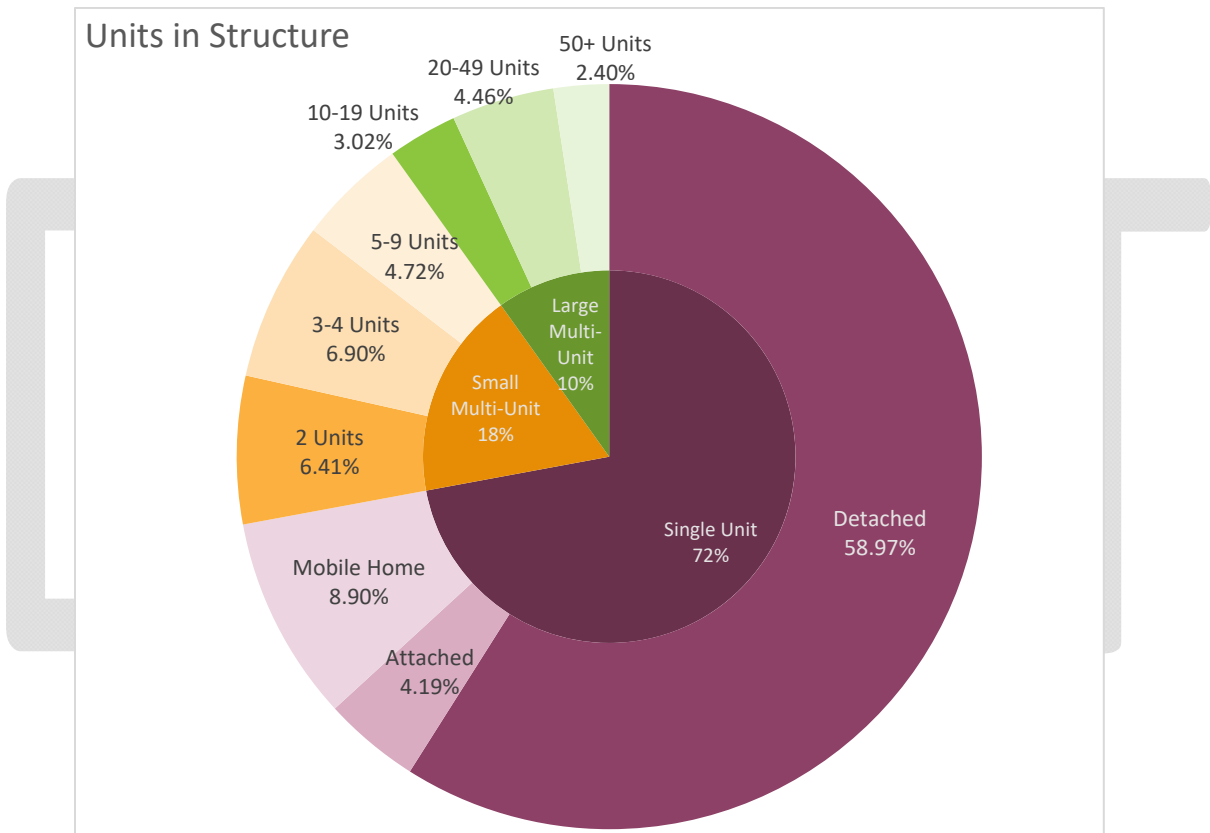
When asked about factors influencing people’s abilities to stay in their community, the third most important factor was “Type of available housing”, as expressed on SRPC’s public outreach survey, with 42 percent noting it as significantly impacting their ability.

In the broadest sense, single family homes make up 72 percent of all housing structures in the region, and 28 percent of structures are multifamily. However, there are many subcategories of each, and their presence (or lack thereof) creates a different character for every community.

Regional housing unit characteristics include:

- Brookfield and Middleton are the only communities in the region to report no multifamily structures of any kind. Additionally, Brookfield is the only community to contain exclusively single-family homes (confirm outside of ACS).
- The Tri Cities, Durham, and Newmarket are the only communities in the region with large multi-unit structures of 50 units or more. These are in a variety of buildings, including old mill buildings converted to apartments and newer large developments of several structures. In Durham, many of these units are restricted to UNH students and adults over 55.
- Rochester is estimated to have more than 2,500 manufactured homes. This is the most of any municipality in New England and is more than double the runner-up, nearby Wells, Maine. Barrington ranks tenth in New Hampshire with over 600 units reported. Manufactured housing represents 17 to 18 percent of housing in Rochester and Barrington as well as in Farmington.

- Brookfield and Durham are the only two municipalities that have no mobile homes (Confirm outside ACS)
- The municipalities with the largest percentages of multi-unit housing are concentrated in the urban areas, including the tri-cities, as well as Durham, Newmarket, and Rollinsford.
- Detached single family homes comprise 59 percent of housing in the region, and at least 50 percent of the housing stock in all but 4 communities: Dover (44 percent), Newmarket (43 percent), Somersworth (46 percent), and Rochester (49 percent).



Bedrooms in Unit

The number of bedrooms in a home is not quite an indicator of size but can be an indicator of development and crowding, among other factors. Homes in the Strafford Region measure up to the rest of New Hampshire and New England, with a majority (60 to 70 percent) of 2- and 3-bedroom homes. New England homes are less likely to have four or more bedrooms, usually only constituting 17 to 20 of housing. In the Atlanta and Houston metropolitan regions, this figure hovers around 30 percent, and 4-bedroom homes outweigh 2-bedroom homes while the opposite is usually true in New England. In the Strafford Region, 4-bedroom homes are more common of the “suburban” communities in the south. More than 30 percent of housing in Madbury, Lee, and Durham contains four or more bedrooms. More than 15 percent of housing in Dover, Durham, and Newmarket has one or no bedrooms, creating the three most diverse housing markets in the region. In fact, Newmarket is the only community where there are more 2-bedroom homes than any other type.

Although the feeling of overcrowding manifests differently for each household and home, the standard definition SRPC will use is when a unit contains two (or more) individuals more than the number of bedrooms in the unit. In the current housing crisis, more families and households than ever are being left with no choice than to live in units that do not fully accommodate all members of the household, sometimes outside the terms of a lease. This is more common for renting households but can still affect owner-occupied households. Up to 17.5 percent of renting households and 10 percent of owner-occupied households may face this challenge in the Strafford Region currently, totaling over 7,300 households. Common scenarios for renting households that live in overcrowded units frequently involve children and college students. Scenarios with owner-occupied homes may include families with multiple children, young adults who cannot afford the cost of living and end up moving in with parents who have already downsized, or grandparents who have taken on a parenting role for their grandchildren.

This is in contrast to populations that are “overhoused,” or have two (or more) bedrooms more than the number of individuals living in the unit. This is more common for owner-occupied units, 24 percent of which may fall within this category. Common scenarios include “empty nest” married couples and older adults who wish to downsize but cannot find an appropriately sized or physically accommodating home to “age-in-place” within. There are 12,000 such units in the Strafford Region. Some overhoused units may even remain vacant for a period of time each year.

Vacant and Seasonal Housing

Just over 50 percent of vacant housing units in the Strafford Region are seasonal homes, most of which are situated on surrounding lakes in the northern and western communities. The remaining vacant units are largely rental units (22.6 percent) and “other” vacant units, which may be vacant as a result of foreclosures, storage uses, estates, and more. Overall, the number of vacant housing units in the region from 2010 to 2020 decreased by 1.64 percent, or 584 units. Despite there being smaller number of total housing units in 2010, the total number of vacant housing at that time (7,435) was greater than what it is in 2020 (6,851). The increase in occupied units has exceeded the increase in total units, indicating that people are living in units that were vacant in 2010. This could indicate that formerly seasonal housing is now being lived in year-round or there have been significant improvements to units that had been uninhabitable in 2010 to make them available to live in. Every municipality in the region with the exception of Brookfield, Durham, Madbury, and Wakefield has seen an increase in the number of occupied units, further pointing to the strain on inventory in the region. These trends will require close and regular monitoring as more data becomes available about “work-from-home” labor shifts. There are also concerns from municipalities on this shift, as upgrading seasonal housing to year-round could require infrastructure upgrades and other changes due to increased use. This was mentioned during SRPC’s August Housing Workshop with municipal and planning representatives.

In addition to being used for seasonal housing, vacant units can also be used for short term rental units. There are over 150 such units in the region, primarily in the communities with significant numbers of lakeside seasonal homes. SRPC’s communities have been in discussion over how to regulate units used for these purposes, as turnover, noise, and traffic are all concerns, particularly on small clusters of lakeside development.

Accessory Dwelling Units

Accessory Dwelling Units, or ADUs, have grown in popularity nationwide in recent years. Also known as “accessory apartments,” “in-law suites,” “granny flats,” or other names, there are many creative and

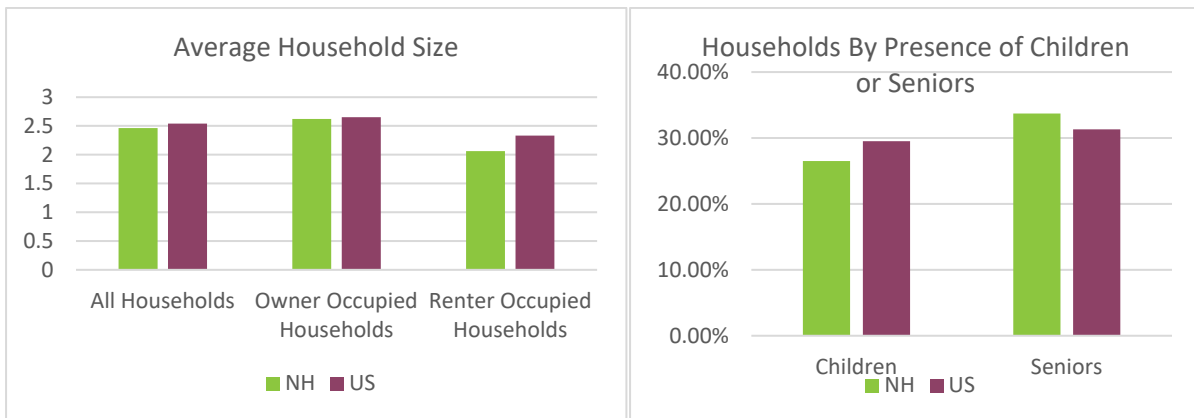
unique ways to include an additional home on a single-family lot. Much like traditional “decker” homes of New England, a basement apartment, apartment above a garage, restored barn, or other arrangement are a way to increase the housing supply and maintain community character. ADUs are ideal for an older parent to retain independence while aging-in-place, for a young professional or college graduate seeking affordable housing, or for a recently divorced parent who wishes to remain in the same school district as their children. ADUs can strengthen ties to community for both the landlord and tenant. Landlords of an ADU are frequently residents of the primary structure of the property and tenants may feel more connected to this individual than a large or “corporate” landlord.

New Hampshire uniquely mandates that municipalities must allow ADUs in some fashion in any district allowing single family homes under RSA 674:72, legislation that went into effect in the summer of 2017. Some municipalities are seeking additional updates to their zoning surrounding ADUs to create a more streamlined process for increasing housing supply. The most recent of these was New Durham in 2022. NHHFA publishes guides for both municipalities and homeowners to navigate ADU regulations.

OPD does not have the resources to record accessory dwelling units in its building permit data collection efforts and New Hampshire’s RPCs have only recently begun to compile this data in conjunction with their communities in recent years. By SRPC’s estimate, 17 ADUs were added to the region in 2021, over half of which were in Barrington or Dover. The size of ADUs in the SRPC region can vary greatly, as some municipalities have no minimum or maximum square footage. Most municipalities require the owner to reside on the property, in either the ADU or the primary structure, with the exception of Durham, Lee, and Madbury, which have no such requirement.

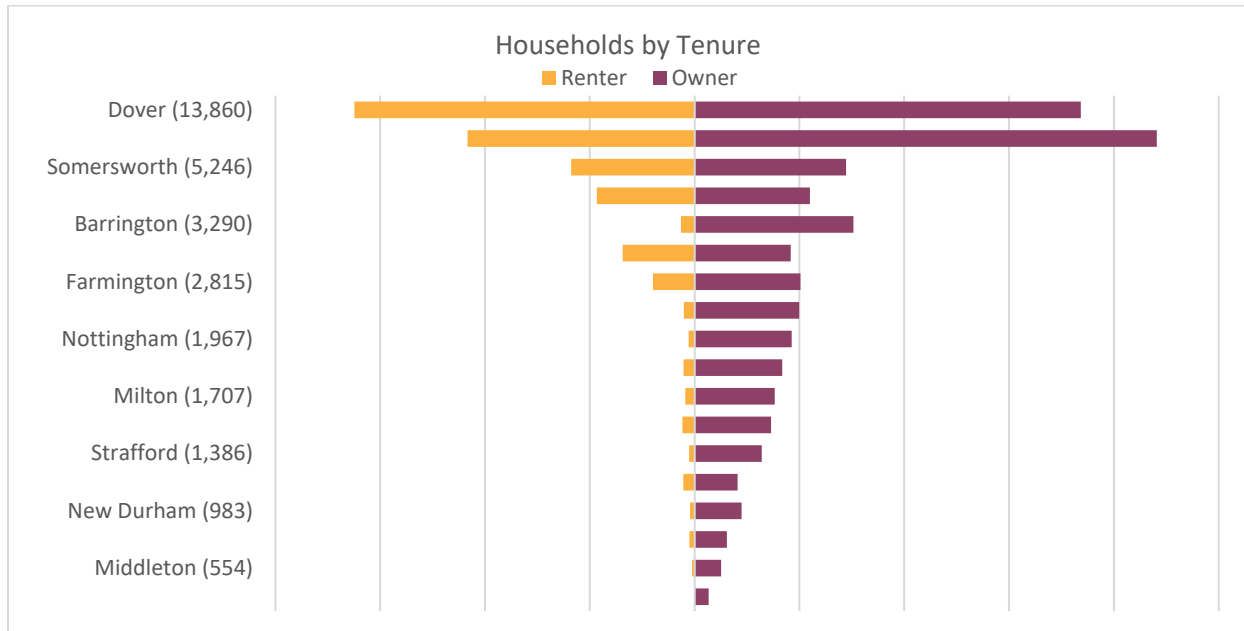
Household Dynamics

Households in New Hampshire are smaller than the United States as a whole. This is in part driven by the smaller percentage of households with children and the higher percentage of households with adults over 65 years old. Overall, the average household size in Strafford, Rockingham, and Carroll counties is declining, while the median age is increasing.

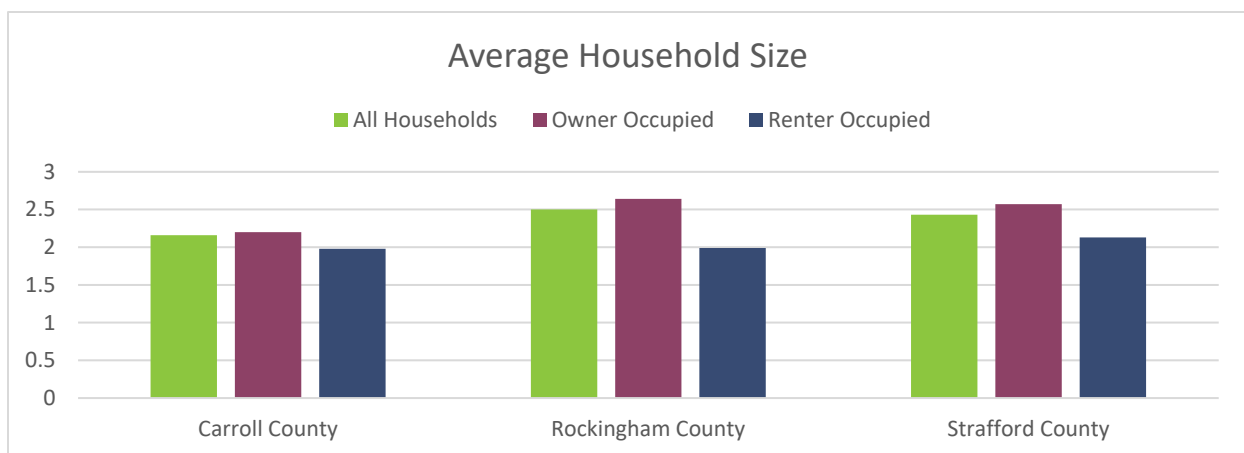


The Strafford Region's over 60,000 households are largely owner occupied. The region’s rural communities have owner occupancy rates above 85 percent, a figure that has only risen with time for most of these communities. Renter occupied homes make up 32 percent of the households in the region, which is higher than the state average of 29 percent but lower than the Massachusetts rate of 37 percent. The urban communities within our region have the highest share of renters. No municipalities

have more than 50 percent renters, but Dover, Newmarket, Somersworth, and Durham each have over 40 percent renter occupied homes. Dover and Rochester are the only two communities to have more than 4,000 renting households, ranking fourth and seventh in the state, respectively. In Durham, students living in on-campus dormitories of UNH are not included here, but off-campus apartments in Durham and the surrounding areas are.⁴

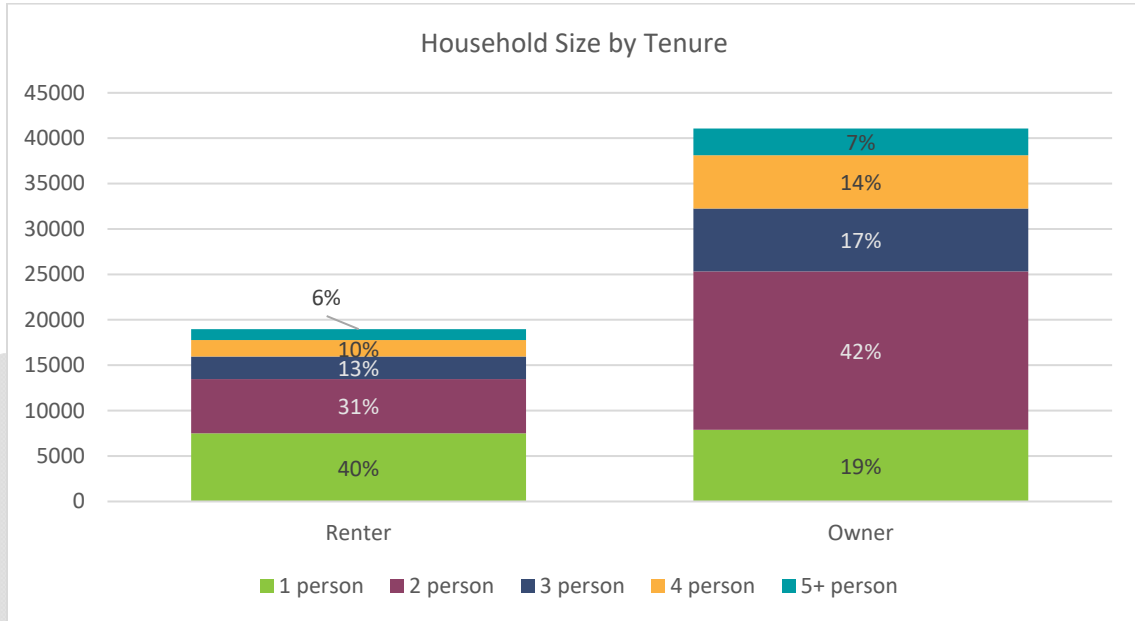


Households in the region are small. The average household size is decreasing at the county level and in the tri-cities, but increasing in some of the towns in the region. Most of the towns with increasing household sizes are small towns with fewer than 2,000 households, and Durham which has over 3,200 households. The average household size for owner occupied homes is higher than renter occupied homes. In Strafford County, owner occupied homes have an average household size of 2.57 people and renters have an average size of 2.13 people.

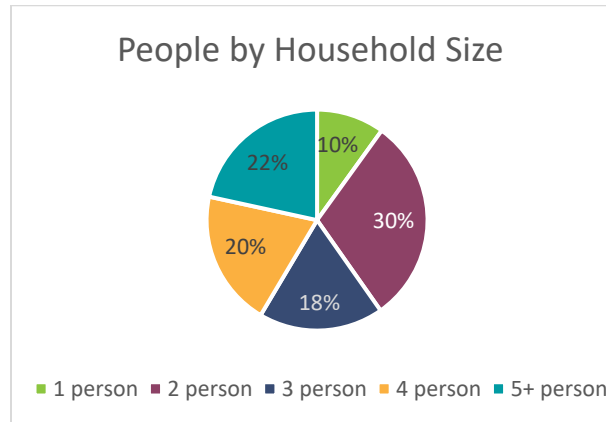
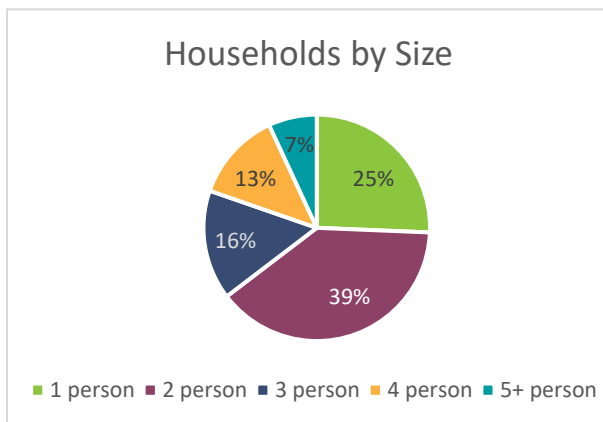


⁴ 2022 SRPC Data snapshot, pg. 66

Homes with 1-2 residents make up 65 percent of all households. Renter occupied households are smaller than owner occupied households, with 71 percent of renter-occupied and 61 percent of owner-occupied households having 1-2 residents. Three and four person households make up about 29 percent of households, and of those, 75 percent are owner occupied. The remaining 7 percent of households have 5 or more residents and they are similarly over 70 percent owner occupied.

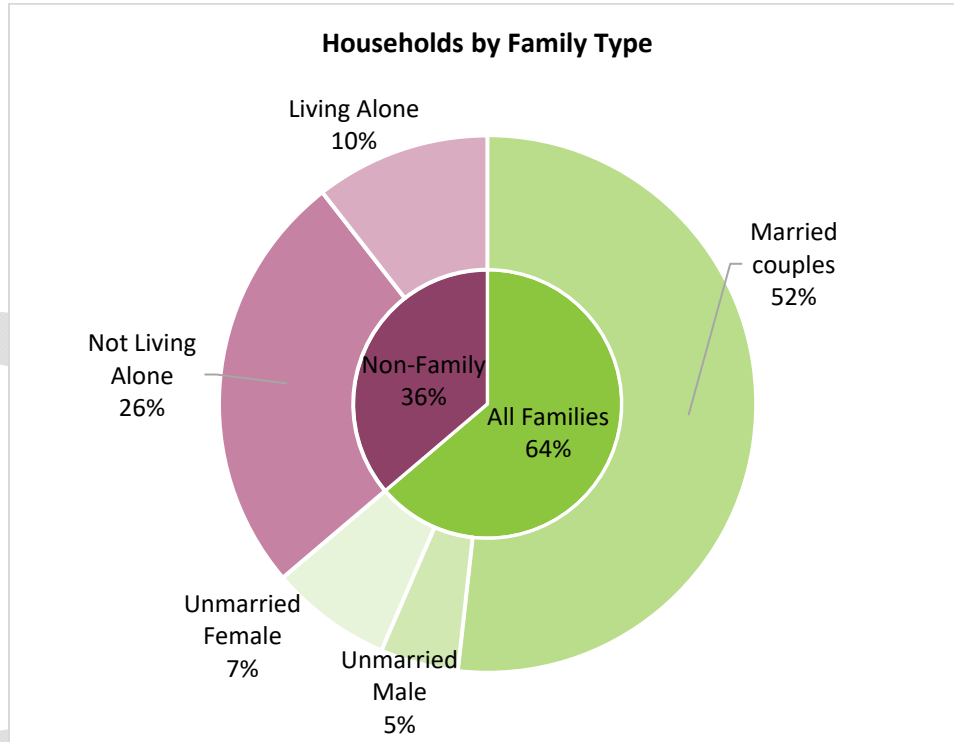


While households with one or two residents are up to 65 percent of households, the people living in these arrangements make up 40 percent of the region's population. This means that the remaining 60 percent of the population lives in units with three or more residents, but only within 35 percent of the occupied housing units. About 17.5 percent of renting households and 10 percent of owner-occupied households may be “overcrowded”, meaning there are two or more people per bedroom. Up to 24 percent of owner-occupied households and 12 percent of renter-occupied households may be “overhoused”, meaning that the number of bedrooms exceeds the number of residents by 2 or more (i.e., 1 person in a 3-bedroom home).

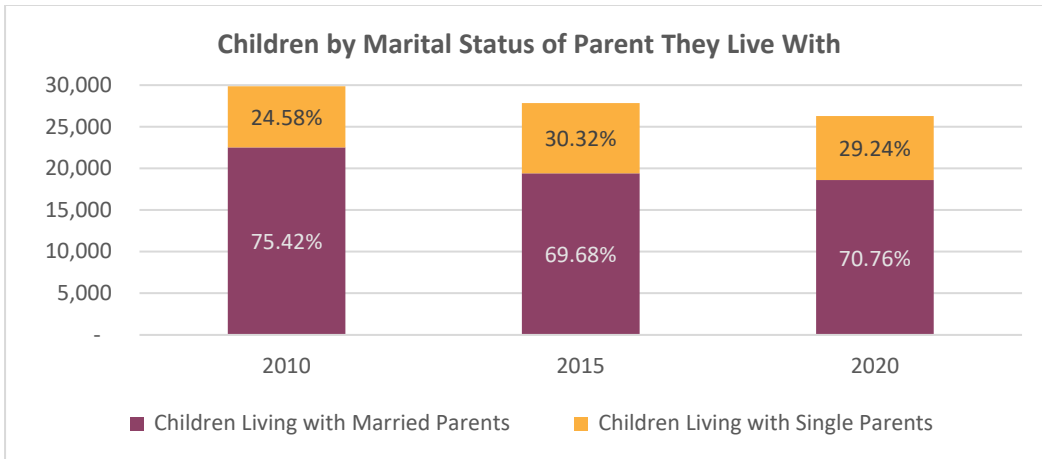


Family and Non-Family Households

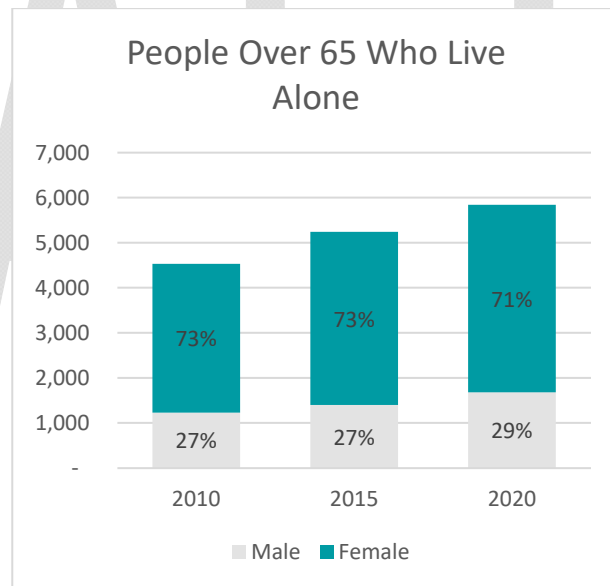
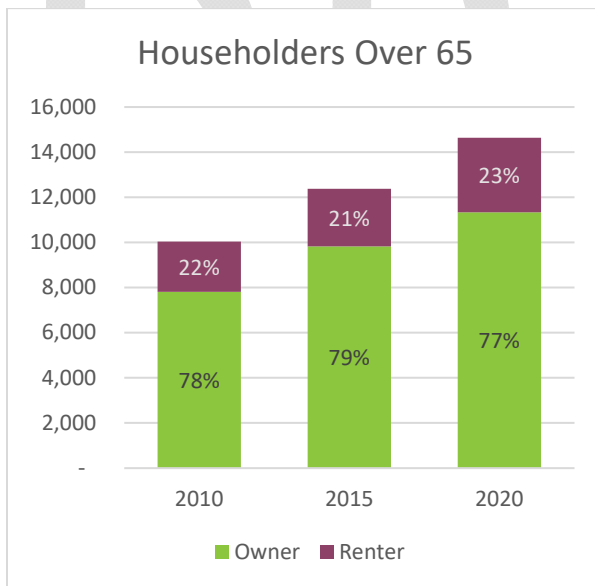
For the purpose of this data, a family is a household where two or more people are related by birth, marriage, or adoption. Non-family households are households of one person living alone or households where none of the people are related to each other. Roughly 64 percent of occupied units in the region are family households, while the remaining 36 percent are non-family households. These percentages have remained constant from 2010 to 2020.



Less than half of the family households in the region have children. The number of households with children has been decreasing, making up 31 percent of all households (47 percent of family households) in 2010 and only 26 percent of all households (41 percent of family households) in 2020. This trend can be seen in school enrollment as well, which has been shrinking in all 18 communities in the region across all grade levels, from pre-K to 12th grade from 2013 to 2021. Rochester is the school district with the highest number of enrolled students, closely followed by Dover. Rollinsford and Middleton have the two smallest school districts, each holding under 150 students across all grade levels.



While the households with children are decreasing, the households with people over 65 are increasing. In 2010, householders over 65 inhabited 18 percent of the homes in the region. A decade later, this had increased to 24 percent. Over 70 percent of these householders own their homes, and about 40 percent live alone.



Communities of Interest

Communities of interest are groups of people who have common housing challenges or needs. These communities include demographic and socioeconomic groups that include race and ethnicity, language, age, disability status, income, poverty, access to vehicles, and more. In this housing needs assessment, we discuss the specific housing challenges that these communities face.

Where the data is reliable,⁵ selected communities of interest are further analyzed to determine whether there is a geographic concentration of that population. A Census Tract, or other geographic level, has a concentration of a given population if the percent of people or households is more than one standard deviation from the regional percent.

Racial and Ethnic Minorities

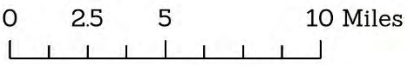
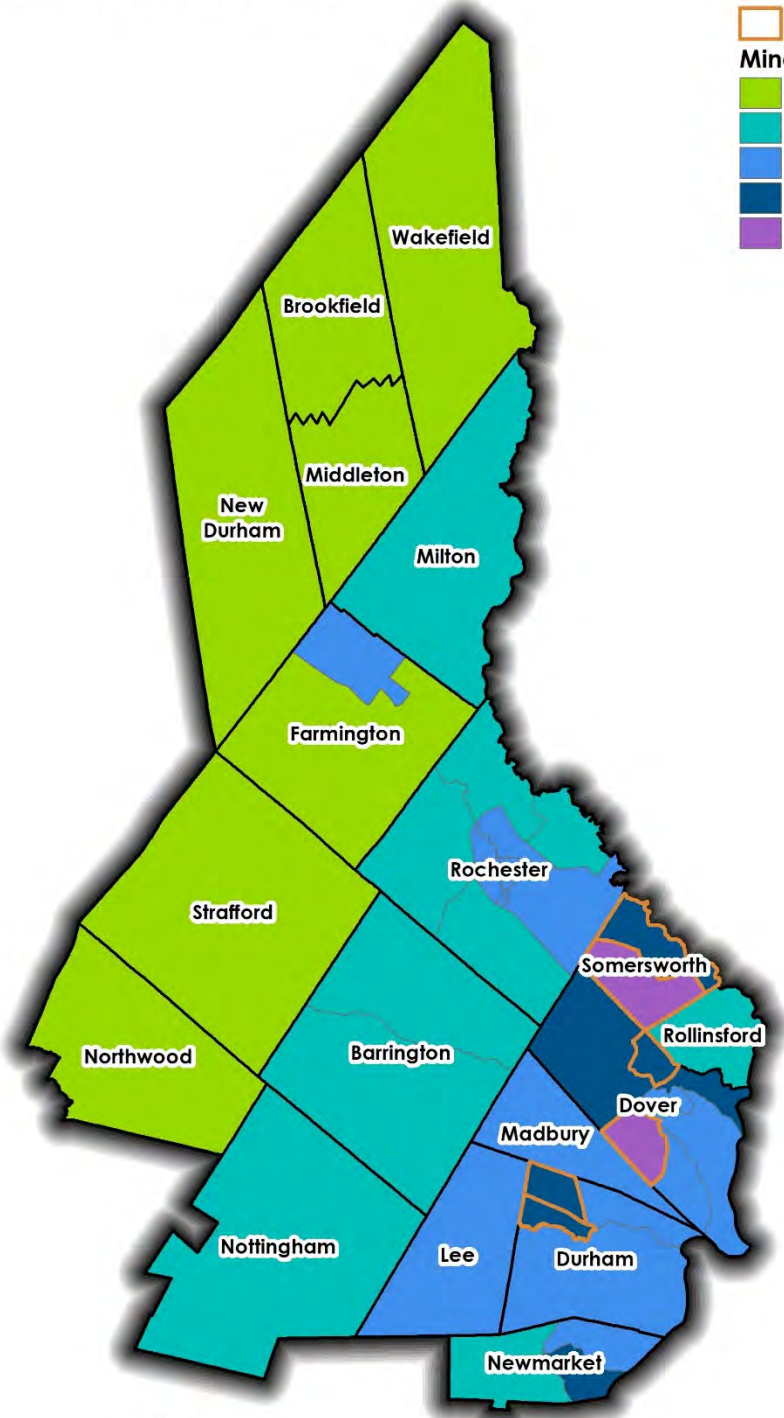
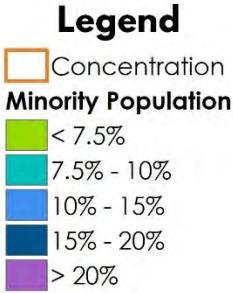
The US Census Bureau measures race and ethnicity following the OMB standards as set in 1997. The 2020 Census collected data on Hispanic origin and race in two separate questions. Race is broken into five categories of White, Black or African American, American Indian or Alaska Native, Asian, Native Hawaiian or Other Pacific Islander. In addition, the 2020 census also allowed people completing the survey to select an undefined “Other” as well as a “Two or More Races” categories. Ethnicity classifies individuals in one of two categories: “Hispanic or Latino” or “Not Hispanic or Latino.” We use the term “Hispanic or Latino” interchangeably with the term “Hispanic,” and also refer to this concept as “ethnicity.” It is important to note that people of Hispanic origin may be of any race. For example, a person identified as having a race of Pacific Islander can also be identified as Hispanic.

The measure of minority rate for the SRPC region takes into account both race and ethnicity when calculating minority population.

Diversity within the SRPC region is increasing. In 2020, 11.86 percent of the region’s population identified as one or more racial or ethnic minorities, compared to 7 percent in 2010. Minority populations are primarily concentrated in parts of Dover, Somersworth, Durham, and Newmarket. The most prominent minority populations are those that identify as two or more races, followed by Asian alone, and then Hispanics or Latinos. Some of the notable known minority populations in the region include the Indonesian population in and around Somersworth and non-white UNH students (approximately 2,000 students.)

⁵ Refer to the SRPC Data Snapshot, 2022, page 8, for an overview of the tests conducted to assess the validity and reliability of ACS data estimates. http://strafford.org/uploads/documents/plans/rpc/datasnapshot_2022.pdf

Minority Populations



Dissimilarity Index

The dissimilarity index (or the index of dissimilarity) is a commonly used measure of community-level segregation. The dissimilarity index represents the extent to which the distribution of any two groups (frequently racial or ethnic groups) differs across census tracts or block groups. The values of the dissimilarity index range from 0 to 100, with a value of zero representing perfect integration between the racial groups in question, and a value of 100 representing perfect segregation between the racial groups. The following is one way to understand these values:

- Low Segregation: Index of <40
- Moderate Segregation: Index of 40-54
- High Segregation: Index of >55

Dissimilarity Index: Comparison Between the Concentrations of Two Populations

		Minority: White Not Hispanic or Latino (NHW)		Hispanic or Latino of Any Race: NHW		Not Hispanic or Latino					
				Black or African American: White	Asian: White	American Indian or Alaska Native: White	Native Hawaiian or Other Pacific Islander: White	Some Other Race: White	Multiracial: White		
SRPC	Dissimilarity Index	26.0	33.0	49.6	45.6	83.5	96.9	90.4	23.9		
	Level of Segregation	Low	Low	Moderate	Moderate	High	High	High	Low		
	Population In Question => 1% of Total Population	Yes	Yes	No	Yes	No	No	No	Yes		
NH	Dissimilarity Index	32.0	41.5	51.7	46.8	69.5	82.5	73.3	30.4		
	Level of Segregation	Low	Moderate	Moderate	Moderate	High	High	High	Low		
	Population In Question => 1% of Total Population	Yes	Yes	Yes	Yes	No	No	No	Yes		

Limited English Proficiency

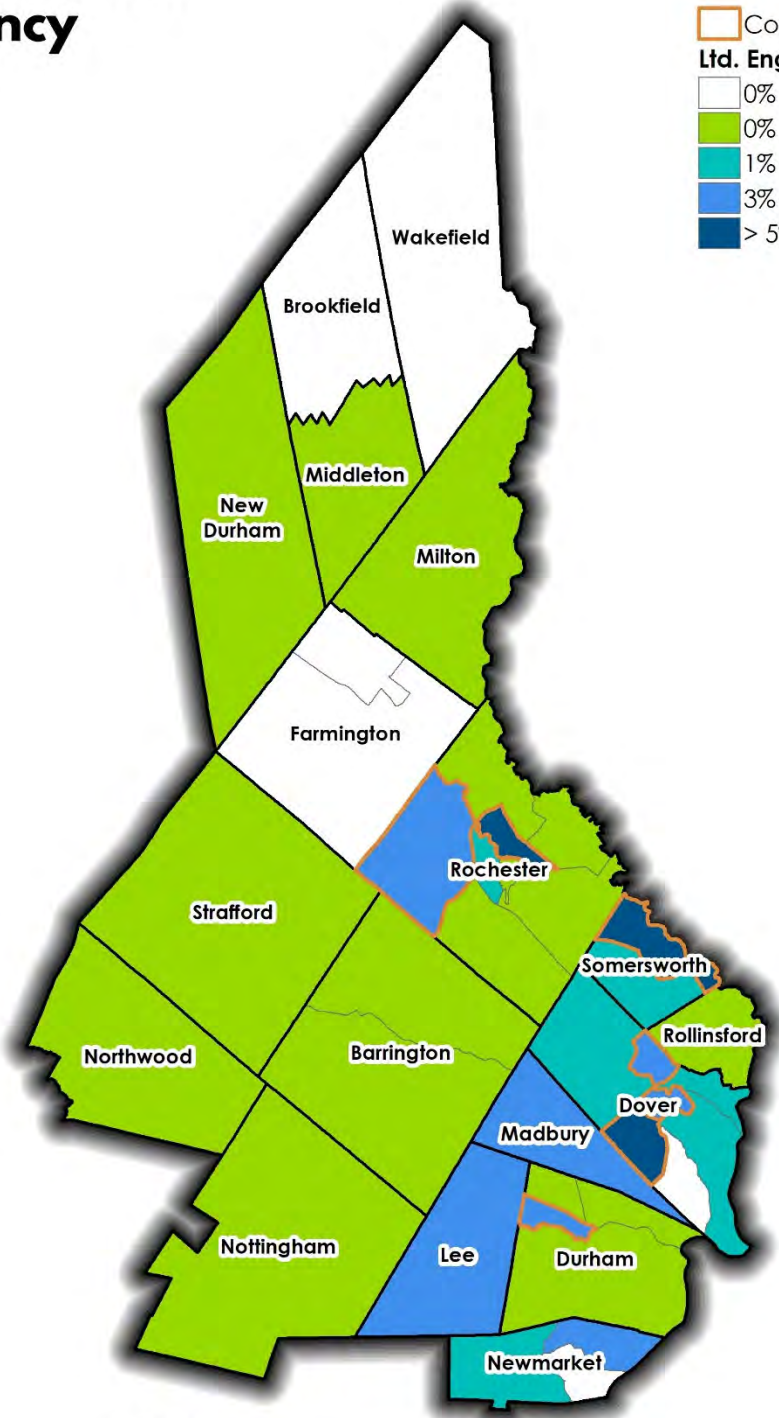
The measure of LEP population is defined as individuals five years of age or older who self-identify as speaking English less than "very well" according to the U.S. Census American Community Survey 5-Year Estimate data. The total LEP population equals the sum of all individuals who speak a language other than English and speak English less than "very well." The share of LEP individuals is tabulated as a percentage of the total population of a census block. Because of the small sample sizes, the Margin of Error for a given census block can be greater. Detailed information and data on LEP populations is downloadable from LEP.gov Map Application using the "Download State/County Level Data" buttons.

Because English is not a primary language for this population, they may experience difficulty communicating in English, and may need an interpreter or document translation in order to have meaningful access to federally funded programs. Title VI of the Civil Rights Act of 1964 requires recipients of Federal financial assistance to take reasonable steps to make their programs, services, and activities accessible by eligible persons with limited English proficiency.

The LEP population in the SRPC region from 2010 to 2020 has varied in each of the three SRPC counties. For Carroll County, which has a significantly smaller percentage of LEP population compared to Rockingham and Strafford Counties, while it increased some in 2015, it went back down to 2010 levels in 2020 (0.29 percent). Rockingham County has a greater percentage of LEP population than Carroll, but less than Strafford. Rockingham County has seen a decline in LEP population from 2010 to 2020, going from 1.82 percent to 1.33 percent. Strafford County has the greatest LEP population in the region. In contrast to Carroll County, Strafford County saw a decline in LEP population in 2015 compared to 2010 but did increase to about the same percentage than 2010 in 2020. In 2020, Strafford County's LEP population was 1.96 percent.

Census municipal ACS data indicates that there are LEP individuals in Dover, Durham, Rochester, and Somersworth. There may also be some LEP Individuals in Lee and Newmarket, although the data in those communities varies widely year to year, so it is unclear if this is an accurate estimate. Based on the information we have, LEP populations follow a similar pattern of concentration than that of concentrations of poverty. It is important to note, that data for this metric is very limited.

Limited English Proficiency



Immigrants and Refugees

- Data is only available at the statewide level.
- Could discuss immigration process, impact of not having the same family/friend support system they may have had back home, language barriers, etc.

Poverty

The US Census Bureau uses a set of income thresholds that vary by household size and composition to determine who is in poverty. If a family's total income is less than the federal family size threshold, then that family and every individual in it is considered in poverty. The official poverty thresholds do not vary geographically, but they are updated annually for inflation using the Consumer Price Index (CPI-U). The official poverty definition uses income before taxes and does not include capital gains or noncash benefits (such as public housing, Medicaid, and food stamps). The 2022 Federal poverty threshold for a single person under age 65 is \$14,097 and increases for each additional person in the household. The poverty measure is intended to weigh household income against costs to determine the minimum amount necessary to afford basic living expenses. A household earning 200 percent or less of the poverty threshold is considered at-risk or currently experiencing hardship.

The measure has some limitations as it does not adjust for differences in the cost of living between urban and rural areas. Poverty calculations do not capture other contributions to well-being, either. A family may have lots of assets, such as housing and capital gains, and still live below the poverty level. Secondly, the threshold follows households and is not defined by one's income. Where a two-person household has one individual working above the poverty level and one individual who does not work due to age or disability, the household would fit under the threshold for poverty despite "making ends meet."

In the SRPC region, poverty has declined in line with an increasing labor force, a figure that has trended upward since the 2008-09 recession. Households in poverty (under the \$poverty threshold for their household configuration as described above) have decreased by nearly 2 percent since 2015 and households "at-risk" dropped from almost 25 percent to 17 percent in 2019, before rising back to 19 percent in 2020.

New Hampshire's minimum wage continues to match that of the federal government, at \$7.25 per hour with no immediate plans to raise this earning. Maine and Vermont, also at the lower end of New England minimum wages, are both expected to have minimum wages pass \$13 per hour at the beginning of 2023. The MIT Living Wage Calculator publishes annual wage estimates for "poverty" and "living" wages by county. The living wage is based on a very restrained budget that focuses on the bare minimum needed to live. There are only four household combinations in which the state's current \$7.25 minimum wage is higher than Strafford County's poverty wage. Notably, the living wage is 2 to 4 times the poverty wage for all households.

