

# POPULATION AND HOUSING

## PURPOSE

The purpose of the population and housing chapter is to assess future needs for housing in Jaffrey by examining existing residential patterns, demographic trends and projected population growth. Based upon these identified needs, goals can be identified and policies recommended which encourage safe, affordable, and decent housing options for Jaffrey residents.

## INTRODUCTION

The state statute that addresses the purpose and description of a Master Plan (RSA 674:2) calls for a "*housing section which assesses local housing conditions and projects future housing needs of residents of all levels of income and ages in the municipality and the region as identified in the regional housing needs assessment performed by the regional planning commission pursuant to RSA 36:47, II, and which integrates the availability of human services with other planning undertaken by the community.*"

Although a demographic analysis is not required by the enabling legislation, it is advisable to plan for the impacts of demographic and population changes as they relate to housing availability. This is important because demographic projections make it possible to estimate the level of Town services necessary to serve Jaffrey residents in the years to come and to plan for orderly growth and development.

The majority of the historical and current statistical data to support this analysis comes from the US Census Bureau, whereas future projections were obtained from the New Hampshire Office of Energy and Planning. Local data pertaining to building development was extrapolated from the Town of Jaffrey's Building Permit records. The period of time under consideration in this report starts in 1970 and proceeds through 2000 for past trends and from 2000 to 2020 for future projections. It should be noted that the way in which Census information is collected and reported results in some errors and inconsistencies in the numbers; nevertheless, this is the best and most comprehensive information available for this type of report.

## RELATIONSHIP TO OTHER CHAPTERS INCLUDED IN THE MASTER PLAN

The analysis of housing and population trends is a critical component of a Master Plan. This chapter addresses the full range of housing challenges and opportunities that will confront Jaffrey until the year 2020. Housing trends are analyzed using population projections to better predict the future breadth and depth of housing stock necessary to accommodate Jaffrey's future population. Housing strategies should be integrated with the other chapters of this Master Plan. For example, if higher densities were recommended for future housing it would be important to identify areas with applicable zoning and community facilities (e.g., sewer) to anticipate and better accommodate the future higher densities.

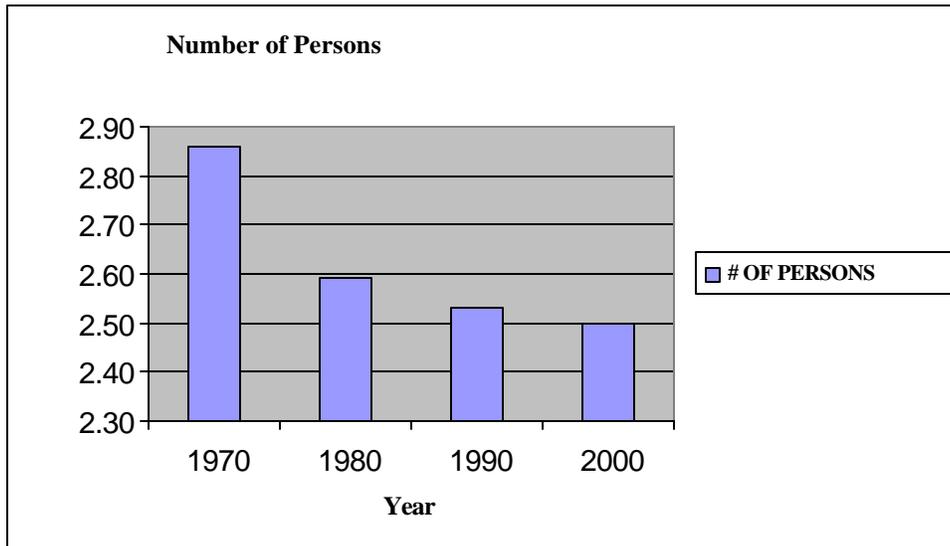
## HOUSING ANALYSIS

While population growth is a predominant indicator of increased demand for the majority of goods and services, demand in housing markets is driven by the number and types of households that are competing for the available housing stock. Population and housing growth are correlated, but not identical. The number and types of households in a community are important indicators of the scale and nature of the housing needs of the community. A household includes all people living in one housing unit, whether or not they are related.

