

CHAPTER V HOUSING

INTRODUCTION

The purpose of this chapter is to document the historic housing trends in Salisbury and to project housing needs for the future. This Chapter reviews the Community Survey results, visioning sessions, US Census Data, and data from other sources. The Planning Board has reviewed this information and developed the following objectives and recommendations in order to ensure that the children of Salisbury's current residents can continue to live in Salisbury should they so choose.

The key to a diverse population is diversity in housing stock. Salisbury's housing stock largely consists of detached, single-family homes. Multi-family homes and manufactured homes combined in 2000 to make up slightly over 5% of the total housing stock. The Town should seek a balance of housing diversity to permit a diverse and varied population in the community. Typically, single-family homes are not considered affordable housing to persons of lower income levels. If the Town of Salisbury wishes to provide housing for lower and middle-income persons and households it may have to diversify the housing stock.

The community survey indicated that many respondents would like to see the development of elderly housing encouraged in Salisbury. Community Visioning Session results indicated that many residents are in support of the establishment of conservation subdivisions, or open space development. Residents would like to see future growth be directed towards the north-east corner of the Town (Area 3 on the survey map).

OBJECTIVES OF THE CHAPTER AND RECOMMENDATIONS

- To encourage diversity in our housing that could include duplexes, clustered single family, manufactured housing on lots and elderly or age restricted housing.
 - Examine alternative density options as they relate to varied housing types to assure we retain the rural landscape character of the town while maintaining our minimum base density of one dwelling unit per two acre zoning.
 - Update the Salisbury Zoning Ordinance by defining new districts for duplex, clustered single family, manufactured and elderly/age restricted housing and describing how these housing types are applied to our existing Agricultural (A) and Residential (R) districts.
 - Maintain a balance of land zoned for a variety of housing types.

- To encourage open space and conservation style housing development that helps maintain our Town's rural character, that preserves existing open space and provides housing opportunities that two acre lot subdivisions cannot fulfill.
 - Create an Open Space Development section in the Salisbury Zoning Ordinance to define the nature of and requirements needed to implement this type of development.
 - Encourage developers to take advantage of the Open Space Development option in lieu of traditional subdivision.
 - Revise the Salisbury Site Plan Review regulations to guide this style of development with regard to site, layout, landscape, architectural character, etc.

- To guide future residential growth as Salisbury grows and encourage housing opportunities in response to the high housing demand that lies to our south and east.
 - Examine areas within the Town that could meet this potential housing demand in a responsible way with regard to density, impact on surrounding neighborhoods and town services.
 - Explore opportunities for partnering with federal, state and local organizations and /or qualified developers to meet this potential demand.

- To encourage opportunities for creating affordable housing that helps existing residents and their families to continue living in our town.
 - Explore partnerships with federal, state and local programs to create and help fund affordable housing.
 - Update the Salisbury Zoning Ordinance to include mechanisms that would allow developers to develop affordable housing.

- To encourage energy conservation construction and design for new homes and for the rehabilitation of existing homes.
 - Support the application of federal, state and local programs that provide funding for rehabilitation of existing homes that need energy efficiency and safety improvements.
 - Maintain and update our town building codes for compliance with current federal and state regulations that promote energy efficiency and sustainable construction.

COMMUNITY SURVEY RESULTS

In 2005 the Planning Board distributed community surveys to 411 Salisbury residents. Of the 411 surveys distributed, 102 were returned, indicating a total response rate of 25%. The results of the survey can be found in the **APPENDIX CHAPTER**. Answers to the questions pertaining to historical and cultural issues are summarized below.

As seen in Table V-1, of the survey respondents, a majority indicated their preference for encouraging single-family residences and elderly housing within the Town. A significant number of respondents indicated that they would not like to encourage manufactured/mobile home parks and multi-family housing. Respondents would also like to avoid encouraging condominium and townhouse development.

Table V-1
Would you like to see the Town of Salisbury encourage the following types of housing?

Housing Type	Yes	No	No Opinion
Single-family	76	24	2
Two-family/duplexes	37	60	5
Multi-family	10	90	2
Elderly housing	57	40	5

Conversion of large homes into apartments	24	69	2
Manufactured/mobile home parks	5	93	4
Manufactured/mobile home on individual lots	33	64	5
Condominium/townhouses	21	81	0

Residents were divided when asked about Salisbury's rate of residential growth. While 44% of respondents feel that Salisbury is growing too fast, 55% feel that Salisbury is growing at an acceptable rate. Zero respondents indicated that they believe that Salisbury is growing too slowly (Table V-2).

Table V-2
In your opinion, which statement best characterizes
Salisbury's rate of residential growth?

Response	Number of Respondents	Percent
Growing too fast	43	44.33%
Growing too slowly	0	0.00%
Growth is acceptable	54	55.67%
No Opinion	0	0.00%
Total	97	100%

General Housing Characteristics

This section of the chapter will provide an overview of the general housing characteristics and trends in Salisbury and surrounding communities, including population and housing growth, housing stock and supply, and housing density. As in the previous chapter, the surrounding or area communities are those that abut Salisbury: Webster, Andover, Warner, Boscawen, and Franklin.

Population and Housing Growth

Since 1970 Salisbury has experienced both population and residential housing growth. The population in Salisbury increased by over 90% between 1970 and 2000, and housing units increased 128% during the same period (Table V-3, Chart V-1). The higher increase in housing units compared to the increase in

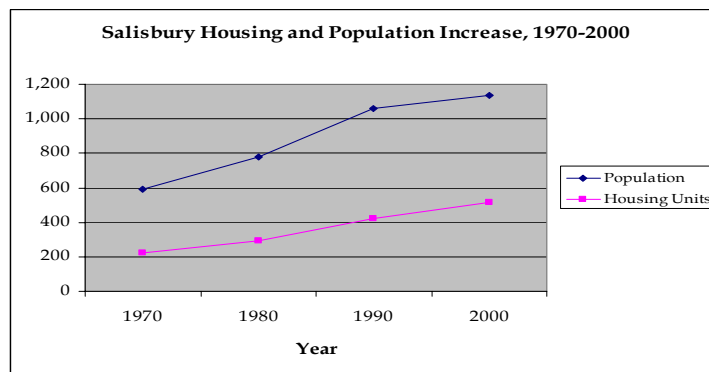
population resulted in a lower number of persons per housing unit between 1970 and 2000.