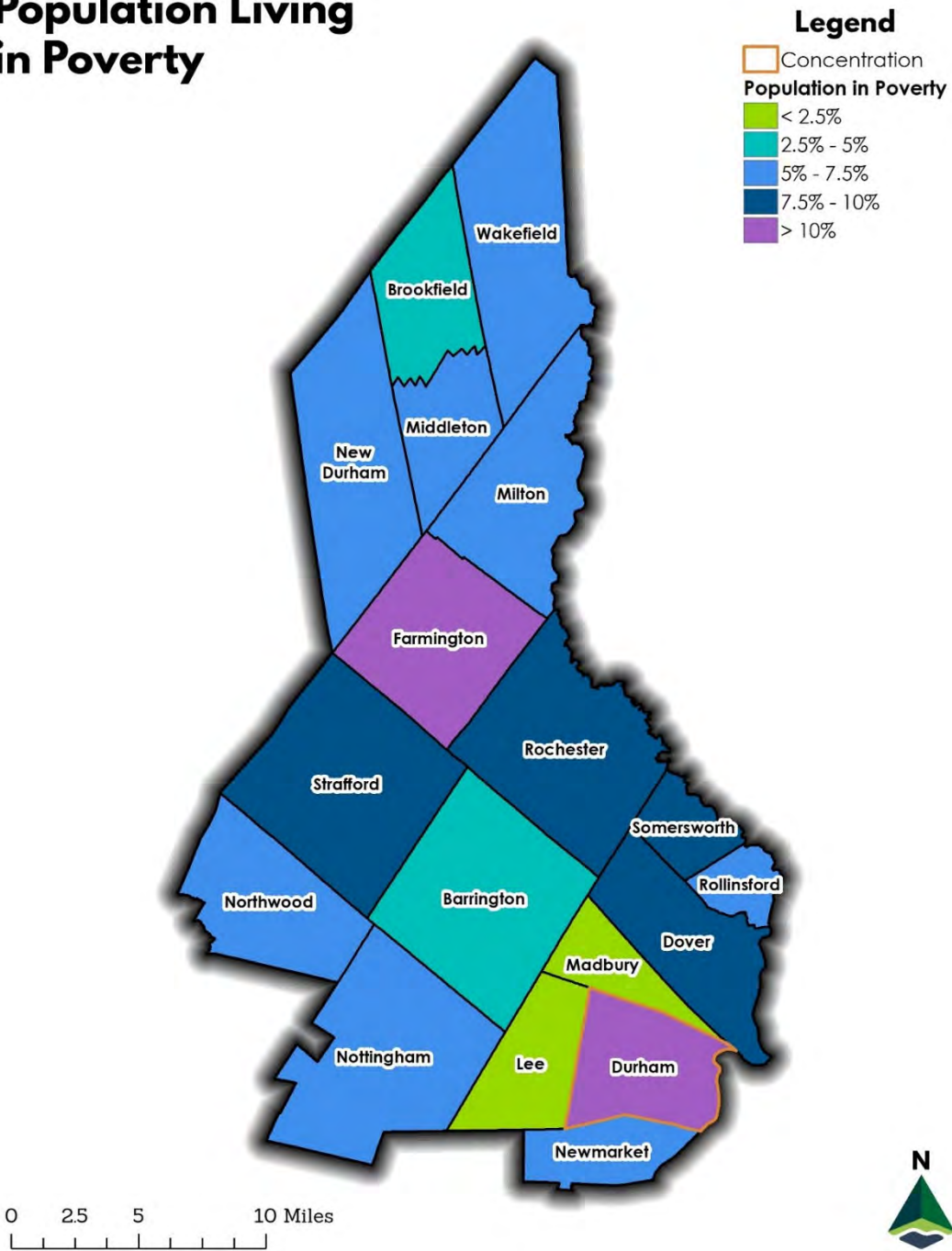
Household Type		Poverty wage	Poverty salary	Poverty salary (per mo.)	Living wage	Living salary	Living salary (per mo.)
1 Adult	0 Children	\$6.19	\$12,875	\$1,073	\$17.39	\$36,171	\$3,014
	1 Child	\$8.38	\$17,430	\$1,453	\$33.27	\$69,202	\$5,767
	2 Children	\$10.56	\$21,965	\$1,830	\$41.50	\$86,320	\$7,193
	3 Children	\$12.74	\$26,499	\$2,208	\$55.57	\$115,586	\$9,632
2 Adults (1 Working)	0 Children	\$8.38	\$17,430	\$1,453	\$25.69	\$53,435	\$4,453
	1 Child	\$10.56	\$21,965	\$1,830	\$31.16	\$64,813	\$5,401
	2 Children	\$12.74	\$26,499	\$2,208	\$36.64	\$76,211	\$6,351
	3 Children	\$14.92	\$31,034	\$2,586	\$40.51	\$84,261	\$7,022
2 Adults (both working)	0 Children	\$4.19	\$8,715	\$726	\$12.85	\$26,728	\$2,227
	1 Child	\$5.28	\$10,982	\$915	\$18.19	\$37,835	\$3,153
	2 Children	\$6.37	\$13,250	\$1,104	\$23.54	\$48,963	\$4,080
	3 Children	\$7.46	\$15,517	\$1,293	\$28.08	\$58,406	\$4,867

11 percent of SRPC region households fall within 100-200 percent of the poverty threshold, understood to be a loose definition of “at-risk” households and families or ones currently experiencing financial hardship. Compare this to the “poverty” and “living” wages calculated above by the MIT Living Wage Calculator. 200 percent of the census-defined poverty threshold for a single adult worker under the age of 65 is \$28,194, which still falls short of the Living Wage Calculator’s expectation for a living wage in Strafford County.

Within the SRPC region, communities experiencing high poverty and “at-risk” household rates in 2020 included Rochester (27 percent), Farmington (26 percent), and Wakefield (22 percent). On the other end, the communities experiencing the lowest levels of poverty included Madbury (6 percent), Barrington (9 percent), and Brookfield and Nottingham (10 percent each).

Despite a small sample size, cross-examining poverty with other factors where the data is available is critical. In the SRPC region, the non-white groups most likely to experience poverty are Asians, followed by Hispanic and Latino populations, where 6 percent and 3 percent of the population in poverty are members of these groups, respectively. In Dover, as high as 8 percent of the population in poverty identifies as Asian, and another 8 percent are Hispanic or Latino. In Rochester, 3 percent of Black households are in poverty.

Population Living in Poverty



Homeless Populations

There are many forms of housing instability. Some individuals experience chronic homelessness and use shelters or may be plainly exposed to the elements. Some individuals are temporarily homeless following a financial or social setback and may stay with a friend or family until a more stable solution is found. A respondent to SRPC’s public outreach survey shared:

"I am a single woman over 60 with a good job. I was renting an affordable apartment for over 20 years. When the landlord sold the building. The new owner raised my rent by \$500.00 per month. I couldn't find an apartment anywhere. I had no place to go & became homeless. I think the people making decisions on affordable housing are out of touch with income reality and always disregard single older adults. This needs to stop! We are left out in the cold. There are no options for us. No services, no help whatsoever! The reality for us is very real. My reality is that I will have to work until I die & this is the USA??? Shameful & sad."

Many others fall somewhere in the middle. Disabled individuals and those in recovery may find themselves in some type of transitional housing. Another respondent to the same survey mentioned above shared:

"I think we need lots of transitional housing for our unsheltered. Most are not prepared to live in an apartment and be able to function without help and or guidance. Not much land in Dover so maybe up at Strafford County near the court house on the bus line. We also need affordable housing for our low income individuals and families."

Some families are separated for a brief time where a child is placed in a more stable arrangement while a parent finds work or is experiencing another difficulty. Because of the varied nature of the homeless experience, data about this group is hard to collect and normalize. One such attempt is the HUD Point-In-Time count, collected on a rotation depending on the administering agency and location. In New Hampshire, this data is collected by the Council on Housing Stability for the city of Manchester, the immediate Nashua area, and for the remainder of the state.

Prior to the pandemic, the homeless population in New Hampshire hovered around 1,500 (counted) individuals and rose to about 1,700 during the pandemic. Of this group, about 45 percent are located outside of Manchester or Nashua. Rural housing instability is different than urban housing instability, particularly in New Hampshire. While higher concentrations are located near Manchester and Nashua, respondents to SRPC's public outreach survey did see homeless as a challenge facing their community, ranking it fourth out of eight housing-related challenges.

In a state with limited, if any, countywide supports, many urban municipalities are equipped with a welfare department or housing authority while rural municipalities struggle to assist families experiencing housing insecurity, although the Tri Cities disbanded their joint homelessness committee in January 2022 and Lee and Durham

During the September Housing Forum outreach event that SRPC held, which was attended by housing authority & workforce housing representatives and social service providers, a participant shared:

"Smaller towns don't have full time welfare staff, so more strain on the cities. If there was a regional welfare system to support, that would help. Years ago it was county level welfare, and got moved back to towns..."

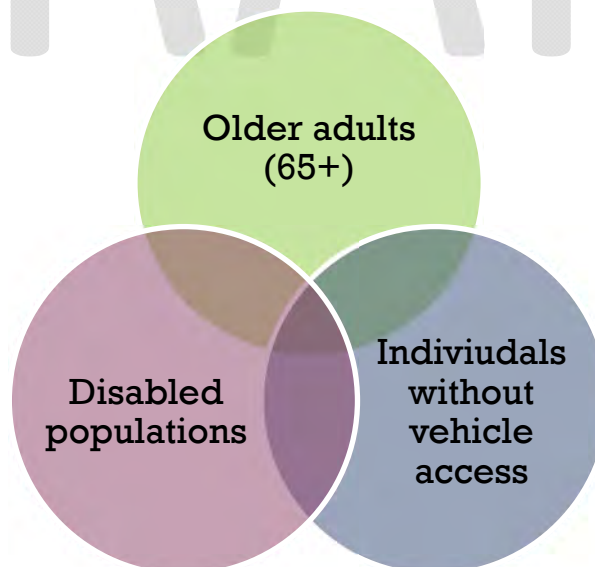
At the same event, a municipal representative questioned how to make the system fairer, noting that their municipality didn't use its full welfare budget in the previous year.

There are dozens of non-profit organizations and networks targeted at families, domestic abuse survivors, and the elderly – some even providing shelter – but rural individuals in need of housing assistance may ultimately relocate to urban areas for help. It is important to note, as shared at the September Housing Forum, shelter resources are often at capacity, and other services being provided often go underutilized as there aren't enough people to help those in need navigate the services.

Populations Experiencing Disabilities

People living with a disability seek out community-based living conditions which provide housing dignity. Many different living arrangements can be considered appropriate based on an individual's needs. Families with a member living with disabilities often care for their dependents well into adulthood. According to a 2021 survey by ABLE-NH, 70 percent of both family caretakers and individuals with disabilities reported a need for access to appropriately supportive, accessible affordable housing. In addition, caretakers are older, with 60 percent of caretaker respondents noting their own age was between 55 to 74. More than 50 percent of respondents expressed a desire to live independently from their family, with appropriate, and nearby support. Depending on the impairment, physical improvements may need to be in-place in order for individuals to achieve a more independent housing and living arrangements. New Hampshire Housing estimates over 47,000 households have a member with a disability which is in need of some form of housing accommodation or assistance.

Data on disabled populations is collected by the ACS of the US Census Bureau. When reporting disability statistics, the ACS collects information on difficulties in hearing, vision, cognitive, ambulatory, self-care, and independent living ability, all of which may be temporary or permanent. Respondents who report any one of these identified disability types are considered to meet the definition of a person with a disability.

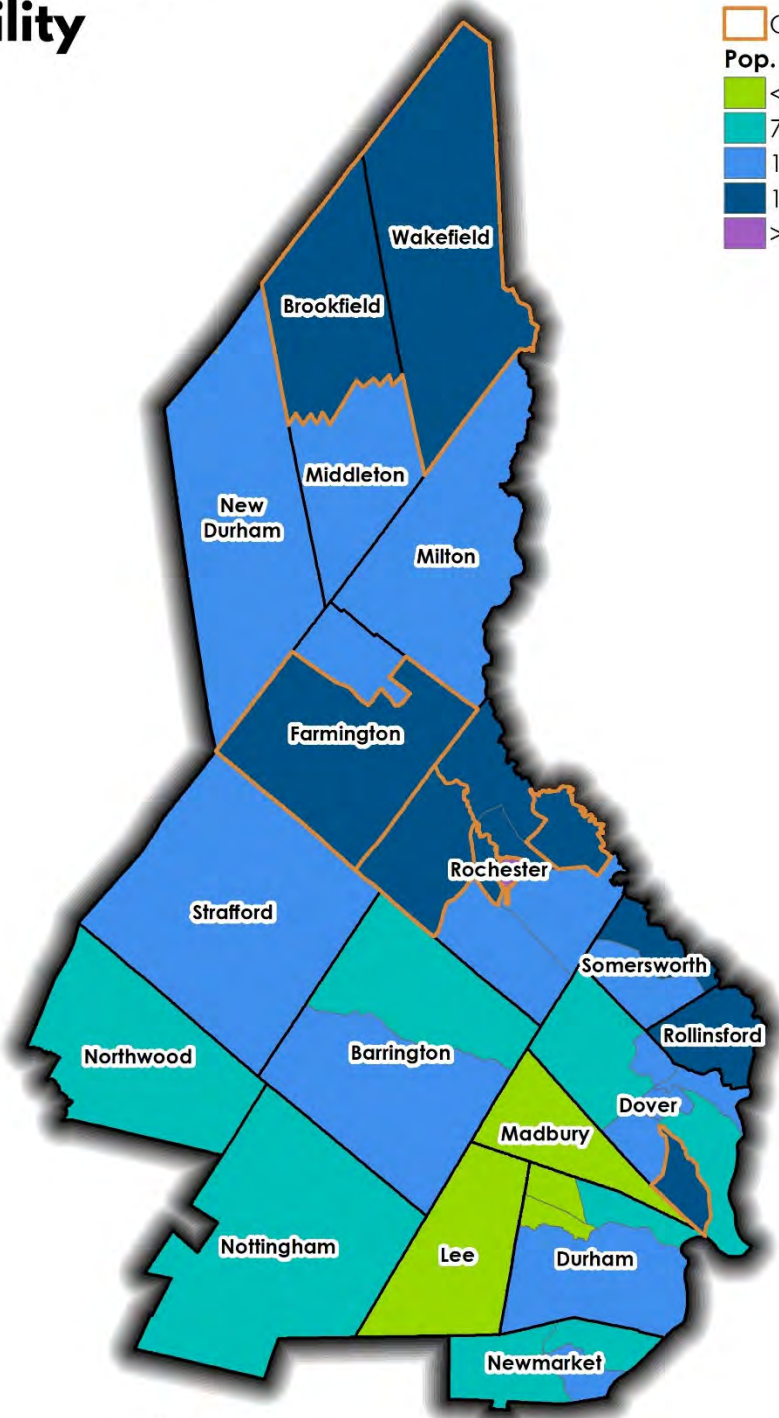


There is overlap between older adults, persons who do not drive, and persons reporting a disability. As described previously, northern New England is aging, particularly in rural communities. This translates to

an increased need for supports for individuals experiencing disabilities, including opportunities to “age-in-place” and availability of homes close to transit or within walking distance of everyday destinations. Rural SRPC communities that reported an increased median age *and* increased populations experiencing a disability included Northwood and Strafford. Urban and suburban communities reporting these trends included Barrington and Somersworth. Wakefield reported the highest median age (50) and the highest rate of disability (20 percent). Rollinsford’s disabled population increased from 8.5 percent in 2015 to 16 percent in 2020, while Farmington’s decreased from 20 percent to 15 percent. The SRPC region on the whole did not change, hovering at 12 percent for both years. Social Security claimants in the SRPC region have consistently represented about 10 percent of New Hampshire’s total claimants in recent decades. Income is a major factor in the quality of life for disabled groups and the housing choices available to them. The average monthly SSI payment in New Hampshire in August 2022 was under \$580.

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Population with a Disability

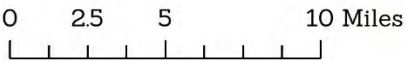


Legend

Concentration

Pop. with a Disability

- < 7.5%
- 7.5% - 10%
- 10% - 15%
- 15% - 20%
- > 20%



Substance Abuse and Mental Illness

Individuals with mental illnesses as well as those who struggle with substance abuse often experience chronic housing instability. Indeed, at least 23 percent of New Hampshire's homeless struggled with a severe mental illness and at least 17 percent struggled with a substance abuse disorder in 2021. Housing instability and the ability to hold employment are interconnected and can lead to a "chicken and egg" scenario for many individuals in recovery or live with mental illness.

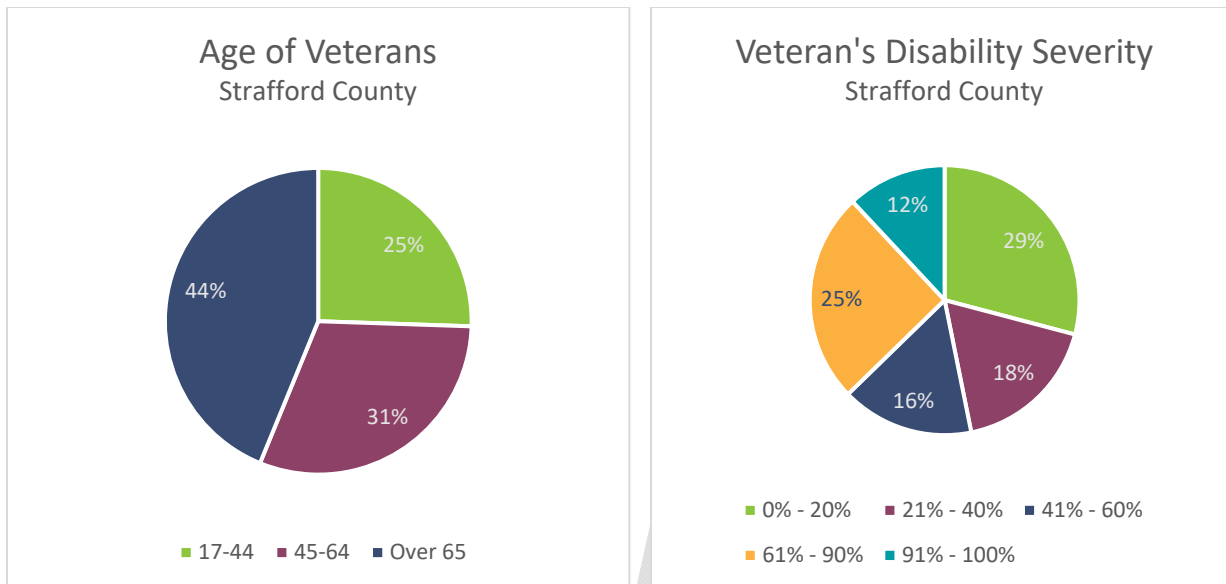
New Hampshire has historically faced higher rates of drug abuse, particularly that of prescription painkillers, than its New England peers. However, the rate of abuse both nationally and in New Hampshire had decreased in the years leading up to the pandemic, according to the Substance Abuse & Mental Health Services Administration (SAMHSA). Some service providers and shelters or transitional housing have sobriety requirements that create a barrier to those facing substance abuse.

Nationally, New Hampshire has an above average presence of adults with mental illnesses but an average presence of adults with "serious" mental illnesses. "Mental illness" is a broad term that encompasses individuals with anxiety and depression who receive routine outpatient care but also neurodivergent individuals who are unable to hold employment and require intense support. This population may lose support systems that allows them to live outside of an institutional setting as they age or do not have the financial capabilities to acquire needed daily support.

Strafford and Belknap counties together report the highest amount of illicit substance use across all age groups and the highest rate of alcohol abuse in adults, as well as the highest rate of serious mental illness in the state. Because Strafford and Merrimack counties report higher than average instances of serious mental illnesses, some migration of these vulnerable populations to areas with more services may be indicated, particularly from the northern third of the state. The greater North Country had the lowest reported rates of any mental illness prior to COVID-19.

Veterans

Although veterans have historically had access to benefits such as very low or even no down payment programs when purchasing a home or special refinancing options, many veterans still find themselves in vulnerable positions due to physical disabilities, mental illness, old age, or other socioeconomic factors. The number of veterans is decreasing but the age of current veterans is increasing. Even young veterans may be unable to work or require physically accommodating housing that is difficult to find or costly to make such improvements to. Notably, the number of veterans reporting disabilities of any kind (receiving VA disability compensation) has increased across New Hampshire except in Carroll County. Strafford County reported a 40 percent increase in veterans reporting a disability and at least 44 percent of veterans are aged 65 or older.



The HUD point-in-time count, subject to undercounting, reported about 150 homeless veterans each year in New Hampshire prior to COVID-19, usually those identified in emergency shelters or transitional housing. This figure has risen since the pandemic, however, the New Hampshire Department of Military Affairs & Veteran Services reported over 17,000 households with a veteran living in substandard or unaffordable housing in 2021.⁶ This would indicate that at least 75 percent of veterans in New Hampshire are either paying more than 30 percent of their income to stay in their current home or are living in overcrowded housing and/or housing lacking functional plumbing.

Households with Limited Access to Vehicles

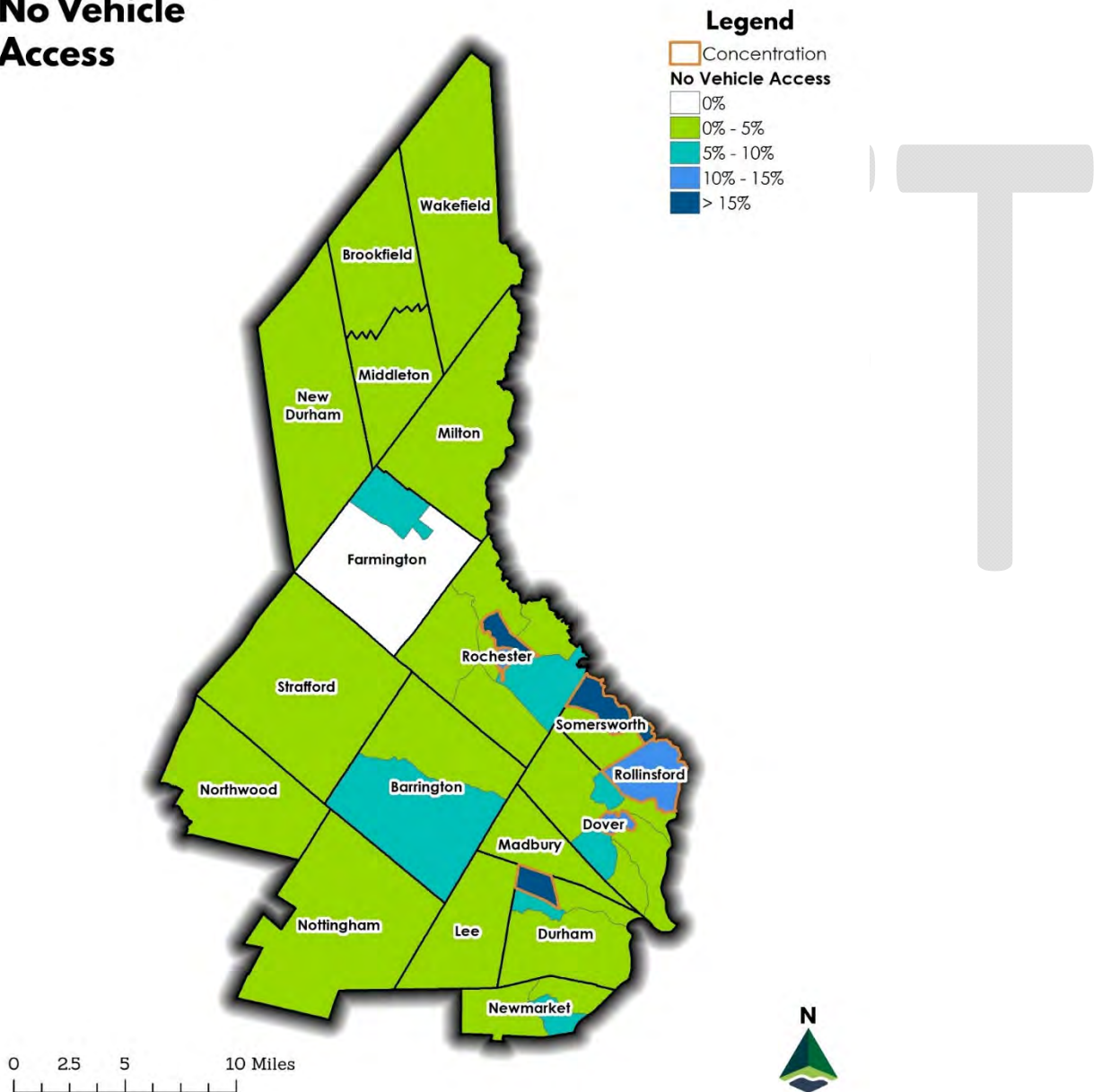
Households with limited access to a vehicle are not provided specific protections under federal or state civil rights laws. However, individuals without access to vehicles have significantly different mobility and housing needs when compared to individuals who own a private automobile. It is imperative for families and individuals without vehicles to live in locations where access to employment, housing, food, education, and services do not require owning, maintaining, and driving a private automobile – or have adequate supports in place should they reside in areas where this is not possible. Such arrangements can only be achieved where individuals can access public transit, private transportation services, walk, or bike. Where no-vehicle households overlap with other marginalized demographics such as disability or age, the compounding circumstances increase inequity. For example, having a physical disability cannot be used to refuse an individual from some forms of employment, but having a private automobile for transportation to and from work can be used as a requisite for employment.

Some households and individuals are reported as having a vehicle even when one member cannot drive, so statistics about vehicle access may be susceptible to underreporting. Households without access to a vehicle are more likely to live in the southern half of the SRPC region, although households with no vehicles or individuals who cannot drive will likely trend upward in the aging rural areas of the state and

⁶ NH Dept of Mil Affairs and Vet Services, 2021, <https://www.wmur.com/article/nh-s-business-segment-video-05-22-2022/40068688#>

therefore the northern communities of the SRPC region. This is a concern as public transit and dense “walkable” living arrangements are more available in southern communities such as Dover and Durham. Nationwide, interest in “walkable” communities has risen and there are an increasing number of households that fall within this limited-vehicle demographic by choice rather than hardship. As such, the cost of living in these communities is rising, and the above communities of Dover, Durham, and neighboring Portsmouth are no exception. Regionwide, Dover and Durham placed 3rd and 5th for rate of households without access to vehicles, at about 6-7 percent each. Rollinsford cites almost 10 percent for this figure, and Middleton, with a median age of 43, cites 5.6 percent, the highest of any rural community in the region.

No Vehicle Access



Persons Living Alone

→ To be developed

Older Adults

Seniors express a high preference for remaining in their homes and neighborhoods but are more likely to need assistance with daily care that requires a congregate living arrangement. Senior citizens often experience mobility challenges and other impairments with time, this may result in trouble climbing stairs, preparing food, driving, and more. For those that can afford it, some older adults are able to accomplish bringing intensive daily care to the home.

According to AARP, nearly 90 percent of seniors choose to age in place within their homes and neighborhoods. This was in-line with responses to the question, "Do you plan on staying within your current community or home permanently?" from SRPC's public outreach survey. About half of respondents said yes, but many respondents noted "as aging or affordability allows" and seem to be concerned about this factor. Below are some responses that reflect this:

"After reviewing the statistics for retiring in NH, it is clear that I will not be able to afford to age gracefully at home. From what I have seen in the last 15 years, I think property taxes in NH also drive many seniors out of their homes."

Another survey respondent shared the following in response to the question, "What desires/goals do you have for housing in the future?":

"I worry so much about being able to stay here as the rent just jumped for me by \$400 a month! I am retired at 78 and on a fixed income and social security at \$1400 no longer covers my rent. Not sure where I would go if costs keep going up."

If older adults must relocate due to cost or mobility, seniors want to do so on their own timetable, and not due to adverse effects of decisions made by housing providers, politicians, or government officials. Because New Hampshire state statute classifies age as a protected class, housing providers are not allowed to reject candidates for available housing based on the age of an individual. There are some federal and state exemptions to this rule, particularly for 55-plus age-restricted units. The benefits of allowing age-restricted communities within a municipality has been debated. 55-plus housing can be used a means for inclusion of seniors in a community, but restrictions can also be a tool to limit families with children and single young adults from moving into a community.

In the same survey mentioned above, a respondent shared:

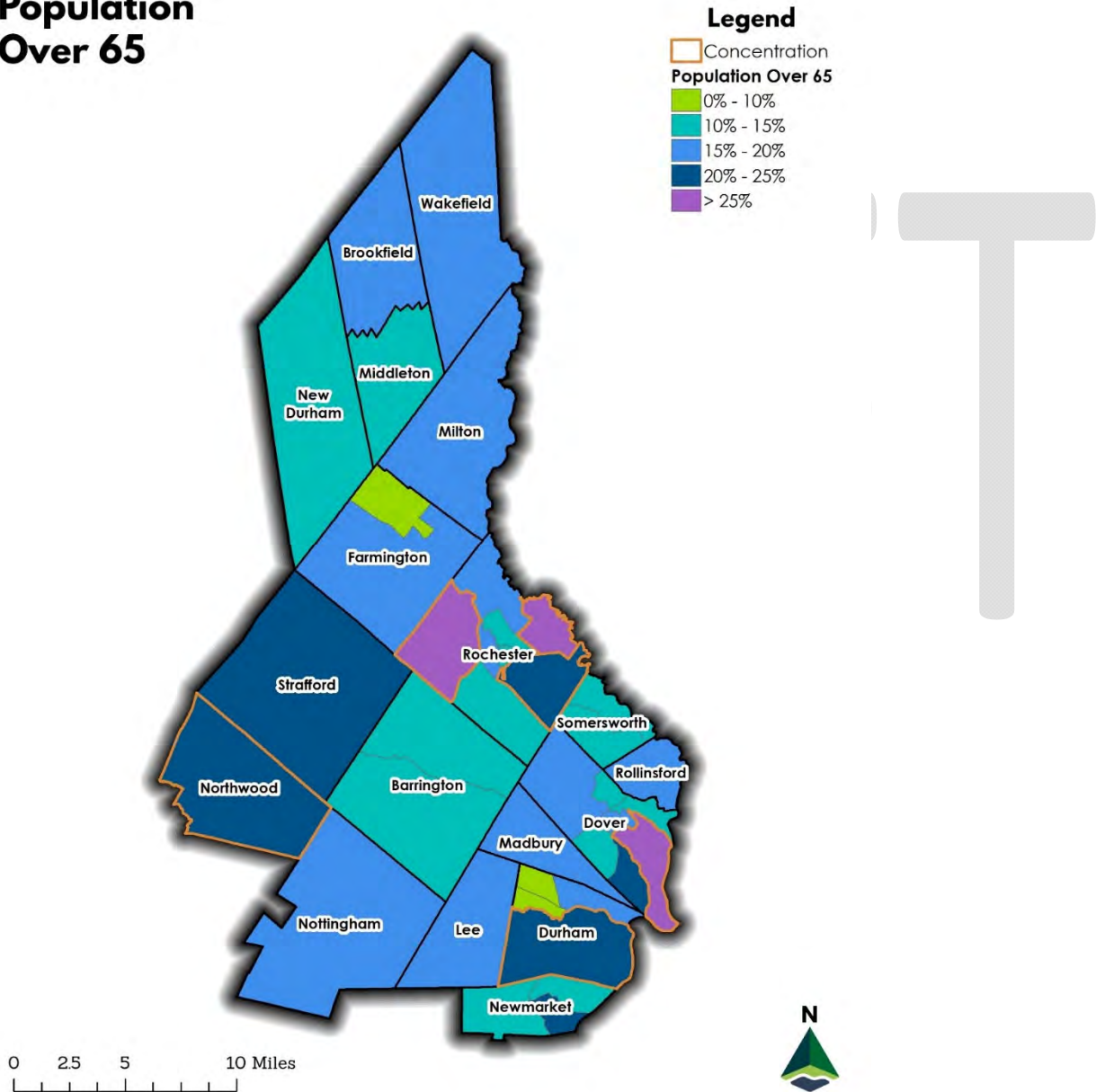
"I would like to [stay within my current community or home permanently] but will probably not be able to afford it. I would like to live in a place like Riverwoods but cannot afford it. My sister had been at Riverwoods in Exeter for 10 years and I am her medical Power of Attorney. But you need a house to sell for down payment and then a good sized income after that. BUT living there gives you the safety of knowing you will have good care for the rest of your life."

Older adults over the age of 65 are the fastest-growing age group in the region, closely followed by the 55 to 64 age group. The cohort of adults 65 and over has doubled in Northwood and Nottingham and

tripled in the town of Strafford. Durham's population over 65 years old is 21 percent of the town when college aged adults (18 to 24 years old) are excluded, making it the highest in the region. The cities of Rochester and Dover have the greatest concentration of adults over 85, likely due to the availability of residential care available.

Concentrations of adults over 65 in the region are in Rochester (in the areas of Tara Estates and the Cocheco River Estates, both 55+ communities), Dover (near the Doverbrook Mobile Home Park, a 55+ community), Durham, and Northwood.

Population Over 65



Children

Safe and stable housing is essential for families with children, yet some families face challenges when renting. A landlord may try to impose specific rules just for families with children or reserve certain apartments for adults only. However, housing providers cannot deny housing based on pregnancy, parental status, or legal guardianship of a child.

In response to the question, “Have you ever been at risk of eviction or losing your home? If yes, please tell us why?” on SRPC’s public outreach survey a respondent shared:

“making ends meet was very difficult for a few months in grad school - I did not qualify for rental assistance unless I stopped working but I needed the income to cover my expenses other assistance wouldn't cover (food for 4 kids - SNAP/EBT was inadequate), childcare subsidy was not 100%...I could not coordinate benefits in a way that didn't leave me exposed and at risk of being homeless without working and rent was a priority so I was pretty frustrated at how difficult it was to get short-term help to sustain my forward momentum without having to demonstrate- all the help seemed to require I demonstrate evidence of a screeching halt, which felt too hard to get restarted from.”







According to the 2020 census, there are 28,222 children in the region, constituting a new low of 18.2 percent of the population. Youth can experience homelessness, housing discrimination, and substandard housing.

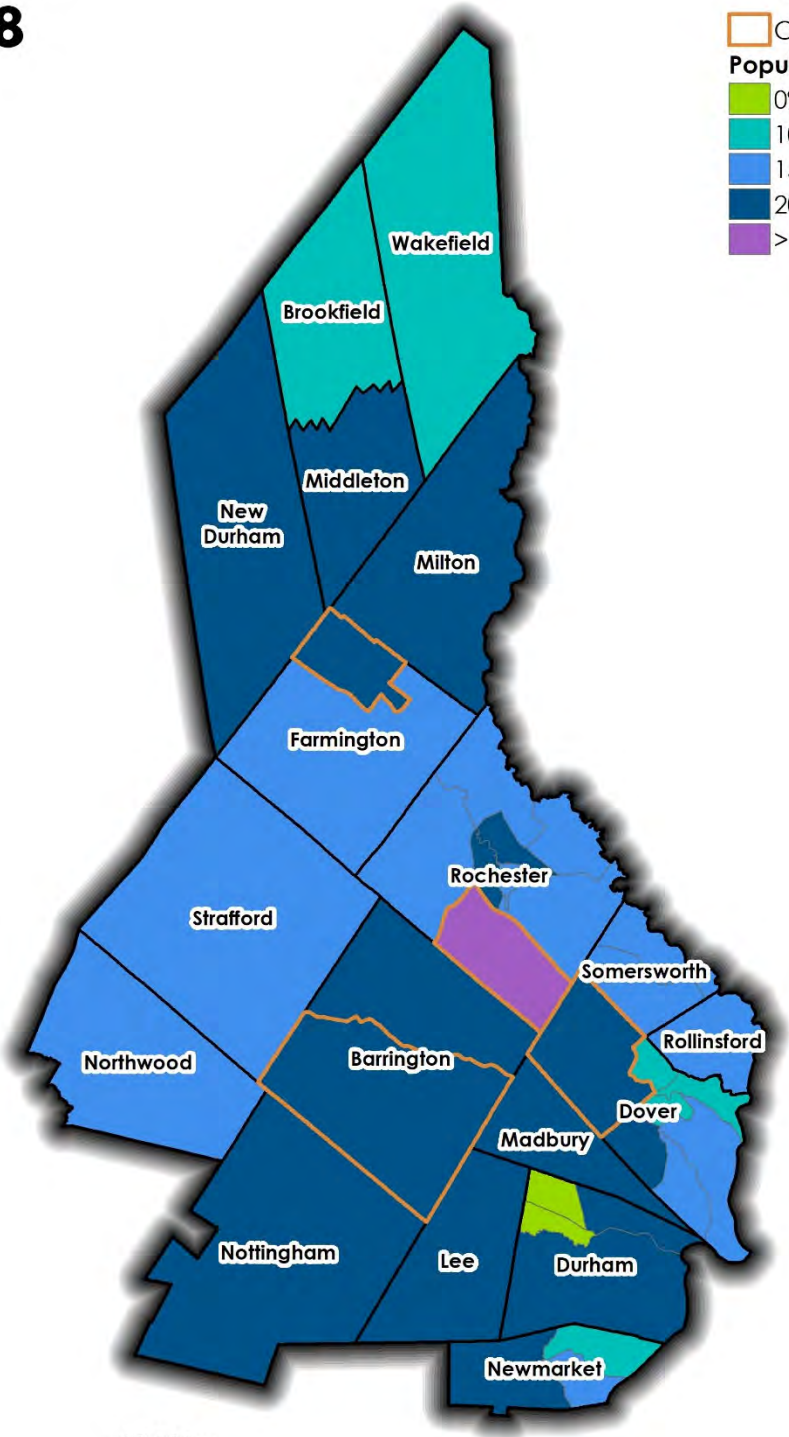
Although there are fewer children in the region every year, two trends are noticeable in the distribution of youth in the region: the “suburbanization” of the southern communities and the historical affordability of the mid-northern communities of Rochester, Farmington, and Milton.

Rochester has more total children than its twin, Dover, but Dover has more children under the age of 5, a figure that has increased by 13 percent since 2010. Rochester’s neighbors Milton and Farmington have also experienced increases in children under 5 despite being communities that *lost* population since 2010. In contrast, the wealthier Barrington, Madbury, and Nottingham are consistently top communities for families. All three were the only communities with more than 5 percent children under 5 *and* more than 22 percent youth total. In 2010, these three communities were close to 30 percent youth. Nottingham is the only community to ever have had 10 percent of its population under age 5 and its school district is one of three to have increased enrollment. Barrington and Nottingham were indeed building the most single-family dwellings outside of the Tri Cities prior to 2008, when the entire region experienced a drop in construction. This is indicated in the fact that these three areas remain top communities for children under 18 but not necessarily for children under 5. Instead, increases of children under 5 are found in the northern communities mentioned above. All communities need to consider families in the types and amount of housing that is allowed moving forward. Families will continue to be attracted to the south by school districts and presence of other families, to the north by its affordability, and to the west by its access to Concord and Manchester. Since 2010, Northwood in particular has seen a 60 percent increase in children under five.

Population Under 18

Legend

-  Concentration
- Population Under 18**
-  0% - 10%
-  10% - 15%
-  15% - 20%
-  20% - 25%
-  > 25%



Single Parents

Single parents face many challenges in supporting themselves and their children. A single parent household must rely on only one adult's income to provide housing, food, transportation, and care for parent and child. The MIT Living Wage calculator estimates that a single parent of one child must make \$33.27 per hour in a full-time job to support the household. For a single parent of two children, the living wage is \$41.50 per hour, and a parent of three would need to make \$55.57 per hour. This means that a single parent of more than one child would need to be making well above the median household income in Strafford County.

In response to the question, "How did you end up living in your current housing?" on SRPC's public outreach survey a respondent answered:

"I was a homeless single parent after my mom passed away and I had to vacate the apartment we shared because the property company wouldn't allow me to bring in a roommate. I searched for a couple months in 2016 before I finally secured a tiny 1 bedroom that I've been in with my son for 5 years now because we can't afford anything bigger on the seacoast. "

Of the roughly 15,800 households with children below the age of 18 in the region, roughly 28 percent are single parent households. Almost two-thirds of single parents are female. Renters in this group may face discrimination, as in many cases landlords may prefer to rent to a household with two adults, and therefore two potential wage earners or incomes, that can contribute to the rent. Unfortunately, these households may be subject to other types of discrimination related not only to their familial status, but also socio-economic stereotypes associated with this demographic.

Citizen Profile

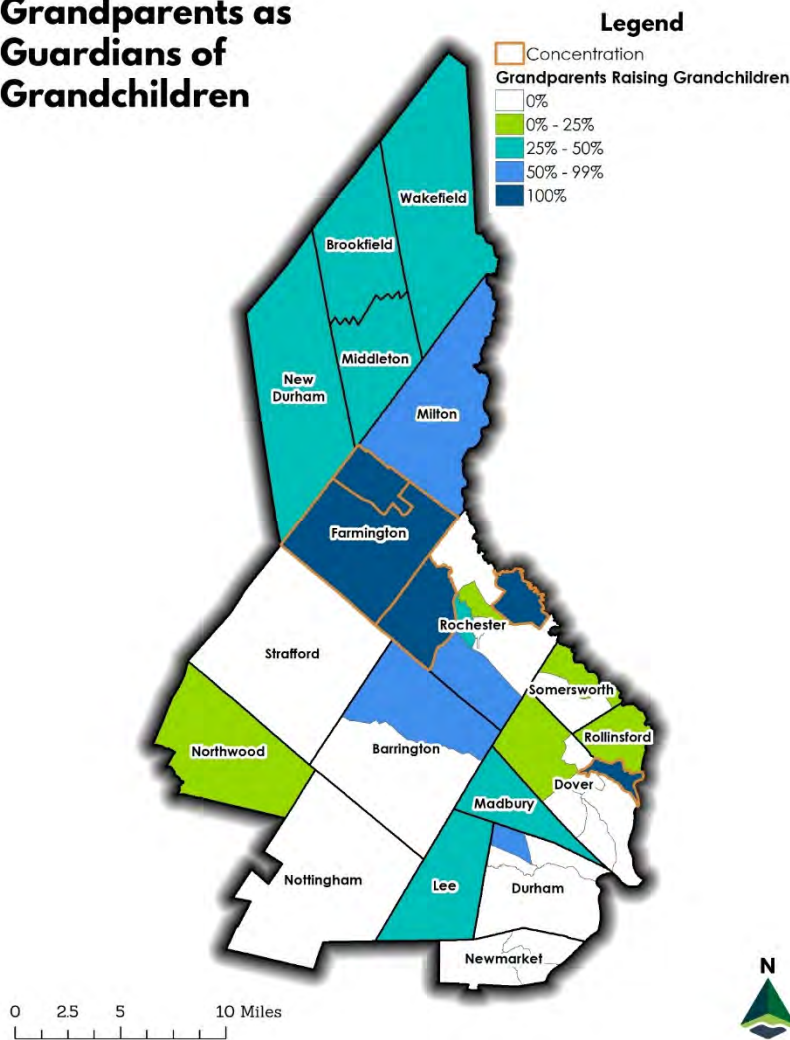
I am a single mom of 2 kids. I grew up in Maine but moved to New Hampshire in September of 2021 because of the housing crisis and the pandemic. I have perfect credit, a stable career, and purchased and sold my first home in Maine over a year ago (home was purchased as a starter). I have enough funds saved for a down payment on a second, more permanent home, but with the prices of homes increasing drastically I can no longer afford a single-family home. New Hampshire also has much higher taxes than Maine does so that is another challenge. My maximum for purchasing a home is \$280,000 and that no longer exists. I cannot even afford condos at that price because most have large monthly association fees that make the monthly payments no longer affordable. The school system is the most important factor for where I live but towns with better school systems are out of reach. We are currently renting a tiny 600 sq foot apartment for the 3 of us to stay in Newmarket but it does not meet our current needs."

Grandparents As Guardians of Grandchildren

Some scenarios result in a grandparent stepping into a primary caregiver role for their grandchildren. This may be as a result of the grandchild's parents' incarceration, illness, demanding jobs, divorce, or other situations that may be temporary or permanent. Grandparents may face a combination of the challenges discussed above, particularly if they are over 65 years old.

Grandparents of Stafford County are more likely to assume a primary caregiver role than our communities in Carroll and Rockingham counties. While the full effects of the Covid-19 pandemic are still being realized, these figures did drop in 2020 for all three counties. Although not all grandparents are considered “older adults,” some of this population may not have felt secure in caring for a dependent grandchild during the volatile period of the onset of the pandemic for economic or health-related reasons.

Grandparents as Guardians of Grandchildren



FT

Aging Out of Foster Care

Teens aging out of foster care face challenges in finding and affording stable housing. " Youth who are transitioning to adulthood need to have well developed self-esteem and self-efficacy skills that equip them to manage relationships in multiple contexts, including education and employment settings, as well as with friends and family members."⁷ The NH Department of Health and Human Services Division for Children, Youth, and Families (DCYF) has programs in place to help these youth as they transition from foster care to adult life, including skills training programs, financial planning assistance, and an independent living aftercare program to provide support until they are 21 years old⁸.

In New Hampshire, there is an average of 924 children exiting foster care in any year, and an average of 81 age out of care each year⁹.

Renting Families

The Fair Housing Act of 1968 protects individuals in specific familial relationship or status, including but not limited to legal custodians of children under the age of 18, any children living with parents, and pregnant women. Familial discrimination is particularly problematic for landlords as in many cases, the physical limitations of units often result in the exclusion of larger families. In other circumstances, families with children may be denied housing because landlords may believe that children will cause destruction to the property or be disruptive to other tenants. According to NH Legal Assistance Fair Housing Complaint Data since 2014, there have been 14 open complaints related to Familial Status in Strafford County, 11 of which were from Dover.

Of all households in the SRPC region, 16 percent are families that rent. Of these, half of them are 2 person households, and the other half have 3 or more residents.

Post-Institutional Living

The region's group quarters population for 2020 was comprised of 8,627 people. This refers to the population residing in institutional and other non-household living arrangements. The majority of the region's group quarters population (roughly 80 percent) reside in on-campus housing at UNH. The next largest category in the region of group quarter populations is made up of those living in nursing facilities, followed by those in correctional facilities. The region's group quarters population has increased by 2.3 percent from 2010 (8,433) to 2020 (8,627), with one of the largest increases seen across nursing home residents.

Post-Incarceration

Those who have been incarcerated typically return to their communities upon release. When they arrive, they must overcome a multitude of challenges to integrate back into society. One of their first needs will be to secure safe, predictable, and affordable housing. Housing is an important element of re-entry, as people returning to their communities require a home in order pursue employment, education, health care, and to re-engage with family and in civic activities. Stable housing reduces the risk that people will commit new crimes and cycle back into jail. A good housing condition sets the justice up for

⁷ <https://youth.gov/youth-briefs/foster-care-youth-brief/challenges>

⁸ <https://www.dhhs.nh.gov/sites/g/files/ehbemt476/files/documents/2021-11/dcyf-policy-1980.pdf>

⁹ <https://www.dhhs.nh.gov/sites/g/files/ehbemt476/files/documents/2021-11/dcyf-data-book-2020.pdf>

success. Successful reentry is a public interest in that it increases public safety and saves taxpayers money by reducing the number of costly jail stays. Support of justice-involved individuals through housing will allow those individuals to reach their full potential as contributors to the local community.

According to the U.S. Bureau of Justice Statistics (BJS), the prisoner population in New Hampshire for 2018 was 2,441, continuing a slight downward trend from a high of 2,870 in 2007. That said, between 1983 and 2018 the state's overall prison population has increased by 432 percent. In New Hampshire, Black people constituted 1 percent of state residents, but 8 percent of people in jail and 5 percent of people in prison. Similar distributions are true for those identified as Latino. There is wide variation in incarceration across the state. The highest rates of prison admissions are in rural counties.

Graduating College Students

Graduating college students will likely seek alternative housing options post graduating. This subgroup of the population is in a challenging position, given that many will seek more private and/or better-quality options than what they might've been accustomed to in prior years, whether that involved living in on-campus housing, off campus housing targeted at students, or other housing shared with one or multiple roommates. The challenge is balancing those needs on a very limited budget as many will still be seeking employment post-graduation or starting off a job with an entry level salary, which greatly confines their housing options. The limited supply of housing at any price point, particularly in or near Durham (home to UNH), put a greater strain on this subgroup, making it a community of interest for this analysis.

In response to the question, "How did you end up living in your current housing?" on SRPC's public outreach survey a respondent answered:

"I couldn't find any available rentals that were good for recent UNH graduates who can't afford a car yet. I'm very lucky that I saved up a little from working three jobs over the summer and two during my last semester but I'm just barely affording rent."

