

CHAPTER 4: DEMOGRAPHICS AND HOUSING



4.1 INTRODUCTION

A community's current population and demographic characteristics play an important role in understanding what the community will look like in the future and what the demand for services will be. For example, the Lakes Region, like the state of New Hampshire and the nation in general, is comprised of an aging population. This fact informs community leaders that future demands for medical services, long-term care and assisted living facilities, and alternatives to single-occupancy vehicle transportation are all examples of demographic related needs that should be considered in comprehensive community planning.

Similarly, current and future housing needs are related to population characteristics such as employment, income, household size, and housing costs which all play a role in determining who will be able to live in a community. The state of New Hampshire experienced unsustainable increases in the cost of housing in the 2000s leading to what has been termed a housing crisis by state officials. A result was housing price increases outpacing wages, leading to the inability for many holding lower wage jobs to find affordable housing for rent or to purchase. The need of affordable housing for the working-age residents of New Hampshire led to the passage of RSA 674:58-64. Under this regulatory guidance, communities are asked to explore their existing housing stock and land use regulations to 1) consider if housing needs are being satisfied by available housing stock, and 2) to eliminate regulatory obstacles that may hinder housing choice.

This chapter serves to outline community recommendations based on demographics and housing data that are consistent with Center Harbor's vision and the results of the community survey.

4.2 DEMOGRAPHICS

4.2.1 Population

Graph 4-1 shows US Census population counts for Center Harbor from 1900 to 2000. Between decennial censuses the NH Office of Energy and Planning (OEP) provides annual population estimates for NH communities and population projections for future years. These estimates and projections are illustrated in Graph 4-1, along with a linear population projection based on historic data. This information indicates that Center Harbor's population is growing faster than the historic average and is projected to grow in the future.

Table 4-1 compares population growth in Center Harbor to that of surrounding communities, Belknap County, and New Hampshire. From 1990-2000 the population in Center Harbor remained unchanged according to the US Census. During this period surrounding communities generally experienced significant rates of growth and the majority of abutting communities experienced growth rates that exceeded the state's rate of growth. Population estimates for 2008 indicate that Center Harbor has grown by 9 percent since 2000. This equates to an annual average of approximately 12 additional residents per year.

