

**CITY OF KEENE  
NEW HAMPSHIRE**

**JOINT PUBLIC WORKSHOP  
PLANNING BOARD/  
PLANNING, LICENSES, AND DEVELOPMENT COMMITTEE  
MEETING MINUTES**

Monday, October 11, 2016

6:30 PM

Council Chambers

**Planning Board Members Present**

Gary Spykman, Chair  
Nathaniel Stout, Vice Chair  
Christine Weeks  
Andrew Bohannon  
Mayor Kendall Lane  
Douglas Barrett  
Chris Cusack  
Councilor George Hansel

**Planning Board Members Not Present**

Pamela Russell-Slack  
James Duffy, Alternate  
Tammy Adams, Alternate

**Planning, Licenses and Development  
Committee Members Present**

Councilor David Richards, Chair  
Councilor Philip Jones, Vice Chair  
Councilor Robert Sutherland  
Councilor George Hansel

**Planning, Licenses and Development  
Committee Members Not Present**

Councilor Bettina Chadbourne

**Staff Present**

Rhett Lamb, ACM/Planning Director  
Michele Chalice, Planner  
Tara Kessler, Planner

**1. Roll Call**

Chair Richards called the meeting to order at 6:30 pm and a roll call was taken.

**2. Approval of meeting minutes - September 12, 2016**

Gary Spykman offered the following correction:  
Add the word "Alternate" after the names James Duffy and Tammy Adams.

A motion was made by Christine Weeks that the Joint Committee accept the September 12, 2016 meeting minutes as amended. The motion was seconded by Phil Jones and was unanimously approved.

**3. Comprehensive Master Plan Implementation Discussion on Workforce Housing**

Planner Tara Kessler and Keith Thibault from Southwest Community Services addressed the Committee. In early spring this committee identified some of the key objectives of the Comprehensive Master Plan and narrowed down six goal areas. One of them was workforce housing – Ms. Kessler stated tonight she was going to define workforce housing and provide information about housing types and the availability of housing in Keene and then turn it over to Keith Thibault of Southwestern Community Services.

Workforce housing is defined as a variety of housing types affordable to people in the workforce, who have earnings ranging up to middle income. Housing that is affordable so people can live and work in the same area, such as teachers, police officers, fire fighters, not only serve their communities but live there as well.

Workforce Housing is defined by State law as Housing for sale that is affordable to a family earning 100% of the area median income for a 4-person household or rental housing affordable at 60% of the area median income for a 3-person household. It is important to note there is a difference to this definition of workforce housing and other categories of housing which have more restrictive income levels such as low income housing or affordable housing.

Ms. Kessler clarified when she says a *4-person household and rental housing affordable at 60% of the area median income*, affordable is when a household is spending 30% or less on their housing costs.

In Cheshire County \$64,900 is considered the area median income for family of four and the estimated maximum affordable purchase price for that same family size is \$189,000. \$35,050 = 60% area median income for a family of three and the maximum affordable rent would be \$880 per month which is the estimated maximum affordable rent plus utilities for a family of three.

37% of houses in Keene were built in 1939 or earlier, 48.7% housing units have 1-2 bedrooms. Owner occupied units count for about 55.4% and the average size of these houses are 2.35 units, 62.5% have a mortgage and 29.1% pay more than 35% household income on housing.

On renter occupied 46.6% pay greater than 35% household income on housing.

The median purchase price of a home in Keene as of the census data collected in 2015 is \$160,533 compared to the affordable purchase price of \$189,000. The median gross rent in 2015 was \$1,064 compared to the maximum affordable rent plus utilities of \$880 / month. There was a 3.4% vacancy rate; anything less than 5% is considered a healthy rate. The tax rate in 2015 was \$34.

Ms. Kessler then referred to a chart based on census data as to the value of houses – 33% of homes are between \$100,000 - \$149,000.

Some of the strategies with reference to this issue:

Evaluate demand and potential barriers. Regulatory approaches including inclusionary zoning (certain number of housing set aside through deed restriction on housing development for workforce housing) and incentive zoning, as well as accessory dwelling units. Housing commission and or affordable housing fund – setting aside monies for diverse housing. Adaptive reuse – taking under-utilized buildings and re-purposing them. Public/private partnership. Education and information sharing regarding housing purchase.

