



SRPC '23

REGIONAL HOUSING NEEDS ASSESSMENT

ACCEPTED: March 17, 2023

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STRAFFORD
Regional Planning Commission

THE ROLE OF THE COMMISSION

Stafford Regional Planning Commission works with municipalities, statewide organizations and other partners to provide technical assistance with planning documents, outreach, projects and regulations. We create a space for our stakeholders to connect and share information, and we provide information to the public, offering opportunities for engagement with important planning initiatives.

We serve our communities in two additional designated roles, as a Metropolitan Planning Organization, and as an Economic Development District. We work closely with the NH Department of Transportation to implement data collection programs, assist and advocate for local transit agencies and municipal projects, and create long-range plans which address safety and quality of life. With guidance from our partners, we maintain a regional economic development strategy that includes economic trends and local priority projects. We also assist local communities with economic development strategies and facilitate regional discussion.

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EXECUTIVE SUMMARY

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 Boston's sphere of influence while maintaining traditions for thousands of families who vacation in or near 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 seen 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, increased demand for rental units, and record-high prices in both cases.

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. This is characterized by a population that is aging while the average households size and number households with children is decreasing, which likely means that smaller home sizes that are closer to support services in age-friendly communities will become more appealing than large, single-family homes in areas that are less accessible to these services.

Based on production models that consider population growth and employment projections, 9,520 new housing units are expected to be needed between ownership and rental in order to accommodate the needs of our region (that is, an average of 476 new units per year through 2040). This is about 24 percent lower than the annual average production anticipated in SRPC's 2015 Regional Housing Needs Assessment, which estimated a need of 630 units per year, or 6,305 total units from 2010 to 2020. In the last decade, however, only 4,715 units were added. Furthermore, it is estimated that nearly half of all housing production should be affordable to households with incomes at or below the NH workforce housing income standards.

By comparison, our neighboring region to the south, the Rockingham Planning Commission (RPC), has a production need of 14,563 by 2040. Our neighboring region to the west, the Central New Hampshire Regional Planning Commission (CNHRPC) is estimated to need 8,218 units by 2040, and our neighboring planning commission to the north, the Lakes Region Planning Commission, is estimated to need 7,444 units by 2040.

Since 2016, the number of building permits issued in the SRPC region each year has not fallen below 400, peaking in 2018 with just over 800 permits issued that year. This illustrates that with adequate implementation of effective housing policies and incentives, the region's estimated housing production needs can be an achievable goal for our communities in our region.

Undoubtedly, housing is in some form directly intertwined with all the different aspects that contribute to the health and well-being of a community – including the economy, age-friendliness, infrastructure, education, healthcare, the environment, and beyond. Thus, with many families, businesses, and communities experiencing the firsthand effects of the lack of available and affordable housing of all types, stakeholders have emphasized not only the urgent need for solutions, but also prioritized actionable solutions at the local and state level. For example, successes include the InvestNH program, launched in 2022, that supports the development of new units, the passage of HB 1661 which encourages the development of workforce housing, or the construction of housing for workers made possible through public-private collaboration, such as the Harmony Homes project in Durham or the Cottages at Back River Road in Dover.

The various 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.



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 their state 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.

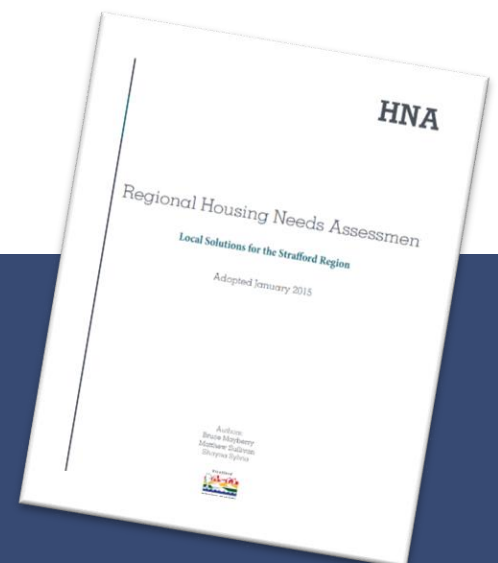
As an enhancement to this year's update and based on recommendations from the New Hampshire Council for Housing Stability's 2021-2024 Strategic Plan, all RPCs will also provide strategies for meeting housing needs of specific sub-populations and communities of interest when conducting their Regional 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 the eight other NH Regional Planning Commissions as a statewide effort, initiated by the Council on Housing Stability's 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 were incorporated into 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. Moreover, planners from across the state have been involved on different sub-committees to work on various parts of the RHNA.



LEARN MORE

The last iteration of SRPC's Regional Housing Needs Assessment was completed in 2015 by consultant Bruce Mayberry. To view the document, visit SRPC's website*.

*https://strafford.org/uploads/documents/plans/rpc/regionalplan_hna_2015.pdf

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, business, and landlords 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 collaboration of RPCs and adapted slightly for each region. SRPC made this survey available from February 2022 until July 2022, gathering 425 responses. Additionally, SRPC dissected regional-specific results from statewide landlord and social service provider surveys, and had 40 submissions on a regional business survey, for which participants included employers of various types and sizes.

To complement the important data gathered via the surveys, 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 and workforce housing representatives, as well as social service providers. The persona profiles featured throughout the document were an outcome of an exercise that participants completed at that final event.

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

New Policies Enacted Since Last RHNA

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 housing development, 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: IV-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 HUD (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.
- Effective June 1, 2017, a municipality that adopts a zoning ordinance shall allow Accessory Dwelling Units (ADUs) by right in all zoning districts that permit single family dwelling, as provided in RSA 674:71-74.
- RSA 679 was the enabling statute for the Housing Appeals Board, which went into effect July 1, 2020. The Housing Appeals board, which is tasked with reviewing housing-related cases is a faster, more efficient, and affordable way to appeal local rulings about housing developments (as opposed to having to go to Superior Court).
- Under the expansion of RSA 79-E, it is important to note both the Housing Opportunity Zone (RSA 79-E:4-c), which went into effect April 1, 2022 as well as the Residential Property Revitalization Zone (RSA 79-E:4-b), which went into effect October 9, 2021

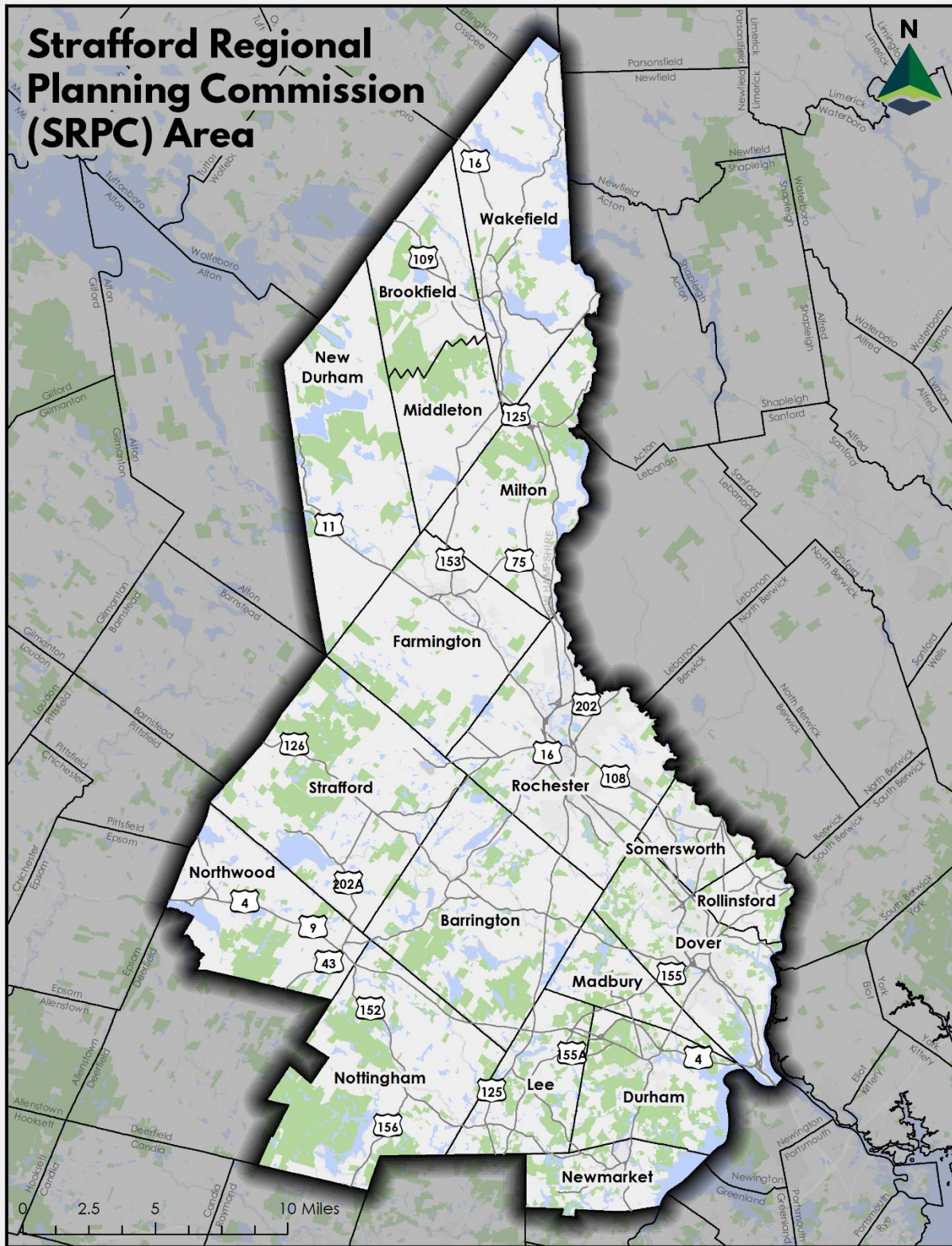
The Strafford Region

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 art 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 (Dover, Rochester, and Somersworth), the University of New Hampshire, and the two largest public transportation systems in the state as far as ridership goes, UNH's Wildcat Bus and COAST. 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 directly 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. 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 Cocheco, 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.

Strafford Regional Planning Commission (SRPC) Area



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, direct communications through email, targeted social media, and public press releases. The outreach process is documented within this report and comments collected are included in this assessment's appendices.

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 the 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 RHNA Data Snapshot 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 balanced 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 Opportunities and Barriers 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. It also 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-

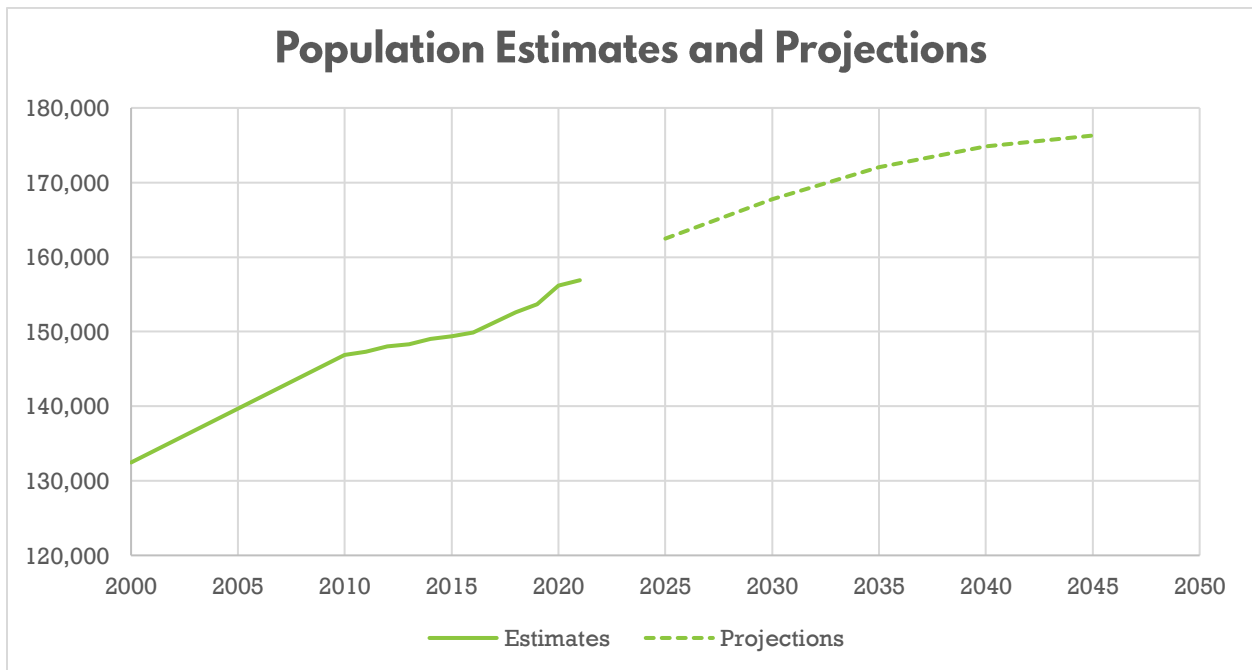
speed internet all play an important role in helping determine where housing should be built, and through zoning and development regulations, municipalities determine the level of efficiency of such infrastructure and services by setting limits on density of land use for areas with services.

CONDITIONS AND TRENDS ANALYSIS

Demographic Trends

Population

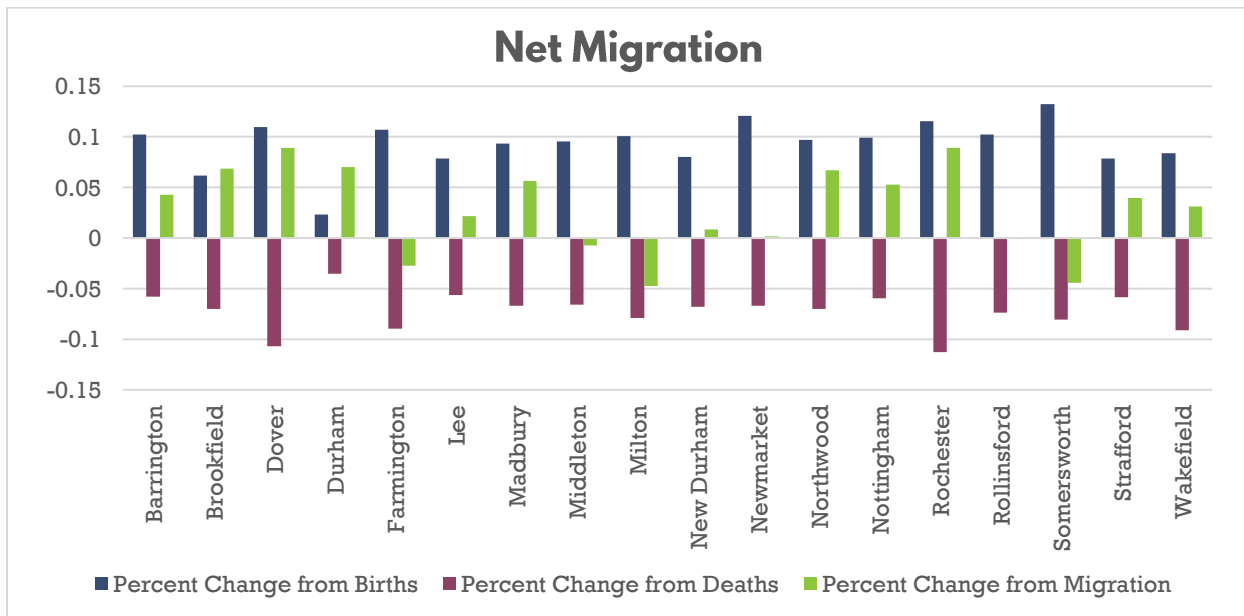
The Strafford region is one of the fastest growing regions in the state, with a population that increased by 6.3 percent (or 9,250 people) from 2010 to 156,1545 people in 2020. In 2020, the communities with the largest population were Dover (32,741 people), closely followed by Rochester (32,492). The 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.



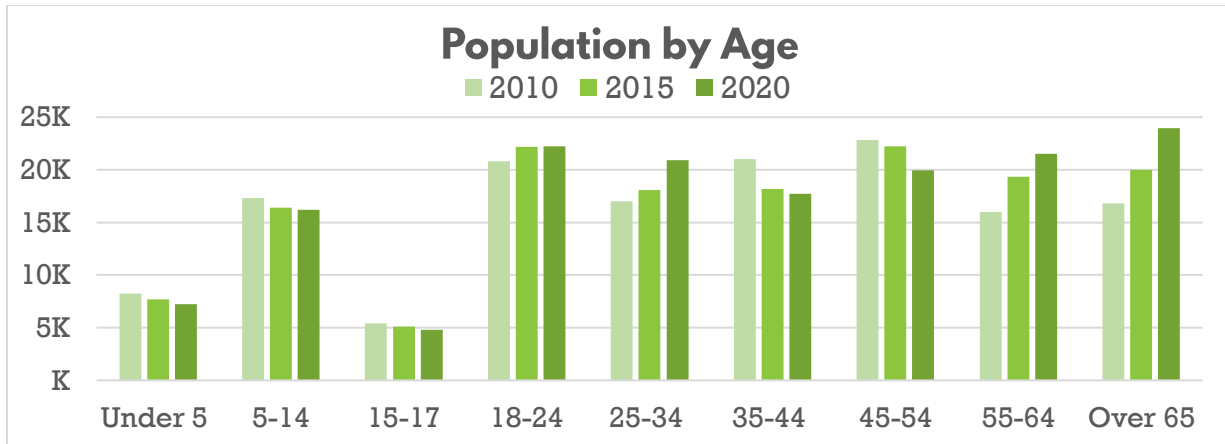
The region is also projected to remain one of the fastest growing regions in the state. 2022 population projections by the New Hampshire Office of Planning and Development provide future projected populations in five-year increments through 2050. When aggregated to the regional planning commission level, 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), and its 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 and 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 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.

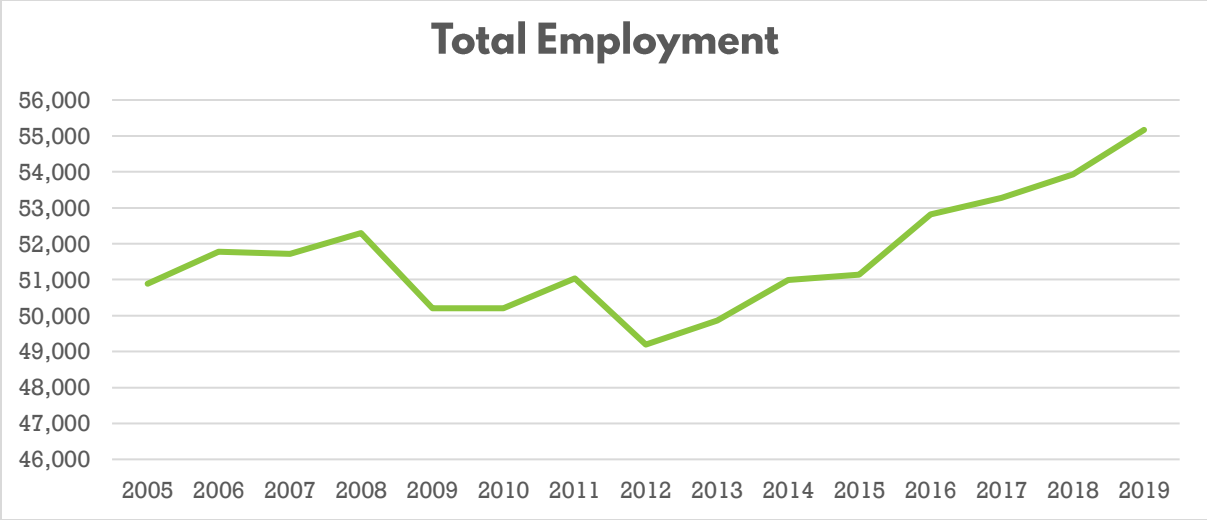


The SRPC region experiences the greatest diversity in its urban and suburban communities, although all communities have seen increases in non-white populations, notably amongst Asian and Hispanic groups, from 2010-2020. As a percentage of their population, Somersworth had the largest percent of non-white 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 other SRPC community. Durham is notable as the home of UNH, attracting students from a diverse range of backgrounds nationwide and internationally.

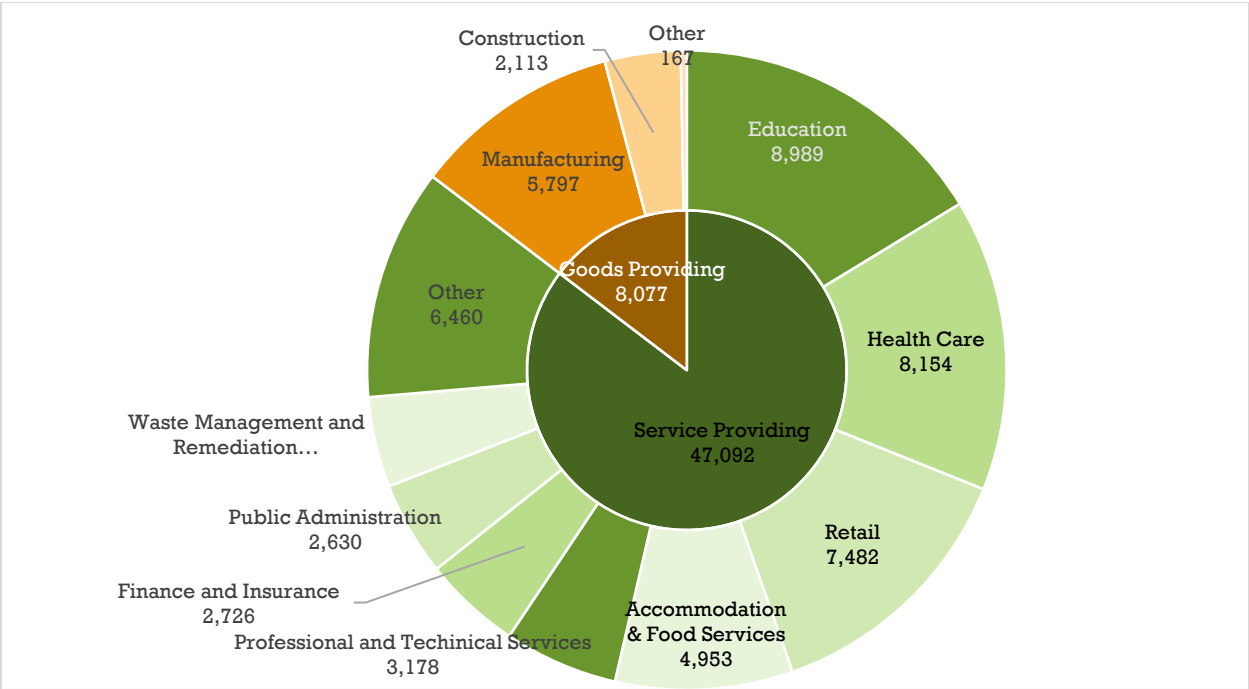
Employment

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 seen 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 of sectors).



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 regional-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 on 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. The table below contains the region's largest employers, each with 250 or more employees.

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
<p>*In 2023, Liberty Mutual announced that they will be vacating their two Dover campuses to consolidate their workers to their existing Portsmouth office, as well as allowing employees to work remotely. This change will be taking place throughout the rest of the year.</p>		

¹ 2022 SRPC Data Snapshot, pg. 36

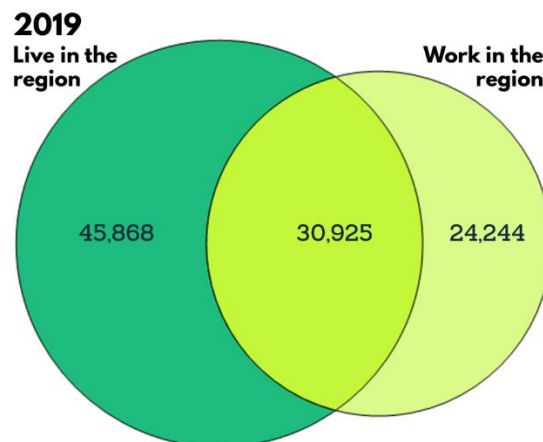
Commuter Patterns

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. Proximity to work and affordability are two important factors in determining where to live. Living close to work allows for a shorter commute, and more free time, but if housing is unaffordable, a person may have to live further away. Additionally, households with multiple workers may need to live halfway between two employment centers.

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.

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 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:

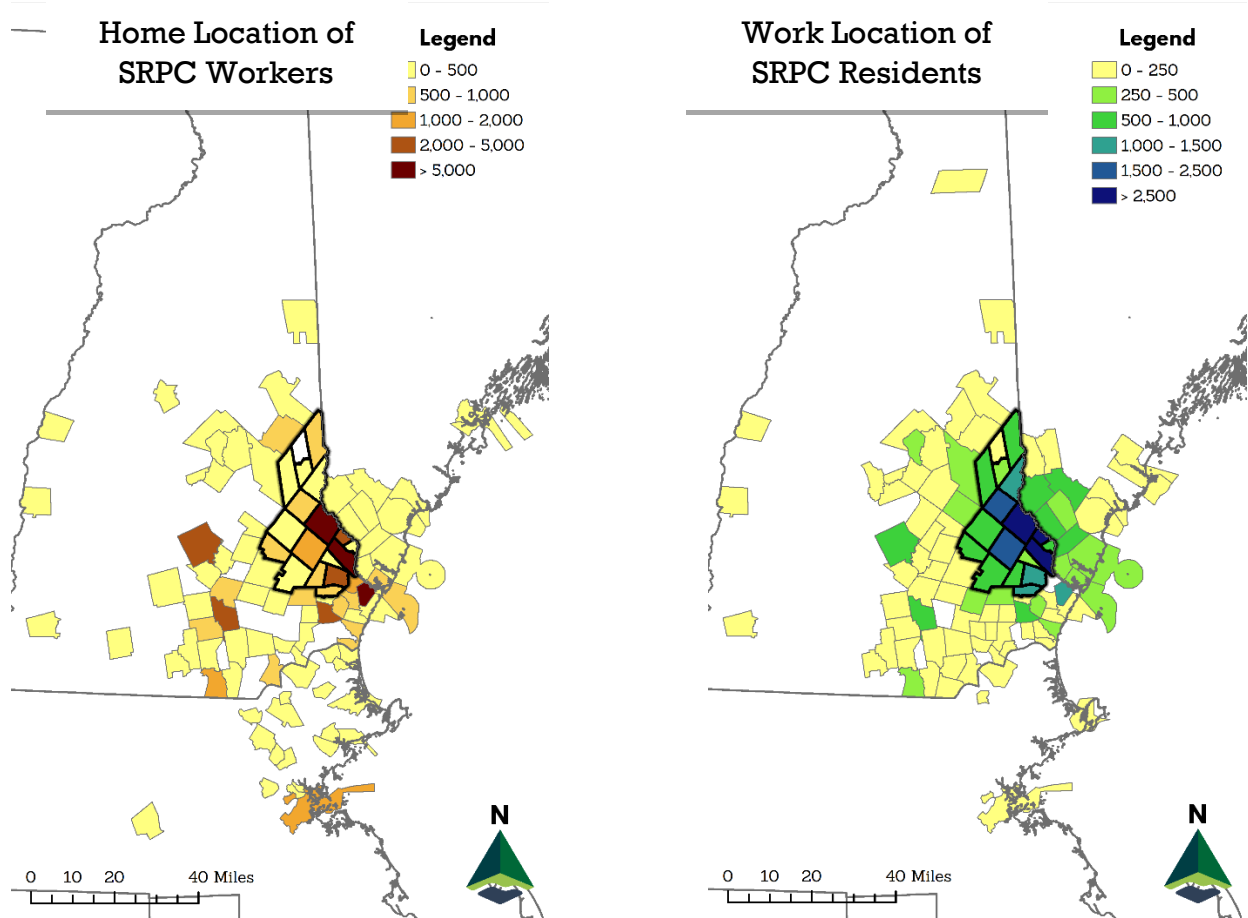
- 45,868 workers lived in the region, but worked outside of the region
- 30,925 workers lived and worked in the region
- 24,244 workers lived outside of the region but worked in the region



The jobs held by SRPC residents are spread out across different areas, including southern New Hampshire and Maine, and as far south as Boston. For SRPC residents commuting within NH, the largest concentrations of jobs outside the region are Portsmouth, Concord, Manchester, and in several

communities in southern Maine. Interestingly, the largest share of New Hampshire commuters to the Portsmouth Naval Air Base come from Farmington. Jobs within the region that are held by SRPC 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. Over 70 percent of respondents to SRPC’s public outreach survey 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. Wakefield had the longest commute time at 40.8 minutes. Meanwhile, the proximity of faculty

housing to UNH results in Durham having the shortest commute time at 21.1 minutes.

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 the labor force – which includes residents who are actively employed and residents who are unemployed but looking for work. From 2010 to 2019, the labor force had grown from 83,000 to almost 89,000 people. In addition to a growing labor force, the number of employed residents also increased, resulting in a declining unemployment rate, 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 shifts are common in New Hampshire and there has historically been a spike in teen workers (14-18 years old) every summer break. 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

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

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 year.

Today, we have learned from consistent engagement efforts with local businesses in our communities 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 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

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

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 through November 2022 (latest data available), 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.

Housing Stock and Location

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. SRPC's 2015 RHNA however estimated a projected need of 6,305 new units to be produced from 2010 to 2020. The region's housing units are concentrated in the region's more urban communities, including the Tri-Cities, as well as Durham (particularly in the geographical area near UNH), Newmarket, 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 in Dover (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.



Top: 62 units per acre (The Orpheum in Dover) **Middle:** 43 Units per acre (Mixed Use in Dover)



Bottom: 28 units per acre (Apartments in Newmarket)





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



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

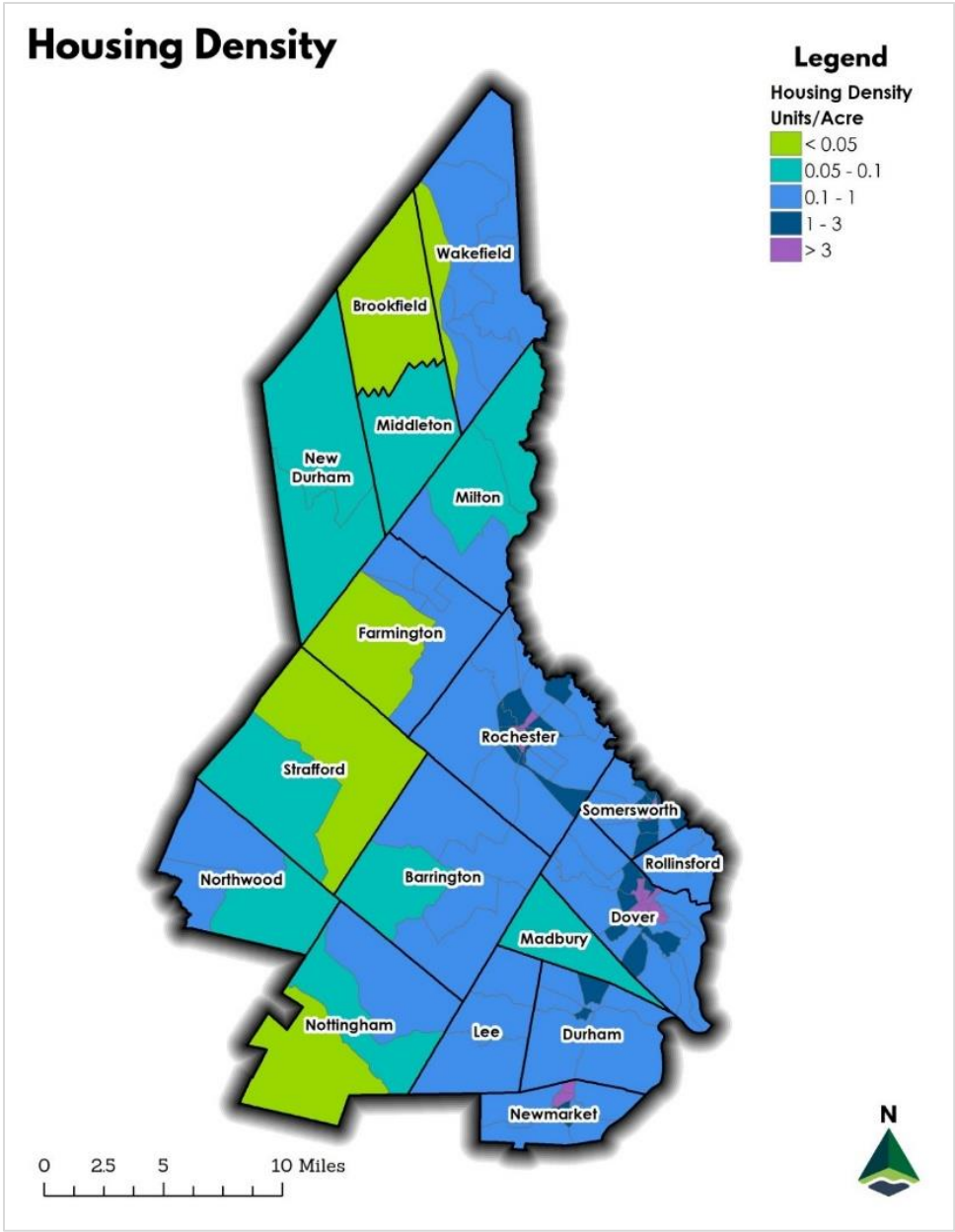


10 acres at 4 units per acre (Rochester, Farmington, Northwood,



31 acres at 31 acres per unit (Brookfield)

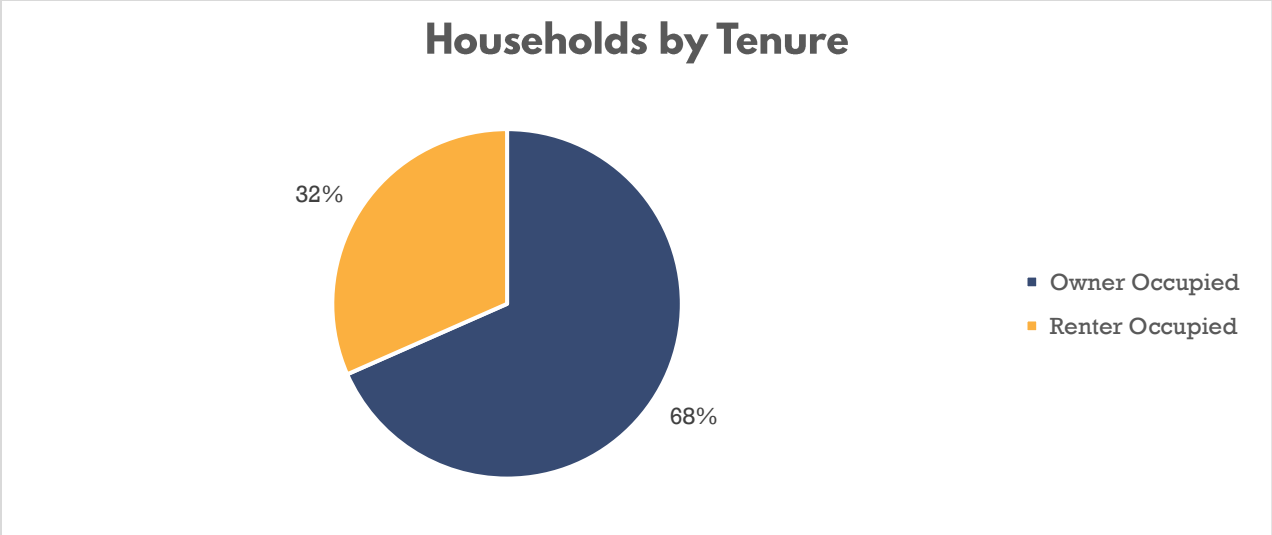




Housing Occupancy and Characteristics

Occupied Homes

Ninety percent (or 61,985) of the housing units in the region were occupied year-round in 2020, with another 6,851 units vacant. Of the occupied units, 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.



Vacant and Seasonal Housing

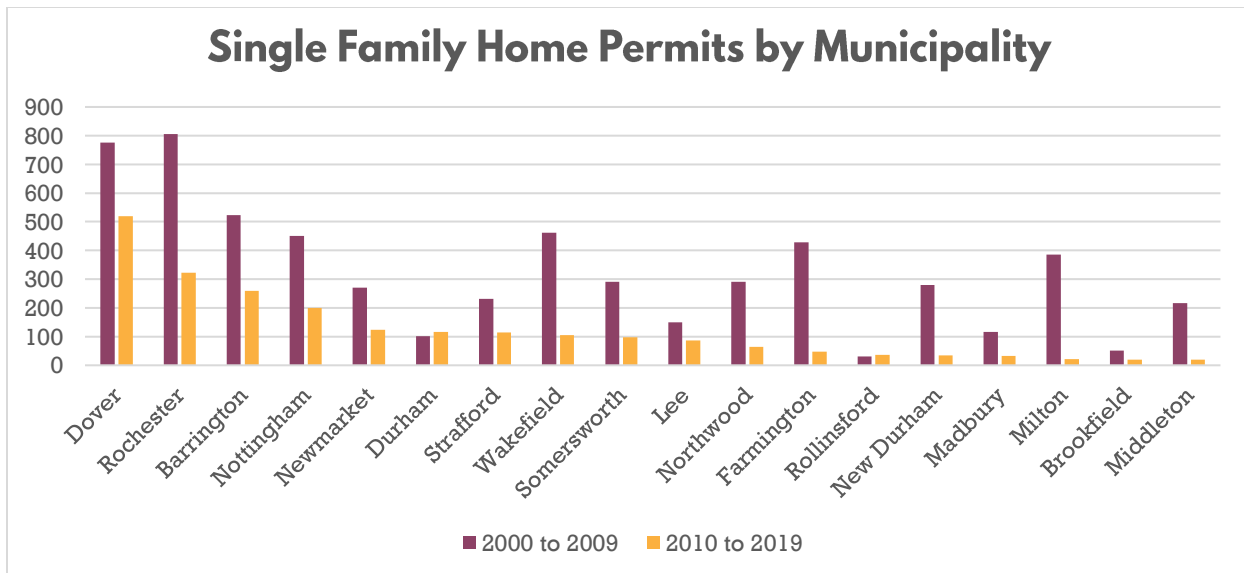
Just over 50 percent of vacant housing units in the Strafford Region are seasonal homes, most of which are waterfront properties in the northern and western communities. The remaining vacant units are largely rental units (22.6 percent) and "other" vacant units, which may be vacant as a result of foreclosures, 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, meaning that people are living in units that were vacant in 2010. This could indicate that former 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 livable. Nearly 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.

These trends will require close and regular monitoring as more data becomes available about "work-from-home" labor shifts. As mentioned during SRPC's August Housing Workshop with municipal and planning representatives, there is some concern from municipalities on this new trend, as upgrading seasonal housing to year-round could require infrastructure improvements and other changes due to increased use.

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 in small clusters of lakeside development. The potential impacts of short-term rentals are discussed in more detail in the "Short-Term Rentals and Seasonal Housing" section of this document.

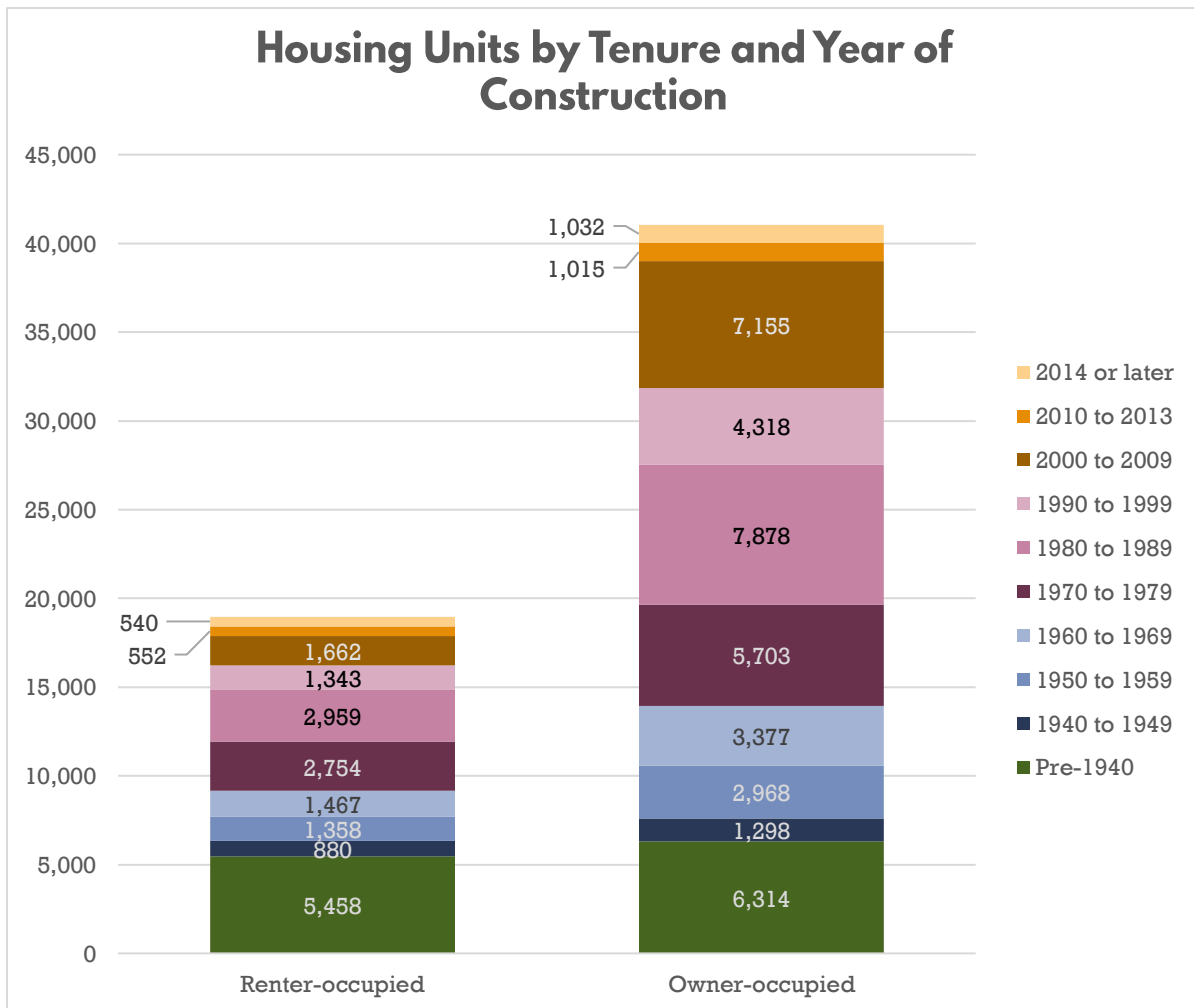
Building Permits

The early 2000s were a time of increased development in the region. In 2000 building permits exceeded 1,000 units in a single year. The number of building permits issued remained high until the housing bubble in 2006, and then dropped to 256 units regionwide in 2009. Although permitting had started to increase, the number of permitted units remained much lower than in prior years until 2016 when they began to climb over 400 permits per year. The post-recession peak in building permits issued was in 2018, with just under 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. Overall, the building permits issued in the region from 2010-2019 are fewer than those issued in any 2 years from 2002-2004. The chart below shows all permits issued from 2000-2009 compared to 2010-2019.



Age of Housing Units

New England is characterized by the presence of older homes. Many formerly single-family structures have been subdivided into several housing units, creating a niche of multifamily homes that preserve “community character” so desired by residents and municipalities alike. Dozens of mill buildings across New Hampshire have also been successfully 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 also susceptible to structural faults, water leaks, pests, and face higher heating and cooling costs.



