

Chapter VI HOUSING

"A community is more than a collection of buildings. It is made up of neighborhoods of proud people with diverse talents, backgrounds, professions, and ages. Each home becomes their castle."

- Loudon 2001 Housing Subcommittee

INTRODUCTION

The purpose of the housing chapter in this Master Plan is to identify Loudon's current housing inventory, short-term housing needs, and to develop long-range plans for single family, multi-family, and senior housing. The Town has three manufactured housing parks and one seasonal camping ground.

Safe, sanitary, and affordable housing that reflects the rural character of the community is important to the long-term future of Loudon. The housing stock of any community is perhaps the most obvious indication of the quality of life in the community. Loudon's housing stock consists largely of detached, single-family homes. The zoning in the Rural Residential District mandates 2-acre lots for single family homes and 3-acre lots for two-family homes. In the Agricultural/Forestry Preservation District, 5-acre lots are required. Non-grandfathered lots in the Village District must meet a minimum of 30,000 square feet. Few multi-family housing units are present in the Town of Loudon.

The vision for this chapter is to consider the character of the community and its natural resources when planning for the future housing needs of a growing population. The concern for preserving our resources gives rise to innovative opportunities. By creating a senior housing development in the Village area, walkable access to services and amenities is granted. By encouraging open space development as an alternative option to conventional subdivisions, green space is preserved and neighborhoods are formed. Both strategies create a greater sense of heritage and connection to the community. The encouragement of innovative energy conservation measures when constructing new homes will further enhance the feel of self-sufficiency and interconnectedness with nature that residents cherish.

OBJECTIVES OF THE CHAPTER

- To encourage the development of a senior housing complex within the Village as an affordable housing option in order to meet the needs of the community;
- To encourage energy-conservation methods and design for the construction of new homes and for the rehabilitation of existing homes, including the use of solar energy and energy-efficient materials;
- To encourage the use of open space development, which is currently known as cluster development in the Land Development Regulations, in order to preserve open space and retain the Town's rural character; and

- To promote wise residential development as Loudon grows and to guide both population and housing growth in a proactive manner.

COMMUNITY SURVEY RESULTS

As explained more fully in the CHAPTER I, INTRODUCTION, an eight-page Community Survey was produced and mailed in March 2000 to all households and out-of-town property owners in Loudon, to obtain their opinions on a variety of issues within Town. A 36.8% response rate was obtained and the tabulated results are depicted in their respective chapters.

Definitive, but unsurprising, themes emerged from the results (the full survey results are found in CHAPTER XIII, APPENDIX). These themes included the desire for keeping Loudon rural, attraction of tourism-based businesses, increased recreational opportunities, building of senior housing, and concerns of the impacts of the New Hampshire International Speedway on community character. There were four questions asked in the survey that pertained to the subject of housing. These questions and corresponding answers can be found below, and throughout the chapter.

Table VI-1

What types of housing would you like to see Loudon encourage? (Please check all that apply)

Encourage housing types	Total	Percent
Single family	595	34.6%
Two-family (duplexes)	142	8.3%
Conversion of homes into apartments	67	3.9%
Manufactured homes on lots	157	9.1%
Manufactured homes in parks	69	4.0%
Condominiums	66	3.8%
New apartment buildings	51	3.0%
Open space developments	176	10.2%
Senior housing	336	19.5%
No opinion	60	3.5%
Total Responses	1719	100.0%

Table VI-3

Are you a (homeowner, etc)....

Own or rent home	Total	Percent
Homeowner	650	82.9%
Renter	26	3.3%
Other	6	0.8%
No answer	102	13.0%
Total	784	100.0%

Table VI-2

What type of housing do you live in?

Housing Type	Total	Percent
Single Family Home	566	72.2%
Two Family Home	16	2.0%
Multifamily Home / Apartment	8	1.0%
Manufactured / Mobile Home	92	11.7%
Other	1	0.1%
No answer	101	12.9%
Total	784	100.0%

Table VI-4

Loudon limits the number of new dwelling units in Town in any given year to 4% of the existing number of units during the previous year. Do you feel that 4% is a fair and reasonable percentage?

Is 4% growth limit fair?	Total	Percent
No	186	23.7%
No opinion	126	16.1%
Yes	430	54.8%
(blank)	42	5.4%
Grand Total	784	100.0%

The community survey results show that the top five preferred types of housing that residents would like to see the Town encourage, include: single family (34.6%), senior housing (19.5%), open space developments (10.2%), manufactured homes on lots (9.1%), and two-family/duplexes (8.3%). This is not surprising, considering most of the survey respondents live in single family homes or manufactured / mobile homes.

Currently, the Town will only issue the number of building permits that will increase the housing stock by 4%. Table VI-4 shows that more than half of the respondents feel that an allowance of 4% growth in the number of housing units constructed every year is fair and reasonable.

Based on the above survey results, this Master Plan has placed an emphasis on discussing the need for affordable housing in Loudon, especially that of senior housing, and the desire for updating and increasing the use of open space development design for proposed subdivisions.

GENERAL HOUSING CHARACTERISTICS

Over the last twenty-nine years, Loudon's population has grown by 172%, while the number of housing units has increased by 210%, in Table VI-5 below.

Table VI-5
Population and Housing Growth, 1970-1999

GROWTH	Population	Net Change		Housing Units	Net Change	
		#	%		#	%
1970 (US Census)	1707	N/A	N/A	568	N/A	N/A
1980 (US Census)	2454	+747	+ 43.8	880	+312	+ 54.9
1990 (US Census)	4114	+1660	+ 67.6	1476	+596	+ 67.7
1999 Population & 1999 Housing (NHOSP)	4635	+521	+ 12.7	1762	+286	+ 16.2
TOTAL CHANGE FROM 1970 - 1999		+2928	+ 171.5%		+1194	+ 210.2%

Sources: US Census, 1970, 1980, 1990; NH Office of State Planning Population Estimates 1999; NH Office of State Planning Household Estimates 1999

The larger increase in housing units, as compared to population increase, can be attributed, in part, to the decrease in the number of people living together in one unit, the increase in people owning second homes, and the increase of families living in single-family homes, as compared to multi-family units.

Housing Stock and Supply

The amount and types of housing a community contains will influence property values, land use, and population growth. Trends can be charted that give direction to how a municipality should be handling its own unique housing situation.

Table VI-6
Loudon Housing Supply, 1970-1999

Occupied Housing Units by Type				
	1970	1980	1990	1999
Single Family	405	681	1106	1344
Multi Family	36	69	99	103
Manufactured	69	112	271	315
Total	510	862	1476	1762

Sources: 1970, 1980, 1990 US Census

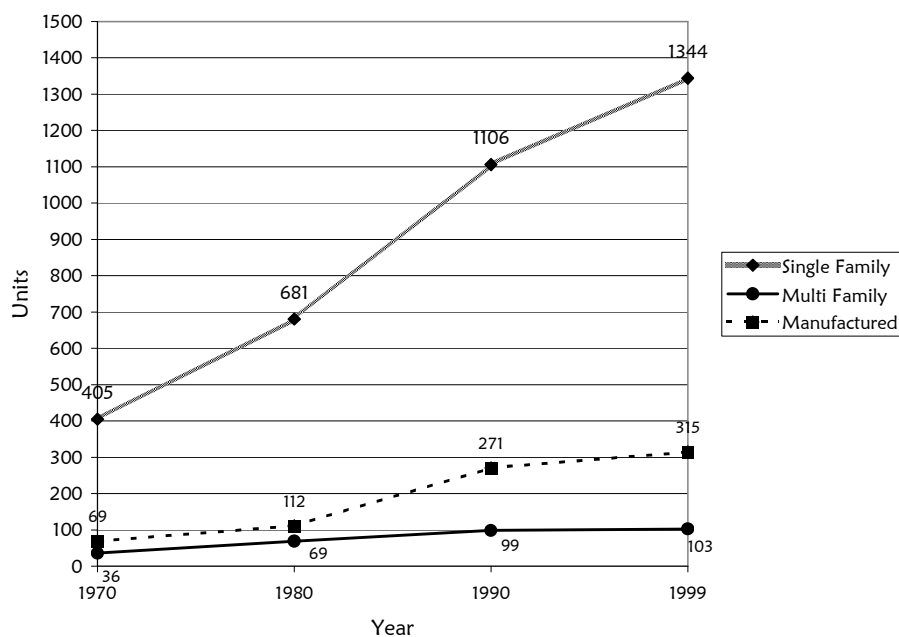
1999 Data from NH OSP Current Estimates and Trends in New Hampshire's Housing Supply, Update 1999

As can be seen in the figure above, and the graph below, the number of single family units has steadily increased since 1970, with a peak in 1980 due to the housing boom that was seen across the country. The housing peak impacted not only single-family units, but also multi-family and manufactured housing, both of which experienced slower growth in the 1980s. However, while the number of single family and manufactured units has constantly increased in the last decade, the growth of multi-family units has stagnated.

