Zoning Board of Adjustment
Monday, December 4, 2017, 6:30 p.m.
City Hall Council Chambers
3 Washington Street, 2ⁿᵈ Floor

AGENDA

I.   Introduction of Board Members

II.   Minutes of the Previous Meeting, November 6, 2017

III. Unfinished Business

      Hearings:

      ZBA 17-15 & ZBA 17-17/ Motion to Rehear 0 Grove St. per abutter Medard and Dawn Kopczynsi has been withdrawn.

      Continued ZBA 17-16/ Petitioners, Suzanne and David Boisvert of 35 Keene Rd., Winchester, requests a Variance for property located at 361 Court St., Tax Map Parcel #008-02-001, is in the Medium Density, and is owned by Prospect Hill Home of 361 Court St. The Petitioners requests an Enlargement of a Nonconforming Use to allow double occupancy in rooms that meet state licensing requirements HeP807 Chapter, from 17 to 26 beds.

      ZBA 17-19/ Petitioners, Katz Properties of 254 West 31ˢᵗ St., 4ᵗʰ fl, New York, represented by Archetype Signworks of Peterborough, NH, requests a Variance for property located at 2 Ash Brook Road, Space B, Tax Map Parcel #502-01-001-0700, which is in the Commerce District, and is owned by the Petitioners. The Petitioners request a Variance to permit the east elevation of the building to be considered as allowed frontage for signage as shown on Attachment D: 37.37 sq. ft. parallel channel letter sign and 1 sq. ft. logo on the awning apron per Section 102-1282 of the Zoning Ordinance.

      ZBA 17-20/ Petitioners, Prospect House, LLC of 35 Keene Rd., Winchester, NH, requests a Special Exception for property located at 361 Court St., Tax Map Parcel #008-02-001, which is in the Medium Density, and is owned by The Prospect Hill Home of 361 Court St. The Petitioners requests a Special Exception from Section 102-37(b)(1) and Section 102-392 to increase the number of beds from 16 to 26 within the same area/footprint.

IV.   New Business

      Draft 2018 calendar
      Rules of Procedure

VI.   Communications and Miscellaneous

VII. Non Public Session: (if required)

VIII. Adjournment

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City of Keene
New Hampshire

ZONING BOARD OF ADJUSTMENT
MEETING MINUTES

Monday, November 6, 2017   **6:30 PM**   **Council Chambers**

Members Present: **Staff Present:**
Nathaniel Stout, Chair   Gary Schneider, Plans Examiner
Jeffrey Stevens, Vice Chair   John Rogers, Zoning Administrator
John Rab, Alternate
Josh Gorman
Thomas Plenda

Members Not Present:
Louise Zerba, Alternate

I.   Introduction of Board Members

Chair Stout called the meeting to order at 6:30 PM, introduced members of the Board and welcomed everyone to the meeting.

II.   Minutes of the Previous Meeting

Chair Stout noted the following corrections to the minutes of October 2, 2017:

- On page 10, fourth paragraph, the reference to Chair Stout should be changed to Chair Pro Tem Stevens.

- On page 12, fourth paragraph, the reference to Chair Stout should be changed to Chair Pro Tem Stevens.

- On page 13, second paragraph, the reference to Chair Stout should be changed to Chair Pro Tem Stevens.

Mr. Rab made a motion to accept the minutes from October 2, 2017 as amended. The motion was seconded by Vice Chair Stevens, which carried unanimously.

IV.   Hearings

Continued ZBA 14-12: Petitioner, Leah LaRock requests an extension to decision of approval with conditions dated July 6, 2015 for property located at 0 Daniels Hill Rd., which is in the Rural Zone. This approval was to permit the building of a single family

dwelling on a lot with 1.76 acres where a five acre minimum lot size is required per Table 102-791, Basic Zone Dimensional Requirements of the Zoning Code.

Mr. Schneider began the hearing by explaining that typically Variances are granted for two years and the approval for this application was granted by the ZBA a few years ago. He noted that the approval for this application did run out in July 2017 and the request of an extension application was postponed several times. Mr. Schneider explained that the hearing's postponement was due to the lack of a five member Board and there was one particular night where the weather was an issue for the applicant. Chair Stout asked if the Board would need to go through all of the criteria or if they could approve or deny application with a vote. Mr. Schneider replied that the Board has the opportunity to ask any questions of the applicant and then take a vote on the request for an extension. In addition, he suggested if the request is approved, that the Board put a time limit on the approval.

Chair Stout welcomed Leah LaRock, 1041 Route 63, Spofford, NH and Robert Hodgkins, 1041 Route 63, Spofford, NH. Ms. LaRock stated that they would like to develop a single family dwelling on the property this spring. Chair Stout asked the City staff for more detail on the requested Variance. Mr. Schneider stated that the Notice of Decision was dated July 16, 2015, was a request for 0 Daniels Hill Road on a lot with less than 5 acres and assigned three conditions. The first of which was prior to the granting of the building permit, the owner will install a 6-12 inch berm across the first Woods Road near Daniels Hill Road and also across the second Woods Road that is located easterly toward Route 9 over the existing open area. Mr. Schneider said in regards to the berm located easterly across the second Woods Road, this berm must extend to the existing berm on the lot. The second condition was that the owner maintains a vegetative buffer for approximately 20 feet along the road frontage westerly of the driveway. It was noted that the buffer does not have to be opaque but shall have a density similar to the existing vegetation. Mr. Schneider stated that the buffer may include new trees or the existing trees. The third condition was the Mr. Robert Hitchcock of SVE Associates, will verify that development of the property does not include an increase of the runoff onto the abutting property to the east.

Chair Stout asked the applicant if there was any reason why they would not be able to meet the conditions of the Variance. Ms. LaRock replied no. Chair Stout asked the applicant why there was a delay in developing the property. Mr. Hodgkins replied that it was due to finances. Mr. Rab asked the applicant if they have started any site work. Mr. Hodgkins replied that site work has yet to start because they wanted to have the approval of the ZBA before proceeding. He stated that they hoped to install a well at the property this fall.

Chair Stout asked the applicant what they thought was a reasonable time limit for a new extension. Mr. Hodgkins replied two years.

Chair Stout welcomed public comment.
With no comment, Chair Stout closed the public hearing.

Chair Stout asked the Board if they had any questions or comments. Vice Chair Stevens stated that two years was a reasonable amount of time for an extension.

Mr. Rab made a motion to extend the approval to extend ZBA 14-12 for an additional two years. The motion was seconded by Mr. Gorman, which carried unanimously.

With a vote of 4-1, The Zoning Board of Adjustment approved ZBA 14-12. Mr. Plenda opposed.

Motion for Rehearing 0 Grove Street Variance Requests for ZBA 17-17 and ZBA 17-15.

Chair Stout explained that the Motion for Rehearing restricts any public comment or any comment from City staff. He stated that it was up to the Board members to discuss and to vote on a rehearing.

Mr. Stout stated that the application for a Rehearing was submitted by Medard and Dawn Kopczynski on October 25, 2017. He read the opening paragraph of the application as follows,

"We are requesting that both ZBA 17-15 and ZBA 17-17 be reheard. This request is made due to what we believe to be mistakes in the decisions, errors in the application and notice and proper application of the standards used to test Variances and failure to require supporting information."

Chair Stout noted that there was much more information in the request for a Rehearing that consisted of four pages.

Mr. Rab made a Motion to Rehear ZBA 17-15 and ZBA 17-17. The motion was seconded by Vice Chair Stevens, which carried unanimously.

Vice Chair Stevens stated that if there is a defect in the notice that the applications should be reheard. Mr. Gorman asked if the Board was certain there was a defect in notice. He stated that he brought up this issue during the hearing and asked if the Board was looking at this application from a case of the High Density Zone or from the new zoning. Mr. Gorman stated that it was said to him that the Board was looking at it from the current zoning because the zoning had not yet changed. Mr. Rab stated that the fact that it was not noticed that way makes it defective and that it demands the applications be reheard.

Chair Stout said that this matter came before the Planning Board and the vote was taken to delay a decision until additional information was provided. He stated for that reason, he felt that he could vote on the matter and that when it comes before the Planning Board he will recuse himself.

With a vote of 5-0, The Zoning Board of Adjustment approved to rehear ZBA 17- 15 and ZBA 17-17.
Continued ZBA 17-16/ Petitioners, Suzanne and David Boisvert of 35 Keene Rd., Winchester, requests a Variance for property located at 361 Court St., Tax Map Parcel #008-02-001, owned by Prospect Hill Home of 361 Court St. the Petitioners requests an Enlargement of a Nonconforming Use to allow double occupancy in rooms that meet state licensing requirements HeP807 Chapter, from 17 to 26 beds.

Mr. Rab recused himself from the hearing.

Chair Stout explained that this case has been postponed until the December 4, 2017 meeting. Mr. Rogers clarified that the City received a request from the applicant because of the four member Board seated at tonight's meeting. He stated that the City does believe that they will be able to provide a five member Board for the December meeting.

ZBA 17-18/ Petitioners, Henry and Carol Spindler of 64 Peg Shop Rd., represented by Wendy Pelletier, Cardinal Surveying and Land Planning of 463 Washington St., requests a Variance for property located at 64 Peg Shop Rd., which is in the Rural District and is owned by the Petitioners. The Petitioners request a Variance from the 50 foot front setback to 45 feet per Section 102-791 of the Zoning Ordinance.

Mr. Schneider referred to a map indicating the location of the property. He indicated that the line running from the bottom of the page to the top of the page is Jordan Road and the bottom of the page is the intersection of Jordan Road and Peg Shop Road. Mr. Schneider noted that the far end of Peg Shop Road is a dead end road.

The property has two structures on the property with one located at 60 Peg Shop Road and the other located at 64 Peg Shop Road. Mr. Schneider noted that both properties sit close to the road. He stated that the proposed garage would be to the right side of 64 Peg Shop Road.

Mr. Rab asked Mr. Schneider to clarify the green area verses the yellow area displayed on the map. Mr. Schneider replied that the yellow demonstrated the location of the 200 foot abutters and green area on the map is the property.

Chair Stout recognized Wendy Pelletier of Cardinal Surveying and Land Planning, 463 Washington Street, Keene. She referred to a survey that was conducted by SVE Associates in the 2005. Ms. Pelletier explained that the property was a 26 acre parcel and the proposed garage would be located next to the small office building that was located on the property. Ms. Pelletier said the proposal is for a 45 foot setback due to the 50 foot setback being located in a wetland area. She explained that the owners would have to squish the garage in that area to meet the wetland buffer and could not meet all of the setback requirements.

She provided the Board with an aerial view of Peg Shop Road and indicated the location of the existing house where the proposed garage would be located. Ms. Pelletier stated that the aerial view showed how close the houses are along the road and how some of the other houses on Peg Shop Road are over the setback line. She stated that the request was for 5 feet and that it would not be a huge impact on the neighborhood. Ms. Pelletier stated that the home owner's intent is to keep the setting natural and to not be intrusive. She stated that the architect who drafted the design of the garage was present to answer additional questions. Mr. Rab asked if the current buildings on the property cross the setback line. Ms. Pelletier replied in the affirmative. Mr. Gorman stated that is was his impression that these buildings were old. Ms. Pelletier stated that these buildings date back to the 1800's. She noted that work has been done to preserve these buildings. Mr. Gorman asked if the former schoolhouse was used as an office. Ms. Pelletier replied in the affirmative.

Mr. Plenda asked if the need was to move the proposed building five feet toward the setback area in order to preserve to the wetlands area. Ms. Pelletier referred to the map indicating that is a no disturbance zone. Mr. Plenda asked how this area Ms. Pelletier referred to as wetland was designated. Ms. Pelletier replied that is flagged by a wetland scientist. Mr. Schneider stated that the zoning code does have a specific section that if there is a preexisting building that is already violating setbacks that the owner may be allowed to add onto that preexisting building, provided that the structure does not come any closer to the property line than what the existing structure does. He said that the reason this application does not apply is because the proposal is for a detached building. Mr. Schneider said if the garage was attached to the building, the applicant could qualify for the 50% Rule. Mr. Schneider explained that according to the 50% Rule an applicant is allowed to extend onto a preexisting condition provided that the building does not come any closer to the property line but cannot exceed 50% of the square footage of what the existing structure violates. He stated that the reason why this application does not qualify is because this is a separate building and not adding onto an existing building. Mr. Gorman asked if the old school house was already in setback area almost in its entirety. Mr. Schneider replied in the affirmative. Mr. Gorman stated that if the Board denied the application for a 45 foot setback, the home owners could feasibly put the garage next to the school house that would be even closer to the road. Mr. Schneider replied in the affirmative.

Ms. Pelletier reviewed the criteria:

- Ms. Pelletier said that granting the Variance would not be contrary to the public interest because the proposed garage will be approximately 22 feet behind the existing accessory building that it will serve. She stated that the original structures on the lot date to 1778 and are situated very close to the road. The design and location of the garage will be in keeping with other structures on the lot and in the neighborhood. Chair Stout pointed out that by constructing the detached garage, the historic buildings will not be affected in any way. In addition, Mr. Rab stated that the applicant was also avoiding building another building within 10 feet of the road if it was attached to the schoolhouse. Ms. Pelletier noted that there is a lot of ledge and steep on the property and moving the location of the garage would be unsightly. Mr. Plenda asked how it was determined there would be no harm to the public interest if the Variance was granted. Ms. Pelletier replied that the public's interest is the character of the neighborhood and that zoning was protecting the wetland area.
- Ms. Pelletier stated that if the Variance were granted, the spirit of the ordinance would be observed because the rural character of the neighborhood will not be affected. There are several very old homes on this road that sit close to road. Chair Stout asked Ms. Pelletier how many other structures are located in the setback in the area. Ms. Pelletier replied that just within 200 feet there are three located in the setback area. She noted some of the new homes down the road are set way back but the homes located in the setback area are older homes.
- Ms. Pelletier stated that granting the Variance would do substantial justice because of the other structures and wetlands on the lot; there is no other suitable location for the garage. Every effort has been made to preserve the physical features of the site and to adhere as closely as possible to the zoning ordinance.
- Ms. Pelletier said that if the Variance were granted, the values of the surrounding properties would not be diminished because the position and design of the proposed

garage will be in keeping with the architecture of the existing buildings and rural character of the neighborhood. The garage will give extra storage for yard equipment and additional parking, therefore eliminating vehicles and equipment being stored outside. Mr. Plenda asked Ms. Pelletier to indicate the area where the wetlands are on the site. Ms. Pelletier indicated the area, emphasizing that there is 30 foot setback from the wetlands because it was an existing lot.

- Ms. Pelletier said that no fair and substantial relationship exists between the general public purposes of the ordinance provision because the garage will be setback as far as possible, leaving existing vegetation surrounding it to screen it from the road. The character of the neighborhood will not be impacted by the placement of the garage. Mr. Gorman stated that in his opinion, the location of the existing structure is site specific in terms of a hardship.
- Ms. Pelletier stated that the proposed use is a reasonable one because being that this is a rural area, detached out buildings to support the main dwelling are not unusual.
- Ms. Pelletier stated that the existing buildings on the lot date back to 1778 and are located very close to the road. The lot has a great deal of wetlands and ledge. Adhering to both the wetland buffer and the front setback leaves a very small area to place the garage which will house a vehicle and lawn equipment.

Katie Sutherland, an architect with Katie Cassidy Sutherland Architects PC, 310 Marlboro Street, introduced the owner of the property, Henry Spindler. Ms. Sutherland presented the Board with an architectural plan that would provide a view of the setbacks. In addition, she provided the Board with a copy of the elevation of the building and the building plan. She referred to the building plan to show the location of the existing old schoolhouse that is used as an office. Ms. Sutherland noted how close the schoolhouse was to the property line. She indicated the location of the existing paved driveway that the owners would like to extend up to the proposed garage location.

Ms. Sutherland indicated the location of the 30 foot buffer zone from the wetlands and noted that they were trying to respect that buffer zone. The next location she indicated was the 50 foot building setback area. She explained that they worked diligently to locate the garage in a place where it respects the setbacks and would also avoid the ledge. The elevations are very simple and will take the architectural hues from the buildings currently on site. She described the buildings on site as simple brick buildings with a pitched roof with sections of clapboard. Ms. Sutherland noted that they replicated the same roof pitch to be consistent with the current character. In addition, the same opaque stain colors will be used on the proposed garage. Ms. Sutherland noted that the proposed garage would not be in plain view because of the tree line they will keep. Mr. Plenda asked for the dimensions of the garage. Ms. Sutherland replied that the garage would be 22 feet wide by 24 feet deep and would fit two cars.

Chair Stout welcomed public comment.

With no comment, Chair Stout closed the public hearing.

Mr. Rab made a motion to approve ZBA 17-18. The motion was seconded by Mr. Gorman, which carried unanimously.

The Board reviewed the criteria.

Granting the Variance would not be contrary to the public interest:

Vice Chair Stevens stated that it would not be against the public's interest at all. He said that the building itself is reasonable and where it is situated is clearly about the only spot it could be constructed. He explained that by having the proposed garage encroach on the setback is a much better option than having it encroach on the wetlands. Mr. Rab stated that by putting the garage in the proposed location was a much better option than putting it 10 feet from the road.

If the Variance were granted, the spirit of the Ordinance would be observed:

Chair Stout stated that in passing this property, this neighborhood was a very attractive part of Keene and it seemed this particular property was a neat property. He stated that he did not see how this additional building, as small as it is, can detract in any way and that it was designed in a sensitive way. Mr. Gorman stated that in his opinion five feet would not make a significant difference.

Granting the Variance would do substantial justice:

Chair Stout stated without a Variance, the applicant would be forced to attach the garage and that seemed this was an obvious advantage to the City. He explained this was due to the fact that the setback would be violated more severely if other alternatives were pursued.

If the Variance were granted, the values of the surrounding properties would not be diminished:

Vice Chair Stevens stated that he cannot see property values varying in any direction. Mr. Rab stated that the property values would be diminished if the garage was built next to the road. Chair Stout said that the credit was to the applicant for the route they are taking.

