

Exeter Housing Advisory Committee Report Summary

Exeter Planning Board
June 22, 2017

Presentation Outline

- **Committee Origin, Charge & Process** - *Russ Dean, Town Manager*
- **Housing Trends, Issues and Findings considered**— *Cliff Sinnott, Rockingham Planning Commission*
- **Report Recommendations**— *Dave Sharples, Town Planner*
- **Q&A and Discussion**

Exeter Housing Advisory Committee

- Established by Board of Selectmen, February 2015
- Eight members appointed by Board of Selectmen
- Committee active in October 2015
- Why this committee?

Committee Members (as of May 2017)

Citizen at large representative – Nancy Belanger (**Chair**)

Citizen at large representative - Tony Texeira

Board of Selectmen rep. – Dan Chartrand

Planning Board rep. – Pete Cameron

Economic Development Commission rep. - John Mueller

Local Realtor or Developer - Barry Sandberg

Rockingham Planning Commission rep. - Cliff Sinnott

Staff: Town Manager – Russ Dean

Town Planner – Dave Sharples

Committee Charge

Charge: provide advice to the Board of Selectmen regarding, but not limited to, the available housing and potential future housing needs for the Town of Exeter.

Housing Information & Issues to Consider:

- Availability & cost of housing;
- Housing construction trends;
- Changing demographics;
- Strategies to address housing needs and sustainability;
- Housing subsidy programs;
- Regional housing patterns & needs;
- Connection to the Master Plan

Committee Process

- Committee began meeting approximately April, 2016 after full committee was formed.
- Group began reviewing charge, gathering data to support study including looking at current housing activity in the town.
- Committee meetings were held monthly with continuous updates to data and information.
- Observations, findings, and recommendations were vetted and developed by the committee based on the data.

Data & Demographics Considered

Demographics and Housing Data researched for Exeter, SAU-16 Communities and 13 Comparison Communities:

- Population & Housing Growth,
- Housing Stock (tenure & type)
- Residential Construction Activity
- Housing Costs (Owner & Renter)
- Affordability criteria
- Household Income
- Age demographics
- School enrollment & projections
- Other: housing construction costs; housing programs

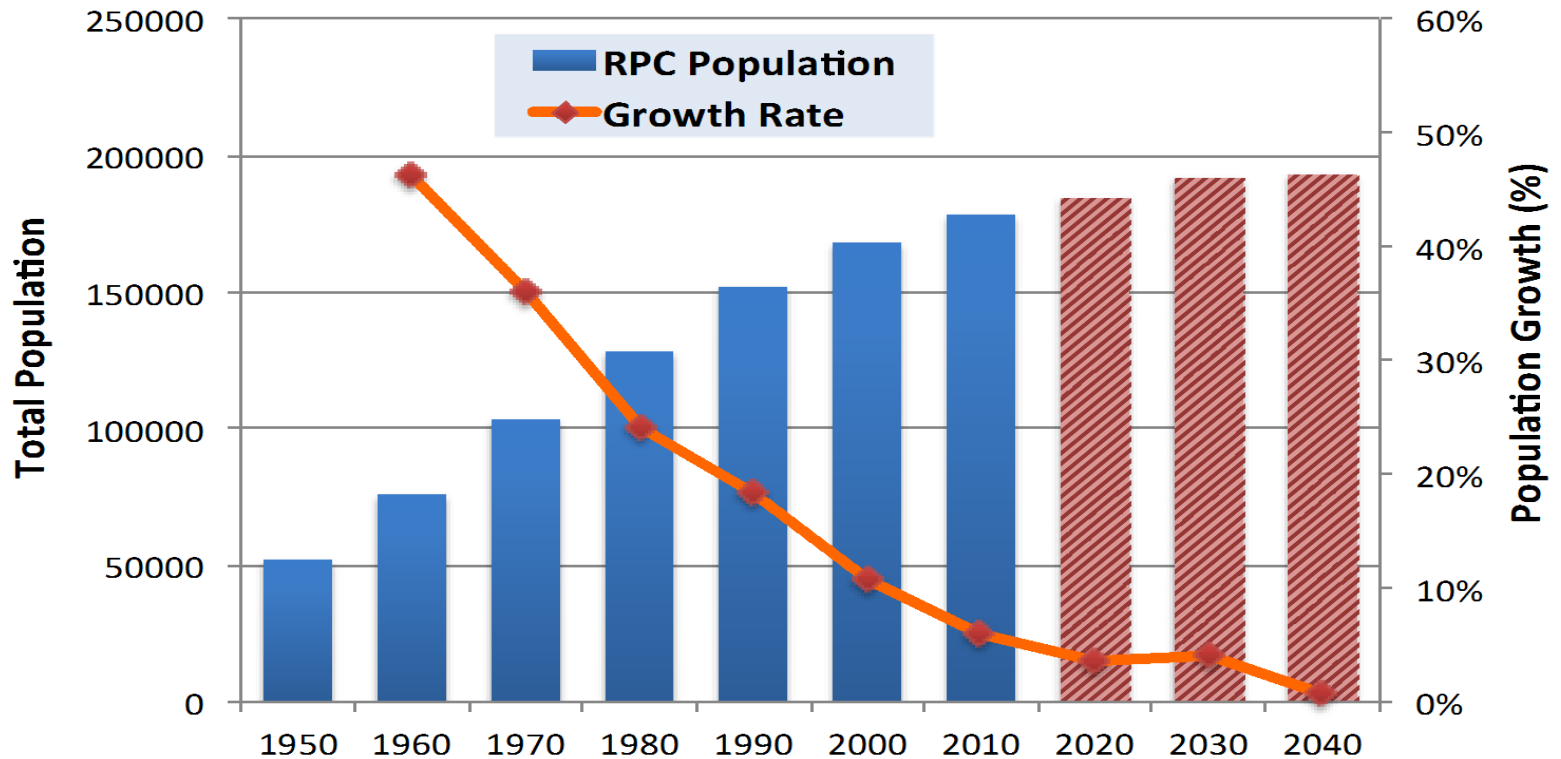
A few key facts/findings

1. Since 2000, three times more **multifamily** units have been constructed than single. This has not significantly improved access to affordable housing because over half are **age-restricted** and/or high-end rentals or condominiums.
2. After some years of moderation in housing values, prices are now rapidly rising, especially in the rental market, due to scarce supply and high demand.
3. The construction of affordable single family homes in Exeter under existing conditions is uneconomic and highly unlikely.
4. Additional housing growth (not age-restricted) in Exeter is unlikely to negatively affect SAU 16 school capacity

