

Section VII

Housing Section

Introduction

Housing is a basic need and represents the single greatest investment for most families. In Sunapee, the housing stock is not limited to just primary homes, but includes a significant number of seasonal homes. This mix of primary and seasonal homes represents nearly the entire property tax base in Sunapee, since there is very little commercial property.

In the last ten years there was a surge in the new home construction followed by a significant decline. This decline was the result of a recession precipitated by an historic drop in property values after a period of skyrocketing property values.

Access to quality, affordable housing remains the biggest challenge, not only in Sunapee, but in the region. At the height the recent housing boom, home ownership in Sunapee became unaffordable for those with low and moderate incomes. Even with the decline in housing values over the last few years, availability of so-called workforce housing remains a chronic problem

Community Survey and Attitudes

The community survey conducted by the Planning Board in 2007 sought public opinion on various housing topics. Single-family homes remain the most heavily favored type of housing – favored by over 99% of respondents. Duplexes were favored by two-thirds of those responding. Other forms of housing did not receive favorable opinions with multi-family housing only favored by 30%, mobile homes by 14%, and mobile home parks by 6% of those responding.

When asked about the rate of growth in the Town of Sunapee, 61% of respondents felt that the rate should stay at the 1990 to 2005 level of 1.74% per year. Another 37% felt it should be slower. In a related question most respondents felt that the lot size and density requirements should remain as currently defined in all zoning districts, thereby keeping growth at a steady rate.

Over 78% of respondents felt that senior housing was either important or very important. Affordable housing was deemed as important or very important by over 72% of the respondents. The full community survey can be found in the appendix.

Housing Profile

The number of new homes increased at a fast pace during the 1990s mostly due to regional the housing boom during the latter part of the decade. There was a reported decrease in the number of seasonal and vacant homes as a result of conversions to year-round use and tear-down/rebuilds for year-round use.

Table VII-1

<u>Year</u>	<u>Occupied Units</u>	<u>% Change</u>	<u>Seasonal Homes</u>	<u>% Change</u>	<u>Vacant Units</u>	<u>% Change</u>	<u>Total Units</u>	<u>% Change</u>
1970	450	-	684	-	29	-	1,163	-
1980	883	96.2%	722	5.5%	40	37.9%	1,645	41.4%
1990	991	12.2%	823	14.0%	90	125.0%	1,904	15.7%
2000	1,294	30.6%	783	(- 4.8%)	66	(- 26.7%)	2,143	12.4%

Sources: 2000 U.S. Census, 1998 Master Plan

Composition of the Housing Stock

The following table reveals that Sunapee remains a rural-residential community when compared with the county and state as a whole. The percentage of single-family detached homes now comprises 80% of the housing stock in Sunapee compared with less than 67% in the Sullivan County and 62.4% in New Hampshire. The percentage of units in multi-family buildings (3 or more units) is just over 10% in Sunapee, but is 15% in the county and at 20% statewide.

Table VII-2

	<u>Sunapee</u>		<u>Sullivan County</u>		<u>New Hampshire</u>	
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>
Total units	2,143	100.0	20,158	100.0	527,024	100.0
1 unit, detached	1,715	80.0	13,340	66.2	341,299	62.4
1 unit, attached	68	3.2	630	3.1	24,233	4.4
2 units	63	2.9	1,089	5.4	35,664	6.5
3 or 4 units	101	4.7	1,326	6.6	32,724	6.0
5 to 9 units	98	4.6	731	3.6	27,561	5.0
10 or more units	25	1.1	960	4.8	49,194	9.0
Mobile homes	73	3.4	2,061	10.2	35,544	6.5

Sources: 2000 U.S. Census, Sunapee Tax Records

Age of the Housing Stock

As of 2000, the housing stock in Sunapee tended to be slightly newer than the county as a whole, with over 52% of all units built within the last 30 years – compared with only 47% in the county. In comparison with the rest of the state, the housing stock in Sunapee was generally about the same age.

Table VII-3

	Sunapee		Sullivan County		New Hampshire	
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>
Built 1990 – 2000	280	13.5	2,370	11.8	73,238	13.4
Built 1970 – 1990	839	39.0	7,103	35.2	213,622	39.1
Built 1940 – 1970	589	27.3	5,064	25.1	130,666	23.8
Built Before 1940	435	20.2	5,621	27.9	129,498	23.7

Source: 2000 U.S. Census

Owner vs. Renter Occupied Housing Units

Home ownership remained strong in Sunapee in 2000, with over 75% of all full-time occupied units being owner-occupied. This compares with 72% in the county and under 70% in the state.

