

# 2020 CEDS

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY



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# INTRODUCTION

The Regional Economic Development Center of Southern New Hampshire (REDC) is pleased to present the Mid-Year 2020 Comprehensive Economic Development Strategy (CEDS). This is a special supplemental publication of our 2020 five year visioning plan.

The REDC CEDS is an economic development master plan for the southern NH region. It emerges from a continuous planning process, developed with broad-based and diverse community participation that addresses the economic problems and potential of an area. The CEDS should promote sustainable economic development and opportunity, foster effective transportation systems, enhance and protect the environment, and balance resources through sound management of development. The CEDS and its annual updates are submitted to, and approved by, the U.S. Department of Commerce, Economic Development Administration (EDA) each June. The CEDS process begins with the development of a broad-based Steering Committee. During the planning cycle, the REDC staff, its consultants, and the Steering Committee work to provide up-to-date demographics, information on regionally significant programs and projects, contact information on training and job development, and address other regionally significant issues that impact the CEDS member communities, businesses, and citizens. Part of this process includes the identification of Priority Projects, potential public works and planning projects, as well as other projects with the potential for promoting economic and community development that address the CEDS vision and goals.

Through the CEDS planning process, REDC and its partners develop a vision statement and set of regional goals and objectives on a five-year cycle. This was completed in 2020 through a set of public visioning sessions and with the help of our Regional Planning Commissions and the Consensus Building

Institute. We then take the next four years to work on achieving those goals and tracking our progress. The COVID-19 pandemic, designated on March 11, 2020, in the midst of our visioning and reporting period has seriously disrupted the region, state, nation, and world. In NH we felt the economic disruptions as early as mid-March, and we are still experiencing the full scope of the economic and human impacts in our region. We are re-visiting our 2020-2024 goals and objectives during the ongoing 2021 planning period with the mindset that we may need to revise the existing plan and/or include new goals given the continuing economic disruption.

The CEDS region is comprised of the 37 municipalities that make up Rockingham County, together with the towns of Hudson, Litchfield, Merrimack, Pelham, and the city of Nashua (all within eastern Hillsborough County). While this is our official designated Economic Development District (EDD), we often report on things outside the region, as economic effect is not bound by municipal boundaries.

REDC, a not-for-profit organization incorporated in 1994, seeks to promote responsible, sustainable economic development activities within its southern New Hampshire-based region. REDC's focus is on creating jobs for low- to moderate-income (LMI) people by accessing alternative financing for business and industrial expansion or relocations, which in turn provides tax relief for our communities and region. REDC operates several multi-million dollar loan funds, which facilitate our job creation and retention goals through alternative lending.



# 2020 VISION, GOALS, AND OBJECTIVES

The Vision, Goals, and Objectives of the REDC CEDS are designed to promote and encourage responsible, diversified economic development that fosters high-skill, higher-wage jobs, supports innovative industry sectors and clusters, improves economic conditions, and strengthens the region's resiliency to economic disruption. REDC recognizes that economic development is varied and diverse, as is the support needed within our region. The development of the five-year Vision, Goals, and Objectives is based on grassroots feedback provided at in-person and online visioning sessions, consultant input, and REDC staff expertise.

Our vision for Southern New Hampshire is a region rich in opportunity for all ages with a diverse business climate; a commitment to preserve our plentiful cultural, natural and historic resources; a strong local identity; and convenient access to major thoroughfares and cities. Achieving this future will necessitate forward-thinking collaboration among individuals, businesses, communities, and the state to foster a diverse housing stock, a skilled workforce, robust and resilient infrastructure, a business-friendly environment, and strong communities.

The Economic Development Goals and Objectives for the 2020-2024 REDC CEDS are as follows:



**INFRASTRUCTURE DEVELOPMENT:** To invest in infrastructure planning and improvements such as roads, bridges, walkable communities, water and wastewater systems, broadband, energy networks, and multi-

modal transportation systems that will strengthen and diversify the regional economy, promote economic resiliency, and strengthen the region's adaptation to climate change.

