

CHAPTER 4 – HOUSING

VISION

We recognize that –

- The majority of our citizens want Rye to remain semi-rural;
- There are increasing demands for housing in Rye, with the increase in population growth in the Seacoast region as well as the entire State of New Hampshire and especially considering the success of the Pease Tradeport;
- This will make it challenging to maintain Rye as a semi-rural community unless changes are made in our zoning that will help preserve the Town’s character while recognizing the need to work to accommodate a changing population.

Thus we envision for our future a community which continues to value its winding roads, stands of trees and coastal shores and will be welcome to and open to the shifting needs of all present and future residents. Our success as a Town will be judged on how we treat all residents and how we grow and adapt to challenges as they are presented to us. As we have seen in the past, our Town can rise to meet any challenge and work for the benefit of all.

Our housing options should adjust in response to shifts in our residents’ needs. Our variety of housing choices will be safeguarded through local ordinances to ensure we do not have to leave Rye at any stage of our lives to have an affordable place to call home. This is true for our most treasured and oldest members of our community right down to the very youngest new members of our families. We should work hard to make sure that we safeguard every citizen’s ability to live and enjoy our wonderful community as long as they choose.

OVERVIEW

The vast majority of Rye’s land is zoned for residential use. It is largely a town where people live and work elsewhere. The relatively slow population growth contrasts the fairly rapid population growth in surrounding communities. In recent years, this is due in large part to the cost to acquire land/ housing in our town.

In keeping with our vision, the Town of Rye enacted Growth Management Practices, in 1987. The ordinance was enacted pursuant to authority granted by NHRSA 674:22. It is intended to regulate and control the timing of development in accordance with the objectives of both the Master Plan and the Capital Improvements Program adopted by the Rye Planning Board. These two documents assess and balance the community development needs of the Town of Rye and consider regional development needs.

Population information for Rye is displayed in Table H-1. In addition to highlighting information regarding Rye, the tables in this chapter show information for other communities. This set of communities has been chosen due to their similar position as coastal towns. On these tables the combined information for Rye and the other coastal communities constitute the field

entitled “REGION”. This has been done so that Rye can compare itself within the context of similarly situated communities.

In the 1980’s Rye’s population grew at an average annual rate of 0.02%. This is the lowest rate in the area for all communities that had a positive growth rate. In comparison, the State of New Hampshire experienced annual growth rates of 1.9% in the decade of the 80’s, almost ten times the rate experienced in the Town of Rye.

This situation changed in the 1990’s with Rye seeing growth much more in line with surrounding communities as well as that of the State as a whole. Rye’s annual average growth rate in the 1990’s was 1.2% which was slightly higher than the 1.1% average annual growth rate experienced statewide during the same decade.

Table H-1 Southeastern New Hampshire Regional Population Trends

Town	1980	1990	2000	2003	2010	Average Annual % Change 1980-1990	Average Annual % Change 1990-2000	Average Annual % Change 2000-2010
Exeter	11,024	12,481	14,058	14,505	14,306	1.2%	1.2%	1.7%
Greenland	2,129	2,768	3,208	3,377	3,549	2.7%	1.5%	9.6%
Hampton	10,493	12,278	14,937	15,266	15,430	1.6%	2.0%	3.2%
Hampton Falls	1,372	1,503	1,880	1,988	2,236	0.9%	2.3%	15.9%
New Castle	936	840	1,010	1,023	968	-1.1%	1.9%	-4.3%
Newfields	817	888	1,551	1,626	1,680	0.8%	5.7%	7.7%
Newington	716	990	775	794	753	3.3%	-2.4%	-2.9%
N. Hampton	3,425	3,637	4,259	4,496	4,301	0.6%	1.6%	1.0%
Portsmouth	26,254	25,925	20,784	21,051	20,779	-0.1%	-2.2%	0.0%
Rye	4,508	4,612	5,182	5,290	5,298	0.2%	1.2%	2.2%
Seabrook	5,917	6,503	7,934	8,391	8,393	0.9%	2.0%	2.0%
Stratham	2,507	4,955	6,355	6,757	7,255	7.1%	2.5%	12.4%
REGION	70,098	77,380	81,933	84,564	85,248	1.5%	1.4%	3.9%
STATE OF NH	920,475	1,109,117	1,235,786	1,291,573	1,316,470	1.9%	1.1%	6.1%

Source US Census, 1980, 1990, 2000 and 2010

Rye’s population increase from 1990-2000 resulted in a similar increase in new housing units during the same period. From 1990-2000, 211 housing units were constructed in Rye, sufficient to house the 570 new residents that came to town during the decade. These figures are appropriate when considering the average household size for owner-occupied structures in Rye is 2.4 persons.