Distribution of Workforce and Affordable Housing

→ The section can include summary tables/inventories for communities to gain an understanding of the distribution of existing income-restricted housing in the region.

To better understand the importance of workforce and affordable housing in a community, one must begin by understanding what each means. Per NH RSA 674:58 "**workforce housing**" is defined as:

- Housing *for-sale* that is affordable to a household of four earning up to 100 percent of the Area Median Income (AMI) for the metropolitan area or county in which the housing is located as published annually by HUD; and
- Housing *for rent* that is affordable to a household of three earning up to 60 percent AMI for the metropolitan area or county in which the housing is located as published annually by HUD.

Housing that is "**affordable**" means housing with combined rental and utility costs (in the case of rental housing) or combined mortgage loan debt services, property taxes, and required insurance (in the case of ownership) that does not exceed 30 percent of a household's gross annual income.

Furthermore, workforce housing does not include age restricted (senior) housing, housing developments that exclude minor children from more than 20 percent of the units, or developments in which more than 50 percent of the dwelling units have fewer than two bedrooms.

Overview of the SRPC Region – 2021

- HUD Metropolitan Area: Portsmouth-Rochester
- HUD Area Median Family Income: \$106,600
- Estimated Maximum Gross Rent for a family of 3 earning up to 60% of the AMI, based on the workforce housing statute: \$1,440¹⁰
- Estimated Maximum Purchase Price for a family of 4 earning up to 100% of the AMI, based on the workforce housing statute: \$423,000¹¹
- SRPC Median Rent, All Unit Types: \$1,394 (broken down by unit type: \$919 - 0 beds/\$1,104 - 1 bed/\$1,452 - 2 beds/ \$1,554 - 3 beds/\$1,953 - 4+ beds)
- SRPC Median Purchase Price, All Unit Types: \$325,000*

**Note: the \$325,000 SRPC median purchase price is for ALL unit types, including units that are not large enough to support a family of 4.*

New Hampshire State Law, [RSA 674:58-61](#), requires communities to provide reasonable opportunities for housing alternatives affordable to the local workforce. This section provides an overview and guidance regarding the requirements and limits of this statute, outlined below:

- I. In every municipality that exercises the power to adopt land use ordinances and regulations, such ordinances and regulations shall provide reasonable and realistic opportunities for the development of workforce housing, including rental multi-family housing. In order to provide such opportunities, lot size and overall density requirements for workforce housing shall be reasonable. A municipality that adopts land use ordinances and regulations shall allow workforce housing to be located in a majority, but not necessarily all, of the land area that is zoned to permit residential uses within the municipality. Such a municipality shall have the discretion to determine what land areas are appropriate to meet this obligation. This obligation may be satisfied by the adoption of inclusionary zoning as defined in RSA 674:21, IV(a). This paragraph shall not be construed to require a municipality to allow for the development of multifamily housing in a majority of its land zoned to permit residential uses.

¹⁰ https://www.nhhfa.org/wp-content/uploads/2020/04/Workforce_Housing_Purchase_Rent_Limits.pdf

¹¹ https://www.nhhfa.org/wp-content/uploads/2020/04/Workforce_Housing_Purchase_Rent_Limits.pdf

- II. A municipality shall not fulfill the requirements of this section by adopting voluntary inclusionary zoning provisions that rely on inducements that render workforce housing developments economically unviable.
- III. A municipality's existing housing stock shall be taken into consideration in determining its compliance with this section. If a municipality's existing housing stock is sufficient to accommodate its fair share of the current and reasonably foreseeable regional need for such housing, the municipality shall be deemed to be in compliance with this subdivision and RSA 672:1, III-e.
- IV. Paragraph I shall not be construed to require municipalities to allow workforce housing that does not meet reasonable standards or conditions of approval related to environmental protection, water supply, sanitary disposal, traffic safety, and fire and life safety protection.

The availability, affordability, type, and quality of workforce and affordable housing play a significant role in attracting and retaining a qualified workforce as well as bringing in new businesses and keeping existing ones. In a recent survey conducted amongst businesses in the region as part of this analysis, the majority of employers (82.5 percent) indicated that they believe a housing supply shortage impacts their ability to attract or retain workers, and that the cost of housing (for rent or purchase), followed by the availability of housing (for rent or purchase), had a high impact in their ability to attract or keep workers.

Most survey participants “strongly agreed” with the need for moderate and low-income housing over five other options offered. “Affordable” was mentioned over 100 times (out of ~300 responses) when people were asked about types of housing missing in their community in SRPC’s public outreach survey. One respondent shared:

"Affordable single family homes that first time home buyers can afford. Prices are so high (which is great for us existing homeowners, but not for those looking to buy) that many young families cannot afford to live in town because it is out of reach financially. Build affordable, yet sustainable/"green", homes that a small family can afford with a decent yard for kids to play in."

Housing that meets the above criteria, available both for purchase and rent, allows people to live and work in the same community, attracts skilled labor, and makes communities more resilient and competitive, all crucial to supporting a region’s overall wellbeing. Moreover, supporting fair housing practices that encourage workforce and affordable housing makes it possible for young professionals, families, seniors, and essential and high paid workers to have the option to come to live - or stay - in our region, strengthening quality of life, economic vitality, and resiliency in our communities.

Regional municipalities recognize this, as 83 percent of municipal representatives attending SRPC’s August Housing Workshop noted that workforce housing is needed in their communities. There was also conversation surrounding stigma and jargon that paint workforce or affordable housing in a bad light, and how education about these topics could help.

Considering the state’s housing crisis that have been exacerbated in the recent years all across the state of New Hampshire, local and state officials have been putting increased emphasis in taking a more hands on approach to tackling challenges caused by the lack of workforce and affordable housing. In 2022, for example, NH Governor Chris Sununu announced a \$100 million housing fund, InvestNH, made

possible through the American Rescue Plan Act and designed to alleviate the housing situation by incentivizing the creation of multi-unit workforce housing amongst developers and municipalities around the state. Recently, the state announced that \$49.5 million of that fund was to be awarded to 30 projects, leading to the development of over 900 affordable units across the state. 57 of those units are to be located in our region, specifically in Dover.

In SRPC's public outreach survey, when respondents were asked, "What role should local government play in sustaining fair, safe, and predictable housing within the region?" 14% of responses center on affordable housing, with mentions of ensuring workforce housing. One respondent went further to share:

"Local government should ensure affordable housing options are available considering the cost of living (food/gas/etc) and the full scale of wages, not just average income, for the area. Minimum wage workers need to live in every community, and those communities must also provide them a place to live."

Case Studies

→ [Case Studies on Completed Workforce/Affordable Housing Developments – Source: NHHFA Workforce Housing Law 10-Year Retrospective](#)

In 2021, NHHFA published a report on the [New Hampshire's Workforce Housing Law](#), reviewing the law's impact and its ability to create new workforce housing units over the past 10 years. In this report, case studies were conducted to provide an in depth look at the law's nuisances and assess the challenges and successes of implementing zoning and land use regulations that aim to increase a municipality's ability to provide reasonable opportunities for the creation of workforce housing.

In this report, the City of Dover was highlighted as an exceptional example within the Strafford region of a community that uses its zoning powers to support the creation of workforce and affordable housing. Recently, the Dover Planning Board approved new amendments to their zoning ordinance to support this type of development. Highlights of the amendments included:

- In the manufacturing and commercial zones, for any assembly/manufacturing structure that is approved and constructed greater than 40,000 square feet, the property owner receives a building right for one dwelling unit for every 2,000 square feet of building area (e.g., a 50,000 square foot building nets five units). These units can be used on-site as employee housing, sold to other developers to be used citywide, or may be used by the property owner anywhere else in the city. The receiving areas for this density must have public utilities and the proposed development must be consistent with existing density of the surrounding neighborhood as well as the Master Plan.
- In the Gateway zone, if a developer/property owner agrees to limit rents to HUD Fair Market guidelines, the density increases from 1 unit per 4,000 square feet to 1 unit per 2,000 square feet.
- Two provisions were added to the TDR Ordinance which include: a. Single-family detached size restricted: For construction of units no larger than six hundred (600) square feet of total living

area, there are no density limits. The monthly cost of the units shall conform to the HUD Fair Market Rent rates. In addition, the TDR fee is waived. b. For multi-family unit developments, if the additional unit(s) resulting from the TDR have rent levels that conform to the HUD Fair Market Rent rates, then the TDR fee is waived.

- The Residential/Commercial Mixed Use Overlay District was amended to allow for increased density for single-family or duplex units from 40,000 square feet per unit to 10,000 square feet per unit if the living area of the units was limited to 1,000 square feet.

The above are in addition to other key existing zoning provisions in Dover’s ordinance that are designed to support affordable workforce housing developments, which include:

- Suburban Density Multi Residential: Minimum lot area is 20,000 square feet. Duplexes and 3 - 4 family homes are allowed. In addition, the conversion of existing homes into four or more units (10,000 square feet of area required for each unit) is permitted.
- Urban Density Multi Residential: Minimum lot area 10,000 square feet. Duplex and conversion of an existing dwelling into a maximum of two units is permitted. Conversion of an existing home to no more than four units and 3 - 4 family homes are permitted by special exception.
- Central Business District: Section 170-20, D(2)(b) provides, through a conditional use permit process, the increase in building height by one story provided that the rents for the additional units are limited to those set by HUD.
- Little Bay Waterfront District: The minimum lot area is 10,000 square feet. Single family, duplex and 3 - 4 family units are permitted.
- Cocheco Waterfront District: There is no minimum lot area. Duplex, 3 - 4 family homes and multi-family (1,000 square feet per unit, dwelling unit must be at least 600 sq. ft.) are permitted. The height limit is 55 feet.

It is through these powerful tools that the City of Dover has been able provide housing that is able to support the community’s employers, employees, and is available for residents of all income levels. As a result of these zoning regulations, there is currently a 44-detached unit development of 385 square foot homes in the works (known as the Cottages at Back River Road), which was made possible thanks to the ability to increase density through the City’s Transfer of Development Rights zoning. These homes, which will all be rental units, will be capped at HUD rates. This project is explored in more detail in the “Workforce Opportunities and Constraints” section of this plan.

Income Restricted Housing

→ Number of Income-Restricted Housing Units – by community and where appropriate defined income eligibility thresholds

- o Public Housing (requires each RPC to go to providers for data)
- o Project Based Vouchers Units
- o LIHTC
- o Workforce Housing (requires each RPC to go to providers for data)
- o Housing Choice Voucher Payment detailed by unit type for each PHA

Where the data is available, voucher payments are a primary source of rents being charged by landlords in a given area. Vouchers are directly subsidized payments that are a percentage of rent being charged by an area landlord. LIHTC projects are often public-private partnerships that are based on a HUD estimate of area fair market rent (FMR). A rental unit can be in both programs and potentially benefit the same individual. The difference is that a landlord *chooses* to accept tenants who use the Housing Choice Voucher.

Income Definitions

The Department of Housing and Urban Development (HUD) sets income limits to determine the eligibility of applicants to its assisted housing programs. Low-Income, Extremely Low-Income, and Very Low-Income Limits are all based on the median family income (MFI) for the defined area. According to HUD, Low-Income families are those whose incomes do not exceed 80 percent of the MFI for the area, and Very Low-Income families are those whose incomes do not exceed 50 percent of the area's MFI.

Extremely Low-Income (ELI) limits are calculated using a few additional guidelines. Since the 2014 Consolidated Appropriations Act, the ELI limits have been calculated as 60 percent of the Section 8 very low-income limits in all states except for Alaska and Hawaii, which have separate poverty guidelines. Puerto Rico and other territories are also excluded from this method of calculation. HUD explains, once the calculation of 60 percent of the Section 8 very low-income limits have been completed, "they are then compared to the appropriate poverty guideline and if the poverty guideline is higher, that value is chosen. If the poverty guideline is above the very low-income limit at that family size, the extremely low-income limit is set at the very low-income limit because of the definition of extremely low-income limits caps them at the very low-income levels."

Income limits are then adjusted for family size, except in the case where the extremely low-income limits are set at the poverty income threshold. 2022 median family income in an area is calculated based on 2019 ACS or PRCS median family incomes which are then used to establish Fair Market Rent areas.

Housing Market, Cost, and Affordability

Household income and the cost of housing have major impacts on where people can afford to live. As discussed in previous sections, construction of new housing has slowed since the 2008 recession, and there is a mismatch between the size of households and the number of rooms in their homes.

Income

Household income impacts what people can afford for housing. Low-income households (those making less than 200 percent of the poverty threshold for their household size) may struggle to afford housing, while households making more than \$200,000 would have more options. In Strafford County, 27 percent of households are low-income, and 7.4 percent make over \$200K. Similarly, Carroll County households are 24.7 percent low-income and 6.6 percent over \$200K. Rockingham County is a little wealthier, with 13.5 percent low-income and 14.6 percent over \$200K households. Low-income households and households in poverty were discussed in more detail in the communities of interest section.

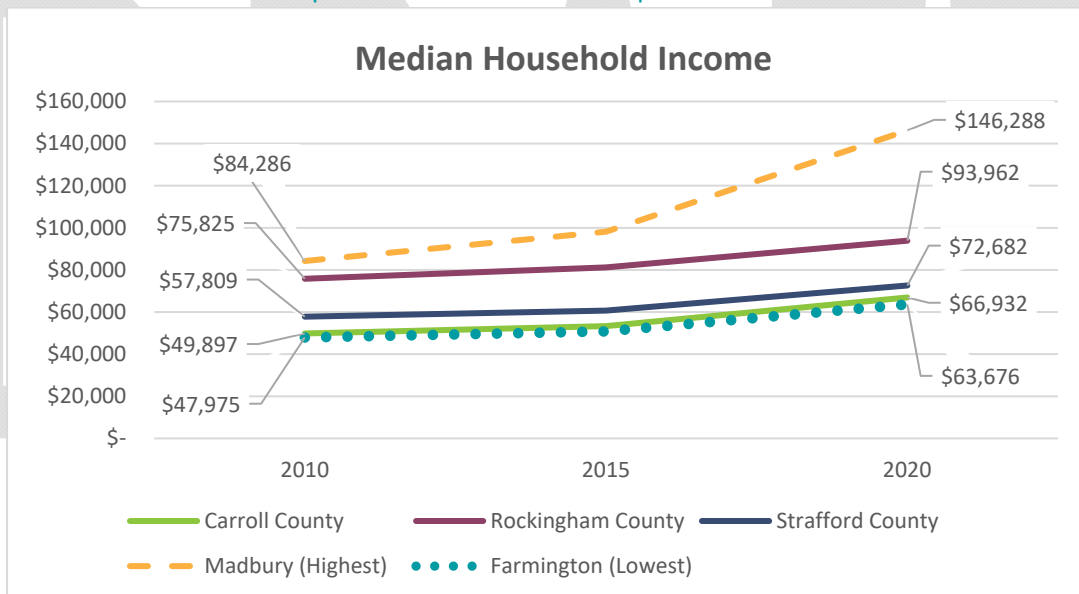
Communities like Rochester and Farmington have high percentages of low-income households (28.4 percent and 26.4 percent, respectively) and low percentages of over \$200K households (3.1 percent and 2.5 percent, respectively). Meanwhile, communities like Madbury and Barrington have fewer low-income households (6.1 percent and 9.4 percent) and more over \$200K households (25.2 percent and

18.1 percent). Durham is an outlier due to the large student population, with low-income households making up 65.4 percent of households, while the households with income over \$200K make up 17.3% of the town.

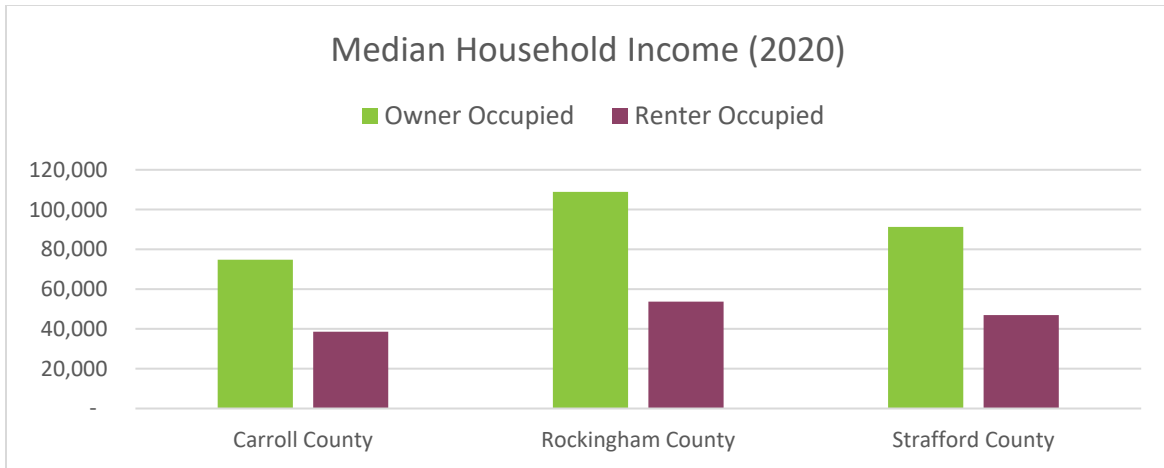
The median household income in New Hampshire is increasing. Both Strafford and Rockingham counties' median household income are increasing at a rate higher than the state, while Carroll County's median income is about \$11K less than the state and increasing at about the same rate. Madbury has the highest median household income in the region (\$146,288), and Farmington has the lowest (\$63,676).

It is important to note that while median income has been increasing, the cost of goods and services has been increasing at a higher rate over the recent years as a result of inflation. The New England all-items Consumer Price Index (CPI), for example, has increased by 7.4 percent from September 2021 to September 2022 (for reference, the target inflation rate is 2 percent per year). The highest increases have been seen in gas, shelter, and food.

→ Add line chart from data snapshot – include NH for comparison



Median incomes vary greatly between owner- and renter-occupied households. The median income for owner-occupied households is higher by \$44K in Strafford County, \$55K in Rockingham County, and \$36K in Carroll County.



Households By Income Level and Tenure

- Renters: above/below 60 percent AMI 3 PERSON HH
- Owners: above/below 100 percent AMI 4 PERSON HH

Housing Market

Purchase Price Trends

Since 2012, the median sold price for homes in the SRPC region had been increasing steadily year-over-year at percentages near or below 9 percent. The median sold price increased by 9.39 percent from 2019 to 2020, with homes selling at a median of \$289,900 in 2020 (up from \$265,000 in 2019).

Similar to the rest of the state and country, the historically low interest rates that resulted from the pandemic led to an extremely high demand for home buying. With the low supply and increased demand, combined with other pandemic induced factors (such as rising cost of building materials as well as supply and labor shortages) we witnessed homes selling at or above asking price at an extremely fast pace.

From 2020 to 2021, the median sold price jumped by 12.1 percent, with home selling at a median price of \$325,000 in 2021 (compared to \$289,900 in 2020). This steep upward trend in home prices has continued into the beginning of 2022. Data thus far for 2022 shows another percentage increase of 12.3 percent, with homes selling at an average of \$365,000 (compared to \$325,000 in 2021). As the median purchase prices go up year over year, both the amount needed for a down payment and the monthly mortgage payments increase as well, making homebuying less feasible for many.

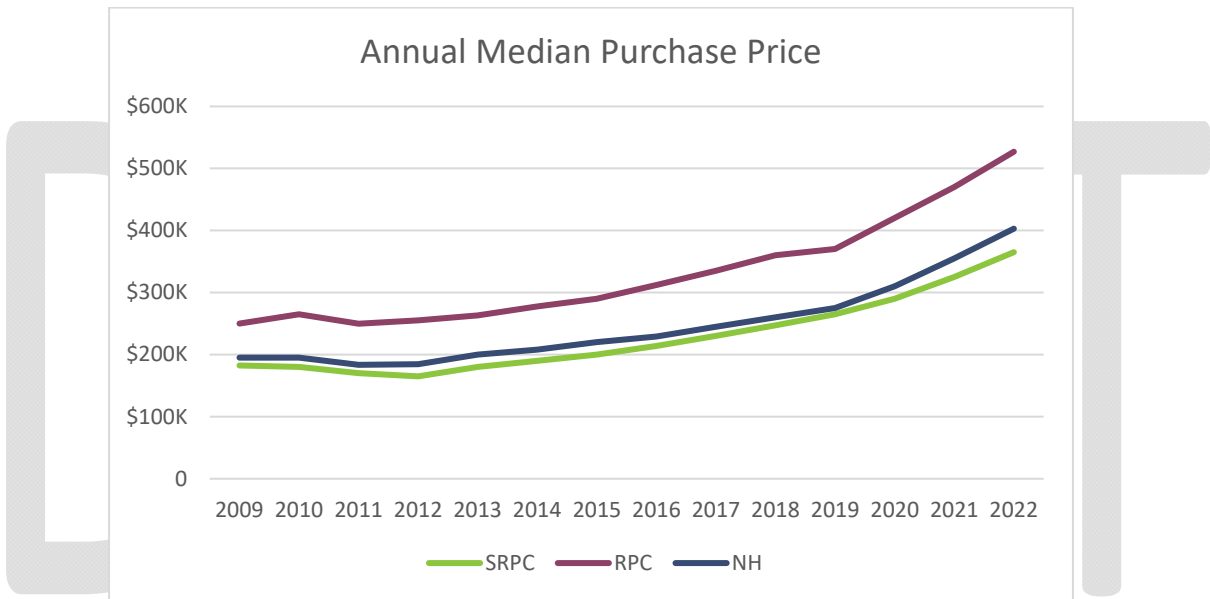
Over 60% of the respondents to SRPC's public outreach survey said that factors that were considered to have the most significant impact on the cost and supply of housing included the cost of construction, people moving into the region who can afford higher prices, property taxes, and cost of land, and wages.

"I'd stay just about anywhere permanently if I could get a loan for a mortgage. I'm paying more for rent per month than most of the people I know for their own homes. How crazy is that? And it's an 800 sq. ft. Apartment. It's demoralizing to me."

Many respondents in SRPC's public outreach survey noted that they were able to sell their homes, but then had difficulty in finding something else to buy/rent. One respondent shared:

"We sold our condominium in the hopes of buying a house, but sold just as the home prices skyrocketed, and even with the profit from our sale, could not reasonably afford anything in the area, and the houses we did make offers on were bought with cash at higher than asking."

The measures taken by the Federal Reserve to combat inflation have resulted in several increases in mortgage interest rates, which could result in a slowdown in these price increases as it interferes with affordability and makes it harder for homebuyers to purchase a home. Despite this, as long as the lack of housing supply is not resolved, raising interest rates will not have as big an impact in price increases as one might expect.



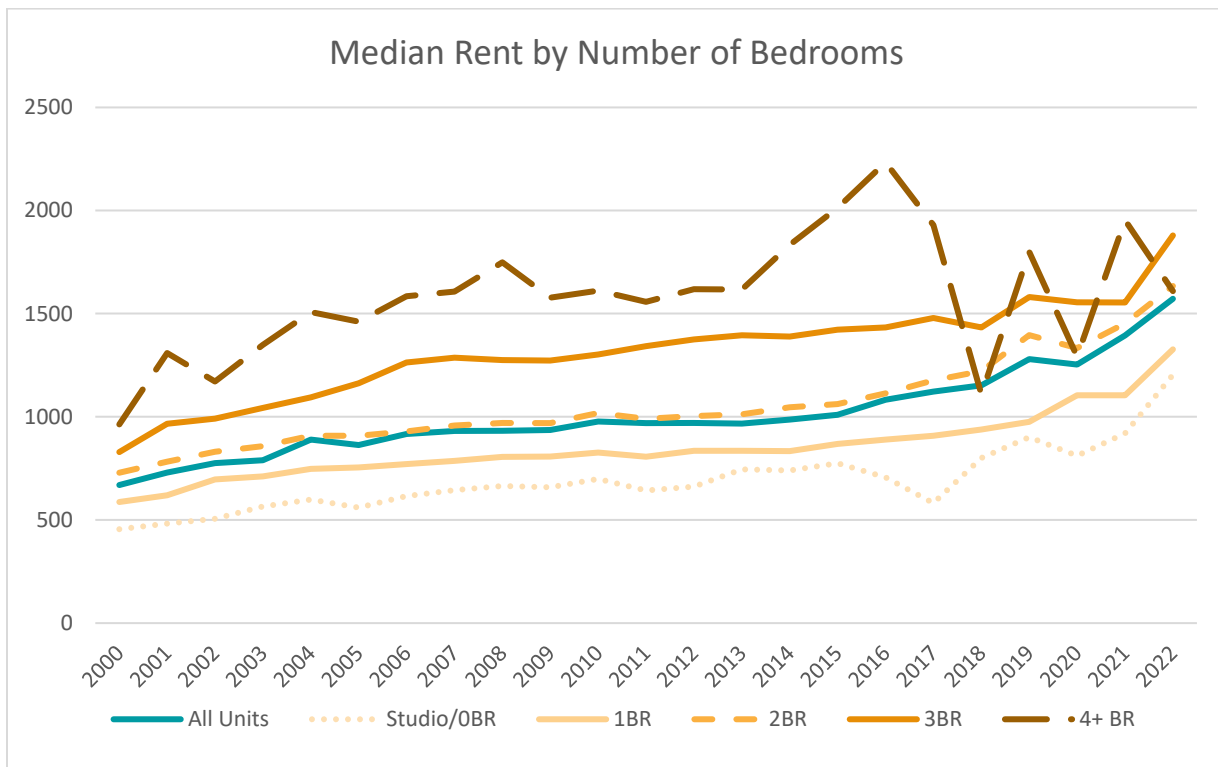
Rental Trends

Much like purchase prices, rent has been increasing over the years. Data from 2000 to 2022 shows that median rents in the region have been increasing over the years for all unit types (0, 1, 2, 3, and 4+ beds), which shows that even prior to the pandemic, our state and region were already experiencing a lack of housing inventory needed to support its growing population, with the limited supply and high demand affecting housing costs. However, the sharpest increases have been in the past couple of years, beginning in 2020. Since then, the dire rental situation has been exacerbated by emerging trends such as an extremely competitive home buying market and inflation, which have led to even higher rental demand, costs, and historically low vacancy rates.

With the rise in home purchase prices, more pressure has been put on renters. Landlords are able to charge more for their rental properties, while the scarcity of housing available for renters to buy – even if they can afford it – combined with the raising interest rates are pushing many buyers out of the home buying market and into an already tight rental market. Furthermore, with the state’s large aging population, seniors have begun to occupy a higher fraction of available rental units as many look to

downsize into smaller living arrangements. In SRPC’s public outreach survey, there were close to 30 mentions of those looking to downsize or transition to senior housing, but cost is the largest consideration or challenge to any housing choice, as identified by survey respondents.

The majority of the rental units in the region are Studio, 1-, or 2-bedroom units. Rent for units with 3 or more rooms is much higher than the median rent for all units. Units with 4 or more bedrooms are mostly in Durham and likely targeted at UNH students. Since there are so few, and the rent data comes from a survey, the variability in the 4+ bedroom rent is likely due to the very small sample. Across the region, this limited availability makes it harder for large families to find units that are affordable and have enough space to accommodate the whole family.



In SRPC’s public outreach survey a respondent shared:

I sold my house in Maine January 2021 and have been searching for a new home to purchase ever since. With increasing prices and outrageous competition, I have not been able to find a home in my price range (even with 20% down and excellent credit). Now that mortgage rates are high, I don’t even think I can afford to purchase a condo at this point. Condo fees are high. Myself and my two children are in a very, very small 2 bedroom apartment, still searching for better.

In the survey, respondents also noted that they ended up in their current housing situation because it was all they could afford and that they often had to look for a while and find ways in which to be able to secure a rental whether that was through offering more in rent or having to find a roommate.

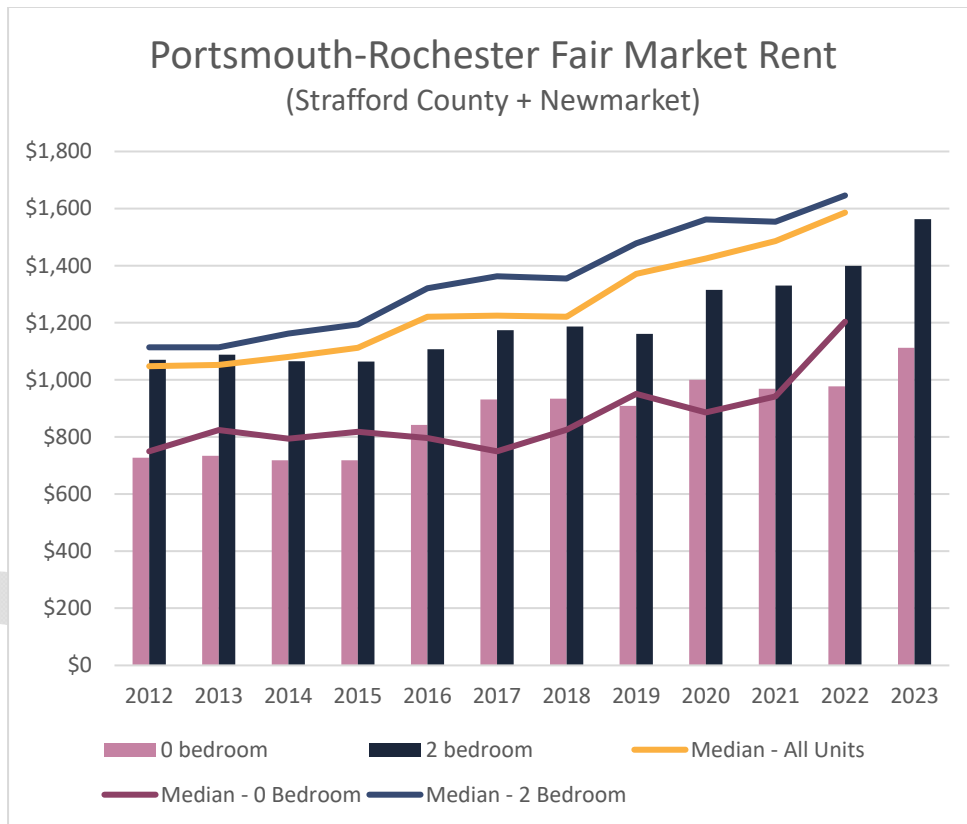
One respondent shared:

We were lucky to find an apartment we could afford, but have now signed a lease for our third year instead of being able to buy within a few months of moving in, as we had hoped to do."

The drastic increase in demand for rental properties results in apartment-type housing becoming more expensive and becoming a scarce type of housing available. The chart below shows data from the U.S. Department of Housing and Urban Development (HUD) for the Fair Market Rent (FMR) the Portsmouth-Rochester Metro Area. All of Strafford County and Newmarket belong to the Portsmouth-Rochester FMR Area (this includes 14 out of SRPC's 18 municipalities). In 2022, the HUD FMR for a 2-bedroom apartment in this metro area was determined to be \$1,399¹², while the area's median rent for a 2-bedroom unit the same year thus far has exceeded that (\$1,634). A balanced and healthy rental market should have a vacancy rate of 5 to 6 percent, however, in 2022 the average vacancy rate for the Strafford Region for a 2-bedroom unit is 0.07 percent thus far in the year. Not a single county in New Hampshire has a vacancy rate above 1 percent.

One respondent to SRPC's public outreach survey shared:

"my previous apartment was \$800 a month and my landlord increased it to \$1000 in one lease period so i was going to be homeless, so i posted about it on the newmarket facebook page and everyone was upset for me and my landlord saw it so he offered me a different apartment that i could afford if i got a roommate."



Measures of Housing Affordability

There are several indicators and approaches to defining housing that is affordable to members of a given income bracket, not to be confused with subsidized, “Section 8,” LIHTC-funded, and/or other housing types.

Rental/Ownership Cost Burden

Traditionally, housing is considered affordable when a household is able to cover all housing *and* regular related expenses with thirty percent of the household’s monthly income. For renters, this would include base rent, utilities, and renter’s insurance; and for property owners, this would include mortgage payment, interest, utilities, taxes, and necessary insurances. Because housing is an elastic demand, most households will assume *some* participation in the market regardless of income.

Households spending more than 30 percent of their income on housing related costs are considered cost burdened. Individuals who are cost burdened may have originally been unburdened, but through increased rent or loss of income, became cost burdened. Others may simply “settle” for housing that costs more than thirty percent of their monthly income because it is the only housing available when they needed to move. For some in this group, this directly leads to difficult choices about utilities, food, or childcare every month. For others, only some of an otherwise disposable income is lost. For this reason, the measure of housing cost burden is a useful tool for examining the rental market as it is indicative of the availability of housing rather than the amount of poverty in an area.

About half of respondents on SRPC’s public outreach survey considered themselves cost burdened by HUD’s definition. When asked how long they want to stay in the area, respondents said

"Only until my rent is raised more. I already pay over 50% of income on rent; I can't afford paying more."

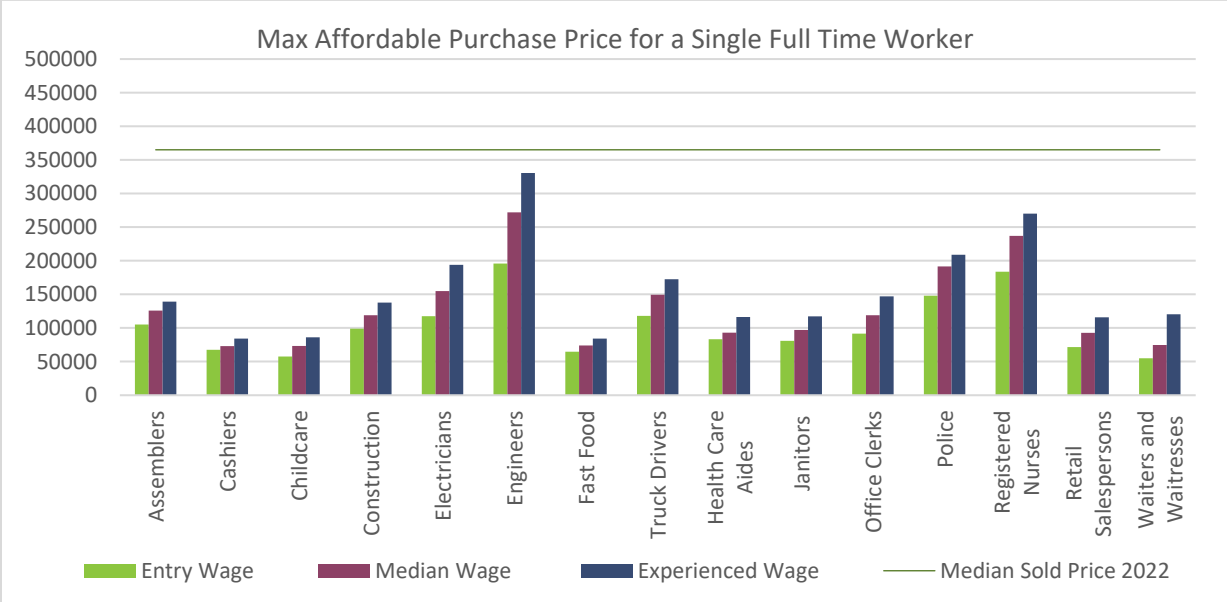
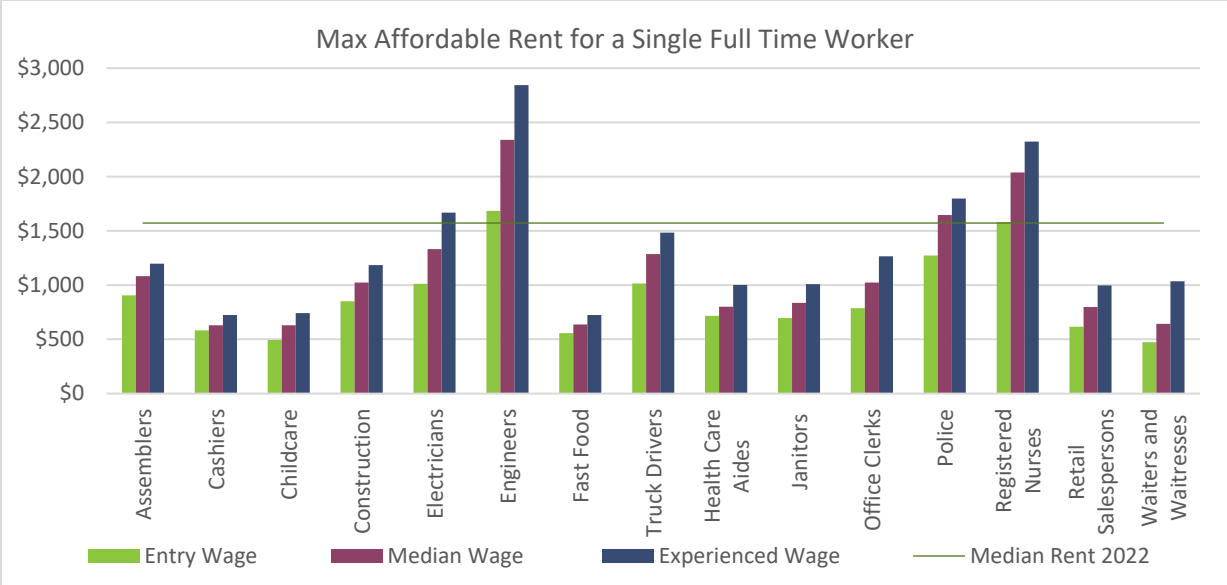
"No, won't be able to afford to stay when fully retired."

"No- we just received a major tax hike on our property that is well above our annual increase in salary and has made staying in our home unlikely."

Household pays....							
Less than 30% of their income on housing							
		Owner		Renter		Total	
		Households	Percent	Households	Percent	Households	Percent
... and makes ...	Under \$20K	529	1%	597	3%	1,125	2%
	\$20K-\$34K	1,168	3%	772	4%	1,940	3%
	\$35K-\$49K	1,875	5%	663	4%	2,539	4%
	\$50K-\$74K	5,140	13%	3,355	18%	8,495	14%
	Over \$75K	9,154	47%	4,825	26%	23,979	41%
Total		7,866	69%	10,212	56%	38,079	65%
More than 30% of their income on housing							
		Owner		Renter		Total	
		Households	Percent	Households	Percent	Households	Percent
... and makes ...	Under \$20K	3,047	8%	2,825	16%	5,873	10%
	\$20K-\$34K	3,181	8%	2,417	13%	5,597	10%
	\$35K-\$49K	2,327	6%	1,998	11%	4,324	7%
	\$50K-\$74K	2,512	6%	693	4%	3,204	5%
	Over \$75K	1,542	4%	73	0%	1,615	3%
Total		12,608	31%	8,005	44%	20,613	35%

Income and Relative Affordability

As mentioned in a prior section, wages have not kept up with the increasing cost of housing. A single income for many of the region's largest industries is not enough to afford today's housing costs. Retail workers (salespersons and cashiers) account for about 13.6 percent of the region's jobs, and accommodation and food services are another 9 percent of jobs. These workers are unable to afford rent or homebuying on one or even two full time salaries. Few occupations, like engineers and registered nurses, are able to rent on a single income without being cost burdened, as shown below.



A blend of the above examples, the comparison of local wages and salaries to potential housing costs allows a resident to create a direct connection and relate to realistic scenarios based on everyday occupations or skills. Even for a homeowner who has occupied their home for several years, occupation- and wage-based depictions of the housing market are a way for that individual to understand the housing options available to an adult child who has graduated college or a neighbor facing a job change. This approach to measuring housing affordability gives an individual a data point in financial planning and can foster a greater sense of community and understanding among neighbors.

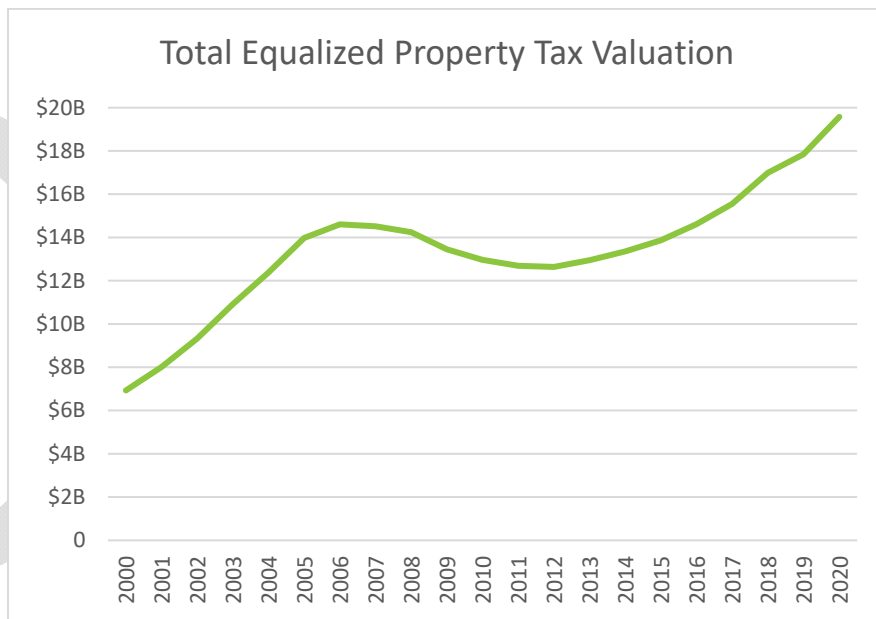
Similar to the occupation example above, this method pits direct income level against the current understanding of the market given recent sales and rental prices.

Municipal Equalized Property Tax Rates

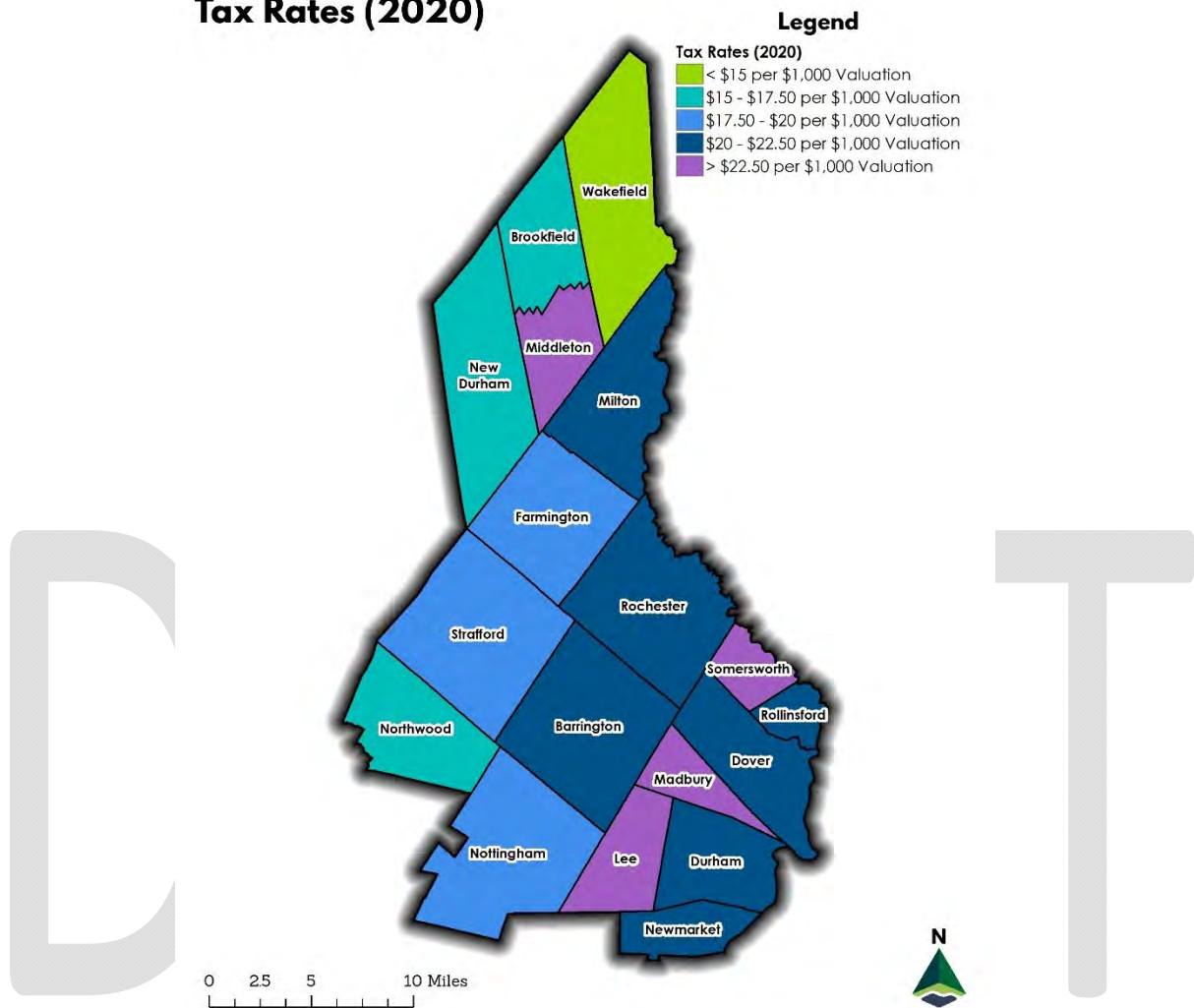
New Hampshire is one of four states without sales tax and one of eight without income tax. In their place, New Hampshire has acquired a reputation for high property taxes, as have other northeastern

states. This cost can be a burden even for homeowners who have finished paying off a mortgage, particularly older adults on fixed incomes. It could also be argued that high property taxes are a deterrent to potential landlords, thereby restricting the availability of rental units. The examination of property taxes can create discussion about housing costs at the municipal level and many case studies about the relationship that appraisal values have with gentrification exist.

In general, municipal tax rates have been decreasing in the region since 2010, but the total valuation is increasing. Only five communities have higher tax rates in 2020 than they did in 2010 (Brookfield, Dover, Middleton, Newmarket, and Rollinsford). Many communities make small changes (less than \$1.00 increase or decrease) year to year, but Middleton makes the most adjustments over \$1 in a single year (high of \$6.25 increase and \$11.30 decrease). Despite these decreasing tax rates, the total valuation has continued to increase, indicating that the property values are increasing.