- Encourage project options with a focus on regional cooperation, working collaboratively, or shared services that will consolidate local services to create economic efficiencies and improve the effectiveness of service delivery;
- Facilitate collaboration between the private and public sectors to create more effective and efficient public/private partnerships to address regional problems and expand the economy;
- Maintain and expand the region's infrastructure to address the needs of existing businesses and residences, as well as accommodate the needs of new and expanding businesses;
- Target infrastructure improvements to "pockets of distress" in accordance with sustainable development principles;
- Expand public transit systems through investments in bus and rail service as a means to maximize the mobility of the workforce;

- Encourage development of interconnected, multi-modal transportation systems with alternative travel networks and connections such as bike lanes, walkable communities, and ride share options;
- Incorporate the findings from municipal and regional vulnerability assessments focused on sea level rise, flooding, and the other projected impacts of climate change into infrastructure planning, design, and construction;
- Upgrade water, stormwater, sewer, septic, and wastewater treatment infrastructure to meet regulatory changes or as part of a local, regional, and/or state resiliency plan; and
- Encourage programs that focus on educating the general public and elected officials on what encompasses infrastructure.



**WORKFORCE ATTRACTION & RETENTION:** To attract and retain a skilled workforce by providing the necessary support in the form of housing, education and training,

networking, transportation options, and cultural/ social opportunities.

- Leverage the resources available through the workforce development and university/ community college systems to address the growing skill needs of the business community and regional workforce;
- Facilitate collaboration among stakeholders in the economic development, workforce development, and education sectors to address the current and future skill needs of the business community and regional workforce;

- Identify and address the employment and skill needs of firms within the specific growing industry sectors and innovative clusters in the region;
- Foster workforce development at the high school and vocational, trade, and technical school levels in an effort to retain New Hampshire talent;
- Create or promote spaces, forums, and events that provide opportunities for employers to connect with potential employees;
- Enhance and augment the existing support network for startups and small- and medium-sized enterprises;
- Improve local networks and connections among young professionals and businesses; and
- Encourage projects, businesses, and services that provide cultural and social opportunities for a younger, educated demographic.



**HOUSING:** To develop diversified housing options for people of all incomes, ages, and lifestyles.

- Work with communities and residents to identify the need for and benefits of a diversified housing stock, including homes of various sizes at multiple price points;
- Increase the availability and affordability of the region's housing supply to ensure the availability of workers for expanding businesses and new firms in the region;

- Work with employers, state and local housing and development entities, banks, and private developers to encourage the development of workforce housing on a regional basis;
- Support the development of financial incentives for communities to work together to address the region's workforce housing needs;
- Partner with housing-focused organizations like Workforce Housing Coalition of the Greater Seacoast and New Hampshire Housing to support their work advocating for policy at the state and local levels that will facilitate the development of housing;
- Facilitate collaboration between the private and public sectors to create more effective and efficient public/private partnerships to address regional housing problems;
- Promote pedestrian-friendly, mixed-use (residential and commercial) developments in the downtowns and village centers of the region; and
- Increase broad-base knowledge of programs available to homebuyers such as USDA rural development, FHA, and NH Housing Finance Authority programs.
- Encourage investment in environmentally sustainable development related to "green" products, processes, and buildings as part of the "green" economy;
- Support the working landscape of farms, forestland, and fishing industries serving the region;
- Build and rebuild the energy infrastructure of the region through conservation initiatives, development of renewable energy sources, and working with the public utility companies while encouraging a diversity of energy options to insulate against fluctuations in the energy market;
- Engage and encourage local, regional, and state agencies, businesses, and conservation groups to work together in climate adaptation and resiliency planning;
- Identify and redevelop Brownfields sites to return them to productive economic use;
- Redevelop properties for industrial and commercial uses in "pockets of distress" areas, downtowns, and village centers through the use of targeted financial resources;



**SUSTAINABLE LIVING:** To foster a strong sense of community and maintain the unique qualities of life in southern New Hampshire through sustainable living best management

practices, including the preservation of natural and historic resources and a balanced approach to economic development and resiliency.

- Promote plans and activities that foster a sense of community across a diverse population; and
- Promote tourism and recreational plans, development, and activities that reflect the historic, cultural, and natural resources of the region.



# HOW IS OUR STATE AND REGION RESPONDING TO COVID-19?

## What is GOFERR?

On March 27, 2020, the U.S. Congress passed the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) and President Trump signed the CARES Act into law. The Governor’s Office for Emergency Relief and Recovery (GOFERR) was established by Governor Sununu by Executive Order on April 14, 2020, to work with the Governor and the Legislature to establish and oversee a process for allocation and expenditure of COVID-19 emergency funds provided under the CARES Act.