Councilor Jones asked whether the 55.4% owner occupied properties was an acceptable number compared to other communities. Mr. Thibault felt this was an appropriate number with the diversity which exists in Keene.

Councilor Sutherland asked what the demand for workforce housing was and why it was not being met. Ms. Kessler referred to the last slide, types of strategies which is to further evaluate the demand. This is not information staff has available tonight; staff has general information from the state, housing authority and the census. Keene's workforce housing needs should be evaluated.

Councilor Sutherland referred to the numbers relative to mortgages - rents are inclusive of taxes but mortgages are not inclusive of taxes which can be considerable. Ms. Kessler agreed this is an important distinction and added because Keene's tax rate is considerably higher; the \$189,000 figure mentioned earlier might actually be lower for Keene than other communities in the area.

Mayor Lane stated assuming the community creates workforce housing and someone purchases one of these homes how do you retain it as such? Once one of these homes gets purchased, improvements are made, it might not stay as workforce housing. The Mayor used Maple Acres as an example. Mr. Thibault stated this is a difficult question because it defies the American way – improving your lot, investing in your home. He felt there are still homes that fit into the state's term of workforce housing at Maple Acres. He felt if land could be utilized in Keene which could be turned into a Maple Acres type area - make it compact but how to limit it is the question. Creating cooperatives is another strategy which doesn't exist in this area.

Mr. Thibault went on to say an economist he follows has suggested if communities tax just the land you might be able to eliminate property taxes. There are big corporations which own hundreds of millions of land value which are not contributing in any way.

Chair Spykman referred to the cost of renting versus owner occupied - monthly rent versus monthly mortgage which seemed to have a big diversion. Ms. Kessler stated she didn't present any mortgage payments, just the rent payments in the region. You are looking at the purchase price of a home versus monthly rent, the monthly rent in the region for upper level of workforce housing would be \$880 per month compared to a maximum purchase price 189,000. The average rent today is \$1,064 and the median price of home is \$160,000.

Chair Spykman stated what he is trying to figure out is whether it is affordable to purchase or rent in Keene. Mr. Thibault stated given the value of housing units it is more affordable to own but there is a demographic coming up who don't want to own, they want to be mobile.

Mayor Lane stated if the cost of housing, utilities and taxes are considered, it is cheaper to own than rent. The Regional Planning Commission came up with some figures which indicated that owning a house in Keene is cheaper than in surrounding towns in spite of the tax rate.

Councilor Hansel asked whether one of the most effective tools in trying to retain workforce housing is lot size. Mr. Thibault agreed, the denser you make it the more affordable it would be.

Councilor Sutherland questioned what causes affordability of housing; if a bank won't loan money for a house the house drops in price. If it is too expensive to live in Keene, people will start looking elsewhere. The City has 67 homes for sale today that are less than \$189,000, 37 of those are \$160,000. He said there are enough homes that meet the affordable criteria in the City. He felt the market forces will satisfy this issue without government intervention. Ms. Kessler agreed with the Councilor and stated this is an item which was identified as a priority strategy to give more options for workforce housing; is this a need? The first step is to identify if we have a problem and do we have options?

Councilor Richards addressed the next generation which doesn't want to own – are we driving youth out of this community because they don't want to own because they want to rent.

Ms. Weeks talked about the High School which offers basic financing for youth and felt maybe the real estate community could offer something similar regarding homeownership.

Mr. Thibault did not feel it was all bad but the over arching goal is to find a balance of housing types and housing supply. He indicated Keene has a pretty diverse balance supply of housing right now and has some good things on the horizon when trying to create housing for youth. He added keeping track of the services which exist in this City right now will help with the vitality of the community for future years, which he felt Keene was doing. The reason workforce housing is being looked at is because of demographics and economics.

