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# EXECUTIVE SUMMARY

# Executive Summary

## ABOUT THIS HOUSING NEEDS ANALYSIS

The City of Keene hired Camoin Associates to conduct a Housing Needs Analysis to assess the state of housing in the City and describe the critical issues, opportunities, as well as potential solutions and strategies to address Keene's housing needs. Housing in Keene has been identified as a critical challenge for many years and is now at the crisis stage, affecting the local economy and workforce retention and recruitment.

With increasing home prices, an aging population, and threats to resilience due to climate change, an aging stock of housing, and potential flooding hazards, Keene is facing significant challenges today and into the near future related to the reliability, affordability, and availability of its housing stock. This housing needs analysis outlines the demographic and economic profile of the City, provides a snapshot of recent and projected future trends in the housing market, and outlines strategies the City can pursue in order to support the development of the appropriate mix of housing types and affordability in Keene in the coming years.

**Over the next 10 years, Keene will need new, improved, or alternative housing arrangements for over 4,200 households.** These housing improvements include renovations and repairs to existing housing, an increase in the supply of housing affordable to Keene residents, and **a need for approximately 1,400 new housing units.** The need for these units will span across a range of incomes, including significant projected need at the bottom and top of the income distribution in the City.

Summary of City of Keene Housing Needs

Type of Household Need	Owner Households	Renter Households	Total Households
Cost Burdened*	1,314	1,789	3,103
Displaced Workers	437	367	804
Future Population Growth**	187	134	321
Living in Housing that Will Become Obsolete**	149	125	274
Living in Substandard Housing	12	47	59
<b>Total (Low Estimate)</b>	<b>1,938</b>	<b>2,290</b>	<b>4,228</b>
<b>Total (High Estimate)</b>	<b>2,099</b>	<b>2,462</b>	<b>4,561</b>

**Note:** Low estimate includes only mutually exclusive sources of needs to avoid double counting

\*Includes seniors

\*\*Need over next 10 years

**Source:** Camoin Associates

There is a need for new, improved, or alternative housing arrangements for between 4,230 and 4,560 households in the next decade.

# Key Findings

**Key Finding #1: Population growth in Keene has not been a major driver of housing need – but other factors have.** The City's population growth has been relatively stagnant over the long-term and lost residents in the decade between 2010 and 2010. However, demographic changes including smaller households has resulted in an increase in households, which has driven housing demand. Additionally, there is a substantial mismatch between the current housing supply and demand resulting in unmet housing need.

**Key Finding #2: Household sizes have been decreasing, driving housing demand for more and smaller units.** The average household size in Keene in 2021 was 2.2 people, smaller than Cheshire County, New Hampshire, or the US average. Keene has a significantly higher percentage of people living alone (40%) than the state does (27%). The shift to smaller household sizes indicates growing need for smaller format housing types.

**Key Finding #3: Seniors are a substantial, and growing, portion of the City's population that will need new housing options.** As of 2021, those age 55+ accounted for 29% of Keene's total population. Residents in this age cohort are helping to drive smaller household size in Keene, as 60% of those age 65+ in Keene live alone. As the City continues to age seniors will need housing arrangements that fit their lifestyles, often competing with younger residents and families for smaller and more affordable housing options.

**Key Finding #4: Housing for those with unique needs, including unhoused populations and individuals with disabilities, is very limited.** The City has unmet housing need for currently unhoused and underhoused individuals in need of transitional housing options that will address homelessness. Housing costs have risen substantially in the last several years, and costs related to the upkeep of older housing stock can be challenging for both owners and renters. The 2021 New Hampshire Council on Housing Stability Strategic Plan identified that under-production of housing across the state as a driver of homelessness, and that the private sector alone is unlikely to address a lack of affordable or transitional housing. The strategic plan called on the state of New Hampshire to integrate and coordinate housing stability structures to support efforts to address homelessness at the municipal level.

**Key Finding #5: Home ownership rates are relatively low in the City.** Keene has a higher share of renters than New Hampshire (46% vs 28%) with few residents owning their own home. While this is driven in part by the presence of Keene State College, there is likely a need and opportunity to improve homeownership rates among those currently renting and unable to purchase housing while recognizing that rental housing is an important component of the City's housing supply.

