5. HOUSING

Changes in the economy, demographics, and regulations affect the provision of a housing market that can provide suitable housing for all of Chichester's residents. Recent efforts to update the Zoning Ordinance have provided additional opportunities for varied densities and types of housing to meet future demand. This Chapter reviews the public input received during the Master Plan process related to housing, provides a summary of recent trends, and provides an overview of recommendations that essentially support the existing framework of housing related regulations in Chichester.

CHAPTER VISION

Chichester's future is centered on the availability of a wide range of housing options for all residents. The Town should continue the use of available tools and regulations to support housing that allows for appropriate housing development to occur while continuing to protect the Town's rural character.

COMMUNITY SURVEY RESULTS

Community Survey responses by Chichester residents indicate support for new housing development that fits with the rural character of Chichester, including conservation/open space development and renovation and repurposing of existing homes and farmhouses. As shown in the survey responses below, single family homes and senior housing are the most preferred housing for Chichester. The survey indicated that 45.3% are in favor of allowing tiny homes, while 25.4% are not in favor and 29.3% had no opinion.

Community Survey Question #8:
What types of housing would you like to see Chichester encourage?

Housing Type	Strongly Want	Want	Do Not Want	Strongly Do Not Want
Single family	45.9%	46.5%	5.8%	1.7%
Two-family (duplex)	11.0%	43.6%	33.7%	11.7%
Multi-family (apartments)	6.3%	12.0%	37.7%	44.0%
Senior housing	18..8%	53.5%	16.5%	11.2%
Townhouses/condos	6.4%	29.3%	35.0%	29.3%
Manufactured housing	4.5%	30.3%	36.1%	29.0%
Mobile home parks	0.0%	7.7%	34.6%	57.7%

Community Survey Question #9:
Should Chichester allow tiny homes?

Area	Percentage
Yes	45.3%
No	25.4%
No opinion	29.3%

HOUSING TRENDS IN CHICHESTER TODAY

HOUSING STOCK AND SUPPLY

The following section of this Chapter summarizes recent housing data trends in Chichester and its abutting communities. Overall, Chichester has experienced a steady supply of new, single family housing units since 2010, with single digit numbers of permits issued for most of the 2010-2018 time span (Table 5.1). The exception is 2018, when the number of single family permits issued was 10, the highest number during this time period. It should be noted that multi-family and manufactured home permits were only issued sporadically throughout the period.

The housing unit data presented in Figure 5.1 shows the units by type in Chichester and adjoining communities, reinforcing the prevailing pattern of single family homes. Figure 5.2 identifies the number of houses with none, one, two, three, and four or more bedrooms in Chichester and the surrounding communities. With the exception of Pittsfield, the communities in Figure 5.2 show that three-bedroom homes are the most prevalent. All of the surrounding communities have higher numbers of four-bedroom homes than Chichester.

JUNE 12, 2019 COMMUNITY VISIONING SESSION

The housing discussion at the Visioning Session focused on housing availability and housing types that meet the needs of residents of all ages. Some of the topics discussed included:

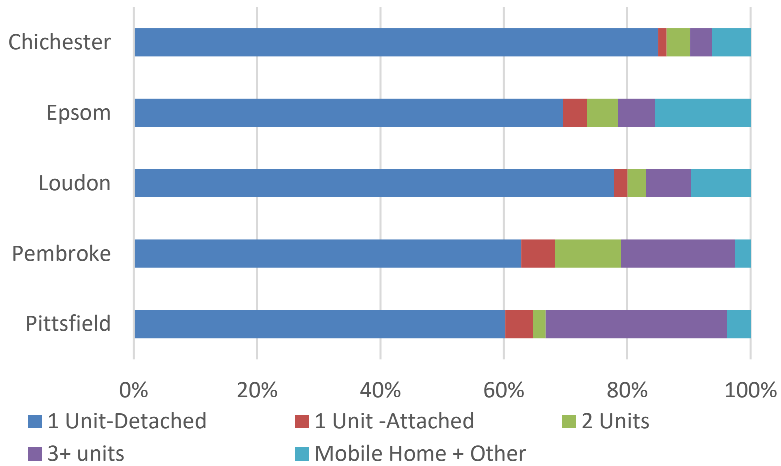
- Development of good quality rental housing can be cost prohibitive;
- Supply of rental housing in Chichester is limited;
- Supply of good quality starter homes is limited;
- Options for seniors to stay in Town must be considered, including cottage housing and incentives for senior housing units;
- Concern about housing availability for younger age cohorts, including those just entering the workforce and new families; and
- Incentives can and should be used to increase housing densities.

