

HOUSING FOCUS GROUP

OF THE

MONADNOCK REGION



A Report

With Recommendations

Concerning Local Housing Issues

October, 2002

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- Gordon Lerversee (Co-Chair), Keene State College
- Tom Dowling (Co-Chair), Greater Keene Chamber of Commerce
- Hon. Michael E. J. Blastos, Mayor, City of Keene
- Bob Lyle, Greater Keene Chamber of Commerce and the Keene Sentinel
- Christine Spicher, City of Keene
- Dick Berry
- Jack Dugan, Monadnock Economic Development Corporation
- Jack Wozmak, County of Cheshire
- Ken Jue, Monadnock Family Services
- P. Curtis Hiebert, Keene Housing Authority
- Margaret Dillon, Cheshire Housing Trust
- Therese Seibert, Keene State College
- Tom Weller, Weller and Michal Architects

Several Keene State College students and staff were involved in producing this report:
Carly Holder aided in the design, administration and analysis of the original telephone survey.
Melissa Burns and *Rebecca Fales* helped to develop the second survey.
Nancy Paquin and *Pamela Aulis* contacted Keene businesses to ask for their participation.
In addition, Pamela assisted much of the data entry process.

**REPORT OF
THE HOUSING FOCUS GROUP
OF THE MONADNOCK REGION**

October 7, 2002

Executive Summary

1. Keene and the Monadnock Region need to build 180 housing units per year over the next 5 years to meet the *current* need for housing which would include single family housing units, apartment, townhouse and condominium units with a sustainable mix of owner-occupied and rental units.
2. Policy statements should be developed that express a clear and unambiguous dedication to meeting the local housing needs, unclouded by political rhetoric or personal bias. Policy statements should adopt specific goals for housing with a timeline for reaching the goals.
3. Zoning, planning and local regulations should be responsibly modified to enable the region to meet its current and future housing needs.
4. Local governments should form public/private partnerships to find creative solutions to barriers to housing.
5. Local and regional governments should participate together in creating a single, regional vision statement of a Sustainable Community.
6. All local governments should adopt a housing policy consistent with that vision.
7. Keene State College should evaluate the impact that its students make on the local and regional housing market, and then make comprehensive and detailed plans to minimize any negative impact.

History of the Housing Focus Group

In March of 2001, The Council for a Healthier Community, a program of The Cheshire Medical Center, held a Community Retreat to update the assessment of community health and social service needs in the Monadnock Region. At that time, the lack of availability and affordability of housing was identified as the number one issue in our area. From this forum, several participants of the Retreat developed the Housing Focus Group¹ as a sub-committee of the Council for a Healthier Community. The goal of the group was to compile data to provide policy makers and business leaders information about housing availability and affordability. The participant base was broadened to reflect a wide range of businesses and agencies, which impact or are affected by housing issues. The Housing Focus Group has been meeting at least monthly since April 3, 2001 to discuss information and statistics and to develop a method that may influence effective and proactive decision-making regarding a sustainable community that takes into account housing, economic development, and workforce development.

The Focus Group assembled data from a wide array of sources including the Bureau of the Census, the NH Office of State Planning, the Keene Housing Authority, the City of Keene, Southwest Regional Planning Commission and various experts in the area of housing. In addition, the group commissioned the Community Research Center at Keene State College to collect original data from Keene employees using a list of businesses provided by the Greater Keene Chamber of Commerce. Appendix 1 includes the report summarizing data from this housing survey.

Drawing from these multiple sources of data, we present a concise list of recommendations that we place before the community as a challenge to adopt. But ultimately, we place the burden of implementing steps to alleviate the local housing crisis on public/private partnerships.

The Current Need

¹ The Housing Focus Group of The Monadnock Region (Housing Focus Group) is comprised of the following individuals: Hon. Michael E. J. Blastos, Mayor, City of Keene, Bob Lyle, Greater Keene Chamber of Commerce & Keene Sentinel, Christine Spicher, City of Keene, Dick Berry, Jack Dugan, Monadnock Economic Development Corporation, Jack Wozmak, County of Cheshire, Ken Jue, Monadnock Family Services, Gordon Leversee, Keene State College, P. Curtis Hiebert, Keene Housing Authority, Margaret Dillon, Cheshire Housing Trust, Theresa Seibert, Keene State College, Tom Dowling, Greater Keene Chamber of Commerce, Tom Weller, Weller & Michal Architects.

When the City of Keene hired an Assistant City Manager recently, there was no available housing for this new member of the community. For an extended period of time, this person and his family were “homeless” in the sense that no suitable housing existed to accommodate his needs. As this person stated, he “had good credit, what could be considered a well paid job, and a significant amount of cash, and still could not find housing. The house we purchased is not satisfactory—it was the only house we could find. It was not anything we would have purchased if we were not under threat of imminent homelessness.”

When NGM, one of the region’s largest employers, was considering long-term plans for their operation, a decision was made to move a substantial part of their executive management core to another part of the country, based largely on the lack of suitable housing for senior executives in this area. As a result, a significant part of the NGM building is vacant, as management operations have moved from the area.

C&S Wholesalers, a recent commercial addition to Keene, purchased several homes and condominiums in order to assure that employee-recruiting efforts would not be thwarted by the lack of available housing. Hundreds of thousands of dollars have been spent by C&S to create an individual housing solution for their business purposes.

Cheshire Medical Center has purchased housing units in order to assure that their efforts to recruit quality physicians and medical personnel to this region are not thwarted by the lack of available housing. Hundreds of thousands of dollars have been spent by the hospital to create an individual housing solution for their business purposes.

Cheshire County continues to seek suitable employee housing for a newly created department. The County is concerned that an inability to secure regional housing for this key member of management will cause this person to abandon their interest in this region.

The City of Keene, having the resources to issue housing vouchers for eligible persons, finds that issuing vouchers is in large part a futile act since no housing is available where the vouchers can be redeemed.

A local realtor has purchased and developed a niche market of transitional housing units on Ashuelot Street in Keene, renovated and designed specifically for executives new to the area who are unable to locate suitable housing.

Local Bed & Breakfasts offer long-term rental rates to accommodate workers who move to this region for well-paying jobs but who are unable to find housing. Frequently, these lower-priced long-term renters must move out to even more temporary quarters to accommodate higher paying occupants during foliage season, for instance.

Southwestern Community Services currently pays local motels to house persons in need of emergency housing because adequate shelter or transitional housing services are not available.

Wheelock Park has a regular contingent of gainfully employed homeless residents camping in tents as a result of the critical shortage of affordable housing.

Nearly ten years ago, the City of Keene adopted a “Keene Housing Plan”² that had a long term goal of assuring “that in the future Keene will continue to have an adequate housing supply to shelter its residents and to assure an adequate work force for the City’s desired economic activity.”

This year, Southwest Regional Planning Commission issued a report entitled “Guiding Change”, with a purpose to help the citizens and communities of the region understand and plan for the changes which they foresee in the first years of the 21st century. Among other topics, the report contains a section on Housing. Noted in the report is the suggestion that municipalities “should develop new ways of doing business, embracing change rather than resisting it or being defeated by it.” The report also reminds us that “the number, types, quality, and distribution of dwellings, is an important factor in the quality of the life and the character of each [community] in the region.”³

² Formally approved by the City Council on December 16, 1993 and formally adopted by the Planning Board on December 20, 1993. The plan is included Appendix 2.

³ Pertinent parts of the SWRPC report “Guiding change” are contained in Appendix 3.

The Office of State Planning projects that at current rates, Cheshire County will grow by barely another 10,000 people over the next 20 years. There can be no meaningful economic growth if these small population projections come true. We simply will not have the people to fuel the commerce necessary to maintain economic development or to support our property tax base⁴. Without creating a pro-active plan to bring people to this area by creating suitable housing⁵, there will be no significant economic growth.

The critical need for housing units can be seen in part by examining the vacancy rates for owner occupied housing units and rental units. In Keene, the vacancy rate for owner-occupied housing is 1.02%. This rate compares to a national vacancy rate for this category of 1.7%. The renter-occupied dwelling vacancy rate in Keene is 2.57% whereas the renter-occupied dwelling vacancy rate is 6.83% nationally.

By comparison, the county has a combined vacancy rate of 11.22%. Across the State of New Hampshire there is a combined vacancy rate of 13.24%.⁶ Thus, from this most basic statistical indicator, the housing crisis in Keene and the Monadnock Region is very clear and measurable.

Other methods for identifying the need for local housing consist of surveying local agencies about waiting lists for housing as well as anecdotal market indicators of housing supply. For purposes of this report, we have created three Tiers to segment the housing need:

Tier I, defined as housing for families with incomes no greater than 80% of the median income for this region (\$33,905); **Tier II**, defined as housing for families with incomes no greater than 140% of the median income for this region (\$59,335); and **Tier III** defined as housing for high-income families that exceed 140% (more than \$59,335) of the median income figures for this region. The Census reports Median Income for Cheshire County to be \$42,382.

⁴ The 1993 Keene Housing Plan also acknowledged that land for housing is directly linked to the amount of future economic growth.

⁵ By looking at the number of housing structures built over time, the current housing shortage becomes more apparent. From 1980 to 1999 there were 176,000 housing structures built in New Hampshire (9,307 per year). Since 1999 there have 6,000 housing structures built statewide (1,715 per year). Given the growth rate of this county, the majority of these housing structures were built elsewhere.

⁶ Based on data from the 2000 Census

Tier I

At the low end of the real estate market (Tier 1), we fail to engage in any coordinated housing development in support of efforts at attracting business and industry to our nascent industrial parks. Those companies that do establish themselves here find that the lack of employee housing (and consequently employees) causes them to be frustrated by an inability to grow in response to market conditions, as noted earlier in this report.

The Keene Housing Authority reports that their agency has 300 families on a waiting list for subsidized housing. Of those on the waiting list, 50% are families and 50% are waiting for senior housing.

Additionally, Southwestern Community Services reports 60 families on a waiting list for housing assistance in the Monadnock Region.

And, the City of Keene Human Services Department reports the following housing needs:

1. 1st quarter 2001 – Households served by City of Keene Human Services: 137
 - a) 59% were in Non-affordable housing (rents more than 33% of income)
 - b) 20% were homeless
 - c) 21% were in affordable housing (rent < 33% of income)
 - 12.5% of affordable had a housing subsidy
 - 9% were in truly affordable housing w/o subsidy
2. July 1, 2001 – June 30, 2002- City of Keene Human Services Department:
 - a) 2184 nights in the homeless shelter to single males, females, and families
 - b) this served 22 homeless families, 30 singles, and included 36 children
 - c) over 175 families and individuals could not be accommodated at the local shelters

Tier II

In the middle tier, as with tiers I and III, we engage in virtually no development efforts to support the middle-income households needing housing. Nearly 1 out of every 10 middle-income households report dissatisfaction with their housing opportunities, and 16% of them do not consider their housing to be affordable. For many middle-income households, a suitable, affordable home is beyond reach. Older residents on retirement income, young families or any family that wants to have one spouse stay at home has great difficulty finding acceptable and affordable housing. Many “retired” couples are simply not able to stop work altogether or are driven from the area in search of more affordable housing. From the survey, it is clear that the housing shortage is getting worse, rather than better.

Tier III

At the high end of the real estate market (Tier 3), we engage in virtually no housing development to support the high-income management of the corporations in our midst. Recently, a large insurance company decided not to maintain the same level of a corporate base in Keene due to lack of high-income housing stock.

