



UPPER VALLEY LAKE SUNAPEE REGIONAL HOUSING NEEDS ASSESSMENT

2023



Created by the
Upper Valley Lake Sunapee Regional
Planning Commission in Collaboration with
CNHRPC, LRPC, NRPC, NCC, RPC, SNHPC,
SWRPC, and SRPC.

Executive Summary

The purpose of this Regional Housing Needs Assessment (RHNA), which includes a Fair Housing Equity Assessment (FHEA), is to provide current, regional, and local data and analysis on housing needs, fulfilling New Hampshire's RSA 36:47(II) statutory requirements.

At the start of 2023, the housing crisis continues to lay bare inequity and exacerbate issues with workforce and public health in the Upper Valley Lake Sunapee (UVLS) region of New Hampshire. Some residents remain without permanent shelter, fear eviction, lack access to needed in-home supportive services, or reside in unsafe conditions. It is not a small problem. Over ten thousand households in the region are burdened by the cost of their home, with people who are renters, over 65, and with household incomes less than \$50,000 all experiencing higher rates of burden. Employers are challenged by applicants refusing job opportunities due to lack of market options. This not only impacts the region's economic vitality, but also the region's ability to respond to the housing crisis with a fully staffed construction industry and social service provider network.

Our community's economic and social fabric is suffering. It is not someone's problem; it is our problem. The impact is collective, and so is the opportunity.

To inform local planning in accordance with New Hampshire's workforce housing law (RSAs 674:58 – 61), this RHNA includes "fair share" targets out to 2040. The UVLS region is identified to have a "fair share" housing need target of 5,671 new homes. At the municipal level, targets range from 26 to 1,249 homes in the UVLS region. According to NH Office of Planning and Development (OPD) data, a net 6,656 building permits were pulled over the last two decades.

The modeling for these targets considers population, employment, and vacancy factors, but does not incorporate all future conditions that could impact the real experience of housing need. Nor does the model incorporate opportunities and barriers based on community services and their ability—or inability—to accommodate a target number of units within existing or new structures. These missing components emphasize that municipal planning will need to meet changing trends in housing need, such as those experienced during the COVID-19 pandemic, with flexibility and preparedness; plan inter- and intra-community coordination to reach regional targets; and adjust services such as physical infrastructure, ecosystem-based management, economic development, and public health services to ensure equitable access to success for all.

Our housing problem is not something special. Many communities are facing this same problem, and none have fully solved it. There are some solutions to the housing crisis, but no "silver bullets." We have some tools already, while others need to be created. The Keys to the Valley initiative, a collaboration of the three New Hampshire and Vermont regional planning commissions in the Upper Valley, will continue to serve as a resource and continually updated repository of tools we—every stakeholder, every resident, and every community—can use to provide ourselves and each other with the homes we need. With the understanding we have of this crisis and a good grasp of available tools, cooperation and urgent action is needed for a healthy, happy, and prosperous region now and for future generations.

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1 - Introduction

The Regional Housing Needs Assessment (RHNA) is a collective perspective and analysis of the current housing crisis in the Upper Valley Lake Sunapee (UVLS) region. Created by a team of professional planners and informed by municipalities, developers, social service providers, real estate agents, employers, landlords, and other relevant stakeholders, the RHNA serves to uncover prevailing housing trends and opportunities. While not intended to be an exhaustive list of housing problems and solutions, the RHNA is part of a greater endeavor towards increasing the number of homes that are affordable and appropriate to the region's needs.

The RHNA characterizes the UVLS region by its multiple geographic and cultural attributes. The region lies in a bi-state area—the greater Upper Valley—with employment, culture, and natural resources transcending borders across Vermont and New Hampshire (Figure 1-1). From the Mascoma River to Lake Sunapee, our region is home to many waters that flow into the Connecticut and Merrimack Rivers. This landscape forms many unique pockets that are home to our diverse communities, including resort towns, rural lands, and employment and population centers.

The Upper Valley Lake Sunapee Regional Planning Commission's (UVLSRPC) last RHNA update was in 2012. Since 2012, many housing themes and challenges persist while others have changed in the region. Along with the last RHNA, chapter two of the 2015 UVLSRPC Regional Plan covered similar housing topics. However, more recently, an initiative called Keys to the Valley (KTTV) was conducted by three RPCs in Vermont and New Hampshire to develop an action plan, provide a toolbox of solutions & data, and elicit honest conversations around the housing crisis in the greater Upper Valley.

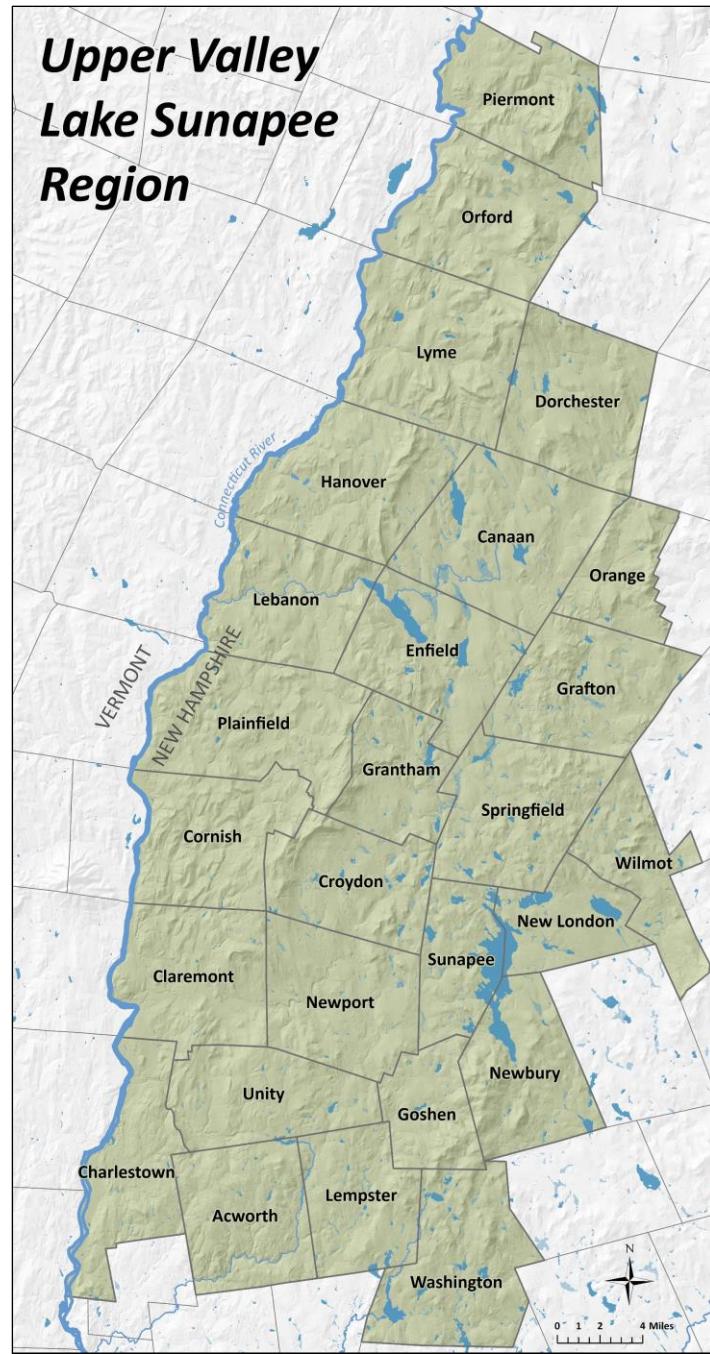


Figure 1-1 – Map of the Upper Valley Lake Sunapee Region.

1.a - Keys to the Valley

The bi-state KTTV initiative continues to be a “living” document and resource for employers, financiers, municipal officials, staff and volunteers, residential contractors and developers, residents, state legislators, and social service providers. Our five key understandings from the initiative include the following: 1) Our region’s housing problem is a crisis. 2) This is not just a private problem with a private solution. 3) This is a tough problem that requires many different solutions in tandem that are tailored to each place and its people. 4) New solutions and approaches are needed, and 5) Solving housing needs must also solve other problems. These key understandings remain pertinent to the findings of this RHNA.

Some of the key actions derived from KTTV initiative include the following: 1) Spread knowledge of the region’s housing needs, 2) Ensure access to a safe home, 3) Sustain existing primary homes, 4) Make it easier to build homes, 5) Create the types of homes the region needs; and 6) Build smart for economic health. The RHNA is one attempt at fulfilling these action areas.

In many ways, this RHNA update is part of Phase II of the KTTV initiative. However, there

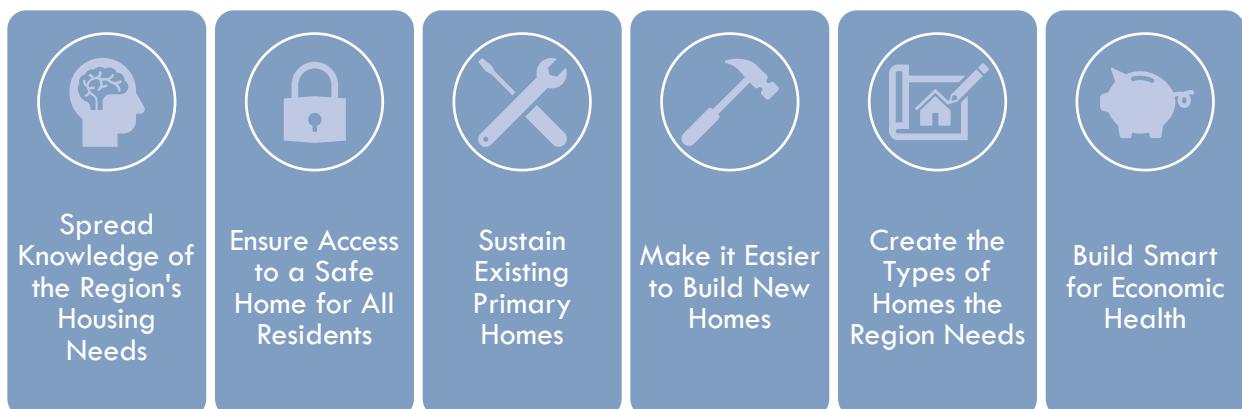


Figure 1-2 - Keys to the Valley Action Areas (KTTV).

are key differences between KTTV and the RHNA. For example, the RHNA is a formalized document, includes 2020 Census updates, provides the Needs Assessment and Fair Housing Equity Assessment (FHEA), serves as a supportive document for municipalities and other relevant stakeholders, and focuses on the New Hampshire side of the greater Upper Valley. The RHNA effort is also different from previous efforts due to the unprecedented level of resources provided by the State of New Hampshire to address the housing crisis.

1.b - Statutory Requirement

UVLSRPC, the eight other New Hampshire regional planning commissions, the New Hampshire Housing Finance Authority, and the New Hampshire OPD coordinated their activities from late 2021 through the end of 2022 to produce a state-wide housing needs assessment as well as individual housing needs assessments for each region. The RHNA and FHEA fulfill New Hampshire RSA 36:47 (II), requirements of the American Rescue Plan funding, and the recommendations of the Council on Housing Stability 2021-2024 Strategic Plan.

The statute requires an assessment of each region’s housing needs by evaluating current, local, and regional data and projecting the future needs of residents of all income levels and ages. This assessment is updated every 5 years and available to the region’s municipalities. While

illustrating the reality of housing demand and supply, it also serves as a guiding tool in complying with NH RSA 674:2 (III), which pertains to the housing section of a community's local master plan. The RHNA is intended to help municipalities determine their compliance with New Hampshire's Workforce Housing Statute, RSA 674:58-61, which states that all municipalities must provide reasonable and realistic opportunities for the development, as well as their "fair share" of workforce housing stock.

This RHNA was funded by the American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Fund Grant as part of the response to the COVID-19 pandemic. It is a requirement of the ARPA funds received by the State to include FHEA elements in the RHNA. This comprehensive addition will help communities better understand existing barriers to housing access, how barriers disparately impact different groups across the region, and what we all can do to address such disparities.

1.c - Overview of the Report

The RHNA begins with an analysis of historical and existing conditions and trends related to housing within the region. Utilizing American Community Survey (ACS) and Decennial Census data, UVLSRPC examined factors that influence homes and residents. Some of this data includes populations (total, by age, migration), households (size, type, tenure), ownership models (own, rent), and prices (supply, demand), along with other economic and infrastructure trends. The analysis provides an evaluation of the region's housing market health and depicts what is required to meet our current needs.

After providing a snapshot of present-day conditions, the RHNA magnifies demographic data. The assessment recognizes how the housing system creates unique home needs and challenges for subpopulations, or "communities of interest," in municipalities throughout the region, and highlights opportunities for resolution. Some of these communities of interest include people classified as having low-income, seniors, people with mobility challenges, and racial/ethnic minorities. It should be noted that these communities of interest are not in a silo; many people fall into multiple communities of interest and therefore will be forced to manage compounding and varied home challenges.

By illuminating the spatial distribution of communities of interest, the RHNA creates an opportunity to explore these trends. The second section summarizes both opportunities and barriers to increasing affordable housing throughout the UVLS region while evaluating the role and capabilities of existing infrastructure and local land controls. The section identifies opportunity areas as well as positive economic, environmental, and educational outcomes for residents based on prevailing common problems across communities.

Planning for the future homes we need requires an understanding of the housing market, potential future shocks, and projection and "fair share" models meant to support local and regional efforts to meet that future. Shocks to the housing system like COVID-19, climate change, flood-prone areas, climate migration, federal monetary policy, construction costs, short-term rentals, student fluctuation in college towns, aging populations, and intra-regional shifts are a few noteworthy factors the RHNA considers. This section also includes each municipalities' fair share of the regional need, indicating all communities have room for improvement.

Finally, the fourth section details essential resources and recommendations to meet local housing needs. While each community requires site-specific goals, UVLSRPC provides potential

options to explore. These strategies derive from toolkits and examples in practice (e.g., ordinance changes, land-use considerations). The purpose of this section is to offer recommendations for municipalities and other community members to utilize toward tangible action steps.

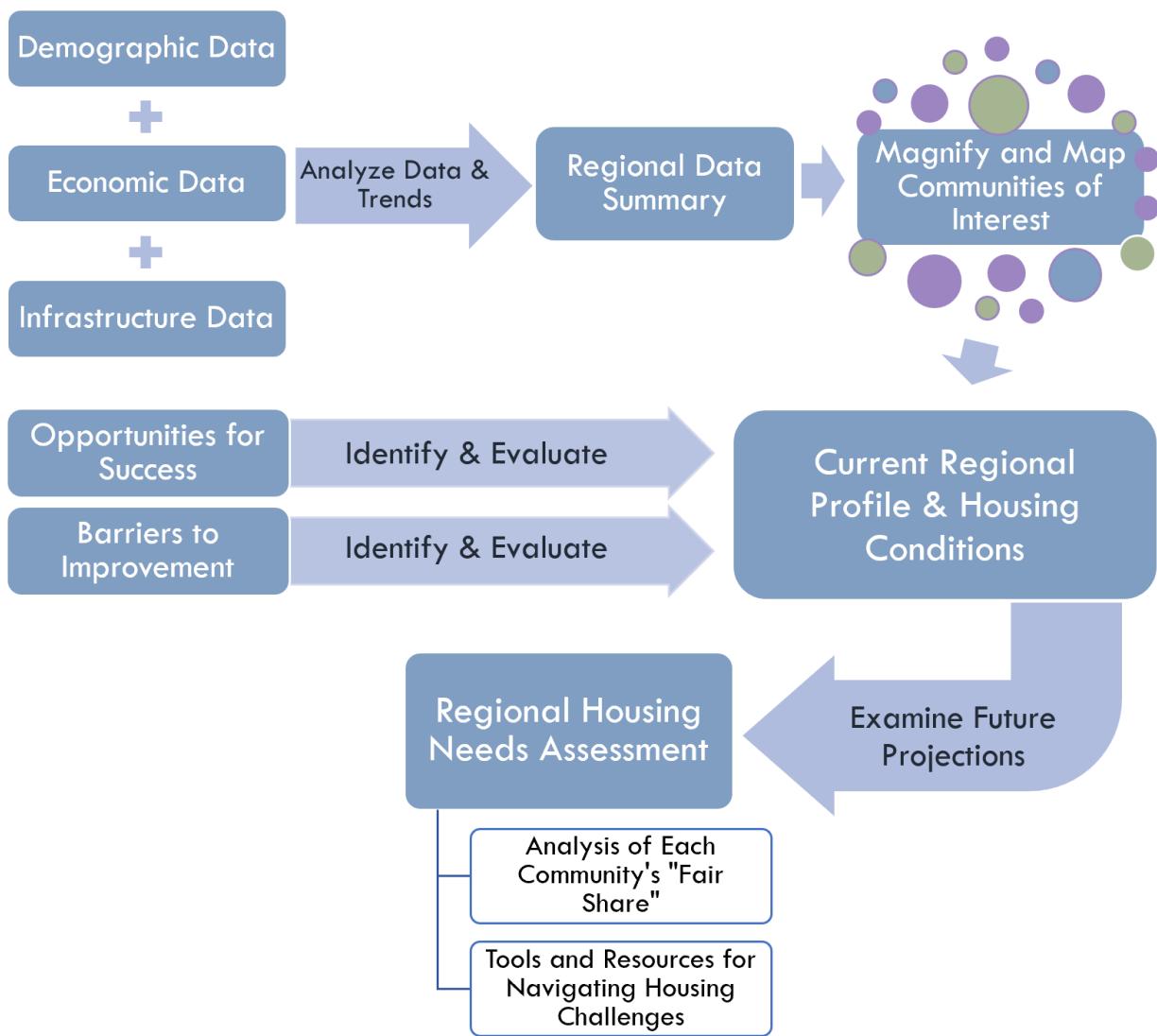


Figure 1-3 - Theory-of-Change Diagram for the 2022 UVLS RHNA Update.

2 - Analysis of Historical/Existing Conditions and Trends

The region's housing condition is defined by a variety of demographic and economic trends. Housing need is influenced by population growth, housing stock, and the earning potential of the population. This section uses U.S. Census and American Community Survey data to determine the degree to which population, income, and housing stocks have changed over time up to now. Within population data, there is a breakdown of demographics into age, gender, race, as well as other more specific groups. Income data is also used to define what proportion of household budgets are being used on housing and if households of specific income levels are being concentrated in ways that could result in low-income populations being underserved. The assessment also uses this data to define "communities of interest" and explore challenges related to housing within sub-populations.

This section identifies the region's housing inventory and characteristics. Housing stock characteristics such as the number of total units, the number of units by building type, units built each year, unit age, size, number of bedrooms, unit locations, if the housing is owned or rented, sale price, and rents are collected from the past and the current timeframe to establish trends in housing. The availability and affordability of housing within the region are calculated based on factors such as vacancy rates, prices, and the proportion of income households are spending on available housing. Data allows trendlines for housing affordability to be determined along specific household incomes and among communities of interest. "Affordable" and "workforce" are often used interchangeably and are defined as housing, rental or owner-occupied, that cost no more than 30% of one's gross income. Under the NH Workforce Housing Law (RSA 674:58-:61), workforce housing is defined as affordable to a renter earning up to 60% of the Area Median Income for a family of three paying no more than 30% of their income on rent and utilities, or a homeowner earning up to 100% of the Area Median Income for a family of four paying no more than 30% of their income on principal, interest, taxes, and insurance.

2.a - Population Trends

U.S. Decennial Census data shows the greater Upper Valley has steadily increased in population since 1990. There are an estimated 90,554 people in the UVLS region. Three larger communities (population 10,000+) are home to 43% of our residents, with the rest spread across the remaining 24 towns. Several of these smaller communities have downtowns or substantial village centers, home to most of their populations. Between 2000 and 2020, the region's population increased by 8%. However, the most significant change was a 7% increase from 2000 to 2010, with a very low growth rate of 1% between 2010 and 2020. This growth, however, is not evenly distributed among our communities (Figure 2-1, Appendix F - 1).

For example, from 2000-2010, all but two communities increased in population. However, fifteen towns lost population between 2010 and 2020. Compared to the rest of New Hampshire, our overall growth rate is significantly lower. This can be attributed to a variety of causes, but many point to the lack of housing supply and low affordability. Declining populations and aging-in-place can lead to a variety of negative economic and social impacts. For example, a shrunken tax base can reduce the quality of public services and infrastructure, such as police, fire, and electricity. End of life care for the elderly can deteriorate because of insufficient caregivers. In addition, a lack of workforce housing can lead to losses and short staffing in local businesses. As

one employer described, “I have lost employees due to the lack of housing. No one in our company lives in the Town we are based in.” Therefore, it is critical for homes to be affordable, appropriate, and available for the region’s workforce.

Population Change 2000-2020

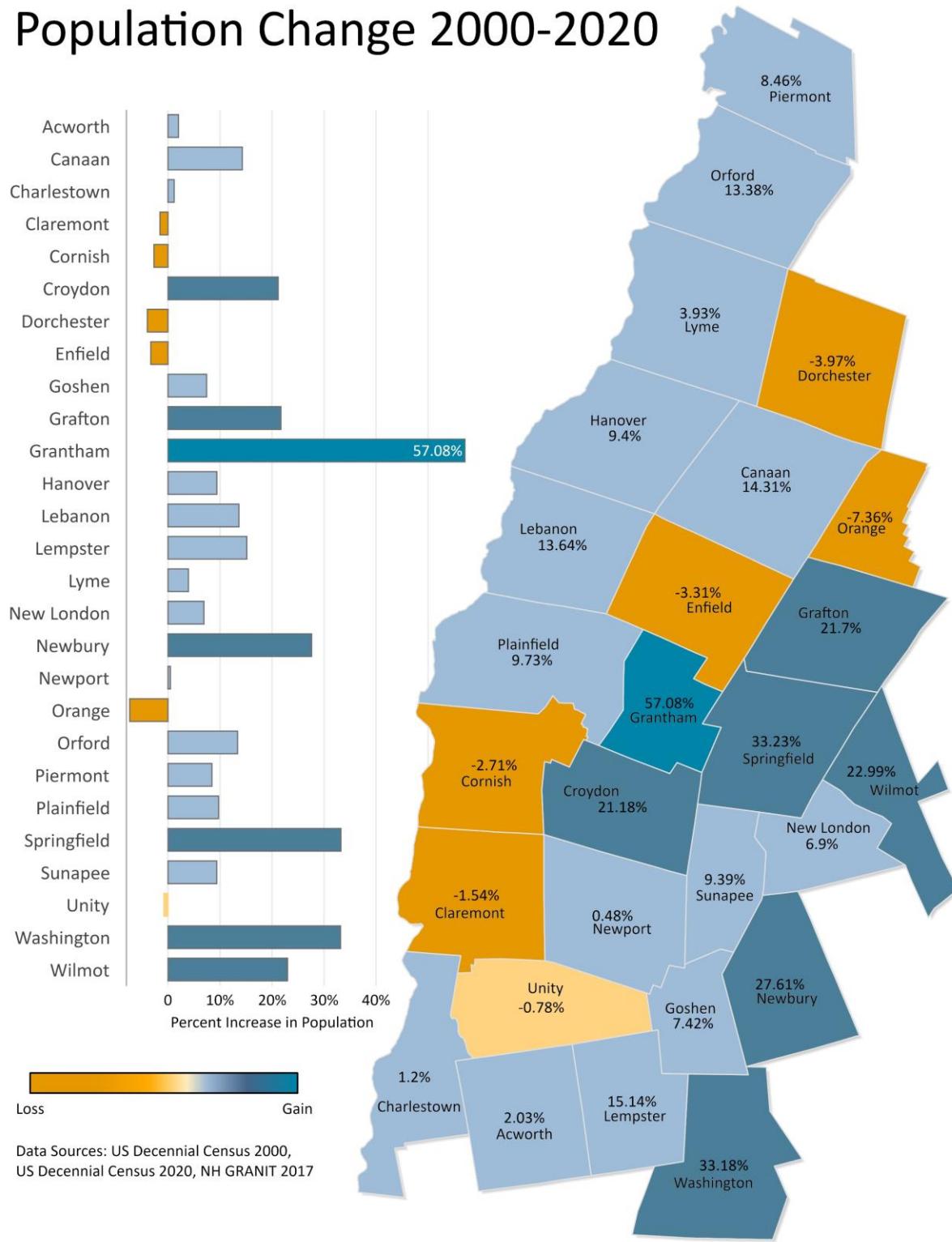


Figure 2-1 - Population Change in the UVLS Region between 2000 and 2020 by municipality (Appendix F - 1)

Due to insufficient local data, specific trends on in-migration (the movement of people into the region) and out-migration (the movement of people out of the region) have some degree of uncertainty. However, most of our regional population growth comes from migration rather than local births. Between 2010-2020, the change in total population was 1,002 people while net migration was 1,782 people. If not for people moving to the area, our population would have decreased, in some towns by 9%. However, some towns experienced the opposite effect (Figure 2-2). Therefore, monitoring and projecting these trends will be critical for planning in communities. Later sections of the RHNA will cover some considerations relating to future migration patterns.