**Key Finding #6: Flood hazards and future climate-related impacts are a serious threat to many vulnerable homes.** Approximately 6% of Keene's housing stock can be classified as highly vulnerable due a combination of age, location, or demographic characteristics. An additional 16% of Keene's housing was found to have moderate vulnerability. Vulnerable housing tends to be clustered together in certain high-risk areas and neighborhoods, indicating that both individual property and area-wide strategies may be appropriate to increase the resiliency of at-risk housing. The community housing survey conducted as part of this analysis indicated that 9% of respondents have been impacted by flooding, and 13% of respondents have had their housing impacted by weather-related issues.

**Key Finding #7: A large portion of the City’s housing stock is dated, of low quality, and/or is in need of repairs and rehabilitation.** Keene has a high proportion of older housing, with 35% of housing stock built before 1940 and just under 8% built in 2000 or later. Over the past two decades, only 500 new residential units have been constructed. 21% of respondents to the community survey reported that their housing was in either fair or poor condition, and 12% listed lack of necessary repairs as their biggest housing health and safety concern.

**Key Finding #8: Many residents are also not able to afford needed home rehabilitation or repair costs.** 16% of respondents to the community housing survey reported that their housing needs repairs they could not afford. With more than half of Keene’s housing stock 60+ years old—including 1/3 of over 80 years old—repairs will become increasingly needed across the City’s housing supply. If residents are unable to afford repairs that can lead to further vulnerability and resilience challenges for Keene’s housing stock.

**Key Finding #9: Typical households in the City are not able to afford typically-priced homes or rentals.** There is a mismatch between average incomes and housing prices in Keene. The median income in Keene is \$63,490, which would allow a household to afford a home costing \$217,800. However, the median home price is \$277,700, meaning that the difference between the price of a home affordable to a median-income household and median home price is over \$60,000.

Additionally, housing prices have increased significantly in recent years (47% between 2019-2022), with low availability and a 45% decrease in average days on the market for homes for sale. Similarly, average rents increase 22% in the last five years contributing to housing affordability challenges in the City.

**Key Finding #10: Local wages are generally misaligned with local housing costs.** The median rent in Keene is \$1,085/month requires an hourly wage of \$21/hour to comfortably afford, well beyond the earnings of many local workers. Interviews with developers and employers indicated that almost all new market rate units being built in the City have rents above that amount.

**Key Finding #11: Many people working in Keene must commute from surrounding communities due to housing issues.** Keene has a net inflow of workers, with over two-thirds commuting into Keene from other municipalities. This is despite Keene having a higher share of workers working from home than New Hampshire or the United States overall. Approximately 800 workers were estimated to be “displaced” out of the community due to the lack of appropriate housing.

**Key Finding #12: A substantial portion of households in the City are cost-burdened as a result of the mismatch between income levels and housing costs.** 34% of households in Keene are cost-burdened, meaning that they pay more than 30% of their income toward housing costs. This includes 27% of homeowners and 43% of renters. Although the rate of being cost-burdened for renters is higher than the share of owners in Keene, the rate of 43% is less than the share of cost burdened renters in New Hampshire or the US overall. 54% of survey respondents reported spending more than 30% of their household income on housing costs.

**Key Finding #13: Significant new housing interventions are needed to address the City’s housing needs.** Over 4,200 households in Keene will need new, improved, or alternate living arrangements over the next 10 years. This includes those who are cost burdened, displaced, living in substandard or potentially obsolete housing, as well as needs from future population growth. Those in most need of new housing are residents making 50% or less of area median income (AMI).

**Key Finding #14: New housing development will be needed as part of the solution to the City's housing challenges.** Approximately 1,400 new housing units will be needed across a variety of housing types and prices points in Keene over the next decade. This includes 608 rental units and 791 homeowner units, suggesting that a combination of affordable, workforce, and market-rate housing will need to be built to fully address the City's housing needs.

**Key Finding #15: Critical barriers exist to building the new housing needed in the City.** High construction costs have created an environment where is difficult for developers to create financially feasible housing that is priced at a point that most residents in Keene can afford. Additionally, much of the City is relatively built out, creating challenges in finding appropriate sites for development.

