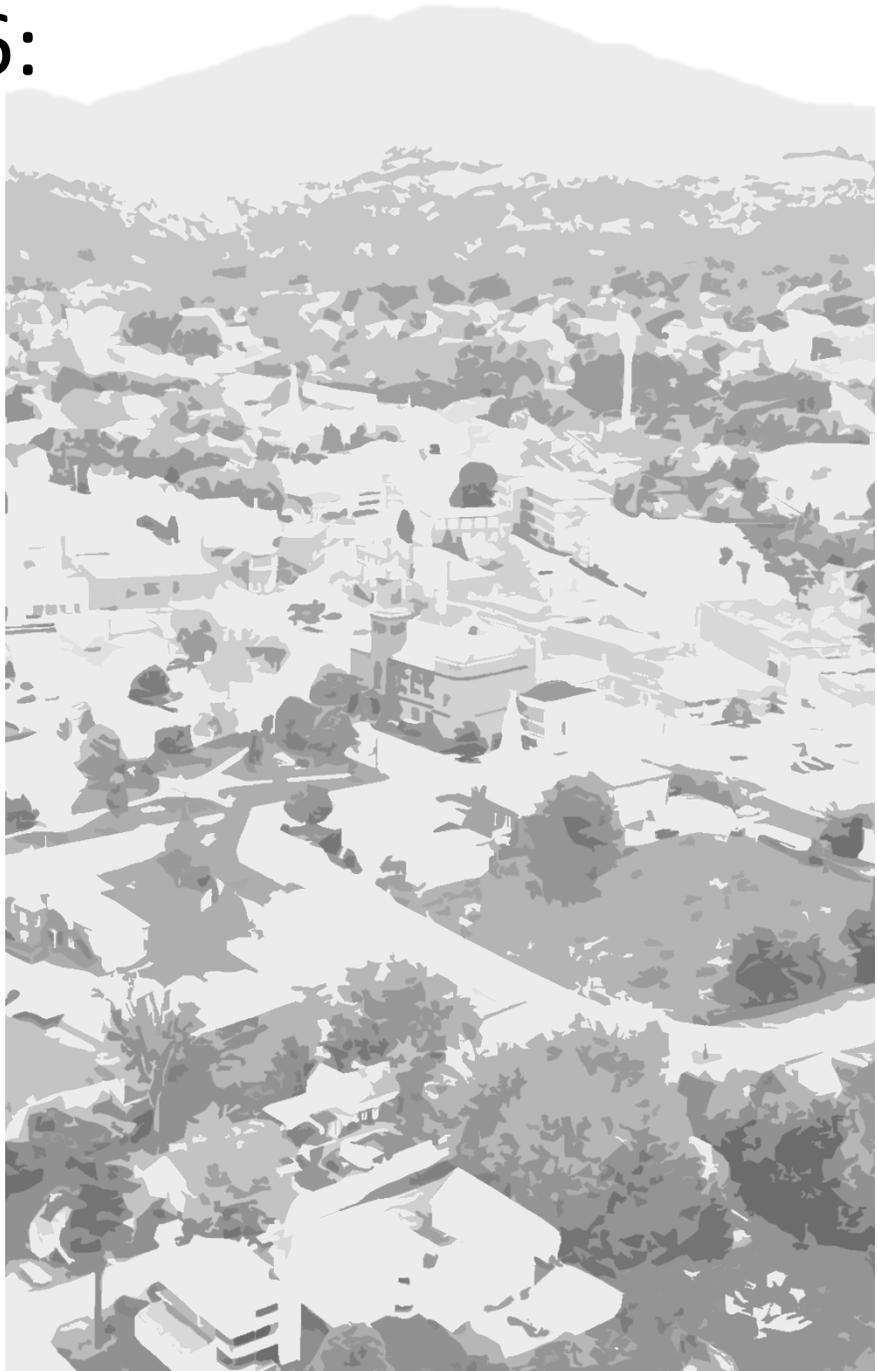


CITY OF CLAREMONT MASTER PLAN 2017

CHAPTER 6: HOUSING



Prepared by the
Claremont Planning Board
and the
Claremont Planning and
Development Department

Chapter 6: Housing

Vision

Quality housing is critical for Claremont's long-term success and fundamental to its image as an attractive, vibrant community. Residents will have access to housing options based on the following initiatives:

- Maintain the historic and rural character of the community;
- Maintain and improve existing housing stock;
- Meet the needs of current and future residents with an optimal mix of housing types;
- Create pathways to home ownership and increased housing equity and affordability for all residents;
- Promote new housing construction in a way that encourages efficient use of services, land and other resources;
- Create a positive image of housing opportunities.

Introduction

This chapter approaches housing as a critical community asset. Claremont's housing challenges and opportunities are closely tied to all other chapters in this Master Plan, particularly Land Use, Economic Development, and Public Health. The goals and strategies outline a plan for housing development over the next decade.

Claremont cannot dictate a resident's choice in housing type, location, or cost except through neglecting to enforce its regulations and lack of planning to meet its residents' housing needs. The City recognizes the importance of maintaining good quality housing and planning for future housing development that fulfills the above Vision for Housing and the Master Plan Vision.

Housing Data and Analysis

Overview of Housing Stock

Development in Claremont historically focused on the level plateau along the Sugar River in the vicinity of the existing City Center. Early mills and industries located here to utilize the river as a power source. The central business district formed adjacent to the mill district and residential neighborhoods grew nearby to serve the workforce. At that time, most of Claremont's residents lived in close proximity to jobs, stores, and services. The rural areas, at the time, were developed for agrarian uses with sparse homesteads.

Claremont's industrial and commercial areas gradually spread out to other parts of the City with large tracts of land and improved transportation access. Over time, the private automobile and regional highways have enabled faster home to work commutes over increasing distances, which have allowed the City's workforce a broader range of housing choices in rural areas and neighboring communities. Today, only a third of Claremont's employed workforce (residents of

working age) have jobs in the community and the remaining two thirds work elsewhere in the region.

As will be discussed later in this chapter there is broad community concern about Claremont’s housing stock. The limited new housing construction in recent decades and perceptions of poor quality housing in some areas of the City affect the overall housing market and, ultimately, property values.