**Table V-3
Population and Housing Growth in Salisbury, 1970-2000**

Growth	Population	Net Change		Housing Units	Net Change	
		#	%		#	%
1970 (US Census)	589	N/A	N/A	225	N/A	N/A
1980 (US Census)	781	192	32.6%	290	65	28.9%
1990 (US Census)	1,061	280	35.9%	422	132	45.5%
2000 (US Census)	1,137	76	7.2%	514	92	21.8%
Total Change 1970-2000	--	548	93%	--	289	128%

Sources: 1970 - 2000 US Census

Chart V-1



Housing Stock and Supply

The housing characteristics in a town, including the amount and type, will influence property values, land use, and population growth. The data in Table V-4 can be used to give the municipality of Salisbury guidance in choosing the appropriate residential housing to be built in the future, as it traces the historical

housing stock from 1970 to 2000. Table V-5 compares three types of housing stock in Salisbury and the abutting communities.

Table V-4
Housing Units by Type, Salisbury, 1970-2000

	1970	1980	1990	2000	% of total in 2000
Single Family	188	263	385	481	93.6%
Multi Family	15	7	10	16	3.1%
Manufactured	22	20	27	17	3.3%
Total	225	290	422	514	100.0%

Table V-5
Housing Unit Type Comparison, 2000

Municipality	Total Units of Housing	# Single- family Units	Single- family Units as % of Total	# Multi- family Units	Multi- family Units as % of Total	# Manu- factured Units	Manu- factured as % of total
Salisbury	514	481	93.6%	16	3.1%	17	3.3%
Webster	672	614	91.4%	15	2.2%	43	6.4%
Andover	1038	871	83.9%	75	7.2%	92	8.9%
Warner	1228	921	75%	173	14.1%	134	10.9%
Boscawen	1295	775	59.8%	294	22.7%	226	17.5%
Franklin	3676	2090	56.9%	1411	38.4%	175	4.8%

Additionally, the ages of homes within a community can contribute information on the community character, tax base, housing supply and opportunities. Well-kept historic homes can often be an economic and cultural asset to a town. Table V-5 shows the age of Salisbury's homes as of 2000. One hundred and thirty-seven (137) homes, or over one quarter of all homes as of 2000, were built prior to or during 1939. One hundred and thirty-three (133) were built between 1980 and 1989.

Table V-6
Age of Houses in Salisbury, 2000

Year Built	Number
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Built 1999 to March 2000	7
Built 1995 to 1998	27
Built 1990 to 1994	25
Built 1980 to 1989	133
Built 1970 to 1979	80
Built 1960 to 1969	62
Built 1950 to 1959	31
Built 1940 to 1949	12
Built 1939 or earlier	137
Total:	514

Housing Density

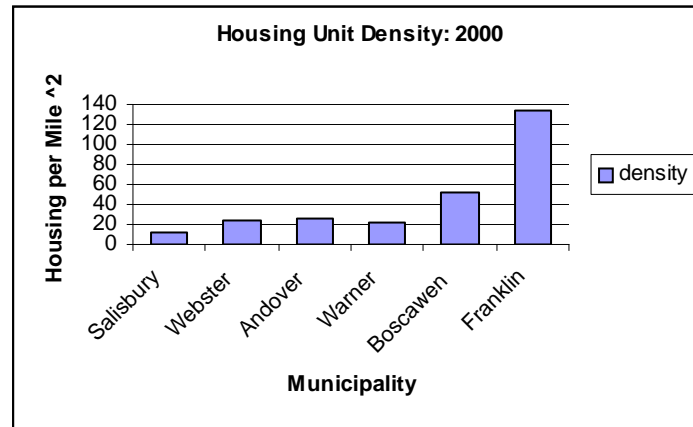
In the previous chapter population density was discussed. In addition to population density, housing unit density is also a good indicator of community character and how thickly settled an area is. The chart below shows the housing unit density, or the number of housing units per square mile, in Salisbury and abutting communities. In 2000 Salisbury had the fewest housing units, the third-largest land area, and the lowest population density of abutting communities.

Table V-7
Housing Unit Density

	1980	1990	2000		
	<i>units</i>	<i>units</i>	<i>units</i>	<i>land area</i>	<i>density</i>
Salisbury	355	422	514	39.96	12.86
Webster	444	577	672	27.9	24.09
Andover	771	855	1038	40.46	25.66
Warner	899	1039	1228	55.65	22.067
Boscawen	1114	1221	1295	24.73	52.37
Franklin	3255	3744	3676	27.57	133.33

Source: US Census 2000

Chart V-2
Housing Unit Density in Salisbury and Abutting Communities



Residential Building Permit Data

Residential Building Permit data gathered by the Central NH Regional Planning Commission and the NH Office of Energy and Planning shows that Salisbury issued 75 new residential building permits between 2000 and 2005, for an average of 12.5 units per year. Of those 75, one was for a multi-family dwelling and eight were for manufactured housing units. 88% of all residential building permits issued between 2000 and 2005 were for single family housing units. The following table shows the number of residential building permits, by type, issued by Salisbury and abutting communities between 2000 and 2005. Salisbury issued the fewest permits and Franklin issued the most, by nearly doubling the second highest number of permits issued.

**Table V-8
Residential Building Permits Issued, 2000-2005**

Building Permits Issued: 2000-2005								
Municipality	Type of Res. Building	2000	2001	2002	2003	2004	2005	2000-2005 Totals
Salisbury	Single Family	11	11	9	10	12	13	66
	Multi Family	0	0	0	1	0	0	1
	Manufactured	0	0	5	3	0	0	8
Total		11	11	14	14	12	13	75
Webster	Single Family	16	17	8	23	28	19	111
	Multi Family	2	1	1	0	0	0	4
	Manufactured	1	1	0	0	0	1	3
Total		19	19	9	23	28	20	118
Andover	Single Family	7	16	10	14	17	19	83
	Multi Family	0	0	0	2	0	0	2
	Manufactured	6	0	-1	-2	0	-5	-2

Total		13	16	9	14	17	14	83
Warner	Single Family	11	23	14	24	19	16	107
	Multi Family	4	0	2	0	0	0	6
	Manufactured	0	0	6	0	0	0	6
Total		15	23	22	24	19	16	119
Boscawen	Single Family	12	16	10	8	20	26	92
	Multi Family	0	0	6	4	0	0	10
	Manufactured	0	0	-1	0	0	0	-1
Total		12	16	15	12	20	26	101
Franklin	Single Family	11	28	24	42	49	36	190
	Multi Family	0	0	2	-5	2	4	3
	Manufactured	8	0	5	7	9	3	32
Total		19	28	31	44	60	43	225

Cost of Housing in Salisbury

This section examines the costs of housing in Salisbury from both a rental and an ownership perspective. Table V-8 shows the relationship of housing cost to income in 1999. Renters spent a median of \$813 per month on gross rent, while owners spent \$984 if they had a mortgage and \$320 if they did not. Renters spent an average of 31.3% of their income on housing, owners with a mortgage spent 21.4%, and owners without a mortgage spent 10.8%.