Table H-2 provides housing information for Rye and its surrounding communities for the same period. It is interesting to note that the Town’s population grew by only 104 people for the decade of the 1980’s but housing units increased by 567 during the same period. The decade of the 1990’s was a cooling off period that saw community growth settle into a pattern more in alignment with that of the State as a whole. In fact, the State and the Town had the same average

annual growth rate for the decade at 0.8%. Since our last census, Rye's population now stands at 5298.

The interpretation of New Hampshire statutes by the State's courts suggests that towns are responsible for both accepting a fair share of population growth and housing. Towns are also responsible for the provision of opportunities for a variety of housing types to be built throughout town. Rye will work through appropriate local zoning ordinance evolution to ensure this possibility. Rye's ability to provide housing for all of its residents can best be analyzed by examining the types of housing and the economic status of its residents.

Table H-2 Southeastern New Hampshire Housing Units

Town	1980	1990	2000	2010	Average Annual Growth Rate 1990-2000	Average Annual Growth Rate 2000-2010
Exeter	4,401	5,333	6,107	6,496	1.4%	0.6%
Greenland	733	1,074	1,244	1,443	1.5%	1.5%
Hampton	4,444	8,602	9,349	9,921	0.8%	0.6%
Hampton Falls	483	591	729	900	2.1%	2.1%
New Castle	352	408	488	537	1.8%	1.0%
Newfields	280	323	532	591	5.1%	1.1%
Newington	257	328	305	322	-0.7%	-0.5%
N. Hampton	1,252	1,492	1,782	1,914	1.8%	0.7%
Portsmouth	9,872	11,369	10,186	10,625	-1.1%	0.4%
Rye	1,867	2,434	2,645	2,852	0.8%	0.8%
Seabrook	2,520	3,469	4,406	4,544	2.4%	1.1%
Stratham	843	1,917	2,371	2,864	2.1%	1.9%
REGION	25,437	37,340	40,144	43,009	1.5%	0.7%
STATE of NH	349,001	504,541	546,524	546,524	0.8%	1.2%

Source: U.S. Census

Single-family residences compose the bulk of the housing stock in Rye. However, the mix of housing types available in Rye does not differ substantially from many of the communities in the region. The Planning Board has since the last Master Plan Update added Work Force Housing to its Zoning Ordinances and Land Development Regulations in an effort to expand the types of housing and development available to developers and potential new residents. Table H-3 illustrates Rye's housing stock relative to the surrounding towns.

Table H-3 Southeastern New Hampshire Housing Stock in 2010

Town	Single Family Detached	Multi-Family	Mobile Home	Total Housing Units
Exeter	2,965	2,735	1,048	6,751
Greenland	1,081	321	6	1,408
Hampton	5,416	4,217	278	9,911
Hampton Falls	771	72	12	855
New Castle	462	59	0	521
Newfields	535	55	10	600

Newington	277	44	2	323
N. Hampton	1,500	146	307	1,953
Portsmouth	4,224	6,097	279	10,600
Rye	2,286	357	75	2,718
Seabrook	1,850	1,547	1,088	4,485
Stratham	2,079	725	13	2,817
REGION	23,446	16,378	3,118	42,942
STATE of NH	386,937	185,197	39,205	611,339

Source: Current Estimates and Trends in New Hampshire's Housing Supply, 2003 Update; NH Office of State Planning, 2004.

As shown in Table H-3 above, slightly more than 84% of the housing units in Rye are single family homes. This statistic is comparable to other towns in southeast New Hampshire.

Table H-4 presents U.S. Census information indicating median* home values and median renter values for the Town of Rye, the surrounding communities and the State of New Hampshire. Property values in the Town of Rye are among the highest in the State. As displayed in Table H-4, the Town of Rye has the second highest median home value in coastal NH, surpassed only by the Town of New Castle. The 2007-2011 median value of \$585,000 also far surpasses the State median value of \$250,000.

Note also that the median value of homes in Rye almost tripled between 1990 and 2007-2011. In 1990 the median home value was \$214,100. By 2007-2011 this value had increased to \$585,000. Rye is the only town in the region to see this level of appreciation. What sets Rye apart?