Housing Analysis

This section summarizes demographic and housing data with analyses of housing trends, housing unit age and location, housing affordability, and housing demand projections. Much of the data in this chapter is a product of the US Census Bureau or the primary data source in the following analyses.

Housing Units

The following assessment of occupied housing units considers the age and composition of the rental and ownership units. The following observations are made based on Table 1 and Figure 1, below:

- Claremont has a higher ratio of rental units than the state, overall, but has a similar share of owner and renter units to similar communities.
- The ACS-reported vacancy rate for Claremont appears to be high based on anecdotal information and the 2017 Rental Survey conducted by the NH Housing Finance Authority (approximately 2.5% for Sullivan County). Regardless, a rental market with a 4% to 5% vacancy rate is considered balanced. Generally, ownership and rental vacancy rates are understood to be much lower than reported below.
- Approximately 84% of all occupied housing units were constructed before 1980 and 35% constructed before 1940. There is no substantial bias toward rental and ownership units.
- Approximately 16% of housing units were constructed in the last 40 years and fewer than 1% in the last 10 years. This does not account for renovations of existing units.

Table 1: Comparison of Occupied Housing Unit Statistics with Similar Communities¹

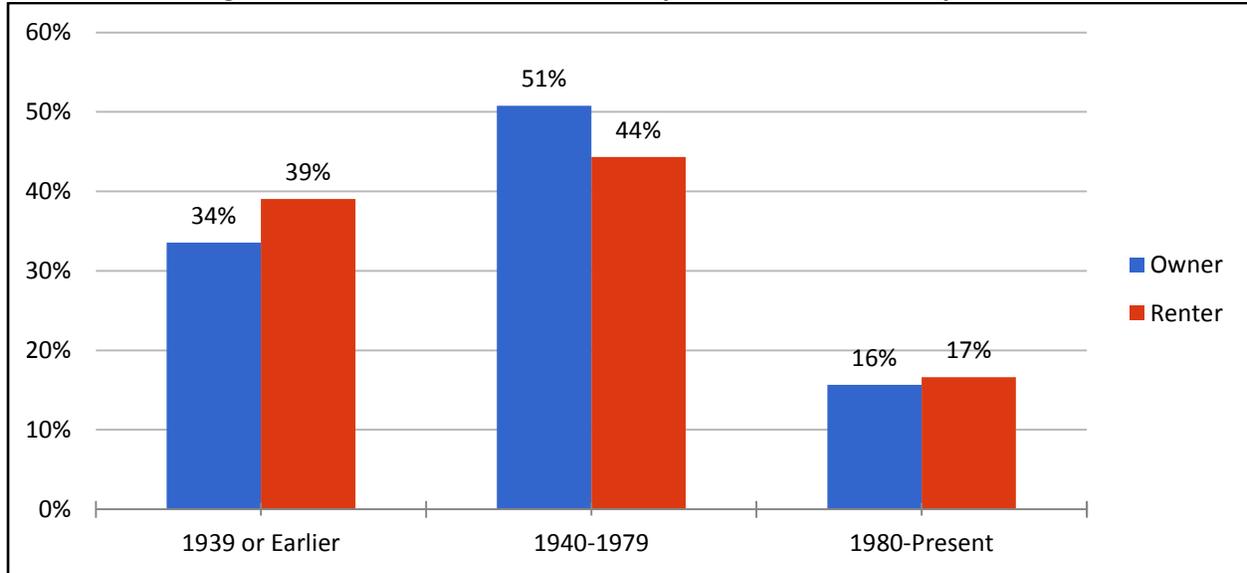
	Occupied Housing Units			Vacancy Rate	
	Owner	Renter	Total	Owner	Renter
Claremont	3,263 (62%)	2,005 (38%)	5,268	3.9%	6.4%
Berlin	2,476 (60%)	1,619 (40%)	4,095	4.0%	1.6%
Laconia	3,780 (56%)	2,996 (44%)	6,776	3.5%	2.9%
Lebanon	3,190 (50%)	3,201 (50%)	6,391	0.9%	3.9%
NH State	369,175 (71%)	151,076 (29%)	520,251	1.4%	4.6%

Mapping Exercise

Mapping existing housing stock helps provide some geographic context to the composition and distribution of housing units in the City. The following maps depict the types of housing units and the approximate year built using data from the Claremont Assessor’s Department.

Residential development in the City takes several forms: single-family houses, duplex buildings, multi-family buildings (mixed use, conversions, and new construction), and mobile home parks.

Figure 1: Distribution of Households by Year Structure Built by Tenureⁱⁱ



Overall observations of residential development patterns:

- Most multi-family buildings are clustered within, or adjacent to, the City Center. Residential density is at its highest in areas where there are older buildings.
- The City Center houses approximately half the City’s population.
- Newer construction (post 1980) appears to be associated with single-family lots, except for a limited number of substantial residential developments.
- There are neighborhoods of smaller, single-family lots surrounding the City Center including Maple Avenue, Bible Hill, Charlestown Road, and Beauregard Village.