In the Strafford Region there is a comparable amount of renter- and owner-occupied housing built before World War II, 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 booms of the 1980s and 2000s resulted in over 20 percent and 17 percent of owner-occupied housing constructed in those decades, respectively. Only nine percent of renter-occupied housing was built during this time.

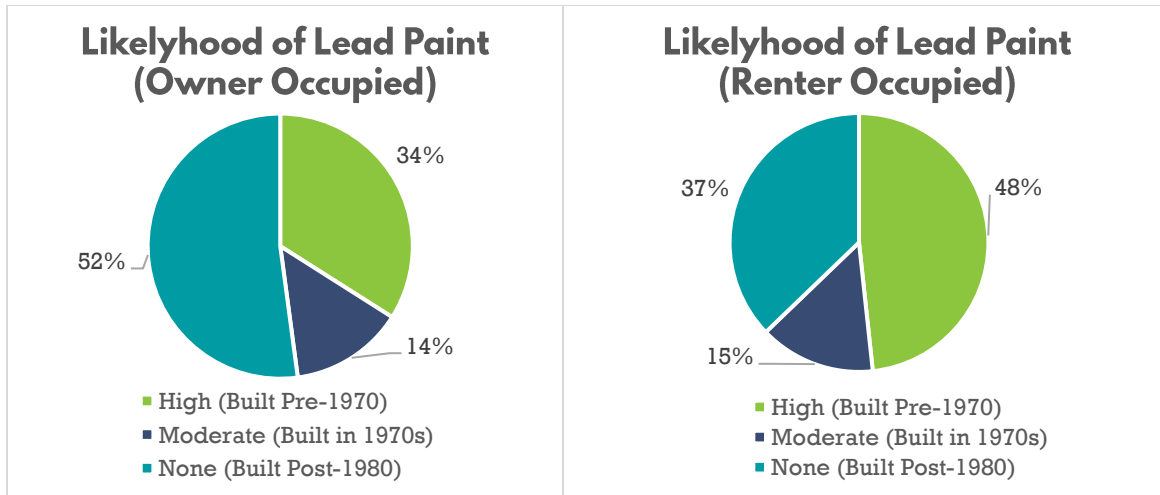
While owner-occupied, and by extension, single family structures, have outpaced rental and multifamily homes since the 1950s, there is a noticeable drop in renter-occupied housing constructed in the 1990s and 2000s. Subdivided houses, mill buildings, and many other types of structures constructed before 1940 comprise a significant share of the region's rentable housing compared to units constructed after 1990. 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 affordably priced homes have fewer options and those that are available are often 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.

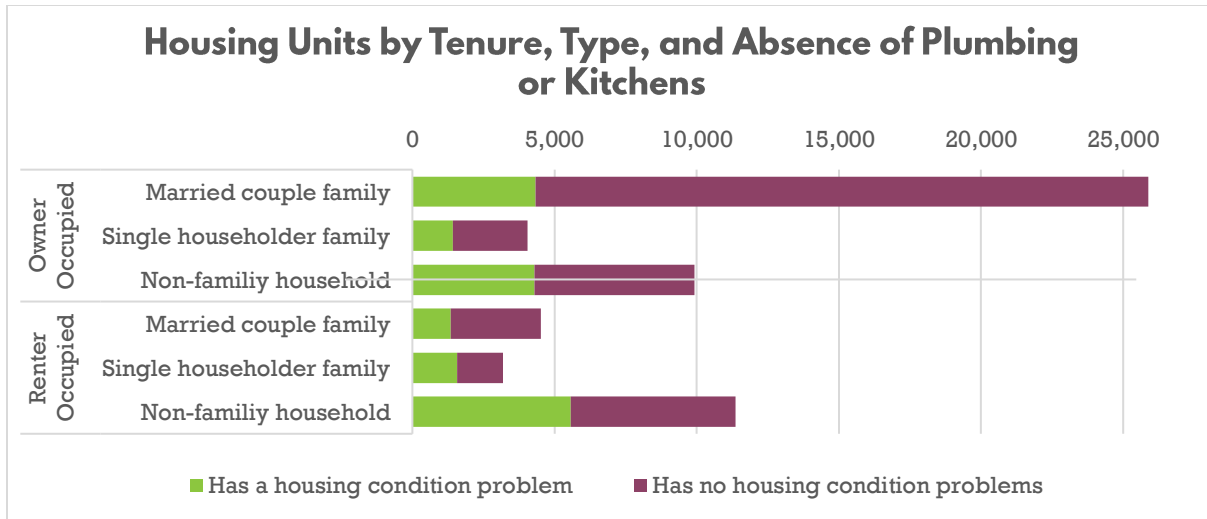
In SRPC's public outreach survey, "Cost of repair, maintenance, or ADA accessibility needs" was the third highest housing-related challenge people believe is facing their community, out of eight options. Forty percent of respondents also noted that quality of available housing significantly impacts,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

Even if a home is safe to live in (e.g. free of lead paint), owners of older homes still face greater monthly utility costs, as do renters of these homes. Alternatively, owners may decide to take on the additional expense of remediating poorly insulated exterior walls, windows and frames; replacing aged insulation; re-roofing a home; or other costs. Even older adults who have owned their homes 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, overcrowding, and housing cost burden. Overcrowding is discussed in the "Bedrooms in Unit" section and housing cost burden is discussed in the "Measures of Housing Affordability" section. Some may assume that in the US, 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. However, many homes fall within this category either have never been modernized, either by choice or cost, or 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 (single family homes that do not share any walls with a neighboring home), attached homes (that share a wall, ceiling, or floor with a neighboring home), and manufactured homes.

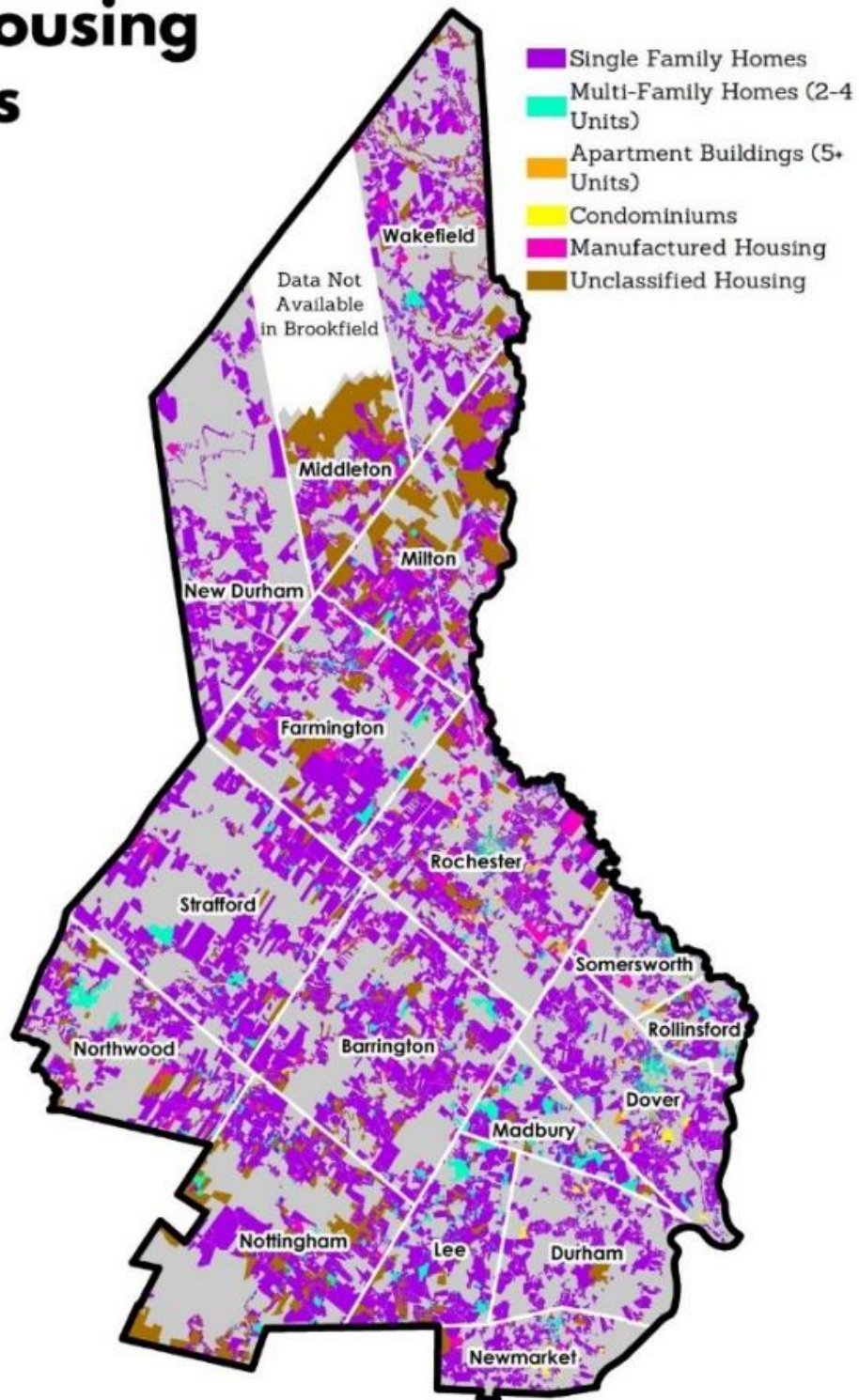
When asked about factors influencing people’s abilities to stay in their community in SRPC’s public outreach survey, the third most important factor was “Type of available housing”, with 42 percent noting it as significantly impacting their ability.

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:

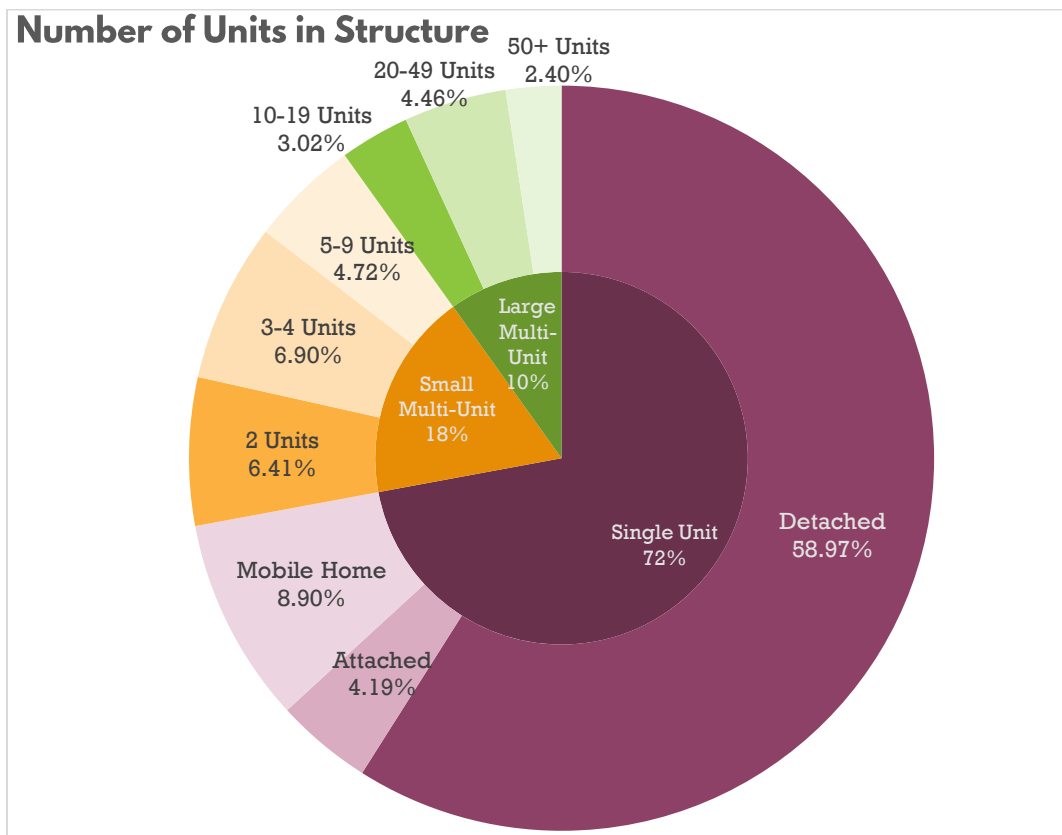
- Brookfield and Middleton are the only communities in the region to report no multifamily structures of any kind. Additionally, Brookfield is the only community to contain exclusively single-family homes.
- The Tri-cities, Durham, and Newmarket are the only communities in the region with large multi-unit 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.

All Housing Types



CONTINUED - Regional housing unit characteristics include:

- 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 manufactured homes.
- 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 homes having 2- and 3-bedrooms. New England homes are less likely to have 4 or more bedrooms, usually only constituting 17 to 20 percent of housing. In contrast, in the Atlanta and Houston metropolitan regions, this figure hovers around 30 percent, and 4-bedroom homes outweigh 2-bedroom homes. 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 4 or more bedrooms. More than 15 percent of housing in Dover, Durham, and Newmarket has 1 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.

Overcrowding and Overhousing

A home is considered overcrowded if there are 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 are estimated to face this challenge in the Strafford Region, 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 nesters” and older adults who wish to downsize but cannot find an appropriately sized or physically accommodating home that allows them to comfortably “age-in-place” within a fixed budget. There are 12,000 such units in the Strafford Region. Some

overhoused units may even remain vacant for a period of time each year, with occupants that summer or winter elsewhere.

Accessory Dwelling Units

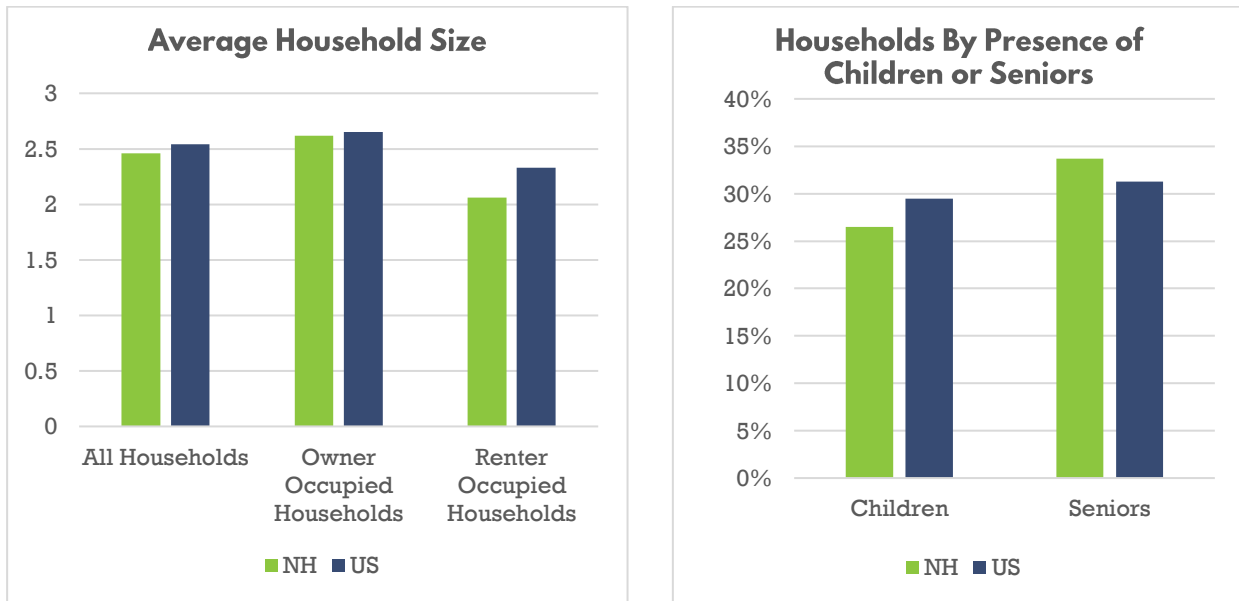
Accessory Dwelling Units, or ADUs, have grown in popularity nationwide in recent years. Also known as “accessory apartments,” “in-law suites,” or “granny flats,” there are many creative and unique ways to include an additional home on a single-family lot. Much like traditional “decker” homes of New England, 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 example of this being New Durham in 2022. To help with this process, NHHFA publishes guides for both municipalities and homeowners to navigate ADU regulations.

New Hampshire’s Office of Planning and Development (OPD) has not historically recorded ADUs in its building permit data collection efforts, nor is there a baseline count available from the Census Bureau, 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

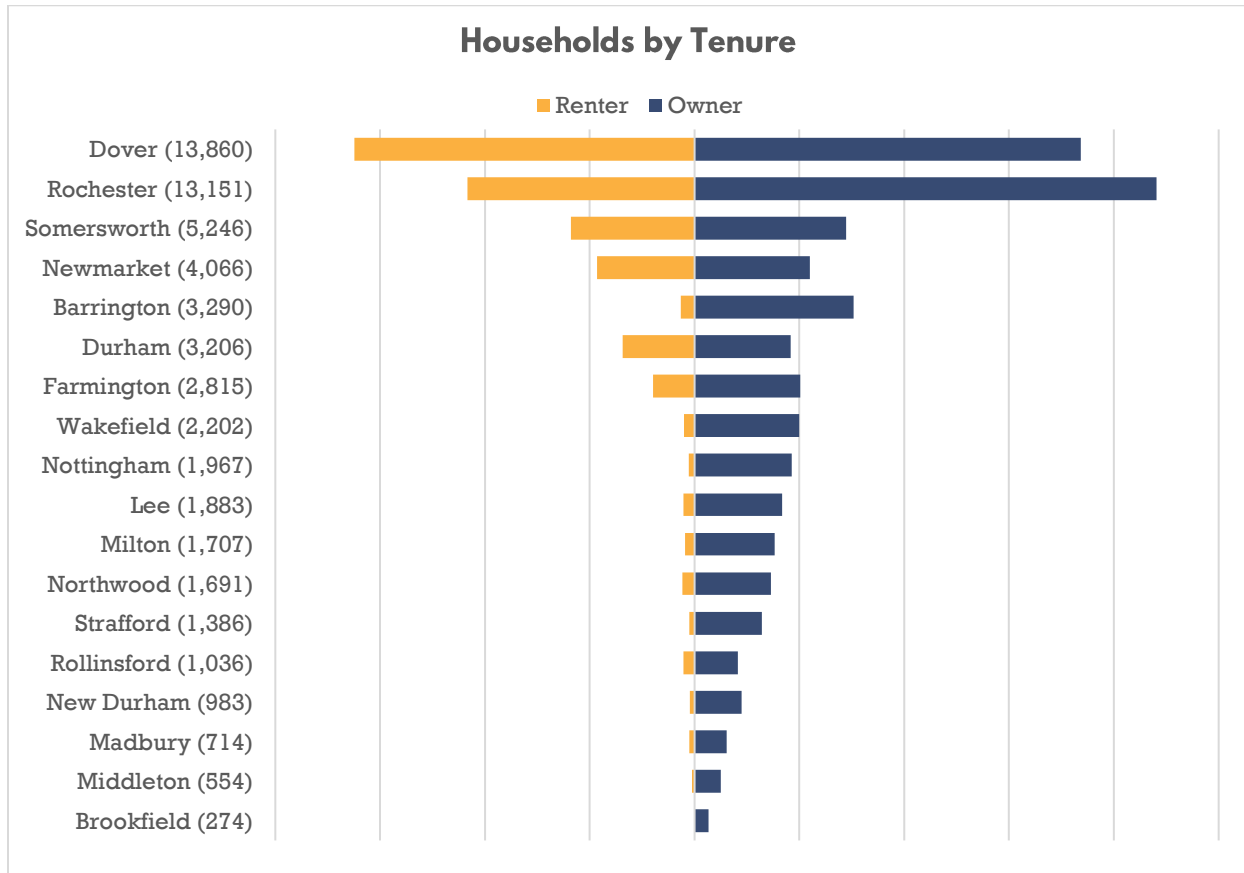
Households in New Hampshire are smaller than the United States as a whole. This is in part driven by the smaller percentage of households with children and the higher percentage of households with adults over 65 years old. Overall, the average household size in Strafford, Rockingham, and Carroll counties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



Owner and Renter Occupied Homes

The Strafford Region's over 60,000 households are largely own their homes. 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 as the fourth and seventh communities with the largest number of renting households in the state, respectively. In Durham, students living in on-campus dormitories at UNH are

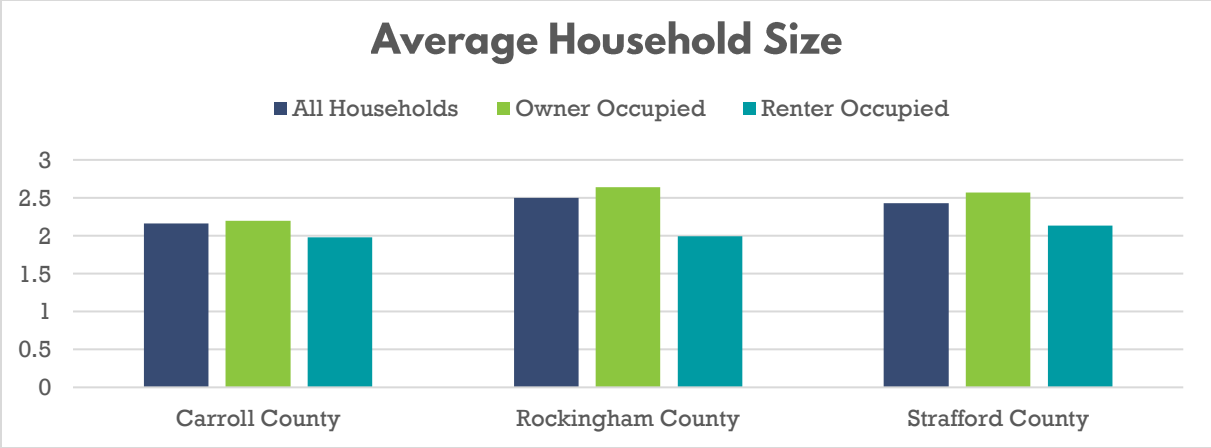
not counted here, but off-campus apartments in Durham and the surrounding areas are.⁴



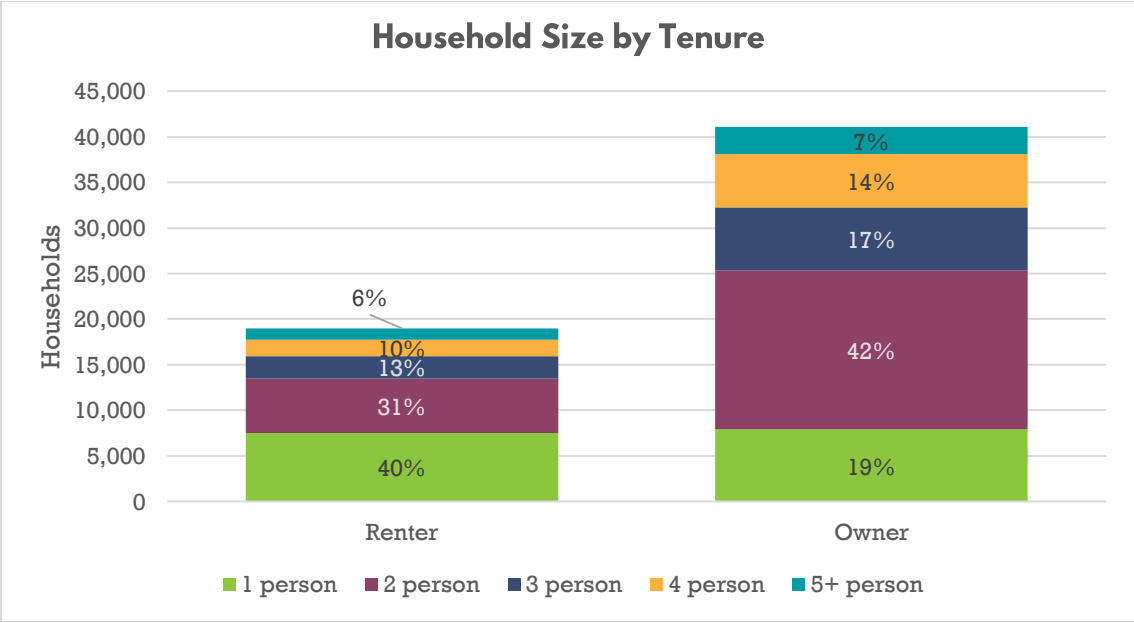
Household Size

Similar to the state, households in the region are also 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

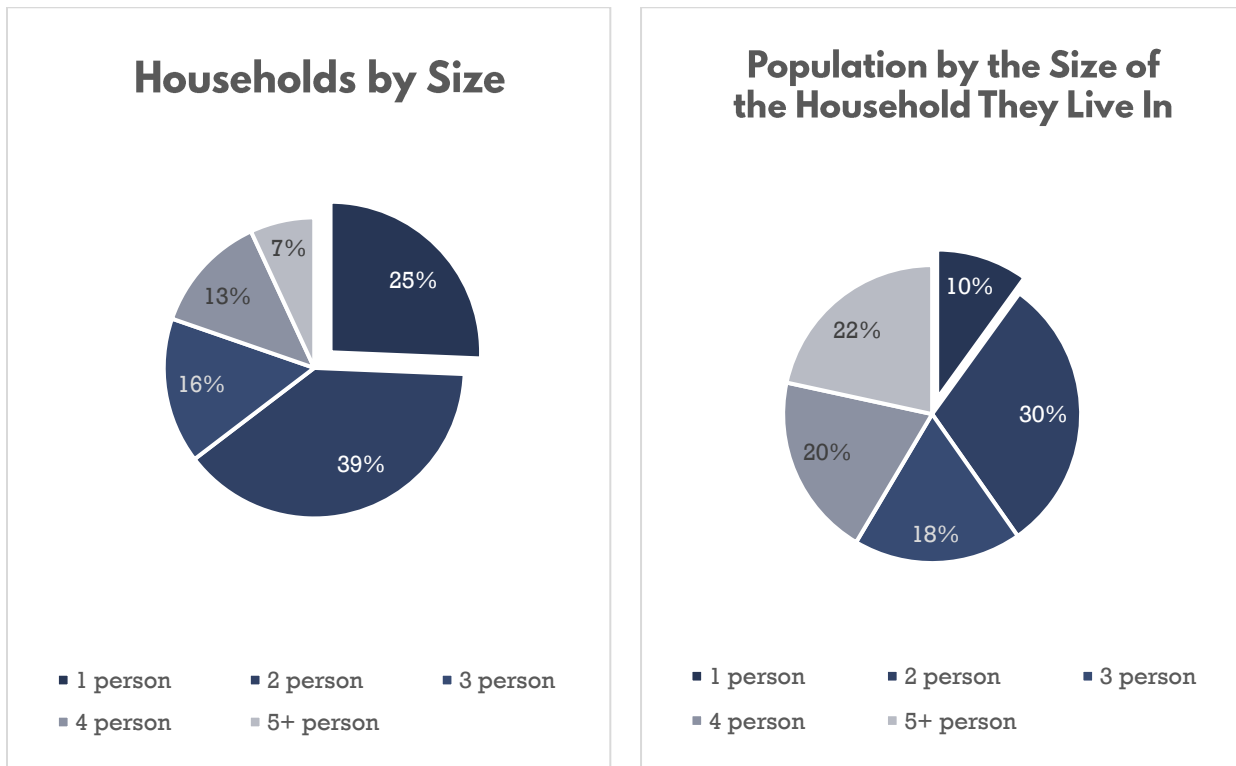


Homes with 1-2 residents make up 65 percent of all households. Renter occupied households are smaller than owner occupied households, with 71 percent of renter-occupied and 61 percent of owner-occupied households having 1-2 residents. Three and four person households make up about 29 percent of households, 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 65 percent of households are comprised of only one or two members, 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

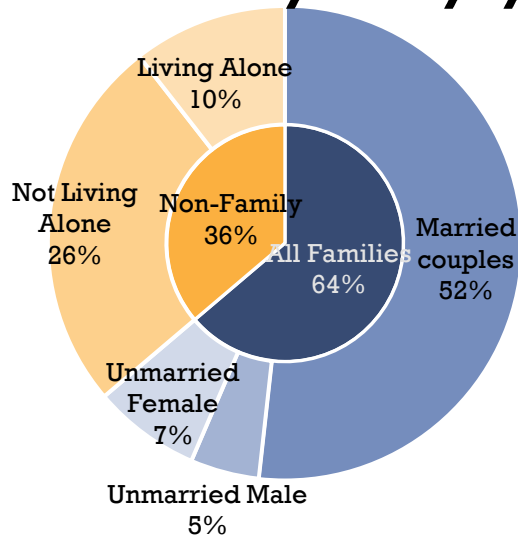
owner-occupied households may be “overcrowded”, meaning that there are two (or more) individuals more than the number of bedrooms in the unit.



Family and Non-Family Households

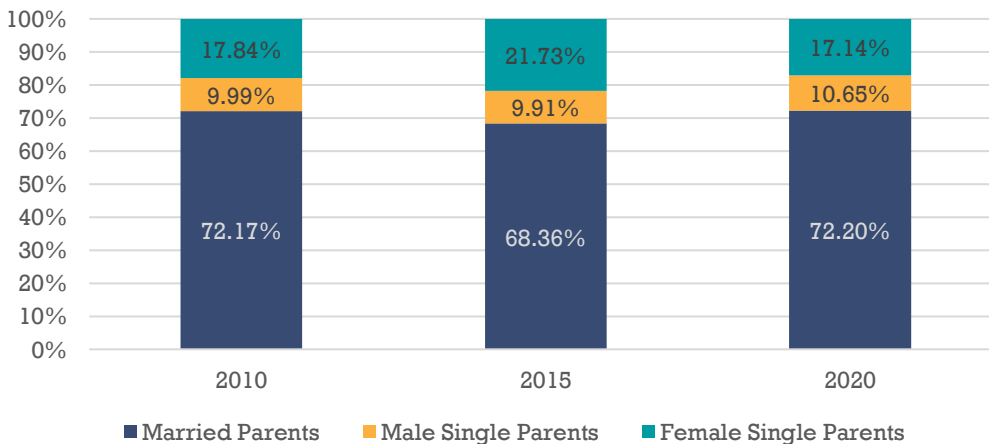
For the purpose of this data, a family is a household where two or more people are related by birth, marriage, or adoption (in addition to the nuclear family, this includes parents, siblings, aunts, uncles, and cousins of any member of the household). Non-family households are households of one person 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.

Households by Family Type

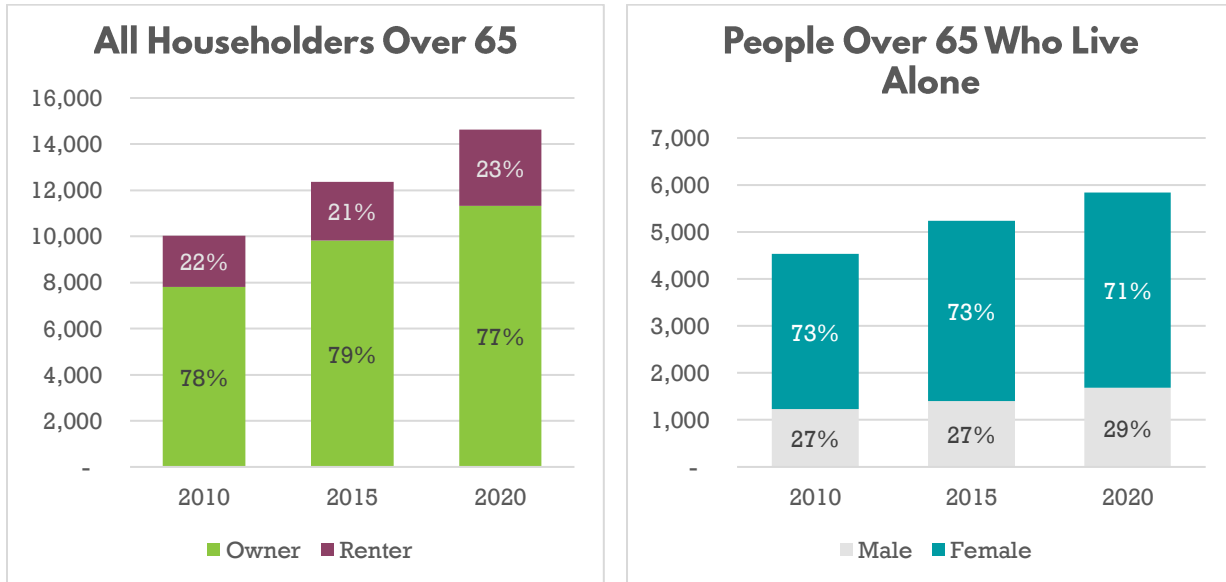


Less than half of the family households in the region have children under 18 in the household. The number of households with children has been decreasing, making up 31 percent of all households (and 47 percent of family households) in 2010 and only 26 percent of all households (and 41 percent of family 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.

Households With Children By Marital Status of Parents



While the number of households with children is decreasing, 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 cover 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

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

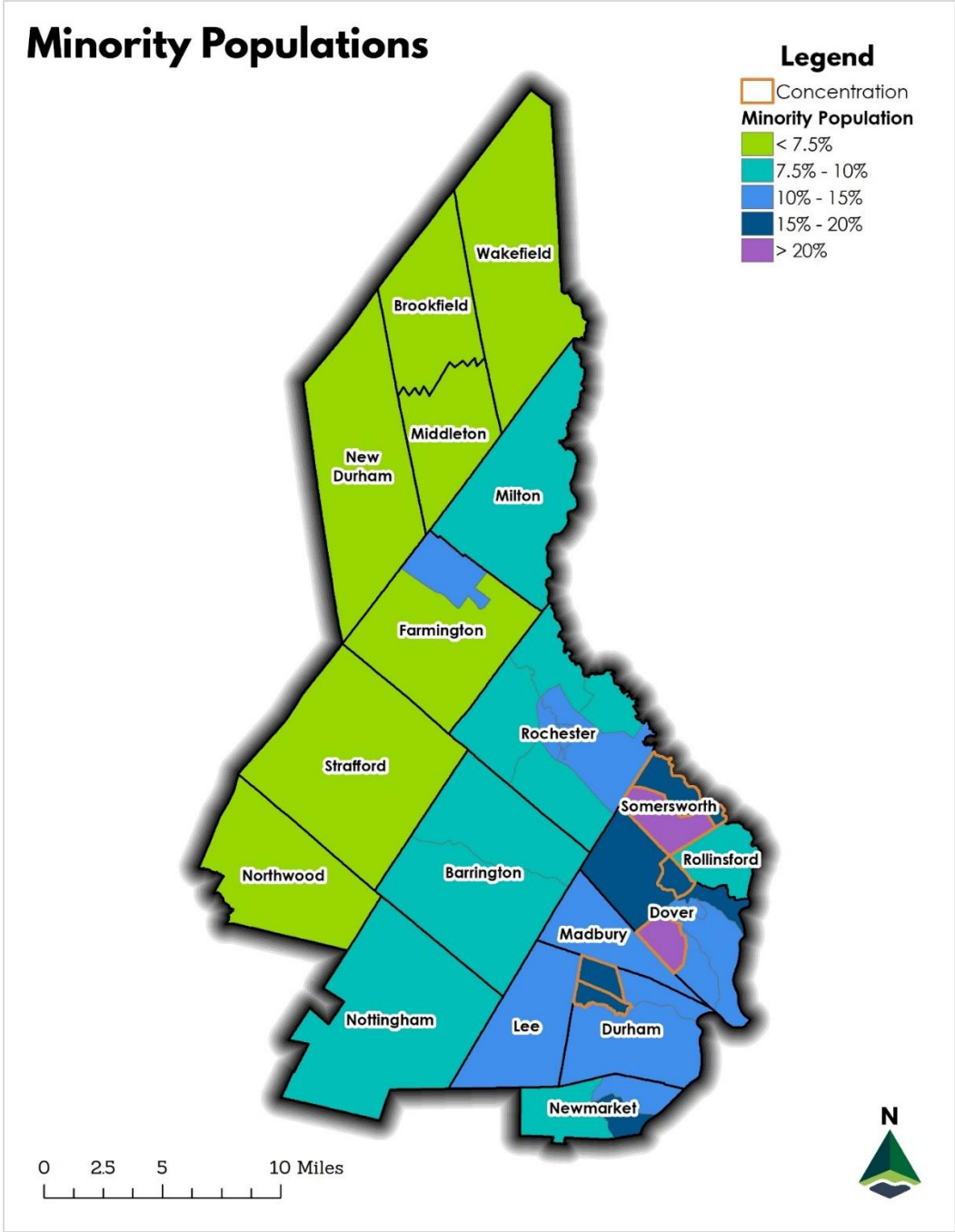
given population if the percent of people or households is more than one standard deviation from the regional percent.

Racial and Ethnic Minorities

The US Census Bureau measures race and ethnicity following the OMB standards as set in 1997. In addition, 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 refer to this 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).



Dissimilarity Index

The dissimilarity index (or the index of dissimilarity) is a commonly used measure of community-level segregation and represents the extent to which the distribution of any two groups (frequently racial or ethnic groups) differ across census tracts or block groups. The dissimilarity index ranges from 0 to 100, with a value of zero representing perfect integration between the racial groups in question, and a value of 100 representing complete segregation between the

racial groups. The following is one way of understanding 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

				Not Hispanic or Latino					
		Minority: White Not Hispanic or Latino (NHW)	Hispanic or Latino of Any Race: NHW	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 (LEP)

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 US Census American Community Survey 5-Year Estimate data. The total

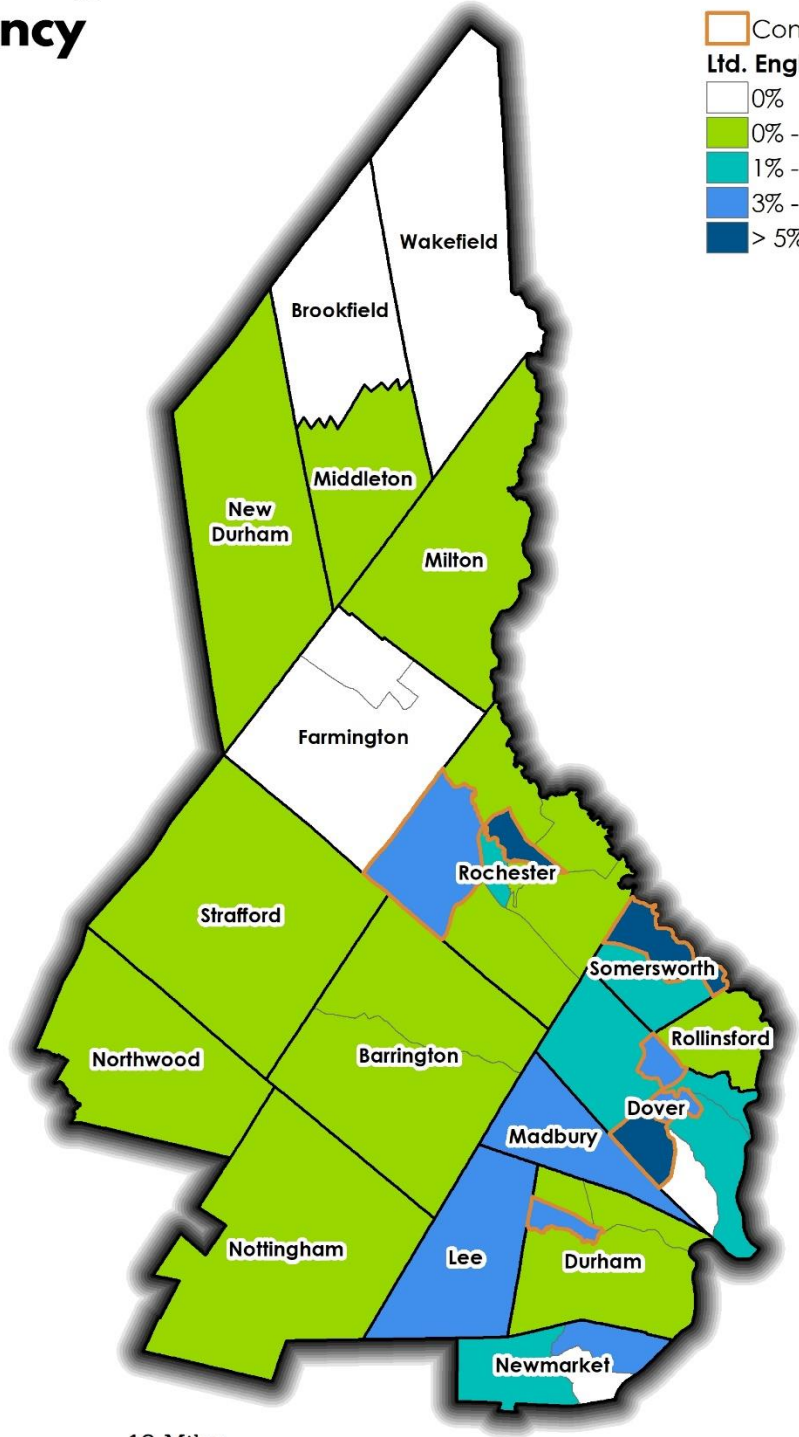
LEP population equals the sum of all individuals who speak a language other than English and speak English less than "very well." The share of LEP individuals is tabulated as a percentage of the total population of a census block. Because of the small sample sizes, the Margin of Error for a given census 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 to eligible persons with limited English proficiency.

From 2010 to 2020, the LEP population in the SRPC region has varied in each of the three SRPC counties. While for Carroll County, which has a significantly smaller percentage of LEP population compared to Rockingham and Strafford Counties, 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 it did increase to about the same percentage in 2020 as it was in 2010. 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 to those of poverty concentrations. However, it is important to note that data for this metric is very limited.

Limited English Proficiency

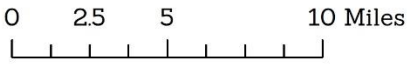


Legend

Concentration

Ltd. English Proficiency

- 0%
- 0% - 1%
- 1% - 3%
- 3% - 5%
- > 5%



Immigrants and Refugees

In addition to navigating the complex process of immigrating to the US, immigrants and refugees face further challenges in finding housing. These challenges include learning a new culture, language barriers, lack of existing family and friend support networks, and more.

Data on the presence of immigrants and refugees is only aggregated at the statewide level, further analysis is not possible at the regional level.

Poverty

The US Census Bureau uses a set of income thresholds that vary by household size and composition to determine who lives 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, and 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 was \$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.

The measure has some limitations as it does not adjust for differences in the cost of living between urban and rural areas. Poverty calculations are based solely on income and do not capture other contributions to well-being. A family may have assets, such as housing and capital gains, and still live below the poverty level. Secondly, the threshold follows family income and is not defined by individual incomes. A two-person household of unrelated housemates would be considered as two families, so one may be in poverty and the other may not, even if as a household, they are not in poverty.⁶

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. People living in

⁶ <https://www.census.gov/topics/income-poverty/poverty/guidance/poverty-measures.html>

poverty (under the poverty threshold for their family size as described above) have decreased by nearly 2 percent since 2015 and people between 100-200 percent of the poverty threshold dropped from almost 25 percent to 17 percent in 2019, before rising back to 19 percent in 2020.