Tax Rates (2020)



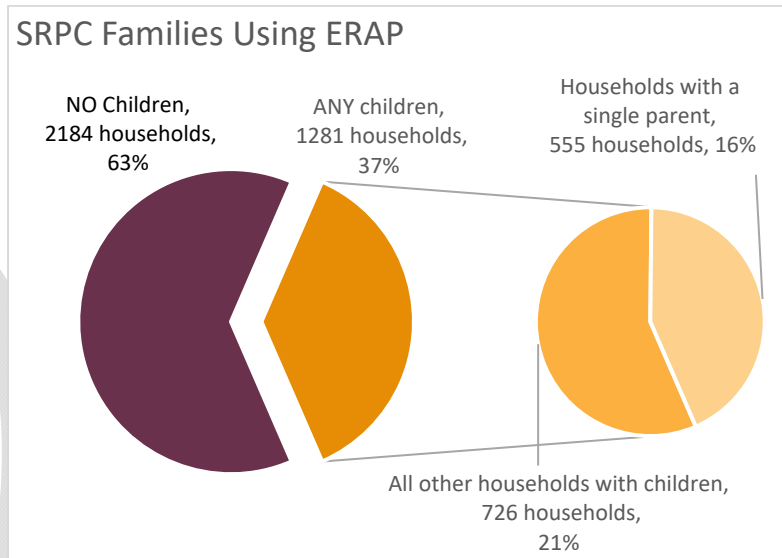
NHHFA Emergency Rental Assistance Program (ERAP)

The Emergency Rental Assistance Program (ERAP) is a result of the American Rescue Plan Act in response to the Covid-19 pandemic. ERAP assistance began in March 2021 and will end in December 2022. New Hampshire's allocation has been administered by NHHFA and the five Community Action Partnership (CAP) agencies. NHHFA paused applications in October 2022, to prepare for the end of funding in December. ERAP is primarily used by families for current and past-due rent but has also been used for utilities and other housing-related financial hardships as a result of the pandemic.

As of October 31, 2022, NHHFA has issued over \$191 million dollars for rent and rent arrears alone, about \$1,200 for every renting household in New Hampshire. It is difficult to estimate how many renting households applied for assistance because owner-occupied households were able to apply for assistance with utilities through the program. Therefore, it would be accurate to say that six percent of all Strafford Region households applied for some form of assistance, about 3,400 households. It is worth noting that ERAP applications submitted from households in the Rockingham and Strafford regions were among the

highest incomes of applications submitted statewide, indicative of the higher cost of living in southeastern New Hampshire.

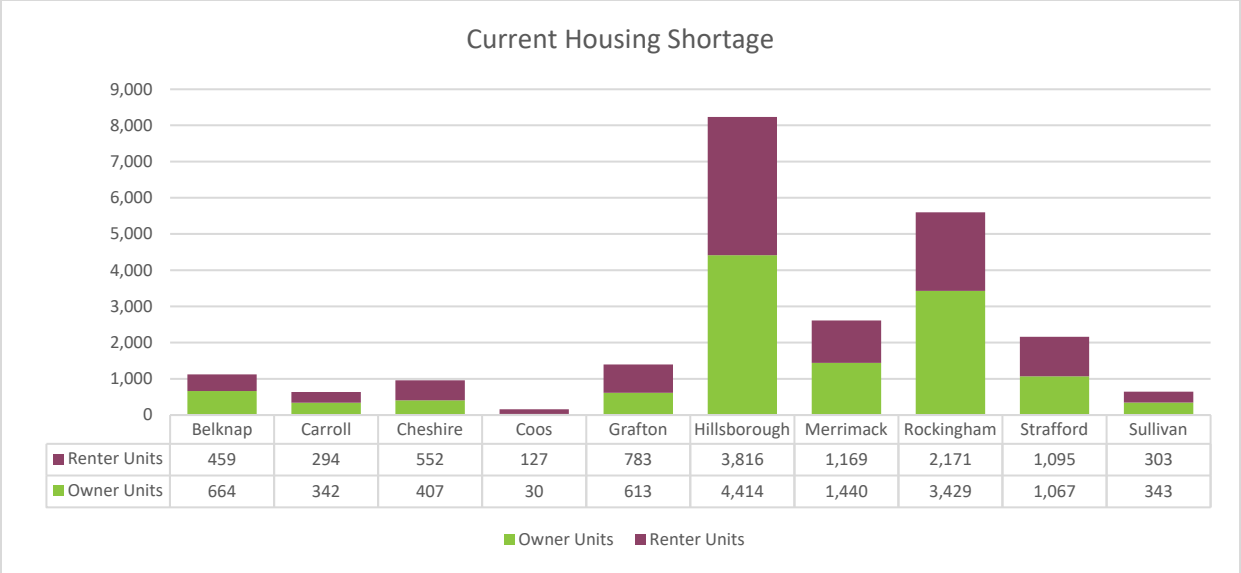
Within the Strafford Region alone, at least one household from every community used ERAP. Over the 20-month period, 75 to 80 percent of applications in the Strafford Region consistently came from the Tri-Cities. Up to 37 percent of applications were from households with children (40 percent of which were from a single parent), 18 percent were from households with an older adult, and 19 percent were from households with at least one non-white member. 13 of the 18 communities had 99 percent enrollment for all households who applied for ERA, and the remaining 5 had 88 percent or better.



Current Housing Gaps

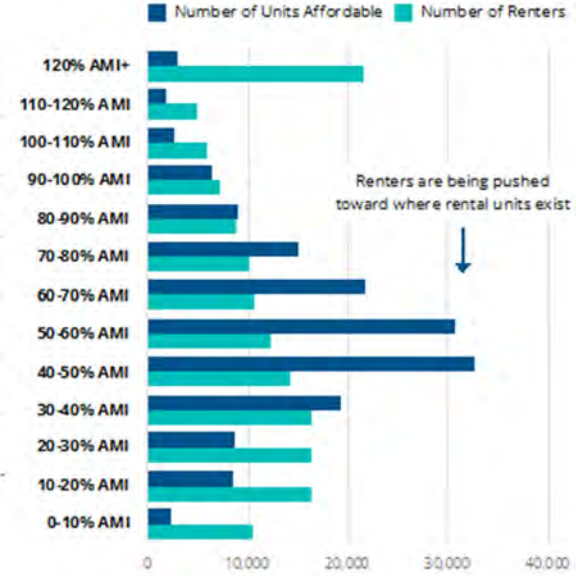
- Root Policy Gaps Analysis – Renter Occupied, Owner Occupied gaps by income level Example: <https://montgomeryplanning.org/wp-content/uploads/2020/07/MoCo-HNA-July-2020.pdf#page=31>
- Gap Between # of Housing Choice Vouchers and number of households on waiting list, number of unused Housing Choice Vouchers due to inability to find landlord that will accept

A “healthy” market is traditionally understood to have a 2 percent vacancy for homes for sale and 5 percent vacancy for homes for rent. Given that the construction of new housing has drastically slowed since the 2008-09 recession, there is an understanding that New Hampshire is in need of homes to meet current demand, not accounting for future population projections and migration to New Hampshire (see Fair Share). The current housing shortage data shows the number of owner- and renter-occupied units that are needed to have a healthy market in 2022.



Beyond just the total shortage of units, the housing gap analysis looks at the affordability of the housing that we have, to determine what type of housing we need. It is not enough to simply build housing that is priced at the median rent or purchase prices or targeted at median income levels. Doing so results in a market where households making less than the median income are struggling to afford units that are too expensive for them. Additionally, higher income households may be living in housing that is less expensive than they can afford. This results in a strain on the housing that is available for those who can afford the median priced housing, as they are now competing with both the higher income and lower income households for the same housing.

→ Further discussion of gap analysis and visualizations like this statewide chart by the consultant, Root Policy Research:



V. New Trends and Future Housing Needs

Conditions Likely to Impact Future Housing Supply, Housing Affordability, and the Cost of Developing New Housing

There are several economic, public health, environmental, and geopolitical trends that are likely to have significant impacts on housing over the next couple of decades. While we cannot yet predict the extent of these impacts, we should be aware of their current trends and be prepared to adapt in the future.

COVID-19

Covid-19 has magnified several critical pre-pandemic housing issues in our region while also leading to the development of new challenges. Overall, factors such as fluctuating interest rates, shifts in consumer and workforce behaviors, and the limited supply and rising cost of construction materials and labor, have all added pressure to the affordability, availability, and quality of housing in our region. Below, we explore the different ways in which the pandemic has directly impacted, and will continue to impact, our housing market.

Supply

Even prior to the Covid-19 pandemic, the state and region were experiencing a shortage of housing inventory needed to support its growing population. NHHFA's Housing Market Report, published in November 2019, showed that our state's housing market was already short as many as 15,000 to 20,000 new units needed to satisfy the demand.¹³ The Months of Supply Inventory (MSI) is a metric that shows how many months it would take to sell all of the existing housing stock at the current sale pace if no more units were added to the market. In a healthy market, a balanced MSI would be 6 months. In 2014, the supply was enough to sustain the demand for 8 months. In January 2020, the MSI for the state was 2.2, meaning that it would take 2.2 months to entirely run out of inventory.¹⁴ The effects of Covid-19 further tightened the available inventory – by January 2022, the MSI dropped to a shocking 0.6, meaning that it would take roughly 3 weeks for the state's entire inventory to run out at the sale current pace.¹⁵

Despite the low supply and high demand (and prior to the rise of interest rates), the state and region began to experience a decline in the number of closed sales. This, however, was not a result of the lack of demand but instead was representative of a limited housing inventory and an overall decrease in the number of active listings. In January 2020, there were 3,275 single family homes for sale in the state. By January of 2022, only 931 single family units were available for sale, which is roughly 72 percent less inventory in comparison to two years prior, just before the pandemic.¹⁶

Cost

The limited supply and high demand were affecting housing costs long before Covid-19. However, factors induced by the pandemic, such as historically low interest rates, shifts in consumer and workforce behaviors, and the rising cost and limited supply of construction materials and labor all magnified the cost of housing in our region. To put into perspective, the annual median price for single

¹³ <https://www.nhhfa.org/wp-content/uploads/2019/11/NHHFA-HMR-November2019.pdf>

¹⁴ https://www.nhar.org/assets/docs/NHAR_MMI_2020-12.pdf

¹⁵ https://www.nhar.org/assets/docs/NHAR_MMI_2022-01.pdf

¹⁶ https://www.nhar.org/assets/docs/NHAR_MMI_2022-01.pdf

family residential homes in Strafford County went from \$305,000 in 2020 to \$360,000 in 2021 – an 18 percent increase over one year.¹⁷ Moreover, data for April 2021 shows that the biggest price increase in the state compared to the same month in 2020 was in Carroll County, which experienced a 60.3 percent raise. Also overlapping with our region, Rockingham County is notable for having the highest median sale price for homes in the state.¹⁸

As a result, the cost effects induced by Covid-19 have affected different socio-economic groups in diverse ways. The steep rise in prices benefitted those who already owned homes, drove landlords to charge more for their rental properties, and put more pressure on renters. The increase in property values has also led to greater tax pressure on those who own and were already cost-burdened.

Days on market/percent of list price received

New market patterns also resulted in homes selling at or above asking price at an exceptionally fast pace. In hot markets such as Dover, homes were selling at an average of 5 percent over asking price in the month's following the pandemic where interest rates were at their lowest, while also spending significantly less days on the market than ever before. In 2020, single family homes in Strafford County spent an average of 36 days on the market (down from 49 DOM in 2019), to an annual average of 23 days on the market in 2021.¹⁹

Interest Rates

In the months following the initial impact of the pandemic, the introduction of historically low mortgage interest rates led to a soar in demand, which further encouraged home buying. As a result of the Federal Reserve lowering rates in response to the economic effects of Covid-19, mortgage interest rates in the U.S. dropped from an annual average of 3.94 percent in 2019 to an annual average of 2.96 percent by 2021 for a 30-year loan.²⁰ Since then, interest rates have gradually increased as a result of the Federal Reserve raising interest rates in an effort to combat inflation – reaching a weekly average rate of above 7 percent by November, 2022.²¹ As a result, there has been a sharp decline in new mortgage and refinance applications.²² According to a June 2022 press release published by the Mortgage Bankers Association (MBA), “mortgage rates are now almost double than they were a year ago, leading to a 77 percent drop in refinance volume over the past 12 months.”²³ It is important to note that geopolitical tensions attributed to the situation between Russia and Ukraine, as well as current economic trends such as inflation, will likely continue to have an impact on interest rates.

¹⁷ https://www.nhar.org/assets/pdf/marketdata/yearoveryear/98-21_NH-Strafford_County.pdf

¹⁸ https://www.nhbr.com/new-hampshire-home-prices-surge-again-in-march/?utm_content=93ad02b6ff2fcb4bd357bd34edbbbaa9&utm_campaign=utm_campaign%3Drecon&utm_source=Robly.com&utm_medium=email

¹⁹ https://www.nhar.org/assets/pdf/marketdata/yearoveryear/98-21_NH-Strafford_County.pdf

²⁰ <https://www.freddiemac.com/pmms/pmms30>

²¹ <https://www.freddiemac.com/pmms>

²² <https://www.nhhfa.org/wp-content/uploads/2022/06/NH-Housing-Market-Report-06-2022.pdf>

²³ <https://www.mba.org/news-and-research/newsroom/news/2022/06/22/mortgage-applications-increase-in-latest-mba-weekly-survey>

Rentals

Much like homebuyers, renters have also experienced a direct impact resulting from new consumer behaviors. Even though the cost of renting had been increasing over time in the years leading up to the pandemic (Strafford County saw a 26 percent increase in median gross rent for 2-bedroom units from 2015 to 2020), the challenges that were magnified by the pandemic led to extremely high demand and limited supply of rental housing. This resulted in significantly higher costs and historically low vacancy rates, making it an extremely challenging market for renters. NHHFA's 2021 NH Residential Rental Cost Survey Report showed that in Strafford County, only 14 percent of 2-bedroom units were below what is considered affordable market rent, calculated at \$1,184 (based on estimated 2021 renter household income.)²⁴ Moreover, vacancy rates for 2-bedroom units in Strafford County went from 2.10 percent in 2020 to 0.9 percent in 2021 (a balanced vacancy rate is considered to be roughly 5 percent in a healthy and stable housing market.) Among other causes, one of the pandemic-related factors that has contributed to these market conditions includes the scarcity of housing available for existing renters to buy – even if they can afford it – which adds pressure on an already fragile rental market.

Equity

The housing conditions that were intensified by the pandemic also had a direct impact on equity, as the lack of inventory and unaffordable prices left many buyers and renters with limited options, consequently increasing the probability that lower income residents end up in older units that are more prone to issues associated with pests and hazardous materials, such as lead and asbestos. In addition, there was added pressure on lower income families, as the cost of living tends to increase as household income decreases (for example, lower income families who may not be able to afford good quality housing may face higher heating costs; or lower income families may be forced to live outside of more urbanized communities where jobs are concentrated since housing tends to be more expensive, increasing the cost of transportation).

Moreover, the role of appraisals during the Covid-19 “homebuying craze” further impacted equity. In a competitive market where offers were being submitted above the asking price, homes continued to be appraised for the real market value for the purpose of loan approvals. If the offer on the property exceeded the appraised value, the buyer would have to pay the difference out of pocket. If they could not come up with the extra funding, the sale could fall through, making cash buyers much more appealing to sellers. In other words, mortgage holders rarely stood a chance when competing against cash buyers.

Homelessness

The low housing supply and non-affordability also exacerbated the issue of homelessness, (especially amongst groups who were already experiencing housing insecurity) which was already a growing area of concern for our state and region. Even before Covid-19, the number of people experiencing homelessness consistently exceeded our state's available shelter space.

The sudden loss of jobs, notably for those with lower-earning wages, led to many falling behind on rent. Despite protections on evictions, there was a period between when the NH Eviction Ban was lifted and the Federal Ban from the CDC (Center for Disease Control) took effect, allowing landlords to evict those

²⁴ <https://www.nhhfa.org/wp-content/uploads/2021/07/NH-Housing-Rental-Survey-Report-2021.pdf>, pg. 11

who had fallen behind on payments. The sudden surge in unemployment rates and the non-affordability of units added a burden to this problem. While some of the immediate responses included “hoteling”, adding decompression emergency shelters, expanding food services, and implementing other services such as sanitation for those experiencing unsheltered homelessness, it was still hard to keep up with the new demand.

In a statewide survey conducted for the RHNA to Social Service Providers, respondents gave their professional opinion about the need for housing in their service area at the time of this survey. Respondents were asked to compare current housing supply versus demand, seen in Figure 4. Respondents were also asked to indicate the impact on the need for housing during the Covid-19 pandemic, seen in Figure 5.

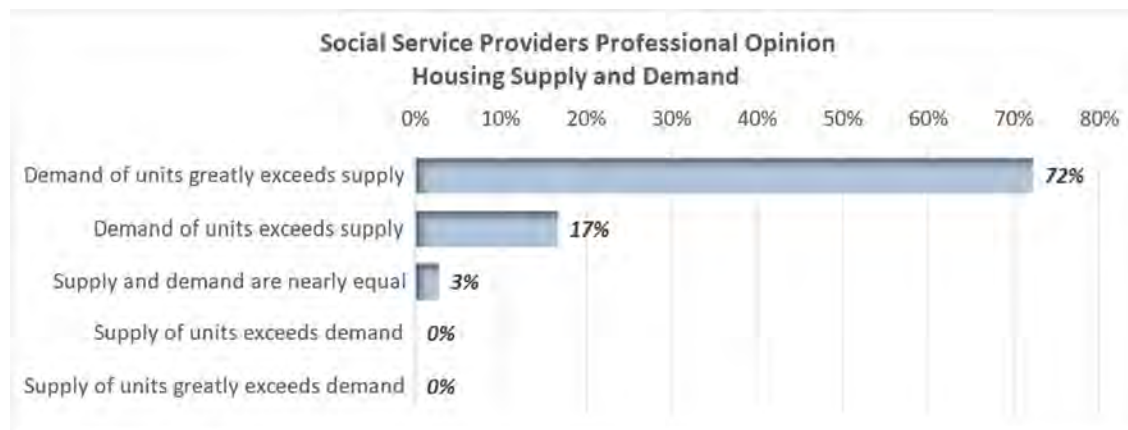


Figure 4. Respondents provided their professional opinion on the alignment of supply and demand of housing stock in their organization’s service area.

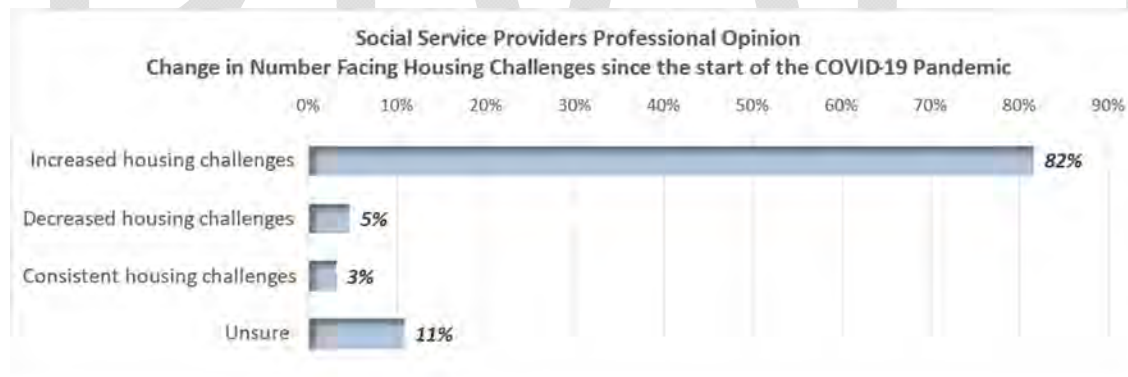


Figure 5. Respondents describe how the COVID-19 pandemic impacted the number of people facing housing challenges.

Respondents provided comments to estimate their opinion on housing challenges during the Covid-19 pandemic. Of the respondents who provided a numeric value on an increase, the range extended from an increase of 10 percent to 200 percent, with an average value of 58 and a median value of 50 percent. Those selecting a decrease in housing challenges explained this effect in relation to the eviction moratorium, and increased funding for rental assistance during the Covid-19 pandemic.

In addition, when asked about their organization’s waitlist for services, all respondents with a waitlist indicated an increase in wait or number since before the Covid-19 pandemic.

Quotes from the survey:

“Many of our clients are experiencing rapidly rising housing costs”

“Increased since the eviction moratorium COVID funding ended”

“Since 2018, more people are struggling to meet rental obligations without assistance”

“The number of unsheltered individuals seems to have increased”

“Yes, it has increased and will continue to increase dramatically”

In-migration

New trends that originated in response to Covid-19, such as the shift to remote work, have allowed for more flexibility for workers to be able to choose where they live. This has led to an increase in migration to our region from bigger, more populated cities such as Boston, due to its relative affordability. In addition to affordability by comparison, other factors that have attracted people to relocate here include the natural environment, quality of life, employment, taxes, culture, lifestyle, the economy, and in many cases, proximity to family, according to a poll led by the University of New Hampshire.²⁵

As we continue to wait for more data to be released around migration patterns influenced by Covid-19, there are several factors that can help us understand this topic, including housing, population, and school enrollment. Despite the challenges around collecting data that shows exactly how much net migration was a direct result of the pandemic, based on the exacerbated housing conditions described above, it can only be assumed that Covid-19 has played a role in in-migration. In a survey of the general population of the region, 63 percent of respondents indicated that they believed that people moving into the region who can afford higher prices was a factor that significantly impacted the cost and supply of housing.

One respondent to SRPC’s public outreach survey shared,

“Being a young adult that enjoyed just moving out of the parents house and since Covid and all of the new people to the region with millions over what my community has ever had, I’ve had a hard time trying to buy property or houses due to “all cash offers” and other things. That’s how why i am still left with only renting right now.”

Construction

As a result of supply chain disruptions brought by the pandemic, the cost and availability of construction materials have drastically increased since 2019, which has made for an extremely challenging environment for developers and further affected inventory and prices.²⁶ Softwood lumber, for example, has shown an increase of 121 percent since April 2020 and 119 percent increase since April 2019.

²⁵ <https://carsey.unh.edu/publication/why-people-move-to-stay-in-NH>

²⁶ <https://www.nhhfa.org/wp-content/uploads/2021/05/HMS-Spring-2021.pdf>

Furthermore, workforce shortages in the construction industry, and the rising cost of labor, have further exacerbated the challenging conditions faced by developers. Construction will be discussed in more detail in its own sub-section of the Conditions Likely to Impact Future Housing section.

Government Support Programs

The infusion of government relief programs implemented in response to the conditions exacerbated by Covid-19 played a key role in helping manage some of the pandemic's impacts on the housing market. These relief programs included moratoriums on evictions and foreclosures, rental and housing assistance, and financial support through increased unemployment benefits. While these have all played a crucial role in protecting homeowners and renters, the ban on evictions also impacted some landlords that depended on rents as a main source of income. In some cases, there were landlords who could not access funds from the rental relief programs since this was dependent on the tenant taking action in the application process. In NH, for example, while landlords could help complete and submit the application, the tenant had to be willing to sign it in addition to providing supporting documentation, such as proof of income.

In the later months of the pandemic, while some of the initial programs came to an end, new ones were introduced. In response to the moratorium on evictions that closed on July 31, 2021, the NH Emergency Rental Assistance Program, a federally funded rental assistance program, was launched. Since its launch in March 2021 (and as of November 2022) the program expended over \$255 million to help more than 24,600 NH households by making payments to landlords and utility companies.²⁷

The New Hampshire Homeowner Assistance Fund was another short-term federally funded program launched in March 2022 that has allowed homeowners with incomes less than 125 percent of their area median income whose income has been disrupted due to Covid-19 to apply for up to \$20,000 in aid for property-related expenses.²⁸ However, these are temporary solutions designed to help with pandemic-related housing stability and once these come to an end in the near future, we might expect an increase in evictions and foreclosures.

As a more permanent solution, and through funds made available through the Covid-19 induced American Rescue Plan Act, the state created a \$100 million housing fund, InvestNH, designed to help alleviate the housing challenges by incentivizing the creation of multi-unit workforce housing amongst developers and municipalities around the state.²⁹ These funds must be expended by December 31, 2026, so we should expect to see the creation of new units in the next few years.

In summary, while a few of the indicators impacted by Covid-19 and discussed above have somewhat stabilized over the past year, they are still far from pre-pandemic levels and the market remains highly competitive and inaccessible for many due to the severe discrepancies with supply and demand as well as emerging economic trends. Though it may be soon to tell, SRPC staff will continue to closely track the ways in which Covid-19 will continue to impact the housing market in our region.

²⁷ <https://www.nhhfa.org/emergency-rental-assistance/>

²⁸ <https://newhampshirebulletin.com/briefs/state-launches-federally-funded-program-to-help-struggling-homeowners/>

²⁹ <https://newhampshirebulletin.com/2022/05/04/after-delay-executive-council-approves-sununu-100-million-workforce-housing-grant-program/>

Climate Change

Several reports were used to inform this summary of projected climate change trends and impacts, including the New Hampshire Coastal Flood Risk Summary (2019-2020), the New Hampshire Climate Assessment (2022), and An Assessment of the Impact of Climate Change on Human Health in New Hampshire (2014). The New Hampshire Coastal Flood Risk Summary is comprised of two parts, including “Part I: Science” and “Part II: Guidance for Using Scientific Projections.” Together, Part I and Part II of the New Hampshire Coastal Flood Risk Summary fulfill the requirements of RSA 483-B:22, which directs NHDES to supervise updates to the 2014 Coastal Risk and Hazard Commission Science and Technical Advisory Panel report, Sea-Level Rise, Storm Surges, and Extreme Precipitation in Coastal New Hampshire, Analysis of Past and Projected Trends, at least every five years. The University of New Hampshire published the New Hampshire Climate Assessment – a report that provides a statewide update to the 2014 climate change assessment reports for southern and northern New Hampshire. These reports provide a more focused impact assessment of historical and future climate scenarios. The University of New Hampshire also published their Assessment of the Impact of Climate Change on Human Health to examine the potential primary and secondary health impacts from climate change, as well as equity considerations and identification of vulnerable populations.

At the federal level, the Fourth U.S. National Climate Assessment, which is required to be provided to the United States Congress and the President no less than every four years, can be used to guide future risk management decisions.

Across the state, concerns for climate change include, but are not limited to, increases in the frequency of hot temperature extremes (days over 90°F), increases in total annual precipitation, increases in frequency and intensity of extreme precipitation events, increases in the intensity and duration of drought and wildfires, decreases in snow cover, and reduced seasonality. Several risks pose a threat to housing infrastructure, including flooding, extreme heat, drought, and wildfires.

Flooding

[FloodFactor](#) is a tool used by many practitioners to determine the current and future risks of climate hazards in communities based on peer-reviewed research from the world’s leading climate modelers. According to FloodFactor, there are 3,560 properties in Strafford County that have greater than a 26 percent chance of being severely affected by flooding over the next 30 years. This represents 10 percent of all properties in Strafford County and is a much higher percentage of those properties with flood insurance. As of October 2022, there were only 376 flood insurance policies in the entire region. Of those policies, there have been 197 paid losses totaling over \$3.2M. Manufactured homes in high-risk areas may be more vulnerable because of the way they are constructed and assembled. Nationwide, manufactured homes built prior to the 1976 HUD regulations have been shown to experience widespread damage during significant flooding events as a result of a lack of adequate elevation, the use of unreinforced piers in areas exposed to moving floodwaters, inadequate anchoring, and failure of attached site-built additions.³⁰ While new regulatory requirements and guidance have helped to alleviate some of these issues for new construction, older homes may still be at risk. Additionally,

³⁰ https://www.fema.gov/sites/default/files/2020-08/fema_p85.pdf

research has shown that these structures face a disproportionately higher risk of flooding compared to those who live in other types of housing and climate change will likely exacerbate this issue.

In addition to damage to properties, flooding can damage utilities; cut off access to emergency services, employment centers, and public transportation; and may impact the overall economic well-being of an area. Overall, Strafford County has a moderate risk of flooding over the next 30 years, which means flooding is likely to impact day-to-day life for many living in the region. This is based on the level of risk the properties face rather than the proportion of properties with risk.

Flooding can bring economic hardship for families and businesses, as well as increased exposure to health hazards. These impacts are often exacerbated by pre-existing social vulnerabilities/risk factors like race, age, gender, pre-existing health conditions, etc. As climate change intensifies, the current housing shortage and general housing instability will continue to be impacted. Housing is the largest expense for families in the United States and many live in housing that is not affordable to them. Unaffordable and insecure housing leaves families less able to cope with unexpected expenses such as extensive repairs or rebuilding from flooding. Both the frequency and reoccurrence of climate-related disasters have exacerbated affordable housing crises in areas prone to disasters. Without significant intervention, areas prone to climate-related disasters will continue to face housing instability.³¹ Therefore, proactive adaptation strategies are needed to promote resilient communities, mitigate economic costs, and ensure equitable outcomes.

Extreme Heat

According to the New Hampshire Climate Assessment, the frequency of extreme heat days is projected to increase dramatically, and the hottest days will be hotter, raising concerns regarding the impact of extreme, sustained heat (i.e., heat waves) on human health, infrastructure, and the electrical grid. Data provided from the Centers for Disease Control and Prevention (CDC) states that an average of approximately 700 deaths and 9,200 hospitalizations occur a year, nationwide, because of extreme heat. In addition to the fatality risk, extreme heat can cause heat stroke and cardiovascular and respiratory disorders. These risks are not distributed evenly; the threat of extreme heat disproportionately affects communities of color, lower-income households, older adults, young children, those in poor health, and outdoor workers.³² Future increases in the frequency and intensity of heat waves are likely to have a greater impact on persons living in old or poorly insulated houses, which offer less protection from the outside heat, and those living without air conditioners.

Temperature increases across the United States are expected to drive greater air conditioning demands and create greater grid spikes in the summer months. Electricity costs are expected to rise as a result of increased demand and reduced efficiency of power generation and delivery during extreme heat events. While these effects are expected to have greater impacts in other regions of the U.S., New Hampshire power grid and energy providers will be challenged to provide adequate power in the face of increased air conditioning usage.

³¹ <https://www.aspeninstitute.org/blog-posts/the-devastating-effects-of-climate-change-on-us-housing-security/>

³² <https://www.acf.hhs.gov/blog/2022/04/liheap-and-extreme-heat>

Drought

While the impacts of drought are typically not as damaging and disruptive as floods or storm events, the impacts of long-term drought or near drought conditions can impact local water supplies. In recent years, drought has become a problem in New Hampshire with three significant droughts within the last 20 years. The large amount of water resources and relatively sparse population in New Hampshire have tended to minimize the impacts of drought events in the region, but this regional protection may be endangered in the future with increases in drought frequency or severity. Since 1960, the population has more than doubled, which has increased demand for the State's water resources. Further droughts may have considerable effect on the State's densely populated areas along the seacoast and in the south-central area. Moreover, as other parts of the nation experience more severe droughts, the state and region might see an increase in population, and therefore housing demand, due to its relatively large amount of water resources.

Wildfires

Wildfires and lack of water resources in other areas of the country may influence relocation patterns (climate migration) in the Northeast, including the SRPC region. This is an example of an indirect impact of climate change. Research suggests that these types of climate hazards will incite migration patterns across the country, and even internationally. There are many drivers of this migration that are important to analyze to fully understand the impacts this may have. In the United States, the increasing frequency of extreme weather events have intensified a cause for concern among homeowners. In 2019, almost one million Americans were displaced from their homes due to disasters, and in 2020 that number grew to over one million seven hundred thousand people. There were 30 named storms that erupted from the Atlantic Ocean, and California experienced record setting wildfires. The increasing number of and future risks of wildfires are a threat to public health due to smoke inhalation, as well as being a threat to home, work, and community assets. People are avoiding moving to places like Montana and Colorado for this reason and moving away from places like Nevada. The Northeast provides a similar environment, especially in New Hampshire with the white mountains and expansive natural areas with lower risk of such natural disasters.

Climate Migration

On the state level, some New Hampshire residents living on the coast, especially those living in areas like Hampton that are already experiencing the impacts of climate change via flooding from storms and sea level rise will be looking to migrate inland away from the immediate coastline, which could further impact housing demand in our region. New Hampshire saw a glimpse of what climate migration is going to look like when the Covid-19 pandemic influenced people to move to their second homes for greater portions of the year, even permanently, in the state. On top of this, the state was dealing with a climate-induced drought. Municipal infrastructure and community services have become strained due to this combination in some areas only equipped to handle predictable vacation populations.



[New Climate Maps Show a Transformed United States](#) (ProPublica: Climate Migration)

Lastly, it is important to consider that climate migrants will also be seeking refuge from outside of the United States, as similar extreme weather events are impacting areas in other parts of the world even more severely than the U.S. One example of this trend can be seen in the influx of immigrants from Puerto Rico to Nashua, N.H. after Hurricane Maria in 2017.

While it is challenging to predict the demographics, temporal distribution, and spatial dispersal of people, it can be assumed that our population will increase for this reason. Therefore, the influx of people will require special attention to infrastructure, public services, and needed homes along with proactive planning to adapt to these conditions.

Housing plays a role in mitigation (reducing greenhouse gas (GHG) emissions) and adaptation (responding to the effects) of climate change. Many respondents in our public survey nodded to this relationship. For example, smaller households, coupled with trends toward larger houses, increase per capita energy and resource consumption, domestic waste, and production of greenhouse gases (Ellsworth-Krebs, 2020; Bradbury et al., 2014; Liu et al., 2003). Certain home types may intensify climate change and conflict with specific housing needs in the region. Therefore, when making land-use decisions, it is important to understand these tradeoffs and optimize synergies when applicable. Some opportunities for homes to reduce emissions are to increase energy efficiency, incorporate renewable energy, utilize passive design principles, etc. On the adaptation side, there will be a growing need for air conditioning and cooling systems, especially for the elderly and other vulnerable groups. The [U.S. Climate Resilience Toolkit](#) is a website designed to help people find and use tools, information, and subject matter expertise to build climate resilience in their communities. Part of this tool includes the [Climate Mapping for Resilience and Adaptation Assessment Tool](#) which can be used to understand exposure to climate hazards based on location.

Federal Monetary Policy

Interest Rates and Inflation

Inflation has been one of the most prominent recent economic trends in our nation, state, and region. Some inflationary factors have been caused by monetary policies (i.e., reduced interest rates), fiscal policies (i.e., CARES Act, ARPA, stimulus checks), geopolitical tensions around the world (Russia-Ukraine war), supply chain disruptions (caused in part by Covid-19 related business closures and growing demand for products and services), and labor shortages (caused by “the great resignation,” early retirement trends, a reduction in labor force participation, barriers to immigration, a shortage of workforce housing and affordable childcare, and the retraining of workers who switched or abandoned certain industries).³³ According to the Bureau of Labor Statistics, the May 2022 all-items Consumer Price Index in the New England Region increased by 7.9 percent from May 2021,³⁴ with the highest increases seen in gas, shelter, and food³⁵ (for reference, the target inflation rate is 2 percent per year).³⁶

Needless to say, the multi-layered impacts of inflation have differed amongst socio-economic groups. For middle and lower-income households (typically renters), the increasing costs of gas, housing, and food cut into the resources needed for other non-discretionary expenses such as utilities, taxes, and debt, putting a greater financial burden on these groups. On the other hand, higher-wealth individuals (typically homeowners) have benefitted from an increase in assets as a result of appreciation and monetary policies. In an effort to combat inflation, the Federal Reserve has implemented 6 interest rate hikes from March 2022 to November 2022 that add up to 3.75 percentage points, all of which have had an impact on credit card loans, auto loans, and mortgage interest rates. Despite these efforts, with inflation still running high, analysts indicate that we should anticipate a few more increases throughout the remainder of 2022 and 2023³⁷, putting an even greater strain on the cost of housing and ability to purchase a home.

The federal interest rate hikes have resulted in the mortgage interest rate for a 30-year loan to go from 3.1 percent in late 2021 to 7.08 percent by the end of October 2022, putting an even greater stain on affordability for homebuyers in New Hampshire. To put this into perspective, for someone looking to purchase a \$400,000 home with a 5 percent down payment, at a 3.1 percent interest rate for a 30-year mortgage, their monthly payment would be \$1,623 (this does NOT include taxes, homeowners’ insurance, private mortgage insurance, or any other fees such as a monthly HOA when applicable). With a 7.08 percent interest rate for a 30-year mortgage with a 5 percent down payment, the monthly payment would increase to \$2,549 per month – representing a \$926 difference in the monthly payment, before all other taxes and fees.

³³ <https://www.remi.com/wp-content/uploads/2022/03/3.2-Transportation-Inflation-and-the-Supply-Chain-PDF.pdf>

³⁴ <https://www.bls.gov/news.release/cpi.t04.htm>

³⁵ <https://www.bls.gov/news.release/cpi.nr0.htm>

³⁶ https://www.federalreserve.gov/faqs/economy_14400.htm

³⁷ <https://www.marketplace.org/2022/03/16/fed-announces-interest-rate-hike-to-combat-inflation/>

Description	Dec-21	Oct-22
Home Price	\$400,000	\$400,000
Down Payment	5%	5%
Mortgage Interest Rate	3.10%	7.08%
Monthly Payment	\$1,623	\$2,549
*Monthly payment Does not include taxes, insurance, PMI, HOA, etc.		

This hike in interest rates is expected to slow down the hot demand for housing, but it is pricing out homebuyers even more, likely pushing them into an already tight rental market. Despite the effects, this does not change the reality that New Hampshire does not have enough housing supply to meet the current demand, which will likely result in a slowdown in the number of home sales, but the continuation of high home prices.

Furthermore, inflation has caused a drastic increase in the cost of materials and labor across almost every industry, including construction and transportation, which could likely result in a slowdown of construction, further exacerbating the housing supply challenge in the state.

Faircloth Limits

Each public housing authority is allowed to own or operate a limited number of housing units. The Faircloth Limit prohibits any net increase in public housing stock from the number of units as of October 1, 1999. This is consistent with federal policy over the last 20 plus years, which has sought to discourage production of new public housing and instead encourage production of mixed-income developments through HOPE VI, Choice Neighborhoods, and Rental Assistance Demonstration, with a mix of public and private financing sources. The goal of these policies was to avoid creating concentrations of extremely low-income households in any one location.

Low Income Housing Tax Credit Expansion

As of November 2022, discussions about increasing the authorization for the Low-Income Housing Tax Credit Program (LIHTC) are ongoing in Congress. The authority to issue more 9 percent LIHTC expired at the end of 2021. The current vehicle for increased funding for LIHTC, making the 2018 increase permanent, is the [Affordable Housing Credit Improvement Act of 2021 \(H.R. 2573\)](#), which may potentially be added to a tax extender bill. This additional funding authority was contained in Build Back Better, which was not adopted, but wasn't contained in the Inflation Reduction Act.

Section 8 Voucher Adjustments

The Housing Choice Voucher Program (HCV), formerly known as "Section 8," is a federally established program that assists very low-income families, seniors, and people with disabilities by providing direct assistance for housing within the private market. Individuals or families who are issued a voucher must find a compatible unit with a landlord who will accept HCVs. This task has been known to be one of the greatest barriers to enrollees of the program. If the rent exceeds the voucher amount, the individual or family is responsible for the difference. In certain circumstances, vouchers can be used towards the purchase of a home.

The amount that is charged is largely based in the determined Fair Market Rent, an amount calculated by HUD by the number of bedrooms in a unit in a geographic area. This amount is re-calculated every

fiscal year. In the Portsmouth-Rochester FMR area, the determined rent for 2-bedroom units will have risen by 35 percent from 2019 to 2023, when it had previously only increased 9 percent in the same amount of time before 2019.

Constructions Costs

Many of the factors discussed above, including supply chain and skilled labor shortages, record-high inflation, limited access to buildable lots, high demand for new units, changes in consumer behaviors, and Covid-19 have led to high increases in construction costs and resulted in low real productivity growth of the construction industry.

Cost

Across the nation, raw materials such as lumber have skyrocketed. New Hampshire Housing Finance Authority's Spring 2021 Housing Market Snapshot shows a drastic increase in the cost of building materials beginning in 2021. When looking at softwood lumber in particular, we saw a price increase of 121 percent from 2020 to 2021. Furthermore, since October 2020, steel, gypsum, insulation, and fuel have all jumped radically. Needless to say, the economic conditions and its impact on the construction industry have affected housing prices by adding thousands of dollars to the cost of development, which is then passed on to the homebuyer. With the unpredictable status of the economy and real threats of a potential recession, construction stakeholders eagerly wait for signs of a decline in inflationary pressures that currently threaten the industry.

For developers, dealing with the increasing cost of goods and services presents its own set of challenges. Any increases in material costs result in project pricing issues due to the volatility in materials costs. If not planned for properly, a contractor may end up with having to make up for any price increases that arise after the signing of a contract. On the other hand, if they incorporate the cost of potential price increases into their contracts at the bidding stage, they run the risk of missing out on a contract due to "over" bidding.

In SRPC's public outreach survey, 70 percent of participants indicated that they believe the cost of construction significantly impacted the cost and supply of housing.

Land

The availability of buildable land also plays a significant role in the cost of construction. While the state and region are known for their rich natural resources, zoning and land use regulations -while they play a critical role in the protection and conservation of valuable natural resources and the rural character of the state- can sometimes be a barrier to construction if not implemented correctly. As a result, the inventory of land that is suitable for building becomes more limited, thus increasing the cost of construction and making homebuying less affordable. While many of the municipalities in our region have an existing demand for new units and signs such as an uptick in building permits point to an active time for new construction, there could be delays that can likely be attributed to the factors listed above, as well as a limited supply of buildable lots.

Supply

When it comes to supply chains, a severe bottleneck effect was created when the nation was hit by the pandemic. With business closures and stay-at-home orders in place, labor force participation was reduced as a result of mass layoffs and demand for goods and services was temporarily diminished. However, when restrictions were lifted, consumer confidence was regained and economic activity

bounced back, the demand outpaced the supply and the industry sectors that support construction (such as transportation and manufacturing) struggled to keep up with the somewhat unforeseen level of demand. This has not only affected costs, but caused major delays often linked to labor shortages and the ability to produce and transport goods and materials needed for construction. Furthermore, supply chain issues result in open-ended delays in the completion of projects. Under the current conditions, developers do not have the capacity to keep up with the demand without potentially impacting the consumer through delays and higher housing costs.

Consumer Behaviors

Consumer behaviors that shift due to factors such as the economy and pandemic further shape the construction industry. For example, access to disposable income that resulted from sudden vacation cancellations or Covid-19 related fiscal policies (such as the economic stimulus checks) led to an increased spending on home improvement and renovation projects, and reduced interest rates incentivized homebuying, increasing the demand for new units. These new consumer behaviors have coincided with supply chains and labor shortages, which have left construction companies scrambling to find the help they need to keep up with the demand.

In today's shifting economy, which faces threats of a potential recession, we might expect to see a slowdown in the demand for new construction.

Labor

Over the past few years, there have been growing concerns about the lack of qualified tradespeople and a decrease in the existing workers available as they reach retirement age. The state's low supply of housing and the high demand for homebuying seen in recent years has put a huge strain on an already fragile industry that had been struggling to find workers as a result of a smaller talent pool since the aftermath of the Great Recession, strong competition from other higher-paying industries, and an aging workforce. While this industry has grown compared to prior years, it still remains one of the smaller industries in the SRPC region, with just over 2,000 employees in 2019.

Developer Outreach

In a statewide survey conducted in January 2021/December 2022 for developers by the Council on Housing Stability, participants indicated that the top 3 factors that negatively impacted their ability to create housing in NH were (1) material cost and availability, (2) labor cost and availability, and (3) local zoning ordinances and permitting. Quotes from the survey that further described these hinderances included:

"Zoning density; municipal utilities often time do not exist; cost of labor and materials are prohibitive and economy of scales for rural areas are another challenge"

"...With a change of use, any renovation must bring the whole building up to code, preventing modest improvements that would benefit everyone and prohibiting smaller, local entrepreneurs from even considering starting a small business. As a result, small towns are seeing more and more out of state deep pocketed corporate developers putting in monstrosities, without commitment to a sense of community."

In that same survey, developers were asked to provide personal insight or examples of events, legislation, permits, etc. that have hindered (or helped) their ability or desire to create new units in NH.

Their responses mirror much of what has already been stated in the question above, however they provided for some clearer explanation. At the state level, DES Alteration of Terrain permitting was mentioned a few times as being a hindrance for development. Included with that were other permits provided by NH Department of Transportation (DOT) and permitting for wetlands. Outside of that, most focused is on Municipal level code and interpretation/enforcement. Of note on several occasions, was multifamily properties and the requirements placed on those properties specifically, as well as the false public perspective that these properties will increase the tax burden on property taxpayers.

On the flip side, when talking about what New Hampshire does to help them as developers, it is clear that the state is moving in the right direction. Several participants cited that communities who want affordable housing are being flexible, as are the departments with which the developers are working. The existing programs and organizations that oversee them are highly praised as being receptive, proactive, and helpful in any way they can be. Recent legislative changes, such as the Housing Appeals Board, were also referenced as being great assets to the state and developers.

Student Fluctuation in College Towns

Currently, roughly 55 percent of all undergraduates at UNH live in on-campus housing, and about 90 percent of freshmen live on-campus. According to Stephen Pesci, Special Projects Director UNH Durham's Planning Office, the impacts that Covid-19 will have on housing and enrollment in the future are hard to predict. However, the student headcount at the university has been declining since 2019 and even prior to the pandemic, universities were already facing a challenging future with declining college age demographics and increasing costs associated with tuition and board. Recent data shows that 2022 fall enrollment declined by 3.8 percent compared to the year before.

Furthermore, the university is aware of and preparing for the demographic shifts heading their way in the coming years, knowing that there will be fewer high school seniors and therefore the potential pool of applicants may be smaller. Nonetheless, their goal is to try and attract the same number of students, despite the demographic decline that is approaching. With all this in mind, as of now, the university does not foresee a need for the expansion of undergraduate housing. They do, however, have a need for investment in existing housing assets.

The shifts in regional housing affordability are evident when looking at other data provided by the university, including their Wildcat Transit ridership. The Wildcat Transit is ending their Newmarket (Route 5) services in the upcoming spring semester because students are no longer living in Newmarket due to the lack of affordable housing. This is a major shift from 20 years ago, when Newmarket was the route with the highest ridership. Instead, more students have migrated to Durham and Dover. Durham has also been experiencing significant increases in private student housing, which has led to changes in commuting patterns. For example, the need for on-campus parking has increased now that the university has more students living in Durham, while the demand for student commuter parking has decreased.³⁸

Recent changes in the graduate student housing market include the removal of the Forest Park development, which was previously housing for graduates and families. The former development has

³⁸ [2021 Benchmark Report](#)

now been converted into open space. While UNH still has housing for graduate students, they have found that most graduate students do not want the on-campus experience. The exception to this is their international graduate student segment, as many of these students may not have access to a vehicle or driver's license, or are unfamiliar with the local real estate market, and therefore continue to be well served by UNH's on-campus housing.