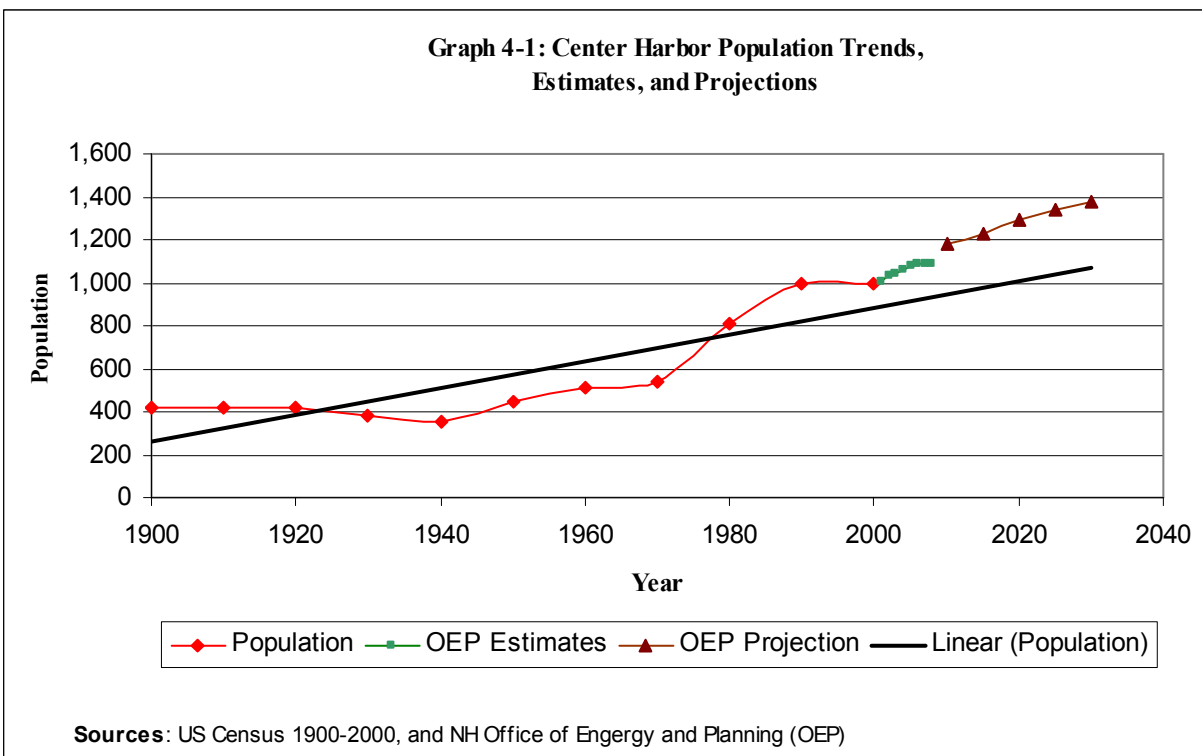


Table 4-1: Population Growth Rates for Center Harbor, Surrounding Communities, Belknap County, and New Hampshire

Municipality	US Census		Percent Change 1990-2000	OEP Estimate	
	1990	2000		2008	Percent Change 2000-2008
Ashland	1,915	1,955	2%	2,077	6%
Center Harbor	996	996	0%	1,089	9%
Holderness	1,694	1,930	14%	2,001	4%
Meredith	4,837	5,943	23%	6,435	8%
Moultonborough	2,956	4,484	52%	4,933	10%
New Hampton	1,606	1,950	21%	2,162	11%
Belknap County	9,442	10,824	15%	11,602	7%
New Hampshire	1,109,117	1,235,550	11%	1,315,000	6%

The average age of New Hampshire residents is increasing as the first wave of baby boomers nears retirement and household sizes grow smaller. Table 4-2 shows how the median age has changed over time in Center Harbor, Belknap County, and New Hampshire. In each of the past three Census years Belknap County median age has exceeded that of the state. Center Harbor median age was higher than Belknap County in the last two census years.

Table 4-2: Median Age

Location/Year	1980	1990	2000
Center Harbor	31.7	37.5	41.4
Belknap County	32.1	35	40.1
NH	30.1	32.8	37.1

Source: US Census

Table 4-3 provides additional age detail by illustrating population by age group and its percent of total population for Center Harbor and Belknap County. Center Harbor has slightly higher percentages of retirees (65-84), older working age people (45-64), and slightly fewer school aged children (5-19) than Belknap County as a whole.

Table 4-3: Population by Age Group

Center Harbor			Belknap County		
Age	Population	Percent of Population	Age	Population	Percent of Population
Less than 5	43	4%	Less than 5	3,003	5%
5-19	189	19%	5-19	11,570	21%
20-44	273	27%	20-44	18,362	33%
45-64	318	32%	45-64	14,894	26%
65-84	160	16%	65-84	7,523	13%
85 and older	13	1%	85 and older	973	2%
Total	996	100%	Total	56,325	100%

Source: US Census Bureau, 2000

4.2.2 School Enrollment

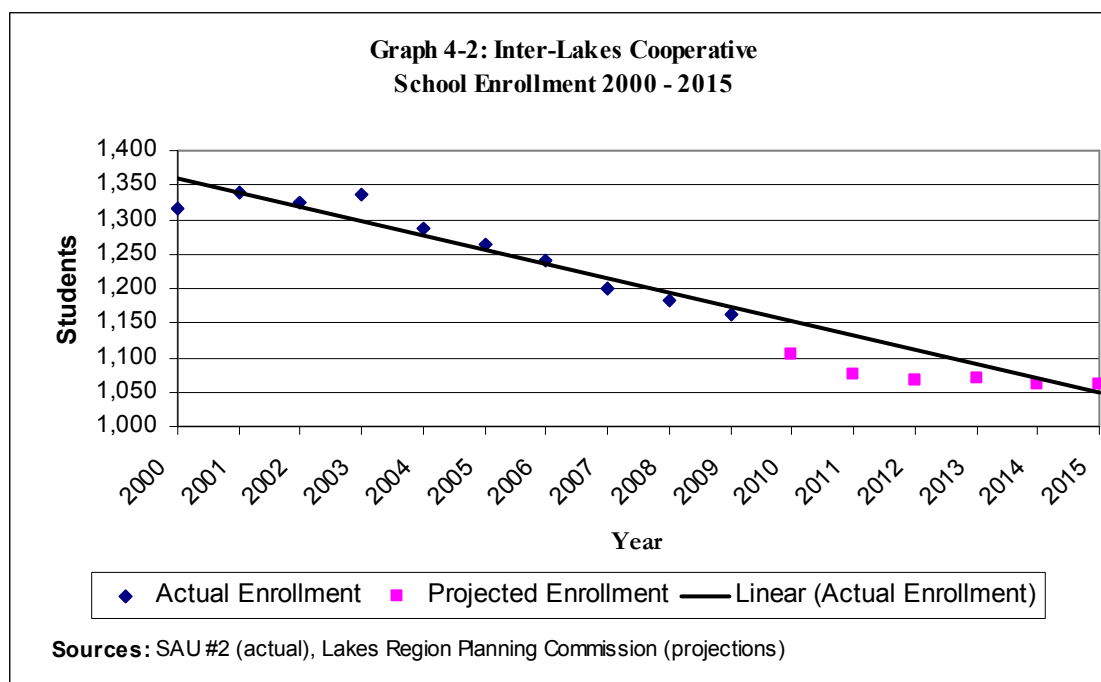
While the median age increases, student enrollment continues to decline. These two factors present future planning challenges for Center Harbor officials. School Administrative Unit #2 (SAU #2) is comprised of the Inter-Lakes Cooperative and Ashland School Districts. The schools in the District and Cooperative are listed below:

School Administrative Unit #2

Ashland School District	Inter-Lakes Cooperative
Ashland Elementary School	Inter-Lakes Elementary School
	Inter-Lakes Middle Tier
	Inter-Lakes High School
	Sandwich Central School

Center Harbor students, from kindergarten through grade 12 are served by the Inter-Lakes Cooperative along with students from Meredith and Sandwich.

Graph 4-2 displays student enrollment from the four schools that comprise the Inter-Lakes Cooperative from 2000 to 2009. The Lakes Region Planning Commission prepared projections to 2015 based on historic enrollment, utilizing the same methodology that the SAU #2 uses for its annual enrollment projections. This projection indicates continued declining enrollment for several years, with the rate of decline diminishing in the later years of the projection period 2010 – 2015. While not an exact science, it appears that in the near-term, absent a significant influx of students, the general enrollment trend is downward.



4.2.3 Employment and Wages

The Center Harbor civilian labor force is defined as that portion of the Center Harbor population age sixteen and older which is either employed or unemployed and actively seeking employment, excluding members of the armed forces and the institutionalized population.¹ According to the NH Economic and Labor Market Information Bureau, the 2008 civilian labor force in Center Harbor consisted of 710 residents, representing 64 percent of the total population. The civilian labor force at that time consisted of 683 employed (96.2 percent) and 27 unemployed (3.8 percent) persons. Labor force data are estimated based on a monthly resident surveys.

According to the US Census in 2000, 78 percent of Center Harbor workers commuted to employment in another New Hampshire community, 19 percent worked in Center Harbor, and 3

¹ http://www.nh.gov/nhes/elmi/c_glossary.htm#Anchor-Civilia-62208, accessed November 17, 2010.

percent worked in another state. The average commute time to work for Center Harbor residents was 21.3 minutes. At the time the Census data was collected (1999), working residents totaled 595.²

According to community response to a 2009 survey conducted by the NH Economic and Labor Market Information Bureau, the largest business in Center Harbor, EM Heath, Inc., employed 50. Table 4-4 displays other leading employers identified in the survey:

Table 4-4: Largest Center Harbor Employers 2009

Business	Product/Service	Employees	Established
Keepsake Quilting	quilting supplies	30	1991
Bay Gull	bagel shop	10	1995
Maxwell Real Estate	real estate	10	2007

Table 4-5 depicts the average weekly wage and the annual average “covered employment” in Center Harbor from 2000-2008. Covered employment is employment in any industry insured under the provisions of the New Hampshire Unemployment Compensation Law or subject to the Unemployment Compensation for Federal Employee (UCFE) program.³ Covered employment does not include self employed individuals. This data is developed quarterly and averaged annually by the NH Economic and Labor Market Information Bureau based on employer tax records. Noteworthy is that wages have increased during this timeframe and the number of residents employed in 2008 is comparable to 2000 after a high of 521 in 2005.