Data collected from the Community Research Center at Keene State College suggest that the lack of housing in Tier III is statistically significant. Based on survey data, nearly 1 out of every 10 of the wealthiest respondents claim that their housing arrangements are not affordable or acceptable.

All of these situations cause companies in this region to either locate elsewhere for labor or to withdraw parts of their operations due to the inability to find suitable housing for middle- to high-income earners as well as the low-income earners.

The Barriers

Perceived barriers to housing development:

1. Tax structure – especially around education and tendency to reduce health and human services budgets to balance the state budget.
2. Residential housing units result in the lowest payback of tax dollars per unit, as compared to commercial or industrial development due to the increased cost of municipal services.

3. Regional and local government – planning boards and planning departments are seen as *adding* obstacles to development rather than *reducing* obstacles and acting as partners in the process.
4. A lack of civic involvement and education combine to create neighbor and abutter resistance to change in the local housing mix out of largely unsubstantiated fears related to property values and other concerns.
5. The lack of imagination and innovation in effecting zoning changes result in a failure to maximize the use of available development land, which is already a scare commodity.
6. Local and regional governments should create a single, regional vision statement of a Sustainable Community.

The Importance of Sustainability

The Housing Focus Group has focused primarily on housing, but recognizes the crucial relationship with economic, environmental and social factors. We believe that it is essential for the towns of this region and the City of Keene to create a unified plan for sustainability⁷, that focuses on environmental, economic, and social concerns, and on the need to address all three to succeed. The common term for this integrated approach is "sustainable development." To ensure success we must involve different groups of people within a community, from the most to the least powerful, to encourage fair and lasting -- sustainable -- results. Thus, all of the recommendations in this report are made within the context of sustainability.

Sustainable development is characterized by actions that:

- ◆ Consider long term impacts and consequences
- ◆ Recognize the interdependence of economy, ecology and social well-being
- ◆ Emphasize community participation
- ◆ Promote equity between generations and different groups in the community

⁷ There are numerous sources of useful information on the creation of Sustainable Communities. These resources can offer advice and funding on many initiatives. Two resources are the Institute for Sustainable Communities, 56 College Street, Montpelier, Vermont 05602 USA, Ph 802-229-2900, Fx 802-229-2919, isc@iscvt.org, www.iscvt.org and a federal government website <http://www.sustainable.doe.gov/welcome.shtml>.

The Recommendations, Expanded a Bit

1. A total of 180 housing units per year should be built in Keene and the Monadnock Region over the next 5 years.
2. The new housing units being built should be comprised of 50% single family housing units and 50% apartment, townhouse or condominium units.
3. Of the new housing units, approximately 70 units should be affordably priced to be within reach of those whose income does not exceed 80% of the regional median income level⁸, or a household income of \$33,905 (Tier I). Approximately 70 units should be affordably priced to be within reach of those whose income does not exceed 140% of the regional median income level or a household income of \$59,335 (Tier II). Approximately 40 units should be priced with no upper limit on income (Tier III).
4. A public/private partnership should be formed to create an incentive program that encourages people to purchase housing. These could include 3-year property tax incentives for Tier 1 purchasers that would provide a 3-year tax holiday. Businesses could underwrite the cost of the tax holiday.
5. Property down-payments for Tier 1 housing units would be paid through economic or community development grants created and supported by public/private partnerships. These grants would be reduced over a five-year period and would not have to be re-paid if the purchaser remained in the house for at least 5 years.
6. Long-standing impediments to housing development should be identified and removed through the work of a public/private partnership that should develop a goal oriented plan to eliminate housing obstacles.
7. Local planning officials should encourage and support developers interested in embarking upon the housing suggested in this report. Planning Department officials must, by policy, become advocates of housing development projects to ensure procedural and financial success.
8. Local government officials should create the equivalent of tax increment finance districts for housing developments that would reduce and/or eliminate infrastructure costs to developers.

⁸ The HUD median household income for Cheshire County is \$42,382. Source: U.S. Census, 2000.

9. Local government officials should create supportive relationships with housing developers to foster the creation of plans that will meet the housing need as well as meet the economic needs of developers.
10. A Local and regional committee should be formed to promote and monitor the implementation of these recommendations working from a timeline for completion.
11. Proposals for economic development should include analysis of the effect upon the local and regional housing supply.
12. Keene State College enrollment has increased over the last few years at a rate that far exceeds its own available housing for its students. The end result is that students are competing with working families for the same limited number of housing units. KSC should first evaluate the impact that its students make on the local and regional housing market, and then make comprehensive and detailed plans to minimize the impact that its enrollment in excess of its own housing supply makes on the availability and affordability of housing in Keene and the surrounding communities.

Summary and Conclusion

In general, it is our conclusion that those people on whom we place a great economic reliance are the least served by our existing housing market. Low- to moderate-income wage earners have the most difficulty in securing adequate and/or affordable housing.

While companies have had and continue to have severe shortages of workers with basic skills, we have failed to respond by providing housing for this population. While we rely on the presence of our industrial/business base for economic stability, we do little to preserve or enhance the availability of labor to support this presence.

This Group has made specific recommendations regarding the number of housing units that should be built in Keene and the Monadnock Region. We believe that a vacancy rate of around 4% to 5% is acceptable and consistent with New England trends and vacancy rates across the United States. As a further consideration of promoting a pro-active, yet conservative, action item list, we have discounted any population growth factors. Thus, the goal of our

recommendations is to prompt the building of a number of housing units that will bring the vacancy rate in Keene and the Monadnock Region from 1.02% to 4.5%.

These conclusions and recommendations build on the data to make clearly articulated recommendations intended to provide guidance and motivation to policy makers and business leaders. This Group felt that it was essential that we provide an action list that could be championed by policy makers. It was our goal to describe, with particularity, exactly what should be done to improve the housing situation in this region. Thus, we have taken the data collected by the researchers and created challenges for this community to adopt. The list of conclusions and recommendations is very succinct and direct. It places the burden on government and commerce to take up the challenge and to make things happen.

The recommendations presented in this report can be achieved. Everyone who receives this report should agree to duplicate this report and disseminate this information. This information should be distributed to the City Council for the City of Keene, City Manager, the Boards of Selectmen for the towns in Cheshire County, every member of the regional Chambers of Commerce, real estate developers, members of the Cheshire Builders' Association, and others.

For the second time in ten years, the City of Keene and the Monadnock Region are presented with a housing plan designed to meet the realistic, conservative needs of the region. The usefulness of this report will depend upon the willingness of elected and appointed officials to create and advance policies and practices that are meaningful and responsive to regional needs. As noted in the Keene Housing Plan from 1993 and the Southwest Region Planning Commission report of 2002, housing is an essential part of the infrastructure of the region. While half of the city's workforce lives in Keene, another half live in the surrounding towns of the Monadnock Region.

Decent housing in a suitable living environment is essential to the well-being of all residents of Keene and the Monadnock Region. Municipal government plays a crucial role in meeting the housing needs of the region's residents by accommodating the needs of all ages, household types and income levels.

It is time to meet the housing needs of the region.

**Results of the
Housing Focus Group of the
Monadnock Region Survey**

**Administered to a Sample of
Keene Chamber of Commerce Members**

October 7, 2002

Report Prepared by

**M. Therese Seibert, Ph.D.
Director
Sherman Morrison
Manager
Keene State College
Community Research Center
October 7, 2002**

SUMMARY OF RESEARCH FINDINGS

The Affordability of Housing

- When asked about what challenges they encountered when looking for their home, nearly half of all survey respondents who provided comments highlighted issues related to price, affordability, and cost (see page 17).
- Nearly 1 out of every 5 respondents say their housing is not affordable. Not surprisingly, low-income respondents are more likely to report this. However, 9% of respondents in the highest-income category also report that they cannot afford their current home (Chart 1, page 17).
- This figure increases to nearly 1 out of every 3 respondents among those who have been in their current housing two years or less (Chart 2, page 19).
- Viewing the data by income tiers, 28% of Tier 1 respondents say that their housing is not affordable, while 16% of Tier 2 respondents and 9% of Tier 3 respondents make the same claim (Chart 3, page 20).
- Among Keene residents, 24% claim their housing is not affordable, while 14% who live outside of Keene find this to be the case (Chart 4, page 21).
- This figure increases to more than 1 out of every 3 Keene residents who have lived in their current housing arrangement for two years or less. 1 out of every 5 comparable non-Keene residents report that their housing is unaffordable (Chart 5, page 22).
- The affordability problem for renters is considerably worse than for homeowners. 32% of renters state their housing is not affordable, as opposed to 15% of homeowners (Chart 6, page 23).
- The situation for renters has worsened in recent years. 39% of renters who have lived in their housing two years or less cannot afford their current housing (Chart 7, page 24).

The Acceptability of Housing

- Between 13 and 20 percent of respondents in the three lowest income categories do not find their housing situation acceptable (Chart 8, page 25).
- This figure increases to between 24 and 33 percent for those who have been in their current housing two years or less, suggesting that acceptability problems have worsened in recent years (Chart 9, page 26).
- 14% of Keene residents find their housing unacceptable, while only 9% of non-Keene residents find their housing unacceptable (Chart 11, page 27).
- These figures worsen among those who have been in their housing two years or less, with 22% of Keene residents finding their housing unacceptable, and 17% of non-Keene residents who make the same claim (Chart 12, page 28).
- Acceptability of housing is considerably worse for renters than homeowners. 24% of renters find their housing to be unacceptable, while only 7% of homeowners make the same claim (Chart 13, page 29). Recent years have seen this problem get worse (Chart 14, page 30).
- The only demographic characteristic to affect housing affordability is marital status (Chart 15, page 32).

Introduction

The Housing Focus Group of The Monadnock Region developed out of a retreat sponsored by the Council for a Healthier Community on March 20, 2000. Participants identified community needs, one of which was the severe housing shortage in the region. Members of the retreat then divided into small groups organized to address area needs. The Housing Focus Group thus came into existence under the leadership of its Chair, Gordon Leversee, for the purpose of increasing housing availability and affordability. Toward this end, the Focus Group compiled data in order to make informed recommendations to Keene policy makers and business leaders on resolving the housing shortage in the region.

The Focus Group's first project was a telephone survey conducted by the Community Research Center (CRC) at Keene State College. The survey examined whether the housing shortage in Keene affects Monadnock Region business' ability to attract and retain employees. CRC student Carly Holder designed and administered the telephone survey. (See Appendix A.) Christine Spicher, Director of Human Services for the City of Keene, provided Carly with a list of 91 businesses in the Monadnock Region that also included names of human resource directors. Of the 91 businesses, 34 participated in the survey resulting in a response rate of 37%. Approximately 80% of the businesses surveyed stated that the Keene housing situation did not affect their business. Of the 20% stating that Keene housing affected their businesses, most were located in the City of Keene. Hence, the Housing Focus Group decided to conduct another survey, which focused specifically on businesses within the greater Keene area. In addition, it would survey employees directly, collecting an array of housing information to supplement existing data.

Research Design

The CRC designed and administered this second survey. Appendix B presents the survey instrument, which contains four sections. Section 1 collects demographic data to insure the sample reflects a cross-section of employees working in Keene and to find out whether the housing situation has a greater effect on specific demographic groups. Since income is a particularly sensitive area, this demographic information appears toward the end of the instrument, in Section 3. Section 2 and Section 4 focus directly on housing issues. Section 2 questions respondents on their current housing arrangement, and Section 4 examines respondents' opinions on the acceptability of their housing.