Table 5.1: Housing Units Permitted, 2010-2018

Year	Single Family	Multi-Family	Manufactured Home	Total
2010	8	3	0	11
2011	0	0	0	0
2012	2	0	1	3
2013	5	0	0	5
2014	9	0	0	9
2015	3	-1	1	3
2016	3	0	0	3
2017	5	0	2	7
2018	10	0	0	10

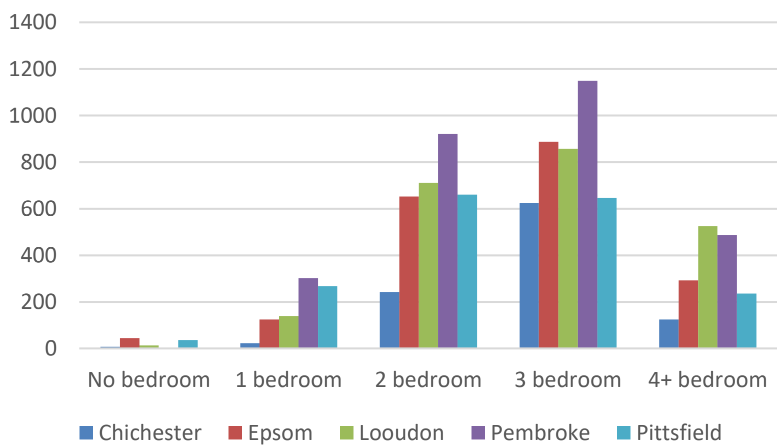
Source: NH Office of Strategic Initiatives, 2019

Figure 5.1: Housing Stock, By Type



Source: American Community Survey 2014-2018

Figure 5.2: Number of Bedrooms in Homes



Source: American Community Survey 2014-2018

When reviewing the age of homes in Chichester (Table 5.2) trends are similar to those seen statewide. The greatest rate of growth was experienced in the 1980s, and that rate of growth continued at a slightly lower pace through 2009 as the housing market slowed.

Table 5.2 Age of Homes in Chichester

Home Age	Number of Homes	Percent
2014 or later	17	1.7%
2010-2013	39	3.8%
2000-2009	179	17.5%
1990-1999	145	14.2%
1980-1989	203	19.9%
1970-1979	120	11.8%
1960-1969	32	3.1%
1950-1959	47	4.6%
1940-1949	16	1.6%
1939 and earlier	223	21.8%
Totals	1,021	100%

Source: American Community Survey 2014-2018

Table 5.3 presents the number of owner-occupied and renter-occupied housing units in Chichester and the surrounding communities. It is of interest to note that Chichester has a lower rate of renter occupied housing units than each of the surrounding communities.

Figures 5.3 and 5.4 present the age of both homeowners and renters in Chichester and surrounding communities. Chichester's rate of home ownership by residents between the ages of 35 and 64 is similar to that experienced in surrounding communities, while the rate of renters aged 35-64 is lower than the rate in each of the other communities.