**City of Keene New Housing Unit Need (10 years)**

Rental Units		
Household Income Bracket	Rental Rate	Units Needed
30% or Less of AMI (Less than \$28,350)	Less than \$709	173
31%-50% of AMI (\$28,350 to \$47,250)	\$709 to \$1,180	170
51%-80% of AMI (\$47,251 to \$75,600)	\$1,181 to \$1,889	123
81%-100% of AMI (\$75,601 to \$94,500)	\$1,890 to \$2,362	45
101%-120% of AMI (\$94,501 to \$113,400)	\$2,363 to \$2,834	24
Over 120% of AMI (More than \$113,400)	\$2,835 or more	73
<b>Total Rental Units</b>		<b>608</b>
Homeowner Units		
Household Income Bracket	Home Price	Needed
30% or Less of AMI (Less than \$28,350)	Less than \$96,700	49
31%-50% of AMI (\$28,350 to \$47,250)	\$96,700 to \$162,199	185
51%-80% of AMI (\$47,251 to \$75,600)	\$162,200 to \$258,899	148
81%-100% of AMI (\$75,601 to \$94,500)	\$258,900 to \$323,299	78
101%-120% of AMI (\$94,501 to \$113,400)	\$323,300 to \$388,899	90
Over 120% of AMI (More than \$113,400)	\$388,900 and above	241
<b>Total Homeowner Units</b>		<b>791</b>
Total Housing Unit Need		
Household Income Bracket	Total Units Needed	
30% or Less of AMI (Less than \$28,350)		222
31%-50% of AMI (\$28,350 to \$47,250)		355
51%-80% of AMI (\$47,251 to \$75,600)		271
81%-100% of AMI (\$75,601 to \$94,500)		124
101%-120% of AMI (\$94,501 to \$113,400)		114
Over 120% of AMI (More than \$113,400)		313
<b>Total Units (10 Years)</b>		<b>1,399</b>
<b>Total Units (Average Annual)</b>		<b>140</b>