The CARES Act provided significant emergency relief funding to New Hampshire, including:

- \$7,496,020 in Community Development Block Grant funds
- \$3,800,000 in Emergency Solutions funds
- \$404,880 in Housing for Persons with AIDS (HOPWA) funds
- \$3,262,422 in Election Security Grant funds
- \$4,410,342 in Byrne-JAG State and Local Law Enforcement Grant funds
- \$6,947,671 in Childcare and Development Block Grant funds
- \$82,534,000 in Education Stabilization funds
- \$5,448,000 in Public Health Emergency Preparedness (PHEP) funds
- \$37,891,454 in Federal Transit Administration Grant funds
- \$5,541,000 in Low Income Home Energy Assistance Program funds

- \$427,000 in National Endowment for the Arts funds
- \$423,000 in National Endowment for the Humanities funds
- \$1,250,000,000 from the CARES Act Coronavirus Relief Fund (“flex funds”)

The \$1,250,000,000 in flex funds may only be used to cover costs incurred by the State that are necessary expenditures due to the public health emergency with respect to COVID-19. They were not accounted for in the state budget most recently approved as of the date of the enactment of the CARES Act and, were incurred during the period that began on March 1, 2020, and ends December 30, 2020.

To date, the State has created 22 programs to manage distribution of CARES Act funds. These programs provide funding across New Hampshire for a broad range of services, including emergency broadband expansion, live venues, housing relief, childcare relief, and reimbursements to municipalities and counties for COVID-19 related expenses. A full list of programs is available on the GOFERR website: <https://www.goferr.nh.gov/covid-expenditures>

## Regional Information Sharing

COVID-19 has strengthened the working relationships of state and federal agencies and economic development organizations with local governments and businesses in the region. In addition, the pandemic created a new urgency for local officials and local businesses to work together to find creative solutions to keep businesses safely open amid a public health crisis.

Information on emergency funding programs, updated health advisories, and health and



Photography by Chris Montgomery.

employment statistics continues to be disseminated by many state and federal agencies on a weekly basis via announcements, newsletters, Zoom meetings and calls. Staff from the REDC participate in all these meetings and calls and disseminate pertinent information to clients, municipalities, regional planning commissions, and other organizations via technical assistance, social media posts, and website postings.

The early days of the pandemic created a need for economic development professionals, business owners, and local and regional officials to consult and collaborate. In response, the Strafford Regional Planning Commission (SRPC) established the Seacoast Economy Weekly Call to enable the timely sharing of news, resources, and concerns. Issues identified during the calls have resulted in participants forming a new group – Seacoast Economic Development Stakeholders (SEDS) – to strengthen advocacy for economic needs of the region during the pandemic and beyond.

## Municipal Response

Municipalities across the region quickly established new operating procedures for all facets of local government in response to COVID-19. The important day-to-day operations of town and city administrative, planning, and public works departments continue to be executed following

guidelines developed by the state, with most meetings and transactions being conducted virtually. In keeping with Governor Sununu’s Executive Order 2020-04, “State and local government bodies are permitted and encouraged to utilize the emergency meeting provisions of RSA 91-A to conduct meetings through electronic means while preserving, to the extent feasible, the public’s right to notice of such meetings and ability to observe and listen contemporaneously.” The added responsibility of successfully conducting local, county, state, and national elections amid a pandemic highlights the critical role our local governments play in the region’s pandemic response.

Creating and approving safe spaces for outdoor dining and gathering are priorities for all communities in the region, with restaurants and local officials working closely and quickly to allow restaurants to remain in operation. In June, the city of Portsmouth created a Citizen Response Task Force to help the city quickly and safely respond to the guidelines for reopening set by the Governor’s Economic Reopening Taskforce. The city’s taskforce includes representatives of the business community, restaurant owners and managers, non-profit organizations from the arts community and health services, citizens, members of the Economic



Portsmouth City Hall, Portsmouth, NH.



Development Commission, health care professionals, and city staff members, including the City Manager and Health Officer. Taskforce accomplishments include converting a municipal parking lot into a venue for outdoor dining from city restaurants and live performance venue and enabling downtown street use for more outdoor dining by placing barriers in roadways and approving outdoor alcohol consumption.

The arrival of colder weather poses a challenge to outdoor dining in many ways, including the need for municipalities to stop outdoor dining on sidewalks and parking spaces to make way for snow removal. The city of Concord and the Greater Concord Chamber of Commerce are partnering to help restaurants using funds from a canceled fireworks show. The funds may be used by restaurants to bolster indoor dining capacity, including the purchase of dividers and air purification systems.