The supply of single family housing units in Loudon has more than tripled in the past 30 years. It continues to constitute the largest share of housing units in Loudon. Manufactured units have also seen tremendous growth since 1970. There are nearly five times as many manufactured units in Loudon as there were in 1970. Multifamily units have seen the least growth, making up the smallest share of the housing supply in Loudon.

Figure VI-1

Occupied Housing Units by Type, 1970-1999



Sources: 1970, 1980, 1990 US Census

1999 Data from NH OSP Current Estimates and Trends in New Hampshire's Housing Supply, Update 1999

Table VI-7
Loudon Housing Distribution, 1970-1999

Occupied Housing Units by Type				
	1970	1980	1990	1999
Single Family	79.4%	79.0%	76.8%	76.3%
Multi Family	7.1%	8.0%	5.6%	5.8%
Manufactured	13.5%	13.0%	15.9%	17.9%
Total	510	862	1476	1762

Sources: 1970, 1980, 1990 US Census

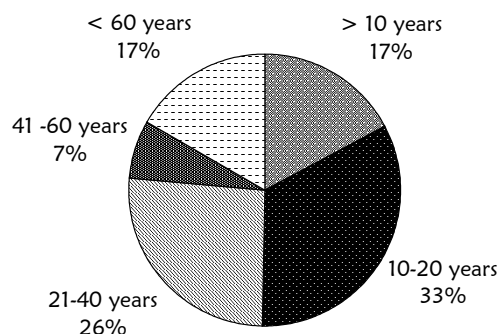
1999 Data from NH OSP Current Estimates and Trends in New Hampshire's Housing Supply, Update 1999

The largest share of housing units in Loudon is made up of single family units, which currently makes up over three-quarters of the housing supply. The share of single family housing units has declined since 1970, though the single family housing stock has grown. The share of multifamily units has declined since 1970 as well, although the stock has grown. This is attributable to the increased construction of manufactured housing units, whose share of the housing stock has grown almost five percent since 1970.

The proliferation of new construction has led to some discussion over access to utilities. Currently, Loudon does not have a public water supply or sewer system. Instead, Loudon residents and businesses are served by private wells and decentralized sewage systems. Electricity is provided by the Public Service Company of New Hampshire (PSNH), which has the ability to extend electrical service throughout the Town. There is limited access to Keyspan's natural gas line that runs through Loudon. Many residents have expressed interest in seeing the gas service extended; however, Keyspan's expansions efforts are being concentrated on more densely populated areas. Presently, access to the natural gas line is done on a customer by customer basis where it is feasible. Access to cable television and broadband Internet services are provided by AT&T Broadband, which has a contract with the Town for cable service until 2012. According to that contract, cable service is provided to customers if they live in an area where there are 20 or more homes per mile. For a more detailed description of the utility service in Loudon, refer to CHAPTER X, UTILITIES.

Figure VI-2

Age of Housing Stock



Sources: 1990 US Census CH-2-31 Table 92; NH OSP Current Estimates and Trends in NH's Housing Supply, 1999

Table VI-8
Age of Houses in Loudon, 1999

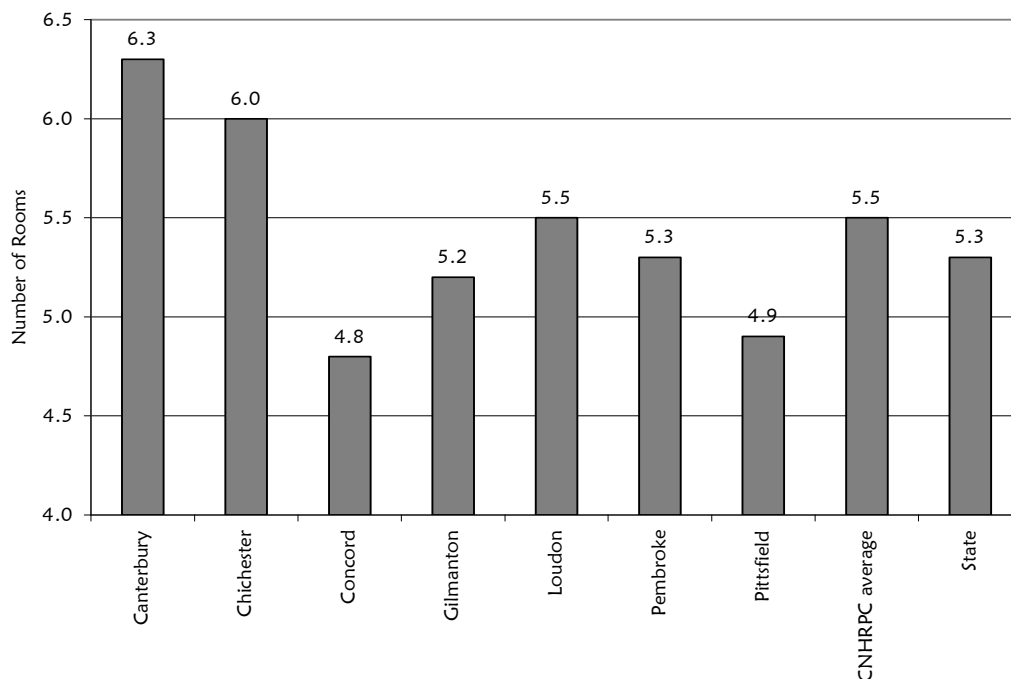
Age	Number of Houses
Up to 10 years	286
10 to 20 years	547
21 to 40 years	433
41 to 60 years	114
more than 60 years	276

Sources: 1990 US Census CH-2-31 Table 92; NH OSP Current Estimates and Trends in NH's Housing Supply, 1999

As of 1999, about half of Loudon's occupied housing supply was less than 20 years old. Of the housing stock that is older than 20 years old, just over a quarter of the total were built 20 to 40 years ago. Over 75 percent of Loudon's housing supply were built since 1960. This shows tremendous growth over the past 40 years.

The older and historic homes in Loudon provide a sense of community character, a connection to the past. The captioned photo on the cover page of this Chapter dates to the late 1700s as does an authentically refurbished home on Lovejoy Road which serves as a bed and breakfast. Some of the traditional older homes could, and do, serve as multi-family residences because of their size, such as the home on Clough Hill Road.

Figure VI-3
Median Home Size in Loudon and Neighboring Communities



Sources: 1990 US Census

The size of Loudon's houses, according to number of rooms, is average for the CNHRPC region and slightly larger than the state average. Of its abutting towns, Loudon has fewer rooms than two of the towns and more rooms than four of them.

Housing Density

Housing density is calculated by dividing the number of housing units by the square mileage of the area. It is a measure of how thickly settled an area is. The table below shows the average number of housing units per square mile for the Town of Loudon.

Table VI-9
Change in Housing Density per Square Mile 1970-1999

Year	Units	Density	% Change
1970	510	11.1	--
1980	862	18.7	68.5
1990	1476	32.1	71.7
1999	1762	38.3	19.3

Sources: 1970-1990 US Census STFIA;

1999 data from NH OSP Current Estimates and Trends in New Hampshire's Housing Supply, Update 1999

The housing density in Loudon has changed dramatically since 1970. In 1970, there were roughly 11 housing units per square mile, while in 1999, there were 38. There are about 2 ½ more housing units per square mile now than there were 30 years ago. The bulk of the increase in density occurred in the 1980s, when there was a huge boom in construction of new housing units. During the 1990s, the density grew steadily, though not as fast as during the 1980s.