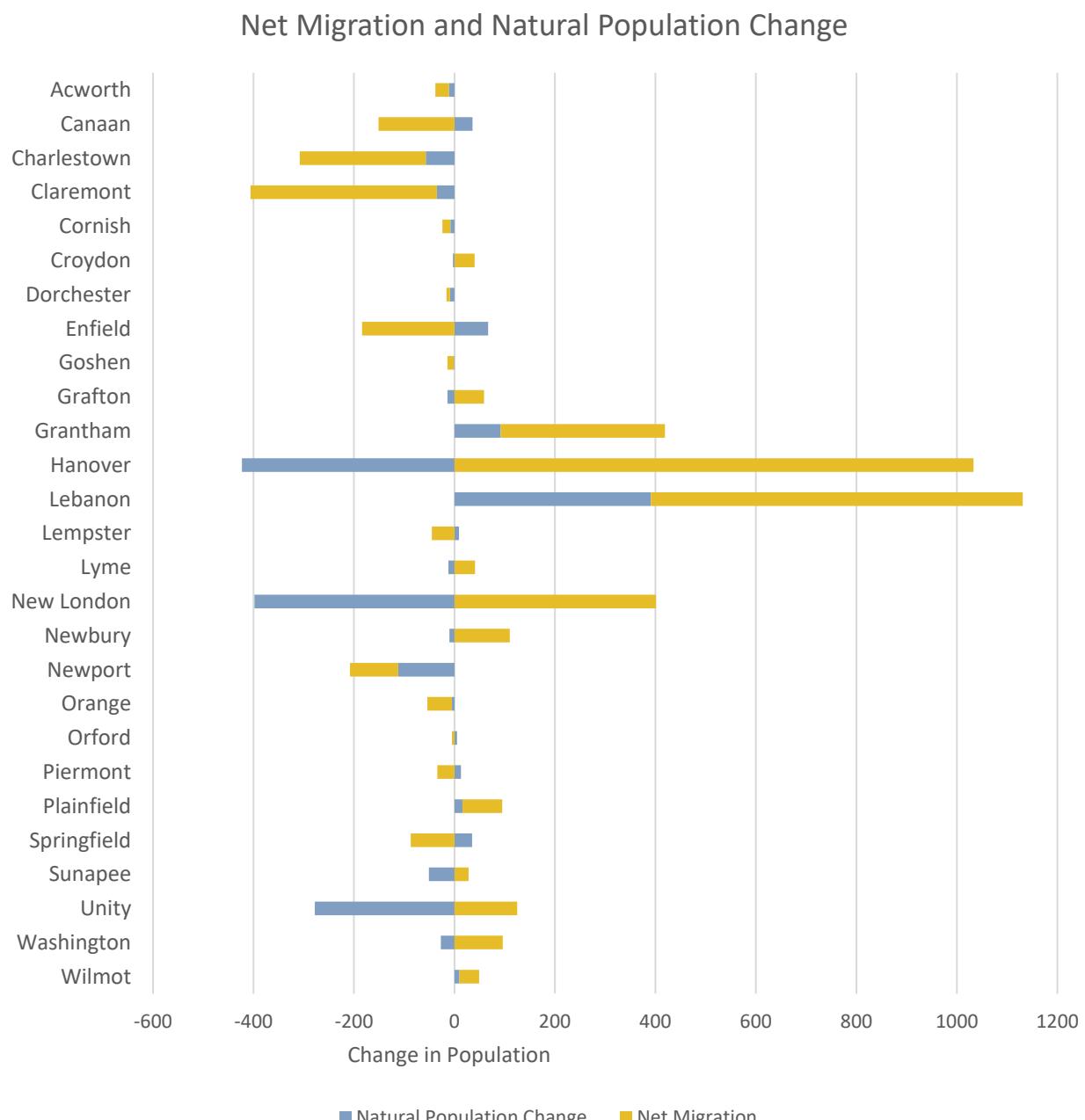


Figure 2-2 - Comparison of Net Migration and Natural Population Change (Births-Deaths) Between 2000 and 2020. (Appendix F - 5).

Different age groups tend to require different housing needs. Young adults often live in smaller units or share units with members outside of their family while middle-aged adults frequently have families that require additional space. As kids move out of homes, seniors often downsize homes to reduce burdensome maintenance or accommodate new physical limitations. In the UVLS region, 48% of the population falls between the ages of 25 and 64, though the region has a large senior population that has grown significantly in the last decade. The age distribution of our region has one peak around ages 15-24 that has remained consistent, and an upper peak originally found between ages 40-54 that has shifted higher and is now found between 55 and 64. From 2010 to 2020, most older cohorts have had population increases, with the most significant increases in the group between ages 70-74. In this same time period, the greatest decreases have been in ages 40-49. Notably, all 5-year age groups over age 55 showed increases of up to 61%, while all age groups younger than 25 showed mild decreases (Figure 2-3, Appendix F - 4).

Distribution of Age in the UVLS Population

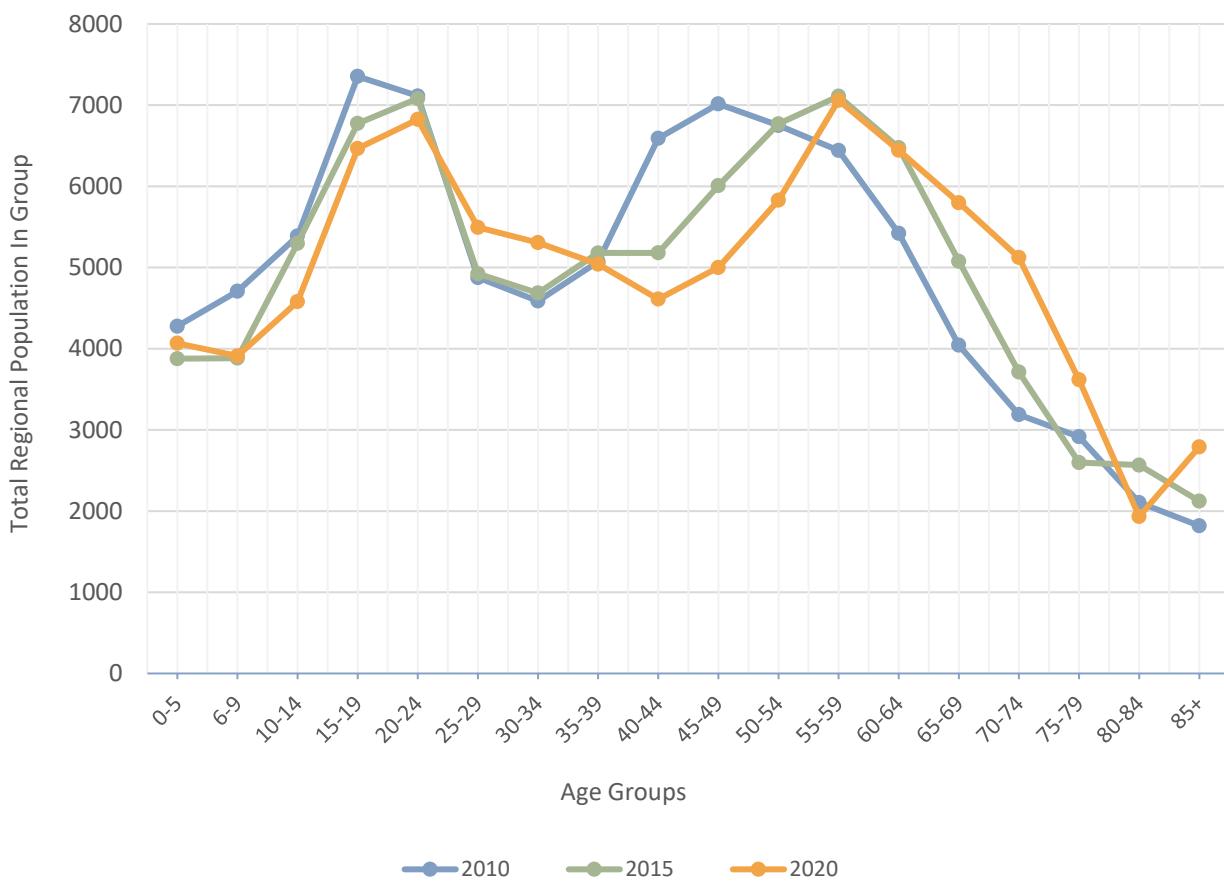


Figure 2-3 - Population Size of Certain Age Groups in the UVLS Region between 2010 and 2020 (Appendix F - 4).

2.b - Racial/Ethnic Minority Populations

The Census Bureau collected data on Hispanic origin and race in two separate questions. Race is broken into five categories: White, Black or African American, American Indian or Alaska Native, Asian, and Native Hawaiian or Other Pacific Islander. In addition, the census also allows people to select an undefined “Other” as well as a “Two or More Races” category. Ethnicity classifies individuals in one of two categories: “Hispanic or Latino” or “Not Hispanic or Latino.” In the RHNA, we use the term “Hispanic or Latino” interchangeably with the term “Hispanic,” and refer to this concept as “ethnicity.” It is important to note that people of Hispanic origin may be of any race. For example, a person identified as a Pacific Islander can also identify as Hispanic. The measure of racial/ethnic minority rate for the UVLS region considers both race and ethnicity when calculating population.

Most people (87%) living in the UVLS region identify as White (Not Hispanic or Latino), compared to 76% across the country. This decreased significantly from a percentage of 96% in 2000, indicating increased diversity in the UVLS region. The greatest demographic increases occurred among people who identify with two or more races, and not Hispanic/Latino, a population that increased by 437% and comprised around half the total growth of the region’s racial/ethnic minority population (Figure 2-4, Appendix F - 3).

The group of figures in the following three pages illustrate the concentration of racial/ethnic minority populations in the UVLS region. A significant concentration of racial/ethnic minority populations exists within certain areas of Hanover and Lebanon, with rates typically declining farther away from urban centers and into rural areas of the region (Figure 2-5). In 2000, racial/ethnic minority populations were not significantly concentrated in certain areas of the region, with only two census blocks holding more than 3% of the total racial/ethnic minority population of the region (Figure 2-6). In 2020, there are also smaller concentrations within single census blocks in Claremont, Newport, and New London (Figure 2-7). Communities with larger populations tend to have a higher percentage of non-white populations. Notably, a single census block in Lebanon with one apartment complex contains around 9% of the region’s racial/ethnic minority population.

As discussed in depth in *The Color of Law* by Richard Rothstein, federal policy, local zoning rules, and the mortgage industry historically denied access to homeownership for racial/ethnic minority groups, most notably African Americans.ⁱ Redlining is a discriminatory practice that puts services (financial and otherwise) out of reach for residents of certain areas based on race or ethnicity. The Toolkit included at the end of this RHNA discusses more in-depth solutions toward eliminating discriminatory zoning practices.

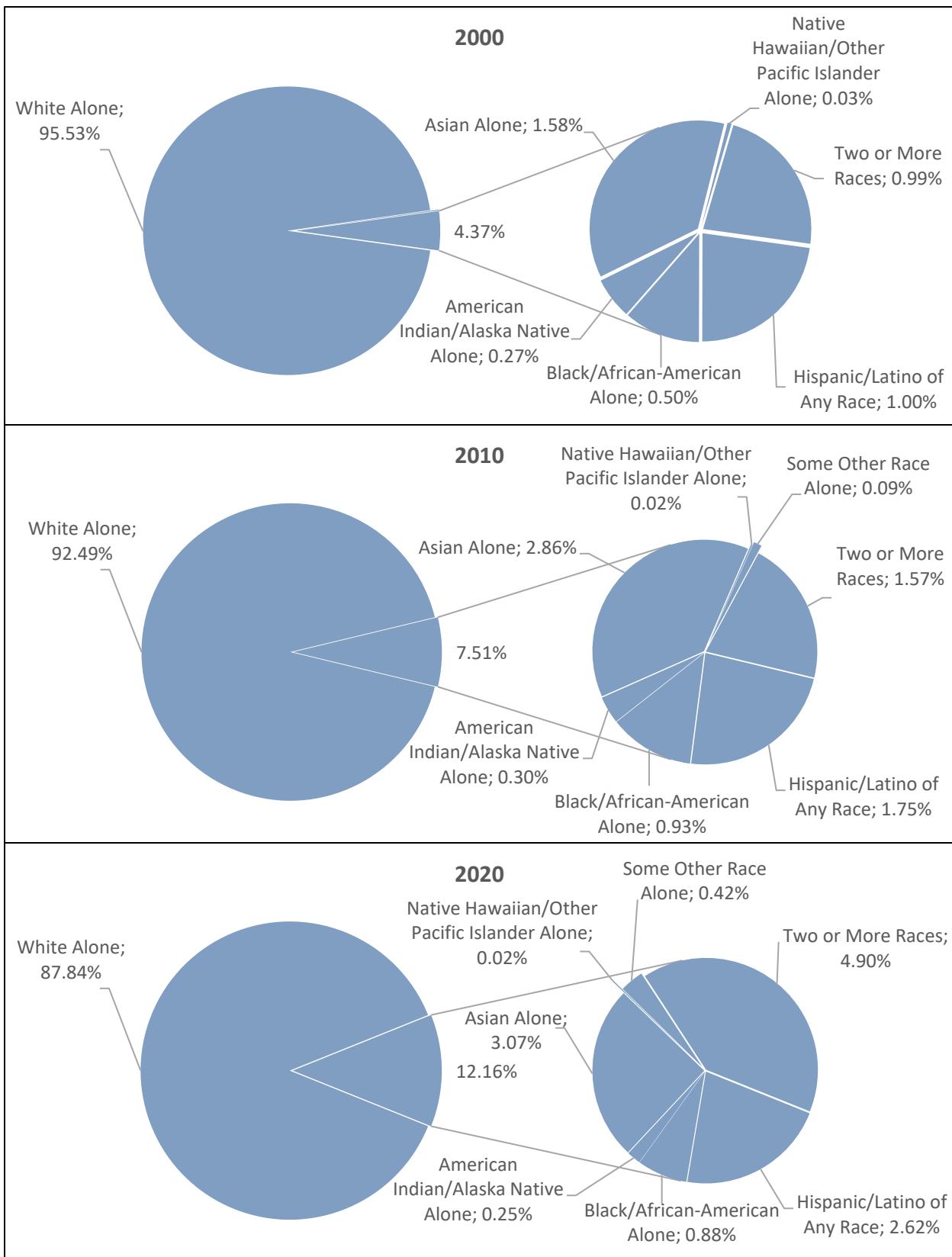


Figure 2-4 - Racial/Ethnic Populations as a Percentage of Total Population in the UVLS Region between 2000 & 2020.
(Appendix F - 3)

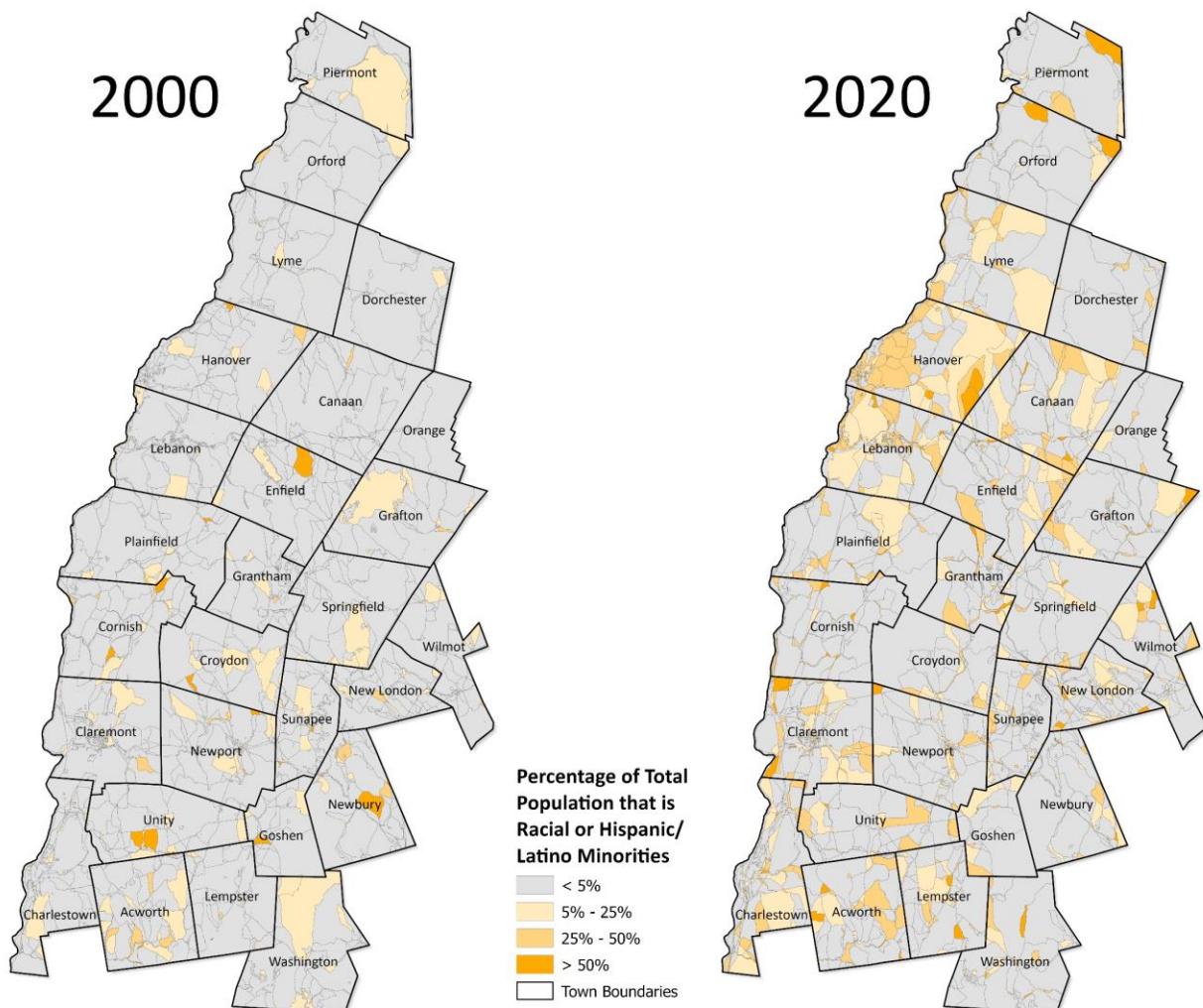


Figure 2-5 - Racial or Hispanic/Latino Minority Populations by Percentage of Total Population of Individual Census Block, 2000 and 2020 (Appendix F - 3).

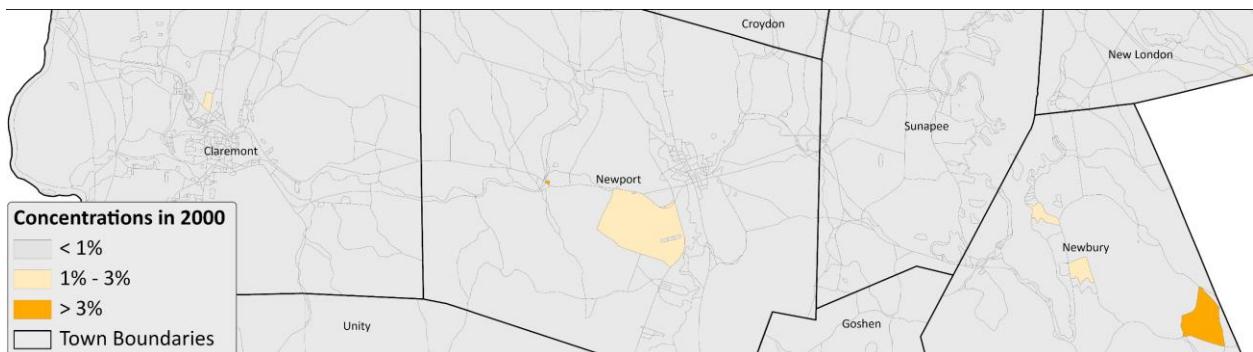


Figure 2-6 - Percentage of Total UVLS Racial/Ethnic Minority Population That is Found in Each Census Block, 2000. Note: All Census Blocks Excluded from Map Hold <1% of Total Racial/Ethnic Minority Population (Appendix F - 3)

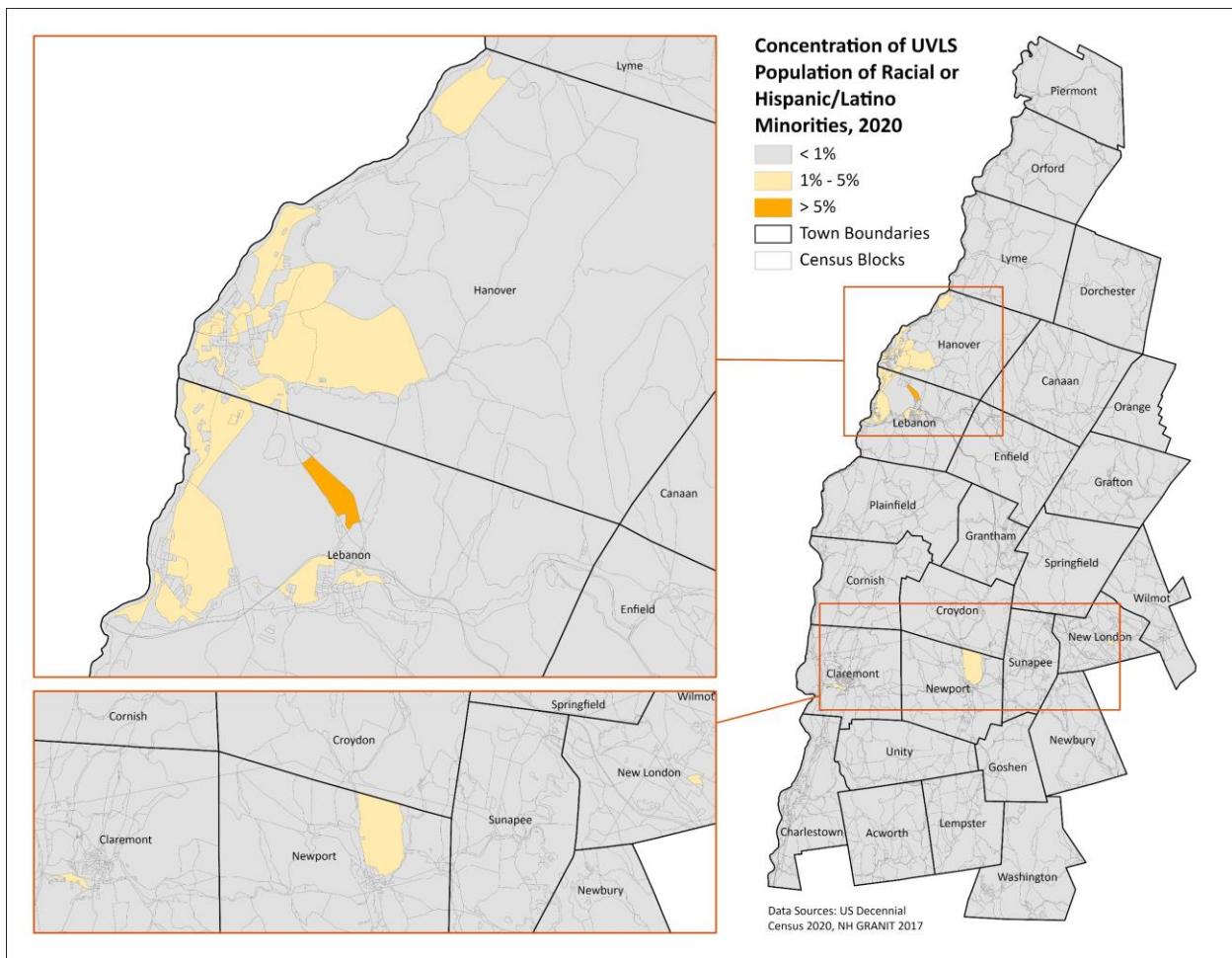


Figure 2-7 - Percentage of UVLS Racial/Ethnic Minority Population Found in Each Census Block, 2020 (Appendix F - 3).

2.c - Households (Tenure, Size, Type)

Of the nearly 34,960 households in the region, around 70% are owner-occupied. The remaining 29% of households are rentals, but there are significant variations among communities (Appendix F - 11). Renters comprise a larger percentage of total households in larger communities and a smaller percentage in those with smaller populations. For example, renters make up 49% of households in Lebanon and 42% in Claremont, while representing below 10% of households in smaller communities such as Dorchester, Grafton, and Lempster. In general, renters tend to live in smaller groups than homeowners. Rental units are more likely to be in urban areas, and single renters tend to live in the region's larger communities, while renters in families of four or more live in smaller communities. Across our region, household sizes have been shrinking, a trend expected to continue. Although young people have smaller families compared to previous generations, the trend is also largely driven by an aging population who tend to occupy smaller homes relative to earlier in life. Our aging population and shrinking household sizes demonstrate that large, single-family homes increasingly do not address the needs of our region. Shrinking households is a national trend, with one or two-person households becoming more the norm.ⁱⁱ

Owners & Renters in the UVLS Region



Figure 2-8 – Typical Owner & Renter Profiles for the UVLS Region (Appendix F - 9, Appendix F - 11, Appendix F - 12 Appendix F - 46 Appendix F - 47).

