



CNHRPC Full Commission Meeting
Meeting Summary
Thursday, October 14, 2021
7:00pm

Horseshoe Pond Dining Room
26 Commercial Street
Concord, NH 03301
or
Zoom Meeting

Commission Attendees: Diane Adinolfo, Town of Allenstown
Michael O'Meara, Town of Allenstown
Barbara Randall, Town of Boscawen
Steve Buckley, Town of Bow
Jim Bibbo, Town of Bradford
Tyson Miller, Town of Canterbury
Stan Brehm, Town of Chichester
Richard Bouchard, Town of Chichester
Matthew Hicks, City of Concord
Erle Pierce, City of Concord
Carol Foss, City of Concord
Keith Johnson, Town of Deering
Betsy Bosiak, Town of Epsom
Susanne White, Town of Hillsborough
Clarke Kidder, Town of Hopkinton
Stephen Caine, Town of Loudon
Kathy Cruson, Town of Pembroke
Emilio Cancio-Bello, Town of Sutton
Ken Milender, Town of Warner
Ben Inman, Town of Warner
Russell Tatro, Town of Webster

CNHRPC Staff: Stephanie Alexander, Senior Planner
Matt Baronas, Assistant Planner
Katie Nelson, Principal Planner
Matt, Monahan, Senior Planner
Michael Tardiff, Executive Director
Craig Tufts, Principal GIS/Transportation Planner
Dean Williams, Principal Transportation Planner

Public Attendees: Heather McCann, NH Housing Finance Authority

The meeting began at 7:03 PM, called to order by CNHRPC Chair Matthew Hicks. Matthew informed the group that the number of in-person participants needed for a quorum was not met so no formal business would be conducted, and the informal meeting would begin.

Speakers – Heather McCann, Director of Housing Research – New Hampshire Finance Authority

Mike Tardiff introduced the speaker for the evening, Heather McCann, and pointed out that work had just begun on the regional housing needs assessment, making housing a relevant topic. Mike also shared that housing has been discussed heavily on recent master plan updates.

Heather McCann began by introducing her role in the Policy Planning, and Communications team at New Hampshire Housing, as the Director of Housing Research. She shared an array of the reports produced by New Hampshire Housing that can be found on their website. She highlighted that her presentation would be taken from the annual Residential Rental Cost Survey Report. This report is a statewide survey of market rate apartments that provides a comprehensive view of the rental market, having garnered responses from just under 25,000 owners and managers of market rate unsubsidized apartments.

Heather presented a graph on median gross rental cost increases from 2011 to 2021 in all of New Hampshire. Gross rent is defined by contract rent plus utilities. The trend shows a steady increase in rents. Heather highlighted that in the past year two-bedroom units median gross rent has increased by 6% and all units by 7%. Additionally, she showed that in the past five years the median gross rates have also increased by 24% and 23% respectively. Heather, also pointed out that renter income has not followed this same trend, forcing renters to pay more for units than they can afford. Heather provided insight on how they define “affordability” assigning the term a 30% housing cost burden.

Heather continued to show the trends in median gross rent, now based on county. She showed that these increases are a problem all over the state, not just in the hottest markets.

Next, Heather presented a graph showing vacancy rate of residential rental units to emphasize a lack of supply in the state. Both two-bedroom units and all unit’s vacancy rates are below 1%. Heather again, showed that this trend is not county specific. A graph showing vacancy rates in each county illustrated that the problem stretches the whole state. Heather explained that a Balanced Rental Market sees vacancy rates at 5% and an apartment Turnover Rate is 3%, providing context for the challenge of a low vacancy rate.

Heather then presented another graph that depicts the percent of two-bedroom units that are affordable to the median renter income. Statewide this level is only 13.1%. Heather also, pointed out that the competition for affordable units is high in all counties.

The purchase market was then explained by Heather, starting with a graph on median sales price trends. She pointed out that there is not only a trend of increasing median sales price since 2012, but also an inflection point in 2020 where the prices increased at a much faster rate. Heather shared her surprise of this trend, despite what many expected, since the pandemic there have been record sales prices.