Housing and Population

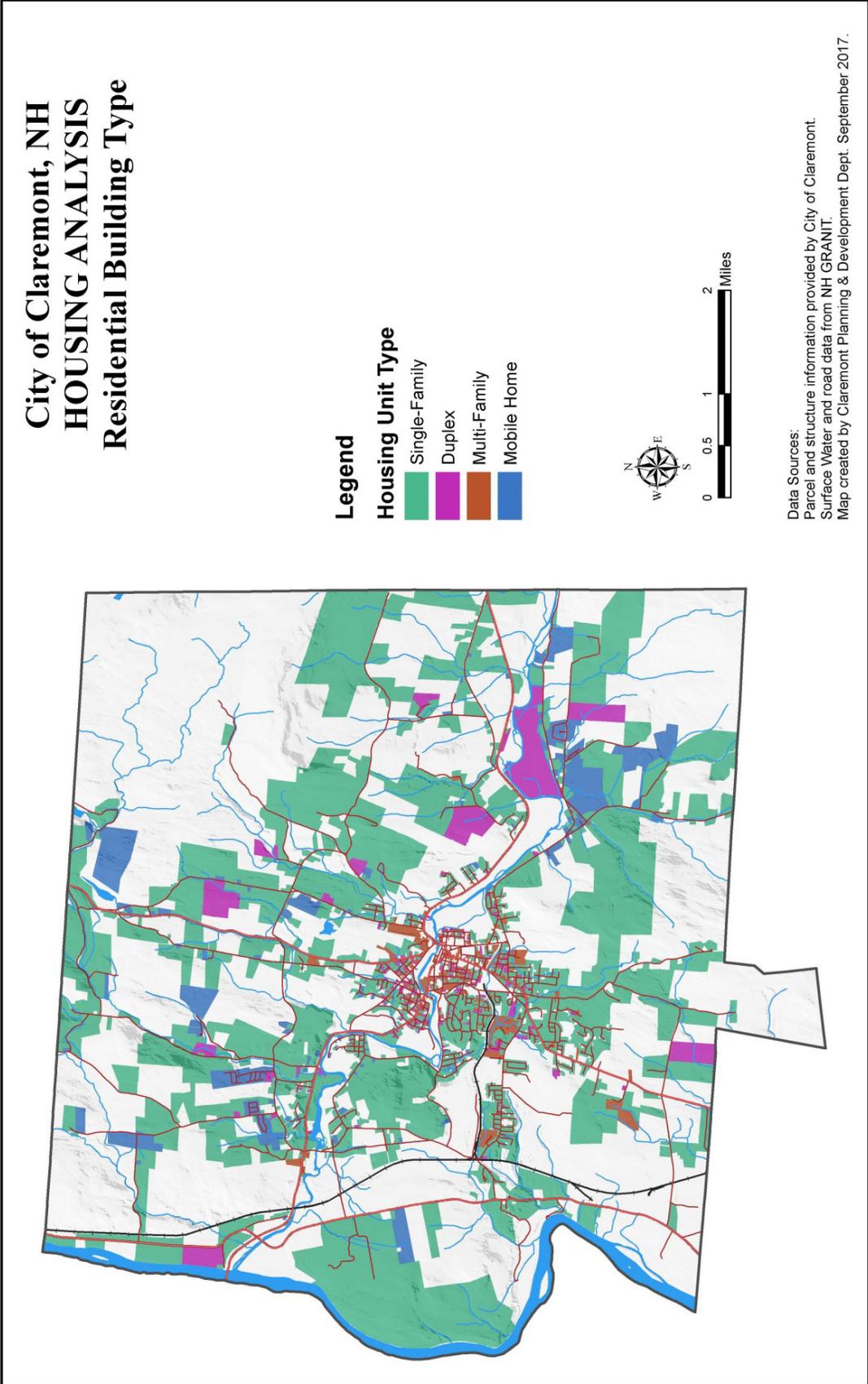
The demographics reported in this chapter are unique to housing. Unlike the overall population statistics (see Appendix A of the Land Use Chapter) housing demographics cross-tabulate housing data with certain population characteristics to aid in analysis of existing housing conditions and historic housing trends.

Table 2: General Demographic and Housing Trends, 1990-2015ⁱⁱⁱ

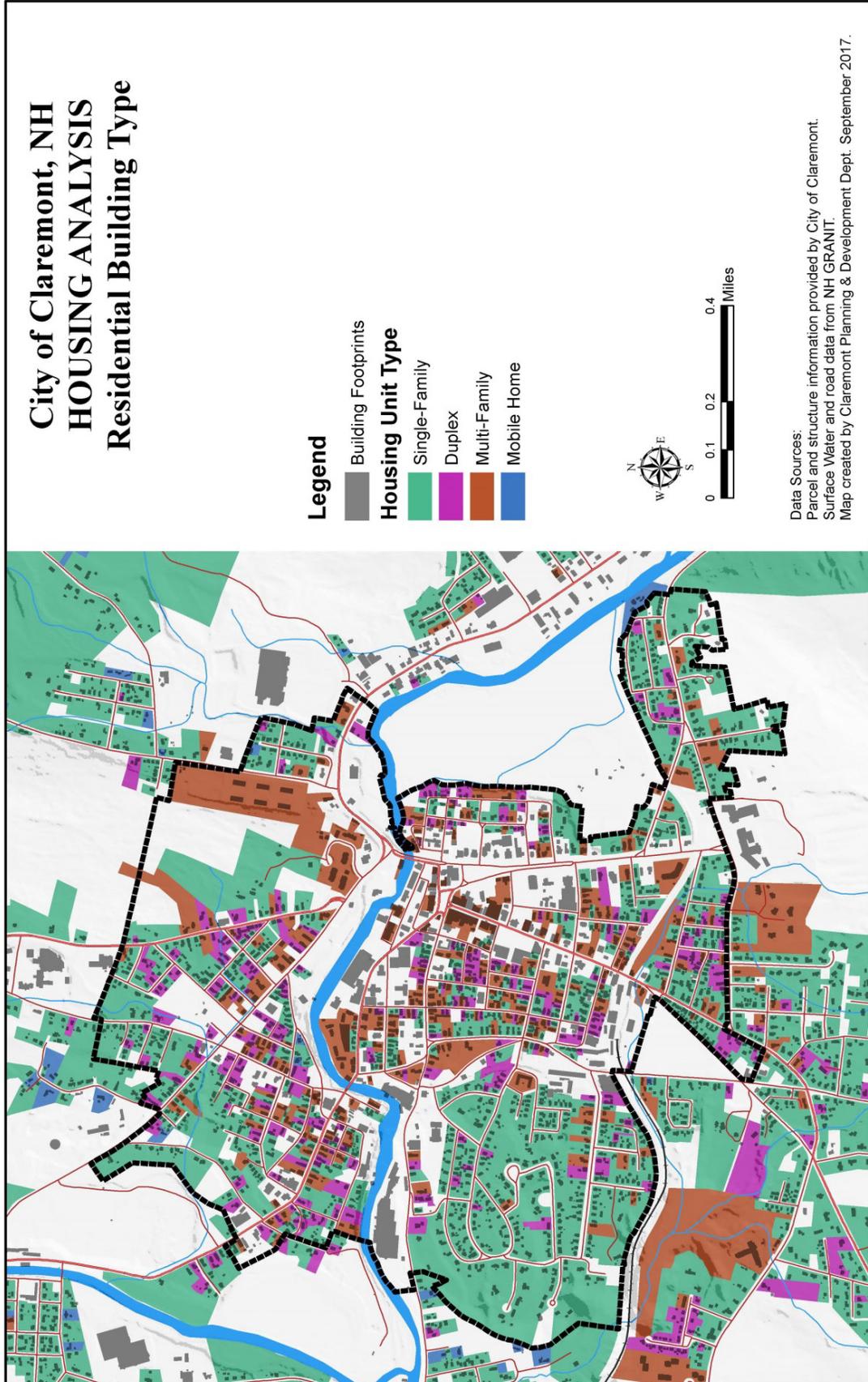
	1990	2000	2010	2015 Est.*
Total Population	13,902	13,151	13,355	13,076 (+/- 22)
Median Age (years)	34.9	38.8	40.6	40.6 (+/- 2.2)
Total Housing (units)	6,228	6,074	6,293	6,198 (+/- 223)
Occupied Housing (units)	5,610	5,685	5,697	5,268 (+/- 223)
Ratio Occupied/Total	90.1%	93.5%	90.5%	N/A