Unnecessary Hardship
E. Owing to special conditions of the property that distinguish it from other properties in
the area, denial of the Variance would result in unnecessary hardship because:
ix. No fair and substantial relationship exists between the general public purpose.
of the ordinance provision and the specific application of that provision to the
property:

Mr. Rab said that it was a unique property given the wetlands and the ledge situation on the property which makes it unique and there is no reasonable relationship between that provisions in what the applicant is trying to do.

x. The proposed use is a reasonable one:

Mr. Rab stated that in his opinion it was absolutely reasonable. Mr. Gorman stated that it was common to have a garage on a property. Chair Stout agreed with Mr. Gorman.

Granting the Variance would not be contrary to the public interest: Granted 5-0

If the Variance were granted, the spirit of the Ordinance would be observed: Granted 5-0

Granting the Variance would do substantial justice: Granted 5-0

If the Variance were granted, the values of the surrounding properties would not be diminished: Granted 5-0

Unnecessary Hardship
E. Owing to special conditions of the property that distinguish it from other properties in the area, denial of the Variance would result in unnecessary hardship because:
> *ix. No fair and substantial relationship exists between the general public purpose of the ordinance provision and the specific application of that provision to the property:* Granted 5-0

> *x. The proposed use is a reasonable one:* Granted 5-0.

With a vote of 5-0, The Zoning Board of Adjustment approved ZBA 17-18.

V. New Business:

Mr. Rogers stated that at the next ZBA meeting the Board would be reviewing the Rules of Procedure. He explained that there was one area needing to be added to the Rules of Procedure that deals with an applicant withdrawing an application. Mr. Rogers explained that City staff is currently researching the appropriate language and how other municipalities handle withdrawing applications. Chair Stout asked if the Rules of Procedure are voted on by the Board to become official. Mr. Rogers replied in the affirmative.

Chair Stout asked if there was any new information on new Board members for the ZBA. Mr. Rogers replied that he did not have any new information at this time. He suggested members of the ZBA actively recruit new members. Chair Stout reported that Vice Chair Stevens wrote a letter to Mayor Lane asking for the Mayor's help in recruiting new members. Mr. Schneider suggested ZBA members inform City staff in a timely manner if there is a conflict with a meeting. He stated that this would give City staff time to find an alternate.

VI. Communications and Miscellaneous

None

VII. Adjournment

Hearing no further business, Chair Stout adjourned the meeting at 7: 23 PM.

Respectfully submitted by,
Jennifer Clark, Minute Taker

361 Court St.
ZBA 17-16

Petitioner is requesting an Enlargement of a Non-Conforming Use to allow double occupancy in rooms that meet state licensing requirements HeP807 Chapter, from 17 to 26 beds.

APPLICATION FOR APPEAL

Zoning Board of Adjustment
3 Washington Street, Fourth Floor
Keene, New Hampshire 03431
Phone: (603) 352-5440

The undersigned hereby applies to the City of Keene Zoning Board of Adjustment for an Appeal in accordance with provisions of the New Hampshire Revised Statutes Annotated 674:33.

TYPE OF APPEAL

○ APPEAL OF AN ADMINISTRATIVE DECISION
○ APPLICATION FOR CHANGE OF A NONCONFORMING USE
◉ APPLICATION FOR ENLARGEMENT OF A NONCONFORMING USE
○ APPLICATION FOR A SPECIAL EXCEPTION
○ APPLICATION FOR A VARIANCE
○ APPLICATION FOR AN EQUITABLE WAIVER OF DIMENSIONAL REQUIREMENTS

SECTION I - GENERAL INFORMATION

Name(s) of Applicant(s) Suzanne and David Boisvert   Phone: 603-762-0611

Address 35 Keene Rd Winchester, NH 03470

Name(s) of Owner(s) Prospect Hill Home Court

Address 361 ~~Prospect~~ St Keene NH Court

Location of Property 361 ~~Prospect~~ St Keene NH Court

SECTION II - LOT CHARACTERISTICS

Tax Map Parcel Number 8-2-1   Zoning District Medium Density

Lot Dimensions: Front 150'   Rear 150'   Side 225'   Side 225'

Lot Area: Acres .78   Square Feet 33979

% of Lot Covered by Structures (buildings, garages, pools, decks, etc.): Existing 15 1/2 Proposed 15 1/2

% of Impervious Coverage (structures plus driveways and/or parking areas, etc.): Existing 38 1/2 Proposed 32 1/2

Present Use Healh Care Facility

Proposed Use Health Care Facility

SECTION III - AFFIDAVIT

I hereby certify that I am the owner in fee or the authorized agent of the owner in fee of the property upon which this appeal is sought and that all information provided by me is true under penalty of law.

_____   Date 9/15/17
(Signature of Owner or Authorized Agent)

Please Print Name   Suzanne Boisvert

361 Court St

APPLICATION FOR ENLARGEMENT OF A NONCONFORMING USE

A nonconforming use may be enlarged and/or expanded, provided such enlargement and/or expansion does not violate any of the basic zone dimensional requirements set forth in the Zoning Ordinance. Such enlargement and/or expansion must receive permission from the Zoning Board of Adjustment, which must find that the enlargement and/or expansion meets the conditions listed below.

- An enlargement and/or expansion of a nonconforming use is requested in order to:

> Allow Double Occupancy in rooms that meet State Licensing Requirements HeP 807 Chapter, from 17 to 26 Beds.

DESCRIBE BRIEFLY YOUR RESPONSE TO EACH CONDITION:

1. Such approval would not reduce the value of any property within the district, nor otherwise be injurious, obnoxious or offensive to the neighborhood.

> Since the proposed change is asking for double occupancy, which has to do with the internal use of the facility, we find that there is no adverse effect to the neighborhood that would be injurious, obnoxious, or offensive. This is a common practice for Health Care Facilities in Keene and the State of New Hampshire and our country.

2. There will be no nuisance or serious hazard to vehicles or pedestrians.

> Internal Double occupancy in rooms that meet minimum requirements will not be a hazard or nuisance to vehicles or pedestrians.

3. Adequate and appropriate facilities (i.e., water, sewer, streets, parking, etc.) will be provided for the proper operation of the proposed use.

> The Health Care Facility has all the needed facilities such as city water and sewer, security, Fire safety suppressant systems and means of egress, and will also be regulated by the State of New Hampshire rules and codes for Residential Treatment and Rehabilitation Facilities. Residents/patients do not generally have or will be allowed vehicles, so there will be no increase in parking needs. We will have a van for transportation purposes.

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NORTH STREET

225' +/-

20'-9"

54'-6"

Dumpster

55'-0"

49'-2"

A

LICENSED ARCHITECT
TIMOTHY
SAMPSON
No. 03809
STATE OF NEW HAMPSHIRE

Timothy P. Sampson

Stoop   Walk Way

80'-7"

31'-10"

Porch

B

COURT STREET

Side Walk

Side Walk

150' +/-

Covered Porch

150' +/-

21'-6"

Parking
12 vehicles

78'-5"

Vestibule   Bow window

Portico   Driveway

C

46'-0"   Walk Way

Driveway

22'-4"   Walk Way

225' +/-

Side Walk

Side Walk

Side Walk

Side Walk

PROSPECT STREET

Site Plan
Scale: 1" = 20'

0   20   40   80

D

N

Architect:
Timothy Sampson
NCARB, LEED AP
103 Roxbury Street
Suite 206
Keene, NH
603 769 7736

© SAMPSON DESIGN
2017   WO# 17-037

Prepared For:
Suzanne Boisvert
Winchester, NH

PROJECT
Prospect Place LLC
631 Court Street
Keene, NH 03431

TITLE
Site Plan
Zoning Data
Notes

Date:	Revisions:
9-15-17	ZBA Application
-	-
-	-

SCALE 1"= 20'

DATE 9.15.17

SHEET NUMBER

A1.0

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STATE OF NEW HAMPSHIRE

CHESHIRE, SS.   KEENE ZONING BOARD
                                                            OF ADJUSTMENT

IN THE MATTER OF: APPLICATION OF
SUZANNE AND DAVID BOISVERT

ZBA #17-16

MEMORANDUM OF LAW IN OPPOSITION TO THE APPLICATION OF SUZANNE AND DAVID BOISVERT FOR EXPANSION OF A NONCONFORMING USE AT THE 361 COURT STREET ADDRESS

I.   BACKGROUND

Prospect Place was incorporated in 1874 and was known, at the time, as the

"Invalids Home." In 1874, the homes' founders were known as the "Ladies of the

Sewing Circle of the Unitarian Church." Under the leadership of Margaret E. White

(the then pastor's wife), its mission was to offer housing, comfort and aid to "lonely and

forlorn women" of the community.   In 1974, the name was changed to Prospect Hill

Home; in 1993, the facility became known as Prospect Place, a year after opening its

doors to men patients in 1992.

Prospect Place and the Woodward Home merged their respective operations and

their respective locations to the Woodward facility located at 194-202 Court Street, in

Keene, in July of 2016, when Prospect Place abandoned its use at the 361 Court Street

address.

1

Suzanne and David Boisvert of 35 Keene Road, Winchester, New Hampshire, 03470, submitted an application for enlargement of a nonconforming use, dated September 15, 2017. The Boisverts have not purchased 361 Court Street as of this date. In their application, the Boisverts asserted the present use of the property was a "healthcare facility" and its proposed use would be a "healthcare facility."[1] In their application for the enlargement of the nonconforming use, the Boisverts assert that expanding the occupancy of the facility from 17 to 26 beds, will allow, "double occupancy in rooms that meet state licensing requirements HEP 807 Chapter, from 17 – 26 beds."

According to the Boisverts, (hereinafter "Applicants"), their Application focuses on the changes to the "internal use" of the facility, noting that since "the proposed change is asking for double occupancy, which has to do with the internal use of the facility, we find there is no adverse effect to the neighborhood that would be injurious, obnoxious or offensive. This is a common practice for healthcare facilities in Keene, in the State of New Hampshire and our country."

The Applicants have the same internal focus with respect to the other criteria under §102-210 of the Keene Zoning Ordinance, (hereinafter "K.Z.O."). The Applicants

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[1] See Code §102-2 which defines a "health care facility "as an "institution such as a nursing home, convalescent home, sanitarium, or house for the aged, in which sick patients or injured person are given chronic medical, recover or surgical care, or an institution for the chronic care of contagious diseases or incurable patients; or an institution which provides home and/or care for the aged."

2

completely ignore the external impact of their expanded internal occupancy requests. They also ignore the current composition of a very densely populated and congested neighborhood.

The use of 361 Court Street, in one form or another, as an assisted living home, (or nursing home) predates the institution of zoning in Keene.

Any change that is an enlargement of a nonconforming use, must occur only with the approval of the Zoning Board of Adjustment. The first area of inquiry, however, is whether the current owner abandoned the nonconforming use.

II. Abandonment

K.Z. O. §102-202. – Abandonment, provides that:

A nonconforming use shall be deemed abandoned if the use is discontinued for a period of one year. The building, structure or property in which such use existed thereafter shall be used only in conformity to and with this chapter. A nonconforming use shall be considered abandoned when:

    (1)   The intent of the owner to discontinue the use is apparent;

    (2)   The characteristic equipment and the furnishings of the nonconforming use have been removed from the premises and have not been replaced by similar equipment within one year;

    (3)   A nonconforming use is replaced by a conforming use; *or*

3

(4)   A nonconforming use has been changed to another use under proper

permit from the zoning board of adjustment. (Code 1970, §2339.2)

(*Emphasis supplied*).

There can be no debate that Prospect Place abandoned its nonconforming use at

361 Court Street when it discontinued its use of the assisted living facility at 361 Court

Street and then consolidated its operations at the Woodward Home on Court Street in

July of 2016. The intent of the owners could not be more clear.

The four (4) conditions under §102-202 need not be all satisfied. The use of the

conjunction "or" suggests that the occurrence of any one of the four criteria supports

the conclusion of abandonment. So does our case law.

A nonconforming use is a legal use existing at the time of the enactment of

zoning. *New London Land Assoc. v. New London ZBA*, 130 NH 510 (1988).

A nonconforming use is valid only if there is a continuance of the nonconforming

use in an *unbroken sequence from the time of the zoning enactment. Id.* If the continuation of

the nonconforming use is voluntarily ended by the owner, the right to continue the

nonconforming use is lost. *Arsonault v. Keene*, 104 NH 356 (1962).

Without an ordinance defining the circumstances of abandonment, the case law

informs on when a nonconforming use may be considered abandoned. Upon the

occurrence of 1) the owner demonstrating an intent to abandon or to relinquish the use,

and 2) the commission of an act, or a failure to act, that carries the implication that the

4

owner neither claims nor retains any interest in the nonconforming use, the nonconforming use is then considered abandoned as a matter of law. *Town of Salem v. Wickson*, 146 NH 328 (2001). (landowner's nonconforming use of a pig farm was lost when he sold all of his pigs).

Likewise, when Prospect Place merged with the Woodward Home and closed the facility at 361 Court Street in July 2016, it demonstrated its intent to relinquish its nonconforming use at 361 Court Street and this act of relinquishment carries with it the strong implication of intent to abandon the nonconforming use by the owner at 361 Court Street. This conclusion is buttressed by Keene's specific ordinance on the subject, K.Z.O. §102-202, which also focuses on the intent of the owner to abandon the nonconforming use, as one of four criteria that must be satisfied.

Since, under both New Hampshire common law and the city ordinance §102-202, it is clear that Prospect Place abandoned the nonconforming use at 361 Court Street, the Applicants are not entitled to expand an abandoned nonconforming use; they must seek a variance to proceed. *See*, §102-36, (conditions for authorization a variance). Therefore, the pending Application must be denied.

III.   Expansion Of A Nonconforming Use

Turning to the pending merits of the Application, Article II, §102-210 provides the controlling authority for the Board's action on the Application; it provides:

> "A nonconforming use may be expanded and enlarged, provided
> such enlargement and expansion does not violate any of the basic

5

zone dimensional requirements set forth in this Chapter. Such expansion must receive permission from the Zoning Board of Adjustment, which must find that the expansion will meet the following conditions:

1. Such approval would not reduce the value of any property within the district, nor otherwise be injurious, obnoxious or offensive to the neighborhood.

2. There will be no nuisance or serious hazard to vehicles or pedestrians.

3. Adequate and appropriate facilities will be provided for the proper operation of the proposed use."

The abutters contend that approval of the pending application will reduce the

value of property within the district and approval of the expanded use would otherwise

be injurious, obnoxious and offensive to the neighborhood, and such an expanded use

will create a nuisance or serious hazard to vehicles and pedestrians in the area, and

adequate and appropriate facilities, such as parking, are not available for proper, safe

and uncongested operation of the proposed expanded use. There are 12 parking spaces

available in the small parking area located on the easterly side of the 361 Court Street lot

and these spaces are the only parking spaces available on site for this property. There is

inadequate parking at 361 Court Street to support the proposed expanded use. The

increased density generated by the proposed use will create a serious hazard to an

already densely populated neighborhood.

6

According to the Application, 361 Court Street is located in the medium density zone. Neither the previous nonconforming use as a 17 bed assisted living facility nor the proposed use as an expanded 26 bed substance abuse facility violate any of the basic zone dimensional requirements set forth in the Zoning Ordinance.

A.   Approval Will Reduce Property Values Within the Area by at Least 17%

Approval of the pending Application will reduce property values within the immediate area by at least 17% of current values.

Professors, Claire LaRoche, Bennie Waller and Scott Wentland[2], conducted a study whereby the authors analyzed the empirical evidence of real estate sales in central Virginia which demonstrate a significant basis in fact to support the conclusion that residential substance abuse treatment facilities, especially if their focal point is treating opiate addiction, located in residential districts, lead to as much as a 17% reduction in overall neighboring property values. Attached is a copy of the academic study by LaRoche, Waller & Wentland, published in the Journal of Sustainable Real Estate, JOSRE, Vol. 6, No. 2 (2014), pp. 63-92.

According to the study, residential treatment centers offer intense forms of treatment for substance abuse and are often embedded in residential neighborhoods. As a result of the Affordable Care Act (ACA), the number of such treatment centers are likely to grow. LaRoche, et al, examined the *external* effect of residential treatment

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[2] Professors of finance and real estate at Longwood University in Farmville, Virginia.

7

facilities on nearby real estate. Using multiple listing service data (MLS) and actual real estate sales from central Virginia, the authors demonstrated the impact of the placement of a residential substance abuse facility in a residential neighborhood on nearby homes prices are statistically measurable. They found that a neighboring treatment center in a residential neighborhood is associated with an 8% reduction in nearby home prices and that value diminution is steeper for treatment centers that specifically treat for opiate addiction. Using the study's empirical data, the impact on the Prospect Street neighborhood would be a property value diminution of 17% of the surrounding properties.

Taking the property tax cards (and the tax assessment values contained therein as the base value) on the properties within a radius of 1/8 of a mile of 361 Court Street and applying LaRoche's conclusions, the estimated loss of value to the affected properties within the 1/8 mile radius is approximately $4,400,000.00 in lost value. *See* Exhibit 1, attached hereto.

The study suggests there are reasons to expect that rehabilitation facilities located in residential neighborhoods will adversely affect neighboring real estate values. First, substance abuse is often a multifaceted health care issue and many patients in residential treatment have a dual diagnosis, namely, one of substance addiction and one of mental health or mental illness. Dual diagnosis patients account for approximately 45% of patients in treatment facilities. *LaRoche*, p. 64; whereas 18-20% of the patients are

8

treated only for a substance abuse diagnosis. Second, often times patients are discharged, or simply leave, because their treatment concluded, or they depart prematurely. Third, some patients may be unemployed or have criminal backgrounds. *LaRoche*, et al, conclude that, as a practical matter, "nearby neighbors may have valid concerns that the presence of a treatment center will be accompanied by additional unemployed or even homeless addicts on the street near the area in which the treatment center is located." *Id.* p. 64. We understand this may be a perception, and may or may not even be an accurate one; nevertheless, such a perception, according to the study is "then reflected in the market prices of nearby real estate." *Id.* p. 64. These abutters should not pay that price for whatever social benefits this proposed use may create without a corresponding and equal burden on all others in the community.

The study by LaRoche, Waller and Wentland, concluded that "residential substance abuse treatment centers adversely impact the price of neighboring homes; property within 1/8 of a mile of the treatment center [will] sell for approximately 8% less than otherwise comparable homes that are located further away. Furthermore, we find that the market differentiates between potential risks that nearby treatment centers may carry, as living nearby a methadone clinic that treats opiate addiction, such as heroin or morphine, may be associated with a reduction in home values by as much as 17%. We find little evidence that nearby treatment centers affect a home's time on the market. " *Id.* p. 63.

