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KEY HOUSING CHALLENGES + NEEDS

Key Findings

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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HOUSING STRATEGY

Overview

The housing strategy section provides a strategic direction for the City of Keene and its partners in implementing impactful solutions to address the community’s most pressing housing needs. Four (4) overarching goals were established and strategies were developed to achieve each goal. These are summarized in the table to the right with detailed descriptions provided on the following pages.

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

An Action Plan Matrix is included after the strategy descriptions that indicates partners, priority level, timeframe, and resource level for reach strategy. The matrix is designed to be the implementation guide for the city to realize success in implementing the housing plan.

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

Goal #1

Expand the City's Capacity to Implement Housing Programs, Policies, Projects and Initiatives

Strategy 1A

Explore Establishing a Housing Trust Fund

A dedicated set aside of funds with sustainable funding will allow the City of Keene, a regional partnership, or some combination thereof to establish the necessary programs and funding capacity needed to effectively address urgent local housing needs. The City should carefully consider a city-specific fund versus a regional fund, including tradeoffs in ease of administration and flexibility in targeted funds to the city's priority initiatives.

Implementation Tactics:

- Create a Housing Trust Fund Committee to comprehensively explore feasibility and approach in detail
- Determine capacity to manage and explore an operating model (e.g., city-managed vs. oversight board)
- Identify dedicated and sustainable funding streams as well as pursuing state and federal funding
- Establish funding programs and criteria (see two proposed city programs further in this section)

Lead: City of Keene/Regional Housing Trust Fund Committee

Partners: State, employers, housing partners, Monadnock Interfaith Project

Potential Funding: State/federal grants, philanthropic contributions, developer payments-in-lieu