Table V-9
Monthly Gross Rent or Mortgage Payments and Relationship to Income, 1999

	Renter Occupied	Owner Occupied	
		With Mortgage	Without Mortgage
Median Cost per Month	\$813**	\$984	\$320
Payment as % of Income*	31.30%	21.40%	10.80%

Source: US Census 2000, SF-3 Tables H63, H70, H91, H95

*Based on 1999 Median Household Income

** Renters paying with cash

Owner Housing Cost Characteristics in Salisbury

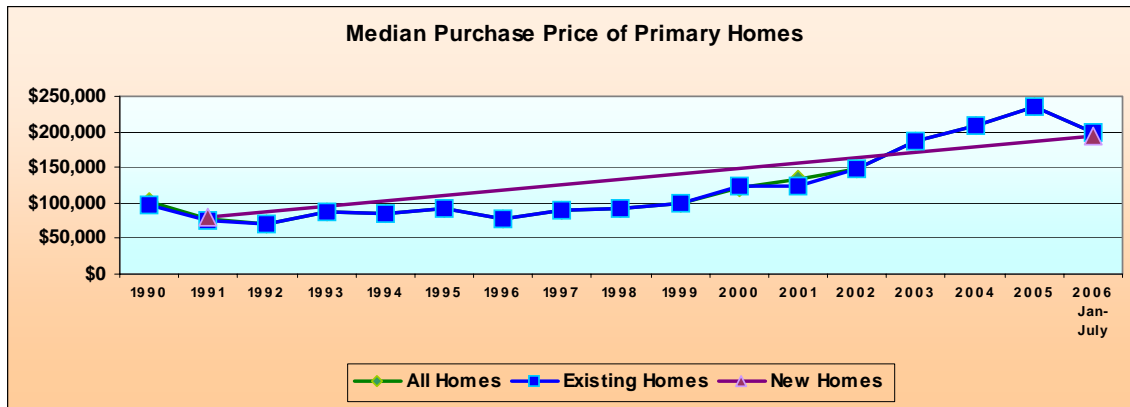
The following data, presented in Table V-9, was obtained from the New Hampshire Housing and Finance Authority in a report titled: Purchase Price Data for Various Geographic and Political Divisions of New Hampshire. Salisbury is one of several communities that have had fewer than 50 home purchases in any given year. The NHHFA states that a sample size of fewer than

50 is not statistically valid, therefore the data that follows should be used as an indicator but not a valid statistical description of actual purchase price trends in Salisbury. As is shown in the following table, between January and July of 2006, the median purchase price of all homes was \$200,000. This amount was somewhat significantly lower than the median purchase price in 2005, and slightly lower than in 2004. Nevertheless, there was a general upward trend in the median purchase price of homes in Salisbury between 1990 and July of 2006 that is reflected in Table V-9 and Chart V-3 below.

**Table V-10
Purchase Price Data for Salisbury**

Year	All Homes		Existing Homes		New Homes		Non-Condominiums		Condominiums	
	Median Purchase Price	Sample Size	Median Purchase Price	Sample Size	Median Purchase Price	Sample Size	Median Purchase Price	Sample Size	Median Purchase Price	Sample Size
2006 Jan-July	\$200,000	8	\$200,000	6	\$195,000	2	\$200,000	8	#N/A	#N/A
2005	\$235,000	10	\$235,000	10	#N/A	#N/A	\$235,000	10	#N/A	#N/A
2004	\$208,000	14	\$208,000	13	#N/A	1	\$208,000	14	#N/A	#N/A
2003	\$187,000	15	\$187,000	15	#N/A	#N/A	\$187,000	15	#N/A	#N/A
2002	\$147,000	12	\$147,000	11	#N/A	1	\$147,000	12	#N/A	#N/A
2001	\$134,500	19	\$124,900	18	#N/A	1	\$134,500	19	#N/A	#N/A
2000	\$122,000	16	\$123,900	15	#N/A	1	\$122,000	16	#N/A	#N/A
1999	\$99,900	20	\$99,900	20	#N/A	#N/A	\$99,900	20	#N/A	#N/A
1998	\$92,000	9	\$92,000	9	#N/A	#N/A	\$92,000	9	#N/A	#N/A
1997	\$89,000	6	\$89,000	5	#N/A	1	\$89,000	6	#N/A	#N/A
1996	\$78,000	3	\$78,000	3	#N/A	#N/A	\$78,000	3	#N/A	#N/A
1995	\$92,000	11	\$92,000	11	#N/A	#N/A	\$92,000	11	#N/A	#N/A
1994	\$85,500	10	\$85,500	10	#N/A	#N/A	\$85,500	10	#N/A	#N/A
1993	\$87,000	3	\$87,000	3	#N/A	#N/A	\$87,000	3	#N/A	#N/A
1992	\$70,000	5	\$70,000	5	#N/A	#N/A	\$70,000	5	#N/A	#N/A
1991	\$78,000	7	\$75,048	5	\$80,000	2	\$78,000	7	#N/A	#N/A
1990	\$101,524	5	\$96,500	4	#N/A	1	\$101,524	5	#N/A	#N/A

**Chart V-3
Salisbury Median Purchase Prices, 1990-2006**



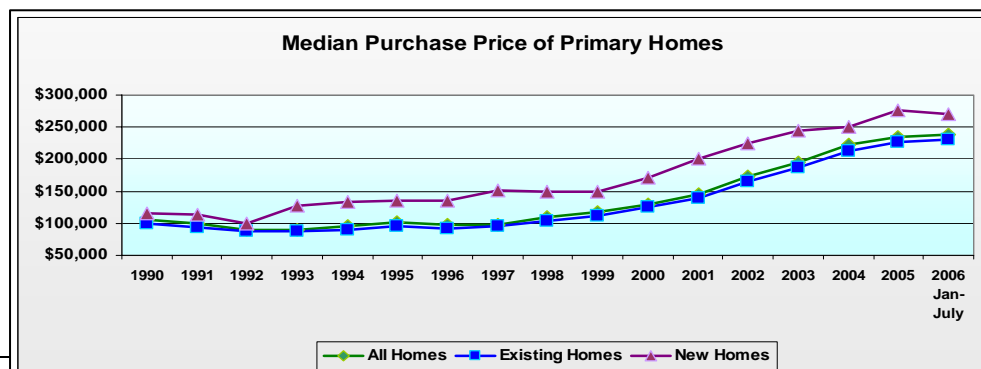
Merrimack County and State Home Purchase Prices

Median purchase prices for existing homes, new homes, and condominiums have been steadily rising since 1990 according to the following data obtained from a report of the New Hampshire Housing and Finance Authority. Median purchase prices are higher in Merrimack County than in Salisbury, and median purchase prices in the State as a whole are higher than both Merrimack County and Salisbury. Between January and July of 2006 the median purchase price for all homes in Merrimack County was \$238,000, compared with \$200,000 in Salisbury.