Heather explained that the supply not meeting the demand is causing the increases in sale prices. She shared a graph showing how much lower inventory is in 2021 per month when compared to 2020 and 2019. She also shared there has been a decrease of 56% in housing inventory since 2016. She further illustrated

the low inventory by presenting a graph showing the number of months it would take to absorb the current number of listings at the prior 12 months' sales pace, and currently it would take less than one month. Next Heather presented on where NH homebuyers are coming from, explaining that there has been a general perception that many buyers are coming from Massachusetts. There has only been a small increase in the proportion of buyers from out of state, highlighted by 4.3% increase from Massachusetts and 2.5% from other states.

Heather explained that a key driver of this activity has been historically low mortgage interest rates. Additionally, another impactful factor in increased house prices is the amount of New Hampshire building permits. Heather shows that the number has increased in the last year, but still is much lower than pre-recession levels.

Heather shared what New Hampshire Housing defines as the "Five L's" impediments to housing development:

- Lumber – The cost of lumber has increased heavily during the pandemic
- Labor – Workforce availability is a challenge, unemployment rate spiked during the pandemic
- Land – A finite resource, but its intensity of use is variable
- Loans – Accessing financing to develop housing can be a challenge
- Laws – Regulatory practices can limit the supply of housing built

An overview of the Municipal Technical Assistance Grants (MTAG) program as a resource for municipalities was provided. Heather highlighted George Reagan, Community Engagement Manager, as a resource for workforce housing and grant questions.

Tyson Miller inquired if there has been any research done on bank assessed values of deals that have collapsed due to the bank being unwilling to support the requested prices. Heather responded by stating that specific individual studies have not been completed, but anecdotally appraisal values seem to be adjusting to the market changes.

Erle Pierce asked what could be done to have the biggest impact on this issue. Heather suggested that it comes down to Land Use Regulations, stating that what municipalities allow for development is the biggest barrier to adequate supply. She believes progress will require creative solutions and the allowance of greater densities. Additionally, educating community members about the housing market and the true outcomes of new denser housing developments was shared as an important part of the solution.

Stephen Caine questioned if there is any competition amongst towns about the type of housing they would like to develop. Heather responded by saying there often is a majority people who are more hesitant towards the development of housing.

Kathy Cruson commented on the difficulties of developing under current land use regulations when much of New Hampshire land is rocky and hilly. Heather added that each area will have its own unique challenges, and that some places have had success combatting this challenge with communal services like septic, further supporting the importance of creative solutions.

Report of the Chair / Treasurer's Report

Mike Tardiff updated the Commission that funding was received from the American Rescue Plan for the Regional Housing Needs Assessment. An update to the Assessment has been discussed for several years,

with the last being from 2015. The next stages will involve public outreach and communication at the planning board level.

Draft 2023-32 Ten Year Transportation Improvement Plan Process Update

Dean Williams provided a summary of changes to Central New Hampshire Regional Planning Commission projects for the draft Ten Year Plan. Dean noted there were few changes, mostly just to the cost of projects, but one of the largest changes was the Henniker – Hopkinton Project which increased from \$2,443,666 to \$4,448,682. A series of new projects were added to the draft plan. Dean highlighted that through the project solicitation process both the complete streets improvement to Main Street in Allenstown and the Page’s Corner Roundabout project in Dunbarton were added. Dean also noted that through the Transportation Alternatives Program both Concord’s Merrimack River Greenway Trail project, and Warner’s Multi-Use Path along NH 103 project were added. The final new project Dean highlighted was bridge improvements to NH 149 over the Contoocook River in Hillsborough.

Dean shared that there will be a GACIT hearing in Concord at NHDOT on Tuesday, October 19, at 7:00pm.

CommuteSmart New Hampshire Program Update/Buses, Bikes and Brooms Commuter Challenge

Katie Nelson provided an update on the CommuteSmart New Hampshire Program by sharing that the new transportation demand management software was just launched. Due to the delay of the launch the 2021 fall commute challenge will run from Saturday, October 16 to Sunday, October 31.

Katie then performed a demonstration of the new software’s multi-modal trip planner feature. She highlighted how the planner can assist in finding rides or planning a sustainable trip for a commute, to an event or destination, or even a single trip.

Other Business

Mike Tardiff announced the next Full Commission meeting will take place on January 13th.

Adjournment

The meeting concluded at 8:00 PM.