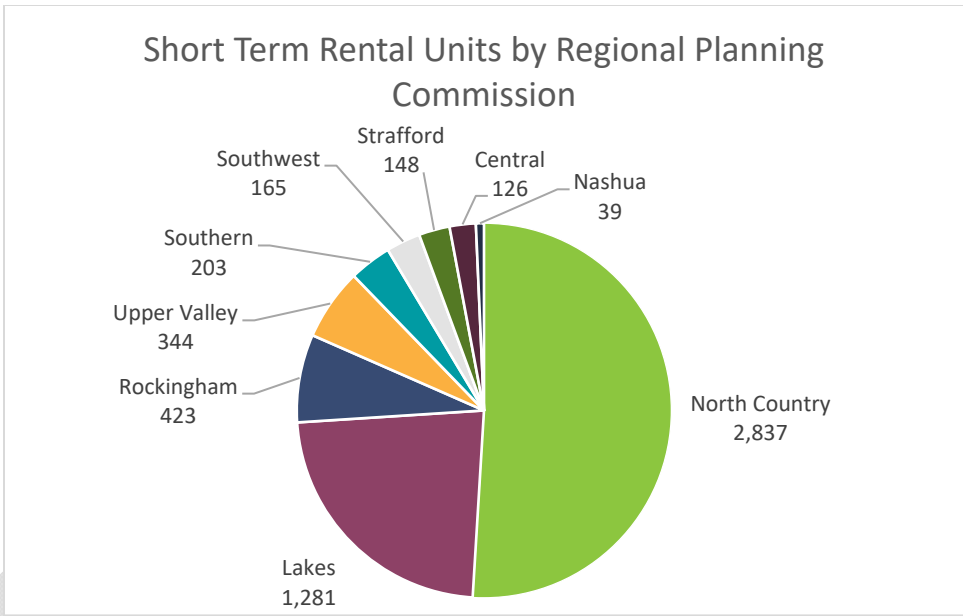
Housing for graduate students does not come without its challenges. For instance, for every child of a graduate student that lives in on-campus housing (in the case of graduate students with families), the university has to contribute roughly \$20,000 towards the Durham school system, outweighing the tuition dollars that they receive. This makes the business model for on-campus housing hard to justify and is therefore pushing them to broaden their housing solutions, including new public-private partnerships.

In an effort to better understand the needs and wants of the graduate student population, the university is starting a graduate and family housing market demand and feasibility study, expected to be published in April 2023. Moreover, in order to determine whether there is a need to expand on-campus housing, UNH's Campus Master Plan will be updated this fall (2022).

Short-Term Rentals and Seasonal Housing

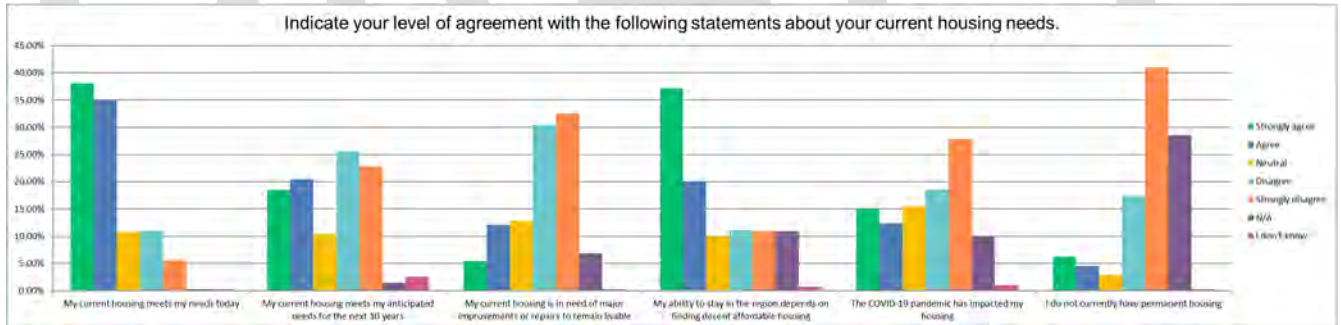
Platforms like AirBNB and Vrbo have made it easy for property owners to lease out their homes as short-term vacation homes. This is a great opportunity for property owners who are leasing their seasonal lake houses or cottages that are not suitable for New Hampshire winters but can be a burden in some communities when housing that could be occupied year-round is left empty so that it can be used as a short-term rental. This is not a significant issue in the Strafford region in 2022, as the region has very few short-term rentals, and mostly in towns with significant summer and lakeside cottages. However, it is worth monitoring, as a study by the National Bureau for Economic Research found that these short-term rentals are starting to impact the housing markets in communities where there are short term rentals³⁹.

³⁹ <https://ssrn.com/abstract=3006832>

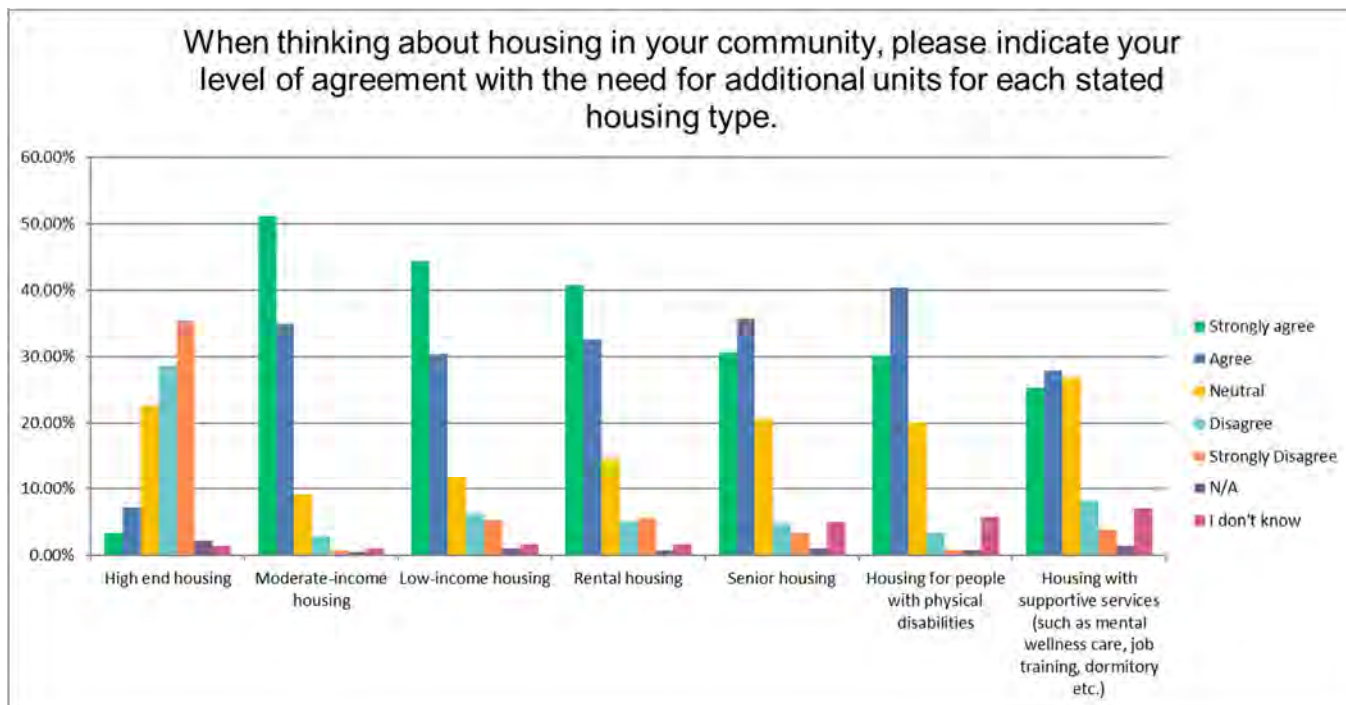


Housing Needs Projections

When asked about their goals and desires for housing in the future, many SRPC public outreach survey respondents noted affordability and wanting to be able to purchase a home. In terms of housing needs, 39% of survey respondents strongly agree (19%) or agree (20%) that their current housing won't meet their anticipated needs for the next ten years.



When asked about the type of housing needed in their communities, respondents to SRPC's public outreach survey most strongly agreed with needing moderate- and low-income housing, and rental housing in general. Respondents were mostly likely to disagree that more high-end housing is needed.



Housing Production Model

The Fair Share Housing Production model, as prepared by Root Policy Research, projects the number of housing units needed to meet projected population and employment demand—and to support a more balanced housing market. The production model was run at the municipal level, projecting needs for every community in each of the nine New Hampshire regional planning commission regions.

As noted by Root Policy Research, “The employment component is critical to support economic stabilization and growth, especially in the state’s small towns and rural areas. A model based solely on demographic projections—which are based on historical trends—would drive housing demand into urban areas and away from rural areas that are aging. This would result in rural economies that cannot support the needs of aging residents, tourism and recreation activity—including second and vacation homeowners—and economic development.”

The results are presented as the cumulative number of units needed over a twenty-year horizon (2040), to accommodate projected population and employment growth, as well as increase production to bring vacancy rates back to that of a stable economy (5% for renter occupied units and 2% for owner occupied units). The existing shortage of housing needed to achieve these vacancy rates today is included in the production model and is distributed over the 20-year projection horizon.

Consistent with NH’s Workforce Housing Statute, the total production need is also allocated by tenure and Area Median Income (AMI)⁴⁰ thresholds as follows:

- Total production need

⁴⁰ Area Median Income was computed for the SRPC region a methodology for which can be found in the appendices.

- Total owner-occupied units needed
 - Owners **below** 100% AMI for a 4-person household
 - Owners **above** 100% AMI for a 4-person household
- Total renter-occupied units needed
 - Renters **below** 60% AMI for a 3-person household
 - Renters **above** 60% AMI for a 3-person household

Municipality	Total	Total	Owners		Total	Renters	
			<100% AMI	>100% AMI		<60% AMI	>60% AMI
Barrington	559	368	155	213	191	63	128
Brookfield	35	23	14	9	12	1	11
Dover	2,077	1,367	600	768	710	227	483
Durham	771	507	154	353	264	153	112
Farmington	412	271	146	125	141	63	78
Lee	265	174	70	104	91	32	59
Madbury	110	72	22	51	38	6	32
Middleton	113	74	37	37	39	11	28
Milton	284	187	83	103	97	37	61
New Durham	187	123	55	68	64	16	48
Newmarket	756	506	188	318	249	66	183
Northwood	233	157	91	66	76	27	49
Nottingham	248	167	111	56	81	20	60
Rochester	2,023	1,331	703	628	692	271	421
Rollinsford	157	103	50	52	54	21	32
Somersworth	748	493	253	240	255	87	168
Strafford	260	171	64	107	89	25	64
Wakefield	282	188	121	67	94	45	48
SRPC Total	9,520	6,283	2,917	3,366	3,237	1,171	2,066

Refer to the companion Data Snapshot document for cumulative need in 5-year increments (2025, 2030, and 2035)

Fair Share Distribution

- Each region may make adjustments to the Housing Need Production Model results to adjust for
- Uninhabitable or poor condition units
 - Known future demolitions
 - Feasibility given
 - land availability and/or
 - water and sewer access,
 - Access to opportunity
 - Assessed valuation (proxy for ability to relative ability to provide community services)

VI. Housing Choice Opportunities and Barriers

Land Use Regulations, Policies, and Other Controls

In most cases, municipalities will not be the developers or providers of affordable housing, but their policies relating to land use allocation, development regulations, and property taxes can influence the creation and preservation of appropriate and affordable housing. Land use regulations are a tool meant to achieve orderly and beneficial development, and like any tool, there are well-made ones and poorly made ones. Also, the way in which a tool is used may be more important than the quality of the tool, and therefore this section also reviews the way in which these regulations function during permit processes that can stretch out a project's timeline, creating costs.

The term "land use regulations" in this document encompasses local zoning and subdivision permitting. In New Hampshire, zoning is adopted as an 'ordinance' and subdivision and site plan review are 'regulations.' Municipalities largely regulate the creation and use of lots through subdivision and zoning. Subdivision authorizes the creation of lots and associated facilities such as roads, and zoning permits the construction of homes or other development on the lots. Northern New England has a tradition of strong state legislative oversight of municipal governments. As such, all powers of municipal governments are enabled by state law, as opposed to in "home rule" states where there are greater levels of local autonomy. In other words, local subdivision and zoning authority are limited to only what is 'enabled' by statutes.

Local land use regulations are often held up as a barrier to housing and a reason for increased housing costs. This was echoed at the RHNA Commissioner Workshop outreach event, where SRPC's Commissioner noted how zoning and land use can often make it difficult to provide a variety of housing options.

As a blanket statement, this is not always applicable, since many towns have no local land use regulations and still struggle with affordable housing costs. However, in specific cases it is true, as land use regulation standards and processes can create unnecessary costs and delays. Thus, we need to rethink the homes the region and state needs to produce, and whether the local land use regulations will support the emerging demographics of housing need and demands including aging in place for senior homeowners. The traditional housing model presumes that different housing types, sizes, and prices should be keyed to various life stages, with ownership progressing toward larger or more expensive units over time. But a new paradigm is emerging that calls for more efficient floor plans and more affordable smaller units that can accommodate virtually any occupant regardless of age or disability. Furthermore, regulations should be revised to not only meet the intent of the state requirement that every community provide 'reasonable and realistic' opportunities for the development of workforce housing (NH RSA 674:58-61), but also to ensure that businesses have adequate home options for employees, residents are safely housed, and land and infrastructure are used efficiently.

Many local land use regulations were written in the 1970s and need modernization. Simultaneously, it is important to remember that most were put in place for a reason, and that lessening regulations can simply shift costs onto municipalities or neighbors (for example, developers may be required to construct roads or sidewalks, and removing that requirement may mean that residents later petition the town to build these).

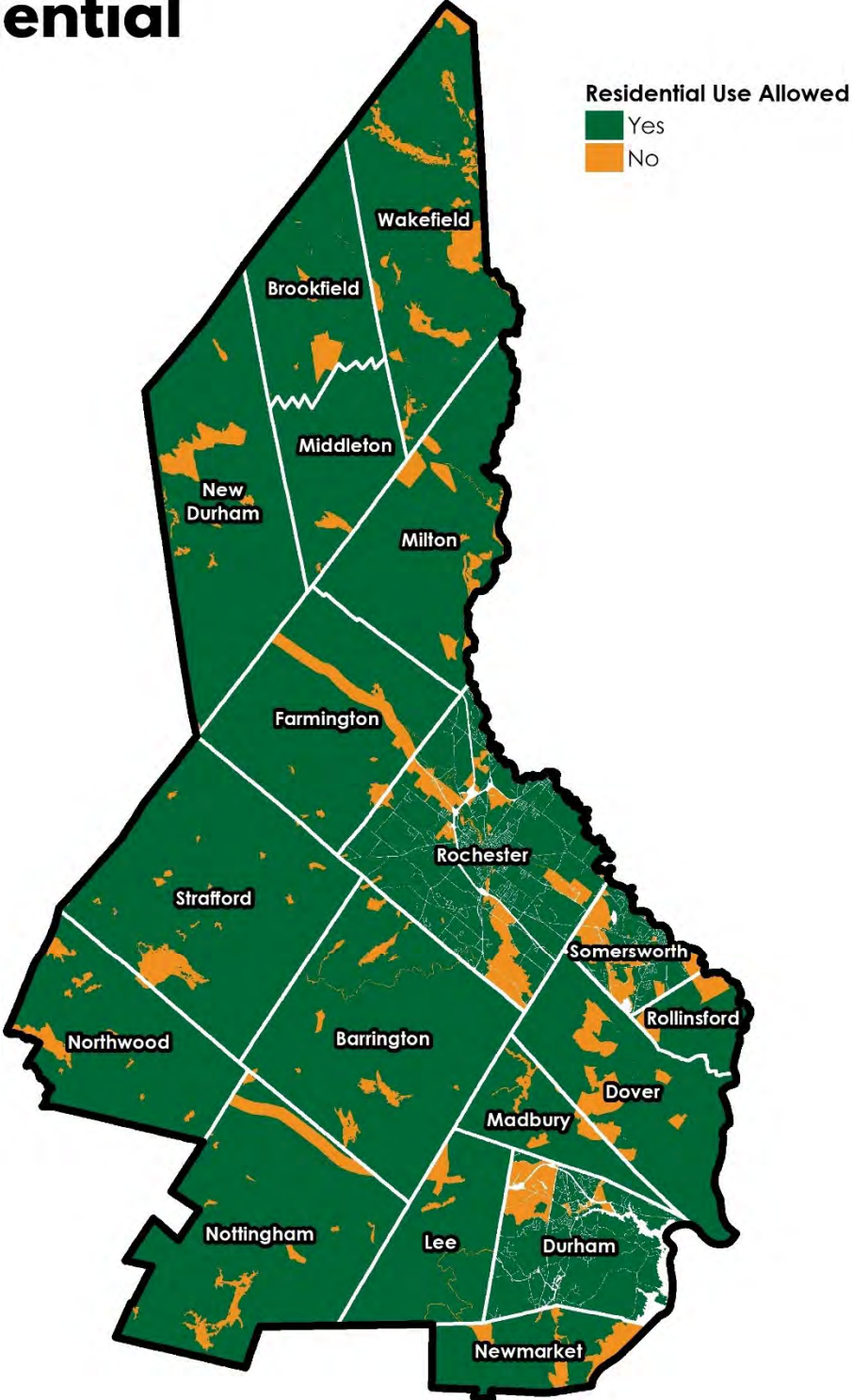
Moreover, while there are many benefits to land use regulations, they can also have the potential to impose a disproportionate impact on groups of people in the form of exclusionary zoning. Exclusionary zoning may concentrate the development of subsidized housing into areas of high poverty instead of allowing for mixed use development that integrates residents of different socioeconomic status into the same neighborhoods. Minimum lot size requirements for single and multifamily homes may further increase barriers and housing costs that keep lower income residents out and prevent higher density development which would allow for improved access to transportation, healthcare, recreation, and food. Reviewing and auditing a community’s land use regulations to ensure they are not creating unnecessary barriers can help guarantee that these are creating benefits and opportunities for the greater community.

Zoning in the SRPC Region

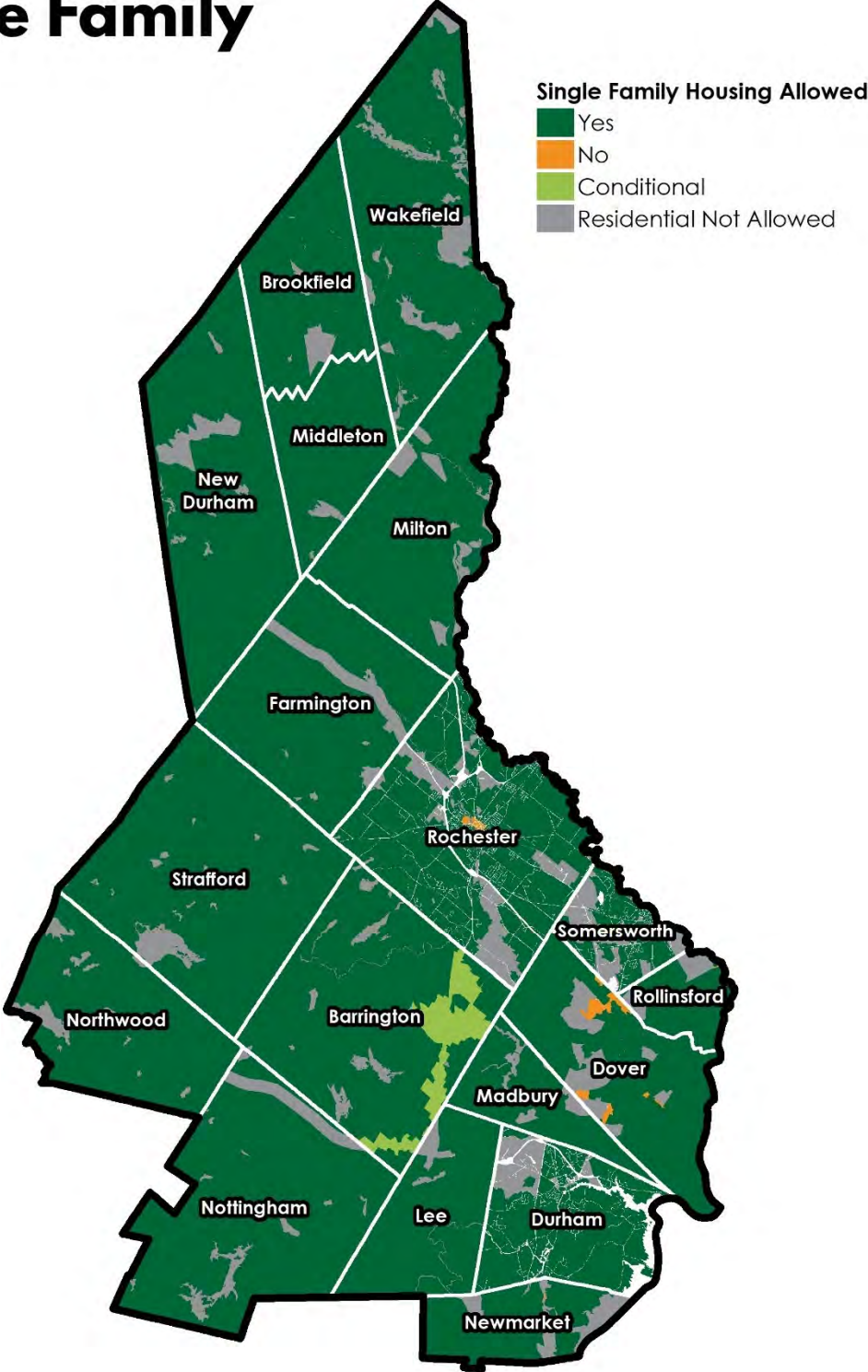
SRPC conducted an analysis of where and what types of housing are currently allowed in the region based on the zoning ordinances of all 18 municipalities. Currently, all 18 municipalities allow single-family housing, 15 of the municipalities allow two-family housing, and 15 of the municipalities allow multi-family housing (note, this analysis excluded ordinances restricting multi-family to senior households only from the computation of multi-family given its limited applicability). Over 98 percent of the region is currently zoned to allow for some form of residential development.

Housing Type	Land Acres	% of Land
All Residential	343,501	98.7%
Single Family (Allowed + Conditional)	311,451	89.5%
<i>Single Family (Allowed)</i>	307,798	88.5%
<i>Single Family (Conditional)</i>	3,653	1.1%
Two-Family (Allowed + Conditional)	277,799	79.9%
<i>Two-Family (Allowed)</i>	255,346	73.4%
<i>Two-Family (Conditional)</i>	22,453	6.5%
Multi-Family (Allowed + Conditional)	213,841	61.5%
<i>Multi-Family (Allowed)</i>	120,680	34.7%
<i>Multi-Family (Conditional)</i>	93,161	26.8%

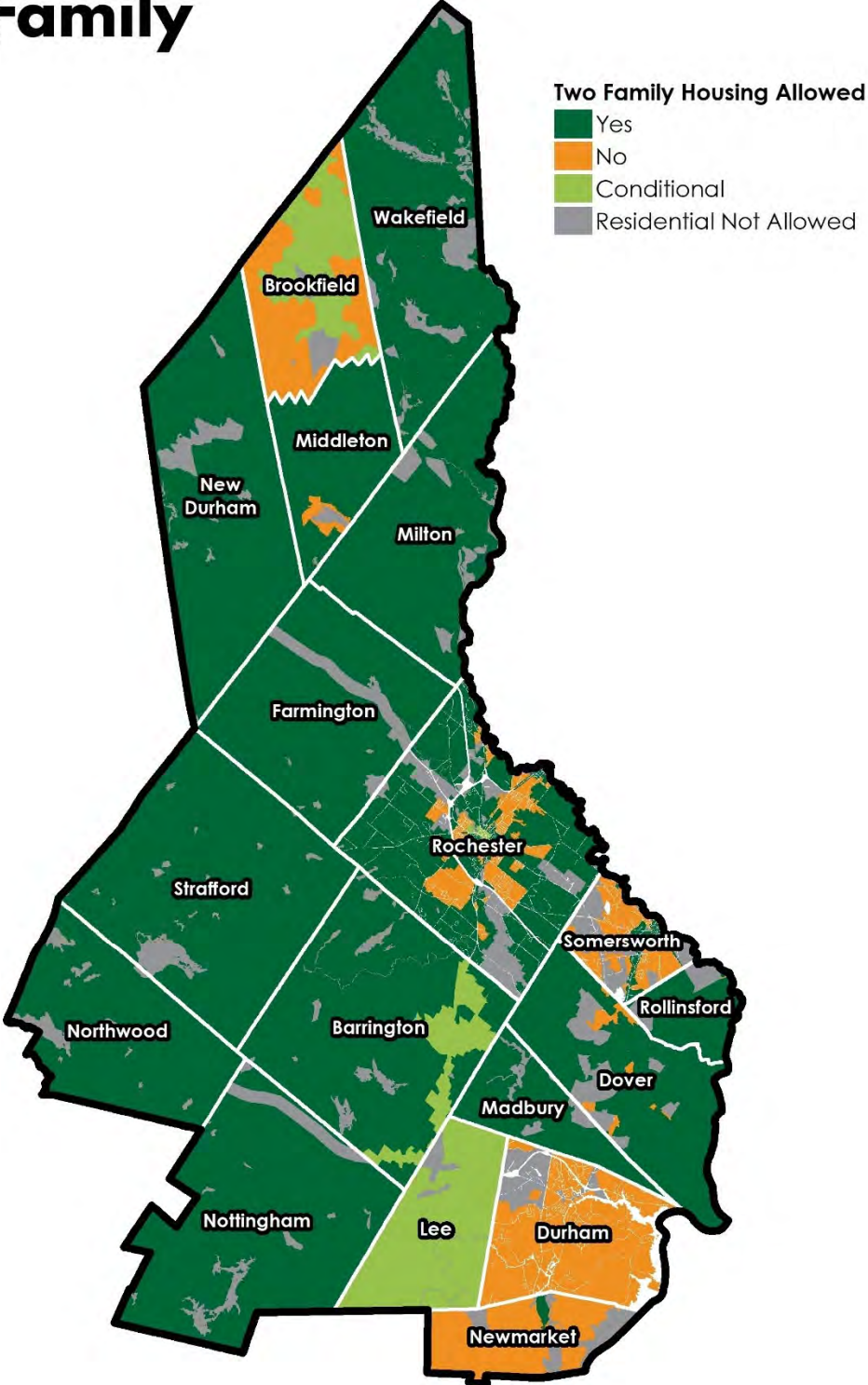
Residential



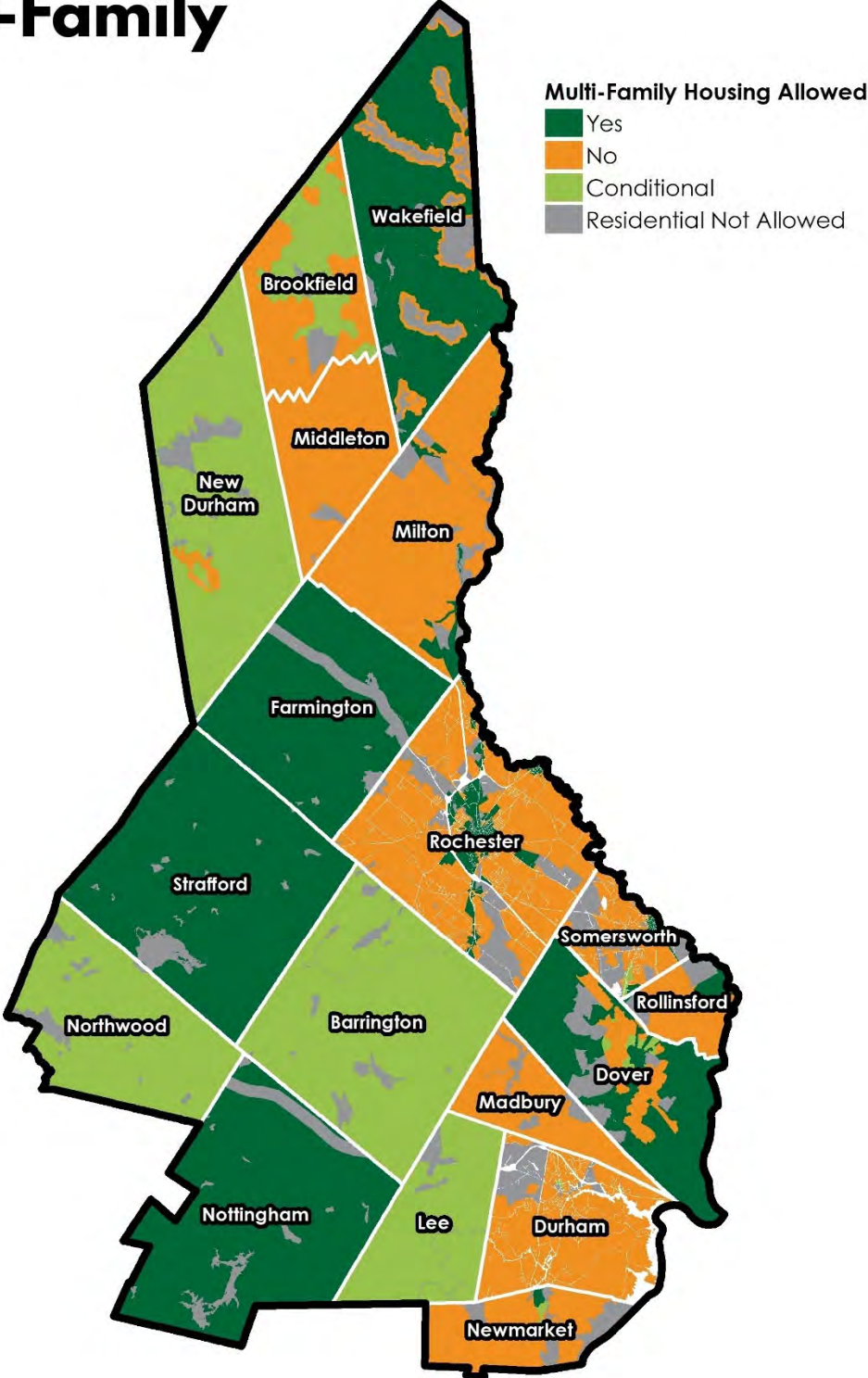
Single Family



Two Family

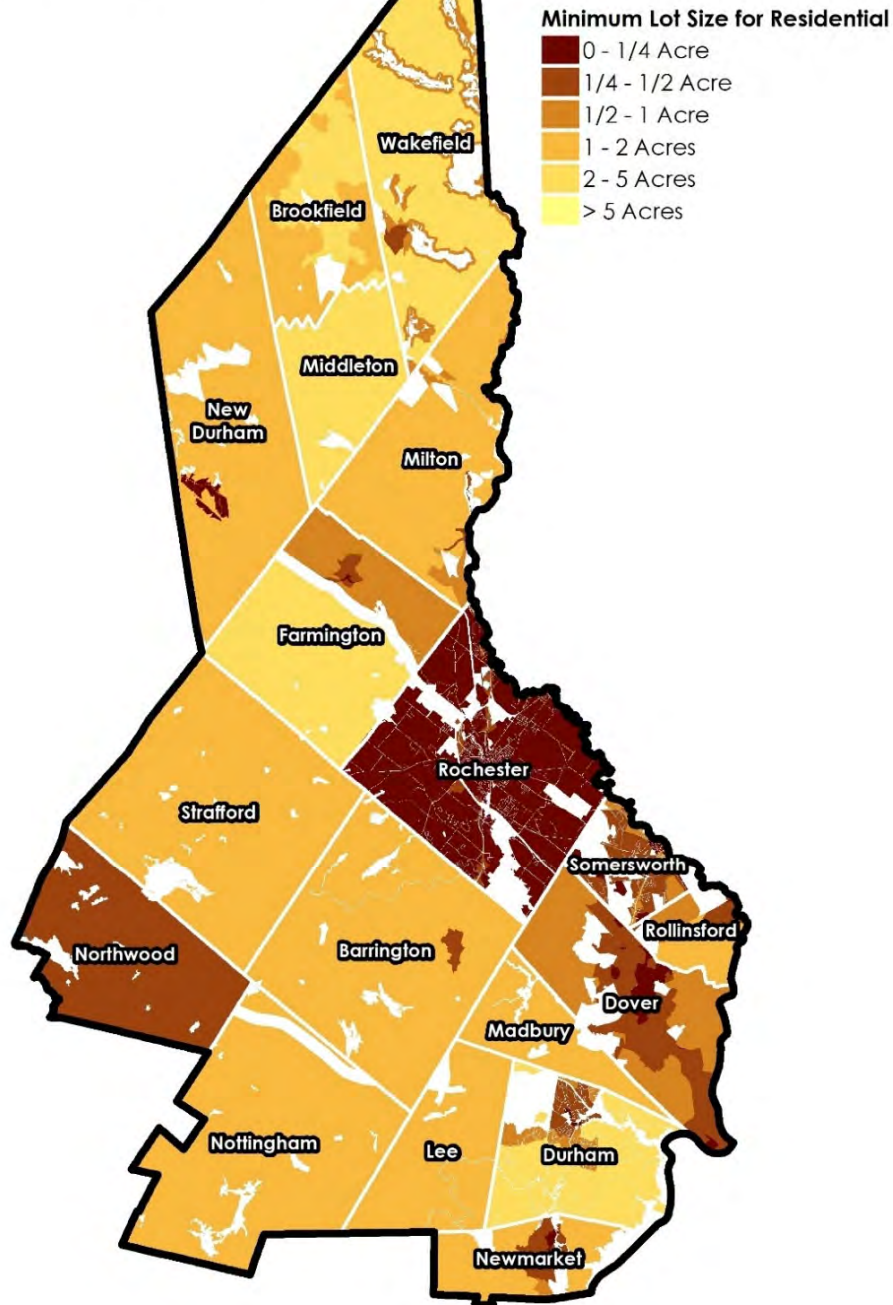


Multi-Family



Minimum lot size requirements for residentially zoned parcels vary from 1/10 of an acre to 5 acres. Generally, the smaller minimum lot size requirements are in the denser, urban areas, or directly abutting lakes, while larger minimum lot size requirements are found in the more rural areas of the region.

Minimum Lot Size



Buildable Land in the SRPC Region

SRPC conducted an analysis to determine how much of the land in the Strafford region could be buildable for residential purposes. This analysis began by looking at all of the land in the region that is currently zoned to allow for some type of residential housing, and then subtracted all of the land that has physical infrastructure built on it (such as residences, roads, utilities, etc.). The analysis then subtracted out all water, wetlands, conservation land, and steep slopes. The result shows all land in the region that is currently zoned to allow for housing, is currently undeveloped, and physically can be built on given the nature of the land (free of natural constraints). This analysis does not take into consideration what type or how many residences are allowed to be built upon a parcel, minimum lot size requirements, frontage requirements, or access to transportation infrastructure. This analysis is meant to show the amount of land that could be developed if zoning and parcel requirements were changed to allow for increased development and new transportation infrastructure is constructed to provide access to these areas of land. Nearly 50 percent of the land in the SRPC region is buildable based on this analysis, just over 170,000 acres.

This analysis then looked at how much of this buildable land has access to water and sewer infrastructure. Nearly 6,000 acres of buildable land have access to water and sewer infrastructure, over 16,000 acres of buildable land have access to only water infrastructure, and nearly 2,000 acres of buildable land have access to only sewer infrastructure.

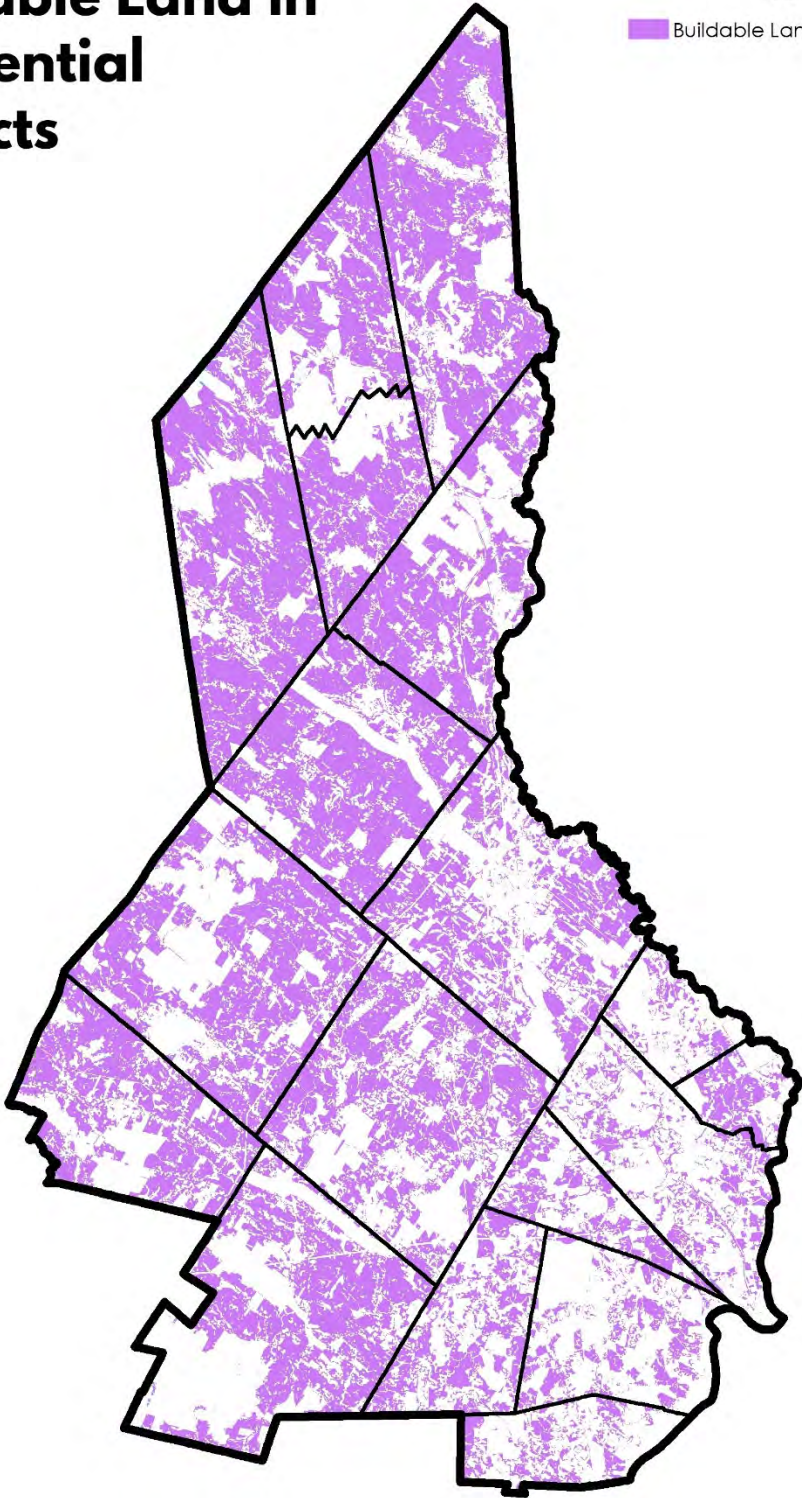
Buildable Land with Access to	Land Acres	% of Land
Water and Sewer Infrastructure	5,924	1.70%
Water Infrastructure Only	16,513	4.75%
Sewer Infrastructure Only	1,864	0.54%
All Buildable Land	170,714	49.07%

It is important to note that finding a balance between a rural atmosphere and having housing options was a point of concern often noted throughout SRPC's various outreach for this project, both from a residential and municipal viewpoint.

Buildable Land in Residential Districts

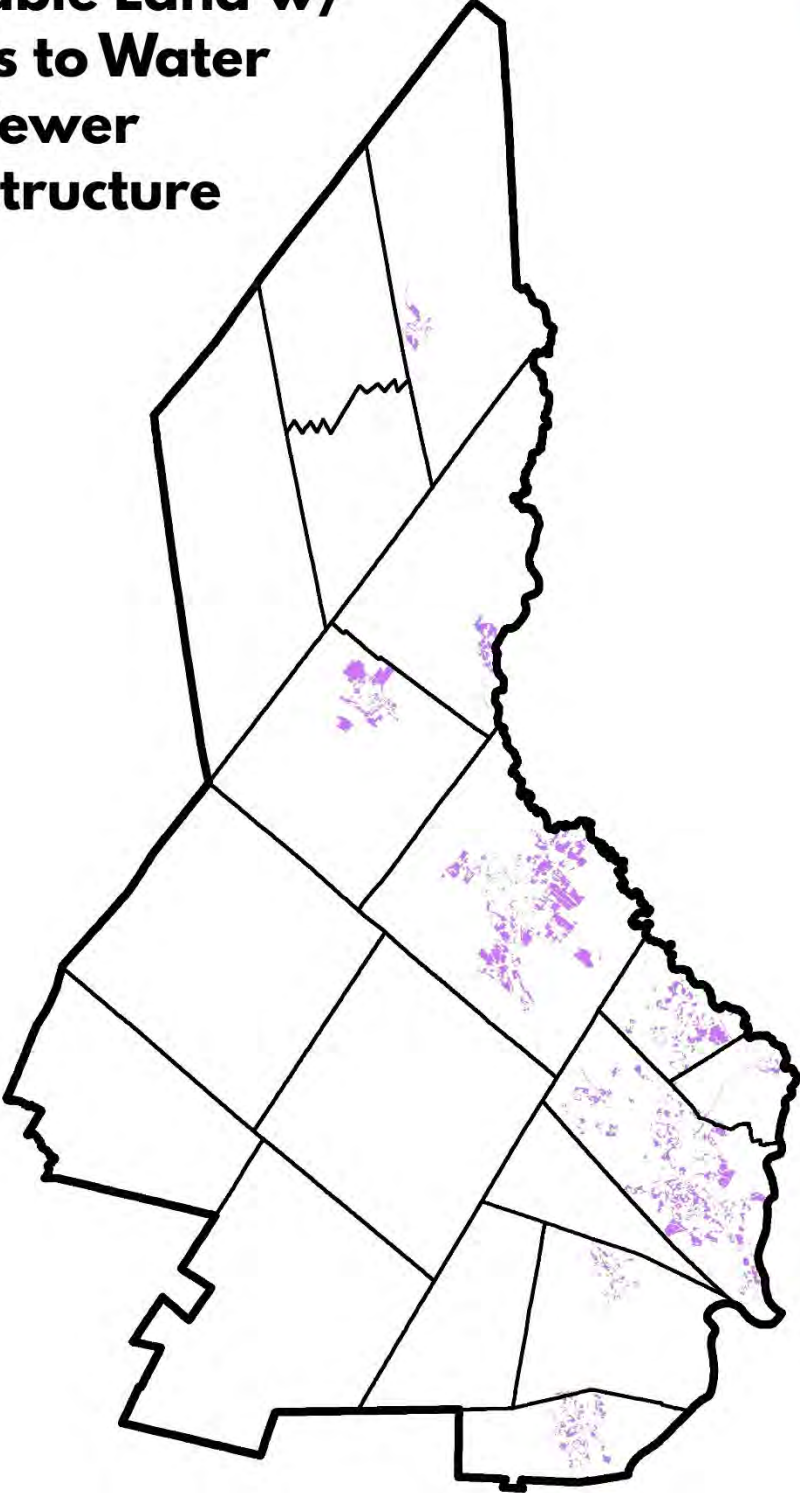
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Buildable Land in Residential Districts



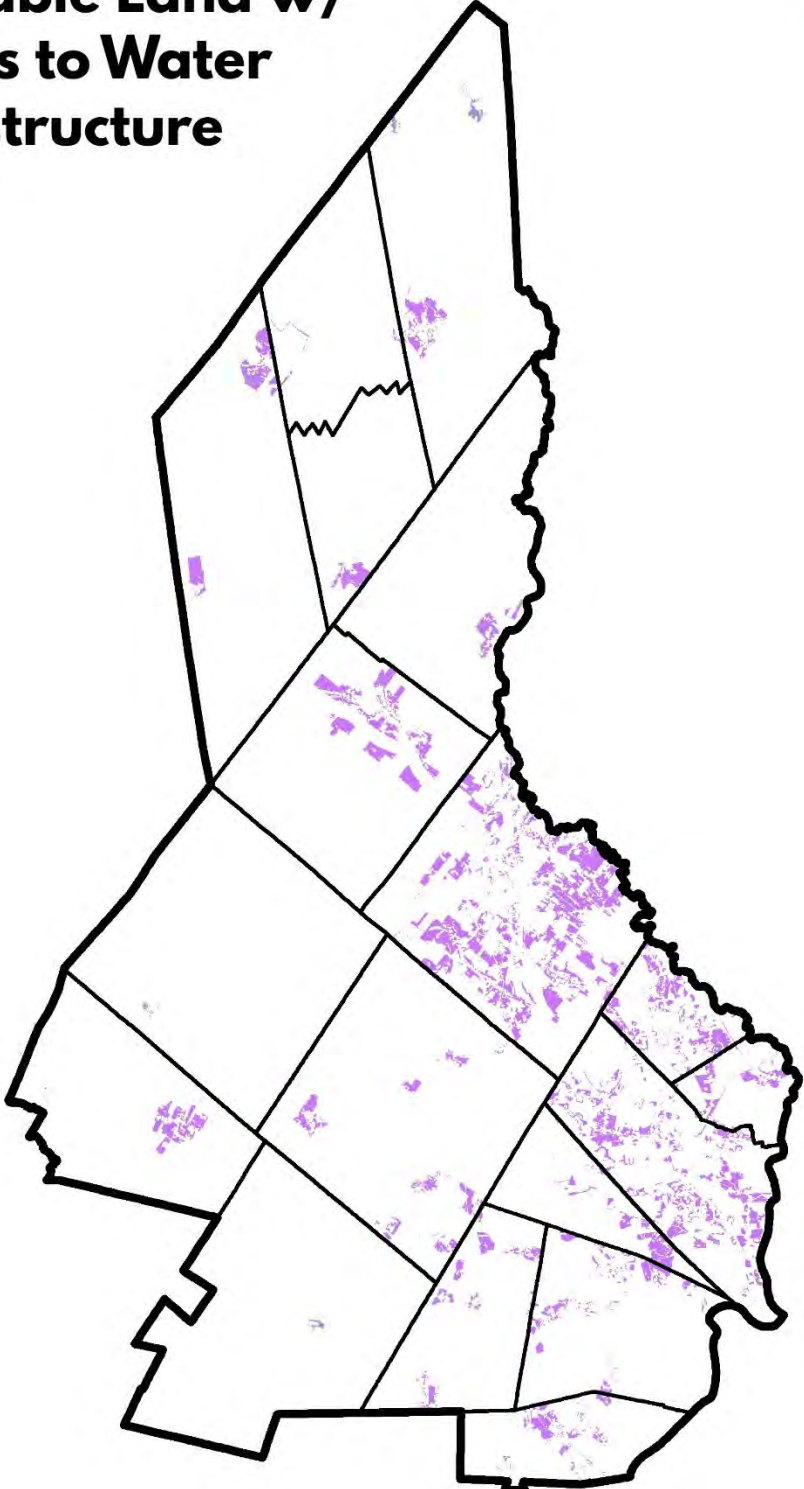
Buildable Land w/ Access to Water and Sewer Infrastructure

Legend
Buildable Land



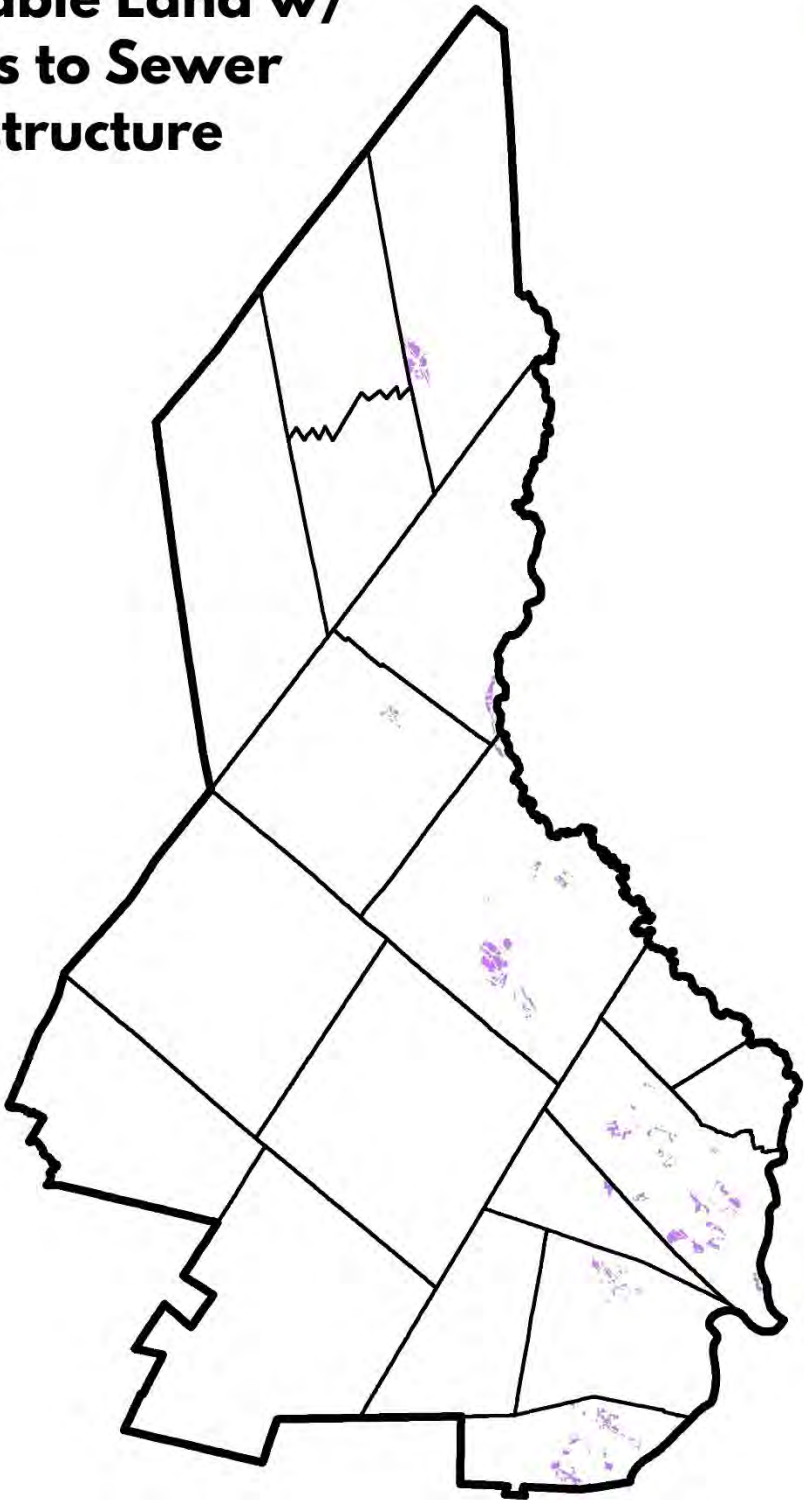
Buildable Land w/ Access to Water Infrastructure Only

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Common Land Use Practices

The following covers the most common elements of local land use regulations and their relationship to housing supply and demand.