Source: Camoin Associates

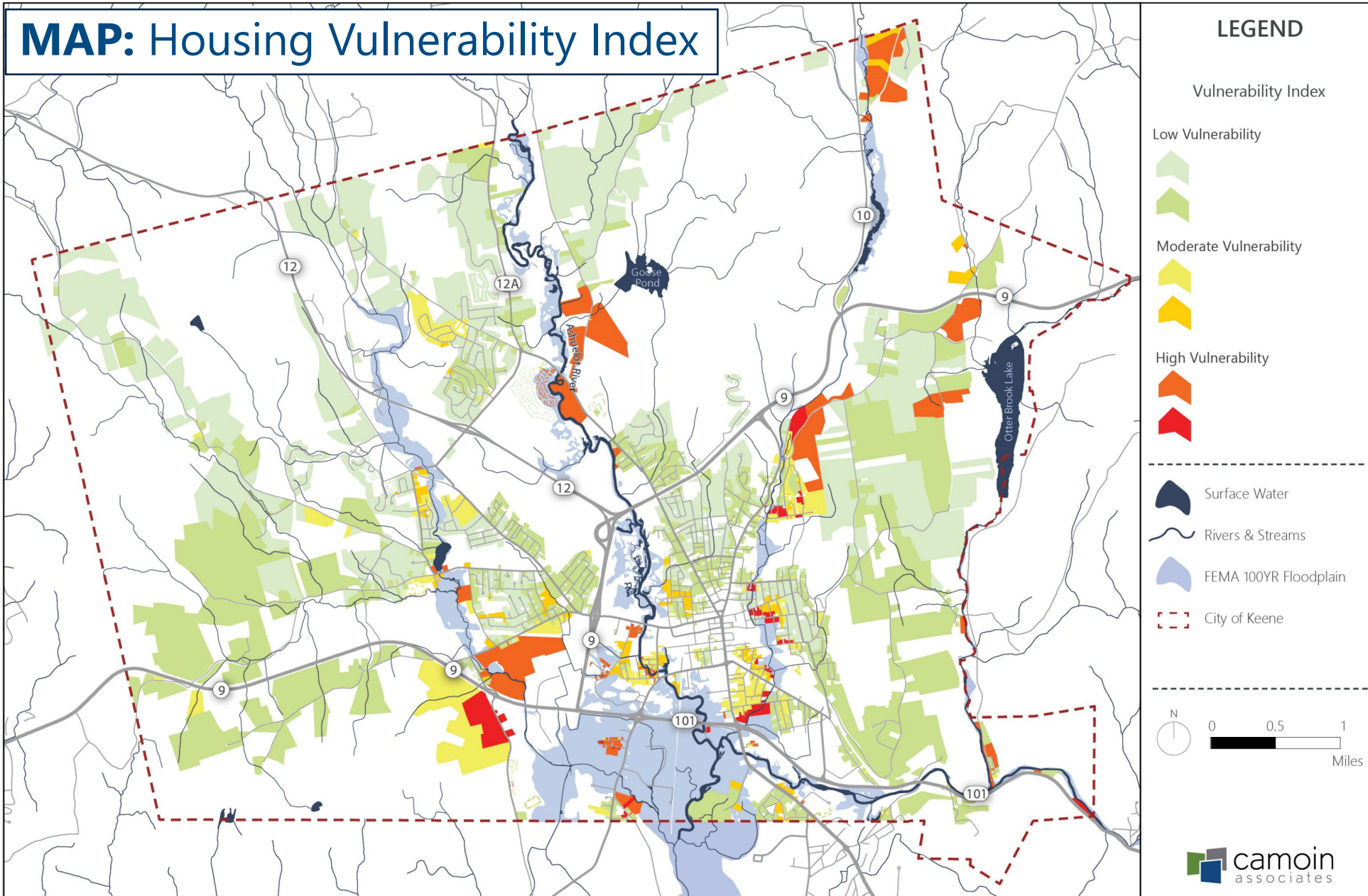
Estimated need for 600 rental units

Estimated need for 800 homeowner units

Average need: 140 units/year for next decade



# MAP: Housing Vulnerability Index



# Resiliency

**A significant portion of residential properties in the City of Keene are vulnerable to flood hazards.** A GIS mapping analysis was prepared to create a “housing vulnerability index” for residential properties in the City of Keene. The Housing Vulnerability Index analysis scored each residential property (parcel) based on a set of criteria related to flood vulnerability, housing condition, and sociodemographic characteristics. The results of the analysis indicate that there are concentrations of vulnerable properties in high risk areas that will need intervention to protect from future flood events. The full vulnerability index mapping section can be found on page 99.

# Housing Strategy

Four (4) overarching goals were established and strategies were developed to achieve each goal. These are summarized in the table to the right with more detail provided on the following pages. These goals cover the key housing challenges and needs in Keene. Within each goal, specific strategies were developed to help the Town and partner organizations accomplish goals.

While there is no single strategy or fix that will solve the housing challenges facing Keene, by expanding the City's capacity, working together with partners, leveraging existing, state, and regional resources, and working creatively the City will be able to make meaningful progress toward addressing the significant housing need in Keene.

It is important to note that it is not expected or suggested that the City will lead the implementation of all initiatives. Realizing success will include the participation of many partners and in many cases the City will be a "supporting player" while in other instances it is appropriate for the City to take on the primary leadership role.

The full strategy section of this report can be found on page 110, while the next two pages provide a high-level summary of the strategies identified through the course of this analysis.

Goal 1: Expand the City's Capacity to Implement Housing Programs, Policies, Projects, and Initiatives	
ID	Strategy
1A	Explore establishing a City Housing Trust Fund
1B	Collaborate regionally to address critical housing needs
1C	Engage employers in implementing housing solutions
1D	Raise awareness and educate residents on the community's housing needs
1E	Help to organize a community land trust
Goal 2: Improve the Condition, Resiliency, and Utilization of the City's Housing Stock	
ID	Strategy
2A	Create a citywide housing rehabilitation and resiliency program
2B	Support the creation of a home-sharing program
2C	Target infrastructure and other interventions in neighborhoods vulnerable to flooding
2D	Assess the feasibility of a locally-controlled buy-out program
2E	Create a rental registration program
2F	Focus on neighborhood and community approaches to address disinvestment
Goal 3: Promote the Development of a Mix of Housing Types at a Variety of Price Points	
ID	Strategy
3A	Identify housing development and redevelopment opportunity sites
3B	Review and align City land use regulations to support housing development
3C	Explore adoption of incentive zoning with an in-lieu fee option
3D	Establish a housing development program to provide gap funding for affordable and workforce housing projects
3E	Explore opportunities and mechanisms to support the acquisition and development/rehabilitation of vacant, underutilized, and tax foreclosure properties for housing
3F	Support implementation of the Housing Cooperative Model in the City
Goal 4: Support Residents and Special Population Groups in Meeting their Housing Needs	
ID	Strategy
4A	Support transitional housing in Keene to reduce homelessness
4B	Identify opportunities to create assisted-living senior facilities
4C	Encourage creation of options for downsizing empty nesters and active seniors
4D	Educate residents and property owners on available local and state housing resources