2.d - Housing Stock

To measure housing stock, homes are split into units. Units are a structure, or part of a structure, used as a living space by one or more people. These units can range from zero-bedroom studio apartments to homes with several bedrooms. The UVLS region has a total of 44,105 housing units. According to Census data, 38% of housing units are found in Lebanon, Claremont, and Hanover. These communities contain 43% of the total population in the region. Unsurprisingly, the region's smallest towns (population-wise) also tend to have the fewest homes. In the 15 towns with fewer than 1,000 people, the average is 594 units (Appendix F - 1, Appendix F - 6). The size and type of available homes in the region vary greatly. The most common housing unit size is between two and three bedrooms, consistent across all towns. Comparing communities, there is almost no correlation between bedroom counts and population size. Instead, bedrooms are more likely to be influenced by family size, renters' incomes, or the unit size's profitability. Since 2010, the number of zero-, two-, and four-bedroom homes has risen by over 10%, while the number of three-bedroom units decreased by 253 units, or 1% (Figure 2-10). This corresponds with an 19% decrease in three-person households in the same period. The charts on the following pages provide a distribution of home types in the region in 2020 (Figure 2-10). Some of these include single-family homes, multi-unit dwellings, apartments, accessory dwelling units, and condominiums. According to a public survey conducted by UVLSRPC, "types of homes available" was the second-most common variable that impacts residents' ability to stay within their community, following affordability (Appendix A1)

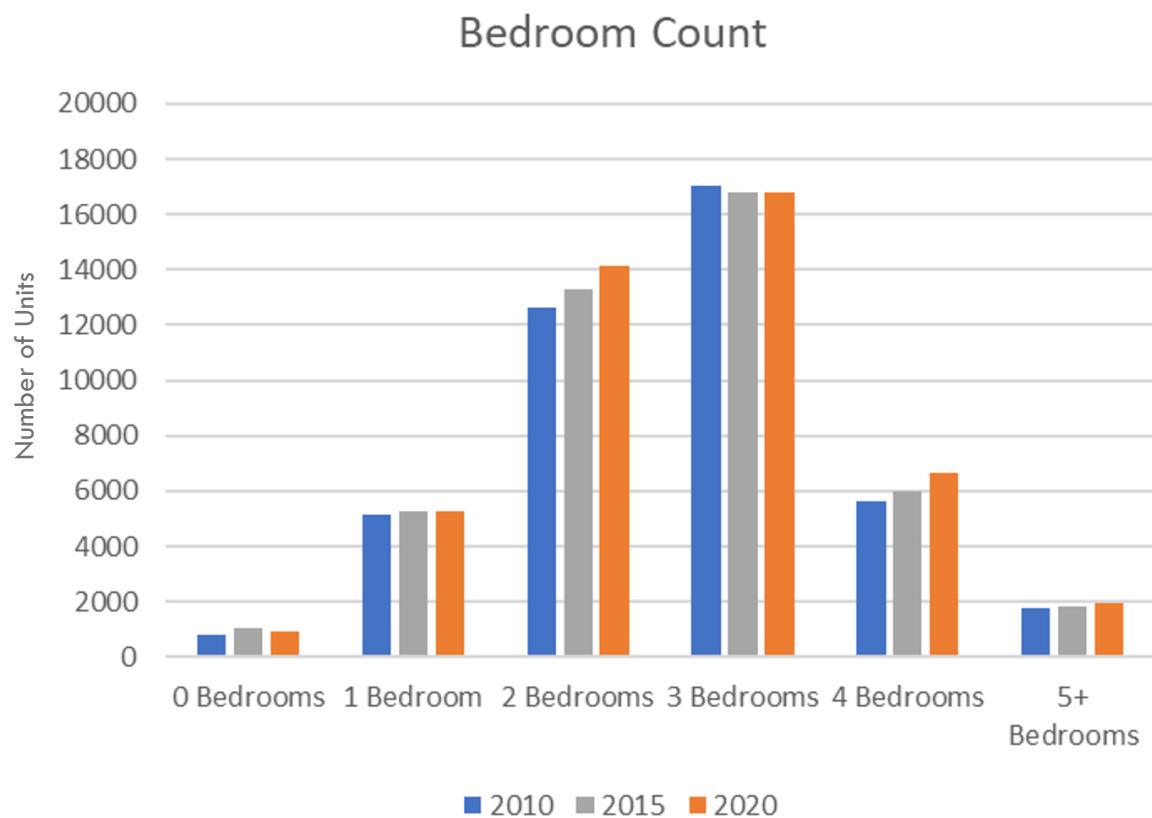


Figure 2-9 - Change in Number of Housing Units of Different Sizes, 2010-2020 (Appendix F - 14).

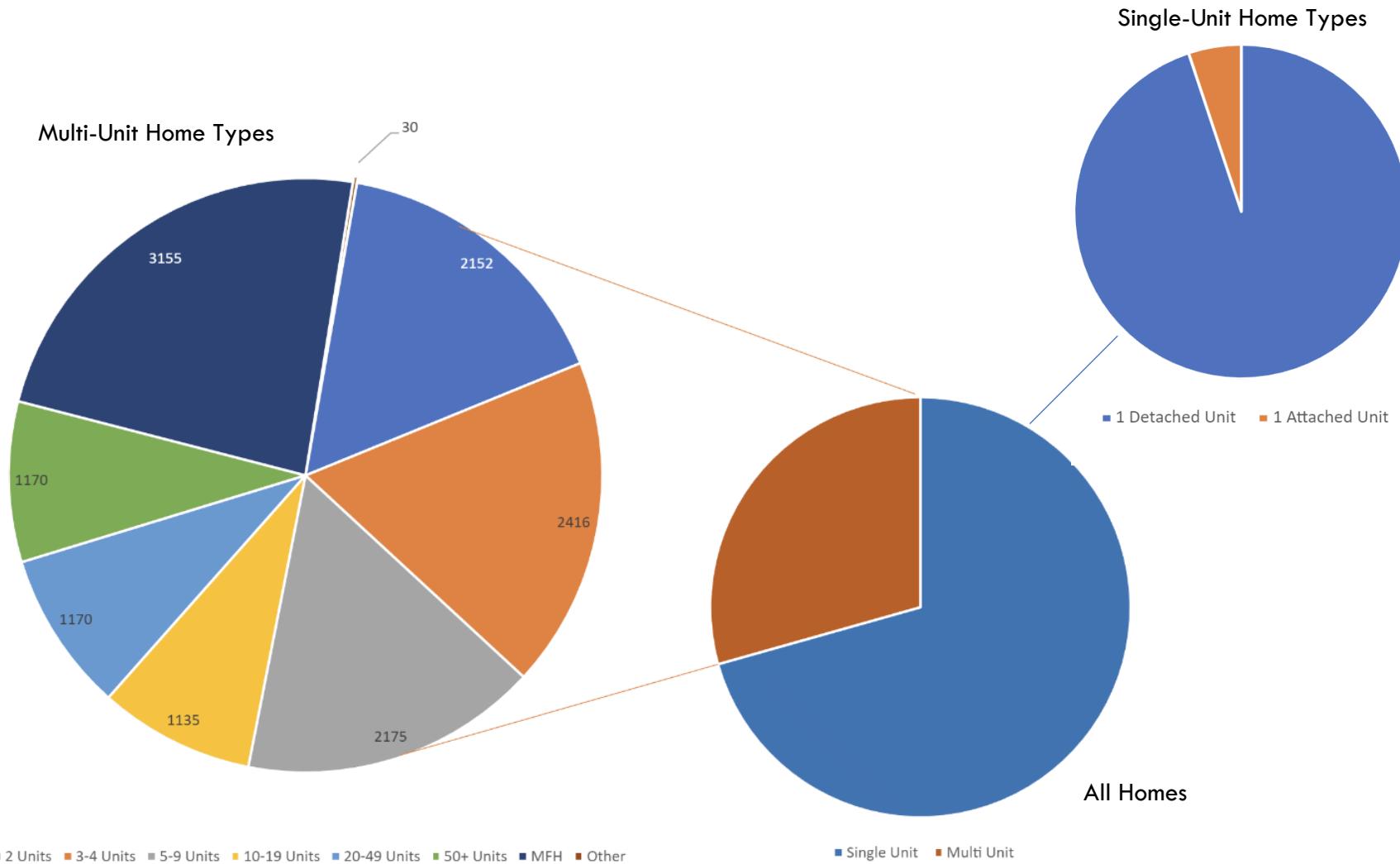


Figure 2-10 - Home Size Breakdown in the Region - Single-Unit and Multi-Unit (Appendix F - 9).

2.e - Vacancy and Occupancy

Vacant homes may be uninhabitable, expensive, or unwanted. A “healthy” rental vacancy rate is between 3% to 5% in a housing market according to housing analysts.ⁱⁱⁱ In the UVLS region, the rental vacancy rate is 1%, while the total vacancy rate is 16% (Appendix F - 6, Appendix F - 7). It is important to note that most of the vacancies in the UVLS region are seasonal. Seasonal housing comprised 75% percent of total vacancies in 2020, up by about 5% in the past decade (Figure 2-11). In 2010, Lebanon was the only town with no seasonal housing, but since 2015 all have had seasonal housing. The largest quantity of seasonal housing is found in Sunapee by a significant margin (almost double the second-most). Past that, units for rent and “other vacancies” make up what remains. The “other vacancies” category includes homes that need repairs, are abandoned for personal or legal reasons, and many other situations. From 2010 to 2020, the total number of housing units in the region decreased by 169, while vacant units plummeted by 1031 and occupied units increased by 862. This is a -13% change in units.

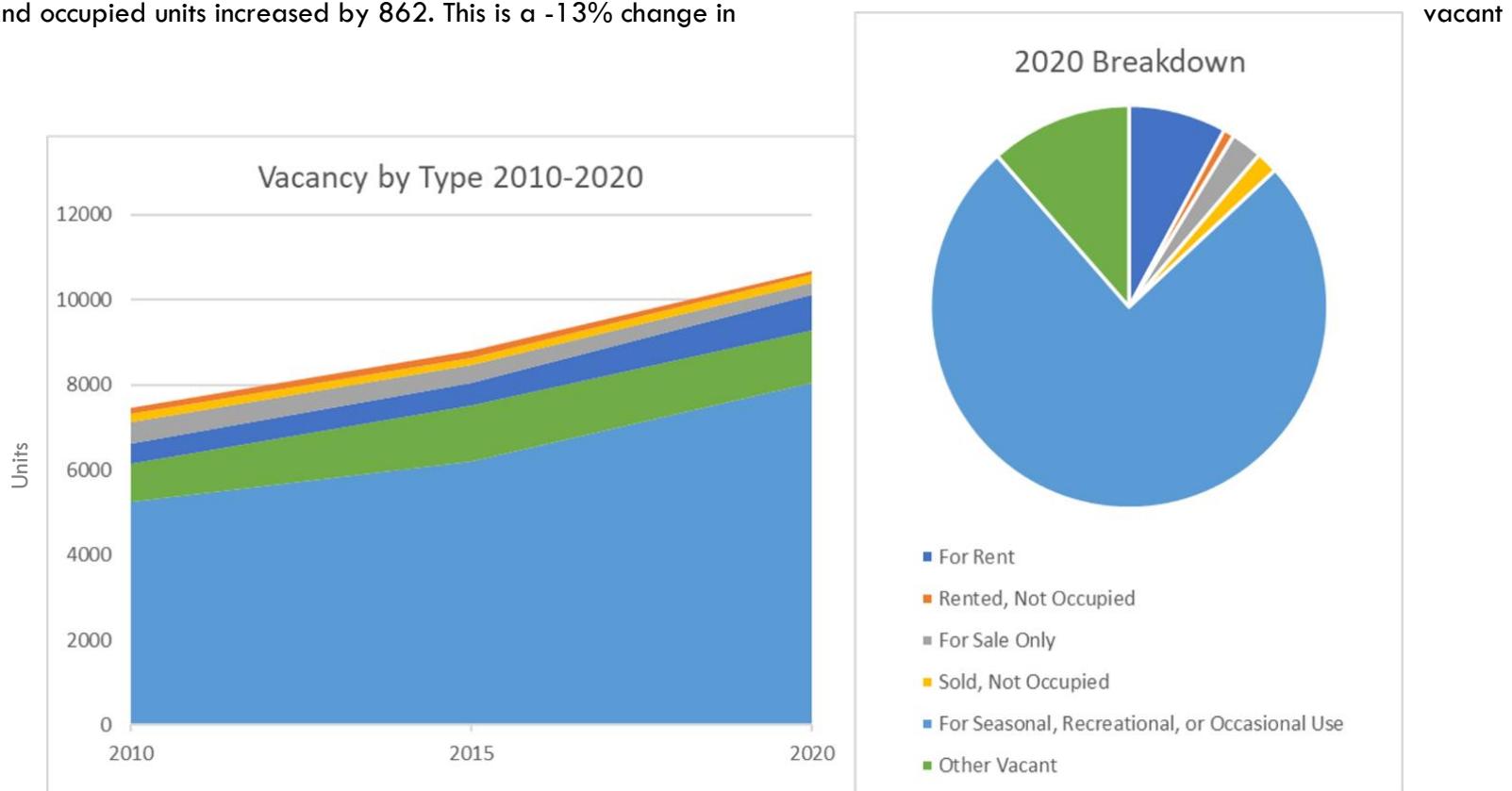


Figure 2-11 - Vacancy Types in the Upper Valley Lake Sunapee Region, and their change over the last decade (Appendix F - 7).

2.f - Home Prices and Housing Market

Home sale prices have varied over the past decade. There are many factors in the housing market that drive prices. On the supply side, construction costs are high from supply-chain bottlenecks, labor shortages, survey, and subdivision requirements. On the demand side, factors like telecommuting, desired second/vacation homes, and previous renters all influence affordability and availability. While economic and infrastructure trends influence home affordability and availability, the opportunities and barriers section provide more details on these angles.

As seen in Figure 2-12, prices of homes skyrocketed within the past decade. The median sale price of a home in our region is \$335,114.50, and according to our realtor survey, 0% of accepted offers in the UVLS region were at or below the asking price of a home. In fact, 80% of accepted offers were over the asking price by at least \$20,001 in the UVLS region as opposed to 56% statewide. However, more importantly, the distribution of home prices reveals gaps in desired homes. When homes are unaffordable to individuals, those homes are “unavailable” for individuals to consider. Therefore, this reduces the amount of availability for affordable homes.

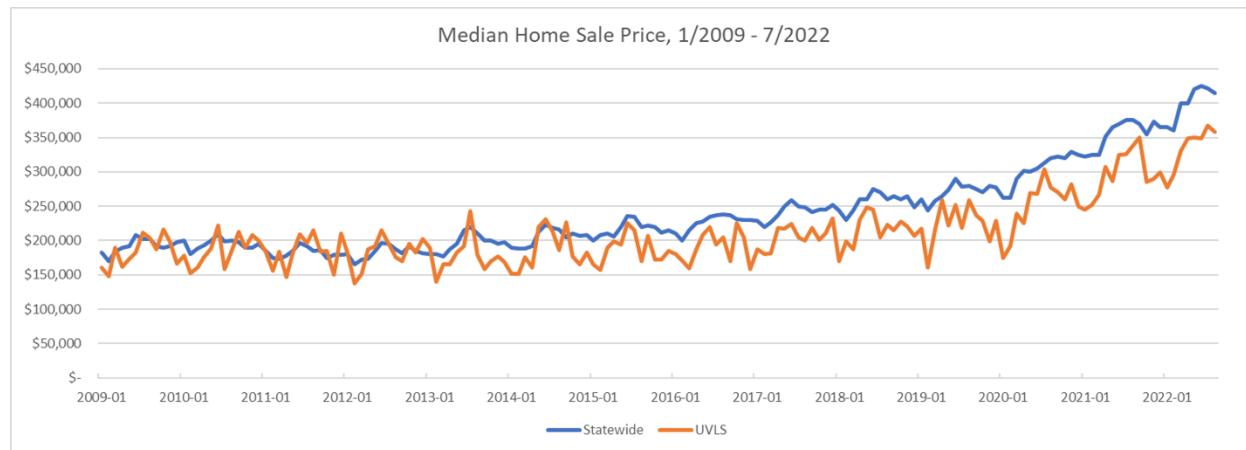


Figure 2-12 – Upper Valley Lake Sunapee Region Median Home Sale Prices Compared to Entire State, 2009-2022 (Appendix F - 44). Note: 01 is January.

For example, there is an oversaturation of expensive homes within the housing market. This creates a “missing middle,” or affordable homes for middle-income earners in the UVLS region. For a household to not be considered “cost-burdened,” the average median income earner should spend no more than 30% of their gross income on a mortgage or rent per month. “Severely cost-burdened” households are households spending more than 50% of their income on housing costs. As seen in Figure 2-13, 47% of renters and 31% of owners in the UVLS region are considered cost-burdened, while 18% of renters and 9% of owners are considered severely cost-burdened. These households often must compromise on other necessities like healthcare, childcare, and transportation, which reduces overall opportunities to

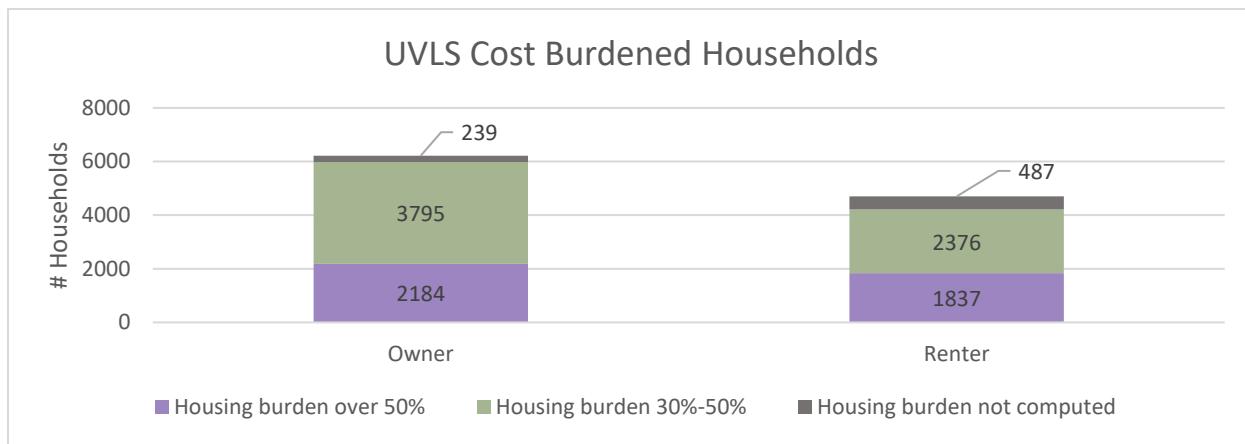


Figure 2-13 - Breakdown of Cost Burdened Households in UVLS Region (Appendix F - 48 Appendix F - 49).

build wealth. While these trends are inconsistent across communities, every community has a role in acknowledging and tackling these cost-burden challenges.

Affordable/workforce housing and subsidized housing are important home-types within the UVLS region. As described in Section 5 - Future Housing Needs and “Fair Share”, the Fair Share Allocation provides the number of workforce housing units each community needs to meet. Subsidized housing, like housing choice vouchers (also known as Section 8), is housing where all or a portion of the occupants’ monthly housing cost is paid for directly by the government. Both affordable/workforce and subsidized housing/units are defined as income-restricted housing. As seen in Appendix F - 40, the UVLS region has a total of 129 income-restricted units in 13 communities, with over 60% being found in Claremont, Lebanon, and Newport. The current gap between the number of housing choice vouchers and number of households can be seen in Appendices F - 75 and F - 77.

2.g - Emergency Housing and Homes with Supportive Services

Emergency housing ensures a safe place to sleep for people experiencing sudden or chronic homelessness. Homes with supportive services provide a safe home, whether transitional or permanent, in conjunction with needed services, such as vocational training, mental health care, addiction services, or life skills services. These homes may exist in a permanent location or be available for any home deemed appropriate. Some supporting services include arranging for medical services, health-related services, social services, transportation to appointments, and more.

The Social Service Providers (SSP) survey includes a detailed breakdown of non-housing services provided by social service providers (Appendix A7). These services address a variety of financial, health, accessibility, and safety needs. Some of the most common examples include homelessness prevention, transportation assistance, and financial counseling. Organizations providing these services may provide a variety of communal and solo living environments, and length of stay varies between individuals and organizations. The RHNA also includes data from the Substance Abuse and Mental Health Services Administration (SAMSHA), which specifically addresses services related to substances and mental illness. While comprehensive local data is not available from SAMSHA, there are a total of seven facilities offering substance abuse treatment in our area, with a total of 287 24-hour hospital inpatient beds and 251 24-hour residential beds

in the state. The UVLS region has no dedicated mental health treatment facilities, although there are several in adjacent regions.

2.g - Commuting Patterns

Average and maximum commute times dropped between 2010-2020. However, the minimum commute lengths have increased at the same time. This means the shortest commutes are becoming longer. This could be attributed to numerous factors like people living further from places of employment, traffic, or hybrid workplaces. Unsurprisingly, the shortest commute times were found in the most populous towns (Appendix F - 22).

2.h - Major Employers and Industries

Trustees of Dartmouth College, Hypertherm Inc., Whelen Engineering Co., and Ruger Firearms are the top four employers in the UVLS region. Most of the employers with the highest number of employees are found in Lebanon, Hanover, and West Lebanon. Combining Lebanon and West Lebanon gives the city 46% of the total top employers in the region. The municipalities with the largest populations unsurprisingly have the most top employers, and the top employers match up with the largest industries. Looking at top employers in our region's main industries, manufacturing is the most diverse represented, followed by healthcare, then education. Appendix F - 17 provides an overview of jobs by industry sector.

2.i - Communities of Interest

A home's location impacts your household's access to good schools, jobs, services, and transportation options. Our homes are a social determinant of health. Homeownership, for many households, represents people's largest financial investment and an important source of wealth that can be passed down to children or grandchildren. Given the existential importance of a home, it is paramount to shed light on how our current housing system and market impact different populations and utilize equity, justice, and inclusion lenses in analysis. For example, does the current spatial data reveal occurrences of segregation, gentrification, or integration? Clusters in the data of communities of interest may indicate segregation. Gentrification trends may appear as communities of interest locating further from access to public services and urban areas. Integration would appear as scattered and often requires systemic changes to prevent redlining legacies and the displacement of people. This section includes maps and discussion of selected characteristics of communities of interest, approached differently for each community to properly account for varying population sizes, concentrations, and characteristics. For full 2000-2020 census data and trends please see

Communities of interest in our region are most vulnerable to shocks and disturbances in the housing system and market. When these shocks (e.g. COVID-19, climate migration, sudden homelessness) occur, these communities of interest do not always have a safety net or social network, reducing their overall resiliency to bounce back to previous conditions. Many of these identified populations fall into more than one category. Therefore, the goal of this section is to illustrate some specific housing impacts in communities of interest without being mutually exclusive.

Group Quarters

“Group quarters” are residential living arrangements, other than the usual house, apartment, or mobile home, in which two or more unrelated persons share living facilities owned or managed by an organization. People living in group quarters often share similar needs or follow similar lifestyles. Institutionalized group quarters include but are not limited to nursing homes, adult and juvenile correctional facilities, and mental hospitals. Non-institutionalized facilities include but are not limited to college dormitories, military barracks, group homes, missions, and shelters. In the UVLS region, around 7% of the total population lives in group quarters. This is far higher than the nationwide average of 2% but is not unusual due to the characteristics of our region. Figure 2-14 displays the breakdown of our region’s group quarters population over the last decade. Figure 2-15 shows the regional distribution of institutionalized vs noninstitutionalized group quarters population. Most people living in group quarters are found in Hanover and New London, which is expected given the presence of college group quarters for Dartmouth College and Colby-Sawyer College. Excluding college students, the percentage is 2%, below the national average. Nursing homes follow college housing as the second most common group quarters, with a total of 814 residents across seven towns. There is a very low imprisoned population in Unity alone, small populations in juvenile facilities in Newport and Plainfield, and we have no military quarters in the region. Other group quarters, such as group homes and shelters, are present in small quantities in the UVLS region, and are included within the “other” category in group quarters census data. Group quarters are not included in the projected housing need and “fair share” models in Section 5 - Future Housing Needs and “Fair Share”. Meeting this housing need, clearly identified for some group quarters in the survey of social service providers found in Appendix A7, will require a proactive municipal role. See Appendix F - 2 for 20-year data on UVLS group quarters populations.

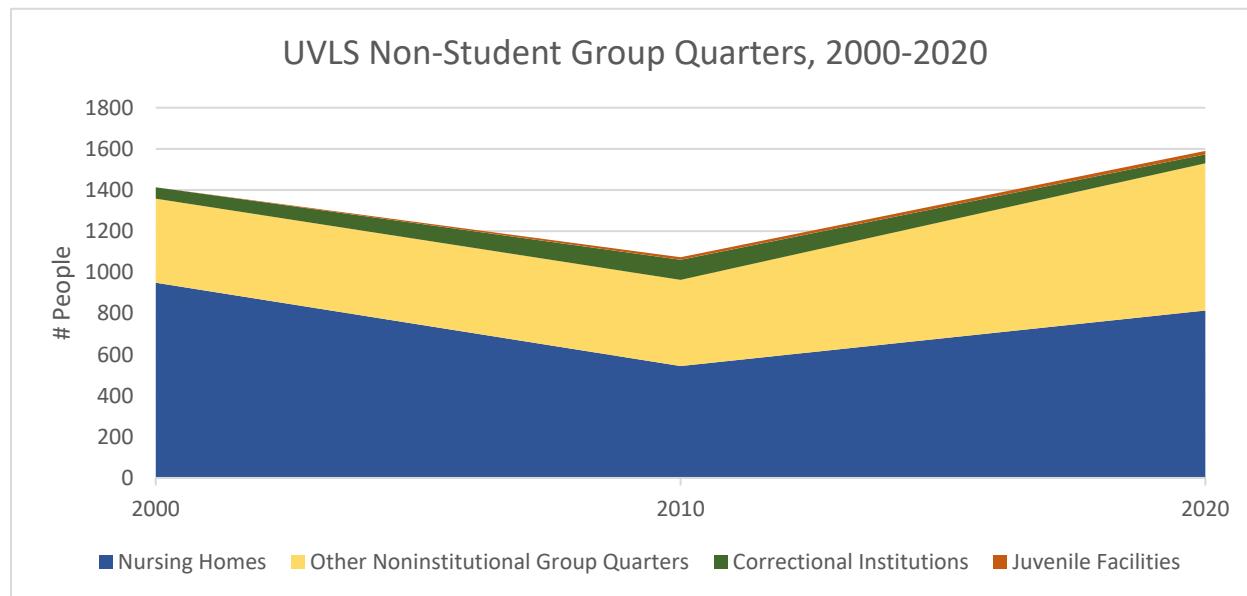


Figure 2-14 - Group Quarters in the UVLS Region, Excluding Student Population (Appendix F - 2).