Working with members of the Housing Survey Subcommittee (Margaret Dillon, M. Therese Seibert, and Christine Spicher), CRC student Becca Fales designed the survey instrument. She refined survey questions after receiving feedback from the focus group and administering it to Applied Research Methods and Sociological Quantitative Analysis classes at KSC. CRC Manager Sherman Morrison administered a pilot test to librarians at Keene Public Library on February 15, 2002, subsequently interviewing them on how to improve the survey. CRC staff made final revisions to the survey in response to this pilot test and final comments from the Housing Focus Group.

The CRC administered the survey from the beginning of April until the end of August of 2002. Places of employment in the Greater Keene area were selected as a result of their membership in the Keene Chamber of Commerce. The Chamber provided the CRC with a list of 360 Keene businesses, of which 135 participated in the survey (38%). Members of the CRC hand delivered surveys to businesses, which were then administered to employees at their work

site. CRC staff retrieved the surveys in sealed, unmarked envelopes, so the surveys are completely anonymous. That is, CRC staff cannot identify employees or places of businesses.

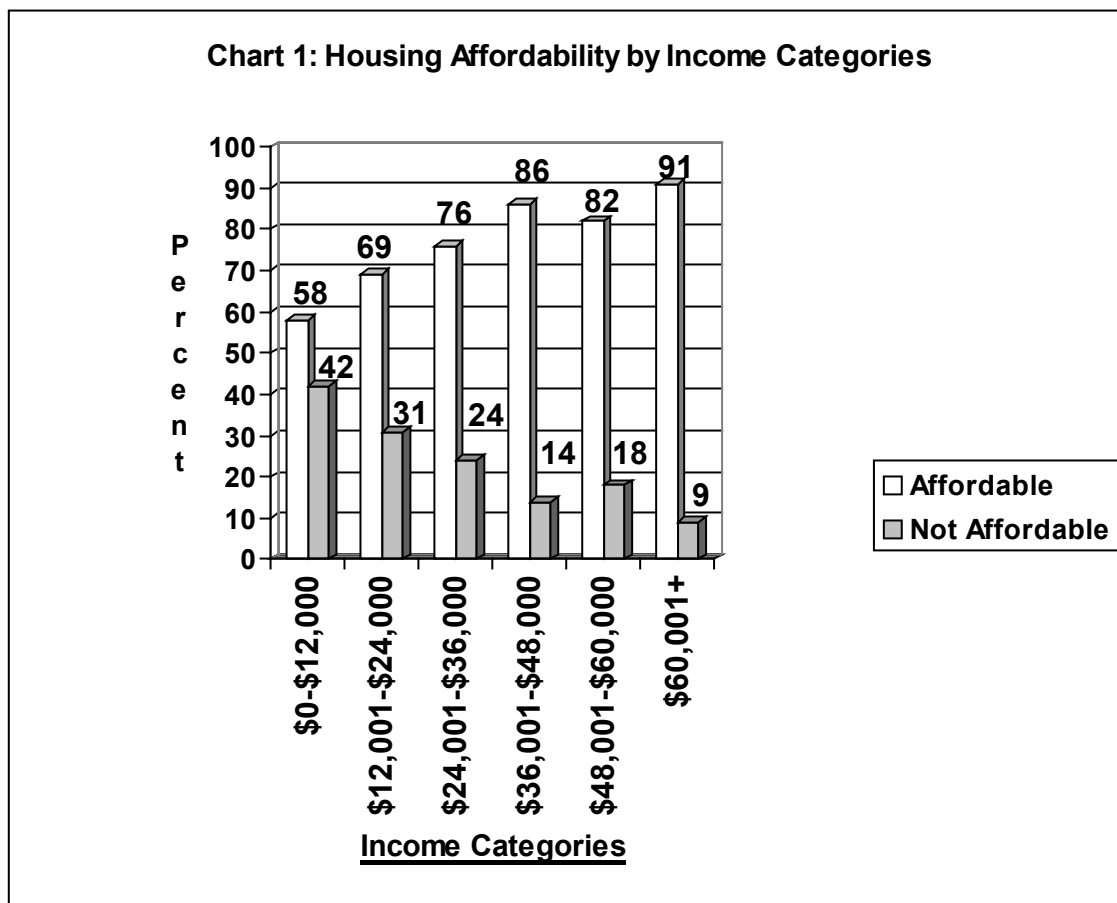
The CRC distributed 2,934 surveys, and with a 33% response rate received 963 surveys. Most of the respondents (73%) work for large businesses; 18% work for medium businesses. Only 9% come from small businesses.⁹ While the response rate was relatively low, the sample of respondents represents a good cross-section of Keene employees as Appendix B documents.

⁹ Large businesses include businesses with more than 100 employees; medium businesses employee between 25-100 workers; and small businesses have less than 25 employees.

The Affordability of Housing

Approximately 659 respondents provided comments about the challenges they encountered when looking for housing. The words "Price," "Affordability," "Affordable," "Afford," and "Cost" occurred no less than 300 times. These qualitative results suggest that securing affordable housing poses a problem for a significant segment of Keene employees. This finding is substantiated by quantitative analyses.¹⁰

Chart 1 shows that 1 in 5 respondents state directly that their housing is unaffordable. Moreover, 28% of respondents living in their residence two years (Chart 2) or less note that they

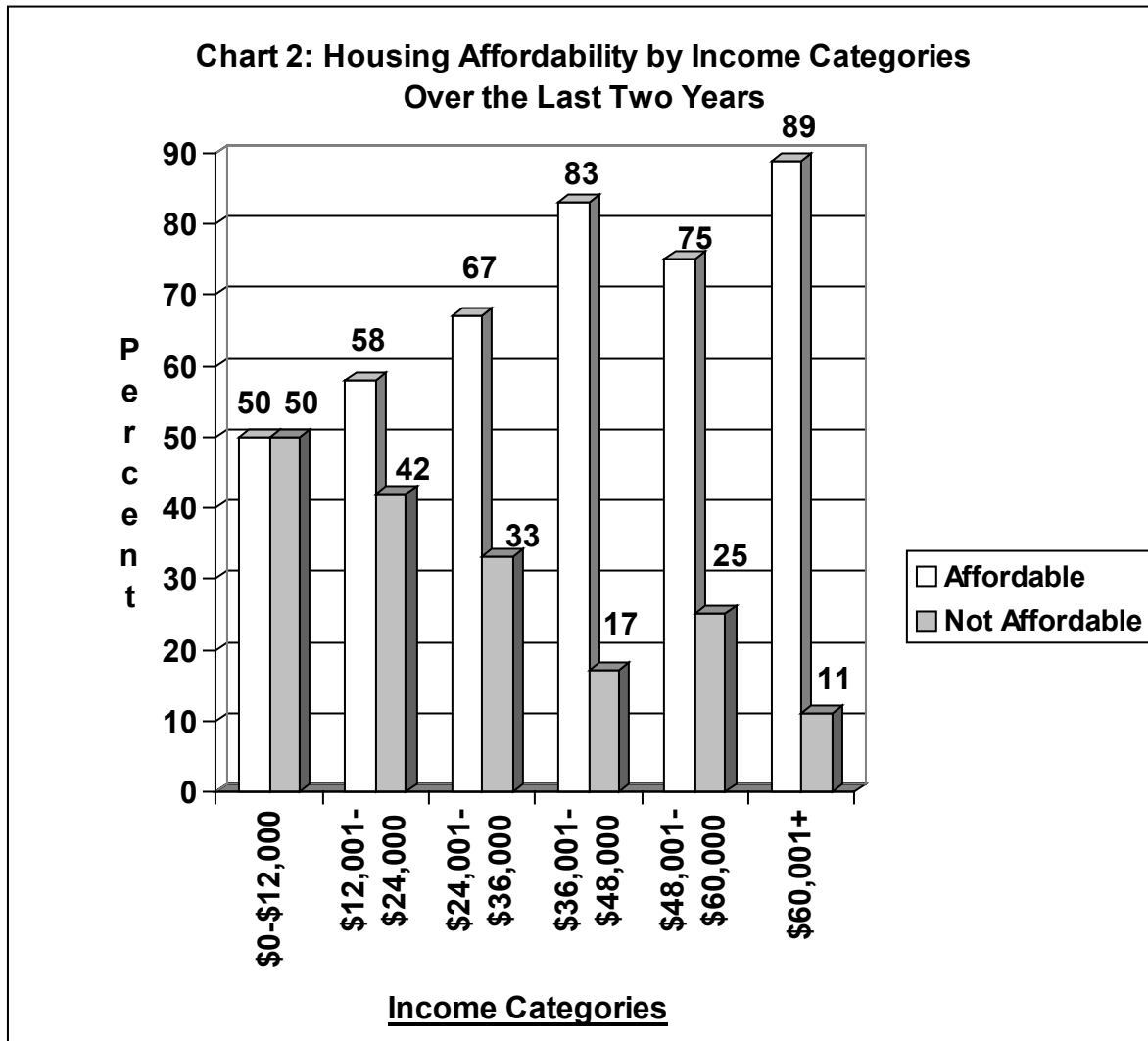


¹⁰ All factors discussed in this section of the report have a statistically significant effect on housing affordability at the .05 level of significance.

cannot afford their home. Hence, housing affordability appears to be growing worse. Not surprisingly, low-income employees are the hardest hit by a lack of affordable housing in the region. Indeed, Chart 1 shows that 42% of respondents in the lowest income category and 31% of the second to lowest income category reside in a home they cannot afford. But Chart 1 also reveals that across all income categories, a substantial percent of respondents do not consider their home affordable. Even 9% of the wealthiest respondents claim that their housing arrangement is not affordable.

These high-income respondents are most likely referring to the fact that housing in this region is priced higher than other areas. For example, in the qualitative analysis, many respondents noted that the prices being paid for homes and rentals in this area would obtain larger and /or nicer housing in other areas. In other words, many respondents do not feel that they are getting their money's worth. One respondent states, "It is smaller than the home I sold in Walpole but costs more." Another respondent explains, "Rent and mortgage are so much higher here. We could go south and pay less than what we are paying here." A renter echoes this sentiment: "I reside in a loft apartment. It is small and the location is bad. I moved to this area from a place where I could get a larger 2-bedroom for the same price. My income is the same."