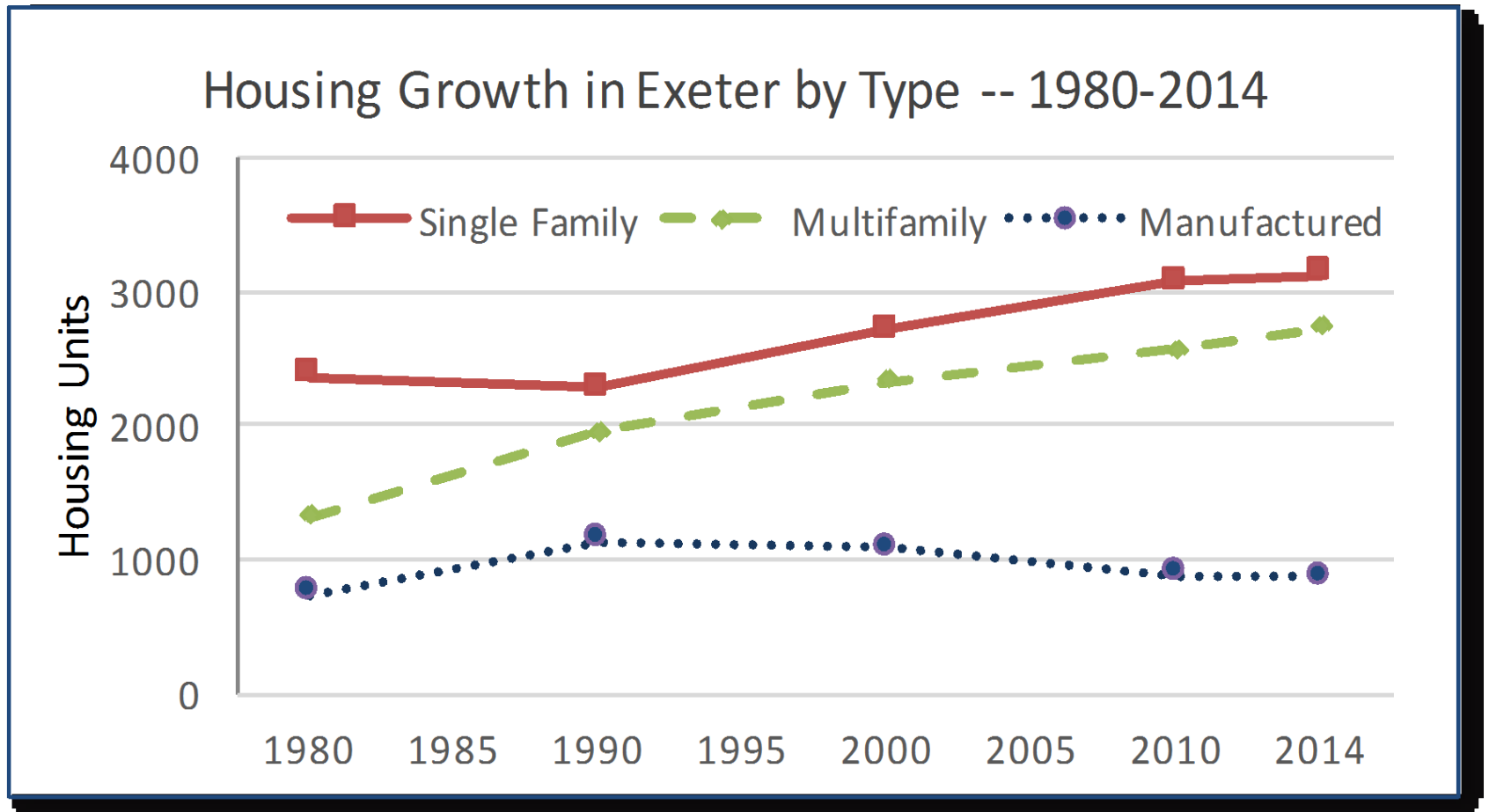
Population Growth

Population Growth & Projections 1950-2040

Sources: US Census; 2013 NHRPC/NHOEP Population Projections

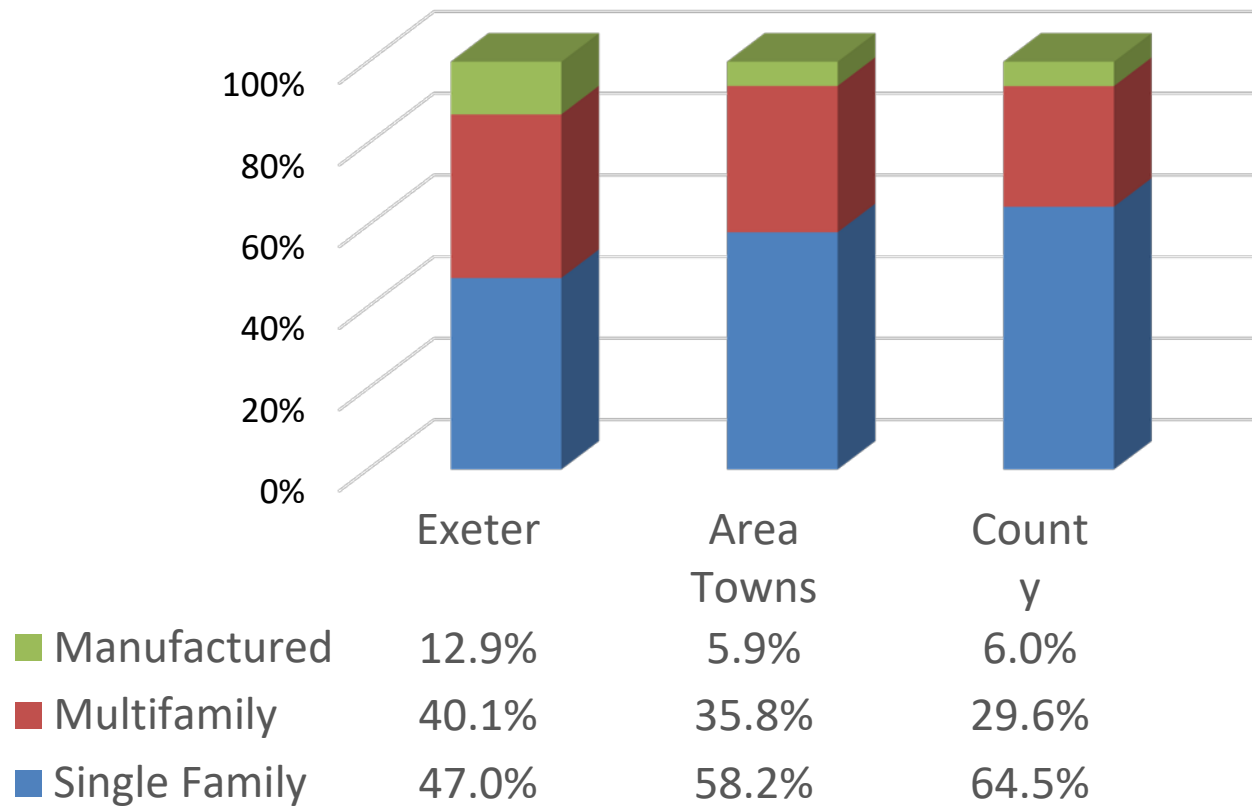


Housing Growth



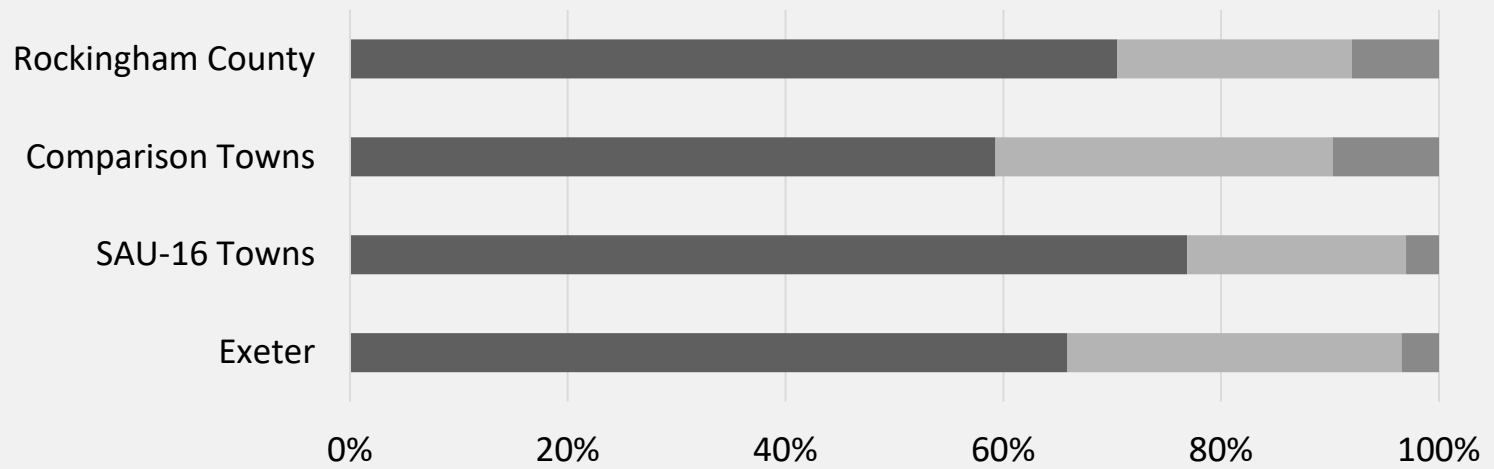
Housing Stock - TYPE

HOUSING BY TYPE - 2013



Housing Stock – OWNED vs RENTED

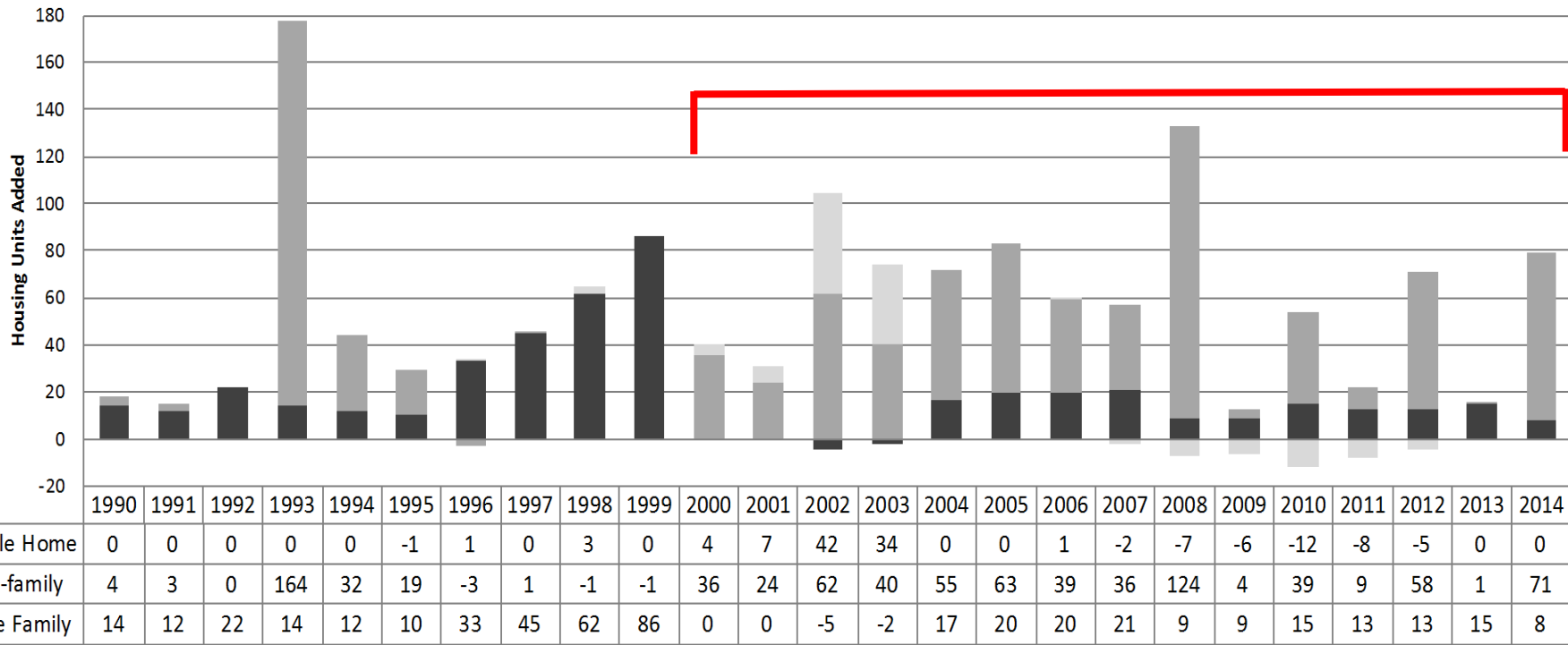