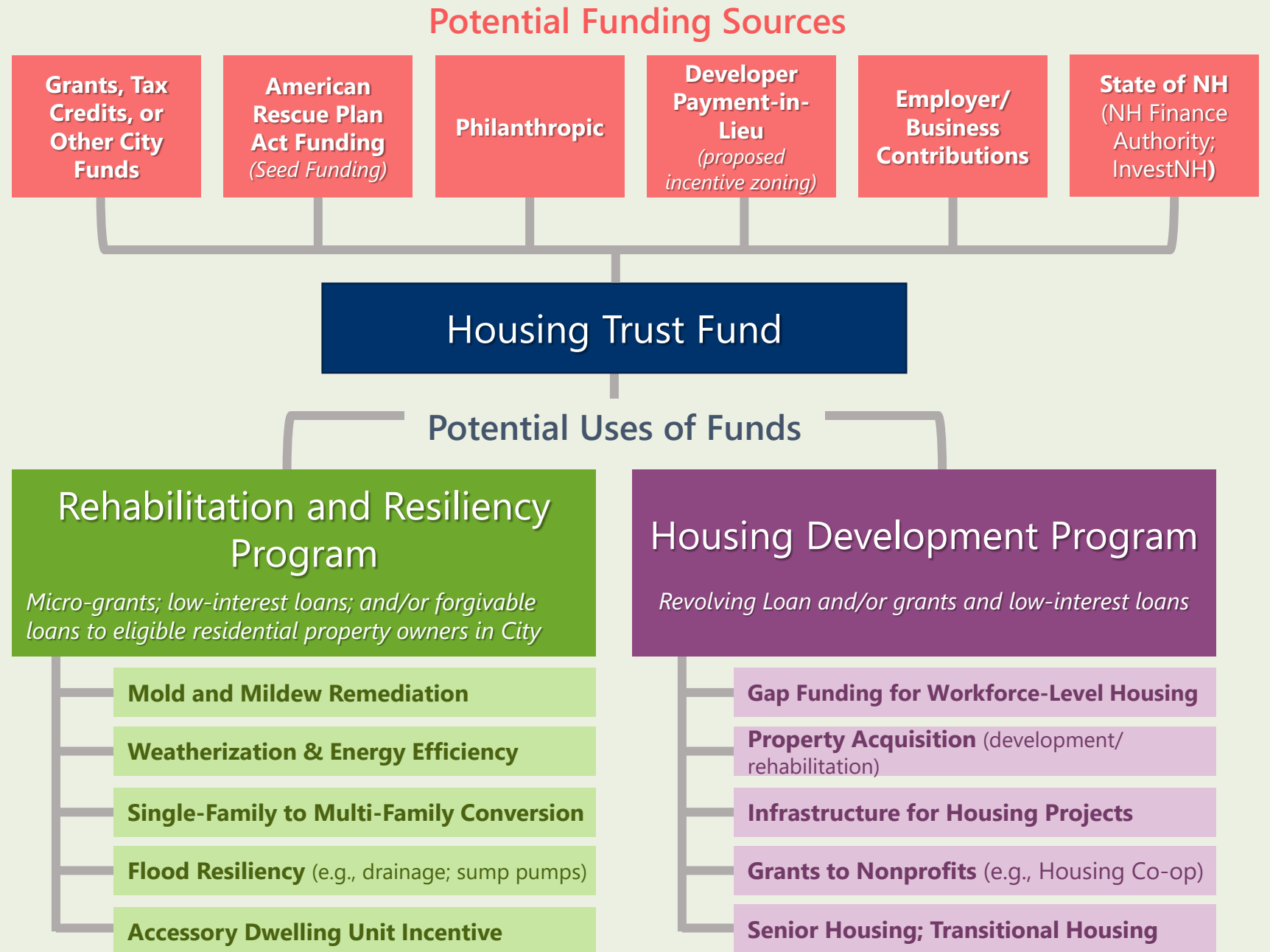
Nashua, NH

The City of Nashua established a Housing Trust Fund Committee following the completion of a housing study. The committee is developing guidelines for the Trust, developing eligibility criteria, and making other recommendations to the City. Sources of funding include initial seed funding from the City, American Rescue Plan Act (ARPA) funding, potential inclusionary housing regulations with a payments in lieu option, and others.

Focus on:

Housing Trust Fund

Whether led by Keene or managed at a more regional level, establishing a housing trust fund would substantially increase the City's financial capacity to implement new housing programs by creating dedicated set aside funds targeted to housing priorities. The potential structure of the City's Housing Trust Fund, including sources and uses is shown conceptually below.



Strategy 1B

Collaborate Regionally to Address Critical Housing Needs

The housing challenges facing Keene are intrinsically tied to factors extending beyond the City's boundaries. The City should seek to collaborate on regional conversations and solutions, including participating in regional dialogues about housing informally or formally through existing or new housing organizations, partnerships, and coalitions. Where certain housing types, like senior or affordable housing, are better suited for service areas like Keene but would benefit adjacent communities, other towns may be willing to support such developments.

Implementation Tactics:

- Organize/participate in a regional housing summit in coordination with the Southwest Regional Planning Commission (SRPC)
- Invite representatives from SRPC to share the results of the 2023 regional housing needs assessment to City leaders
- Identify new or existing regional events or partnerships appropriate for ongoing dialogue about regional housing needs and solutions

Lead: Southwest Regional Planning Commission

Partners: City of Keene planning staff, City Council, regional municipalities, State of New Hampshire

Strategy 1C

Engage Employers in Implementing Housing Solutions

Employers of all sizes in Keene are facing workforce issues related to the lack of quality housing at price points affordable to their current and prospective employees – including workers across the income spectrum. There is an opportunity to involve employers in meeting citywide workforce housing needs by leveraging their capacity and resources.

Implementation Tactics:

- Identify employers with resource capacity and interest in participating in housing solutions. Resources may include staff capacity, financial resources, land resources, or others
- Consider a citywide employer workforce housing survey to gauge interest and needs
- Consider creating and providing employers a “model survey” to distribute to their employees to gain insights into the needs of their workers
- Educate and support employers about the range of Employer Assisted Housing Program options
- Identify opportunities for collaboration among employers (e.g., contributing to a development fund or investing in a workforce housing development project). Consider convening an employer workforce housing summit roundtable to build momentum.

Lead: City of Keene (convener)

Partners: Employers, developers, housing stakeholders

Example: Harmony Place – Durham, NH

The owners of two assisted living facilities in Durham were having difficulty in recruiting employees due to the lack of affordable and quality housing. An employee survey was also conducted to understand housing needs among their workers. The owners then undertook a development project adjacent to their business with apartments and a childcare center. Rents were restricted to 30% of pay. After the success of the project, an additional development was planned with support from the Planning Board that rezoned the property.

Source: Developing Employer Assisted Housing: a Guide for New Hampshire Businesses. New Hampshire Housing (2021)

Strategy 1D

Raise Awareness and Educate Residents on the Community's Housing Needs

It is critical to build a common understanding of the City's housing need to build the support necessary to implement new housing solutions, particularly new policies, programs, and investments made by the City utilizing taxpayer funds. An educational campaign featuring the results of the housing needs study is an opportunity to create this public understanding to build support for new housing solutions.