# Housing Strategy – Implementation Matrix

Goal 1: Expand the City's Capacity to Implement Housing Programs, Policies, Projects, and Initiatives					
Task		Lead & Partners	Priority	Timeframe	Resources
1A	Explore establishing a City Housing Trust Fund	City of Keene (proposed Housing Trust Fund Committee); State/federal partners for seed funding, employers, housing partners, Monadnock Interfaith Project, other regional partners	Highest	Immediate	High
1B	Collaborate regionally to address critical housing needs	SWRPC, City of Keene planning staff and City Council; regional municipalities, State of New Hampshire	High	Ongoing	Low
1C	Engage employers in implementing housing solutions	City of Keene (convener); employers; developers; housing stakeholders	Highest	Immediate	Moderate
1D	Raise awareness and educate residents on the community's housing needs	City of Keene, Keene Housing; Service providers; Monadnock Interfaith Project; real estate community, brokers	High	Ongoing	Low
1E	Help to organize a community land trust	New Land Trust Exploratory Task Force/Coalition; City of Keene; Nonprofit partners, community organizers, Keene Housing	Moderate	Mid-Term	Moderate
Goal 2: Improve the Condition, Resiliency, and Utilization of the City's Housing Stock					
Task			Priority	Timeframe	Resources
2A	Create a citywide housing rehabilitation and resiliency program	City of Keene	Highest	Immediate	High
2B	Support the creation of a home-sharing program	City of Keene (initial convener); nonprofit organization(s)	Moderate	Mid-Term	Low
2C	Target infrastructure and other interventions in neighborhoods vulnerable to flooding	City of Keene	Highest	Immediate	High
2D	Assess the feasibility of a locally-controlled buy-out program	City of Keene	Moderate	Mid-Term	High
2E	Create a rental registration program	City of Keene; landlords; tenant representation; Keene State College	High	Mid-Term	Moderate
2F	Focus on neighborhood and community approaches to address disinvestment	City of Keene (initial convener); Newly formed neighborhood associations; Nonprofits, community partners; neighborhood organizations	High	Ongoing	Low



# Housing Strategy – Implementation Matrix

Goal 3: Promote the Development of a Mix of Housing Types at a Variety of Price Points					
Task			Priority	Timeframe	Resources
3A	Identify housing development and redevelopment opportunity sites	City of Keene; Developers; property owners; residents	Highest	Mid-Term	Moderate
3B	Review and align City land use regulations to support housing development	City of Keene	Highest	Ongoing	Moderate
3C	Explore adoption of incentive zoning with an in-lieu fee option	City of Keene	High	Immediate	Moderate
3D	Through the Housing Trust Fund, establish a housing development program to provide gap funding for affordable and workforce housing projects	City of Keene Housing Trust Fund Committee (proposed); local financial institution(s); developers	High	Mid-Term	High
3E	Explore opportunities and mechanisms to support the acquisition and development/rehabilitation of vacant and underutilized properties for housing	City of Keene; Keene Housing; proposed community land trust	Moderate	Long-Term	Moderate
3F	Support implementation of the Housing Cooperative Model in the City	City of Keene (initial convener); Developers, property owners	Moderate	Ongoing	Low
Goal 4: Support Residents and Special Population Groups in Meeting their Housing Needs					
Task			Priority Level	Timeframe	Resources
4A	Support transitional housing in region to reduce homelessness	City of Keene (initial convener); Nonprofit partners; service providers	Highest	Immediate	High
4B	Identify opportunities to create assisted-living senior facilities	City of Keene; Developers, senior service organizations	Moderate	Long-Term	Moderate
4C	Encourage creation of options for downsizing empty nesters and active seniors	City of Keene; Developers, senior service organizations	High	Mid-Term	Low
4D	Educate residents and property owners on available local and state housing resources	City of Keene, Keene Housing, InvestNH, New Hampshire Housing, housing organizations	High	Ongoing	Low

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# INTRODUCTION

# Introduction

This housing needs analysis was conducted in three phases – data collection, identification of housing needs, and housing strategy development.