Housing Tenure and Vacancy



	Exeter	SAU-16 Towns	Comparison Towns	Rockingham County
■ Owner-occupied	65.9%	76.9%	59.3%	70.5%
■ Renter-occupied	30.7%	20.1%	31.0%	21.5%
■ Vacant	3.4%	3.0%	9.7%	8.0%

Housing Construction

Net Housing Units Constructed - 1990-2014
Exeter, NH



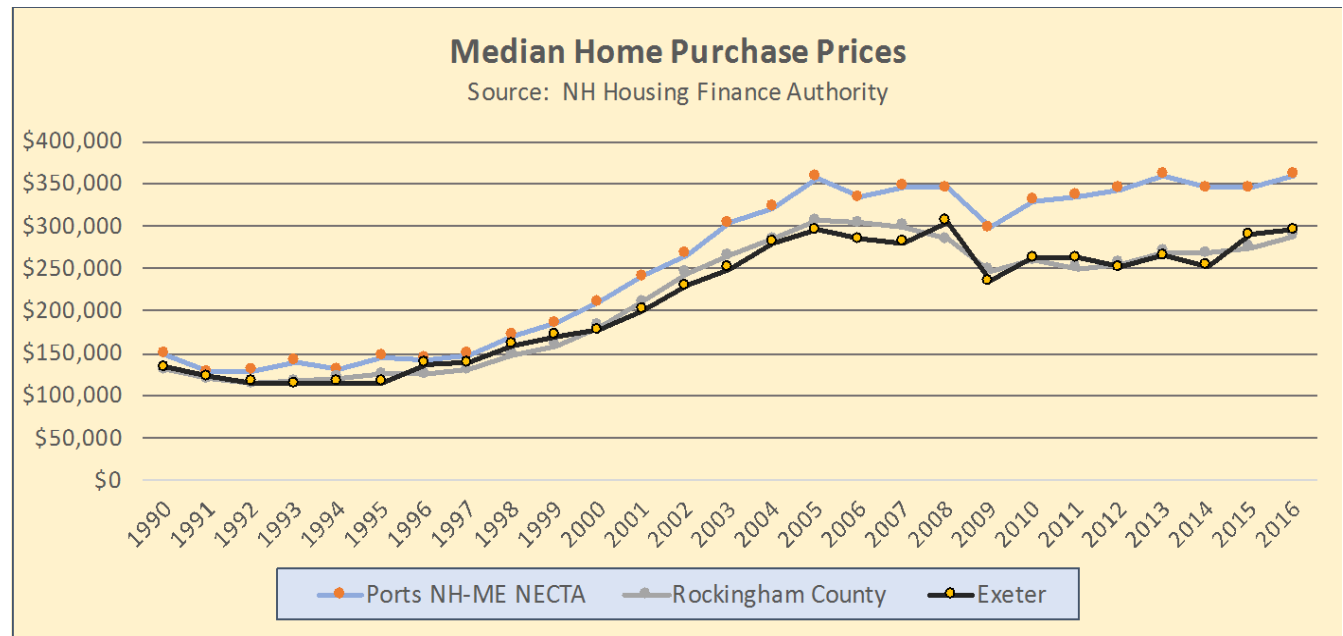
Source: Current Estimates of Housing Supply, NH
Office of Energy and Planning, 2016

Housing Construction in Exeter

Period	Total Units	Single Family	Multifamily			Avg. units Added/Yr.
			Total	Age Restricted	Income Restricted*	
2000-2009	793	278	515	428	35	79
2010-2014	254	71	183	144	20	51
2015-2016	261	9	252	24	0	130
Proposed & In-Process (16-17)	253	23(?)	230	116**	67	126
Total	1561	381	1180	712	90	87