An assessment of the present and future demand for housing in Jaffrey should be based upon household growth, not population growth. Jaffrey's household size has decreased over the past three decades. In 1970

the average household size was 2.86 persons, compared to the year 2000, with an average household size of 2.5. Jaffrey's household size was slightly less than the average household size of 2.53 for the State of New Hampshire, but more than the average household size of 2.47 persons per household for Cheshire County. Figure 1 provides a summary of household size from 1970-2000.

**FIGURE 1: PERSONS PER HOUSEHOLD**



Source: US Census

The decreasing household size has important implications for analyzing and determining future housing demand. Smaller households mean greater competition for housing resources. However, these households require smaller housing units to meet their needs, which could present opportunities for alternative affordable development techniques and housing types.

## HOUSEHOLD INCOME

The relationship between household income and housing cost is one of the main factors which can affect the ability of Jaffrey residents to afford adequate housing. Income greatly determines the types and size of housing that residents can obtain. When household income increases, housing consumption increases. Typically, upper income households spend a smaller percentage of their incomes on housing costs, although the amount they spend on housing costs may be greater. Conversely, the lowest income households are most likely to be paying the most for shelter relative to their incomes. Table 1 outlines a comparison of incomes.

**TABLE 1: INCOME**

|                               | JAFFREY  | CHESHIRE COUNTY | STATE    |
|-------------------------------|----------|-----------------|----------|
| MEDIAN FAMILY INCOME          | \$48,703 | \$51,043        | \$57,575 |
| PER CAPITA INCOME             | \$21,412 | \$20,685        | \$23,844 |
| MEDIAN HOUSEHOLD INCOME       | \$45,033 | \$42,382        | \$49,467 |
| % PERSONS BELOW POVERTY LEVEL | 7.8%     | 8.0%            | 6.5%     |

Source: 2000 US Census

The 2000 Census reported a median household income of \$45,033 for the Town of Jaffrey. Jaffrey's median household income is lower than that of the state, however, higher than the median income for Cheshire

County. Median household income is defined as the mid-point of all the reported incomes. That is, if the reported incomes were sorted by amount, half the number of households had higher incomes and half had lower incomes than the median. Median household income is used because the median is less susceptible to being influenced by a small number of very high or very low incomes. While viewing the incomes of Jaffrey residents it is important to consider poverty levels. Strategies can be enacted to bolster housing opportunities for individuals living below the poverty level. The percentage of persons below the poverty level in Jaffrey is higher than the state average, but slightly lower than that of Cheshire County. Table 2 provides a breakdown of yearly household income and the percentage of households earning that amount.

**TABLE 2: YEARLY HOUSEHOLD INCOME**

| HOUSEHOLDS             | JAFFREY | CHESHIRE COUNTY | STATE |
|------------------------|---------|-----------------|-------|
| Less than \$10,000     | 7.1%    | 7.4%            | 6.1%  |
| \$10,000 to \$14,999   | 3.5%    | 5.2%            | 4.8%  |
| \$15,000 to \$24,999   | 14.3%   | 12.8%           | 10.8% |
| \$25,000 to \$34,999   | 12.0%   | 14.7%           | 11.6% |
| \$35,000 to \$49,999   | 22.1%   | 18.1%           | 17.2% |
| \$50,000 to \$74,999   | 28.8%   | 23.2%           | 23.1% |
| \$75,000 to \$99,999   | 5.6%    | 9.9%            | 12.6% |
| \$100,000 to \$149,999 | 9.2%    | 5.6%            | 9.1%  |
| \$150,000 to \$199,999 | 0.9%    | 1.6%            | 2.6%  |
| \$200,000 or more      | 1.7%    | 1.5%            | 2.2%  |

Source: US Census

## HOUSING INVENTORY AND TYPE

Single-family homes encompass approximately sixty-five percent (65%) of Jaffrey's available housing stock. From 2000-2003, Jaffrey issued a total of one hundred and nineteen (119) building permits for housing. Table 3 illustrates the number and type of housing units in Jaffrey based upon the 2000 Census data.