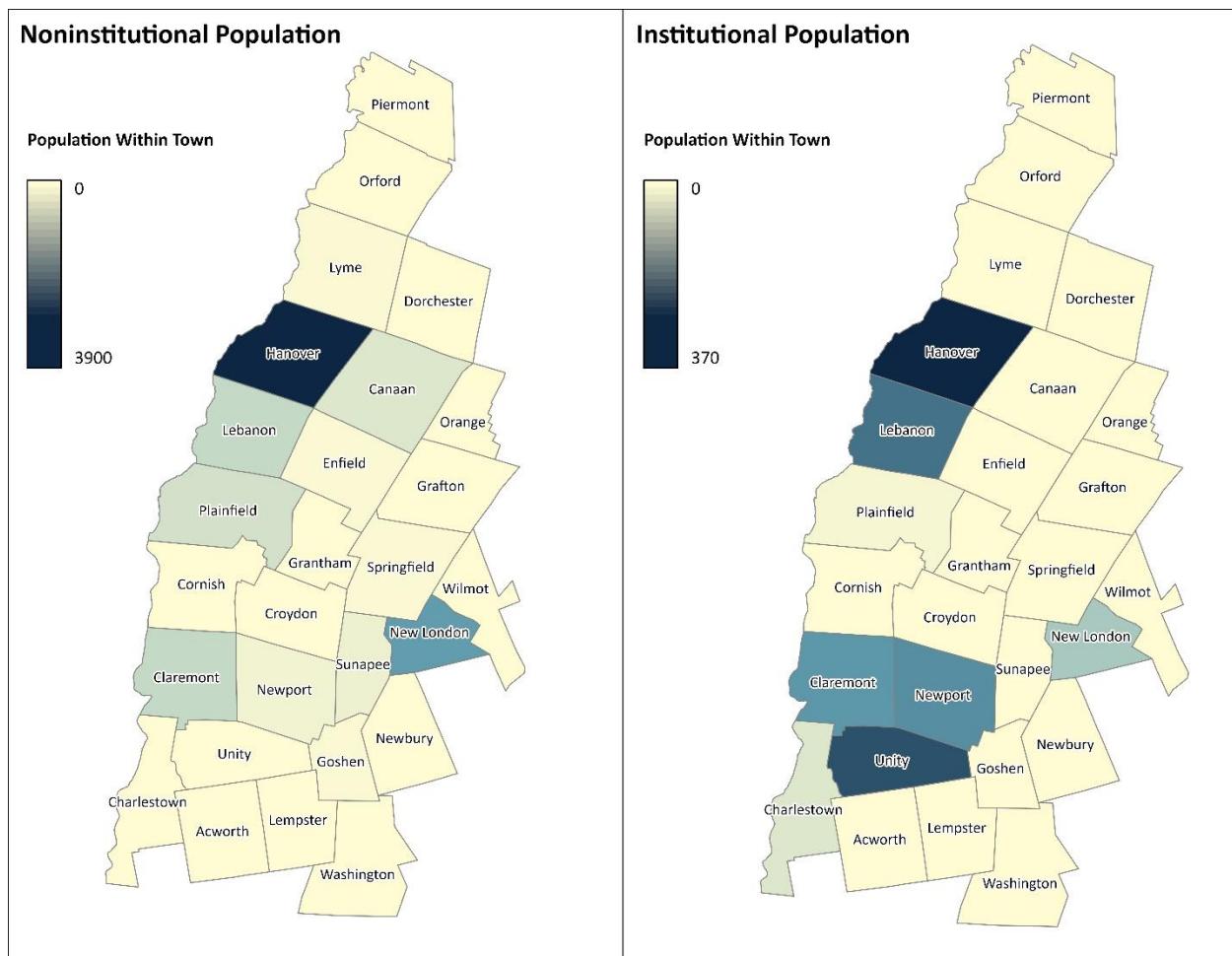


Figure 2-15 - Group Quarters Population Distribution. Please note the significant difference in population range between the two maps, largely due to student populations (Appendix F - 2).

Seniors – Age 65 and Older

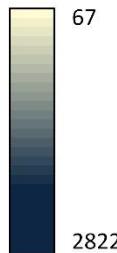
Our population is aging, with age cohorts of people aged 65+ increasing and younger and middle-aged cohorts declining. Out of all the age cohorts, people aged 40 to 54 are declining the most. The number of people over the age of 65 has grown by 37% in the past 20 years to an estimated population of 19,263. Figure 2-16 and Appendix F - 4 show the distribution of the senior population in the UVLS region. The population of seniors within the region is somewhat evenly disbursed across the region; however, Lebanon, Claremont, and Hanover have the highest concentration of UVLS seniors at a combined 37% of the region's senior population. Even in our smallest communities like Dorchester, 39% of people are seniors, and in general many communities with fewer total seniors have seniors making up a higher percentage of their population.

Senior citizens often experience mobility challenges and other impairments with time, resulting in the limited use of their automobiles and isolation. Seniors frequently need assistance with daily care and often require a congregate living arrangement. As mentioned in the previous section, only seven towns in the region have such facilities. Also, since many seniors express a high

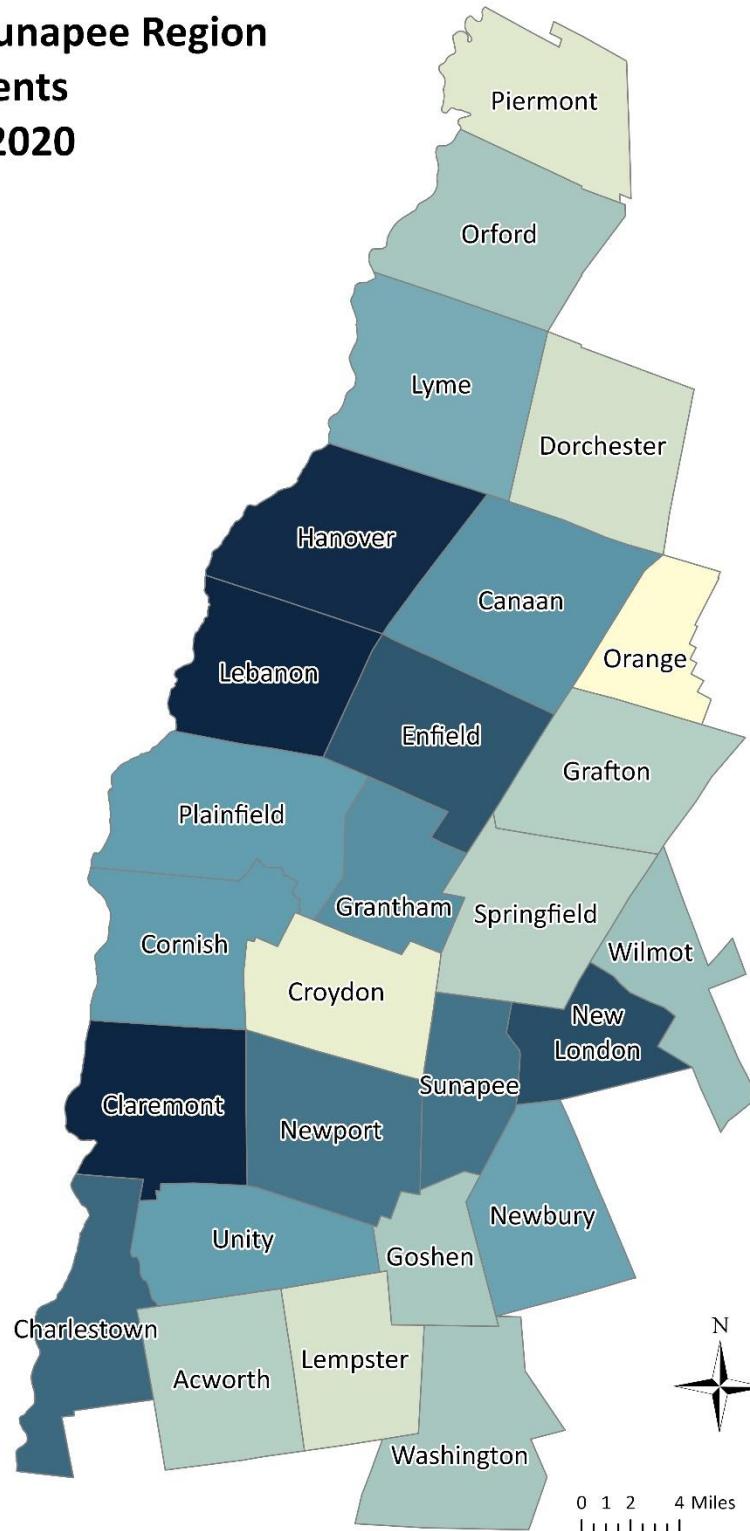
preference for remaining in their homes and neighborhoods, relocation can be a challenge. According to the 2020 Keys to the Valley public survey, most seniors feel their needs are met to enable them to “age in place” (e.g., access to healthcare). However, over 20% of seniors said that current transportation options are not sufficient to meet their needs, and almost 15% do not have the assistance they need for daily chores and maintenance. Seniors who are looking to move primarily want smaller, single-story homes with low levels of maintenance. Locations in downtowns or villages and accessible design are also important home qualities. Remaining in their current community was less of a priority for seniors (25%) than having a safe, low-maintenance home and access to needed services. This indicates that both a local and regional strategy is needed for accessibility upgrades, service delivery, and new home options for those willing to move out of their current living space. New Hampshire state statute classifies age as a protected class, so housing providers cannot reject candidates for available housing based on age. 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 have been debated. While 55-plus housing can intentionally include seniors within a community, sometimes these restrictions limit the ability of families with children to find housing.

Upper Valley Lake Sunapee Region Population of Residents Ages 65 and Older, 2020

Population Within Town



Municipality	Population Ages 65 and Older
Acworth	255
Canaan	611
Charlestown	1080
Claremont	2563
Cornish	528
Croydon	125
Dorchester	172
Enfield	1279
Goshen	279
Grafton	254
Grantham	677
Hanover	1807
Lebanon	2822
Lempster	164
Lyme	446
New London	1396
Newbury	491
Newport	946
Orange	67
Orford	291
Piermont	148
Plainfield	526
Springfield	236
Sunapee	968
Unity	511
Washington	298
Wilmot	323



0 1 2 4 Miles

Figure 2-16 - Concentration of Senior Population in the UVLS Region in 2020 (Appendix F - 4).

Grandparents

Most, but not all, grandparents are seniors. In 2020, 30% of grandparents in the UVLS region were responsible for at least one dependent (Appendix F - 34). This is a smaller total percentage than in 2010; however, the total number of grandparents taking care of grandchildren has increased. Compared to the country, these numbers are typical, with a national average of 33% of grandparents living with and responsible for grandchildren. The number of grandparents who are primarily responsible for their grandchildren is often influenced by racial, ethnic, and other cultural factors. The care of grandchildren highlights the diverse housing needs for the region's senior population. Grandparents taking care of grandchildren need larger homes than most other seniors and may also require supportive services to benefit multiple generations.

Low-Income (Extremely Low Income and Very Low Income)

The Department of Housing and Urban Development (HUD) uses set income limits to determine the eligibility of applicants to HUD-assisted housing programs. Low Income, Very Low Income and Extremely Low-Income Limits are all based on the median family income for the defined area. According to HUD, Low Income families are those whose incomes do not exceed 80% of the median family income for the area. Very Low-Income families are those whose incomes do not exceed 50% of the median family income for the area. Extremely Low-Income families, since the 2014 Consolidated Appropriations Act, are set at 60% of Section 8's very low-income limits in New Hampshire. However, 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. Income limits are then adjusted for family size. 2022 median family income is calculated based on 2019 ACS or Puerto Rico Community Survey (PRCS) median family incomes which are then used to establish Fair Market Rent areas.

The average median household income in our region is \$78,912.59, ranging from \$46,848 to \$128,000. Appendix F - 41 provides median household income across UVLS communities. It is important to note that working age influences these numbers. In our region, 46% of households are defined as low-income, 29% are very low-income, and 10% are extremely low-income. More low-income residents reside in urban areas, pictured in Figure 2-17. Restrictive zoning rules – notably large minimum lot sizes, low densities and not allowing multi-family dwellings in residential districts – can limit access to opportunities for lower-income households. Too frequently, lower-income homes are forced to locate through pricing and other measures in higher-risk or undesirable areas, such as within flood hazard zones or close to railroads or industrial facilities. Therefore, it is critical to consider how zoning impacts this community of interest. Section 3 - Affordable and Equitable Housing Choice Opportunities and Barriers explores some of these considerations pertaining to low-income households.

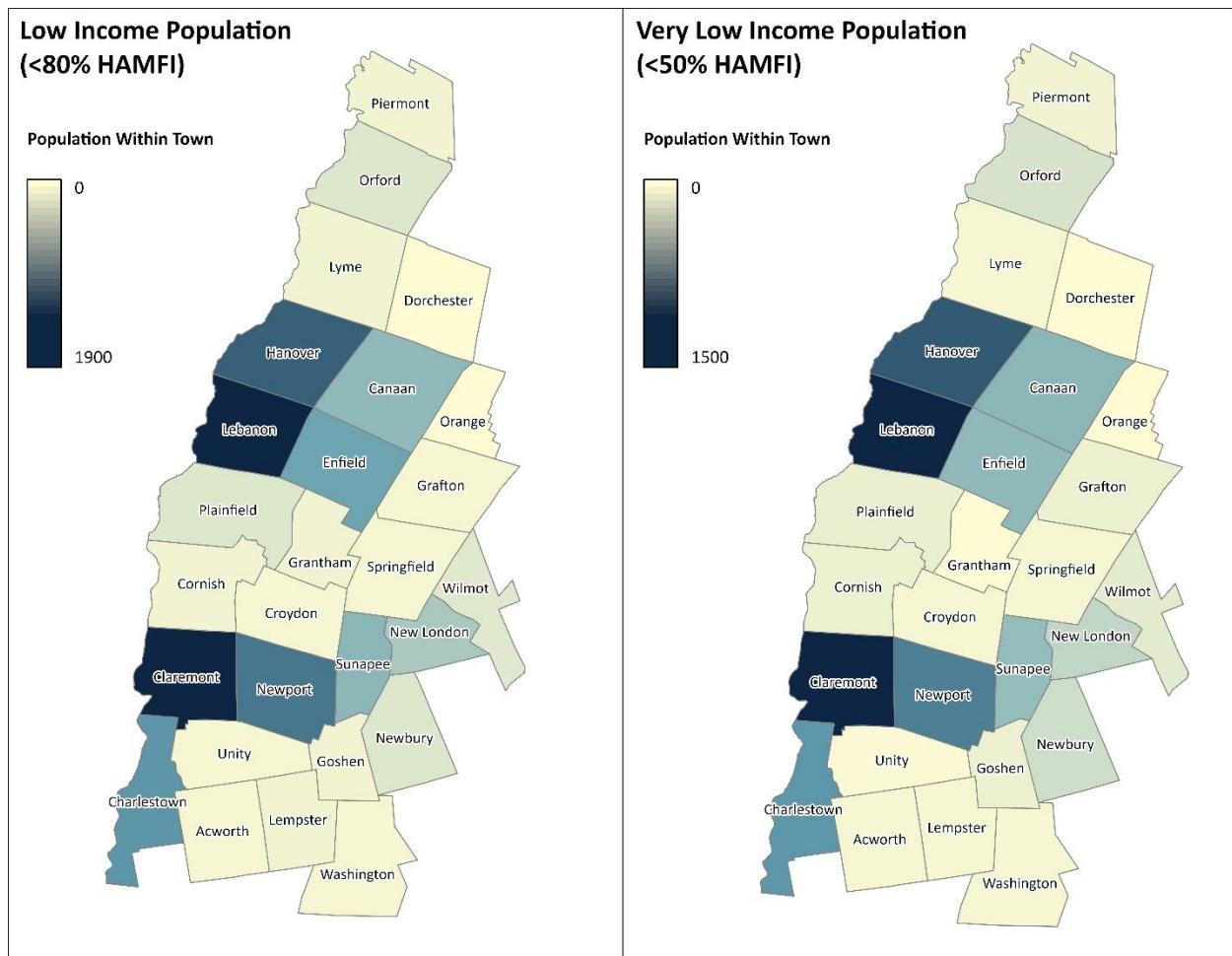


Figure 2-17 – Low Income and Very Low Income Population Distribution. Please note the small difference in population range between maps (Appendix F - 38).

People Living in Poverty

The US Census Bureau uses a set of income thresholds that vary by family size and composition to constitute people living in poverty. For example, if a family's total income is less than the federal family size threshold, the family and its members are in poverty. While the official poverty thresholds do not vary geographically, thresholds are updated for inflation using the Consumer Price Index (CPI-U). The official poverty definition uses income before taxes (gross income) and does not include capital gains or noncash benefits (such as public housing, Medicaid, and food stamps). The 2020 Federal threshold for poverty is \$13,171 for an individual, \$16,733 for a family of two, and escalates based on family size to an upper limit of \$53,905 for a family of nine. The Poverty measure weighs household income against costs, determining the minimum amount necessary to afford basic living expenses.

Some limitations of the measure include a lack of adjustments for cost differences between rural and urban areas. Poverty guidelines also do not capture other contributions to well-being, either. A family may have lots of assets, such as housing and capital gains, and still live below the poverty level. Similarly, families that receive food stamps, housing assistance, and tax credits do not count those benefits as income. As seen in Figure 2-18, the distribution of poverty varies geographically with 9% of our total population living below the poverty line. Percentages and

total number of people in poverty are both included to illustrate disparities and potential concentrations despite low total populations in poverty.

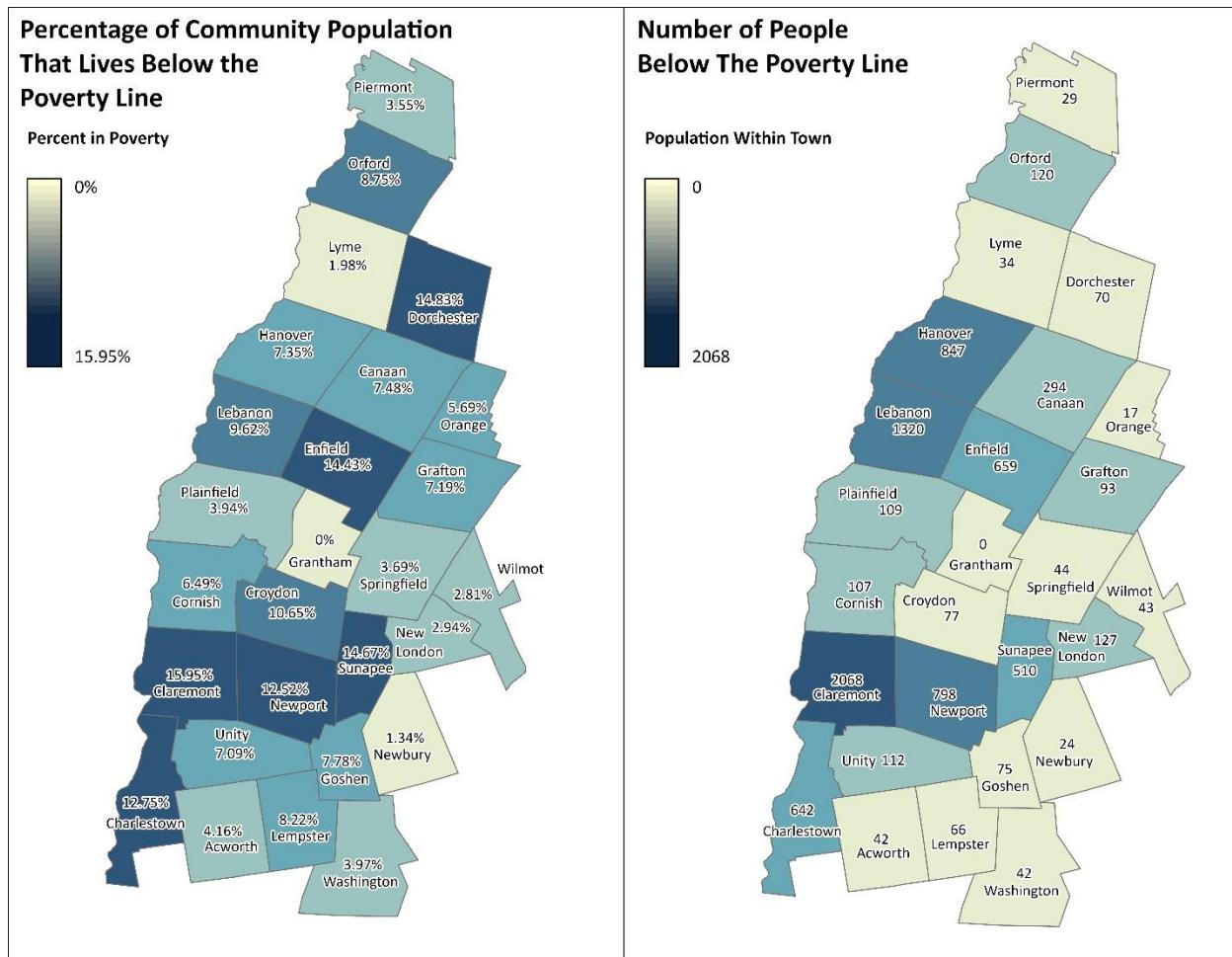


Figure 2-18 – Distribution of Poverty in the UVLS Region. Total Number is Compared with Percent of Town/City Population (Appendices F-24, F-33, F-34).

Religious Belief

Religion is generally defined by organized beliefs, behaviors, and practices related to spirituality, morality, or higher beings. Definitions and practices of religion vary based on community. Religion can influence how communities think, feel, and behave in both positive and negative ways. For many people, religion and spirituality bring meaning, purpose, and social belonging to life. Conversely, participation in religion can create social challenges, where individuals or groups can experience discrimination or internal conflict resulting from religious beliefs or practices which can extend into housing. Religious housing discrimination can be subtle and includes actions such as different rent rates, tenant steering, and a lower priority on waitlists or for repairs. The Census Bureau does not collect data on religious affiliation or beliefs.

Gender and Sexual Orientation

The Fair Housing Act protects persons who identify as lesbian, gay, bisexual, transgender, queer or questioning, intersex, and asexual/aromantic/agender (LGBTQIA+) from housing discrimination based on their actual or perceived sexual orientation or gender identity. This

community of interest may experience difficulties in the housing market. For example, if a housing provider refuses to rent a house to a same-sex couple because of their “family composition,” this is housing discrimination. The ability to live in a safe home can be a concern for many LGBTQIA+ individuals. As of 2020, the Census Bureau did not ask questions about gender, sexual orientation, or related topics.

Single Parents

Single parents often face substantial challenges when finding a home. Some housing rules favor married couples, which can leave single-parent family homes with longer wait times, frequent house moves, and fewer opportunities to build wealth. Homes close or accessible to childcare are important for single parents, given more household tasks are managed by one parent as opposed to two. Government programs, like subsidized housing, can reduce some of these challenges for single parents.

Single Adults (Working Age)

Single, working-age adults are another community of interest. This group often plays a key role in tax (municipal) revenue in communities. Due to single incomes, this group is often more cost-burdened than households with two incomes. Across the country, the number of single-person households is increasing. In our region, 29% of households are single persons, an estimated 10,214 people, and 11% of the total population. This number has risen by 6% since 2010, and the single adults' percentage of total households has increased by 2% as well. Given this trend, connecting, and providing support to those living alone will become increasingly vital.

Vehicle Availability – No Vehicle Households

No-vehicle households are not provided specific protections under federal or state civil rights laws. No-vehicle households are an important population classification due to their overlap with other groups identified in this analysis and the dominance of automobiles in meeting daily mobility needs. No-vehicle households have significantly different mobility and housing needs compared to individuals who own a private automobile. Households with no private automobile must choose to live in locations where access to employment, housing, food, education, and services does not require owning and driving a private automobile, or they may suffer great difficulty in daily life. Such arrangements can only be achieved where individuals can access public transit, private transportation services, walk, or bike. Where no-vehicle households overlap with other classifications, the compounding conditions increase the chances of equity disparities. 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.

The measure of no-vehicle households is derived from the US Census Bureau’s 5-year ACS data on vehicles available. The US Census defines a vehicle as a privately owned motor vehicle such as cars and trucks available for household transportation needs. Changing demographics within the region suggest a need for long-range planning of walkable and bike-able neighborhoods, employment centers, and increased access to public transportation. Within the UVLS region, car ownership is a requisite to access employment and services.

Figure 2-19 shows the regional distribution of No-Vehicle Households. The majority of the UVLS region's municipalities have a rate less than 5% while some have zero car household concentrations as high as approximately 8-12% of all households. Unsurprisingly, no-vehicle households are more concentrated near urban areas such as Hanover, with public transportation more widely available. Figure also shows the region's major roads and the change in no-vehicle household concentrations over the last decade due to this metric's close relation to development, urbanization, and shifts in public transportation and commuting trends, such as those found in Appendix F - 21 Appendix F - 22.