Dimensional Standards

These standards include how tall buildings can be, how far they need to be from others, how much land is needed per housing unit, what is the minimum lot size, and more. These standards, some detailed here, can drive up housing costs by limiting the density of buildings and units or requiring people to buy large lots.

Sometimes municipal zoning ordinances contain provisions that permit various forms of multifamily housing but only in districts that are virtually built out, or which contain very little developable land. This may create the impression that land use is permitted when in fact there are no reasonable opportunities for its development.

In some cases, the required land area per dwelling unit may greatly exceed the land area required to support subsurface wastewater disposal requirements based on soil-based criteria. There also may be instances where permitted density and limitations on units per acre or structures per lot are unduly limited even where public wastewater systems may be available.

Standards that limit the maximum structures per lot can force a development of multiple buildings to be spread out across many individual lots, each with its own curb cut and road frontage even if a single lot could support multiple structures. Further, if each lot is secured by a separate mortgage, the financing of an affordable development may be made more difficult. In the case of multifamily units, or forms of condominium development, these provisions may force unnecessary inefficiencies onto an otherwise environmentally supportable development.

Required road frontage per unit may prove excessive relative to actual public health and safety protection purposes. When single family frontage standards are applied to multifamily housing on a per unit basis, total public road frontage requirements may become excessive. Minimum road frontage requirements per unit may compound the difficulty of land assembly for both senior and general occupancy multifamily units for purposes that do not appear related to health, safety, or general welfare.

Allowable Uses

Zoning lists the allowable uses on lots in each zoning district. Zoning in suburban and rural areas has been used at times to exclude lower income individuals and renters by only allowing single-family residences, requiring large minimum lot sizes and even mandating minimum home size.

In general, most zoning bylaws do not account for a variety of housing types that are needed or desired. One group of housing types often referenced is the “missing middle” - a concept born from a general lack of homes that are affordable and located within a walkable neighborhood. These homes typically include duplexes, triplexes, cottage courts and row houses, that are often not allowed under zoning regulations.

In particular, land use regulations limit housing variety through restrictions on the creation of multi-family housing, incentives for age-restricted housing for older persons, and large lot requirements. These types of restrictions can have a distinct impact on minority and low-income households.

In fact, many bylaws only allow single-family dwellings and accessory dwelling units as permitted residential uses. Two-family dwellings, multi-family dwellings, and mobile home parks are often restricted as to where they can locate, and commonly require additional levels of review. Other, less common, housing types are rarely specifically addressed. In more dense areas, mixed-use structures that are part commercial and part residential may not be allowed or require additional levels of review and applicable standards.

Procedural Requirements

Communities should strive for equitable procedures that increase the predictability of the approval process if all local standards are met. Many housing projects, whether affordable or market rate, can face obstacles during permit review. Zoning bylaws may allow desired types of housing, but as a practical matter the threat of legal action and appeals can make these options difficult, expensive and unsure of a dependable outcome. Reducing the opportunity for opposition can increase the likelihood that projects will actually be built, decreasing the financial risk of a property owner or developer.

Occupancy Definitions

Occupancy restrictions and associated definitions contained in the zoning ordinance may limit the number or type of people who are permitted to live in a dwelling unit. The federal Fair Housing Act prohibits housing discrimination based on seven protected classes (including familial status), and New Hampshire policy extends protections to three further classes (including marital status), but many of these exclusionary zoning limitations have been upheld or are explicitly permitted by legislation.⁴¹ The New Hampshire accessory dwelling unit statutes explicitly permit regulations to require owner occupancy of either the primary or accessory dwelling unit.⁴² Exceptions to the Fair Housing Act permit housing to be designed for “older persons” and restricted to those 55 or older.⁴³ Ordinances may also impact people’s ability to secure housing by how they define “family” or “household”, and requirements related to each, a practice upheld by the US Supreme Court in the 1974 case *Village of Belle Terre v. Boraas*.⁴⁴ For example, one ordinance in the SRPC region defines “family” as follows: “An individual or two (2) or more persons related within the second degree of kinship by civil law or by marriage or adoption or foster care arrangement living together as a single housekeeping unit...”. Defining “family” as being within two degrees of relationship excludes a household that contains a great-grandparent (third degree), aunt or uncle (third degree) or cousin (fourth degree). In this example, all other households are defined as “unrelated households”, which carry a limit of no more than three “unrelated occupants”, and which require minimum habitable floor area thresholds per occupant in the household (e.g. 300 square feet for a single-family home).

⁴¹ https://www.nhhfa.org/wp-content/uploads/2019/06/Fair_Housing_Guidebook.pdf

⁴² https://www.nhhfa.org/wp-content/uploads/2019/06/Fair_Housing_Guidebook.pdf

⁴³ <https://www.nhmunicipal.org/town-city-article/age-restricted-housing-new-england>

⁴⁴ <https://supreme.justia.com/cases/federal/us/416/1/>

Each of these practices, though currently permitted by law, artificially restricts the supply of housing by explicitly preventing certain types of people from occupying certain types of housing. Owner occupancy requirements for ADUs exclude those properties from already-tight rental markets. Age-restricted communities exclude families with children and can even interfere with inheritance of the property by a younger family member. Family-based zoning drives up housing costs by limiting the number of people who could choose to occupy a dwelling unit (in the example above, even the maximum permitted unrelated household of three people would require a home of at least 900 square feet). This disproportionately impacts younger, unmarried, and low-income renters who may need to share spaces with roommates to lower housing costs, and residents seeking housing that can accommodate larger extended families or chosen families that cannot meet this definition. These exclusionary policies can also have the effect of perpetuating racial and cultural segregation.⁴⁵

Parking

Parking requirements for residential developments are meant to ensure that their residents have spaces to park and do not end up creating public hazards by parking along roads in ways that impede traffic or snow removal. However, most parking standards are based on suburban parking examples in other parts of the country that may not suit communities in this region and limit their ability to adapt to changes in transportation needs and household sizes. For residential development in densely built core areas near transit, cars are often not needed. Residents may not own cars, and there is often existing public or private parking that is, or could be, available at night when commercial demand is limited, and residential demand is highest. Reducing parking lessens development costs for housing projects. A paved parking space costs thousands of dollars to create and more to maintain. Eliminating the need for additional parking also has other benefits, including creating outdoor public or commercial spaces, lessening storm runoff, reducing summer heating, and decreasing flooding. Also, it is in a developer's interest to provide sufficient parking for the intended residents, thus parking requirements in more urban and rural areas often act as an unnecessary requirement to the permitting process.

Streets and Sidewalks

Streets and sidewalks are expensive to build and maintain. Residential subdivisions usually require the developer to build these, with sidewalks more common in urbanized areas. Travel lanes on roads in the subdivision can be unnecessarily wide, which is not only costly but creates stormwater problems, heat pollution, and leads to increased vehicle speeds. Vehicle travel lanes of 9-10 feet are adequate, but more travel shoulders outside of the 'fog line' may serve as a bike lane. Sidewalks are excellent for walkability, but options to consider for sidewalks include: (1) may not be required for short streets or in more rural areas, (2) may only be needed on one side, (3) may have less width, as long as they meet ADA accessibility guidelines, or (4) may even be eliminated in places with alternate pedestrian access such as a dedicated path.

⁴⁵ <https://www.whitehouse.gov/cea/written-materials/2021/06/17/exclusionary-zoning-its-effect-on-racial-discrimination-in-the-housing-market/>

Municipal Plans

While plans are not regulations, they set the tone and scope of regulations and are a clear voice of what a community wants. Plan development is an excellent place to discuss the need for affordable housing, dispel myths, and build support for subsequent regulatory changes.

Fire, Safety and Health Code

In New Hampshire, all rental units need to meet applicable state fire and safety codes. Projects such as ADUs, short-term rentals, home share, or conversion of a home to 2 or more units would necessitate upgrades/construction techniques to meet the applicable codes. A common comment in communities is that apartments are not in very good condition and do not meet code. Enforcement is difficult given staffing levels. Some communities have opted to enforce the state code locally. There is also the possibility for an iterative approach or staggered tax on improvements that could both help make these more attainable. In New Hampshire, the [Healthy Homes](#) program manages the mitigation, prevention, and needed enforcement of rules related to environmental hazards, such as lead-based paint.

Local Housing Codes

Communities are enabled to establish local codes to address substandard or dilapidated housing. Municipalities are enabled to address this in a few different ways: as a nuisance ordinance, dilapidated housing ordinance, or local building code. Municipalities also are enabled to adopt ordinances requiring that rentals register with the town, which can help to provide contact information and/or require proof that the buildings meet state fire and safety codes.

Building Energy Standards

A home's overall operational costs can be lessened if it is built to a high energy standard. In New Hampshire, the Residential Energy Code is based partially on the 2009 IECC. Energy efficiency investments in homes are very beneficial for improving the energy performance of a structure and saving money with home operating costs. However, it increases the cost of constructing or renovating a home. Appraisers reportedly have a difficult time valuing homes with energy efficiency improvements, and new buyers often do not want to pay for them.

Property and Transfer Tax

Taxes are an effective tool for public policy to incentivize desired actions and disincentivize undesirable ones. From an affordable housing point of view, properties sold for high prices generally increase nearby values, driving up annual tax burdens; properties sold as non-primary residences reduce the supply of homes for ownership and thus increase prices for those desiring to live in an area; properties held for short-term speculative gain hurt affordability efforts; and high annual taxation rates raise ownership costs. Taxes and fees can be charged on both transfers and annual ownership in ways that make long-term ownership of modest homes easier to afford. Making costs lower for needed affordable homes necessarily must be offset by increases on some other tax or fee (assuming government budgets are stable).

Property transfer taxes are paid at the time of sale. In New Hampshire the buyer and seller equally split the flat 1.5 percent transfer tax on the purchase price (assuming fair market value). New Hampshire also has tax relief programs for undeveloped lands meant to incentivize long-term use for farming and forestry. New Hampshire's Current Use program requires 10 acres of undeveloped land and assesses the land at a lower value. There are penalties for removing land from these tax programs- 10 percent of the

market value in New Hampshire. In areas where land prices have risen substantially, these penalties are marginal compared to the gains that can be made from land sales and the tax savings over time.

Innovative Policies

Municipalities can choose to adopt innovative land use policies that can incentive the creation of new units. A few examples include Tax Increment Financing (TIF) districts, 79-E, Economic Revitalization Zones, Opportunity Zones, but there are many other policies that can assist with this. Below is a brief overview of some of these policies, however these and a more extensive list will be discussed in much more detail in the Toolbox section of this plan.

TIF Districts are an economic development tool that allow a municipality to reserve all (or part) of any new tax revenue from within the district to pay for public improvements (including funding a qualifying capital project, its related infrastructure, or maintenance of the project) deemed necessary to stimulate new private development within a designated TIF District. Contrary to some beliefs, no property in a TIF District will receive any additional assessment, nor will any property receive a tax break. All properties therein will pay regular taxes on their full assessed value. However, in order for them to successfully work, they need to be carefully organized and managed, and adhere to the principles of proper fiscal management.

TIF districts have been established in several locations within the SRPC region. In Newmarket, for example, the redevelopment of the downtown mills was accomplished with the assistance of a TIF investment (pictured below).



79-E is the commonly used reference for the Community Revitalization Tax Relief Incentive, given that this incentive is laid out in chapter 79-E of the Taxation section in state legislation. Its purpose is to encourage investment in downtown and village centers by providing a tax incentive for the rehabilitation and active use of underutilized buildings. For communities that have adopted this tool, if a property owner located in a designated area is approved, they can receive relief from increased property taxes for up to 13 years, in exchange of ensuring the community that they will continue to maintain and use the property for a certain period of time.

Economic Revitalization Zone (ERZ) designation is an economic development tool that creates incentives for companies to expand or relocate to an eligible area, known as an ERZ. Projects in an approved zone must create new jobs and expand the economic base. This incentive creates an opportunity for businesses to qualify for tax credits that can be used against the New Hampshire Business Profits Tax and the Business Enterprise Tax, up to a maximum of \$40,000 annually for a five-year period. Projects can range from the creation of new facilities to the rehabilitation of existing structures.

Opportunity Zones are designated zones allowed under a federal program that encourage economic growth and investment in low-income areas. This is accomplished by providing federal income tax benefits to taxpayers who invest new capital in businesses located within qualified opportunity zones.

For a map of all Opportunity Zones and ERZs in the SRPC region, visit

<https://srpc.maps.arcgis.com/apps/webappviewer/index.html?id=3177a1b0747547449564b4b2e7338f87>

The NH Office of Planning and Development (OPD) annually surveys municipalities regarding their land use regulations pursuant to RSA 675:9 as well as for other general municipal information. According to OPD’s [Municipal Land Use Regulations Survey](#) results, one or more municipalities in the SRPC region have, address, or participate in one or more of the following innovative land use controls/housing regulations:

- | | | |
|---|--------------------------|--------------------------------------|
| - ADU Ordinance | - 79-E | - Mix Use Zoning |
| - Workforce Housing Ordinance | - TIF Districts | - Planned Unit Development Ordinance |
| - Inclusionary Zoning | - Cluster Development | - Soil-Based Lot Size |
| - Short Term Rentals & Tiny House Regulations | - Density Bonuses | - Transfer of Development Rights |
| | - Conversation Zoning | |
| | - Low Impact Development | |

For more specifications on which SRPC communities participate in which of the above programs, an interactive map can be found at

<https://nhosi.maps.arcgis.com/apps/Styler/index.html?appid=a1602aacc4b44df59cfb6842ceeedb74>.

Complete data and analysis for OPD’s Municipal Land Use Regulations Survey can be found at <https://www.nh.gov/osi/planning/services/mrpa/land-use-survey.htm>.

Some cities have even integrated incentives for affordable housing into their policies. At the RHNA Commissioner Workshop outreach event, a representative from Dover shared:

We're so short on buildings, we need to incentivize developers. [We have] no problem getting people into apartments or houses, [in other words] it's not an issue of whether or not people won't come because its expensive, the challenge is incentivizing developers to include more affordable housing, Dover has done this-zoning in CBDs allowing people to build an extra story or two as long as a certain percentage are at the HUD rates (not allowed by right). Density is a tool that towns have, density bonuses need to be provided (Not possible for towns without water and sewer infrastructure-this is a place to invest)."

Workforce and Employment Opportunities and Constraints

Workforce Attraction and Retention

Access to safe and affordable housing, which is defined by RSA 674:58 as 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, is unquestionably connected to many different elements of the economic vitality of a region. Housing and economic growth go hand-in-hand, and without the availability of residential units needed to meet demand of workers, businesses are harshly impacted. The constraints on workforce housing, which were apparent in our region and state in prior years but were even further highlighted by the pandemic, have resulted in a severe shortage of residential units required to accommodate a much-needed labor force, and employers of every size and across all industries in our state and region are suffering from the effects of this through high turnover rates and unfilled job openings. Through direct outreach and engagement with employers and partners working closely with businesses in and around the region, we have learned that attracting and retaining employees in one of the greatest challenges they currently face. In turn, this has not only impacted the operations of current employers but has limited the ability for existing businesses to expand and new businesses to locate in our communities, limiting economic growth and vitality.

The availability of affordable housing allows businesses to be able to attract a skilled workforce, including entrepreneurs who bring talent and innovation to the region. It lowers employee turnover which in results in cost savings and increased efficiency. It allows professionals to live close to where they work and improves quality of life, which can result in higher employee satisfaction. Furthermore, the reduction in commute times results in lower costs to the employee and a decrease in traffic and air pollution.

New Hampshire state statutes leave reasonable and realistic opportunities for the development of workforce housing up to the discretion of the municipality through local ordinances and land use regulations. However, this does not come without its barriers. Some of the impediments to the development of workforce housing include geographical restrictions related to environmental protections, availability of water supply and sanitary disposal, traffic safety, as well as local political opposition to zoning changes.

At SRPC's RHNA Housing Forum outreach event attendees representing social service providers and workforce housing shared their thought on developers feeling like they can't make affordable housing work for them because of the return on investment. A discussion ensued concerning how municipalities can find innovative ways to then encourage that a percentage of unit be affordable, in other words, how do municipalities incentive developers to provide more affordable housing.

Employer Interviews

In a survey conducted by SRPC among the region's business community, employers were asked how they would describe the availability of housing options in or near the area in which their business is located. In response, 67.5 percent of employers indicated that there are "very limited housing options", 25 percent indicated that there were "some housing options", and only 5 percent indicated that there were "plenty of housing options". The other 2.5 percent indicated that they were unsure. Moreover, the

majority of employers (82.5 percent) indicated that they believe a housing supply shortage impacts their ability to attract or retain workers, and that the cost of housing (for rent or purchase) followed by the availability of housing (for rent or purchase) had a high impact in their ability to attract or keep workers. These challenges, we learned, were in great part being brought to the attention of the employers directly by their employees and even job candidates, though to a lesser extent.

When asked about what type of housing would be most helpful in their efforts to recruit and retain their employees, the majority indicated that it would be multi-family homes (with over three units in the building), followed by single-family homes.

Also from this survey, we learned that very few employers currently participate in any kind of employer assisted housing opportunities. However, some employers went on to express that even though they don't provide these services, they are interested in learning about or providing them to their employees. The programs that they showed the most interest in providing were rent subsidies as well as the Low-Income Housing Tax Credit (LIHTC) program, closely followed by homebuyer education and employer operated housing. While this is a positive sign for the region, there is still much to be done to incentivize employers to become more active in their role of helping their workforce obtain safe and affordable housing. Less than one third of employers indicated that they saw their company having a role in helping to address New Hampshire's housing issue as it relates to employee attraction and retention.

Projected Employment Growth

Employment growth will inevitably result in the need for more housing in the region. NH Employment Security (NHES) projections through 2045 show an increase in employment in all 18 municipalities in the region. Additionally, the region is projected to grow or stay about level (fewer than 5 jobs difference) in all industries except agriculture and communications.

Additionally, NHES provides employment by industry 10-year forecasts with updates every two years. The 2018 to 2028 industry projections for the region estimated an average increase of 6.5 percent in total employment (from 55,617 in 2018 to 59,235 jobs in 2028).

While there is no data on the location of this projected employment growth, today's trends indicate that many of the jobs are located in the tri-cities and surrounding areas, so we should expect to see similar patterns in the future and therefore similar housing needs than what we are experiencing today.

Employer Assisted Housing

Employer-Assisted Housing (EAH) refers to a variety of housing programs that support either housing rental or ownership, and involve direct employer support, either through financing or development of residential units. The benefits of these programs have significant positive impacts not only for employees and employers, but also for communities as a whole. For employees, being able to live near their work results in decreased commute times and creates a greater sense of commitment and investment to their company. For employers, this attractive benefit not only results in the increased ability to attract a qualified workforce, but also leads to higher employee retention levels, thus reducing costs and increasing efficiency. For communities, when people work and live in the same community, they tend to be more active and involved in civic and volunteer activities, while also contributing to the local economic ecosystem by working, living, and spending all in one place. In addition, by minimizing employees' commute times, both traffic and air pollution are reduced.

There are many ways in which employers can participate in Employer-Assisted Housing Programs. Through a variety of options, employers can either choose to subsidize housing costs for employees, or they can be directly involved in the development of new units near their workplaces that are then rented or acquired by their employees. Examples of EAH programs in the form of financial assistance include:

- **Down payment or Closing Cost Assistance** – Upon finding housing that suits their needs, employers will offer monetary assistance either in the form “grant” or a non-interest loan (often due upon the sale or refinance of the home) to help them cover their down payment or closing costs.
- **Rent Subsidies** – For those workers that don’t own a home, employers can offer a set monthly amount (rent subsidy) to help cover their rental cost.
- **Secondary (Gap) Financing** – In this scenario, employers will offer secondary financing to compensate for an amount that is still needed to be able to purchase a home. Here, employers will typically offer zero or low-interest loans that are repayable upon the sale or refinance of the property.

Other examples of EAH programs include **homebuyer education** and **moving cost assistance**.

Examples of EAH programs in which the employer is directly involved in the development of new units for their employees include:

- **Cash Contributions** – Here, employers may offer charitable contributions that will then be used towards the development of workforce housing.
- **Land Donation** – Land donations can help achieve the development of workforce housing if an employer has excess land that they are able to donate for this purpose.
- **Construction Financing** – Employers with access to capital can provide assistance in the form of low-interest construction financing for workforce housing development or can also guarantee loans received through a third party lender which would in turn help reduce the interest rate.
- **Low-Income Housing Tax Credit Investment** – This type of assistance, also referred to as the LIHTC, provides tax incentives to encourage developers and investors (which can include employers) to construct or renovate existing rental buildings. The program gives investors a dollar-for-dollar reduction in federal tax liability in exchange for providing funding to affordable housing developments.

Employer Assisted Housing Case Study

Harmony Homes, Durham, NH. This project came about when owners of two assisted living facilities, John and Maggie Randolph, were facing challenges around hiring and retaining employees to work at their company. Thanks to engagement efforts with their employees to try and understand what some of the underlying causes for employee attraction and high turnover rates was, they quickly learned that it was directly linked to housing availability and affordability. In response, the Randolphs set to create Harmony Place, an affordable housing development for their employees that is walking distance to their place of work, Harmony Homes By the Bay memory care facility. In an effort to keep construction costs down to be able to maintain the affordability threshold needed for their employees, the Randolphs brought on an in-house construction team to help with the development of the project.

The workforce housing development includes seven one-bedroom apartment that are restricted to thirty percent of an employee's pay. It also includes office space and has childcare facilities that are available for all of their employees. Once completed, these units were quickly occupied, and the Randolphs knew that more needed to be done in order to tackle the housing-related challenges faced by their employees. This led to the creation of a second project located in Dover, which includes 44 single family homes located at 54 Back River Road. Even though the land in which the project will be built was originally zoned for a 55+ housing development, the Randolphs were able to work with the City of Dover to rezone the parcel to allow for the construction of workforce housing.

Physical Infrastructure and Services

- Impact of major public infrastructure investments on communities and fair housing choices including consideration of housing-employment-transportation linkages.
- Note disparate provision of infrastructure, municipal improvements, and other municipal services in ways that disadvantage neighborhoods with higher concentrations of poverty.
- Refer to the [2020 State AI](#), pages 48 – 67 and the [HUD 2021 – 2025 State Consolidated Plan](#), supplement with regional outreach and information gathering.
- Also, refer to municipality CIPs for discussion of planned infrastructure improvements.

Transportation

The Strafford region has two public bus transportation systems, the Cooperative Alliance for Seacoast Transportation (COAST) system and the UNH Wildcat transportation system. The COAST system serves Farmington, Rochester, Somersworth, Rollinsford, Dover, and Newmarket. The Wildcat system serves Durham, Dover, Madbury, and Newmarket. Additionally, intercity bus service is available to Manchester, Boston, New York City, Portland, and Logan Airport. The transit systems are supported by an extensive and growing Park and Ride as well as Ride Share network.

There are 53,785 people in the Strafford region who live within a half mile of a COAST bus stop, 35,169 people who live within a half mile of a Wildcat bus stop, and 70,067 people who live within a half mile of either a COAST or Wildcat bus stop.

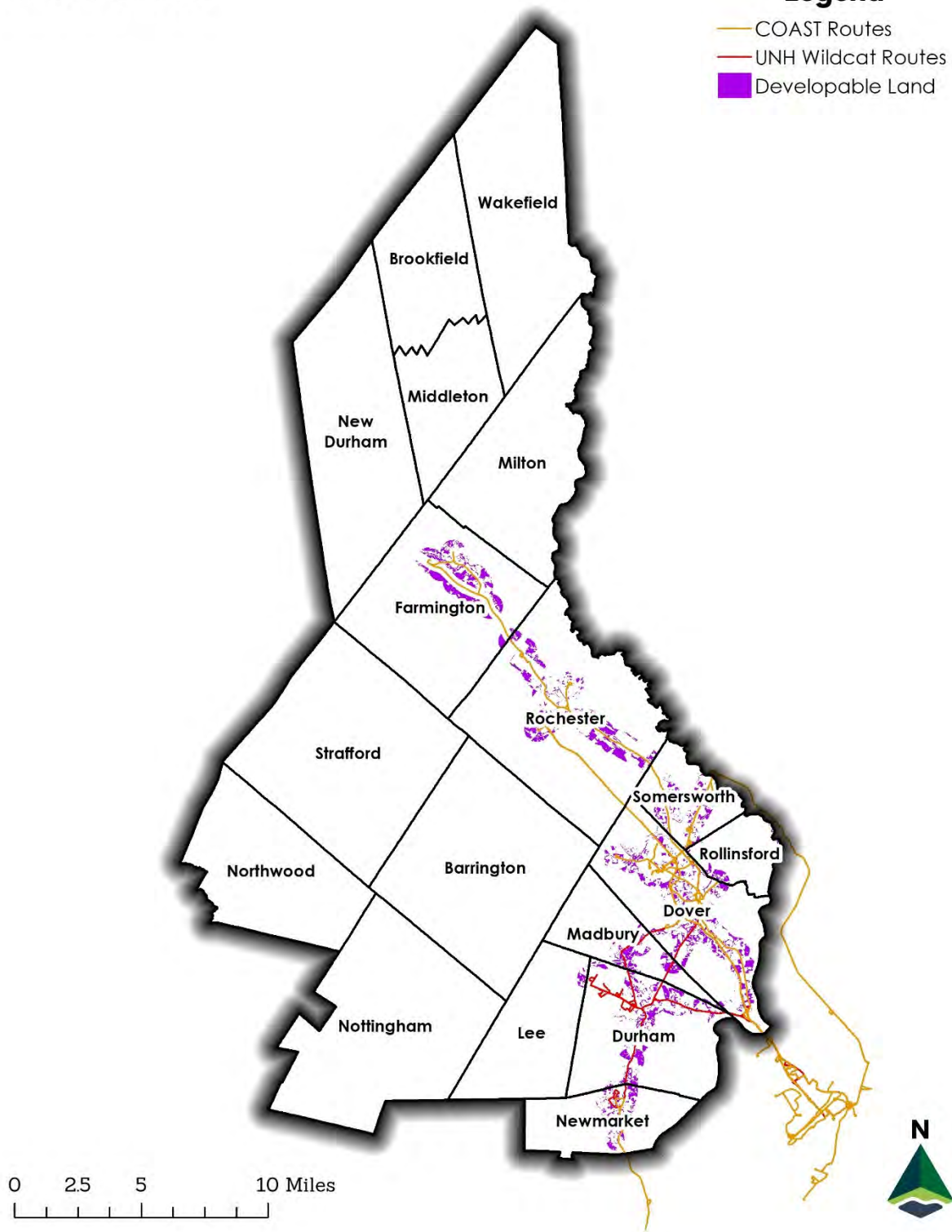
There are over 300 miles of public trails and over 170 miles of sidewalks in the Strafford region providing recreation and transportation opportunities. Over 50,000 people live within a half mile of a public trail, and over 40,000 people live adjacent to a public sidewalk.

“Developable land” includes any land that is currently zoned to allow for residential uses, does not have physical structures built upon it, and does not include water, conservation land, wetlands, or steep slopes. There are 5,313 acres of developable land within a half mile of COAST bus stops, 2,748 acres of developable land within a half mile of Wildcat bus stops, and 8,062 acres of developable land within a half mile of either a COAST or Wildcat bus stop. There are 50,457 acres of developable land within a half mile of public trails in the region, and 3,059 acres of developable land on parcels that are adjacent to public sidewalks.

Bus Routes

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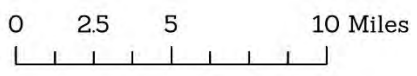
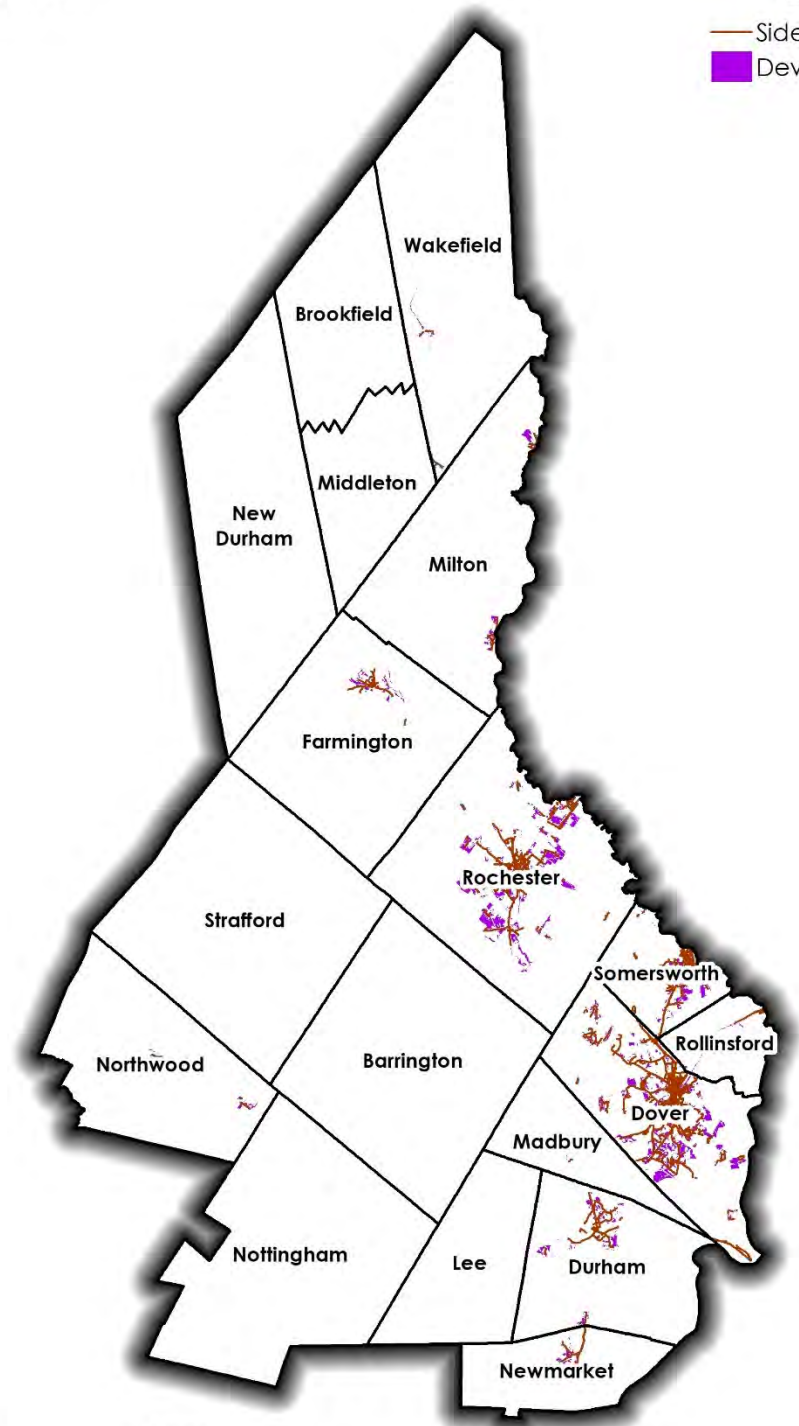
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Sidewalks

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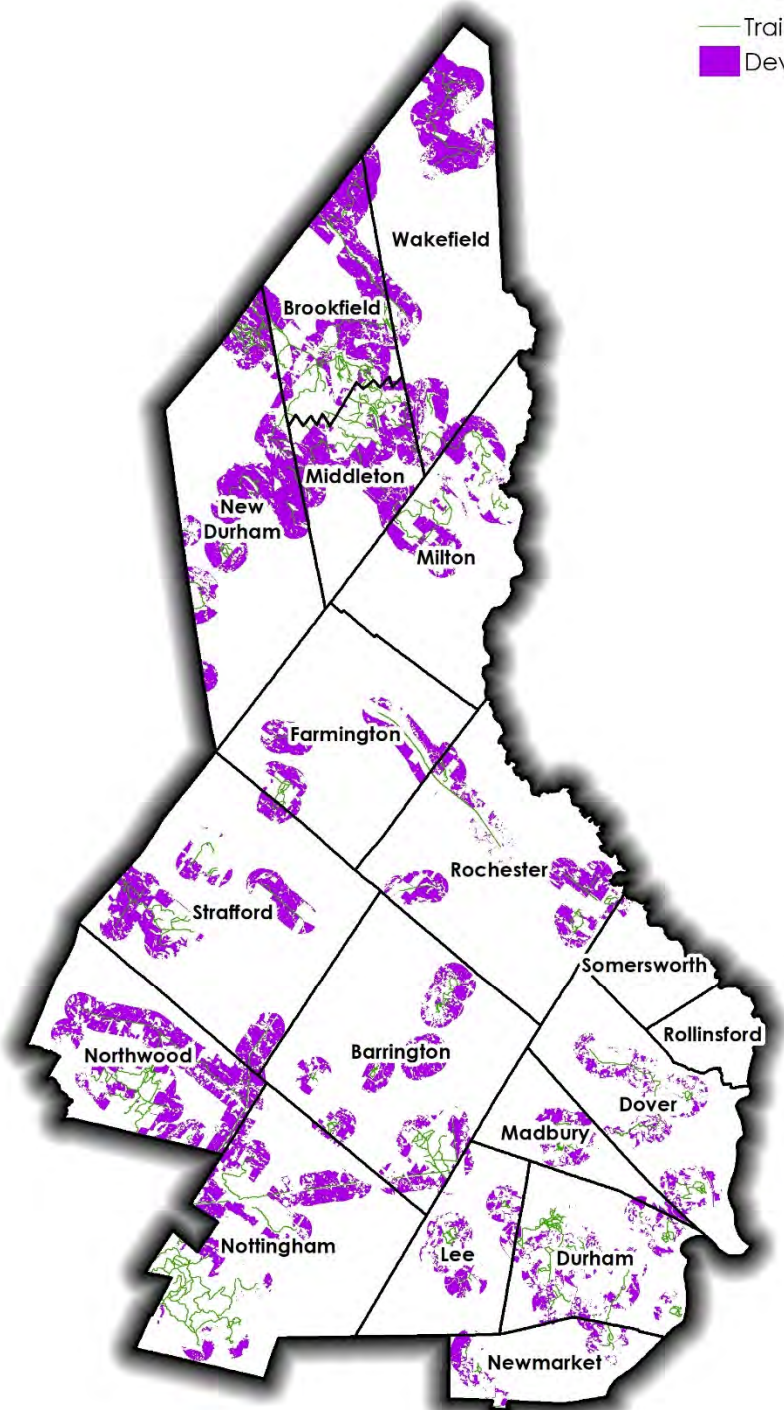
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Trails

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- Trails
- Developable Land



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Water & Sewer Infrastructure

Providing adequate water and wastewater is an essential part of any project. However, it can add costs. Hookup and service fees can be high in some communities, adding to the cost for housing within the compact community center. Decentralized wastewater systems can enable more dense development or redevelopment in lieu of a municipal sewer system. Where applied, land use regulations should allow these decentralized systems where suitable soil, land use and other requirements are met. At times, the State permitting processes may be slow to accept newer technologies, while in other circumstances it may be the engineer. To convert an existing single-family home to a duplex or a multi-family dwelling will require wastewater/water approvals. By virtue of increasing the daily flows from the additional kitchen or additional bedrooms, sewer fees would increase, or the septic system may need to be expanded.

Every housing unit needs access to adequate clean drinking water and a way to dispose of wastewater. Where public water and wastewater infrastructure is not available, each housing unit typically has its own private or community well and septic system, which require space near the house, and must be set back from other buildings and water resources. For New Hampshire's communities, the provision of safe and sufficient water and wastewater systems is often a necessary constraint on the production of housing, however, these constraints may act as an unnecessary barrier in some situations.

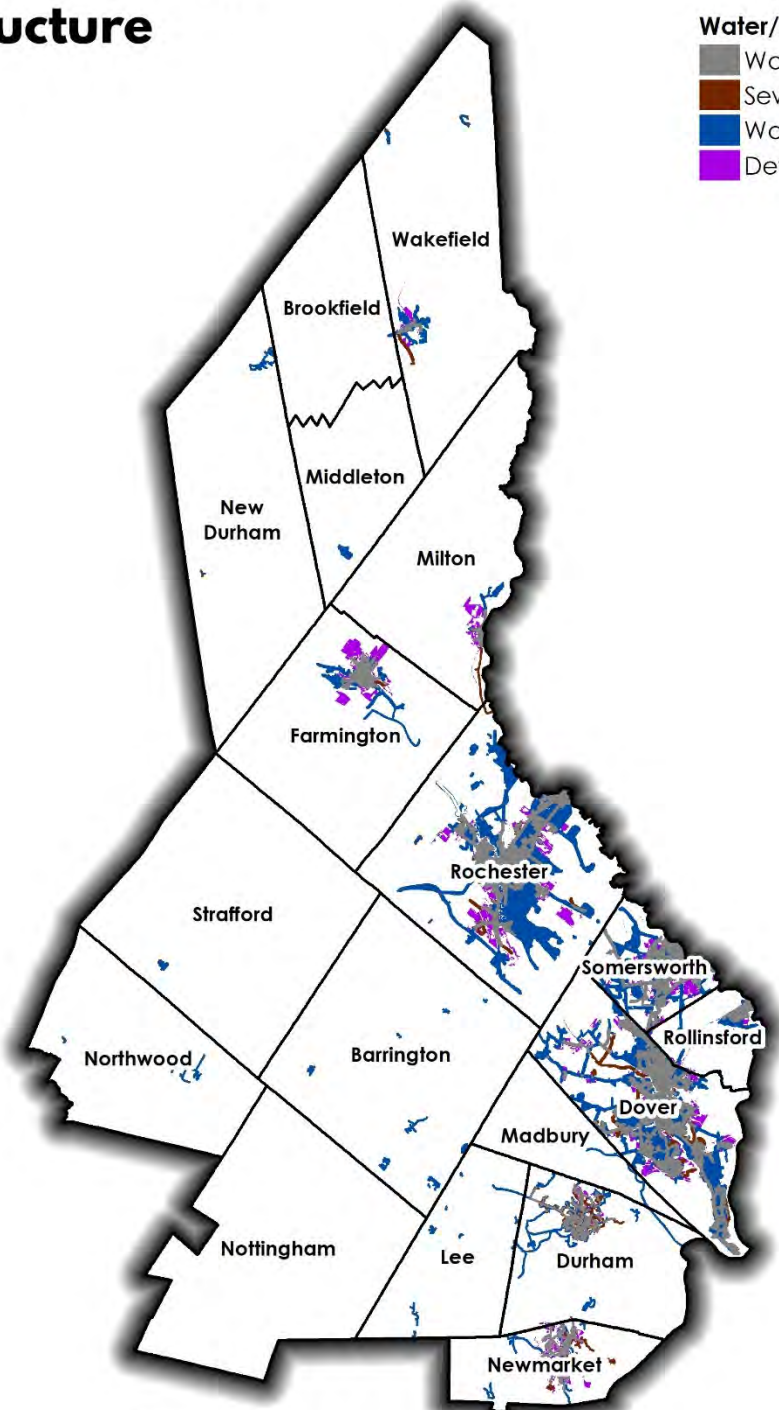
Currently there are 49,315 people who have access to public water infrastructure, 14,012 people who have access to public sewer infrastructure, and 62,658 people who have access to both water and sewer infrastructure. In the Strafford region, 17 percent of all parcels have access to public water infrastructure, 2 percent of parcels have access to sewer infrastructure, and 29 percent of parcels have access to both water and sewer infrastructure. There are 15,669 acres of developable land on parcels that have access to public water infrastructure, 1,679 acres of developable land on parcels that have access to sewer infrastructure, and 22,888 acres of developable land on parcels that have access to both water and sewer infrastructure.

This topic was a large point of discussion at SRPC's Housing Workshop outreach event. Lack of water and sewer infrastructure, as mentioned above, was noted as a barrier to development by municipal planning and administrative staff. There were lengthy discussions about the possibilities of a study on regional water and sewer infrastructure and the potential for exploring agreement between adjacent communities to support sewer/water expansion and infrastructure.

Water and Sewer Infrastructure

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Public Water and Wastewater Systems

Where municipal sewer and water infrastructure is available, systems are able to function for many households, allowing homes to be built close together. This denser development pattern can help to keep costs lower for homes, as well as encourage efficient and compact land use development. This strategy may coincide with community goals for village revitalization, livability such as walkable neighborhoods and easy access to public transit, and natural resource conservation.

While some systems, typically larger ones, maintain full system mapping and asset management plans, others do not. When available, this information provides details on system needs, opportunities, and limits, especially useful for municipal planning around density and system management by answering questions such as:

- What is the system's potential capacity of users?
- What options are available for expansion, such as line extension, connecting to a neighboring system, increasing existing home connections within a service area, or new community systems?
- What is the system's condition and what are threats to its functioning?

Expensive upgrades and repairs are often minimally patched together or ignored completely. Until the American Rescue Plan Act of 2021, there had been no significant investment in these facilities since the 1970s. Small-town water and sewer infrastructure has a variety of needs, with some places needing small adjustments and others needing major upgrades to stay in compliance with water standards, including standards for emerging contaminants such as per- and polyfluoroalkyl substances (PFAS) for which upgrades can be costly to implement. For some contaminants, processed sewage must be trucked to another location, significantly increasing costs further.

