

PLANNING BOARD

Monday, July 9, 2007
Belmont Corner Meeting House
Belmont, New Hampshire

Members Present: Chairman P. Harris; G. Flack, W. Peterson, C. Long and R. Caldwell.
Members Absent: C. Patten.
Alternates Present: W. Rollins and R. Davis.
Staff: C. Daigle, R. Ball and E. Murphy.

The chairman opened the meeting at 7 p.m. and appointed W. Rollins and R. Davis as voting members for tonight's meeting.

RUSS THIBEAULT - HOUSING REPORT

Mr. Russ Thibeault, Applied Economic Research, presented phase 2 of the housing report. He explained that the study was referenced in the Master Plan to provide guiding principles and strategies for managing present and future housing needs. Housing is important because it is the town's largest source of property tax revenue. It generates demand for the majority of town services and is the largest investment of most households. Housing consumes the largest portion of developed land. Housing affordability affects the town and regional economy and labor force. The range of housing available affects the town's social and economic composition.

Mr. Thibeault explained that there are two factors to consider when determining affordability; housing cost and household income. Affordability is affected by many factors, changes in the market conditions, changes in the regional economy, changes in interest rates, availability of subsidy units and local regulations.

He explained that there are national factors that affect Belmont housing cost. The average purchase price for homes has soared since 1997. It is the best housing market in the country's history. Home prices have increased more than any other time. Sales of existing homes have skyrocketed. There is a strong housing market with lots of people changing house ownership. The monthly cost of ownership was stable at an average of \$1,000 a month until 2006. The interest rates dropped and money went to the principal. The housing boom was driven by lower interest rates and confidence in buying. In the 1980's the interest rate was at 15% interest now it is 6.5%. As long as interest rates fall housing costs can rise. People are spending more and more of their income on housing because housing is seen as a good investment. In 2004 69% of US households owned a home. Sub prime lending soared between 2004-2006 because buyers didn't have to meet the same criteria of traditional mortgage. Now the criteria are more stringent

and that has taken wind out of sales. In 2005 34% of US households paid more than 30% of their income on housing. One-third of Americans are paying too much for housing including renters. Belknap County is adding jobs but has experienced a major loss of better paying jobs. Housing affordability has been adversely affected since rents and home prices have risen faster than income. This adds to the wealth of home owners with more equity in the homes but it makes home ownership more challenging for non owners. The unsold MLS listing has risen this year and has doubled since 2005. There are a lot more homes to choose from. Sale activity has declined and fewer homes are being sold. They are seen as not quite as good of an investment. State revenues from home sales are down 12%. The real estate inventory sells in about 10 months compared to 4 - 6 months. If homes sell in less than six months it is a sellers market over six months it is a buyers market. Prices and rents out paced income. Affordability is affected by income. There have been significant jobs changes in Belknap County between 2000-2005. Construction jobs have increased by 400 with an average weekly pay of \$916.19. Manufacturing jobs have decreased by 938 jobs with an average weekly pay of \$777.45. Service providing jobs have increased by 848 with an average weekly pay of \$576. Government jobs have increased by 719 with the average pay of \$649.30. There has been an increase in the median cost of homes in Belmont are having doubled since 1999. This is also true for Belknap County. Belmont has a lot of affordable housing with prices under \$150,000. There is much more affordable housing available in Belmont than any other community. Belmont has a small share of higher priced housing and needs to add higher end houses. Housing sales in Belknap County are down. MLS listings have more than doubled in Belknap County. The rising inventory creates a buyers market. Prices are not going up anymore. In 1999 70% of those living in Belknap County could afford the median price of a home, in 2006 only 40% could afford the median cost of a home. Housing ownership is less affordable than in 1999. Rents in Belmont have stayed the same as the State. Median rent in Belknap County for a 2 bedroom unit is \$845 and \$1,151 for a 3 bedroom unit. It is difficult for young households to have decent housing in Belknap County. In 2000 renters were more financially stressed than owners. Belmont has 565 rental units occupied. Most renters are under 65. The median cost of housing in Belknap and Belmont has risen 130%. The HUD criteria for 2007 is a four person household can earn \$50,000 and qualify for low income housing. A two person household can earn \$40,000 and qualify for housing assistance. Housing affordability is not only for low income but for those close to median income. Belmont more than meets its share of family subsidy housing.

Mr. Thibeault summarized his presentation by stating that one in five renters are over paying. One in ten home owners are overpaying. Trends since 2000 indicate more financial stress for home buyers. The County's economy is losing good paying jobs, gaining lower paying ones, further stressing housing affordability. Ownership housing costs have increased twice as fast as housing affordability since the census. Rental housing costs have increased a bit faster than area incomes since 2000, keeping affordability issues about constant. Belmont's ownership housing inventory is disproportionately skewed to low and moderate cost units. Belmont has accepted its fair share of subsidized family housing units.

Belmont has satisfied its regional fair share burden in accommodating affordable housing needs. It has accepted new subsidized family housing, has a large inventory of mobile homes, and has a relatively affordable stock of single family homes. He stated that although low and moderate income housing needs remain unmet, balancing Belmont's housing inventory calls for more middle and upper income

housing to balance its existing inventory of relatively affordable rental and ownership units. Belmont has been vocal in touting its well-performing school system and enforces quality development controls and should continue to do so. As Belmont's elderly population rises it should also promote both market rate and subsidy age-restricted developments.

P. Harris thanked Mr. Thibeault for his presentation and stated that the Board looks forward to his study on Housing Demands.

BOARD'S ACTION-MINUTES:

MOTION: On a motion by W. Peterson, seconded by W. Rollins, it was voted to approve the minutes of the June 25, 2007, meeting as submitted. (6-0-1) C. Long abstained.

STAFF REPORT:

ELECTRONIC SIGNS:

C. Daigle stated that the Board received information on electronic signs in their packets. The Zoning Board of Adjustment is dealing with an application involving an electronic sign and she will forward any additional information that would be beneficial to the Board.

PARKS AND RECREATION:

C. Daigle explained that Parks and Recreation would like to relocate a small accessory concession stand on the property. It will meet all setbacks. It was the consensus of the Board that a site plan is not necessary.

CAPITAL IMPROVEMENT PLAN (CIP):

C. Daigle stated that the CIP meetings are scheduled for the 1st and 3rd Mondays in August.

ADJOURNMENT:

MOTION: On a motion by G. Flack, seconded by W. Peterson it was voted unanimously to adjourn at 7:48 p.m. (7-0)

Respectfully submitted,

Elaine M Murphy
Administrative Assistant