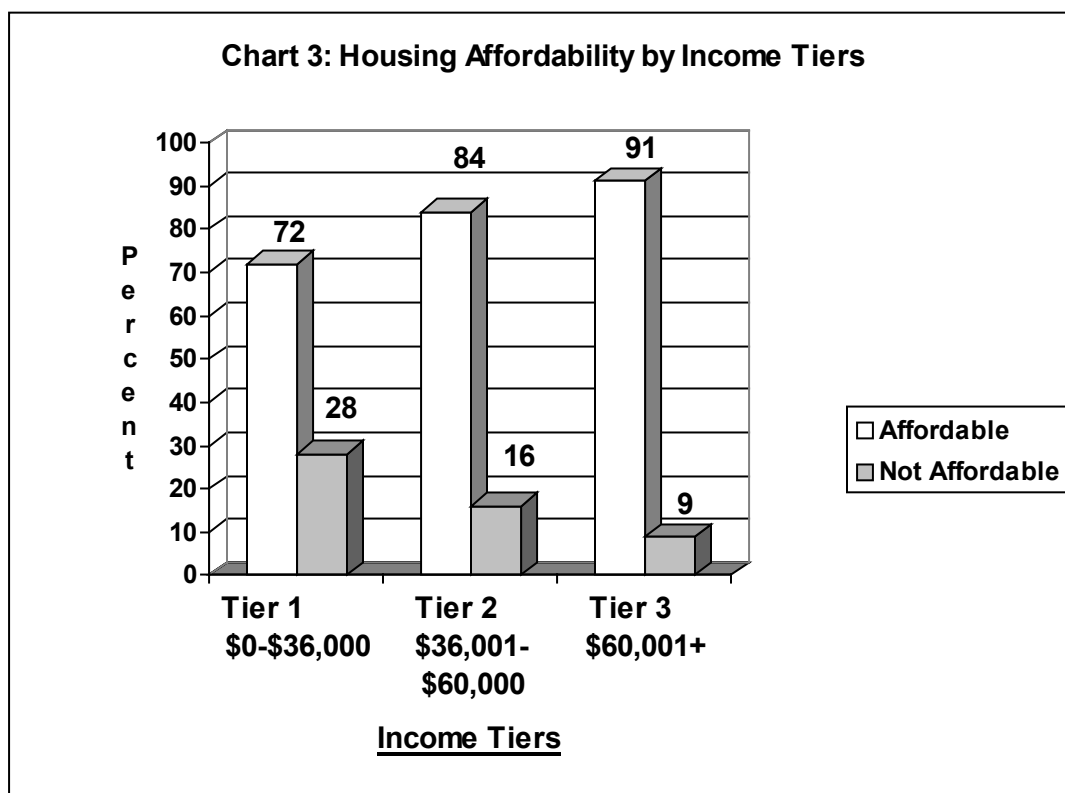
The lack of affordable housing appears even more severe when we restrict the sample to Keene employees who have been in their current housing arrangement two years or less, as Chart 2 indicates. The percent of these respondents reporting that their current housing arrangement is not affordable is higher in every income category than when we examine all respondents.



Many respondents blame high property taxes for keeping affordable housing out of their reach. In fact, the words "Property Taxes" occurred no less than 93 times in the qualitative analysis. Common descriptors of property taxes were "Too High," "Unreasonable,"

"Outrageous," and "Ridiculous." Moreover, property taxes in Keene seem to be out of line with other communities in New Hampshire. One respondent sums this pattern of responses up well stating, "Property taxes are extremely out of line versus other communities in New Hampshire. I have owned houses of similar value in Peterborough and Manchester. Both were more than \$2,000 less than in Keene."

Chart 3 shows affordability by the income tiers used in the *Report of the Housing Focus Group of the Monadnock Region*.¹¹ The percent of respondents stating that their housing arrangement is unaffordable declines as the income tiers increase. But, while no less than 9% of



respondents in any of the tiers report that they cannot afford their current housing arrangement,

¹¹ Based on the 2000 Census, the median household income in Cheshire County is \$42,382. Tier 1 is defined as households with incomes not exceeding 80% of this median income (\$0-\$33,905). Tier 2 includes households with incomes ranging from 80% of the median income to 140% of the median income (\$33,906-\$59,335). Tier 3 encompasses households with incomes in excess of 140% of the median income (\$59,336 and up). The income categories were matched as closely as possible with the income tiers as defined above.

the lowest income tier is the hardest hit by a lack of affordable housing. 28% of these respondents report that their housing is not affordable.

As seen in Chart 4, the problem of affordable housing is worse for respondents who live in Keene compared with those who live outside of Keene. Nearly 1 out of every 4 Keene residents state their housing arrangement is not affordable. In contrast, 14% of non-Keene residents make the same claim.

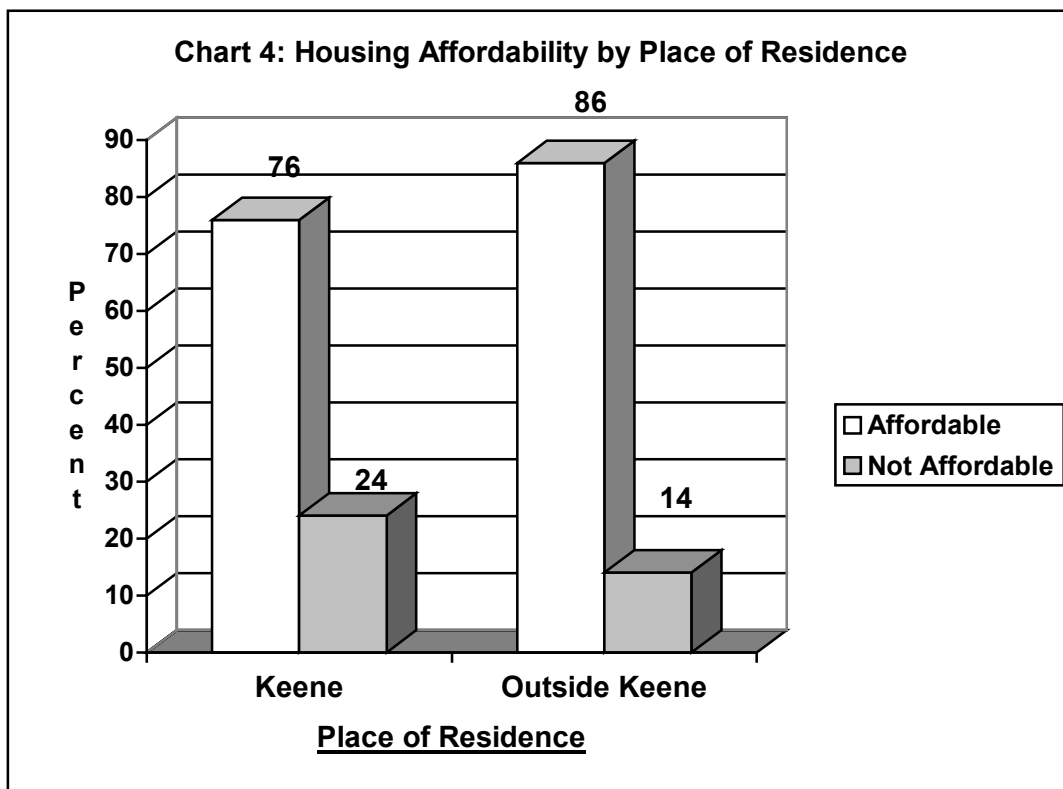
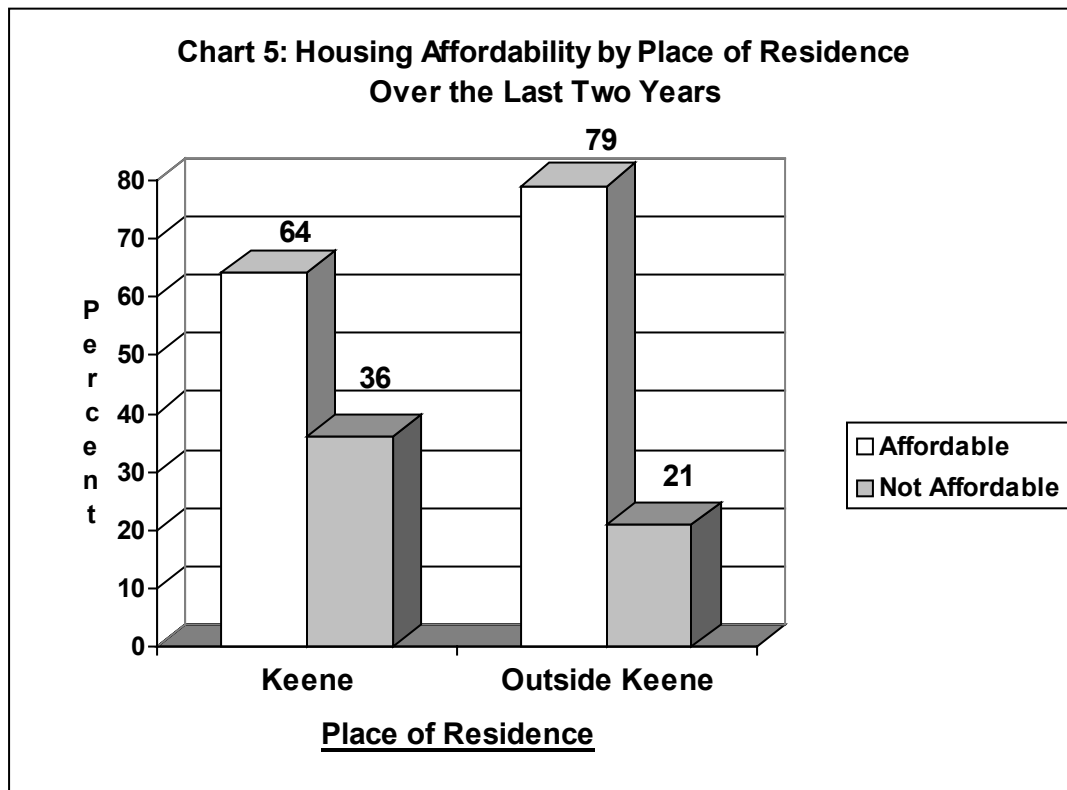
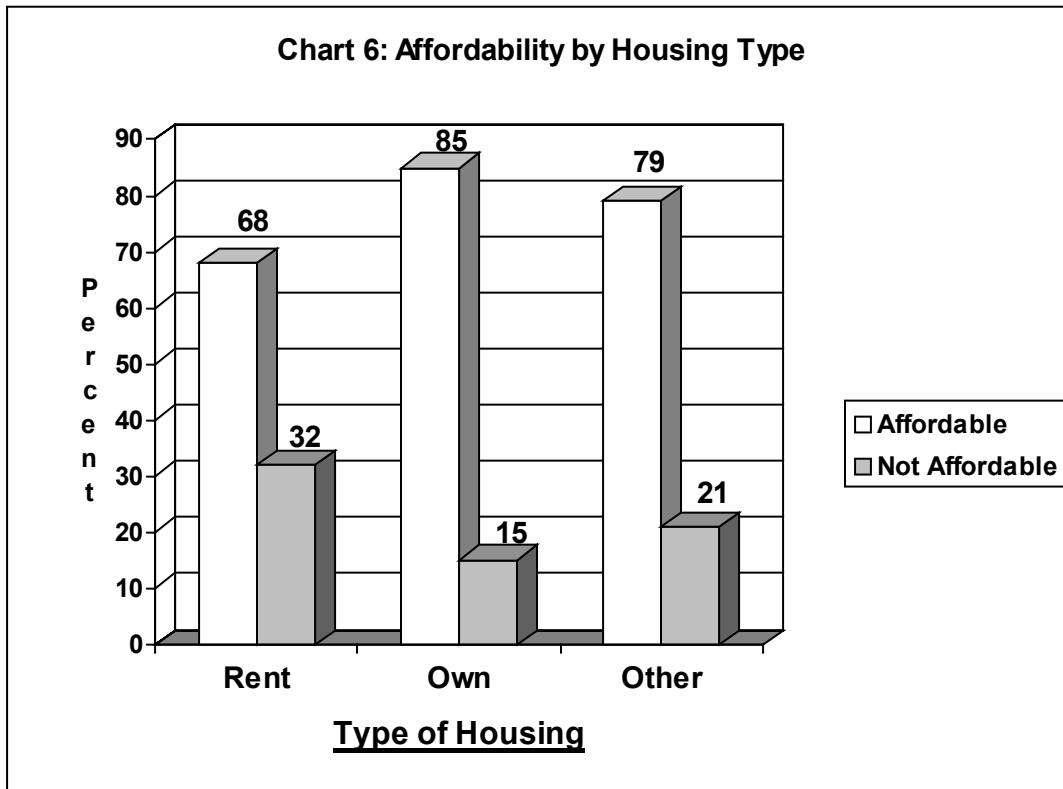