* 2011-2015 ACS estimates include a margin of error due to limited sample sizes.

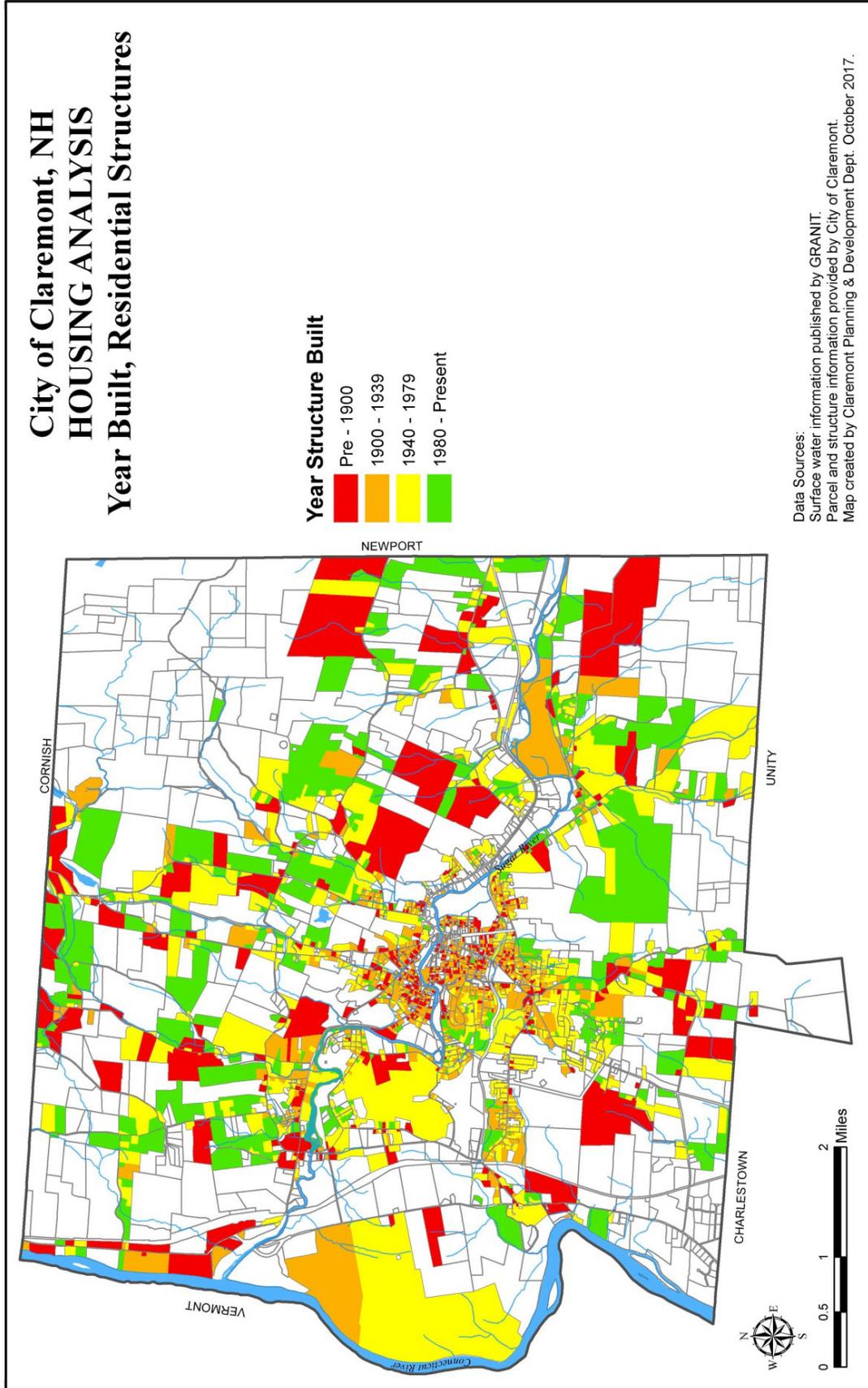
Map1: Residential Properties by Housing Unit Type