9

Therefore, the Applicants' Application must be denied because this expanded use will reduce property values within the area substantially.

B.   Approval of the Application Would be Otherwise Injurious, Obnoxious and Offensive to this Neighborhood.

An understanding of the Prospect Street neighborhood is critical to the Board's assessment of the Application to expand a nonconforming use in that neighborhood.

i.   Survey of the Area

361 Court Street has situated on it a 6,809 square foot building on a .78 acre lot (33,973 square feet). Across Prospect Street from from 361 Court is a multifamily residence, located at 347 Court Street, known as the "Minerva Apartments," which consists of a two story, ten living unit structure with only one area 70 feet long, located along the Prospect Street side of the building for parking. If each parking spot should be 8' wide, per K.Z.O. §102-794, there is room for 8.75 vehicles, which is grossly inadequate for the property it serves. This figure is reduce because at present, the owner placed a dumpster in the parking area, which eliminates at least two of the 8.75 spaces. This property is clearly non-conforming. Continuing easterly along the southerly side of Prospect Street, are the following properties and their densities:

a.   11 Prospect Street is a two family dwelling situated on a 0.13 acre parcel;

b.   17 Prospect Street is a two family dwelling situated on a 0.22 acre parcel;

10

c.   25 Prospect Street is a single family dwelling situated on a 0.5 acre parcel;

d.   37-39 Prospect Street is another duplex on a 0.57 acre parcel;

e.   49 Prospect Street is a single family structure on a 0.19 acre parcel; and

f.   53 Prospect Street is a two family dwelling on a 0.31 acre parcel.

After 53 Prospect Street, the street bisects with Forest Street, which is similarly situated.

On the north side of Prospect Street, again heading east from Court Street, after 361 Court Street, is:

1.   26 Prospect Street (the Knight property) which is a single family dwelling on 0.28 acres (Note: The Knight home sits 5' back from the shared boundary with 361 Court Street);

2.   32 Prospect Street is a single family dwelling on 0.21 acres of land;

3.   36 Prospect Street is a two family structure situated on 0.15 acres;

4.   46 Prospect Street is a single family dwelling on 0.26 acres;

5.   56 Prospect Street is a single family dwelling on 0.25 acres; and

6.   70 Prospect Street is a three family dwelling on 0.58 acres.

In order to place the present level of density of Prospect Place into context, the K.Z.O. provides a minimum lot size of one acre in the rural district for single family residence and duplex units. §102-90. The minimum lot size for the Medium

11

Density District is 8,000 sq. ft., or 0.18 acres, and the minimum lot area per dwelling unit

is 5,400 sq. ft., or 0.12 acres (the minimum lot area per dwelling for medium density,

high density and office zones apply only to second and succeeding dwelling units.

§102-792). The minimum parking requirements for dwelling and apartments are two

per dwelling unit (except one per unit with a special exception, one per two units for

elderly or special population housing which can demonstrate a reduced demand for

parking). §102-793.

The width of Prospect Street is relatively narrow and some owners park vehicles

on the street, adding to the congestion in the area of Prospect Street.

In their application, the Applicants focus solely on the "internal use" of the

property. They ignore that increasing the bed capacity of the facility will have a

detrimental impact on the external environs of the property and the neighborhood.

They ignore the impact of additional patients (from 17 to 26), additional staff to care for

the patients, additional visitors and family members who will visit the patients, and

additional healthcare personnel who may occasionally be called on to provide care for

the patients. This is a critical lapse in judgment, because the Applicant has the burden

of proof on each one of the conditions of §102-202. *See, Fisher v. Dover*, 120 NH 187

(1980); *Grey Rocks Land Trust v. Town of Hebron*, 136 NH 239 (1992) (party seeking

variance bears burden of establishing the five variance criteria) and *Peabody v. Town of

Windham*, 142 NH 488 (1997) (party asserting a proposed use is a valid nonconforming

12

use has burden of proof). Further, the Applicants have the burden of proof to show that their proposed expansion is not such that it constitutes an entirely new use, thus violating the intent of the Zoning Ordinance. *Devany v. Windham*, 132 NH 302 (1989).

Bearing in mind the Applicant has the burden to prove each of the three criteria of §102-210, this Board should reflect on whether that burden has been met when the Applicants' only focus is on the "internal use of the facility, [because] *we find* there is no adverse effect to the neighborhood..." In light of the above, it is understandable why the Applicants are not interested in looking very hard or deep into the details of the consequences on the neighborhood in which they want to impose a detrimental impact.

Since the Applicants are not looking for adverse effects and, indeed, deny any such adverse effects, they can hardly be said to have carried their burden on property values, or on the other two criteria. Therefore, their Application must be denied.

ii. The Problem of Parking (Inadequate Facilities)

The Application seeks to increase the patient load in the facility from 17 beds to 26 beds. Of obvious import, will be the increased number of visitors to the facility, noted above. All of these people will require parking.

There is, at most, a 12 vehicle parking area for 361 Court Street. There is no parking on Court Street and there is no street parking available on Prospect Street.

The intent of the medium density zone is to provide for medium density/medium intensity residential area for housing units up to a maximum of three

13

units per structure. There is a very limited number of other uses permitted which are associated with the residential setting. Normal commercial/industrial uses are excluded. All uses in this zone are required to have city sewer and city water service. §102-391.

Permitted uses in a medium density zone are as follows:

a. Dwelling and multifamily (subject to a maximum of three dwelling units per structure);
b. Dwelling single family
c. Duplex dwelling
d. Group home (by special exception)
e. Historic site open to the public
f. Home occupation incidental to main residential use
g. Institutional use (subject to a special exception; further subject to conditions and limitations as specified in Division 12 of Article 5 of this Chapter pertaining to institutional uses).

According to §102-1111 of the Zoning Ordinance, in addition to permitting institutional uses anywhere in a central business, central business limited or commerce zones, institutional uses permitted in other zones as designated in Divisions 2 through 20 of Article 4 of this Chapter, only on the following streets:

1. Arch Street from Park Avenue to Whitcomb Mill Road;
2. *Court Street, on the west side, from Westview Street to Maple Avenue, and on the east side from Evergreen Avenue to Maple Avenue (both of these locations are beyond Prospect Street)* (Emphasis supplied);
3. The balance of permitted locations are not applicable to this Application.

Therefore, an institutional use is not permitted as a right at 361 Court Street and

14

the undersigned proffer that this is because the framers of the Ordinance realized such uses impose greater use and density burdens on an area than that intended for the development of the Medium Density Zone.

K.Z.O. §102-793 provides the minimum parking requirements for various types of uses; a health care facility is not listed. Institutional use is not specifically identified in the table of minimum parking requirements. However, dwellings and apartments are treated to require two designated parking spaces per dwelling unit, except that one parking space per unit upon a special exception; a one per unit for elderly or special population housing which can demonstrate a reduced demand for parking.[3] By way of comparison, parking requirements for hotels, motels or tourist homes require one parking space per sleeping room, plus one per five seats in ancillary restaurants and one per 500 square feet of other areas. Should 361 Court Street be considered analogous to a "lodging house," the parking requirement is one parking spot for "every two beds." 26 beds require 13 parking spots; while this doesn't address the patient population, it certainly will not address staff, family, visitors, guests or other professionals.

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[3] Noticeably ignored by the Applicants.

15

The Applicants are required to "demonstrate" a reduced demand for parking in order to lower the parking requirements of two spaces per dwelling unit for special population housing, per K.Z.O. §102-793.

iii.   Policies Underlying the Law of Nonconforming Uses

In order to maintain the constitutionality of zoning and to prevent the inadvertent taking of private property without just compensation, framers of zoning enabling legislation incorporated safeguards to address nonconforming uses; uses in place at the time of zoning enactment. RSA 674:19 is such a provision:

> A zoning ordinance adopted under RSA 674:16 shall not apply to existing structures or to the existing use of any building. It shall apply to any alteration of a building for use for a purpose or in a manner which is substantially different from the use to which it was put before alteration.

The policy behind the law of nonconforming uses is to a) protect against inadvertent takings and to b) reduce the number of nonconforming uses after zoning ordinances are enacted. The general policy, therefore, on expanding a nonconforming use is to carefully limit the expansion or enlargement of same. *See, Seabrook v. D'Agata,* 116 NH 472 (1976). This policy is premised upon the principle that enlarging nonconforming uses may be more detrimental to zoning than a variance from the zoning ordinances. *Ackley v. Nashua,* 102 NH 551 (1960). Correspondingly, expansions of nonconforming uses are carefully limited under the general policy of the zoning ordinances based on the premise if nonconforming uses are restricted as to changes by way of expansion or alteration, such uses will, over time, lose their vitality and

16

gradually expire, thereby making more uses in any particular district conform to the overall zoning plan. *Granite State Minerals, Inc., v. Portsmouth*, 134 NH 408 (1991). A substantial change in the nature and purpose of the original nonconforming use would be prohibited, even if the proposed use is less offensive than the original use. *Stevens v. Rye*, 122 NH 688 (1982) (change of use from nonconforming auto repair garage to a bath and plumbing showroom represented a substantial change in the nature and purpose of the earlier use; the fact the proposed new use is well-suited or more appropriate to the area is not relevant).

Zoning is a legitimate exercise of a state's police power. *Village of Euclid v. Ambler Realty, Co.*, 272 US 365 (1926). States may utilize the police power, under our federal system, for the purpose of promoting health, safety, or the general welfare of the community. RSA 674:16. The constitutionality of any legislation, ordinance or decision concerning zoning is maintained if it bears a rational relationship to a legitimate governmental interest. Protection of the health safety and general welfare of the community is a recognized, legitimate governmental interest. The zoning principles applicable here,[4] bear a rational relationship to those legitimate governmental interests. *See,* generally, *MacKenzie v. Town of Eaton ZBA*, 154 NH 773 (2007).

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[4] To lessen street congestion, to regulate lot size to prevent overcrowding, to prevent overcrowding of the land and undue concentration of population and overcrowding in structures.

17

IV.   Application of Anti-Discrimination Law to Disabilities

In that vein, the case of the *City of Edmonds v. Oxford House, Inc.,* 514 US 778; 115

S.Ct. 1776 (1995), does not necessitate, *carte blanche,* approval of the Applicants' request.

In the *Edmonds* case, Oxford House opened a group home in the City of Edmonds,

Washington, for ten to twelve adults recovering from alcoholism and drug addiction.

The group home, Oxford House-Edmonds, was located in a neighborhood zoned for

single family residences, not as here, in a neighborhood zoned middle density. Upon

learning Oxford House had leased and was operating in Edmonds, the city issued

criminal citations to the owner and residents of the home. The citations charged

violations of the zoning code that defines who may live in a single family dwelling. The

ordinance limited those who can live in a single family dwelling to people related by

blood. The *Edmonds* case required the United States Supreme Court to interpret the

scope of the Fair Housing Act, 42 USC §3604.

The *Edmonds* Court held that §3607 (b)(1)'s language concerning "restrictions

regarding the maximum number of occupants permitted to occupy a dwelling,"

encompasses maximum occupancy restrictions, but does not fit family composition

rules, typically tied to the definition of a family found in land use restrictions. *Edmonds,*

115 S.Ct. 1780-1782, such as herein ("Family means one or more persons occupying a

dwelling unit and living as a single housekeeping unit, provided a group of five or

18

more persons who are not related within the second degree of kinship shall not be deemed to constitute a family." K.Z.O. §102-2).

The narrow question in *Edmonds* was whether the FHA exemption, exempted certain zoning restrictions from the Fair Housing Act. The Court was asked whether the exemption at issue exempted the application of the FHA from "any reasonable local, state or federal restrictions regarding maximum number of occupants permitted to occupy a dwelling." 42 USC §3607 (b)(1). In the *Edmunds* case, the city attempted to pass off the local ordinance defining "family" as a maximum occupancy restriction exempt from FHA. The Court rejected the city's interpretation of the FHA, and returned the case to the lower court to decide whether the city's actions violated FHA prohibitions against discrimination. *Edmonds*, 115 S.Ct. at 1782-1783.

Zoning Ordinances are regulations that promote public health, public safety and the general welfare of the community, by preventing overcrowding, densely populated areas, or overuse in a district. *See*, RSA 674:17. These zoning objectives are rationally related to the promotion of legitimate government purposes of promoting and protecting health and safety, and general welfare of the community.

The *Edmonds* decision is not a bar to reasonable governmental restrictions that regulate legitimate zoning concerns that are rationally related to the promotion of health, safety and the general welfare of the community. Such is the case here.

19

Respectfully Submitted,

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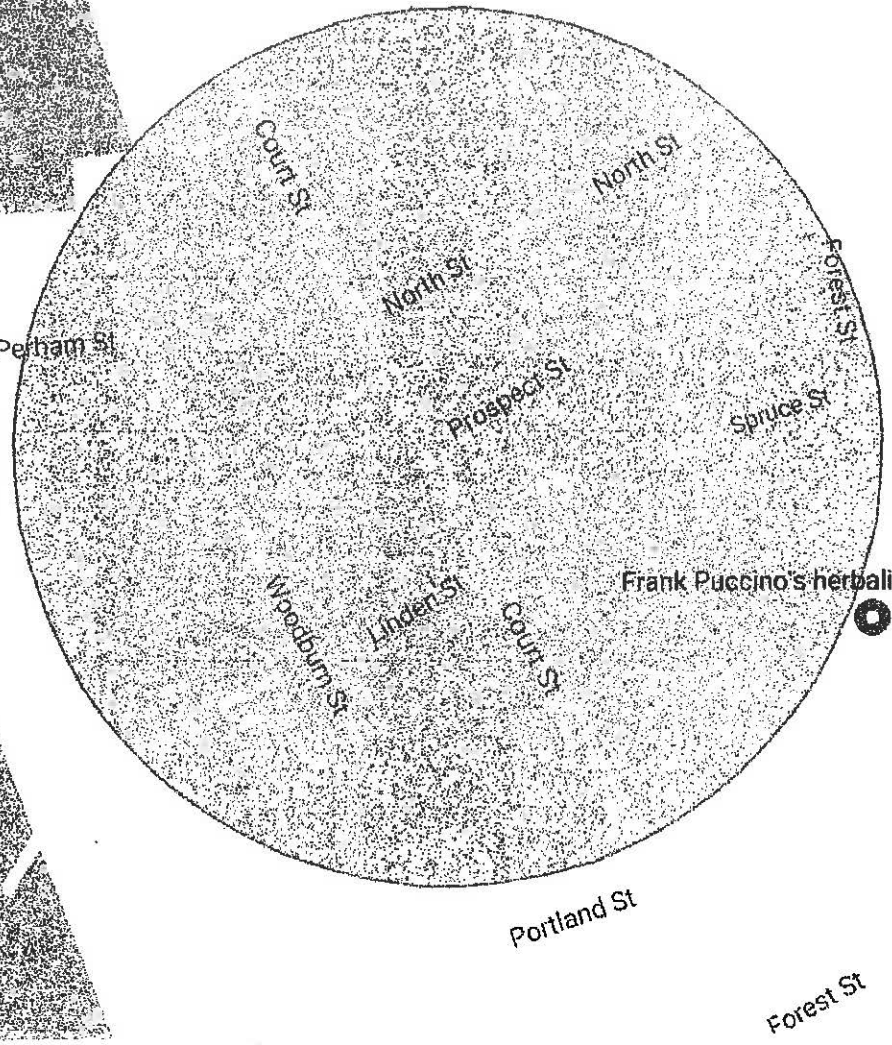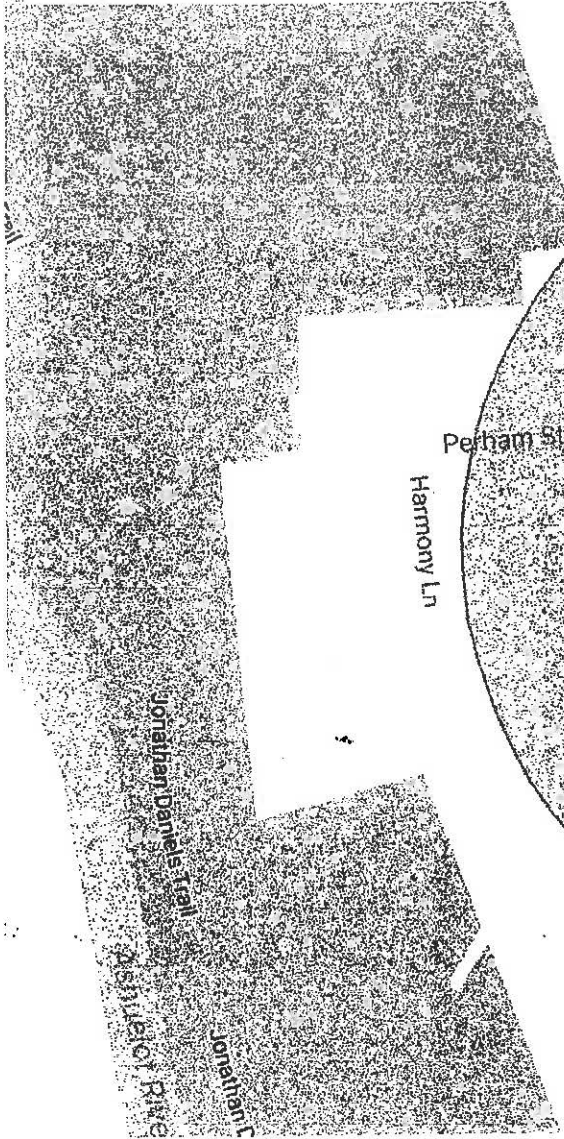Dated: October 25th, 2017

Joseph S. Hoppock, Esquire (NH Bar #5543)