Table 4-5: Center Harbor Employment and Wages 2000-2008

Year	Annual Average Employment	Average Weekly Wage
2000	476	\$403
2005	521	\$505
2008	470	\$586

Source: NH Employment Security, Economic and Labor Market Information Bureau

Table 4-6 provides additional employment detail by illustrating the number and percentage of employees and associated average weekly wage by employment sector. Notable is the relatively high percentage of service producing jobs, which is not uncommon in the Lakes Region which is economically heavily dependent on tourism. This information is based on covered employment which does not include the self-employed.

² <http://nhnetwork.nhes.state.nh.us/nhnetwork/Community.aspx?sid=1>, accessed November 17, 2010.

³ http://www.nh.gov/nhes/elmi/c_glossary.htm#Anchor-Civilia-62208, accessed November 17, 2010

Table 4-6: Center Harbor Wages and Employment by Sector - 2008

Employment Sectors	Number of Employees	Percent of Total Employment	Average Weekly Wage
Goods Producing Industries	60	13%	\$956
Service Providing Industries	386	82%	\$520
Government - Local, State and Federal	24	5%	\$717
Totals	470	100%	\$586

Source: NH Employment Security, Economic and Labor Market Information Bureau

In 2010, Center Harbor, Moultonborough, and Sandwich comprise the Moultonborough Small Labor Market Area (SLMA). Labor Market Area is a general term used to describe an economically integrated region within which workers can readily change jobs without changing their place of residence. Commuting data is a key factor in determining the geography for SLMA. In the past Center Harbor was included in the Laconia Labor Market Area. The new Moultonborough SLMA is one of 13 in New Hampshire that resulted from a change in reporting requirements. The benefit to having this designation is that future employment, wage and associated data will be specific to the three communities in the SLMA. However, the change limits the ability to compare historical data as this SLMA did not exist in the past.

4.3 HOUSING

4.3.1 Income and Housing Choice Relationship

During the 1990s through the mid 2000s New Hampshire experienced a shortage of housing that was affordable for many that sought housing in the state. During this time period, New Hampshire was the fastest growing state in New England with a population growth rate of 14.7 percent (1993-2003), which was well above the growth experienced by Connecticut (7.9%), Maine (7.8%), Massachusetts (7.0%), Rhode Island (6.4%), and Vermont (5.4%).⁴ State officials characterized the lack of available affordable housing as an acute shortage. They were concerned about the overall adverse economic impacts of full-time workers' inability to find housing within their means. Generally, wages were flat while housing prices escalated. This was true both for houses for purchase and rental properties. The 2004 *Lakes Region Housing Needs Assessment* noted a 111 percent increase in the median purchase price of a home in Merrimack County from 1990 to 2003.⁵ While Belknap, Carroll, and Grafton County experienced less extreme increases, costs here were rising significantly too, while vacancy rates for rental apartments were at an all time low of less than two percent and the housing permitted to be built in the Lakes Region was disproportionately single family homes (87 percent).

In 2008 in response to the housing shortage, the NH Legislature acted to pass NH RSA 674:59-61 - Workforce Housing. Effective January 1, 2010, this statute obligates NH municipalities to provide "reasonable and realistic opportunity" for the development of workforce housing in the majority of the area zoned for residential use within their community. The statute also requires that multi-family housing is permitted somewhere within the community. Workforce housing as defined by the statute

⁴ *Housing Solutions for New Hampshire*, Jeffery H. Taylor and Associates, October 2004.

⁵ Lakes Region Planning Commission, September 27, 2004.

is based on two standards published annually by the US Housing and Urban Development (HUD). These standards are based on county-wide median household incomes as related to rental costs and home purchase prices.

4.3.2 Regulatory Review

There are a number of tools that a Planning Board may utilize to enhance the likelihood that residents will have adequate housing choice. These tools include methods that allow residents to reduce the costs associated with getting to work, reduce land costs (often increasing residential density), or reduce other associated housing costs. In Center Harbor, some of these tools are currently available through the zoning ordinance, including provisions for home occupations, accessory apartments, variable density based on utilities, manufactured housing, two-family dwellings, and conversion of existing buildings into multi-family dwellings.