Table 5.3: Housing Occupancy

Community	Owner Occupied Units	Percent Owner Occupied Units	Renter Occupied Units	Percent Renter Occupied Units
Chichester	877	91.7%	79	8.3%
Epsom	1,410	79.5%	363	20.5%
Loudon	1,762	84.9%	313	15.1%
Pembroke	1,989	76.2%	621	23.8%
Pittsfield	988	57.7%	723	42.3%

Source: American Community Survey 2014-2018

Table 5.4: Average Household Size

Community	Average HH Size of Owner Occupied Units		Average HH Size of Renter Occupied Units	
	2006-2010	2014-2018	2006-2010	2014-2018
Chichester	2.75	2.63	1.32	3.89
Epsom	2.83	2.73	3.11	2.05
Loudon	2.80	2.78	2.62	1.87
Pembroke	2.55	2.85	1.95	2.41
Pittsfield	2.72	2.48	2.55	2.28

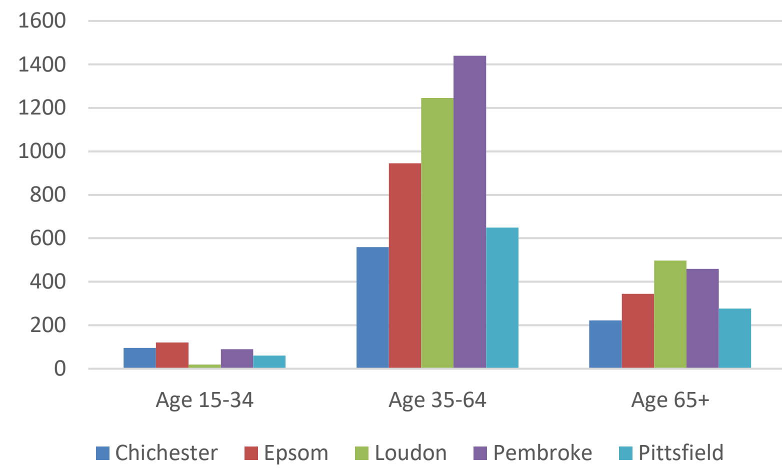
Source: American Community Survey 2006-2010 and 2014-2018

COTTAGE DEVELOPMENT

Within the Village Center Overlay District, provisions for Cottage Development could be added. Cottage Development is a type of cluster development where smaller than typical units are grouped around common areas and facilities. Often Cottage style units are freestanding and are attractive to both single persons and senior residents wishing to downsize.

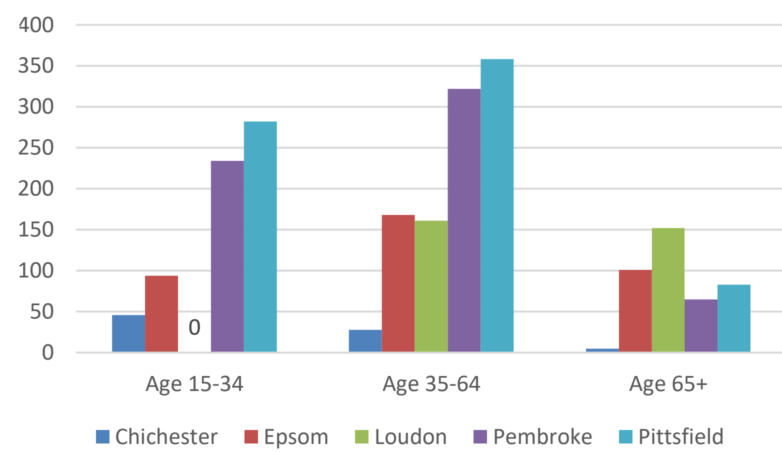
There are examples of successful Cottage-style developments in New England and beyond. Cottage development would be more consistent with the intent of maintaining the rural, traditional land use atmosphere while providing alternative and affordable housing in Town, especially when compared with traditional multi-family and duplex developments.

Figure 5.3: Age of Homeowners



Source: American Community Survey 2014-2018

Figure 5.4: Age of Renters



Source: American Community Survey 2014-2018

As shown in Table 5.4, the decrease in average household size between 2010 and 2018 for owner-occupied homes in Chichester is similar to national and state trends. The only surrounding community with a gain in average owner occupied household size is Pembroke. In comparison, Chichester has the highest renter occupied household size increase over the same period.

Cost of Housing

The estimated value of owner-occupied housing by range is displayed in Table 5.5. A total of 448 homes (51.1%) are estimated to have a value between $200,000 and $299,999, while a total of 209 homes (24%) are estimated as having a value of $300,000 or higher.