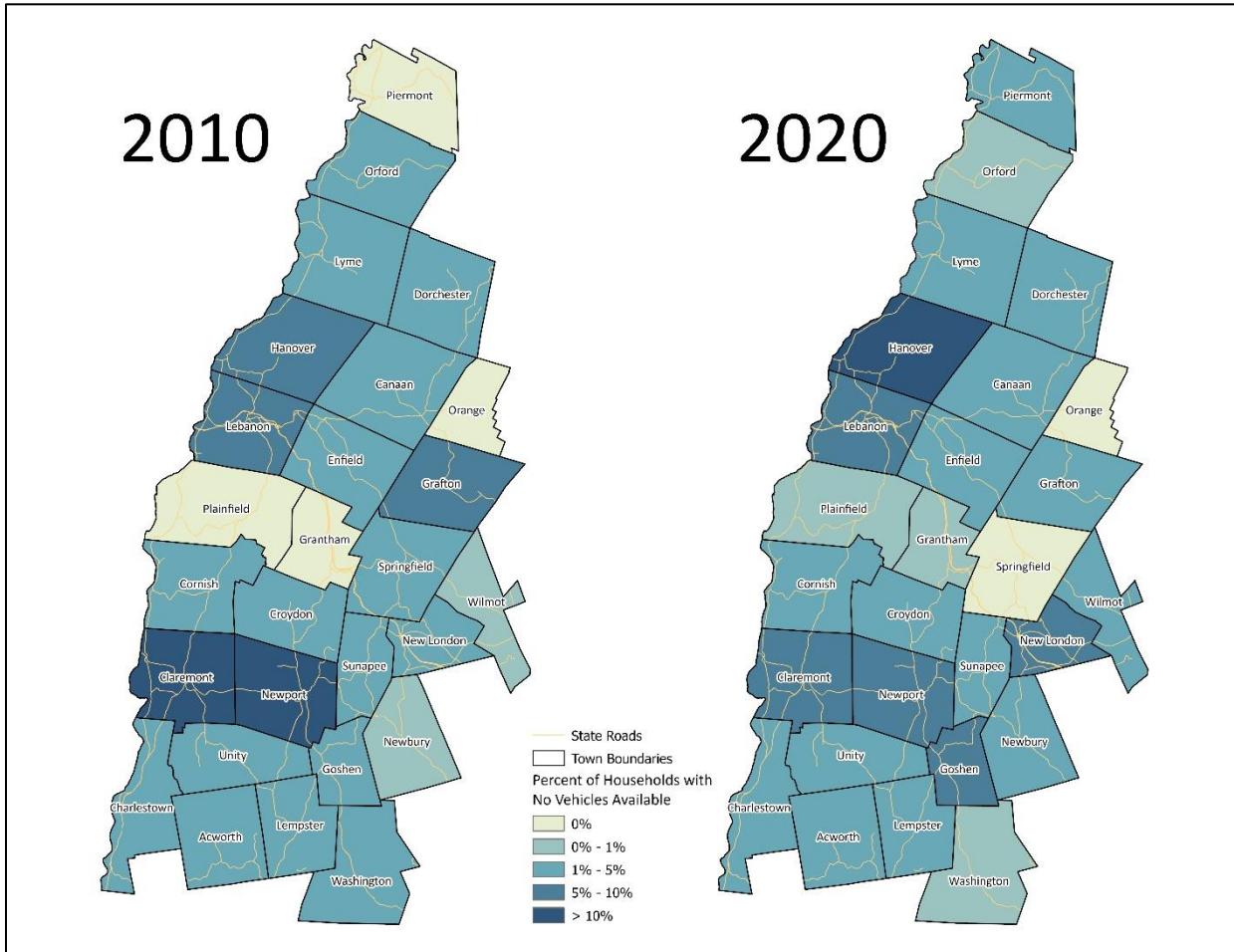


Figure 2-19 - Concentrations of Households With No Vehicles Over the Last Decade, by Percentage of Total Population (Appendix F - 24).

Persons with a Disability

All communities in the UVLS region have people living with disabilities. Figure 2-20 illustrates the distribution of the disabled population within the UVLS region. The map illustrates some areas of high concentration within certain communities. People living with a disability seek out community-based living conditions which provide housing dignity. Many different living arrangements can be considered appropriate based on an individual's needs. Families with a member living with disabilities often care for their dependents well into adulthood. Depending on the impairment, physical improvements may need to be in place for individuals to achieve 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. The civilian non-institutionalized population with a disability in the UVLS region is 10,802 or 12% of the population. Of that population, almost 40% live in either Lebanon or Claremont.

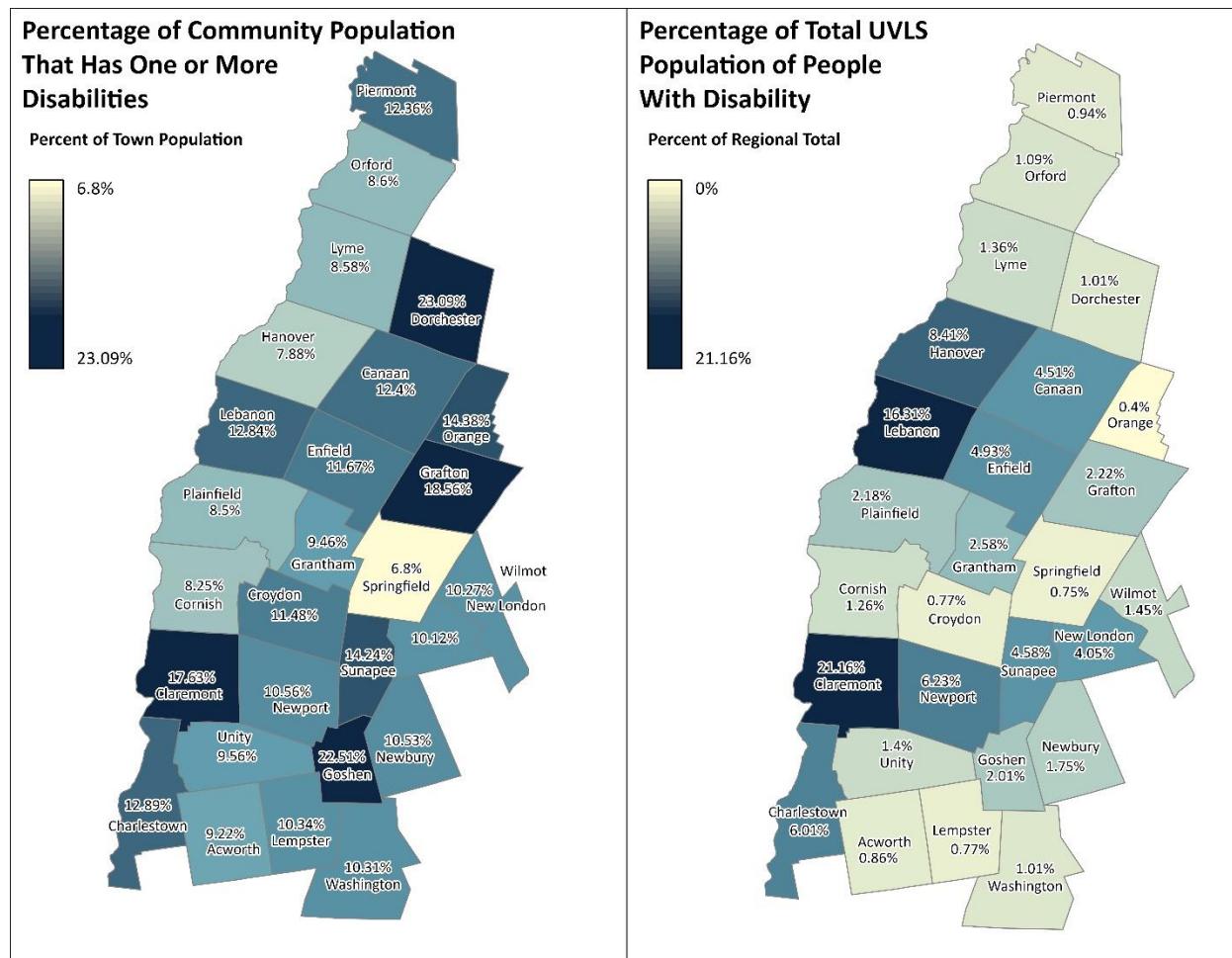


Figure 2-20 - Distribution of People with Disabilities in the UVLS Region. Percent of Town/City Population Compared With Each Community's Percent of Total Regional Population With Disabilities (Appendix F - 36).

Limited English Proficiency

The measure of limited English proficiency (LEP) population is defined as individuals five years of age or older who self-identify as speaking English less than "very well" according to the U.S. Census American Community Survey. The total LEP population includes 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. Due to the small sample sizes, the Margin of Error for a given census block can be greater.

Since English is not a primary language for this population, individuals may have challenges communicating in English and may need an interpreter or document translation 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. Figure 2-21 illustrates the spatial distribution of the LEP population. In the UVLS region, 1% of our total population, or an estimated 1,037 people, are individuals with limited English proficiency.

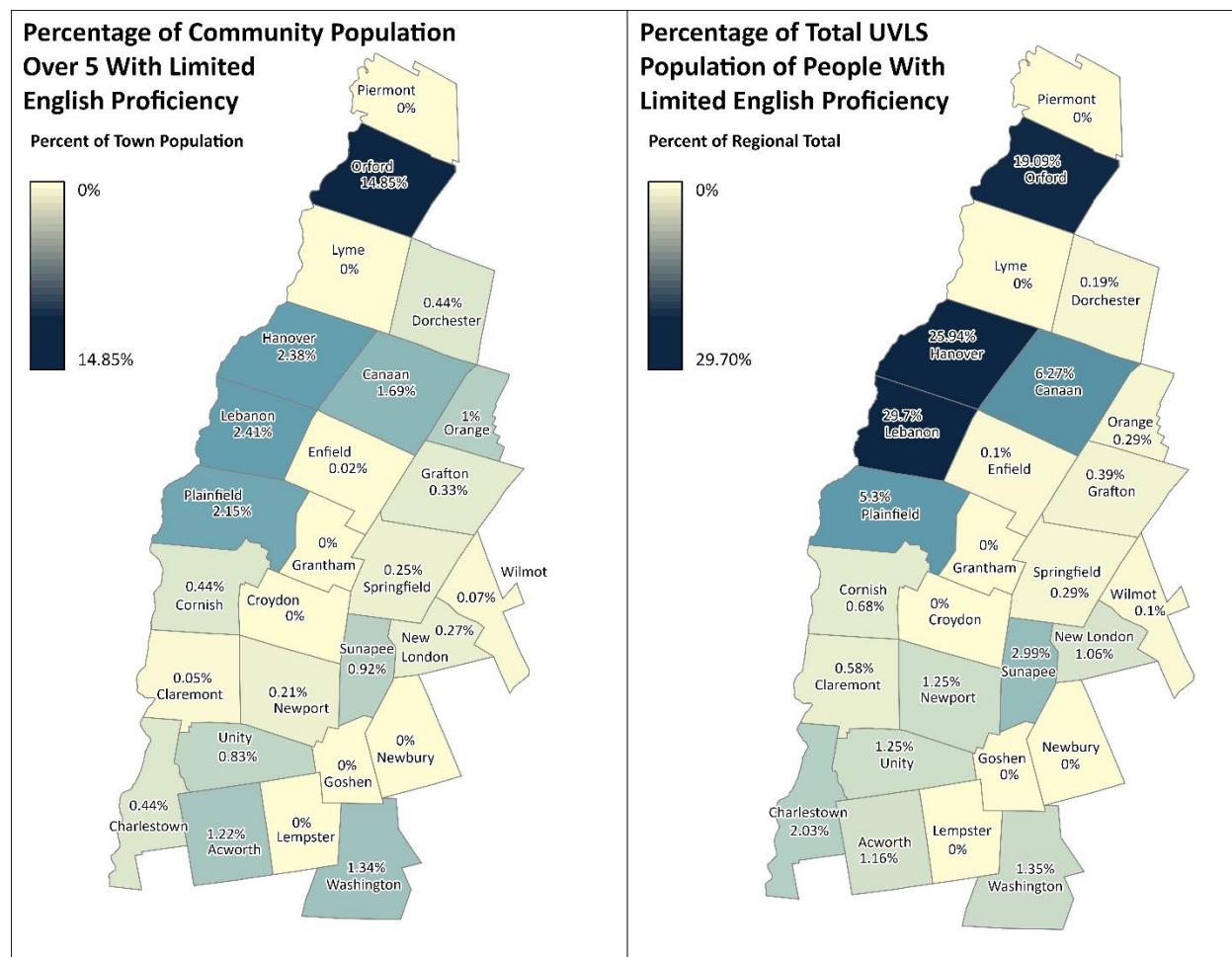


Figure 2-21 - Distribution of People with Limited English Proficiency in the UVLS Region. Percent of Town/City Population Compared with Each Community's Percent of Total Regional Population With Limited English Proficiency (Appendix F - 32).

Veterans

Veterans in our region are particularly vulnerable to inadequate home situations. With many veterans facing physical or mental limitations, secure and affordable housing becomes essential for their overall well-being. For example, many veterans rely upon caregivers for going about daily tasks and transportation to medical appointments. According to the 2020 census, veterans comprise 8% of our region's civilian population 18 years or older compared to 9% at the state level. When counting total population of all ages, veterans make up 7% of the total population. Figure 2-22 provides a spatial distribution of the veteran population in our region.

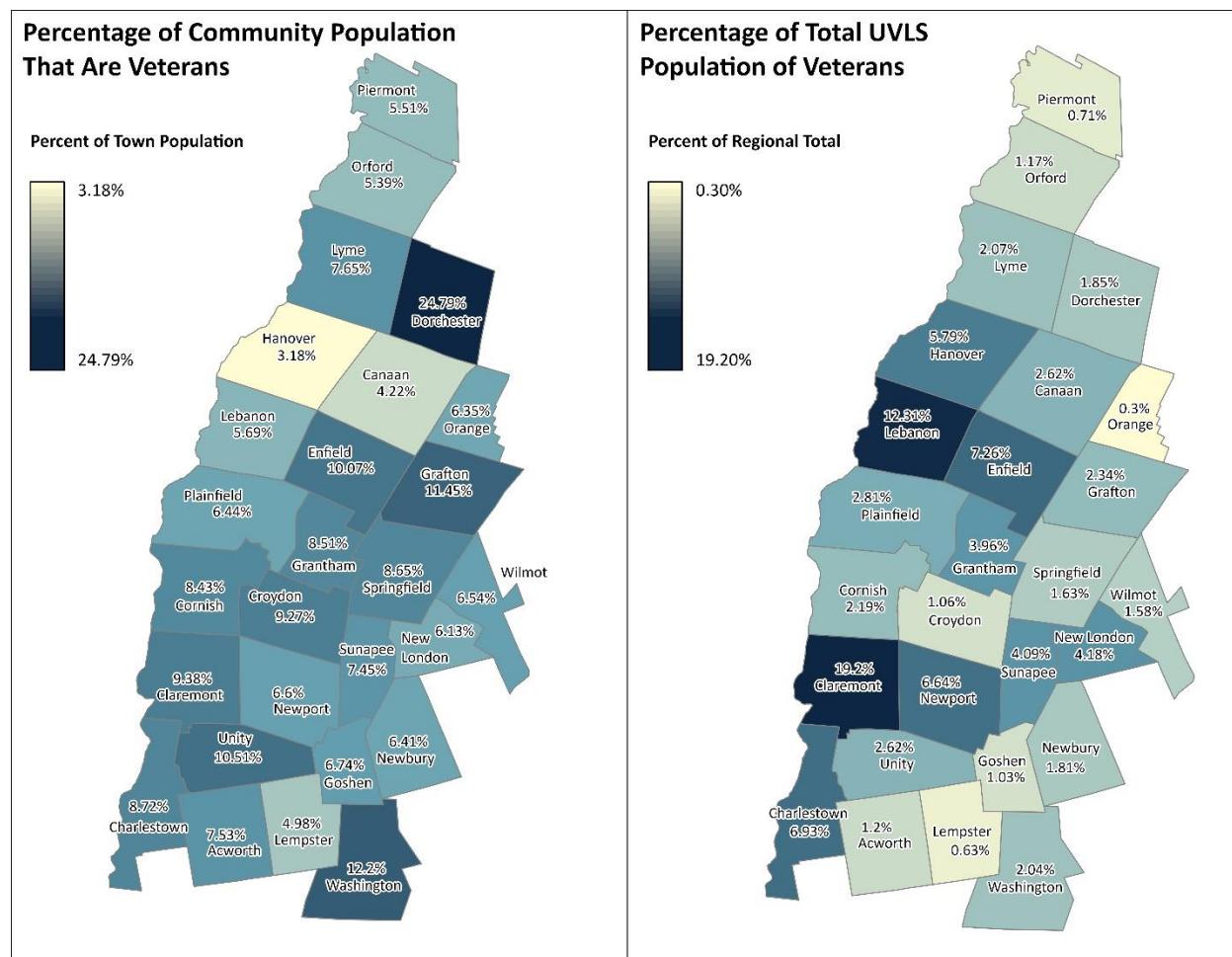


Figure 2-22 - Distribution of Veterans in the UVLS Region. Percent of Town/City Population Compared With Each Community's Percent of Total Regional Population of Veterans (Appendix F - 29).

Youth (People under 18 years old)

The region's youth population is shrinking. The overall number of New Hampshire residents under the age of 18 declined by 13% percent over the last decade compared to 16% in our region. According to the 2020 census, youth are 17% of the region's population with a count of approximately 15,156 individuals. In-migration has become a primary source of new residents, including immigrants from other national origins. Safe and stable housing is essential for families with children, yet some families face challenges when renting. A landlord may try to impose specific rules just for families with children or reserve certain apartments for adults only. Regardless of parental status or legal guardianship for a child, or being pregnant, a housing provider cannot restrict access to housing for this reason. Relative to housing, youth can experience both homelessness and/or cases of housing discrimination like this example.

People Experiencing Homelessness

Of critical importance in the housing discussion are people currently experiencing a lack of permanent housing. This includes individuals whose primary nighttime residence is a shelter or supervised facility, and those who reside in transitional housing. The UVLS region lacks comprehensive local data, but we can determine conditions of homelessness based on available state and regional data. According to the Department of Housing and Urban Development Continuum of Care Summary, 4,682 people experienced homelessness in 2021, with 2,556 individuals outside Manchester and Nashua. New Hampshire Point in Time (PIT) counts between 2010 and 2020 display consistent numbers, with a high of 1,675 people in 2020 and a low of 1,366 people in 2016 (Appendix F - 23). According to social service providers that answered the survey in Appendix A7, available resources to aid those experiencing homelessness are often strained by issues including but not limited to staffing, capacity, and funding. Responding providers ranked the need for additional beds/units highest, followed by funding for supportive services and the need for available landlords.

3 - Affordable and Equitable Housing Choice Opportunities and Barriers

*"The ache for home lives in all of us.
The safe place where we can go as we are and not be questioned."
~ Maya Angelou, All God's Children Need Traveling Shoes*

As professional planners, our primary obligation is to serve the public interest. That public interest includes, but is not limited to, seeking social justice by working to expand choice and opportunity for all persons, recognizing a special responsibility to plan for the needs of the disadvantaged and promoting racial and economic integration.^{iv}

UVLSRPC utilizes a framework of distributive, procedural, compensatory, and restorative justice to help meet this commitment.^v Toward that end, we propose using an “equity in all policies” approach in regional and local planning efforts, which means employing an “equity lens” to ensure that proposed policies and regulations will serve and benefit all residents and workers of a community in ways that reduce or eliminate inequity. UVLSRPC supports efforts to modernize local laws and other interconnected systems to ensure housing opportunities are available, accessible, and affordable to all.

3.a - Local Controls

Local controls are a tool with the purpose of providing orderly and beneficial development. Like any tool, they can be well or poorly made. These controls relate to land use allocation, proposal procedures, and property taxes, which can influence the creation and preservation of needed homes. Northern New England has a tradition of strong state legislative oversight of municipal governments.^{vi} 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 controls are limited to only what is ‘enabled’ by statute.

Many local land use controls were written in the 1970s and need modernization, especially regarding the provision of ‘reasonable and realistic’ opportunities for the development of workforce housing (NH RSA 674:58-61). Simultaneously, lessening controls can simply shift costs. For example, developers may be required to construct roads or sidewalks, and removing that requirement may mean that residents later petition the town to build these.

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, while zoning controls permitted land uses. Together, these controls provide opportunity for integrated planning for needed homes. Unfortunately, these local controls are often seen as a housing barrier and a reason for increased housing costs. As a blanket statement, this is not always applicable as many towns without either still struggle. In the UVLS region, three communities have no zoning – Canaan, Grafton, and Lempster. However, in specific cases, it is true, as land use regulation standards and processes can create unnecessary costs and delays. Thus, communities need to rethink the homes the region and state need to produce, and whether current local controls will support the emerging demographics and livability standards of households. Most communities in the UVLS region are already evaluating their local controls with this question in mind.

Restrictive zoning rules—notably large minimum lot sizes, low densities and not allowing multi-family dwellings in residential districts—can be a barrier for lower-income households. Too frequently, lower-income homes are frequently located in higher-risk or undesirable areas, such as within flood hazard zones, close to railroads or industrial facilities, or in locations that result in a long commute time, due to economic constraints.

Inclusionary zoning provisions require developments to provide a minimum number or percentage of affordable, workforce units within the project and frequently provide density bonus provisions to ensure that such projects can still be economically viable. In this voluntary program (mandatory inclusionary provisions are not permitted in New Hampshire), the density incentive must be high enough to persuade the developer to choose the inclusionary option. If the incentives are encumbered by more stringent standards or have less predictable approval procedures than under the baseline standards, inclusionary provisions are less likely to be successful.

3.b - Major Elements of Local Controls and Impact on Housing

The following covers the most common elements of local controls and how they can interact with homes. This section is not inclusive of all approaches.

Municipal Plans

Municipal Plans, such as Master, Conservation, or Economic Development Plans, set the tone and scope for local controls and are a clear voice of what a community wants and needs. Plan development is an excellent opportunity to discuss the need for affordable housing, dispel myths, and build support for subsequent change to local controls.

Allowable Uses

A zoning ordinance prescribes the allowable uses on lots in each zoning district. Zoning in the UVLS region has resulted in the exclusion or insufficient homes for lower income and renter households, a typically unintentional outcome. In fact, many ordinances only allow single-family dwellings and accessory dwelling units as permitted residential uses. Two-family dwellings, multi-family dwellings, and mobile home parks are often restricted as to where they can locate, and commonly require additional levels of review. Sometimes provisions that permit various forms of multifamily housing or common affordable housing types such as manufactured homes, are only in districts that are virtually built out or which contain small amounts of developable land. This can create the impression that land use is permitted when in fact there are no reasonable opportunities for its development of any real significance.

Many zoning ordinances do not account for a variety of housing types that could be an opportunity in the local housing toolkit and potential of interest to entrepreneurial developers and builders.^{vii} One group of housing types is the “missing middle” - a concept born from a general lack of homes of a certain size and expanded affordability. These homes typically include accessory dwelling units, tiny homes, duplexes, triplexes, cottage courts, and row houses, which are often limited under zoning regulations (Figure 3-1). 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.



Figure 3-1 - More can be done in the homes and residential lots that exist (Image Courtesy of Palo Alto Forward).

Dimensional standards

These standards, which can vary by zoning district, include building height, distance between structures, land requirements per unit, minimum square footage, and more. These standards are an opportunity to provide for consistent design and the ‘feeling’ of a place, preservation of valuable Town resources, and a balanced municipal budget. At the same time, dimensional standards may not reflect the existing and historical built pattern, usually resulting in higher housing costs.

Standards that limit the maximum number of structures per lot can force the development of multiple buildings to scatter 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, affordable development financing is 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 with potentially desirable neighborhood patterns.

Minimum road frontage helps to ensure access to public roads. When single family frontage standards apply to smaller than average homes or multifamily housing on a per unit basis, total public road frontage requirements may become excessive. This requirement may compound the difficulty of land assembly for missing middle homes that do not appear related to a necessary community benefit.

Procedural Requirements

Builders and homeowners may jump on opportunities to expand housing options if the outcome is clearer and the process more equitable, also known as procedural justice. Housing projects, whether affordable or market rate, can face obstacles during permit review. In some cases, a housing type is allowed with planning board approval. This approval is informed by a set of designated factors, though when these factors are vague desired housing types become a risk to the developer as they provide opportunity for neighborhood opposition and legal action. The opportunity for those building homes to imagine and build diverse housing types increases when local regulations clearly outline the factors considered by local boards during approval. When these factors for approval do not cause undue burden, it results in reduced risk, equalizing the playing field for those such as residents and small businesses who typically lack a team of well-resourced experts.

Parking

Parking requirements for residential developments are often intended to ensure resident parking spaces and mitigate public hazards such as parking along roads that impedes traffic or snow removal. Although reasonable explanation exists, these practices also disproportionately impact lower income households. People with lower income tend to own fewer vehicles than average, which means high parking requirements force these households to purchase more than necessary.^{viii} Reducing parking lessens development costs for housing projects that deem them unnecessary. That said, it is in a developer's interest to provide sufficient parking for the intended residents.

More efficient parking practices and local controls can be an opportunity for large savings, increased affordability, and improved community design. Fewer parking spaces can result in benefits, such as creating outdoor public or commercial spaces, lessening storm runoff, reducing summer heating, and decreasing flooding. Comprehensive planning is an opportunity to grapple with difficult questions of meeting need for both homes and transportation. Parking requirements can limit a community's ability to adapt to changes in transportation needs and household sizes. For residential development in densely built core areas near transit, especially Lebanon, Hanover and Claremont, cars are not necessary, and residential demand could be reduced through shared parking options with commercial spaces, fees to support public transit, or generating more innovative models such as carshared and bikeshares. These and similar practices may also be relevant to many of the villages in the UVLS region.

Streets and sidewalks

When new development or modifications warrant a site plan review, it is an opportunity to provide for active, connected neighborhoods through pathways for multi-modal transportation and recreation. Infrastructure to consider for this connectivity includes, but is not limited to, paved or dirt roads, e-charging stations, bike racks, sidewalks or walking paths, and public transit stops. In streetscape or site design, consideration is needed for ADA accessibility, maintenance needs such as snow removal, cost, and safety for all ages. Local land use regulations can make requirements or incentives for site plans to include certain multi-modal features. However, these provisions can create a barrier for needed affordable homes if too prescriptive to the developer. Read more about transportation considerations for housing in Section 3.h-1. The most common

way this topic arises is during a subdivision with the design of new streets and sidewalks. Residential subdivisions usually require this design from the developer, with sidewalks more common in urbanized areas. Travel lanes on roads in the subdivision can be unnecessarily wide, which is not only costly but creates stormwater problems, heat pollution, and leads to increased vehicle speeds. Sidewalks are excellent for walkability, but options to consider for sidewalks include: (1) may not be required for short streets or in more rural areas, (2) may only be needed on one side, (3) may have less width, as long as they meet ADA accessibility guidelines, (4) may even be eliminated in places with alternate pedestrian access such as a dedicated path, or (5) may function more effectively as a multi-use path to accommodate both pedestrians and cyclists.

[Wastewater/Water](#)

Providing adequate drinking water and wastewater management is an essential part of any project. However, it adds costs. In some cases, the required land area per dwelling unit greatly exceeds the land area required to support subsurface wastewater disposal requirements based on soil-based criteria from the State. There also are 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. Read more about these infrastructure and state regulations in Section 3.h-2.