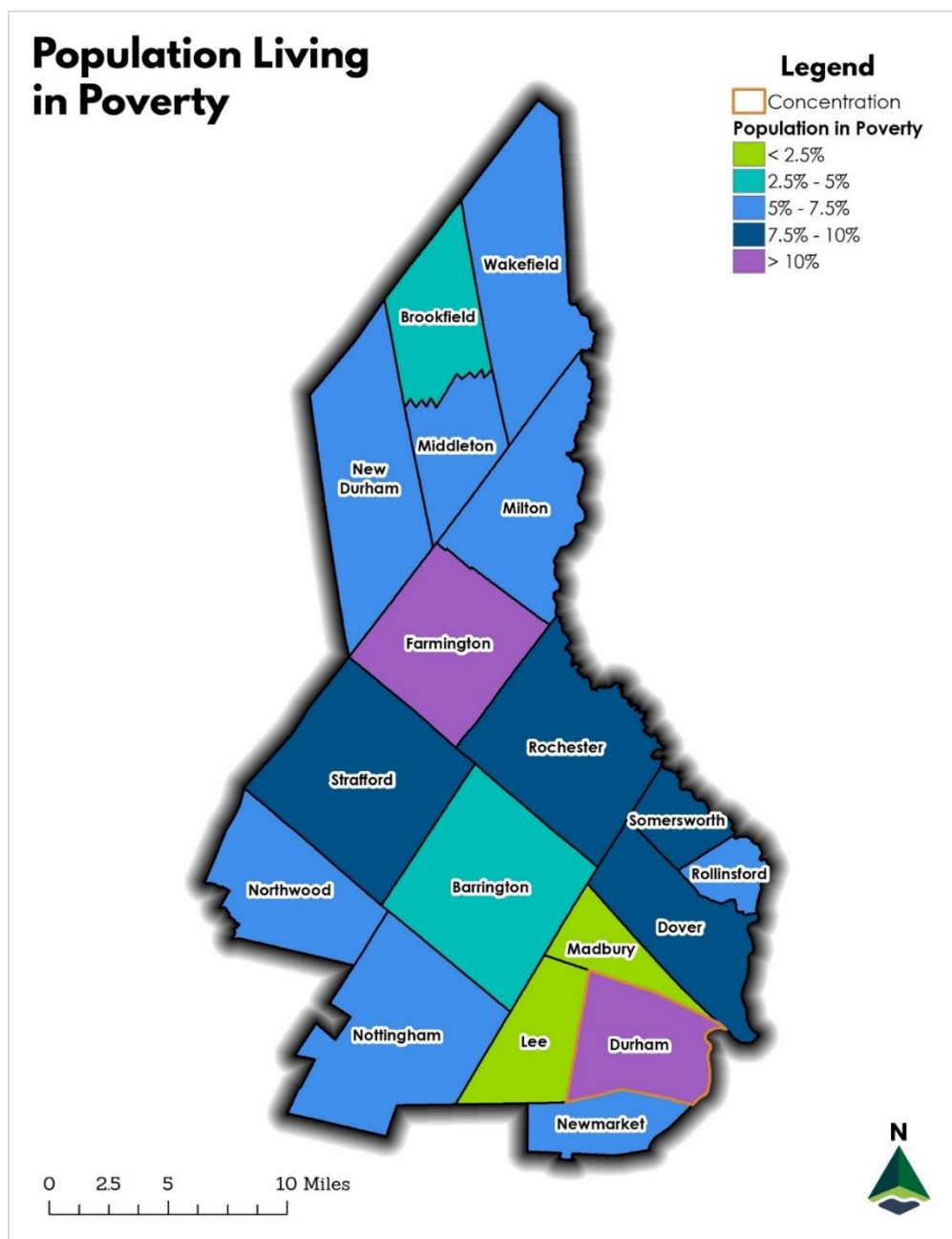
New Hampshire’s minimum wage continues to match that of the federal government, at \$7.25 per hour. Maine and Vermont, also at the lower end of New England minimum wages, are both expected to have minimum wages pass \$13 per hour at the beginning of 2023. The MIT Living Wage Calculator publishes annual 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. The state’s current \$7.25 minimum wage is less than the poverty wage in all but four of the household sizes that MIT lists. Notably, the living wage is 2 to 4 times the poverty wage for all households.

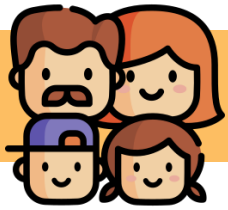
Household Type		Poverty wage	Poverty salary	Poverty salary (per mo.)	Living wage	Living salary	Living salary (per mo.)
1 Adult	0 Children	\$6.19	\$12,875	\$1,073	\$17.39	\$36,171	\$3,014
	1 Child	\$8.38	\$17,430	\$1,453	\$33.27	\$69,202	\$5,767
	2 Children	\$10.56	\$21,965	\$1,830	\$41.50	\$86,320	\$7,193
	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

Eleven percent of SRPC region’s households fall within 100-200 percent of the poverty threshold. The 2021 living wage estimate for a single adult in Strafford County was \$36,171, almost 3 times the poverty wage, and over \$10,000 more than 200 percent of the census-defined poverty threshold for a single adult (\$25,750 in 2021). Within the SRPC region, communities experiencing the highest rates of people under 200 percent of the poverty level 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).

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.

In the map on the next page, Durham is the only community with a statistical concentration of people living in poverty. This is due to the large number of college students who have low or no incomes.





Low Income Family of Four | Persona Profiles

Mark and Alice are parents to Sarah, a nine-year-old in the 4th grade and Bryan, a four-year-old. Mark works full-time as a car parts salesperson and makes \$12.81/hour (\$2,220 gross/month). Alice works part-time as a hostess at a restaurant. Alice makes \$9.29/hour (\$805 gross/month). Neither Mark nor Alice's jobs are located on a bus line or in walking distance from their home.

The family's combined total income after taxes each month is \$2,662, which is about \$31,941 per year. The poverty level for a family of four is \$27,949, which means they make too much to qualify for public assistance.

Fuel assistance would be needed and in-home wi-fi would be too.

Most likely wouldn't cover full-time childcare, Alice would need to work nights or weekends or the family would need to rely on family or friends.

With Mark and Alice's budget stretched thin, they can't contribute to a savings account. If they were to experience a medical emergency, loss of job, or car issue they could be in a bad situation with housing.

Expenses	Amount
Rent	\$1,400
Utilities	\$100
Transportation	\$200
Childcare	\$700
Food	\$500
Clothing	\$37
Household	\$100
Medical/Dental	\$350
Other (birthdays, movies, school, sports, etc.)	\$25
Loans	n/a
Outstanding Credit Payments	n/a
Monthly Income	\$2,662
Total Expenses	\$2,662
= Balance	\$0

The median rent for a two bedroom is ~\$1500. The median price for a one-bedroom would fit this budget but would require tradeoffs.

With fluctuating gas prices \$200 won't get this family too far. They may need to rely on rides with co-workers or family members.

Assuming the family has a lower cost, high deductible plan, they would need to budget more for medical/dental or forego some appointments.

People Experiencing Homelessness

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 unhoused following a financial or social setback and may stay with a friend or family until a more stable solution is found. Others are not as fortunate. 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 and 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 and this is the USA??? Shameful and 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 Regional Housing Needs survey 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 courthouse on the bus line. We also need affordable housing for our low-income individuals and families.”

Some families are separated for a brief period when 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 New Hampshire Department of Health and Human Services, Bureau of Housing Supports along with the Manchester and Nashua Continuums of Care.

The unhoused population in New Hampshire hovers around 1,600 (counted) individuals and rose during the pandemic. Of this group, about half are located outside of Manchester or Nashua⁷. Prior to the pandemic, more statistically significant data was available at the county level. Assuming similar trends today, approximately 5 to 7 percent of New Hampshire's unhoused population could be found in the Strafford Region. Rockingham and Strafford counties typically rank second and third for youth experiencing housing insecurity. About 8 percent of New Hampshire's homeless are veterans. Rural housing instability is different than urban housing instability, particularly in New Hampshire. While higher concentrations are located near Manchester and Nashua, respondents of the RHNA survey ranked homelessness fourth out of eight housing-related challenges in the Strafford Region. This theme was noted in many Strafford Region communities and not only the Tri-Cities.

In a state with limited, if any, countywide support, 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.

During the September Housing Forum outreach event held by SRPC, 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 did not 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

⁷ HUD Point-in-Time Count. 2021.

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 are not enough people to help those in need navigate the services. The housing authorities of the Tri-Cities currently have years-long wait lists.

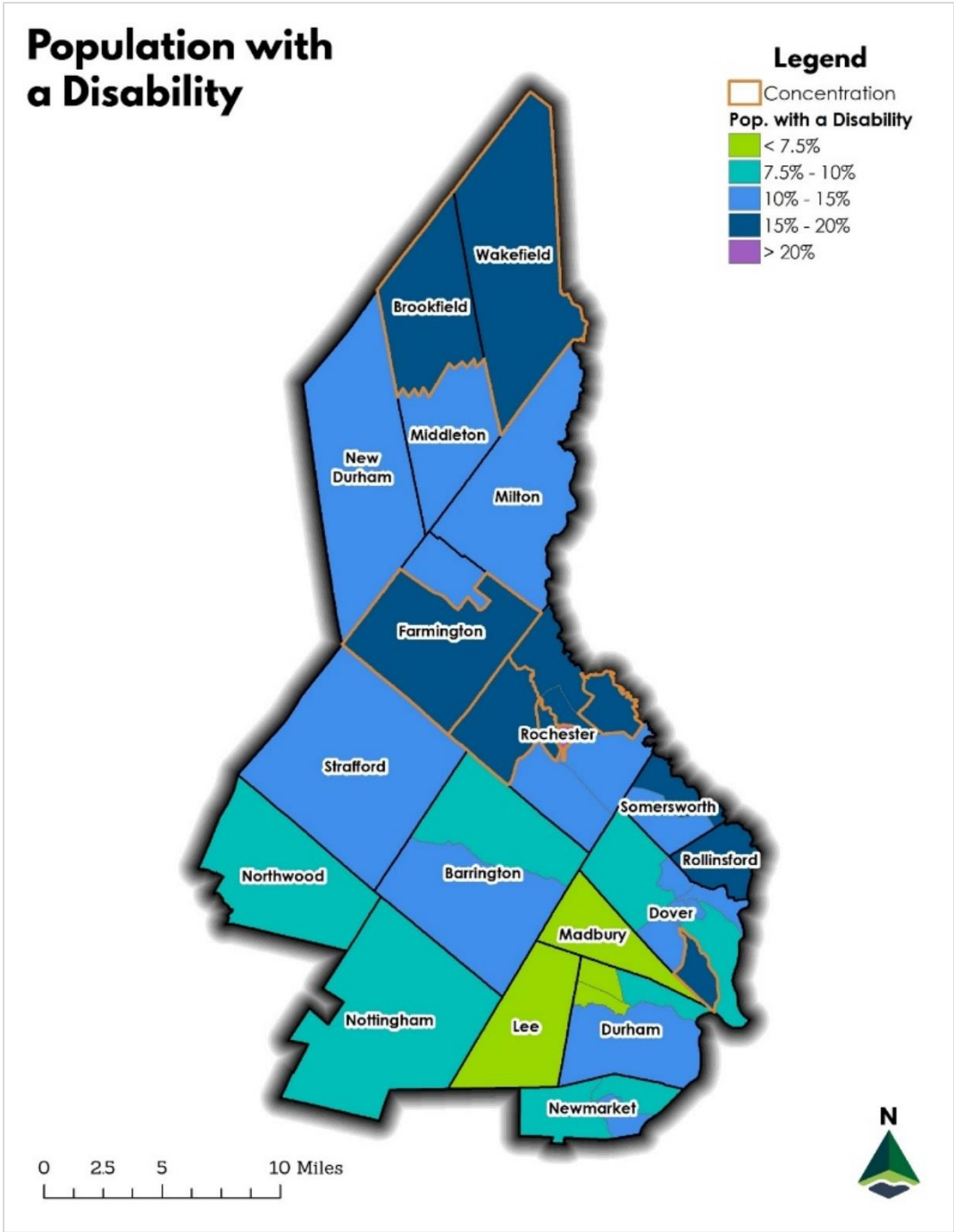
Populations Experiencing Disabilities

People living with a disability seek out community-based living conditions which provide housing with 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, and 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 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 who needs 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 support 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 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 Social Security payment in New Hampshire in August 2022 was under \$580.



Substance Abuse and Mental Illness

Individuals with mental illnesses as well as those who struggle with substance abuse often experience chronic housing instability. According to HUD, at least 23 percent of New Hampshire’s unhoused population 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 who live with mental illness or are in recovery.

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 has 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 allow them to live outside of an institutional setting as they age or do not have the financial capabilities to acquire needed daily support.

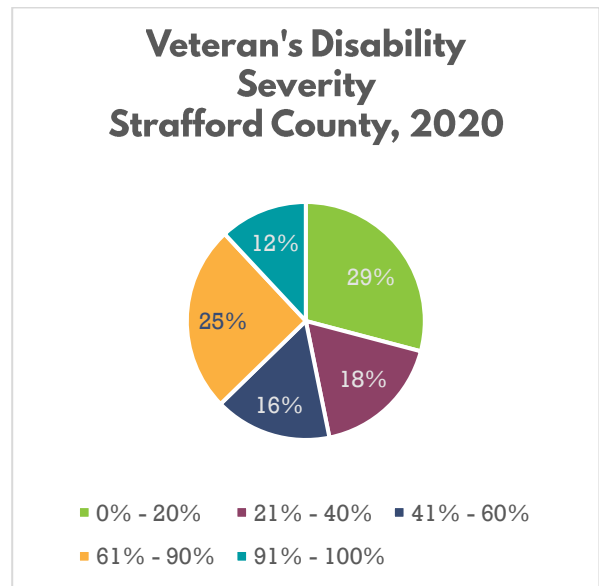
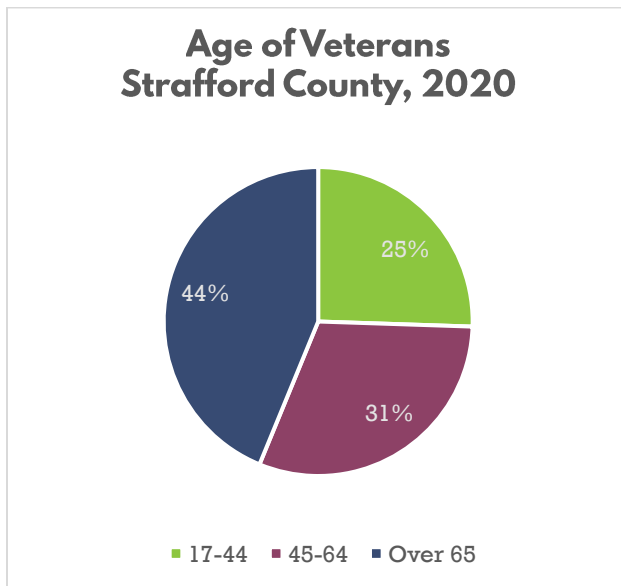
Strafford and Belknap counties together report the highest illicit substance use across all age groups and the highest rate of alcohol abuse in adults, as well as the highest rate of serious mental illness in the state. Because Strafford and Belknap counties report higher than average instances of serious 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 and may 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 VA also tracks the severity of veterans' disabilities as a result of service. The severity ranking is based on an estimated overall impact on the veteran's day to day life. For instance, partial hearing loss or chronic pain would have a lower severity ranking than loss of multiple limbs or full paralysis. In general, a veteran whose disability severity is less than 50% should be able to work and live a fairly normal life, albeit with some challenges due to their disability. However, as the severity approaches 100%, the veterans may face more challenges in day-to-day life and it may not be feasible for them to work.



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 live in emergency shelters or transitional housing. This figure has risen since the pandemic and the New Hampshire Department of Military Affairs & Veteran Services reported over 17,000 households with a veteran living in substandard or unaffordable housing in 2021.⁸ This would indicate that

⁸ NH Dept of Mil Affairs and Vet Services, 2021, <https://www.wmur.com/article/nh-s-business-segment-video-05-22-2022/40068688#>

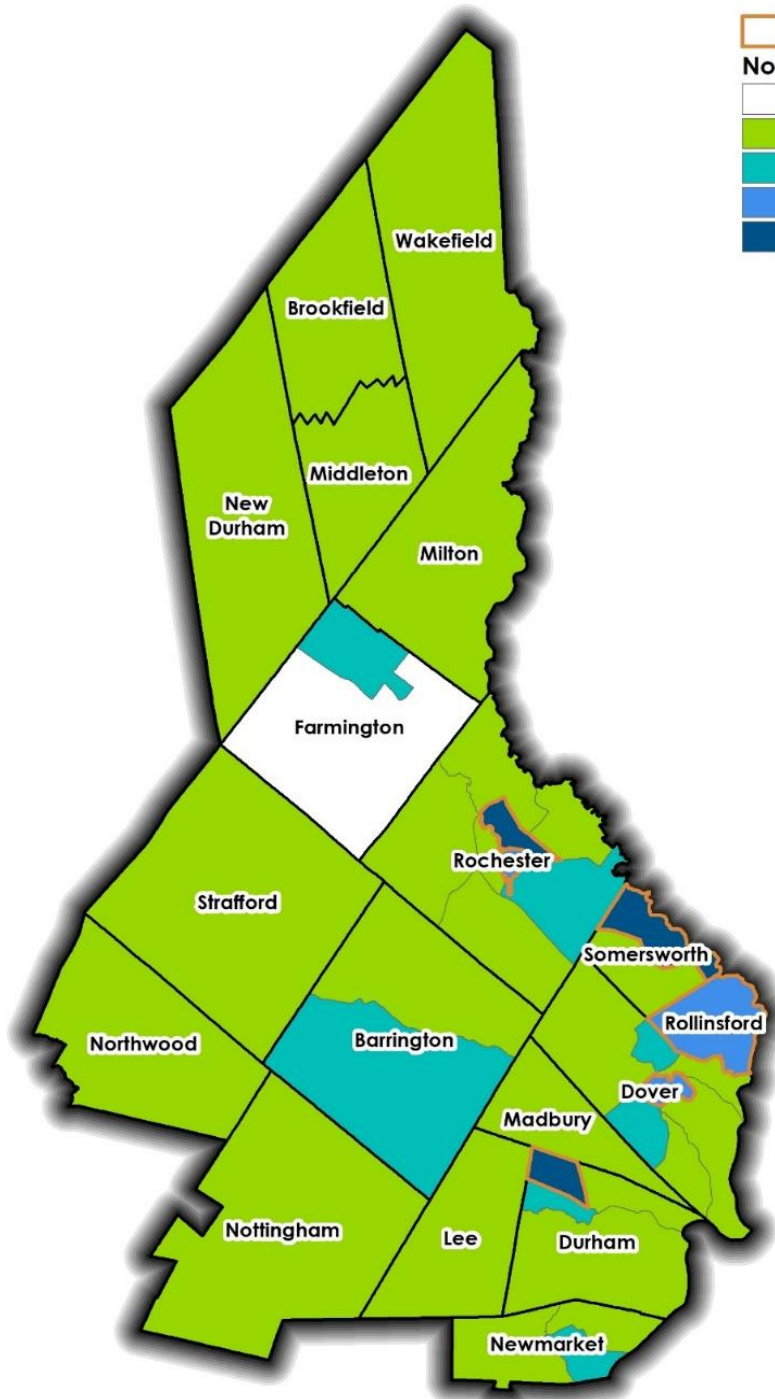
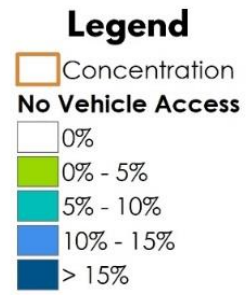
at least 75 percent of veterans in New Hampshire are either paying more than 30 percent of their income to stay in their current home or are living in overcrowded housing and/or housing lacking functional plumbing.

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 if 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. 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 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.

No Vehicle Access



People Living Alone

A person might live alone for any number of reasons. They might be a young professional moving out of their parents' home, a divorcee getting out of a relationship, or a widowed person who has just lost a spouse. A homeowner without a mortgage who has lost a spouse may experience lower housing costs than an entry level young professional trying to rent an apartment or save up enough for a down payment.

According to the MIT Living Wage Calculator, an adult living alone in Strafford County needs to make at least \$36,000 per year. This number is based on a living wage, which covers just the bare minimum needed to survive. It does not include student loans, child support, or other major expenses.

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 77 percent of seniors choose to age in place within their homes and neighborhoods.⁹ 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.”

⁹ <https://www.aarp.org/home-family/your-home/info-2021/home-and-community-preferences-survey.html>

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.*”

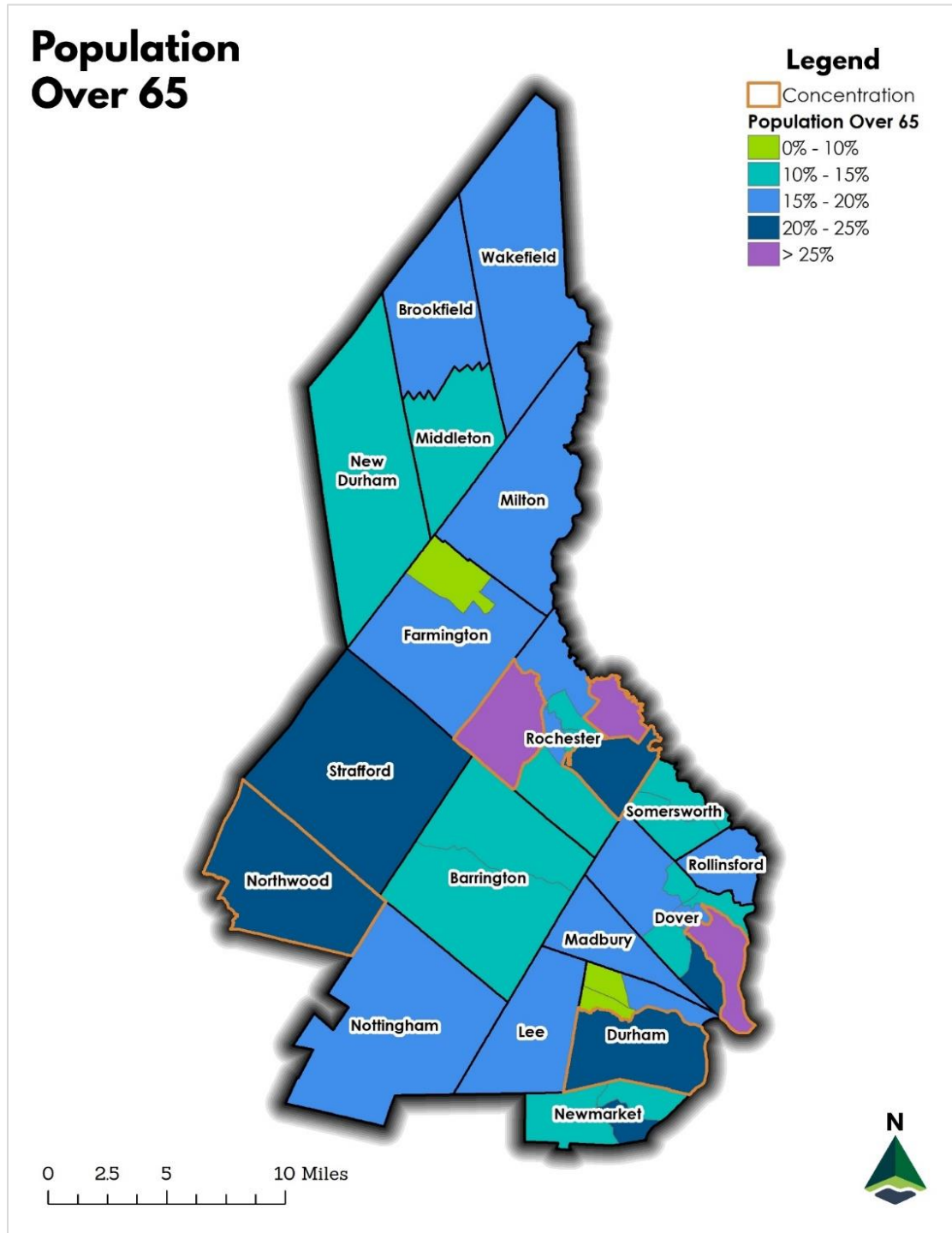
If older adults must relocate due to cost or mobility, seniors want to do so on their own timetable, and not due to adverse effects of decisions made by housing providers, politicians, or government officials. Because New Hampshire state statute classifies age as a protected class, housing providers 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 as 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 a 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.

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 Manufactured home Park, a 55+ community), Durham, and Northwood.





Retirees Downsizing to Age in Place | Persona Profiles

Sally and Mike are retired and are 71 and 74, respectively. Although they can still live independently, Mike experienced a recent medical event that has reduced his mobility.

The couple is looking to move to a rental unit or a smaller single-story home to lessen the physical burdens of ownership and to downsize their living space as soon as possible.

They purchased a two-story single-family home in Barrington in 1991 for \$130,000 and have paid it off. An area realtor estimates they could sell their home for \$360,000.

It is expected they will have \$327,000 from selling, plus their fixed retirement income of \$3,750 per month. After searching online, here are the best options they were able to find:

To find housing with their specifications and price range Sally and Mike would most likely have to move out of Barrington.

Option (Address)	Town	# Bedrooms	Unit Type	Rent/Mortgage /HOA	Purchase Price (In Full)
153 Colonial Drive	Somersworth	2	Manufactured Home	\$490 HOA	\$130,000
118 Secretariat #104	Rochester	2	Condo	\$325 HOA	\$240,000
36 Farmington Road	Rochester	1	Apartment Building	\$1,201	
50 Moose Lane	Rochester	2	Manufactured Home	\$345 HOA	\$75,000

Most of what Sally and Mike could afford, if they chose a cash offer would be a condo or manufactured home. This would most-likely fit their qualifications for a one-floor option. They would then be paying monthly HOA fees, so they would need to factor that into their budget.

With Barrington being only 9% renter occupied, there aren't an abundance of rentals, which would likely mean Sally and Mike need to look in surrounding communities if they were to rent.

Secretariat Estates is 55+ adult community, which may be a draw for Sally and Mike with added amenities like a great room, a BBQ area, trails and a recreation center

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 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.*”

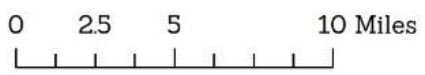
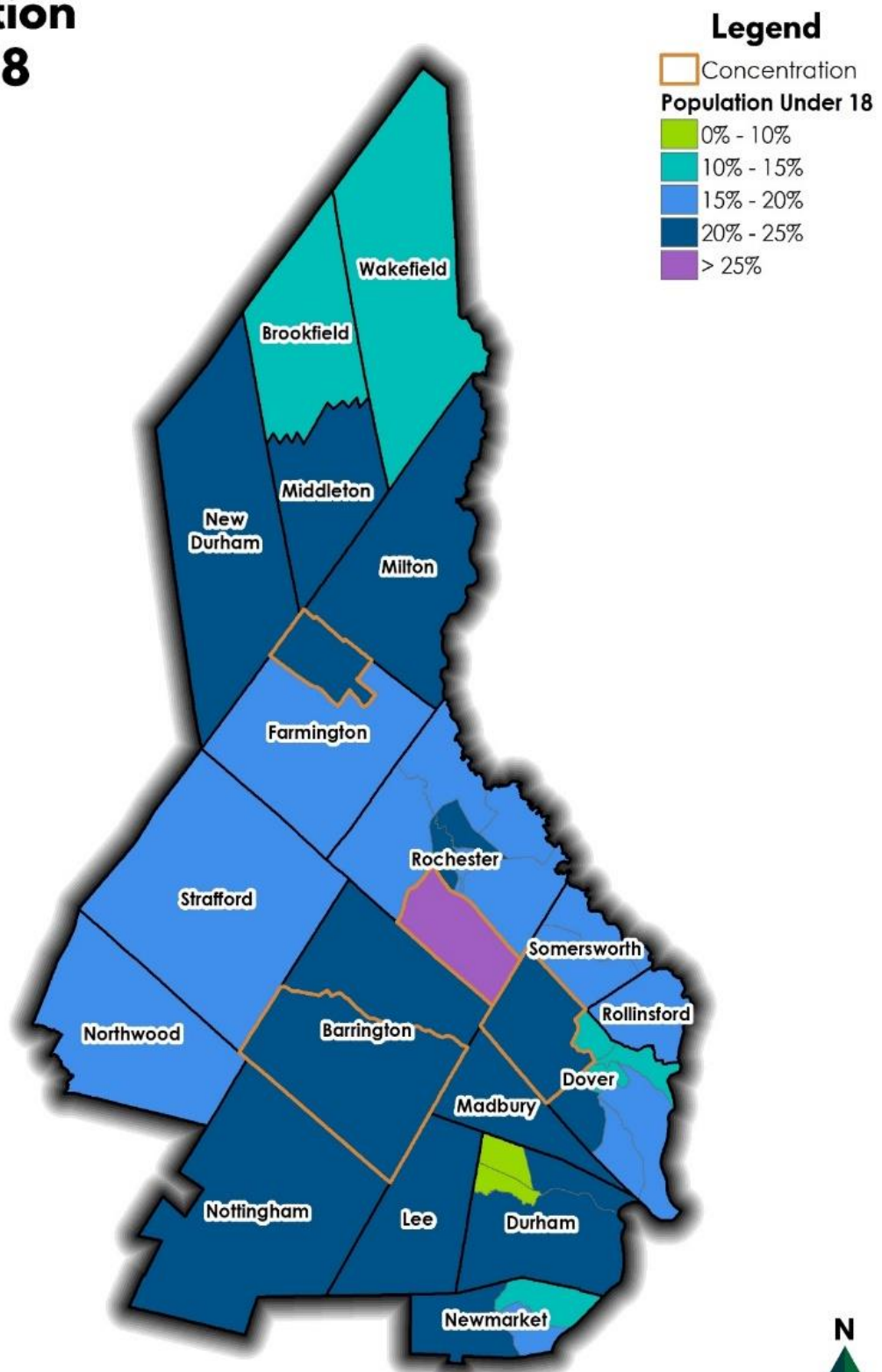
According to the 2020 census, there are 28,222 children in the region, constituting a new low of 18.2 percent of the population. Youth can experience homelessness, housing discrimination, and substandard housing.

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 neighbor 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.

Population Under 18



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.

Single Parents

Single parents face many challenges in supporting themselves and their children. Single parents largely 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.



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."



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.

“**LANDLORD PROFILE** - “I only have one mobile home rental that has had the same tenant for the full 12 years that I have owned this place - she is a single mother who works a good job full time but struggles to pay her rent with all the ridiculous levels of inflation and her pay not increasing at all - groceries, gas, fuel, electricity etc. - she now owes more each month than she makes and this wasn't the case 2 years ago!!!! It's not her fault but we are affected by this inflation as well and need the money more than before to continue to financially support this mobile home.”

Grandparents As Guardians of Grandchildren

Some scenarios result in a grandparent stepping into a primary caregiver role for their grandchildren. This may be because 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 Strafford 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.

Aging Out of Foster Care

Teens aging out of foster care face challenges in finding and affording stable housing. "Youth who is 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."¹⁰ The NH Department of Health and Human Services Division for Children, Youth, and Families (DCYF) has programs in place to help the 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 old¹¹.

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 year¹².

¹⁰ <https://youth.gov/youth-briefs/foster-care-youth-brief/challenges>

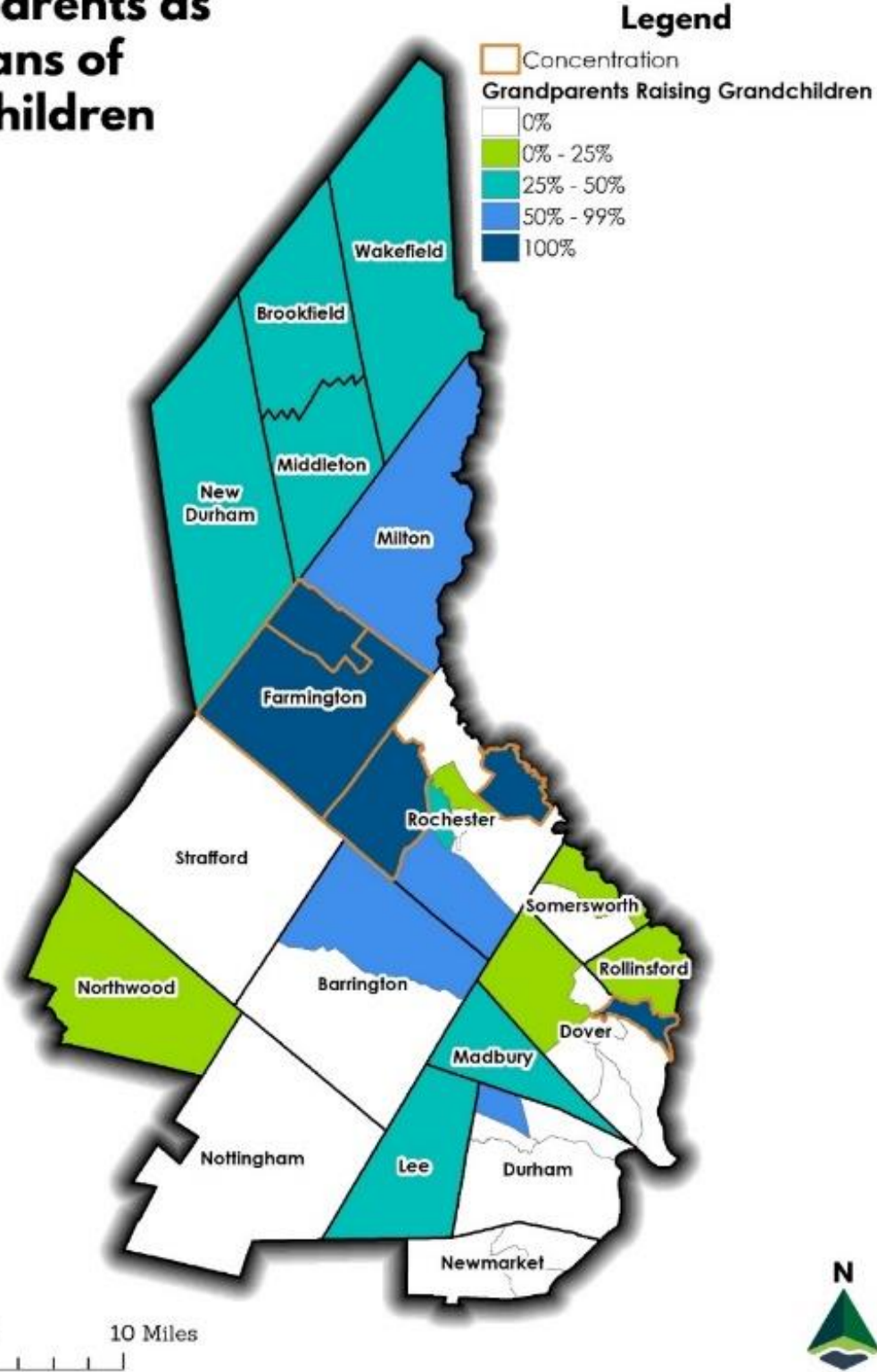
¹¹ <https://www.dhhs.nh.gov/sites/g/files/ehbemt476/files/documents/2021-11/dcyf-policy-1980.pdf>

¹² <https://www.dhhs.nh.gov/sites/g/files/ehbemt476/files/documents/2021-11/dcyf-data-book-2020.pdf>

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.

Grandparents as Guardians of Grandchildren



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 re-engagement with family and civil society. 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 success. Successful re-entry 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 US 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 graduation. 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 have 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), puts 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

To better comprehend the importance of workforce and affordable housing in a community, one must have a clear understanding of the meaning of each. Per NH RSA 674:58 "**workforce housing**" is defined as:

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

- Housing *for-sale* that is affordable to a household of four earning up to 100 percent of the AMI for the metropolitan area or county in which the housing is located as published annually by HUD.

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.

Housing that is "**affordable**" simply 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.

Below is an overview of workforce housing in the SRPC region based on the statutory definition, compared to the median rent and purchase prices for 2021:

- Primary 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: \$1,440¹³
- Estimated Maximum Purchase Price for a family of 4 earning up to 100% of the AMI, based on the workforce housing statute: \$423,000¹⁴
- 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:

¹³ https://www.nhhfa.org/wp-content/uploads/2020/04/Workforce_Housing_Purchase_Rent_Limits.pdf

¹⁴ https://www.nhhfa.org/wp-content/uploads/2020/04/Workforce_Housing_Purchase_Rent_Limits.pdf

- 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.
- 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 SRPC public outreach 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 over 300 responses) when asked about types of housing missing in their community. 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 choices makes it possible for young professionals, families, seniors, and essential and high paid workers to have the option to live - or stay - in our region, strengthening quality of life, economic vitality, and resiliency in our communities.

Regional municipal stakeholders 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 has been exacerbated in the recent years across the entirety of the state, local and state officials have emphasized a more “hands-on” approach to tackling challenges caused by the lack of workforce and affordable housing. For example, in 2022 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, all of which are to be built 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 percent 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

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 provided an in depth review of the law's nuances and assessed 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.

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. The Dover Planning Board has approved several 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 beyond 40,000 square feet (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 amendments 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.
- Cochecho 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 to provide housing that is able to supports 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 in great part made possible thanks to the increased density allowances accomplished 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 “Housing Choice Opportunities and Barriers - Workforce and Employment Opportunities and Constraints” section of this plan.

Income Restricted Housing

Income restricted housing can take various forms, some of the most common being Low Income Housing Tax Credit (LIHTC) funded developments and Housing Choice Voucher Payments. LIHTC developments are often public-private partnerships that are based on a HUD estimate of area fair market rent (FMR). Vouchers are directly subsidized payments that can be applied towards rent charged by a landlord. With the Housing Choice Voucher Program, a landlord *chooses* to accept tenants who have a voucher (just like they would with any other renter) as these can be used in the free market for any property that meets a tenants housing needs. A rental unit can be in both programs and potentially benefit the same individual.

While they can be incredibly beneficial to the community, these programs do not come without their challenges. As a landlord, becoming approved to participate in the Housing Choice Voucher Program can be tedious and, in many cases, due to the high demand for rentals, the easiest choice may be to select a more “traditional” renter. When surveyed for the Regional Housing Needs Assessment, landlords most frequently cited bureaucracy, inspection timelines, and lack of support for addressing tenant issues as reasons to *not* accept Housing Choice Vouchers. For voucher holders, this same reason, as well as the stigma that comes with subsidized housing, makes it harder to find a landlord that will accept them as tenants.

Excluding landlords that accept housing choice vouchers, there his subsidized housing av available in nine out of the region’s eighteen communities.

Community	LIHTC units?	Special needs units?	Age-restricted units?	% age-restricted units	% of units within ½ mile of transit	Total subsidized units
Dover	Yes	No	Yes	41%	100%	1,148
Durham	No	No	Yes	100%	100%	76
Farmington	Yes	No	Yes	38%	100%	131
Newmarket	Yes	No	Yes	63%	62%	134
Northwood	Yes	No	Yes	100%	0%	31
Rochester	Yes	Yes	Yes	64%	64%	695
Rollinsford	Yes	No	No	0%	0%	12
Somersworth	Yes	No	Yes	57%	78%	374
Wakefield	Yes	No	Yes	57%	0%	18
SRPC				52%	82%	2,643

Note that not all communities in the region contain subsidized units.

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 income does 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. The 2022 median family income in an area is calculated based on 2019 ACS or PRCS (Puerto Rico Community Survey) 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 a major impact on where people can afford to live. Below, we explore the region’s household income trends, housing market trends both for rent and purchase, and measures of housing affordability.

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 find housing they can afford, while households making more than \$200,000 have more options. In Strafford County, 27 percent of households are low-income, and 7.4 percent make over \$200,000. Similarly, Carroll County households are 24.7 percent low-income, and 6.6 percent make over \$200,000. Rockingham County is considered wealthier, with 13.5 percent of households being low-income and 14.6 percent making over \$200,000. Low-income households and households in poverty were discussed in more detail in the communities of interest section.

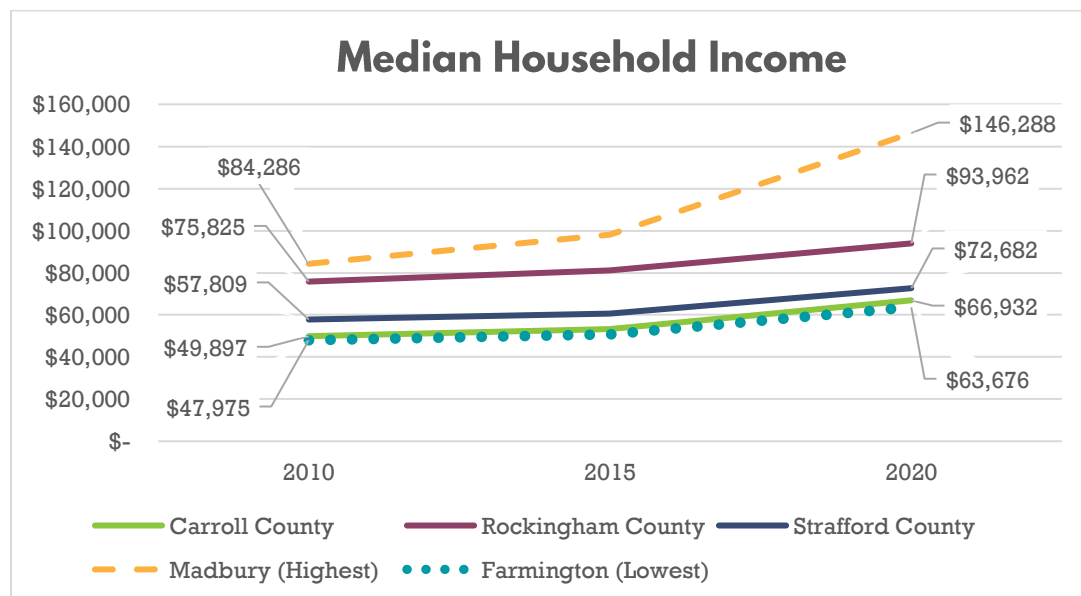
Communities like Rochester and Farmington have high percentages of low-income households (28.4 percent and 26.4 percent, respectively) and low percentages of households making over \$200,000 (3.1 percent and 2.5 percent, respectively). Meanwhile, communities like Madbury and Barrington have fewer low-income households (6.1 percent and 9.4 percent) and more over \$200,000 households (25.2 percent and 18.1 percent). Due to its large student population, Durham’s low-income households make up 65.4 percent of households, and the households with income over \$200,000 make up 17.3 percent of the town.

One landlord noted:

“There is not enough supply to meet the demands of all but the most affluent renters/buyers. This is especially acute for elderly/disabled low-income renters looking for affordable studio or one-bedroom units near services and shopping or close to public transportation.”