The 1990 Master Plan Update and the 2007 Master Plan Survey acknowledged the growing need for housing in all price ranges in Center Harbor. The 1990 Master Plan Update included a number of housing recommendations including these topics:

1. Home Occupations
2. Accessory Apartments
3. Cluster Subdivision
4. Locating affordable housing near transportation, infrastructure, and services
5. Manufactured housing
6. Multi-family housing
7. Development of a housing task force

The Master Plan Survey indicated that 40 percent of the respondents felt that there was “a need to provide low/moderate income housing in Center Harbor”.

The Lakes Region Planning Commission (LRPC) reviewed Center Harbor’s current Master Plan, community survey, ordinances, and regulations as they relate to the workforce housing statute, RSA 674:58-61. LRPC staff met with the Planning Board on April 5, 2010 to discuss the results of the regulatory review and develop preliminary housing recommendations.

Going beyond what exists in the zoning ordinance several topics were discussed related to providing opportunity for housing choice. These topics included:

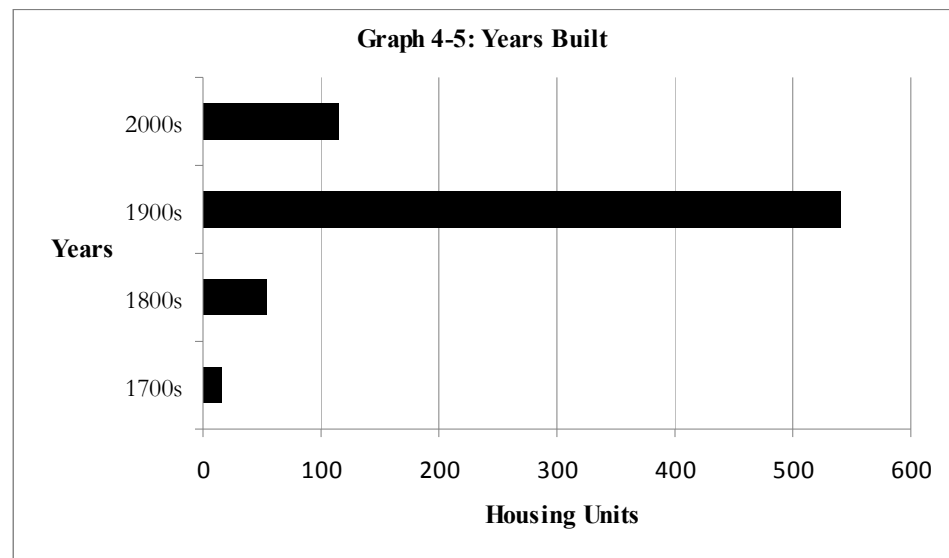
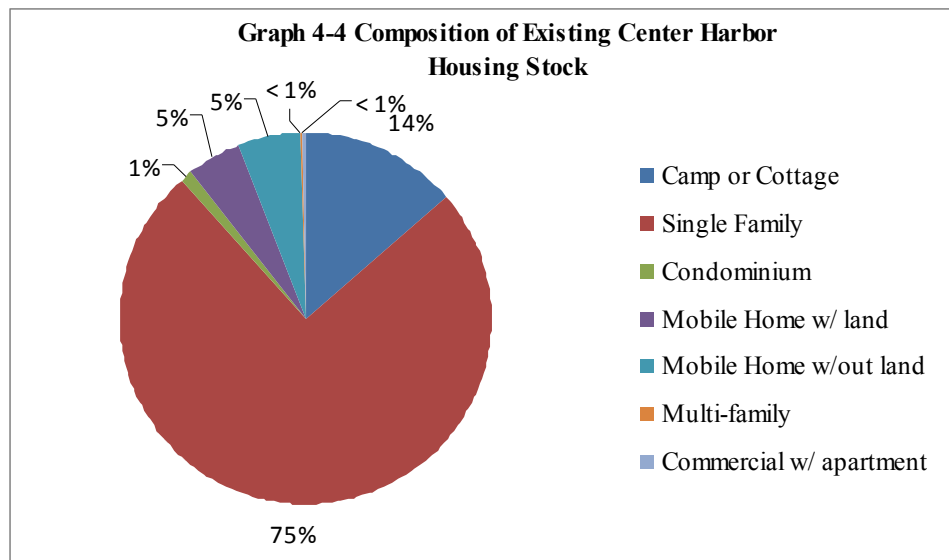
- The Planning Board should consider reviewing existing restrictions on accessory apartments.
- The Planning Board may wish to consider the development of a conservation or cluster subdivision ordinance.