## TOWN OF EXETER, NH COVID-19 BUSINESS OUTREACH

The Town of Exeter's Economic Development Director, Darren Winham, established a regional newsletter in response to the need for accurate and timely information during the pandemic. The newsletter is emailed to 900 businesses in Exeter and 9,000 businesses in the Rockingham Planning Commission region and provides detailed information on emergency funds, operating procedures, and other resources. Additionally, the email serves as a template for many other economic development professionals in the state.

Going forward, municipalities in the region will be updating their Hazard Mitigation Plans and Emergency Operations Plans to address pandemic preparations and response, with many lessons learned in 2020.

## Municipal Budgets

The financial impact of the pandemic on municipal budgets is a cause for concern statewide. Municipal officials are anticipating lost revenue from a wide variety of sources, as well as increased expenses, as highlighted by a survey conducted by the NH Municipal Association (NHMA) which requested information from towns and cities about COVID-19 related expenses. Survey respondents indicated unanticipated and increased costs come from the need for additional training for police, fire, and emergency services, with only some of the expenses being reimbursed by FEMA. Additional training and expenses are being incurred for technology to allow employees to work remotely and municipal officials to conduct business and hold public meetings virtually via online platforms. Towns are also experiencing an increase in welfare expenses with more people seeking assistance with shelter, rent, utility payments, and food. Communities with high seasonal tourist populations and second home properties reported large percentages of second homeowners establishing permanent residency here, which has increased the school-age population enrollment and demands for other services.

Property tax revenue is the largest source of municipal revenue in New Hampshire. Stimulus funding and loan programs from the federal government directly to taxpayers, unemployed, businesses, and non-profit organizations have all contributed to stabilizing immediate local property tax collections. However, municipal officials reported concerns with December tax bills as federal stimulus monies dry up. There is also concern for the impact on municipal property tax base if businesses and buildings remain closed, resulting in a decrease in commercial property values, potential shifting the tax burden within the municipality disproportionately to residential taxpayers.

Motor vehicle registration fees are the second largest general fund revenue source for many municipalities and some survey respondents indicated they were seeing shortfalls in vehicle registrations. Shortfalls were also reported in other municipal fees and taxes, including water and sewer fees, building permits, parking fees, and recreation fees.

The Governor's Office for Emergency Relief and Recovery (GOFERR) allocated \$32 million from federal CARES Act funds to municipalities to help offset the unanticipated municipal expenses made in response to the pandemic. NHMA's survey found that municipal officials believe the allocation will fall well below the total expenses incurred and, as a result, are anticipating delaying or canceling planned capital projects, reducing municipal services, and instituting hiring freezes and layoffs.

## NH Employment Security Data

### Unemployment Rates 2020

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20
NH	3.1%	3.1%	2.8%	17.2%	15.3%	9.1%	7.9%	6.4%	5.6%
Hillsborough County	3.1%	3.2%	2.8%	17.2%	15.7%	9.4%	8.3%	6.8%	5.9%
Rockingham County	3.3%	3.3%	3.0%	17.6%	15.6%	9.6%	8.4%	6.8%	6.0%

Source: NH Employment Security

Pre-COVID-19, the unemployment rates for Hillsborough and Rockingham counties were around 3%, however in April, they soared to over 17% due to the closure of many businesses. Since the peak in April, rates have slowly lowered to approximately 6% in the month of September. The largest one-month drop was from May to June, when rates went from the mid-15% to mid-9%.

The hardest hit county in terms of unemployment rate was Carroll County which started with an unemployment rate around 3% pre-COVID-19 and saw rates climb to over 24% during April 2020; a change of 21.4% from March to April. On the opposite end of the spectrum, Sullivan County, which went into the pandemic with an unemployment rate of 2.4% (March 2020), peaked at 13.6%, measuring an increase of 11.2%.

### Unemployment Claims

On April 23, 2020, the State of New Hampshire's Department of Employment Security (NHES) began a weekly publication outlining initial unemployment claims by community, county, and industry to demonstrate how the geographic regions and business sectors of the state are being impacted by COVID-19. With this data, the state calculates a COVID-19 Affected Unemployment Rate, which

only counts unemployment claims filed since March 15, 2020 and compares it with the February 2020 workforce. The weekly reports follow the trends of unemployment claims for New Hampshire residents who work in New Hampshire and excludes workers who are employed outside of the state, for they would file unemployment claims in the state where they work.