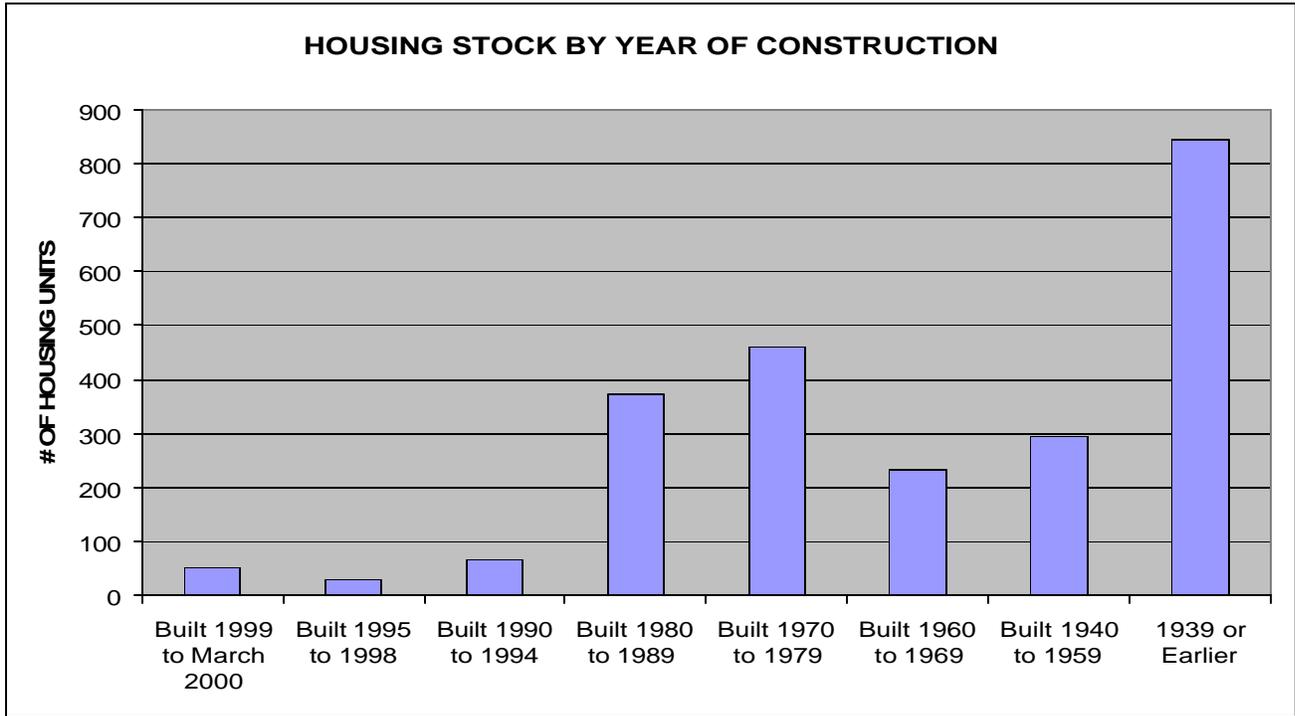
**TABLE 3: HOUSING UNITS BY TYPE**

| TYPE OF HOUSING     | NUMBER OF UNITS | PERCENT OF TOTAL |
|---------------------|-----------------|------------------|
| Single Family       |                 | 64.80%           |
| Detached            | 1,525           |                  |
| Attached            | 30              |                  |
| Total Single Family | 1,555           |                  |
| Multi-Family        |                 | 28.20%           |
| 2 to 4 Units        | 276             |                  |
| 5 to 9 Units        | 248             |                  |
| 10 or More Units    | 109             |                  |
| Total Multi-Family  | 633             |                  |
| Mobile homes        | 164             | 6.90%            |
| Boat, RV, etc.      | 0               | 0%               |
| Total housing units | 2,352           | 100%             |

Source: US Census

Nearly one half of Jaffrey's housing stock (48.4%) is comprised of homes that predate 1960. Only 6.2% of Jaffrey's housing stock was constructed between 1990 and 2000. Figure 2 identifies Jaffrey's housing stock by year of construction.