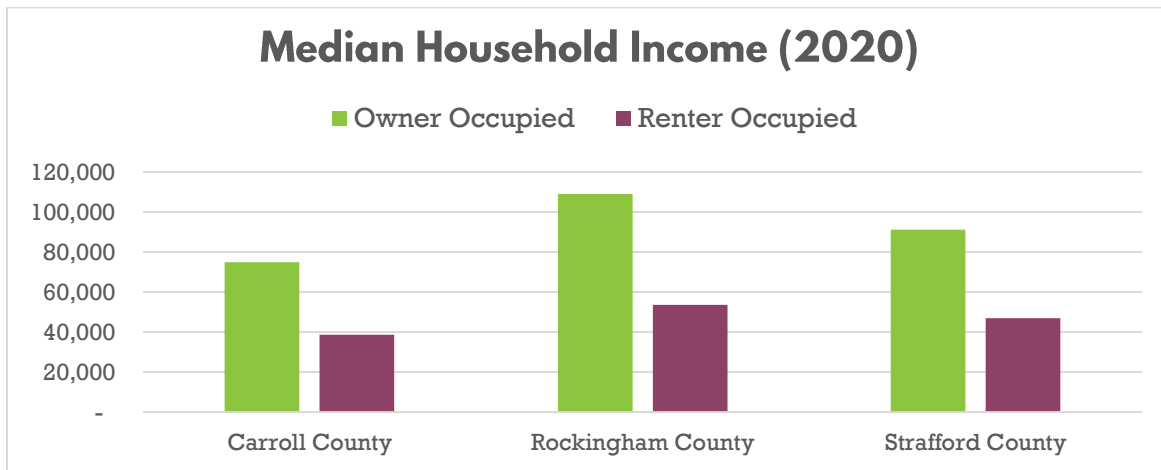
In New Hampshire, the median household income is increasing. Both Strafford and Rockingham counties' median household income are increasing at a rate higher than the state, while Carroll County's median income is about \$11,000 less than the state and increasing at about the same rate. Madbury has the highest median household income in the region (\$146,288), and Farmington has the lowest (\$63,676).

It is important to note that while median incomes have been increasing, the cost of goods and services have increased at a higher rate over the past year because 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.



Median incomes can vary greatly between owner- and renter-occupied households. The median income for owner-occupied households is higher by \$44,000 in Strafford County, \$55,000 in Rockingham County, and \$36,000 in Carroll County. The Town of Durham's owner-occupied median income is more

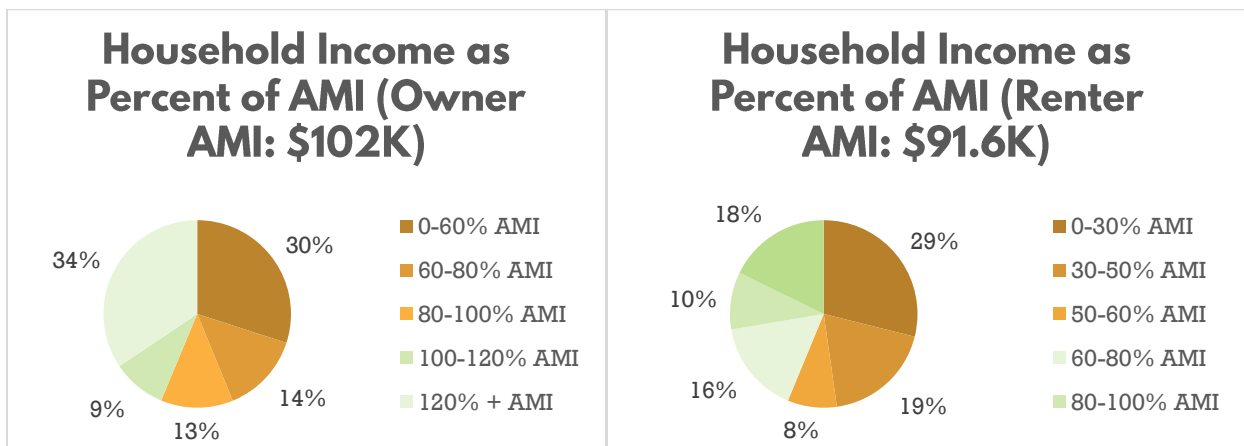
than five times more than the renter-occupied median income, the largest such gap of any community in the region. This is influenced by Durham’s large student and senior population.



Households By Income Level and Tenure

To determine housing gaps, the area median income (AMI) was computed, based on a four-person household for owner-occupied households and a three-person household for renters, at \$102,114 for owners and \$91,569 for renters for the Stafford Region. Approximately 57 percent of owner-occupied households earn up to and including 100 percent of the AMI (\$102K) and 56 percent of renter-occupied households earn upwards of 60 percent of the AMI (\$54.9K).

Municipalities might consider asking, “Are there enough homes for sale that are within reach of those 57 percent of homeowners?” and “Are there enough rental units affordable to the 56 percent of renters?” The mismatch of housing costs compared to the price range of households is examined further in the Housing Gaps section.



Housing Market

Purchase Price Trends

Following the Recession, the median sale price for all home types in the SRPC region increased year-over-year by 10 percent or lower until 2021 when it increased by over 18 percent from 2020. The median sold price increased by 8.16 percent from 2019 to 2020, being the first year the median purchase price was above \$300,000, then jumping to \$360,000 in 2021.

Data from early 2022 indicates a continued upward trend in home prices, showing another increase of 13.8 percent, with homes selling at a median of \$365,000. Down payments and monthly mortgage payments increase each year as well, which can further heighten the barrier to entry for many.

Like the rest of the state and country, historically low interest rates that resulted from the pandemic were a factor in the demand for home buying. However, low supply, increased demand, and other pandemic-induced factors contributed to very short listing times for homes for sale and homes sold for above asking price. These pandemic-related factors include but are not limited to rising costs of building materials, supply and labor shortages, and increased demand that originated from outside of New Hampshire.

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

“*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.*”

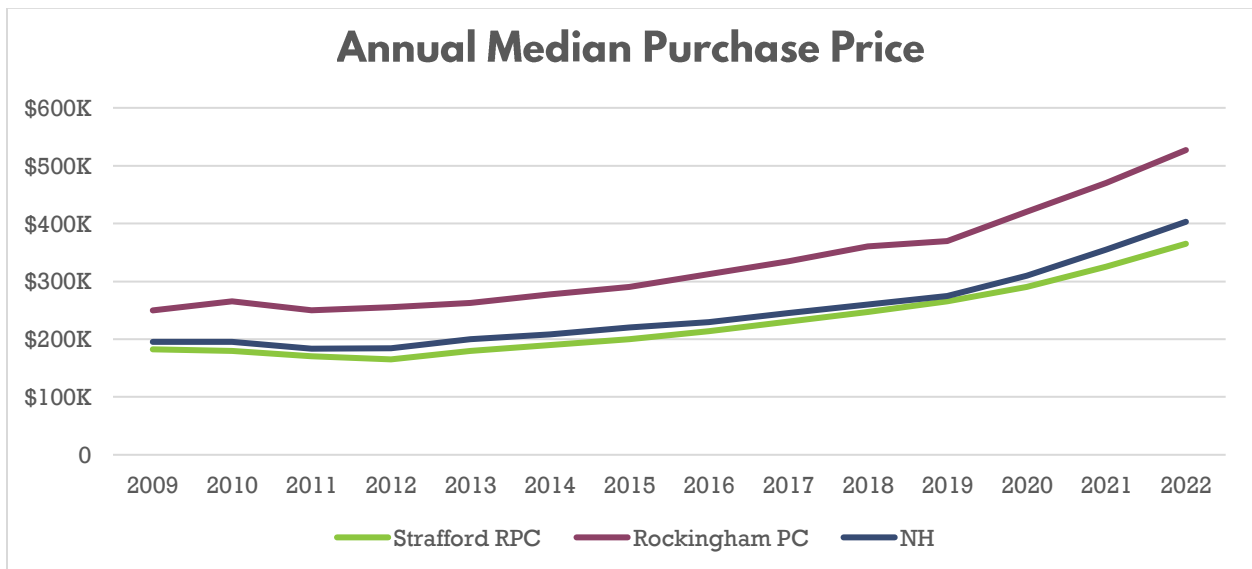
Many respondents also noted they were able to sell their homes, but then had difficulty in finding something else One respondent shared:

“*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.*”

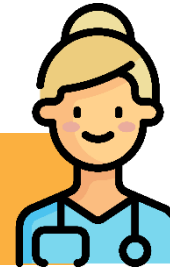
The measures taken by the Federal Reserve to combat inflation have resulted in several increases in mortgage interest rates, which could result in a slowdown in these price increases as it interferes with affordability and makes it harder for homebuyers to purchase a home. Despite this, if the housing stock available does not increase, higher interest rates are not likely to deter price increases as much as expected. The impact of rising interest rates is discussed in more detail in the “Conditions Likely to Impact Housing Supply and Affordability” section of this plan.

One landlord who had previously been looking to expand their portfolio shared:

“Loan qualification rules after 2008 made it almost impossible to get loans. Restrictive zoning is [the] biggest problem.”



Millennial Nurse Buying a House | Persona Profiles



Jillian is a 35-year-old professional working full-time as an RN and making \$36.74/hour (\$6,368 gross/month). Her total income after taxes each month is \$4,967, however she has significant student loans to factor in. Her monthly student loan payment is \$835. Additionally, her car died a year ago, so she recently had to purchase a new car for which the loan is \$350/month.

Her current rent costs \$1,800 a month and she expects it to increase next year.

Jillian's ideal scenario is to purchase a home, but she hasn't begun saving. She has set a goal to save \$36,000 for a 10 percent down payment to keep her monthly mortgage payment similar to her current rent.

Luckily Jillian lives close to work, but she does like to visit friends and new places on the weekends, meaning she needs a bigger transportation budget.

This item factors in Jill's student loan and car loan combined

Expenses	Amount
Rent	\$1,800
Utilities	\$219
Transportation	\$250
Childcare	n/a
Food	\$300
Clothing	\$125
Household	\$100
Medical/Dental	\$238
Other (birthdays, movies, school, sports, etc.)	\$325
Loans	\$1,185
Savings toward down payments	\$425
Monthly Income	\$4,967
Total Expenses	\$4,967
= Balance	\$0

Jillian's rent is expected to increase next year so she will have to redo her budget and may not be able to save as much in 2024. This will change how many years it will take her to save for her down payment.

While Jillian places a high priority on saving for a house, she also understands the importance of work life balance and likes to plan nighttime and weekend events.

At this rate, it would take Jill over seven years to save \$36,000 for a 10% down payment as home are currently selling at an average of \$365,000.

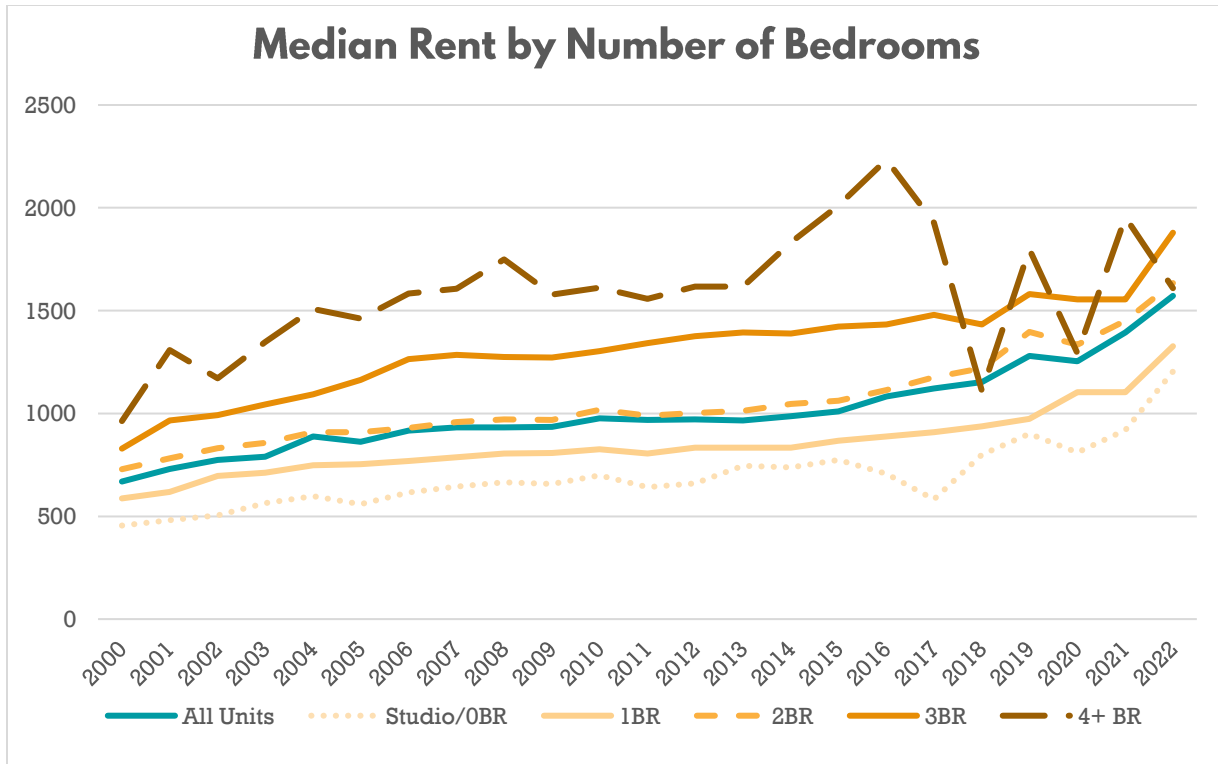
Rental Trends

Much like purchase prices, rent has been increasing over several decades. Data from 2000 to 2022 indicates increased median rents across all unit types (0, 1, 2, 3, and 4+ bedrooms), which demonstrates a lack of rental housing inventory even prior to the pandemic and current housing crisis, with limited supply and high demand affecting purchase prices. However, the sharpest increases have been since the pandemic. Exacerbated by emerging trends such as an extremely competitive home buying market and inflation, demand for rentals has accelerated, leading to skyrocketing costs and record-low vacancy rates.

With the rise in home prices, more pressure has been placed on renters. Landlords feel justified in charging more for their rental properties, while the scarcity of housing available for renters to buy in tandem with raised interest rates are pushing many potential buyers out of the home buying market and into an already tight rental market. Furthermore, the state's large aging population is in increasing need of available rental units as many would prefer to downsize into smaller living arrangements. In SRPC's public outreach survey, at least 30 responses indicated a desire to downsize or transition to senior housing, but cost is the largest consideration or challenge to any housing choice, as identified by these survey respondents.

Most 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. Much of the rent data of these 4+ bedroom rent is quite varied due to a smaller sample size. Nonetheless, this limited availability creates difficulty for large families or multigenerational families to access units that are affordable and have enough space to accommodate all of their members.

1-bedroom units are currently the least available to prospective renters. New Hampshire landlords reported that they were least successful in "quickly meeting needs of applicants seeking housing with 1 bedroom or smaller" compared to 2- and 3-bedroom units when surveyed for this Housing Needs Assessment. 97 percent of landlords also responded that they were "successful" or "very successful" in keeping vacancies low, across all unit sizes.



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 an extended period of time and find solutions for securing a home, whether by offering more in rent or finding 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 scarce. All of Strafford County and Newmarket belong to the HUD defined Portsmouth-Rochester Fair Market Rent (FMR) Area. In 2022, the HUD FMR for a 2-bedroom apartment in this market area was determined to be \$1,399, 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 in Strafford County for a 2-bedroom unit was 0.07 percent. Not a single county in New Hampshire has a vacancy rate above 1 percent at this time. New Hampshire as a whole has not seen a vacancy rate at or above 5 percent since 2009.

One renter responding to SRPC’s public outreach survey shared:

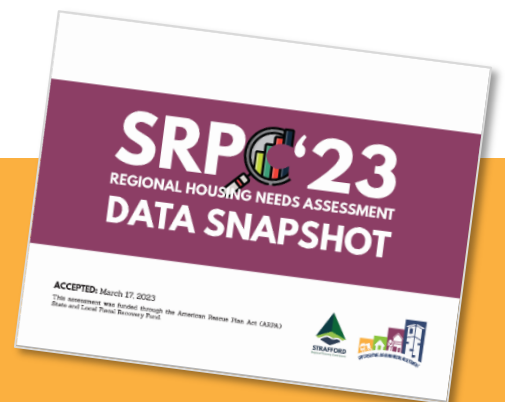
“My previous apartment was \$800 a month and my landlord increased it to \$1000 in one lease period so I was going to be homeless, so I posted about it on the Newmarket Facebook page and everyone was upset for me and my landlord saw it so he offered me a different apartment that I could afford if I got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

A Dover landlord had this to share:

“If I am able financially, I try to put new tenants in at market rate and not raise rents for several years. If units don’t turn over after 3-4 years, then I will look at modest rent increases.”

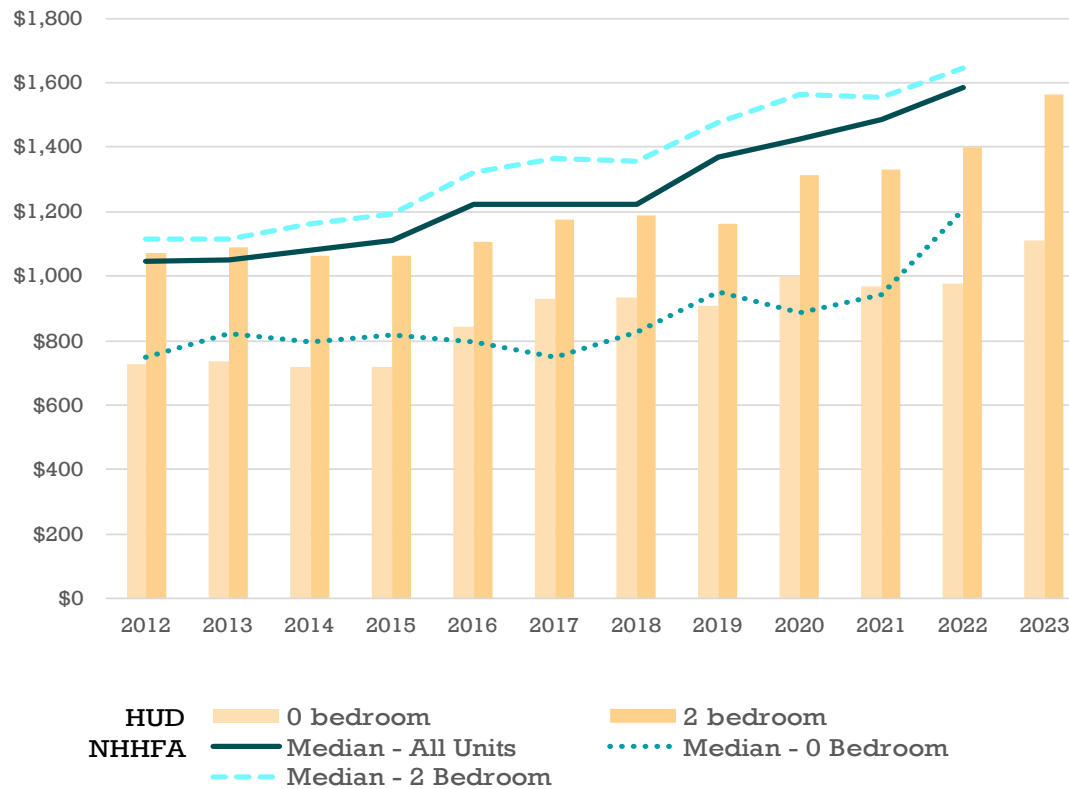
LEARN MORE

The SRPC 2023 Regional Housing Needs Assessment Data Snapshot provides over 63 demographic and housing metrics in one document. To view the Snapshot, visit the SRPC website*



* https://strafford.org/uploads/documents/plans/rpc/RHNASnapshot_2023.pdf

Portsmouth-Rochester Fair Market Rent (Strafford County + Newmarket)



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 can cover all housing *and* regular related expenses with 30 percent of the household’s monthly income. For renters, this would include base rent, utilities, and renter’s insurance; and for homeowners, 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.

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%
Note that the data in this table are from the ACS and are subject to low sample sizes and high margins of error. The number of households is an estimate, not an exact number.							

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:

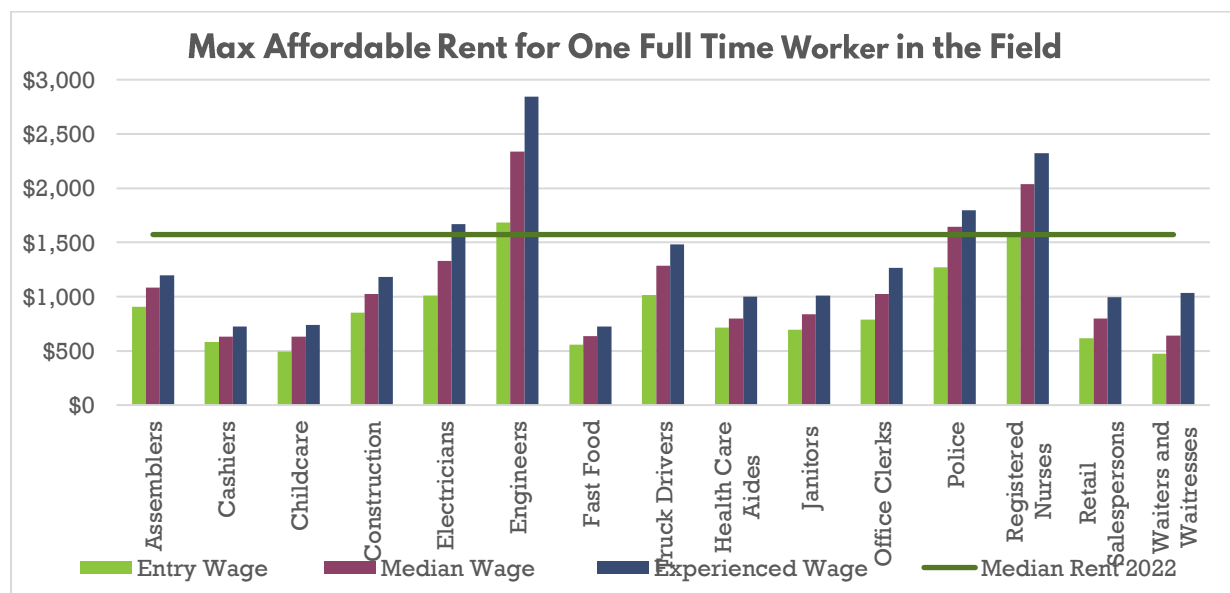
“Only until my rent is raised more. I already pay over 50% of income on rent; I can’t afford paying more.”

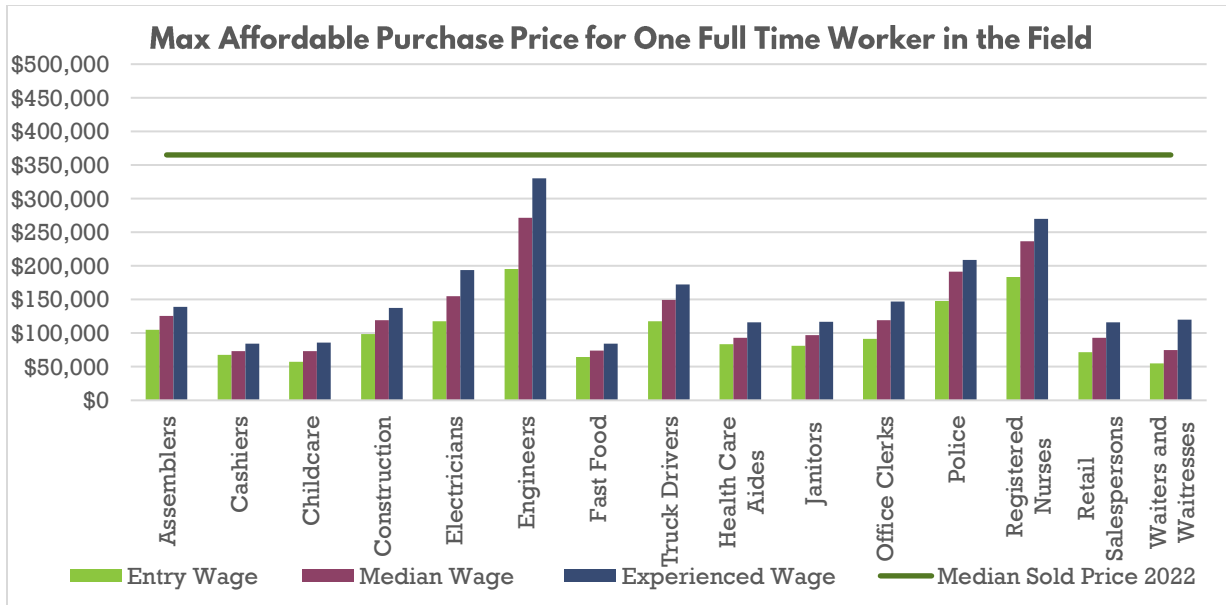
“No, won’t be able to afford to stay when fully retired.”

“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.”

Income and Relative Affordability

As mentioned in the “Income” section of this plan, wages have not kept up with the increasing cost of housing. The median income of a single wage earner for many occupations in the region’s largest industries is not sufficient 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 among those who are unable to afford rent or homebuying on one or even two full-time wage earner median salaries. Only a few occupations, like engineers and registered nurses, are able to rent on a single income without being cost-burdened, as shown below.





The comparison of local wages and salaries to potential housing costs connects and relates 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 to understand the housing options available and can foster a greater sense of community and understanding among neighbors.

Salary Needed to Afford Purchase of a Home

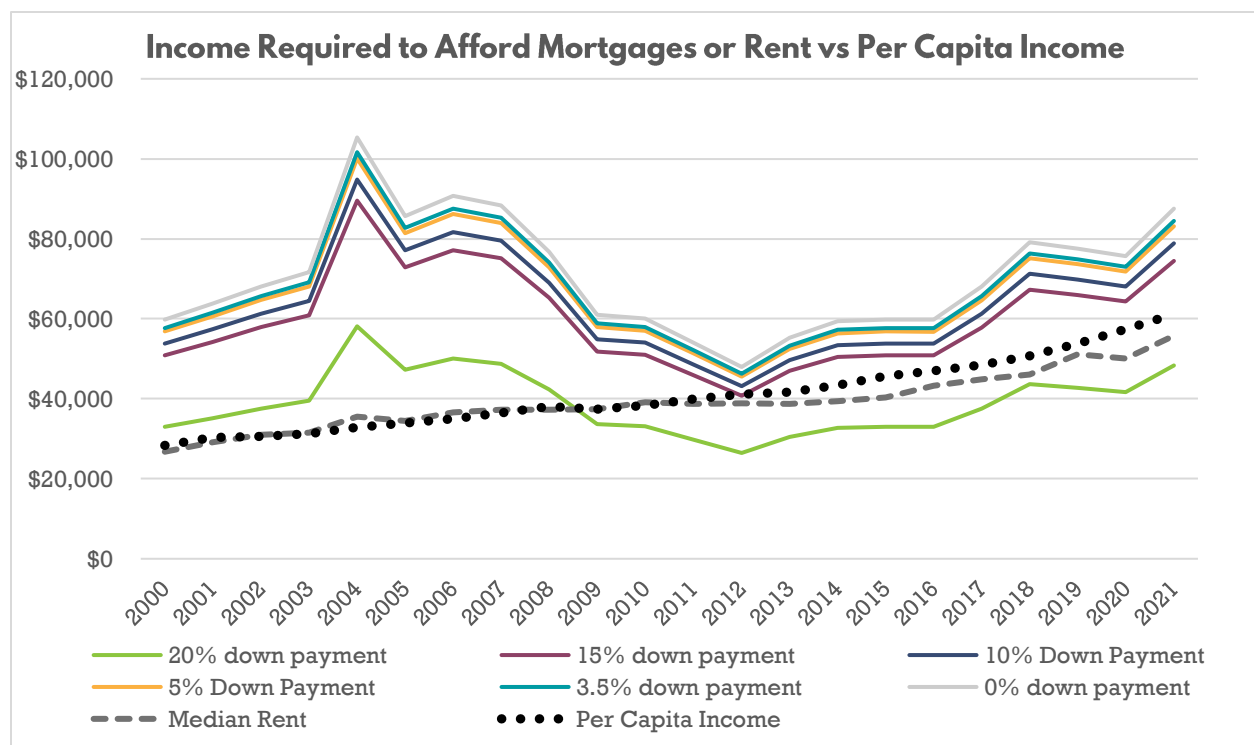
As discussed above, 31 percent of homeowners and 44 percent of renters in the Strafford Region are cost burdened. Additionally, any of the projected incomes for core industries depicted above – roughly 20 percent of jobs in the region – fall thousands of dollars short of being able to afford to purchase a home on a single income, and workers in most of these industries do not fare significantly better for renting – of the professions analyzed, only engineers and registered nurses can afford median rent at entry level wages. Another way to examine this phenomenon is the inverse: How much does someone need to make to not be considered cost burdened by a down payment and mortgage to exit the rental market?

To calculate this, SRPC identified median purchase price, interest rates, per capita income, and median rent as a control. These were calculated with common down payment amounts as different groups may qualify for different loan options:

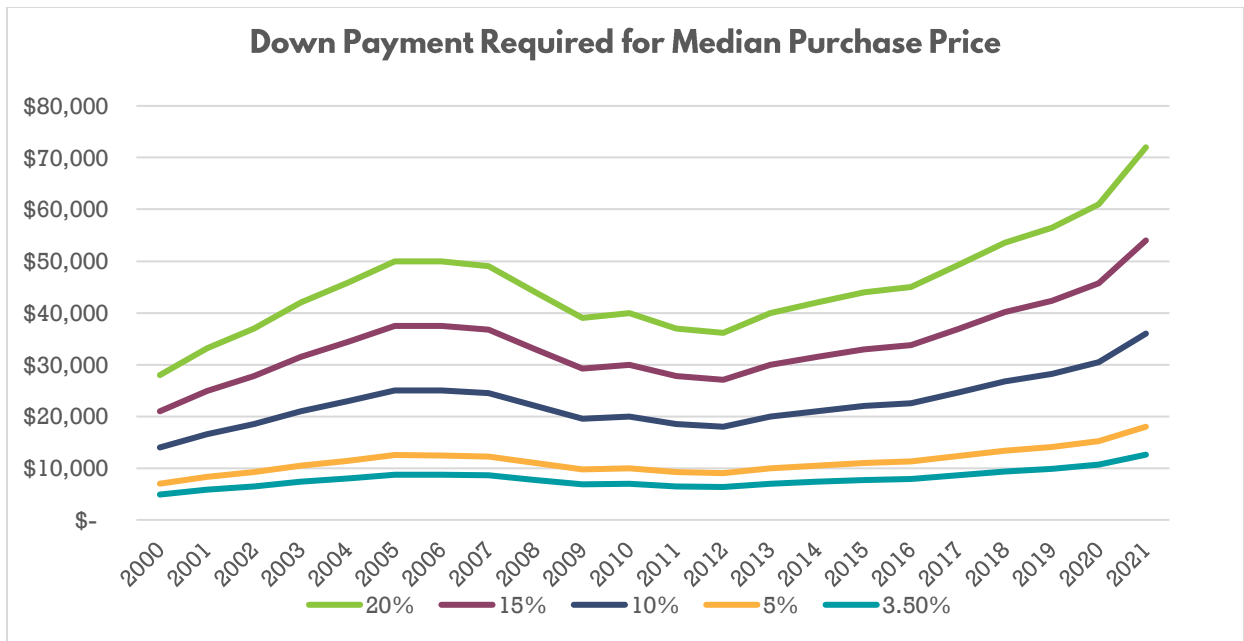
- 20% - The minimum down payment needed for a conventional mortgage without private mortgage insurance.
- 15% - A slightly higher rate than the national average for repeat buyers.
- 10% - A common down payment for first-time homebuyers.
- 5% - Lower than the national average for first-time homebuyers.
- 3.5% - Federal Housing Administration (FHA) loan minimum.
- 0% - for USDA and Veteran Affairs loans.

While the rent, purchase price, and rental cost medians used in the calculations represent the “middle of the road,” the six down payments are meant to represent common financing options available to potential buyers.

Since 2009, the median rent has been more affordable than a mortgage for the median purchase each year, except for those who can afford 20 percent down payment.



Furthermore, down payments can present a barrier for already cost burdened renters. Looking at the most recent year of data, 2021, a 20 percent downpayment for the median purchase prices (\$72,000) exceeds the area’s per capita income (\$61,139) and a 15 percent downpayment is only slightly below the PCI (\$54,000).



Someone living “paycheck to paycheck” likely has a goal of lowering monthly costs, saving for a down payment is barrier. Could this renter save \$72,000 for a 20 percent down payment?

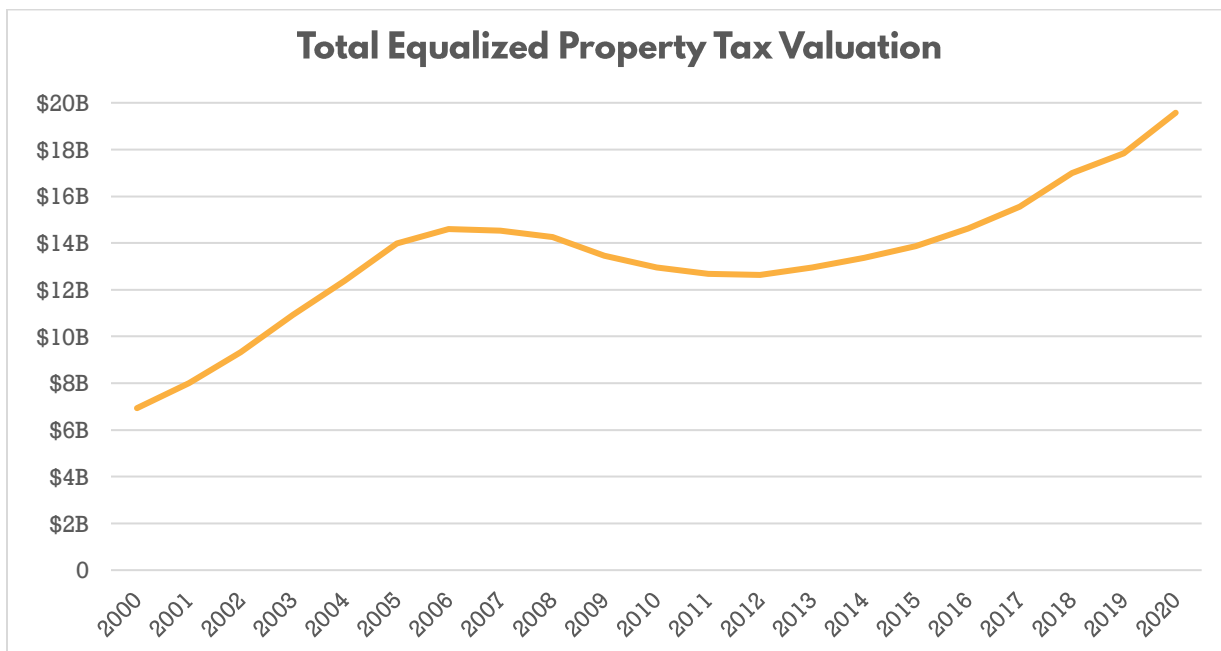
Years Needed to Save for a Down Payment (2021 median purchase price home)					
	Down Payment Amount	Monthly Savings			
		\$50	\$100	\$200	\$500
3.5%	\$12,600	21	11	5	2
5%	\$18,000	30	15	8	3
10.0%	\$36,000	60	30	15	6
15%	\$54,000	90	45	23	9
20.0%	\$72,000	120	60	30	12

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 for 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. In a statewide Landlord Survey, Strafford Region landlords in particular cited high property taxes as a reason for increasing rent when compared to the reasons given by landlords in other areas of the state. 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 already 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 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.



NHHFA Emergency Rental Assistance Program (ERAP)

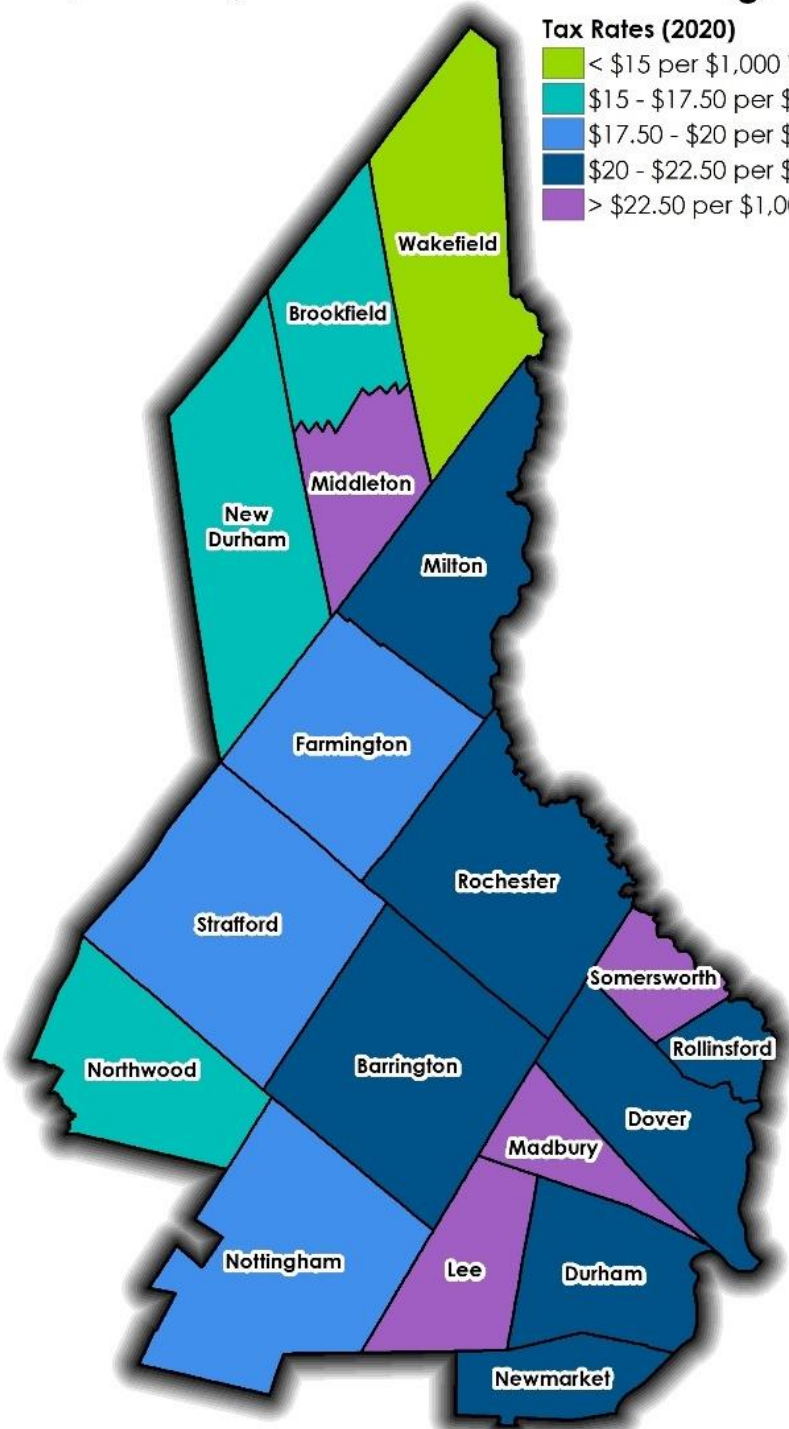
The NH Emergency Rental Assistance Program (NHERAP) is an American Rescue Plan Act initiative in response to the Covid-19 pandemic and has been primarily used by individuals and families to aid with monthly rent and utility bills. For those with emergency rental assistance vouchers that have struggled to find permanent housing, it also covers hotel stays.

NHERAP assistance began in March 2021 and was scheduled to end in December 2022, however, an additional \$20 million was approved on December 7th, 2022 by the NH Executive Council to extend the program for a few more months, but will be available only to those that applied for assistance prior to

Tax Rates (2020)

Legend

- Tax Rates (2020)**
- < \$15 per \$1,000 Valuation
 - \$15 - \$17.50 per \$1,000 Valuation
 - \$17.50 - \$20 per \$1,000 Valuation
 - \$20 - \$22.50 per \$1,000 Valuation
 - > \$22.50 per \$1,000 Valuation



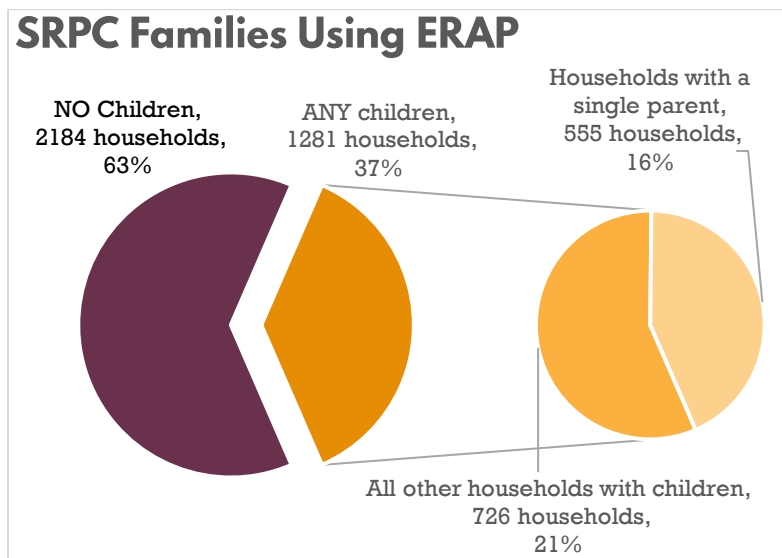
0 2.5 5 10 Miles



the state closing emergency rental assistance applications in October 2022. The additional approved funds, which will continue to come from ARPA, were specifically allocated for spending on hotel or motel rooms, due to the state's extremely low vacancy rate. New Hampshire's allocation of the Emergency Rental Assistance Program has been administered by NHHFA and the five Community Action Partnership (CAP) agencies in the state.

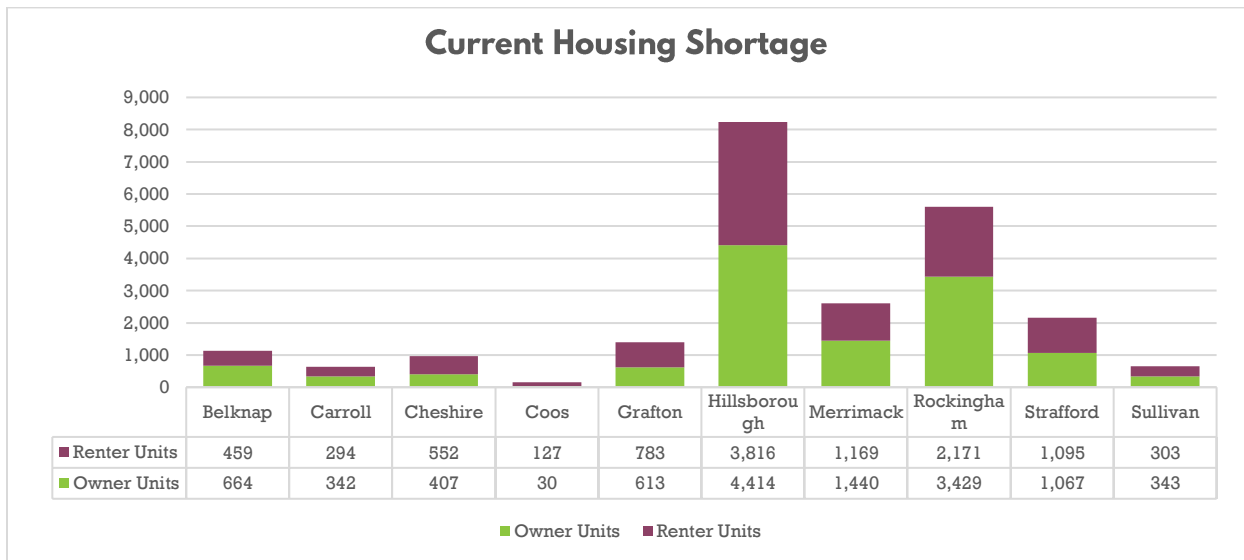
As of October 31, 2022, NHHFA has issued over \$191 million dollars for rent payments and arrears alone - about \$1,200 for every renting household in New Hampshire. It is difficult to estimate how many renting households applied for assistance because owner-occupied households were also able to apply for utility assistance through the program. Therefore, it would be accurate to say that six percent of all Strafford Region households applied for some form of assistance, or about 3,400 households. It is worth noting that NHERAP 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 NHERAP. Since March 2021, 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 successfully enrolled 99 percent of households who applied for NHERAP, and the remaining 5 enrolled 88 percent or more.



