

## Planning Board Lyme Housing Report

The purpose of this Preliminary Draft Report is to gather and provide information as a basis for exploring housing issues in Lyme. The results may lead to the addition of a Housing Chapter to the Master Plan.

A sub-committee of the Planning Board (Eric Furstenberg, Tim Cook and John Stadler, along with Planning & Zoning Administrator, David Robbins) worked on the housing inventory, including a stand-alone Workforce Housing report. (By reference, this report will also include the 2013 WFH Report.)

Preliminary calculations indicate that 27.8% of the housing stock in Lyme meets the legal definition of work force housing. As explained below, due to imperfections in accounting for multi-dwelling properties and rental units we believe 27.8% to be the lower bound for the WFH ratio. That is: we believe that if we could perfectly observe rental information and the values of individual dwellings on multi dwelling properties the WFH housing ratio would exceed 27.8%.

*According to RSA 674:59. III, “A municipality’s existing housing stock **shall** be taken into consideration in determining its compliance with this section. If a municipality’s existing housing stock is **sufficient** to accommodate its fair share of current and reasonably foreseeable regional need for such housing, the municipality **shall** be deemed in compliance...”*

Therefore, the results of this study show that Lyme is clearly in compliance with New Hampshire’s WFH statutes.

### Methodology:

Lyme’s WFH ratio is determined by dividing the number of qualifying WFH units by the number of all dwelling units town-wide. For 2015, units valued at or under \$260,000 are deemed to be WFH for Grafton County, NH. Rental units at or under a \$1040 monthly rate (including utilities) also qualify as WFH. (Include HUD 2015 threshold info). Countywide statics provided by the U.S. Dept. of Housing and Urban Development are used to determine these WFH definitions (as specified in RSA 674: iv).

A Master List of Lyme's housing stock was established using the publicly available 2015 Town tax list along with its descriptions and photographs. Other unknown or anomalous units were also proactively sought out through research and interviews. Additionally, there were some site visits. All housing units are included on this list, conceding that if any of them were occupied as a residence with taxes up to date, then school and other Town services would not be denied. This basic housing definition makes this most inclusive list a good starting point.

All units were counted based on their actual status in 2015. For example, any unit that was torn down or destroyed within the calendar year was removed from the count. Any plans for units that did *not* come to fruition during 2015 were not taken into consideration because plans can change and, in any event, their new status would be accounted for within future inventories. Rental information is not systematically collected by the town. Therefore, interviews were used to gather rental information. This is an unreliable method likely resulting in some qualifying rental units being missed.

Using the master list we tabulated 818 qualifying properties and 238 qualifying WFH units. We then calculated a baseline WFH ratio:  $238/818=29.1\%$ .

Because the master list may be over-inclusive, we compiled an Adjusted Housing List by removing certain units considered impractical as residences due to being less than "*decent, safe, sanitary...*". This presented a challenge insofar as some of those removed were not any less viable than other units which are currently serving as active residences. Additionally, in some cases a modest improvement could make conditions acceptable. Nonetheless, to be conservative the sub-committee agreed on removing 16 from the list (15 of these are qualifying WFH units). While the criteria varied from unit to unit, they included one or more of the following factors:

- septic/sanitary facilities deficiency
- no viable heating system,
- any other obvious deficiency.
- However, with this list, any unit where someone currently and legally lives is counted as viable.

Using the adjusted list we calculated the adjusted WFH ratio. The adjusted list contains 802 housing units and 223 qualifying WFH units, with a WFH ratio of  $223/802 = 27.8\%$ . Note that the majority of units excluded from the adjusted list

are otherwise qualifying WFH and therefore 27.8% likely understates the WFH ratio. However, to be conservative, this figure will be Lyme's official WFH ratio.

More detailed analysis of the master housing list and Lyme's housing stock reveals that the methodology described above likely understates the quantity of workforce housing in Lyme. The reason is that there are many dwelling units which qualify for the overall housing stock, but cannot be verified to be work force housing.

\*Multiple units on single lots and two or three-family houses, as well as Accessory Dwelling Units, are counted toward total units. However, because the value of each individual dwelling unit cannot be removed from their particular property or building, they cannot officially be counted as qualifying WFH units unless they are qualifying rentals.

\*Units where caregivers, relatives or friends are living rent-free are not counted.