**FIGURE 2: JAFFREY HOUSING STOCK BY YEAR OF CONSTRUCTION**



Source: US Census

Jaffrey had 2,120 occupied housing units and 232 vacant units in 2000. Vacant units encompass “seasonal” units which by Census definition are not available for long-term rental or owner occupancy. That is, they are not considered available in the housing market. Therefore, if these units are removed from the category of vacant units, the vacancy rate in Jaffrey would be seven (7) percent. According to the Census Bureau, of the 2,120 occupied housing units in 2000, 1,422 are owner occupied, while renter occupied units comprised 698 of the total. There were 232 housing units were deemed vacant. In 2000, the average household size was 2.51 people, declining from 2.86 in 1970. This is consistent with a declining birth rate, an increasing divorce rate, and an aging population. The smaller population per unit has increased the demand for smaller and lower-priced units.

**HOUSING COSTS**

As noted in the aforementioned *Household Income* section, there are predominately two components to housing affordability: household income and housing cost. Like a majority of towns in Cheshire County, Jaffrey experienced expansive new residential development in the 1970’s through the 1980’s. New housing development slowed throughout the 1990’s and into early 2000 and median home value actually decreased from \$115,600 in 1990 to \$103,900 in 2000. Over the past five years home values have rebounded and have continued to rise during this decade. The average (mean) selling price of a home in Jaffrey has risen 58.1% from 2001 to 2005. In 2005 the average selling price of a home was \$213,684. While the average price of homes sold provides a glimpse into current housing market conditions it is important to note that the average can be influenced by excessively high or low value homes sold.

**FIGURE 3: AVERAGE SELLING PRICE OF HOMES**



Source: Northern New England Real Estate Network

Housing supply data for 1990 and 2000 for Jaffrey and surrounding towns show that the changes in housing stock for these towns range from the greatest decrease in Troy of 10.3%, to an increase of 25% in Sharon. Jaffrey experienced a 3.1% decrease in housing stock from 1990 to 2000. Several possible contributing factors for Jaffrey’s decrease in housing stock could be a loss of housing units due to damage by fire or other natural elements or the conversion of dwellings to another type of land use. Recent permit activity shows from 2000 to 2004 the Town has issued one hundred and forty three (143) permits for new single-family housing units. Table 4 displays a comparison of the housing supply for Jaffrey and adjacent towns between 1990 and 2000.

**TABLE 4. SUB-REGIONAL HOUSING COMPARISONS**

| TOWN           | 1990 HOUSING SUPPLY | 2000 HOUSING SUPPLY | PERCENT CHANGE |
|----------------|---------------------|---------------------|----------------|
| DUBLIN         | 651                 | 686                 | 5.4%           |
| FITZWILLIAM    | 1,031               | 1,074               | 4.2%           |
| <b>JAFFREY</b> | <b>2,426</b>        | <b>2,352</b>        | <b>-3.1%</b>   |
| MARLBOROUGH    | 856                 | 893                 | 4.3%           |
| PETERBOROUGH   | 2,242               | 2,509               | 12%            |
| RINDGE         | 1,781               | 1,863               | 4.6%           |
| SHARON         | 128                 | 160                 | 25%            |
| TROY           | 867                 | 778                 | -10.3%         |