Map 2: Detail of Residential Properties by Housing Unit Type, City Center



Map 3: Residential Properties by Year Built



Map 4: Detail of Residential Properties by Year Built, City Center

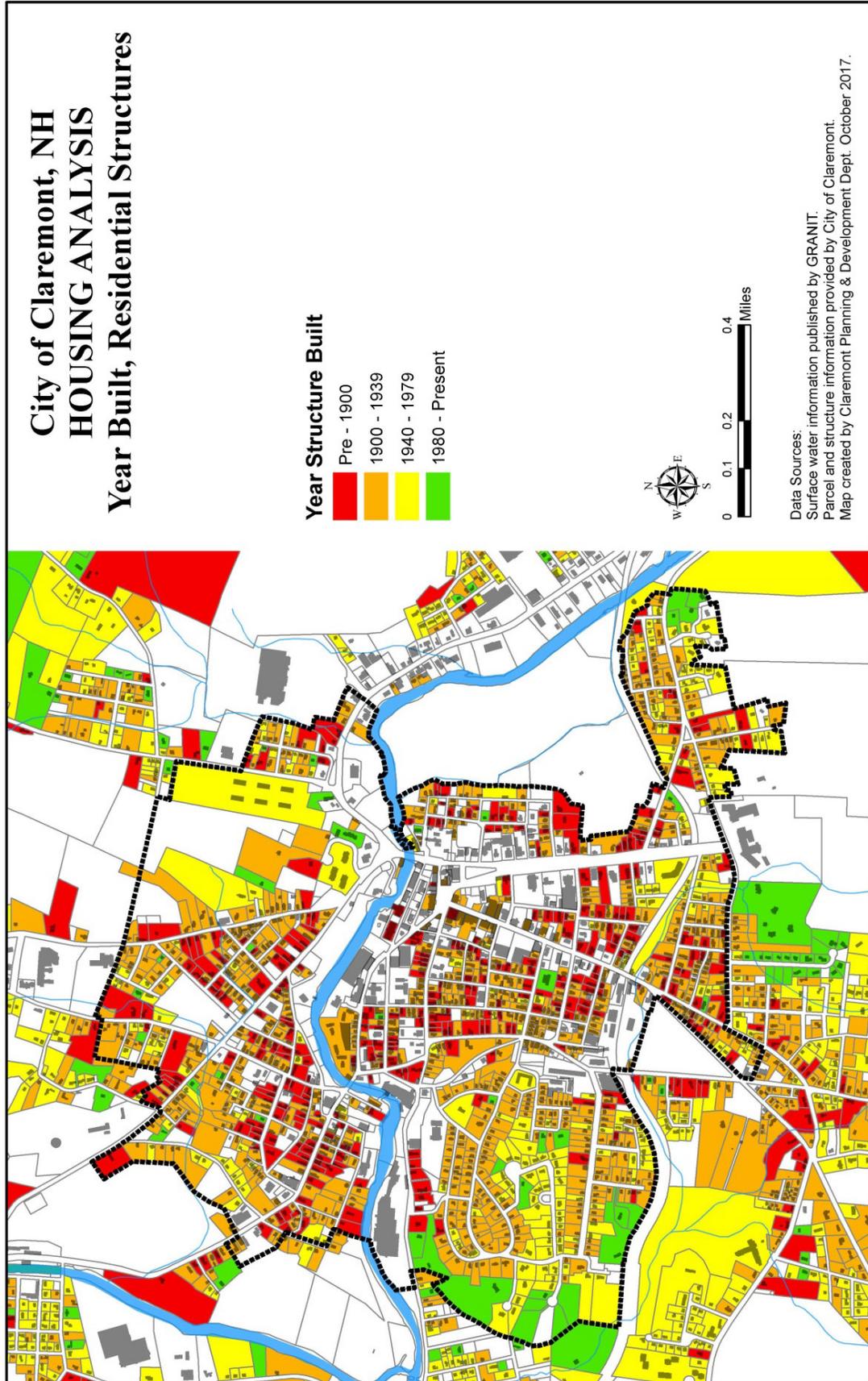
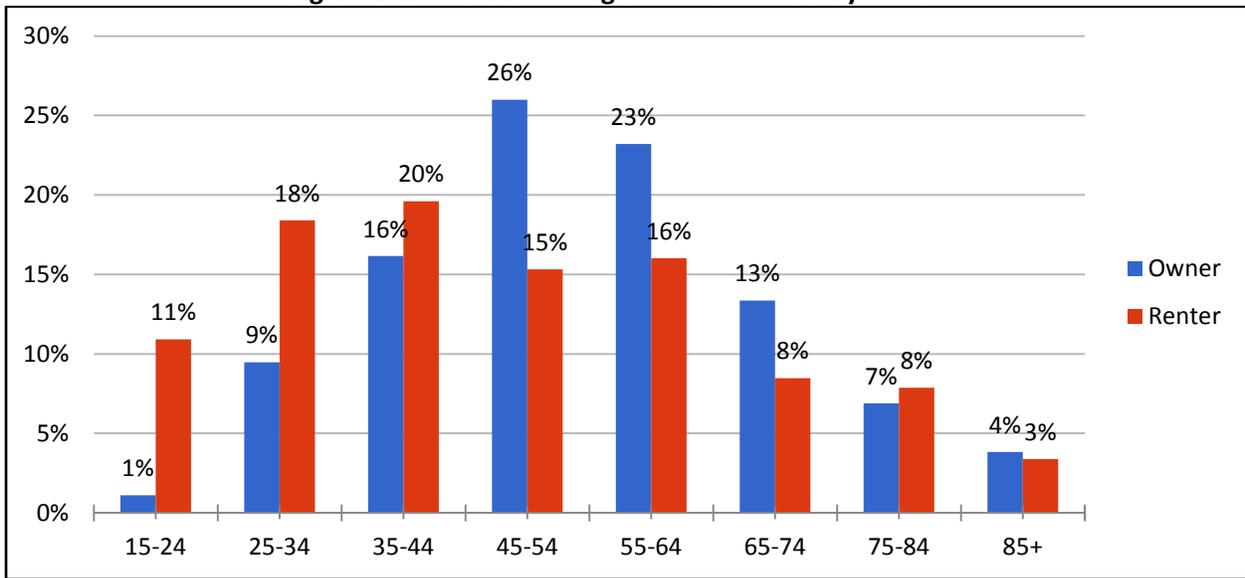


Figure 2: Distribution of Age of Householder by Tenure^{iv}



Based on the data reported in Table 2:

- Population and housing growth have been effectively static for the last 25 years with no appreciable change in either number. There have been modest numbers of older units demolished and new units constructed during this period.
- Consistent with other communities in New England the median age is steadily increasing and will continue to increase. Housing solutions for an aging population will become an increasingly important community issue.
- The following analyses will focus on occupied housing units. Some communities have a strong seasonal housing component (e.g. seaside communities with large numbers of vacation homes). Claremont’s housing composition is principally year-round units with few seasonal or otherwise vacant homes.
- The 2015 estimates are based on the ACS year-to-year sampling are not intended for direct comparison with the decennial Census results.

There are two distinct population subgroups in housing: renters and owners. The baseline housing data and subsequent analyses (later in this chapter) demonstrate notable demographic differences between renters and owners. Having an understanding of this baseline data will help inform planning initiatives and strategies to meet the City’s housing need. The 2011-2015 ACS estimates approximately 66% of City residents live in owner households and 34% live in renter households.