- Currently two parking spaces per dwelling unit are required for one and two-family dwellings and accessory apartments. Consider moving this requirement to the Site Plan Regulations, enabling greater flexibility by the Planning Board.
- Specifically outlined in RSA 674:59 is the need to provide for both workforce housing in the majority of the areas zoned for residential development and multi-family housing of five or more units *somewhere* in the community.

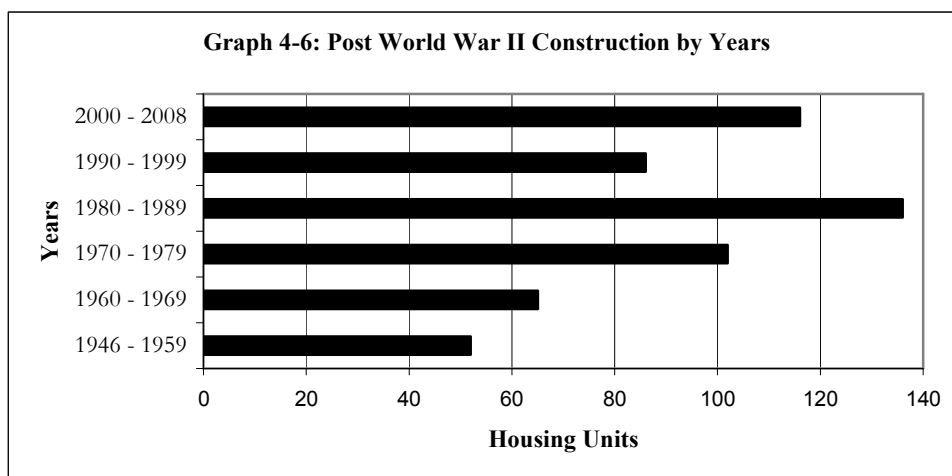
4.3.3 Existing Housing Stock

The existing housing stock in Center Harbor was reviewed using information from the Tax Assessor's database. The purpose of this cursory review was for the Planning Board to explore the land use and housing relationship. This information, combined with results of the community survey and the regulatory review outlined in Section 4.3.2 of this chapter, provides the supporting documentation for recommendations made in this chapter.

According to 2009 assessment records, the town of Center Harbor has a total of 725 housing units. As displayed in Graph 4-4, the majority of the housing units are single-family homes, which represent 75 percent of the total housing stock. Camps and cottages represent 14 percent of the housing stock and mobile homes 10 percent. Condominiums comprise one percent of the housing stock and multi-family units and commercial buildings with apartments both represent less than one percent of the total residential units.



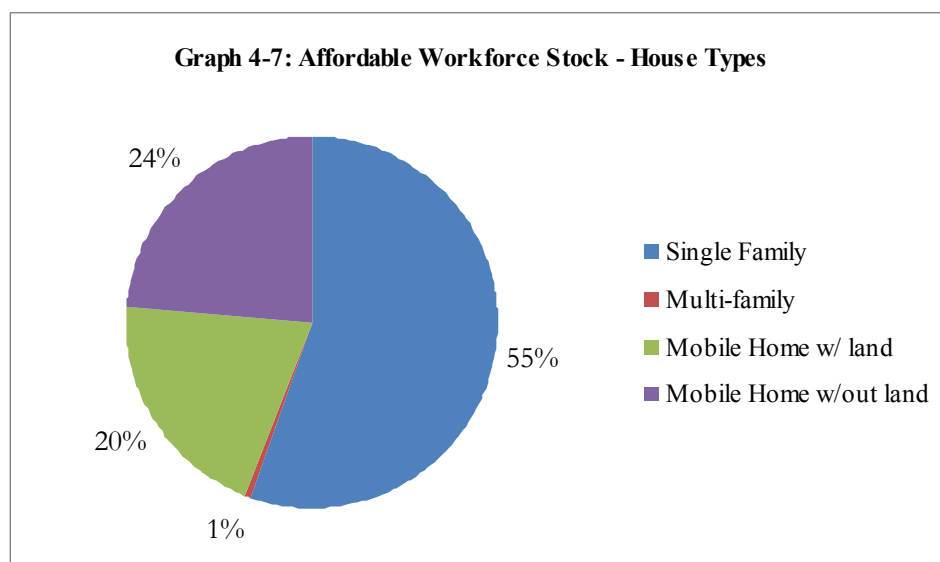
While the vast majority of the housing units were built in the 1900s; approximately 16 percent or 116 units of the existing housing stock was built in the 2000s. Graph 4-5 provides an overview of the years that housing was constructed. More than one fourth (28 percent) of the existing residential stock was built after 1990. The implications of such recent development representing a large portion of the housing stock are that decisions the town makes today related to residential development are significant and will have an impact on the community.