Table H-4 Southeastern New Hampshire's Median Housing Values and Rents

Town	Median Home Value			Median Monthly Rental		
	1990	2000	2007-2011	1990	2000	2010
Exeter	154,000	170,000	279,200	539	702	1,114
Greenland	168,100	213,000	370,900	690	885	1,350
Hampton	162,500	190,400	337,100	540	682	1,037
Hampton Falls	221,200	266,300	449,200	583	821	n/a
New Castle	295,000	566,600	n/a	600	1,462	n/a
Newfields	142,800	196,500	423,000	517	656	n/a
Newington	197,300	256,800	455,600	539	805	n/a
N. Hampton	187,400	211,300	377,000	547	706	n/a
Portsmouth	137,600	168,600	312,600	497	727	1,205
Rye	214,100	311,100	585,000	611	929	1,085
Seabrook	145,500	181,900	277,800	514	686	1,033
Stratham	177,700	270,200	395,600	661	865	1,516

* A median value indicates the number in the center of a group of values, in this case, housing prices: half the prices were higher than the median cost shown, half were lower. By contrast, the average is calculated: the sum of all values in a group is divided by the number of values in that group.

REGION	182,767	250,225		570	827	
STATE of NH	129,400	133,300	250,000	491	646	980

U.S. Census Bureau

The most obviously distinguishing feature about Rye is its geography: more than half of New Hampshire's entire coastline falls within Rye. This proximity and ready accessibility to the ocean make it highly desirable for residents as well as second-home owners. Rye's cultivated interest in maintaining a semi-rural atmosphere and support of quality education also contribute to the richness of this jewel. Thus, as older buildings have aged, lots have been purchased, old structures torn down, and new, more modern homes built in their places.

Table H-5 provides additional information about southeastern New Hampshire's housing availability. Rye stands out in two ways relative to its neighbors. First, Rye has a disproportionate number of vacant units when compared to other communities. At 21% of the total units in town, this percentage is higher than the region and state percentages of 15% and 14%, respectively. Closer investigation of the U.S. Census data reveals that most of the vacant units are further defined as "vacant only seasonally." This makes sense in a community where many residences are second homes.

The second area in which Rye differs from the surrounding communities is in household size. At 2.43 persons per owner-occupied unit, only two communities (Hampton and Portsmouth) have smaller occupancy figures. At 1.97 persons per renter-occupied unit, four communities in the region have smaller household sizes than Rye.

Most housing specialists agree that the affordability threshold for housing cost should be approximately 30% of household income. That is, the members of a household are enjoying "affordable housing" if no more than 30% of their income is spent on their physical housing. While there is no direct way of determining the number of persons in Rye that meet that threshold, there is information available that details the range of incomes in town.

Table H-5 2010 Housing, Ownership & Occupancy in Southeastern New Hampshire

Town	Total Housing Units	Occupied Housing Units	Vacant Housing Units	Owner-Occupied Housing Units	Renter-Occupied Housing Units	Household Size-Owner Occupied	Household Size-Renter Occupied
Exeter	6,496	6,114	382	4,325	1,789	2.46	1.87
Greenland	1,443	1,372	71	1,100	272	2.67	2.14
Hampton	9,921	6,868	3,053	4,710	2,158	2.33	1.79
Hampton Falls	900	834	66	743	91	2.73	2.26
New Castle	537	449	88	370	79	2.73	1.91
Newfields	591	575	16	524	51	3.01	2.00
Newington	322	292	30	241	51	2.58	2.29
N. Hampton	1,914	1,760	154	1,557	203	2.48	2.11
Portsmouth	10,625	10,014	611	5,139	4,875	2.23	1.80
Rye	2,852	2,252	600	1,787	465	2.43	1.97
Seabrook	4,544	3,706	838	2,327	1,379	2.44	2.17

Stratham	2,864	2,746	118	2,476	270	2.69	2.24
REGION	43,009	36,982	6,027	25,299	11,683	2.52	2.05
STATE of NH	614,238	518,866	95,097	368,220	150,646	2.59	2.14

Source: 2010 US Census

The following graph (Figure H-1) from the Regional Planning Commission’s regional housing needs assessment shows that Rye has a slightly greater percentage of “very low income” residents than the rest of the region. It has a lower percentage of low- and moderate-income households relative to other towns in the area. And as one might expect along the coast, the town has a greater percentage of households in the category of “above moderate income.”

