



Housing: an Overview

For the Hopkinton, NH Planning Board Work Session



May 15, 2022

NHHFA.org

Agenda and Purpose

- Purpose: to discuss the current state of housing in Hopkinton, review existing zoning, and discuss potential areas for exploration and consideration
- Agenda
 - What does the housing landscape look like?
 - What is Hopkinton obligated to do about housing?
 - What are Hopkinton's current policies relative to housing and what are the outcomes of those resulting from those policies and market conditions?
 - Are those outcomes aligned with our community's vision and needs?
 - What *should* Hopkinton do about housing?

About New Hampshire Housing

Established in 1981 by state legislature as a self-sustaining public corporation
(not a state agency)

Governed by 9-member Board of Directors appointed by Governor and Council

Our mission

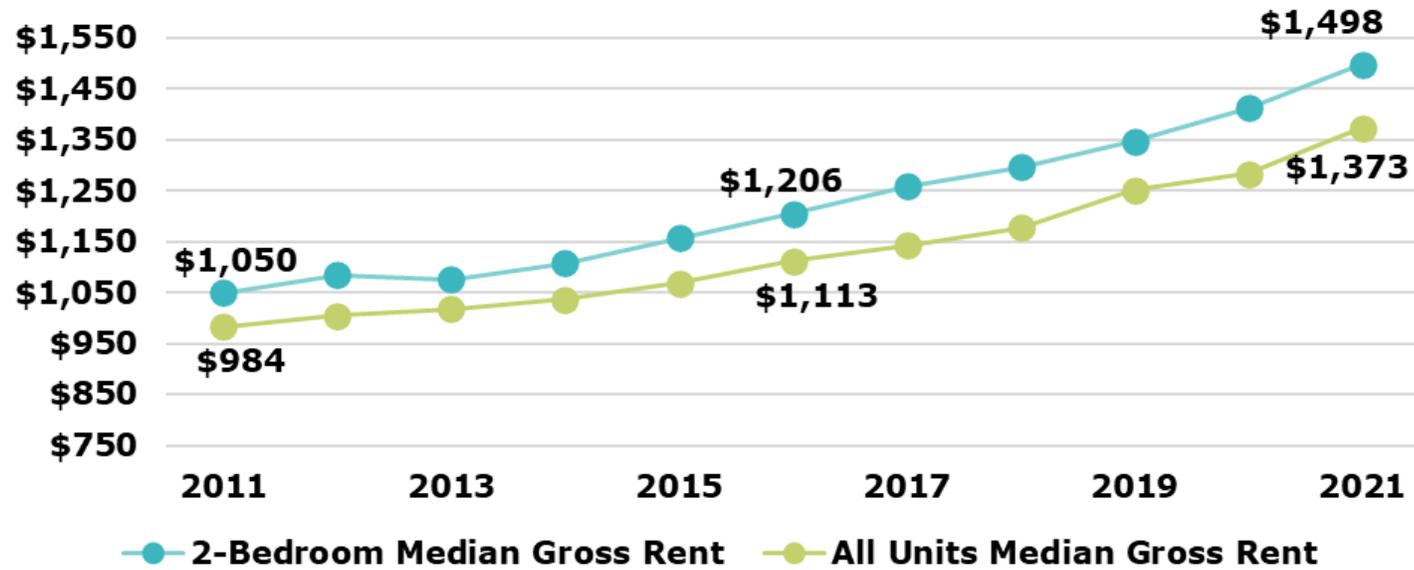
To promote, finance and support affordable housing and related services for the
people of New Hampshire



What's up with the Housing Market in New Hampshire?

- NH real estate market is booming – both for rentals and homes for sale
- April 2020 – predictions were for a real estate slump
- Summer/fall 2021 – records set for sales, selling price, rental costs
- What happened?
 - Historically low interest rates
 - *Recent increase has hindered affordability but hasn't brought down prices (yet?)*
 - Decades-long underperformance of housing construction
 - And of course, COVID (right?)