\*Rental units, many of which we suspect to be qualifying workforce housing units, are undercounted in this study.

To put this into context, there are approximately 100 dwelling units in Lyme's tax records defined as "multi" or "two-family". All of these are counted as housing units, but we were only able to verify that 6 qualified as WFH. 41 of the approximately 100 units are on properties where the average value per unit is less than \$260,000 (i.e. 2 units on a property valued less than \$520,000). If we count 1/2 of these 41 units as work force housing, then the adjusted WFH total is 242 units. The resulting WFH ratio would be  $242/802 = 30.2\%$ . Adding 41 to the Master List would result in a ratio of  $279/818 = 34.1\%$

### WORKFORCE HOUSING IN LYME - UNIQUE CHALLENGES:

Lyme is a small town of about 1,800 people which values its rural quality and small, economically diverse, but socially cohesive population. One of the most common ways of making WFH workable is developing projects with large numbers of units because this lowers the per unit cost. While these impacts might well be absorbed in larger municipalities or cities, in Lyme such high volume, dense development would critically impact infrastructure, schools, taxes, population, services and the fundamental undermining of the essential nature of the town.

The State of New Hampshire acknowledges and respects each municipality's circumstances as unique while maintaining a commitment to WFH provision. The State's WFH law (under Findings and Statement of Purpose-2008 enactment) reads:

*“Section 2 of this act is intended to provide the **maximum feasible flexibility** to municipalities in exercising zoning powers under RSA 674 consistent with their obligation to provide reasonable opportunities for the development of workforce housing, and is not intended to create a system of statewide land use regulation or a statewide zoning process.”*

In addition to the previously cited RSA 674:59. III (concerning existing housing stock), the following RSA 674:58 iii also applies:

*“If the ordinances and regulations of a municipality make **feasible** the development of sufficient workforce housing to satisfy the municipality's obligation under RSA 674:59, and such development is not unduly inhibited by natural features, the municipality **shall not** be in violation of its obligation under RSA 674:59 by virtue of economic conditions beyond the control of the municipality that affect the economic viability of workforce housing.”*

Through the “*maximum feasible flexibility*” provided by law, Lyme has undertaken multiple measures to address its unique challenges in meeting its obligations. By means of a substantial existing stock of WFH in tandem with ordinances and innovative regulations which encourage housing that can qualify as WFH, Lyme provides for its goal of meeting its “*fair share*” and establishing “*Reasonable and realistic opportunities for the development of workforce housing.*”

Lyme's Zoning Ordinance contains the following provisions, designed to facilitate development of workforce housing:

*\*Affordable Housing* - Article XI of Lyme's Zoning Ordinance is dedicated to affordable housing (which predates the term WFH), and, by definition, goes beyond WFH thresholds. This Article relaxes dimensional controls in the entirety of the Rural District, as well as the Lyme Common, Lyme Center and Commercial Districts. It also eliminates application of all Agricultural Soils Conservation District provisions.

The Planning Board may also modify other dimensional controls (frontage, set back, lot width, maximum building footprint and maximum lot coverage) to

accommodate both affordable and workforce housing. There can be up to four units on lots averaging as little as half an acre per dwelling unit.

Beyond these accommodations, Article XI also provides a density bonus for the development of conventional subdivisions. The developer is entitled to create lots up to 20% smaller than normal if they give up to 20% of the developable land to an affordable housing organization.

*\*Multi-dwelling Conversion* - Article 4.46 allows for Multi-dwelling through Site Plan Review in the entirety of the Lyme Common, Lyme Center, Rural and Commercial Districts. In RSA 674:58 III, multi-family buildings must be a minimum of 5 dwelling units. Lyme exceeds this minimum requirement by allowing as many as 6 dwelling units.

The conversion aspect of the Article requires the building be in existence for 5 years before multi-dwelling use can be utilized. This requirement encourages the continued viability of Lyme's large stock of older buildings and avoids encouragement of high density, premature development that would overwhelm the Town's ability to function well.

Additionally, two units are broadly available town-wide through use of external ADU's or via an additional internal apartment. Lot size averaging can also enable multiple units on a single lot (see below for more information).

*\*Accessory Dwelling Units (ADUs)* - Article 4.42 allows for one detached ADU of up to 750 square feet of gross floor area per residential lot if certain basic requirements are met. Alternately, an extra in-house apartment is possible. Although the State has passed an ADU law that will take effect in mid-2017, Lyme's ADU provision has been around for many years.