Hookup and service fees can be high in some communities, adding to the cost for housing within the compact community center. On-site or community systems can provide for denser development or redevelopment than allowed for in many local controls – an opportunity especially for rural villages and local economic development. Where applicable, local controls should allow this density if state permitting requirements are met.

[Fire, Safety, and Health Code](#)

The condition of a home impacts a household's health, a concept strongly supported by scientific literature. Possible risks to health found in a home are varied and might include lead-based paint, radon, formaldehyde, and many more. When attempting to address home health hazards, the cost of renovation to meet new standards is often too high under current market conditions, especially for older homes. This market reality acts as a significant barrier to effective code requirements. Although limited, local regulations are an opportunity to identify and sometimes remedy home health hazards, such as those knowingly ignored by illegal, profit-driven landlords. The Fire, Safety and Health codes, although not comprehensive, provide opportunity to improve public health outcomes and secure important housing stock into the future.^{ix}

In New Hampshire, all rental units need to meet applicable state fire and safety codes. Projects such as accessory dwelling units, short-term rentals, home share, or conversion of a home to two or more units would necessitate upgrades to meet the applicable codes. 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.^x

A common experience in the UVLS region is that apartments are in poor condition and do not meet code. Enforcement is difficult. Some communities opt to locally enforce the state code. Municipalities can adopt ordinances requiring rentals to register with the town, providing contact information and/or requiring proof the buildings meet code. There is also the possibility for an

iterative approach or staggered tax on improvements that could help make them more attainable.

Building Energy Standards

A home's overall operational costs can be lessened if it is built to a high energy standard. Appraisers reportedly have a difficult time valuing homes with energy efficiency improvements, and new buyers often do not want to pay for them. A home's overall operational costs can be lessened if it is built to a high energy standard. However, it increases the cost of constructing or renovating a home.

Property and Transfer Tax

Property transfer taxes are paid at the time of sale. In New Hampshire the buyer and seller equally split the flat 1.5% transfer tax on the purchase price (assuming fair market value). From an affordable housing point of view, properties sold for higher prices generally increase nearby values, driving up annual tax burdens; increase properties sold as non-primary residences, reducing the supply of homes for ownership and thus increasing prices for those desiring to live in an area; increase properties held for short-term speculative gain, hurting affordability efforts; and increase high annual taxation rates, raising ownership costs. To make long-term ownership of modest homes easier to afford, taxes and fees can be charged with consideration of income level. Making costs lower for needed affordable homes necessarily must be offset by increases on some other tax or fee (assuming government budgets are stable).

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.^{xi} There is a penalty for removing land from these tax programs, 10% of the market value. In areas with substantially risen land prices, these penalties are marginal compared to the gains made from land sales and the tax savings over time.

Tax Relief

Effective April 1, 2022, a city or town can establish a Housing Opportunity Zone under the Community Revitalization Tax Relief Incentive (RSA 79-E: 4-c). No less than one-third of the housing units constructed can be designated for households with an income of 80 percent or less of the area median income as measured by the HUD, 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.

3.c - Stakeholder Perceptions of Local Controls

Stakeholder perceptions were collected through various engagement techniques. Full details can be found in Appendix A.

Nearly 55% of [Municipal Experts](#) indicated affordable/workforce housing as a high or medium focus for their municipality. In contrast, the preservation of rural character was chosen by all experts as high or medium. For experts whose community received a recent increase in new housing proposals, this was attributed to zoning modifications that encouraged denser development, public support, and planning board support. For the respondents with few-to-no

proposals, some of the barriers included, but were not limited to, zoning ordinances, public water/sewer infrastructure, and planning board or public opposition. In fact, some experts revealed that planning board disposition significantly drove, or limited housing developments.

Municipal experts indicated public openness and support as one of the greatest constraints to achieving housing goals as well as staff time and ability (housing and planning training). Many saw consultants as a support to determine housing goals and provide engagement assistance.

Developers, especially smaller ones, pointed to permitting risk and upfront costs as a barrier to affordable home development. One developer explained it as “the upfront cost of permitting, entitlements, [and it’s] very hard to finance future savings.” When asked what local leaders should consider when making local control decisions, the dominant themes included:

1. Zone for economic development – allow for corner grocery, neighborhood pub.
2. Don’t put the red tape back (e.g., outdoor dining), lessons from COVID.
3. Provide specificity to rural character language that now allows for subjective interpretation.
4. Provide for equitable representation in the planning process.

Developers chose three local policies with potential impact: allowing smaller lots, fewer restrictions on duplexes and multifamily, and density bonuses.

For *Social Service Providers* seeking to build their organizations, 35% indicated that local controls discouraged their efforts. One provider wrote, “the stigma associated with substance use and recovery centers prevents city leadership from expanding services.”

Employers in the UVLS region noted that reducing local control barriers and lowering taxes are methods to achieve better housing solutions.

A quarter of the *Public* expressed uncertainty about the impact on the cost and supply of homes by local and state regulation and investment. This indicates that a portion of the public lacks understanding and a stance on the role of government regarding housing. For those with an opinion, local government intervention was the most common theme mentioned, especially the reduction of barriers through zoning ordinances and other policies, as well as provisions or assurance that affordable housing be built in their municipality. A relatively smaller group expressed a preference for limited local government involvement.

Regarding short-term rentals, most of the public perceived them as a barrier to year-round housing in their community, while roughly a quarter perceived it not to be a barrier and another quarter was unsure.

In an interview with a *Native American Tribal Leader*, concern was raised for the attention given to home ownership and large lot sizes, which in their opinion, does not result in sufficient diversity of homes such as rentals and duplexes to meet the needs of the populous. The leader suggested that “new housing development have mandated low-income housing units” especially for rental units.

3.d - Workforce

The top industries in the UVLS region by employment are health care and social assistance, retail trade, higher education, and manufacturing. Access to safe and affordable housing, which is defined by NH Workforce Housing Law RSA 674:58, is unquestionably connected to the economic vitality of a region. Housing and economic growth go hand-in-hand,

and without the availability of residential units needed to meet the demand of workers, businesses are severely impacted. The constraints on workforce housing, which were apparent in our region and state in prior years, were even further highlighted by the COVID-19 pandemic and resulted in a severe shortage of residential units required to accommodate a much-needed labor force. Employers of every size and across all industries in our state and region suffer from the effects of this through high turnover rates and unfilled job openings. See Section 4 - Analysis of Market and Population Dynamics for information on projected employment growth in industries and locations and its effect on local housing needs.

Affordable Housing

The availability of affordable housing allows businesses to attract a skilled workforce, including residents wishing to stay in the region they grew up in, and entrepreneurs who bring talent and innovation. It lowers employee turnover which results in cost savings and increased efficiency. It allows professionals to live closer to workplaces and improves quality of life, resulting in higher employee satisfaction. Furthermore, the reduction in commute times reduces costs to the employee and decreases traffic and air pollution.

Workforce Housing

New Hampshire state statutes leave reasonable and realistic opportunities for the development of workforce housing up to the discretion of the municipality through local controls. However, this does not come without its barriers. Some of the impediments to the development of workforce housing include geographical restrictions related to environmental protections, availability of water supply and sanitary disposal, traffic safety, as well as local political opposition to zoning changes. Through direct outreach and engagement with employers and partners working closely with businesses in and around the region, we learned attracting and retaining employees are some of the greatest challenges. In turn, this has not only impacted the operations of current employers but limits the opportunity of new businesses to locate in our communities, reducing economic growth and vitality.

Employer-Assisted Housing

Some employers have approached current housing challenges with employer-assisted housing, an opportunity for employers to get involved in planning, advocating, developing, or investing in housing. These strategies are primarily available to larger employers in the UVLS region. Smaller employers tend to feel powerless with one saying “my company is too small to make a difference, in both resources and land. My employees are the ones in greatest need.”

Two types of Employer-Assisted housing programs are those that either facilitate the obtaining of affordable housing, or those that create affordable housing. Ensuring these programs are designed well and include proper stakeholders is critical to success. Although some projects may lose money on housing aspect, the business is likely to see savings due to reduced staff turnover and increased ability to attract new hires.

In the UVLS region, some employers already provide moving cost assistance, homebuyer education, cash contribution, employer-operated housing, and rent subsidies (See Appendix A). Both Dartmouth College and Dartmouth-Hitchcock Medical Center have taken steps towards developing rental housing geared towards students and workers.

Further, a subset of employers who participated in a survey have indicated an interest in learning more about and possibly providing employer-assisted housing programs. There is relatively higher interest in homebuyer education, cash contribution, employer-operated housing, and down payment and/or closing cost assistance.

3.e - Stakeholder Perceptions of the Region's Workforce

Stakeholder perceptions were collected through various engagement techniques. Full details can be found in Appendix A.

Employers that participated in a survey were asked their perspective on several topics related to their workforce and housing. Most respondents, or 83%, said the housing supply shortage impacted their organization's ability to attract and keep workers. Only 3% of respondents said the area around their office location had plenty of housing options. When asked what housing factors, from a preset list, impact their workforce, roughly 90% agreed that cost and availability were the leading factors while proximity to the workplace and quality of units followed near 70%.

Supportive Housing Providers identified particularly acute staffing challenges in their sector. The highest impact factors identified were competitive salaries, high staff turnover, and affordable housing. Providers used a variety of adjustments to support staff since the COVID-19 pandemic began, such as schedule flexibility, virtual meetings, and staff recognition.

Developers agreed the current housing supply makes hiring harder. Participants said, "One of our employees is technically homeless right now," and "people who leave say that the price of the area is what drives them away." Despite this challenge, only one participant identified workforce-specific housing as having "more impact" to affect housing demand rather the most selected types were mixed-use buildings, followed closely by single-family homes and small multi-unit buildings (2 to 8 units).

Only a few **Municipal Experts** perceived their municipality as having locally adequate housing choices to attract workers of all ages. This improved slightly when asked at the regional scale. In part, the results point to experts perceiving other communities as providing more options to all workers, than experts in those communities perceive themselves.

Most of the **Public** identified neighborhood proximity to their workplace as a housing priority.

3.f - Construction Industry

The fourth key understanding from Keys to the Valley is that "New solutions and approaches are needed." This statement is a response, in part, to the failures of the construction industry to build the homes needed. The two main systems we have relied on to provide housing – the private market and limited government programs run through non-profits – are failing to meet the need in its current form and will continue to fail. The private development market has little financial incentive to build homes, for ownership or rental, for most of our residents at prices they can afford. Federal government programs meant to provide housing for those of us with low incomes have been crucial in preventing homelessness, but are too slow, too costly, and dwarfed by the need. New approaches must seek to enable the local construction industry to view the opportunity to meet housing needs in responsible locations that suit community character. The approaches are likely to require significant partnership and creativity to develop.

Major Elements of the Construction Industry and its Impact on Housing

Multiple factors have led to very low productivity growth of the construction industry. These include but are not limited to, strains on global supply chains exacerbated by the COVID-19 pandemic, geopolitical tensions around the world, record-high inflation rates, increased cost of goods and services, skilled labor shortages, and limited access to buildable lots.

The labor shortages have left construction companies scrambling to find the help they need to keep up with the demand. The experience of construction workers makes the field less attractive with difficulties making a living wage, affording an apartment, making car or truck payments, attending costly continuing education requirement, and receiving a benefits package including health insurance, disability, and retirement options. These shortages are exacerbated 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. Even prior to the pandemic, there were growing concerns about the lack of qualified tradespeople and a decrease in the existing workers available as they reach retirement age. Participants in our conversations with housing developers identified the undervaluing of the trades over many decades as a major cause of the current labor shortage for the industry. See Section 5.c and 5.d of this Chapter for more discussion.

When it comes to supply chains, a severe bottleneck effect emerged when the pandemic hit the nation. With business closures and stay-at-home orders in place, labor force participation reduced and demand for goods and services temporarily diminished. However, when restrictions lifted and consumer confidence regained, the demand outpaced the supply and sectors that affect construction, such as transportation and manufacturing, could not keep up.

Dealing with supply chain disruptions and increasing cost of goods and services presents its own challenges. Supply chain issues result in open-ended delays in the completion of projects and pricing issues due to the volatility in material costs. Without proper planning, a contractor may need to make up for any price increases that arise after the signing of the contract. On the other hand, without incorporating the cost of potential price increases into contracts at the bidding stage, contractors may miss out on a contract due to “over” bidding. Simply put, the construction industry in our region cannot keep up with the demand without impacting the consumer through delays and higher housing costs.

For more discussion on the Construction Industry, see Analysis of Market and Population Dynamics, Section 4.e.

3.g - Stakeholder Perceptions of the Construction Industry

Stakeholder perceptions were collected through various engagement techniques. Full details can be found in Appendix A.

When explaining the factors impacting the availability and affordability of homes in their municipality, Municipal Experts most common theme was high construction costs. One explained that “even manufactured homes are not cheap and there are three year wait times.”

The Public ranked the cost of repair, maintenance, or ADA accessibility as the third biggest challenges to have a home within their community. They also perceived the cost of construction as the leading factor impacting, by far, the cost and supply of homes in their community.

Developers agreed that the cultural undervaluing of construction trades over the last decades was a driver of the industries workforce shortage. Developers pointed to several strategies to turn around this cultural dynamic. Specific strategies discussed included:

1. Funding and communications to advance trade school quality and enrollment from high school to adult education
2. Promote the trades as a path to entrepreneurship
3. Increase apprenticeship opportunities
4. Teach spatial thinking in elementary school
5. Increase the presence of women in the trades
6. Support immigration policy to increase immigrant workforce in the sector

Developers agreed results in the workforce arena are mid- or long-term goals, rather than short-term solutions to address current housing needs.

3.h - Vital Community Supports

Housing is more than a place or a lot. A household's choice of home can determine its access to important resources and ability to assure household health. A community's available housing stock can influence its financial stability, investment needs, and ability to preserve or restore important natural resources. These planning areas are best integrated into local planning for homes early and with regular reflection. Each provides opportunities to improve needed housing stock, and barriers to adequate and equitable housing choice. A full discussion on each of these planning areas can be found in Appendix D, including summaries of stakeholder perspectives. A summary of the key takeaway is found below and on the following page in Table 3-1 - Key takeaways for planning topics with important cross-over opportunities/barriers to be considered in local and regional planning for homes.

Table 3-1 - Key takeaways for planning topics with important cross-over opportunities/barriers to be considered in local and regional planning for homes.

Planning Topics	Key Takeaways
Physical Infrastructure	
Transportation	<ul style="list-style-type: none">• Transportation costs contribute to home affordability• Consider impacts and connection to existing transportation corridors• Multi-modal transportation options are necessary for affordability and quality of life, and asset management is key.• Land use planning must locate housing in places integrate with transportation networks to increase access and reduce municipal costs that may increase with sprawl.

Drinking water and wastewater	<ul style="list-style-type: none"> • Public systems warrant higher housing density and may coincide with goals for village revitalization. • Asset management is needed to inform local planning for homes and identify system needs/options early. • Maintenance and water quality testing is key to sustaining healthy private systems. • Local and state requirements may be unnecessarily stringent for housing developments on private systems.
High-speed internet	<ul style="list-style-type: none"> • Households are unevenly served by internet service in a time when it is essential for many routine activities. • Barriers to availability include geography and population. • State resources are available to reduce disparities of access through expertise and funding. • Community anchor institutions with robust internet services, integrated with housing and transportation planning, can fill service gaps when necessary.
Health, Environment, and Economy	
Public health	<ul style="list-style-type: none"> • Affordable housing is a health policy priority in the UVLS region. • Older homes can threaten public health with poor energy efficiency, and household hazards such as lead-based paint and limited disability accommodations. • Contractors with skills in healthy homes renovations are lacking in number and affordability. • Many households will improve in stability and health with access to supportive services, including but not limited to services in mental health and substance use treatment. • Homelessness awareness improves public health and can help to increase emergency housing options.
Environmental stewardship and sustainability	<ul style="list-style-type: none"> • Homes need to be sited in places that increase community resilience. • Healthy farms, forests, and waters are important in their provision of valuable ecosystem services such as drinking water and a local source of food and construction raw materials. • Housing and environment solutions can be synergistic when planned together intentionally with stakeholder cooperation.
Community economic development	<ul style="list-style-type: none"> • Healthy homes for all are necessary to a community's overall economic success. • The housing shortage limits the availability of workers in the construction trades. • Revitalizing brownfield, historic, or underutilized buildings as housing or another beneficial use can bring new life to neighborhoods. • Local economic stability is informed by integrated planning of homes with the community infrastructures that serve them and the taxable value of different housing types, locations, and densities.

3.i - Discrimination in Housing

The following review of discrimination in housing is essential to further identify barriers and opportunities to the provision of affordable housing choices in the region and meet fair housing requirements. In particular, what are the existing statutes that shape housing choice, what are the common complaints in the region, and what resources exist to help provide equitable, fair housing choice?

The legal concept of “fair housing” originated in 1968 during the civil rights movement and in the wake of the assassination of Dr. Martin Luther King, Junior. At that time, the Federal Fair Housing Act (FHA) was adopted to prohibit discrimination based on race, color, national origin, and religion. It has since been amended to further include gender or sex, familial status, disability, and gender identity. Combined these categories represent “protected classes.” The FHA’s goals were to promote integration, suppress segregation in housing, and stop discriminatory practices against these protected classes in the housing sector.

Local efforts to promote fair housing in NH predate the FHA with the adoption of the State’s anti-discrimination laws in 1965 (RSA 354-A). These NH laws created a legal obligation for those renting or selling to conduct business independent of an individual’s race, color, national origin, religion, gender, sexual orientation, age, disability or familial status. New Hampshire Housing Finance Authority (NHHFA) was established in 1981 to further housing opportunities for NH residents. NHHFA furthers fair housing opportunities in the state through their grant funding programs for municipalities, affordable housing finance mechanisms, and educational programs.

There is a wealth of information provided by existing reports on Fair Housing already published. Highlights from these resources on fair housing cases have been summarized in Appendix C.

State Legislation

The following is intended to provide relevant highlights of importance from recent legislation in NH to planners that have either shaped or responded to the local fair housing landscape, planning, and zoning.

The State’s statutes relative to variances (RSA 674:33, V) were amended in 1998 to authorize zoning boards to grant variances for persons(s) with a recognized disability without a finding of hardship as would otherwise be required.

In 2008 NH Legislature established the Code for (Architectural) Barrier Free Design which is intended to ensure architectural barriers do not prevent persons with disabilities from accessing publicly funded buildings and facilities. The Committee on Architectural Barrier Free Design, a permanent committee of the Governor’s Commission on Disability, is responsible for enforcement of the Code.^{xii}

To assist municipalities in meeting their fair housing obligations, the NH Legislature enabled the adoption of Inclusionary Zoning Ordinances under NH RSA 674:21’s Innovate Land Use Controls. Additionally, NH’s Regional Planning Commissions are to update a Regional Housing Needs Assessment (NH RSA 36:47, II) to assist municipalities in their planning.

New Hampshire’s Workforce Housing Law (RSA 674:58-61) was established in 2008 by the State Legislature. The law requires communities to provide a reasonable and realistic opportunity for the provision of workforce housing.

New Hampshire RSA 479, Mortgages of Realty, was amended in 2007 to protect homeowners from predatory foreclosure “prevention” schemes. The new statutory language requires a foreclosure contract that discloses and describes the terms, costs and services to be provided. It is accompanied by a notice of the right to cancel the contract. The intent was to eliminate the unknowing loss of home ownership and provide specific protection to persons with limited English proficiency.

The NH Legislature in 2010 included additional provisions in NH RSA 540 Actions Against Tenants to protect victims of domestic violence from eviction. Landlords may not terminate tenancy solely based on a household member having been a victim of domestic violence, sexual assault, or stalking, with the condition that the victim provides the landlord with written verification of a valid protective order against the perpetrator. However, there are exceptions for lessors or owners of fewer homes. The statute also provides support for sole eviction of the tenant or household member accused of domestic violence, sexual assault, or stalking through a court process. The statute does not protect against eviction due to nonpayment of rent.

New Hampshire passed Senate Bill 247 in 2018, which made several changes to the state’s lead poisoning prevention laws, including but not limited to 1) identifying whether lead is present in drinking water in rental housing where children are diagnosed with elevated blood lead levels, and in child care centers and schools, and addressing the problem where lead levels exceed EPA standards; 2) establishing a loan guarantee program to assist landlords and homeowners in eliminating lead hazards; and 3) requiring more complete, accurate information about lead be provided by a seller of real estate.

House Bill 684 was passed and signed into law in 2019. It gives tenants in manufactured housing parks the right to petition for mediation of arbitrary or unreasonable rent increases. The costs for the mediator are paid by the park owner and park owners are required to provide notice to tenants of the opportunity for voluntary private mediation of the increase.

In 2019, NH passed Senate Bill 306 establishing a Housing Appeals Board. The board’s power includes the authority to determine, as part of an appeal of a local decision, whether a municipality’s land use ordinances and regulations provide a “reasonable and realistic opportunity” for development of workforce housing. The intent of the statute is to provide a less costly and more expeditious way to manage disputes involving local land use law and housing development.

Indicators and Allegations of Discrimination

The HUD Affirmative Furthering Fair Housing Data and Mapping Tool (AFFHT) provides substantial amounts of data and indices for users to employ in assessing fair housing. Given the state’s demographic breakdown and population, no data is available specific to the UVLS region, thus the following summary highlights statistics at the statewide level.

Table 3-2 - Percentage of Households with an Identified Housing Problem. Housing Problems: Lacking complete kitchen facilities, lacking complete plumbing, more than one person per room, or costing more than 30% of resident income. Severe Housing Problems: Any non-cost problem, or Cost of More than 50% of Resident Income^{xiii}

New Hampshire Statewide Demographic Population	Percent of Households in UVLS Region	Percent of Households with One or More Housing Problems	Percent of Households with One or More Severe Housing Problems
White	88%	36%	16%
Black or African-American	0.9%	45%	23%
Hispanic/Latino	3%	50%	24%
Asian or Pacific Islander	3%	46%	25%

Challenges may be higher generally for those who identify as a race other than White or who are in households with children (

Table 3-2). Black or African American individuals or those identifying as Latino in New Hampshire face higher poverty rates, lower median household incomes, and more adverse environmental conditions than those who identify as White and non-Latino. Members of racial/ethnic minority groups are more likely to have their home mortgage loan applications denied. Children are more likely to live in poverty than individuals overall statewide.

Housing complaints represent instances when a person felt or perceived housing discrimination. Complaints may be resolved with a variety of outcomes including settlement arrangements without a finding of fault, withdrawal, or a finding of no probable cause. Complaints are withdrawn for several reasons including frustration, personal problems, or other priorities. The 2020 Analysis of Impediments to Fair Housing in New Hampshire included a summary of complaint data for 2015 through 2019 (Table 3-3).^{xiv}

Most housing discrimination complaints are based on disability, with those with mental illness comprising the largest share. A significant proportion of those cases involve people at risk of eviction. Approximately one-third of Supportive Housing Providers across the state of New Hampshire in a 2022 survey indicated people experiences challenges of mental health as having the hardest time keeping and finding housing, followed closely by those with low-income and those experiencing substance use disorder (Appendix A7). Supportive housing providers also identified a lack of mental health services as the most common reason referrals are made to another organization, which reflects that only 35% of providers for this survey indicated the availability of mental health counseling.

When identifying persistent systemic bias, the report states that “although they comprise a very small minority in the state, people of color are consistently overrepresented in a variety of adverse circumstances.”

NH Legal Assistance receives and tracks intakes with a fair housing component by town and the protected class alleged. Because these are New Hampshire Legal Assistance intakes there are several different paths these cases usually take. Generally, the types of relief that can be ordered for violation of the fair housing act include but are not limited to, damages and costs, education and/or monitoring.

Capacity To Respond

There are numerous Federal, and State Resources dedicated to promoting and protecting fair housing opportunities for residents outlined in the Analysis of Impediments to Fair Housing in New Hampshire 2010 updated including the following:

- The US Department of Housing and Urban Development (HUD) is 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 US Department of Justice, Civil Rights Division is responsible for prosecuting civil violations of federal housing discrimination laws.

Table 3-3 - Complaint data for 2015 through 2019 collected by the three entities that enforce fair housing law in New Hampshire

Total Number of Complaints by Discrimination Type for All Organizations, Ranked from Most Complaints Received to Least (2015–2019)			
Ranking	Discrimination Type	Number of Complaints	Percentage of Total
1	Disability	632	62.89%
2	Race	110	10.95%
3	National Origin	71	7.06%
4	Familial Status	65	6.47%
5	Sex	43	4.28%
6	Retaliation	28	2.79%
7	Color	21	2.09%
8	Sexual Orientation	16	1.59%
9	Age	11	1.09%
10	Religion	5	0.50%
11	Marital Status	2	0.20%
12	Gender Identity	1	0.10%
Total		1,005	100%

- 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 Commission on Human Rights 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 statewide non-profit law firm, provides legal service to disabled persons related to housing discrimination, among other legal advocacy roles.

3.j - Bringing it Together: Access to Success

Understanding access to success based on place of residence is important to establish more equitable life outcomes for people living across all places. Access to success ultimately comes down to resources, and in this section, three aspects of resources are considered – availability, potential, and stability.

Historical Opportunity Areas (HOA) are rich with available resources such as quality schools, lower poverty rates, and plentiful employment options. The life impacts of these available resources can already be seen in data. Cost of living is often high in HOA and there is usually a shortage of affordable housing. Members of communities of interest are too often left out of HOA, described further in Section 2 - Analysis of Historical/Existing Conditions and Trends.

Future Opportunity Areas (FOA) describe places that not only host available resource, but also potential and stable resources. In part this means resources with a realistic path to stable funding and maintenance, and low risk of hazards. FOA often already hosts some available resources as a foundation to build on and improve broader geographic access to success. Using the FOA framework, we can identify some potential paths to meet every municipality's fair share targets, and more importantly meet the region's need for affordable and equitable housing choices. For more discussion on fair share, see Section 5 - Future Housing Needs and "Fair Share".