Implementation Tactics:

- Make the results of the housing needs study easily accessible via a proposed online housing portal on the City's website
- Utilize the housing needs infographics on the City's social media and those of partners to communicate key findings of the study
- Conduct regular public meetings related to housing to continue the dialogue, maintain momentum, and report to the public on implementation progress of the plan (e.g., quarterly or bi-annual housing meeting)
- Engage partners and stakeholders to elevate housing issues in the community, including key voices and influencers
- Engage local press and media to publish a special series on housing related to the City's housing needs and potential solutions.
- Publish a (brief) annual housing report with key housing indicators for the City and a summary of actions taken by the City to improve housing challenges during the year

Lead: City of Keene

Partners: Keene Housing, Service providers, Monadnock Interfaith Project, real estate community, brokers

Strategy 1E

Help to organize a Community Land Trust

The Community Land Trust (CLT) model is designed to ensure the permanent affordability of homeownership units. Typically, a nonprofit maintains ownership of land and requires the homebuyer to purchase only the home that is on that land. In other models, leases are used and others use-deed covenants on the property. The key component in the CLT model is maintaining the long-term affordability through resale conditions that put limitations on the future sale and purchase of the property. Typically, there is a mechanism for establishing the price of a home at resale, and limitations of income eligibility for buyers. Homeowners are still able to build wealth by putting equity into the home through their mortgage payment and through a home price appreciation allowance.

CLTs often have an application and screening system for potential buyers. Many also engage directly in housing development and the acquisition and purchase of properties to be used for housing. Homeownership classes are often provided to homebuyers as well.

Implementation Tactics:

- Convene local and regional stakeholders to determine interest and capacity among partners to form and operate a CLT
- Support nonprofit efforts to establish CLT and built momentum including staff and financial support as available and appropriate

Lead: Land Trust Exploratory Task Force/Coalition (proposed)

Partners: City of Keene, Nonprofit partners, community organizers, Keene Housing

Potential Funding: State/federal grants, philanthropic organizations

Example: Manchester, CT

The City of Manchester is actively exploring the creation of a community land trust in the city. The Manchester Housing Alliance Land Trust was formed by a group of organizers and is in the process of becoming a nonprofit. As a CLT, the organization would be focused on a limited-equity co-operative model.

Goal #2

Improve the **Condition, Resiliency, and Utilization** of the City's Housing Stock

A significant portion of the City's housing stock is dated and in need of repairs and modernization. Additionally, existing housing can be more efficiently used through conversion or increased occupation

Strategy 2A

Create a Citywide Housing Rehabilitation and Resiliency Program

The City has an urgent need for a program that will provide ongoing assistance to property owners with necessary repairs, weatherization, improvements to meet building codes, and other improvements. The proposed Housing Trust Fund could support such a program. Many lack the means to undertake these types of improvements and without intervention, much of the city's housing stock is at risk of further decline. Additionally, there are many residential properties, including single-family homes, that could be converted to multi-unit buildings to better meet housing needs. Financial assistance to support these projects is typically more cost-effective than building new housing units. (see Strategy 1A for examples of potential eligible uses). The [21 in 21 Home Upgrade Program](#), run jointly by Keene and Southwestern Community Services, is a model of what this kind of program could look like. Currently funded through tax credits via the NH Community Development Finance Authority, this work could become a permanent program.

Implementation Tactics:

- The City will need to explore the feasibility of this program in conjunction with the Housing Trust Fund (Strategy 1A) to first establish funding to establish this program.
- Through the proposed Housing Trust Fund Committee, identify priority and eligible uses of funds and eligibility criteria.
- Conduct public input sessions to gather input on funding priorities and eligibility.
- Once established, promote and educate residents on available resources.

Lead: City of Keene

Potential Funding: Housing Trust Fund

Example: Bee Branch Healthy Homes Resiliency Program

The City of Dubuque, MS established a program after having several floods damage residential homes. The program provides five-year forgivable loans to residential property owners where low- and moderate-income residents live. The City defined areas based on vulnerability to establish eligibility.

Strategy 2B

Support the Creation of a Home Sharing Program

A home sharing program, led by a local nonprofit or other entity, helps link current resident “hosts” who have extra private spaces in their homes with appropriate “guests” to share their space. There are single-person households in the City that live in housing with unused bedrooms and spaces such as accessory dwelling units (e.g., in-law apartments, garage apartments, etc.) that can help meet current housing needs while providing a source of income for these households. Home sharing is also an effective strategy to address senior housing needs by providing opportunities for seniors to room together. Similarly, “board and care” models where supportive care is provided could help meet the need for more senior housing options. While the program would be nonprofit-operated, the City can help support the creation of this program.