Figure 2 compares the householder^v age distribution between renters and owners. The following bullets summarize observed differences between renters and owners:

- Median age of householders is 45 years for renters and 54 years for owners.
- Nearly 30% of rental householders and approximately 10% of ownership householders are younger than 34 years. Approximately 11% of each householder subgroup, respectively, are older than 75 years.

Housing Costs

Housing costs are an important community issue when considering quality of life for the City's residents. Rental rates and home sale prices are a function of the overall housing market, which is not subject to regulation, but can be influenced by sound planning practices.

Housing affordability is evaluated considering total housing cost, including mortgages, property taxes, and utilities for ownership households and gross rent and utility costs for rental households. Housing is considered affordable if the cost of housing is less than 30% of the household income. If the housing cost is more than 30% of gross household income, then it is considered to be a high housing cost burden that affects the household quality of life. There are numerous governmental and private programs to help vulnerable and/or very low-income individuals and families find affordable, safe housing. A detailed discussion of housing and rental assistance programs in Claremont is included in Appendix A of this chapter.

In 2012, the Upper Valley Lake Sunapee Regional Planning Commission produced a Regional Housing Needs Assessment^{vi} with in depth analyses of regional housing affordability. The following are findings from the Housing Needs Assessment:

- Approximately 42% of all renter households and 33% of all ownership households in the region have a high housing cost burden. This includes households with a severe housing cost burden greater than 50% of household income.
- Long-term trends indicate that gross rental rates continue to increase in all rental markets, including Claremont. There is a general expectation gross rent will continue to increase.
- An estimated 41% of all households in the UVLSRPC region qualify as "workforce" households based on income and housing affordability standards per the NH Workforce Housing Statute (RSA 674:58).

The following figures, Figure 3 and Figure 4, illustrate Claremont household income and the ratios of households with high to severe housing cost burden (>30% of HH income).

- Income analyses of each subgroup indicate a substantial difference in median household income (total income for all occupants of a household). While the City-wide median household income is approximately \$46,000, ownership households have a median income (\$63,200) more than double that of rental households (\$27,000).
- More than 65% of rental households and 25% of ownership households earn less than the city's median income.
- 925 rental households (46% of all renters) and 1104 ownership households (33% of all owners) have a housing cost burden greater than 30% of the household income.

Future Housing Demand

Forecasting future housing demand is an attempt to quantify the City's likely need for new housing construction in the coming decades. The following housing demand projections use the fundamental rule that population growth and housing demand have a direct correlation. Population growth scenarios utilize baseline assumptions about likely housing characteristics over the projection time period.

Figure 3: Estimated Distribution of Household Annual Income by Tenure^{vii}

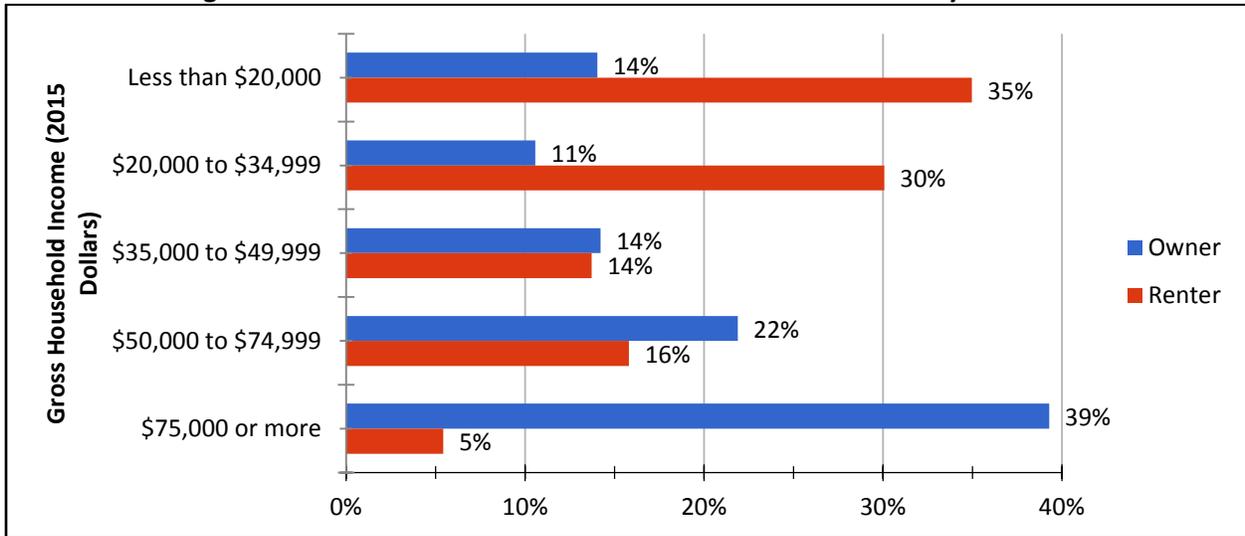
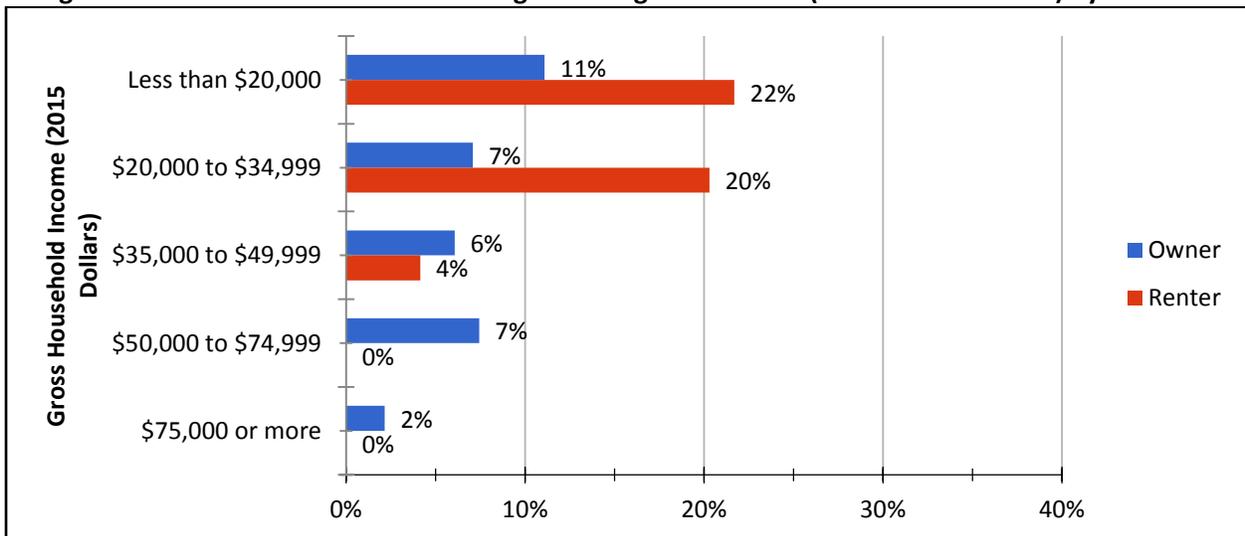