**Table V-11
Median Purchase Prices in Merrimack County, 1990-2006**

Year	All Homes		Existing Homes		New Homes		Non-Condominiums		Condominiums	
	Median Purchase Price	Sample Size	Median Purchase Price	Sample Size	Median Purchase Price	Sample Size	Median Purchase Price	Sample Size	Median Purchase Price	Sample Size
2006 Jan-July	\$238,900	843	\$230,000	725	\$270,640	118	\$248,900	654	\$186,000	189
2005	\$234,900	2055	\$225,900	1726	\$276,000	329	\$249,000	1622	\$172,000	433
2004	\$222,000	1952	\$212,000	1625	\$250,000	327	\$234,500	1629	\$170,000	323
2003	\$195,000	2123	\$186,000	1717	\$244,867	406	\$204,900	1795	\$154,900	328
2002	\$172,500	2017	\$165,000	1654	\$225,000	363	\$179,000	1757	\$131,000	260
2001	\$145,000	1954	\$138,900	1647	\$201,217	307	\$153,500	1709	\$100,000	245
2000	\$129,900	1919	\$125,000	1696	\$171,396	223	\$135,400	1628	\$97,000	291
1999	\$117,000	1918	\$112,000	1612	\$150,000	306	\$123,000	1631	\$90,000	287
1998	\$109,995	1184	\$104,500	1030	\$150,000	154	\$113,000	1103	\$75,500	81
1997	\$98,000	1205	\$95,000	1073	\$150,500	132	\$100,000	1107	\$71,000	98
1996	\$97,500	854	\$92,250	748	\$135,000	106	\$105,000	744	\$70,000	110
1995	\$100,900	1004	\$95,000	883	\$135,900	121	\$105,000	891	\$76,000	113
1994	\$95,000	1215	\$89,000	1065	\$134,000	150	\$103,000	1058	\$67,000	157
1993	\$90,000	1015	\$87,524	878	\$126,952	137	\$94,000	905	\$67,048	110
1992	\$89,905	765	\$88,000	644	\$100,000	121	\$95,000	651	\$66,000	114
1991	\$100,000	700	\$94,476	546	\$113,810	154	\$103,048	611	\$57,048	89
1990	\$105,048	673	\$100,000	506	\$115,117	167	\$112,000	528	\$85,000	145

**Chart V-4
Merrimack County, 1990-2006**

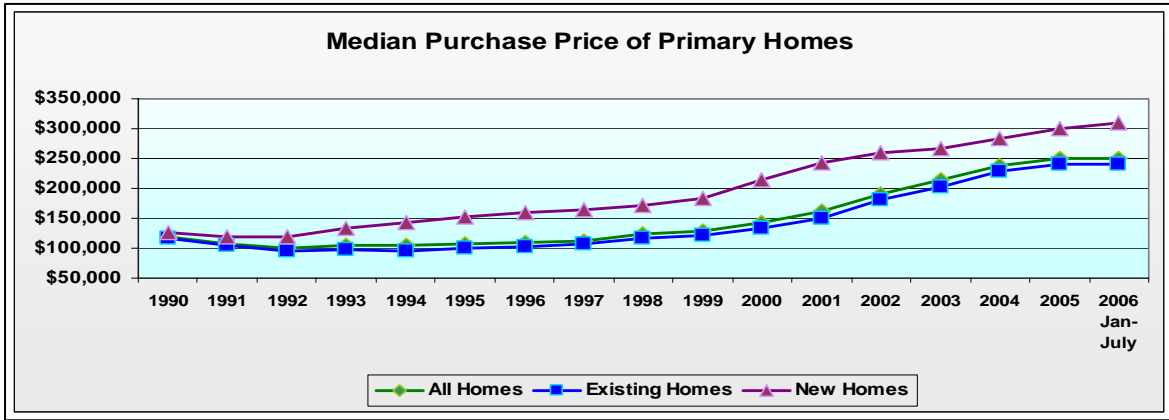


The State of New Hampshire as a whole had higher median purchase prices than both Salisbury and Merrimack County between January and July of 2006, with the median purchase price of all homes at \$249,000. Median purchase prices of new homes in the State of New Hampshire as a whole were \$309,000, compared with \$195,000 in Salisbury. In fact, purchase prices for homes and condominiums have been higher in the State since at least 1990. The robust housing market in southern and southeastern New Hampshire is responsible for the State's higher median purchase prices.