Table VI-10
Changes in Housing Density in Loudon and Abutting Communities, 1990-1999

	Land Area (Sq. Miles)	Number of Dwelling Units, 1990	Dwelling Units / Sq. Mile, 1990	Number of Dwelling Units, 1999	Dwelling Units / Sq. Mile, 1999	Change in Density, 1990-1999	Percent Change, 1990-1999
Canterbury	44.4	724	16	813	18	2	12%
Chichester	21.2	724	34	827	39	5	14%
Concord	64.1	15697	240	16360	250	10	4%
Loudon	46.0	1476	32	1762	38	6	19%
Pembroke	22.5	2536	112	2616	115	3	3%
Pittsfield	24.3	1527	63	1642	68	5	8%

Sources: 1990 US Census

1999 data from NH OSP Current Estimates and Trends in New Hampshire's Housing Supply, Update 1999

As can be seen in the table above, the housing density in Loudon has been slowly increasing since 1990. The benefits of having more densely developed areas is that it is more cost efficient for the Town to provide services (such as police, fire, roads, sewer, etc.); it creates the "neighborhood" design or feel when houses are located more closely together; and it allows the development of residential areas to be concentrated in one place allowing open space, agricultural and forest land to remain undisturbed.

COST OF HOUSING IN LOUDON

This section examines the costs of housing in Loudon from both a rental and an ownership standpoint. When the term *contract rent* is used, it indicates the price paid monthly by the tenant to the landlord. Contract rent is the advertised cost of the unit, and the utilities included in this payment vary from unit to unit. *Gross rent* indicates the sum of the contract rent and the prices of the utilities the tenant uses.

Rental Costs Versus Home Ownership Costs

In lieu of 2000 Census data which would allow for current analysis, Tables VI-11 and VI-12 depict 1990 data, or the most recent data available for housing costs. Table VI-11 indicates that it is more costly to rent a home or a housing unit in Loudon than it is to own that home or unit. In addition, renter-occupied households pay more proportionately (34%) of their total income toward housing than do households that pay mortgages on their own homes (25.2%).

Table VI-11
Loudon's Monthly Gross Rent or Mortgage Payments and Relationship to Income, 1990

	Renter Occupied	Owner Occupied
Cost per Month	\$509	\$876
Median Household Income	\$19,883	\$40,322
Payment as Percent of Income	34.0%	25.2%

Source: 1990 US Census CH-1-31 Table 68

The US Department of Housing defines affordable housing as that which does not exceed 30% of annual household income. As can be seen above, renter occupied units were not affordable, on average, in 1990. Table VI-12 illustrates the median monthly rental and initial single-family home costs. Currently, there are no vacant rental units in Loudon; this fact reflects a statewide trend.

Table VI-12
Median Housing Costs in Loudon

	1990*	1996**	1998***
Median Gross Rent	\$509	\$550	\$700****
Median House Cost	\$112,000	\$112,000	\$105,450

*Sources: *1990 US Census CH-1-31 Table 68*

***SOICC of NH Community Profile, 1999*

****NH Housing Finance Authority (includes manufactured and single family home costs)*

*****estimate based upon Subcommittee input*

In Table VI-13, the median value of Loudon's housing stock is slightly less than the average for Merrimack County. The value of the lower quartile of Loudon's housing is more than only two of its abutting communities, and the upper quartile's value is less than all but one of the abutting communities.

Table VI-13
Value of Owner-Occupied Housing Units, 1990

	Lower Quartile	Median	Upper Quartile
Canterbury	\$100,600	\$128,300	\$168,300
Chichester	\$95,600	\$118,500	\$145,100
Concord	\$103,700	\$130,100	\$159,800
Gilmanton	\$80,700	\$106,900	\$139,800
Loudon	\$90,300	\$112,000	\$135,600
Pembroke	\$101,900	\$120,000	\$145,400
Pittsfield	\$80,100	\$97,200	\$122,300
Merrimack Co.	\$91,900	\$117,800	\$152,800

Source: 1990 US Census CPH-1-31 Table 10

Median contract rent prices in Loudon are less than prices in all but two of its abutting communities, as depicted in Table VI-14. The lower quartile of contract rents is more than all but two of the abutting communities, but it is the same as the lower quartile of contract rent in Merrimack County. The upper quartile is about the same as the County's upper quartile and is higher than the cost in only two of the abutting communities.

Table VI-14
Contract Rent Levels for Renter-Occupied Housing Units, 1990

	Lower Quartile	Median	Upper Quartile
Canterbury	\$225	\$413	\$613
Chichester	\$331	\$469	\$569
Concord	\$384	\$485	\$580
Gilmanton	\$426	\$506	\$581
Loudon	\$363	\$435	\$569
Pembroke	\$353	\$416	\$520
Pittsfield	\$311	\$398	\$481
Merrimack Co.	\$363	\$461	\$568

Source: 1990 US Census CPH-1-31 Table 11

Although there is a lack of current data, general 1990 trends depicted in this section indicate that the costs of both rentals and home ownership in Loudon are lower than the County average.

Rental Housing Costs

Table VI-15 lists the median gross and contract rents by unit size for a 1999 sample of rental units in Merrimack County. No data specifically for Loudon was available. Where sample sizes were smaller than 20, the sample was not of sufficient size to provide a reliable calculation, and therefore the medians were not reported. However, the data for units in samples smaller than 20 were used in the calculation of medians for all units.

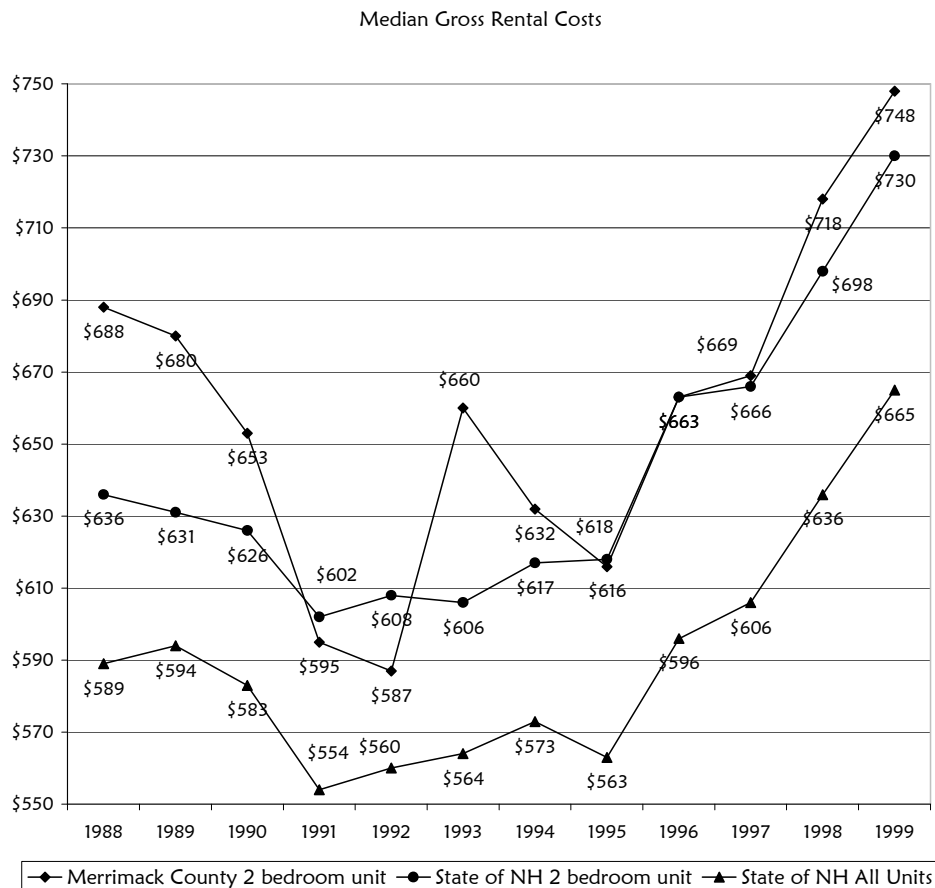
Table VI-15
Median Contract and Gross Rent Costs for Merrimack County, 1999

