

DRAFT MINUTES
Durham Housing Task Force

April 8, 2024

10:00 am – Council Chambers

Housing Task Force members present

Sally Tobias, chair
Heather Grant, Council rep.
Charlotte Hitchcock
Al Howland
Eileen Murphy
Paul Rasmussen, Planning Board Rep
Michael Saputo (“Michael S”)
Judith Spang

Others Present

Michael Behrendt, Town Planner (“Michael B”)
Nick Taylor, advisor, Workforce Housing Coalition
Mimi Kell, Golden Goose Property
Jim Lawson, presenter

Members of Public

none

Call to order 10:03am

Approve Agenda with the addition of Community Outreach Planning and switching order of two presentations.

Al makes a motion
Paul seconds
Approved by consensus

Public Comments

none

Approve Minutes for January 8, 2024, February 19, 2024, and March 11, 2024

Paul makes a motion to approve all three.
Al seconds
Approved by consensus

Michael Saputo joins in person.

Reports from Committee Members and Advisors:

State (Nick Taylor): HB 1291 (ADU bill) allows 1st ADU by right, 2nd ADU by conditional use. Passed the House. (Michael B): the 3 unrelated rule would apply to ADUs.

HB1399 (duplex bill) would allow duplexes in areas of town that meet certain standards, similar to the fourplex bill from last year. Does not allow for single family homes to be torn down. (Michael B): I wish there was minimal language in this bill allowing for communities to set design standards. (Al): there would be resistance to design standards.

HB 1065 (sprinkler standards for size conversions) would reduce sprinkler requirements.

HB 1361 (manufactured housing flexibility) extends some workforce housing standards to include manufactured housing. (Michael B): would this bill allow manufactured housing parks? (Nick): this bill has been criticized for not actually having teeth. It's hard to say what the impact on Durham would be.

Off Campus housing (Mimi): impact of sophomore on-campus requirement. Upperclassmen sign-ups for on-campus housing have occurred, and off-campus housing is seeing a decreased in rentals. (Sally): are the rates the same? (Mimi): the rate was reduced to market rate, but units are still rented per bed. They can be rented to a group, such as a family. There are currently 400 beds on the market.

Town Council (Heather): routine business at last meeting. Passed the change to notify abutters by verified vs certified mail and post online vs in the newspaper.

10:11am Charlotte Hitchcock joins in person.

Presentation from Jim Lawson

Model for Estimating ORCSD Apportioned Budget Changes with New Housing

How does new/affordable housing effect what we pay in taxes in Durham?

Initially thought that mixing market rate housing with affordable housing was necessary to reduce the tax burden on existing residents, but with further analysis, found that a mix is not necessary. The impact is minimal.

Why a model is important?

The 2000 Master Plan miscalculated tax impact of new homes. Unsubstantiated recommendations were made to "stabilize" taxes. These recommendations have become myths the community has relied on for a long time.

Key inputs

Funding: Barrington tuition is critical to reducing apportion budget; town valuations are equalized; state aid is specific to each town.

Durham enrolls .473 children per household unit. In Strafford county it's .47. John Randolph pointed out that new housing developments don't all have the same level of enrolled children. Housing size has a big impact. The best numbers to estimate this are unfortunately really old, but it's the best we have.

State aid has to be included: various levels based on student characteristics (IEPs, free and reduced lunch eligibility). This will change over time - increase. State aid was not included in Durham's Master Plan and other models the town has looked at in the past.

Budget will have to increase when certain thresholds are reached (school capacity, staffing capacity, loss of tuition revenue due to inadequate capacity). These thresholds were not easily reached in Jim's model. When they are reached, they are distributed among all 3 towns.

Example results, review of model functionality. Allows for the housing development type to be adjusted (homes, apts.)

- There is an increase, but state aid reduces that total and property assessments of new homes actually reduce the overall tax burden.

Observations

- New housing is a minimal local burden for a lot of regional benefit.
- The higher the value of the new homes, the more it pulls down the tax rate, but affordable housing never pushes it above current levels.

Additional work

More research is needed to better approximate impact on municipal tax rate: impact on town services?, average number of children in new housing types, assess best mix of workforce and market rate housing, identify social and economic benefits of housing diversity, critical review of the RKG Housing Needs Assessment (in particular the information provided on the demographics of our community currently and need described). American Community Survey demonstration – high margin of error when looking at specific census tracts with low populations. Examples of local data sources. (See presentation slides for specific information.)

Questions

Judith: Can we see from your model what effect different types (costs) of housing might lead to.

Jim: Model can be used for affordable, workforce or market rate housing.

Nick: The student model is an extremely useful analysis. Thank you. The Strafford County Regional Planning Commission is updating their report for this year and vetting data sources thoroughly.

Sally: will we be able to use this model moving forward to crunch numbers moving forward?