20

Exhibit #1

Address	Occupancy	Assessed Value	Assessed Value Less 17%	Cash Loss of Assessed Value	NOTES
Woodburn, 0	vacant lot	$36,100.00	$29,963.00	$6,137.00	
Woodburn, 8	1	$137,800.00	$114,374.00	$23,426.00	
Woodburn, 12	1	$189,200.00	$157,036.00	$32,164.00	
Woodburn, 16	2	$161,500.00	$134,045.00	$27,455.00	
Woodburn, 19	1	$123,200.00	$102,256.00	$20,944.00	
Woodburn, 21	1	$100,100.00	$83,083.00	$17,017.00	
Woodburn, 24	1	$89,200.00	$74,036.00	$15,164.00	
Woodburn, 25	2	$156,700.00	$130,061.00	$26,639.00	
Woodburn, 29-34	16	$2,487,200.00	$2,064,376.00	$422,824.00	
Woodburn, 37	2	$167,700.00	$139,191.00	$28,509.00	
Woodburn, 43	2	$152,900.00	$126,907.00	$25,993.00	
Woodburn, 61	1	$154,800.00	$128,484.00	$26,316.00	
Woodburn, 66	1	$130,400.00	$108,232.00	$22,168.00	
Woodburn, 67	2	$142,100.00	$117,943.00	$24,157.00	
Woodburn, 70	3	$194,300.00	$161,269.00	$33,031.00	
Woodburn, 73	1	$168,700.00	$140,021.00	$28,679.00	
Woodburn, 74-76	2	$152,000.00	$126,160.00	$25,840.00	
Woodburn, 79	1	$147,300.00	$122,259.00	$25,041.00	
Woodburn, 88	2	$185,100.00	$153,633.00	$31,467.00	
Woodburn, 95	1	$156,600.00	$129,978.00	$26,622.00	
Woodburn, 96	1	$136,000.00	$112,880.00	$23,120.00	
Woodburn, 109	1	$130,600.00	$108,398.00	$22,202.00	
Woodburn, 115	1	$105,100.00	$87,233.00	$17,867.00	
Perham, 0		$561,100.00	$465,713.00	$95,387.00	56 Acres, City of Keene, Ashuelot Trail
Perham, 3	1	$126,900.00	$105,987.00	$21,913.00	
Perham, 11	1	$125,900.00	$104,497.00	$21,403.00	
Perham, 23	1	$127,600.00	$105,908.00	$21,692.00	
Perham, 36	1	$164,000.00	$136,120.00	$27,880.00	
Perham, 39	1	$147,800.00	$122,674.00	$25,126.00	
Harmony, 5-28	16	$3,298,500.00	$2,737,755.00	$560,745.00	
Court, 272	1	$322800.00	$267924.00	$54876.00	
Court, 275	2	$317700.00	$263691.00	$54009.00	
Court, 284	1	$234800.00	$194715.00	$39682.00	
Court, 288	1	$393800.00	$326688.00	$66912.00	
Court, 296	2	$171900.00	$142677.00	$29223.00	
Court, 302	1	$180200.00	$149566.00	$30634.00	
Court, 303	2	$665500.00	$552365.00	$113135.00	
Court, 306	2	$167200.00	$138776.00	$28424.00	
Court, 314	1	$267600.00	$222108.00	$45492.00	
Court, 317	1	$315800.00	$262114.00	$53686.00	
Court, 326	1	$153600.00	$127488.00	$26112.00	
Court, 327	1	$305400.00	$253482.00	$51918.00	
Court, 338	1	$204200.00	$169486.00	$34714.00	
Court, 338	1	$272400.00	$226092.00	$46308.00	
Court, 341	3	$193800.00	$160854.00	$32946.00	
Court, 344	1	$149800.00	$124168.00	$25482.00	
Court, 347	10	$263400.00	$218622.00	$44778.00	
Court, 350	1	$171700.00	$142511.00	$29189.00	
Court, 354	1	$220000.00	$182600.00	$37400.00	
Court, 361	8	$823300.00	$683339.00	$139961.00	Prospect Hill Place
Court, 382	1	$179100.00	$148653.00	$30447.00	
Court, 368	2	$115600.00	$95948.00	$19652.00	
Court, 374	1	$159200.00	$132136.00	$27064.00	
Court, 377	1	$228900.00	$189904.00	$38996.00	
Court, 382	2	$153200.00	$127156.00	$26044.00	
Court, 390	2	$227200.00	$188576.00	$38624.00	
Court, 391	1	$284700.00	$236301.00	$48399.00	
Court, 394	1	$180400.00	$149732.00	$30668.00	
Court, 397	1	$188600.00	$156588.00	$32062.00	
Court, 401	1	$294800.00	$244684.00	$50116.00	
Court, 408	2	$298300.00	$247589.00	$50711.00	
Court, 411	buildable lot	$21800.00	$18094.00	$3706.00	

1

Page 36 of 86

Address	Occupancy	Assessed Value	Assessed Value Less 17%	Cash Loss of Assessed Value	NOTES
Court, 416	2	$163,500.00	$135,788.00	$27,612.00	
Court, 421	buildable lot	$21,400.00	$17,762.00	$3,638.00	
Court, 422	1	$139,000.00	$115,370.00	$23,630.00	
Court, 428	3	$164,900.00	$136,867.00	$28,033.00	
Court, 431	buildable lot	$21,300.00	$17,679.00	$3,621.00	
Court, 440	1	$150,500.00	$124,915.00	$25,585.00	
Court, 441	buildable lot	$17,000.00	$14,110.00	$2,890.00	
Court, 446	1	$169,500.00	$140,685.00	$28,815.00	
Court, 451	buildable lot	$12,800.00	$10,624.00	$2,176.00	
Court, 460	1	$155,000.00	$128,650.00	$26,350.00	
Court, 461	buildable lot	$8,700.00	$7,221.00	$1,479.00	
Forest, 80	1	$121,900.00	$101,177.00	$20,723.00	
Forest, 86-94	4	$439,000.00	$364,370.00	$74,630.00	
Forest, 89	1	$126,200.00	$104,746.00	$21,454.00	
Forest, 97	1	$151,200.00	$125,496.00	$25,704.00	
Forest, 100	2	$168,000.00	$139,440.00	$28,560.00	
Forest, 103	1	$141,000.00	$117,030.00	$23,970.00	
Forest, 106	2	$157,500.00	$130,725.00	$26,775.00	
Forest, 108	1	$156,400.00	$129,812.00	$26,588.00	
Forest, 115	1	$140,200.00	$116,366.00	$23,834.00	
Forest, 129	1	$138,300.00	$114,789.00	$23,511.00	
Forest, 139	1	$158,100.00	$131,223.00	$26,877.00	
North, 124	1	$138,000.00	$114,540.00	$23,460.00	
North, 143	1	$145,000.00	$120,350.00	$24,650.00	
North, 157	1	$179,500.00	$148,885.00	$30,615.00	
North, 173	1	$219,500.00	$182,185.00	$37,315.00	
North, 181-183	2	$184,800.00	$153,384.00	$31,416.00	
North, 185	1	$142,800.00	$118,524.00	$24,276.00	
North, 186	1	$111,800.00	$92,794.00	$19,006.00	
North, 187	1	$171,200.00	$142,096.00	$29,104.00	
North, 191	1	$242,500.00	$201,275.00	$41,225.00	
North, 203	2	$200,700.00	$166,581.00	$34,119.00	
Spruce, 110	6	$286,300.00	$237,629.00	$48,671.00	
Spruce, 133	2	$112,300.00	$93,209.00	$19,091.00	
Spruce, 141	2	$187,800.00	$155,874.00	$31,926.00	
Spruce, 153	2	$145,400.00	$120,682.00	$24,718.00	
Spruce, 158	1	$119,300.00	$99,019.00	$20,281.00	
Spruce, 164-166	2	$211,800.00	$175,794.00	$36,006.00	
Prospect, 11	2	$140,300.00	$116,449.00	$23,851.00	
Prospect, 17	2	$152,400.00	$126,492.00	$25,908.00	
Prospect, 25	1	$181,800.00	$150,479.00	$30,921.00	
Prospect, 28	1	$203,200.00	$168,656.00	$34,544.00	
Prospect, 32	1	$156,000.00	$129,480.00	$26,520.00	
Prospect, 36	2	$148,400.00	$123,172.00	$25,228.00	
Prospect, 37-39	2	$143,500.00	$119,105.00	$24,395.00	
Prospect, 46	1	$181,600.00	$150,728.00	$30,872.00	
Prospect, 49	1	$150,500.00	$124,915.00	$25,585.00	
Prospect, 53	2	$155,800.00	$129,314.00	$26,486.00	
Totals	165	$25,581,500.00	$21,232,645.00	$4,348,855.00	
	Total Occupied Units	Total Assessed Value	Total Assessed Value Minus 17%	Total Projected Value Loss to Properties	

2

Search for a place...

Armory St

Court St

North St

North St

Forest St

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"Not in My Backyard": The Effect of Substance Abuse Treatment Centers on Property Values

Authors Claire R. La Roche, Bennie D. Waller, and Scott A. Wentland

Abstract Residential treatment centers offer the most intense form of treatment for substance abuse and are often embedded in residential neighborhoods. As a result of the Patient Protection and Affordable Care Act, the number of treatment centers has been forecasted to burgeon. We examine the external effect of residential rehab centers on nearby real estate. As addiction treatment centers are planned, a common response of nearby property owners is "not in my backyard" (NIMBY). Using a large MLS dataset from central Virginia, we estimate the impact of substance abuse treatment centers on nearby home prices and liquidity (as measured by time on market). We find that a neighboring treatment center is associated with an 8% reduction in nearby home prices, and that this discount is magnified for treatment centers that specifically treat opiate addiction (as much as 17%).

The primary residence is perhaps the greatest single investment made by an individual and the mantra "location, location, location" is an ever-present concern of a prospective buyer. Before purchasing a home, a savvy buyer will frequently research the community and the school system, as well as the crime statistics. When homeowners are made aware of an application for a special use permit for the possibility of an addiction treatment center being located in their neighborhood, initial concern for personal and household safety, followed by the stark realization that home values in their neighborhood may be adversely affected, almost always lead homeowners to the universal response of "not in my backyard" (NIMBY). The typical opposition to a proposed substance abuse treatment facility is based on two visceral concerns: an increase in crime risk and a related decrease in property values. The primary purpose of this paper is to examine the latter claim empirically, determining whether there is significant evidence that treatment centers have a negative impact on nearby real estate.

Ex ante, it is not clear that substance abuse treatment centers will adversely impact neighboring real estate, which motivates our empirical examination of this externality. On one hand, there may be a priori reasons to suspect that treatment facilities will not have much of an impact on neighboring real estate. Locating addiction treatment centers in residential areas has become commonplace.

Treatment centers tend to be inconspicuous and may have blackout curtains and minimal signage (or no sign). The housing is often gated and locked at a certain time of the day. Generally, clients enrolled in residential treatment programs are not allowed to interact with the "locals" of the neighborhood or leave the premises. Under current law (discussed in the next section), despite their challenges, residential treatment centers have relatively few limitations on where they are sited.

On the other hand, like many negative externalities or NIMBY issues, there are reasons to suspect that rehab facilities may adversely impact neighboring real estate. Substance abuse is a multifaceted health issue and many patients in residential treatment have a dual diagnosis: a mental health issue and an addiction (Connery, 2011). The Substance Abuse Mental Health Services Administration (SAMHSA, 2008) surveyed 14,423 facilities in 2008 and had a response rate of 94.1%. The SAMHSA survey indicated that 39% of the clients in treatment centers had a dual diagnosis. In addition, concurrent alcohol and drug addiction accounted for approximately 45%, while clients in treatment solely for drug abuse accounted for 34%–36% and 18%–20% of the patients only abused alcohol (SAMHSA, 2008).

One consequence of locating drug and alcohol rehabilitation centers in residential areas is that patients in substance abuse treatment programs frequently leave or are administratively discharged before successful completion. At some point, experts say that, "relapse is an almost unavoidable—and potentially useful—step in recovery" (Shaffer, 2012). For many, intensive residential treatment is a "last resort." A healthy family of an addict will decline to "enable" negative behavior and, instead, will insist that the alcoholic/addict experience the "consequence" of the decision to use again and refuse treatment. In other words, the family will often not offer any form of financial support and the addict will have to fend for himself or herself. In addition to having a substance abuse disorder and possibly a dual diagnosis, those who relapse and leave treatment prior to completion often have limited job skills and perhaps even a criminal record—factors that make employment a challenge. Thus, as a practical matter, nearby neighbors may have valid concerns that the presence of a treatment center will be accompanied by additional unemployed or even homeless addicts on the street near the area in which the treatment center is located. This perception of elevated risk in these areas may then be reflected in the market prices of nearby real estate.

The likely occurrence of relapse combined with the probability of criminal charges and/or convictions associated with substance abuse corroborates the argument that the presence of a treatment center may bring objectionable consequences into a community. The purpose of this paper is to use market data to assess whether there is substantial evidence of nearby real estate being adversely impacted by the presence of treatment centers, consistent with the potential risks that proximity to these facilities may bring. As a clear-cut NIMBY issue, this paper contributes to the broader literature of examining the market effects of specific externalities or environmental factors in real estate. Our study contributes to the literature by being the first to examine the effect of substance abuse treatment centers on the

surrounding real estate market and, more generally, adding to our understanding of external factors that impact home prices.

Substance Abuse Treatment: Salient Issues, Recent Trends, and Related Literature

It is anticipated that the impact of the July 1, 2014 changes to insurance coverage under the Affordable Care Act (ACA) will cause the number of treatment centers to burgeon and thus, a study of the effect of nearby addiction treatment centers on real estate is timely. Prior to investigating treatment centers' effects on nearby real estate, it is crucial to understand the background of substance abuse treatment and why the current issues motivate the examination of potential real estate externalities.

Although accurate statistics of drug or alcohol disorders are difficult to obtain, according to a Harvard Medical School Special Health Report, between 15% and 28% of Americans will have a substance use disorder sometime during their lifetime and this estimate does not include addiction to nicotine (Shaffer, 2012). Residential treatment has become a more common way to treat addiction and, like many areas in healthcare services, residential rehabilitation has become a growth industry.

Broadly speaking, there are three types of treatment centers: intensive outpatient program (IOP), inpatient treatment, and partial hospitalization program (PHP). Typically, IOP treatment centers offer each client nine hours of group therapy, one hour of individual therapy, and one hour of case management (managing auxiliary services) per week. IOP clients either live in a halfway house or at home with strict guidelines established by their primary therapist. Although halfway houses can vary greatly, they generally have full-time house managers and mandatory, random urinalysis. Inpatient programs require clients to live at the facility in which all treatment takes place and may either be freestanding or hospital-based. PHP, also known as the "Florida model," is a hybrid version of inpatient treatment and intensive outpatient treatment: individuals go to a counseling center during the day, and after a full day of therapy sessions return to off-site housing located in a neighborhood. Behavioral health technicians work at the off-site facilities around the clock.

Mandatory addiction treatment (commitment) does not exist under the law. An addict must choose to be in a recovery program. It is interesting to note that all three of the substance abuse treatment models include the possibility of group housing in neighborhood settings.

Projected Increase In SUD Treatment Facilities: MHPAEA and the ACA

The Patient Protection and Affordable Care Act (PPACA), also known as Obama Care, made sweeping changes to Mental Health/Substance Use Disorder

(MH/SUD) insurance coverage that went into effect on July 1, 2014. To understand the ramifications for residential treatment centers, it is necessary to briefly examine the legislative history of MH/SUD insurance coverage. Prior to July 1, 2014, the high cost of MH/SUD treatment meant that it was only available to patients with (or whose families have) considerable means, or those whose health insurance provided coverage. The Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA) attempted to address the unequal treatment of MH/SUD health insurance coverage and legislated equal treatment between MH/SUD benefits and medical/surgical benefits. If a plan had MH/SUD coverage, then it must be on par with the medical/surgical benefits offered under that policy. The MHPAEA did not mandate that an insurance policy must cover MH/SUD and only applied to group health plans sponsored by employers with 50 or more employees. Both individual and small employer group policies were specifically exempted from coverage (MHPAEA Fact Sheet).

The PPACA mandates that MH/SUD coverage be included in marketplace health insurance policies as an "essential health benefit" as of July 1, 2014 (MHPAEA Fact Sheet). The effect of inclusion of MH/SUD coverage as an essential health benefit is that the MH/SUD parity rules now apply to non-grandfathered individual and small group plans (Beronio, Po, Skopec, and Glied, 2013). With expansion of the "parity rules" and inclusion of MH/SUD coverage as an essential health benefit under the ACA, it is anticipated that the number of patients having access to expensive addiction treatment options will grow exponentially, as will the number of treatment centers.

Antidiscrimination Housing Laws

When a proposed treatment center is sited, concerned members of the community frequently pressure lawmakers or hire attorneys, causing treatment centers to fight protracted legal battles that attempt to prevent the opening of the center. However, numerous laws hinder such NIMBY efforts, providing legal basis for treatment centers to be located just about anywhere. There are several federal laws that prohibit discrimination in housing based on a "disability" and define disability as: "Any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such impairment" (HUD).

Substance abuse disorders are clearly recognized disabilities and thus are covered under fair housing laws. Federal housing laws that prohibit disability-based discrimination and ensure equal housing opportunities are briefly discussed below.

Fair Housing Act. The Fair Housing Act (FHA) was designed to prohibit discrimination in housing. In 1988, the FHA was amended to include persons with handicaps to the protected classes under the FHA, 42 U.S.C. §3604(f)(3)(B). The definition of "handicap" under the FHA is very broad, and drug addiction and alcoholism are considered to be disabilities that are covered. The FHA also has a provision (42 U.S.C. §3604(f)(9)) that permits the exclusion of those "whose tenancy would constitute a direct threat to the health or safety of other individuals or ... would result in substantial physical damage to the property of others." Thus,

the FHA does not protect an individual currently using illegal drugs or a person with a conviction of distributing or illegally manufacturing a controlled substance.

The FHA covers almost every aspect of a real estate transaction. According to the Act, it is illegal to discriminate in the sale or rental of a dwelling against a person with a disability. Thus, an alcoholic/addict cannot be denied housing based solely on his or her addiction. The Act does permit "reasonable local, State or Federal restriction regarding the maximum number of occupants permitted to occupy a dwelling" 42 U.S.C. §3607(b)(1). This exemption is for living space per occupant and is intended to promote health and safety, not exclude group homes from residential areas.

