DRAFT MINUTES
Durham Housing Task Force
February 19, 2024
10:00 am – Council Chambers

Housing Task Force members present
Sally Tobias, chair
Charlotte Hitchcock
Chuck Hotchkiss, Council Rep
Al Howland (joins in person at 10:04 am)
Michael Mulhern ("Michael M")
Eileen Murphy
Paul Rasmussen, Planning Board Rep
Michael Saputo ("Michael S")

Others Present
Michael Behrendt, Town Planner ("Michael B")
Nick Taylor advisor, Workforce Housing Coalition

Members of Public
Heather Grant
Robin Mower (Zoom)
Janet Perkins-Howland
Russell Archambault and Summer Pan, RKG, Needs Assessment presenters

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Call to order 10:00am

Approve Agenda
Al makes a motion
Michael S seconds
Approved with consensus

Public Comments
none

Approval of January 29 minutes
Al makes a motion
Paul seconds
Approved with consensus

Reports from Committee Members and Advisors:

Planning board (Paul): Zoning ordinance changes were presented on 2/21, public hearing scheduled for 2/28. Some changes presented: reducing zones included to just OR, redistricting ORLI to remove Mast Road area. (Sally) Housing Task Force members encouraged to attend public hearing. (Michael B) If members would like to recommend any changes we can discuss that today.

State: Nick: Special Committee on Housing met Friday to discuss a number of bills. The ADU bill was not discussed due to lack of time. Will be discussed in early March. Proposal to double amount of Real Estate Transfer Tax going toward affordable housing (from $5M to $10M).
Al: One bill is working on definition of abutters. Would limit the ability of non-abutters to speak at appeals.
Nick: Housing Action NH is a good place for a comprehensive list of all housing-related bills.

-Charlotte Hitchcock joins at 10:09

<u>Presentation of Draft Housing Needs Assessment:</u>
Russ: Hoping to convey how Durham's needs differ from the region and provide recommendations.

Summer: Durham was divided into 4 census tracts for analysis.
Demographic Trends
- Disproportionate share of non-family renter households
- Population gains mostly due to new student housing (primarily in 802.04)
- Family-forming households are leaving town (age 34-54) 32% decline since 2011. Note "current" Census data is from 2021 and was likely impacted by Covid.
- Covid job-losses have not recovered in Durham, but they have elsewhere in the state and country.

Housing Trends and Characteristics
- Durham's median home value is relatively high ($404,200 – self-reported)
- Median rent is $3,000-$4,000
- Durham has an expensive local housing market – therefore developing workforce housing is challenging

Housing Market Trends
- Older single family homes are the primary housing type
- Development interest shifting – senior, commercial student housing
- This shift has increased density
- Newly built homes are not affordable ($500,000+ - from assessed values)
- Homes are becoming larger and more expensive

Housing Affordability Supply-Demand Gap
- Shortage of 67 ownership homes
- Shortage of 603 rental units

UNH Enrollment and Student Housing Trends

- Since 2019 enrollment trending down, expected to stay unchanged over next decade
- On-campus bed-count is also down
- Off-campus beds have increased

Fair-share Housing Production Model

- UNH Students: the model excludes UNH students from future population growth, but they are included in total population.
- Where students live will impact housing demand, but this model can't capture that.
- The model has not fully excluded the impact of current UNH students
    - Issues:
        - 1) State assumptions don't include student impact
        - 2) Students can't be excluded from employment data
    - Students inflate housing demand projections
    - To mitigate issues:
        - 1) Durham-level data used
        - 2) UNH and ACS data used to approximate student's share of off-campus housing
    - As a result the adjusted workforce housing need is approx. 455 units (259 owner households, 196 renter households)

Land Capacity for Future Development

- Strafford Regional Planning Commission data used
- Divided into categories and mapped (see needs assessment document page 7-3)

Compliance with NH's workforce housing policy goals - recommendations

- Adjustments to zoning are required to encourage greater choices and affordability
- Site-specific or Targeted Areas Approach
    - There are certain areas that are best for more dense development
- Inclusionary Zoning is an available tool – incentivizes builders to develop workforce/affordable units as part of their development in exchange for increased density

Questions

Charlotte: where does 300 SF come from in Map 7-3?

- Minimum space needed for an ADU

Al: We have met the need for student housing, and we have limited space for future development, what's the right mix of workforce housing in one of these tracts recommended for development?

- It's going to come down to the developer's interest and should require some input from the town.

Todd Selig on Zoom: this presentation will be repeated tonight on Zoom

Heather Graham, Emerson Road: Factual question about whether 30% of our supply of single-family homes are available as workforce housing.

- This is according to census data, so home values are likely skewed low and a little dated.
- In addition, those making above $120% AMI are paying less for houses in Durham than they can afford. We could provide more higher end options and this would leave more options for people earning 80-120% AMI.

Heather: still unclear on why the values of single-family homes (listed on page 4-9) are lower than what we know from recent assessment data.

- The ACS/Census data was used for this to be consistent with other data in the study. This is a limitation.

Heather: wants to note the sales information indicates that less than 20% of homes are affordable to homebuyers who qualify as workforce.

Paul: How are LLCs which own rental properties counted?

- We are missing data on exactly how many homeowners are renting their properties out. LLCs are the obvious ones, we can't tell if there are more out there. Some municipalities track homes that are rented.
    - Part of the motivation for using census data is that it distinguishes renters from owner-occupied households.

Paul: I was referring to homeowners who form LLCs and live in their homes.