Councilor Richards asked whether 67 houses being on the market was a healthy number. Mr. Thibault felt it was but it might be prudent to talk to a realtor about this issue. Chair Spykman stated the next question would be how long have these houses been on the market. He felt the affordable homes are probably the older homes that need work. The Chair also stated there are costs that are factored into ownership that are never considered in this equation.

Ms. Weeks added the 2008 recession also could be a reason people are hesitant in investing in a home. She felt it might be a period of settling out.

Mr. Barrett asked what the other obstacles are to home ownership. Mr. Thibault stated in today's presentation it was stated 29% of people pay more than 35% of their income for household payments and if someone is in that situation there is very slim likelihood any bank would approve you for financing. Down payment is a difficult aspect for some; good paying jobs can be a barrier. He also felt Keene State has made the rental market tighter but the market did respond in a good way, such as Arcadia Hall and The Mills. He felt places like that could help keep young people in the community even after they graduate; a bridge between graduation and homeownership. Mr. Thibault felt investing in the infrastructure and in the downtown will reap benefits.

Chair Richards asked what the next step in this process would be. Ms. Kessler stated they plan to take the Committee's feedback and bring back someone who can talk more about the questions raised today so more tangible strategies could be figured out.

Mr. Stout asked for today's presentation to be sent to the Committee electronically.

Mr. Thibault stated last year the legislature passed a new Accessory Dwelling Unit (ADU) Law which will go into effect in June 2017 which is one tool with no public subsidy, which might be a good solution for affordable housing. This might be way to repurpose some of the older homes in the city. Mr. Stout asked for the difference between an ADU and the in-law apartment ordinance which passed in the city a few years ago. Mr. Lamb stated the city has zoning and ADU ordinances which defines where in-law apartments can be located and felt some changes would need to be made prior to June 2017.

This concluded the discussion on this item.

#### **4. Continued Public Workshop**

**Ordinances - O-2016-01 and O-2016-02** – Relating to Zoning Changes. Petitioner, City of Keene Planning Department, requests the creation of three zoning districts; a Business Growth and Reuse District, a Neighborhood Business District and a Residential Preservation District and the associated zoning map changes. The two hundred and fifty-six parcels of land affected by this request total an area of 266 acres. The project area is generally east of Main Street, south of Water Street, west of Eastern Avenue and north of Baker Street.

Ms. Chalice stated she is before the Committee to discuss a schedule for the Marlboro Street rezoning project. She stated the proposal is to go over the changes made to the map which was introduced in November and have a conversation about the definition changes. In December, the suggestion is to look at the language changes that have been suggested, and in January summarize what has been discussed and vote on the zoning district and the project.

Ms. Chalice referred to three renderings; the first is the current zoning, the second is what was proposed in January as part of the ordinance, and the third rendering is as it relates to residential preservation removal of the block of parcels between Dunbar Street and Crossfield Street.

For Business Growth and Reuse there are no changes being proposed.

For Neighborhood Business the parcels suggested and discussed located on the north side of Marlboro Street were not part of the January map but are now part of the proposed revised map. There was also additional discussion about the Baker Street lot. At staff's first review it was noticed there was a business on this lot but after further discussion it was realized the office portion of this lot was extremely small (sub-standard) and it is staff's recommendation that this would not be a good fit for the Neighborhood Business District.

Staff did not spend much time with the parcels shown in pink and coral; they are being recommended for zoning change but not as part of these new districts. Staff has contacted the property owners. There are two properties owned by Hamblett Electric, the properties located at 122 and 124 Water Street, the Findings property and Bentley Commons. These properties are located in the Industrial District and staff feels the more appropriate property change would be to change these properties to Medium Density.

Chair Spykman asked for the history of the Hamblett Electric lots. Ms. Chalice stated these were previously four residential lots. 122 and 124 Water Street – 122 is immediately adjacent to Community Way and is an auto repair business and the previous plan showed this lot in isolation and is in the Industrial Zone as per the zoning map. It has been realized the zoning map was incorrect and the parcel to the east, 124 is also industrial and staff has made this correction. Legal Counsel is looking into this these lots.