Median Gross Rental Cost



2-BR **\$1,498** ▲ **6%** from last year

5-year change ▲ **24%**

ALL **\$1,373** ▲ **7%** from last year

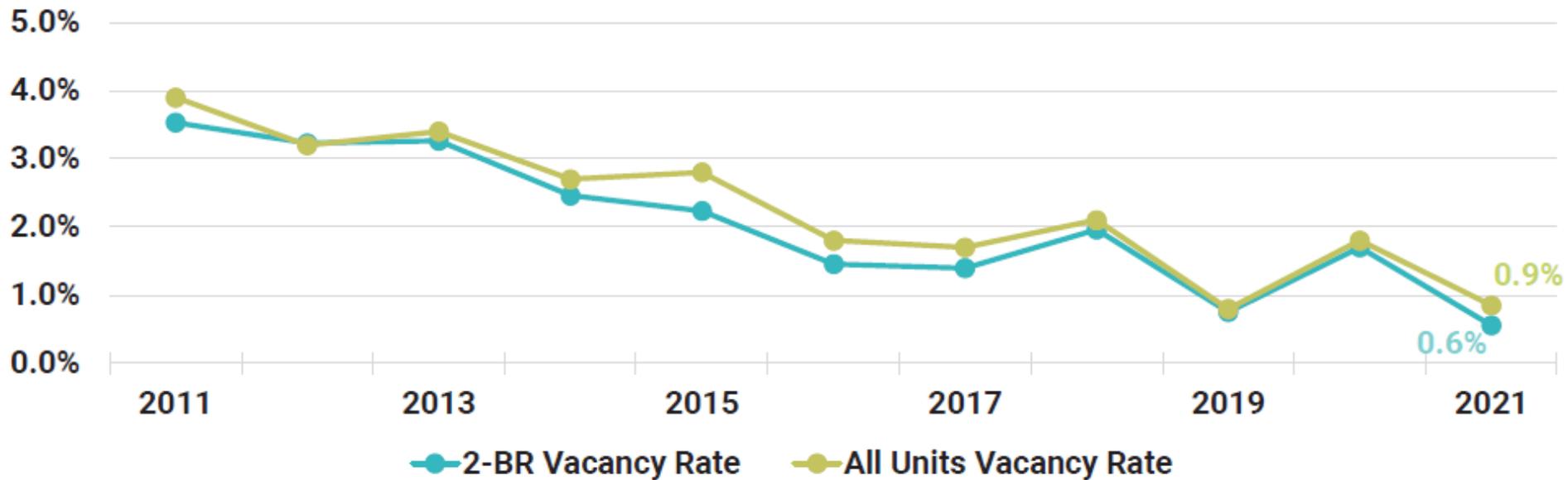
5-year change ▲ **23%**



Vacancy Rate of Residential Rental Units

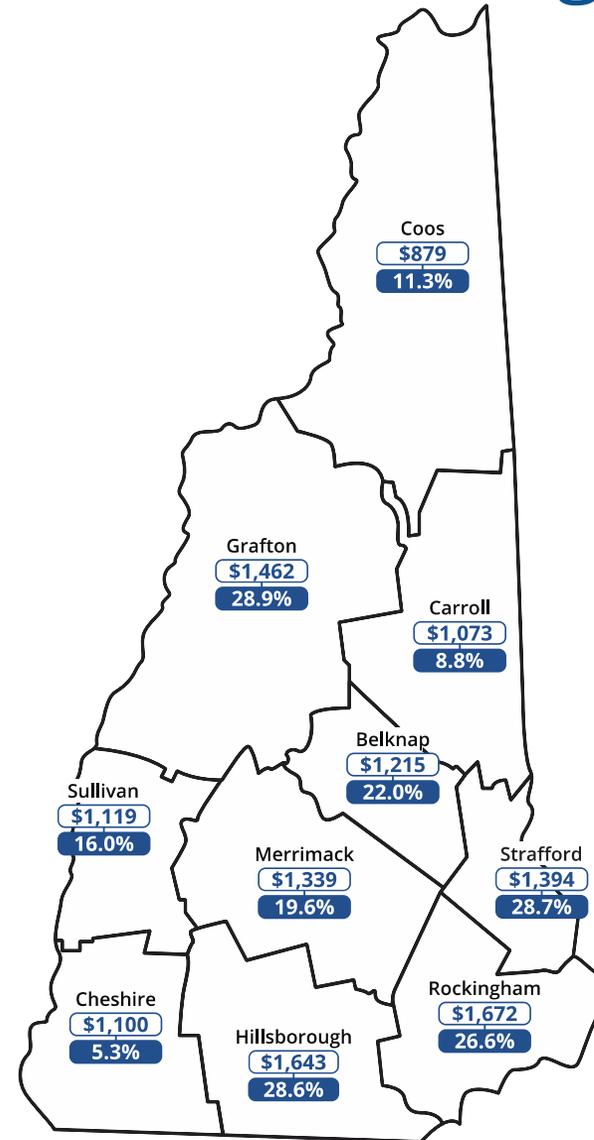
2-BR 0.6%

ALL 0.9%



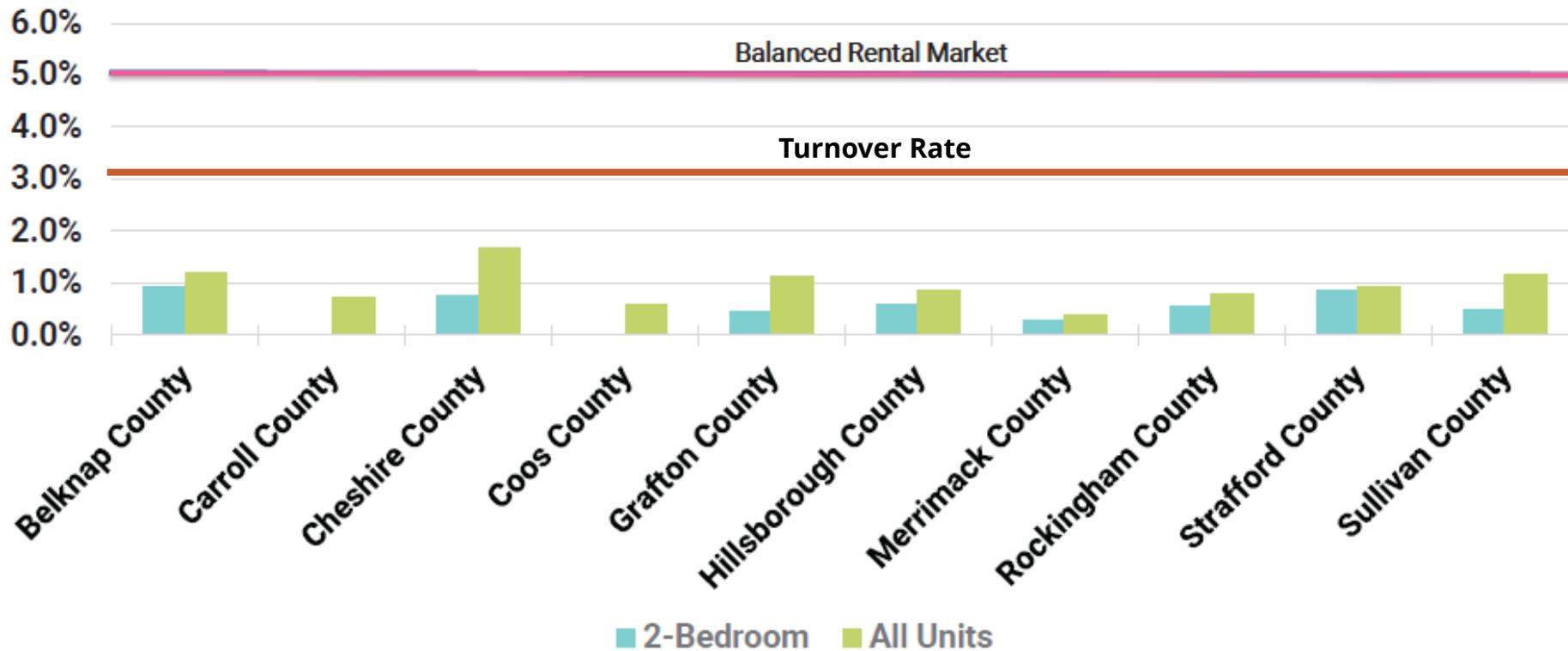
Median Monthly Gross Rent & Percent Change