Figure 4: Estimated Households with High Housing Cost Burden (>30% of HH Income) by Tenure^{viii}



The two population projection scenarios are considered the ‘low’ and ‘high’ scenarios for Claremont’s future reflected in Table 3, below:

- NH Office of Strategic Initiatives (NH OSI, formerly NH Office of Energy and Planning) periodically publishes population projection estimates for the state, counties, and municipalities. The 2016 NH OSI Population Projections for Claremont indicate the assumption that Claremont’s population will remain static with nominal gains and losses by 2040. This is the ‘low’ population projection.
- Claremont: 20,000 in 25 years. This projection would require an annual growth rate of approximately 1.6%, which NH OSI demographers would consider a very aggressive growth rate since the statewide population grew less than 0.7% from 2000 to 2010. This scenario is the ‘high’ population projection.

Table 3: Projected Future Demand for New Housing Units^{ix}

		2010	2020	2030	2040
NH OSI Population Projection	Population	13,355	12,924	12,894	12,983
	Total New Units	-	0	126	114
	Owner Units	-	0	102	55
	Renter Units	-	0	24	59
Target Population: 20,000 in 25 Years	Population	13,355	14,607	17,297	19,898
	Total New Units	-	445	1,423	1,376
	Owner Units	-	428	868	789
	Renter Units	-	17	555	587

Observations of the projected housing demand:

- Where there is a '0' result, the model indicates an oversupply of housing units.
- The projection models assume a modest loss of existing housing units due to age or accident (e.g. fire).
- It is anticipated the actual housing demand will be somewhere between the 'high' and 'low' scenarios. Regardless of the outcome, there will be a demand for 240 to 2,800 new housing units over the coming decades.
- Planning for housing development now is imperative. It is important to keep the City's Code and land use regulations consistent with the City's Vision for future land use with regular review and updates.
- Housing development in rural areas will be substantially different from urban areas. Regulations and policies should preserve the unique features of each.
- Considering the aging population and desire to attract younger residents to the City, new regulations need to encourage flexible inter-generational housing. Factors including affordability and accessibility need to be considered.

Housing Challenges and Strategies

Community Input

As part of the Master Plan process, the City conducted public outreach to collect input from a Community Workshop, Community Attitude Survey, and a Realtor Focus Group. A detailed summary of community input is included in Appendix B of this chapter.

Housing Challenges

Existing Housing Stock

The aging housing stock, coupled with limited new housing construction, limits the housing choice for new residents. Poor quality housing stock has been cited as the principal housing issue in Claremont. Further, anecdotal information indicates that many individuals and families looking to move to Claremont are interested in purchasing newer residences. The reasons for this preference may range widely from simple personal tastes to more practical interest in a "turn-key" residence where no substantial renovations or maintenance is necessary prior to moving-in. In the current housing market there are few housing units for sale at the mid-range

cost. Similarly, the low rental vacancy rate makes it difficult to find affordable, good quality rental housing.

Poor maintenance of some housing stock due to owner neglect, over time, may force the City to condemn and possibly demolish substandard structures in the interest of public health and welfare. The loss of older structures, particularly in the historic downtown neighborhoods, could disrupt the urban fabric and character of the neighborhoods.

New Housing Development

Limited new housing construction since 2000 is causing a shortage in the rental and ownership markets. New housing development should emphasize single-family residences in the short-term and can extend to multi-family rentals and condominiums as the quality of existing rentals improves. Long-term housing development will need to include a reasonable mix of housing types at a range of costs to meet market demands as outlined in the chapter goals.

Property Taxes

There is consistent concern among property owners and realtors surrounding property taxes. With New Hampshire's tax structure, local property taxes are the principal means for the City to collect funds to maintain municipal services and infrastructure. Realtors have observed that the projected tax burden is incorporated into financing of new purchases, which can be a barrier to ownership.

The municipal tax rate may be reduced with the overall increase of property values. A secondary benefit to increasing property values and a lower tax rate would be an improved perception that housing in Claremont can serve as an investment rather than a common perception that Claremont's housing is generally undervalued.

Neighborhoods

Claremont has a strong sense of place and identity with the historic downtown and surrounding rural areas. Some residents feel pride in their neighborhoods, which can translate to action to make improvements to one's own property or community resources. Strengthening neighborhood ties and neighborhood identity will increase personal pride in the area and interest in contributing to solutions. This can translate to neighborhood efforts to improve housing and begin a cycle of improving housing quality and public engagement.

Housing Strategies

Enhance Existing Housing Stock

Continue Enforcement and Education Programs: The City will need to maintain the leader in promoting good quality housing for the overall public benefit. City programs and partnerships like the Healthy Homes Initiative will improve the overall environmental quality of older residential structures through lead paint abatement, improved indoor air quality, and general property maintenance. The Healthy Homes Initiative will be a combination of enforcement and public outreach and education.

Develop a Housing Stabilization Program: Housing stabilization is a term used differently by different organizations. For this strategy housing stabilization looks at the individual house and at the overall neighborhood in which it sits. Stronger ties between neighbors will benefit overall quality of life and housing. Funding assistance from the U.S. Department of Housing and Urban Development (HUD), New Hampshire Housing Finance Authority, or other agencies will help develop a local housing stabilization program focusing on neighborhoods that have suffered from disproportionate rates of foreclosure and housing abandonment. This program can follow the model of a recent pilot project by Habitat for Humanity.