Figure H-1 Households by Income Range, 1999

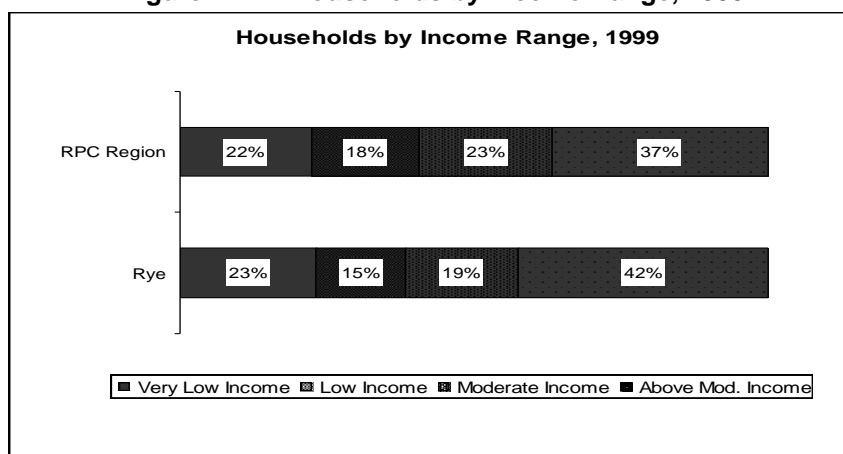


Table H-6 lists the median household incomes for the communities in our area, as derived from US Census 2010 data. The calculated home purchase prices that would be considered affordable for those median incomes are also included.

Table H-6 Maximum Supportable House Prices for Median Household Incomes in Southeastern NH

Town / Area	Median Household Income, 2010 Census	Max. supportable house price, Based on Census 2010 Median Household Income
Exeter	\$63,142	\$173,640
Greenland	\$75,286	\$207,036
Hampton	\$67,518	\$185,674
Hampton Falls	\$112,417	\$309,147
New Castle	\$80,000	\$220,000
Newfields	\$106,389	\$292,570
Newington	\$78,500	\$215,875
North Hampton	\$75,081	\$206,473
Portsmouth	\$62,191	\$171,025
Rye	\$85,269	\$234,487
Seabrook	\$53,341	\$146,688
Stratham	\$106,591	\$293,125

Region	\$80,477	\$221,312
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Source: 2010 US Census

Table H-6 shows that a Rye household with a median income of \$ 85,269 in 2010 could afford to purchase a house costing \$ 234,487 at that time. However, the data from Table H-4 indicates that the median home price in Rye in 2007-2011 was over \$585,000. This is consistent with NH Housing Finance Authority data indicting a median sales price of \$512,500 in 2012. (See Chapter 4A, Table H-9). Hence, our median income resident can only afford less than half of that price. These figures are a direct reflection of record low mortgage interest rates and recent home buying patterns.

How does one explain the apparent disparities between modest incomes, affordability, and affluence in Rye? The ability to buy a house based on one's income differs from one's ability to remain in a house that was purchased long ago when real estate prices were lower. People who established homes in Rye long ago may have long since paid off their reasonable mortgages or inherited the family homestead and now live on modest retirement incomes.

Census 2010 data suggests that Rye is typical of Rockingham County in that 50% to 60% of each community's residents have been in their homes at least 5 years. Our own 2002 opinion survey breaks these numbers down further as shown in Table H-7.

Table H-7 – Housing Tenure in Rye, NH	
Years living in Rye	% of total citizenry
0 – 2	8.5 %
3 – 5	14.6 %
6 – 10	15.6 %
11 – 20	20.8 %
20+	32.5 %
Native	8.1 %

Fully 40% of our residents have lived here at least 20 years. More than half of our residents have lived here over ten years. Both of these groups would have purchased their homes well before that 30% home price jump from 1990 to 2000 as well as the modest increases that we have seen in recent years. About a third of us have come to town despite escalating housing and renting prices of the past ten years. Part of this may be contributed to the various types of mortgage loans that were offered in the not too recent past.

Today's property assessments are based on current home sales prices. These in turn are based on the current prices of land and construction. Today's tax rates are based upon today's revenue requirements. Rye can no longer claim to be a resort, nor do we benefit from a stream of tourist dollars, although we do still have our beaches and the state parks. Our marshes and wetlands are well protected from high risk development. Higher population density, greater demands for services and rising municipal costs have driven up taxes. This has put a strain on all tax payers, especially our oldest residents and those that may be on fixed incomes. As our population gets older, we will continue to experience more increases as the demand for municipal services such

as Police, Fire, and EMT services will increase and this will translate into higher taxes. At some point, this will adversely affect property values for all.

Thus we have an affordability conundrum. Within our community, those of modest means who have been here a long time own their homes but are squeezed by property taxes. Those with greater means can afford to move into town purchasing properties in a coastal community with amenities. There is little room for today's working families to become our neighbors. There is also a real financial pressure for our oldest and most treasured citizens to be able to stay in their homes comfortably and safely. Diversity has made Rye strong in the past and it is an important part of our future. We need to work to close the gap in these key areas surrounding housing in order to protect our residents.