Implementation Tactics:

- Engage housing stakeholders in conversations regarding interest and capacity for establishing a home sharing program.
- Identify successful examples in other communities (see inset below) to emulate in the City of Keene.
- Consider City staff and funding support partners in creating a program as resources allow.

Lead: City of Keene (initial convener of partners), led by new or existing nonprofit organization

Partners: Community nonprofits, resident hosts

Example: HomeShare Vermont

This regionally operated program in Vermont is managed by a nonprofit organization. The organization screens both homeowners and tenants and provides matchmaking services to match compatible individuals. The program includes assistance in creating an agreement and managing any issues that arise over the course of the match. A trial match period is also utilized for two weeks to ensure compatibility.

Strategy 2C

Target Infrastructure and other Interventions in Neighborhoods Vulnerable to Flooding

The City has specific areas and neighborhoods with properties that are particularly vulnerable to flooding hazards, many of which are in relatively low-income areas and places with high senior-household concentrations. Area-wide planning and infrastructure interventions should be considered and prioritized in these areas. This includes traditional hard infrastructure as well as green infrastructure such as rain gardens and bioswales. A green infrastructure approach also has quality of place benefits and has been shown to contribute to neighborhood revitalization.

Implementation Tactics:

- Undertake a “neighborhood improvement” planning process to create neighborhood-level plans for the City’s most vulnerable areas.
- Engage neighborhood residents through workshops and charettes
- Establish capital improvement project recommendations and cost estimates for each neighborhood and work to secure implementation funding.

Lead: City of Keene

Potential Funding: State/federal grants, disaster preparedness funding

Strategy 2D

Assess the Feasibility of a Locally-Controlled Buy-Out Program.

These programs target the most vulnerable properties at risk from serious flood damage to purchase those homes at fair market value and often provide relocation assistance to those households. While FEMA funds are available and are the most commonly used approach, some communities have found success in implementing programs that are outside of the traditional FEMA program, allowing for greater flexibility and control. In these cases, existing open space and parks funding is often used to acquire properties to transform into parks and natural areas that provide a community amenity.

Implementation Tactics:

- Explore further the need for a buy-out program. Use the “neighborhood improvement” plans (strategy 2C) to weight the costs and benefits of infrastructure improvements versus targeted buy-outs.
- Examine successful programs from other communities to emulate, including creative approaches to funding and methods of providing relocation assistance to residents.
- Prioritize creating new housing and helping buy-out property owners secure that housing within the City of Keene. Consider establishing a formal partnership with the proposed Community Land Trust (Strategy 1E) to prioritize housing created through the CLT for relocated households.

Lead: City of Keene; community land trust

Potential Funding: State/federal grants, FEMA, Housing Trust Fund

Example: Nashville, TN

After a major flood disaster, the city created a buyout program that used local matching funds, state emergency funds, FEMA, and Army Corps of Engineer Funds to relocate 400 households.

Strategy 2E

Create a Rental Registration Program

A Rental Registration Program would require landlords of properties in the City to formally register that property with the City of Keene, consistent with the provisions of NH RSA 540:1-b . A registration program requires the submission of property owner information, allowing the City to maintain current and accurate information on file. It also provides information to the City on where both long-term and short-term rental units are located for emergency and planning purposes. This database can support code enforcement efforts by helping to identify the full scope of substandard rental housing problems. Rental registration programs also provide a benefit where there are student concentrations as many students are often unaware of their rights as tenants or unable to enforce those rights against landlords.

A registration/licensing requirement gives the City a tool for managing issues with especially egregious landlord code violators as the city can bar a landlord from operating a property until dangerous conditions are assessed. Short-term rentals would be included in the program to help the City better ensure the health and safety of visitors to the City staying in these units. A registration program would be “self-funding” through a nominal application fee paid by landlords.

Implementation Tactics:

- Solicit public input on the potential creation of a registry program, including the benefits to the City as well as any potential negative impacts
- Examine case studies and online registration options in other communities to better understand the impacts of adopting a rental registry, including those in [Concord](#), [Rochester](#), [Manchester](#), and elsewhere in New Hampshire.