As part of this program the City can develop neighborhood plans with public input identifying neighborhood boundaries, local assets and issues. The plans would be foundational to the Housing Stabilization Program. Over time, neighborhood plans will help strengthen the sense of place, neighborhood identity, and community involvement.

Promote Adaptive Reuse of Existing Buildings: Some of Claremont's downtown building infrastructure and neighborhood areas may be capable of supporting additional population growth, especially if there is a demand for smaller dwelling units. Such adaptive reuse can revitalize existing neighborhoods and support the continuation of the historic settlement patterns or promote innovative housing solutions, like artist cooperatives, to support a creative economy. It is also an efficient redevelopment approach as it uses existing infrastructure such as roads and water and sewer systems.

Using existing housing inventory or redeveloping vacant downtown lots can be less expensive than construction of new homes. Taking advantage of a soft housing market can represent a buying opportunity for organizations that have the capacity to purchase, improve and resell the properties to qualifying buyers. Qualified first-time buyers may benefit from the lower interest and reduced down payment programs.

Plan for New Housing Development

Develop a Strategic Housing Plan: A Strategic Housing Plan will use this Master Plan as a starting point. The Strategic Plan would continue with more detailed analyses in existing housing trends, collect further public input, identify likely scenarios for future housing development, and recommend approaches to developing an appropriate mix of housing types. Having a Strategic Housing Plan will demonstrate the City's commitment to promoting housing as integral to economic development and improving the City's quality of life.

Update and Amend Local Land Use Regulations: The City's land use regulations need extensive updates and amendments to fulfill the Master Plan Vision. These updates and amendments will principally benefit new development proposals, particularly subdivisions and multi-family development proposals.

Promote Employer-Assisted Housing Initiatives: Employer-assisted housing initiatives will engage local and regional businesses reducing or removing barriers to housing for their workforce. Such initiatives can include:

- Employee access to a revolving loan fund to pay back a rental security deposit;

- Providing financial benefits to assist in employee housing purchases;
- Leasing rental units for employees, or;
- Constructing housing for employees.

Housing-related employers' benefits can provide financial incentives for an employee to stay with the company, live close to work and reduce labor turnover and training costs. Generally, employer assisted benefits are considered taxable income to the employee, but a deductible expense (as with salaries and other compensation) by the employer.

Goals

The following Goals focus on maintaining the existing housing stock and encouraging appropriate housing development. There are four principal components to both goals:

- Enforcement – Municipal efforts to maintain a standard for housing quality.
- Financing – Funding sources and financing programs to increase investment in the city's housing stock.
- Partnerships – Public-private partnerships and encouraging collaborative efforts for strengthening neighborhoods, improving community engagement, seeking housing solutions, and financing housing projects.
- (Re)Development – Clear guidance through land use regulations and other municipal codes and appropriate incentives to encourage desired housing results.

Goal 1. Develop a comprehensive approach to improving existing housing stock and retaining the community character.

- Objective 1.1: Enhance municipal advocacy for good quality housing.
 1. Enforce the City Code.
 2. Promote the Healthy Homes Initiative in partnership with local, regional, and statewide non-governmental organizations.
 3. Increase City staff collaboration with local and regional housing advocacy groups and community organizations where housing is part of their mission.
 4. Develop a regular schedule of public education programs surrounding City Codes, landlord/renter rights, first-time home ownership, property maintenance, benefits of abating possible threats to health.
 5. Review tax incentives to allow aging residents to remain in their homes.
 6. Develop a methodology to track housing quality. Report trends in housing quality over time to meet the objective.
- Objective 1.2: Encourage rehabilitation of existing housing stock.
 1. Enhance opportunities for private investment through public-private partnerships, identifying funding sources including grants and low-interest loans.
 2. Engage regional and national housing advocacy organizations to develop neighborhood plans and housing stabilization programs.

Goal 2. Utilize municipal planning tools, regulations, and partnerships to ensure new housing development meets Claremont's long-term housing vision.

- Objective 2.1: Review Land Use Regulations to ensure appropriate housing development.
 1. Adopt appropriate innovative land use practices for rural residential development balancing the need for new housing development with protecting natural resources and preserving open space.
 2. Encourage redevelopment and adaptive reuse in the City Center that preserves and enhances the historic character of the downtown.
 3. Incorporate development incentives to encourage new housing proposals that maximize use of existing community infrastructure and services consistent with the Future Land Use Plan in the Land Use Chapter.
 4. Update the Subdivision Regulations.
 5. Encourage development practices that enhance Claremont as an attractive community that is accessible for people of all ages and abilities.
- Objective 2.2: Develop a Strategic Housing Plan.
 1. Targeted Employer/Community Meetings – community involvement in the process will ensure future development will enhance sense of place, traditions, goals, and values of Claremont.
 2. Identify housing issues and opportunities by specific geography consistent with the Future Land Use Plan.
 3. Outline desired outcomes and strategies to meet future housing needs.
 4. Identify approaches to future housing development and financing options through public-private partnerships.
 5. Outline methods to maintain good quality healthy and affordable housing options for low and fixed-income households.
 6. Recommend universal design and development approaches to attract new residents and retain aging Claremont residents.

Appendices:

The following appendices have been included in this printing. Digital copies are available online:

Appendix A: Housing & Rental Assistance Review

http://www.claremontnh.com/MP2017/Housing_AppA.pdf

Appendix B: Community Input Summary for Housing Topics

http://www.claremontnh.com/MP2017/Housing_AppB.pdf

ⁱ 2011-2015 ACS, Table DP04

ⁱⁱ 2011-2015 ACS, Table B25036

ⁱⁱⁱ 2011-2015 ACS, Table B25007

^{iv} 2011-2015 ACS, Table B25007

^v US Census definition for “householder”: the person (or one of the people) in whose name the housing unit is owned or rented.

^{vi} http://regionalplan.uvlsrc.org/files/7014/7077/4797/Chapter2_Housing_Final.pdf

^{vii} 2011-2015 ACS, Table B25118

^{viii} 2011-2015 ACS, Table B25106

^{ix} 2011-2015 ACS, Table DP04