Although a person with a conviction for dealing or illegally manufacturing a controlled substance is not protected under the FHA, a drug distribution conviction does not automatically exclude a person from invoking the Rehabilitation Act or the Americans with Disabilities Act.

Rehabilitation Act. §504 (45 CFR Part 84) of the Rehabilitation Act of 1973 prohibits any entity from receiving federal funds from discriminating on the basis of a disability. Drug addiction and alcoholism are covered under this act as well. Communities have attempted to use zoning laws to exclude treatment centers. Under §504, if a community's zoning regulation excludes substance abuse treatment centers, that community risks losing its federal funds.

Americans with Disabilities Act. Among other things, the purpose of Title II of the Americans with Disabilities Act (ADA) is to eliminate discrimination in housing against people with disabilities. This Act has further reach than §504 of the Rehabilitation Act because the receipt of federal funds is not required for Title II of the ADA to apply.

Zoning and Case Law. Zoning regulations create perhaps the biggest barrier to entry for a substance abuse center. As a practical matter, when considering a proposed site for a treatment center, the owners prefer to avoid spending a lot of time and money fighting a protracted court battle associated with a zoning ordinance. This mindset, however, did not stop a significant case from being appealed to the United States Supreme Court by Oxford House, a self-supporting, resident-run, residential treatment program. In the landmark case of *City of Edmonds v. Oxford House, Inc.*, et al., 514 U.S. 725 (1995), the City of Edmonds attempted to use an occupancy restriction in a zoning ordinance to exclude treatment centers from residential areas. The zoning ordinance in question allowed an unlimited number of related persons to live in a home and attempted to restrict the number of unrelated persons living in a single-family dwelling to five. The City of Edmonds claimed that the §3607(b)(1) exemption to the FHA applied to the city's zoning ordinance. In a 5–4 decision, the Supreme Court held that a zoning ordinance that defined a family in such a way as to exclude treatment centers was unlawful. The ordinance was not a maximum occupancy provision but a provision describing who may compose a "family" and, thus, it violated the FHA. This case was a critical victory for the "Oxford House Model" because this community-based treatment program leases houses located in upscale neighborhoods across the U.S.

The bottom line is that there must be a "rational basis" for zoning regulation to be valid and localities have consistently been prohibited from discriminating against substance abuse treatment centers. Absent drastic changes to the laws outlined above, it is clear that residential centers are here to stay, and that if challenged in court, NIMBY proponents will have an uphill battle. Thus, given the growth trends in this industry, the potential risks posed to neighbors, and the laws that protect the treatment centers' rights to locate almost anywhere, what is the consequence for real estate when a treatment center is located in one's "backyard," so to speak?

Related Literature in Real Estate

Researchers have long recognized that numerous externalities impact the marketing outcomes of residential real estate. These externalities may include, for example, neighboring pollution,[1] or even the condition of adjoining or nearby properties and/or the tenant's behavior living in such properties. Real property has intangible benefits or disamenities, which are determined largely by public perception and capitalized into the pricing and marketing duration of residential properties. Furthermore, negative externalities are likely to significantly impact the marketing outcomes of properties in close proximity to the properties being marketed for sale, as well as impact the desirability of the overall neighborhood. Such "stigma" events are likely to be correlated with an exodus of higher income residents causing a "snowball" effect in declining property values (McCluskey and Rausser, 2003).

There are a number of researchers who analyze the degree to which external or neighborhood factors, both positive and negative, are capitalized in residential real estate marketing outcomes. For example, Thaler (1978) finds a negative relationship between neighborhood crime rates and property values. Gibbons (2004) finds an inverse relationship between vandalism and property values in London. As one would expect, robbery and aggravated assault rates have a significant and negative impact on property values (Ihanfeldt and Mayock, 2010). Pope (2012) found that decrease in crime rates had a positive effect on property values, particularly in those cities with substantial decreases in crime rates. Using a microspatial approach, Rosiers (2002) examined the impact of the visual encumbrance of power lines on property value and finds that on average it negatively impacts value by approximately 10%, but increases to 14% in areas where setback in property lines are less.

As a result of the recent economic and housing collapse, there are several studies that have examined the impact of foreclosed properties. Foreclosed properties may present a variety of negative effects on neighboring properties, including (but not limited to) the "eyesore effect" where neighboring foreclosures that have long been vacant adversely impact the aesthetic appeal of the neighborhood. Such studies include Harding, Rosenblatt, and Yao (2009), Lin, Rosenblatt, and Yao (2009), Daneshvary, Clauretie, and Kader (2011), Daneshvary and Clauretie (2012), and Agarwal, Ambrose, Chomsisengphet, and Sanders (2013). Generally, these studies find negative neighborhood spillovers from foreclosed or distressed properties.

A review of the literature does not reveal any specific examples of residential drug rehabilitation centers and their impact on neighboring property values. However, there is analogous literature of undesirable neighbors impacting property values. For example, Congdon-Hohman (2013) finds a significant and negative effect on home values located within one-eighth of a mile of a methamphetamine lab. The effect dissipates both as time passes after the discovery of and distance from a meth lab. Reichert, Small, and Mohanty (1992) estimate the impact of landfills on nearby real estate, finding a negative impact when located within several blocks of an expensive housing area. They find an effect that ranges from 5.5% to 7.3%, depending on the distance from the landfill. Indeed, the authors find that the percentage impact on older, less expensive properties to be significantly less (3%–4%) relative to the more expensive properties. Similarly, Hite, Chern, Hitzusen, and Randall (2001) find significant differences in property values located within 3.25 miles of a landfill.

Other studies have shown that a variety of other external factors affect real estate market outcomes. Coulson and Leichenko (2001) find that designated properties, as well as neighboring properties, are significantly impacted by historical designations. Other examples include the impact of registered sex offenders on the marketing outcomes of neighboring properties. Three recent studies have examined the impact as to the proximity of registered sex offenders. Most recently, Wentland, Waller, and Brastow (2014) found that close proximity to sex offenders rendered large price and liquidity effects, declining but significant out to one mile. The authors also found amplified effects for homes with more bedrooms, a proxy for children, and whether the nearby offender was convicted of a violent sex offense. Linden and Rockoff (2008) found significant reductions in home prices across radii of less than 0.1 miles and 0.1 to 0.3 miles when an offender moves in. Pope (2008) found properties located within 0.1 miles of a sex offender significantly reduced home values.

Data

We use residential real estate data from a multiple listing service (MLS) located in central Virginia, including Richmond and other surrounding areas. MLS data are critical for any externality study, particularly those that analyze both time on market and price, because it contains both the list date and sell date (or withdraw date) of residential properties, while tax data and other publically available data usually only include the property's date of sale. This is critical because nearby amenities or disamenities may be capitalized into a home's price, liquidity, or some combination of the two. In this study, we examine both. While the expected sign of living near a potential disamenity is likely negative for the price estimates, the estimated impact on liquidity is theoretically ambiguous. While the disamenity may lower the arrival rate of potential buyers, lengthening the time on market, the seller may be willing to discount the home in part to counteract this effect.

The sample is composed of listings in the residential real estate market over approximately a decade, between 2001 and 2011. The initial housing data contains 207,793 observations (including both sold and unsold properties). Among others,

Page 45 of 86

Levitt and Syverson (2008) point out that MLS data are entered by real estate agents and can be incorrect or incomplete. The data were carefully examined in light of common issues prevalent in the data. After culling for incomplete, missing or illogical data that suggest data entry errors or extravagant outliers, the final data set consists of approximately 194,983 homes on the market, with approximately 111,580 that eventually sold.[2] The MLS data include numerous property characteristics (square footage, bedrooms, baths, age, acreage, etc.) and, of course, each property's location.

Our MLS data are a fairly representative housing market in the U.S., which includes urban, suburban, and rural sales. Richmond is a medium-sized city located in the eastern part of central Virginia and the MLS covers much of the "Greater Richmond" area (or Richmond MSA). The average property in this MLS has a listing and selling price of $263,641 and $242,116, respectively. The average listed property was 25 years of age, with 2,143 square feet, 3.6 bedrooms, and 2.4 bathrooms with an average time on market of 85 days. During this time period, there were 36 substance abuse treatment centers located within the broader region encompassing the listings in our data, and nine were located within the city limits of Richmond specifically.[3] See Exhibit 1 for additional descriptive statistics.

The primary source of the treatment center externality is its proximity to a given home on the market. Intuitively, there is likely an increasing NIMBY sentiment as the proximity to the center is closer in distance. Thus, we compute the distance from a given home in the MLS and each treatment center, using address data to code the longitude and latitude from which the straight-line distance is calculated using the great-circle formula. While NIMBY does not literally refer to one's "backyard," it is usually taken to mean very close proximity, but the definition of what qualifies as "very close proximity" may be different depending on the person and the issue. Below we examine the effect of nearby substance abuse treatment centers on nearby real estate, using different spatial proximities (e.g., 0.175 miles, 0.15 miles, and 0.125 miles) as a robustness check.[4]

Empirical Methodology

Our primary goal is to isolate the effect of a treatment center on neighborhood real estate outcomes. Numerous studies have examined other neighborhood externalities, using a variety of empirical approaches.[5] Initially, we focus on a treatment center's effect on the sale price and liquidity of a home, utilizing a cross-sectional OLS hedonic pricing model as the baseline. While hedonic pricing models are commonly used to determine the value of specific property attributes and surrounding (dis)amenities by estimating marginal effects on the sale price of the property,[6] we also explore a simultaneous equation model to account for the joint determination of both price and liquidity. The purpose of exploring multiple approaches is to demonstrate that the results are not particularly sensitive to the choice of modeling technique.

Baseline OLS Hedonic Models

Beginning with a simple cross-sectional approach, we provide a baseline estimate of the effect of a nearby substance abuse treatment center, employing a traditional

Exhibit 1 | Summary Statistics

Variable	Mean	Std. Dev.
List Price ($)	263,641	142,300
Sale Price ($)	242,116	127,608
Time on Market (in Days)	85.45	79.99
Rehab Center (Dummy Var. = 1 if the home is near a rehab center (distance specified in each table), 0 otherwise)	0.0003	0.02
Age (in Years)	24.99	26.16
Acreage	0.79	1.91
Square Feet	2,143.29	888.25
Bedrooms	3.60	0.77
Bathrooms	2.38	0.82
Foreclosure (Dummy Var. = 1 if foreclosure, 0 otherwise)	0.02	0.12
Number of levels	1.83	0.65
Pool (Dummy Var. = 1 if the home has a pool, 0 otherwise)	0.05	0.23
Basement (Dummy Var. = 1 if they have a basement, 0 otherwise)	0.17	0.38
Short Sale (Dummy Var. = 1 if short sale, 0 otherwise)	0.02	0.13
Tenant (Dummy Var. = 1 if it has a tenant at listing, 0 otherwise)	0.03	0.16
Vacant (Dummy Var. = 1 if the home is vacant, 0 otherwise)	0.36	0.48
Taxes	1,779.95	1,311.74
HOA Fees (Dummy Var. = 1 if it has HOA fees, 0 otherwise)	0.32	0.47
Listing Density	64.41	577.40
Competition	582.22	1,062.08

Note: Location and year fixed effects summary stats omitted.

hedonic model that accounts for heterogeneous characteristics of both homes and their locations. We estimate the following functional forms:

$$SP_i = \varphi_P(X_i, LOC_i, T_i, TOM_i) + \varepsilon \qquad (1)$$

and

$$TOM_i = \varphi_P(X_i, LOC_i, T_i, LP_i) + \varepsilon, \qquad (2)$$

where SP_i is a vector for property selling price,[7] LP_i is a vector for property listing price X_i is a vector of property specific characteristics,[8] LOC_i is a vector for location control using ZIP Codes (see below), T_i, the variable of interest, equals

1 if a treatment center is located nearby of a given home, and is 0 otherwise, TOM_i is the time on market (in days), which the literature also calls marketing duration or a measure of liquidity, and ε is an error term that is heteroskedastic-consistent and clustered by ZIP Code.[9]

Hedonic analysis of the housing market requires some control for spatial heterogeneity because location itself is a key source of differences in housing prices. The goal is to disentangle specific proximity to a treatment center from broader location differences that explain real estate prices. Following numerous studies in the real estate and urban economics literature, we chose ZIP Code fixed effects to control for unobserved heterogeneity *across* these areas so that the explanatory variables' effects are identified from variation *within* a given area (or even in a given year, as is the case for time fixed effects). In effect, our results may then be interpreted as the treatment center's effect on home prices given comparable homes within the same ZIP Code, but located further away. In this sense, we are attempting to disentangle the broader location effect from the proximity to a treatment center by essentially comparing homes within a certain ZIP Code. Further, we explore alternative location controls (census tracts, block groups, and blocks) in a similar vein, as well as altering the control group itself by confining it to narrow bands around a rehab facility. Appropriate location controls can disentangle the negative externality effect from simply a "bad neighborhood" or "bad part of town" effect.

Simultaneous Equations Approach: System Identification

Numerous studies in real estate and urban economics model price and time on market in a simultaneous system (like 2SLS or 3SLS) given likely joint determination of these factors. A seller can always lower price to increase liquidity, and vice versa. Yet, a home's sale price and time on market are determined by virtually identical factors. Econometrically, this creates an identification problem because if one wants to model this simultaneity with a system of equations, then, by definition, such a system could not be identified using identical exogenous variables. While a number of empirical studies acknowledge this simultaneity,[10] Turnbull and Dombrow (2006) and Zahirovic-Herbert and Turnbull (2008) have identified a novel way of overcoming this identification problem through their incorporation of variables that represent market conditions from other listings on the market. Below we summarize a solution to this identification issue, as we utilize an adapted form of this approach to model price and liquidity in a simultaneous system.

Following Krainer's (2001) search market model, one can model a home's expected liquidity, $E[TOM]$, (measured as a home's marketing duration or time on market) and expected house sale price, $E[SP]$, as simultaneously determined and implicitly defined as:

$$F(E[SP], E[TOM], T, X, LOC, C) = 0, \tag{3}$$

where T is an indicator of whether a home is near a rehab treatment center, X is a vector of house (and market) characteristics, LOC is location controls, and C are neighborhood market conditions. The latter variable, C, represents neighborhood market conditions that have an ambiguous external effect on local properties. On one hand, when the number of nearby homes that go on the market increases, the supply of additional homes on the market ought to negatively impact the price and liquidity of a nearby home (i.e., "a competition effect"). On the other hand, the increased traffic generated from additional nearby homes on the market could actually positively impact a home's price and liquidity, which is termed "a shopping externality effect." Empirically, the sales price and time on market can be represented as separate functions with jointly distributed stochastic errors ε_p and ε_T:

$$SP = \varphi_p(TOM, T, LOC, X, C) + \varepsilon_p \qquad (4)$$

and

$$TOM = \varphi_T(SP, T, LOC, X, C) + \varepsilon_T. \qquad (5)$$

The vector C (i.e., market conditions or neighborhood competition) and another vector, L (i.e., listing density), are the keys to Turnbull and Dombrow's (2006) solution to over-identifying this system of equations (since equations 3 and 4 are not yet identified). Neighborhood competition, C, is a measure that accounts for "nearby houses for sale as long as each competing listed house overlaps with the period that this house is on the market, inversely weighted by the distance between the houses to reflect the assumption that nearby houses will have stronger effects on the sale of this house than houses that are farther away" (Zahirovic-Herbert and Turnbull, 2008).[11] Listing density, L, is similarly defined as "the measure of competing overlapping listings per day on the market" (Zahirovic-Herbert and Turnbull, 2008), where: $L(i) = \Sigma_j(1 - D(i, j))^2\{\min[s(i), s(j)] - \max[l(i), l(j)]\}/s(i) - l(i) + 1$. Essentially, both measures capture neighborhood market conditions by quantifying the marketing overlap of nearby homes on the market simultaneously, however, listing density is weighted by time on market. Turnbull and Dombrow (2006) point out that a change in competition while holding selling time constant is also the partial derivative with respect to listing density (and it is easy to see that $\partial\varphi_p/\partial C = \partial\varphi_p/\partial L$). Therefore, we can rewrite our system of equations to reflect:

$$SP = \varphi_p(TOM, T, LOC, X, L) + \varepsilon_p \qquad (6)$$

Page 49 of 86

and

$$TOM = \varphi_T(SP, T, LOC, X, C) + \varepsilon_T. \qquad (7)$$

Both L and C vectors uniquely identify the simultaneous system. Further, we supplement this approach by using different location controls across equations.[12] We estimate the system of equations (5) and (6) using three-stage least squares (3SLS) in the next section to generate a coefficient estimate of the effect of a nearby treatment center on price and time on market. We model simultaneity using a 3SLS approach because it incorporates an additional step with seemingly unrelated regression (SUR) estimation to control for correlations between error terms.[13]

Alternative Specifications and Robustness

While the baseline results include location controls, an additional way to isolate the treatment effect of a rehab facility is by limiting the control group to homes closer to rehab facilities more generally (i.e., omitting observations sufficiently far from any rehab facility). Methodologically, the comparison is then between homes that are near a rehab treatment facility and homes just outside a given range. Specifically, we explore the effect of a rehab center (within 1/8 mile) on nearby real estate as compared to similar homes further out (i.e., within 1.5 miles, 1 mile, and 2/3 mile, respectively). This approach allows us to further homogenize location as a robustness check, and to provide additional evidence that the external effect is specific to the rehab facility, and not simply the part of town in which it is located.

We also examine whether facilities that only treat opiate addicts (commonly known as methadone clinics) have a larger impact on nearby real estate. Clinics that treat heroin or prescription addicts, for example, often use buprenorphine or methadone as part of the rehabilitation process. Nearby residents may perceive patients who are still intoxicated, albeit at a lower dose, as an elevated crime risk. Approximately half of the 36 treatment centers in our sample only treat opiate addiction (hereinafter referred to as methadone clinics). We examine whether nearby real estate is more affected by methadone clinics specifically.