Graph 4-6 shows this in greater detail by displaying post World War II housing by years built. Housing built after 1946 represents 77 percent of the existing housing stock in Center Harbor. Nearly fifty percent (47%) of the housing stock was built since 1980, with the years 1980-1989 and 2000-2008 representing time periods when the greatest number of homes were built.

Diversity in housing stock is an important aspect of housing choice. Choice is related to opportunities for people of all family sizes and income status to have options for locating housing within a community.

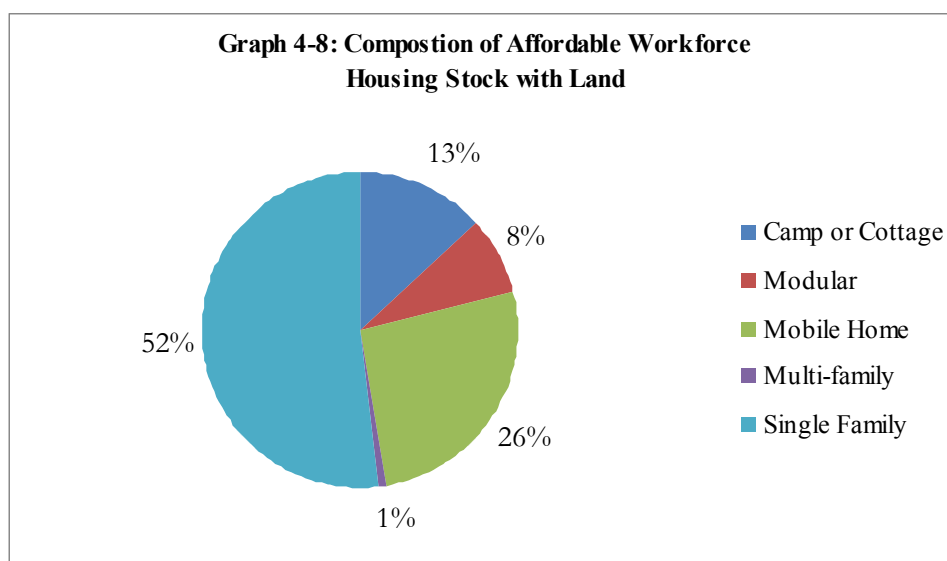
To explore the concept of housing choice, the appraised and assessed value of homes in Center Harbor were compared to the 2009



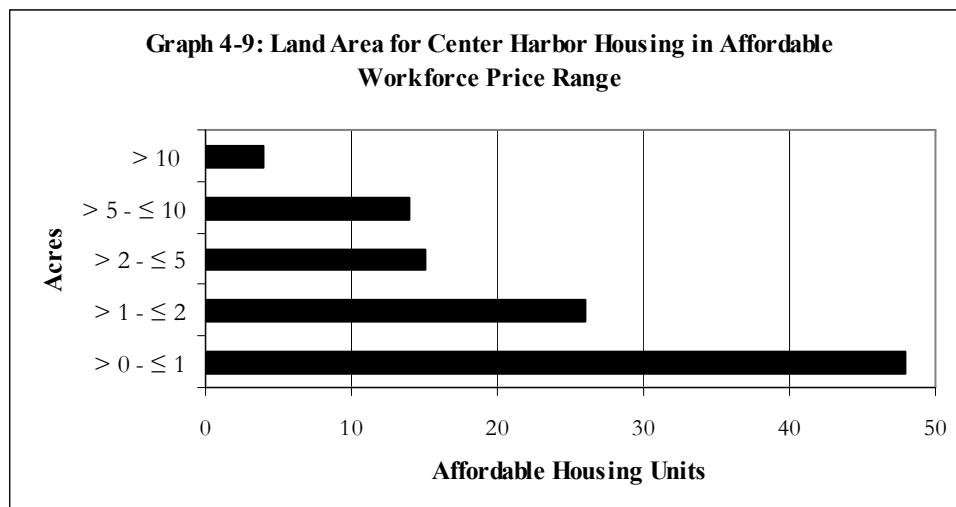
Housing and Urban Development (HUD) estimated affordable workforce purchase price for a home in Belknap County (\$211,000). The workforce affordable price represents the upper threshold affordable purchase price. Using this figure and the assumption that assessed value is a fair