More than 80% of Rye households own single-family homes. Where the preponderance of Rye is zoned single-family residential, there will be little opportunity for new young families to enter the community. Many think this helps to keep a lid on education expenses and also keeps traffic down. In reality, taxes have continued going up. Traffic volumes have continued rising. There are greater burdens on our Public Safety providers. What is happening is that our population is aging without the vitality of new youth coming into town. Demographers will tell you that a community must remain diverse and have a healthy balance between young and old in order to remain successful for the long term.

The existence of affordable units in Rye is found in pockets of non-conforming, legally existing land uses. Some units are located in a manufactured housing development such as Adam's Mobile Home Park in the town's commercial zone. While mobile and manufactured housing are parts of the affordable housing equation, so too are single and multi family homes and condominiums.

It is very common for the discussion of "affordable housing" to become synonymous with low-income housing. When this happens, the general public often assumes that there will be drastic increases in housing density, increased education costs and deteriorating neighborhoods. These thoughts could not be farther from reality as one is speaking in terms of homeownership. With homeownership come pride, sense of self and respect for oneself and the community as a whole. When considering what is defined as affordable housing in the housing markets that exist today, individuals and families have to earn much more than they did in the past to meet that definition. As of 2013, to afford a home in the \$275,000 to \$300,000 range, income would need to be in the \$75,000-\$90,000 range. We also feel that affordable housing is not just about young people either. We should work to continue to expand housing solutions for our town's senior population so that they do not have to leave or be "taxed out" of town.

The education effort for everyone in town should be the emphasis that affordable housing, frequently called "workforce housing," is geared toward individuals, of all age ranges, that are a part of every community. Police officers, teachers and firefighters are often unable to afford housing in the seacoast but would be valuable neighbors. Who better to have as your neighbor?

Another area of concern regarding diversity in housing opportunities relates to age-restricted housing. This is a particularly important topic for Rye because there is a significant senior

population in town. According to the 2000 US census reports, Rye's senior population (all residents aged 55 and older) accounts for nearly 30% of the Town's total population. This is about a third more seniors than the regional average. We must work to find creative ways to keep our most senior and treasured citizens of our community here in town. Who better to learn from?

The federal Fair Housing Act has established guidelines which permit communities to allow discrimination in housing opportunity in favor of senior residents. These age-restricted developments fall into two categories with different requirements.

- The first type is a development in which at least eighty percent (80%) of the units must be occupied by at least one person 55 years of age or older. This type of development must allow at least 20% of the units to be non-restricted. This would raise the possibility that school-aged children could live there.
- The second age-restricted development is a community where all of the units are solely occupied by persons 62 years of age and older. An ordinance allowing this type of development would not allow school-aged children.

Rye does already have a "senior abatement" program on its books to allow senior residents a tax break. However, apparently a number of seniors choose not to take advantage of it. According to the Town assessor's office, there are 2550 tax cards for residential properties in town. As of 2005, there are 132 elderly exemptions associated with these taxable properties. This means only about five percent of the taxable properties have been granted this form of tax relief. This low rate of participation in the tax relief program may well indicate financial well-being among our elderly neighbors. It could also mean that a number of people have not been made aware of such benefits or purposely choose not to participate in them for their own reasons or that the asset and income limitations for the exemption, which are set by town vote, are too low..

Next Steps

The following next steps and recommendations are designed to further Rye's effort to provide needed housing, promote community goals, improve local housing controls, and ensure compliance with relevant state and federal legislation. Every effort should be made to ensure that Rye provides a wide range of housing opportunities for all of its citizens.

We will continue community discussions on the value of affordable housing for Rye; development design as a means to promote a sense of community; and areas of town suited for mixed use zoning. In so doing we will recognize how the results of past decisions have matured and we will open ourselves to new ways of looking at development to be focused more on low impact development for our environment and more accessible and affordable options for all age ranges of our citizenry.

The Rye Planning Board should continue to stay informed with the Workforce Housing Coalition and other similar groups to stay on top of zoning changes, concepts, and ideas.

We will also capitalize on the outside assistance of resources such as the Housing Partnership that has successfully created affordable housing with us and for us in the past and we will encourage developers to do the same.

We will consider other changes to our land use ordinances and regulations. Such changes may include –

- Allowing housing density tradeoffs in exchange for land conservation;
- Allowing mixed use with apartments overhead of retail establishments to reduce vehicle-dependent traffic; and
- Providing incentives to prompt developers to want to help build our vision.