Current Housing Gaps

A “healthy” housing 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 plummeted since the 2008-09 recession, there is an understanding that New Hampshire is in *current* need of homes to meet current demand, *not* accounting for future population projections and migration to New Hampshire (see Housing Needs Projections). 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 the total shortage of units, the housing gap analysis examines the affordability of housing that *currently* exists and is key in determining the individual housing types needed. It is not sufficient 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 may still move into homes that are too expensive for them. Conversely, higher income households may be able to pay in cash or pay above asking price for housing that costs less than 30 percent of their income. This results in increased competition at a single price point among households of both higher and lower incomes.

The mismatch between incomes of renter households (demand) and housing prices (supply) creates crisis-level gaps of rental housing available to those making under \$30,000 annually. These households are left with the risk of becoming unhoused or choosing housing that is not affordable. Their own

budgets become strained by paying 35, 50, or sometimes over 75 percent of their income on housing. As these households turn to the next “bracket” of housing, it is no longer available to the households and individuals who can otherwise afford it.

For this reason, the “Rental Gaps” graph below can be misleading, as it appears a three-person household making between \$27,500 and \$73,300 has a surplus of units available to them in the Seacoast. Instead, the severe gap of housing available to renters often forces them to compete with renters of the AMI groups above them, as described above.

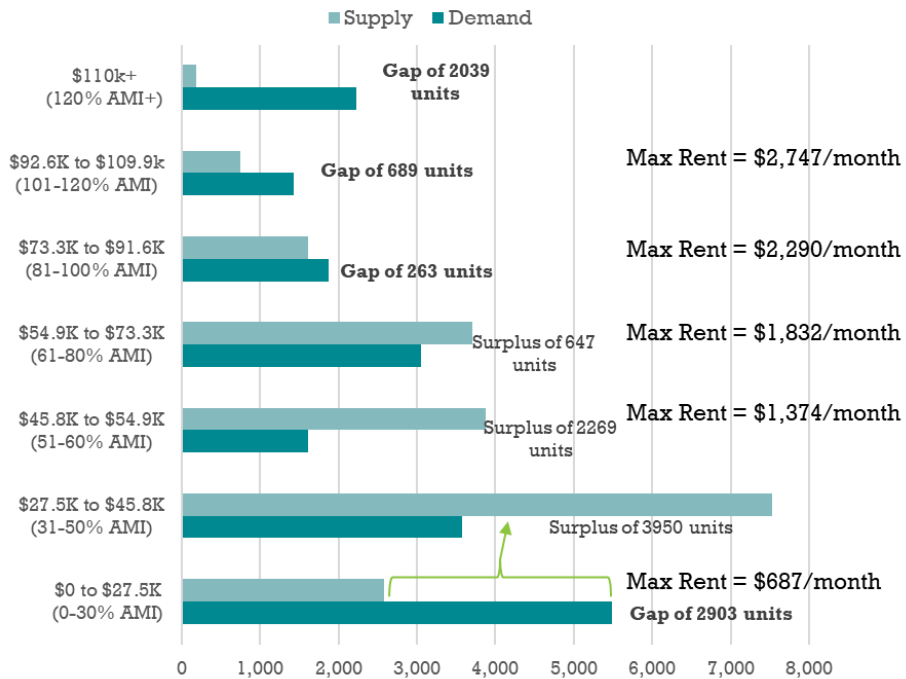
Additionally, large gaps for rental housing available to the renters making above 80 percent of the AMI (or a three-person household making \$73,301 or more) pushes them toward rental housing that is *less* costly than what they can afford. These households are able to secure housing more easily and are typically preferred by landlords. As a result, continues to place more strain on housing that would otherwise be available to middle-income groups.

Renters often look to the current supply of homes for sale to exit this competition. The purchase prices of homes are similarly mismatched. Large gaps of *any* housing available to households making \$81,900 or less exist. This is especially true if the household is already living in a mismatched rental, for instance making 0-30 percent of the AMI, but living in a rental unit that is priced for the 31-50 percent AMI. A household in this instance would be cost burdened in their rental, and therefore unlikely struggling to be able to save for a down payment for any home, let alone a home at a price point “matched” to their income.

Household AMIs for rental-seeking and purchase-seeking groups use a three- and four-person assumption, respectively, as they account for families with children who may have one or two primary earners as well as rental arrangements that include roommates or single parents. A fair and balanced housing stock should be capable of providing two- and three-bedroom homes that are affordable to single earners for this reason.

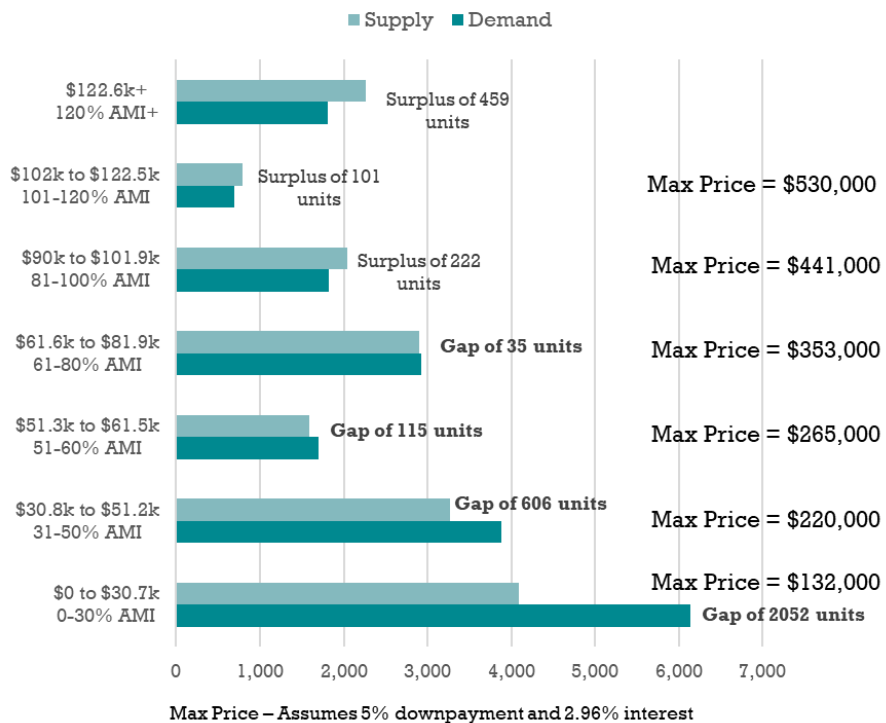
Rental Gaps

Housing that is needed at ___% of \$91,569 3-person household income



Ownership Gaps

Housing that is needed at ___% of \$102,441 4-person household income



NEW TRENDS AND FUTURE HOUSING NEEDS

Potential Impacts to Housing Supply, Affordability, and Construction

There are several economic, public health, environmental, and geopolitical trends that are likely to have significant impacts on housing over the next 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

The pandemic 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 is expected to 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.¹⁵ 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

¹⁵ <https://www.nhhfa.org/wp-content/uploads/2019/11/NHHFA-HMR-November2019.pdf>

out of inventory.¹⁶ 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 pace of that time.¹⁷

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.¹⁸

Cost

The limited supply and high demand were also 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 family residential homes in Strafford County went from \$305,000 in 2020 to \$360,000 in 2021 – an 18 percent increase over one year.¹⁹ 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.²⁰

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

¹⁶ https://www.nhar.org/assets/docs/NHAR_MMI_2020-12.pdf

¹⁷ https://www.nhar.org/assets/docs/NHAR_MMI_2022-01.pdf

¹⁸ https://www.nhar.org/assets/docs/NHAR_MMI_2022-01.pdf

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

²⁰ https://www.nhbr.com/new-hampshire-home-prices-surge-again-in-march/?utm_content=93ad02b6ff2fcb4bd357bd34edbbb9&utm_campaign=utm_campaign%3Drecon&utm_source=Robly.com&utm_medium=email

has also led to greater tax pressure on those who own and were already cost-burdened.

Days on Market and List Price

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 when interest rates were at their lowest, while also spending fewer days on the market (DOM) 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 2021.²¹

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 US 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.²² 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, 2022.²³ It is important to note that geopolitical conflict 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. This is discussed in more detail in the “Federal Monetary Policy” section below.

Rentals

Much like homebuyers, renters have also experienced a direct impact resulting from pandemic-related 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

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

²² <https://www.freddiemac.com/pmms/pmms30>

²³ <https://www.freddiemac.com/pmms>

Covid-19 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.

91 percent of landlords surveyed across New Hampshire shared that they do not keep a waitlist. Most cited that the demand has been reliable or even overwhelming since the onset of the housing crisis and thus they have no need for one. Two landlords that do keep such a waitlist, one managing age-restricted units and one managing income-restricted units, respectively, cited five year wait times as of December 2022.

Equity

The housing conditions that were intensified by the pandemic also had a direct impact on equity. The lack of inventory and unaffordable prices left many buyers and renters with limited options, consequently increasing the probability for lower income residents to 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).

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

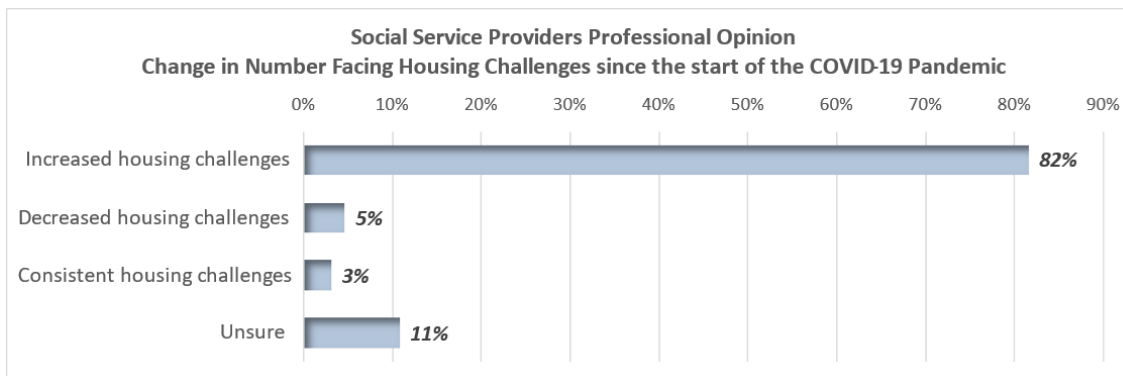
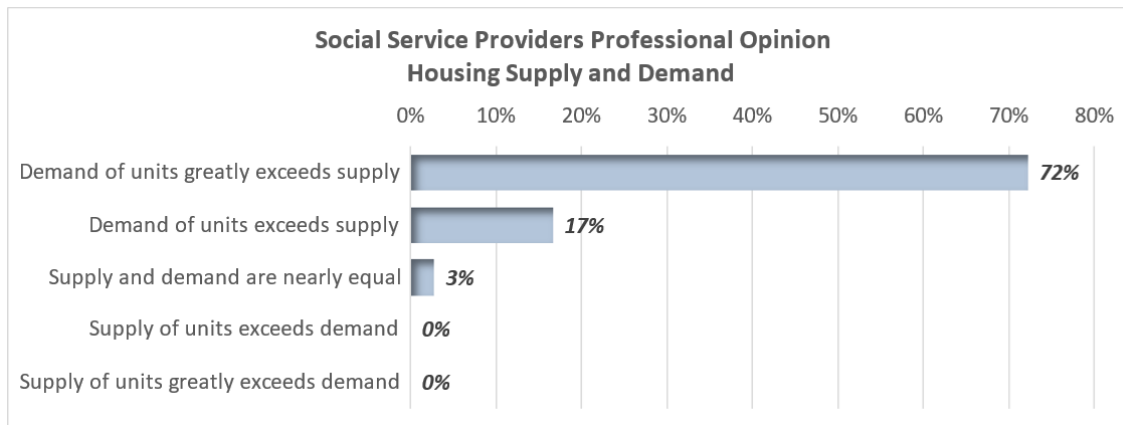
The role of appraisals during the Covid-19 “homebuying craze” also impacted equity. In a competitive market where offers were being submitted above the asking price, homes continued to be appraised for the real market value for the purpose of loan approvals. If the offer on the property exceeded the 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 and non-affordability of units, 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 who had fallen behind on payments. 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, service providers shared that 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. Respondents also provided their professional opinion on the alignment of supply and demand of housing stock in their organization’s service area.



Respondents further 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.

Responses from the Social Service Providers Survey:

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

“[Homelessness] 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, [homelessness] 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 given employees more flexibility 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 relative affordability, 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 2020 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*

”

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

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 on 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. According to NHHFA’s Spring 2021 Housing Market Snapshot, softwood lumber, for example, showed an increase of 119 percent from April 2019 to April 2020, and an additional increase of 121 percent from April 2020 to 2021. Furthermore, workforce shortages in the construction industry and the rising cost of labor have further exacerbated an already challenging environment faced by developers. Construction will be discussed in more detail in its own sub-section of this section (New Trends and Future Housing Needs).

Government Support Programs

The infusion of government relief programs implemented specifically in response to 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 in March 2021. 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.²⁶

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.²⁷ 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.²⁸ 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.

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. SRPC staff will continue to closely track the ways in which Covid-19 will continue to impact the housing market in our region.

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

²⁶ <https://www.nhhfa.org/emergency-rental-assistance/>

²⁷ <https://newhampshirebulletin.com/briefs/state-launches-federally-funded-program-to-help-struggling-homeowners/>

²⁸ <https://newhampshirebulletin.com/2022/05/04/after-delay-executive-council-approves-sununu-100-million-workforce-housing-grant-program/>

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 US 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.²⁹ 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, 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.³⁰ Therefore, proactive adaptation strategies are needed to promote resilient communities, mitigate economic costs, and ensure equitable outcomes.

²⁹ https://www.fema.gov/sites/default/files/2020-08/fema_p85.pdf

³⁰ <https://www.aspeninstitute.org/blog-posts/the-devastating-effects-of-climate-change-on-us-housing-security/>

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.³¹ 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 US, New Hampshire power grid and energy providers will be challenged to provide adequate power in the face of increased air conditioning usage.

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

³¹ <https://www.acf.hhs.gov/blog/2022/04/liheap-and-extreme-heat>

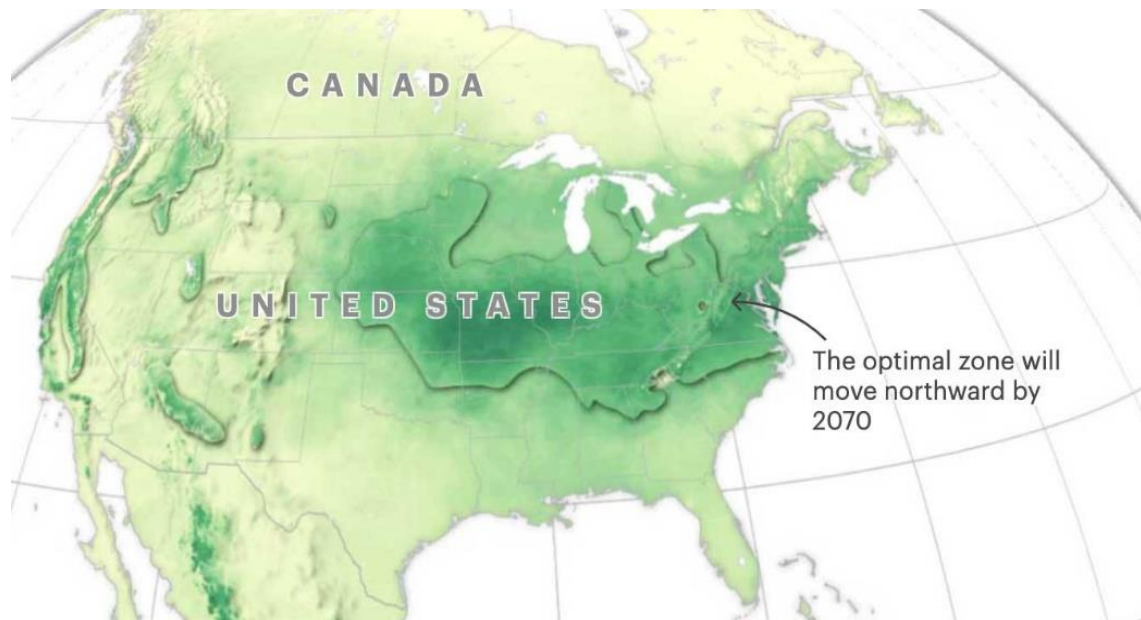
than doubled, which has increased demand for the State's water resources. Further droughts may have considerable effect on the State's densely populated areas along the seacoast and in the south-central area. Moreover, as other parts of the nation experience more severe droughts, the state and region 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 US. One example of this trend can be seen in the influx of immigrants from Puerto Rico to Nashua, NH 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 [US Climate Resilience Toolkit](https://toolkit.climate.gov/)³² 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](https://resilience.climate.gov/)³³ 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 (e.g., reduced interest rates), fiscal policies (e.g., 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).³⁴ 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 2021³⁵, with the highest increases seen in gas, shelter, and food³⁶ (for reference, the target inflation rate is 2 percent per year).³⁷

The multi-layered impacts of inflation have differed amongst socio-economic groups. For middle and lower-income households (typically renters), the increasing cost of gas, housing, and food cuts 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

³² <https://toolkit.climate.gov/>

³³ <https://resilience.climate.gov/>

³⁴ <https://www.remi.com/wp-content/uploads/2022/03/32-Transportation-Inflation-and-the-Supply-Chain-PDF.pdf>

³⁵ <https://www.bls.gov/news.release/cpi.t04.htm>

³⁶ <https://www.bls.gov/news.release/cpi.nr0.htm>

³⁷ https://www.federalreserve.gov/faqs/economy_14400.htm

individuals (typically homeowners) have benefitted from an increase in assets because of appreciation and monetary policies. To combat inflation, the Federal Reserve has implemented six interest rate hikes from March 2022 to November 2022 that add up to 3.75 percentage points³⁸, 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 2023³⁹, putting an even greater strain on the cost of housing and the 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 strain 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.

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.		

³⁸ <https://www.forbes.com/advisor/investing/fed-funds-rate-history/>

³⁹ <https://www.marketplace.org/2022/03/16/fed-announces-interest-rate-hike-to-combat-inflation/>

As a result, there has been a sharp decline in new mortgage and refinance applications.⁴⁰ 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.”⁴¹

The hike in interest rates has started to impact the hot demand for housing, but it is pricing out homebuyers even more and pushing them into an already tight rental market. In the state, home sales fell 30.9 percent in November 2022 compared to the previous year, while units have remained on the market for more days and aren't typically selling over the asking price, all signs of a slowdown in the housing market (median prices have still continued to rise, though at a slower pace). Despite the effects, this does not change the reality that New Hampshire does not have enough housing supply to meet the current demand, which is why the rise in interest rates has resulted 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 affecting the housing supply 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. While this diversification is positive for the community and its member households, municipalities should keep in

⁴⁰ <https://www.nhhfa.org/wp-content/uploads/2022/06/NH-Housing-Market-Report-06-2022.pdf>

⁴¹ <https://www.mba.org/news-and-research/newsroom/news/2022/06/22/mortgage-applications-increase-in-latest-mba-weekly-survey>

mind that this also limits the number of units that public housing authorities can add to the total supply.

Low Income Housing Tax Credit (LIHTC) Expansion

The LIHTC is a federal tool that is used to encourage the development and rehabilitation of affordable rental housing by awarding tax credits to developers who agree to set aside a certain number of rent restricted units. An authority to issue more 9 percent LIHTC was in place, however, it expired at the end of 2021. In an effort to address the nationwide housing crisis, the Biden Administration announced a plan to expand the LIHTC program. Among other things, one of the main initial proposals for this program was to increase the nine percent LIHTC allocation cap by 10 percent (plus inflation) annually from 2022 to 2024, which meant that the 2024 LIHTC allocation cap would rise to \$3.97 per capita, constituting a 41 percent increase of allocable LIHTC over current levels. This additional funding authority was contained in Build Back Better, which was not adopted, but was not contained in the Inflation Reduction Act, which passed in August 2022.

As of November 2022, discussions about increasing the authorization for LIHTC are ongoing in Congress. 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. SRPC staff will continue to track the expansion of its program and how it could impact future housing supply.

Housing Choice Vouchers

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. While these are mostly used for rentals, in certain circumstances, vouchers can be used toward the purchase of a home. The amount of the issued voucher is based on the determined Fair Market Rent (FMR) of a metro area, an amount calculated by HUD by the number of bedrooms in a unit in a specified geographic area (by law a voucher can only cover 90-110 percent of the FMR for an area).

Individuals or families who are issued a voucher must find a compatible unit with a landlord who will accept HCVs. However, since the voucher holder must find housing in the free market, which almost always exceeds the FMR in our

region due to high housing costs driven by low supply and high demand, rents often exceed voucher amounts. In this case, the individual or family is responsible for the cost difference (not to mention, finding housing can already be very challenging to enrollees of the program due to negative stigmas associated with vouchers for low-income families).

This has led to a growing disparity between what a voucher will cover and the asking market rent, which has made it increasingly difficult for voucher holders to find an apartment where the voucher will cover all but 30 percent of their income for rent. HUD updates FMRs for each metropolitan area every year, but historically, FMRs are well below actual asking market rents due to reliance on out-of-date ACS rent data and CPI, which doesn't reflect the rent of newly leased units. To address this issue, and the interruption in public data collection during Covid-19 for federal FY 23 (which began 10/1/22), HUD augmented public rent data with private rent data from six companies including Zillow and Apartments.com when setting FMRs to better match true market rents. Currently, it remains to be seen if HUD will continue using this methodology beyond FY 23. Should the voucher adjustments happen, this could influence the ability for voucher holders to obtain housing by making them more competitive candidates in a tight rental market.

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 all led to high increases in construction costs and resulted in low real productivity growth of the construction industry.

Construction Costs

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. 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 and available land, zoning and land use regulations - while they play a critical role in the protection and conservation of valuable resources and the rural character of the state - are also often cited as a barrier to housing construction and increased costs if overly restrictive (See Housing Choice Opportunities and Barriers, Land Use Regulations, Policies, and Other Controls section for more detail). In addition, the lack of utilities and access to other public services necessary for development can also be a barrier. 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 because 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 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.

However, under the uncertain conditions of today's shifting economy, we could 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 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 December 2021 to January 2022 for developers by the Council on Housing Stability, participants indicated that the top three 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 its interpretation/enforcement.

Of note on several occasions, were 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 the ways in which New Hampshire helps developers, it was evident 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, about 55 percent of all UNH undergraduates live in on-campus housing, and about 90 percent of freshmen live on-campus. According to Stephen Pesci, Special Projects Director of 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 because of declining college age demographics and increasing costs associated with tuition and board. Recent UNH 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 there due to the lack of affordable housing. This is a major shift from 20 years ago, when the Newmarket route had the highest ridership. Instead, more students have migrated to Durham and Dover.

Furthermore, Durham has 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.⁴²

⁴² [2021 Benchmark Report](#)

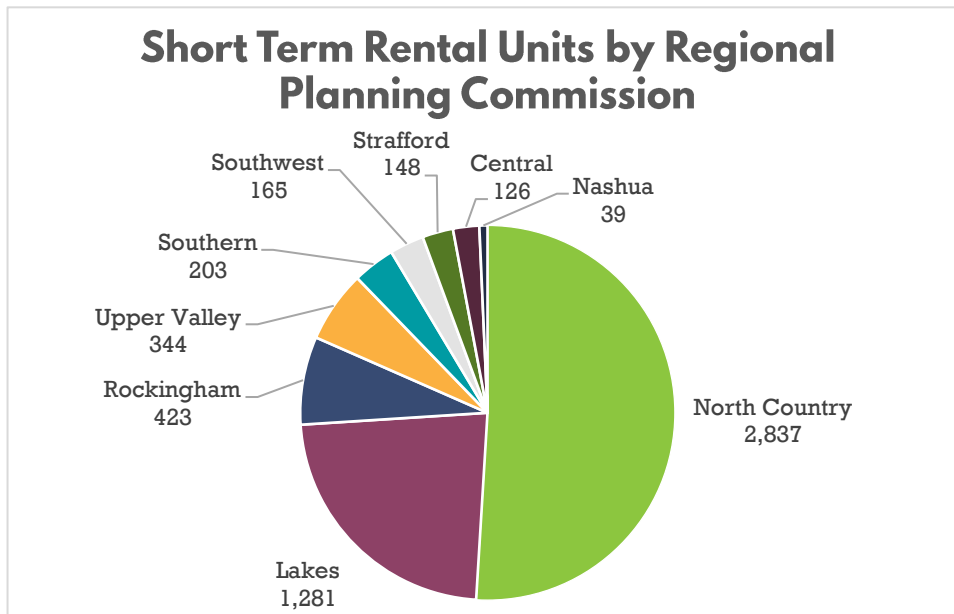
Recent changes in the graduate student housing market include the removal of the Forest Park development, which was previously housing for graduates and families in Durham. The former development has now been converted into open space. While UNH still has housing for graduate students, they have found 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.

On-campus housing for graduate students has 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 leading the university to broaden their housing solutions, including through 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 in fall 2022.

Short-Term Rentals and Seasonal Housing

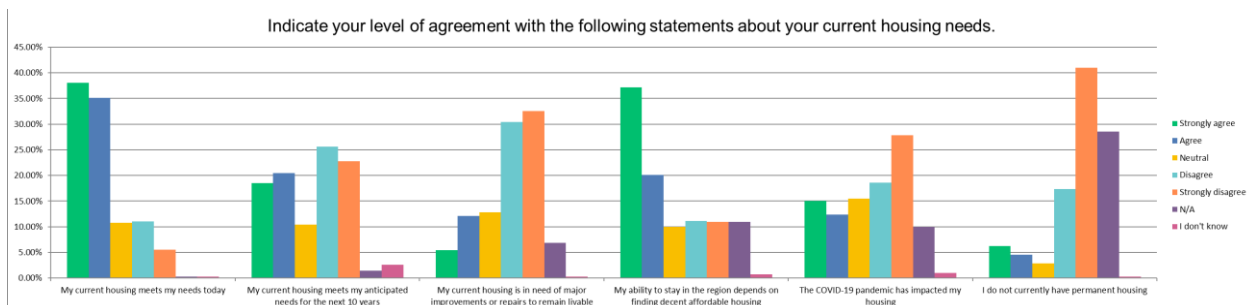
Platforms like AirBNB and Vrbo have made it easy for property owners to lease out their homes as short-term vacation homes and weekend getaways. This presents a revenue opportunity for property owners who only seasonally occupy their home. A study by the National Bureau for Economic Research, however, found that these short-term rentals are starting to impact the housing markets in communities by decreasing the availability of long-term rentals⁴³. The



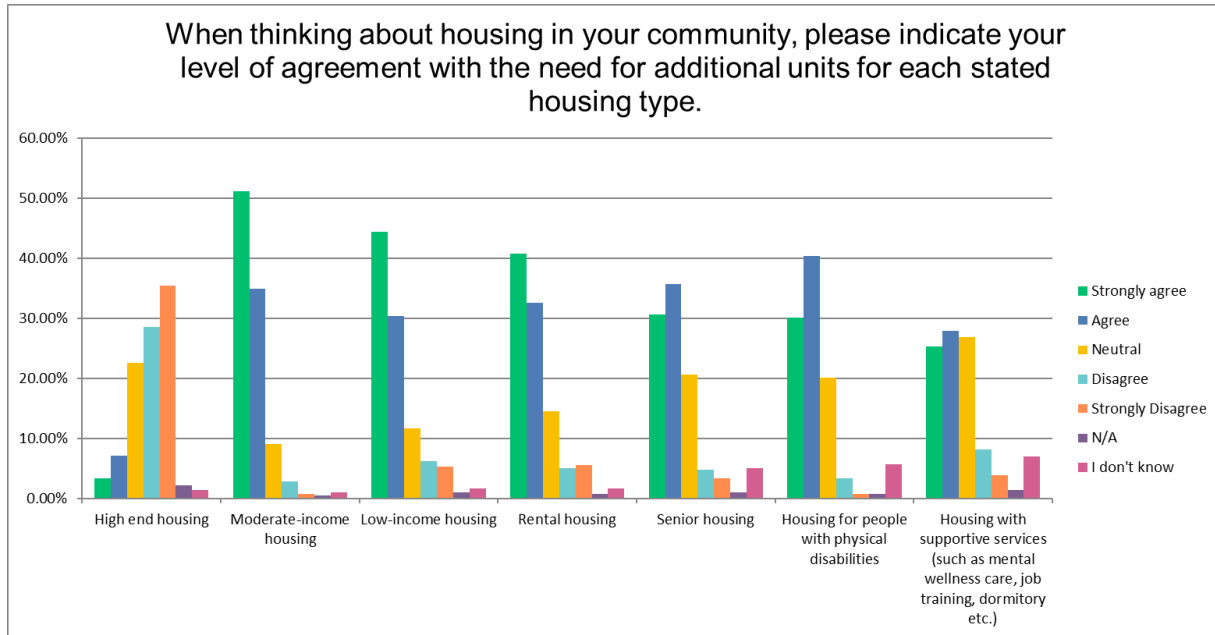
relatively few short-term rentals in the Strafford Region (148) are predominantly located in the region's northern, lakefront communities.

Housing Need 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 percent of survey respondents strongly agree (19 percent) or agree (20 percent) 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

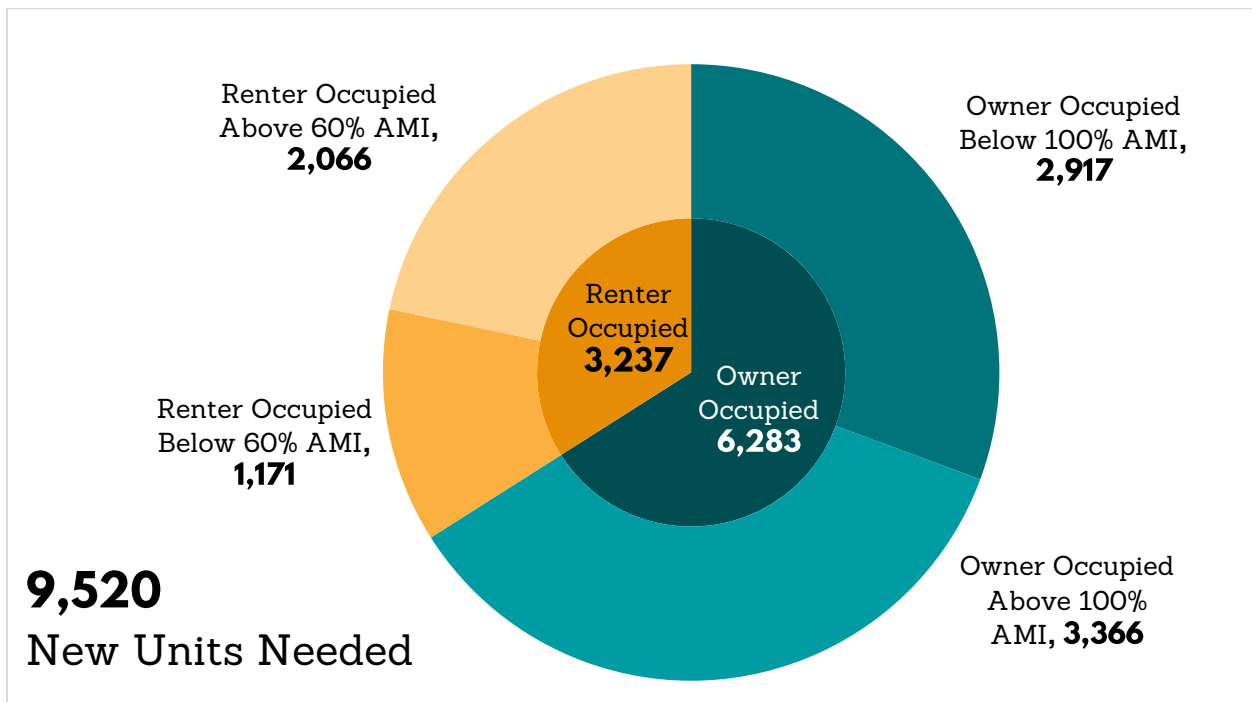
The Fair Share Housing Production model, as prepared by Root Policy Research, projects the number of housing units needed to meet projected population and employment demand—and to support a more balanced housing market. The production model was run at the municipal level, projecting needs for every community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

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 increased production to bring vacancy rates back to that of a stable economy (5 percent for renter occupied units and 2 percent 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.

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.”

Consistent with NH’s Workforce Housing Statute, the total production need is also allocated by tenure and the defined affordable area median income (AMI)⁴⁴ thresholds.



The region is projected to need an additional 9,520 new housing units by 2040. The projected housing needs factors in the projected need for occupied units, vacant units to achieve a healthy balance, as well as the current shortage to have a 2 percent owner vacancy rate and 5 percent rental vacancy rate today. Recognizing the current shortage cannot be realistically met over a short time span, those units are distributed over the 20-year projection horizon. It should also be noted that the projections do not factor in construction of new units during 2021 and 2022.

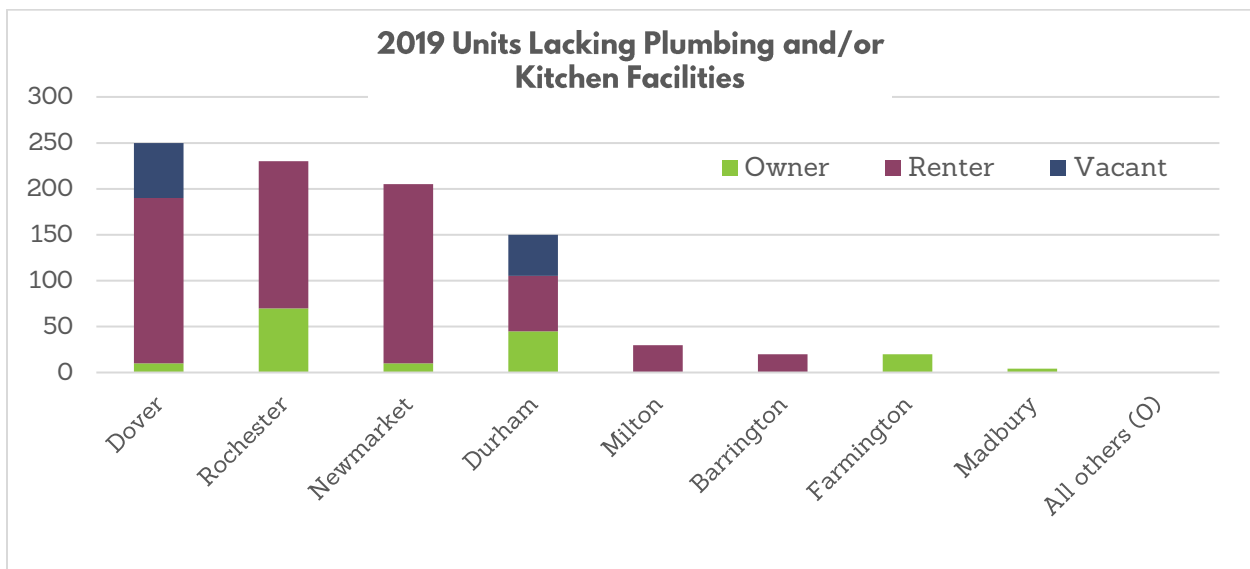
⁴⁴ Area Median Income was computed for the SRPC region using a methodology which can be found in the appendices.

Detailed housing production need tables can be found in the RHNA Data Snapshot that presents the 5-year cumulative totals (2025-2040) for each municipality by tenure and income threshold.

Additional Housing Production Need

The housing production model does not include new units needed to replace those that are in poor condition. It also does not factor in replacement of rental homes currently used as short-term rentals. As noted in the prior section, however, short term rentals represent a very small portion of the region’s housing supply (148 units).

Units that are in poor condition are addressed in more detail in the Housing Occupancy and Characteristics section. These units include those that are lacking plumbing and/or kitchen facilities. Across the region, those communities with units in poor condition should also consider replacement needs in addition to the production model’s projected needs.



Adding the production need and existing replacement need to the region’s existing housing supply yields a need for a total of 79,265 homes across the region by 2040 to support a balanced housing economy.

Municipality	Current Homes (2020)	+ New Homes Needed (2020-40)	+ Replacement Need (2020)	= Total Future Homes (2040)
Barrington	3,830	559	20	4,409
Brookfield	365	35	0	400
Dover	15,166	2,077	250	17,493
Durham	3,763	771	150	4,684
Farmington	2,956	412	20	3,388
Lee	1,808	265	0	2,073
Madbury	710	110	4	824
Middleton	867	113	0	980
Milton	2,146	284	30	2,460
New Durham	1,581	187	0	1,768
Newmarket	4,398	756	205	5,359
Northwood	2,244	233	0	2,477
Nottingham	2,139	248	0	2,387
Rochester	14,582	2,023	230	16,835
Rollinsford	1,135	157	0	1,292
Somersworth	5,325	748	0	6,073
Strafford	1,837	260	0	2,097
Wakefield	3,984	282	0	4,266
SRPC Total	68,836	9,520	909	79,265

Development Capacity

To test the feasibility of the production model's results, Root Policy Research, with assistance from the NH Office of Planning and Development (OPD), used a statewide approach to assessing known constraints and each municipality's capacity to support new development. The foundation GIS analysis estimated buildable area by municipality through exclusion of environmental constraints (water, wetlands, slopes greater than 20 percent), public roads, and conservation lands. Existing developed land was not excluded to acknowledge the potential for infill and redevelopment. The buildable land was then categorized by the number of acres within 500 feet of water and/or sewer infrastructure. The model then estimated the number of housing units that could be feasibly sited based upon the following density assumptions:

Infrastructure	Potential Density		Existing Density Range
	Low	High	
Water and Sewer	4 units/acre	6 units/acre	.03 to 43 units/acre
Water or Sewer	1 units/acre	1.5 units/acre	.01 to 27.9 units/acre
None	0.5 units/acre	1 units/acre	(DES Septic Prevails)

Based on the low- and high-density assumptions, the results are variable across the region. At the lower potential density level tested, Durham and Somersworth do not have enough developable land area to support the projected housing need. Dover, Rochester, and Newmarket, at low potential densities, yield fewer possible units than currently exist today. This is a result of existing localized densities that exceed the tested level. All communities, except Newmarket, have the development capacity to meet the projected 2040 total housing need at the higher potential densities tested.

Municipality	Current Housing Units	Total Homes Needed (2040)	Development Capacity (Low)	Development Capacity (High)
Barrington	3,830	4,409	4,957	9,768
Brookfield	365	400	1,848	3,690
Dover	15,166	17,493	13,257	20,286
Durham	3,763	4,684	4,001	6,670
Farmington	2,956	3,388	5,928	10,926
Lee	1,808	2,073	2,144	4,122
Madbury	710	824	1,277	2,406
Middleton	867	980	2,022	4,014
Milton	2,146	2,460	3,629	7,128
New Durham	1,581	1,768	4,584	9,128
Newmarket	4,398	5,359	3,197	5,222
Northwood	2,244	2,477	2,964	5,842
Nottingham	2,139	2,387	3,940	7,866
Rochester	14,582	16,835	13,916	22,483
Rollinsford	1,135	1,292	1,535	2,620
Somersworth	5,325	6,073	5,382	8,187
Strafford	1,837	2,097	4,714	9,415
Wakefield	3,984	4,266	4,836	9,415
SRPC Total	68,836	79,265	84,131	149,187

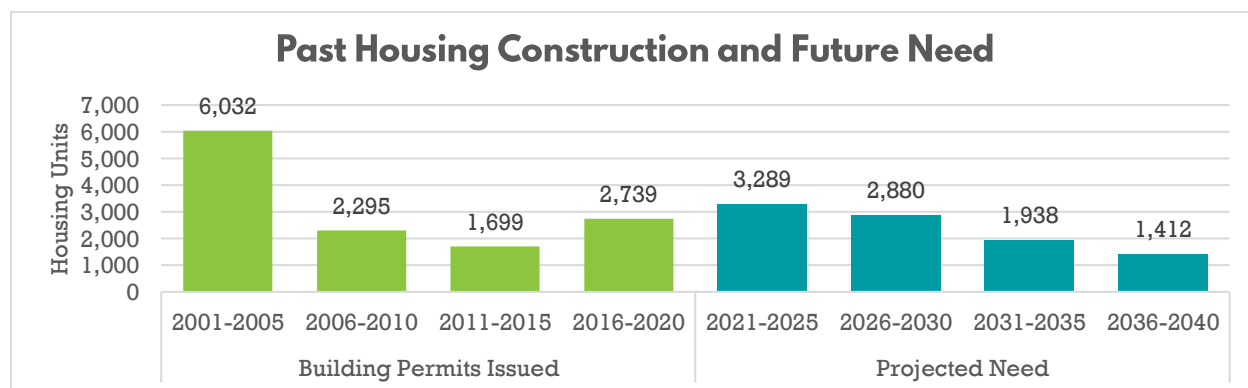
Other factors that will influence future development patterns are access to opportunity and availability of community services. Locations with greater access to opportunity are more attractive places to live. Similarly, communities' ability to provide services for residents is predicated upon the ability to fund those services. Each of these are measured through proxy metrics.

Access to opportunity is measured through an opportunity index. To do so, each of 4 different opportunity indices are averaged, where 5 is the greatest access to opportunity and 1. The indices are presented in greater detail in the section on Access to High Opportunity Areas. To measure a community's resources to support community services, the total equalized assessed property value is

averaged by the number of acres of land in the community. The higher the land value per acre, the greater resources the community has to draw upon to provide community services.

Municipality	Access to Opportunity		Resources to Provide Community Services	
	Opportunity Index	Regional Share	Land Value/Ac	Regional Share
Barrington	5.0	8%	\$42,608	3%
Brookfield	3.0	5%	\$9,070	1%
Dover	2.9	5%	\$241,240	20%
Durham	2.8	5%	\$101,848	8%
Farmington	2.0	3%	\$26,998	2%
Lee	5.0	8%	\$50,736	4%
Madbury	5.0	8%	\$38,709	3%
Middleton	3.0	5%	\$19,498	2%
Milton	2.0	3%	\$24,144	2%
New Durham	3.0	5%	\$22,870	2%
Newmarket	3.0	5%	\$141,931	12%
Northwood	4.0	7%	\$38,233	3%
Nottingham	5.0	8%	\$26,621	2%
Rochester	1.0	2%	\$104,380	8%
Rollinsford	4.0	7%	\$73,187	6%
Somersworth	2.0	3%	\$194,507	16%
Strafford	5.0	8%	\$20,881	2%
Wakefield	3.0	5%	\$52,101	4%

Ultimately, across the region, the projected housing needs do not vary greatly from past rates of housing creation. While the projected new units called for by 2025 is greater than production over the last 15 years, it is nearly half of that created between 2001 and 2005. All subsequent 5-year projection periods, 2026-2040, are on par with the past decade and a half of housing growth.



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 and poorly made ones. Also, the way a tool is used may be more important than its quality, and so this section reviews the way in which 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. In New Hampshire, 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, site plan review, and zoning authority are limited to only what is 'enabled' by statutes.

Local land use regulations are often cited 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 Commissioners noted how zoning and land use can often make it difficult to provide a variety of housing options.