Table VII-4

	Sunapee		Sullivan County		New Hampshire	
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>
Occupied Housing Units	1,294	100.0	16,530	100.0	474,606	100.0
Owner-Occupied Units	972	75.1	11,903	72.0	330,700	69.7
Renter-Occupied Units	322	24.9	4,627	28.0	143,906	30.3

Source: 2000 U.S. Census

Note: These tables represents units which are occupied full-time.

Financial Characteristics of Owner-Occupied Housing Units

The overall values for Sunapee homes in the year 2000 was slightly higher than the state as a whole, but much higher than the remainder of the county. Sunapee had an extremely high proportion of homes valued at \$500,000 or more, when compared with the rest of the county. It also had all of the county's homes valued at more than \$1,000,000, but only a proportionally small percentage of homes valued under \$100,000. The values in the following tables are from selected census questionnaires and do not reflect data on all homes in Sunapee.

Table VII-5

	Sunapee		Sullivan County		New Hampshire	
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>
Total Specified Units	784	100.0	7,798	100.0	249,345	100.0
Less than \$50,000	14	1.8	361	4.6	5,006	2.0
\$50,000 to \$99,999	206	26.3	4,222	54.1	61,539	24.7
\$100,000 to \$149,999	235	30.0	1,948	25.0	86,992	34.9
\$150,000 to \$199,999	120	15.3	623	8.0	48,253	19.4
\$200,000 to \$299,999	88	11.2	403	5.2	32,989	13.2
\$300,000 to \$499,999	72	9.2	173	2.2	11,491	4.6
\$500,000 to \$999,999	29	3.7	48	0.6	2,614	1.0
\$1,000,000 or more	20	2.6	20	0.3	461	0.2
Median Value	\$136,100		\$91,900		\$133,300	

Source: 2000 U.S. Census

Financial Characteristics of Renter-Occupied Housing Units

As of the year 2000, median rents in Sunapee were nearly \$700 per month, which is about 15% higher than the state as a whole and over 20% higher than the rest of the county. It is believed that these figures have trended higher since the last census.

Table VII-6

<u>Monthly Rent</u>	Sunapee		Sullivan County		New Hampshire	
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>
Total Specified Units	315	100.0	4,432	100.0	141,227	100.0
Less than \$200	0	0.0	351	7.9	6,580	4.7
\$200 to \$499	53	16.8	1,457	32.9	28,420	20.1
\$500 to \$749	130	41.3	1,866	42.1	56,341	39.9
\$749 to \$999	60	19.0	372	8.4	30,305	21.5
\$1,000 to \$1,499	45	14.3	191	4.3	11,854	8.4
\$1,500 or more	7	2.2	27	0.6	1,980	1.4
No cash rent	20	6.3	168	3.8	5,747	4.1
Median rent	\$693		\$537		\$646	

Source: 2000 U.S. Census

Workforce Housing

The New Hampshire Legislature in 2008 passed SB 342 which is commonly referred to as the Workforce Housing Act. The first line of the law summarizes its objective: “*In every municipality that exercises the power to adopt land use ordinances and regulations, such ordinances and regulations shall provide reasonable and realistic opportunities for the development of workforce housing, including rental multi-family housing.*” This law became effective on January 1, 2010.

The Workforce Housing Act defines workforce housing as either owner-occupied units which are affordable to a family of four with an income of 100% of the median income in the county, or renter-occupied units which are affordable to a family of three with an income of 60% of the median income in the county. Affordability is determined by combining either rental and utility costs or mortgage, tax, and insurance costs and verifying that these sums do not exceed 30% of a household’s gross annual income. For Sullivan County, it is estimated that in 2009, the threshold for affordable housing ownership is \$200,000 and the threshold for affordable rentals is \$900 per month.

According to the law, workforce housing opportunities must be available in a majority of the land area where residential uses are allowed. This means that minimum lot size and maximum density requirements must be flexible enough to insure that a developer may build qualifying housing and make a reasonable profit.

In Sunapee, particular attention will need to be paid to density requirements in areas around the village centers to insure that multi-family housing can be constructed in an economical fashion.

Goals and Objectives

1. Provide opportunities for affordable housing at all economic levels.
2. Encourage renovation to existing housing stock where feasible.
3. Ensure that the housing stock is safe through enforcement of zoning ordinances and floodplain regulations.

Recommendations

1. **Review the Zoning Ordinance to determine if the objectives of the Workforce Housing Act are met.**

Establish a committee of Planning and Zoning Board members charged with presenting a recommendation for zoning and other regulatory changes to the Planning Board for inclusion in its zoning amendment process. (Note: These revisions were proposed as a Zoning Amendment at the 2010 Town Meeting and passed by voters.)

2. Update housing section of the Master Plan after release of 2010 US Census.

This update should use the results of the 2010 US Census to see how the current recession has impacted affordability and determine what percentages of owner occupied and rental housing in Sunapee are affordable according to the current HUD tables of Income Limits.