Between March 16th and October 31, 2020, NHES received a total of 183,717 total unemployment claims, with 58,518 claims from Hillsborough County and 38,455 claims from Rockingham County. The hardest hit sector in the state is the food service and drinking industry, with a total of 27,116 new unemployment claims between March 15 to October 24, 2020.

While claims have tapered off significantly from the initial month of the pandemic, a rise in new COVID-19 cases may bring new restrictions to NH businesses. Additionally, the upcoming colder weather will drive residents back indoors, potentially ending the outdoor dining offered by several restaurants and bars in the state.

For more information regarding NHES weekly COVID-19 report, visit their website at:

<https://www.nhes.nh.gov/covid-19-unemployment-rates.htm>

# Local Farm Response to Food Insecurity

When COVID-19 hit New Hampshire, the state's stay-at-home order posed a threat to livelihoods for the region's farmers due to the loss of direct sales to restaurants and to consumers via farmers' markets. Farmers responded quickly, however, shifting their models to marketing directly to customers via social media, establishing online sales platforms and delivery services, and working with social service agencies and others to meet the needs of food insecure families.

Prior to the pandemic, the Three River Farm Alliance had built a robust online marketplace representing more than 50 local farms and food producers to serve the region's dining and retail industries. When the pandemic altered these industries, the Alliance recognized they needed to rethink their business model. They decided to take their wholesale delivery model and create a retail home delivery business, named Veggie-Go. Using refrigerated body trucks, Veggie-Go delivers locally grown vegetables, local meat, and dairy products to personal homes rather than businesses. An online ordering system and expanded distribution service enables contact-less



Photography courtesy of Three River Farm Alliance.

delivery to approximately 1,000 households each week, serving 63 towns in New Hampshire, Maine, and Massachusetts, including low-income families eligible for the federal Supplemental Nutrition Assistance Program (SNAP). Veggie-Go customers have the option to donate to an emergency food fund for families in need. Between monetary and food donation, the Alliance has been able to safely aggregate and distribute locally produced food valued at over \$65,000 to people in need.

Organizations serving food insecure households in the region estimate that prior to the pandemic one in eight households were food insecure. That number has increased to one out of four households during the pandemic. Food banks and pantries across the region have been well served by local farms. Seacoast Eat Local's (SEL) Mobile Market van worked throughout the summer and early fall purchasing food daily from area farmers and making deliveries to dozens of locations serving food insecure households. During the period of July through September, SEL collected and distributed over seven tons of locally grown food, assisting 10,000 households, and meeting an urgent need for both producers and consumers.

Heading into winter, indoor farmers' markets have also adapted to provide a safe shopping experience, including curbside pickup outside the markets and asking shoppers to make timed appointments to limit the number of people inside the markets.

**VEGGIE-GO**  
**FACT SHEET**

LOCAL FOOD HOME DELIVERY BROUGHT TO YOU BY THREE RIVER FARMERS ALLIANCE

- Towns we serve
- Pick up locations
- How to sign up
- When to order
- When your delivery will arrive!

*All the information you need to get started!*

<https://www.threeriverfa.com/veggiego-fact-sheet>

Graphic courtesy of Three River Farm Alliance.



# Tourism Impacts and Response

The pandemic continues to drag down New Hampshire tourism, despite the efforts of the hospitality industry to quickly create and adapt to new business models. Figures from the state show New Hampshire collected nearly 20% less in meals and rooms tax than it had forecast for the month of October. Hotel collections were down 19% as compared to the same month last year. Restaurants fared a bit better, dropping less than 5%. Visitors to New Hampshire arriving from states other than those in New England and staying at lodging properties are required to sign documentation stating they remained at home for at least a 14-day quarantine period prior to arriving in the state.

As the seasons change and colder weather limits outdoor dining and gathering, maintaining the safety of visitors and staff requires hotels, restaurants, tourist attractions, and other venues to offer services in new ways, following operating guidelines and reopening guidance set by the state that set capacity limitations and requires additional public health protection measures. Ski NH, the statewide association representing 30 alpine and cross-country ski resort members, has established a COVID-19 Consumer Resource Center to provide up-to-date information about resort operations for the 2020-2021 season. Ski resorts are encouraging or requiring the purchase of tickets online and some are requiring advanced reservations.