Unit Size (Number of Bedrooms)	Sample Size	Median Contract Rent	Gross Rental Costs	
			Rent Range	Median
0	22	\$325	\$291 - \$510	\$410
1	321	\$425	\$303 - \$733	\$521
2	537	\$595	\$368 - \$936	\$748
3	43	\$650	\$628 - \$1,033	\$762
4+	14	N/A	\$526 - \$1,136	N/A
All	937	\$555	\$291 - \$1,136	\$643

Source: New Hampshire Housing Finance Authority, 1999 Residential Rental Cost Survey

In 1999, the monthly median gross rental cost for a two-bedroom rental unit in Merrimack County was \$748. This is a 21.4% increase from the 1995 cost. Figure VI-4 illustrates the County and State trends from 1988 to 1999:

Figure VI-4
Trends of Median Gross Rents in Merrimack County and Statewide



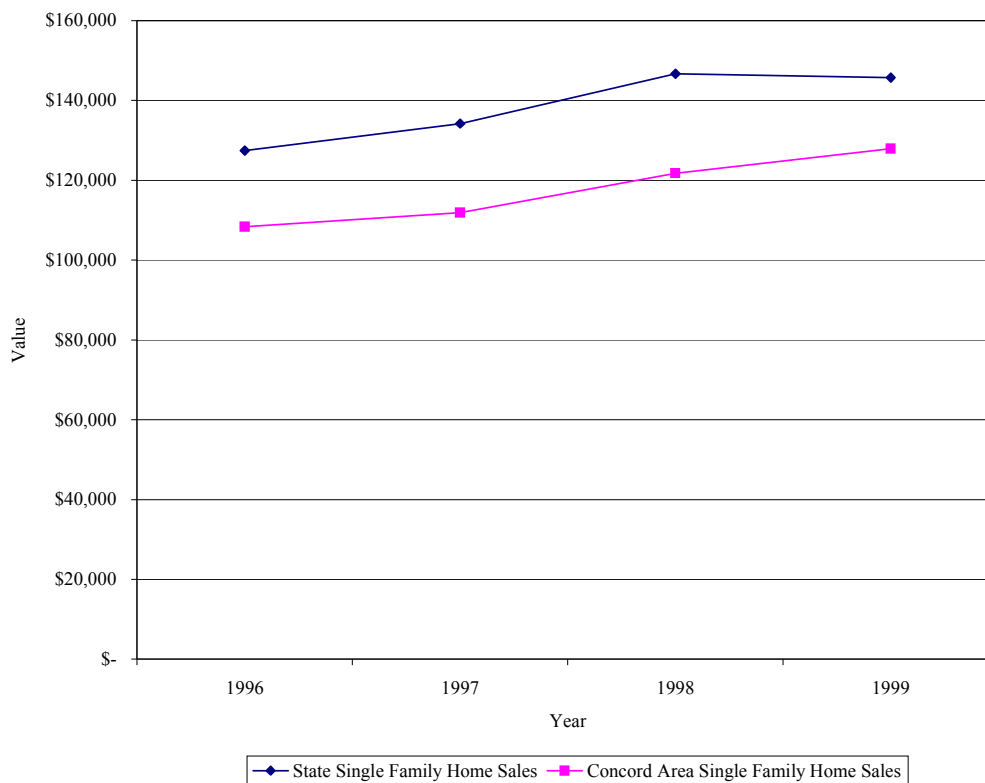
Source: New Hampshire Housing Finance Authority, 1999 Residential Rental Cost Survey

The booming economy has contributed to a widening gap between housing costs and ability to pay. Strong job growth in the region and the state has met not only the needs of a naturally growing population but has also led to significant in-migration from outside the area. While the numbers of people needing housing have increased rapidly, the supply of available housing has grown at a much slower rate, especially in the rental market.

Single Family Housing Costs 1996 – 1999

As compared to the state average, single family housing market prices in the greater Concord / Loudon area, have risen at a similar rate. However, the cost of housing in the Concord area has remained approximately fifteen to twenty thousand dollars less than the state average sale price for single family homes. As compared to state and regional trends in 1999, the average sale price of a three bedroom single family home in Loudon was slightly higher than the Concord area average, but less than the state average as illustrated in Figure VI-5.

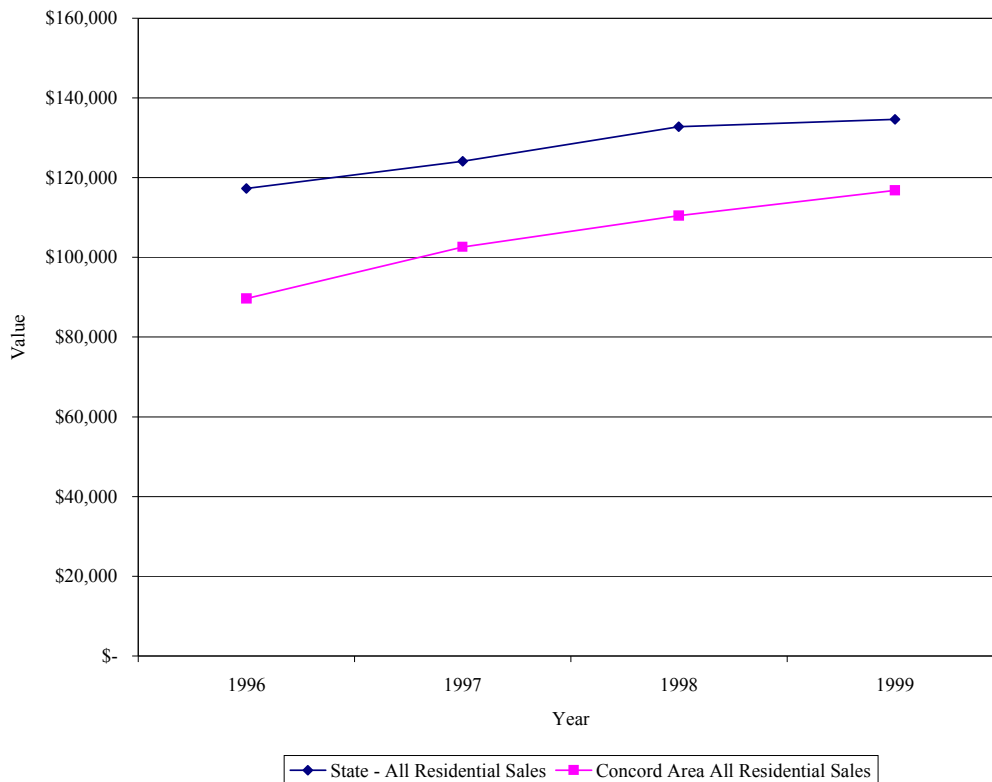
Figure VI-5
Comparison of Sale Prices in Concord Area
vs. State of New Hampshire 1996-1999



Source: NH Association of Realtors

An interesting comparison is depicted in Figure VI-6, where all home type sale prices are charted. Between 1996 to 1999, the averages mimicked the trends in Figure VI-5, but with differences ranging from ten to twenty thousand dollars lower in the Concord Area. The close correlation relates heavily to the steady selling of single-family homes. The few multi-family and manufactured homes that were sold (Figure VI-6) dropped the average selling price significantly but consistently.

Figure VI-6
Comparison of Sale Prices of all Home Types Combined in the Concord Area vs.
State of New Hampshire, 1996-1999



Source: NH Association of Realtors

A growing trend, the costs of ownership of all housing types is anticipated to rise as demand for housing becomes greater in the coming years.

Current Single Family Housing Costs in Loudon

According to Multiple Listing Service records, a total of 49 single-family homes were sold in Loudon. Sales prices ranged from \$79,900 to \$265,500. Based upon the analysis of this sample, the average selling price of a home during this period was \$147,362. The average home sold during this period had three (3) bedrooms and 4.7 acres of land.

Since 1990, the average selling price of all homes (\$112,000) in Loudon has increased to \$147,000. Several factors can be identified for the sharp increase in the average selling price of homes in the area. They include low interest mortgage rates, a strong economy and low levels of unemployment. In addition, recent subdivisions in Loudon have offered many new single-family housing opportunities.