Source: Exeter Planning and Building Department

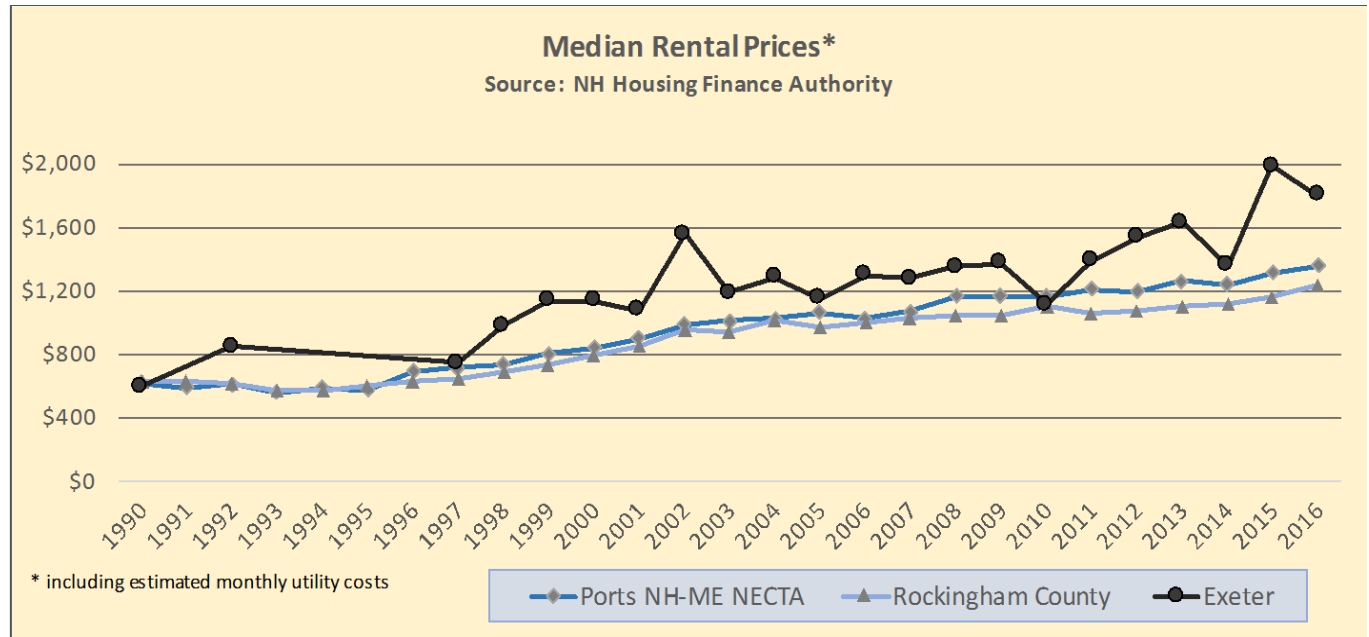
Housing Costs: OWNED



Home Price & Value

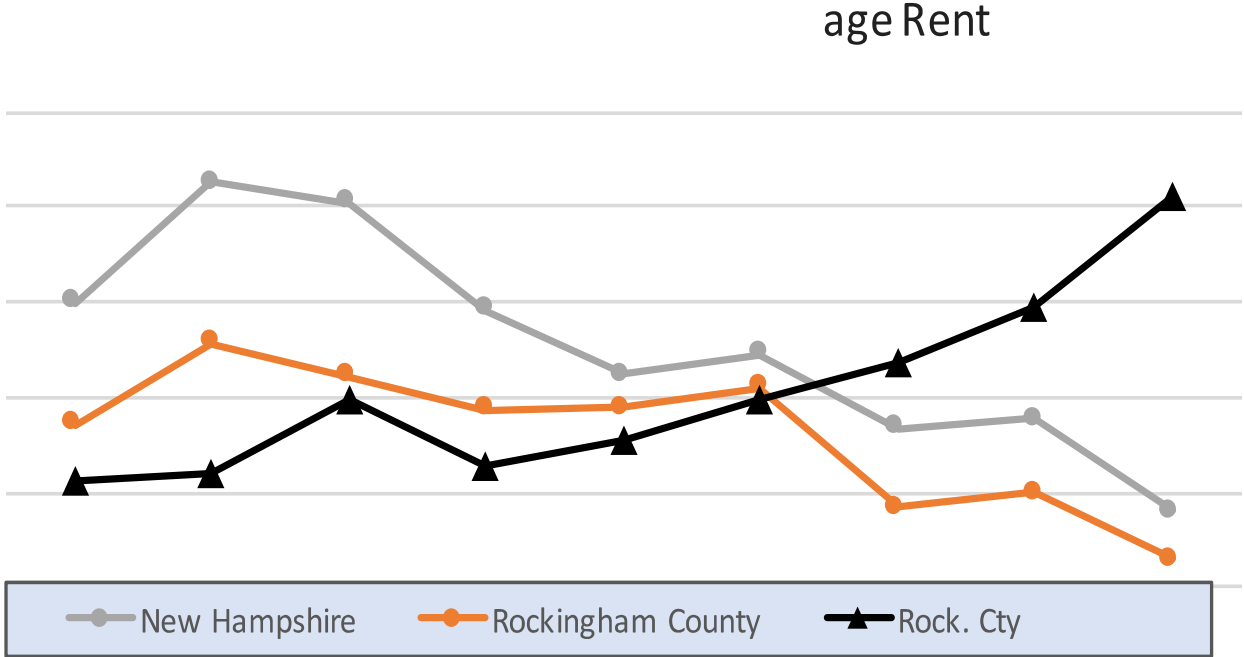
Town / Area	2010-2014 ACS Data*		2016 NHHFA Purchase Price Survey		2015 NH Dept. Revenue Admin.	
	Median Value, Owner-occupied Housing	Percent of County Avg.	Median Residential Sales Price+	Exeter as % of County Avg.	Residential Valuation per Housing Unit	Exeter as % of County Avg.
Exeter	\$257,000	92%	\$295,000	102%	\$189,292	90%
SAU-16 Average	\$343,900	123%	NA	-	\$273,732	114%
Comparison Towns	\$322,536	115%	\$319,880	111%	\$209,206	100%
Rock. County	\$279,800	100%	\$288,000	100%	\$240,299	115%
New Hampshire	\$237,400	85%	\$220,000	76%	NA	-

Housing Costs: RENTALS



Rental Cost				
Town / Area	2010-2014 ACS Data		NHHFA Rent Survey	
	Median Contract Rent (\$/month)	Exeter as % of County Avg.	Median Gross Rent (\$/month)+	Exeter as % of County Avg.
Exeter	\$1,156	104%	\$1,795	126%
SAU-16 Average	\$1,375	123%	NA	
Comparison Towns	\$1,075	96%	\$1,359	113%
Rock. County	\$1,114	100%	\$1,095	100%
New Hampshire	\$1,001	90%	\$987	91%