Ms. Chalice then started on page 12 of the handout. The Committee had no concerns about moving out the Dunbar and Water Street parcels.

Business Growth and Reuse District – the four lots on the north side of Marlboro Street across from the municipal complex were proposed initially to be in Business Growth and Reuse District but it is now being suggested to be located in the Neighborhood Business District.

Page 14 – the parcel on the corner of Baker Street – staff had it in the Residential Preservation District but it was suggested it be considered to be in the Neighborhood Business District, because there is a small business in addition to the residential rentals. It has now been determined by Code Enforcement this business no longer exists, she suggested that it remain in the Residential Preservation District. Chair Richards stated his thought is there is parking available, there is the potential for a business to locate on this property and felt it would be better served as a Neighborhood Business District.

Mayor Lane noted for nearly 50 years Emile Legere's mother operated a beauty salon out of this property. He asked whether the Committee should go over this list and see if the uses in each of these Districts were appropriate. Ms. Chalice agreed. Mayor Lane stated the first one that comes to his mind are duplexes being included in the Residential area.

Councilor Hansel stated he would agree with Chair Richards in that this property would suit a commercial use. Councilor Sutherland noted this property is for sale right now and wasn't sure how it is being sold and felt this might be something to look into. Chair Spykman stated it looks like it is meant to be a business and felt if the intention for this area is to mimic Main Street there could be pressure for these lots to be converted to business uses. Mr. Lamb stated there was also discussion about dimensional standards and how they would apply to this lot in the Neighborhood Business District. Ms. Chalice stated this property is currently High Density which has a minimum lot size of 6,000 square feet, this property however, is 5,800 square feet. The minimum lot size being proposed for both the Neighborhood Business District and the Residential Preservation District is 8,000 square feet and this property would be non-conforming for either of these lots. Ms. Chalice stated this is something staff could look at again and come back to the Committee.

Mr. Stout asked under what circumstance this property be grandfathered. Ms. Chalice stated the non-conforming status remains until an owner decides to change the use or build a new structure. Mr. Stout stated in his many years on the Planning Board he heard criticism about pork chop lots and stated this is not something he wanted to do.

Ms. Chalice said 215 Water Street is the smallest property and the Hamblett property, currently both these properties are located in the industrial district. The Mayor agreed these properties should not be left in the Industrial District but felt a review needs to be done as to what the history of these parcels were and a discussion needs to happen as to what they should be moved to. Ms. Chalice stated she was happy to do some research on these properties. Chair Spykman stated he disagrees; these parcels are surrounded by residential and felt they should become part of the Medium Density and as a resident of Water Street would like to see some houses constructed on this lot. Chair Spykman stated the Bentley Commons property has been redeveloped to scale and is something you would expect to see downtown. However, the Findings property which is currently vacant has a park to the north and a warehouse next to it which is in Medium Density. He did not feel this property could ever become residential and should not be in Medium Density. Staff will add this to the discussion as well.

122 and 124 Water Street – Mr. Lamb stated this property did not change to Central Business during previous zoning changes; the property owner did not want to become non-conforming, he had an existing business and wanted to remain as industrial. At the last meeting the question was raised by not changing this property have we created spot zoning and this is what has now be given to the City Attorney for his review. Chair Richards asked if the property was rezoned to Central Business whether it would prevent this property owner from continuing with his existing operation. Mr. Lamb stated it would not. Councilor Hansel stated he was the person who raised this concern last time; this would be the only parcel permitted to have an auto garage and felt one person should not be given a competitive advantage regardless of whether it is legal or not. Mr. Lamb stated the Whitney Brothers property is also zoned industrial.

Mr. Stout asked after all these changes are made what the net effect of the overall Industrial Zoning in the city would be. Mr. Lamb stated there is a reduction in the acreage being proposed here but if the overall uses are added together, which uses are also permitted in the Business

Growth and Redevelopment District (BGR) the effect will be less dramatic. Mr. Stout asked whether there were other zones which could be used in place of the industrial district. Mr. Lamb stated we have industrial park, corporate park – the traditional industrial is located in the area being proposed for BGR. He added Keene is not likely to see the typical smoke stack type industrial anymore and industrial is adapting to a newer economy and that is what BGR is all about.