Opportunity Areas as discussed above and throughout this section are different from Opportunity Zones. Opportunity Zones were created under the 2017 Tax Cuts and Jobs Act and include 8,764 census tracts.^{xv} 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 designed to encourage investors, entrepreneurs, and community leaders to revitalize and redevelop the area. In the UVLS

region, the southwest tract in Claremont and the Town of Newport are both selected Opportunity Zones by HUD.

Historical Opportunity Areas

There are embedded challenges in the identification of historical opportunity areas (HOA) for two main reasons: values and data. HOA will be described differently by different people based on what they value in life and community. For example, many say that household income represents the best indicator of success, while others focus on community connectivity. While both could be considered, there is a second challenge. Data needs to provide confidence in the resulting accuracy of identified HOAs. Accuracy, and its related geographic scale, help to ensure data reasonably reflects the diverse experiences of a place at a small enough scale to be meaningful. The methods of data collection strongly influence data quality. Qualitative data, such as community connectivity, is more difficult to attain at high quality.

While these challenges exist, there are models providing informative results. To understand HOA in the UVLS region, this RHNA utilizes the New Hampshire Housing Opportunity Index (Index).^{xvi} Another similar and popular model is the Opportunity Atlas, which will not be discussed here.^{xvii} The Index uses collected data from each NH census tract to evaluate the economic opportunities and quality of life for residents. The Index relies on economic, educational, health, and housing related indicators in each census tract, which are then contrasted with the statewide average to provide a score. The results for census tract relevant to the UVLS region are summarized in the following table, Table 3-4.

In the UVLS region, tracts score from low to high, reflecting an inequitable distribution of HOA in the region. Tracts with an above average score in the UVLS region cluster around the Upper Valley core and Lake Sunapee area, except for Canaan. The below average tracts cluster in the southern part of the UVLS region, as well as most of the most rural communities on the northern and eastern edges. These two groups overall differ most in indicators of education and health. Above average tracts all receive a high score for education, in contrast to the below average tracts with none receiving a high score in education. The scores for health are not quite as stark, yet the trend is consistent with no below average tract receiving a high score in health while two-thirds of the above average tracts do receive this high score. For the indicators on housing and prosperity, no trend is evident and rather scores are more unique to local conditions.

Table 3-4 - New Hampshire Housing Opportunity Index for the Upper Valley Lake Sunapee Region by 2010 census tract. Each tract may receive up to two points per category for a total of eight points. A tract receives one point if its category score is at least as high as the average score by at least one standard deviation.

Tract	Place	Index	Categories			
			Prosperity	Education	Housing	Health
33009961601	Hanover - rural	8	2	2	2	2
33013040500	Newbury, Sutton, Bradford	8	2	2	2	2
33009961800	Lebanon - south	6	0	2	2	2
33013041000	New London	6	2	2	0	2
33013041500	Wilmot, Danbury, Hill	6	1	2	1	2
33019975200	Springfield, Croydon, Grantham	6	2	2	0	2
33009960900	Lyme, Dorchester, Grafton, Hebron	5	1	2	1	1
33009961500	Enfield	5	1	2	2	0
33009961602	Hanover - downtown	5	2	2	0	1
33009961700	Lebanon - north	5	1	2	1	1
33019975100	Cornish, Plainfield	5	0	2	1	2
33019975300	Sunapee	5	1	2	0	2
	Above Average Tracts	5.8	1.3	2	1	1.6
UVLS Region Tract Average		4.4	1.1	1.1	1.1	1.1
	Below Average Tracts	2.7	0.9	0.1	1.2	0.5
33009961400	Canaan	4	2	0	1	1
33019975600	Acworth, Unity, Langdon	4	1	0	2	1
33019975700	Charlestown	4	0	1	2	1

33019975500	Lempster, Washington, Goshen	3	2	0	1	0
33019975800	Claremont - southwest	3	2	0	1	0
33019975901	Claremont - north	3	1	0	2	0
33009961300	Grafton, Orange, Alexandria	2	0	0	1	1
33019975400	Newport	2	1	0	1	0
33009960700	Orford, Piermont, Wentworth	1	0	0	1	0
33019975902	Claremont - southeast	1	0	0	0	1

Future Opportunity Areas

The UVLS region together must be mindful of the strategies used to address the housing crisis for it is not only the number of units that matter, but rather the number alongside the far-reaching future opportunity areas (FOA). Strategies must collectively address inequities highlighted by historical opportunity areas by expanding FOAs that can be realistically achieved and maintained.

Modeling FOA poses equal, if not more, challenges to modeling HOA. Values and data continue to be a factor. In addition, there are unknowns, including, but not limited to, how infrastructure will be maintained or expanded, what amenities and jobs may grow or retract, and how climate change may impact locations deemed buildable for residential use.

While the most critical information on FOA is found at the local and state levels, models can provide baseline analysis to inform decision-making. To understand FOA in the UVLS region, the Places for Homes (PH) model will be used.^{xviii} PH is a regional, sky-level perspective on suitable locations for homes, created as part of the 2020 Keys to the Valley toolbox. The intent of PH was to “Identify land suitable for residential housing” at a coarse resolution. The model incorporates more than 30 landscape features, grouped into nine goals. The resulting maps for each of these goals highlight trends in the UVLS region. Using PH, strategies can be identified to add and maintain needed homes in FOA. Identifying clusters of suitable land for higher density and focused infrastructure improvements is important for both regional centers and sparsely populated rural areas. Here are a few takeaways:

Rare Features

The rarest features for homes are infrastructure for transportation, sewer service and broadband with the two latter of higher limitations. This suggests the need for efficient and coordinated planning of these services to ensure optimal and equitable benefit.

UVLS Community Highlight - Infrastructure in Sunapee, NH scored moderate in the village and low in the rural parts of town. An incremental increase in the use of infrastructure, such as public sewers, along with higher building density could support the local economy and affordable housing options.

Conflicting Priorities

Priority lands for protection due to cultural or ecological significance, sometimes overlap with high suitability scores for residential homes. This suggests the need for coordinated planning to ensure tradeoffs made are necessary, intentional, and made within a community wide context.

UVLS Community Highlight - In Plainfield, NH, as in many other towns, farms take advantage of fertile floodplains to support a local food economy. In this case, it is prudent to place higher value on these farms important work, rather than increase housing density.

Access is Varied

Access to employment and services varies broadly across the region. Access to employment received the highest median score while access to education received the lowest. Recreation access is well dispersed; however, access to employment, education, and essential services are more clustered to the largest population centers, in particular the Connecticut River Valley corridor that includes Hartford and Norwich, VT & Lebanon and Hanover, NH.

UVLS Community Highlight - The southern part of Sullivan County with below average HOA could increase quality education and essential services, such as partnering with the City of Springfield to improve building trades education.

Sub-Regional Collaboration

Many clusters of high suitability transcend municipal or state borders, emphasizing the need for collaboration.

UVLS Community Highlight - The relationship between Lebanon, NH & Hartford, VT stands out. Inter-municipal coordination will benefit both communities, such as facilitated dialogue that leads to mutually beneficial commitment to reach housing targets.

Revitalization and Smart Growth Opportunities

Some clusters of high suitability emphasize the potential for revitalization or smart growth of a particular downtown or village center if supported with the needed infrastructure and local controls.

UVLS Community Highlight - Newport, NH, a historical below average opportunity area, could strengthen its core area with improved infrastructure and services designed to support village revitalization and livability with more housing options.

PH is not meant to be a definitive tool to decide the location of homes and how inequity can be remedied. Changes have occurred since the results of this model, such as a public transit bus running between Claremont and Lebanon. PH is also not intended for interpretation at the parcel level. PH is best used at the local level through the addition of local data and knowledge and as part of a community discussion.

3.k - Conclusions to Advance Equity

There is no silver bullet to our housing problems or our inequitable distribution of HOA. While some solutions may add needed homes, inequities within a place and across the region are likely to persist or worsen unless access to success is a fundamental goal of solving the housing crisis. And although intention may be in the right place, desired outcomes of equity may not always emerge and need to be held to a high bar of evaluation and revised strategies. Collaboration across stakeholders and demographic groups is essential if the UVLS region is to emerge out of this housing crisis and come out of it with greater equity and more access to success. The goal is that all communities be, in their own unique way, an opportunity area.

4 - Analysis of Market and Population Dynamics

Unforeseen events and stressors will continue to impact our supply, affordability, and cost of homes in the future. However, the choices we make today will determine the magnitude of impact in these areas. Macro-level factors, like COVID-19, climate change, construction costs, and interest rates, influence housing market dynamics while demographic trends are influenced by these macro-level factors and population dynamics like migration and aging. This section will explore conditions that disrupt the housing market, considerations for the future, and projection and “fair share” models to support local and regional efforts to meet that future.

4.a - COVID-19 & Other Shocks

The global pandemic caused by the novel coronavirus, or SARS-CoV-2, upended many lives and economies, including a significant impact on housing in the UVLS region. However, our basic housing challenge remains the same: we lack thousands of homes of the type and at the price that our residents need. Unexpected events, like the pandemic, will continue in the future, emphasizing the imperativeness of preparing and applying lessons learned.

Despite the historic amounts of government funding to shore up the economy during the pandemic, virtually all government responses were emergency and temporary measures. The structure of the problem of housing in the region has not changed, although the scope and scale have. We began the pandemic with thousands of residents with rent or ownership costs beyond their means, with homes that are unsafe from mold or lead, with homes not suited for the elderly, with many commuting too far, and most homes wasting energy. Those conditions, and the reasons for them, remain.

As jobs have been lost, household income for many has declined. Some of the loss of income was temporarily blunted by extra unemployment payments, but the basic incomes of residents have not increased in any permanent way. Housing security has been temporarily helped by moratoriums on evictions and foreclosures, and there have been government grants to cover some missed rent and mortgage payments, but for many households, these bills are still piling up in enormous amounts. Without permanent solutions, we should expect increased evictions and foreclosures. This is a common disaster phenomenon where pre-existing, individual emergencies benefit in a public emergency. However, when the public emergency and its associated resources disappear, people with pre-existing crises struggle.

For those already pushed into homelessness, there has been a surge of government funding for temporary shelters, including some funding to acquire hotels (as that can be cheaper than renting them for years), but no structural shift has occurred to fund such support against homelessness permanently. We can expect this extra funding to dry up as the pandemic is to be declared ‘over.’ Without interventions to increase housing affordability, this trend is likely to persist in the future.

The region has been protected from some amount of gentrification in the past by our isolation from employment centers in major cities. Our local major employment center of Lebanon/Hanover has created significant housing demand in those towns and surrounding communities, but that has been limited by the scale of local employers and how far employees want to commute. One change that may have longstanding ramifications for our housing situation is that many white-collar workers telecommute, enabled by broadband and other technology. This

ability to work remotely means some local jobs can now be filled by those who live far away, local commuters might push further into rural areas given hybrid work models, and new residents with higher incomes can relocate here, leaving more expensive housing markets behind but keeping their job in Boston or New York or anywhere. Some of these people and jobs will stay here, and never return to cities. This can bring needed young people and economic development to rural communities. However, if it happens inside the same structural system that had previously created our housing crisis, we can expect that as far as housing goes, it will only worsen the crisis.

Our public survey, found in Appendix A5, solicited responses regarding the pandemic and the migration of people to the region. Some respondents felt like COVID-19 brought “urban attitudes” and “inactive and disconnected community members.” These experiences influenced respondents’ sense of place and daily life. Whether that be wealthy folks moving into their second homes full-time, or people coming from outside of the New England area, some respondents expressed concern over these trends. On the other side, many respondents indicated a need to shift attitudes around outsiders. Some respondents expressed concerns over ensuring diversity of immigration and that local communities welcome all types of people (e.g., age, race, income) to the area rather than a select demographic deemed acceptable.

Just as the possibility of a global pandemic was predicted, other events lay in the future that have estimable impacts. The COVID-19 pandemic and past disease outbreaks demonstrate the potential for future epidemics and pandemics and the devastating impact they can have on society. Under current climate trends, sea levels will rise on the coasts, drought in the American southwest will worsen, and wildfire in the arid west will threaten more areas. The towns of the greater Upper Valley region have already been identified in national studies as some of the best places in the entire nation to weather these coming conditions, and international migration is also likely.^{xix}

As the pandemic shows, those who can easily relocate to the safety and quality of life of the region are largely higher income. The same will be true for climate change or other impacts. The resulting strains will be consistent to any area that suddenly is desirable. Towns, cities, and regions will need to plan to counter these changes in order to limit displacement or further cost burdens of current residents. Equity concerns include welcoming new neighbors that do not bring wealth with them, but that can bring more needed diversity. These are the same challenges we face today, and through smart planning we can harness these pressures to make our communities stronger.

4.b - Climate Change

Two reports inform this summary of projected climate change trends and impacts. The 2018 National Climate Assessment, mandated by the Global Change Research Act of 1990, is required to be provided to the United States Congress and the President no less than every four years.^{xx} In addition, the University of New Hampshire published a report in 2014 on Climate Change in Southern New Hampshire as well as a 2022 updated report titled New Hampshire Climate Assessment.^{xxi xxii} The two New Hampshire reports provide a more focused impact assessment of historical and two future climate scenarios. Both scenarios show an annual temperature increase of 2°F by 2040, which is a result of emissions that are already “baked into the climate systems”; however, it is in the latter part of the century that the scenarios diverge with

the lower emissions scenario (RCP4.5) reflecting a 4°F increase and the higher emissions (RCP8.5) an 8 to 9°F increase.

Due to these projected temperature increases, major concerns for climate change in our region include, but are not limited to, extreme heat, increase in precipitation, increase in extreme precipitation events, drought, decrease in snow cover, lengthening growing season, and reduced seasonality. Three risks especially pose a direct threat to housing infrastructure: flooding, extreme heat, and wildfires. For our region, flooding and extreme heat are the most concerning.

FloodFactor is a tool used by many practitioners to determine the current and future risks of climate hazards in communities.^{xxiii} For example, according to FloodFactor, there are 736 properties in Lebanon, NH that have greater than a 26% chance of being severely affected by flooding over the next 30 years. This represents 20% of all properties in Lebanon. 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, or pre-existing health conditions. Therefore, proactive adaptation strategies are needed to promote resilient communities, mitigate economic costs, and ensure equitable outcomes.

While flooding and extreme heat pose a greater risk to the UVLS region, wildfires in other areas of the country will influence relocation patterns (climate migration) in the UVLS region. This is an example of an indirect impact of climate change. Given the UVLS region is geographically well-positioned to withstand exposure to climate-related events, people outside of the region are likely to relocate to the area. Due to this projection, climate change is likely to increase GDP in our region compared to the rest of the United States.^{xxiv} 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.

In our public survey, many people expressed conflicting views when thinking about the influx and outflux of people. For example, many respondents felt less concerned by the people themselves moving to the area and more concerned with the housing stock and services required to handle that influx. Some of these specific services included schools, infrastructure, transportation, recreation opportunities, and green space. If adequate resources existed, many respondents used terms like “welcoming” and “proactive” towards migration. However, many noted the importance of **intentional planning to reduce uncontrolled growth**. Some of these include discouraging corporate real estate companies and property hoarding as well as creating additional units from existing dwellings.

4.c - Aging Population/Smaller Households

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 acknowledged 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.^{xxv} Certain home types may intensify climate change by increasing GHG emissions and can be at odds with 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, or utilize passive design principles. On the adaptation side, there will be a growing need for air conditioning and cooling systems, especially for the elderly and other vulnerable groups. Electric heat pumps and ground source systems can be an effective method to cool homes without increasing GHG emissions (so long as renewable energy is the primary source from the grid). In fact, the Inflation Reduction Act offers subsidies for households to purchase this technology.^{xxvi} The U.S. Climate Resilience Toolkit is a website designed to help people find and use tools, information, and subject matter expertise to build climate resilience in their communities.^{xxvii} Part of this toolkit includes the Climate Mapping for Resilience and Adaptation Assessment Tool which can be used to understand exposure to climate hazards based on location.^{xxviii}

4.d - Federal Monetary Policy

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).^{xxix} According to the Bureau of Labor Statistics, the May 2022 all-items Consumer Price Index in the New England Region increased by 7.9 percent from May 2021, with the highest increases seen in gas, shelter, and food.^{xxx} For reference, the target inflation rate is 2 percent per year.

The multi-layered impacts of inflation have differed amongst socio-economic groups. For middle and lower-income households (typically renters), the increased cost of gas, housing, and food reduces the ability to cover non-discretionary expenses such as utilities, taxes, and debt, amassing a greater financial burden on these groups. On the other hand, higher-wealth individuals (typically homeowners) benefit from an increase in assets due to appreciation and monetary policies. To combat inflation, the Federal Reserve raised interest rates by a quarter of a percentage in March 2022, half of a percentage point in the first week of May 2022, three-quarters of a percentage in June 2022, and most recently, an additional three-quarters of a percentage in July 2022.^{xxxi} All of these impact credit card loans, auto loans, and mortgage interest rates. This has been the biggest increase since 1994 and is likely to continue.

Interest Rates

In the months following the initial impact of the pandemic, the introduction of historically low mortgage interest rates led to soaring demand, which further encouraged home buying. As a result of the Federal Reserve lowering rates in response to the economic effects of COVID-19, mortgage interest rates in the U.S. dropped from an annual average of 3.94 percent in 2019 to an annual average of 2.96 percent by 2021 for a 30-year loan.^{xxxii} Since then, interest rates have gradually increased because of the Federal Reserve raising interest rates in an effort to combat inflation. 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.”^{xxxiii} It is important to note that

geopolitical tensions attributed to Russia's invasion of Ukraine, as well as current economic trends such as inflation, will likely continue to have an impact on interest rates.

4.e - Housing 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. The New Hampshire Housing Finance Authority's (NHHFA) 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.^{xxxiv} The Months of Supply Inventory (MSI) is a metric that shows how many months it would take to sell all 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 January 2020, the MSI for the state was 2.2, meaning that it would take 2.2 months to entirely run out of inventory. This was already a significant drop from 2014 where the supply was enough to sustain the demand for 8 months. This situation worsened with Covid-19 – and by January 2022, the MSI dropped to 0.6, meaning that it would take roughly 3 weeks for the state's entire inventory to run out at the current pace. ^{xxxv}

Days on Market

New market patterns also resulted in homes selling at or above the asking price at an exceptionally fast pace. In hot markets, homes were selling over asking price in the months following the pandemic where interest rates were at their lowest, while also spending significantly less days on the market than before the pandemic. The amount of days homes typically spend on the market fluctuates throughout the year, with highs in January and February, and lows around June. In the two years before the pandemic, the lowest monthly median was between 50 and 51 days. In April of 2021, median days on market was at a mere 15 days, with the high of the following December a median of 55 days, close to the lows of prior years.

Construction

Across the nation, the price of 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, we saw a price increase of 121% from 2020 to 2021. Furthermore, since October 2020, steel, gypsum, insulation, and fuel have all jumped radically in price.^{xxxvi} Needless to say, this adds thousands of dollars to the cost of housing development, which is then passed on to the consumer trying to purchase a home. One developer explained this as a "Rollercoaster ride with costs."

While some 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 year for new construction, there could be delays in construction that can be attributed to the factors listed above, as well as a limited supply of buildable lots. As one developer in our roundtable said, "supply chain issues from COVID-19 have added 6 months to a year to our process."

For more discussion on Construction, see Affordable and Equitable Housing Choice Opportunities and Barriers, Section 3.f.

4.f - Government Support Programs

In response to the conditions exacerbated by Covid-19, the infusion of government relief programs 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 dependent on rental revenue as a main source of income. In some cases, there were landlords unable to access funds from the rental relief programs because the onus was on the tenant to apply. In NH, for example, while landlords could help complete and submit the application, the tenant had to be willing to sign it and provide supporting documentation, such as proof of income.

In the later months of the pandemic, while some of the initial programs ended, new ones began. In response to the moratorium on evictions that closed on July 31, 2021, the NH Emergency Rental Assistance Program, a \$200 million federally funded rental assistance program, launched. Between its start in March 2021 and June 26, 2022, the program expended over \$180 million to help more than 19,000 NH households by making payments to landlords and utility companies.^{xxxvii}

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.^{xxxviii} However, these are temporary solutions designed to help with current 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.^{xxxix} 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.

Overall, while a few of the indicators discussed above have stabilized over the past year, conditions are still far from pre-pandemic levels. The market remains highly competitive and inaccessible for many due to severe discrepancies between supply and demand as well as emerging economic trends. As a result, employers have faced serious challenges in attracting and retaining workers. The shortage of housing desperately called for to accommodate a much-needed labor force has not only impacted the companies in our region but has also limited the ability for new businesses to locate here.

4.g - Short Term Rentals & Seasonal Housing

Much of the UVLS region relies on the tourism industry to support the local economy and workforce. From ski resorts to “leaf peepers,” people from outside of the area bring their dollars. However, without careful consideration of how seasonal tourism impacts the overall housing market health, our region may worsen in future conditions. Some of these challenges include housing the workforce who support the tourism industry, preventing economic leakage (detailed below), and understanding how short-term rentals influence affordability.

As it stands right now, service workers who locate to the area during the summer and winter months struggle to find affordable, temporary homes. While it is easier for larger employers with the capacity to provide housing for their workers, smaller businesses struggle to

meet this need. As someone described in our public survey, “Short-term rentals are aimed at high-income visitors; therefore, short-term rentals are priced above the limit that a temporary worker could afford.” The inability to house seasonal workers will generate a reinforcing feedback loop: fewer workers lead to a deterioration of tourism service which leads to a reduction of attractive services to visit the region and so forth. Therefore, it is in the interest of every community to provide workforce housing.

In some cases, short-term rentals can increase economic leakage which is the divergence of revenue from the host community to outside beneficiaries. For example, are short-term rental owners from outside of the region or state? Are these funds reinvested back into the community and if so, in what ways? For a resident living within the community, short-term rentals could be an effective means to diversify income; however, the reallocation of existing housing from the long-term rental market towards privately-owned housing increases rents.^{xl} Therefore, a critical indicator to evaluate the impact of short-term rentals on affordability is to determine the rate at which occupied homes convert to short-term rentals. Section 2 - Analysis of Historical/Existing Conditions and Trends provides data on these trends.

4.h - Student Fluctuation in College Towns

Our region is home to many college students given the presence of Dartmouth College, Colby-Sawyer College, River Valley Community College, Upper Valley Educators Institute, and so forth. Given the majority of students are present between the months September and June (schoolyear), there is some seasonality to housing demand. However, more importantly, the presence of a student population can have broader impacts on the greater housing market in the region. For example, an increase in the size of a college’s off-campus population is associated with higher market rents, particularly in areas that have a relatively high concentration of undergraduate students.^{xli} This can lead to housing insecurity for both native residents and students. As one person from our public survey said, “Colleges take up a lot of housing which has forced non-college related workers to move further away.” In our college towns such as Hanover and New London, rent is typically higher compared to the rest of our communities. Hanover and New London, in fact, are two of the top five towns with the highest median rent, with an average median rent of \$1,516 per month compared to \$1,100 per month in the rest of the region. These impacts of student housing can extend beyond the community where the school is actually located. Notably for Dartmouth College, the neighboring city of Lebanon houses many students, faculty, and staff. As higher education institutions look to expand their student population or house their current one, it is essential to ensure affordability and garner shared responsibility among all relevant stakeholders: residents, municipal officials, students, and neighboring municipalities.

Another common correlation between student populations and the housing market relates to public health. The increasing student demand in the housing market affects the quality of housing that is offered.^{xlii} This is because students do not have as many options which sometimes creates unlivable conditions like exposure to mold and fungus. Without code enforcement, poor living conditions can exacerbate existing health disparities and reduce the availability of future homes. However, for many resource-constrained municipal budgets, employing an enforcement officer is challenging.

4.i - Population Projections

The population of a place is intuitively relevant to understanding the housing needs of that place. Projecting that population into the future then rises to the top as useful information in the assessment and planning for homes. That said, the previous discussion of market and population dynamics helps to emphasize these population results as projections, not a crystal ball.

The population projections used in this report include state, county, and municipal level population projections by age and sex for the period 2020 through 2040, although available through 2050. These were produced in 2022 by the New Hampshire Office of Planning and Development with full methodology and highlights in the report *State, County, and Municipal Population Projections: 2020-2050*.^{xliii} In short,

"The projections at the state and county level combine census data with birth and death data from the NH Department of State/Division of Vital Records Administration and other sources. It is then used to develop survival and fertility rates and age-specific migration rates... [for each Municipal County Subdivision] the method computes the share of population that each MCD comprises of the county total population and applies that ratio to projected county growth."

It should be noted that population projections do not consider the influencing factors described in this section. Such factors include but are not limited to the lingering impacts of the COVID-19 pandemic on living preferences and ability and climate migration into the Connecticut River Valley. To account for these and other conditions would require data that does not exist. Thus, simplifying population inputs to historical migration trends and birth/death data are considered best practice.

For the UVLS region, the projections show an almost 6% or 5,400-person increase by 2040, in contrast to 2020 census population estimates. Much of this population change is projected to occur by 2030. Details at the municipal level can be found in Appendix F - 1 and Appendix F - 54. These population projections are used in a second model to project housing needs and "Fair Share" for each municipality in the UVLS region.

5 - Future Housing Needs and “Fair Share”

The UVLS region requires a change in housing stock to sustain itself – to remedy serious insufficiencies in the current number and affordability of homes, as well as to provide for population, demographic, and other market dynamics. Future housing need or fair share targets, by income and tenure, are provided here to inform planning and implementation efforts. Targets provide a baseline for planning efforts out to 2040 in 5-year increments. The fair share targets and much of the language in this section is informed by the Fair Share Housing Production Model Report written by Root Policy Research in December 2022 with significant input from all RPCs.

For municipalities, the proactive use of targets is to provide information on how to regulate and plan for workforce housing, and related infrastructure, to meet local housing needs. The more reactive use of the targets is their applicability to New Hampshire’s workforce housing law, which provides workforce housing developers an appeals process to overturn a denial by a local land use board by arguing non-compliance with state law.