Lead: City of Keene

Partners: Landlords, tenant representation

Potential Funding: Nominal application/processing fee

Benefits of a Rental Registration Program

- ✓ Database of rental units for emergency management communications
- ✓ Monitor rental vacancy rates in City
- ✓ Better manage code compliance and enforcement
- ✓ Provide recourse for serial code violators
- ✓ Ensure health and safety of visitors staying in short term rentals
- ✓ Monitor growth of short-term rentals
- ✓ Educate and interact with housing providers
- ✓ Simplify data-supported requests for funding (e.g., grants)

Example: Hanover, NH

Hanover has established a program requiring landlords to register with the town. The Town uses the database to conduct inspections and ensure compliance with building and life safety codes.

Strategy 2F

Focus on Neighborhood and Community Approaches to Address Disinvestment

The City should encourage and empower residents to work together and with the City to address areas of disinvestment and problematic properties. One approach the City should consider is the creation of Neighborhood Associations that would provide a framework for collaboration among neighbors and with city staff and leadership. These associations would undertake beautification projects and other efforts to improve the quality of place in their community and enhance pride among residents that will encourage investment in properties.

Implementation Tactics:

- Support the creation of formal neighborhood associations throughout the City by providing technical support and guidance. Delineate formal neighborhood boundaries to assist organization efforts.
- Formalize the role of neighborhood associations in the City, including opportunities for interaction with City leadership
- Convene a public meeting to promote and assist in the creation of Neighborhood Associations
- Explore opportunities for providing financial support for neighborhood association projects. Create an application and review process for projects.

Lead: City of Keene (initial convener), Neighborhood Associations

Partners: Nonprofits, community partners, neighborhood organizations

Goal #3

Promote the **Development** of a Mix of Housing Types at a Variety of Price Points

New housing construction will be needed to meaningfully address to City's housing issues. The City should facilitate the development of new housing units, both owner-occupied and for rent, at all price/income levels, including affordable, workforce, and market-rate housing options.

Strategy 3A

Identify Housing Development and Redevelopment Opportunity Sites

The City is relatively built out and there are few readily developable properties available for new housing development. However, conducting an inventory and analysis of specific regions of the City will help identify potential opportunities such as infill sites, redevelopment opportunities, subdivision possibilities, and other development opportunities. A process to determine the suitability of each property for housing development can identify highest-priority opportunities to focus city and partner efforts on development initiatives. This may include conducting necessary due diligence and pre-development activities to make vacant sites marketable or preparing other strategies or partnerships to realize success.

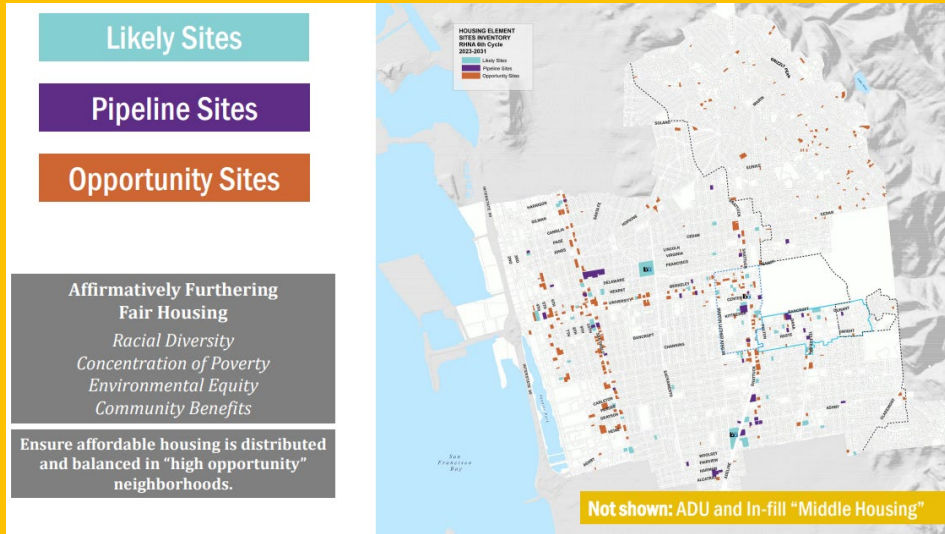
Implementation Tactics:

- Initiative a planning study to identify housing opportunity regions either as a standalone plan or as part of the City's next comprehensive plan update.
- Create an advisory committee to oversee the plan that includes key housing stakeholders including developers and home builders.
- Identify "suitability" criteria including proximity to services and amenities, environmental and natural constraints, infrastructure, zoning and land use regulations, and others to identify vacant properties most suitable for new housing development (or redevelopment)
- Engage city residents in the planning process, including providing feedback on criteria as well as the inventory and prioritization of opportunity areas.
- Consider appropriate zoning modifications based on the outcome of the analysis if land use regulations shown to be a barrier to otherwise highly-suitable areas for housing.