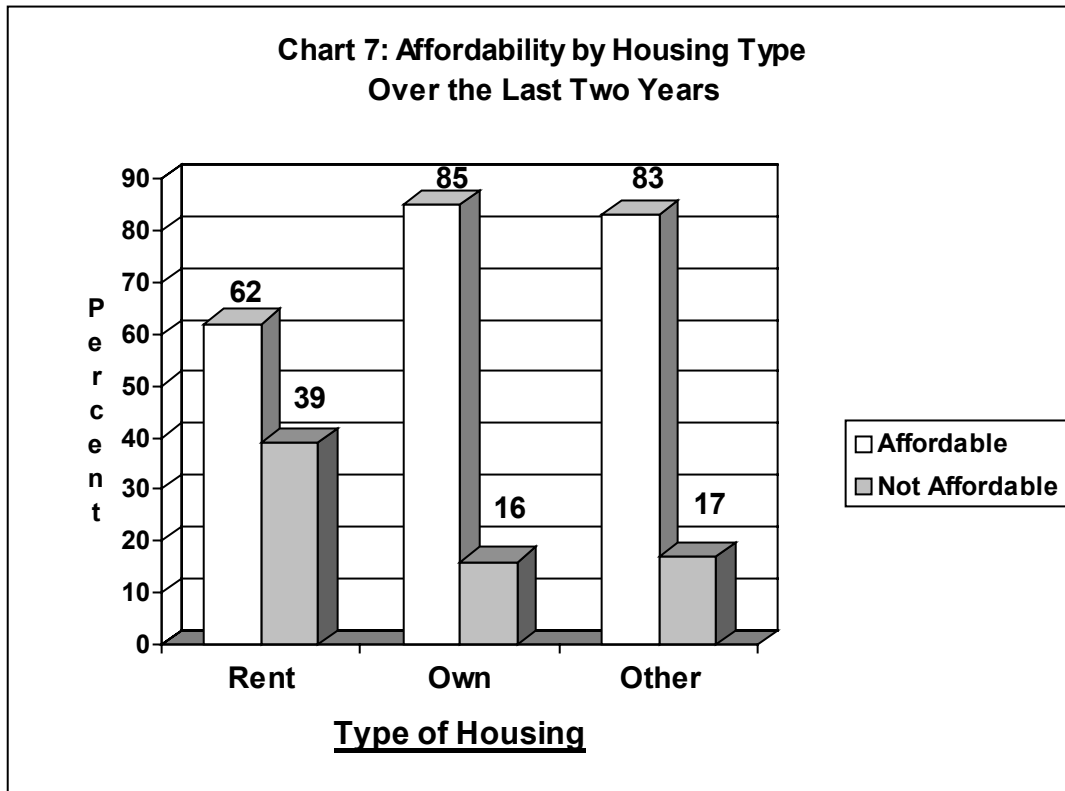
Chart 5 shows that the problem of affordable housing for Keene residents (compared with non-residents) is worse when we restrict the sample to respondents residing in their home two years or less. More than 1 out of every 3 of these Keene residents live in a home that is not affordable. Nevertheless, a significant percent of non-Keene residents (21%) make the same claim.



Most respondents either rent or own a home; only 2.7% have other housing arrangements. Overall, renters are the most likely to claim that their homes are not affordable. For example, Chart 6 shows that 32% of renters do not find their housing to be affordable, in contrast to 15% percent of homeowners.



The housing data indicate that the affordability problem has become worse for renters in recent years. Chart 7, which focuses on respondents living in their homes two years or less, shows that 39% of these renters do not find their housing to be affordable in contrast to 16% percent of comparable homeowners.

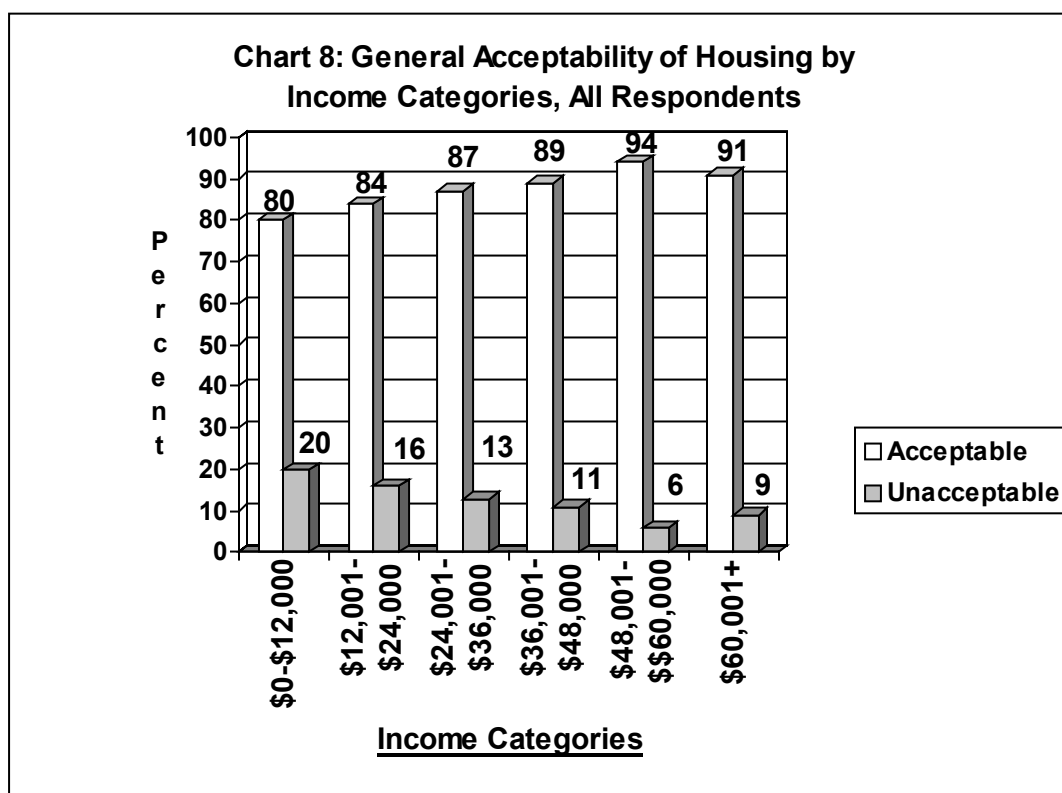


Note: Percentages for *Rent* and *Own* do not sum to 100 due to rounding.

The qualitative responses support the finding that renters, in particular, are having a difficult time affording their homes. As one respondent stated: “When I moved in my rent was \$500 per month. Now, 8 years later, my rent is \$840 per month and it is the same apartment. My rent has been increased 3 times in the last 2 years and there have been no improvements to the unit/site.” Another respondent says, “It used to be an unwritten rule that one week’s wages should be enough to cover one month’s rent. Now it takes almost 3 weeks’ wages!” Many renters report that they will not be able to save enough money for a down payment on a house given that so much of their income goes toward rent.

The Acceptability of Housing¹²

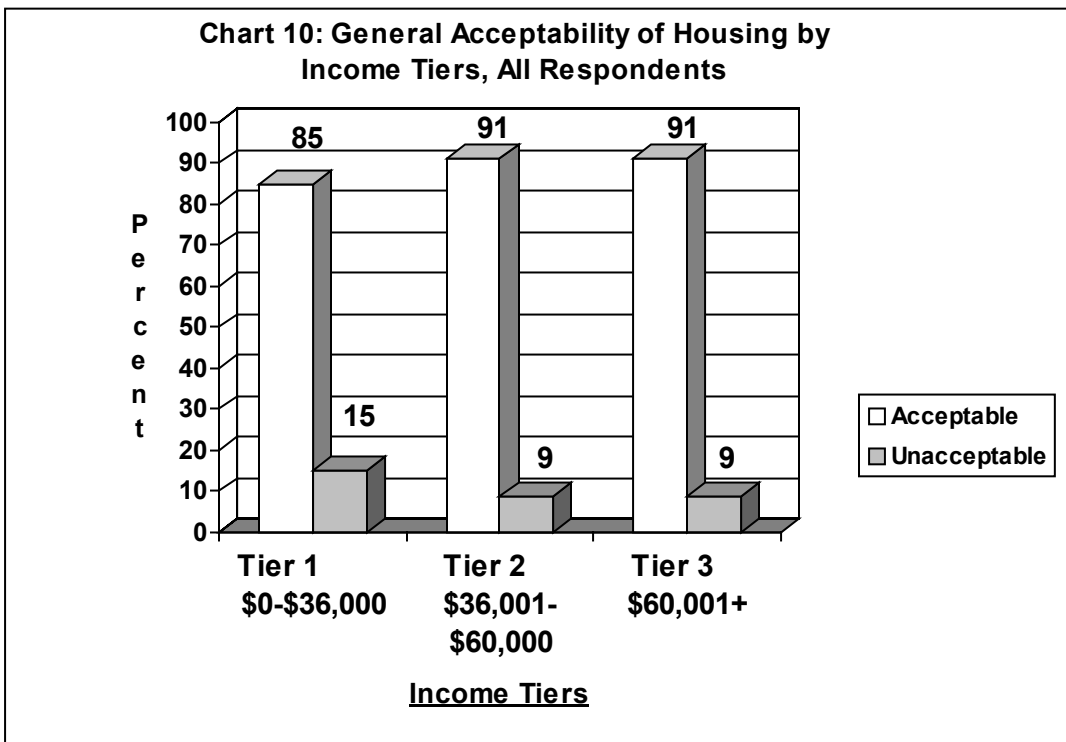
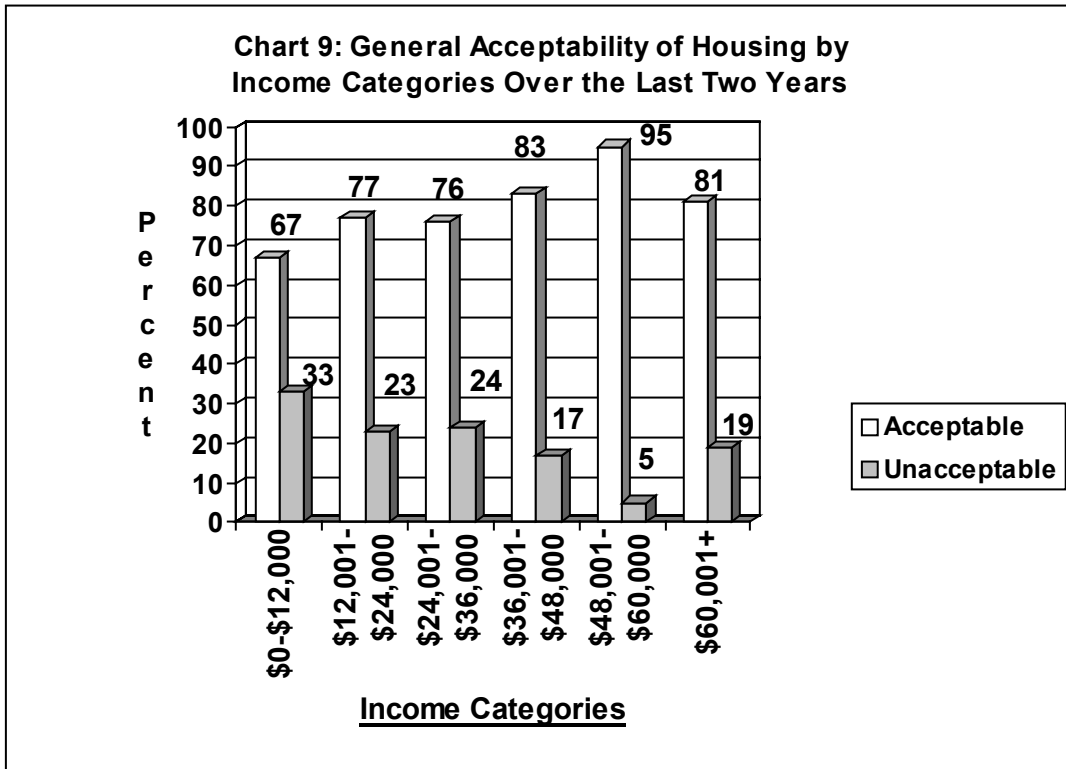
As seen in Chart 8, the effect of income on the acceptability of housing is similar to its effect on affordability. That is, a higher percent of respondents in the lowest income categories are not satisfied with their housing situation than respondents in other income categories. Nevertheless, most respondents are satisfied with their housing regardless of income.