Some changing conditions, such as the impact of the COVID-19 pandemic, climate migration, or the supply chain for construction materials, are excluded from the model used to estimate future housing needs due to broad unknowns in how these conditions will play out. This follows best practice for housing need models. Although not considered in the model and resulting targets, these other conditions will play a significant role in future housing needs, as highlighted in earlier sections of this chapter. This limitation emphasizes that while the targets are informative and hold legal weight, planning will need to accommodate a degree of flexibility and preparedness for the unexpected. Such planning would allow communities to better respond to unexpected or uncertain events, such as that experienced during the COVID-19 pandemic.

New Hampshire’s workforce housing law is laid out in RSA’s 674:58 – 61. The law states that municipalities’ land use ordinances must provide “reasonable and realistic opportunities” for the development of workforce housing. If the court finds that a municipality is not providing its “fair share”, it can approve the proposed development. Specific legal questions on the workforce housing statute should be directed to Town counsel.

Workforce housing is defined by the law as:

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

The Workforce Housing Law does not define how much workforce housing must be developed in a municipality, nor does it prescribe a method for estimating that number. Instead,

the law provides guidance, which was utilized in developing the Fair Share Housing Production Model in 2022

The NH Office of Planning & Development hired Root Policy, a community planning and housing research consulting firm based in Denver, Colorado, to assist UVLSRPC and all RPCs with the identification of data-driven, “fair share” targets.

5.a - Methodology

With any modeling effort, it is important to keep in mind both the goals and limitations. A common saying in the field of statistics is that “all models are wrong, but some are useful.” This model does not attempt to produce specific estimates of housing units – the goal is to apply and extrapolate general trends to anticipate future housing needs. Many factors can influence population sizes and housing options, particularly over a ten-year period. For example, the COVID-19 pandemic led to an influx of residents to Vermont and New Hampshire as well as economic challenges for current residents – such an event cannot be predicted using a simple model.

The Fair Share Housing Production Model Report released in December 2022 explains the assumptions and methodology used to establish the fair share targets. These housing production targets are presented for all owners, and for owners below and above 100% the area median income (AMI) for a 4-person household; and for all renters and renters below and above 60% AMI for a 3-person household. The AMI is the regional AMI, which is based on the AMIs published by the U.S. Department of Housing and Urban Development (HUD). The regional AMI is created through a weighted average of the HUD AMI assigned to each town in a region and occupied housing units as a share of total occupied housing units in the region.

The methodology can be summarized as follows and in Figure 5-1:

Future Housing Needs Targets = 50% Projected Household Growth (Component 1) + 50% Workforce Needs (Component 2)

5.b - Component 1 — Projecting Household Growth

The model begins by turning the population projections, summarized in the previous section, into household growth at the town/city level. This is done by applying the 2020 county-level “headship ratio”, which converts people into households based on the share of people to households, by age cohort. “Headship” can be a useful indicator of housing supply and costs, and is also responsive to aging populations since older households tend to be smaller.

Households include most types of people projected to live in a town/city: retirees, remote workers, unemployed people, and others, except group quarters. To separate households into renters and owners, the model holds constant the 2020 statewide ownership to rental ratio of 71% to 29%, under the assumption that maintaining the current ownership rate is desirable and avoids replicating past exclusionary development patterns. The model determines the share of owner and renter households that fall below and above the Area Median Income (AMI) using the regional AMI and the municipality’s 2020 distribution, as is consistent with RSA 674:58-61.

The model includes a factor to bring the housing vacancy rate up to a functioning level. Industry standards are used to determine functional vacancy rates of 5% for rental units and 2% for ownership units. This reflects current need, particularly the need for units in high demand, low vacancy municipalities, as well as any municipality with low supply of workforce housing units.

The first part of the final housing needs targets come from 50% of this Component 1.

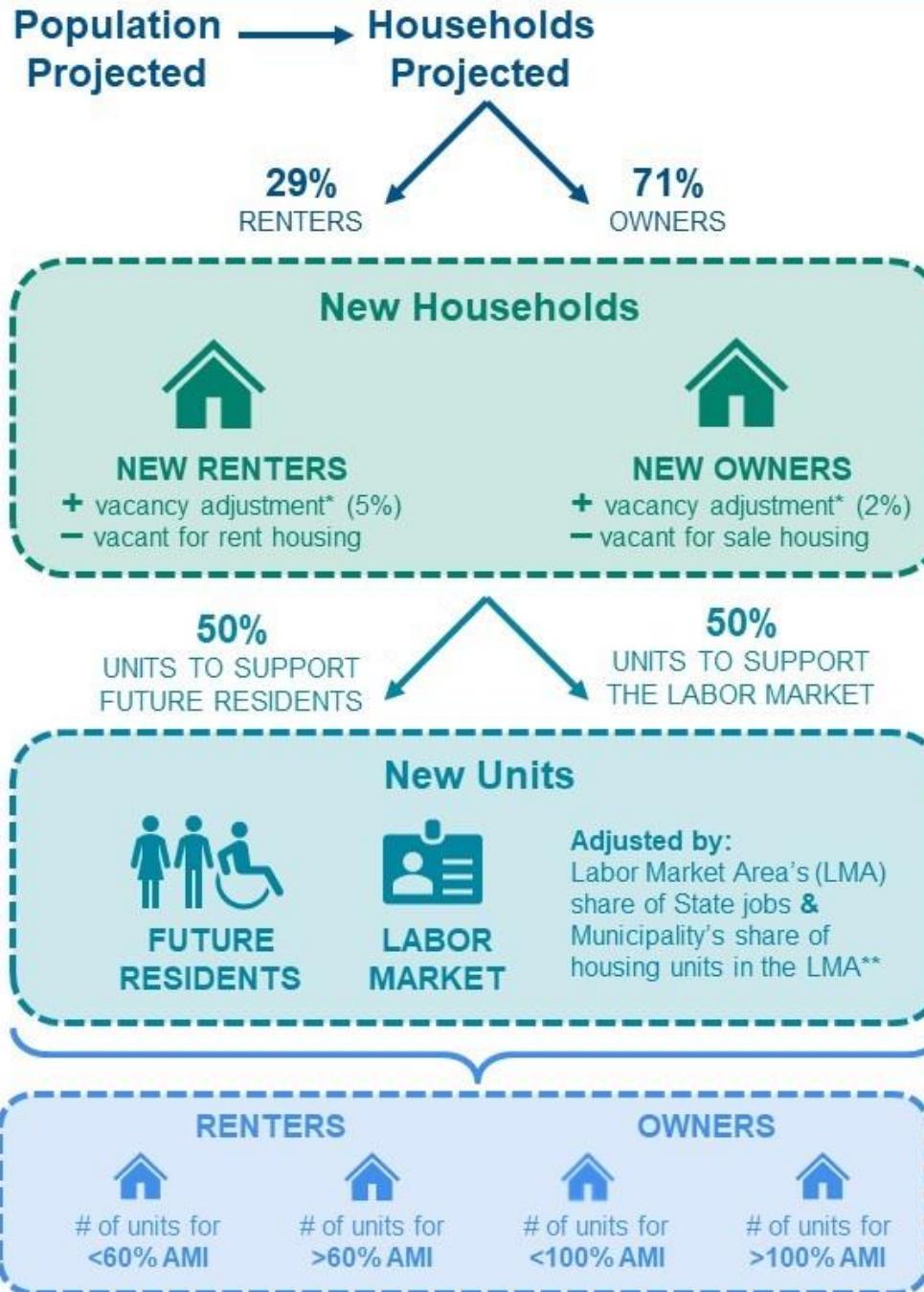
5.c - Component 2 — Planning for Workforce Needs

For Component 2, the remaining 50% of projected household growth, including the vacancy rate adjustment, is weighted to reflect workforce housing needs. This embraces the premise that workers should have the option to live within the labor market area in which they work.

To weigh household growth for the workforce, the model first proportions growth in each of the state's labor market area (LMA) by the employment that exists in each. The model then reapportions housing production to towns/cities based on their share of housing units in the LMA it is a part of.

These units also assume a 2020 statewide ownership to rental ratio. Dissimilar to Component 1, the affordability targets for Component 2 are distributed according to the AMI distribution derived from average wages by industry in each LMA.

HOUSING UNITS NEEDED



* Vacancy adjustment is prorated over 20 years. This adjustment is needed to bring the housing market into balance.

** The LMA is the Labor Market Area in which the municipality participates and from which it draws economic benefit.

Renter AMI is based on 3-person household and owner AMI is based on a 4-person household as defined in RSA 674:58-61.

Figure 5-1 - Summary of methodology used for the New Hampshire Housing Production Model in December 2022.

5.d - UVLS Region Results and Considerations

The purpose of a housing production model is to project the total year-round housing stock needed to support home choice. For the UVLS region, this model estimates that an additional 4,037 housing units are needed in the region between 2020 and 2030. This target increases to 5,671 units by 2040 with 961 owner units needed below 100% AMI and 329 Rental units needed below 60% AMI. The lowest fair share targets in 2040 are found in the Town of Orange at 26 housing units, while the highest are found in the City of Lebanon at 1,102 units. The median across all communities is 130 housing units. These fair share targets include both new construction and the renovation of existing structures resulting in added housing units. A summary by municipality can be found in Table 1 with further details in Appendix E.

These results do not account for all the important considerations on where to locate housing. Housing production can be constrained by limited public infrastructure—water and sewer systems and roads—which is often costly to extend and maintain over time. A similar constraint is found in areas with physical limitations to development (e.g., wetlands, steep slopes, shallow depth to bedrock, etc.).

In 2020, Keys to the Valley estimated that at least 4,661 housing units will be needed between 2010 and 2030 in the UVLS region. In contrast to the 2022 housing production model, the Keys to the Valley forecast did not separately account for the number of affordable units by AMI or adjust for vacancy rate and employment distribution. Also, the population projections used in the 2020 model are based on the 2015 report, rather than the 2022 population projections report used for this document's housing production model.

Despite efforts to address the housing shortage, a lack of lower enough homes, especially lower priced homes, is lacking from the development pipeline. The 2022 fair share targets provide important nuances for efforts seeking to attain a broadly affordable and healthy housing stock. Every community needs to address the needs of its residents and try and support housing units for everyone. That includes our smallest towns. One or two communities cannot shoulder this burden. It will take a village in every community across the region to achieve nuanced targets to house the people these numbers obscure.

This report's chapter on Housing Choice Opportunities and Barriers includes a conversation on historical and future equitable access to success. While solutions are needed to meet fair share targets, inequities within the UVLS region are likely to persist or worsen unless all households have access to resources that provide for positive life outcomes, no matter their home of choice.

Table 5-1 - Summary of Fair Share Targets by municipality in the Upper Valley Lake Sunapee region based on the Housing Production Model performed in 2022. New housing includes new construction and the renovation of existing structures resulting in added housing units.

Town	Fair Share Targets for New Housing Production									
	2040 Owners				2040 Renters					
	2025	2030	2035	2040	Total	Below 100% AMI	Above 100% AMI	Total	Below 60% AMI	Above 60% AMI
Acworth town	17	30	37	39	25	12	13	14	2	11
Charlestown town	85	148	178	186	120	64	56	66	16	51
Claremont city	257	451	549	579	375	179	196	205	65	139
Unity town	30	53	65	68	44	20	24	24	5	19
Washington town	23	40	49	52	33	16	18	18	4	14
Canaan town	120	224	291	331	217	73	144	114	29	85
Cornish town	43	76	94	101	66	20	46	35	5	30
Croydon town	22	39	49	53	34	10	25	18	2	16
Dorchester town	12	23	30	34	22	9	13	12	0	12
Enfield town	149	280	364	413	271	87	183	142	27	115
Grafton town	48	89	116	131	86	33	53	45	10	35
Grantham town	98	173	216	233	152	37	114	81	0	81
Hanover town	281	530	689	781	511	114	398	270	88	182
Lebanon city	452	848	1,102	1,249	820	244	576	429	91	338
Lyme town	52	98	128	145	95	25	70	50	7	43
Orange town	10	18	23	26	17	6	11	9	1	8
Orford town	41	76	99	112	74	25	49	39	9	29
Piermont town	27	50	65	74	49	16	33	25	3	22
Plainfield town	59	105	129	139	90	24	66	49	4	44
Newbury town	48	88	115	130	86	31	55	44	24	20
New London town	81	148	194	219	145	64	81	74	22	53
Springfield town	21	36	43	45	29	11	18	16	3	13
Wilmot town	25	46	60	67	45	18	26	23	6	17
Goshen town	14	25	30	31	20	10	10	11	3	8
Lempster town	21	36	44	46	30	14	16	16	5	12
Newport town	105	182	219	227	146	69	77	81	21	60
Sunapee town	70	123	150	159	103	45	58	56	13	43
Total UVLS Region	2,210	4,037	5,126	5,671	3,705	1,276	2,429	1,966	463	1,503

6 - Toolkit

As part of the statewide RHNA effort, RPC staff with consultant Outwith Studio is developing a toolbox of high-priority solutions. The results of this work will be made available in 2023 as a web-based resource and will also be integrated into the Keys to the Valley (KTTV) toolbox.

The KTTV toolbox, launched in 2020, is a web-based platform intended as a resource to learn about the region's housing need and tools available to promote needed homes. These tools can be used by a variety of community partners – from municipal staff and board members to developers and providers of homes with supportive services. The KTTV Toolbox is presented here for two reasons. First, to share with readers of this RHNA a broad overview of action needed as it is currently understood by UVLSRPC to help spur action to meet housing need. Second, to act as a record of housing tools in 2022 to help track change in need, understanding, and solutions over time.

The KTTV toolbox is organized according to six major action areas. Each action area contains the following information: 1) the action area (e.g., B: Ensure access to safe housing); 2) broad objectives that relate to the action area (B3: Improve oversight and support for safe homes); 3) more targeted strategies for achieving the objective (B3.2: Improve rental inspection); and 4) and specific tools for implementing the strategies (B3.2a: Update codes and inspection protocols). Since the toolbox is a living document, specific tools are not outlined here. Rather it is recommended they be viewed on the KTTV website (www.keystothevalley.com) to ensure the most up to date information is received. Action areas, objectives, and strategies may also change; however, it is less likely, and they are less specific.

In addition to providing an overview of the KTTV toolbox, this section of the RHNA provides highlights of housing action in the UVLS region between 2020 and 2022.

Key Action Area A. Spread knowledge of the region's housing needs

To increase public awareness of the region's housing needs and opportunities, and to build acceptance of efforts to address these needs. This involves community outreach and coordination, sharing information and relatable stories, and developing metrics for monitoring the region's housing needs.

Objective A1. Collect better data. Collecting reliable and consistent data will be key to monitoring housing needs. Reliable data enables the region and communities to understand current conditions, consider future housing needs, and adapt to change. This can be achieved by 1) identifying and monitoring key indicators of housing needs, 2) supporting current data collection efforts, and 3) advancing new needed data collection efforts. While there are many housing datasets currently provided by federal, state and local agencies, significant data gaps remain.

Strategy A1.1. Improve tracking of housing data.

Strategy A1.2. Better understand the unsheltered population.

Objective A2. Improve and share regional knowledge. Communities in the greater Upper Valley region share many similar housing needs and challenges. Improving current regional knowledge, through coordination and focused study, and sharing that knowledge regularly should be a major priority. This sharing of knowledge should include but not be limited to new information, best practices, lessons learned, and connections between municipal leaders and

resident champions. A regional approach led by regional planning commissions, working in coordination with parallel local efforts, would help to identify, maintain and highlight regional priorities and local successes.

Strategy A2.1. Publish information.

Strategy A2.2. Improve coordination.



Strategy A2.3. Study knowledge gaps.

Key Action Area B. Ensure access to a safe home

To ensure the availability of safe and sanitary housing for all residents, and their ability to get housing that is needed. This includes providing adequate emergency housing facilities, making sure that rental units meet all applicable codes for safe and sanitary habitation, reducing exposure to mold and lead hazards, and improving the knowledge of and compliance with legal requirements, such as the Fair Housing Law. Housing conditions are known to have a significant impact on physical and mental health.

Objective B1. Support tenants and small landlords. Tenants would benefit from expanded support services and educational programs, both on being a tenant and in saving for homeownership. Small landlords have capacity needs for management of their property, physical repair work, knowledge of tenant law, and financing to make needed repairs. Small landlords also suffer disproportionately if tenants abuse rentals or fail to pay rent.

Strategy B1.1. Support tenants.

Strategy B1.2. Support small landlords.

Objective B2. Improve access to emergency housing. Improving access to emergency housing begins with supporting providers in maintaining, communicating, and expanding their services.

Strategy B2.1. Provide more emergency housing and needed social services to end chronic homelessness.

Strategy B2.2. Educate the public on emergency housing.

Objective B3. Improve oversight and support for safe homes. Improving safe homes begins with 1) the regular education of municipal officials, staff, and volunteers; 2) addressing inadequacies in rental inspections; and 3) advancing programs that directly address unsafe living conditions. These actions involve following state and federal laws, such as those on lead paint abatement, as well as rental registries and rental code enforcement.

Strategy B3.1. Educate municipal officials.

Strategy B3.2. Improve rental inspection.

Strategy B3.3. Bolster programs for safe homes through education.

Key Action Area C. Sustain existing primary homes

To sustain existing homes in good condition and for use by year-round residents. This includes maintaining or improving the conditions of existing homes; keeping existing owner-occupied and renter-occupied homes as primary residences; and discouraging conversion to secondary homes or short-term rentals.

Objective C1. Keep homes available as primary residences. Both states have large vacation property segments of their housing stock, but conversion of existing primary stock

(owner-occupied or long-term rental) to non-primary is eating away at the supply of affordable homes. Municipalities, and states, have some abilities to reduce this loss.

Strategy C1.1. Limit impact of short-term rentals.

Strategy C1.2. Limit loss of primary residences.

Objective C2. Provide homes in good condition. Through education, code enforcement and financial incentives, more existing homes can be improved and maintained. Residents in the region need better access to affordable home renovation services. Communities, trade schools, and local partners need to advance strategies that address these needs. These strategies should simultaneously advance growth in the local economy through local ownership, local jobs, and resident entrepreneurship. Non-profit weatherization services need to be more widely known and used. Performing needed home improvements in the near-term helps leads to long-term cost-savings, as well as increased property values in some cases. Municipalities and the states need to find financial support and incentives to encourage property owners to move forward with and be able to afford needed improvements.

Strategy C2.1. Provide local programmatic support and contractor education / training.

Strategy C2.2. Improve regulations.

Strategy C2.3. Provide financial support and incentives. 

Key Action Area D. Make it easier to build homes

To make the process easier to build the types of homes that the region needs in the places we need them. This involves eliminating unnecessary regulatory barriers, streamlining the local and state review Objective processes, and building grassroots support for proactively addressing our housing needs.

D1. Revise local permitting. Where permitting is revised to create greater ease to build homes or convert existing homes, communities must guard against the displacement of lower-income residents.

Strategy D1.1. Revise local uses.

Strategy D1.2. Revise local standards.

Strategy D1.3. Revise local processes.

Strategy D1.4. Create incentives.

Strategy D1.5. Monitor regulatory effectiveness & opportunities.

Objective D2. Revise state laws and permitting. State Legislatures should review processes that create inefficient or burdensome environments, or limit innovative solutions for housing, and provide appropriate remedies. The state legislature should study establishing regional workforce housing targets and provide financial incentives in communities that meet regional “fair share” workforce housing targets (e.g., reduced state tax liability, increased state education funding allocation, greater grant access).

Strategy D2.1. and D2.2. Specific to Vermont. 

Strategy D2.3. NH workforce housing “fair share” targets.

Strategy D2.4. Enable creation of needed homes by state legislatures and permitting agencies.

Objective D3. Foster community champions of the homes we need. Improving home options in our communities will require local leaders and champions, and such leadership will require

engagement through grassroots activity, informed by the experiences and needs of local residents. These activities can include collaboratively identifying local challenges, educating residents on how creating better home options strengthens communities, and involving residents in visioning and permitting processes.

Strategy D3.1. Make residents part of the solution. 

Strategy D3.2. Educate on the benefits.

Key Action Area E. Create the types of homes the region needs

To create the types of homes that are necessary to address the region's identified needs. This means building homes for the incomes we have and for our population, prioritizing the creation of so-called "Missing Middle" and supportive housing types. This also involves building the capacity of local developers, building trades, and supportive housing providers.

Objective E1. Build local developer capacity. The region needs more building contractors and developers, especially those that build smaller, lower cost homes or convert larger, older homes into two or three-bedroom units. Also lacking are specifically trained contractors, such as lead paint abatement certified contractors.

Strategy E1.1. Increase and diversify the building trades workforce.

Strategy E1.2. Attract and/or create additional kinds of developers.

Strategy E1.3. Strengthen local developers.

Objective E2. Provide capital for needed types of homes. In order to meet the need, significant amounts of 'patient' capital should be available for both affordably priced homes from traditional housing developers, as well as for residents and smaller-scale developers that produce homes at a more incremental scale. We need additional, creative ways to help finance the needed production and maintenance of homes. 

Strategy E2.1. Establish regional and local funding pools.

Strategy E2.2. Private entities and non-profits could provide financing.

Objective E3. Provide more homes with supportive services. To meet this need, the region must add more homes with supportive services, and increase involvement, funding and coordination from diverse stakeholders already providing services. Common obstacles include regulatory barriers, neighborhood opposition, lack of reaching out for support, and funding limitations.

Strategy E3.1. Increase municipal involvement and address regulatory barriers.

Strategy E3.2. Increase support and coordination.

Objective E4. Build "missing middle" homes we need (e.g., duplexes and other small or multi-unit structures. The term "missing middle" refers to smaller, lower-cost types of homes that are generally lacking in the region and fit into the existing character of many areas, such as two-, three- or four-unit structures, bungalow courts, co-housing, tiny houses or similar types of structures that would provide better, potentially more affordable choices. There also appears to be a strong demand for, but limited supply of, small, one-level, energy efficient single detached homes. To address the region's need for homes, more of these types of homes must be developed or converted from existing structures.

Strategy E4.1. Strengthen homeowners as developers. 

Strategy E4.2. Reduce barriers and create incentives for “missing middle” homes.

Key Action Area F. Build smart for economic health

To build homes that improve the region’s economic health and are consistent with smart growth principles. This includes prioritizing housing developments that further village revitalization efforts, are served by water and sewer infrastructure, encourage walking, bicycling and public transit, and contribute to a stronger, more resilient community and stable tax base.

Objective F1. Connect more homes to local water and sewer and optimize land requirements for safe septic systems and water wells. Municipal water and sewer infrastructure enable housing development on smaller lots and in greater densities, which can help to keep costs lower for homes. Minimum lot size requirement in locations without public water and sewer often exceed that required by state permitting, including village centers. There are many existing homes within municipal infrastructure service areas that are not presently connected.

Strategy F1.1. Increase water/sewer in villages and downtowns.

Strategy F1.2. Require density in sewered village and downtown areas.

Strategy F1.3. Reduce minimum lot size in villages without water/sewer to the minimum allowed by state regulations.

Objective F2. Promote a strong tax base (by boosting value per acre). Communities can look at the value of residential development in their own or surrounding communities to get a clearer picture of the ways that it can benefit the local tax base.

Strategy F2.1. Promote development in the long-term financial interest of the municipality.

Objective F3. Promote affordable and accessible transportation.

Investments in creating pleasant pedestrian environments in villages and downtowns and improving mobility for all users are also important. Using thoughtful, coordinated land use policies, transportation policies (such as Complete Streets policies), and transportation infrastructure investments (e.g., sidewalks, bus stops), communities can ensure affordable and accessible transportation for all residents.

Strategy F3.1. Promote homes that are walkable to destinations.

Strategy F3.2. Promote development along existing public transit routes.

Objective F4. Take a balanced approach to natural resource conservation and development of new homes. In order to advance collaboration rather than conflict, land use policies and community plans (i.e., master or town plans, open space plans, conservation plans) are the appropriate venues to establish opportunities and restrictions for different land uses. These plans and policies must receive regular reviews. 

Strategy F4.1. Ensure future flood resiliency and stormwater management.

Strategy F4.2. Value our farms and forests.

Conclusion

This Regional Housing Needs Assessment is in accordance with the requirements in New Hampshire RSA 36:47 (II). Through extensive review of available quantitative data and qualitative input from several stakeholders, this RHNA for the Upper Valley Lake Sunapee region provides a snapshot in time of housing for twenty-seven communities, as a collective but also as unique places unto themselves.

This modern shelter we call a home is in need by residents, workforce, and others attracted to this place. Addressing this need furthers all our ability to prosper and see equitable access to success. All the UVLS region is challenged to provide needed homes, and it has been for years. The multi-faceted nature of the challenge underscores the cooperation and creativity necessary to overcome. To name the most dominant:

1. The quantity of homes is insufficient
2. The cost of too many homes is too high
3. The homes we have can be a hazard
4. Inequity persists in part because where you live can limit access to success
5. Home construction and renovation faces too many barriers such as insufficient funds, burdensome local controls, and too few skilled in the building trades
6. The location of homes must fit infrastructure, health, and natural resource systems

As humans, we like to simplify. It allows us to make sense of complexity and make daily decisions. This impulse can be a virtue, but it can also undermine our ability to problem solve. The “fair share” targets presented in this RHNA are a necessary standard to advance action for homes in every community in the state of New Hampshire. At the same time, these targets are one piece of the puzzle for housing needs. The rest of the puzzle will be filled in by each municipality’s unique challenges, opportunities, character, and vision for the future. Local leaders’ approach to local problem solving will set the tone for setting targets for a community’s unique needs, and whether or not efforts can result in equitable access to success. These efforts alongside needed investment, business leadership, and social service expertise will shape the future homes landscape.

Changing future conditions will also reshape the puzzle as time moves on. Future conditions of trade, climate change, and technology, to name a few, will require continuous adaptation, creativity, and humility. These skills are built from a strong social, community fabric, something this technical RHNA document does not and could not provide. If we are to succeed in providing short- and long-term modern shelter for all, the technical and the social will both need to be transformed.