HOUSING GROWTH TRENDS

How quickly a community is growing can be gauged by both population and by the number of households the community contains. Household size and the number of new residential building permits issued gives important information that directly relates to the capacity of Town services and provides information for future land use considerations.

Household Size

Household size statistics were gathered from a number of different sources. Despite differing methodologies in calculating the figures, it appears that the average number of people per household has begun to decline since 1990. Though there was a marked decline in the average number of people per household as indicated in the Loudon Community Survey and the Office of State Planning estimates, it is clear that household size is decreasing. The sharp decline between 1998 and 2000 is more than likely indicative of the demographics of the households responding to the community survey. The overall decline, however, could be indicative of a trend towards smaller families in society as a whole.

Table VI-16
Average Household Size, 1970-1990

	1970	1980	1990	1998	2000
Average persons per household	3.01	2.98	2.99	2.93	2.78

*Source: 1970, 1980 and 1990 figures from US Census data,
1998 figure from 1998 Household Estimates, NH Office of State Planning
2000 data based upon Community Survey response*

According to Table VI-17, the 1990 population per owner occupied unit was slightly greater than the average population per unit. Renter occupied units had a noticeably smaller population per occupied unit than the average. One interpretation of this fact is that smaller families are renting more than larger families because they are waiting to buy a home of their own before expanding their families.

Table VI-17
Population per Occupied Unit, 1990

	Total	Owner Occupied	Renter Occupied
Population	4114	3753	361
Per Occupied Unit	2.99	3.03	2.60

Source: 1990 US Census CH-1-31 Table 68

Household size, seemingly a purely statistical measure, can have a direct influence on the community services a Town provides. The larger the household, the more services will theoretically be required in order to support that household's needs.

New Residential Building Permits

The tracking of the issuance of new residential permits allows for the examination of trends. Such trends include the locations where the permits are being issued which relate to land use and community services considerations, and can chart the rate at which the Town is "growing" in comparison to its population.

Table VI-18

Residential Building Permits Issued by Housing Type, 1990 - 2000

Housing Type	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	11-Year Total
Single Family	39	16	16	13	19	20	26	17	23	36	41	266
Multi-Family	0	0	0	0	0	2	0	0	2	0	0	4
Manufactured	0	0	0	0	7	4	6	6	0	7	3	33

Source: Loudon Town Building Inspector Files

Table VI-18 above shows that over the last 11 years, the total number of new residential building permits issued by the Town totals 303. Only four were multi-family housing permits, and most of the manufactured homes were replacement homes as opposed to new construction. The vast majority of all permits were for single-family homes. Concentrations of permits issued during this time period are displayed on the ***Residential Building Permits Issued 1990-1999 Map***. The number of building permits issued in the early 1990s dropped off for a few years, but has picked back up again in recent years, most likely due to a strong economy and growing population.

Table VI-19

Five or More Building Permits for Housing by Street,
Issued 1990-2000

Road Name	Number of Permits Issued between 1990 - 2000
Bee Hole Road	18
Chichester Road	7
Clough Hill Road	11
Currier Road	5
Goshen Drive	5
Hemlock Hill Drive	11
Kenney Road	6
Lesmerises Road	8
Loudon Ridge Road	7
Lovejoy Road	13
Oak Hill Road	8
Old Shaker Road	6
Pittsfield Road	7
Pleasant Street Extension	5
Ridge Road/Lower Ridge Road	14
Riverview Lane	7
Route 129	12
School Street	5
Scotch Pine Mobile Home Park	14 (replacement homes)
Youngs Hill Road	8

Source: Loudon Town Building Inspector Files

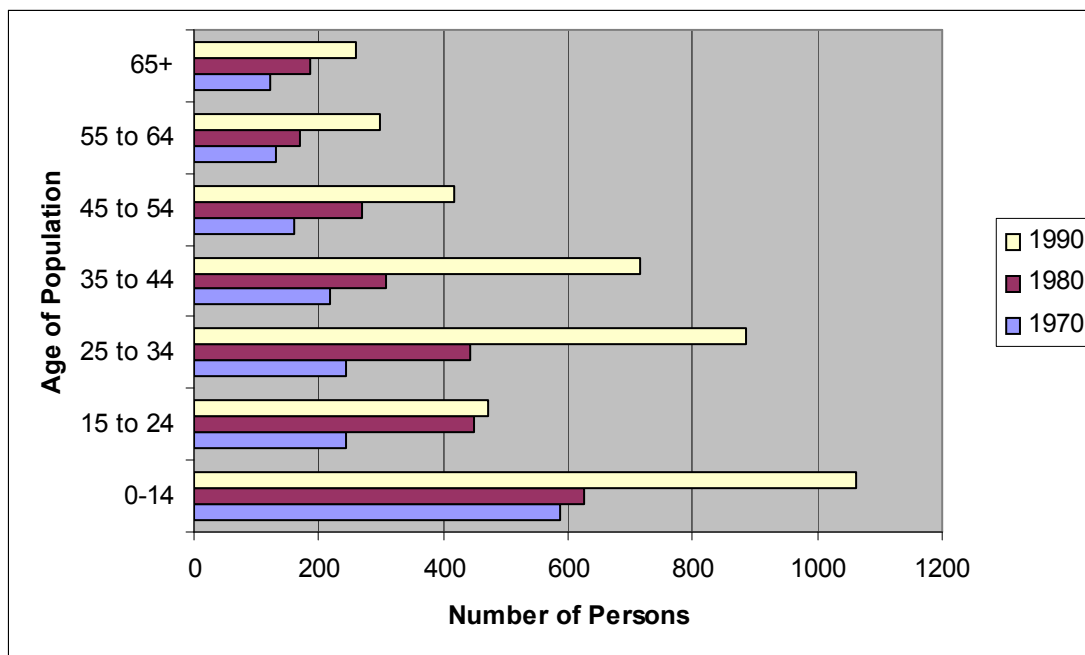
For a quick glance as to the fastest growing roadways, Table VI-19 above shows roads on which five (5) or more building permits were issued between 1990 and 2000. Recent subdivisions in Town have generated many new single-family homes off of Bee Hole Road, Clough Hill Road, Lovejoy Road, and Route 129. In addition, Riverview Lane (formerly a section of Old Concord Road) in the last half of the year 2000 has seen its share of seven (7) new residential building permits. The newly built Cross Brook Road has received four (4) and Ilona Lane has received three (3).

SENIOR HOUSING

Senior activities are important within any community for both social and practical purposes. The Young at Heart community group, which furnishes fellowship and entertainment for Loudon residents over 55 years of age, holds monthly meetings at which attendance increases each month. The current attendance is over 50 persons per meeting. The John O. Cate Memorial Van service provides rides free of charge to seniors and persons with disabilities, or anyone who needs a ride. Staffed by senior volunteers, residents call in when they need transportation to doctor's appointments, to the store, or just to do errands.

Loudon has an active senior resident population that continues to grow in numbers. The following Figure was excerpted from CHAPTER IV, POPULATION:

Figure VI-7
Loudon Population Trends by Age Group, 1970-1990



Over the last twenty years, trends indicate that older residents are staying in Loudon and the demographic age group of 55 and older continues to grow. As depicted earlier in Figure VI-4, the market rents for the area are high and the lack of rental vacancies may not subside. When the elderly can no longer afford to remain in their homes or need assisted care, they have limited options available within their own community.

Rent subsidies are heavily concentrated in assistance to the elderly, approximately 63% across the state. This results both from a crucial need for elderly assistance, and from certain political and budgetary considerations that come to bear on the development and targeting of assisted housing. There is undoubtedly a vital need for housing assistance to the elderly, many of whom rely on fixed Social Security benefits as their sole source of income. In the future, this population group will not be adequately served with the current housing market.

The Community Survey asked whether an affordable senior housing development should be encouraged within the Village. An overwhelming 60% of respondents replied Yes in Table VI-20. This indicates a general support from the residents for a unique housing opportunity.

Table VI-20
Should Loudon encourage an affordable senior
housing development in the Village?