## Phase I: Research, Analysis, and Public Input

Demographic  
Analysis

Housing Market  
Analysis

Community Survey  
& Open House

Stakeholder  
Interviews

Housing Resilience  
Mapping

## Phase II: Identifying Housing Needs

Critical Housing  
Challenges and  
Priorities

Housing  
Affordability  
Analysis

Household Types In  
Need of Housing

Housing Needs by  
Income Level, Price  
Point, and Type

## Phase III: Housing Strategy

Setting Goals and  
Objectives

City Programs,  
Policies, and  
Regulations

Partnerships and  
Funding Approaches

Implementation  
Guidance

## Overview

This housing needs analysis includes several sections, including demographic, economic, and housing inventory and market data for Keene, a housing needs assessment, findings from public and stakeholder engagement, housing resiliency mapping, and recommended strategies to help address housing needs in Keene. Data provides critical insights into housing needs and was used in conjunction with qualitative input gathered from stakeholder interviews, the community survey, and public engagement efforts to identify overall key themes and conclusions of the city's housing needs. The sections of this housing needs analysis include the following:

- **Demographic and Economic Trends.** The first section of provides a profile of the local population and the types of work and commuting patterns occurring in the region. Key demographic measures include age, race and ethnicity, household composition, and income. The economic characteristics of the study area will focus on employment and industry, wages, occupations and commuting trends.
- **Housing Inventory.** This section catalogs the supply of residential housing stock in the target geography. It outlines the types of housing, the age of the buildings, units per structure and detached units, ownership patterns, the number of cost-burdened households, permitting information and the preponderance of seasonal and short-term rental behavior.
- **Housing Market.** The third data chapter evaluates how the available stock of housing intersect with the housing needs of the local population and demand from those outside the region. The materials review changes to average and median home sales prices recently and over time. The volume of sales and the time on market for residential properties with similar markets nearby are also reviewed. Finally, vacancy rates for different types of housing and the absorption of newly built inventory are presented.
- **Community and Stakeholder Input.** This section summarizes findings from qualitative data collected through interviews with key community stakeholders, data from a community housing needs survey, and input provided during a presentation and open house held in Keene in February of 2023. Many of the themes uncovered during the engagement process aligned with findings from demographic, economic, and housing data.
- **Housing Needs Assessment.** The housing needs assessment portion of this report provides a quantitative estimate of the housing needs for the City of Keene, presented by income level and rental vs ownership needs. The analysis includes data and key findings around affordability issues, the number of households in need of interventions (new, improved, or alternative living arrangement), and the number of new housing units needed in Keene over the next 10 years. Specific housing challenges that were reviewed include cost-burdened households, displaced workers, overcrowded households, residents in substandard housing, projected population growth, and the number of housing units likely to deteriorate into obsolescence over the next decade.





- **Housing Resiliency.** The housing resiliency section discusses Keene’s housing in the context of vulnerability to climate change and flooding as well as identifying housing at risk due to condition and quality. It also includes identifying the households at-risk of managing and recovering from climate-impacts such as low-income households and senior households. This chapter also includes mapping data showing flooding hazards in Keene as well as a more comprehensive vulnerability index map that overlays various factors to identify where multiple issues may combine to increase the vulnerability of certain areas of the City.
- **Housing Challenges and Needs.** This section highlights a high-level summary of the key findings from the other portions of the report. These findings help to inform the proposed housing strategies in the next section.
- **Housing Strategy.** The final chapter of this housing needs analysis covers the strategies proposed to address the housing needs and challenges identified elsewhere in the report. It is important to note that these strategies are holistic in nature, as Keene’s City government cannot tackle these challenges alone. Addressing the City’s housing needs will require efforts on the part of the City, developers, residents, businesses, and community members to solve.