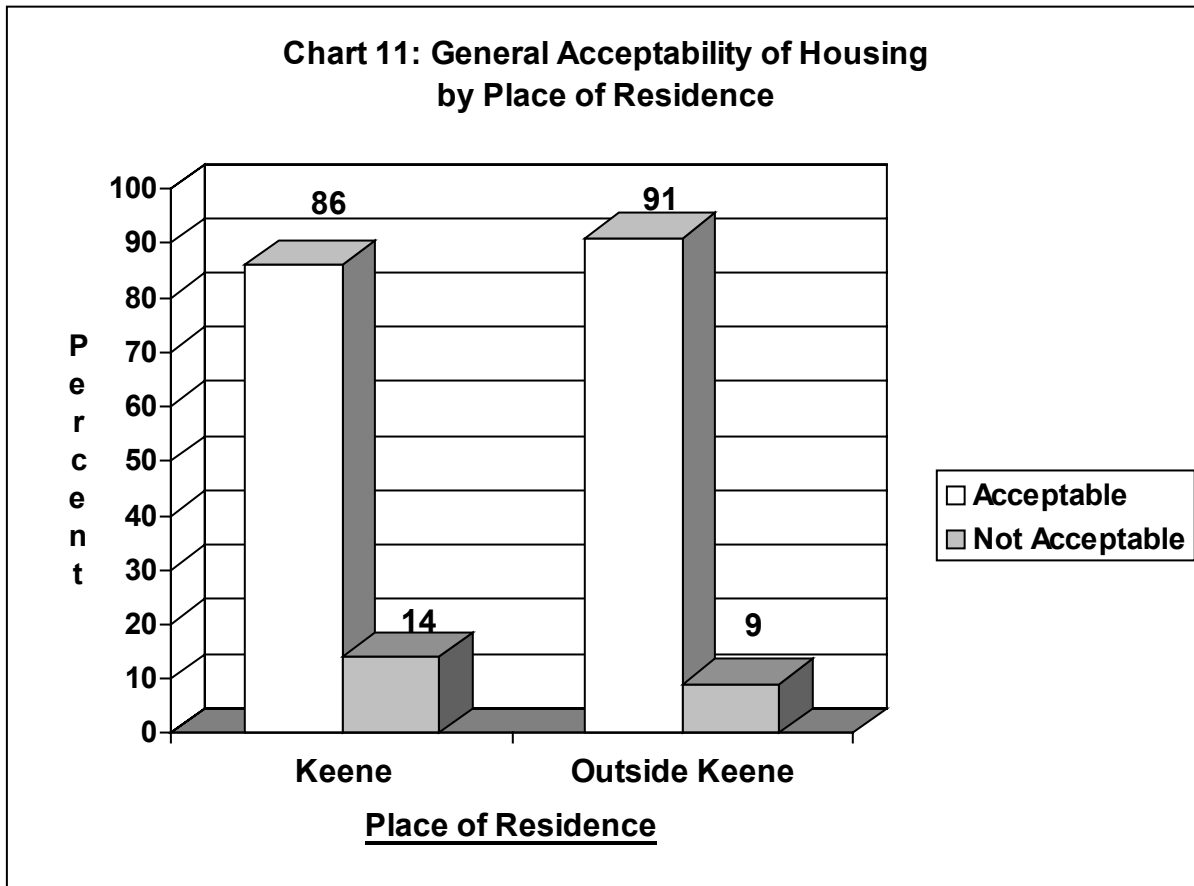
Comparing Chart 8 with Chart 9 reveals that housing acceptability has worsened in recent years. When the sample includes only those who resided in their homes two years or less as in Chart 9, the percent of respondents in the lowest income category who are not satisfied with their home increases to 33%. Moreover, the percent of these respondents in the highest income category increases to 19%.

¹² With the exception of relationships presented in Charts 9 and 14, the effect of income, place of residence, and housing type on housing acceptability are statistically significant at the .05 level of significance.

When viewed by income tiers, 15% of respondents in Tier 1 do not find their housing acceptable, while 9% of respondents in both Tier 2 and Tier 3 make the same claim.



As seen in Chart 11, the problem of acceptable housing is slightly worse for those who live in Keene compared with those who live outside of Keene. 14% of Keene residents report that their housing arrangement is not acceptable, while only 9% of non-Keene residents make



the same claim.

The problem of acceptable housing appears to be worse for those who more recently moved into their current housing in Keene (versus outside of Keene). Chart 12 shows that 22% of these Keene residents claim their housing arrangement is not acceptable, while 17% of these non-Keene residents make the same claim. However, this relationship is not statistically significant.

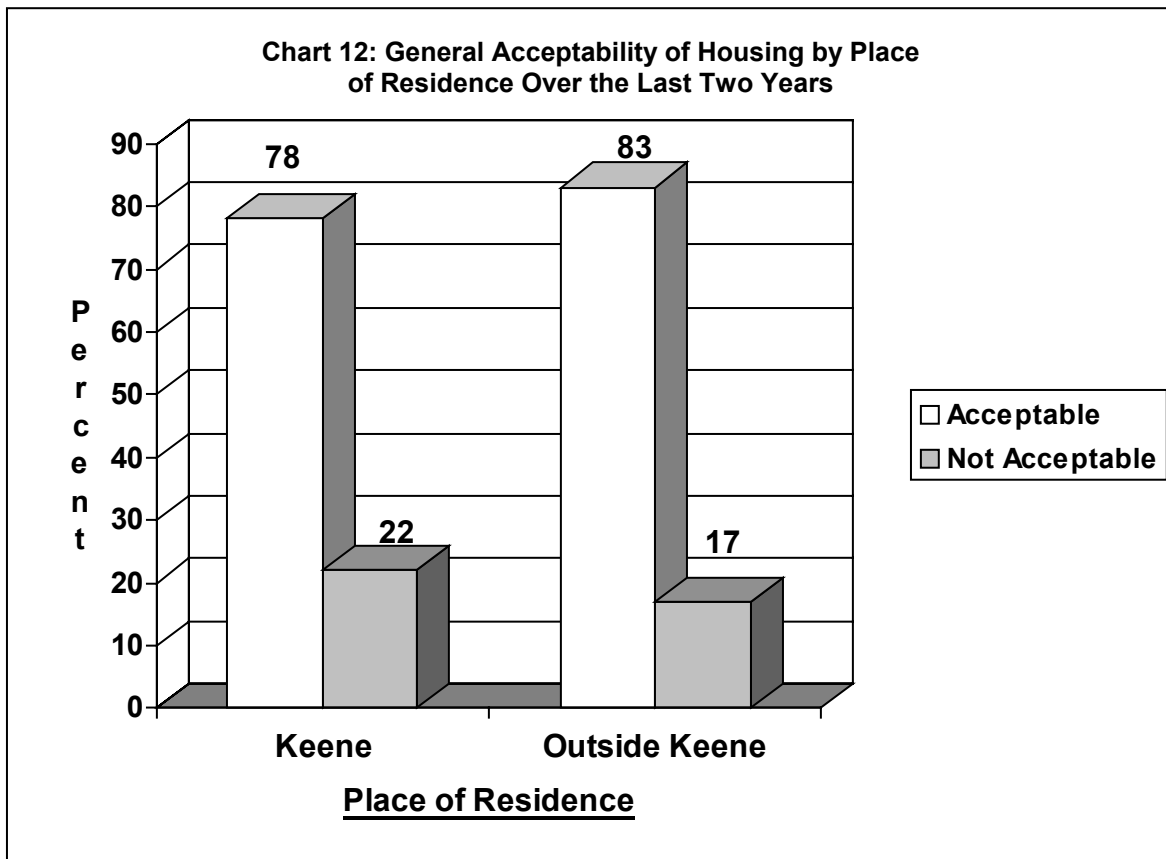
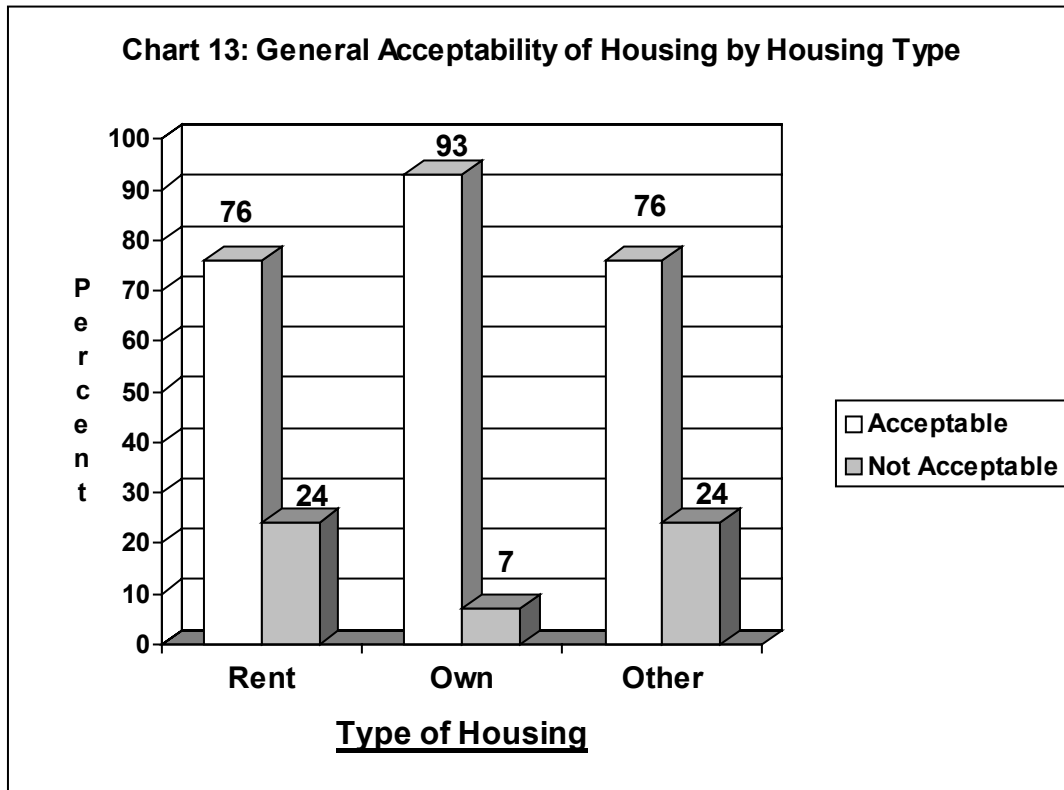
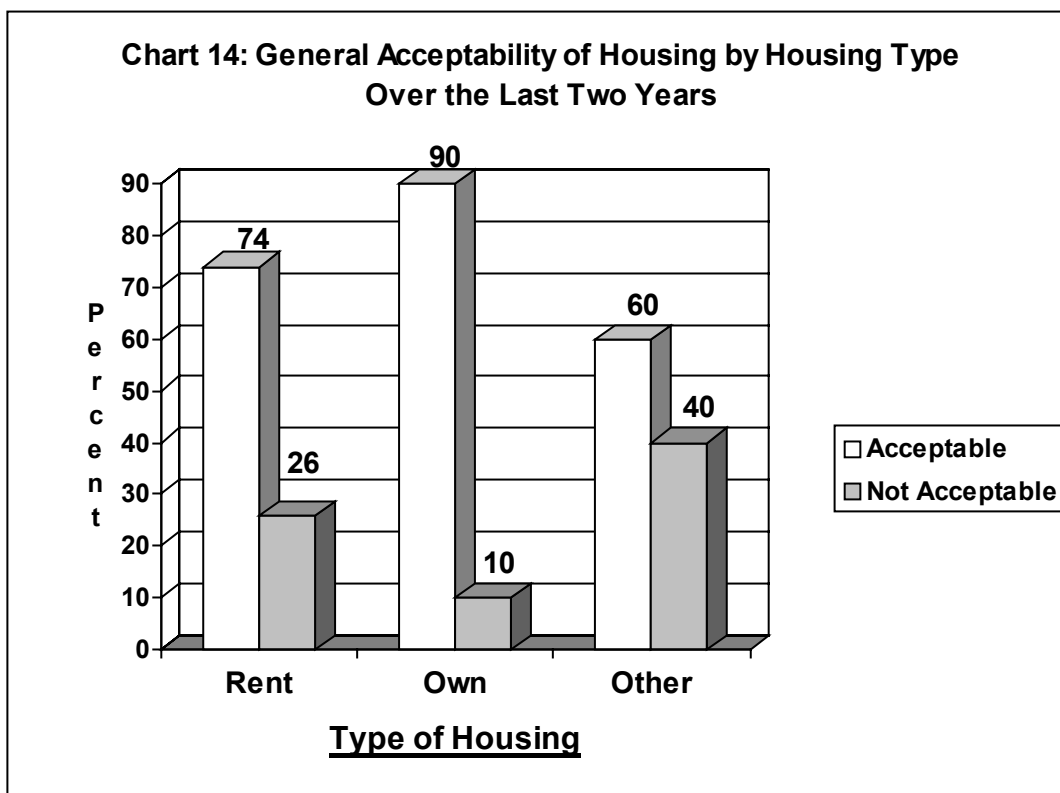