Affordable senior housing in Village	Total	Percentage
Yes	471	60.1%
No	141	18.0%
No opinion	120	15.3%
No answer	52	6.6%
Grand Total	784	100.0%

Source: Community Survey, March 2000

The most logical location for such a development would be in the Village, where essential services within walking distance already exist or are being encouraged by other Chapters of this Master Plan. One particular location, a former gravel pit on South Village Road, was identified as a possible site to investigate. Funding for a senior housing development could come through the form of grants, partnerships, and subsidies.

AFFORDABLE HOUSING

The Department of Housing and Urban Development defines affordable housing as that which does not cost more than 30 percent of the annual household income, including mortgage payments, taxes, and utility costs. Affordable housing is a problem for renters and homeowners, young families and the elderly alike. In 1999, 45% of renters across New Hampshire could not afford the fair market rents in their area (*Feeling the Pinch*, The New Hampshire Housing Forum).

Any household spending more than 30% of its income on housing is considered cost-burdened. The standard does oversimplify reality in that some families find it harder to pay 30% of their income for housing than others, depending on total family income: low-income families are hit hardest. Thus, this oversimplification actually understates the housing problems of low-income families.

Another way to calculate the affordability gap between income and housing costs is to determine exactly what a family would need to earn to be able to afford housing in Loudon. A "housing wage" is defined as the wage necessary to make a given housing arrangement affordable. A housing wage is calculated following the equation below:

$$\text{Housing Wage} = \frac{\text{monthly rent} \times 12 \text{ months} \times 100}{40 \text{ hours} \times 52 \text{ weeks} \times 30}$$

Affordable housing is an issue that is considered by all levels of government. The federal government has long been promoting affordable housing through various programs administered by the Department of Housing and Urban Development. State government has promoted affordable housing through passage of several laws requiring communities to provide affordable housing. Furthermore, the State has also created several commissions and departments, such as the New Hampshire Housing Finance Authority, to examine and foster the development of affordable housing opportunities.

As a result of growing concern over access to affordable housing, all regional planning commissions in the State have been charged by the State Law to develop affordable housing needs assessments for each community within their region every five (5) years.

Based on the *2000 Affordable Housing Needs Assessment* conducted by the Central New Hampshire Regional Planning Commission (CNHRPC), Loudon currently has less than its theoretical fair share of the affordable housing base for the Central New Hampshire Region. The formula used by CNHRPC encompasses several variables and indicates that Loudon currently contains approximately 100 units of affordable housing less than its theoretical fair share.

Based upon this indicator, Loudon needs to actively develop affordable housing at the present time. A senior housing development in Loudon would meet the Town's theoretical fair share of the Central Region. Table VI-21 compares Loudon's affordable housing stock and future goals to its abutting communities. These Future Planning Goals of all towns can be well correlated with the population increases found in Table VI-23 later in the Chapter.

Table VI-21
Estimated Population and Theoretical Share of Affordable Housing

	Estimated Population, 1998	Theoretical Share of Affordable Housing Units, 1998	Number of Affordable Housing Units in Community	Future Planning Goal
Canterbury	1800	225	75	150
Chichester	2115	236	149	87
Concord	38180	6152	8849	0
Loudon	4553	502	402	100
Pembroke	6733	735	996	0
Pittsfield	3961	374	772	0

Source: CNHRPC Affordable Housing Needs Assessment, 2000

Manufactured Housing

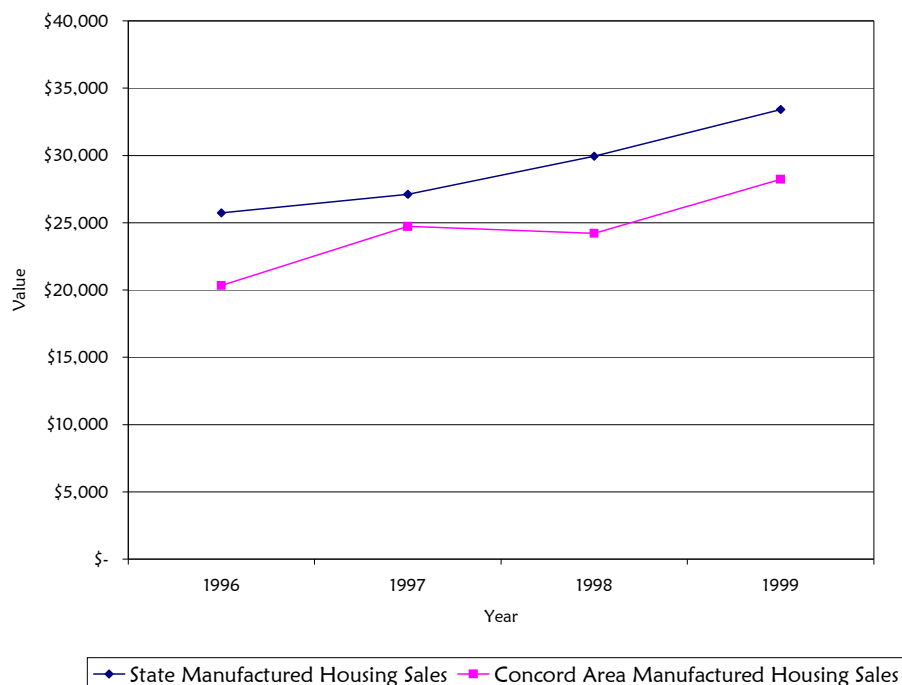
For some of those priced out of the expensive home purchase market, the only viable option is manufactured housing ("manufactured housing" includes both single-family mobile homes and prefabricated homes set on permanent foundations, either of which having been transported to the home site in one or more sections). Manufactured housing can be organized in three types of locations - individually owned lots, investor-owned parks, and cooperatively-owned parks.

NH RSA 674:32 stipulates that all communities that have adopted land use regulations shall allow manufactured housing as an allowed use. Of the total land area zoned for residential use, manufactured housing must be permitted on a majority of that land area. The State has provided communities with two options for the development of manufactured housing. First, communities may permit the development of manufactured housing on individual lots. No special exception requirement is allowed for this type of development pattern, unless a special exception is required for the construction of traditional dwelling units on individual lots, or traditional subdivisions. Secondly, communities may encourage the development of manufactured housing in a park atmosphere. The law requires that reasonable densities and expansion potential must be permitted to these types of development. Communities need to ensure that no undue barriers to the development of affordable housing have been created by reviewing all special requirements of manufactured housing.

Like single family housing, the average selling price of new and existing manufactured homes in the Concord area has remained below the State average by approximately five thousand dollars over the past four years.

Figure VI-8

Comparison of Manufactured Housing Sale Prices in the Concord Area vs. State of New Hampshire, 1996-1999



Source: NH Association of Realtors

The Town of Loudon has three manufactured housing parks which are allowed in the Rural Residential Zone: Pine Ridge Estates, Scotch Pine Properties, and Lazy Pines Enterprises. The regulation of manufactured housing parks is found in the Zoning Ordinance under Section 400. As manufactured homes are typically less expensive than the average new or existing home, they are usually considered “affordable” under the previously described definitions.

Loudon’s Theoretical Share of the Regional Affordable Housing Stock

As a result of growing concern over access to affordable housing, all regional planning commissions in the State have been charged by the State law to develop affordable housing needs assessments for each community within their region every five (5) years.

Based on the affordable housing need assessment conducted by the Central New Hampshire Regional Planning Commission (CNHRPC), Loudon currently has less than its theoretical fair share of the affordable housing base for the Central New Hampshire Region. The formula used by CNHRPC encompasses several variables and indicates that Loudon currently needs to construct 100 units of additional affordable housing to meet its theoretical fair share.