Robin Mower, Britton Lane: What do you see as the most vulnerable significant conclusions

- The biggest vulnerability for Durham is the halt on multi-unit development we've seen in the last few years (since a number of undergrad housing units were developed)

Robin: the re-phrase, in developing this report, which areas did you find to be the least reliable?

- Effects of Covid on data is significant, so data will need to be checked and updated over time, but this is always part of the process.

Heather Graham: after reviewing many years of sales data, you can see that the buyer's/owner's address is different from the home address to determine renter-occupied status.

Robin Mower: "need" is used repeatedly. What are we talking about?

- People who are currently paying more than 30% of their gross monthly income are considered cost-burdened.
- The state goal for workforce housing was used to determine the need for 455 units in Durham

Robin: are you generally talking about needs of future residents?

- Yes, 455 units as a "need" refers to future growth – units that will be needed by 2040

Sally: Can you elaborate on the Covid impacts on data about family households leaving Durham?

- During Covid there was a shift in family-age people moving out of Durham (ages 35-54). During the next update, we may see a rebound in this age group.
- There's a good chance those in this age group that left were replaced already.

Michael B: as the town discusses a potential site for workforce housing, the town has heard concerns that the schools are at capacity. Some are worried that more affordable prices will draw families in particular. Do you have thoughts on this?

- Millennials are not having families of the same size as previous generations, and their having children later. There are relationships between family size, rental units and school populations. If 2 or 3-bedroom units are available, you will have small families living there, and the rental market can cause more rapid changes in student populations. It would be wise to analyze these things as part of development considerations.

Todd Selig: What is the impact of housing on carbon emissions from transportation? Durham doesn't have many jobs, so those moving here will be commuting.

- If people work in Durham there's an argument that housing here reduces transportation emissions. (Like graduate school students and UNH employees). If people are not working here, living here may not make sense for most people.

Michael M: Clarify the "need" of 455 units, and the "shortage" of rental/ownership units shown in Figure 4-6.

- 455 is based on the SRPC formula for how many units Durham should aspire to build. This analysis is based on state-level information, so it's less realistic.
- The "shortage" (67 ownership homes, 603 rental units) is based on current need. It's the number of people who are living in homes that are unaffordable to them. This data is probably skewed by students who earn next to nothing, but have expensive housing.

Should we add the 455 and 669 to get the true need?

- The better approach is to work on the current shortage of 669 units.

Al: a key takeaway is that we are going to need to do the needs analysis again in 4 or 5 years in order to tell whether we are making any impact on the shortage.
Paul: Map 6-7, there is no water/sewer in the northwest corner of town, so these areas should be removed from the "access to utilities" group.
Todd Selig: Figures 4-6 and 4-7 are not intuitive.

- The lack of homes affordable to those earning less than 80% of AMI (for buyers) and those earning less than 60% AMI (for renters) means those groups have to spend more than 30% of their income on housing.
- The lack of homes on the higher end means those earning greater than 120% AMI are consuming some homes that would be affordable to those earning less than them. (This cuts into the supply for middle-earners).

Michael: Has received a number of comments by email for clarifications, additions. Please email any additional comments to him by 2/19.

-RKG Presentation concludes

Discussion of impact of housing on public schools.
Al: I think we'd benefit significantly from a better understanding of how schools are funded. People may be confused by the cooperative school district model. There are a lot of myths flying around about the cost of expansion.

Charlotte: if enrollment dropped it would be detrimental to the town, right?
Al: Then we would tuition students in.
Michael B: When Durham adds assessed value to our town without adding students, the burden for Durham increases. If we add students in proportion to our town's assessed value, Lee and Madbury help bear the burden.
Sally: so it's not a direct line between more students and higher taxes?
Al: No, it's far more complicated than that. The history is complicated and as the Housing Task Force we could help provide information to the community.
Sally: Does the Middle School have capacity to expand?
Al: Yes, the elementary level is trickier. Moharimet is at capacity. Mast Way has the potential to expand.
Sally: what's the danger of a decrease in student population?
Al: Your cost per pupil goes up. The school still has fixed costs and less funding due to fewer students.
Nick: NH Housing is working on a study to show how many children are generated by certain housing types. This is an update of a study that was done 15 or so years ago and it needs updating since demographics have changed. This should be available in the next few months.

Discussion about Potential Zoning Changes related to Workforce Housing
Michael B: 2/28 public hearing, task force members are encouraged to attend.

- Some questions have come up around how we define income and set income levels.

Outreach to the Community
Al: Outreach to the community and conveying everything we've learned to the community should happen sooner rather than later.
Michael: do we want to provide public outreach in addition to the public hearing at the planning board?
Eileen: yes.
Sally: some things brough forth in public hearing may not always be valid.
Paul: our educational pieces also need to be passed on to the Planning Board.
Charlotte: can we slow down the zoning ordinance amendment process, or speed up the outreach/education process?
Al/Sally: it seems we need an extra meeting
Paul: we should break this information into topic areas and create digestible presentations on each topic.

Michael S: Themes from individual and organization/employer interviews:
Individuals

1) Expense
2) Lack of availability
3) Undesirable roommates (taking them on out of necessity)

Organizations/Employers

1) Expense

2) Lack of availability
3) Distance of commute

Michael B – someone will have to present the ordinance amendment again
Paul: Public hearing will be open for 2? meetings, most likely. Public hearing will close then the board will re-write it. A new version will be created then will go up for public hearing. Then the board will decide if it's ready to go to Town Council. There's a chance this will go to Town Council by Memorial Day.

Michael S will summarize interview findings for presentation during Planning Board hearings.

Next meeting will be March 11
An extra meeting will be held March 25

Adjournment 12:18pm
Al makes a motion
Chuck seconds
All yes.