2-bedroom units, 2016 - 2021

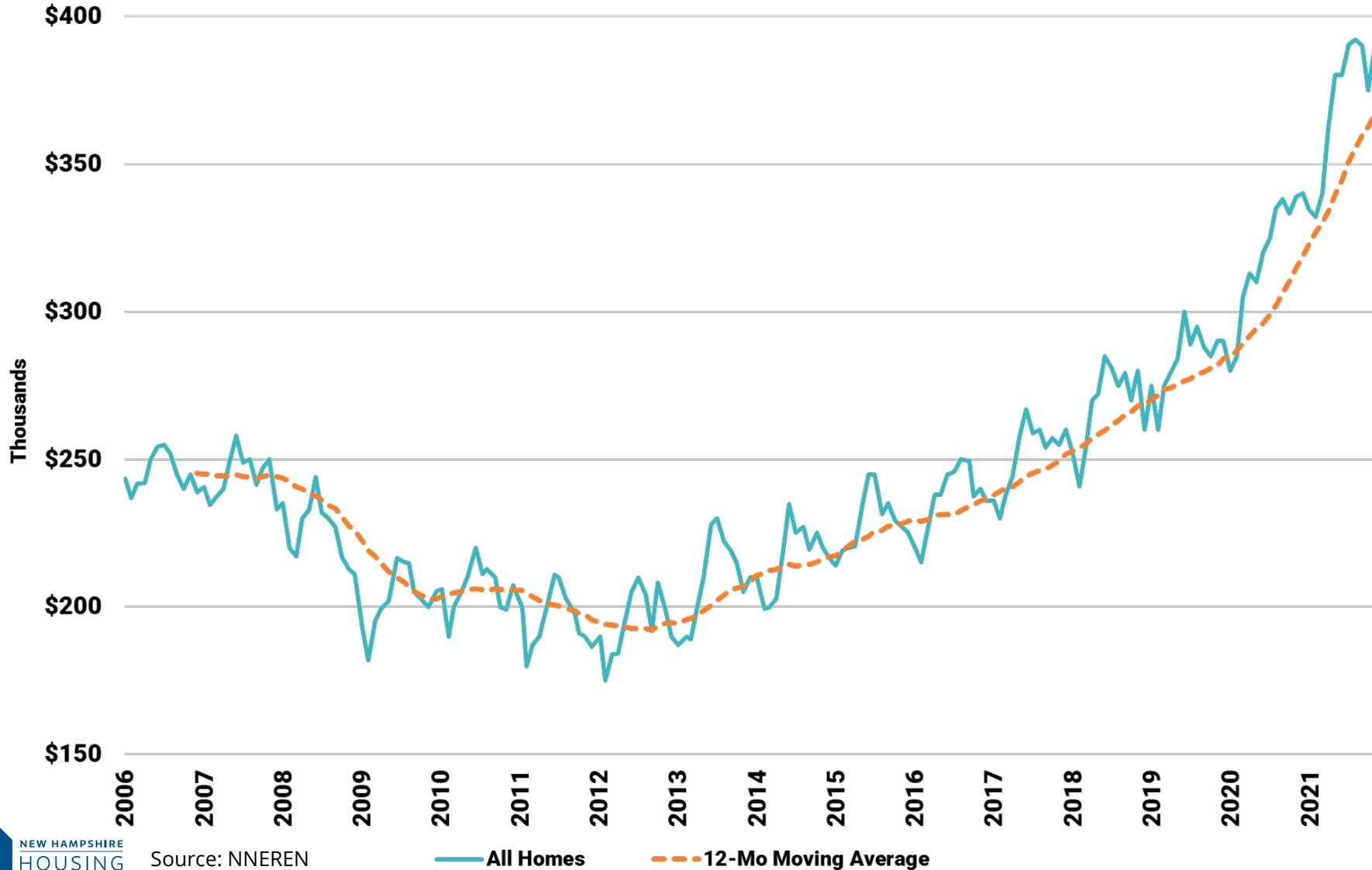


Vacancy Rate by County

All counties experiencing low vacancy rates



Single-Family Median Sales Price



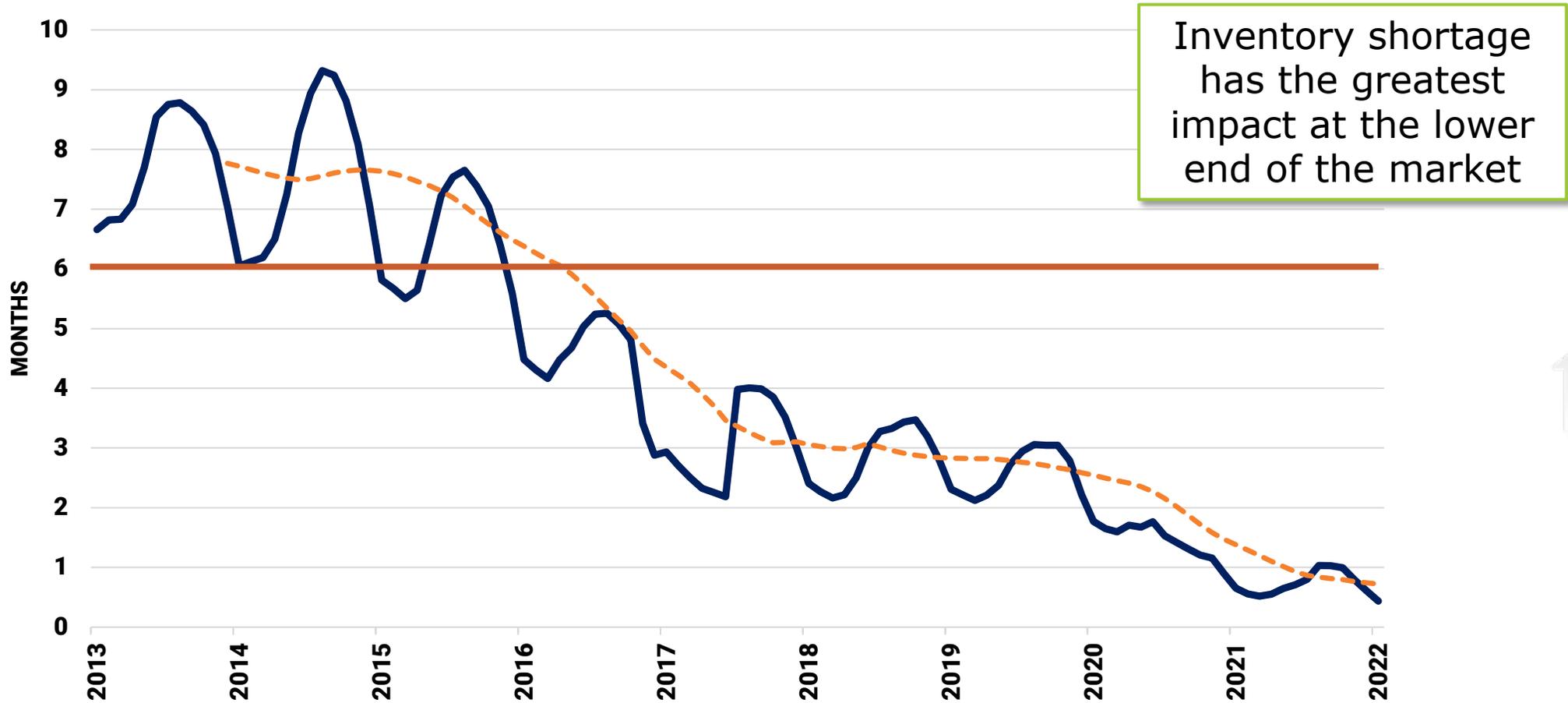
38%

Jan 2022
\$385K

Jan 2020
\$280K

Single-Family Housing Inventory

Months to absorb active listings at prior 12 months' sales pace

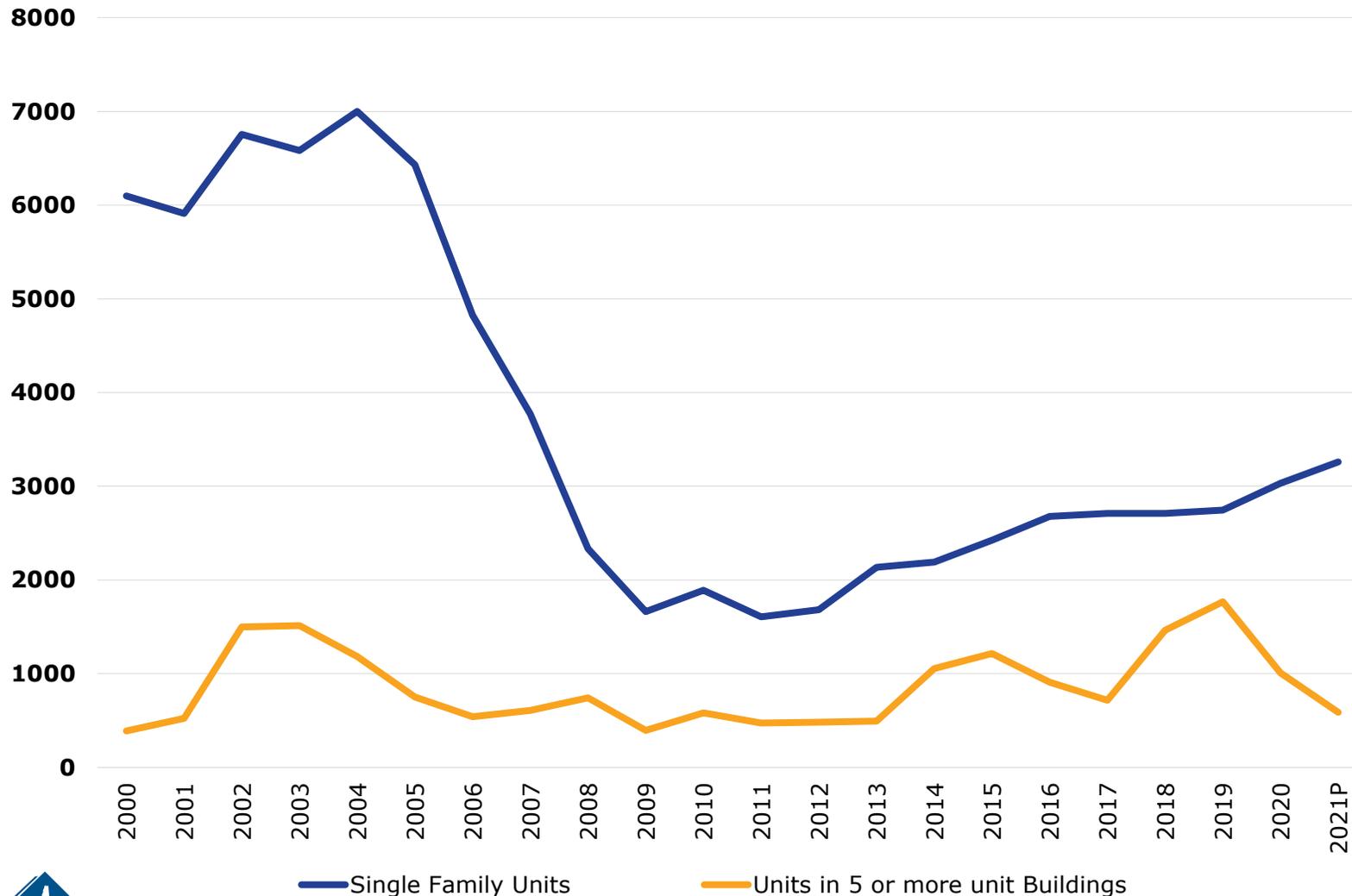


Less than 6 months of inventory is considered a ***seller's market.***



Source: NNEREN

NH Building Permits Lagging



With high demand and limited supply for rentals and purchase homes, *why aren't builders building more?*

Impediments to Housing Development



LUMBER
Development costs