LANDLORD PROFILE - "Many towns have NIMBYism as it relates to development and specifically workforce housing development. Other restrictions, codes getting more intense, long and difficult zoning and permitting processes. The way to help with housing is to make adding supply easier, but several implicit and explicit policies make it much harder to add supply."



Although some towns have no local land use regulations and still struggle with affordable housing costs, land use regulation standards and processes are known to create additional costs and delays. Thus, innovative housing policy based in regional and state need is an urgent matter.

Can local land use regulations support the changing demographics of the state? 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 ability. 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 before the millennium and require significant updates. This must be done with care as it is important to remember that most were enacted for a reason, usually for safety or environmental protection. Often, regulations can simply shift costs onto the community at large. Landlords shared their thoughts through the Housing Needs Assessment process:

“*I have always said that zoning restrictions and unrealistic local regulatory codes are the major problems. For example I have a 2 buildings that have an office. I want to convert the offices to apartments, but the Fire Department requires me to install a sprinkler system for the each building. At \$100,000 per building it does not make economic sense. So there are 2 potential units that will never be.*”

Said a different landlord in Rochester:

“*Local land use restrictions and compliance with planning boards is a major hurdle.*”

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

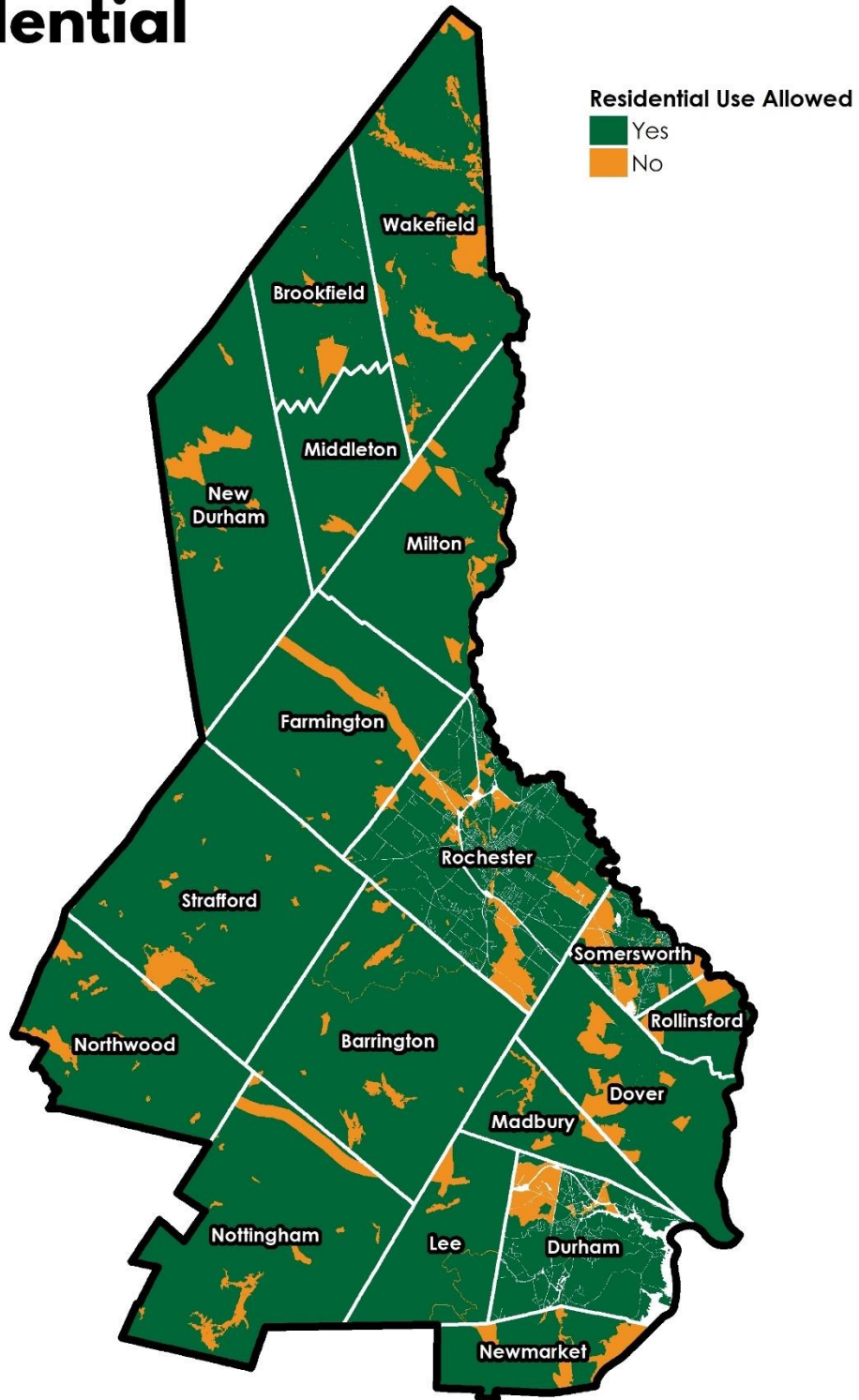
development of subsidized housing into areas of high poverty instead of allowing for mixed use development that integrates residents of different socioeconomic status into the same neighborhoods. Minimum lot size requirements for single and multifamily homes may further increase barriers and housing 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

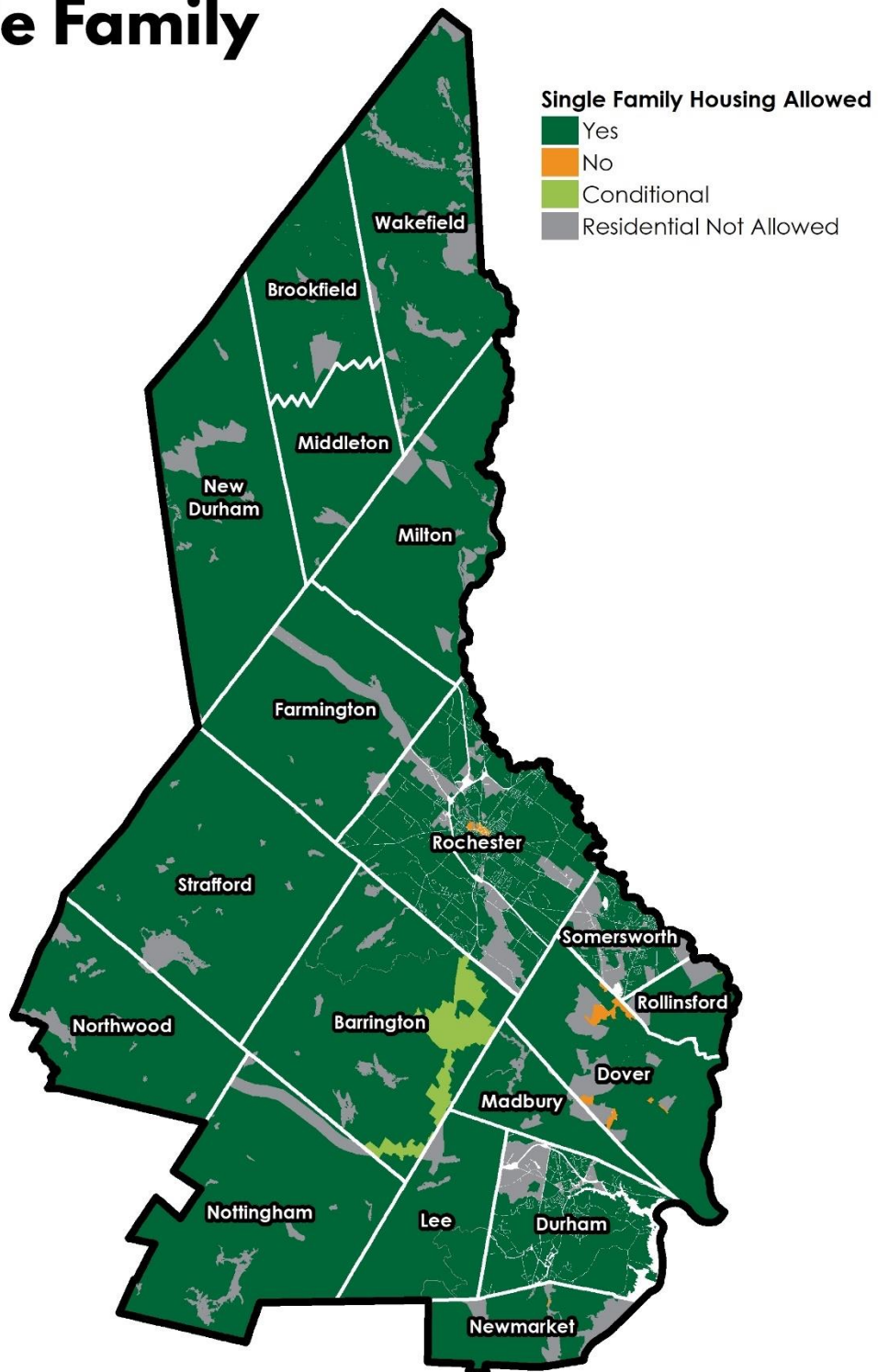
SRPC conducted an analysis of where and what types of housing are currently allowed in the region based on the zoning ordinances of all 18 municipalities. Currently, all 18 municipalities allow single-family housing, 15 of the municipalities allow two-family housing, and 15 of the municipalities allow 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>	<i>307,798</i>	<i>88.5%</i>
<i>Single Family (Conditional)</i>	<i>3,653</i>	<i>1.1%</i>
Two-Family (Allowed + Conditional)	277,799	79.9%
<i>Two-Family (Allowed)</i>	<i>255,346</i>	<i>73.4%</i>
<i>Two-Family (Conditional)</i>	<i>22,453</i>	<i>6.5%</i>
Multi-Family (Allowed + Conditional)	213,841	61.5%
<i>Multi-Family (Allowed)</i>	<i>120,680</i>	<i>34.7%</i>
<i>Multi-Family (Conditional)</i>	<i>93,161</i>	<i>26.8%</i>

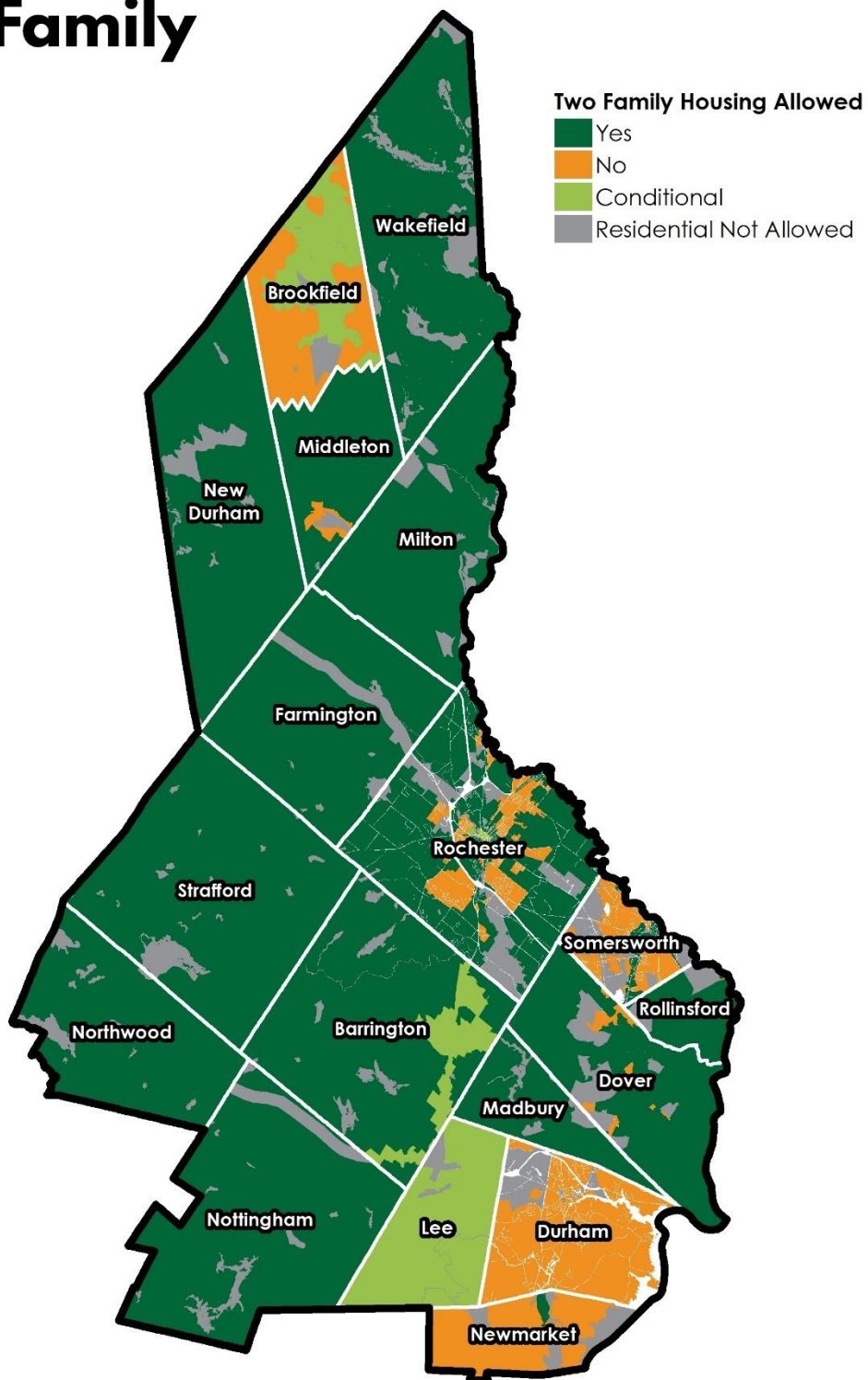
Residential



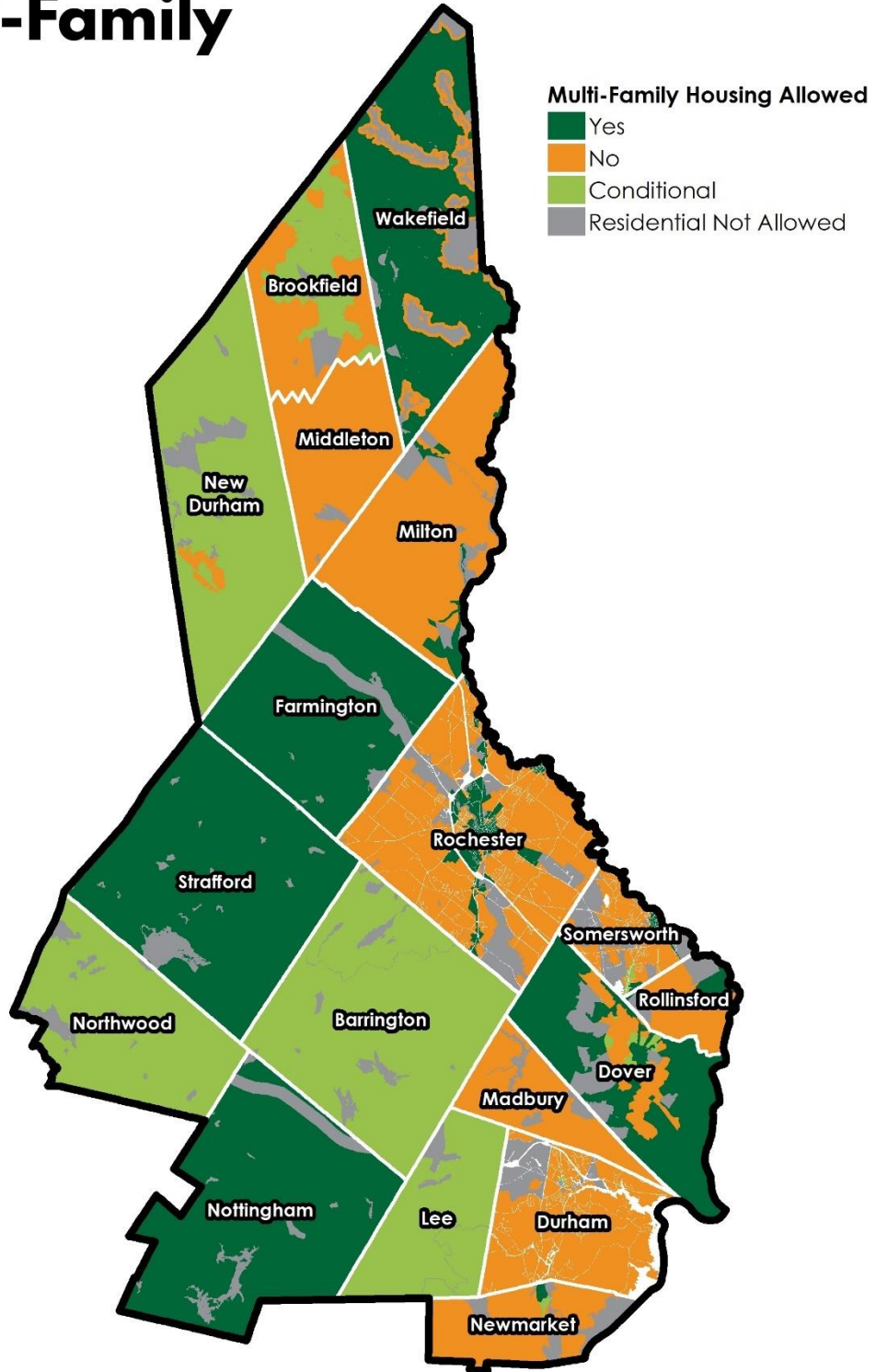
Single Family



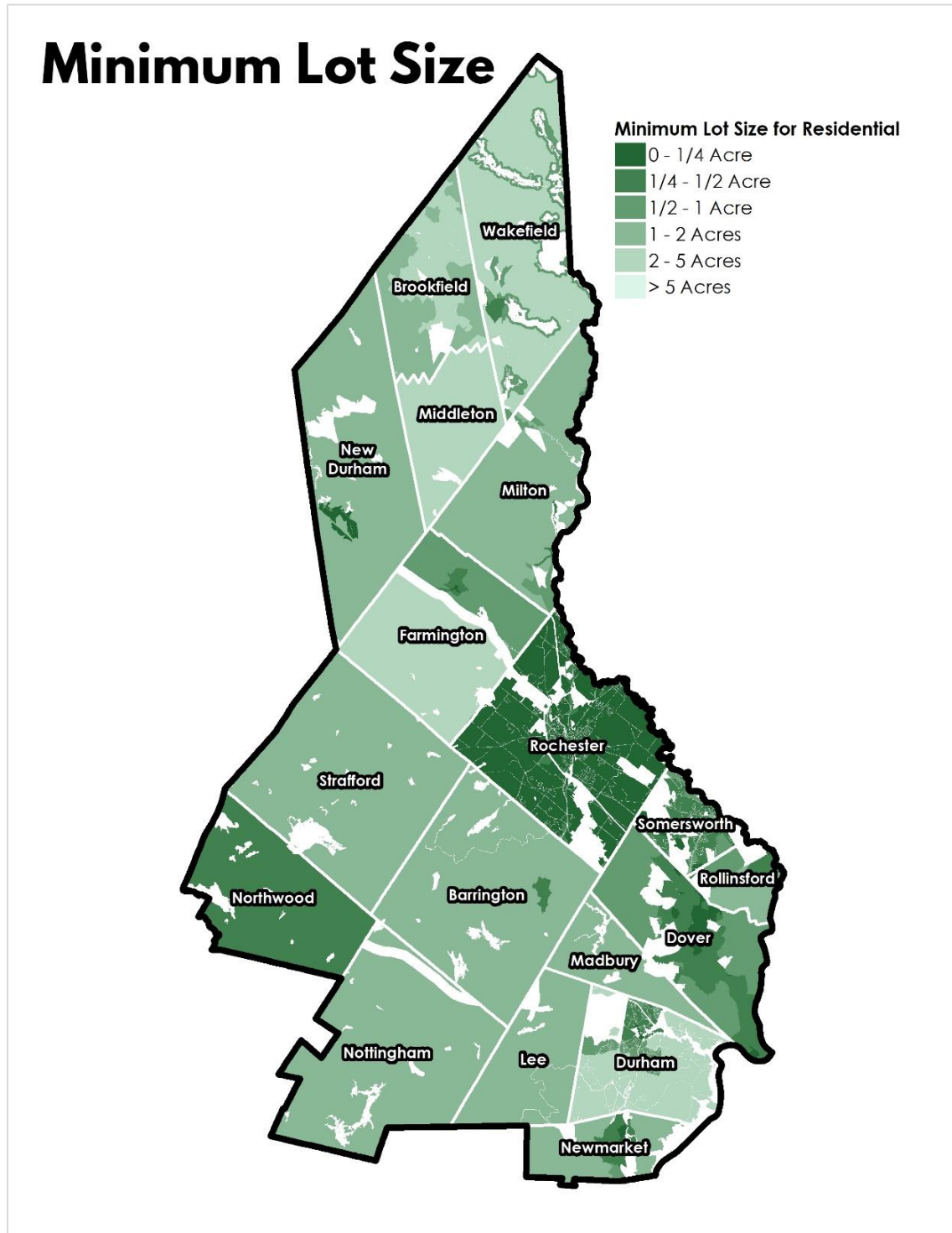
Two Family



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.



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.

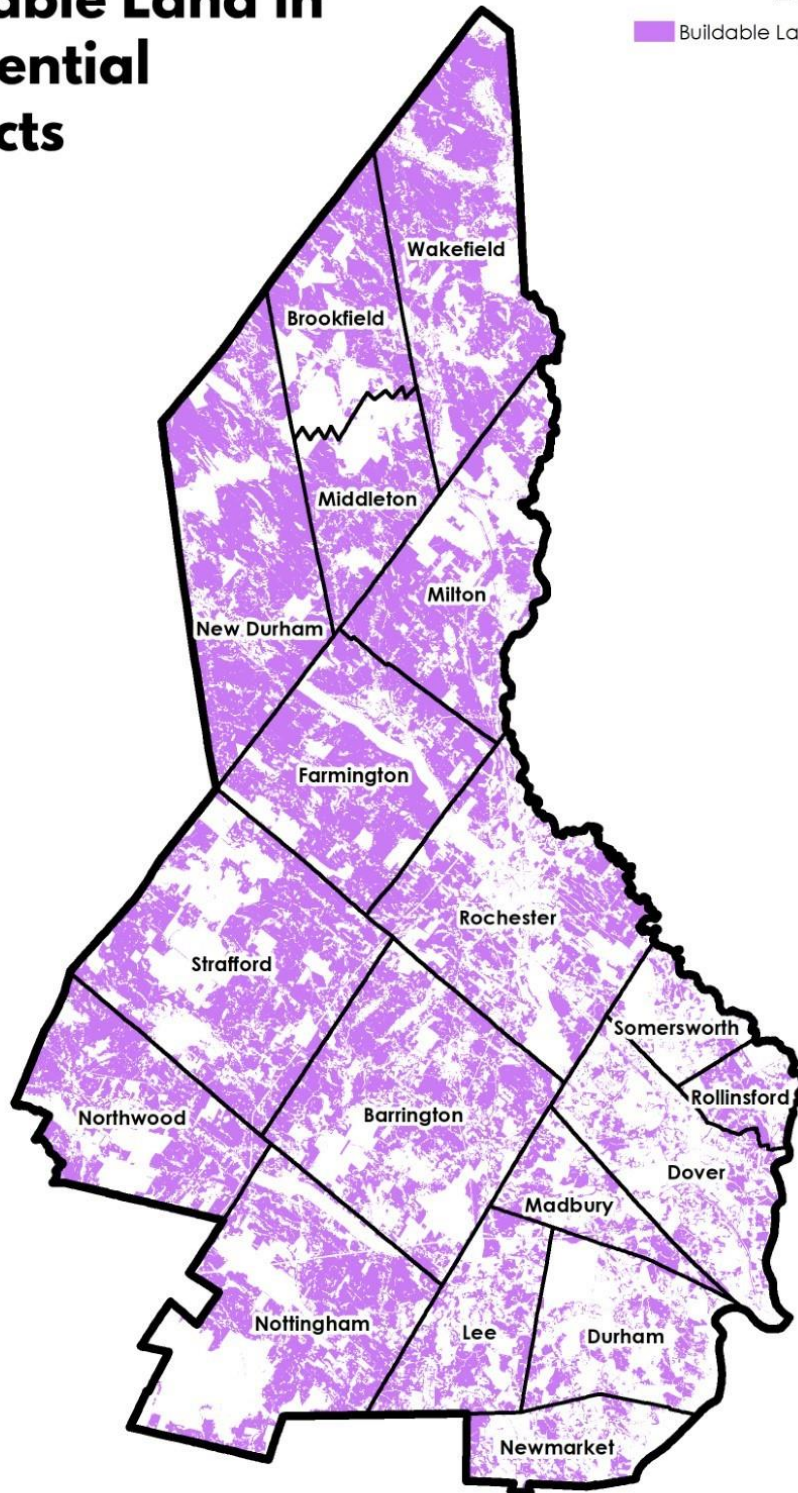
Buildable Land with Access to	Land Acres	% of Land
Water and Sewer Infrastructure	5,924	1.70%
Water Infrastructure Only	16,513	4.75%
Sewer Infrastructure Only	1,864	0.54%
All Buildable Land	170,714	49.07%

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

Legend

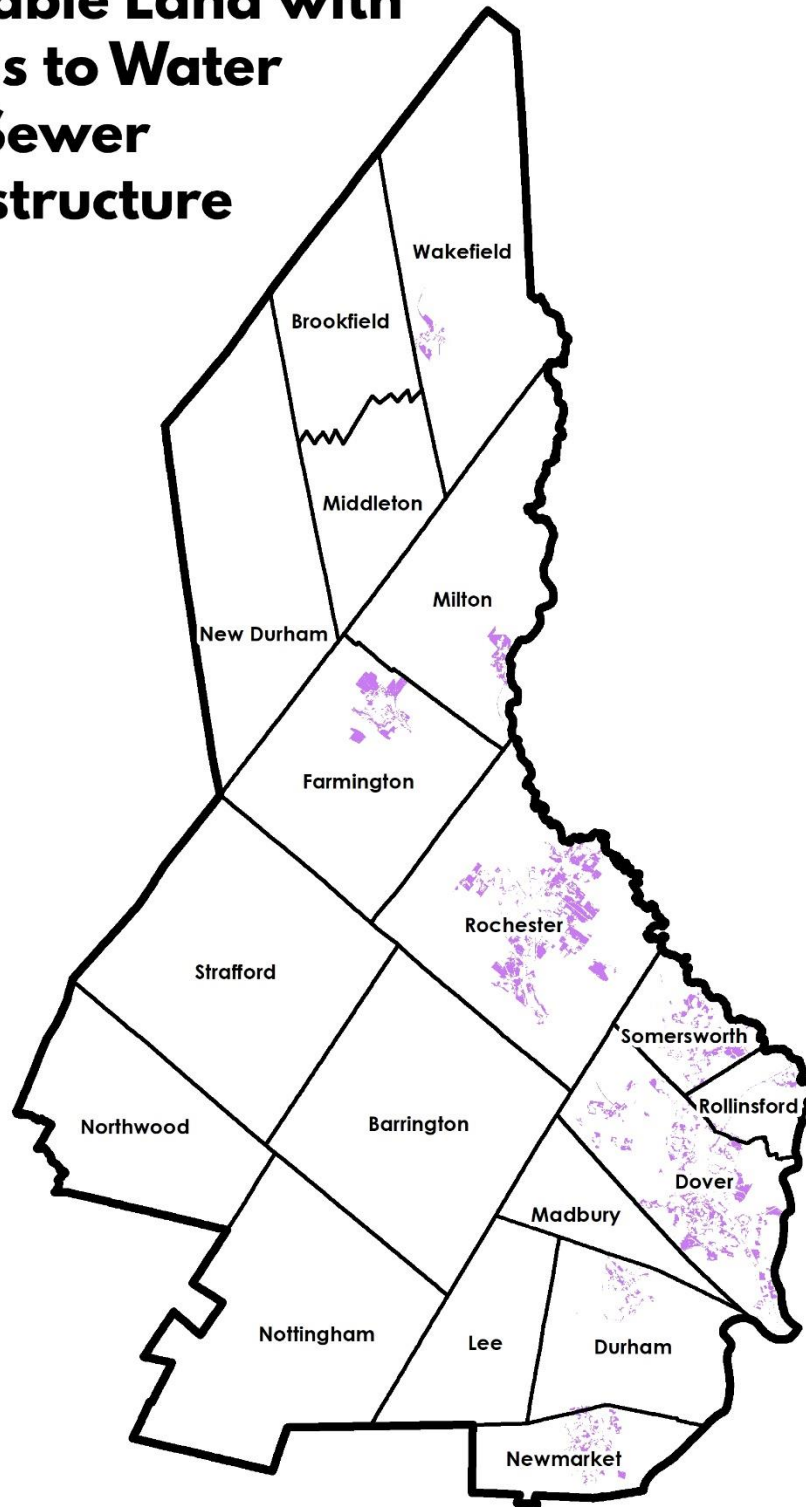
 Buildable Land in Residential Districts



Buildable Land with Access to Water and Sewer Infrastructure

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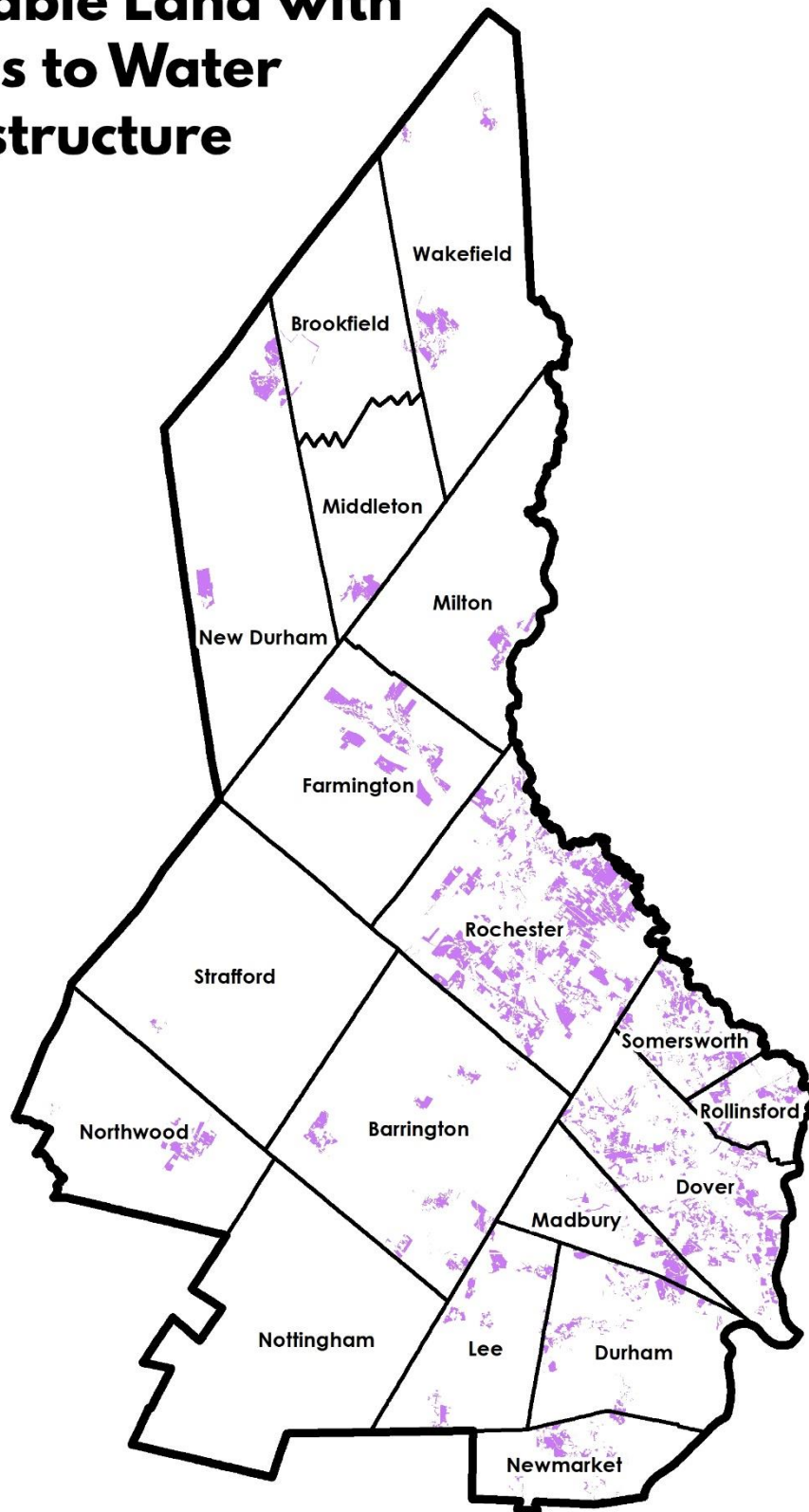
 Buildable Land



Buildable Land with Access to Water Infrastructure Only

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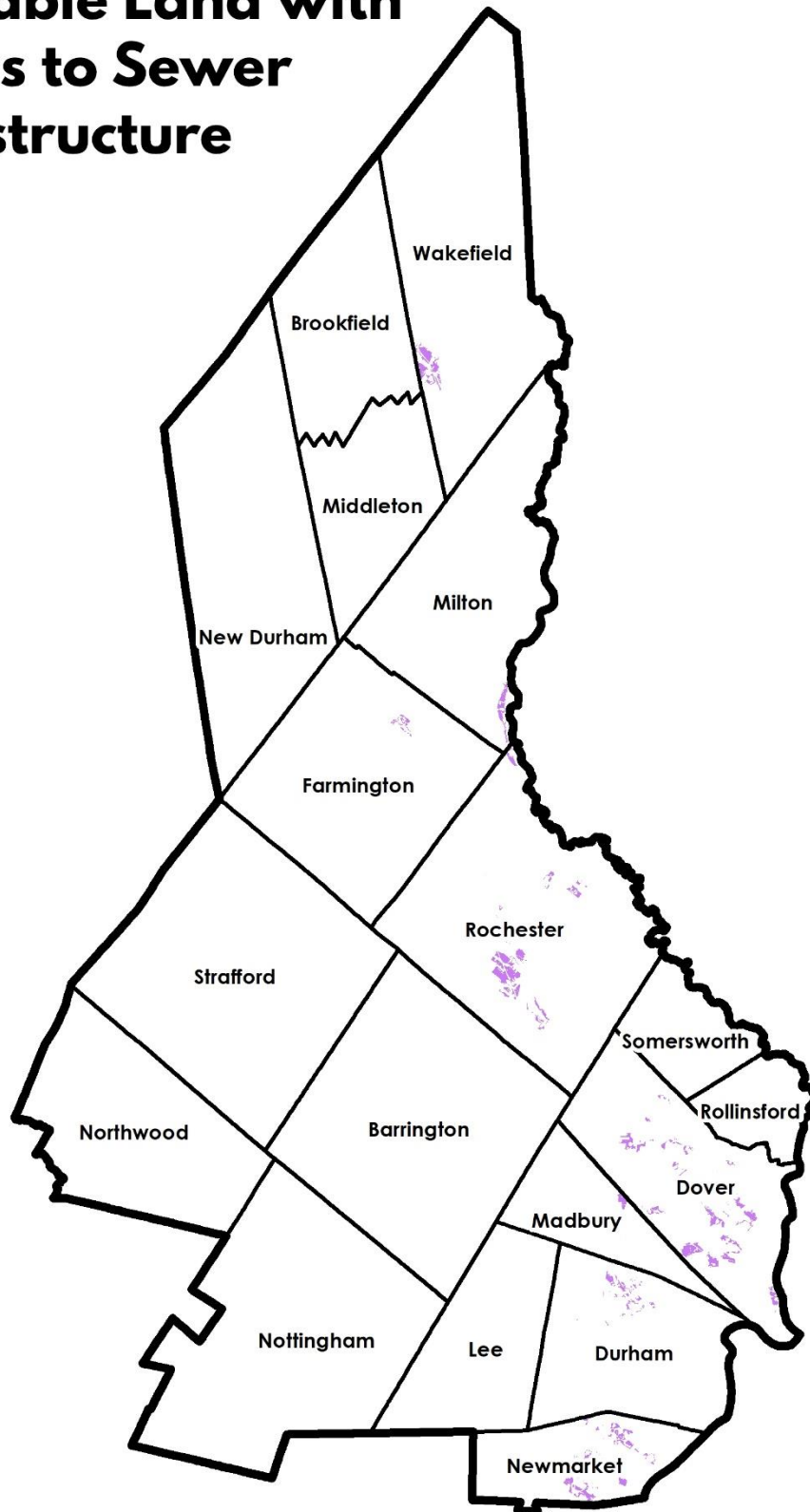
 Buildable Land



Buildable Land with Access to Sewer Infrastructure Only

Legend

Buildable Land



Common Land Use Practices Opportunities and Constraints

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.

Land use planning should provide for a mix of densities and thus dimensional standards. To provide the mix of housing choices not only desired by residents but needed to support a balanced economy. To do so, dimensional standards should vary; decreasing into village center and even further in downtowns and increasing in rural areas. Caution should be exercised when increasing dimensional standards to avoid lots so large to create unintended consequences of loss of forests and treasured natural resources; the very things that define rural areas.

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 manufactured 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.⁴⁵ The New Hampshire accessory dwelling unit statutes explicitly permit regulations to require owner occupancy of either the primary or accessory dwelling unit.⁴⁶ Exceptions to the Fair Housing Act permit housing to be designed for older persons and restricted to those 55 or older.⁴⁷ 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*.⁴⁸ 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

⁴⁵ https://www.nhhfa.org/wp-content/uploads/2019/06/Fair_Housing_Guidebook.pdf

⁴⁶ https://www.nhhfa.org/wp-content/uploads/2019/06/Fair_Housing_Guidebook.pdf

⁴⁷ <https://www.nhmunicipal.org/town-city-article/age-restricted-housing-new-england>

⁴⁸ <https://supreme.justia.com/cases/federal/us/416/1/>

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).

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.⁴⁹

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 or reducing the need for additional parking also has other benefits, including creating outdoor public or

⁴⁹ <https://www.whitehouse.gov/cea/written-materials/2021/06/17/exclusionary-zoning-its-effect-on-racial-discrimination-in-the-housing-market/>

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 new roads to a higher specification than needed for residential use. 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 in more urbanized areas and connected neighborhoods, 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.

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 help make these more attainable.

Local Housing Codes

Municipalities are enabled to establish local codes to address substandard or dilapidated housing 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. While more efficient standards may increase construction or renovation costs, there are financial incentive programs such as those through NHSaves that can offset costs.

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 of innovative policies 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 projects, 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 statute. 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 Zones (ERZs) are an economic development tool that create 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://tinyurl.com/SRPC-EconDevMap>.

Resources

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 2020 [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 | - Inclusionary | House |
| - Workforce | Zoning | Regulations |
| Housing | - Short Term | - 79-E |
| Ordinance | Rentals & Tiny | - TIF Districts |

- Cluster Development
- Density Bonuses
- Conversation Zoning
- Low Impact Development
- Mixed Use Zoning
- Planned Unit Development Ordinance
- Soil-Based Lot Size
- Transfer of Development Rights

For more details on which SRPC communities participate in the above programs, an interactive map can be found at <https://tinyurl.com/OSI-LandUse>.

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

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.

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 can be negatively impacted. The constraints on workforce housing, which were apparent in our region and state in prior years but have been further highlighted by the pandemic, have resulted in a severe shortage of residential units necessary to accommodate a much-needed labor force, and employers of every size and across all industries are suffering from the effects of this through high turnover rates and unfilled job openings. Through direct outreach and engagement with employers and stakeholders working closely with businesses in and around the region, we have learned that attracting and retaining employees is one of the greatest challenges they currently face. In turn, this has not only impacted the operations of current employers but has also limited the ability for existing businesses to expand and for new businesses to locate in our communities, limiting regional economic growth and vitality.

As shared by one landlord:

“*Did not want to but had to increase the rent within the past year due to this economy and the ridiculous level of inflation! NOONE's pay is increasing but EVERY vital basic need has more than tripled in the past year or two - seriously how does one think someone is going to survive this.*”

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.

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 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 Survey

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, in some cases.

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.



Gen Z Moving to the Region for a Job | Persona Profiles

Derek is a 22-year-old who lives with 2 other roommates in Massachusetts. His current share of the rent is \$600.

Derek has just been offered a job teaching at a preschool in Dover, NH with a starting wage of \$18/hour (\$3,120 gross/month).

He has a monthly student loan payment of \$350, and his total income after taxes each month is \$2,745.

With only \$100 budgeted for transportation a month Derek might need to consider other modes of commuting, like a bike or the bus (if there is one in his town).

While Derek isn't paying his student loans yet due to the governmental pause, he needs to be ready for when they restart.

Expenses	Amount
Rent	\$1425
Utilities	\$275
Transportation	\$100
Childcare	n/a
Food	\$250
Clothing	\$50
Household	\$80
Medical/Dental	\$75
Other (birthdays, movies, school, sports, etc.)	\$100
Loans	\$350
Outstanding Credit Payments	\$75
Monthly Income	\$2,745
Total Expenses	\$2,780
= Balance	-\$35

As we can see, Derek's current budget leaves him at a deficit, which means he would likely need to look for new roommates or adjust other parts of his budget. If he was able to find roommates, this would also decrease his utility expenses as well.

With only a small amount budgeted for medical and dental, Derek might often forego an appointment considering his budget.

Employer Assisted Housing

Employer-Assisted Housing (EAH) refers to a variety of housing programs that support rental or owner-occupied housing and involve direct employer support, either through financing or the 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 workers rent instead of owning 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 are then 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 housing. 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 and Dover, Strafford County. This project came about when owners of two assisted living facilities, John and Maggie Randolph, were facing challenges with hiring and retaining employees to work at their company. Through engagement efforts with their employees to try and understand what some of the underlying causes for low employee attraction and high turnover rates were, they quickly learned that these challenges were directly linked to housing availability and affordability. In response, the Randolphins 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 Randolphins brought on an in-house construction team to help with the development of the project.

The workforce housing development includes seven one-bedroom apartments 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 is set to 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

Transportation

Southeast New Hampshire (including the Strafford and Rockingham regions) has the richest mix of transportation modes in the state, including public transit, railroads, sidewalks, bike paths and trails. These transportation options make the Strafford region a more appealing place to live for people who do not want or cannot afford to have a personal vehicle. Access to buses, trains, and walkable or bikeable communities make it possible for people to not rely on a car to get around.

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. These bus systems serve areas in the Strafford region with the highest concentrations of people living in poverty, minority populations, and populations with no vehicle access, but do not serve those who live in the rural areas of the region.