In response to COVID-19, NH State Parks instituted a day-use reservation requirement in the spring to prevent overcrowding at state parks. And for the first time, most parks and campgrounds remained open after Labor Day weekend to provide safe spaces for people to get outdoors. The reservation requirement expired in mid-November.

New Hampshire beaches, a main driver of the state's tourism industry, were subject to closures and restrictions designed to protect public health. Under the Governor's stay at home order, beaches were closed early in the pandemic. As summer

approached, a state task force developed a regional beach plan with the first phase allowing beaches to reopen for walking, running, swimming, and surfing. Sunbathing, sand sports, and sitting on the beach were not allowed under the first phase. In addition, parking was banned along NH Routes 1A and 1B and public parking lots were limited to 50% capacity. The second phase opened all seacoast beaches to sunbathing, sand sports, and sitting on June 1st, with the requirement that all individuals maintain a minimum six-foot distance between other groups.

# Arts Impacts and Response

COVID-19 has struck a hard blow to the arts, culture, and creative economy in the region. At the onset of the pandemic, museums and galleries closed their doors, and concerts and stage productions were canceled. Many of these events have now moved online, with some venues offering virtual shows to replace in-person events and performances. The Nashua Areas Artists' Association held their annual fall fundraising auction online, enabling supporters to view and purchase local artwork virtually. Art Up Front Street Studios & Gallery in Exeter held open studios events with work being displayed both outside and inside the gallery and studios to enable social distancing. Following guidance from the Governor's Reopening Task Force, the Portsmouth Music Hall rebooted their holiday event schedule by offering films and a variety of live events with reduced theater capacity and strict hygiene protocols.



Art Up Front Street Studios & Gallery Open Studios outside in Fall of 2020.



A house sold in Rockingham County in the summer of 2020.

Despite these adaptations, the arts community continues to struggle. Americans for the Arts, a national advocacy organization, has been collecting data from arts organizations about the impacts of the pandemic on their operations. To date, 166 New Hampshire organizations have responded, with 97% reporting they have canceled events, and 89% reporting the pandemic has had a severe or extremely severe financial impact on their organization.

In response, the Governors' Office for Emergency Relief and Recovery (GOFERR) authorized the allocation and expenditure of \$12 million from the state's CARES Act Coronavirus Relief Funds for a relief program to target New Hampshire live performance venues. The Live Venue Relief Program supported for-profit and nonprofit performance venues facing revenue losses due to COVID-19, provided they are primarily engaged in hosting live theatrical presentations, musical entertainment, and/or sport or racing events that are seated, ticketed, and open to the public. Venues in the CEDS region that received awards include the Hampton Beach Ballroom, Portsmouth Music Hall, and Tupelo Music Hall.

## Impacts on the Housing Market

While the coronavirus pandemic didn't cause New Hampshire's housing crisis – it did accelerate it. Limited supply and high demand due to in-migration and slowed construction are driving housing costs up. According to New Hampshire Housing's October 2020 Housing Market Report, Rockingham County has the highest median list price in the state at \$475,000 – nearly half a million dollars. This is an increase over the March 2020 Housing Market Report price (up from \$449,900).

Median gross rent in Rockingham County is \$1,623 – up from \$1,568 in 2019 and a 28% increase over the last five years. Similarly, median gross rent in Hillsborough County is \$1,534 – up from \$1,456 in 2019 and a 26% increase over the last five years. Unemployment in New Hampshire was at 6% in September – a 4.4% increase over 2019 – so what is causing the hot housing market?

- High demand for housing among New Hampshire residents and those relocating to the Granite State from elsewhere.
- Very limited supply of housing across the state.