Table VI-22
Summary of Affordable Housing Needs for the Central New Hampshire Region

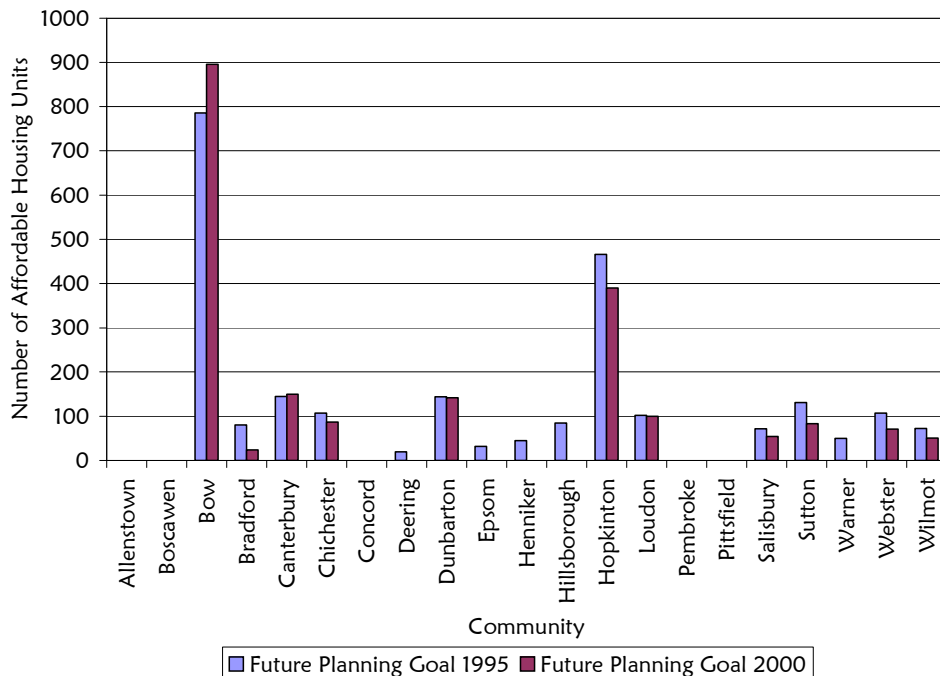
	Theoretical Community Share of Regional Affordable Housing Stock	Total Number of Existing Affordable Housing Units	Future Planning Goal (Number of Units Community Should Develop)
Allenstown	392	1,054	0
Boscawen	308	490	0
Bow	1,072	176	896
Bradford	171	147	24
Canterbury	225	75	150
Chichester	236	149	87
Concord	6,150	8,849	0
Deering	167	192	0
Dunbarton	245	103	142
Epsom	415	448	0
Henniker	493	557	0
Hillsborough	563	648	0
Hopkinton	805	416	390
Loudon	502	402	100
Pembroke	735	996	0
Pittsfield	374	772	0
Salisbury	122	69	54
Sutton	190	107	83
Warner	310	317	0
Webster	158	87	71
Wilmot	123	73	51

Source: CNHRPC Affordable Housing Needs Assessment, 2000

Many communities in the CNHRPC Region should look to increase the number of affordable units available in their Town, particularly in light of substantial rent increases and lack of housing availability over the past few years. In Loudon, the addition of a senior housing development would fulfill the theoretical planning goal.

Figure VI-9

Comparison of Affordable Housing Goals for Communities in Central New Hampshire Region, 1995 vs. 2000



Source: CNHRPC Affordable Housing Needs Assessment, 2000

Figure VI-9 compares Loudon's affordable housing stock and future goals to all other communities in the Central New Hampshire Region. In the past five years, Loudon's affordable housing planning goals, as determined by the CNHRPC's *Affordable Housing Needs Assessment for the Central New Hampshire Region*, have remained consistent and the theoretical goals have not yet been met.

Housing Assistance

Numerous federal and state programs are available that provide direct housing assistance through rental subsidies. New Hampshire had 16,784 assisted units in 1999 - 3.7% of all occupied units in the state. About 26% of this assisted housing was in Public Housing programs (19.8% elderly-designated public housing, 6.5% family-designated public housing). Another 14% of assisted housing was administered through the USDA rural assistance programs (6.4% elderly and 7.4% family). Almost 42% of the assistance came through the Section 8 program (24.7% exclusively elderly, 2.0% exclusive family, and 14.9% in joint-designated elderly and family). Another 12% was non-Section 8 assistance administered by the New Hampshire Housing Finance Authority. Finally, approximately 6% went into disabled, group home, and miscellaneous categories (*1999 Directory of Assisted Housing*, NHHFA).

Other types of assistance include units receiving no direct rent subsidies but developed with public subsidies. About 90% of this assistance statewide is family-designated and 10% elderly-designated.

LAND USE CONTROLS

To plan for the orderly future development in Loudon, regulatory measures should be considered. Maintenance of rural character and conservation of natural resources while fostering a community atmosphere were themes found within the Community Survey results. Several methods, discussed briefly here and more directly in CHAPTER XII, EXISTING AND FUTURE LAND USE, can assist with these overall goals. These controls are found in the Zoning Ordinance of Loudon.

Table VI-23
Current Population Trends of Loudon and Abutting Communities

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Canterbury	1687	1708	1700	1717	1730	1748	1771	1800	1800	1847
Chichester	1942	1955	1972	1992	2010	2021	2046	2072	2115	2159
Concord	36006	36059	36364	36762	37010	37290	37850	37925	38180	38318
Gilmanton	2609	2628	2630	2640	2676	2696	2703	2740	2748	2774
Loudon	4114	4239	4246	4300	4340	4358	4437	4504	4553	4635
Pembroke	6561	6533	6542	6600	6619	6636	6688	6724	6733	6777
Pittsfield	3701	3712	3752	3812	3834	3856	3916	3930	3961	3996
Merrimack County	120240	120473	121013	122018	123130	124165	125927	127292	128223	130082

*Source: NH Office of State Planning 1991-1999 Population Estimates of NH Cities and Towns
1990 US Census STF1A (P1)

Table VI-23 shows the population growth of Loudon and its surrounding communities. The sheer numbers of population growth call for a series of regulatory measures to help maintain the goals of the residents of Loudon.

Open Space Development

The Zoning Ordinance has a section currently entitled Cluster Subdivisions which is designed to reduce lot sizes and increase density in order to preserve a larger tract of land with natural features. The term “cluster” has negative connotations associated with it which include lower taxes, lack of privacy, and water and sewer concerns. A more positive term synonymous with cluster development is “open space development” or “conservation development”. Such subdivisions, when done properly, are beneficial to the Town by generating the same tax revenue and by preserving open space or natural resources.

An answer to the sprawling landform created under conventional "cookie cutter" subdivisions is a new approach to subdivision design for rural areas, as outlined in the book entitled *Conservation Design for Subdivisions: A Practical Guide to Creating Open Space Networks*, by Randall Arendt (Island Press, 1996). In its most basic form, the conservation development process can be broken into six logical steps, which are not the typical steps taken for a conventional subdivision.

Under this approach, use existing minimum lot sizes as the basis for conventional residential density on the best soils, with reduced densities according to declining soil quality. The minimum lot sizes that are currently in place for residential uses should represent the maximum aggregate density on the best soils under the soils-based lot sizing approach. Lower quality soils would require lower density development. Primary conservation areas may include wetlands, steep slopes, aquifer recharge zones, and floodplains. Secondary conservation areas may include stonewalls, viewsheds, prominent vegetation, prominent landforms, prime agricultural soils, historic sites and features, archeological sites, and communities and species identified in the Natural Heritage Inventory. CHAPTER XII, EXISTING AND FUTURE LAND USE, contains more details and recommendations on Open Space Development options.

Manufactured Housing Parks

Discussed fully in a previous section of this Chapter, the regulation of manufactured housing is a land use control that is exercised appropriately and fairly according to State laws. In addition, Loudon allows one single-family manufactured home to be located on a permanent foundation on an individual lot. This opportunity permits families with a limited household income to own their own homes on their own lots in a similar fashion as a more typical homeownership.

Growth Management

Loudon is one of the few towns in the State of New Hampshire with an adopted Growth Management Ordinance. Although many Ordinances have a sunset clause where the Ordinance terminates after a certain date, Loudon's is permanent until reversed at a future Town Meeting. Loudon's Growth Management Ordinance allows for 4% of the previous year's total dwelling units to be issued in any given year. The Ordinance currently allows for any surplus permits to be added to the following year's allocation. In order for a Growth Management Ordinance to be in place, there must be a documented need which Loudon successfully proved and has subsequently defended since its inception in 1987.