Table V-12
Median Purchase Prices in the State of New Hampshire, 1990-2006

Year	All Homes		Existing Homes		New Homes		Non-Condominiums		Condominiums	
	Median Purchase Price	Sample Size	Median Purchase Price	Sample Size	Median Purchase Price	Sample Size	Median Purchase Price	Sample Size	Median Purchase Price	Sample Size
2006 Jan-July	\$249,900	7,472	\$239,900	6,301	\$309,000	1,171	\$263,900	5,697	\$195,199	1,775
2005	\$250,000	18,519	\$240,000	15,182	\$299,933	3,337	\$270,000	14,120	\$196,000	4,399
2004	\$238,000	19,480	\$229,000	15,936	\$284,190	3,544	\$252,660	15,366	\$187,780	4,114
2003	\$215,000	18,980	\$201,600	15,716	\$267,500	3,264	\$229,400	15,114	\$169,900	3,866
2002	\$189,900	18,263	\$179,900	15,156	\$259,900	3,107	\$200,880	14,911	\$149,900	3,352
2001	\$162,000	17,385	\$150,000	14,618	\$242,533	2,767	\$174,500	13,960	\$124,500	3,425
2000	\$143,000	18,837	\$133,900	15,872	\$214,900	2,965	\$152,400	15,462	\$105,000	3,375
1999	\$129,000	17,575	\$120,900	14,557	\$183,990	3,018	\$136,500	14,537	\$93,000	3,038
1998	\$124,000	11,031	\$117,000	9,337	\$172,000	1,694	\$127,000	9,813	\$89,900	1,218
1997	\$113,000	17,761	\$107,500	15,450	\$163,194	2,311	\$117,000	15,620	\$80,000	2,141
1996	\$110,000	10,257	\$101,200	8,800	\$160,000	1,457	\$117,500	8,499	\$72,900	1,758
1995	\$108,000	12,752	\$99,900	10,656	\$152,000	2,096	\$114,400	10,863	\$73,000	1,889
1994	\$105,000	14,050	\$96,000	11,716	\$142,800	2,334	\$111,000	11,943	\$69,000	2,107
1993	\$105,000	12,034	\$97,500	9,950	\$134,300	2,084	\$110,000	10,342	\$68,900	1,692
1992	\$101,048	9,411	\$96,000	7,689	\$120,000	1,722	\$108,000	8,062	\$67,524	1,349
1991	\$108,000	7,123	\$104,952	5,590	\$118,857	1,533	\$112,000	5,990	\$77,238	1,133
1990	\$119,905	6,009	\$116,000	4,354	\$125,905	1,655	\$124,500	5,099	\$95,000	910

**Chart V-5
State of New Hampshire**

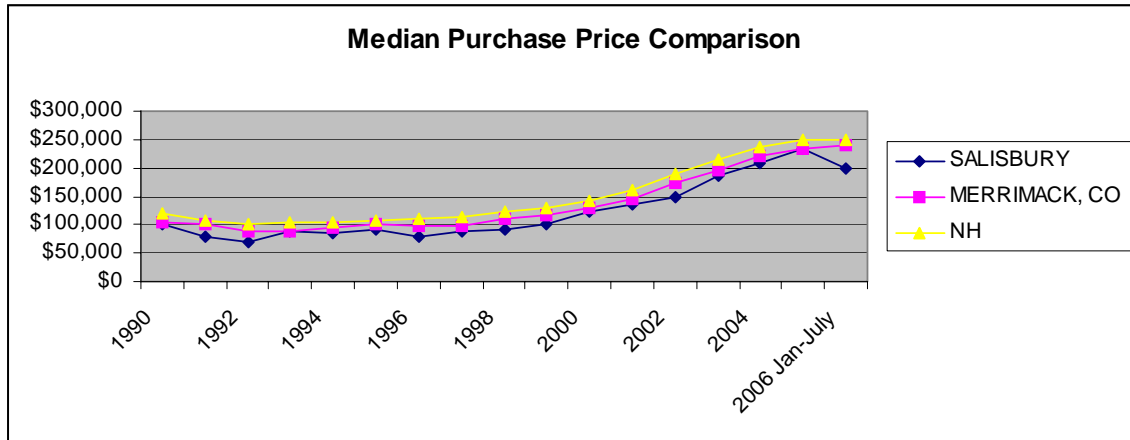


**Table V-13
Median Sales Price Comparison for All Homes, 1990-2006**

YEAR	SALISBURY	MERRIMACK	NH
1990	\$101,524	\$105,048	\$119,905
1991	\$78,000	\$100,000	\$108,000
1992	\$70,000	\$89,905	\$101,048
1993	\$87,000	\$90,000	\$105,000
1994	\$85,500	\$95,000	\$105,000
1995	\$92,000	\$100,900	\$108,000
1996	\$78,000	\$97,500	\$110,000
1997	\$89,000	\$98,000	\$113,000
1998	\$92,000	\$109,995	\$124,000
1999	\$99,900	\$117,000	\$129,000
2000	\$122,000	\$129,900	\$143,000
2001	\$134,500	\$145,000	\$162,000
2002	\$147,000	\$172,500	\$189,900
2003	\$187,000	\$195,000	\$215,000
2004	\$208,000	\$222,000	\$238,000
2005	\$235,000	\$234,900	\$250,000
2006 Jan-July	\$200,000	\$238,900	\$249,900

Chart V-6

Median Purchase Price Comparison of All Homes in Salisbury, Merrimack Co., and the State of New Hampshire, 1990-2006



Current Asking Prices of Homes in Salisbury

A “snapshot” can be taken of current housing market conditions found in Salisbury by referring to the Northern New England Real Estate Network, via public access on the Internet. The homes listed are those that are currently being sold through commercial selling agencies. The 15 homes listed on the 19th of January, 2007 range in price from \$118,000 for a rustic cabin on 16 acres to a cape on 35 acres listed for \$550,000. The average asking price as of this date is \$305,286. This amount is roughly \$105,000 above the median sale amount of Salisbury homes between January and July of 2006.

Renter Housing Cost Characteristics

According to the US Census 2000, there were only 14 renter housing units in Salisbury, 11 of which were paid for with cash rent. Median contract rent is the amount paid for the housing excluding utilities and other costs. Median gross rent is the cost of housing including utilities and other amenities. In 2000 the median contract rent was \$613 and the median gross rent was \$813. This means that the median cost of utilities and other housing expenses was \$200 in the year 2000. Housing affordability is often defined as 30% of household income. Table V-13 shows the cost of rental housing as a percentage of household income. Three households spend 10% to 14% of their household income on housing and two households spend 50% or more. The median percentage of income households spent on rental housing in 1999 was 31.3%. Additional information on housing affordability is included in the section titled *Affordable Housing*.

Table V-14
Gross Rent as a Percentage of Household Income in 1999

Total:	14
Less than 10 percent	0
10 to 14 percent	3
15 to 19 percent	2
20 to 24 percent	0
25 to 29 percent	0
30 to 34 percent	2
35 to 39 percent	2
40 to 49 percent	0
50 percent or more	2
Not computed	3

Source: Census 2000

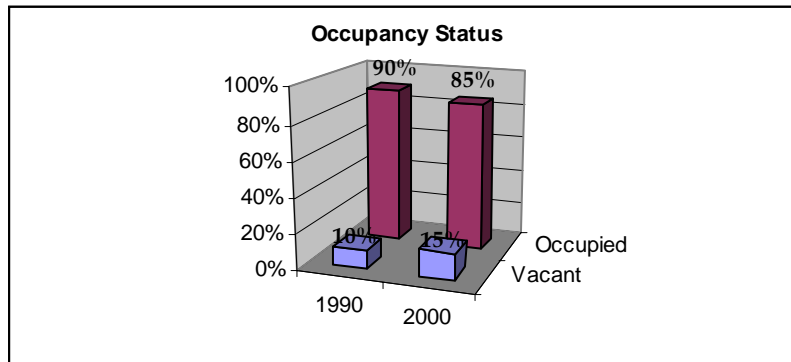
Housing Growth Trends and Projections

Table V-14 and Chart V-7 display the change in occupancy status for all housing units in Salisbury between 1990 and 2000. In 1990 the percentage of housing units that were occupied accounted for 90% of all units, whereas in 2000 the percentage dropped to 85%. This means that although new housing units are being produced in Salisbury the occupancy rate is actually decreasing.