*\*Lot Size Averaging(LSA)* - Article 5.11.D is an "innovative zoning" technique that provides the developer with the potential of more economic and efficient use of the land through reduced lot sizes and clustered buildings. It can also be used by an individual to downsize, reduce taxes and sell off acreage. And, as mentioned above, it can enable multiple units on a single lot.

*\*Master Plan Recommendations* - The 2013 Master Plan recommends an ongoing commitment to providing and maintaining a sufficient stock of WFH. Beyond this general language, the Plan mentions three different areas bordering the Lyme Common District as potential candidates for expansion of that District, should the

Town so desire. If considered necessary, this would provide a large, additional area of denser development appropriate for WFH.

*\*Other Initiatives* - Articles were written through the Planning Board for the Town & Church Newsletter publicizing and explaining the ways Lyme's zoning can be used to accommodate downsizing, aging in place and other affordable solutions.

***Future Feasibility:***

In the "Findings" supporting "Accessory Dwelling Units", RSA 674:71 & 72, the following benefits are cited: more diverse affordable housing options, ability of children to care for aging parents under a semi-independent living arrangement, integrating affordable housing into the community with minimal negative effect and without more infrastructure or further land development, more options for the elderly, the disabled or for single parents, for recent debt-saddled, graduates and caregivers.

Though Lyme is not authorized to count ADUs as WFH unless they are rented out at or below the HUD rental thresholds, every ADU does provide "reasonable and realistic" opportunities to be used as WFH and supports the "Findings" cited above. Additionally, Lyme has many properties with multiple dwelling units, some larger than 750 sq. ft., that cannot be counted as official WFH. They, too, provide "reasonable and realistic" opportunities.

***Annual Residential Sales***

(insert lists)

\*2015 } 6 of 27 = 22.2%

\*2014 } 3 of 23 = 13%

\*2013 } 2 of 15 = 15.4%

\*2012 } 0 of 9 = 0%

\*2011 } 2 of 12 = 16.7%

2011 -2015 } 13 of 86 = 15.1%

These figures were gathered from Town records supplemented by information available through Trulia and Nneren (on-line real estate companies). The supplemental info lowered the percentage of WFH. It is assumed that the most reliable information is from the Town. However, the additional data appears to be good.

Since the sole purpose of these statistics is to determine the ability of someone to purchase WFH during the relevant year, the ultimate fate of the property is not considered. For example, it is known that one WFH property was subsequently demolished and that one non-WFH is now primarily in institutional use. Those changes are or will be reflected in the WFH inventory, but not in these annual sale listings.)

### ***WFH Conclusions:***

Lyme's unique and challenging issues have not relieved the Town of its obligations under the law. Through a significant, existing stock of qualifying workforce housing in tandem with multiple ordinances and innovative regulations which encourage housing that can qualify as WFH, we conclude that Lyme currently complies with RSA 674:58-61 (Workforce Housing).

We also find that "reasonable and realistic opportunities" for future supply of WFH are feasible through the many ways Lyme makes use of the innovative zoning techniques cited above. Additionally, most, if not all, of the 16 properties excluded under the "Adjusted List" are properties where feasible WFH can be located.

### ***WFH Recommendations:***

\*The Town should be vigilant and proactive about the potential for diminishment of its existing WFH stock through tear-downs and gentrification.

\*There should be an updated annual review of Lyme's WFH inventory.

\*A more detailed review, such as this one, should be done every 5 years.

\* With confirmed rental WFH units in Lyme at a little over 2% (though likely undercounted), this is an area where the Town can look to do better.

## ***2015 Housing Inventory***

### ***Overall Housing Inventory and Methodology:***

The overall Lyme Housing Inventory is determined by total property value, as opposed to individual units (as with WFH), because this is ultimately how they become available to the buying public.

*260K and under (WFH):	208
*260K+ to 300 (roughly 15% above WFH):	52
*300+ to 350:	58
*350+ to 400:	65
*400+ to 450:	54
*450+ to 500:	49
*500+ to 550:	35
550+ to 600:	35
600+ to 650:	19
650+ to 700	22
700+ to 750	21
750+ to 800	12
800+ to 850	13
850+ to 900	10
900+ to 950	8

950+ to 1M  
1M+

7  
64