Results

Baseline OLS Results

The baseline OLS results provide evidence that nearby treatment centers adversely impact surrounding home values, but have little if any impact on property liquidity. Estimating equations (1) and (2), Exhibit 2 shows that this adverse effect is not qualitatively sensitive to the choice of the definition of "nearby." Column 1 shows that the presence of a rehab center within 0.125 (1/8) miles is associated with

Exhibit 2 | Effect of a Nearby Rehab Center on a Home's Price and Liquidity: Baseline OLS Results

	Dependent Variable: ln(Sale Price)			Dependent Variable: ln(Days on Market)		
	(1)	(2)	(3)	(4)	(5)	(6)
Rehab Center ≤ 0.125 Mile	−0.0796**			−0.0513		
	(−1.97)			(−0.28)		
Rehab Center ≤ 0.15 Mile		−0.0623**			0.1101	
		(−2.20)			(0.76)	
Rehab Center ≤ 0.175 Mile			−0.0517**			0.1190
			(−2.49)			(1.10)
ln(Age of Home)	−0.0649***	−0.0649***	−0.0649***	0.0213***	0.0213***	0.0213***
	(−19.07)	(−19.07)	(−19.08)	(2.71)	(2.71)	(2.71)
Acreage	0.0206***	0.0206***	0.0206***	0.0203***	0.0203***	0.0203***
	(13.39)	(13.39)	(13.39)	(4.47)	(4.46)	(4.46)
Sq. Ft.	0.0003***	0.0003***	0.0003***	−0.0000	−0.0000	−0.0000
	(15.38)	(15.38)	(15.38)	(−0.50)	(−0.50)	(−0.50)
Bedrooms	−0.0075	−0.0075	−0.0075	0.0441***	0.0441***	0.0441***
	(−0.99)	(−0.99)	(−0.99)	(5.06)	(5.07)	(5.06)
Bathrooms	0.0390***	0.0390***	0.0390***	−0.0517***	−0.0517***	−0.0517***
	(6.30)	(6.30)	(6.30)	(−5.34)	(−5.34)	(−5.33)
Foreclosure	−0.1691***	−0.1691***	−0.1691***	−0.3936***	−0.3938***	−0.3939***
	(−20.60)	(−20.60)	(−20.60)	(−15.90)	(−15.91)	(−15.93)
Number of Levels	−0.0055	−0.0055	−0.0055	0.0419***	0.0418***	0.0418***
	(−1.17)	(−1.17)	(−1.17)	(4.93)	(4.93)	(4.93)
Pool	0.0334***	0.0334***	0.0334***	0.0060	0.0060	0.0060
	(3.61)	(3.61)	(3.60)	(0.18)	(0.18)	(0.18)
Basement	0.0418***	0.0418***	0.0418***	0.0045	0.0046	0.0046
	(3.15)	(3.15)	(3.15)	(0.23)	(0.23)	(0.23)

Exhibit 2 | (continued)

Effect of a Nearby Rehab Center on a Home's Price and Liquidity: Baseline OLS Results

	Dependent Variable: ln(Sale Price)			Dependent Variable: ln(Days on Market)		
	(1)	(2)	(3)	(4)	(5)	(6)
Short Sale	−0.0935***	−0.0935***	−0.0935***	0.3775***	0.3775***	0.3775***
	(−12.68)	(−12.68)	(−12.67)	(18.07)	(18.08)	(18.07)
Tenant	−0.0815***	−0.0815***	−0.0815***	0.2479***	0.2479***	0.2479***
	(−10.10)	(−10.10)	(−10.10)	(11.82)	(11.81)	(11.81)
Vacant	−0.0279***	−0.0279***	−0.0279***	0.1207***	0.1207***	0.1207***
	(−6.56)	(−6.56)	(−6.57)	(7.44)	(7.43)	(7.43)
Taxes ($)	0.0001***	0.0001***	0.0001***	−0.0000	−0.0000	−0.0000
	(6.81)	(6.81)	(6.81)	(−1.23)	(−1.23)	(−1.23)
HOA Fee	0.0715***	0.0715***	0.0715***	−0.0690***	−0.0691***	−0.0690***
	(7.11)	(7.11)	(7.11)	(−3.26)	(−3.26)	(−3.26)
ln(Days on Market)	0.0003	0.0003	0.0003			
	(0.21)	(0.21)	(0.21)			
ln(List Price)				0.6486***	0.6487***	0.6487***
				(9.34)	(9.34)	(9.34)
Constant	11.4723***	11.4723***	11.6581	−5.6213***	−5.6222***	−5.6225***
	(171.71)	(171.70)	(0.07)	(−6.69)	(−6.69)	(−6.69)
Location Controls (ZIP Code)	✓	✓	✓	✓	✓	✓
Year Fixed Effects	✓	✓	✓	✓	✓	✓

Notes: This table presents results of hedonic OLS models showing the effect of a nearby (i.e., within 0.125 mile, 0.15 mile, and 0.175 mile) rehab facility on a property's sale price and time on market (errors clustered by ZIP Code). T-statistics are in parentheses. The number of observation in columns 1–3 is 117,187; the number of observation in columns 4–6 is 206,420.
*Significant at the 10% level.
**Significant at the 5% level.
***Significant at the 1% level.

approximately an 8% reduction in home values. The corresponding impact on time on market is not statistically significant at any conventional level, providing initial evidence that the externality is primarily capitalized into home prices, rather than liquidity. Indeed, columns 2 and 3 show that homes sold for approximately 6% or 5% less if they were located within 0.15 miles or 0.175 miles of a rehab center, respectively. While qualitatively similar, these coefficient estimates also provide some evidence that the externality may be diminishing in distance, as additional, further properties are included in the latter estimates. The regressions tabulated in columns 5 and 6 tell approximately the same story as column 4, in that there is little evidence that rehab centers have a statistically significant impact on a home's liquidity.

The real estate literature has not adopted a single way to control for spatial heterogeneity. In Exhibit 3 we examine a few common alternatives to controlling for location. The initial estimates in Exhibit 2 use ZIP Codes to control for spatial heterogeneity. In Exhibit 3, we use census tract fixed effects (columns 1 and 4), block group fixed effect (columns 2 and 5), and block fixed effects (columns 3 and 6). Census tracts, according to the U.S. Census, are "small, relatively permanent statistical subdivisions of a county ... designed to be homogenous with respect to population characteristics, economic status, and living conditions."[14] Census block groups are subsets of census tracts; and, blocks are further subsets of block groups. One can think of these as different measures of "neighborhoods," broadly to more narrowly defined. The results from the price regressions in Exhibit 3 are consistent with Exhibit 2, falling within a fraction of a percentage point of one another, with an effect of approximately 7.2% to 7.9%. Columns 4–6 in Exhibit 3 also show that substance abuse treatment centers are not associated with a statistically significant impact on nearby property liquidity. Overall, it is clear that the estimates of the effect of a substance abuse treatment center on nearby real estate is not particularly sensitive to the choice of location controls, providing evidence that the external effect of substance abuse treatment centers is robust.

Simultaneous Equation Results

When price and time on market are modeled within a simultaneous 3SLS system of equations, the estimated effect of a nearby substance abuse treatment center on home price and liquidity are similar to the OLS results, finding that nearby substance abuse treatment centers are associated with an approximately 8% drop in home values (within 1/8 mile). Column 1 in Exhibit 4 displays this result. Like the initial OLS results, the 3SLS estimations also show that substance abuse treatment centers have little impact on nearby property liquidity, as the externality appears to be capitalized into price exclusively. Exhibit 4 provides additional evidence that the external impact of substance abuse treatment centers is robust to multiple modeling approaches that are common in empirical real estate studies.

Exhibit 4 also provides evidence that not all substance abuse treatment centers may be perceived by nearby residents as presenting equal risk. It is possible that methadone clinics have a greater NIMBY sentiment from the broader community. We test this proposition empirically by exclusively examining the effect of

Exhibit 3 | Effect of a Nearby Rehab Center on a Home's Price and Liquidity with Different Location Controls

	Dependent Variable: *ln(Sale Price)*			Dependent Variable: *ln(Days on Market)*		
	(1)	(2)	(3)	(4)	(5)	(6)
Rehab Center ≤ 1/8 Mile	−0.0720**	−0.0787**	−0.0744**	−0.0695	−0.0919	−0.0520
	(−2.01)	(−2.16)	(−2.25)	(−0.41)	(−0.55)	(−0.32)
ln(Age of Home)	−0.0683***	−0.0668***	−0.0650***	0.0066	−0.0111	−0.0110**
	(−36.51)	(−39.52)	(−48.49)	(0.87)	(−1.50)	(−2.39)
Acreage	0.0200***	0.0209***	0.0201***	0.0372***	0.0589***	0.0552***
	(17.12)	(20.28)	(24.52)	(9.82)	(12.25)	(23.18)
Sq. Ft.	0.0002***	0.0002***	0.0002***	0.0000**	0.0001***	0.0001***
	(14.20)	(13.45)	(14.30)	(1.96)	(4.91)	(7.83)
Bedrooms	0.0004	0.0038	0.0046	0.0356***	0.0148	0.0202***
	(0.08)	(0.71)	(1.12)	(3.56)	(1.34)	(2.81)
Bathrooms	0.0404***	0.0394***	0.0383***	−0.0495***	−0.0441***	−0.0463***
	(7.09)	(7.06)	(7.96)	(−5.08)	(−4.00)	(−5.91)
Foreclosure	−0.1546***	−0.1482***	−0.1401***	−0.4062***	−0.4258***	−0.4239***
	(−24.91)	(−27.52)	(−32.23)	(−19.06)	(−18.46)	(−21.16)
Number of Levels	−0.0032	−0.0012	0.0022	0.0202***	−0.0078	0.0010
	(−1.08)	(−0.46)	(0.96)	(2.65)	(−0.78)	(0.16)
Pool	0.0355***	0.0333***	0.0289***	0.0126	0.0159	0.0219
	(4.99)	(5.69)	(8.30)	(0.43)	(0.48)	(1.07)
Basement	0.0231***	0.0193***	0.0152***	0.0400***	0.1021***	0.0865***
	(3.52)	(3.89)	(4.88)	(2.77)	(6.03)	(8.86)
Short Sale	−0.0822***	−0.0818***	−0.0817***	0.3531***	0.3422***	0.3410***
	(−14.38)	(−14.82)	(−14.83)	(18.52)	(17.81)	(18.39)
Tenant	−0.0729***	−0.0721***	−0.0702***	0.2570***	0.2966***	0.2882***
	(−14.28)	(−16.27)	(−18.31)	(13.10)	(14.02)	(15.87)

Exhibit 3 | (continued)

Effect of a Nearby Rehab Center on a Home's Price and Liquidity with Different Location Controls

	Dependent Variable: ln(Sale Price)			Dependent Variable: ln(Days on Market)		
	(1)	(2)	(3)	(4)	(5)	(6)
Vacant	−0.0309***	−0.0326***	−0.0345***	0.1171***	0.1393***	0.1301***
	(−9.74)	(−12.22)	(−20.51)	(7.81)	(8.97)	(12.79)
Taxes ($)	0.0001***	0.0001***	0.0001***	−0.0001**	−0.0001***	−0.0001***
	(10.40)	(10.45)	(13.13)	(−2.17)	(−3.20)	(−6.69)
HOA Fees	0.0660***	0.0681***	0.0635***	−0.0847***	−0.1136***	−0.1100***
	(9.93)	(11.85)	(16.69)	(−4.25)	(−5.04)	(−8.49)
ln(Time on Market)	0.0014*	0.0016**	0.0015***			
	(1.67)	(2.40)	(2.79)			
ln(List Price)				0.5101***	0.2620***	0.2991***
				(11.71)	(5.67)	(11.74)
Constant	11.4958***	11.4429***	11.5281***	−4.1742***	−1.1906**	−1.6416***
	(156.44)	(260.80)	(259.87)	(−7.64)	(−2.12)	(−4.76)
Location Controls (Census Tracts)	✓			✓		
Location Controls (Blocks Groups)		✓			✓	
Location Controls (Blocks)			✓			✓
Year Fixed Effects	✓	✓	✓	✓	✓	✓

Notes: This table presents results of hedonic OLS models showing the effect of a nearby (i.e. within 0.125 mile) rehab facility on a property's sale price and time on market, while controlling for different spatial/area fixed effects. Errors are clustered by spatial area in each regression respectively. T-statistics are in parentheses. The number of observation in columns 1–3 is 116,663; the number of observation in columns 4–6 is 205,281.

* Significant at the 10% level.

** Significant at the 5% level.

*** Significant at the 1% level.

Exhibit 4 | Effect of a Nearby Rehab and Methadone Treatment Center on a Home's Price and Liquidity

	Dependent Variable: ln(Sale Price)	Dependent Variable: ln(Days on Market)	Dependent Variable: ln(Sale Price)	Dependent Variable: ln(Days on Market)
	(1)	(2)	(3)	(4)
Rehab Center ≤ 1/8 Mile	−0.077**	−0.009		
	(−2.44)	(−0.04)		
Meth. Center ≤ 1/8 Mile			−0.174**	0.192
			(−2.35)	(0.33)
ln(Age of Home)	−0.063***	0.125***	−0.063***	0.125***
	(−118.93)	(10.89)	(−118.92)	(10.86)
Acreage	0.019***	0.026***	0.019***	0.027***
	(42.37)	(5.22)	(42.38)	(5.24)
Sq. Ft.	0.000***	−0.000***	0.000***	−0.000***
	(232.99)	(−7.14)	(233.00)	(−7.10)
Bedrooms	−0.023***	0.093***	−0.023***	0.093***
	(−23.53)	(11.70)	(−23.52)	(11.69)
Bathrooms	0.024***	−0.054***	0.024***	−0.053***
	(22.80)	(−5.75)	(22.80)	(−5.73)
Foreclosure	−0.153***	−0.025	−0.153***	−0.026
	(−36.57)	(−0.62)	(−36.60)	(−0.64)
Number of Levels	−0.018***	0.077***	−0.018***	0.077***
	(−18.27)	(9.51)	(−18.27)	(9.51)
Pool	0.027***	−0.038**	0.027***	−0.038**
	(11.63)	(−2.04)	(11.62)	(−2.03)
Basement	0.039***	−0.062***	0.039***	−0.061***
	(24.13)	(−4.68)	(24.13)	(−4.67)
Short Sale	−0.115***	0.529***	−0.115***	0.528***
	(−20.08)	(11.42)	(−20.07)	(11.41)
Tenant	−0.080***	0.078**	−0.080***	0.078**
	(−21.18)	(2.46)	(−21.19)	(2.45)
Vacant	−0.041***	0.240***	−0.041***	0.240***
	(−34.67)	(22.44)	(−34.66)	(22.42)
Taxes ($)	0.000***	0.000*	0.000***	0.000*
	(91.96)	(1.82)	(91.95)	(1.86)
HOA Fees	0.059***	−0.076***	0.059***	−0.076***
	(41.51)	(−5.07)	(41.50)	(−5.05)
ln(Time on Market)	0.050***		0.050***	
	(45.52)		(45.45)	
ln(Sale Price)		1.254***		1.248***
		(7.48)		(7.44)

Exhibit 4 | (continued)

Effect of a Nearby Rehab and Methadone Treatment Center on a Home's Price and Liquidity

	Dependent Variable: ln(Sale Price)	Dependent Variable: ln(Days on Market)	Dependent Variable: ln(Sale Price)	Dependent Variable: ln(Days on Market)
	(1)	(2)	(3)	(4)
Listing Density	0.000*** (21.93)		0.000*** (21.95)	
Competition		0.000*** (21.48)		0.000*** (21.50)
Location Controls	✓	✓	✓	✓
Year Fixed Effects	✓	✓	✓	✓

Notes: This table presents the results of hedonic 3SLS models showing the effect of a nearby (i.e., within 0.125 mile) rehab facility, and a rehab facility that treats methadone addiction specifically, on a property's sale price and time on market; constant omitted here for brevity. Z-statistics are in parentheses. The number of observations in columns 1–4 is 110,361.
* Significant at the 10% level.
** Significant at the 5% level.
*** Significant at the 1% level.

methadone clinics. Columns 3 and 4 in Exhibit 4 display the results of the same 3SLS estimations as columns 1 and 2, but confining the treatment variable to a dummy variable that equals one if the home is within 0.125 mile of a methadone clinic. The coefficient estimates in Exhibit 4 indicate that homes within 0.125 miles of a methadone clinic sell for approximately a 17% discount relative to homes that are located further away, holding other factors constant. There is little evidence, however, that these clinics affect nearby home liquidity. Overall, Exhibit 4 provides evidence that the market differentiates among risks generated by these potential externalities, and the treatment centers that may be perceived as having a higher risk to their neighbors have a much greater impact on the surrounding real estate market.