Chart 13 reveals that renters are much less likely than homeowners to consider their general housing situation to be acceptable. While nearly 1 out of every 4 renters consider their housing to be unacceptable, only 7% of homeowners are dissatisfied with their housing.



This situation has worsened in recent years for all respondents as seen in Chart 14 on the next page. Renter dissatisfaction increased to 26%, and owner dissatisfaction increased to 10%.

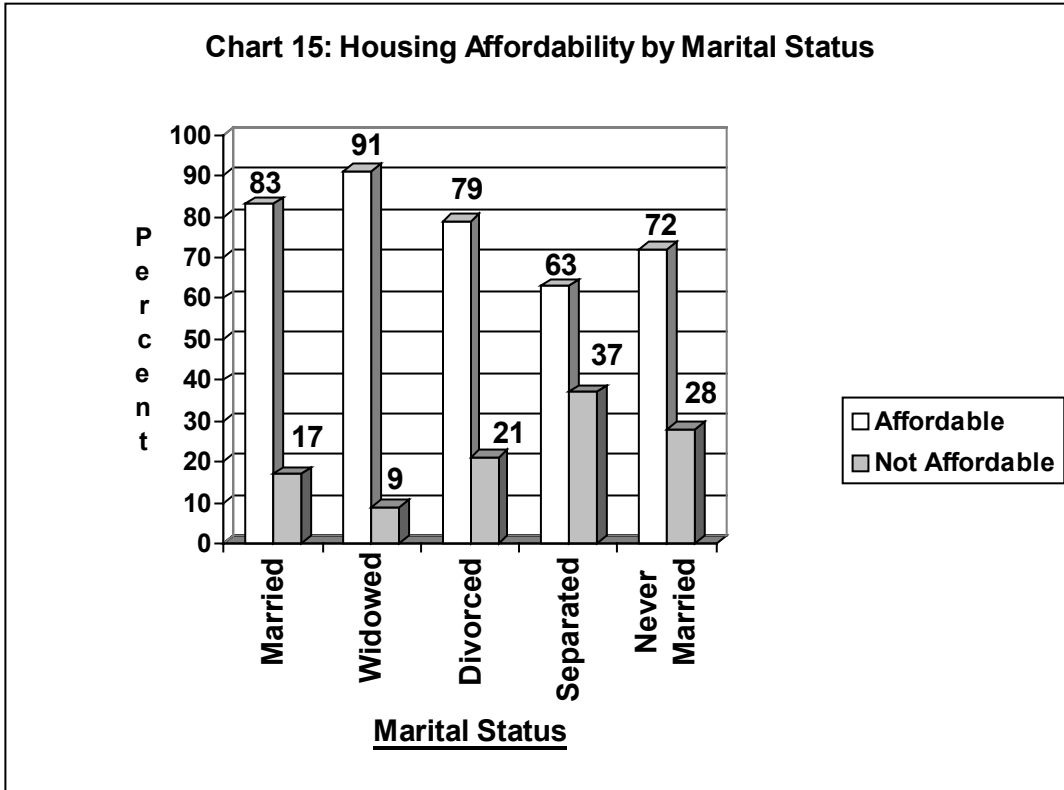


Approximately 100 respondents explained why they consider their current housing situation to be unacceptable. Again, respondents took the opportunity to highlight issues surrounding cost, price, taxes, and affordability; 45 of these types of comments appeared in the qualitative data. Other points of dissatisfaction commonly mentioned included size of housing (too small), quality of the housing (poor), location (not near desired features), and the neighborhood (noisy, dirty). Additionally, some common challenges to securing a home included finding housing that was located near good schools and in decent neighborhoods, rentals that would accept pets, and the overall lack of choice in the housing stock available.

The Effect of Demographics on Housing Affordability

In this sample of Keene employees, demographic factors impact housing affordability very little. Almost the same percent of male (18.1%) and female (19.7%) respondents state that their housing is unaffordable. Even the presence of children had little bearing on whether respondents can afford their home. For example, 22.0% of respondents with children in the home report that their housing is unaffordable, while 16.9% of respondents without children make this same claim. The percent of those who share the cost of housing who cannot afford their home is 17.3%, which is somewhat lower than the comparable percent for those who do not share the cost housing (21.6%); this difference amounts to only 4.3 percentage points and is not statistically significant. At the same time, the percent of respondents sharing a home with unrelated individuals who report that their housing is unaffordable is 23.4%, which is appreciably higher than those who do not share a home with unrelated individuals (18.6%). However, this difference of 4.8 percentage points is also not statistically significant.

The only demographic variable to have a statistically significant effect on housing affordability is marital status. Chart 15 (next page) shows that married and widowed respondents are less likely to report that their housing is not affordable than respondents who are divorced, separated, or never married. Respondents who are separated (37.5%) or never married (27.9%) appear to be having the most difficult time securing affordable housing. However, it should be noted that there are very few respondents (8) who report being separated.



Appendix A

Original Telephone Survey

Survey

Hello, my name is Carly, and I am calling on behalf of the Housing Focus Group of the Monadnock Region. The Housing Focus Group was formed at the Council for a Healthier Community retreat last March and is now working with the Chamber of Commerce on assessing housing in the Keene area. My reason for calling today is to help this organization and the community form a better understanding of how the availability of housing affects businesses in the Keene area. May I ask you, at the most, four brief questions regarding your organization that will assist the Housing Focus Group?

1. Has housing in the Keene area affected your business or organization's capacity to attract employees?

_____ Yes _____ No _____ Other: _____

(If answered *Yes*, proceed to question 2; if answered *No*, proceed to question 3).

Unsolicited Comments: _____

2. Please describe how this has affected your business or organization's capacity to attract employees:

3. Has housing in the Keene area influenced your business or organization's ability to retain employees?

_____ Yes _____ No _____ Other: _____

4. Please describe how this has affected your business or organization's capacity to retain employees:

Thank you for assisting the Focus Group with their assessment. Have a nice day.

Appendix B

Second Survey and Methodological Notes

QUESTIONNAIRE

DEMOGRAPHIC INFORMATION

1) What is your sex?

Male

Female

2) What is your age? _____

3) Are you currently a college student? _____ Yes _____ No

4) What is your marital status?

Married

Widowed

Divorced

Separated

Never married

5) What town do you reside in? _____

6) How far do you travel to work, **in miles one way**? _____

7) How many people live in your household? _____

8) How many dependents live in your household? _____

9) How many **employed** adults live in your household? _____

10) What is your household status?

Married

____ With children under 18 years

____ With no children under 18 years

Single male head of household

____ With children under 18 years

____ With no children under 18 years

Single female head of household

____ With children under 18 years

____ With no children under 18 years

Unmarried couple, living together

____ With children under 18 years

____ With no children under 18 years

HOUSING INFORMATION

11) Do unrelated individuals live in your house? _____ Yes _____ No

11a) If you answered “yes,” how many individuals are adults? _____

11b) How many individuals are children? _____

12) Do you share the cost of housing with another individual(s)? _____ Yes _____ No

12a) If you answered yes, please check any of the following that apply to you:

- I share the cost of housing with my spouse/partner.
- I share the cost of housing with other relatives that live in my house.
- I share the cost of housing with unrelated individuals that live in my house.
- I share the cost of housing with relatives or unrelated individuals that do not live in my house.

13) Do you _____ rent, _____ own, or _____ have another housing arrangement? (Check one)

14) What type of housing do you live in?

- Apartment
- Townhouse
- Mobile Home
- Condominium
- Single Family Home
- Other (Please specify) _____

15) How long have you resided in this home? _____ Years _____ Months

16) How long did it take you to find your present home? _____ Years _____ Months

17) What challenges did you encounter while looking for your home?

(Please specify)

18) How much is your rent or mortgage per month (include property taxes)? \$ _____

19) If renting, is your rental subsidized? _____ Yes _____ No

20) What percent of your monthly household take-home income do you set aside to pay for your rent or mortgage? _____%

21) At present, do you consider your housing to be affordable? _____ Yes _____ No

(If no, please explain)

INCOME

22) How often are you paid?

Job #1

- Weekly
 Twice a month
 Once a month

Job #2

- Weekly
 Twice a month
 Once a month

Job #3

- Weekly
 Twice a month
 Once a month

23) What is your individual *monthly, take-home* income? (Please include all sources of income including child support, alimony, TANF, pension, social security, rental income, dividends, etc.)

- | | | |
|--|--|--|
| <input type="checkbox"/> \$0 - \$500 | <input type="checkbox"/> \$2,001 - \$2,500 | <input type="checkbox"/> \$4,001 - \$5,000 |
| <input type="checkbox"/> \$501 - \$1,000 | <input type="checkbox"/> \$2,501 - \$3,000 | <input type="checkbox"/> \$5,001 - \$6,000 |
| <input type="checkbox"/> \$1,001 - \$1,500 | <input type="checkbox"/> \$3,001 - \$3,500 | <input type="checkbox"/> \$6,001 - \$7,000 |
| <input type="checkbox"/> \$1,501 - \$2,000 | <input type="checkbox"/> \$3,501 - \$4,000 | <input type="checkbox"/> \$7,001 + |

24) What is the combined *monthly, take-home* income for all members of your household? (Please include all sources of income including child support, alimony, TANF, pension, social security, rental income, dividends, etc.)