Rental Housing Costs & Vacancy Rates

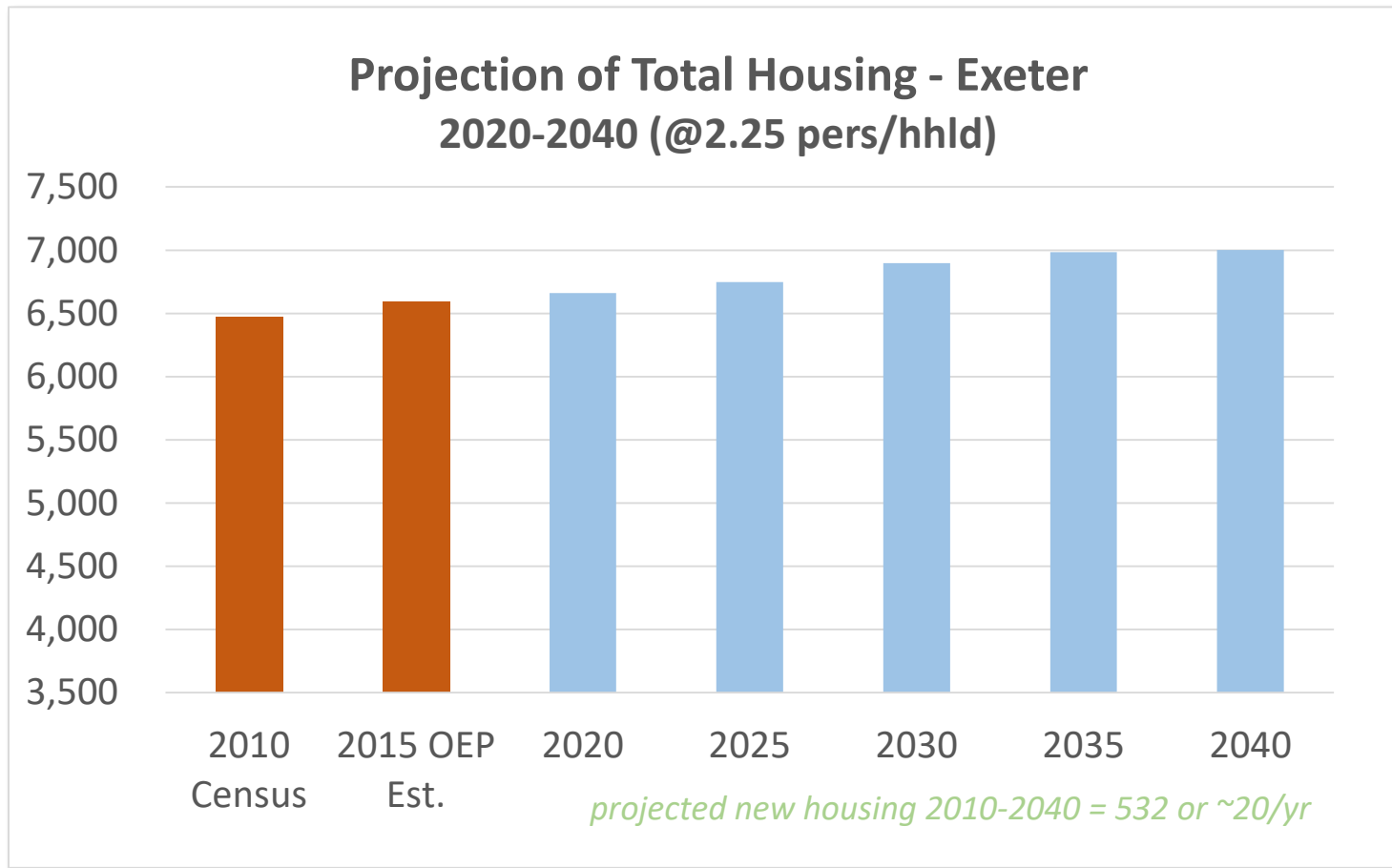


Regional Housing Needs

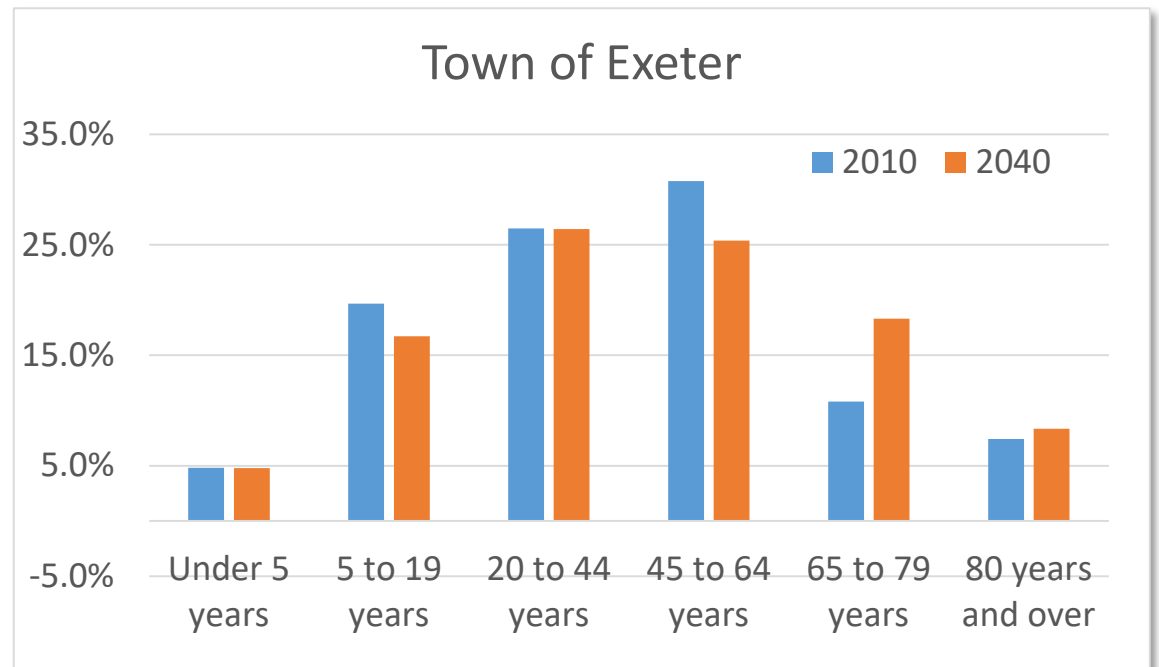
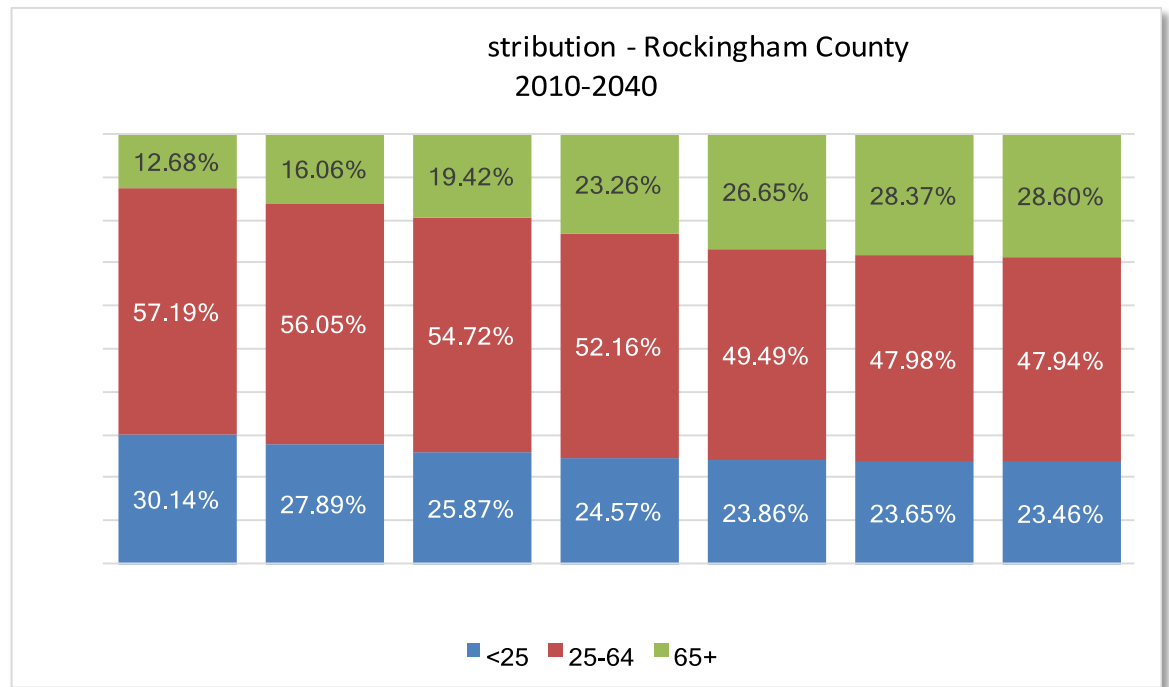
		2015		
Exeter		<u>Need</u>	<u>Supply</u>	<u>Net</u>
Workforce Housing				
	Total	3,253	4004	+751
	Owner	2,456	3209	+753
	Rental	797	795	- 2