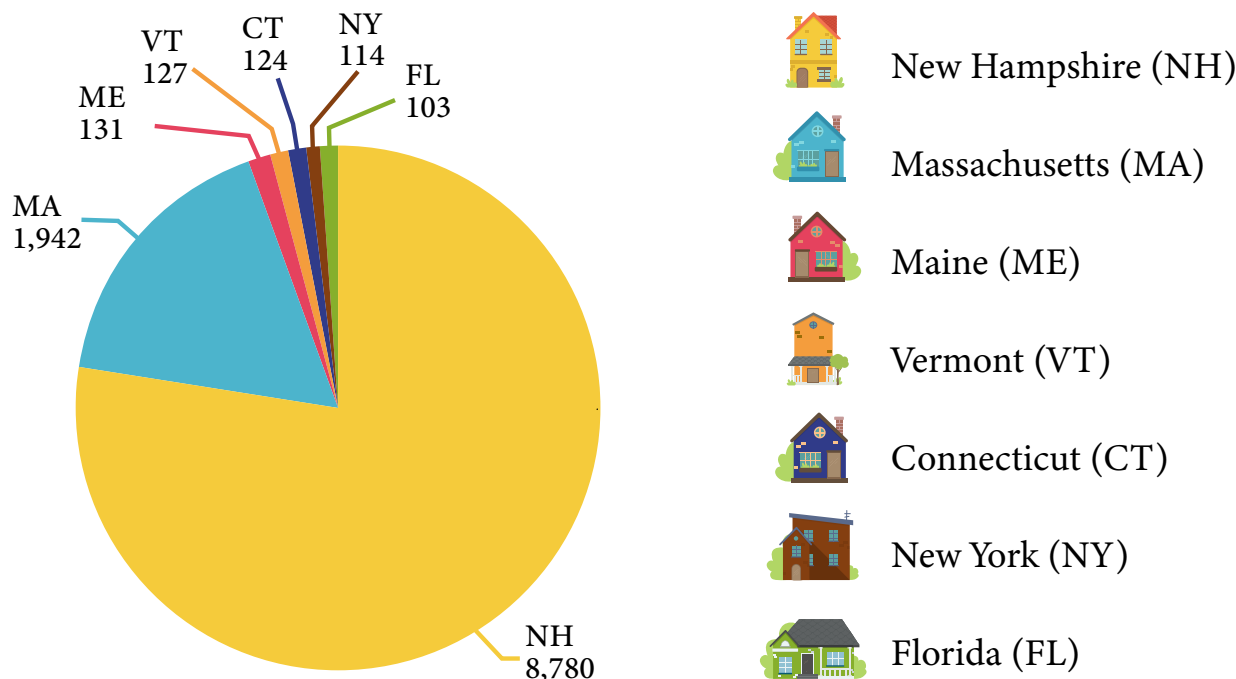


## In-Migration (Where Will They Live?)

Rising housing costs are occurring with a predicted migration of Boston-area workers to New Hampshire, as employees are given the freedom to work remotely. Most of the state's in-migration is coming from within New England. While the majority of home buyers (73%) in New Hampshire between January and August were New Hampshire residents (8,780 sales of 12,022 total sales), 1,924 sales were to home buyers from Massachusetts.

## Who is buying homes in NH?

Top states of origin among home buyers between January and August 2020.



Data from the Warren Group. Analyzed by the New Hampshire Housing Finance Authority.

For workers bringing Boston salaries to the Granite State, in-migration is driving demand for market rate and “luxury” housing.

## Supply is Low, but Demand is High

In September this year, New Hampshire's inventory of for-sale housing dropped to less than one-month supply at or below \$300,000 (less than \$300,000 is considered a “starter” home). This means, if the market continues at the same pace, but no new homes are added to the market, the state would be out of inventory in one month. In contrast, a healthy housing market has five or six months of supply.

Low supply, coupled with high demand, is driving prices up. Housing prices have increased over the course of the pandemic. The median list price for the state in March 2020 was \$344,900 versus \$359,900 in October 2020. This was true in Rockingham County, as well, where the median list price increased from \$449,900 to \$475,000 over the past six months.

In September 2020, when the housing market usually begins to cool, the number of sales increased 15.7%

over September 2019 with 1,901 sales reported. The median price also increased 14.9% to \$350,000 statewide. Compared with 2019, there are nearly 60% fewer homes on the market. Currently, houses are purchased in 46 days and at 100.3% of asking price.

## Median List Price Comparison

	March 2020	October 2020
	Median List Price	Median List Price
Rockingham County	\$449,900	\$475,000
Hillsborough County	\$349,000	\$265,000
State of NH	\$344,900	\$359,900

Comparison of the NH Housing Finance Authority's March 2020 and October 2020 Housing Market Reports.

One driver of high demand across the state is record-low interest rates. In 2020, the average interest rate on a 30-year fixed-rate mortgage fell to 2.8%, according to Freddie Mac. The 15-year fixed-rate mortgage dropped to 2.33%.

## What now?

Prior to the pandemic, New Hampshire's limited supply of housing affordable to the workforce was described as a crisis – how should we describe it now? The pandemic didn't cause this current crisis, but it did accelerate it. So, what now? New Hampshire, especially the REDC region, needs additional units of a range of diverse housing types at prices the workforce can afford. The solutions are the same: regulatory change at the local and state level, education, and myth-busting. Reach out to REDC's Housing Coordinator to get started today.