As a robustness check, in Exhibit 5 we explore the extent to which the control groups matter, finding results generally consistent with those in Exhibit 4. A critique of hedonic models for estimating any externality might be that the interpretation of the dummy variable essentially defines the control group as homes not located near (within 0.125 miles) the potential externality. Defining the control group in this way may present some unobserved spatial heterogeneity issues. To address this issue, in Exhibits 5 and 6 we estimate the same regressions as Exhibit 4, but confine the sample to homes that are located within 1.5 miles, 1 mile, and 0.6 miles of a rehab facility respectively. The results are consistent with the initial 3SLS estimates in Exhibit 4, and by extension, the initial OLS estimates in Exhibits 2 and 3. Both exhibits show that homes near substance abuse

Exhibit 5 | Effect of a Nearby Rehab Facility on a Home's Sale Price and Days on Market

	Dependent Variable: ln(Sale Price)	Dependent Variable: ln(Days on Market)	Dependent Variable: ln(Sale Price)	Dependent Variable: ln(Days on Market)	Dependent Variable: ln(Sale Price)	Dependent Variable: ln(Days on Market)
	Within 1.5 Miles of a Rehab Facility		Within 1 Mile of a Rehab Facility		Within 0.6 Miles of a Rehab Facility	
	(1a)	(1b)	(2a)	(2b)	(3a)	(3b)
Rehab Center ≤ 1/8 Mile	−0.076**	−0.008	−0.077**	−0.083	−0.075**	−0.331
	(−2.34)	(−0.03)	(−2.42)	(−0.34)	(−2.27)	(−1.34)
ln(Age of Home)	−0.063***	0.133***	−0.059***	0.060	−0.063***	0.102
	(−30.75)	(3.60)	(−20.19)	(1.34)	(−12.40)	(1.60)
Acreage	0.022***	0.017	0.020***	0.045*	0.028***	0.015
	(12.14)	(0.91)	(7.61)	(1.85)	(5.83)	(0.35)
Sq. Ft.	0.000***	−0.000**	0.000***	−0.000	0.000***	−0.000
	(57.61)	(−2.31)	(42.39)	(−0.59)	(25.45)	(−1.08)
Bedrooms	−0.023***	0.123***	−0.025***	0.144***	−0.026***	0.211***
	(−5.92)	(4.30)	(−4.44)	(3.42)	(−2.96)	(3.21)
Bathrooms	0.028***	−0.018	0.018***	0.040	0.027***	−0.048
	(6.69)	(−0.51)	(2.88)	(0.81)	(2.58)	(−0.60)
Foreclosure	−0.147***	0.014	−0.171***	−0.195	−0.188***	−0.628**
	(−9.84)	(0.11)	(−7.62)	(−1.00)	(−4.93)	(−2.11)
Number of Levels	−0.025***	0.079***	−0.021***	0.046	−0.018**	0.110
	(−6.57)	(2.64)	(−3.81)	(1.05)	(−1.99)	(1.64)
Pool	0.021**	0.034	0.016	−0.103	0.027	−0.134
	(2.17)	(0.48)	(1.16)	(−0.97)	(1.12)	(−0.77)

	Dependent Variable: ln(Sale Price)	Dependent Variable: ln(Days on Market)	Dependent Variable: ln(Sale Price)	Dependent Variable: ln(Days on Market)	Dependent Variable: ln(Sale Price)	Dependent Variable: ln(Days on Market)
	Within 1.5 Miles of a Rehab Facility		Within 1 Mile of a Rehab Facility		Within 0.6 Miles of a Rehab Facility	
	(1a)	(1b)	(2a)	(2b)	(3a)	(3b)
Basement	0.040***	0.004	0.034***	0.052	0.029*	−0.105
	(6.44)	(0.08)	(3.71)	(0.71)	(1.91)	(−0.89)
Short Sale	−0.122***	0.389**	−0.106***	0.315	−0.166***	0.006
	(−6.04)	(2.56)	(−3.23)	(1.25)	(−3.06)	(0.02)
Tenant	−0.099***	0.038	−0.114***	0.018	−0.140***	0.161
	(−6.82)	(0.32)	(−5.82)	(0.11)	(−4.47)	(0.65)
Vacant	−0.044***	0.218***	−0.046***	0.254***	−0.034***	0.304***
	(−9.59)	(5.59)	(−7.05)	(4.66)	(−2.97)	(3.68)
Taxes ($)	0.000***	0.000	0.000***	0.000***	0.000***	0.000**
	(23.21)	(1.13)	(15.54)	(3.58)	(11.40)	(2.22)
HOA Fees	0.068***	−0.104**	0.078***	−0.128*	0.079***	−0.151
	(11.98)	(−1.98)	(9.59)	(−1.72)	(5.73)	(−1.36)
ln(Time on Market)	0.043***		0.019***		0.010	
	(10.91)		(3.80)		(1.50)	
ln(Sale Price)		1.023**		0.071		0.295
		(1.98)		(0.12)		(0.39)
Listing Density	0.000***		0.000***		0.000**	
	(6.30)		(4.33)		(2.35)	

Exhibit 5 | (continued)

Effect of a Nearby Rehab Facility on a Home's Sale Price and Days on Market

	Dependent Variable: ln(Sale Price)	Dependent Variable: ln(Days on Market)	Dependent Variable: ln(Sale Price)	Dependent Variable: ln(Days on Market)	Dependent Variable: ln(Sale Price)	Dependent Variable: ln(Days on Market)
	Within 1.5 Miles of a Rehab Facility		Within 1 Mile of a Rehab Facility		Within 0.6 Miles of a Rehab Facility	
	(1a)	(1b)	(2a)	(2b)	(3a)	(3b)
Competition		0.000*** (8.80)		0.000*** (6.26)		0.000*** (5.95)
Location Controls	✓	✓	✓	✓	✓	✓
Year Fixed Effects	✓	✓	✓	✓	✓	✓

Notes: This table presents the 3SLS results of simultaneous estimation of the effect of a nearby rehab facility on a home's selling price and liquidity (time on market), changing the sample to vary the control groups by smaller radii from a rehab center. Z-statistics are in parentheses. The number of observations in columns 1–2 is 7,711; the number of observations in columns 3–4 is 3,589; the number of observations in columns 5–6 is 1,324.

*Significant at the 10% level.

**Significant at the 5% level.

***Significant at the 1% level.

Exhibit 6 | Effect of a Nearby Rehab Facility that Treats Methadone Addiction

	Dependent Variable: ln(Sale Price)	Dependent Variable: ln(Days on Market)	Dependent Variable: ln(Sale Price)	Dependent Variable: ln(Days on Market)	Dependent Variable: ln(Sale Price)	Dependent Variable: ln(Days on Market)
	Within 1.5 Miles of a Rehab Facility		Within 1 Mile of a Rehab Facility		Within 0.6 Miles of a Rehab Facility	
	(1a)	(1b)	(2a)	(2b)	(3a)	(3b)
Meth. Center ≤ 1/8 Mile	−0.169**	−0.020	−0.179**	−0.086	−0.168**	−0.289
	(−2.21)	(−0.04)	(−2.37)	(−0.15)	(−2.17)	(−0.52)
ln(Age of Home)	−0.063***	0.129***	−0.059***	0.061	−0.063***	0.104
	(−30.70)	(3.49)	(−20.14)	(1.35)	(−12.30)	(1.64)
Acreage	0.022***	0.018	0.020***	0.045*	0.028***	0.014
	(12.17)	(0.99)	(7.62)	(1.84)	(5.83)	(0.33)
Sq. Ft.	0.000***	−0.000**	0.000***	−0.000	0.000***	−0.000
	(57.63)	(−2.17)	(42.43)	(−0.61)	(25.54)	(−1.10)
Bedrooms	−0.023***	0.122***	−0.024***	0.145***	−0.026***	0.216***
	(−5.88)	(4.26)	(−4.42)	(3.45)	(−2.91)	(3.29)
Bathrooms	0.028***	−0.016	0.018***	0.040	0.027***	−0.047
	(6.70)	(−0.45)	(2.89)	(0.81)	(2.59)	(−0.59)
Foreclosure	−0.148***	0.004	−0.173***	−0.196	−0.193***	−0.653**
	(−9.90)	(0.03)	(−7.71)	(−1.00)	(−5.06)	(−2.19)
Number of Levels	−0.025***	0.078***	−0.021***	0.047	−0.018**	0.109
	(−6.58)	(2.60)	(−3.84)	(1.05)	(−2.04)	(1.62)
Pool	0.021**	0.035	0.016	−0.103	0.026	−0.135
	(2.16)	(0.50)	(1.15)	(−0.97)	(1.10)	(−0.78)

Exhibit 6 | (continued)

Effect of a Nearby Rehab Facility that Treats Methadone Addiction

	Dependent Variable: In(Sale Price)	Dependent Variable: In(Days on Market)	Dependent Variable: In(Sale Price)	Dependent Variable: In(Days on Market)	Dependent Variable: In(Sale Price)	Dependent Variable: In(Days on Market)
	Within 1.5 Miles of a Rehab Facility		Within 1 Mile of a Rehab Facility		Within 0.6 Miles of a Rehab Facility	
	(1a)	(1b)	(2a)	(2b)	(3a)	(3b)
Basement	0.040***	0.006	0.035***	0.051	0.030*	−0.104
	(6.44)	(0.13)	(3.72)	(0.70)	(1.94)	(−0.89)
Short Sale	−0.121***	0.383**	−0.106***	0.318	−0.165***	0.029
	(−6.02)	(2.52)	(−3.21)	(1.26)	(−3.03)	(0.07)
Tenant	−0.099***	0.031	−0.114***	0.019	−0.142***	0.158
	(−6.84)	(0.26)	(−5.84)	(0.12)	(−4.52)	(0.64)
Vacant	−0.044***	0.216***	−0.047***	0.254***	−0.034***	0.303***
	(−9.58)	(5.52)	(−7.08)	(4.67)	(−3.03)	(3.66)
Taxes ($)	0.000***	0.000	0.000***	0.000***	0.000***	0.000**
	(23.18)	(1.26)	(15.44)	(3.56)	(11.24)	(2.16)
HOA Fees	0.068***	−0.100*	0.077***	−0.130*	0.078***	−0.159
	(11.94)	(−1.90)	(9.53)	(−1.75)	(5.65)	(−1.43)
In(Time on Market)	0.042***		0.020***		0.012*	
	(10.81)		(3.93)		(1.67)	
In(Sale Price)		0.955*		0.082		0.322
		(1.85)		(0.14)		(0.43)
Listing Density	0.000***		0.000***		0.000**	
	(6.42)		(4.40)		(2.48)	

Exhibit 6 | (continued)

Effect of a Nearby Rehab Facility that Treats Methadone Addiction

	Dependent Variable: ln(Sale Price)	Dependent Variable: ln(Days on Market)	Dependent Variable: ln(Sale Price)	Dependent Variable: ln(Days on Market)	Dependent Variable: ln(Sale Price)	Dependent Variable: ln(Days on Market)
	Within 1.5 Miles of a Rehab Facility		Within 1 Mile of a Rehab Facility		Within 0.6 Miles of a Rehab Facility	
	(1a)	(1b)	(2a)	(2b)	(3a)	(3b)
Competition		0.000*** (8.86)		0.000*** (6.25)		0.000*** (5.89)
Location Controls	√	√	√	√	√	√
Year Fixed Effects	√	√	√	√	√	√

Notes: This table presents 3SLS results of simultaneous estimation of the effect of a nearby rehab facility that treats methadone addiction on a home's selling price and liquidity (time on market), changing the sample to vary the control groups by smaller radii from a rehab center. Z-statistics are in parentheses. The number of observations in column 1 is 7,711; the number of observations in column 2 is 3,589; the number of observations in column 3 is 1,324.

* Significant at the 10% level.
** Significant at the 5% level.
*** Significant at the 1% level.

treatment centers are still negatively impacted, and by approximately the same magnitudes. Indeed, the last two columns are particularly striking. Given that this is already a "within neighborhood" estimation, by controlling for location, the fact that the substance abuse treatment center result is robust when the control group is reduced to 1 mile and 0.6 miles indicates that unobserved spatial heterogeneity is not likely driving the core results of this paper. More intuitively, this provides strong evidence that the substance abuse treatment center effect is not simply a "bad part of town effect," in that we are comparing "apples with apples" across the dimension of location; and, the principle characteristic distinguishing the variation in prices in these areas is the presence of a nearby substance abuse treatment center. Based on these results, we cannot conclude that there is a robust impact on property liquidity, but there appears to be a robust negative relationship between the presence of a substance abuse treatment center and nearby home values.

Conclusion

In this study, we find evidence that residential substance abuse treatment centers adversely impact the price of neighboring homes. We find that homes within 1/8 mile of a treatment center sell for approximately 8% less than otherwise comparable homes that are located further away. Furthermore, we find that the market differentiates between potential risks that nearby treatment centers may carry, as living near a methadone clinic that treats opiate addictions such as heroin or morphine may be associated with a reduction in home values by as much as 17%. We find little evidence that nearby treatment centers affect a home's time on market.

Examining this particular externality is important to the broader literature on neighborhood externalities and environmental factors, as well as the specific literature on the issue of residential treatment centers. The PPACA has expanded MH/SUD coverage and made intensive treatment options affordable, and as a result, demand for effective substance abuse treatment is increasing. Operating a treatment center is a growing industry and it is reasonable to assume that new centers will be built nationally, many of which will be sited near or within residential communities. Indeed, there is very little that individuals and localities can do to prohibit a substance abuse treatment center from locating in a residential area because alcohol and drug addiction is considered to be a handicap and thus alcoholic/addicts in recovery are members of a protected class under the federal anti-discrimination housing laws. Hence, as residential treatment centers become more common, it is important to understand all their effects, including the effects they may have on nearby real estate and how markets price the potential risk of nearby externalities.

Endnotes

[1] For a more complete review on the impact of environmental externalities, see Boyle and Kiel (2001).

2 Consistent with other real estate studies, we culled outliers from our data set, confining our data to more "typical" range of homes listed at less than $1,000,000, fewer than 10 bedrooms, fewer than 16 acres (99% of observations), property taxes paid that were less $10,000 (99% of observations), and younger than 150 years old (99% of observations). For our other dependent variable of interest, time on market, we similarly trim the 1% extremes. Generally, the findings are not sensitive to dropping these observations. Further, important to disclose how our data has been trimmed for transparency and replicability. As an additional quality check, a sample of the MLS data was compared to county tax records, which contain data on price and housing characteristics.

3 There were approximately 153, 96, and 60 properties listed within 0.175 miles, 0.15 miles, and 0.125 miles of a rehab treatment facility respectively, over the time period of our study. Given the very recent and projected growth of rehab centers nationally, future research will be able to take advantage of additional homes (data points) being bought and sold near rehab facilities.

4 The choice of this radius does not fundamentally alter the qualitative conclusions of this study. The definition of one's "backyard" is somewhat ambiguous, and may differ depending on an individual's perception. Some externality studies use 0.1 mile, 0.2 mile, or 0.3 mile as a radius to examine a given externality. While similar results are obtained looking at bands slightly larger and slightly smaller, we follow Congdon-Hobman (2013) and use 1/8 mile in most of our tabulated regression results. An easy way to think of 0.125 miles, 0.15 miles, and 0.175 miles is that these are 2.5 minute, 3 minute, and 3.5 minute walks respectively (assuming a pace of 3 miles per hour).

5 For recent examples of amenity or disamenity studies of externality effects, see Asabere and Huffman (1991), Gibbons (2004), Linden and Rockoff (2008), Pope (2008), Rossi-Hansberg, Sarte, and Owens (2010), Campbell, Giglio, and Pathek (2011), Hoen, Wiser, Cappers, Thayer, and Sethi (2011), Daneshvary, Clauretie, and Kader (2011), Grout, Jaeger, and Plantinga (2011), Daneshvary and Clauretie (2012), Congdon-Hohman (2013), Guignet (2013), Linn (2013), Munneke, Sirmans, Slade, and Turnbull (2013), and Wentland, Waller, and Brastow (2014).

6 Recent examples include neighborhood foreclosure effects (Harding, Rosenblatt, and Yao, 2009; Lin, Rosenblatt, and Yao, 2009; Agarwal, Ambrose, Chomsisengphet, and Sanders, 2010).

7 Kuminoff, Parmeter, and Pope (2010) survey 69 hedonic studies and found that 80% rely on linear, semi-log, or log-log functional form. We have explored a number of non-linear functional forms and our results remain robust. Rather than repeat all of the above models with various non-linear explanatory variables, the authors will produce results of alternative specifications upon request.

8 For example, we use the following property specific variables: square footage, age, acreage, number of bedrooms, bathrooms, number of stories, new, vacant, HOA fees, whether it has a pool, a tenant, a basement, and whether it is a short sale or foreclosure. We also include year fixed effects to control for variation over time.

9 When we explore different location controls later, we will cluster by location (e.g., census tract, block group, or block).

10 For example, see Yavas and Yang (1995), Knight (2002), and Turnbull and Dombrow (2006).

11 Specifically, both our paper and Zahirovic-Herbert and Turnbull (2008) calculate C in the following way: "The days-on-market or selling time is $s(i) - l(i) + 1$, where $l(i)$ and $s(i)$ are the listing date and sales date for house i. Denoting the listing date and

Page 65 of 86

sales date for house j by $l(j)$ and $s(j)$, the overlapping time on the market for these two houses is $\min[s(i), s(j)] - \max[l(i), l(j)]$. The straight-line distance in miles between houses i and j is $D(i, j)$. The measured competition for house i is: $C(i) = \Sigma_j (1 - D(i, j))^2 \{\min[s(i), s(j)] - \max[l(i), l(j)]\}$ where the summation is taken over all competing houses j, that is, houses for sale within one mile and 20% larger or smaller in living area of house i" (Zahirovic-Herbert and Turnbull, 2008).

[12] At the suggestion of a reviewer, we also identify the system by using different control variables. A simple way to do this is to use different location controls. We use ZIP Code fixed effects in the price equation, and census tract fixed effects in the time on market equation. Generally, the results are not very sensitive to which location controls are used in each equation. Further, the results are similar when we use the Turnbull and Dombrow (2006) method alone to identify the system.

[13] According to Belsley (1988), when there are strong interrelations among error terms, 3SLS is used instead of 2SLS in estimating systems of equations because it is more efficient. Specifically, one would expect unobservables that contribute to error in estimating price to be also correlated the error in liquidity.

[14] See www.census.gov for more detail, specifically: http://www.census.gov/geo/www/cob/tr_metadata.html#gad.

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Page 68 of 86

2 Ash Brook Rd.
ZBA 17-19

Petitioner requests a Variance to permit the east elevation of the building to be considered as allowable frontage for signage as shown on Attachment D: 37.37 sq. ft. parallel channel letter sign and 1 sq. ft. logo on the awning apron per Section 102-1282 of the Zoning Ordinance.

City of Keene
New Hampshire

NOTICE OF HEARING

ZBA 17-19

A meeting of the Zoning Board of Adjustment will be held on Monday, December 4, 2017 at 6:30 PM in the City Hall Committee Room, 2ⁿᵈ floor, 3 Washington St, Keene, New Hampshire to consider the petition of Katz Properties of 254 West 31ˢᵗ St., 4ᵗʰ fl, New York, represented by Archetype Signworks of Peterborough, NH, requests a Variance for property located at 2 Ash Brook Road, Space B, Tax Map Parcel #502-01-001-0700, which is in the Commerce District, and is owned by the Petitioners. The Petitioners request a Variance to permit the east elevation of the building to be considered as allowed frontage for signage as shown on Attachment D: 37.37 sq. ft. parallel channel letter sign and 1 sq. ft. logo on the awning apron per Section 102-1282 of the Zoning Ordinance.

ZONING BOARD OF ADJUSTMENT

Corinne Marcou, Clerk
Notice Issuance Date: November 21, 2017

APPLICATION FOR APPEAL

Zoning Board of Adjustment
3 Washington Street, Fourth Floor
Keene, New Hampshire 03431
Phone: (603) 352-5440

The undersigned hereby applies to the City of Keene Zoning Board of Adjustment for an Appeal in accordance with provisions of the New Hampshire Revised Statutes Annotated 674:33.