Source: US Census

**HOUSING AFFORDABILITY**

Affordable housing is gauged by a combination of household income and household size. The Department of Housing and Urban Development definition of “affordable” housing specifies that a cost of no more than 30% of a households’ monthly income is devoted towards gross housing costs, which includes utilities. This

definition applies to both owners and renters. There are currently one hundred and twelve (112) affordable housing units available in Jaffrey through subsidy or some other means of cost control. These units are disbursed as follows:

| Name                    | Type    | Number of Units |
|-------------------------|---------|-----------------|
| Gilmore Court           | Elderly | 28              |
| Jaffrey Housing         | Family  | 44              |
| Village of Jaffrey      | Family  | 36              |
| Section 8 voucher units |         | 4               |

Source: NH Housing Finance Authority

Table 5 below illustrates the costs households pay for housing as a percentage of their monthly income. For 1,029 owner occupied housing units approximately 23% of households are faced with monthly housing costs of 30% and upwards. For the specified 666 rental units, the percentage was slightly higher at 32%. There are approximately 451 households that face housing costs that are considered unaffordable.

**TABLE 5. PERCENT OF INCOME SPENT OF HOUSING**

| SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME IN 1999 |                      |                  |
|--|----------------------|------------------|
| PERCENTAGE   | NUMBER OF HOUSEHOLDS | PERCENT OF TOTAL |
| Less Than 15%  | 265                  | 25.8%            |
| 15.0 to 19.9 Percent   | 181                  | 17.6%            |
| 20.0 to 24.9 Percent   | 180                  | 17.5%            |
| 25.0 to 29.9 Percent   | 164                  | 15.9%            |
| 30.0 to 34.9 Percent   | 79                   | 7.7%             |
| 35.0 Percent or More   | 160                  | 15.5%            |
| Not Computed   | -                    | -                |

| GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME IN 1999 |                      |                  |
|--|----------------------|------------------|
| PERCENTAGE   | NUMBER OF HOUSEHOLDS | PERCENT OF TOTAL |
| Less Than 15%  | 132                  | 19.8%            |
| 15.0 to 19.9 Percent                                   | 77                   | 11.6%            |
| 20.0 to 24.9 Percent                                   | 136                  | 20.4%            |
| 25.0 to 29.9 Percent                                   | 87                   | 13.1%            |
| 30.0 to 34.9 Percent                                   | 49                   | 7.4%             |
| 35.0 Percent or More                                   | 163                  | 24.5%            |
| Not Computed   | 22                   | 3.3%             |

Source: US Census

If a significant number of households spend more than thirty percent of their incomes on housing, it can have negative effects on other sectors of the economy. That is, if limited resources are over-allocated towards housing, it comes at the expense of other economic sectors and a more diversified economy. This relationship between affordable housing and a healthy economy is fundamental to the quality of life in Jaffrey. The projected affordable home for a household earning the median household income of \$45,033 would be approximately \$136,136. This projection does not assume the additional costs of home ownership such as insurance and utilities. Viewing home affordability in light of the 2004 average selling price of a home in Jaffrey illustrates the challenges of purchasing a home.