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,

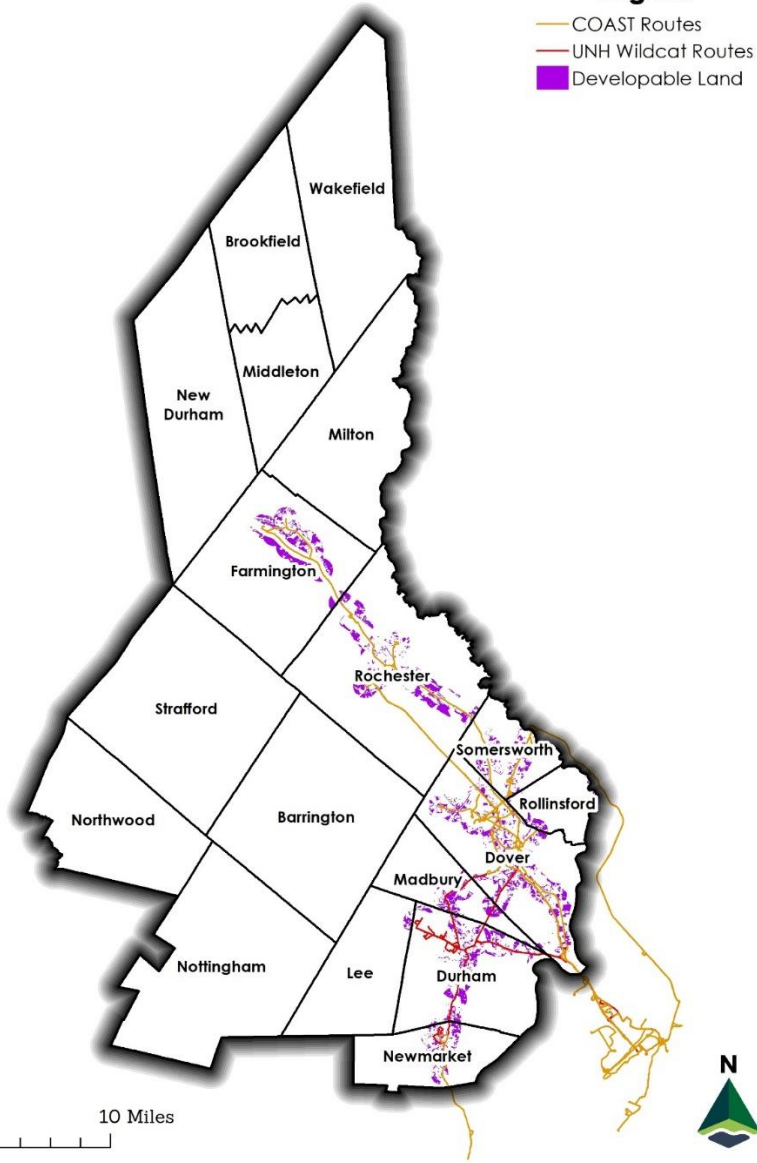
and 8,062 acres of developable land within a half mile of either a COAST or Wildcat bus stop. There are 50,457 acres of developable land within a half mile of public trails in the region, and 3,059 acres of developable land on parcels that are adjacent to public sidewalks.

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. These sidewalks are primarily located in the urban, downtown areas of the region, and they serve areas in the Strafford region with the highest concentrations of people living in poverty, minority populations, and populations with no vehicle access.

Bus Routes

Legend

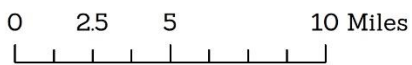
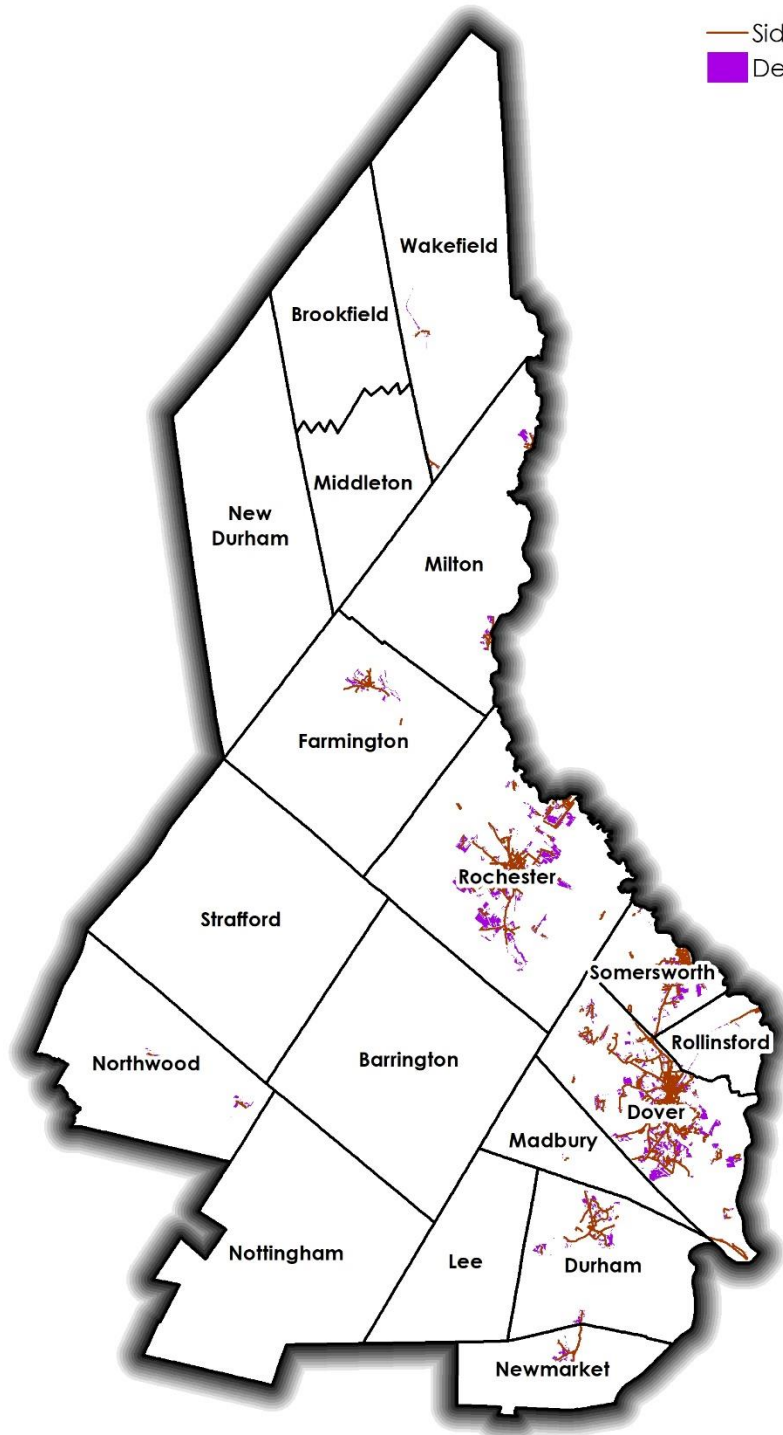
- COAST Routes
- UNH Wildcat Routes
- Developable Land



Sidewalks

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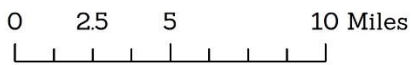
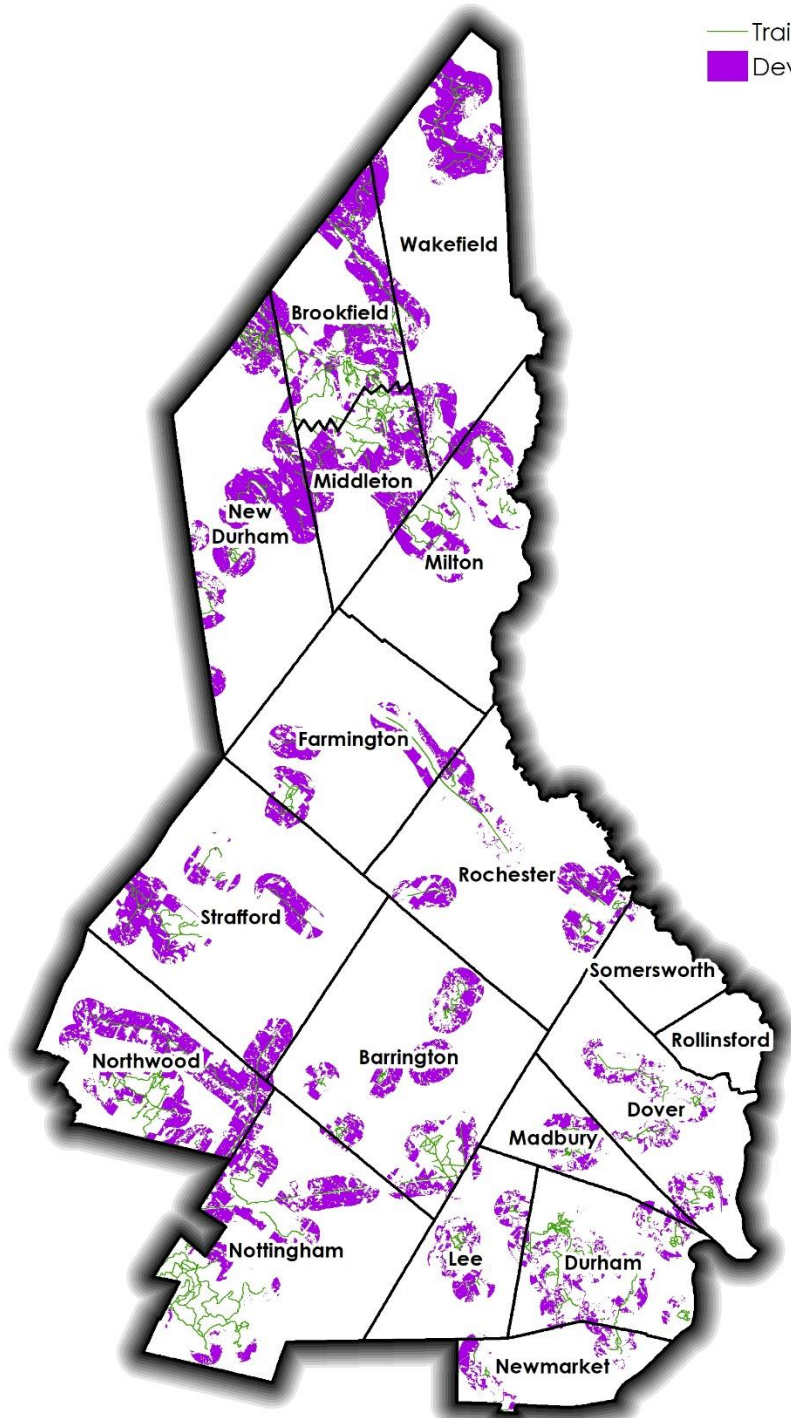
- Sidewalks
- Developable Land



Trails

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- Trails
- Developable Land



Water and Sewer Infrastructure

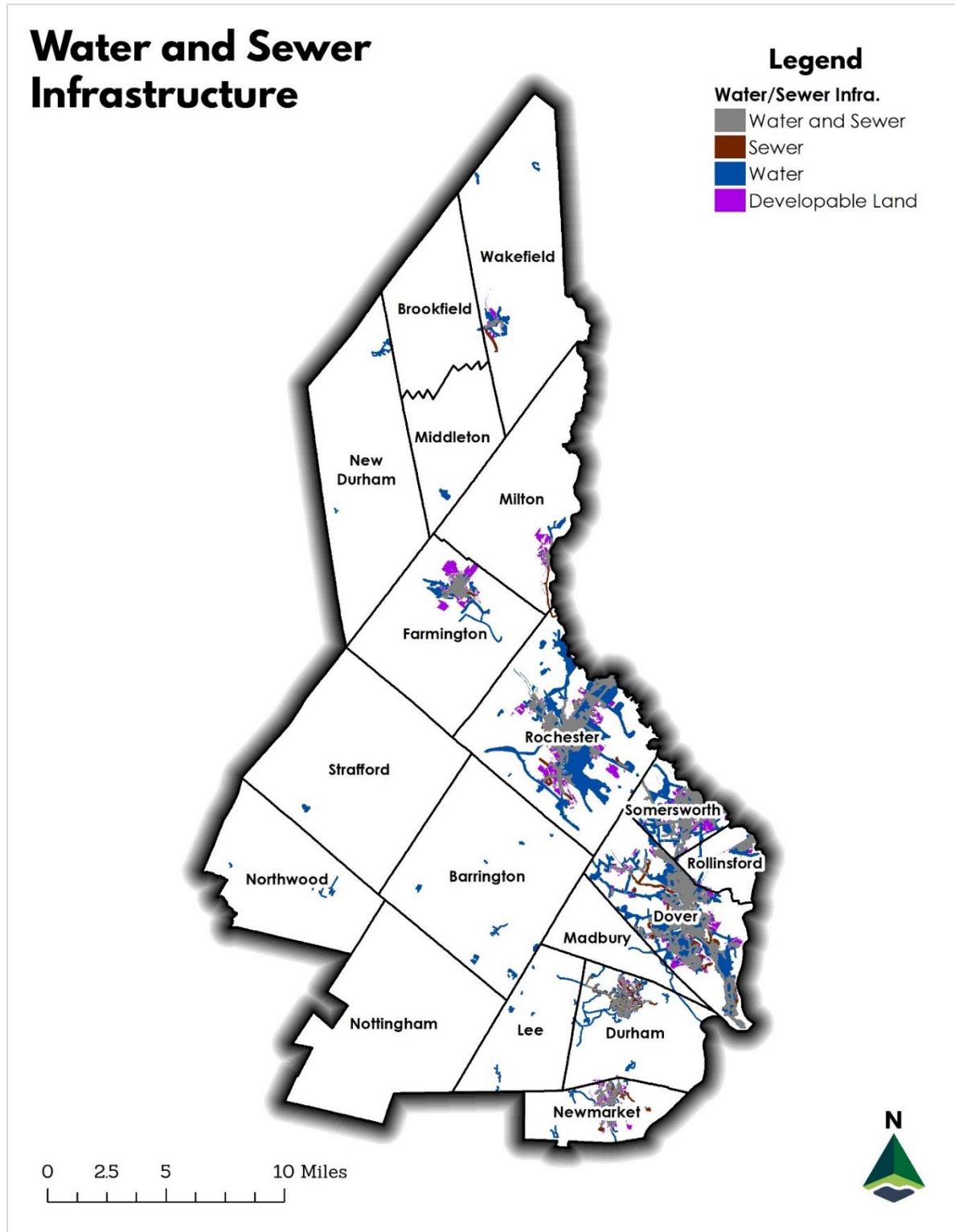
Providing adequate water and wastewater is an essential part of any project. However, it can add costs. Hookup and service fees can be high in some communities, adding to the cost for housing within the compact community center. Decentralized wastewater systems can enable more dense development or redevelopment 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 and potentially drinking 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 in the Strafford region, 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. 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 and water expansion and infrastructure.



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, 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.

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 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.

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 it 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, this 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.

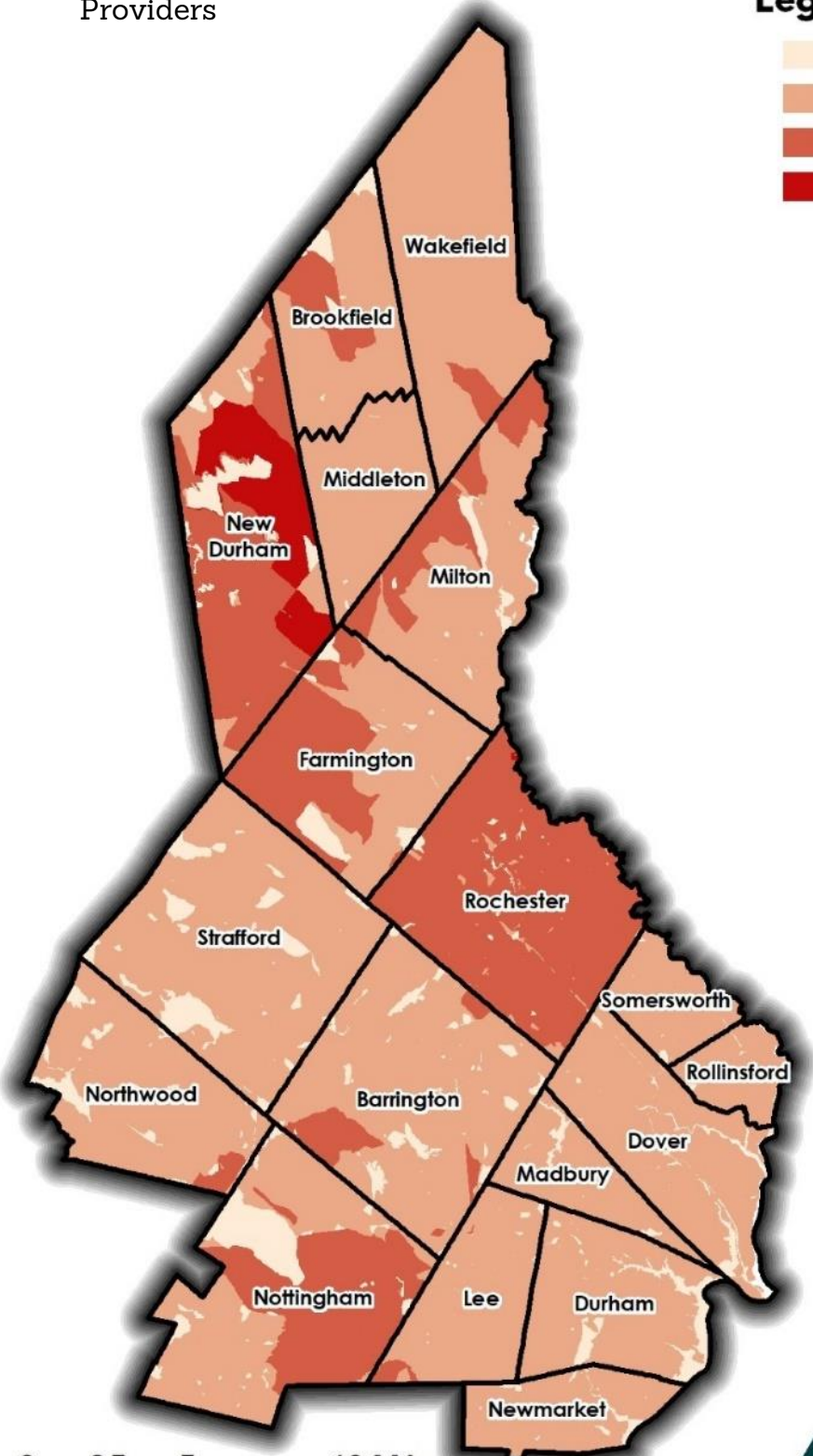
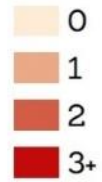
Broadband

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 2021, the new Infrastructure Investment and Jobs Act passed by Congress defined broadband as internet speeds of 100 megabits per second downloads and 20 megabits per second uploads. 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.

Broadband access can be a challenge to housing, especially in more rural areas. Because housing in rural areas is often spread out, internet service providers often do not look at it as a good “investment” opportunity since they know that there will be fewer customers. Moreover, rural areas are also known to have more older residents and higher poverty rates, meaning that they are less likely to contract the services. For this reason, government investment is often necessary in order to ensure equal access to this essential service, especially in underserved communities with slow or no broadband capacity.

Broadband Providers

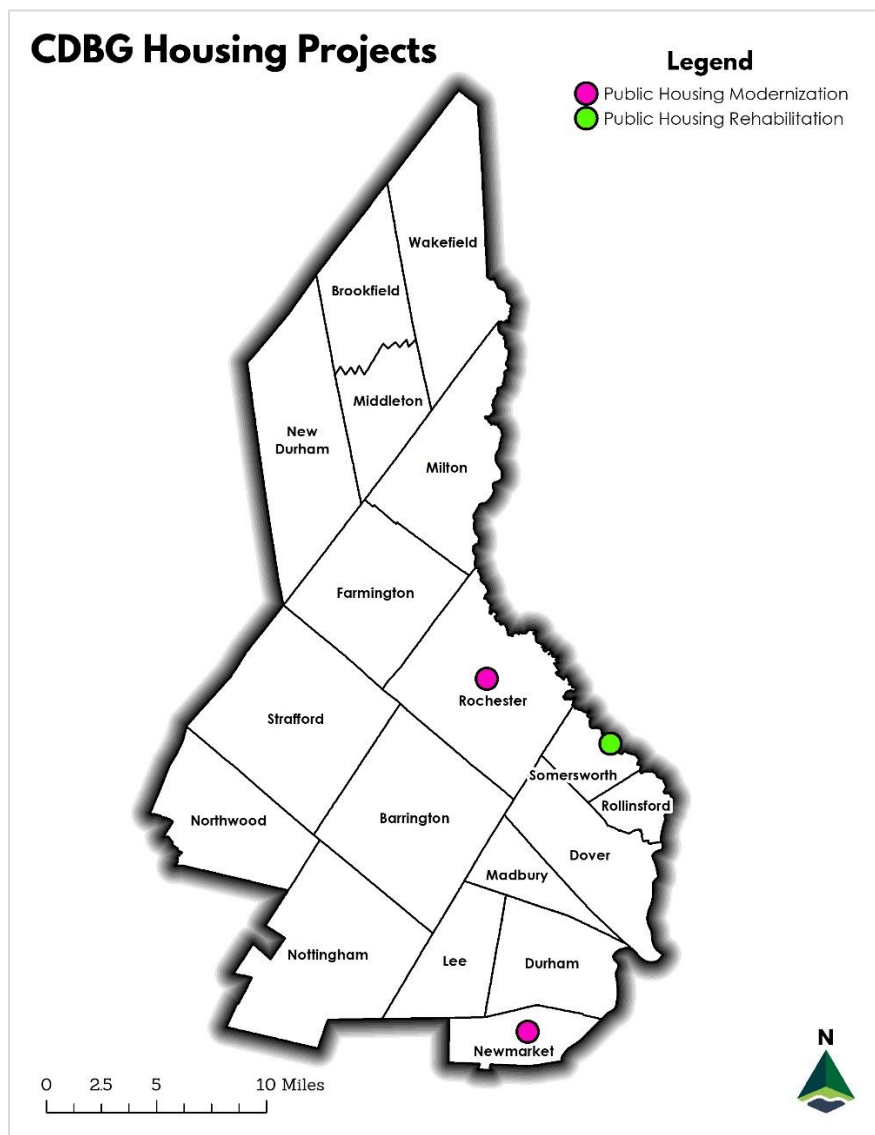
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Community and Economic Development

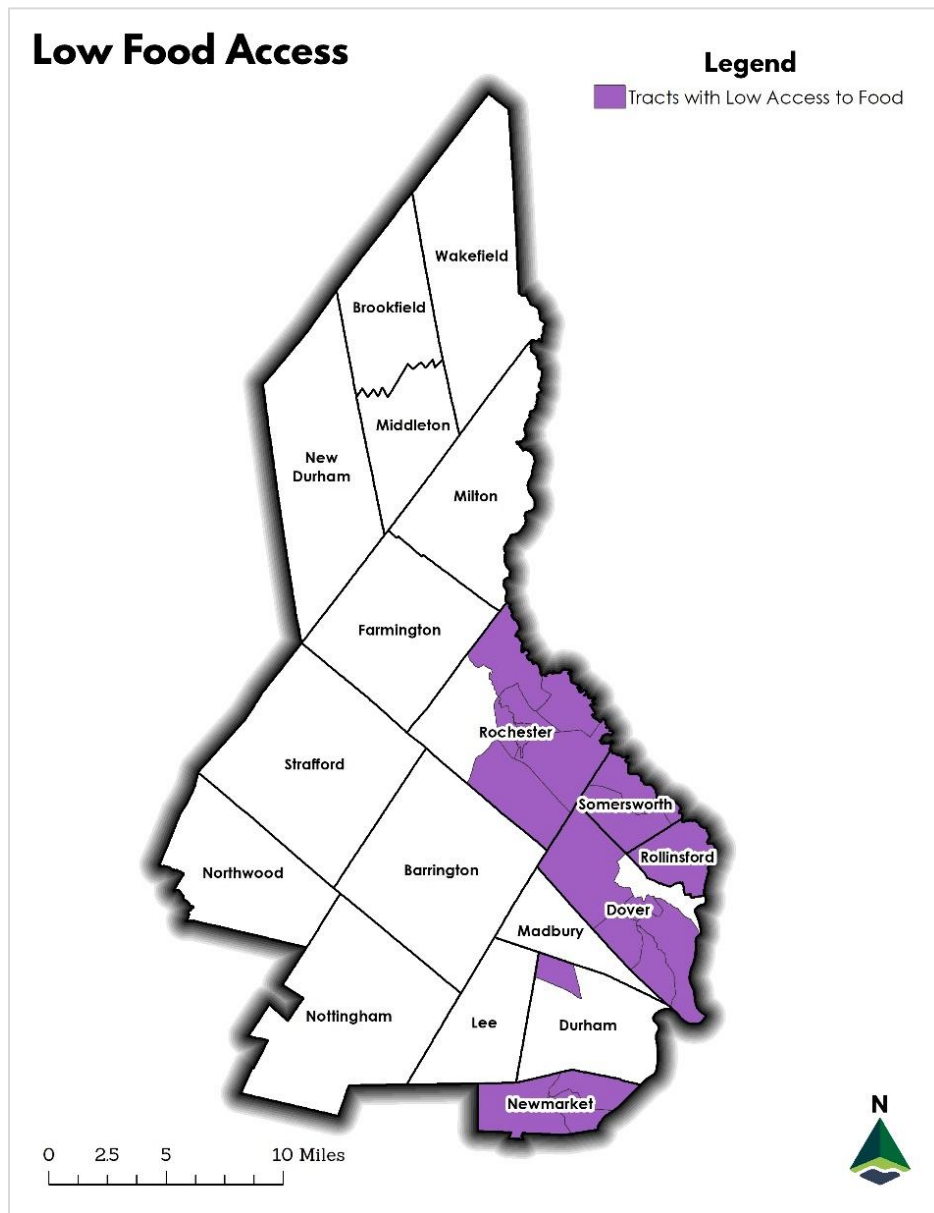
Community Development Block Grant Investments

In the past 10 years, the US Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) has funded three housing related projects in the Strafford region. Two of these projects were public housing modernization projects, and one was a public housing rehabilitation project. All three of these projects were located in urban, downtown areas, disproportionately affecting those who live in the suburban, rural areas of the region. All three of these projects are located in areas with moderate to high minority populations and moderate to high populations of people living in poverty.



Food Access

The US Department of Agriculture (USDA) created a Food Access Atlas in 2019 to display data on locations that have low access to food. Areas with low access to food are defined as Census Tracts in which at least 500 people or 33 percent of the population lives farther than ½ mile (for urban tracts) or 10 miles (for rural tracts) from the nearest supermarket. In the Strafford region, tracts with low access to food are found in Rochester, Somersworth, Rollinsford, Dover, Durham, and Newmarket. These tracts with low access to food also coincide with areas in the Strafford region that have the highest populations of people living in poverty and the highest proportion of minority populations.



Healthy Homes

Asbestos, which was first used in the early 1900s and is found in most units built between the early 1940s until 1978, was banned for causing severe and deadly respiratory diseases. Similarly, lead is a toxic metal found in many homes built before 1978 and is not easily detected since it cannot be perceived through sight or smell. With our state having some of the oldest housing stock in the country, lead paint has been the most common source of lead poisoning, which is exceptionally detrimental to the health of young children. Radon, on the other hand, can be found in any age home, old or new. Because it comes from the natural decay of uranium and radium found in nearly all rocks and soils, it can enter a home by moving from the ground up through openings in floors and walls. If not remediated, radon can be harmful as is it one of the leading causes of lung cancer in the US.⁵⁰ Pests are another problem in housing units across the country but are most prevalent among lower income households and in housing units with structural problems and water leaks. For more information on housing related health issues (lead, asbestos, etc.), please refer to the “Housing Unit Conditions” section of this plan, or visit <https://wisdom.dhhs.nh.gov/wisdom/index.html> for more information on home health hazards.

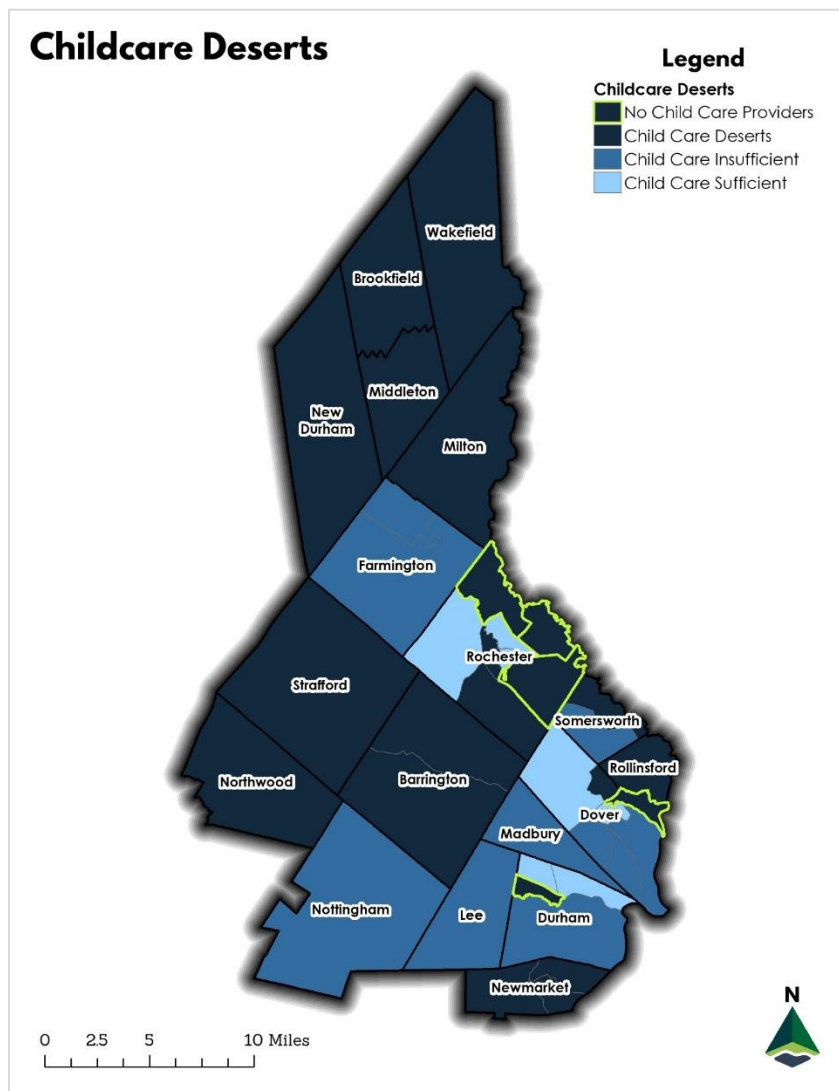
In New Hampshire, the [Healthy Homes](#) program manages the mitigation, prevention, and needed enforcement of rules related to environmental hazards, such as lead-based paint.

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 percent in rural areas. Neighboring Maine ranked fifty-first with only 22 percent of its population residing in childcare deserts.

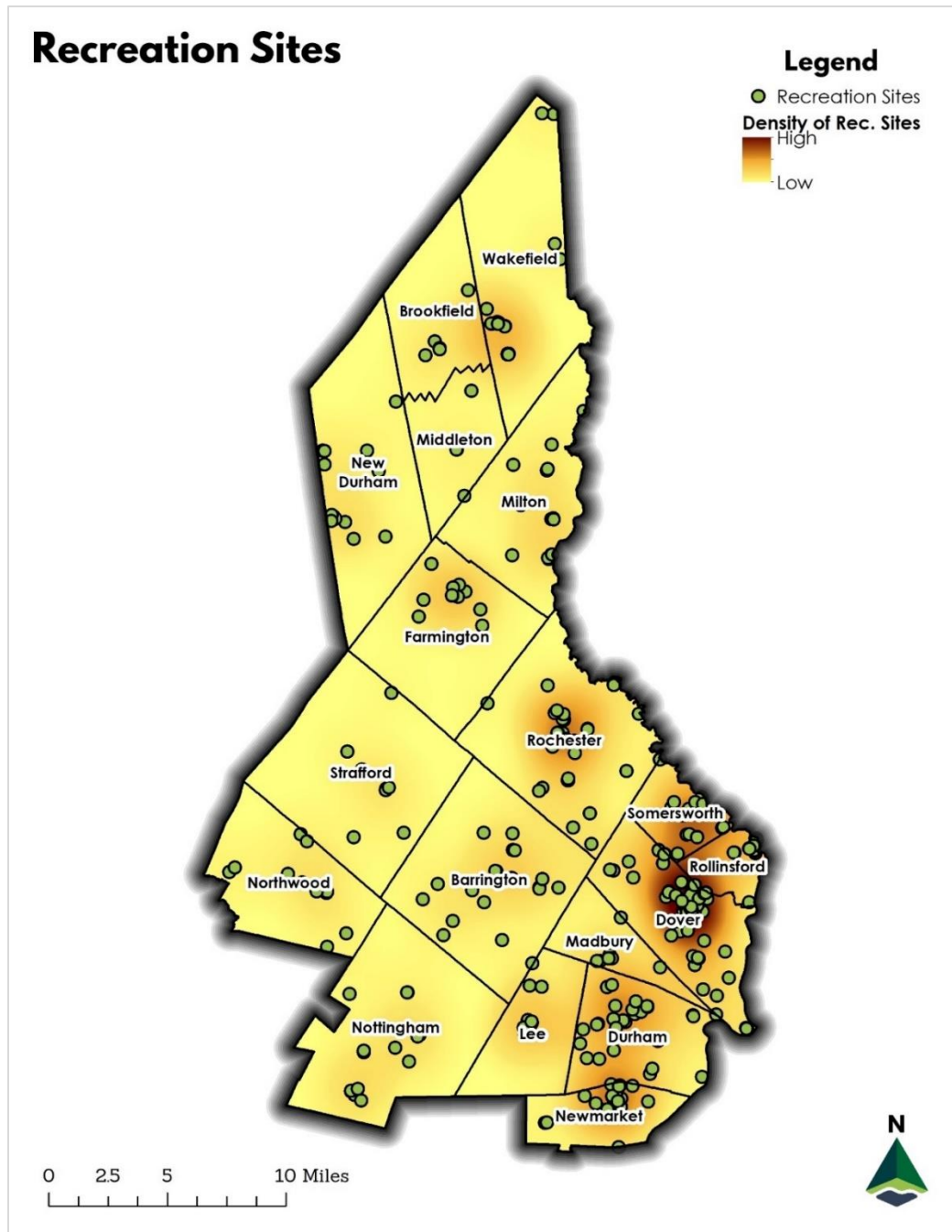
⁵⁰ <https://www.epa.gov/radtown/radon-homes-schools-and-buildings>

The Childcare Deserts map 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.

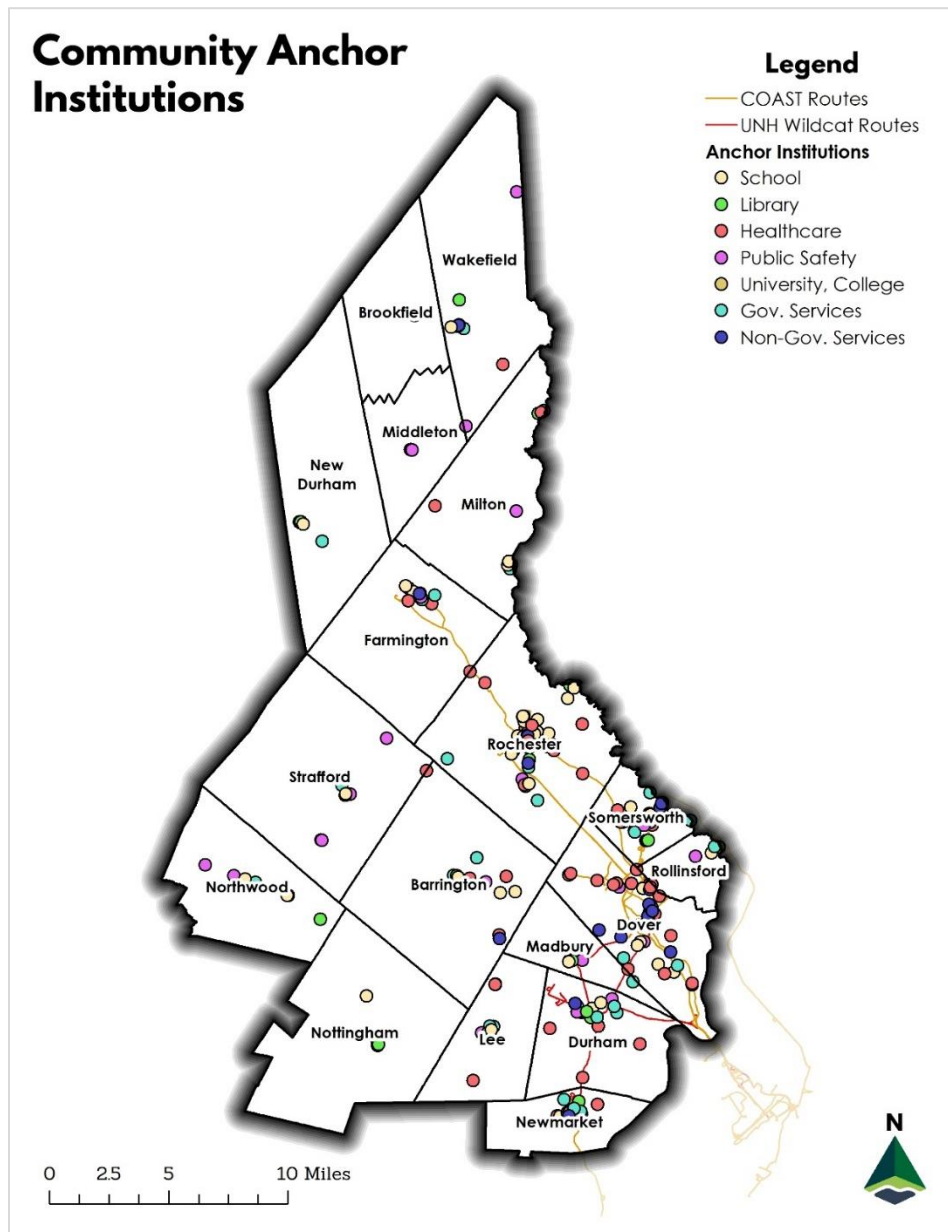


Parks, Recreation and Civic Infrastructure

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.



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 percent of the region's anchor institutions are located within ¼ mile of a transit stop.



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.⁵¹

In contrast, Opportunity **Areas** are resource-rich with quality schools, lower poverty rates, plentiful employment options, affordable housing choices, and access to health care.⁵²

Access to High Opportunity Areas

New Hampshire Housing Finance Authority'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:

⁵¹

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

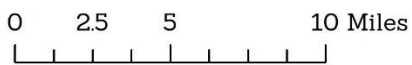
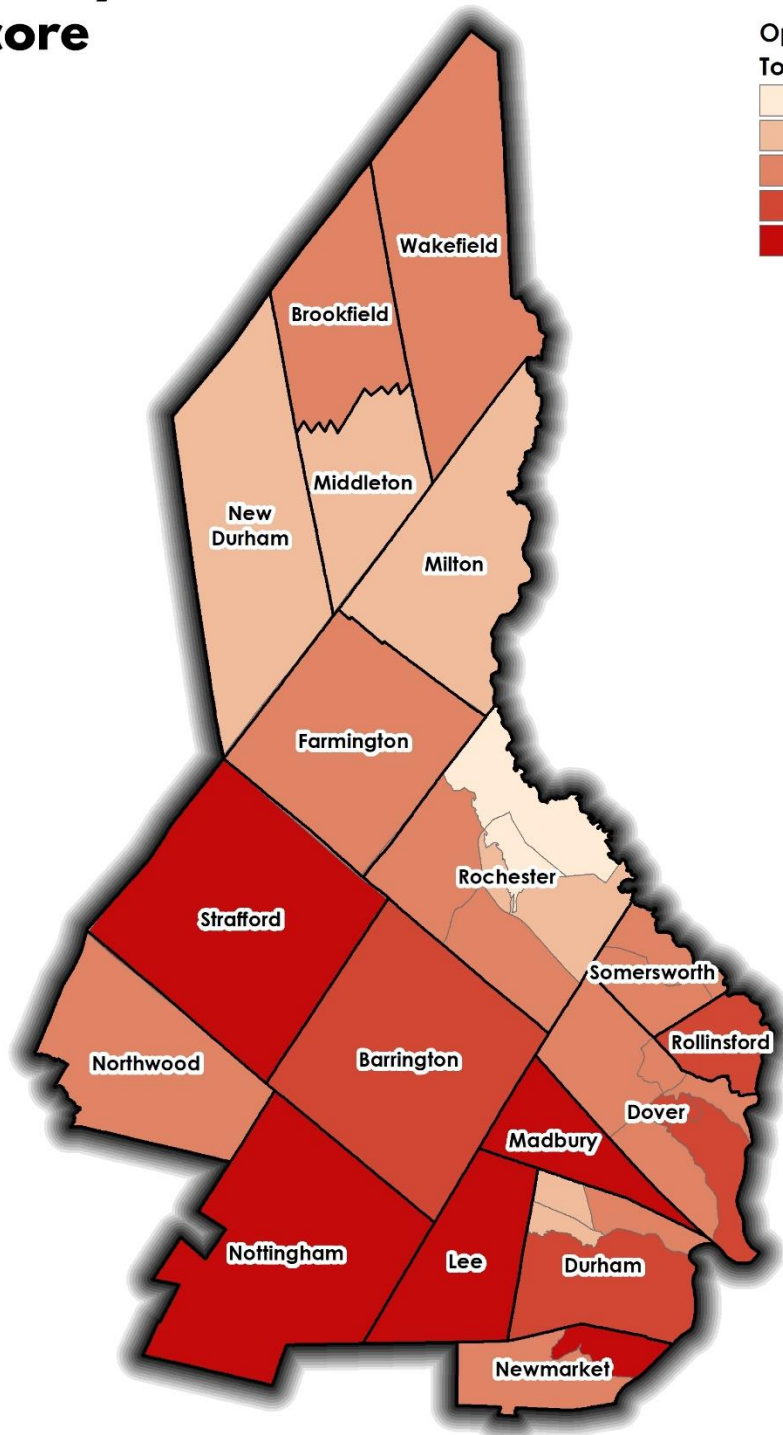
⁵² <https://www.nhhfa.org/wp-content/uploads/2019/12/Opportunity-Area-Presentation.pdf> and https://mf.freddiemac.com/docs/Affordable_Housing_in_High_Opportunity_Areas.pdf

1. Economic Prosperity
 - Gini index
 - 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

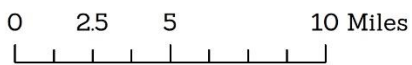
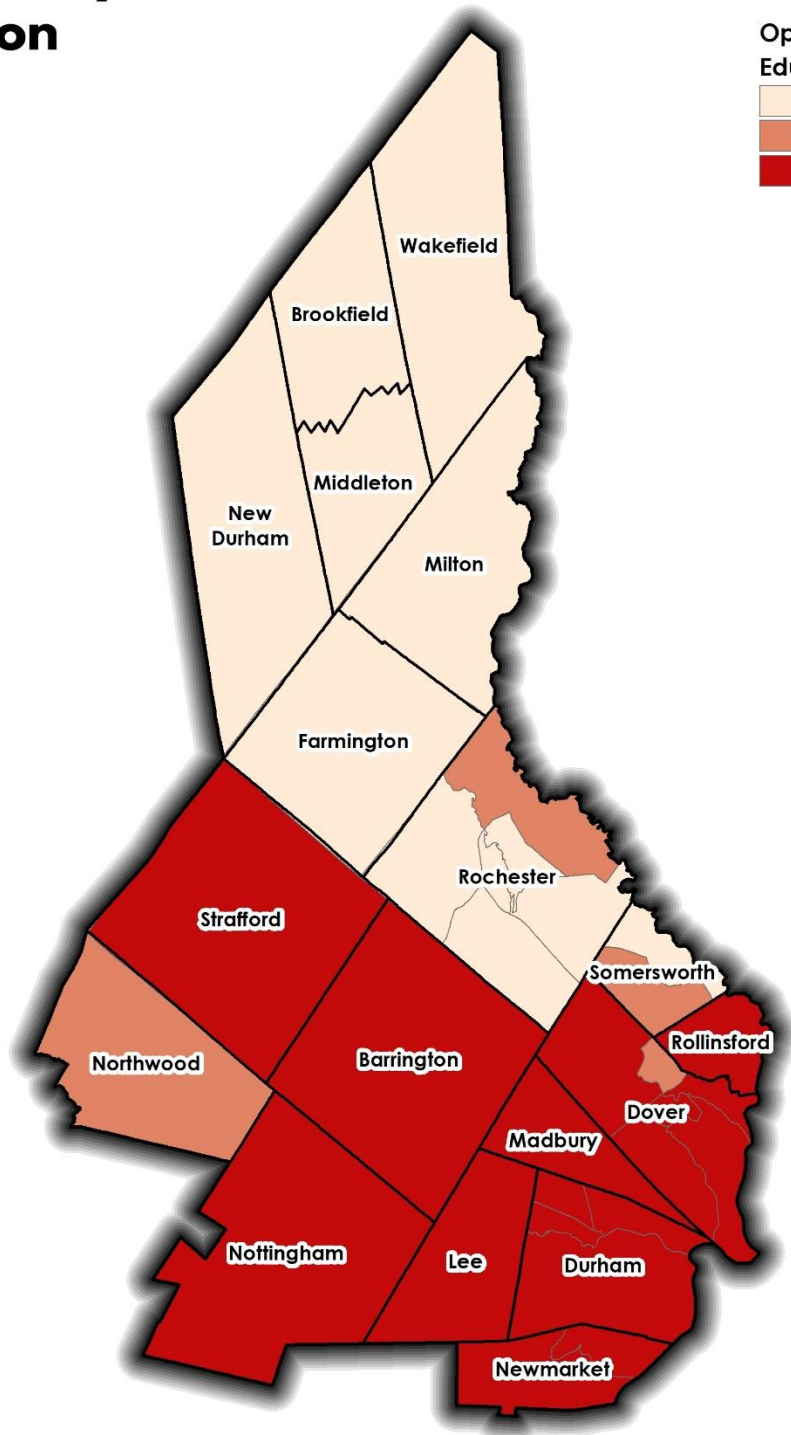
As a means of performing a baseline analysis of opportunity in the region's 18 communities, the scores for the four opportunity indices have been added up to create a total opportunity score throughout the region.