Table V-15
Occupancy Status for Housing Units in Salisbury, 1990 vs. 2000

	1990	2000	1990%	2000%
Total	421	514		
Occupied	379	435	90%	85%
Vacant	42	79	10%	15%

Chart V-7



Affordable Housing

The U.S. Department of Housing and Urban Development (HUD) states that the following are contributing to higher housing costs and production delays, inhibiting hard-working people from obtaining affordable housing. It is not suggested that any of these practices are or are not existent in Salisbury, but they are real concerns in the United States.

- Out-of-date building codes
- Duplicative or time-consuming design review or approval processes
- Burdensome rehabilitation codes
- Restrictive or exclusionary zoning ordinances
- Unnecessary fees or taxes
- Extreme environmental restrictions
- Excessive land development standards

If Salisbury hopes to retain middle-income persons, such as teachers, firefighters, police, and service-sector employees, it should aspire to reduce the barriers to affordable housing that may exist. It is recommended that the Planning Board constantly assess the aforementioned barriers to ensure that they do not exist in Salisbury.

Any household spending more than 30% of its income on housing is considered cost-burdened. A homeowner with a mortgage and taxes of \$1,375 per month needs an annual income of \$55,000 (\$27.5/hr.*), while a renter with a gross rent of \$813 (1999 median gross rent) needs an income of \$32,500 (\$16.25/hr.*) to remain at or below 30%. Household income in 2000 was \$55,000 while per capita income was \$23,000. A single person earning the median per-capita income would not find affordable housing in Salisbury if they were living alone and paying \$813 per month on gross rent. An estimated 30% of all households (renter and owner) in New Hampshire paid more than 30% of their income for housing in 2000. The standard does oversimplify reality in that some families

find it harder to pay 30% of their income than others, depending on total family income: the lower the income, the higher the percentage of income a household must pay on housing and the higher the difficulty of affording other basic necessities.

** 2000 hours per year*

Affordable housing is an issue that is considered by all levels of government. The federal government has long been promoting affordable housing through various programs administered by the Department of Housing and Urban Development. State government promotes affordable housing through passage of several laws requiring communities to provide affordable housing. Furthermore, the State has also created several commissions and departments, such as the New Hampshire Housing and Finance Authority and regional planning agencies, to examine and foster the development of affordable housing opportunities. Because housing is considered a basic necessity and it is a family's or household's foundation for earning a living, it is of regional importance. Housing options within a region influence where people live perhaps more than any other single factor and directly impacts economic potential and a cohesive, harmonious society.

The following owner cost and renter cost characteristics describe the percent of owner and renter households that were paying a percentage of their income on housing. As was previously stated, less than 30% cost on housing per month is considered the norm for affordability. As is shown below, in 1999, 22.1% of the Salisbury households included in the sample paid 30% or more of their household income on housing. It can be assumed that for those households owner housing was not affordable and compromises were made on other basic necessities. Renter housing was even less affordable for the families included in the sample. 42.9% paid 30% or more of their household income on housing in 1999. Chart V-8 and Chart V-9 show the owner and renter cost overpayment (above what is considered affordable= 30% HH income) in 1999.

Owner Cost Characteristics

Analysis of the 2000 US Census data leads to the following findings regarding the monthly housing costs as a percent of 1999 household income:

- 77.2% of owner households pay less than 30% of HH income/ month
- 22.1% monthly costs 30% or more of HH income
- 83.8% monthly costs less than 35% of HH income
- 15.4% monthly costs 35% or more of HH income
- 9.2% monthly costs 50% or more of HH income
- 0.7% costs not computed

Renter Cost Characteristics

As a percent of 1999 median household income, the following was true for households:

- 35.7% pay rent less than 30% of household income.
- 42.9% pay rent 30% or more of HH income
- 50.0% pay rent less than 35% of HH income
- 28.6% pay rent 35% or more of HH income
- 14.3% pay rent 50% or more of HH income
- 21.4% percent not computed