**TABLE 6: HOME OWNERSHIP AFFORDABILITY**

| 2000 MEDIAN HOUSEHOLD INCOME                       |            | 80% OF 2000 MEDIAN HOUSEHOLD INCOME                 |            | 50% OF 2000 MEDIAN HOUSEHOLD INCOME                 |           |
|--|------------|---|------------|---|-----------|
| \$45,033   |            | \$36,026  |            | \$22,517  |           |
| 30% OF MONTHLY INCOME                              | \$1,126    | 30% OF MONTHLY INCOME                               | \$901      | 30% OF MONTHLY INCOME                               | \$563     |
| MONTHLY PROPERTY TAX (EQUALIZED RATE) (\$2743/YR.) | \$229      | MONTHLY PROPERTY TAX (EQUALIZED RATE) (\$2,196/YR.) | \$183      | MONTHLY PROPERTY TAX (EQUALIZED RATE) (\$1,368/YR.) | \$114     |
| AVAILABLE FOR MORTGAGE                             | \$897      | AVAILABLE FOR MORTGAGE                              | \$718      | AVAILABLE FOR MORTGAGE                              | \$449     |
| ESTIMATED MORTGAGE AFFORDABLE AT 7% FOR 30YRS      | \$129,680* | ESTIMATED MORTGAGE AFFORDABLE AT 7% FOR 30YRS       | \$103,651* | ESTIMATED MORTGAGE AFFORDABLE AT 7% FOR 30YRS       | \$64,724* |
| PLUS 5% DOWN PAYMENT                               | \$6,483    | PLUS 5% DOWN PAYMENT                                | \$5,183    | PLUS 5% DOWN PAYMENT                                | \$3,236   |
| PROJECTED AFFORDABLE HOME                          | \$136,163  | PROJECTED AFFORDABLE HOME                           | \$108,834  | PROJECTED AFFORDABLE HOME                           | \$67,960  |

\* Source: Fannie Mae (assumes no other debts, closing costs, no homeowners insurance and no other taxes)

## HOUSING OPPORTUNITY

Housing cost is influenced by a wide variety of market and institutional factors. Some of these can be affected by town governments, but most are the result of larger socio-economic issues that are beyond the reach of local policymaking. It is important for Jaffrey to recognize there are limits to the housing issues that can be addressed within the scope of this Master Plan.

One regulatory mechanism which can influence housing markets is zoning. Zoning districts can regulate minimum lot requirements and specify permitted and prohibited housing types. Jaffrey has five traditional or "Euclidean" zoning districts and three overlay districts. The overlay districts are applied in addition to the traditional districts and in essence "float" over the underlying zoning. Overlays typically apply additional regulations beyond those of the underlying zoning. Jaffrey's zoning currently permits an array of housing types of various densities within a majority of their zones. Residential A and B allow parcels to be subdivided into 20,000 square feet if they can be connected to town sewer or clustered in an open space development on a septic system. Table 7 outlines the uses allowed within Jaffrey's zoning districts.

**TABLE 7: ZONING REGULATIONS**

| District                            | Permitted Uses (Housing)   | Uses by Special Exception (Housing)        |
|-------------------------------------|--|--|
| Rural (with and without town water) | Single and Two Family Dwellings, Multiplex/Duplex, Manufactured/Mobile Home Parks              |  |
| Residential A                       | Single-family dwellings  |  |
| Residential B                       | Single and Two Family Dwellings, Apartments and Condos, Manufactured & Mobile Home Parks       |  |
| Commercial and General Business     | Single and Two Family Dwellings, Apartments and Condos associated with mixed use developments. |  |
| Industrial                          | Not permitted  |  |
| <b>Overlay</b>                      | <b>Permitted Uses (Housing)</b>  |  |
| Elderly Housing                     |  | General Business, and Residence A & B      |
| Mountain                            | Single-Family dwellings  | Duplex, Multifamily, Conversion Apartments |

Source: Town of Jaffrey Zoning Ordinance, 2004

| District                            | Minimum Lot Size Requirements   |
|-------------------------------------|---|
| Rural (with and without Town water) | Without Town Water – 3 acre minimum lot size<br>With Town Water – 1.5 acre minimum lot size |
| Residential A                       | 1 acre minimum lot size<br>20,000 square feet – with sewer or community septic              |
| Residential B                       | 1 acre minimum lot size<br>20,000 square feet – with sewer or community septic              |
| General Business                    | 1 acre minimum lot size   |
| Industrial                          | 2.5 acre minimum lot size   |

## FUTURE HOUSING NEED

Jaffrey's projected 2000-2020 growth rate of 22% is similar to the projected growth rates of adjacent towns. According to the projections below, the Town of Rindge will experience the greatest population increase (31%) and the Town of Troy will experience the least (19%).