This pattern of minor repairs is unsustainable and needs intervention from outside sources of funding to ensure communities' long-term health and well-being. Significant funding sources available are the United State Department of Agriculture, state aid, and the Clean Water State Revolving Fund (CWSRF). The CWSRF provides planning, assessment and construction loans for communities to improve their wastewater, stormwater, and water pollution control projects.

Private/Community Water and Wastewater Systems

Many households in the SRPC region, particularly those located in rural communities, use private wells and septic systems for their household needs. A smaller number of households use community systems, which function for a group of residences. In rural areas, well and septic systems are the standard and work well. They are typically more economical, can reduce the loading of effluent on the soil, and help conserve water locally. For private and community systems that are installed, keeping up with maintenance and water quality testing can be a hurdle, but is critical to ensure health standards.

State permitting is required for public and private water and wastewater systems to ensure basic requirements are met for public safety. Administration of these regulations is performed by three NH Department of Environmental Services (NHDES) bureaus:

- **Drinking Water and Groundwater Bureau** regulates and monitors drinking water systems (public, community, and private). Private wells are not monitored once approved as part of a subdivision approval other than installations performed by a licensed professional.
- **Subsurface Systems Bureau (SSB)** regulates septic systems and subdivision approvals through the review of design plans and specifications for proposed systems to ensure proper siting, construction, and operation.
- **Wastewater Engineering Bureau** regulates wastewater treatment facilities to ensure that wastewater attains a sufficient level of treatment so that it can be released into ground and surface waters by regulating discharges. Details found on the NHDES website.

For its impact on housing, subdivision approval by the SSB is the most impactful. These approvals consider well and septic system presence and are required when any lot in the proposed subdivision is less than 5 acres and not served by a public wastewater (RSA 485-A:29). Lot sizes are determined by individual lot characteristics, including soils, wetlands, slopes, ledge, water supply, and the ability to support/manage the sewage load. The sewage load required is standardized at 600 gallons per day for all residential development with up to four bedrooms. This permitting requirement of minimum sewage load can be a barrier to the building of small, affordable residential units; simultaneously, the requirement ensures that residential lots can support a property owner's decision to add bedroom(s) to a small home.

Municipal land use regulations sometimes require a larger minimum lot size than that required by the SSB. At times this is enacted to ensure proper wastewater treatment, however given the state's requirements, these rules further restrict the subdivision of land than is deemed necessary to receive state permits. Under the best lot conditions, the absolute minimum lot size currently approved for lots with on-site wastewater and well is 30,000 square feet or two-thirds of an acre; for lots with on-site wastewater and off-site well is 20,000 sq. ft. or 0.46 acres; and for lots with off-site wastewater and well is set by the municipality, not requiring SSB approval. Approvals can be made for smaller lots if those are part of a conservation subdivision, however these must include the conservation of land to account for the sewage load not supported by the smaller lots.

Innovative treatment technologies allow for smaller septic systems that can function under more restrictive conditions. These technologies can receive approval from the SSB, however that approval does not provide for smaller lots. The same is true for community systems. Legitimate concerns about the long-term operation of innovative technologies or community systems include maintenance, treatment levels obtained, and system management if water quality goals are not met. While heeding these concerns, the advancement achieved from these technologies is not allowed to extend in the way of a density bonus to property owners or developers.

There are several factors that can threaten public and private systems. A lack of funds for the maintenance and upgrades needed can result in unsafe system conditions.

Current and emerging threats to water quality in public and private drinking water include human influence, deteriorating infrastructure, harmful organisms, and stormwater. Some human-derived water pollution concerns include PFAS, road salt, agriculture, mining and industry, and recreational activities.

Infrastructure affects water quality through situations such as the presence of lead pipes, aging septic systems, and high road runoff. These can directly or indirectly introduce pollutants into the water supply if not fully addressed, with costs for treatment shouldered by the public.

New development, while potentially helping to meet housing needs, can also be a threat to water quality. By increasing impervious cover such as pavement and structures, new development can exacerbate stormwater issues. Increased stormwater runoff carrying high levels of nutrients can cause toxic algal blooms, of particular concern to systems that rely on surface waters. Drainage infrastructure and design, including green and grey techniques, helps to minimize these issues by encouraging water infiltration and filtering pollutants.

Private wells especially, and public water systems as well, can face water quantity issues due to the increased impacts from drought. Most recently, in 2020 close to 20 percent of the state experienced severe drought causing well failures and water use restrictions. A relatively new challenge, for a water rich state, might require increased attention to monitoring, water conservation and water reuse. Monitoring for public and a sample of private well systems might better inform the siting of new development to minimize risk of well failure and household insecurity.

Broadband

- [Adequacy of broadband connectivity](#)
- [Underserved communities with slow or no broadband capacity \(updated mapping, speed tests, etc.\)](#)

High speed internet, or “broadband,” are umbrella terms that refer to internet services that are always connected and that have significantly faster connections than dial-up internet access. In 2015, the Federal Communications Commission (FCC) determined that an average household requires a minimum download speed of 25 Mbps and a minimum upload speed of 3Mbps to allow for multiple users to have adequate speeds. SRPC adopted a comprehensive Broadband Plan in January 2015. While available data indicates that all Census blocks in the greater Strafford region are served by at least one broadband provider, rural areas often have limited choice of services or rely on slower or less reliable technologies under the “broadband” umbrella.

Economic and Community Development

Community Development Block Grant Investments

- [Location of CDBG investments in the past 5-10 years relative to low-income neighborhoods or communities of color with infrastructure deficiencies – HUD CPD Maps](#)

Food Access

- [Food access, particularly healthy food access](#)
- [Refer to the USDA food atlas](#)

Healthy Homes

- [Housing-related health issues \(lead, asbestos, radon\)](#)
- [DHHS WISDOM website for lead poisoning and radon](#)
- <https://wisdom.dhhs.nh.gov/wisdom/index.html>

Childcare

The SRPC region has 59 operating childcare programs of any type as of 2019. Out of the fifty states and the District of Columbia, New Hampshire ranked thirteenth for populations residing in “childcare deserts”, census tracts with “more than 50 children under the age of five that [contain] either no childcare providers or so few options that there are more than three times as many children as licensed childcare slots”. Forty-six percent of New Hampshire families resided in areas of this nature in 2018, a figure that climbed to 57% in rural areas. Neighboring Maine ranked fifty-first with only 22 percent of its population residing in childcare deserts.

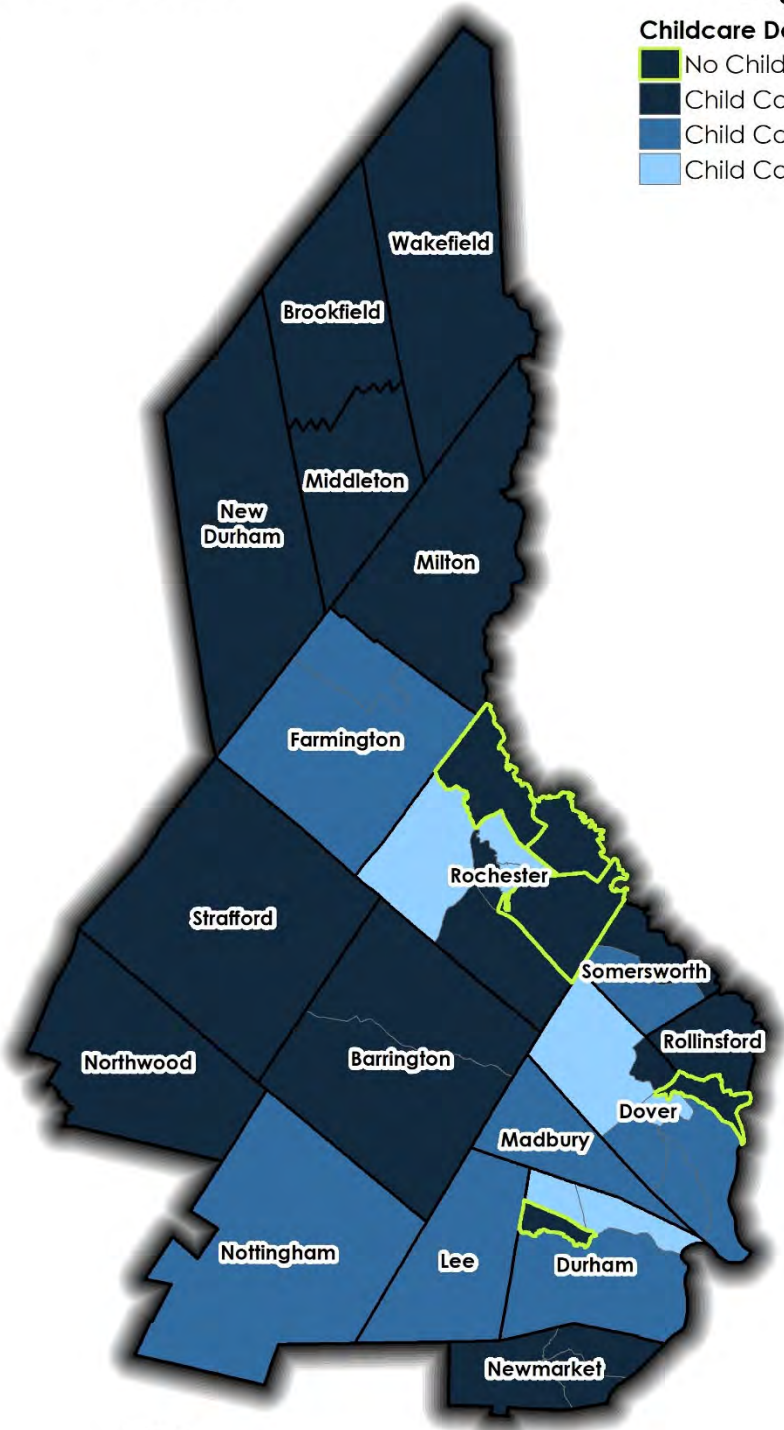
The map below looks at the capacity of the licensed childcare providers and divides by the number of children under the age of 5 years old in each tract. “No childcare providers” indicates that there are no licensed childcare providers. “Childcare sufficient” indicates that the capacity is greater than or equal to the number of children residing in the area. This does not mean that there are any open spots available, as these “extra” spots are likely filled by children from other tracts. “Childcare insufficient” indicates that the childcare capacity is less than the number of children, but does not meet the threshold for childcare deserts outlined above. “Childcare deserts” are areas where the number of children under 5 is three times the capacity of the licensed providers. Tracts with no childcare providers are found in Rochester and Dover, and near UNH in Durham. Over half of the municipalities in the Strafford region are classified as childcare deserts.

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Childcare Deserts

Legend

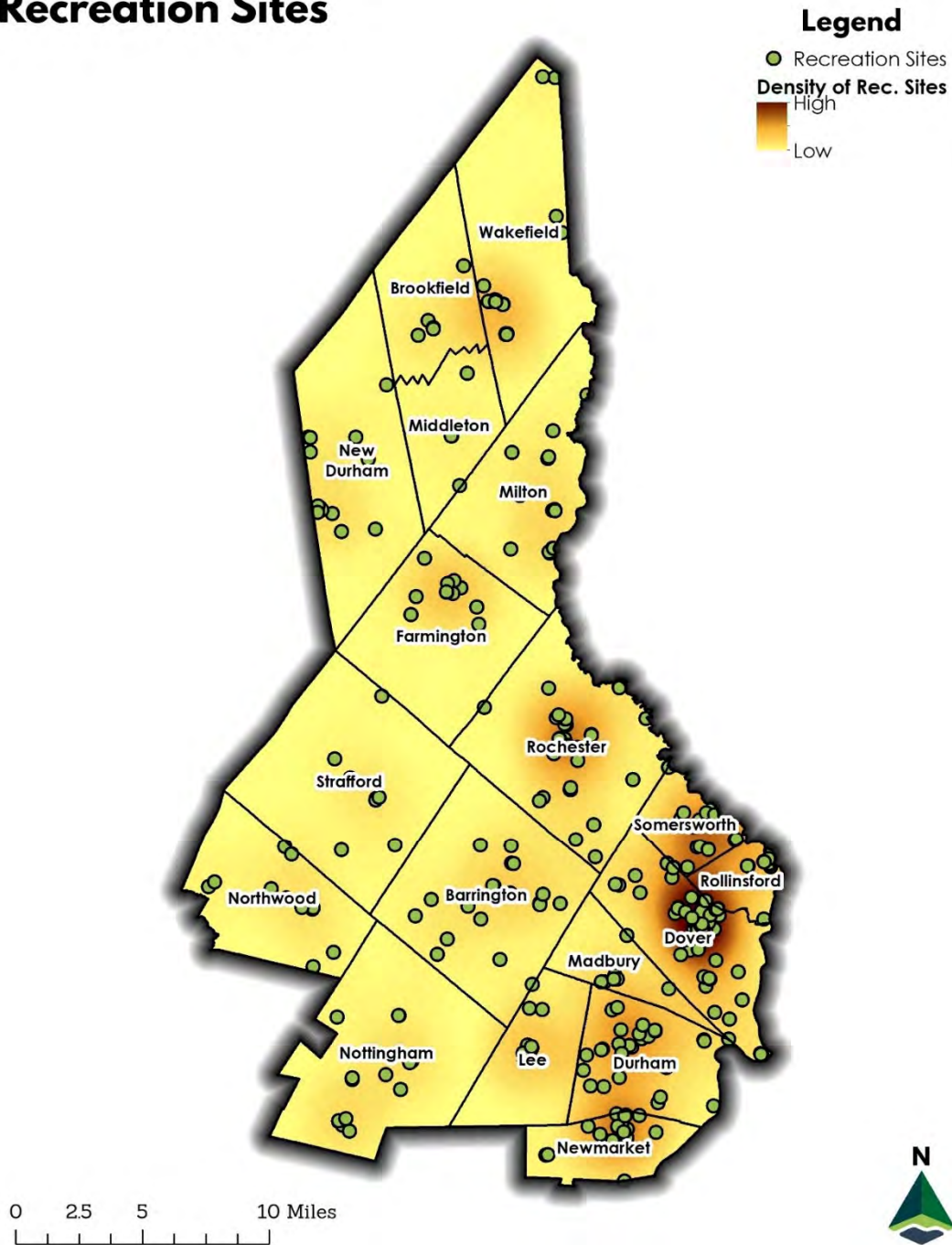
- Childcare Deserts**
- No Child Care Providers
 - Child Care Deserts
 - Child Care Insufficient
 - Child Care Sufficient



Parks, Recreation and Civic Infrastructure

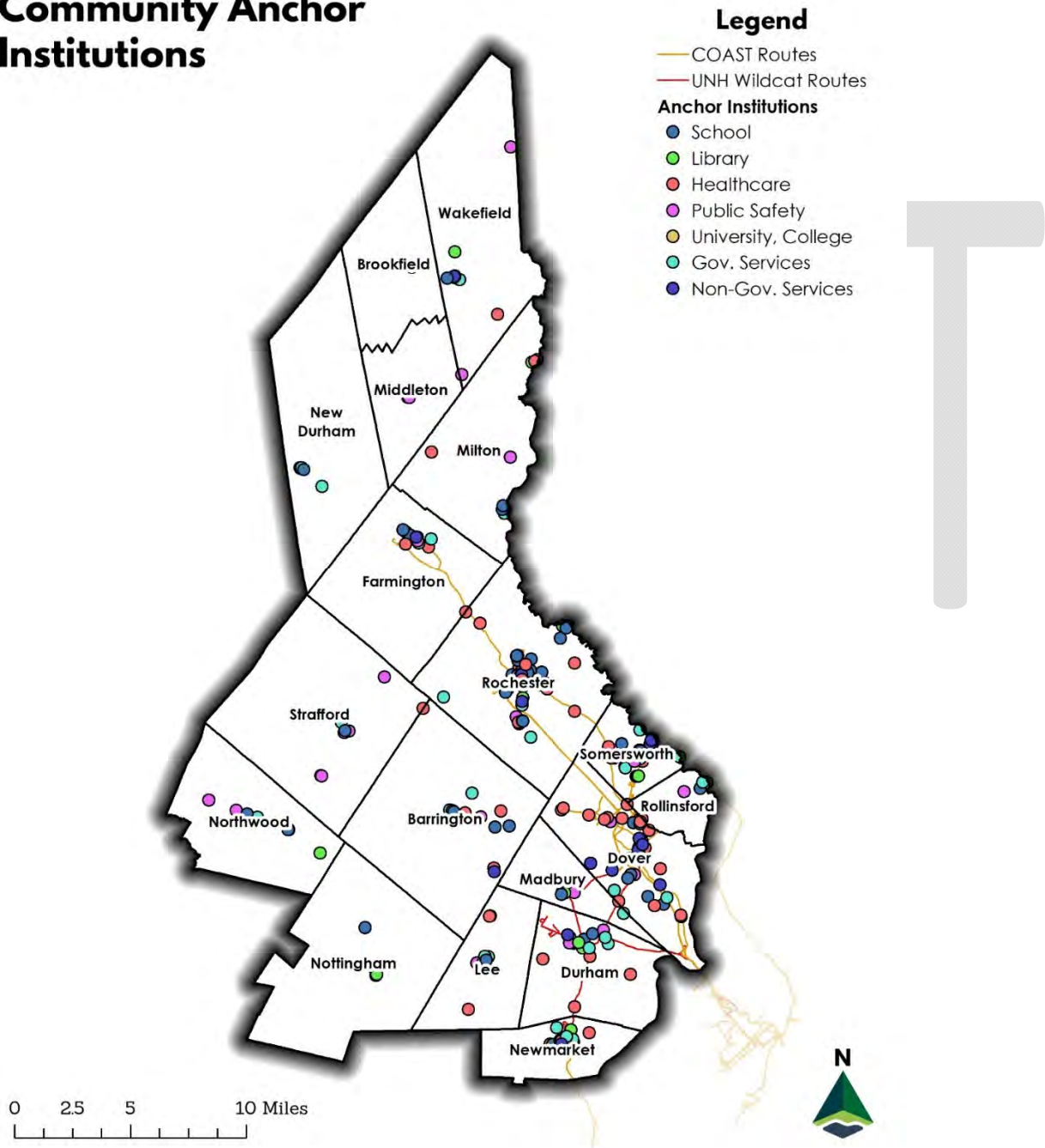
There are 344 recreation sites across the Strafford region. Recreation sites are free, publicly accessible spaces where anyone can go to recreate. These spaces include trails, open space, sports fields, playgrounds, parks, boating access points, beaches, pools, and others. These spaces can be found in every municipality throughout the region but are most prominent in the cities and downtown centers. 11 or 32% of the region's anchor institutions are located within ¼ mile of a transit stop.

Recreation Sites



Currently there are 277 establishments designated as Community Anchor Institutions (CAIs) across the Strafford Region. Designation as a community anchor institution was given to entities providing services and goods that are vital to community health. Examples of institutions defined as such included public libraries, schools, hospitals, local government centers, healthcare facilities, and other community-supported buildings. The Strafford region's 277 CAIs are primarily located along major transportation corridors and within downtown centers. 116 or 41% of the region's anchor institutions are located within ¼ mile of a transit stop.

Community Anchor Institutions



Opportunity Indices

Overview

Opportunity **Zones** were created under the 2017 Tax Cuts and Jobs Act and include 8,764 census tracts. These tracts are economically distressed, typically with lower income and higher unemployment as well as lower home values, lower rates of homeownership, and lower rents. This Opportunity Zone designation comes with a tax incentive that is designed to encourage investors, entrepreneurs, and community leaders to revitalize and redevelop the area.⁴⁶

In contrast, Opportunity **Areas** are resource-rich with quality schools, lower poverty rates, and plentiful employment options. The cost of living is often high and there is usually a shortage of affordable housing.⁴⁷

Access to High Opportunity Areas

New Hampshire Housing's Housing Research team developed a set of opportunity indices specific to the state and centered on prosperity, education, housing, and health. The indices were developed at the Census Tract level for all communities in New Hampshire. The four individual indices each consider:

1. Economic Prosperity
 - Gini score
 - Working poverty
 - Employment
 - Broadband
2. Health
 - Medical spending
 - Low food access status
 - Life expectancy
 - Medically underserved area status
3. Education
 - Disenfranchised youth
 - High educational attainment
 - High school graduation rate
4. Housing
 - Cost burdened owners
 - Cost burdened renters
 - Incomplete plumbing
 - Monthly housing costs
 - Vacancy-to-occupancy ratio

⁴⁶ https://opportunityzones.hud.gov/sites/opportunityzones.hud.gov/files/documents/OZ_Best_Practices_Report.pdf

⁴⁷ <https://www.nhhfa.org/wp-content/uploads/2019/12/Opportunity-Area-Presentation.pdf> and https://mf.freddiemac.com/docs/Affordable_Housing_in_High_Opportunity_Areas.pdf

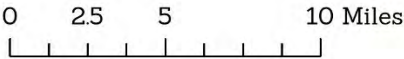
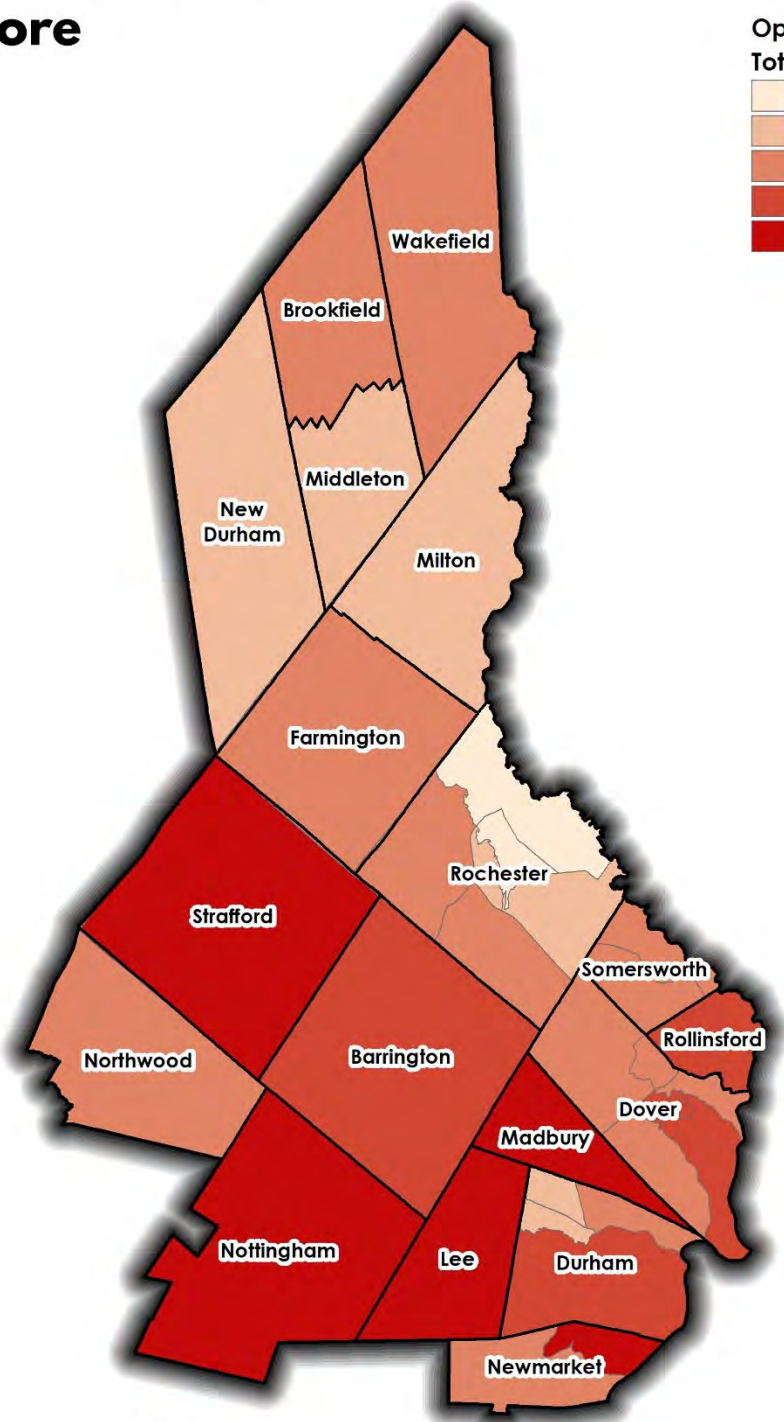
As a means of performing a baseline analysis of opportunity in the region's 18 communities, the scores for the four opportunity indices have been added up to create a total opportunity score throughout the region.

High index scores indicate high levels of opportunity, while lower index scores suggest possible barriers in access to opportunity. Individual index scores ranged from a low of 0 to a high of 5, and total index scores ranged from a low of 5 to a high of 14. Census tracts that have been found to have high levels of opportunity can be found in Strafford, Nottingham, Lee, Madbury, and Newmarket.

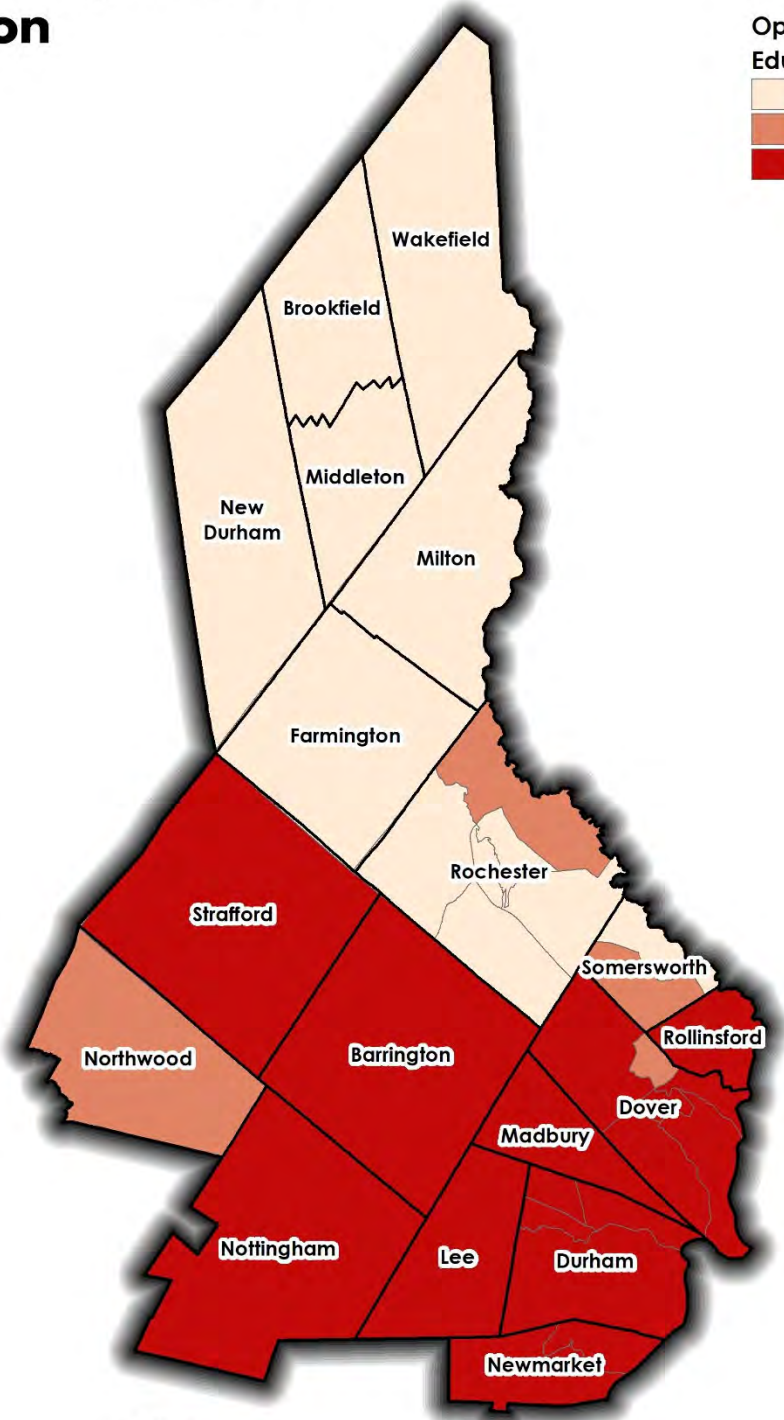
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Opportunity Index - Total Score

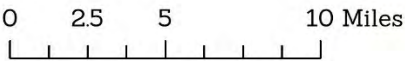
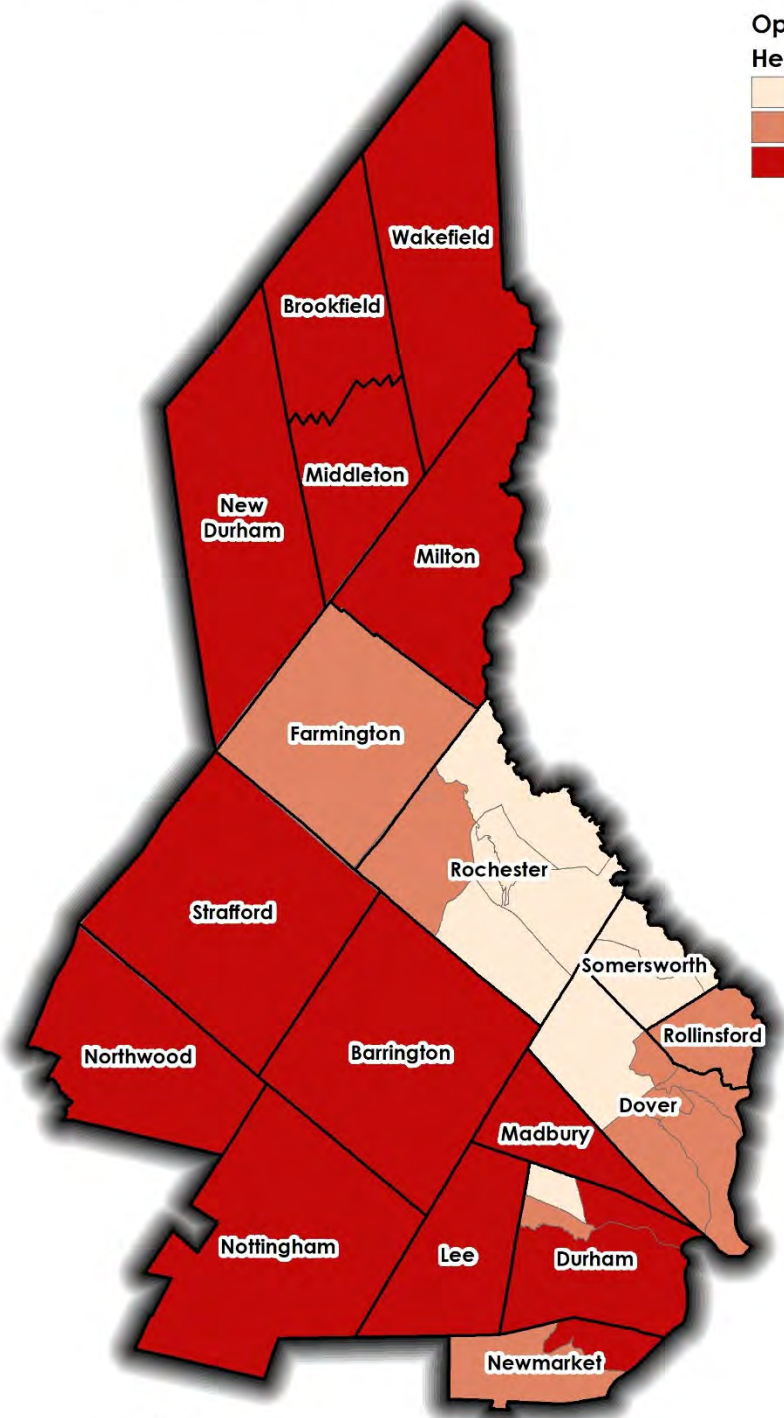
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Opportunity Index - Education



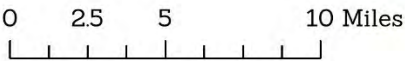
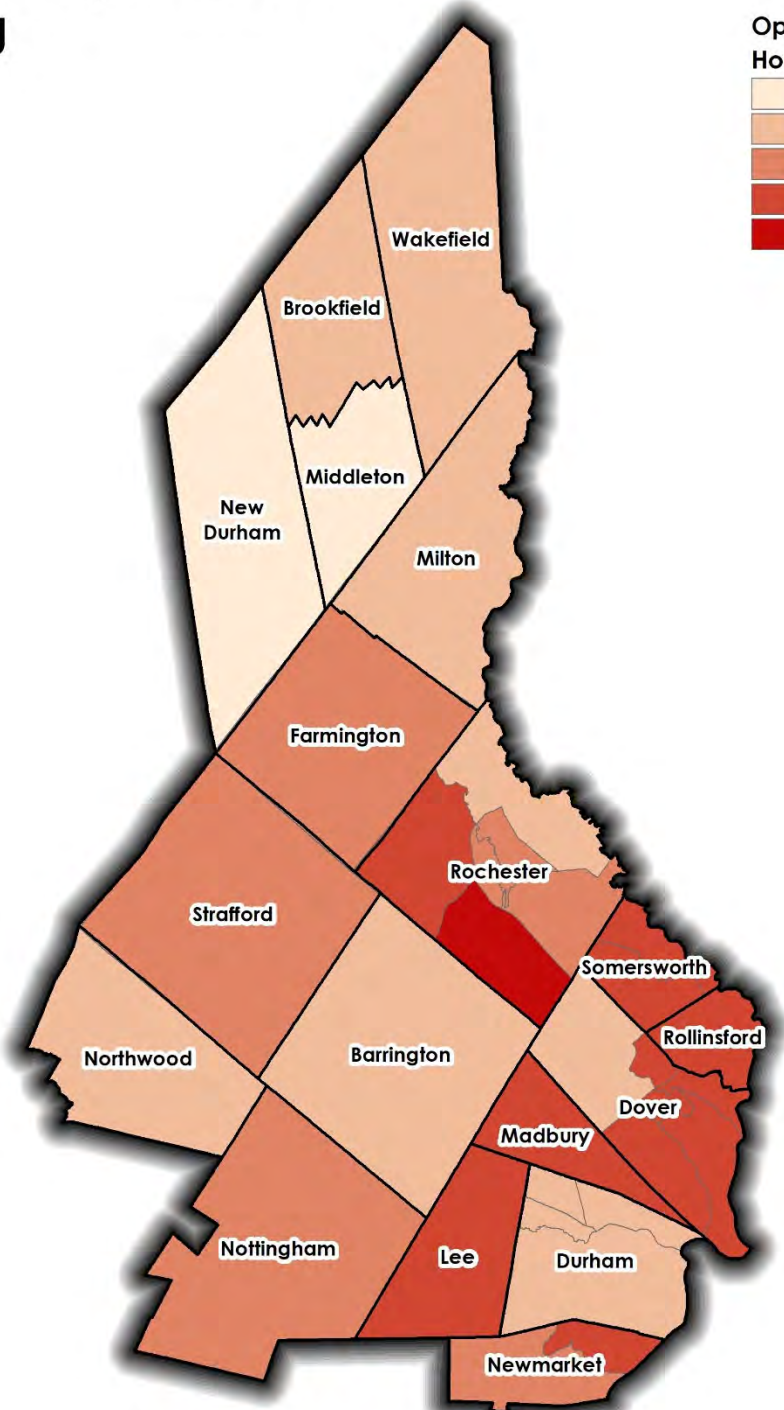
Opportunity Index - Health



Opportunity Index - Housing

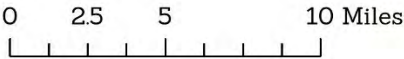
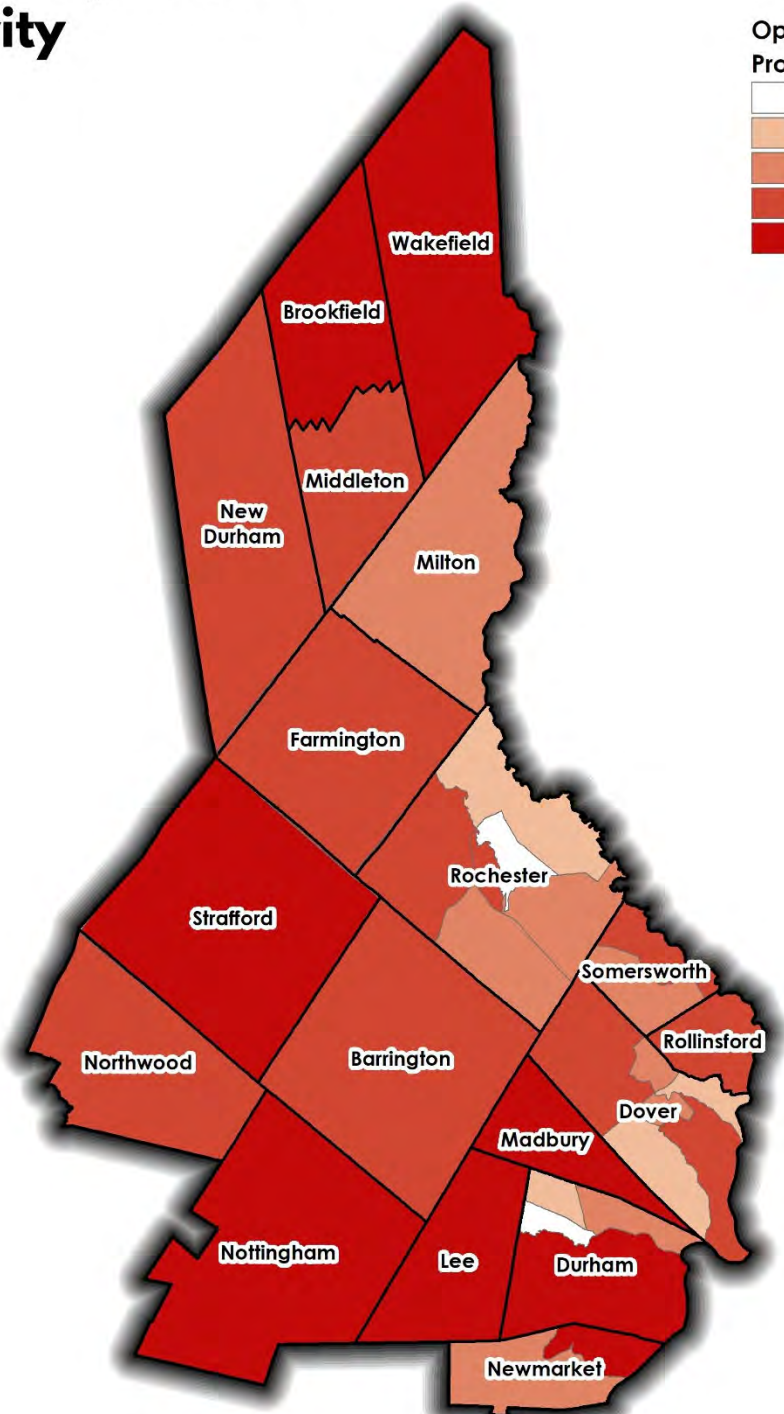
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Opportunity Index Housing Score



Opportunity Index - Prosperity

Legend



Total score high opportunity areas in the Strafford region can be found in Strafford, Nottingham, Lee, Madbury, and Newmarket. Total score low opportunity areas in the Strafford region can be found in Rochester. High and low opportunity areas for the four individual opportunity indices can be found in the table below

Additionally, the Town of Durham is shown as having high total opportunity and concentrations of people living in poverty, which could lead to risk of gentrification and displacement.

High Opportunity Areas

Total Score	Prosperity	Housing	Health	Education
Lee Madbury Newmarket Nottingham Strafford	Brookfield Lee Madbury Newmarket Nottingham Strafford Wakefield	Dover Lee Madbury Rochester Rollinsford Somersworth	Barrington Brookfield Durham Farmington Lee Madbury Middleton Milton New Durham Newmarket Northwood Nottingham Rollinsford Strafford Wakefield	Barrington Dover Durham Lee Madbury Newmarket Nottingham Rollinsford Strafford

Low Opportunity Areas

Total Score	Prosperity	Housing	Health	Education
Rochester	Dover Rochester	Barrington Brookfield Durham Middleton Milton New Durham Northwood Wakefield	Dover Rochester Somersworth	Brookfield Farmington Middleton Milton New Durham Rochester Somersworth Wakefield

- [Housing + Transportation Affordability Index \(Updated 2017, using 2015ACS and 2014 Employer households dynamics\)](#)
- Describe location new housing is being developed and pricing in high opportunity areas, as well as barriers to accessing this housing

Areas of High Opportunity and Communities of Interest

Opportunity indices are particularly important for concentrations of communities of interest. These concentrations were overlaid on the opportunity index maps to show which communities of interest had lower opportunity to the various opportunity indices. Minority populations and populations with no vehicle access have lower opportunity to prosperity. Grandparents that are guardians for grandchildren and populations with a disability have lower opportunity to education. Populations living in poverty and populations with a disability have lower opportunity to housing. Minority populations, grandparents that are guardians for grandchildren, populations with no vehicle access, and populations with limited English proficiency have lower opportunity to health. Minority populations, grandparents that are guardians for grandchildren, populations with no vehicle access, populations with a disability, and populations with limited English proficiency have lower total opportunity scores.

→ Provide additional analysis and discussion where areas of concentrated poverty are also designated as areas of opportunity, and risk of gentrification and displacement

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VII. Fair Housing

History of Fair Housing

In 1968, Congress passed the Fair Housing and Equal Opportunity Act. This Act originally prohibited housing discrimination on the basis of race, color, national origin, religion and in later years was amended to also prohibit discrimination on the basis of sex, familial status, and disability. The U.S. Department of Housing and Urban Development (HUD) is the primary agency charged with implementing and enforcing this enabling legislation.

New Hampshire also enacted its own housing discrimination law, the Law Against Discrimination (RSA 354-A) in 1965. State protected classes include the seven classes protected at the federal level, as well as age, marital status, sexual orientation, and the most recently added class of gender identity.

Despite the fact that these laws were created in order to protect and ensure that all class members have equal access to housing, discrimination has still not been eradicated and continues to be present in our nation, state, and region. For this reason, the identification and analysis of barriers to equal access to housing is crucial in order for our region to be able to overcome housing discrimination and segregation.

Evidence of Discrimination

Based on Housing and Urban Development (HUD) data from January 1, 2014 to June 1, 2022, there have been 29 Fair Housing Act cases filed in the SRPC region on the bases of Disability, Familial Status, Race, National Origin, Color, and Sex, detailed below. (Note, one filed case may have been filed with multiple bases, so the number of cases, 29, does not equal the number of bases).

Title VIII Cases Filed in SRPC, January 1, 2014 - June 1, 2022

County	City	Basis
Carroll	Wakefield	Disability (1)
		Familial Status (1)
Rockingham	Newmarket	Race (1)
		National Origin (1)
		Disability (2)
	Nottingham	Race (1)
		Color (1)
Sex (1)		
Strafford	Dover	Race (2)
		Familial Status (1)
		Disability (7)
		Color (1)
		National Origin (1)
	Durham	Disability (1)
	Farmington	Disability (5)
	Rochester	Sex (1)
		Disability (2)
		Race (1)
Color (1)		
National Origin (1)		

	Somersworth	Sex (1)
		Familial Status (1)
		Disability (1)

Another source of data is the New Hampshire Legal Assistance (NHLA). This source includes data from January 2014 to June 2022, and lists all complaints received by NHLA detailed by protected class and town. Again, since it is not uncommon for individuals to be discriminated against based on more than one protected class, many of the complaints received have multiple protected classes listed. NHLA typically reports the bases of discrimination complaints contain, not just the number of individuals, to provide a fuller picture of the types of discrimination encountered (e.g., they may help one tenant secure reasonable accommodations for a mental health disability as well as for a physical disability, or a tenant may have been denied housing both because they have children and because they have an assistance animal).

Based on this data, NHLA has received 143 complaints from the SRPC region on the following bases: Sex, Physical Disability, Familial Status, Mental Health Disability, Race, National Origin, Sexual Orientation, and Gender Identity.

NHLA Complaints Filed in SRPC (2014 – 2022)

City	Number of Complaints
Barrington	1
Dover	54
Durham	3
Rochester	32
Farmington	8
Lee	3
Newmarket	8
Northwood	2
Wakefield	4
Somersworth	28
TOTAL	143

National Housing Assistance

While there are numerous housing assistance programs in the United States, the Fair Housing Initiatives Program (FHIP) and Fair Housing Assistance Program (FHAP) administered through HUD were created to aid organizations focused on assistance to those who believe they are not receiving their civil right to fair housing, or for organizations who work to enforce fair housing laws.

The **Fair Housing Initiatives Program (FHIP)** was created to aid organizations and non-profits who assist individuals who believe they have been discriminated against when trying to attain housing.

Organizations that receive this type of funding partner with HUD to ensure individuals are informed and provided services to make their complaints official, and have their claims investigated. In addition to these services, FHIP has four initiatives (three of which provide funds) including:

1. The Fair Housing Organizations Initiative (FHOI) - Provides funding that allows for enforcing of fair housing and education initiatives, as well as nationally encouraging the creation and growth of organizations that serve typically underserved groups, especially those with disabilities.
2. The Private Enforcement Initiative (PEI) - Provided for non-profit fair housing organizations to try and prevent discriminatory housing practices by carrying out testing and enforcement activities.
3. The Education and Outreach Initiative (EOI) - Assists state and local government agencies and non-profits in outreach to the public in explaining fair housing, equal opportunity in housing, and what housing providers must do to be in compliance with the Fair Housing Act.
4. The Administrative Enforcement Initiative (AEI) - Aids state and local governments in administration of legislation that affirmatively furthers fair housing through implementation projects. No funds are currently available for this program.

The **Fair Housing Assistance Program (FHAP)** provides funding to state and local agencies enforcing fair housing laws that are in accordance with the Fair Housing Act. This funding is used to protect families and individuals who are subject to housing discrimination. Funds support activities such as complaint processing, training, data and information systems implementation, and other processes and projects.

Regional Housing Assistance

Local Housing Authorities

Local Housing Authorities are created through NH RSA 203, which encourages the establishment of housing authorities to create an entity for the provision of safe and sanitary housing. Four communities within the Strafford region provide Housing Authority based assistance, detailed below:

Dover Housing Authority

The Dover Housing Authority (DHA) was founded in 1948 and works to provide “safe, decent, and affordable housing for low-income families and senior citizens.” The Dover Housing Authority includes 531 units, out of which 300 units are housing for the elderly and 231 are family housing, in seven different properties. The organization works to ensure fair housing by not only offering affordable housing options but by offering properties that are accessible as well. Out of all their properties, 32 units are ADA accessible, meaning they are accessible and accommodating to those with disabilities.