LABOR
Workforce
availability



LAND
Finite, but intensity
of use is variable



LOANS
Financing



LAWS
Regulatory practices



Impediments to Housing Development



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Housing Challenge

- **Aging population**
- **Younger adults with higher debt load impacts affordability and savings**
- **Older adults want to grow old in their home or in their community**
- **Mismatch of housing stock for a changing demographic & economy**
 - ❑ What are the housing options we have now?
 - ❑ What do the current and future residents of the region need?
 - ❑ What do we allow?
- **Demand for similar housing shared by older and younger people**
- **Need a variety of solutions**
- **Local resistance to housing development**



AARP Survey

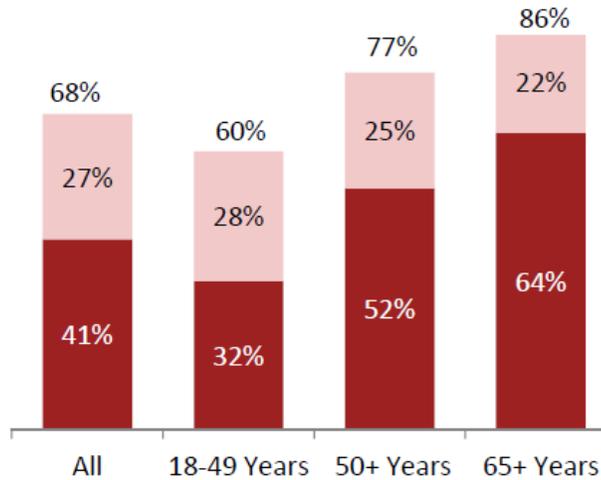


Home & Community

Preference to remain in their community or current residence is stronger in older age groups.

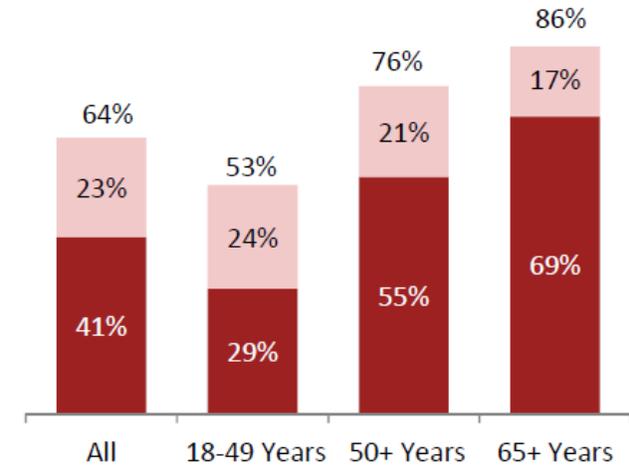
“What I’d really like to do is remain in my community for as long as possible”

■ Strongly agree ■ Somewhat agree



“What I’d really like to do is stay in my current residence for as long as possible”

■ Strongly agree ■ Somewhat agree



Q1: How strongly do you agree or disagree with the statement: What I’d really like to do is remain in my community for as long as possible?