**TABLE 8: POPULATION PROJECTIONS FOR JAFFREY & SUB-REGION, 2000-20**

| MUNICIPALITY   | 2000         | 2005         | 2010         | 2015         | 2020         | % CHANGE 2000 - 2020 |
|----------------|--------------|--------------|--------------|--------------|--------------|----------------------|
| Dublin         | 1,476        | 1,550        | 1,630        | 1,720        | 1,800        | 22%                  |
| Fitzwilliam    | 2,141        | 2,290        | 2,370        | 2,510        | 2,630        | 23%                  |
| <b>JAFFREY</b> | <b>5,476</b> | <b>5,770</b> | <b>6,030</b> | <b>6,390</b> | <b>6,700</b> | <b>22%</b>           |
| Marlborough    | 2,009        | 2,110        | 2,200        | 2,310        | 2,410        | 20%                  |
| Peterborough   | 5,883        | 6,230        | 6,610        | 6,940        | 7,240        | 23%                  |
| Rindge         | 5,451        | 6,060        | 6,370        | 6,790        | 7,160        | 31%                  |
| SHARON         | 360          | 380          | 400          | 420          | 440          | 22%                  |
| TROY           | 1,962        | 2,060        | 2,140        | 2,240        | 2,330        | 19%                  |

Source: US Census; NH Office of Energy and Planning, 2002.

Population projections and average household size can provide some indication of Jaffrey's future housing needs. According to the population projections, Jaffrey will need 490 additional housing units to

accommodate the future housing demand up to the year 2020. From 1980 to 2000 Jaffrey grew by approximately 26%, which resulted in an additional 582 housing units. Table 9 provides a projected population growth for the Town of Jaffrey and the number of additional housing units needed to accommodate the anticipated growth for the year 2020.

**TABLE 9. PROJECTED FUTURE HOUSING NEED TO YEAR 2020**

| POPULATION INCREASE                  | POPULATION INCREASE     | PERSON/UNIT            | ADDITIONAL HOUSING UNITS |                      |
|--------------------------------------|-------------------------|------------------------|--------------------------|----------------------|
|                                      |                         |                        | TOTAL                    | PER YEAR             |
| PROJECTED GROWTH<br>2000 - 2020: 22% | PROJECTED GROWTH: 1,224 | PROJECTED AVERAGE: 2.5 | PROJECTED GROWTH: 490    | PROJECTED GROWTH: 25 |

Source: US Census; NH Office of Energy and Planning, 2002.

## HOUSING STRATEGIES

Jaffrey is projected to grow 22% from 2000 to 2020. This growth will require an estimated 490 additional housing units. Assuring the housing stock remains healthy and affordable is a challenge facing many towns within the Southwest Region. The amount of land necessary to accommodate these new households by the year 2020 will depend upon many factors, including whether Jaffrey wants to encourage single-family residences on currently existing lots.

While market forces play a considerable role in influencing housing, Jaffrey can identify strategies which proactively identify some of the variables that influence the housing market. Some of these variables include:

1. Land availability, and densities;
2. Governmental regulations such as zoning and building code requirements;
3. Site development requirements;
4. The market price for raw land or platted lots;
5. Property taxes;
6. Finance costs, including mortgage rates and fees;
7. Materials, labor and construction costs;
8. Demographic shifts and migration, which may result in mismatches between housing supply and demand.

### Density and Zoning

Jaffrey could potentially choose to accommodate more households by allowing smaller minimum lot sizes or “upzoning” land to allow for higher densities. Allowing smaller lot sizes and higher density development should coincide with existing and proposed areas with public water and sewer availability. Additionally, utility planning for water and sewer could consider future service areas which could capture economies of scale.

### Affordable Housing

Partnerships could be forged between public, quasi-public and private housing coalitions to identify opportunities for affordable housing. Such opportunities could include programs such as the Section 502 Mutual Self-Help Housing Program administered through the USDA. This program makes homes more affordable by enabling future homeowners to work on homes themselves. This “sweat equity” investment provides new affordable opportunities for potential homeowners.