representation of fair market value⁶, 161 homes or 22 percent of the existing housing stock was assessed for less than the affordable price. Graph 4-7 details the types of housing available in this price range, which is representative of all basic housing types present in the Center Harbor housing stock: single family, multi-family, and mobile homes with or without land. The category “mobile homes without land” consists of homes in a park that typically incur a rental cost for the land they occupy.

Further exploring the composition of housing in the affordable workforce price range (with land) produced a total of 123 residential units or 17 percent of the total stock. This distinction was made in part to differentiate between housing that has an associated land rental fee, for which cost information was not available through the assessor data and because land costs are a key factor in housing costs. Graph 4-8 details the types of homes in the affordable workforce range where land is owned with the home. The category of single-family homes is comprised of subcategories including camps or cottages and modular homes.



⁶ Note: Assessed value is not a true indication of fair market value in many instances. This is especially true in residential housing booms. This assumption was used because 1) the assessment information represented the best available data, and 2) the housing down-turn at the time of writing made this assumption more reasonable.



To assess affordable year-round housing, camps and cottages were excluded from the homes with land in the affordable workforce range. The result was a total of 107 housing units or 15 percent of the total housing stock. Graph 4-9 indicates the amount of land with each home. Nearly 70 percent of the affordable homes are on two or fewer acres of land. Nearly half (45%) are on less than one acre of land. This is an important fact in the consideration of future housing supply. Housing affordability is related to density; and the cost of land in New Hampshire is generally high. Land use regulations that support greater residential density play a role in affordable housing opportunities.

4.4 Recommendations

- 4.4.1 The Planning Board should give consideration to a mix of residential options through the subdivision and site plan review approval processes. This may be accomplished through dialog with applicants encouraging a mix of housing types allowable within the existing land use regulations and zoning ordinance. Specific areas of potential concern include:

An aging population will require different housing arrangements and needs. Those that can care for themselves may require housing that is in close proximity to services. Fixed incomes may limit affordability and require lower cost housing choices. Also, the demand for medical, living assistance, and other related services will increase. Housing for the workers that will care for seniors will need to be available within their means.

The Lakes Region is largely a tourist based economy comprised of industries that generally produce lower paying jobs. Appropriately priced housing both for rent and purchase is needed to support area service workers.

- 4.4.2 Additional information is needed to fully assess the availability of workforce housing for purchase and rent in Center Harbor. For this Master Plan update, limited information

was available to assess the rental stock in Center Harbor. This may require a survey of land owners with rental properties to create data for assessment.

- 4.4.3 To better inform the Planning Board when suggesting potential housing related revisions to the zoning ordinance and land use regulations, the town should consider professional consultation at a planning board workshop(s) on the topic. Several recently published sources of information to assist in determining an appropriate local housing approach include:

The *Housing Awareness Project*: designed to improve public understanding of our state's housing challenge and encourage actions at the local, regional, and state levels to help expand the supply of housing available to all of our state's citizens. Published June 2010, this document should provide the Planning Board and municipal officials with additional guidance about housing issues and practical solutions.

The Lakes Region Planning Commission recently completed an update to the 2004 Regional Housing Needs Assessment (July 30, 2010). This report contains examples from Lakes communities that have promoted housing choice as well as supporting documentation of housing permitted over time by community, regional incomes, housing and rental costs, and a projection of regional housing needs.

- 4.4.4 The Planning Board should consider a cluster housing provision which may include density incentives. The purpose of cluster ordinances is to allow site flexibility and while preserving natural features. Density incentives aid in minimizing land consumed for housing, and allowing smaller lot sizes may effectively lower housing costs.
- 4.4.5 Specifically outlined in RSA 674:59 is the need to provide for multi-family housing of five or more units *somewhere* in the community. Currently this provision is not included in the Center Harbor Zoning Ordinance. The town should assess where they would like to allow multi-family housing. A major factor for the cost of housing is density. Within the identified areas, the Planning Board should look at opportunities for flexible standards, dimensional requirements, and design guidelines that allow for increased density where appropriate.