- | | | |
|--|--|--|
| <input type="checkbox"/> \$0 - \$500 | <input type="checkbox"/> \$2,001 - \$2,500 | <input type="checkbox"/> \$4,001 - \$5,000 |
| <input type="checkbox"/> \$501 - \$1,000 | <input type="checkbox"/> \$2,501 - \$3,000 | <input type="checkbox"/> \$5,001 - \$6,000 |
| <input type="checkbox"/> \$1,001 - \$1,500 | <input type="checkbox"/> \$3,001 - \$3,500 | <input type="checkbox"/> \$6,001 - \$7,000 |
| <input type="checkbox"/> \$1,501 - \$2,000 | <input type="checkbox"/> \$3,501 - \$4,000 | <input type="checkbox"/> \$7,001 + |

SATISFACTION WITH HOUSING**Please note if your housing situation is acceptable or not in the following areas:**

25) General housing situation _____ acceptable _____ unacceptable

If general housing situation is unacceptable, please explain.

26) Size of your home _____ acceptable _____ unacceptable

If size of your home is unacceptable, please explain.

27) Location of your home _____ acceptable _____ unacceptable

If location of your home is unacceptable, please explain.

28) Quality of your neighborhood _____ acceptable _____ unacceptable

If quality of your neighborhood is unacceptable, please explain.

The tables and charts below provide evidence that the 963 respondents of this survey, in general, reflect a good cross-section of employees working in Keene.¹³

Table 1: Basic Characteristics of Respondents*

| | <i>Mean</i> | <i>Median</i> | <i>Mode</i> | <i>Standard Deviation</i> |
|----------------------------|-------------|---------------|-------------|-------------------------------|
| Age (943) | 44.1 | 45.0 | 44.0 | 11.4 |
| Distance to Work (941) | 9.3 | 5.0 | 1.0 | 10.8 |
| Household Size (953) | 2.7 | 2.0 | 2.0 | 1.3 |
| # of Dependents (949) | .9 | 0.0 | 0.0 | 1.2 |
| # of Employed Adults (954) | 1.8 | 2.0 | 2.0 | .7 |
| Months to Find Home (816) | 7.3 | 3.0 | 1.0 | 16.7 |
| Length of Residence (945) | 9.0 | 6.0 | 1.0 | 8.8 |

*Note that numbers in parentheses reflect total number of valid responses.

The mean and mode for age is 44 and the median is 45, signifying a somewhat older population. The standard deviation of 11.4 reflects a wide variation in age with values ranging from 17 to 88 years. The mean number of miles driven to work in Keene one way is 9.0, but this value is influenced by one extreme value of 100 miles. This value also inflates the standard deviation (10.8). Here the median of 5 miles is the best measure of central tendency. Average household size is only 2.7 people with a median and mode of 2, which is partly explained by a slightly older population. Moreover, the standard deviation is only 1.3 reflecting little variation in this variable. The average number of dependents for all households is 1 with a median and mode of 0. Note, however, that these figures are computed for respondents of all ages, including

¹³ While the non-working population is not part of this survey, their housing needs are addressed in the preceding report of the Housing Focus Group with data from Keene Housing Authority, City of Keene Human Services, Southwestern Community Services, and the Census Bureau.

those beyond childbearing age. There is little variation in this factor as evidenced by a standard deviation of only 1.2. On average, it takes area residents 7.3 months to find a home, and respondents have been living in their home, on average, for 9 years, but there is a large amount of variation associated with this variable given a standard deviation of 8.8 years.

Almost half (49%) of the respondents are residents of Keene, and only 7% are attending college. While the majority of respondents are women (67.3%), cross-tabulations reveal that the men and women in the survey have virtually the same opinions on housing affordability and acceptability. Chart A shows how respondents are distributed across different types of marital status. The majority of respondents (65.8%) are currently married; 15.4% of them have never been married, and the remainder of respondents are widowed, divorced, or separated. Children are present in 41.1% of the homes regardless of marital status. 10% of respondents share a residence with unrelated individuals, and 58.4% share the cost of housing with other individuals (usually a spouse or partner).

Chart A: Marital Status of Respondents

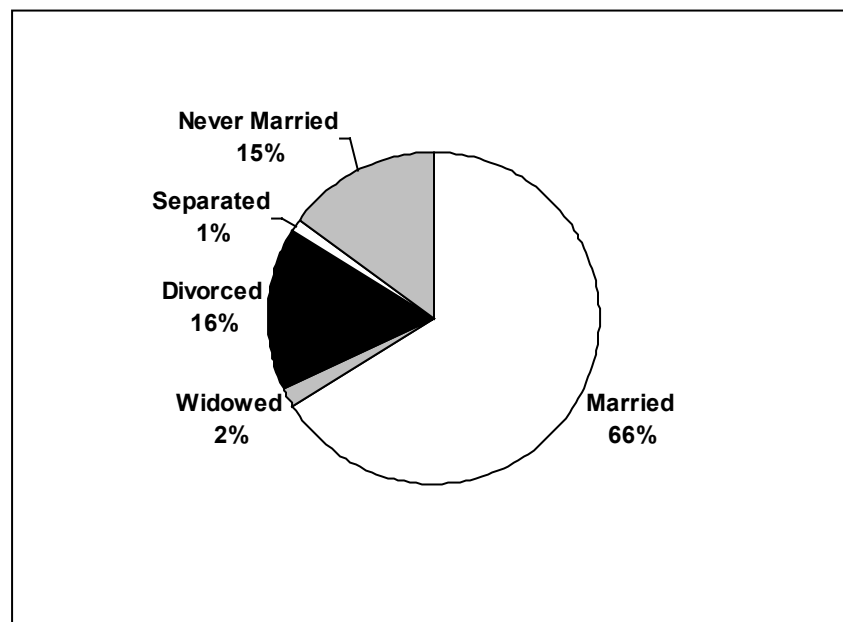
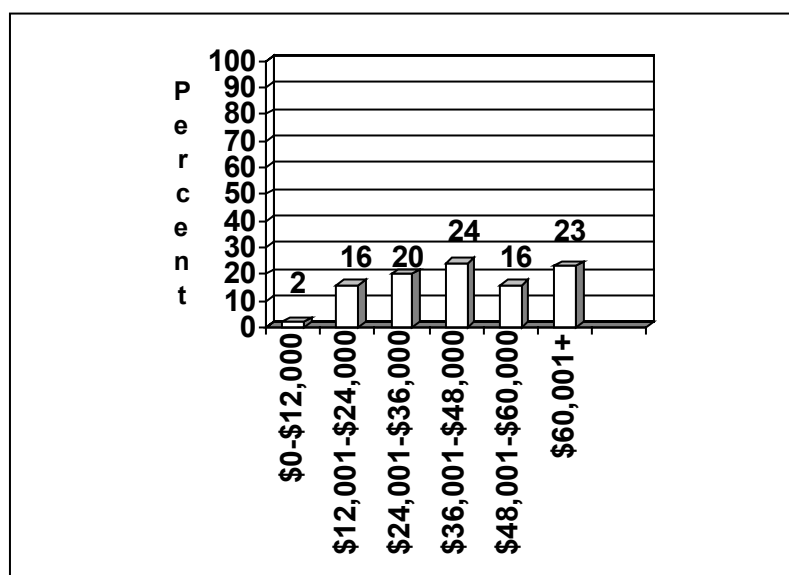


Chart B displays how respondents are distributed across income categories. It shows a fairly even distribution, with the exception of the lowest income category. This is not surprising since all the respondents are working for pay. Consequently, the sample excludes a large percentage of area residents living in poverty. On average, area residents allocate 27.1% of their income for housing. The percent increases to 33.0% when we focus on respondents living in their residence two years or less. This suggests that residents are spending a larger percent of their income on housing in recent years. Such a finding is consistent with data on affordability. For example, 19.1 percent of all respondents state that their housing is not affordable; 28.0% of respondents living in their residence two years or less claim that the cost of their housing is not affordable. In sum, housing affordability appears to be growing worse. Finding acceptable housing also appears to be a growing problem. The housing data indicate that 11.2% of all respondents do not consider their housing to be acceptable, while 19.7% of respondents living in their home two years or less find their housing to be acceptable.

Chart B: Percent Distribution of Household Income



NOTE: Percentages do not sum to 100 due to rounding.

Chart C shows that the majority of respondents (74.0%) own their homes, but a sizable percent of respondents rent (23.3%). Chart D shows that most respondents live in single-family dwellings (74.6%), whereas 15.6% of respondents reside in apartments. Only a small percentage of respondents reside in various other types of housing.

Chart C: Percent Distribution of Housing Type

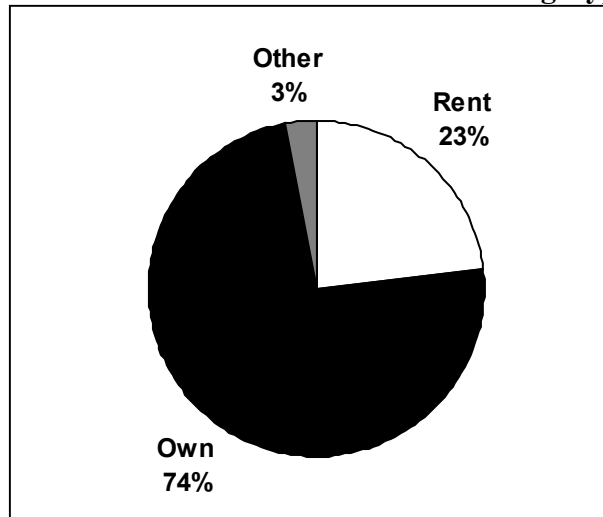
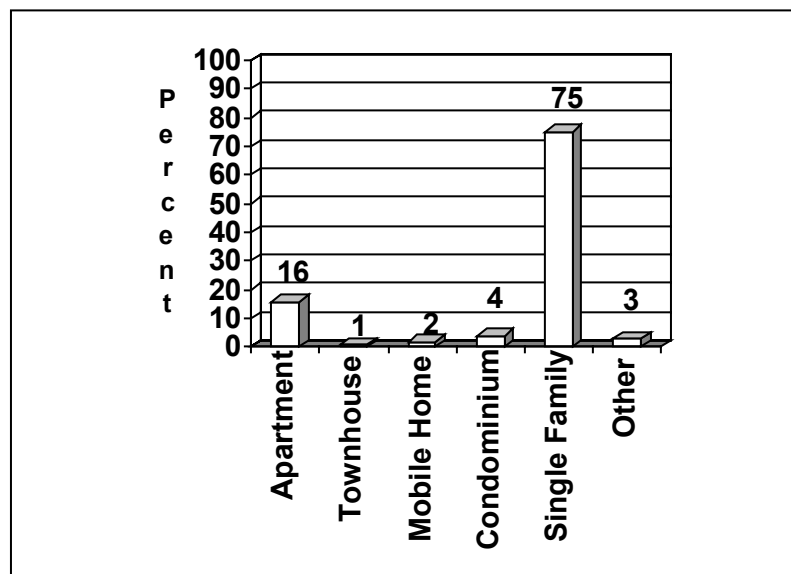


Chart D: Percent Distribution by Dwelling Type



Note: Percentages do not sum to 100 due to rounding.