TYPE OF APPEAL - MARK AS MANY AS NECESSARY
○ APPEAL OF AN ADMINISTRATIVE DECISION
○ APPLICATION FOR CHANGE OF A NONCONFORMING USE
○ APPLICATION FOR ENLARGEMENT OF A NONCONFORMING USE
○ APPLICATION FOR A SPECIAL EXCEPTION
◉ APPLICATION FOR A VARIANCE
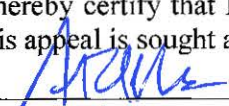○ APPLICATION FOR AN EQUITABLE WAIVER OF DIMENSIONAL REQUIREMENTS

SECTION I - GENERAL INFORMATION

Name(s) of Applicant(s) Archetype Signworks   Phone: 603-924-3332

Address PO Box 127, Peterborough, NH 03458

Name(s) of Owner(s) Katz Properties

Address 254 West 31st Street, 4th Floor, New York, NY 10001

Location of Property 2 Ash Brook Road, Space B

SECTION II - LOT CHARACTERISTICS

Tax Map Parcel Number 502-01-001-0700   Zoning District Commerce

Lot Dimensions: Front _____ Rear _____ Side _____ Side _____

Lot Area: Acres 1.64   Square Feet _____

% of Lot Covered by Structures (buildings, garages, pools, decks, etc.): Existing _____ Proposed _____

% of Impervious Coverage (structures plus driveways and/or parking areas, etc.): Existing _____ Proposed _____

Present Use Commercial Condo

Proposed Use _____

SECTION III - AFFIDAVIT

I hereby certify that I am the owner or the authorized agent of the owner of the property upon which this appeal is sought and that **all information provided by me is true under penalty of law.**

_____ Date November 16, 2017
(Signature of Owner or Authorized Agent)

Please Print Name Reed Hayes (General Manager, Archetype Signworks)

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APPLICATION FOR A VARIANCE

- A Variance is requested from Section (s) **102-1282** of the Zoning Ordinance to permit: The East Elevation of the building to be considered as allowable frontage for signage (As shown on Attachment D: 37.37 sq. ft. Parallel Channel Letter Sign and 1 sq. ft. logo on awning apron).

DESCRIBE BRIEFLY YOUR RESPONSE TO EACH VARIANCE CRITERIA:

1. Granting the variance would not be contrary to the public interest because:

   It would permit "the effective usage of signage to direct movement, to advertise, and to inform the public" (from Sec. 102-1280 - Statement of Purpose), by providing information about the location of the establishment that would otherwise be absent along the throroughfare, and, thereby, reducing confusion and driver indecision in a high traffic area.

2. If the variance were granted, the spirit of the ordinance would be observed because:

   It would permit "the effective use of signage to direct movement, to advertise, and to inform the public while protecting the safety and general welfare of the public" (from Sec. 102-1280), while "preserving neighborhood character" (also from Sec. 102-1280), due to the proposed use's consistency with other similar applications of signage on adjacent buildings on adjacent lots (See Attachment E).

3. Granting the variance would do substantial justice because:

   The orientation of the frontage where signage is allowed by the ordinance does not afford the establishment the opportunity to maximize the effectiveness of their allowable signage from an advertising and wayfinding standpoint, and the establishment for which the sigange would provide advertising would enjoy the same benefits and priviledges as other retail businesses within adjacent buildings on abutting lots (See Attachment E).

4. If the variance were granted, the values of the surrounding properties would not be diminished because

   The proposed use would be consistent with the commerce nature of the neighborhood and similar applications of signage on adjacent buildings on abutting lots (See Attachment E).

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5. Unnecessary Hardship

A. Owing to special conditions of the property that distinguish it from other properties in the area, denial of the variance would result in unnecessary hardship because:

 i. No fair and substantial relationship exists between the general public purposes of the ordinance provision and the specific application of that provision to the property because:

 The orientation of the Building Frontage where signage is allowed by the ordinance does not allow the tenant to maximize the effectiveness of their allowable signage, and the proposed use is consistent with character of the neighborhood.

and

 ii. The proposed use is a reasonable one because:

 Of the presense of other similar applications of signage in the neighborhood, and because granting the requested variance would allow for "the effective use of signage to direct movement, to advertise, and to inform the public while protecting the safety and general welfare of the public". The proposed use would also add character to the frontage that is consistent with the character of the neighborhood.

B. Explain how, if the criteria in subparagraph (A) are not established, an unnecessary hardship will be deemed to exist if, and only if, owing to special conditions of the property that distinguish it from other properties in the area, the property cannot be reasonably used in strict conformance with the ordinance, and a variance is therefore necessary to enable a reasonable use of it.

City of Keene

Application for a Variance
by Archetype Signworks

2 Ashbrook Road, Space B

Attachment B - Letter of
Permission from Property
Owner

KATZ
PROPERTIES

October 9, 2017

The City of Keene
Planning & Zoning Department
3 Washington St.
Keene NH 03431

To the City of Keene,

This letter gives permission for Archetype Signworks of Peterborough, NH to install 2
sets of channel letters, 1 blade sign and window letters – manufactured by Wood & Signs
Ltd of East Dorset VT, at Monadnock Marketplace, Space B, 30 Ash Brook Rd, Keene
NH .

Thank you,

Stan Glantz
Vice president, Development & Construction
Katz Properties

N

CHILI'S

NH ROUTE 9

LONGHORN

PROPOSED MALL SHOPS

ASH BROOK ROAD

LOCATION OF PROPOSED PARALLEL CHANNEL LETTER SIGN AND AWNING LOGO

YANKEE CANDLE
Space 'B'

ARCHETYPE SIGNWORKS	CLIENT: YANKEE CANDLE 2 ASH BROOK ROAD, SPACE B KEENE, NH	TITLE: SITE PLAN	SCALE: NOT TO SCALE
SIGNAGE • GRAPHICS • DISPLAYS			DATE: 11-08-2017
PO BOX 127 • PETERBOROUGH • NH • 03458 603.924.3332 www.ArchetypeSignworks.com	PROJECT: VARIANCE APPLICATION	DRAWING NO.: ATTACHMENT C	DRAWN BY:

MICHAEL'S
7 ASH BROOK ROAD
NORTH AND WEST ELEVATIONS
(DIRECTLY ACROSS STREET FROM PROPOSED SIGN)

LONGHORN STEAKHOUSE
8 ASH BROOK ROAD
SOUTH ELEVATION
(DIRECT ABUTTER TO LOCATION OF PROPOSED SIGN)

GAME STOP
38 ASH BROOK ROAD
EAST ELEVATION

LONGHORN STEAKHOUSE
8 ASH BROOK ROAD
NORTH ELEVATION
(DIRECT ABUTTER TO LOCATION OF PROPOSED SIGN)

OTHER NOTABLE LOCATIONS IN KEENE WITH SIMILAR NON-CONFORMING CONDTIONS:
KOHL'S - 480 WEST STREET - WEST ELEVATION
HANNAFORD SUPERMARKET - 481 WEST STREET - WEST ELEVATION

ARCHETYPE SIGNWORKS SIGNAGE ■ GRAPHICS ■ DISPLAYS PO BOX 127 ■ PETERBOROUGH ■ NH ■ 03458 603.924.3332 www.ArchetypeSignworks.com	CLIENT: YANKEE CANDLE 2 ASH BROOK ROAD, SPACE B KEENE, NH	TITLE: SIMILAR NON-CONFORMING CONDITIONS IN NEIGHBORHOOD	SCALE: NOT TO SCALE
	PROJECT: VARIANCE APPLICATION		DATE: 11-08-2017
		DRAWING NO.: ATTACHMENT E	DRAWN BY:

EXG. BUILDING FACADE W/ EIFS FINISH (TYP. SHOWN SHADED), COLOR: 'TAN'

EQ. EQ.

EQ.

20'-5"

EQ.

22" H.

YANKEE CANDLE

LED FACE-LIT CHANNEL LETTERS (22" H. 'Y') W/ DAY/NIGHT FACES AND BLACK CASING RETURNS, MOUNTED WITH RACEWAY TO EXISTING FACADE, SUPPLIED & INSTALLED BY SIGN VENDOR

ADJ. TENANT DOOR

NEW PUSH BUTTON FOR BUZZER AT 54" A.F.F.

7'-0" A.F.F. EXG. DOOR

EXG. BUILDING FACADE FINISH: CMU - SPLIT FACE BLOCK, COLOR: 'BUFF' (TYP.)

EXG. FABRIC AWNING (BY LANDLORD) (SHOWN SHADED), SUNBRELLA 'BLACK' #6008 (TYP.)

TENANT LOGO W/ 4" H. 'WHITE' LETTERS (BY LANDLORD SIGN VENDOR) ON APRON OF EXISTING FABRIC AWNING (TYP.)

DR-4
EXG. (BY LANDLORD)

EXG. BUILDING FACADE FINISH: McAVOY BRICK CO. - BRICK VENEER, COLOR: 'RED SMOOTH IRON SPOT' (TYP.)

32'-4"
TENANT SPACE 'B' LEASED WIDTH

B **Rear Facade Signage Elevation**

SCALE : 1/4" = 1'-0"

0 1' 2' 4' 8'

SCALE: NOT TO SCALE
DATE: 11-08-2017
DRAWN BY:

TITLE:
EAST ELEVATION
PROPOSED CHANNEL LETTERS ON RACEWAY

DRAWING NO.:
ATTACHMENT D

CLIENT:
YANKEE CANDLE
2 ASH BROOK ROAD, SPACE B
KEENE, NH

PROJECT:
VARIANCE APPLICATION

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361 Court St.
ZBA 17-20

Petitioner is requesting a Special Exception from Section 102-37(b)(1) and Section 102-392 to increase the number of beds from 16 to 26 within the same area/ footprint.

NOTICE OF HEARING

ZBA 17-20

A meeting of the Zoning Board of Adjustment will be held on Monday, December 4, 2017 at 6:30 PM in the City Hall Council Chambers, 2nd floor, 3 Washington St, Keene, New Hampshire to consider the petition of Prospect House, LLC of 35 Keene Rd., Winchester, NH, requests a Special Exception for property located at 361 Court St., Tax Map Parcel #008-02-001, which is in the Medium Density, and is owned by The Prospect Hill Home of 361 Court St. The Petitioners requests a Special Exception from Section 102-37(b)(1) and Section 102-392 to increase the number of beds from 16 to 26 within the same area/footprint..

ZONING BOARD OF ADJUSTMENT

Corinne Marcou, Clerk
Notice Issuance Date: November 21, 2017

APPLICATION FOR APPEAL

Zoning Board of Adjustment
3 Washington Street, Fourth Floor
Keene, New Hampshire 03431
Phone: (603) 352-5440

The undersigned hereby applies to the City of Keene Zoning Board of Adjustment for an Appeal in accordance with provisions of the New Hampshire Revised Statutes Annotated 674:33.

TYPE OF APPEAL

RECEIVED

NOV 17 2017

○ APPEAL OF AN ADMINISTRATIVE DECISION
○ APPLICATION FOR CHANGE OF A NONCONFORMING USE
○ APPLICATION FOR ENLARGEMENT OF A NONCONFORMING USE INSPECTIONS DEPT
● APPLICATION FOR A SPECIAL EXCEPTION PERMIT #_____
○ APPLICATION FOR A VARIANCE
○ APPLICATION FOR AN EQUITABLE WAIVER OF DIMENSIONAL REQUIREMENTS

SECTION I - GENERAL INFORMATION

Name(s) of Applicant(s) Prospect House LLC   Phone: 603.239.9955

Address   35 Keene Road, Winchester, NH 03470

Name(s) of Owner(s) The Prospect-Woodward Home

Address 194 Court Street, Keene, NH 03431

Location of Property 361 Court Street

SECTION II - LOT CHARACTERISTICS

Tax Map Parcel Number 008-02-001.0000   Zoning District Medium Density

Lot Dimensions: Front 150' +/-   Rear 150' +/-   Side 225' +/-   Side 225' +/-

Lot Area: Acres Approximately 0.78 per tax card   Square Feet 33,750 +/-

% of Lot Covered by Structures (buildings, garages, pools, decks, etc.): Existing 13.6%   Proposed Same

% of Impervious Coverage (structures plus driveways and/or parking areas, etc.): Existing 31.8%   Proposed Same

Present Use Per ZBA-89-20 & ZO 102-2 "group home" (16 bed elderly sheltered care residential facility)

Proposed Use Per ZO 102-2 "group home" (26 bed post medical-detoxification sheltered care residential facility)

SECTION III - AFFIDAVIT

I hereby certify that I am the owner in fee or the authorized agent of the owner in fee of the property upon which this appeal is sought and that all information provided by me is true under penalty of law.

_____   Date 11/17/2017
(Signature of Owner or Authorized Agent)

Please Print Name   Suzanne Boisvert

K:ZBA\Web_Forms\Special_Exception.doc 8/22/2017

APPLICATION FOR A SPECIAL EXCEPTION

- Section of the Zoning Ordinance under which the Special Exception is sought:

ZO 102-37(b)(1) increasing to 26 beds from 16 withing same area/footprint; & ZO 102-392

The Zoning Board of Adjustment shall have the power to hear and decide Special Exceptions to the terms of the Zoning Ordinance, and in doing so, may grant approval in appropriate cases and subject to appropriate conditions and safeguards for the protection of the public health, safety and welfare. Special Exceptions may be approved if the Board can make the following findings. All four conditions must be completed and satisfied.

DESCRIBE BRIEFLY YOUR RESPONSE TO EACH CONDITION.

1. The proposed use is similar to one or more of the uses already authorized in that district and is in an appropriate location for such a use.

   Proposed & existing use both constitute "group home" per ZO 102-2 "Definitions".

2. Such approval would not reduce the value of any property within the district, nor otherwise be injurious, obnoxious or offensive to the neighborhood.

   Staffed & locked 24-7; Pre-approved visitors only; Access restricted; No client cars;

3. There will be no nuisance or serious hazard to vehicles or pedestrians.

   No external changes (except installation of video-monitoring at door & for parking lot)

4. Adequate and appropriate facilities (i.e., sewer, water, street, parking, etc.) will be provided for the proper operation of the proposed use.

   Existing facilities adequate/ will not be changed except per 3 above

NORTH STREET

225' +/-

20'-9"

54'-6"

Dumpster

55'-0"

49'-2"

Stoop   Walk Way

80'-7"

Porch

31'-10"

Covered
Porch

150' +/-

150' +/-

21'-6"

Parking
12 vehicles

78'-5"

Vestibule   Bow window

46'-0"

Walk Way

Portico   Driveway

Driveway

22'-4"   Walk Way

225' +/-

Side Walk

COURT STREET

Side Walk

Side Walk

Side Walk

Side Walk

PROSPECT STREET

Page 83 of 86

Site Plan
Scale: 1" = 20'

0   20   40   80

Date:	Revisions:
9.15.17	ZBA Application
.	.
.	.

SCALE   1"= 20'

DATE   9.15.17

SHEET NUMBER

A1.0

N

225' +/-

Side Walk

A

55'-0"

49'-2"

Stoop

Porch

Covered
Porch

COURT STREET

Side Walk

150' +/-

B

21'-6"

Vestibule

Porti

C

46'-0"

Walk Way

Driveway

22'-4"

Walk Way

Side Walk

Side Walk

Side

PROS

Site Plan
Scale: 1" = 20'

D

20'-9"

54'-6"

Dumpster

Walk Way

80'-7"

31'-10"

150' +/-

Parking
12 vehicles

78'-5"

Bow window

Driveway

225' +/-

alk

Side Walk

ECT STREET

0   20   40   80

These drawings are LIMITED SCOPE and are intended only to describe general design intent, scale, overall spatial relationships and material where indicated.
These drawings shall be considered preliminary for purposes of design review, comment, or budget pricing only, unless expressly released for other purposes as indicated in the issue log.
The architect assumes responsibility for errors in the information provided, and not for omissions.

N

Architect:
Timothy Sampson
NCARB, LEED AP
103 Roxbury Street
Suite 206
Keene, NH
603 769 7736

LICENSED ARCHITECT
TIMOTHY C. SAMPSON
No. 03809
STATE OF NEW HAMPSHIRE

© SAMPSON DESIGN
2017   WO# 17-037

Prepared For
Suzanne Boisvert
Winchester, NH

PROJECT
Prospect Place LLC
631 Court Street
Keene, NH 03431
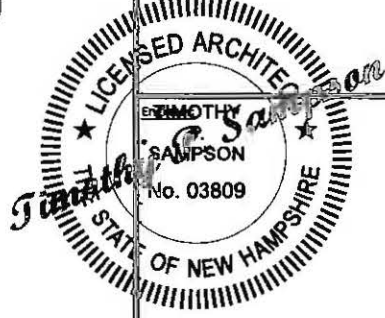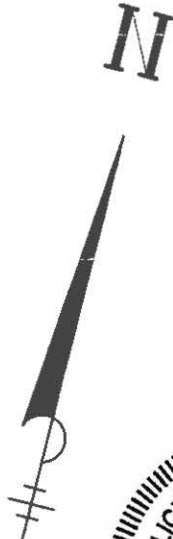
TITLE
Site Plan
Zoning Data
Notes

Date:	Revisions:
9.15.17	ZBA Application
-	-
-	-

SCALE   1"= 20"

DATE   9.15.17

SHEET NUMBER

A1.0

ZONING BOARD OF ADJUSTMENT
2018 SCHEDULE

Deadline	**Meeting****
December 15, 2017	January 2, 2018*
January 19, 2018	February 5, 2018
February 16, 2018	March 5, 2018
March 16, 2018	April 2, 2018
April 20, 2018	May 7, 2018
May 18, 2018	June 4, 2018
June 15, 2018	July 2, 2018
July 20, 2018	August 6, 2018
August 17, 2018	September 4, 2018*
September 14, 2018	October 1, 2018
October 19, 2018	November 5, 2018
November 16, 2018	December 3, 2018
December 21, 2018	January 7, 2019

*January and September meetings are scheduled for Tuesday due to the holiday

**All meetings begin at 6:30 PM and are held on the first Monday of each month in the Committee Room, 2nd fl, City Hall unless stated otherwise

K: ZBA/Schedule/2018 11/16/2017