Housing Growth Projections -2015-2040

(based on forecast population growth only)

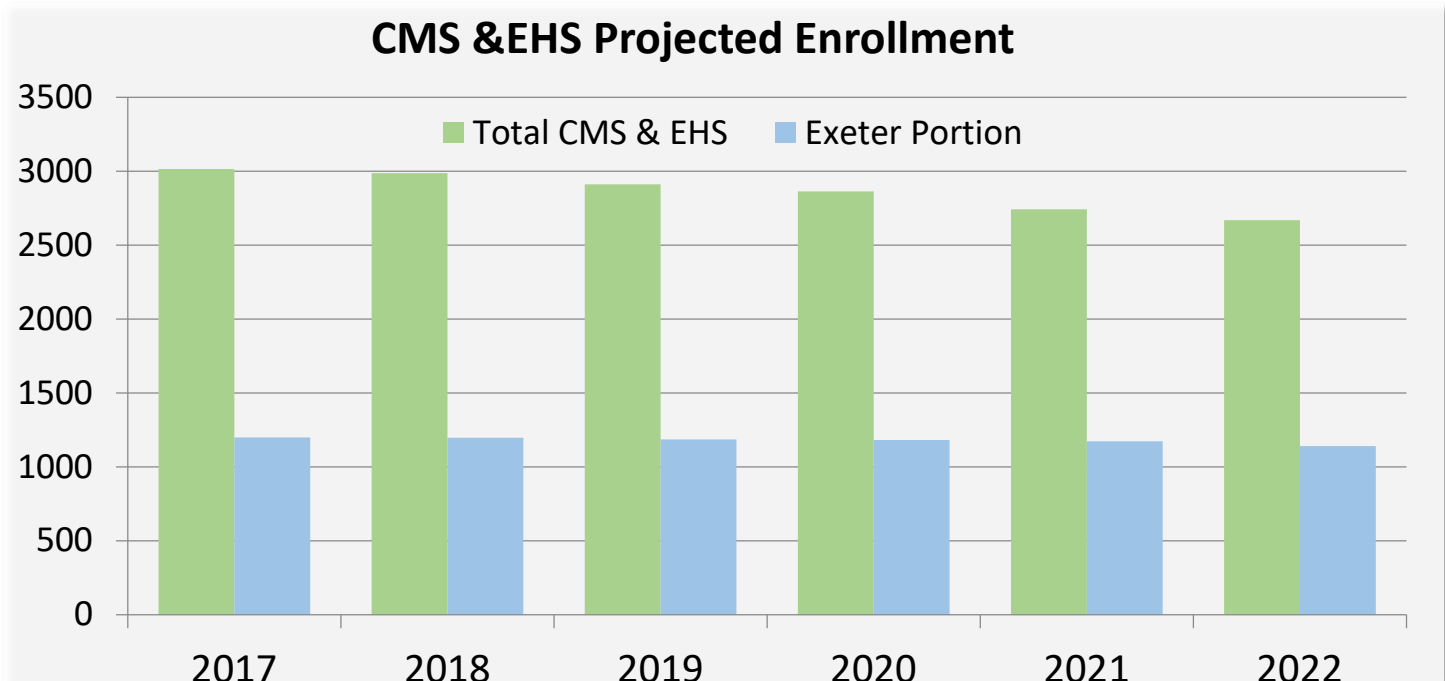


Age Demographics



Projected School Enrollment

SAU 16 Enrollment Projections Cooperative Middle School & Exeter High School						
	2017	2018	2019	2020	2021	2022
CMS - All SAU	1273	1252	1177	1148	1070	1040
CMS - Exeter	513	500	509	509	497	455
EHS - All SAU	1742	1736	1735	1716	1674	1630
EHS - Exeter	687	696	678	673	676	685
Total CMS & EHS	3015	2988	2912	2864	2744	2670
Exeter Portion	1200	1196	1187	1182	1173	1140
CMS Exeter	40.3%	39.9%	43.2%	44.3%	46.4%	43.8%
EHS Exeter	39.4%	40.1%	39.1%	39.2%	40.4%	42.0%
Total Exeter	39.8%	40.0%	40.8%	41.3%	42.7%	42.7%