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.

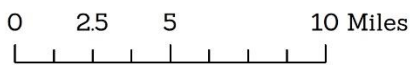
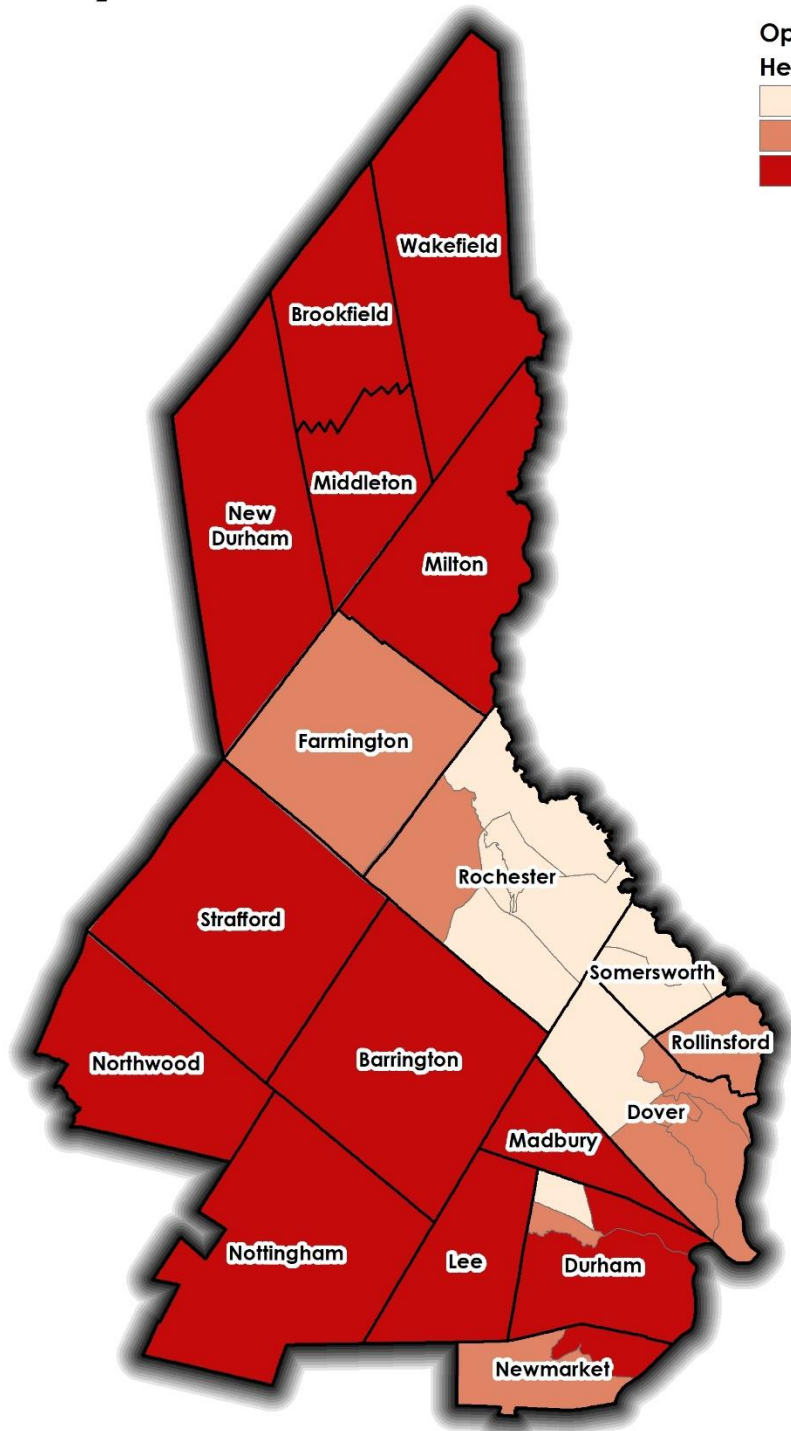
Opportunity Index - Total Score



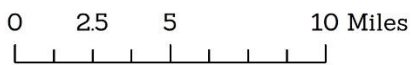
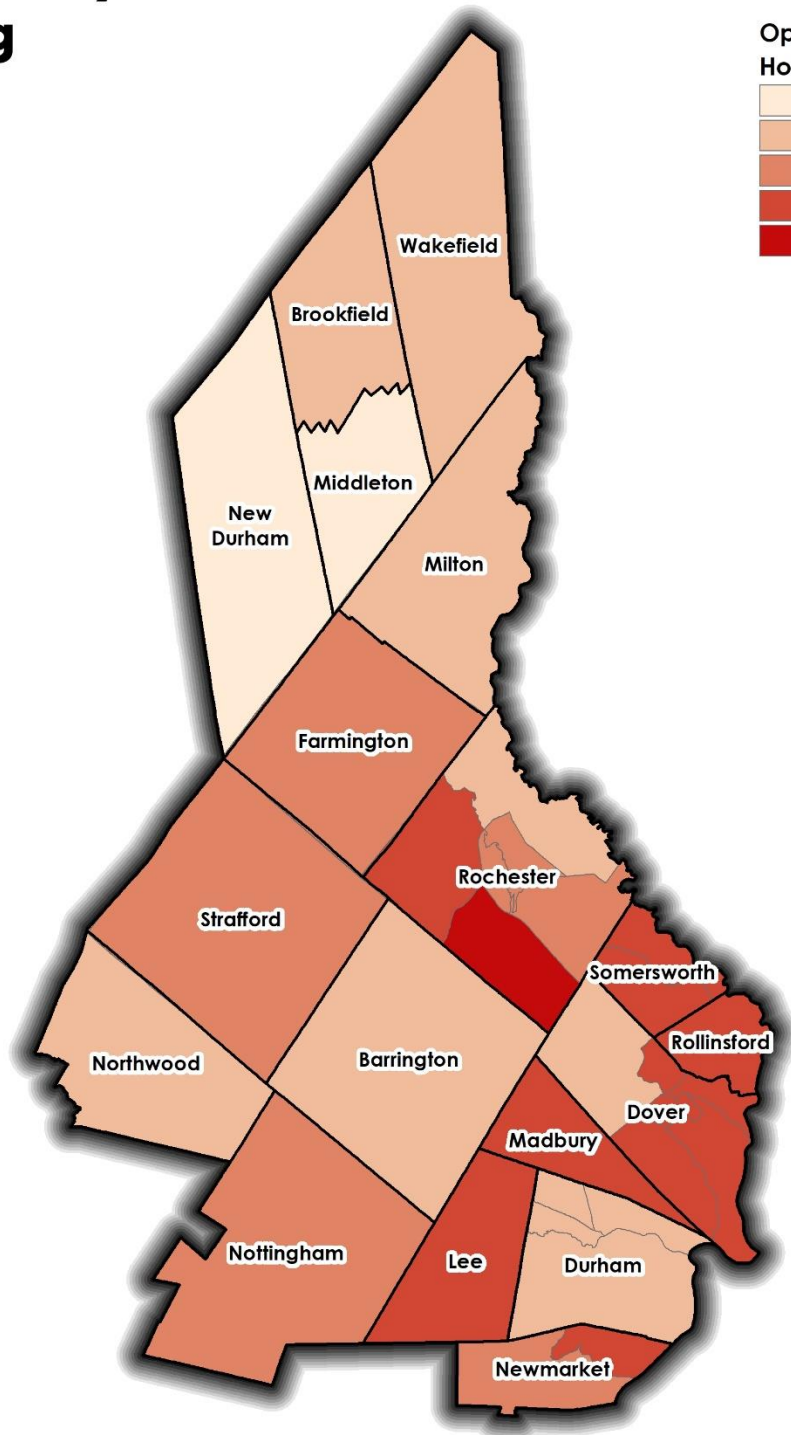
Opportunity Index - Education



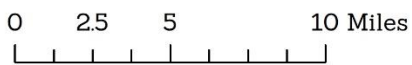
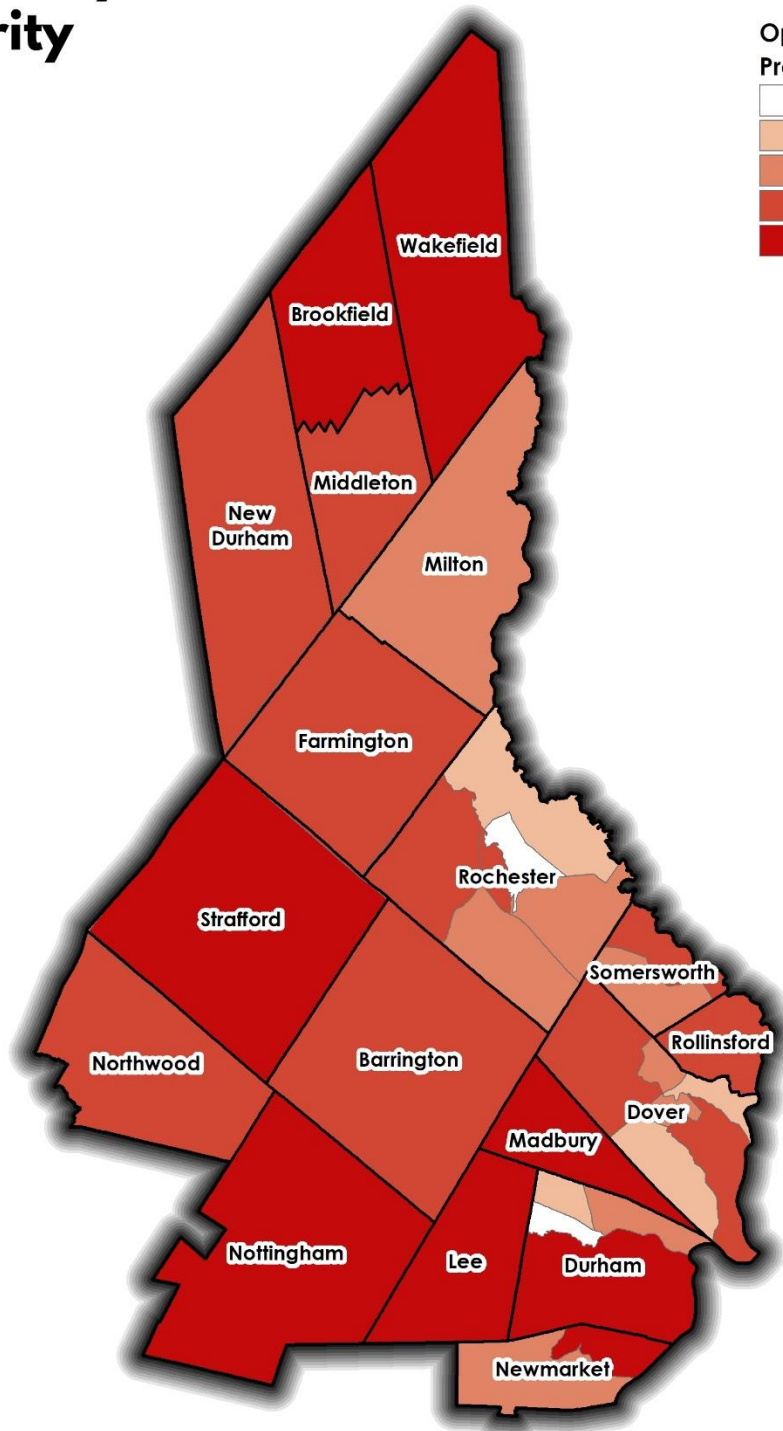
Opportunity Index - Health



Opportunity Index - Housing



Opportunity Index - Prosperity



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	Brookfield	Dover	Barrington	Barrington
Madbury	Lee	Lee	Brookfield	Dover
Newmarket	Madbury	Madbury	Durham	Durham
Nottingham	Newmarket	Rochester	Farmington	Lee
Strafford	Nottingham	Rollinsford	Lee	Madbury
	Strafford	Somersworth	Madbury	Newmarket
	Wakefield		Middleton	Nottingham
			Milton	Rollinsford
			New Durham	Strafford
			Newmarket	
			Northwood	
			Nottingham	
			Rollinsford	
			Strafford	
			Wakefield	

Low Opportunity Areas

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

Areas of Low Opportunity and Concentrations of 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.

Areas of Low Opportunity for...	...Have High Concentrations ofAnd Can be Found in...
Prosperity	Minority Populations	Dover, Durham
	People with no Vehicle Access	Dover, Durham, Rochester
Health	Minority Populations	Durham, Somersworth
	Grandparents That Are Guardians for Grandchildren	Rochester
	People with no Vehicle Access	Durham, Rochester, Somersworth
	Populations with Limited English Proficiency	Rochester, Somersworth
Education	Grandparents That Are Guardians for Grandchildren	Farmington, Rochester
	Populations with a Disability	Brookfield, Farmington, Rochester, Wakefield
Housing	Populations Living in Poverty	Durham
	Populations with a Disability	Brookfield, Rochester, Wakefield

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 US 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 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 housing access is crucial for our region to overcome housing discrimination and segregation.

Evidence of Discrimination

Based on 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 basis of Disability, Familial Status, Race, National Origin, Color, and Sex, as detailed below. (Note, one filed case may have been filed with multiple basis, so the number of cases- 29- does not equal the number of basis).

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)

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

County	City	Basis
Rockingham	Nottingham	Disability (2)
		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 basis 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 basis: 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

Fair Housing Assistance

There are numerous Federal and State Resources dedicated to promoting and protecting fair housing opportunities for residents. First and Foremost is the US Department of Housing and Urban Development, the federal agency designated to enforce federal fair housing laws and provisions. HUD maintains extensive resources online at www.hud.gov and receives housing discrimination complaints via telephone, web, fax or mail.

The Fair Housing Initiatives Program (FHIP) and Fair Housing Assistance Program (FHAP) administered through HUD were created to aid organizations focused on providing assistance to those who believe are not receiving their civil right to fair housing, or for organizations who work to enforce fair housing laws, as described below.

The **Fair Housing Initiatives Program (FHIP)** was created to help organizations and non-profits who assist individuals who believe they have been discriminated against when trying to attain housing. Organizations that receive funding through this program partner with HUD to ensure individuals are informed and provide 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. 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. Private Enforcement Initiative (PEI) – Provides funding for non-profit fair housing organizations that work to prevent discriminatory housing practices by carrying out testing and enforcement activities.
3. 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.

Additional resources outside of HUD can be found at:

- The **US Department of Justice, Civil Rights Division** is responsible for prosecuting civil violations of federal housing discrimination laws.
- New Hampshire complainants, via the **US Federal District Court, District of New Hampshire**, have direct access to filing private discrimination lawsuits.
- **NH Commission for Human Rights** is the NH state agency with the responsibility to receive and investigate housing discrimination complaints as previously noted.

- **NH's Attorney General's Office** may receive referrals from the NH Human Rights Commission for cases that require injunctive relief and may investigate and enforce NH Civil Rights Act violations.
- Housing discrimination complainants may bring cases to the **NH State Courts** after filing with the HRC and requesting to move the matter to court.
- As previously mentioned, **NH Legal Assistance**, a non-profit law firm serving low-income persons in New Hampshire is the only entity in NH that receives HUD funds for fair housing enforcement activities.
- The **Disability Rights Center**, another NH based, statewide non-profit law firm, provides legal service to disabled persons related to housing discrimination, among other legal advocacy roles.

Regional Housing Assistance

Local Housing Authorities

Local Housing Authorities are created through 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 also by offering properties that are ADA 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. Initially, the primary goal of the authority was focused on urban renewal and creating housing for the elderly and families with children, but later 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. The 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 families experiencing homelessness in the City of

Rochester, and administers 182 Housing Choice Vouchers. 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 and Fair Housing Initiatives programs. Publications on their website include documents that 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, and 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 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 beyond. The NHHFA provides educational programs for homebuyers, as well as resources for renters. Another service provided by NHHFA is financing for low- and moderate-income people for the purchase of 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 staff for individuals needing support in daily activities and support for independent living. In 2022, CAPSC distributed more than \$34 million to community members in need through our programs, which is more than ever before.

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.

RESOURCES FOR MEETING LOCAL HOUSING NEEDS

The Toolbox

The “Toolbox” is a supplementary standalone document, created with the help of sub-consultant Outwith Studio, that is meant to provide municipalities with innovative zoning and planning strategies meant to help increase housing production. Beyond providing a detailed description of each tool, it offers an explanation of ways in which a tool can help communities, how to get started, considerations to keep in mind, issues addressed, relevant state laws, case studies, and resources that can help with implementation. Below, is a high-level description of the tools that are covered extensively in the Toolbox.

Accessory Dwelling Units (ADUs) - ADUs are secondary homes or apartments on an existing single-family lot. They can be apartments within the primary home (such as in a basement or attic), attached to the primary home, or in an accessory building (like a converted garage). An ADU, defined under state law, is an “independent living facility for one or more persons, including provisions for sleeping, eating, cooking, and sanitation...” (RSA 674 § 71).

How can it help? ADUs can...

Provide an age-friendly housing option for older adults, as they can down-size while aging in place; provide less expensive housing options for younger adults, single parents, and others; accommodate multi-generational families and other household structures that are not well-served by conventional development; reduce demand on assisted living facilities by providing homes to caregivers for elderly homeowners; create more housing without changing the architectural character of an existing neighborhood; create more housing affordability and options without the need for additional water and sewer infrastructure; provide more units with fewer building materials than conventional development and with no additional land costs; create income-support opportunities for homeowners in expensive housing markets; and generate increased tax revenue (over the long term) for municipalities.

Alternative Small Housing Types - This refers to a range of housing options that are smaller than conventional single-family homes but are not large

apartment buildings. They include various types of attached and detached housing units that are designed to be more affordable than conventional development. These units can include duplexes, triplexes, fourplexes, townhouses, and other types of small multifamily housing.

How can it help? Alternative Small Housing Types can...

Increase housing options by providing more housing options for people with different needs and budgets; increase affordability because alternative small housing units are smaller, require less land per unit, and can have shared amenities and infrastructure; improve walkability since these can make use of public sidewalk and trail infrastructure; preserve open space and natural areas of a community that would otherwise be pressured by development; bring economic benefits to a community and more concentrated demand for local businesses; foster a sense of community by bringing people together in a shared living environment; be designed to be more energy-efficient and environmentally sustainable.

Cluster Housing - Also called “conservation subdivision”, cluster housing is a style of development in which homes are grouped together on a site and given large shared open spaces, rather than the style of conventional development, with homes evenly distributed with smaller private open spaces. Towns can encourage and developers can pursue cluster development to preserve natural resources, provide high-quality open space amenities, and reduce the ecological impact of new development.

How can it help? Cluster Developments can...

Provide flexibility to both planning boards and developers for handling unique site characteristics, such as steep slopes, wetlands, and wildlife corridors; facilitate the preservation of large tracts of open space, protecting farmland, natural features, and key resources like aquifers; create smaller subdivision lots, which can be more affordable; reduce the footprint of new development, minimizing impervious surface and site grading; reduce the cost of construction and maintenance of infrastructure; reduce utility costs for residents; protect important views and vistas for the community; improve stormwater management; provide outdoor recreation opportunities; increase overall supply of housing, especially smaller and less expensive housing types.

Village Plan Alternative (VPA) - VPA is a zoning tool designed to encourage the development of new villages in rural areas. The tool promotes compact

development and a mix of land uses using traditional neighborhood design techniques, paired with open space conservation. The tool is similar to cluster zoning (also called “conservation development”), but it is focused on traditional mixed-use villages.

How can it help? VPAs can...

Provide more diverse housing options with better access to everyday needs and community gathering spaces; reduce infrastructure costs for new development, reducing housing costs overall; create communities more accessible to seniors, young people, and new families; create economic development opportunities by providing more supply of commercial space and concentrating residents’ demand for goods and services; protect open spaces from sprawl style development; protect agricultural economies and traditions; create more local tax revenue, since housing near amenities tends to be valued more and successful mixed-use development can add more net revenue than housing alone.

Alternative Wastewater Systems - Alternative wastewater systems are used to overcome limited wastewater discharge capacity, in order to build the appropriate housing types for a community. Dealing with wastewater is a major constraint on housing development in many communities. There are two conventional wastewater options for housing developments (1) connecting houses to (public) sewer systems, which usually treat and discharge wastewater into surface water; or (2) building an individual septic system for each home, which separates wastewater into liquids and solids, and discharges the liquids onto the land.

How can it help? Alternative Wastewater Systems can...

Cut costs of land, development, and maintenance, lowering housing costs overall; preserves open space that would otherwise be used for private leach fields; permits traditional pattern of small-lot development in villages without public sewer systems; enable mixed-use and multifamily development possible in areas without public sewer; increase the supply of affordable housing; provides design flexibility; fix failing wastewater systems; significantly improve water quality with better treatment; provide groundwater recharge; spur economic development in small rural communities.

Inclusionary Zoning (IZ) - Inclusionary Zoning is a land use regulation that encourages the creation of deed-restricted affordable housing (homes that must

be rented or sold at a price affordable to the typical household) within market-rate developments. The name “Inclusionary Zoning” is meant to reference and counteract “exclusionary zoning,” the practice of crafting zoning rules to limit the presence of low-income households, racial and ethnic minorities, and other groups.

How can it help? Inclusionary Zoning can...

Increase affordability without reliance on scarce government funding; encourage housing production (if a bonus is included); create more community support for housing development generally; produce more diverse housing options; produce affordable units even when costs are rising.

Age-Friendly Neighborhoods - Age-friendly neighborhoods are places that address the needs of younger and older adults that may move away from their community due to a lack of housing that fits their needs. Typically, younger adults that hope to buy their first home and older adults that want to downsize are looking for similar housing essentials: smaller and easier-to-maintain homes that are affordable.

How can it help? Age-Friendly Neighborhoods can...

Enable residents to age in place; retain young people in their hometowns; prevent economic losses due to workers leaving their search of adequate housing; create housing that meets the needs of residents of all ages and abilities; provide incentives to build smaller, more affordable, low-maintenance homes; maintain or increase local tax revenue by maintaining demand for housing.

Infill Development - New construction undertaken in an already built-up area is often referred to as “infill development.” It generally occurs on underused properties within a downtown or urban core either by reusing existing buildings, developing on vacant parcels, or demolishing existing buildings to make way for new construction. It can vary in scale from a single residential lot to large industrial sites.

How can it help? Infill Development can...

Encourage more efficient use of land; reduce negative impacts of vacant buildings and lots; reduce cost for development and need to extend infrastructure; lead to more housing options in a community; spur new

investment and help to expand the tax base; serve as an impetus to clean up contaminated sites.

Mixed-Use Development - Mixed-use development is a type of real estate development that combines multiple uses, such as residential, commercial, cultural, entertainment, and institutional, into a single development project. These types of developments can take many forms, including residential buildings with ground-floor retail space, office buildings with apartments on upper floors, or entire neighborhoods that mix different types of residential buildings with commercial, cultural, and institutional uses.

How can it help? Mix-Use Development can...

Provide a range of housing options, including affordable housing, which can help to address the needs of a diverse population and promote economic diversity within the community; revitalize downtown areas by bringing new residents, businesses, and activity to the area; reduce traffic congestion and improve air quality by bringing residents closer to jobs, neighborhood retail, and other sources of trips; provide needed community spaces to foster social connections and a sense of belonging among residents; preserve natural and open spaces by allowing for more compact and efficient development patterns; generate new tax revenue while using fewer public infrastructure resources.

Form Based Codes (FBC) - A Form-Based Code is a set of land development regulations with a primary focus of achieving a specified urban form. It is an alternative to conventional zoning and is more direct about the type of development it hopes to foster. In practice, FBCs either replace the base zoning for an area, or are incorporated into a zoning overlay district.

How can it help? Form-Based Codes can...

Encourage construction of alternative housing types like duplexes and small multifamily buildings, which are often missing in smaller communities with little affordable housing; increase property owners' certainty about what is their land, and for developers, reduce design and permitting uncertainty—potentially lowering costs for homebuyers and renters; help regulate the infill, expansion, and redevelopment of downtowns and village areas; help to continue historic development patterns and reflect the character of an existing built environment; encourage mixed-use development and opportunities for small businesses; create more useful and enjoyable public spaces, especially streets.

Right-Sized Regulations - This is the process of matching zoning and subdivision rules with the existing built character of a place, with community needs, with contemporary real estate economics, and with a community's vision for its future. Too often, a community's land use regulations will mandate development that doesn't complement well-loved neighborhoods and architecture, unnecessarily increasing housing costs, and removing open space.

How can it help? Right-Sized Regulations can...

Effectively increase housing production; lower land and construction costs for new housing; provide more diverse housing options; help reduce economic segregation; nurture and complement historic districts and traditional architecture; reduce the impact of unnecessary pavement, including on groundwater and flooding.

Adaptive Reuse - Adaptive reuse is the practice of reusing old buildings for new purposes. While in theory, many types of buildings can be adapted for new uses, in practice adaptive reuse most often occurs in pre-World-War-II industrial buildings (like factories, mills, and power plants) and institutional buildings (like hospitals, schools, and houses of worship).

How can it help? Adaptive Reuse can...

Provide new housing in existing communities; provide a wider range of home types than conventional development; create opportunities for mixed-use development; preserve local heritage and sense of place and history; eliminate the negative impacts of empty buildings and vacant lots; increase the value of and tax revenue generated by older buildings; spur economic development in disadvantaged areas; remediate sites contaminated with hazardous industrial materials; save on costs for construction (if the site does not require extensive cleanup); reduce the carbon footprint of new housing; reduce demand for greenfield housing development, thus preserving open spaces; take advantage of current infrastructure capacity, rather than creating the need for new infrastructure.

Community Revitalization Tax Relief (79-E) - This incentive provides temporary tax relief for a property owner to rehabilitate or replace their building in a village or downtown area. The tax relief program is authorized under state law RSA 79-E, and so the program is often referred to as "79-E." Though it's a state law, the program must be adopted locally to go into effect.

To be eligible for the tax relief, the property owner must provide a “public benefit.”

How can it help? The Community Revitalization Tax Relief can...

Spur economic development in a downtown or village area; encourage infill development; direct investment to areas where infrastructure and public facilities already exist; reduce demand for conventional greenfield development; fix old and deteriorating buildings, reduce the number of vacant buildings and lots, and otherwise revitalize disinvested areas; encourage development that fits the historic architectural character of New Hampshire’s towns and villages; provide amenities to surrounding neighborhoods; conserve energy by directing development to established areas.

Housing Opportunity Zones - A Housing Opportunity Zone is an area within a community where qualifying mixed-income developments can receive property tax relief for up to 10 years. Under the program, a community defines an area of their town or city as a “Housing Opportunity Zone,” and new housing developments there can apply to the municipality for a delay on increased property taxes resulting from that new development. For a development in a Housing Opportunity Zone to qualify, it must provide at least 30% of its homes to low-income households or meet another mix of incomes defined under state law.

How can it help? Housing Opportunity Zones can...

Encourage new housing development at targeted locations; provide new housing for households at lower income levels who are otherwise unserved by new development; spur economic development in targeted areas; create incentives for new housing with no up-front cost to the municipality or other government bodies, while ensuring greater municipal revenues after the tax relief’s expiration.

Planned Unit Developments (PUDs) - PUDs are a method of land use regulation where the allowed mix of land uses, building types, densities, site design, and infrastructure are specified in detail for a single parcel or small collection of parcels. While PUDs are authorized under State law, the State provides no guidance on their use, and therefore they can take many compounds that are helpfully contrasted with conventional zoning.

How can it help?

Provide a mix of uses and multifamily housing that expand the tax base without the proportionate costs found under conventional zoning for infrastructure maintenance; decrease development costs for new housing; create a wider range of housing options than that found under conventional zoning; efficiently use land available for development; better integrate large developments with existing communities; connect existing neighborhoods and new housing with commercial development to create more amenity-rich communities; spur investment in public infrastructure, while creating less demand burden on that infrastructure; address the quality-of-life issues and limit open space encroachment associated with conventional development.

Transfer of Development Rights (TDRs) - TDRs are a zoning tool used to distribute development in an area to the places best suited for development, while letting all property owners recoup the value of development. Within a TDR framework, the owner of land ill-suited for new housing (e.g., where there is a farm or where there are no utilities) could sell development rights to an owner of land more suitable to new housing (e.g., in a developed area with infrastructure access). Many TDR frameworks establish a “sending zone,” where property owners can sell development rights, and a “receiving zone,” where property owners can buy development rights.

How can it help? TDRs can...

Create new housing options in areas with existing infrastructure and amenities; preserve open space, agricultural, and low-density residential areas; unlock housing potential from parcels that would otherwise be infeasible or lower capacity; maintain community character by preventing sprawl development; help transition from high-density to low-density areas; more evenly distribute the financial benefits of development to open space, agricultural, and low-density residential areas, while also increasing financial benefits for built-out areas; encourage small and alternative housing types without increasing the overall development in a community.

Tax Increment Financing (TIF) - This is an economic development tool meant to make private developments feasible to allow upfront costs to the community. With TIFs, a municipality issues debt or otherwise agrees to pay to finance infrastructure or other public improvements in a specific area (the “Subdistricts”). Those improvements enable private development, which increase the value of TIF district properties and associated property tax revenue. Those increases to tax revenue (called the “tax increment”) are set

aside to pay off the debt. Once the debt is repaid, all the property tax revenues go into the municipality's general fund.

How can it help? Tax Increment Financing can...

Encourage housing development where it would be otherwise impossible due to expensive brownfield cleanups, lack of infrastructure, or other constraints; provide workforce housing; finance public improvements that will help the whole community; spur economic development in targeted areas when private investment is insufficient, such as the case in many downtowns; diversify the tax base; bring local jobs in targeted industries; improve infrastructure leads directly to higher property values; boost local tax revenues in the long-run when debt is repaid and in the short-term if property values exceed what was expected.

Short-Term Rental Regulations - STRs can take many forms. For example, they can be owner-occupied (where the owner rents a room or accessory dwelling for extra income). They can also be seasonal rentals by "snowbird" owners. They can also be owned by professional operators, who buy homes for the express purpose of converting them to STRs. Homes can operate as STRs sporadically or full-time. (The latter was increasingly common in the late 2010s and early 2020s, though that business model is becoming more difficult with increasing regulations, competition from the hotel industry, and higher interest rates.) There is not, however, one definition that is mandated and communities are mostly free to define STRs as they choose in their zoning ordinance.

How can it help? Short-Term Rentals Regulations can...

Limit the conversion of long-term housing stock to hotel uses via STRs; target certain areas over others for STR uses; protect neighborhoods from the negative impacts of STRs and absentee landlords; establish clarity for both homeowners and professional STR operators, including thresholds for when an accessory STR in a person's home becomes regulated; establish consistent treatment for different types of lodging uses in zoning; Increase local Meals and Rooms Tax revenue from STRs that may otherwise fly under the radar; increase demand for traditional hotel developments, which will reduce pressure on the long-term housing market, have a greater local economic impact, and can revitalize underinvested areas in a community.

Recommendations

The first step to a sustainable housing environment is to understand the needs of our communities. Now that we know how many homes- and just as importantly which types of homes- are needed by our residents and businesses, stakeholders can begin to rethink the ways in which we can achieve each community's housing goals. Housing is a topic that not only concerns, but also involves an entire ecosystem, and therefore it is indispensable to understand that these goals will require the support of many different entities, including public-private partnerships, municipal land use boards, businesses, non-profits, developers, residents, and beyond.

For municipalities, it is through smart growth and land use planning that housing goals can be met (different methods and tools are discussed extensively in the Toolbox). Employers can encourage access and availability to housing through the many different Employer Assisted Housing programs available. Across borders, different communities and regions can also come together to identify regional approaches to housing issues (for example, through an agreement between adjacent communities to support sewer/water expansion and infrastructure). Through outreach and education, residents and land-use boards can help by becoming better informed with the realities of housing and how it impacts the vitality of their communities, non-profits and housing corporations can assist with education and myth busting. Moreover, developers can become familiar and take advantage of the many different housing incentives available to them and can work hand-in-hand with municipal representatives that share their same interests to make processes as efficient and seamless as possible.

For support and assistance in any of the above recommendations, communities and their partners can rely on their regional planning commissions. Whether it is through data and information gathering, guidance with land use practices, regional collaboration efforts, assistance with transportation or community master plans, regional planning commissions are a good resource to rely on.

CONCLUSION

Summary of Findings

While the region's population is both growing and aging, the average household size is declining, triggering the need for not only more housing units, but more housing that accommodates the needs of all ages and household types. The early 2020s are demonstrating to be a critical era where the region's housing stock is severely constrained – the number of housing units available both for rent and for sale is on a downward trend, and rental vacancy rates in particular are at historic lows and declining further.

Additionally, positive job growth is projected in all 18 municipalities of the Strafford Region. This is a major component of positive economic forecasting for the region, as well as a strong indicator that the trend of population growth will continue to influence demand for housing.

Much of what limited housing stock there is currently available is unobtainable to much of the region's workforce due to high cost. As discussed in the Income and Relative Affordability section, this will continue to impact the region's essential workers, including teachers, nurses, and retail workers. When local communities were surveyed, a recurring theme was a need for more low- and moderate-income housing, more rental housing, and more age-friendly housing (not to be confused with age-restricted housing). According to those surveyed, additional high-end "luxury" housing is the least needed form of housing in their communities, despite being some of the most common (sometimes only) type of multi-family housing that is built.

Moving forward, it is important to consider that federal housing and fiscal policies, climate change, and rising housing and utility costs will continue to have an impact on housing supply and affordability. Growing demand for seasonal housing as well as existing units found to be in poor condition or outright demolished create additional strain that must be considered.

Ultimately, the projected housing need through 2040 for the region is not unrealistic compared to historic trends – most notably the building boom of the years leading to the 2008-09 recession – and can absolutely be met if municipalities are committed to responding to their communities housing needs.

APPENDICES

Appendix A - Glossary of Terms

Affordable Housing: The term affordable housing is typically used to refer to housing with covenants, subsidies, or other mechanisms to ensure availability to low and moderate-income households at a cost that leaves an adequate amount of household income for other necessities. New Hampshire RSA 674:58 contains a specific definition of “affordable” with respect to workforce housing for a specific range of household incomes by tenure.

Accessory Dwelling Unit (ADU): A residential living unit that can be within or attached to a single-family dwelling, or a detached unit that provides independent living facilities for one or more persons, including provisions for sleeping, eating, cooking, and sanitation on the same parcel of land as the principal dwelling unit it accompanies. See New Hampshire Accessory Dwelling Unit statute (RSA 674:71-73).

Area Median Family Income (AMFI): The area median family income divides the distribution of area incomes for a group of two or more people who reside together and who are related by birth, marriage, or adoption into two equal parts: one-half of the family households falling below the median value and one-half above the median. Estimates of the estimated AMFI of counties and other statistical areas are published annually by the U. S. Department of Housing and Urban development, adjusted for household size. It is this reference source that determines the qualifying incomes for various affordable housing programs as a percentage of the AMFI.

Assisted Rental Housing Units: Assisted housing developments are housing facilities that provide subsidized or below-market rental housing units for low and very low income households. Assisted housing units are generally classified in three groups: special needs, elderly, and general occupancy or “family” units.

Equalized Assessed Valuation (EAV): An estimate of the full value or market value of taxable real estate, based on adjustments to municipal property valuation adjustments, made by the NH Department of Revenue Administration. Property values by community must be equalized for the purpose of equivalent assessments of county taxes to each municipality.

Fair Share: Municipal accommodation of a reasonable proportion of the low to moderate income housing needs of a market area or region. In some states, fair share is a numerical quantity, goal or quota defined by state or regional housing allocation plans. This quantity may be defined by various proportionate distribution factors relative to community share of property wealth, income, total housing units, population, employment or other factors. In New Hampshire, fair share is used in the context of either hosting a supply of workforce housing units, or providing reasonable opportunities for the creation of such housing, without a specific numerical formula for its measurement.

Gross Rent: The cost of rental housing to a tenant including rent paid to the landlord plus any additional cost paid by the tenant for water, sewer, heat, hot water, cooking fuel, and domestic electricity. While the term gross rent includes rent paid plus all utilities, the term contract rent refers only to the amount paid by a tenant to a landlord regardless of the utilities included in that rent.

Group Quarters: Living quarters that are not classified as separate dwelling units. These living situations include dormitories, correctional facilities, group homes, nursing homes and most licensed care and supervised living facilities. The population residing in them is called the group quarters population. The population living in group quarters is not included when computing average household size (persons in households divided by total households).

Headship: Refers to the ratio of households by age of the head of household to the total population within the same adult age groups. Headship ratios may be used to convert population estimates by age to estimates of the number of households by age using these relationships.

Households: The number of occupied dwelling units. Households are divided into two categories of tenure: homeowners and renters.

Housing Choice Vouchers (also known as Section 8): A federal government program that assists very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. It is a form of subsidized affordable housing in which families who qualify may be provided with government funding to pay a portion of their rent in standard, market-rate housing. Program eligibility and assistance is based upon income and household size.

Housing Cost Burden: The percentage of total household income that is spent on gross monthly housing costs. For renters, this includes rent plus any

additional utility or fuel costs for heat, hot water, cooking fuel, and electricity. For homeowners, the costs include mortgage principal and interest, property taxes, hazard insurance, and utilities, plus any applicable condominium association fees or site rent within a manufactured housing park. An affordable housing cost burden is generally considered to be not more than 30 percent of a household's gross income. A high housing cost burden is one that exceeds 30 percent of a household's income.

Labor Market Area (LMA): In New Hampshire, the US Bureau of Labor Statistics, with input from the Economic and Labor Market Information Bureau of New Hampshire Employment Security, divides the state into geographies that represent an economically integrated region within which workers can readily change jobs without changing their place of residence. Areas of high density are identified as Metropolitan or Micropolitan NECTAs and the remainder of the state is then subdivided into Labor Market Areas.

Low Income Housing Tax Credit (LIHTC): A federal program that subsidizes the acquisition, construction, and rehabilitation of affordable rental housing for low- and moderate-income tenants. Developers receive a tax credit allocation from an agency such as NHHFA (In NH, NHHFA administers the program) and then sells the tax credits to a private equity company in exchange for funding to build the property. LIHTC properties must have some or all of its units leased to tenants at rents that are lower than market rent.

Market Rate: Refers to prices or rents that are not subsidized by government programs, and where there are no restrictions on the property that would limit the price or rent from rising or falling according to market demand.

Median Household Income: The median household income divides the distribution of incomes for the occupants of a housing unit that is their usual place of residence into two equal parts: one half of the households falling below the median value and one-half above the median.

Mixed-Use: Any building that contains at least two different types of uses in it, such as ground floor commercial space for stores, restaurants or other businesses, and apartments on the upper floors.

Multi-Family Housing: A building or structure designed to house different families in separate housing units, usually rental property.

Low, Very Low and Extremely Low Income: The US Department of Housing and Urban Development (HUD) provides income limits based on US Census data. Estimates are based on percent of area median family income (AMFI) and calculated at three income levels; Low Income (under 80 percent of AMFI), Very Low-Income (under 50 percent of AMFI), and Extremely Low Income (under 30 percent of AMFI).

Seasonal Housing Units: A housing unit held for seasonal or occasional use, occupied only during limited portions of the year. These units may include ski cabins or condos, summer residences, or others not occupied as a primary residence.

Single-Family Housing: Any detached dwelling unit meant for only one family to reside in. A single-family home has no shared property but is built on its own parcel of land.

Subsidized Housing: Housing where all or a portion of the occupants' monthly housing cost is paid for directly by the government, such as by Housing Choice Vouchers.

Tenure: In the context of housing analysis, a classification of households into two groups: ownership versus rental occupancy.

Vacancy Rate: The number of vacant for rent or vacant for sale units available for year round occupancy as a percentage of the year round housing stock (occupied units plus vacant for rent or for sale units).

Some vacancies are desirable to enable mobility and choice within the housing market. Therefore the year round housing supply should exceed the number of households by an adequate vacancy margin that provides for adequate housing choice.

Vacant Housing Unit: A housing unit in which no one is living at the time of Census enumeration, unless its occupants are only temporarily absent. Total vacant units include seasonal units, units held for occasional use, and vacant units which are for sale or for rent. Only those vacant units which are available for sale or rent are included in the vacancy rate, which is computed based on the year-round housing stock.

Workforce Housing: A variety of housing types that are affordable (no more than 30 percent of gross income spent on housing cost) suitable for households

of working people with different needs and income levels. Due to their income, this population is generally not eligible for any federal assistance programs.

Workforce Housing Law (NH) - RSA 674:58-61 defines workforce housing as housing that is affordable to a renter earning up to 60 percent of the Area Median Income for a family of three paying no more than 30 percent of their income on rent and utilities, or a homeowner earning up to 100 percent of the Area Median Income for a family of four paying no more than 30 percent of their income on principal, interest, taxes and insurance.

Year-Round Housing Stock: Occupied units plus those available for sale or rent for year round use.

Appendix B – Outreach Outcomes

Please visit <https://strafford.org/projects/rhna/> to view the appendix materials.

Appendix C – RHNA Data Snapshot

Please visit <https://strafford.org/projects/rhna/> to view the appendix materials.

Appendix D – Data Modeling Methodology Documentation

Please visit <https://strafford.org/projects/rhna/> to view the appendix materials.