Councilor Sutherland asked whether 122 and 124 could be extended to BGR as well as the lot between the bike path and Beaver Brook. This might relieve some of the concerns of the property owner. Mr. Lamb stated when the rest of the area to be changed to Central Business was being made, the property owner of the warehouse came forward and asked for the property to be changed to Central Business. The issue with 122 and 124 is anything that did not involve auto related businesses is where the resistance came from. Chair Spykman asked whether the new BGR allows auto repair. Ms. Chalice answered in the negative and went on to say the Ad Hoc Committee did not want to see this type of use in the future in this district. Chair Spykman felt modern auto repair facilities fit well in the BGR District and felt the City was falsely limiting things.

Councilor Hansel stated 122 and 124 Water Street need to be addressed and felt the change to BGR would be acceptable and then inform the property owner the use will still be conforming.

Chair Richards asked how this process would be handled ultimately. Mr. Lamb stated this would be up to the Committee. As far as timing is considered December into January would be the timeframe for a final document to come before this Committee; there are many language changes which need to be incorporated.

Mr. Stout stated he works for the NH Automobile Association and did not feel there is a conflict. Having made that disclosure, he asked whether auto repair is something that would be considered in BGR. Mr. Lamb stated he wasn't aware there was consensus on this issue and added unless there is consensus on an issue, staff will propose items that have consensus prepare revised ordinance and the Committee at that time can take further considerations.

Chair Richards stated he would like to see from staff a list of uses and at that time motions can be made. Ms. Chalice stated at the December meeting, staff would also like to bring before the Committee comments from the City Attorney.

Dr. Cusack stated at the last Southeast Neighborhood Association meeting there was discussion on this topic and there wasn't clarity about the Residential Preservation District and asked whether the proposal for this district is a mix of Low Density and Medium Density properties. Ms. Chalice agreed this would be the plan and the plan also is to change any High Density properties to Low Density over the course of time. Dr. Cusack stated the concern for this neighborhood are the homes with noise issues being pushed into the Low Density neighborhoods. Ms. Chalice stated this is a concern raised by a property owner who met with her recently and this property owner's concern is why the "no more than four units" is not being changed for this neighborhood. Ms. Chalice stated she explained to her this was not part of this project. Mr. Lamb added a question raised at this Committee level by staff is whether student housing can be specifically addressed and there is still some debate about that. As a result staff did not add this into the ordinance. Mr. Lamb reminded the Committee the changes that are happening reduce the potential for units to be constructed in the Residential Preservation District; those that exist as long as they are legally permitted can continue until the use changes.

Hence, there is less opportunity for new units to be created once this ordinance is approved. He also reminded the Committee Low Density is a single family district but this does not mean a property cannot be rented to four college students. This is something that can happen today.

Chair Richards opened the public hearing.

Mr. David Curran of Prospect Street stated the concern in the Southeast Neighborhood District is whether Low Density would get the same protection as would Residential Preservation; why can't Adams Street be included in this District. Mr. Lamb stated Low Density is already more restrictive and there is no reason to think that Residential Preservation will provide more restriction. Chair Richards asked for a list of uses in the Low Density for next time. Mr. Curran felt now would be the time to square off the lines on maps.

Councilor Jones asked whether Residential Preservation does not require owner occupancy. Ms. Chalice agreed it would be a requirement for two-family units and this is something which will also be reviewed in December. This would take pressure off Low Density but stressed four unrelated persons would still be permitted in a single family home in Low Density. Mr. Lamb stated the issue he has with the new ADU law is ADU's can be constructed anywhere in the City. What the City approved does not permit ADU's in Low Density but this will change in June 2017.

With no further comments, the Chair closed the public hearing.

**5. Next Meeting – Monday, November 14, 2016**

**6. Adjourn**

The meeting adjourned at 8:30 pm.

Respectfully submitted,

Krishni Pahl,  
Minute Taker

Reviewed by Rhett Lamb, ACM/Planning Director  
Edits, Lee Langella