Jim: There are some caveats to the model. The intent is for it to be available to anyone. If someone makes changes, please change the footers to reflect the author.

Judith: Curious about the high percentage of rental shown in the needs assessment.

Jim: The numbers are not as high as the RKG report might make you believe. But more work can be done to understand where renters live and who they are.

Paul: Regarding the skewed rental properties, this is caused partly by the large number of LLCs. Some LLC-owned properties are owner-occupied, but the analysis classified these as rentals.

Jim: A proper analysis of the tax database does not lead to 20% rental rate for the town. This was improperly analyzed.

Heather: Agreed, it's a lot of work, but sifting through the assessment data shows that we have closer to 10-12% of rentals. RKG also did not use town sales data so their sales numbers were off.

Presentation from Al Howland

ORCSD Overview

7 member school board – one from each town, 4 at-large members.

Advisory not statutory budget committee. School Board finalizes warrant articles in December. Public hearing in January. Deliberative session in February, towns vote on budget at elections in March. There's ample opportunity for the community to give input on budget.

School Board budget goal: will not increase more than 3.6-4.32% between 2023-24 and 2024-25 SY. Initial budget was too high, adjustments were made before the town vote.

Expenses:

Healthcare is a huge factor. In late October School Board learns estimate for health insurance increase. This year it was a \$1,000,000 increase.

Warrant Article 3: newly formed tutor unit. (passed)

Warrant Article 4: Field replacement fund. (passed) Was pulled out because it would spike the general budget if it was included there.

Retirement incentive: projects \$350,000 savings.

Revenue:

Barrington tuition adds \$68,395 new revenue. Total revenue = \$3,608,395

\$625,000 from Health Insurance, SPED, Expendable Trust fund.

In total, \$1,334,732 was offset from the proposed budget.

Town Apportionment

The state grant and state tax are currently caught up in two lawsuits. Net apportionment = Durham apportionment less state grant, less state tax.

Enrollment Projections: NSDEC is the standard resource.
Looking at historical enrollment, peak in Durham was 2017 and we've declined since.

Building Capacity: are the schools full? School Board sets the class size policy. Multiple class size by number of rooms and you can get a rough sense of capacity. There is plenty of room at the middle and high schools. The elementary schools are a little tight, but there are ways to handle an influx of enrollment in one grade level (multi-grade classrooms, shifting teachers, etc.) Mast Way technically has more land where space could be added.

Understanding how school funding works is critical to the debates we're having.

Questions:

Nick Taylor: Can you put a finer point on the elementary school piece of this? What happens if 10 kids are added at the elementary level?

AI: Kindergarten and 1st grade enrollment is the hardest to anticipate (it's not common to have an influx of 10 5th graders in a single year). An increase of 10 kids enrolling in elementary school is not unmanageable. 40 new kindergarteners in one year would require some problem-solving. At one point in history, Jim Morse proposed that rather than 2 K-4 schools, we should have a K-2 and a 3-4 school, but parents were not in support of that. There was extensive opposition.

Paul: One factor to keep in mind is that our developments aren't the only impact, a medium development here plus one in Lee and one in Madbury might have a big negative effect.

Michael B: It seems strange that apportionments across town are partly based on enrollment and partly based on a metric that seems to account for relative wealth. Why don't we have the same tax rate across towns for school funding?

AI: That's exactly what the SWEPT lawsuit is about. There are significant problems with education funding in New Hampshire.

Updates on Outreach

Sally (to Michael B): Can we get some videos from NH Workforce Housing Coalition on our website and link them in Friday updates? Also add these to presentations to the website.

Paul: We should share the presentation recordings, not just the slides so the information is not misinterpreted.

Judith: the most important thing would be to hear people's questions after they watch videos and take in the information we're sharing.

Sally: it's hard to gather people's reactions.

Heather: People have to reach out if they have something to share, our invitations to community dialogue will be a useful way to hear from people.

Paul: What do we want to accomplish before May?

Sally: Get things into the Friday Updates regularly.

Michael: We talked about a couple smaller community gatherings. Should we start work on those?

Al: we have the ORCR event that was postponed – do we bring that back? The closing of ORCR is April 20.

Sally: That may move ahead separately from our work.

Michael: 3 Friday Update topics: manufactured housing, duplexes, ADUs. Those are all proposed statutes currently. Does that make sense?
Yes, general agreement.

Nick Taylor: The Housing Toolbox has great resources.

Judith: Visuals are often the most impactful way to get support for duplexes. We should share visuals.

Al: Next meeting we need to finalize the RKG report.

Michael: comments have been sent back to RKG and we're currently waiting for the final version. It's up to the town to decide what the next steps (if there are next steps) would be.

Adjournment 12:08pm

Al makes a motion

Eileen seconds

All yes.