Findings

ISSUE	KEY FINDINGS
Availability of Housing	<ul style="list-style-type: none">• Exeter continues to have a very diverse housing supply compared to neighbors.• Exeter provides more rental housing opportunities than its neighbors.• Since 2000, three times as many multifamily units have been constructed than single family and more than half have been age restricted.• Extremely low rental vacancies has driven large rental price increase recently.• Accessory dwellings and conversion will be an increasing important source of affordable housing opportunity and may help support 'age-in place' needs.

ISSUE	KEY FINDINGS
Cost & Affordability	<ul style="list-style-type: none">• Exeter continues to provide more than its fair share of the regions' affordable housing.• Regionally and locally there continues to exist a significant unmet need for affordable housing: 45% of rental households and 31% of owner households pay more than 30% of income on housing• 55% of rental households and 35% of owner households in Exeter are low income (<80% median income).• Many rental units in Exeter are higher end; rental prices are rising much faster than inflation.• The elderly exemption helps approximately 300 households in Exeter

ISSUE	KEY FINDINGS
Existing Housing vs. Need	<ul style="list-style-type: none">• Exeter’s large growth in multifamily housing since 2000 has had only a small affect in expanding affordable housing: most new units are either high-end, age restricted or both.• The Town’s inclusionary housing incentive for affordable housing has had one limited use (Watson Woods, Squamscott Block, Meeting Place). The incentives may be insufficient, but more understanding of the market is needed.• The growth of age restricted housing is driven by a naturally aging population, but may also cause an in-migration of of elderly residents.
Housing & School Enrollment	<ul style="list-style-type: none">• Housing growth in the past 15 year, including large numbers of multifamily, have not resulted in increased school enrollment.• Declining enrollment in SAU-16 means additional housing development can occur without affecting school capacity

ISSUE	KEY FINDINGS
Buildout, Zoning and Housing Development	<ul style="list-style-type: none"> • Certain residential zones, particularly multifamily, have very limited remaining potential for growth • Further single-family development is constrained by availability of land and will be largely limited to minor in-fill development under existing zoning. • Multifamily use is permitted by right or special exception in ALL residential zones and creates disproportionate opportunity vs. single family
Status of Housing Programs	<ul style="list-style-type: none"> • The Exeter Housing Authority has 107 units of public housing for the elderly, disabled and special needs households. • It has 169 HUD ‘Section 8’ vouchers providing rent subsidies to income eligible tenants. • There are presently 339 individuals and families on the waiting list for vouchers resulting in a wait time of 12 to 24 months. • The Town provides property tax exemptions ranging from 60% - 100% to 300 households costing approximately \$800,000/year. An aging population will likely increase demand for these exemptions.

Recommendations

1. The Housing Advisory Committee report should be transmitted to the Master Plan Committee for consideration.
2. The Committee should continue to meet and report on the state of housing in the town.
3. The Town should perform a realistic assessment of housing growth for the near term (next five years) and long term (10-20 years) based on expected population growth and current zoning conditions.
4. The Master Plan should further examine the cost of current housing and examine opportunities the Town may have to help moderate housing costs.

Recommendations - continued

5. Zoning ordinances should be reviewed to ensure that adequate and desirable forms of residential growth is encouraged while maintaining a balance of housing types within the town's housing stock. Specifically:
 - Review the appropriateness of allowing multifamily housing development by special exception in all parts of the R-1 district.
 - Evaluate open space / conservation ordinance triggering limits to determine if they are preventing the realistic application of ordinance given remaining development opportunities of this type.
 - Review the density and other incentives established by the affordable housing ordinance to determine if they are sufficient to encourage this form of development.
 - Evaluate residential zoning lot size requirements in single family residential zones and their impact on the construction of smaller and more affordable single family homes.

Recommendations - continued

6. The impact of the Town's property tax exemption programs, including the elderly, alternative energy and downtown rehabilitation (RSA 79E) exemptions, should be quantified and monitored annually.
7. The Planning Board should consider opportunities and incentives to encourage residential infill development. The Board should also monitor changes in the accessory dwelling unit building activity with the change in the ADU ordinance and consider taking steps to raise awareness about this housing option to homeowners as needed.
8. As part of the Master Plan update of the Town should examine the balance of single and multifamily housing.

Recommendations - continued

9. Using the Master Plan as a basis, the Town should develop a comprehensive housing strategy.
10. The Town should work with the Rockingham Planning Commission and Workforce Housing Coalition of the Greater Seacoast as a means to cooperatively engage with surrounding communities about the equitable sharing of affordable housing responsibility in the region.

How do we get there?

- **Recommendations # 1, 2, 4 and 8** are currently in process and will be completed as part of the Master Plan Update.
- **Recommendation # 3** has been started but will require a professional consultant to finalize. Project will be listed in the CIP for future funding.
- **Recommendations # 5 and 7** are under the purview of the Planning Board. Staff will discuss the list with the Planning Board and prioritize the action items. The examination of affordability is already underway. The Town is working with the Workforce Housing Coalition of the Greater Seacoast and a charrette will be held October 18th-20th to explore the feasibility of affordable single family homes in Exeter.

How do we get there?

- **Recommendation # 6** will be started immediately by staff by tracking the various exemptions. Any change to these programs would be under the purview of the Board of Selectmen.
- **Recommendation # 9** will be completed by the housing Advisory Committee as they will continue to meet on a regular basis.
- **Recommendation # 10** will be completed by staff and will work with the Rockingham Planning Commission to help establish an intermunicipal agreement among surrounding communities to address affordable housing issues in our region.

It is anticipated that it will take 3-5 years to explore all recommendations and implement any proposed strategies.