Table VI-24
Current Population Growth Rate of Loudon and Abutting Communities

	% Increase, 1990-99
Canterbury	9.5%
Chichester	11.2%
Concord	6.4%
Gilmanton	6.3%
Loudon	12.7%
Pembroke	3.3%
Pittsfield	8.0%
Merrimack County	8.2%

Source: NH Office of State Planning 1991-1999 Population Estimates of NH Cities and Towns
*1990 US Census STF1A (P1)

As shown in Table VI-24, Loudon has had a faster growth rate in the 1990s than all of its abutting communities and Merrimack County. However, its housing stock has grown at a faster rate than its population. As shown previously in Table VI-5, *Population and Housing Growth, 1970-1999* and in Table VI-24 above, Loudon's population grew 12.7% from 1990-1999 while the housing stock grew at a rate of over 16% during the 1990s.

Table VI-25
Maximum Residential Growth at Current 4% Growth Ordinance

Year	Units	Yearly 4% Increase
1998	1715	69
1999	1784	71
2000	1855	74
2005	2257	90
2010	2746	110

As shown in Table VI-4, most of the respondents to the Loudon Community Survey felt that a four (4) percent cap on building permits issued per year was fair and reasonable. In limiting growth of the housing stock, Loudon can prevent a population explosion and its resulting impact on community services. By managing growth in this manner, Loudon is able to forecast the demand for Town services and resources. Table VI-21 shows the number of new housing units allowed per year under a 4% growth cap. These numbers do not include those which roll over each year into the following year's allocation.

Senior Housing Ordinance

Some communities have chosen to adopt a Senior Housing Ordinance as part of their Zoning Ordinance. This ordinance defines the area, density, and building types that a Town requires in the building of such a development. With such a heavy emphasis on and interest in senior housing within Loudon, the creation of a Senior Housing Ordinance may be in order.

Multi-Family Dwellings

Another housing control is the regulation of multiple-family (more than three families) dwellings. They are currently permitted within one-half of a road mile of the Village District or from Route 106. As shown previously in Table VI-18, only four (4) new construction permits were issued for multi-family housing since 1990, and few were in existence prior to 1990. The Zoning Ordinance requires a special exception to be issued by the Zoning Board before multi-family dwellings are constructed. Presumably because of the large number of apartments in Concord, Franklin, and Laconia, all of which are close to employment and retail centers, developers have shown little interest in creating multi-family housing in Loudon.

ENERGY CONSERVATION

Buildings are not just roofs over people's heads and the places where they spend approximately 85% of their time. Structures also account for the consumption of 1/3 of the energy and 2/3 of the electricity in the United States. Supplying energy to homes costs the country over \$110 billion per year, as well as impacting the public's health and environment.

Saving energy, through energy conservation methods and education, saves money, fuel, and pollution. It is typically cheaper to retain fuel than to burn it because the surplus keeps the utility or energy supplier from having to build infrastructure and deliver the products. Substituting energy efficiency for this fuel prevents pollution, not at a cost but at a profit.

Although building an energy-efficient home may cost a little extra to construct, the additional costs will be repaid through a decrease in energy consumption and their associated charges. The common mantra that can be heard throughout energy efficiency circles is "If you cannot afford to do it right the first time, how can you can afford to do it twice?". Energy conservation should be done correctly the first time as new homes are being built.

In climates, like the one here in New Hampshire, the key to energy efficiency in new construction is passive solar design coupled with super insulation. The extra insulation may even pay for itself immediately by making it possible for a homeowner to install a smaller, less expensive heating and cooling system - or none at all.

Solar design principles can be incorporated into new home construction to save anywhere from 10-95% of a building's heating requirements. Solar design can be as simple as orienting the house to face south, with windows collecting enough solar heat to reduce heating bills. A more comprehensive solar design carefully calculates solar gain through windows or a greenhouse, rate of heat loss, and heat absorption and storage in walls and floors.

Solar homes can and do look just like conventional houses. The essential components of a well-designed passive solar house are siting, orientation, climate-based design, high-performance windows (which allow solar gain but control overheating and reduce heat loss), proper shading techniques (especially overhangs), super insulation, and walls and/or floors that store heat gained during the day. By building correctly for our climate here in New Hampshire, a reduction in energy bills can be seen as well as a reduced impact on the planet.

Table VI-26
Method of Heating, 1990

Heating Fuel	Number of Households
Utility Gas	48
Bottled/ Tank/ LP Gas	145
Electricity	102
Fuel Oil/ Kerosene	749
Other	326
No method	0

Source: 1990 US Census CH-1-31 Table 68

In Table VI-26, the 2000 Census data should provide interesting comparisons to the current methods of heating within Loudon. It is anticipated that oil and propane are currently the leading methods of heat. Only a handful of homes in Loudon are known to have solar energy assistance. With education of new homeowners and homeowners who are rehabilitating their existing homes, energy conservation techniques can be made more accessible -and attractive- to residents.

SUMMARY

Several key objectives underlie this Chapter. They include senior housing, open space development in place of conventional subdivisions, energy conservation, and housing which meets the needs of the growing population. Loudon has a large number of single-family homes (76.3% of the total housing stock), three manufactured housing parks (17.9%), and few multi-family dwellings (5.8%). Because of recent and upcoming subdivisions, the land in Loudon is being fractured by conventional subdivision design and new single-family homes have been constructed or will be constructed within the next five years.

Rising housing and rental costs and a lack of affordable housing opportunities in the Region also effect Loudon. In order for the Town to adequately plan for additional residents, the inevitable increasing pressure on community services, and changing land uses, visionary housing methods will be required to fulfill the objectives of this Chapter. In the year 2000, 44 new residential building permits were issued, three of which were for replacement of existing manufactured homes. In 1999, the total number was 43, with 36 new single-family home permits and seven replacement manufactured homes. With the housing growth boom of the last several years and the anticipated influx of new residents, closer scrutiny of current regulations is in order.

The Zoning Ordinance is a powerful tool which, among other functions, dictates where certain residences may be placed and how they should be placed. Paired with the Land Development Regulations which also help to control the placement of homes, wells, and septic systems, they combine to create powerful land use controls that are necessary to guide development within a community. Open Space Development, Growth Management, and Senior Housing land use techniques will play critical roles in the coming years as Loudon's housing strategies continue to develop to cater to the needs of a growing population.

RECOMMENDATIONS**Objective**

To encourage the development of a senior housing complex within the Village as an affordable housing option in order to meet the needs of the community.

- ◆ Create a Site Selection Committee to examine the need for, funding opportunities, and potential locations for a senior housing development within the Village District.
- ◆ Revise the Village District definitions in the Zoning Ordinance accordingly to allow a senior housing development in that District.
- ◆ Adopt a Senior Housing Ordinance as part of the Zoning Ordinance which specifically defines the requirements for a senior housing development.
- ◆ Explore funding mechanisms, including federal grants available through the Department of Housing and Urban Development, to implement a senior housing development project.

- ◆ Explore partnerships with local organizations such as the Concord Area Trust for Community Housing for necessary assistance.

Objective

To encourage energy-conservation methods and design for the construction of new homes and for the rehabilitation of existing homes, including the use of solar energy and energy-efficient materials.

- ◆ Find willing homeowners and, using Community Development Block Grants and similar funding mechanisms, rehabilitate existing homes in need of energy efficiency and safety improvements.
- ◆ Explore partnerships with organizations such as the Concord Area Trust for Community Housing and Habitat for Humanity to rehabilitate and create low-moderate income housing.
- ◆ Educate homeowners who are renovating their homes by providing information on how to make their homes more energy efficient.

Objective

To encourage the use of open space development, which is currently known as cluster development in the Land Development Regulations, in order to preserve open space and retain the Town's rural character.

- ◆ Rename "Cluster Subdivisions" in Section 401 of the Zoning Ordinance to "Open Space Subdivisions" and replace any other reference to "cluster" with "open space" within the Zoning Ordinance.
- ◆ Provide incentives for developers to take advantage of the "Open Space Subdivision" option as opposed to the traditional subdivision.
- ◆ Encourage the revision of the Zoning Ordinance to preserve open space while retaining the existing density requirements of the Ordinance.

Objective

To promote wise residential development as Loudon grows and to guide both population and housing growth in a proactive manner.

- ◆ Update the Housing Chapter with Census 2000 data when it becomes available.