Table 5.5: Owner-Occupied Housing Value by Range

Range	Number of Units	Percentage
Less than $50,000	49	5.6%
$50,000 to $99,999	0	0.0%
$100,000 to $149,999	38	4.3%
$150,000 to $199,999	133	15.2%
$200,000 to $299,999	448	51.1%
$300,000 to $499,999	177	20.2%
$500,000 to $999,999	24	2.7%
$1,000,000 or more	8	0.9%
Total Owner-Occupied Units	877	-

Source: American Community Survey 2014-2018

The comparison of median home values and gross rent[1] between Chichester and adjoining communities is shown in Table 5.6. Chichester's estimated median home value exceeds all communities as does the median rent. Chichester's median home value and median rent exceeded Merrimack County's numbers for median home value at $232,100 and median rent at $1,024 from 2014-2018. Chichester's median home value was below the State of New Hampshire's by $600 but exceeded median rent by approximately $50.

Table 5.6: Median Home Value and Rent

Community	Median Value	Median Rent
Chichester	$252,200	$1,128
Epsom	$229,300	$1,040
Loudon	$233,700	$1,039
Pembroke	$221,100	$1,059
Pittsfield	$196,400	$825

Source: American Community Survey 2014-2018

[1] Gross Rent is defined as the amount of contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, kerosene, wood, etc.) if these are paid for by the renter (or paid for the renter by someone else). Gross rent is intended to eliminate differentials which result from varying practices with respect to the inclusion of utilities and fuels as part of the rental payment. (US Census Bureau)

Based on the assumption that no more than 30% of a household's income should be spent on housing, it is estimated that 65.8% of households that rent are in this category (Table 5.7). Owner-occupied households that exceeded this threshold (Table 5.8) are at 29.6%.

Table 5.7: Gross Rent as Percent of Household Income

	Occupied Rental Units	Percent
Rent < 20% HH Income	16	20.3%
Rent 20%-29.9% of HH Income	11	13.9%
Rent > 30% HH Income	52	65.8%
Not computed	0	-
All Renter Household	79	-

Source: American Community Survey 2014-2018

Table 5.8: Owner Household Monthly Costs

Owner Households by Monthly Costs – With mortgage	
Monthly Costs < 20% of HH Income	69.9%
Monthly Costs 20%-29.9% of HH Income	33.6%
Monthly Costs > 30% of HH Income	29.6%
Not computed	-
Total Owner-Occupied Households	-
Owner Households by Monthly Costs – Without mortgage	**Percent of Units**
Monthly Costs < 20% of HH Income	59.3%
Monthly Costs 20%-29.9% of HH Income	29.7%
Monthly Costs > 30% of HH Income	10.9%
Not computed	-
Total Owner-Occupied Households	-

Source: American Community Survey 2014-2018

HOUSING NEEDS ASSESSMENT

The Housing Needs Assessment (HNA) draws on U.S. Census data and considers demographic changes and projections and their potential impact on housing need. This information can then be used to help Chichester better plan for housing demand. The HNA begins with a base year (2010) analysis using U.S. Census data for the number of renters over and under the age of 65 years, as well as the number of homeowners of the same age. Ratios were then established between the number of people per household and the number of households in each of the four groupings (renters under 65; renters over 65; owners under 65; and owners over 65). Using the ratios and population growth projections from the New Hampshire Office of Strategic Initiatives, the estimated demand for owner and renter occupied housing units through 2040 was identified.

This section summarizes a projection of housing supply needs for the periods 2015 through 2040 in five-year increments in an effort to inform the community about the expected demand for housing in the future. It should be noted that the further out the projections go, the less reliable they may be. We are now in that period when the population projections are less reliable. The 2020 Census will be initiated in April of 2020 and the general population count will be available at the end of that calendar year. This will then give the projections a new base year and they will be updated in a few years after the 2020 Census. While there is still value in using this housing needs assessment to project housing need, it is important to acknowledge the limitations of using projection data that is less reliable. The overall assumptions of an aging population and slower growth are still occurring in NH.