Q2: How strongly do you agree or disagree with the statement: What I’d really like to do is stay in my current residence for as long as possible?

Source: 2018 Home and Community Preferences Survey: A National Survey of Adults Age 18-Plus



AARP Survey

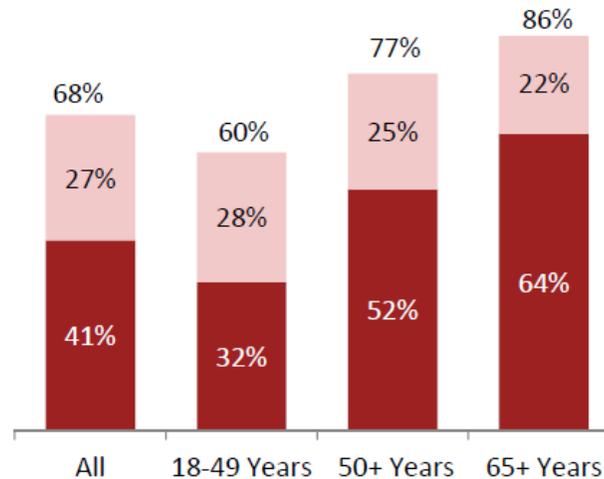


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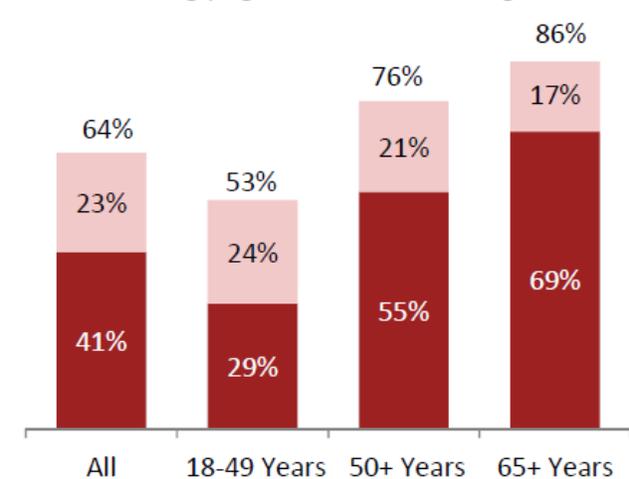
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Source: 2018 Home and Community Preferences Survey: A National Survey of Adults Age 18-Plus



Additional Resources

www.nhhfa.org/publications-data/

Reports and Data

- Housing Market Reports
- Annual Rental Cost Survey
- Studies of home building costs, tax credit rental property residents

Housing Advocacy/Technical Assistance

- Municipal Technical Assistance Grants Program
- Housing conferences
- Local housing advocacy grants
- Resources for Change



<https://nhfpi.org/>



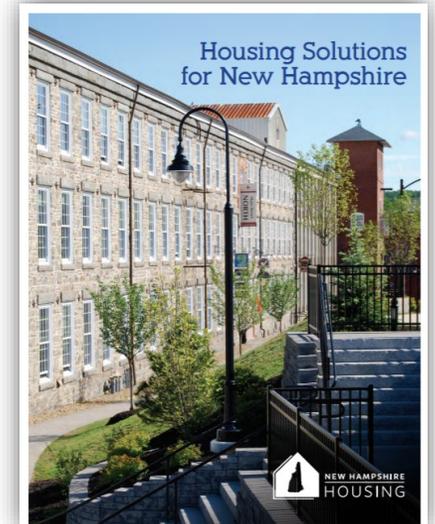
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BLOG

Worsening Housing Shortage Reduces Access to Affordable Homes in New Hampshire

May 4, 2022



What's Hopkinton doing about Housing?

The Vision:

Provide a range of housing options including affordable single-family homes, multi-family homes, and ACCESSORY DWELLING UNITS that blend with the historic character are available to accommodate residents of all ages.

From the Draft 2022 Master Plan (p 1.3)

The Tools:

- ***Dimensional Requirements***
- ***Affordable Housing Chapter***
- ***Accessory Dwelling Units (In-Law Apartments)***
- ***Conservation Subdivisions***
- ***Overlay District***

Dimensional Requirements

- ❑ Summary of ordinance requirements for minimum lot sizes required to permit a single-family home
- ❑ Minimum lot size in most of Hopkinton and Contoocook is 2.75 acres/ 120,000 SF
- ❑ “High Density Residential” (R-1) allows 1.4 acres/60,000 SF
- ❑ Highest residential density permitted by right is in VR-1: .34 acres/7,500 SF