Lead: City of Keene

Partners: Developers, property owners, residents

Example: Berkeley, CA



- Accessory Dwelling Units (ADUs) and Tiny Homes should generally be allowed and encouraged by not overly-restricting requirements such as parking, size, etc.
- Establishing on-street parking programs to allow resident overnight parking as a way to reduce reliance on surface parking areas, which will help create more development opportunities for new housing
- Potential exploration and adoption of a cluster housing floating zone that will be more conducive to the dense clustering of homes.

Strategy 3C

Explore Adoption of Incentive Zoning with an In-Lieu Fee Option

Incentive zoning is an approach that encourages developers to provide a project that meets the goals of the community in exchange for a benefit, which is often provided through a density bonus. In New Hampshire, these types of programs must be voluntary. One approach the City may consider is to adopt an incentive zoning provision that would provide a density bonus to a housing developer in exchange for building either affordable or workforce housing units as part of their project. The City should also explore the feasibility of offering an option to contribute an "in-lieu fee" to the City's (proposed) Housing Trust Fund. Creating an incentive zoning program will require additional analysis to identify specific thresholds and density limits for various areas of the City. This analysis, combined with public input, should be used by the City to establish the framework for an ordinance. Another similar approach is a Transfer of Development Rights (TDR program) that provides a method for "transferring" density from one area of the City to another.

Implementation Tactics:

- Conduct an analysis to determine the appropriate density limits and bonus that will achieve the City's desired outcome (i.e., will induce the developer to participate in the program but will not constrain future housing development).
- Explore any legal issues with adopting an "in-lieu fee" option and determine the appropriate fee to gain the density bonus.

Lead: City of Keene

Partners: City staff, City Council

Potential Funding: State/federal grants, developer payments-in-lieu

Strategy 3B

Review and Align City Land Use Regulations to Support Housing Development

The City's recent re-write of its land use regulations will help create the conditions for more housing. To build upon those efforts, Keene should look for areas where strategic zoning updates can create further alignment with its housing goals and needs. Focus areas for improvement within existing regulations include:

- Increasing density limitations including reducing lot size requirements in residential zones
- Allowing increased flexibility for "missing middle" housing types including small multi-unit housing types such as townhouses, duplex, triplex and similar types of units, particularly in areas where residential uses are currently largely restricted to single-family homes

Example: Dover, New Hampshire

Dover has used a transfer of development rights program to build rent-restricted units less than 600 square feet in size without paying any extra fee and to provide developers with a discount on fees associated with building more dense housing than is typically allowed by zoning. In exchange for these fee reductions, developers must agree to keep rent affordable at a fair market rate.

Strategy 3D

Through the Housing Trust Fund, Establish a Housing Development Program to Provide Gap Funding for Affordable and Workforce Housing Projects

Building middle income (workforce) housing is generally financially infeasible for a private or nonprofit developer due to the cost of construction, which dictates price points above what typical households and workers can afford. Therefore, developer assistance is needed to induce the construction of these types of units by closing the funding gap that allows new units to be sold at needed price points. The City should explore options for establishing this type of program, including assessing its capacity to establish. Funding sources should be explored, including through the proposed City Housing Trust Fund.

Implementation Tactics:

- The City will need to explore the feasibility of this program in conjunction with the Housing Trust Fund (Strategy 1A) to first establish funding to establish this program.
- Through the proposed Housing Trust Fund Committee, identify priority and eligible uses of funds and eligibility criteria. Establish criteria for establishing financial “reasonableness” of the funding request to ensure awards are only what is needed to make projects happen.

Lead: City of Keene/Regional Housing Trust Fund Committee

Partners: Local financial institutions, developers

Potential Funding: Housing Trust Fund

Example: Ithaca, NY

The City created a Community Housing Development Fund as a joint effort with Tompkins County and Cornell University. Funds are used to support workforce/affordable housing development projects. Revenue is generated in part through a fee-in-lieu program for development projects.