Interpreting the Housing Needs Assessment

The Housing Needs Assessment can serve as the starting point for a dialogue in Chichester, including the following questions.

WHO CAN OR CANNOT AFFORD TO LIVE IN OUR COMMUNITY? CAN OUR CHILDREN AFFORD TO STAY OR RETURN TO THE COMMUNITY AS THEY MATURE?

As mentioned elsewhere, the aging population has come to account for a greater share of all households in the region and state and a resultant decrease in household sizes. Decreased fertility rates have further reduced household sizes with fewer children per household, and young families represent a smaller share of all households than they have historically. Planning for an increasing older population with lower median income and savings, less mobility, and different physical needs (such as single-level living) will continue to be essential in ensuring that this portion of the population can continue to live in Chichester.

Trends indicate that many young adults in their twenties and thirties are looking for opportunities to spend less time commuting in a car and are buying smaller houses later in life compared to their predecessors. First time home buyers are competing with a well-established senior population looking to down-size. It is important that planning and steps are taken so that the Town can sustain an adequate supply of affordable housing as well as economic and employment opportunities that not only attract but sustain young adults and families living or relocating to the community.

DO CURRENT HOUSING TYPES FIT CHICHESTER'S NEEDS? DOES THE ZONING RESPOND TO THE DEMOGRAPHIC NEEDS AND THEREFORE, THE HOUSING MARKET?

There is a projected need for 177 units (6 per year; one being rental) to meet demand between 2010 and 2040. This analysis suggests that there will be an increase in both owner occupied and rental units. Data indicates that while the zoning ordinance seems to accommodate the number and balance of housing types driven by demographics, allowing greater density by right, especially in rental developments, may lower costs for seniors and younger people just entering the workforce. The analysis also suggests that there may be a need for smaller homes to prevent future vacancy rates as demographic demands shift the demand to smaller homes to outweigh that of larger ones. Recent zoning changes (village nodes, cluster subdivision enhancements) will help to meet both these needs.

DO OUR SENIOR RESIDENTS HAVE SUFFICIENT ALTERNATIVES TO REMAIN IN THE COMMUNITY IF THEY CHOSE TO?

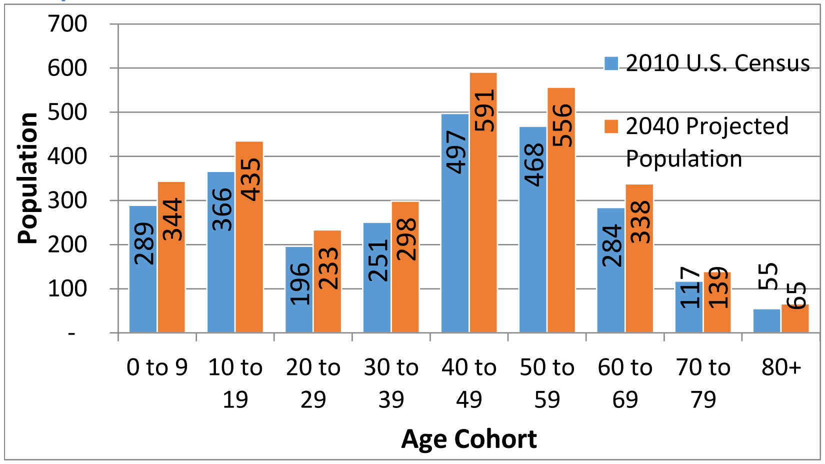
As more and more seniors choose to age in place, this desire is complicated by determining factors, including high rates of disability, lower median income and savings, declining caregiver population, and accessibility to amenities such a medical facilities and shopping. Amenities such as senior housing, walkable neighborhoods, transportation options, access to recreational opportunities, and community centers with senior programs will become more desirable. The newly adopted village nodes in the zoning ordinance serve this need.

Additional Details Provided by the Housing Needs Assessment

The housing needs assessment is based upon the Population Headship Tenure Model included in *The Evolving Environment and Housing's Future* produced by the NH Center for Public Policy Studies for NH Housing as part of the state's Housing Needs Assessment (2014). The model estimates the future need for housing using anticipated changes in household size, tenure, and age group. Headship is defined as the ratio of the number of household heads relative to the total population. For this model the headship ratio is computed for each population cohort and the total population. The projections are based upon headship rates by age group.