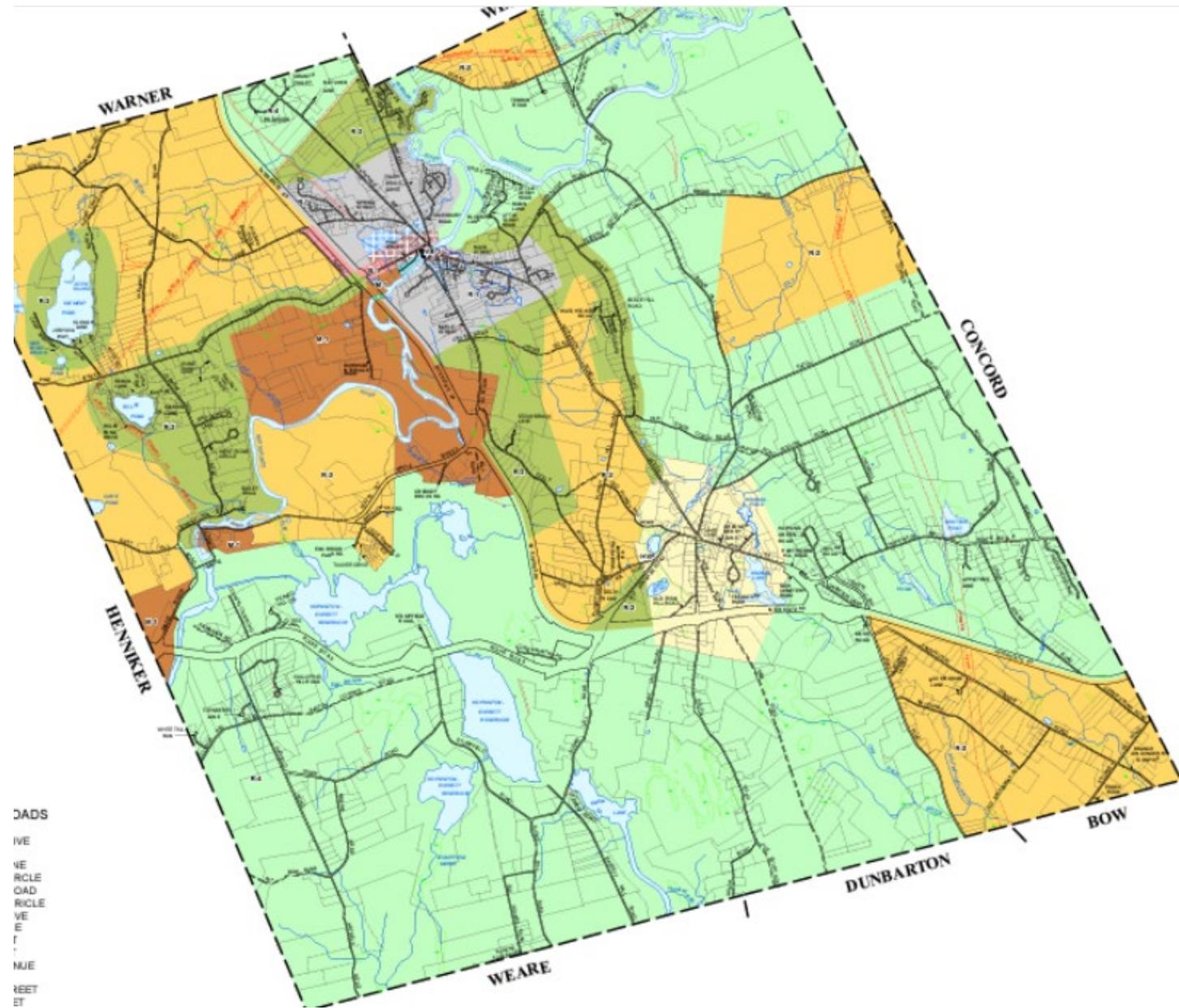
| TABLE OF DIMENSIONAL REQUIREMENTS | | | | | | | | | |
|-----------------------------------|-------------------------------------|----------------------------------|-------|--|-----------------|------|--------------------------|-----------------------|-----------------------|
| Districts | Minimum Lot Dimensions ^a | | | Minimum Setback Dimensions ^a (ft) | | | Max. Height of Structure | Max. % Bldg. Cvge/Lot | Min. % Open Space/Lot |
| | Area (sf) | Continuous Frontage ^g | Depth | Front | Side | Rear | | | |
| R-4 ^b | 120,000 | 300 | 200 | 60 | 30 | 60 | 35 | 20 | 70 |
| R-3 ^b | 120,000 | 300 | 200 | 60 | 30 | 60 | 35 | 20 | 70 |
| R-2 ^b | 80,000 ^d | 250 | 140 | 40 | 20 | 40 | 35 | 30 | 30 |
| R-1 ^b | 60,000 ^e | 160 | 120 | 30 | 15 | 40 | 35 | 30 | 30 |
| R-1 (other than residential) | 15,000 | 100 | 100 | 25 | 15 | 40 | 35 | 30 | 50 |
| B-1 ^{c k} | 15,000 ^f | 80 | 80 | 30 | 15 | 40 | 35 | 40 | 30 |
| M-1 ^{c k} | 110,000 | 250 | 300 | 50 | 40 ^h | 50 | 45 | 40 | 30 |
| VR-1 ^j | 15,000 ⁱ | 80 | 80 | 30 | 15 | 40 | 35 | 40 | 30 |
| VB-1 ^l | 7,500 ⁱ | 50 | 100 | 0 | 10 | 10 | 35 | 60 | 20 |
| VM-1 ^{j l} | 55,000 | 150 | 200 | 25 | 25 | 25 | 35 | 50 | 30 |

43,560 SF per acre
10,890 SF in a quarter acre

Zoning Map

ZONES

- COMMERCIAL (B-1)
- HOPKINTON VILLAGE PRECINCT (HVP)
- INDUSTRIAL (M-1)
- HIGH DENSITY RESIDENTIAL (R-1)
- MEDIUM DENSITY RESIDENTIAL (R-2)
- LOW DENSITY RESIDENTIAL (R-3)
- RESIDENTIAL/AGRICULTURAL (R-4)
- VILLAGE HIGH DENSITY RESIDENTIAL (VR-1)
- VILLAGE COMMERCIAL (VB-1)
- VILLAGE INDUSTRIAL (VM-1)



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<https://www.hopkinton-nh.gov/planning-development-building/files/zoning-map-hvp-excluded>

Affordable Housing in Hopkinton's Zoning

- ❑ Not permitted in largest district (R-4)
- ❑ Minimum lot sizes are reduced in selected districts:
 - ❑ R3: from 2.75 acres to 1.4 acres
 - ❑ R-2: from about 2 acres to about 1 acre
 - ❑ R-1: from about 1.4 acres to about 1 acre
 - ❑ VR-1: it's complicated

Hopkinton's Affordable Housing Ordinance is a strong tool to address the cost of housing in Town. Continuing to utilize this tool, ensuring its ease of use, and compliance with relevant RSAs and case law will strengthen its impact.