The Dover Housing Authority also provides information on fair housing and helps citizens by explaining the law and what it entails. They also have a link to the HUD website for people to file complaints if they feel their Fair Housing rights have been violated and set out protections available for those with a disability and their rights to fair housing.

Somersworth Housing Authority

The Somersworth Housing Authority (SHA) was founded in 1961. The primary goal of the authority was first focused on urban renewal and creating housing for the elderly and families with children before focus shifted to include overall community development. Starting with just 120 units, the Somersworth Housing Authority now includes 272 units. The SHA’s mission is to address discrimination and fair housing by providing safe, clean, independent, and affordable housing to eligible families, elderly and persons with disabilities without discrimination. SHA also helps make connections to other community

support agencies. Also addressed by SHA, is the education of the underserved population through community programs, which the HUD Fair Housing Organizations Initiative program encourages. Furthermore, the SHA participates in HUD's Rental Assistance Demonstration (RAD). Under this initiative (and also using the LIHTC program) they have a total project of 169 units (spread out across different locations) proposed to be converted from public housing to affordable housing.

Newmarket Housing Authority

The Newmarket Housing Authority (NHA) was founded in 1969 for the provision of safe and sanitary housing for low-income individuals in and around the Town of Newmarket. NHA offers affordable housing to low to moderate income families and individuals through two programs: Public Housing and Housing Choice Voucher Program (formerly known as Section 8).

NHA's Public Housing includes Great Hill Terrace, which is a 50-unit development for eligible families in a mix of 1, 2, 3, and 4-bedroom units. When these rental units become available, eligible applicants are selected from the waitlist. Rental amounts are calculated based on the families' income to provide an affordable option in a desirable community. The Housing Choice Voucher program provides assistance for low-income families in the private rental market by providing housing assistance payments directly to the landlord. When a voucher becomes available an eligible applicant is selected from the waitlist. Voucher holders then search for a unit from the private rental market. Currently, NHA administers 75 housing vouchers.

Rochester Housing Authority

The Rochester Housing Authority (RHA) was founded in 1963, and now includes 232 low-income apartment, 106 tax credit properties (for families and elderly), 4 apartments for homeless families the City of Rochester, and administers 182 Housing Choice Vouchers. LIHTC units are the result of an indirect federal subsidy program used to fund development of affordable rental units for low-income households. The locations of all units managed by the Rochester Housing Authority are scattered throughout the City, with locations on Brock Street, Cold Spring Circle, Emerson Ave, River Street, Olde Farm Lane, Wellsweep Circle, Felker Street, Magic Avenue and Washington Street. The Mission statement of the RHA expresses the importance of establishing eligibility and rent requirements allowing for the provision of decent, safe, and sanitary housing for families, the elderly, disabled, and very low to low-income households.

Additional Resources

Workforce Housing Coalition of the Greater Seacoast

The mission of the Workforce Housing Coalition of the Greater Seacoast is to address housing challenges in the region through education and outreach initiatives. The vision of this group includes affordable housing availability throughout the Greater Seacoast that allows individuals to live comfortably in proximity to where they work, which is particularly difficult in the Greater Seacoast area as it is one of the least affordable regions in the state. The Workforce Coalition of the Greater Seacoast includes communities in Carroll, Rockingham, Stafford, and York counties. In the Strafford region the only municipalities that are not encompassed as core communities the coalition serves are Middleton, New Durham, Brookfield, and Wakefield. The Workforce Housing Coalition of the Greater Seacoast also has a high capacity to participate in HUD initiatives such as The Fair Housing Assistance Program and Fair Housing Initiatives Program. Publications on their website include documents that define affordable

workforce housing, address what can be done to engage individuals, organizations, and public officials in efforts to change opinions about workforce housing, information on legislation that addresses workforce housing, as well as other resources.

The Housing Partnership

Founded in 1988, the Housing Partnership was a collaborative effort by local businesses, the United Way and citizens to find a solution to the lack of affordable housing options in the region. The Housing Partnership, which operates in Strafford and Rockingham counties in New Hampshire and York County in Maine has to date aided in the construction of over 300 quality affordable housing units. Their properties are located in 12 communities in these three regions. The Housing Partnership affordable housing locations in the SRPC region are listed below.

Housing Partnership Properties Locations in the SRPC Region

Property Name	Municipality	Units	Type
Bradley Commons	Dover	39	Workforce Housing with Veteran preference
Bradley Commons II	Dover	10	Workforce Housing
Cedarwood Estates	Lee	12	Rental Family Housing
Mad River Meadow	Farmington	16	Affordable Family Housing
New Hope	Rollinsford	12	Family Housing
Woodbury Mills	Dover	41	Workforce Housing

Not only does the Housing Partnership supply affordable housing for those in need, but they also offer educational programs for first-time home buyers, for those in danger of foreclosure, and advice on foreclosure prevention. They work with local banks and charity organizations, as well as many local business partners, which allows the continued growth of this organization.

New Hampshire Housing Finance Authority

The New Hampshire Housing Finance Authority (NHHFA) is a statewide resource for housing data and planning, for those interested in homeownership, and for those in need of housing assistance for both rental and home buying. Housing data and information provided by this organization include rent and mortgage data, demographic data, directories of assisted housing, HUD limits and allowances, and other housing data. The NHHFA provides educational programs for homebuyers, as well as resources for renters. Another service the NHHFA provides is lending programs for low- and moderate-income people for the financing of purchasing a home. The organization also holds conferences and programs to present data and for housing experts to share information on assisted housing, the housing market, and other relevant material. Since the organization was founded the NHHFA has helped more than 50,000 families purchase homes and has financed more than 16,000 rental units.

Great Bridge Properties

In 2000, Great Bridge Properties, LLC was created to help increase affordable and market-rate housing in the states of New Hampshire and Massachusetts. Current properties in the region include apartments in Rochester and Dover. In Rochester, Brookside Place at Ledgewood provides 90 units that are affordable to those with moderate income levels. In Dover, the Bellamy Mill Apartments offer 30 garden-style family units.

Homeless Shelters

Throughout the state and region, there are options for those struggling with homelessness or those needing assistance to maintain the current housing that they have. In the Strafford region the Community Action Partnership of Strafford County, the Community Partners (including Tideview Estates and Rochester Family Housing), Homeless Center for Strafford County, and My Friend's Place all offer emergency and transitional housing, as well as general support services.

Community Action Partnership of Strafford County offers homeless prevention and intervention, as well as outreach intervention. Programs include utility support, fuel assistance, assistance with security deposits for an apartment, and other forms of support. Furthermore, they assist individuals who need mental health care through permanent and transitional housing. Their residential program focuses on supporting individuals who live with in-home providers. They also provide staffed residents for individuals needing support in daily activities and support for independent living.

In Rochester, the Homeless Center for Strafford County provides shelter and case management to homeless women and families. This shelter is run out of a six-bedroom house donated by Waste Management in 2001.

My Friend's Place in Dover offers emergency shelter and transitional housing for individuals and families. On average My Friend's Place houses 200 people per year and about 18 at any given time. Individuals staying at this shelter are encouraged to look for housing and employment as well as assist in meal preparation and maintenance of the shelter. Another organization that provides aid to those struggling to find housing includes the NH Housing and Finance Authority.

VIII. Resources for Meeting Local Housing Needs

The ToolBox

- The RHNA Toolbox subcommittee, with help from its subconsultant, Outwith Studio, are working to develop a toolbox of available tools to support the development of housing at the local level.
- The Housing Toolbox will include the following for each of the tools:
 - o What is it (definition)
 - o How It Can Help Your Community
 - o Getting Started
 - o Things to Keep in Mind (Considerations)
 - o Case Studies
 - o Relevant State Laws
 - o Other Resources
- Fact sheets will be prepared for the following tools:
 - o Accessory Dwelling Units (ADUs)
 - o Adaptive Use (Brownfields development)
 - o Age-Friendly Neighborhoods
 - o Cluster/Open Space Developments
 - o Community Revitalization Tax Incentive (NH RSA 79-E)
 - o Community Septic Systems/Alternative Wastewater Management
 - o Review/Reduction of Dimensional Requirements
 - o Form Based Codes
 - o Low Income Housing Tax Credit (LIHTC)
 - o NH Housing Opportunity Zones (NH RSA 79-E:4-c)
 - o Planned Unit/Mixed Use Developments
 - o Tax Increment Finance (TIF) Districts
 - o Village Plan Alternative
 - o Workforce Housing

Recommendations

- Community Land Trust
- Land use Planning and smart growth – summary and recommendations
- Muni. Approaches to Planning for Housing
- Owner & Non-Profit Activities to Promote Housing
- Link Worker and Housing Shortages for Employers
- ID Regional Approaches to Housing Issues
- Case Studies on Innovative Housing Solutions
- Addressing the Needs of Communities of Concern
- The Role of Public Outreach in Implementation

IX. Conclusion

Summary of Findings

→ Add a high level wrap up of key findings

Regional Next Steps

→ How the findings inform decision making, prioritization, and implementation

Local Action

Barrington

Barrington is one of the fastest-growing communities in the greater Seacoast. The town's population grew exponentially in the latter half of the 20th century and has remained a predominantly residential community ever since. Barrington is an attractive bedroom community largely because of its location within a commutable distance of the Tri-Cities, Portsmouth, and Concord as well as Pease, the Portsmouth Naval Shipyard, UNH, and I-95. Barrington also contains a small number of seasonal homes on some of its lakes.

According to our housing gaps and fair share analysis, Barrington should expect to need an additional housing units by 2040.

Opportunities: In recent years, Barrington has been developing infrastructure projects to improve and create a town center at the intersection of NH125 and NH9. These projects include sidewalk expansions and safety improvements to make the new downtown a safe and walkable area.

Barriers:

Brookfield

One of the region's two communities located in Carroll County, Brookfield is the least populated town in the Strafford region as well as one of the smallest in the state. Brookfield has assumed a largely agricultural economy and has remained a rural community throughout its history.

Dover

As the largest community in the region and fifth largest in the state, Dover is a principal community of the Tri-Cities and the seat of Strafford County government. Dover is one of New Hampshire's most prosperous communities with a revitalized downtown and a range of diverse housing options, and is also one of the youngest in the state in terms of the age of its population. Dover's housing was previously known for providing affordable alternatives to Durham and Portsmouth, and continues to be influenced by its proximity to the University of New Hampshire and employment trends of southeastern New Hampshire.

Durham

Home to the University of New Hampshire, Durham is among New Hampshire's oldest communities. Durham today has a vibrant downtown and has demonstrated commitment to preserving natural

spaces. Housing in Durham has historically been a controversial planning effort, as the town seeks to balance the needs of UNH students and employees with local goals.

Farmington

Farmington is home to a mix of industrial, retail and service sector businesses, and critical workforce for Seacoast area businesses. The town anticipates growth with the ongoing revitalization of its downtown. Farmington has historically been an outlet for affordable housing in Strafford County and contains a significant share of the region’s manufactured housing.

Lee

Lee has experienced growth with Durham throughout the twentieth and twenty-first centuries, with its housing patterns also taking influence from the University of New Hampshire. Lee has some commercial activity at the Lee Traffic Circle where NH 125 and US 4 meet but is largely a higher-end bedroom community.

Madbury

Madbury is also a community influenced by the University of New Hampshire. Madbury reported the highest median income in the region in 2020, and available housing is indicative of this.

Middleton

Like its neighbor, Brookfield, Middleton is a small town in population and in geography. Middleton, like other communities in the northern SRPC region, Middleton has a large share of vacant seasonal homes located on lakes, particularly around Sunrise Lake, and brings vacationers from southern New Hampshire, metropolitan Boston, and elsewhere in the Northeast every year.

Milton

Milton has a rich agricultural history and serves as a bedroom community to the Tri-Cities as well as the location of many seasonal homes on Milton Three Ponds. Milton and its neighbor Farmington have struggled with population decline since 2010. Milton contains a large number of multi-family residences among SRPC’s rural communities.

New Durham

New Durham, one of the region’s lake-oriented communities, is rural and much of the commercial activity occurs along NH 11, which is also a gateway to the Lakes Region. Today, New Durham has a number of farms and orchards, panoramic views of nearby mountain ranges, and many outdoor recreation opportunities. The town made amendments to its accessory dwelling unit (ADU) zoning regulations in 2022.

Newmarket

Newmarket is the southernmost town in the Strafford planning region. Newmarket is in a central location between the Seacoast, the Route 101 corridor, and the employment centers of Concord and Manchester. Newmarket has a thriving downtown and also experiences “spillover” from the UNH-oriented housing market in Durham to the north. Newmarket contains many large apartment complexes, a rarity in the SRPC region.

Northwood

Northwood is the westernmost community in the Strafford planning region and hosts hundreds of seasonal homes on the shores of its many lakes. The town sits at a major crossroads in southeastern New Hampshire, seeing commuters from Manchester, Concord, the Seacoast, and the Tri-Cities every day. Northwood hosts a large amount of lakefront seasonal homes.

Nottingham

Nottingham is predominantly a residential community with many summer cottages on Pawtuckaway Lake and surrounding lakes and ponds and is also home to Pawtuckaway State Park which offers trails, swimming, fishing, camping, among many other recreational amenities and activities. Nottingham is a popular bedroom community.

Rochester

Rochester is one of the Tri-Cities and has a population nearly tied with that of Dover. Rochester contains a range of housing, from single-family subdivisions to larger multi-family complexes, and other types in between, including former single-family structures that have been converted to multi-family and manufactured housing. Rochester's downtown is currently undergoing a revitalization.

Rollinsford

Rollinsford is located between the Tri-Cities and the Salmon Falls River and is in a key location for area commuters. Rollinsford has a diverse range of housing choices for small towns. It is also home to The Mills at Salmon falls, which date back to the 1800s. Now, this building is filled with over 100 artists who use this space as studio space, as well as the Town Library and other businesses.

Somersworth

Somersworth is the smallest of the Tri-Cities, has the smallest geographic area of the thirteen cities in New Hampshire, and has a similar industrial history as its neighbors given its location on the Salmon falls River which helped it become home to carpentry, marble, textiles, sawmills, and piping industries. Although the city's population declined as it entered the 20th century, Somersworth has found new life with a revitalizing downtown and as one of the more ethnically diverse communities in the region. Somersworth is the only community in the region where less than 50 percent of homes are single-family detached units.

Strafford

Strafford is among the SRPC region's rural communities, containing no stoplights or roads with more than two lanes. The community retains a small agricultural economy and has good accessibility to both Concord and the Seacoast. Strafford's housing patterns are influenced by the numerous seasonal homes located on the shore of Bow Lake.

Wakefield

As the northernmost community in the Strafford planning region, Wakefield is Route 16's gateway to the Lakes Region and White Mountains. Wakefield includes the villages of Sanbornville, East Wakefield, and Union. With a high rate of homes recorded as "vacant," Wakefield contains a large share of seasonal homes.

X. Appendices

Appendix A - Glossary of Terms

→ See the [shared document](#) prepared by the 9 RPCs

Appendix B – Summary of Outreach Process

→ [Methodology including numerical metrics](#)

Appendix C – Quantitative Data

→ [Data snapshot companion document specific to the RHNA](#)

Appendix D – Qualitative Data

→ [Workshops and Survey Results](#)

Appendix E – Existing Housing Focused Entities and Services

Mental health and substance abuse treatment facility locations

SAMHSA 2021 Directory of Mental Health Treatment Facilities:

https://www.samhsa.gov/data/sites/default/files/reports/rpt34657/National_Directory_MH_facilities_2021.pdf

SAMSHA 2020 Directory of Drug and Alcohol Abuse Treatment Facilities:

https://www.samhsa.gov/data/sites/default/files/reports/rpt23267/National_Directory_SA_facilities.pdf

DHHS Community Support and Housing Resources Guide:

<https://www.nhcarepath.dhhs.nh.gov/partner-resources/documents/community-support-housing-resource.pdf>

→ [Refer to the 2015 SRPC RHNA for additional resources to be included here](#)

Appendix F – Data Modeling Methodology Documentation

Fair Share Housing Production Model Report

(follows)

Regional Area Median Income Methodology

(follows)

Area Opportunity Index Methodology

(follows)

Fair Share Housing Production Model Report

This report accompanies the Fair Share Housing Production Model that was created to assist New Hampshire's Regional Planning Commissions (RPCs) determine the housing production needed to meet current and future demand.

It begins with an overview of New Hampshire's Housing Needs. It then discusses the state laws that provide the rationale for the model's approach. The core section of the report discusses the model and includes a technical appendix with additional detail on the model worksheets and formulas.

New Hampshire's Housing Needs

Like many areas in New England, New Hampshire has experienced a recent and very rapid increase in housing prices. Between 2019 and 2022, the median price of a sold home increased by \$100,000—a 35% jump. The median cost of monthly rent reached \$1,510 in 2022—an increase of \$260 per month, or 21%, in three years.

Income growth has failed to keep pace with rising housing costs. Since 2000, median home values rose by 111%, and rents, by 94%—compared to a 73% increase in median income.

Homes for sale and for rent are very hard to find in the current market, as the state's housing vacancy rate is below 1%. Low vacancy rates depress the ability of households to move into housing that best meets their needs—for accessing employment, to achieve homeownership, to accommodate a growing family, and to respond to aging.

Currently,

- If only 10% of the state's low income renters were looking to move—about 7,400 renters—they would have about 350 units from which to choose. The likelihood that they would find an affordable, vacant unit is about 5%.
- If only 10% of the state's renters with income of 61 to 100% AMI were looking to buy—about 3,700 renters—they would have about 550 units from which to choose. The likelihood that they would find an affordable unit for sale is about 15%.

The state's lowest income renters face a severe shortage of affordable units. An estimated 3.5% of New Hampshire's housing units have a contract or are managed by an entity that ensures their affordability. This supply is far short of need: an estimated 23,000 renters need more affordable units or rental assistance.

Cost burden—when households pay more than 30% of their income in housing cost—has historically been very high for the state’s lowest income owners and renters. The prevalence of cost burden has widened to include moderate income renters: 60% of renters with income of \$35,000 to \$50,000 are burdened; 25% of renters with income of \$50,000 to \$75,000 are burdened.

Rates of cost burden are higher among those unemployed or out of the labor force (45% are burdened), but they are almost as high among those working in the Arts, Entertainment, Recreation, Accommodation and Food Services industry—essential industries for the state’s tourism and recreation sector.

The shortage of affordable homeownership units has led to a decline in homeownership in the state. Middle aged (ages 35 to 44) adults experienced the largest decline in homeownership between 2010 and 2020, with rates dropping from 74% to 68%. Households with income of between \$75,000 and \$100,000 also saw a steep decline in ownership, dropping from 84% to 75%. The lack of affordable homeownership products requires renters to rent longer, limiting supply, especially for the lowest income renters who are less competitive in the market.

Additional public funding can realistically only address a proportion of needs. Housing needs and future housing demand should be addressed through a combination of affordable unit production and housing cost assistance.

State-level modeling on production needs estimates that between 2020 and 2040, approximately 88,400 units will be needed to meet household growth demand and bring the state’s housing market into balance. This is in addition to units needed to respond to seasonal and second home demand.

As of 2022, to stabilize the housing market and restore it to a functional vacancy rate—5% for rental units and 2% for ownership units—10,905 additional rental units are needed and 12,764 ownership units are needed.

This report and accompanying model provides guidance for the housing production needed to address demand.

New Hampshire Workforce Housing Statute

New Hampshire’s Workforce Housing Law, RSA 674 requires every New Hampshire community to provide “reasonable and realistic opportunities” for the development of workforce housing.

That law codified the principles established in the 1991 *Britton v. Chester* case, which challenged the constitutionality of the Town of Chester’s zoning ordinances. In that case, the state Supreme Court held that when exercising its authority to regulate the use of land through zoning, every state jurisdiction must provide a reasonable and realistic

opportunity for the development of affordable housing. The Court stated that regional needs are relevant in determining a jurisdiction's proportionate or "fair share" of affordable housing—although the court did not define fair share.

Workforce housing is defined by the law as:

- Ownership housing—affordable to households with income equal to or less than 100% of the Area Median Income (AMI) for a 4-person household, as published by the U.S. Department of Housing and Urban Development (HUD) for the MSA or county in which the jurisdiction is located.
- Renter housing—affordable to households with income equal to or less than 60% of the Area Median Income (AMI) for a 3-person household, as published by HUD for the MSA or county in which the jurisdiction is located.
- Affordable means housing costs, including utilities and combined mortgage loan debt, property taxes, and required insurance, that do not exceed 30 percent of a household's gross annual income.
- Housing developments that exclude minor children from more than 20% of the units, or in which more than 50% of the units have fewer than 2 bedrooms, do not constitute workforce housing.

The Workforce Housing Law does not define how much workforce housing must be developed in a jurisdiction, nor does it prescribe a method for estimating that number. Instead, the law provides guidance, which was utilized in developing the Fair Share Housing Production Model in 2022, described in the remainder of this report. That model is an update to the 2014 model, and is meant to be used by the state's RPCs, as they advise their member jurisdictions on housing production needs and to raise awareness of the need for affordable and workforce housing.

Fair Share Housing Production Model

Overview of approach. The Fair Share Housing Production model ("model") projects the number of housing units, by tenure and Area Median Income (AMI) threshold, that jurisdictions should allow or accommodate to meet projected population and employment demand—and to support a more balanced housing market in New Hampshire.

The employment component is critical to support economic stabilization and growth, especially in the state's small towns and rural areas. A model based solely on demographic projections—which are based on historical trends—would drive housing demand into urban areas and away from rural areas that are aging. This would result in rural economies that cannot support the needs of aging residents, tourism and recreation activity—including second and vacation homeowners—and economic development.

How to use the housing production numbers. The output from the model is the number of housing units that are needed to accommodate population growth and support employment growth, and return New Hampshire's housing market to a stable and functioning state. Housing unit numbers are provided for five-year increments in 2025, 2030, 2035, and 2040. Stabilization of the housing market is achieved through adding production to achieve a 5% rental vacancy and a 2% ownership vacancy rate. This stabilization factor is smoothed throughout the 2020 to 2040 period to best reflect the cyclical nature of housing development (v. front loading the units needed as of 2022).

The model presents *cumulative* housing production numbers for 2025, 2030, 2035, and 2040.

These housing production numbers are presented for all owners, and for owners below and above 100% AMI for a 4-person household; and for all renters and renters below and above 60% AMI for a 3-person household. The AMI is the regional AMI for the RPCs, which was developed for RPC use in regional housing needs assessments and for this model. It is based on the AMIs published by the U.S. Department of Housing and Urban Development (HUD). The accompanying memorandum, dated 7/14/2022 and entitled *Regional AMI methodology* describes the methodology used to derive the regional AMIs. In sum, the regional AMI is created through a weighted average of the HUD AMI assigned to each town in a region and occupied housing units as a share of total occupied housing units in the region.

Jurisdictions and Regional Planning Commissions (RPCs) should use these numbers as guidance for accommodating and responding to development interests. It is important to note that RPCs are not required to do fair share analyses; they undertake this exercise to support their member jurisdictions. Housing production numbers are what communities need to allow and accommodate should a developer propose to build them. There are many factors that will determine if/when units get built (e.g., developer interest, developer financing, building costs, economic development).

RPCs and communities should understand that the housing production model is not a perfect substitute for current conditions, and that other factors and data points should be taken into consideration—including current vacancy rates, wait lists in assisted housing developments, and current market data regularly provided by New Hampshire housing—when development applications are evaluated.

Hypothetical case:

Community X reviews the Fair Share Tables and notes that it should be prepared to accommodate demand for 100 units by 2025 and 299 units by 2040. Of these units, 200 should be for owners, with about half affordable to households with income of 100% AMI and less. Another 100 should be for renters, with 55% affordable to renters with income of 60% AMI and less.

Community X looks to the Development Capacity Test tab and finds that it has plenty of capacity to accommodate about 95% of the units, but may need to consider some changes in density to allow for the units on land that has water and sewer connections. Increasing the allowable density to 8 units per acre in areas near Main Street appears to be a solution that would not only allow for needed housing production, it would also meet community goals of conservation and cost-efficient development.

A developer approaches Community X with an application. This community agrees to upzone the developer's parcels with the condition that the units would be affordable to <100% AMI owner and <60% AMI renter households.

Methodology

The model begins with projected growth for 2025, 2030, 2035, and 2040 at the jurisdiction level based on demographic projections that were conducted by RLS Demographics (*State of New Hampshire State, County, and Municipal Population Projections: 2020-2050*, Robert Scardamalia RLS Demographics, Inc. and New Hampshire Department of Business and Economic Affairs).

The RLS demographic projections included projected numbers of people (not households) by age cohort. To form residents into households, the model applies a "headship ratio," which converts people into households based on the share of people to households, by age cohort, in 2020. The age cohort considerations is important to adjust for the variance in household sizes and formation through lifecycles.

Component 1—Planning for Projected Household Growth. The first part of the model allocates a share of projected household growth to housing production; the base model uses 50%. Households include all types of people projected to live in a jurisdiction: retirees, remote workers, unemployed people, and others.

To separate households into renters and owners, the model holds constant the statewide 2020 ownership rate. The statewide ownership rate is used to fairly distribute rental housing among regions and avoid replicating past exclusionary development patterns.

The model determines the share of owner and renters households that fall below and above the Area Median Income (AMI) categories of: 60% AMI for a 3-person household for renters, 100% AMI for a 4-person household for owners, with AMI defined by the regional AMI. *This is consistent with RSA 672:1.*

Component 2.—Planning for Employment Growth. The second part of the model allocates the remaining 50% of projected household growth weighted toward workforce housing needs, embracing the premise that workers should be allowed to live throughout a labor market area.

There are two parts to Component 2.

- a. The state's Workforce Housing Statute states that: *"In every municipality that exercises the power to adopt land use ordinances and regulations, such ordinances and regulation shall provide reasonable and realistic opportunities for the development of workforce housing."* To satisfy this clause, the model considers the share of the state's employment that exists in the labor market area (LMA) in which a jurisdiction is part.
- b. *"A municipality's existing housing stock shall be taken into consideration in determining its compliance..."* The model then reapportions housing production to jurisdictions based on their share of the defined LMA housing units. The model effectively says that all jurisdictions should contribute to the workforce housing needed for a functioning labor market. Those that have not contributed to historical growth must catch up to a reasonable vacancy rate and by building housing for permanent residents.

A balanced approach. We recommend weighting Components 1 and 2 equally for two reasons:

- Weighting household growth too heavily would perpetuate the state's trends of declining workforce, which is linked to lack of affordable housing;
- Weighting household growth too heavily would create labor markets where older adults exist without the workforce needed for them to age and receive adequate health care, home care, and related supportive services.

Therefore, the model assumes an equal balance between household growth and workforce growth.

The model also balances housing needed to accommodate future growth with existing needs and accounts for deficiencies in housing provision. The model includes a factor to bring the state's housing vacancy rate up to a functioning level. This reflects current need, particularly the need for units in high demand, low vacancy jurisdictions. It also corrects for past exclusionary practices that have resulted in a very low supply of workforce housing units.

The model does not factor in housing in poor condition because public data are unavailable. As such, Regional Planning Commissions should work with jurisdictions to increase their housing production numbers to account for units that are inhabitable, not appropriate for workforce housing, and/or will be demolished.

Buildable land and infrastructure considerations. Housing production can be constrained by limited public infrastructure—water and sewer systems and roads—which is often costly to extend. A similar constraint is found in difficult-to-develop land. Allocating an unrealistic number of units to jurisdictions where infrastructure and

developable land are major impediments could result in an underproduction of housing units statewide.

To correct for this risk, the Office of Planning and Development developed a worksheet that estimates the buildable area by jurisdiction after accounting for environmental constraints (water bodies, wetlands, and steep slopes > 20%), public roads, and conservation/public land restrictions. The buildable land is categorized by the number of acres that are (1) within a 500 foot buffer of public water and sewer systems; or (2) within 500 feet of one but not both; or (3) outside a 500 foot buffer from public water and sewer systems. Buildable land includes land with existing housing or other structures since some of this land could lend itself to infill development.¹

This buildable land worksheet was used to check each jurisdiction's capacity to accommodate housing production numbers (see Development Capacity Test worksheet description in the Technical Appendix). That exercise estimates new unit capacity based on two scenarios: four units/acre and one unit/acre and flags jurisdictions in which there may be insufficient capacity to meet the housing production numbers.

¹ RSA 674:58 (III) allows municipalities to take into account land that may be "unduly inhibited by natural features."

Technical Appendix

This appendix accompanies the Fair Share Housing Production model. It defines the parameter variables, describes the function of each worksheet within the Excel model (with a **How to use this worksheet** section for relevant worksheets (an absence of that indicates the formulas/worksheet is a feeder sheet), and steps through the model formulas. It is organized by worksheet tab.

Parameters. This worksheet contains the assumptions that drive the model including:

- **Headship Ratio 2020.** This assumption “fits” people into households. It is based on 2020 Census data.
- **Component weight parameters.** This assumption determines the weights applied to population and household growth v. employment-driven growth.
- **Vacancy rates.** This assumption is the statewide rental and ownership vacancy rate to achieve a functioning market that is applied to the housing production numbers.
- **Workers.** This assumption is the number of workers per household; it “fits” workers into housing units. A lower number of workers per housing unit increases housing production needed at lower AMI levels.
- **Ownership rate.** The 2020 statewide ownership rate that is held constant to determine the share of new households who will be owners v. renters.
- **Development capacity.** These assumptions feed the Development Capacity Test worksheet. They determine the share of developable land that will be residential development, the average units per acre for both land with and without public water and sewer systems, and the efficiency of a land parcel to accommodate development.

How to use this worksheet. Users can change the following fields within the worksheet to see how unit production changes with changes in economic and planning assumptions.

- **Headship Ratio 2020.** Changing the parameters will change household formation rates and therefore housing unit demand. It is advised to change the assumptions for illustrative purposes only. As this assumption is a major driver of housing units production estimates, any permanent changes should be agreed upon and applied across RPCs.
- **Component weight parameters**—could be changed if a policy decision is made by the Fair Share Allocation Committee to weight population and household growth and employment growth differently. This field flows to Component 1 and Component 2 worksheets.
- **Vacancy rates**—could be changed to increase or lower the target residential vacancy rates for owner and rental housing. Note that the current rates are those considered reasonable industry standards, which

allow households to move among units and between rentership and ownership to maximize housing choice.

- **Workers**—could be changed to reflect changing workforce to housing unit trends.
- **Ownership rate**—could be changed if sustaining 2020 homeownership rates appears to be inconsistent with trends, as new data on homeownership become available from the American Community Survey.
- **Development capacity**—could be changed to replicate realistic or changing development patterns. Changes should be agreed upon and documented to avoid inconsistencies among regions and appearance of bias.

Fair Share Tables. This worksheet contains the resulting housing production numbers by jurisdiction and region for 2025, 2030, 2035, and 2040, by tenure and AMI. The AMI thresholds by tenure used household size are determined by the State Workforce Housing law.

How to use this worksheet. These are the final housing production numbers. Users should copy and paste these tables for sharing with jurisdictions and other appropriate audiences.

This worksheet also **contains fields for a reapportionment** by RPCs based on:

- **Uninhabitable and poor condition units and Known future demolitions.** If a jurisdiction has known and significant uninhabitable housing units and/or known future demolitions, the housing production number should be increased by the number of uninhabitable, poor condition, and to-be-demolished units.
- **Buildable land and infrastructure.** RPCs should look to the Development Capacity Test worksheet Insufficient Capacity flags. Those flags indicate the units that could be developed on buildable land assuming three density scenarios (four units to an acre, 1.5 units an acre, and one unit to an acre).

If a jurisdiction does not have sufficient capacity to accommodate its housing production numbers, RPCs should contact those jurisdictions, confirm the limitation, and explore solutions.

Solutions could include:

- Modest upzoning and/or modified setbacks of land with water and sewer connections, especially in exchange for affordability of a certain share of units;
- Exploring funding to extend infrastructure in strategic locations where development is likely to occur;

- Repurposing existing underutilized property—both residential and commercial—to accommodate housing. Utilizing infill, redeveloping existing properties, and facilitating ADU development, are all reasonable solutions that should be considered in this situation.
- **Opportunity index.** The opportunity index is based on New Hampshire Housing’s opportunity index used in Qualified Allocation Plan scoring for Low Income Housing Tax Credit (LIHTC) development proposals. This index uses NH Hampshire Housing’s scores for prosperity, education, and health to measure access to economic opportunity.

Higher values indicate jurisdictions with better access. The RPCs should be mindful of reapportioning units from high to low opportunity areas without sufficient rationale. Methodology for the index is appended to this report.

- **Community resources.** This factor uses the Assessed Valuation of property as a proxy for the ability of a jurisdiction to dedicate resources and budget for growth. It is presented as the jurisdiction’s value per acre and the proportion of the RPC’s total valuation. The RPCs should look to these measures to understand a jurisdiction’s relative ability to provide services to new households and support growth in the region.

Reapportionment considerations. If an RPC needs to reapportion units, it should consider dividing that reapportionment among several, adjacent communities, rather than assign the full reapportionment to a single community. In addition:

- The apportionment should consider units by tenure and AMI (v. a broad reapportionment of total housing production numbers).
- Reapportionment should occur among communities within the same LMA, or closely adjacent LMAs. Great weight should also be given to communities with regional employment centers.
- Greater weight should be given to communities with high opportunity indices—indices that are 4.0 and higher. In keeping with typical affordable housing policies, it is reasonable to assign a 10% to 15% boost in reapportioned *affordable* units to high opportunity communities.
- After reallocating based on the opportunity index, RPCs should look to the community resources measure to ensure that communities have the capacity to support growth of the reallocated units. Communities with very low valuation per acre relative to other communities in the region are likely to have trouble absorbing growth without additional funding.

Fair Share Numbers. This worksheet adds the numbers in Component 1 and Component 2 to produce a total housing production number, by jurisdiction, by tenure, by AMI, and for 2025, 2030, 2035, and 2040.

Development Capacity Test. Total developable land by jurisdiction was determined by the Office of Planning and Development, who developed a model in GIS that estimates the buildable area by jurisdiction after accounting for environmental constraints (water, wetlands, steep slopes > 20%), public roads, and conservation/public land restrictions. The buildable land is categorized by the number of acres that are (1) within a 500 foot buffer of public water and sewer systems; or (2) within 500 feet of one but not both; or (3) outside a 500 foot buffer from public water and sewer systems. Buildable land includes land with existing housing or other structures since some of this land could lend itself to infill development.

An adjustment is applied to the total number of buildable acres to account for non-residential land (commercial, industrial, institutional); this is currently set at 20% of land and is changeable in the Parameters worksheet. The model also applies an “efficiency” adjustment—currently set at 65% and changeable in the Parameters worksheet—to account for parts of parcels that may not be developable.

The model assumes the following densities:

- 4 units per acre² for land within a 500 foot buffer of public water and sewer systems;
- 1.5 units per acre for land within 500 feet of one but not both;
- 1 unit per acre for land outside a 500 foot buffer from public water and sewer systems; and
- For Concord, Manchester, and Nashua, density is assumed at 8 units per acre rather than 4 units per acre for land within a 500 foot buffer of public water and sewer systems to reflect historical development patterns and densities.³

It then aggregates the buildable land under the above densities and removes current housing units to calculate the potential for new units. Where the potential for new units is less than the housing production numbers under the above assumptions, the model flags that condition with “1”. The column on the far right shows excess unit capacity—or, if negative, shortage—beyond what is needed to accommodate 2040 housing production needs.

Three worksheets provide the source data for the Development Capacity Test worksheet: Data Development Capacity Test, towns_polygon_Build_Watsew, and towns_build_notbuild_types

² An acre is 43,560 square feet; for example, four units per acre would be a 10,890 sq ft lot on average.

³ If this is not assumed, the model incorrectly attempts to house existing residents in densities too low to accommodate current population.

How to use this worksheet. Users should examine the “Insufficient Capacity” flag for the jurisdictions in their region. It is important to note that this flag is meant to be an initial but blunt first step in assessing development capacity. After examining the flagged data, and evaluating the capacity against the assumptions used, RPCs may want to contact jurisdictions to discuss options for increasing development capacity.

Component 1. This worksheet takes the number of projected households, separately for owners and renters, and applies the share of growth allocated to Component 1 in the Parameters worksheet. It then distributes owner and renter households to above and below AMI categories as determined by the Workforce Housing Statute: 100% 4-person AMI for owners and 60% 3-person AMI for renters.

Component 2. This worksheet allocates the remaining share of projected household growth for the State of New Hampshire overall to jurisdictions by weighting their share of state jobs and their share of housing units within the LMA.

The premise of this component is that jurisdictions are expected to support the LMAs in which they exist by providing the same share of housing for workforce that they do for all types of housing units. It also corrects for undersupply relative of housing in jurisdictions that have not contributed a fair share of workforce housing. Jurisdictions that have not been providing workforce housing relative to their share of all units will increase housing production numbers; the inverse will reduce housing production numbers.

Units are distributed according to the AMI distribution derived from average wages by industry in each LMA. For example, if the model concludes a jurisdiction needs 10 rental units, and in the LMA 20% of all employment belongs to the retail industry, then 2 units will be assigned the average wage level of the retail industry. To calculate the annual income, the annual wage level of the retail industry is multiplied by 2 workers per household. The resulting income level is then compared to the regional AMI brackets to assign the units to the appropriate AMI bracket (e.g., below or above the 60% AMI for a 3-person household).

Headship Ratio. The demographic projections conducted by RLS Demographics (*State of New Hampshire State, County, and Municipal Population Projections: 2020-2050, Robert Scardamalia RLS Demographics, Inc. and New Hampshire Department of Business and Economic Affairs*). included projected numbers of people (not households) by age cohort. To form residents into households, this worksheet applies a “headship ratio,” which converts people into households based on the share of households to people in 2020. The headship ratio is used in the Population and Households worksheet to convert projected population growth in to projected household growth.

Population and Households. This worksheet contains the population forecasts by age cohort from the RLS Demographics report. Those are presented for 2020, 2025, 2030, 2035, and 2040. The Headship Ratio is then applied to convert people into households and

then into households added, by subtracting total households from 2020 households. The Households Added fields feed the Tenure worksheet.

Tenure. This worksheet divides the households added into owners and renters.

It also contains the vacancy adjustment. The vacancy adjustment increases housing production to achieve a reasonable vacancy rate for ownership and rental housing. These numbers exclude housing that is vacant for seasonal and recreational use. Housing production numbers represent the units needed for year-round residents, including workers, families, and retirees.

That adjustment is as follows:

- 1) The projected numbers of units needed to accommodate new owners and renters are increased by the desired vacancy rates; this ensures that these new households have an ample supply of homes from which to choose.
- 2) An adjustment is applied to fix the current deficit of housing. That adjustment increases or lowers a jurisdiction's housing production number based on the county's current level of vacant for sale and for rent units and applied to the jurisdiction with a population weight. Each jurisdiction is assumed to have the countywide vacancy rate estimated by the latest New Hampshire Housing Rental Cost Survey Report; these units are then subtracted from the units needed to reach a 5% vacancy rate. To estimate vacant units for sale, the number of "vacant for sale units" from the Census is used; these units are subtracted from the units needed to reach a 2% vacancy rate. That deficit "catch up" is spread out over the 20 years modeling time period.
- 3) The result is a final housing production number with vacancy adjustments.

LMA Data. This worksheet feeds the Component 2 worksheet. It contains the share of state jobs for each jurisdiction based on that jurisdiction's inclusion in a Labor Market Area (LMA). LMAs are defined by the U.S. Bureau of Labor Statistics, a map of the LMAs used can be found here: <https://www.nhes.nh.gov/elmi/tools/documents/nh-towns-lma.pdf>

It also compares the housing units in each jurisdiction to the LMA.

The second part of the worksheet contains the distribution of jobs across industries. This distribution is used in the Renter and Owner Industry Distribution worksheets to assign workers to specific industries. The average wages of those workers by industry determine the AMI categories for housing units.

AMI Distribution. This worksheet contains the proportion of each jurisdiction's owners and renters that fall above the AMI levels determined by the Workforce Housing Statute: 100% 4-person AMI for owners and 60% 3-person AMI for renters. The regional

AMI measure is created by averaging the AMI assigned to each town in a region. The average is a weighted average where the weight represents the share of occupied housing units in a town as a percent of total occupied housing units in the region—obtained from Census counts included in table H1: Occupancy Status. See the accompanying memo "Regional AMI methodology."

Wage AMI Distribution, Renter Industry Distribution, Owner Industry Distribution. These worksheets all feed the Component 2 worksheet. They are used to fit average industry wages by profession into the above or below AMI categories for owner and renter households. Data used for this analysis can be found here: <https://www.nhes.nh.gov/elmi/statistics/qcew-ann-data.htm>

Vacancy Data. This worksheet contains the number of vacant units for sale and for rent and is used for the vacancy adjustment in the Tenure worksheet to ensure that the existing supply of vacant units that could be occupied by owners and renters are considered in the housing production numbers.

Supporting worksheets. Several worksheets appear after the Vacancy Data tab. These are informative in nature and contain the source data for the key variables in the model described in this Technical Appendix.

Area Opportunity Index

Methodology

This Area Opportunity Index is intended to evaluate New Hampshire's 295 census tracts' conduciveness to high quality living and economic opportunity for residents. It is comprised of four individual categories: Prosperity, Education, Housing, and Health. Each of these categories is intended to represent major pillars that comprise a neighborhood's ability to set residents up to succeed in life.

The following lists each indicator (variable) that makes up each individual category, as well as how that indicator is converted to an index score. Each indicator can either receive a 1 or a 0 for an index score, and the category score is the sum of all indicator scores in that category.

Prosperity

- Gini Index: A measure of economic inequality in a given area determined by the distribution of wealth across different income brackets (2019 ACS 5-year estimates, Table B19083_001)
 - If Gini index value \leq average of all census tracts, index score = 1
 - If Gini index value $>$ average of all census tracts, index score = 0
- Poverty status of individuals with full-time employment: Percentage of all employed people that were employed full-time in the last 12 months but still had annual income below the poverty level (2019 ACS 5-year estimates, Table B17004)
 - If percentage \leq average of all census tracts, index score = 1
 - If percentage $>$ average of all census tracts, index score = 0
- Population 16 and up who are employed: Percentage of people age 16 and up who are employed (2019, ACS 5-year estimates, Table B23025)
 - If percentage \geq average of all census tracts, index score = 1
 - If percentage $<$ average of all census tracts, index score = 0
- Households with broadband subscriptions: Percentage of households with broadband internet subscriptions (2019 ACS 5-year estimates, Table B28002)
 - If percentage \geq average of all census tracts, index score = 1
 - If percentage $<$ average of all census tracts, index score = 0

Education

- Disenfranchised youth: Percentage of unemployed people age 16-19 who are not currently enrolled in high school, unemployed, and not high school graduates (2019 ACS 5-year estimates, Table B14005)
 - If percentage \leq average of all census tracts, index score = 1
 - If percentage $>$ average of all census tracts, index score = 0
- High educational attainment: Percentage of people with a bachelor's degree or higher (2019 ACS 5-year estimates, Table B15002)
 - If percentage \geq average of all census tracts, index score = 1

- If percentage < average of all census tracts, index score = 0
- High school graduation rate: Percentage of people age 25 and over with a high school education or equivalent (2019 ACS 5-year estimates, Table B15002)
 - If percentage \geq average of all census tracts, index score = 1
 - If percentage < average of all census tracts, index score = 0

Housing

- Cost burdened owners: Percentage of people in owner-occupied housing units who are cost burdened (2019 ACS 5-year estimates, Table B25093)
 - If percentage \leq average of all census tracts, index score = 1
 - If percentage > average of all census tracts, index score = 0
- Cost burdened renters: Percentage of people in renter-occupied housing units who are cost burdened (2019 ACS 5-year estimates, Table B25070)
 - If percentage \leq average of all census tracts, index score = 1
 - If percentage > average of all census tracts, index score = 0
- Median monthly housing costs: Median monthly housing costs for both owners and renters (2019 ACS 5-year estimates, Table B25105_001)
 - If value \leq average of all census tracts, index score = 1
 - If value > average of all census tracts, index score = 0
- Vacancy-to-occupancy ratio: Ratio of total vacant housing units to total occupied housing units (2019 ACS 5-year estimates, Table B25002)
 - If ratio \leq average across all census tracts, index score = 1
 - If ratio > average across all census tracts, index score = 0

Health

- Average out-of-pocket annual medical expenses: Average annual out-of-pocket expense for medical purposes per person as a percentage of annual income (*PolicyMap and Quantitative Innovations*, 2018)
 - If value \leq average across all census tracts, index score = 1
 - If value > average across all census tracts, index score = 0
- Low food access: A measure of people's ease of access to food (*United States Department of Agriculture*, 2019)
 - If area is not Low Food Access Area, index score = 1
 - If area is Low Food Access Area, index score = 0
- Life expectancy at birth: A measure of a person's life expectancy given their place of birth (*Center for Disease Control*, 2010-2015)
 - If expected age \geq average across all census tracts, index score = 1
 - If expected age < average across all census tracts, index score = 0
- Medically underserved area status: A measure of people's access to essential healthcare facilities such as hospitals, nursing facilities, and federally qualified health centers (*Human Resources and Services Administration*, 2020)
 - If area is not a Medically Underserved Area, index score = 1

- If area is Medically Underserved Area or Medically Underserved Area-Governor's Exception, index score = 0

Census tracts can either score 0, 1, or 2 points per category. For each category, a tract's score is compared to the average of all census tracts across the state. If the score does not meet the average, the tract receives 0 points for that category. If the score does meet the average, it receives 1 point. If the score is 'well-above average', meaning it is at least one standard deviation above the average, it receives 2 points. The following table outlines the scoring scheme for each category based on the average scores of all New Hampshire census tracts. Each column indicates the number of points that a tract would receive for each category based on the category score.

The cutoff scores are based on the rounded averages and standard deviations of total scores across all census tracts. If the average score for a category has a decimal value of .5 or greater (ex. 2.65) we round the cutoff score up the nearest whole number. If the average score has a decimal value less than .5 (ex. 2.35) we round the cutoff score down to the nearest whole number.

Category	Less than Average (0 Points)	Meets the Average (1 point)	Well-Above Average (1 additional point)
Prosperity	1	2	3 or 4
Education	1	2	3
Housing	1	2	3 or 4
Health	1 or 2	3	4