Source: Census 2000, SF3, Tables H73 and H69

Chart V-8
Owner Cost Overpayment at 30% of 1999 Household Income

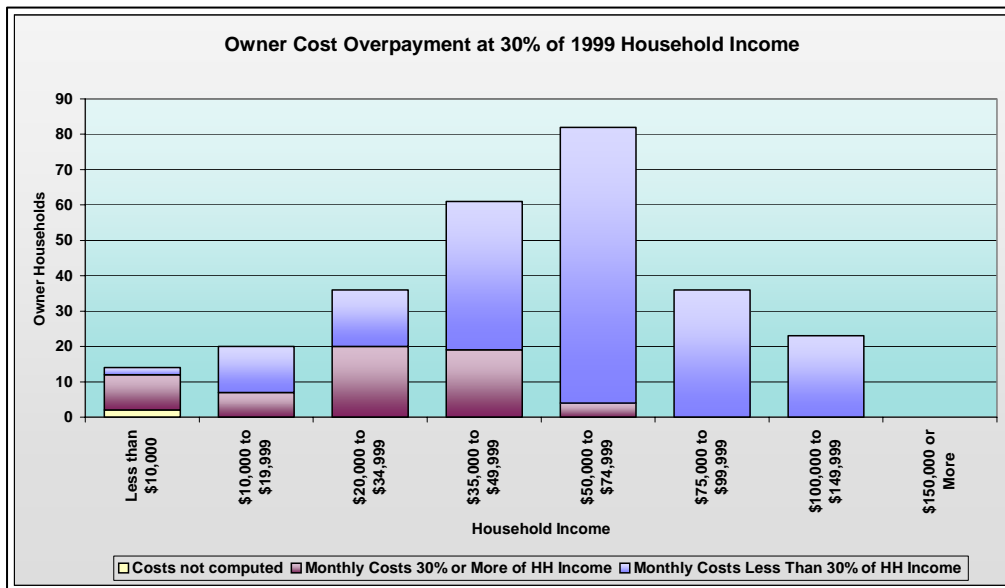
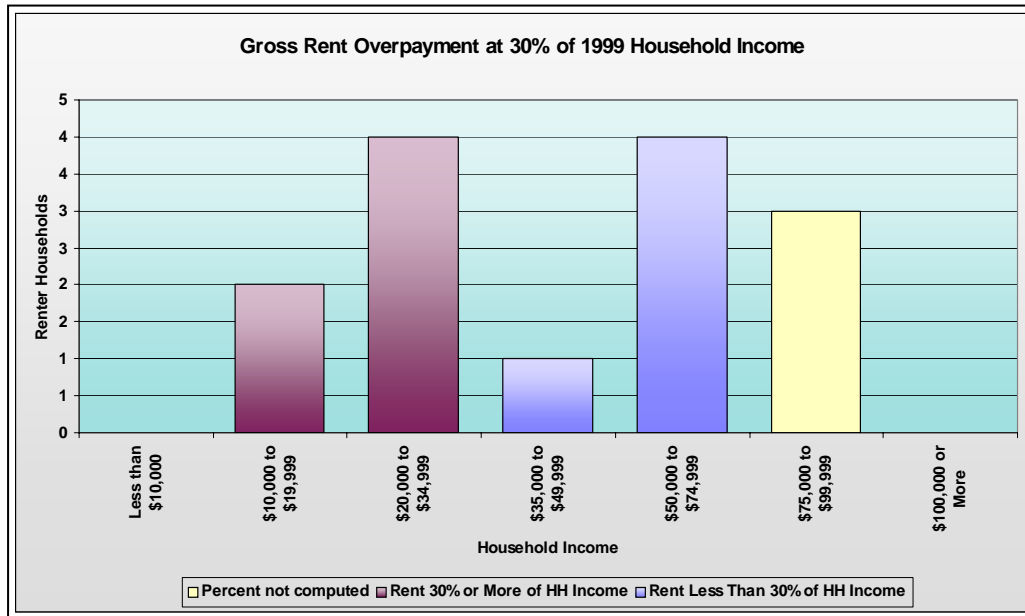


Chart V-9
Gross Rent as 30% or More of 1999 Median Household Income, Salisbury



Residential Taxation

Equalized valuation, or equalization, is an adjustment of the town's local assessed values, either upward or downward, in order to approximate the full value of the town's property. Each year, the NH Department of Revenue Administration equalizes the property values for every city and town. This process is due to an imbalance caused by varying local assessment levels. Adjusting these values among towns is the only way for statewide consistency. The total value of all property in Town is adjusted based upon the comparison of recent property sales with local property assessments. Once property values have been equalized, public taxes and state revenues shared by towns and cities may be fairly apportioned among them. This includes state education property taxes and county taxes.

As generated statistics, equalization ratios are used when revaluation companies are planning their work and are used by assessing officials to periodically check the validity of assessments. Ratios are computed using properties that have sold during the period: the prices the properties actually sold for are compared to the values listed on the assessment cards. The median ratio in a listing of properties is selected to represent the equalization ration in a town because it gives equal weight to all properties regardless of selling price. The ratio can help towns judge when revaluation should occur and how the town compares with other towns and cities.

The full value tax rate is the equalized tax rate for a town. Contrary to popular belief, the town's equalization ratio cannot be applied directly to the local assessed rate to equal the full value tax rate since other variables are involved. This full value tax rate permits comparisons to other towns in the state for apportionment purposes.

The average total tax in 2005 for Salisbury and the area communities was \$18.31 per \$1000. Salisbury's tax rate barely exceeded the average at \$18.57 per \$1000. Table V- compares the total taxes of Salisbury with the abutting communities from 2000 to 2005.

Table V-16
Residential Taxation Rates for Salisbury and Abutting Communities,
2000-2005

	2000	2001	2002	2003	2004	2005
	Total Tax	Total Tax	Total Tax	Total Tax	Total Tax	Total Tax
Salisbury	23.09	25.06	27.19	17.17	17.15	18.57
Webster	22.96	26.65	25.38	14.84	16.5	18.56
Andover	18.47	21	19.64	21	10.91	12.74
Warner	31.28	32.23	33.29	21.19	20.7	18.28
Boscawen	30.59	33.2	35.08	22.98	24.19	23.55
Franklin	32.02	33.11	24.7	21.19	21.54	18.16

Source: NH Department of Revenue Administration, Property Tax Rates

Strategies to Promote Housing Goals

The following strategies can be used to achieve the housing goals in Salisbury:

LAND USE CONTROLS

Cluster Developments

As is implied by the title, this type of development allows for the grouping of detached housing units as opposed to traditional subdivisions by reducing lot sizes and setbacks. While the individual lot associated with each home is far smaller than a traditional subdivision, the development density of the original track is the same or sometimes less as compared to a traditional subdivision. Though there is typically a reduction in the cost of road construction and utilities that may translate into lower home prices, the real benefit of this type of development is preservation of open space. To be a viable option for affordable housing, multifamily units must be permitted in cluster developments.

Multi-family Housing

Perhaps the most traditional method of providing affordable housing, multi-family housing is the development of housing at a greater density than most other developments. Typically, multi-family housing consists of apartments, town homes, and condominiums and is developed in locations with access to public water, public or community sewer systems, and major roadways. Historically, multi-family housing is the foundation of the rental-housing base of the community.

Accessory Dwelling Units

Accessory Dwelling Units, sometimes known as “in-law” apartments, provide a low-cost housing alternative for community residents. These units are constructed within a single family home and are generally inhabited by older relatives or young, unmarried family members in traditional single-family subdivisions. Although some communities treat these units as duplexes, demand for this type of housing is increasing in large part due to the aging “baby boomer” population in the State.

Accessory apartments can be constructed in such a way as to preserve the appearance of a single family home thereby minimizing the impact on the character of a neighborhood. Typical regulations used by communities to accomplish this include restricting the size of the accessory dwelling unit, limiting the number and locations of exits, as well as limiting the number of mailboxes which can be located on the property.

Manufactured Housing

Often viewed as the most undesirable form of housing in a community, manufactured housing, or mobile homes, have received a great deal of attention in recent years. Recently, the State enacted legislation requiring communities be more permissive in the way they regulate manufactured housing. RSA 674:32 requires that manufactured homes be permitted to be located on individual lots in most, but not all zoning districts.