Strategy 3E

Explore Opportunities and Mechanisms to Support the Acquisition and Development/Rehabilitation of Vacant and Underutilized Properties for Housing

The direct acquisition of properties by a public or nonprofit entity can be a highly effective strategy to address derelict properties and return them to productive use while meeting community housing needs. There are various models that municipalities and their partners have employed to create a pathway from acquisition, rehabilitation, and disposition for affordable/workforce housing. The City should examine its capacity, and the capacity of potential local and regional partners, to lead this initiative. A new Land Bank or organizational entity may be needed that has more flexibility to acquire and divest of properties. Of particular focus should be examining methods for acquiring and rehabilitating (or redeveloping) tax delinquent properties and condemned structures.

Implementation Tactics:

- Review and determine the potential pipeline of properties that could be rehabilitated for housing.
- Establish criteria and a process for vacant properties to be acquired for workforce and affordable housing, including through partner organizations such as the proposed community land trust.

Lead: City of Keene and/or proposed Community Land Trust

Partners: Keene Housing, proposed Community Land Trust

Potential Funding: Housing Trust Fund, state/federal grant opportunities

Strategy 3F

Support Implementation of the Housing Cooperative Model in the City

A housing cooperative or “co-op” is alternative pathway for ownership. In this model, residents own a share of the overall housing development (owned by a corporation). Residents therefore own a share rather than their individual unit. This model has been effective in providing more affordable housing options compared to purchasing homes or condos or renting market rate apartments. While the City would not lead development of this model, it can have a role in bringing partners together, ensuring land use regulations are supportive of the physical housing types of interest to a co-op (which can be varied). There may be potential public-partnership opportunities as well to support this approach.

Implementation Tactics:

- Help to convene stakeholders and potential nonprofits to assist in forming a partnership that will pursue a co-op project
- Explore opportunities for the provision of municipal land to donate for the creation of a project
- Consider financial support via the proposed housing trust fund (strategy 1A) and the housing development program (strategy 3D)
- Invite representatives from successful co-op projects to share lessons learned with the City and its partners
- Explore zoning updates as necessary to achieve the desired outcome for a co-op project(s).

Lead: City of Keene (initial convener) then led by nonprofit organization

Partners: Developers, property owners

Potential Funding: Philanthropic organizations, existing municipal land, Housing Trust Fund

Example: Cottage Village Co-op, Cottage Grove, OR

The Cottage Village Co-Op, located in Cottage Grove, Oregon, is a rural cooperative tiny home community consisting of 13 homes on 1.1 acres. Cottage Village serves those with low incomes—those making 50% or less of Area Median Income. Residents own a financial share in the cooperative through set-asides from their rent, and collectively manage the community through a cottage village council. Members also agree to volunteer at least 10 hours per month maintaining common areas or participating in other community projects and committees. For this model to be replicated in Keene, it is likely that zoning and building code requirements will need to be adjusted to support tiny home community development.

Example: Bright Street Co-op, Burlington, VT



Photo source: Duncan Wisniewski Architecture

Bright Street was completed in 2016 with 40 apartments, including a main apartment building and townhome units. A community garden and community space was also part of the project.

Goal #4

Support Residents and Special Population Groups in Meeting their Housing Needs

While Keene has a variety of housing needs generally, it will be important for the City to emphasize development of housing options and availability for more vulnerable populations in the City – particularly older residents on fixed incomes as well as residents who are homeless or at risk of losing their housing.

Strategy 4A

Support Transitional Housing in Region to Reduce Homelessness

Keene should continue to engage community partners like Southwestern Community Services, Keene Housing, local shelters, and service providers to understand ongoing trends related to vulnerable populations in the community and surrounding region. The City can work with partners to identify appropriate sites and reuse/conversion opportunities to create transitional housing, support transitional housing projects via the proposed Housing Trust Fund and Housing Rehabilitation and Resiliency Program, and take steps to review underutilized properties to see whether appropriate for transitional housing. The City should also seek to implement the recommendations of the Ad Hoc Housing Stability Committee Reports for addressing “Shelter Services” in the city.

Implementation Tactics:

- As part of the housing opportunity site analysis (see strategy 3A) conduct a site suitability and feasibility study for transitional housing development in the City as well as potential locations for safe parking.
- Prioritize funding for transitional housing and other projects to address the needs of the homeless population in the city
- Explore opportunities to increase outreach services in partnership with other local agencies
- Work with partners to identify opportunities to better support the housing needs of people being released from hospitals and the jail into the community.