From the Draft 2022 Master Plan (p 2.3)

| Density | Square Feet Per Dwelling Unit |
|---|--|
| R-3 | 60,000 sq. ft. |
| R-2 | 45,000 sq. ft. if neither public water or sewer. |
| | 40,000 sq. ft. if public water but no sewer. |
| | 35,000 sq. ft. if public water and sewer. |
| R-1, VR-1 | 40,000 sq. ft. if neither public water or sewer. |
| | 35,000 sq. ft. if public water but no sewer. |
| | 30,000 sq. ft. if public water and sewer. |
| B-1 and VB-1 (special exception), R-1 and VR-1 within Contoocook Precinct Elderly Affordable Housing. | 15,000 sq. ft. and 2,000 sq. ft. for each dwelling unit more than one in a building. |

Conservation Subdivisions and Accessory Dwelling Units in Hopkinton's Zoning

- ❑ Conservation Subdivisions allow for smaller lots if developer can show that they are not building any more homes than would have been allowed under regular zoning and the undeveloped land is preserved as open space.
- ❑ If development incorporates 20% of units as senior/affordable housing, a 25% increase in the number of dwelling units is allowed.
- ❑ If development includes a combination of senior and affordable housing units, a 30% increase is available.
- ❑ Accessory Dwelling Units ("in-law apartments")
- ❑ In 2017, NH RSA 674 was amended to require all towns allow ADUs in any zone where single-family homes are allowed
- ❑ Hopkinton adopted zoning changes to comply with the law which were further updated in 2019
- ❑ Ordinances asserts that ADUs "shall be deemed a residence of workforce housing"

What are NH Towns Obligated to do in terms of Housing?

- ❑ In 2008, the New Hampshire Legislature passed a law that requires every community to provide “reasonable and realistic opportunities” for the development of workforce housing. New Hampshire’s workforce housing statute (NH RSA 674: 58-61). The statute defines “workforce housing” and what is considered “affordable.”
- ❑ New Hampshire is not a “home rule” state, which means all municipal power derives from a Legislative grant. RSA 672:1, III-e states that housing that is affordable to low- and moderate-income households “shall not be prohibited or discouraged by use of municipal planning and zoning powers or by unreasonable interpretation of such powers.”
- ❑ The NH Supreme Court ruled in *Britton v. Town of Chester*, 134 N.H. 434 (1991), that municipalities are obliged to provide such households with a reasonable and realistic opportunity to obtain affordable housing, and that a municipality’s zoning cannot be used prevent “outsiders of any disadvantaged social or economic group” from moving there.

Workforce Housing: Definition in Law

- ❑ New Hampshire RSA 674:58-:61, the state's workforce housing law, defines income and affordability ranges.
- ❑ For Rentals:
 - ❑ TO be considered Workforce Housing, maximum gross rent (inclusive of utilities) should be affordable to a family of three earning 60% of Area Median Income
 - ❑ For Merrimack County in 2022, this means a gross rent of \$1,430/month
 - ❑ Affordable to a family earning \$57,130
- ❑ For Homeownership:
 - ❑ To be considered workforce housing, maximum home purchase price must be affordable for a family of four earning 100% of Area Median Income
 - ❑ For Merrimack County in 2022, this means a purchase price of \$330,000
 - ❑ Affordable for a family earning \$105,800

Questions to Consider

- ❑ Are we comfortable that our town is meeting its obligation to provide reasonable and realistic opportunities for the development of workforce housing?
- ❑ Does new market-rate housing being built in Hopkinton align with the hopes and needs expressed in the Master Plan survey?
- ❑ Is the Affordable Housing Ordinance truly “a strong tool to address the cost of housing in Town?” How can we make that determination?

The image displays three screenshots of realtor.com listings for properties in Hopkinton, NH. Each listing includes a main image, a virtual tour link, and key details such as price, estimated monthly payment, and property specifications.

- Listing 1 (Left):** 39-1 Maple St. Presented by Laurie Norton with The Masiello Group Manchester. Price: \$749,900. Est. \$4,979/mo. 4 bed, 3 bath, 2,250 sqft, 3.19 acre lot. Status: For Sale.
- Listing 2 (Middle):** 756 Clement Hill Rd. Presented by Pamela Perkins, Brokered by Four Seasons Sotheby's International Realty. Price: \$4,750,000. Est. \$38,674/mo. 5 bed, 5.5+ bath, 11,290 sqft, 70 acre lot. Status: Contingent.
- Listing 3 (Right):** Old Stagecoach Rd Lot 54-2. Presented by April Dunn with April Dunn & Associates Llc. Price: \$899,900. Est. \$5,974/mo. 4 bed, 2.5 bath, 2,820 sqft, 3.04 acre lot. Status: For Sale.