Communities generally discourage manufactured housing because of aesthetic qualities and character of those types of development. Some communities have recognized these issues and have crafted zoning regulations to address those community concerns. For example, some communities have limited the size and density of mobile home parks, created specific buffering requirements, and have dictated that manufactured homes be HUD certified. Other communities, where mobile home parks are not as desirable, have encouraged the development of manufactured housing on traditional residential lots.

Inclusionary Housing Programs

Inclusionary housing programs are other methods used to encourage the development of quality affordable housing for low-income individuals by private developers. Generally, a developer can request a greater than normal development density in exchange for setting aside a certain percentage of a development for low to moderate-income households. Set-aside requirements for inclusionary developments range from 5% to 40% of the entire acreage being developed. Aside from the important fact that the private sector is providing affordable housing, segregation of income levels is reduced, as lower income homes are integrated into the overall residential development of the community.

To make such a program a success, developers must still be afforded reasonable profits. In most communities, inclusionary housing programs are not mandatory. However, developers wishing to use the program must secure a special exception before proceeding to the planning board. Some zoning ordinances that permit inclusionary zoning require a cluster provision for such developments, while others require below market rate units to be distributed equally throughout developments.

HOUSING GRANTS, LOANS AND PROGRAMS

Community Development Block Grants

One popular source of funding to meet this end is the Community Development Block Grant (CDBG) Program. Administered by the Office of State Planning, the New Hampshire CDBG Program receives several million dollars annually which communities may compete for to finance affordable housing projects, including rehabilitation of affordable housing units, or expansion of infrastructure to serve affordable housing units. Since its inception in 1983, the CDBG program has renovated or purchased over 8,500 dwelling units in New Hampshire.

Common CDBG projects include:

- Acquisition and rehabilitation of properties through Housing Trusts;
- Single family housing rehabilitation loans and grants;
- Loans and grants for land lords that provide decent, safe, and sanitary affordable housing to low to moderate-income renters; and,
- The acquisition and rehabilitation of structures to provide alternative living environments, such as elderly homes, group homes, and boarding houses.

Communities that apply for CDBG funds are required to have a properly adopted Community Housing Plan. Such a plan must be adopted by the Selectmen or Town / City Council at a properly noticed public hearing, and is considered valid for 3 years by the NHOSP CDBG program.

New Hampshire Community Development Finance Authority

The Community Development Finance Authority (CDFA) is also an important public source for the purchase and/or rehabilitation of low to moderate-income housing. CDFA provides funds by “pooling” money from various banks and lending institutions to provide grants or very low interest loans to groups developing affordable housing. In addition to this source, CDFA has the unique ability to grant tax credits to private developers who provide properties for rehabilitation into low to moderate-income housing. In 1996, CFDA provided funds for the renovation of 220 dwelling units throughout New Hampshire.

New Hampshire Housing Finance Authority

Created in 1981 by the State Legislature, the New Hampshire Housing Finance Authority (NHHFA) is a nonprofit entity committed to developing affordable housing opportunities in New Hampshire. NHHFA is funded through the sale of tax exempt bonds. The authority has created several multifamily housing development programs which provide investors with incentives such as tax credits, deferred mortgage payments, low interest loans, and grants. In recent years, the NHHFA has been involved in the creation of Mobile Home Park Co - Ops as well as construction and rehabilitation of rental housing and single family homes.

New Hampshire Community Loan Fund

Founded in 1983, this organization helps connect low-income households with lending institutions willing to invest in housing projects to serve low-income housing opportunities. In 1999, the organization loaned \$2,130,643 to start 12 low-income housing projects throughout New Hampshire. Projects which this organization has helped to develop include Meadow Brook Elderly Housing in Epsom and the Riverbend Special Needs Housing Facility in Boscawen.

Department of Housing and Urban Development (HUD)

The Federal Department of Housing and Urban Development (HUD) has been fostering affordable housing in many of the nation’s communities since its inception in 1965. HUD administers numerous programs to provide housing for low to moderate-income families.

Popular rental assistance programs include:

- Section 8 Housing: Program whereby private landlords enter into a contract with the federal government where, in exchange for providing sub-market rent to low to moderate-income families, the landlord receives a government subsidy.

- **Public Housing:** Program in which the federal government provides resources for the operation of housing units owned and operated by local, state, or federal entities.
- **Subsidized Private Housing:** Program in which housing units are owned and operated by a private entity, but are partially funded with public resources to reduce rent. This is similar to the Section 8 Housing program.
- **HOME Grant Program:** A program created to provide local and state entities with seed money to develop affordable housing projects.

HUD also administers several popular home ownership programs for low to moderate-income families.

US Department of Agriculture - Rural Housing Service (RHS)

Like HUD, the U.S. Department of Agriculture (USDA) also has affordable housing programs for low to moderate-income families located in rural communities. Each year the USDA provides 65,000 low to moderate-income families find decent affordable housing. Popular affordable housing programs that the USDA administers include:

- Home ownership loans which require no down payment and have below market interest rates;
- Self Help Housing Programs where USDA provides materials to families which build their own homes while working with other families;
- Rural Rental Housing Loans which assist developers financing low to moderate-income rental housing;
- Farm Labor Housing Loans for the repair or construction of farm worker housing;
- Housing Preservation Grants
- Housing Subsidies; and,
- Community Facilities Loans, Grants, or Loan Guarantees.

SUMMARY

Salisbury's population and housing supply are projected to increase moderately in the next twenty-plus years. The housing stock is currently nearly 95% single-family homes, and only about 5% multi-family and manufactured homes. As discussed in Chapter 4, although the majority of new housing continues to be single-family residences, as of the year 2000, fewer households were married-couple families. If household sizes continue to shrink as they did between 1990 and 2000, perhaps single-family residences, which leave a large ecological

footprint and are inefficient to heat, are not the most appropriate housing type for smaller households. If current housing production trends continue, Salisbury will continue to offer few housing options other than single-family homes.

The housing market is difficult at best to predict, as it tends to rise and fall in waves. Nonetheless, it can be assumed that the cost of housing will continue to increase in New Hampshire and Salisbury if the supply does not meet the demand and the State continues to experience population and economic growth faster than its neighbors in New England. If housing costs continue to increase and the wages do not increase at a comparable rate appropriate for low and middle-income households to be able to afford housing in Salisbury, the town will have to encourage the development of affordable housing if it is to retain these households.

MAPS