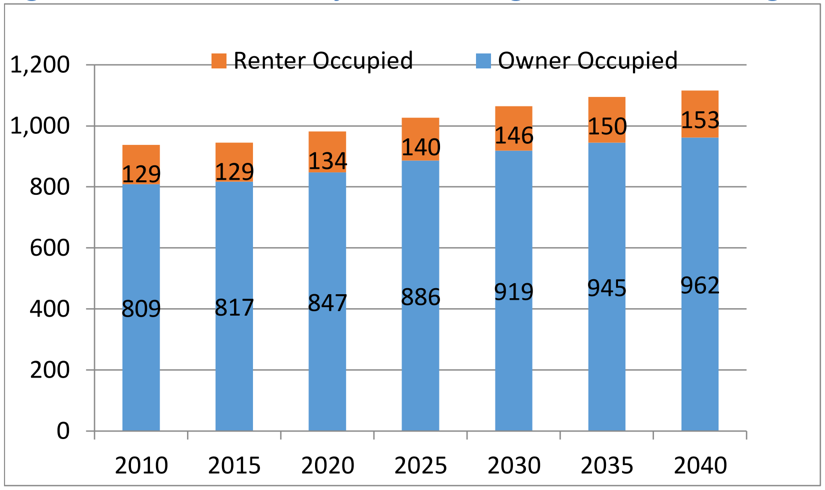
This housing needs assessment model accounts for these trends in smaller household size and older home ownership and thus presents a more accurate reflection of future housing production needs to meet demand of a changing demographic. For the Central New Hampshire Region as a whole, there was a projected need for as many as an additional 6,280 units to meet demand in 2020 from a base year of 2010 (*2015 CNHRPC Regional Plan*). It should be reiterated that 2020 Census date is not yet available. However, it should be noted that new units do not necessarily equal new structures. For example, a small apartment or accessory unit could be added with a single family home. Highlights of the HNA for the Region include: a need for approximately a 6% increase in housing every five years between 2010 and 2025; close to a 70/30 split, respectively, between owner-occupied and rental housing in 2015; and, about 47% of the rental housing needed by 2015 would be for those under 35 years of age or over 74 years of age. *For Chichester, there is a projected need for 177 units (6 per year; one of which would be a rental) to meet demand by 2040, from the 2010 base year. Data suggests: 1) the zoning framework seems to be fairly*

Figure 5.5: Chichester's Population by Age 2010 to Projected 2040 Comparison



Source: US Census & NH Office of Strategic Initiatives Projections 2016

Figure 5.6: Chichester's Projected Dwelling Unit Demand through 2040



Source: CNHRPC Calculations, 2019

close in responding to the demographic changes that are driving the housing market in that it allows for multiple types of residential uses, though primarily single family homes (please refer to the Chichester Zoning Analysis in the Land Use Chapter); and 2) Chichester's housing type mix seems to be fairly consistent with market demand; i.e. housing that is not too large or small in size. Additional observations based on the Housing Assessment process have found that:

- The percentage of overall population growth between 2010 and 2040 is around 19%. The 45 to 54 age cohort is growing the most at about 21%. Conversely, the population for ages 9 and under grows at about 11%. This reinforces the trend of an increasing aging of the population.
- The annual housing demand itself is somewhat modest at about six units, with one a rental unit.
- The overall increase in *all* units is about 19%.
- Rental housing stock is projected to remain at about 14% of the overall housing stock.
- Regionally, Chichester is projected to have the second smallest numeric increase of housing units, yet the second highest percentage increase. Pittsfield is projected to see an overall decrease, but this is tied to a decreased demand in rental units.
- US Census ACS data from 2017 shows Chichester with a vacancy rate of about 14% - the highest of its surrounding communities. It is important to note though, that the margin of error is almost 21%; therefore, the actual vacancy rate may not be 14%. Other communities, with the exception of Concord, also have vacancy rates within the margin of error. As a result, the vacancy rate for Chichester could be thought of as higher than the surrounding communities, though not exactly at 14%.