Lead: City of Keene (initial convener)

Partners: Nonprofit partners, service providers

Potential Funding: State/federal grants, Housing Trust Fund

Strategy 4B

Identify Opportunities to Create Senior Housing Facilities

With nearly one-fifth of Keene's population currently aged 65+, the need for supportive housing for senior residents is likely to continue to increase in the coming years. The City should examine the potential for facilities or multiple facilities to provide assisted-living opportunities, as well as smaller scale options such as "board and care" conversions of single-family homes and use of Accessory Dwelling Units.

Implementation Tactics:

- As part of the housing opportunity site analysis (see strategy 3A) include a suitability analysis specifically for senior care facilities.
- Explore public-private partnership opportunities with senior housing developers
- Prioritize funding for senior housing projects via the proposed housing development fund.

Lead: City of Keene

Partners: Developers, senior service organizations

Strategy 4C

Encourage Creation of Options for Downsizing Empty Nesters and Active Seniors

Not all older residents will need or be interested in assisted-living facilities—or even more active-group senior housing options—and will prefer to age in place. These residents are likely to desire smaller housing options, which the City should anticipate and seek ways to develop. These options include a wide variety of options such as apartments in mixed-use buildings, market-rate apartment buildings, condominiums, townhouses, duplex and triplex units, clustered cottages, and others.

This strategy is a crossover with other strategies, including promotion of denser housing types through zoning, transfer of development right/density bonus programs, and support of conversion of single-family to multi-family housing where practical.

Implementation Tactics:

- Prioritize funding for projects that create downsizing options through future city programs (e.g., proposed housing trust fund programs for housing rehabilitation and resiliency program and housing development program)
- Identify opportunities for smaller units when updating city zoning and land use regulations (see strategy 3B).

Lead: City of Keene

Partners: Developers, senior service organizations

Potential Funding: Housing Trust Fund

Example: Saco, ME, Clustered Cottages

These 400-800 square foot cottages in an age 55+ restricted development are single-story and provide downsizing options for the area's seniors.



Strategy 4D

Educate Residents and Property Owners on Available Local and State Housing Resources

The City should work with partners to expand its [housing resources web presence](#) and create a City of Keene Housing Resources portal to help residents and property owners access housing resources easily and effectively. The City can work with partners to create other resource collateral (e.g., flyers, brochures) and update annually.

The City can also conduct a targeted outreach campaign focused on vulnerable properties and other high priority properties and neighborhoods to help take a proactive approach to addressing housing resilience challenges. This kind of work could be undertaken by an AmeriCorps member or intern, who could help the City develop capacity around educating residents and creating materials as part of the city-wide Housing Rehabilitation and Resiliency Program.

Implementation Tactics:

- City staff should review existing community housing portals to determine best practices and innovative approaches
- Engage partners to assist in assembling content and providing regular updates to that posted resources stay up to date
- Conduct bi-annual reviews of the housing portal to identify opportunities for addition and improvement
- Utilize existing City social median channels to publicize the housing portal and work with partners to help drive visitation to and use of the portal
- Monitor web visitation levels to ensure the portal is being effectively utilized.

Lead: City of Keene

Partners: Keene Housing, InvestNH, New Hampshire Housing, housing organizations

Action Plan Matrix

Overview

The next two pages provide an Action Plan Matrix version of the housing strategies identified for Keene. This matrix is a tool for the City and its partners to help focus efforts, prioritize action, and organize implementation efforts. Since resources and capacity to address housing are limited, success will depend on focusing on priority initiatives that have the potential for greatest impact.

The matrix provides the follow categories for each strategy task:

Lead (in bold) **and partners** to act on the task

Priority level, based on potential impact, alignment with needs, and capacity to accomplish. Priority level is indicated by the following:

- **Highest:** priority initiatives for the City and its partners to focus on
- **High:** Important strategies to work on moving forward, but not at expense of the highest priority actions
- **Moderate:** Strategies to consider as resources and capacity allow after focusing on higher priority strategies

Timeframe, referring to the appropriate period to focus on implementing each strategy task:

- **Ongoing**
- **Immediate** (1 year)
- **Mid-Term** (1-3 years)
- **Long-Term** (3+ years)

Resource level, from low to high, referring to both the financial and time effort to implement:

- **High:** Substantial undertaking, for which new funding or staff capacity will likely be required
- **Moderate:** Resource commitment is more manageable, but will still require enhanced resources
- **Low:** Relatively minor time and/or financial resources required



Action Plan Matrix

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

Action Plan Matrix

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