CURRENT HOUSING RELATED ZONING REGULATIONS

Open Space Conservation Development Ordinance

As described in the Existing and Future Land Use Chapter, the 2019 zoning update included revisions to the Open Space Conservation Development Ordinance (Section 3.19). The permitting process is governed by a Conditional Use Permit issued by the Planning Board. This allows for efficient and effective planning and permitting of each open space development. Such developments are allowed in all parts of Town provided there is enough acreage: 20 acres in areas where the minimum lot size is five acres; 15 acres in parts of Town where the minimum lot size is two acres; and, 10 acres in parts of Town where the minimum lot size is less than two acres. A simple yield plan process is used to determine the number of housing units and there is a range of permitted uses for the open space. Each use permitted in the open space is consistent with rural character and density incentives are used to prioritize the type of open space. For example, trails open to the public can enjoy a 5% increase in the number of units, while agricultural land and forest management will see 10% and 15% density bonuses respectively.

Accessory Dwelling Unit (ADU) Ordinance

The Accessory Dwelling Unit (ADU) Ordinance (Section 3.21) was adopted in 2017. This ordinance allows for ADUs Town-wide wherever single family homes are permitted. Further, it is consistent with current RSA changes regarding ADUs. This tool will enable Chichester to not only comply with current state law, but also allow for additional housing types that can serve changing demographics such as seniors downsizing or new graduates entering the workforce.

"TINY HOMES"

There has been an increase in the housing market for "tiny homes" over the past few years. These homes vary, but in general, they are small homes on a chassis that can be moved from one place to another. These types of homes can serve all kinds of purposes including downsizing for seniors, starter homes, and work force housing. Despite these benefits there are questions about how zoning ordinances and building codes should address these homes. The New Hampshire Legislature may take up the issue and provide guidance on such structures. Chichester, like many communities, could benefit from, and consider such guidance before developing local ordinances.

WORKFORCE HOUSING

In 2010, Chichester adopted a "Workforce Housing Overlay District" in an effort to comply with the state's Workforce Housing law (RSA 674:58). The District was developed following a 2009 study completed by the Town that considered the new law, census data, the zoning framework in place at the time, and Chichester's housing stock. The following year the District was repealed. In the context of the soils-based zoning, the District made sense originally. In 2019 the Town finally replaced soils based zoning while creating mixed-use, higher density village "nodes" along Main Street.

These changes, coupled with the Accessory Dwelling Unit (ADU) ordinance should increase the number of affordable units in Chichester by increasing density and encouraging a mix of uses, especially in the village. Also, it makes the subdivision process more straightforward general easier by eliminating the soil-based zones. Lastly, the streamlined cluster provisions should increase affordability by decreasing lot sizes and allowing for greater density via incentives. Moving forward, the Town should monitor development patterns and affordability indicators over the next five to ten years to determine if the new zoning situation alleviates housing costs.

OBJECTIVES OF THE CHAPTER AND RECOMMENDATIONS

The following objectives were developed that capture the overall aims of the chapter. Individual recommendations were developed that correlate to existing conditions and needs of the community.

OBJECTIVE 1:

Continue to promote a variety of housing choices that supports Chichester's residential areas and rural character.

→ Continue to promote the appropriate use of the Open Space Conservation Development Ordinance.

→ Continue to support the existing Accessory Dwelling Unit (ADU) Ordinance that allows for ADUs wherever single family homes are permitted.

→ Continue to support multi-family housing as a permitted use throughout the CI-MF zone.

→ Continually monitor the effectiveness of Chichester's Zoning Ordinance and Land Use Regulations related to housing choice and affordability.

OBJECTIVE 2:

Encourage and support appropriately scaled development along the Main Street corridor through a variety of measures.

→ Consider further implementation of the 2014 Community Design Charette, “A Village Center, Again” through the designation of small-scale mixed use development zones at Library Corner and Parade Corner.