## Childcare Crisis

Even before the pandemic, many New Hampshire families struggled to find affordable, reliable childcare, frequently encountering wait-lists for childcare providers. Child Care Aware, a nonprofit that works with state and local childcare agencies nationwide, estimated in 2019 that there were 32,780

spaces in childcare centers in New Hampshire, but 54,019 children whose parents or guardians worked full-time. The closure of daycare centers and the suspension of classroom instruction by many schools and aftercare programs at the onset of COVID-19 left many families without access to childcare, for both preschool and school-aged children. While many childcare centers have reopened and school systems are providing classroom and virtual instruction, the pandemic continues to strain childcare programs, highlighting the fragility of the system and chasing parents and guardians out of the workforce.

According to researchers at the University of New Hampshire's

Carsey Institute, the problems are two fold - childcare providers do not generate enough revenue to pay staff members well, making it difficult to find employees, and at the same time, childcare is too costly for many families to afford. The credentials needed to be a lead teacher in a preschool program generally require some college education, yet the wages for that position are typically lower than a livable wage. According to the Economic Policy Institute, childcare for infants, the most expensive childcare age group, costs New Hampshire families on average of \$12,791 per year, or \$1,066 per month, approximately 15% of the median income for families in the state.



A Place To Grow Childcare Center in Brentwood, NH.

COVID-19 protocols, including limiting cohort sizes, providing personal protection equipment and potentially adding more physical space to allow for distancing, have made providing childcare more expensive, just as there is a decreasing number of families paying childcare fees due to space constraints at childcare centers and families opting to not use childcare due to the risk of COVID-19 exposure.

## Industry Expansion

Despite the pandemic, economic development professionals are reporting industry expansion, highlighting the underlying strength of the region's manufacturing economy.

Examples include:

- SIG Sauer, with facilities operating at Pease Tradeport, Exeter, and Dover, is expanding into Rochester, moving 300 employees, and hiring an additional 150 to work in Rochester, and hiring more employees for the Exeter facility.
- Bae Systems is expanding operations in Manchester and hiring 800 new employees.
- Allegro Microsystems is relocating from Worcester, MA to Manchester and hiring another 100 employees.
- Lydall Performance Materials in Rochester has signed a \$13.5 million contract with the Department of Defense to support production lines, adding and additional 47,000 sq. ft. and hiring 30 production workers.
- Lonza Biologics is expanding within its plant at Pease and hiring another 200 employees.

Lonza Biologics plant, located in Portsmouth, NH.  
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## Client Spotlight

Dunk's Mushrooms Products & Foraging received business and graphic design technical assistance and financing from REDC for renovation and equipment costs in their commercial kitchen. Dunk's offers mushroom cultivation, foraging, and wildcrafting. They grow gourmet mushrooms, offer wild foraged, and mushroom based products.

Like many small businesses this year, Dunk's Mushrooms was hit hard by the effects of the pandemic. Prior to COVID-19, Dunk's Mushrooms products could be found in over 40+ restaurants, four cooperative food stores, and various farm stores. When restaurants were forced to shut down, the owner had to pivot his whole business to sell directly to clients and more farm stores. Dunk's Mushrooms reached out to REDC for assistance in setting up an online store through his website, which REDC's Design Advisor had created. The REDC Design Advisor created a store for him which would allow him to have clients order online and pickup at his location.

The REDC Business Advisor worked closely with Dunk's Mushrooms this year as well, helping him navigate during this unprecedented time. Prior to COVID-19, Dunk's Mushrooms was working to commercialize their Mushroom Jerky. They were officially approved to sell their Mushroom Jerky in stores, and Dunk's Mushrooms has started to do so, once again pivoting his business in another direction that will help ensure his success as a small business in New Hampshire.

Learn more about Dunk's Mushrooms Products & Foraging at [www.dunksmushrooms.com](http://www.dunksmushrooms.com).



Photography provided by Dunks Mushrooms Products & Foraging.



## REDC's New Disaster Response Coordinator

In June, REDC was awarded a \$400,000 CARES Act grant from the Economic Development Administration (EDA). As part of that grant, REDC created a new Disaster Recovery Coordinator (DRC) position. Theresa Walker was hired to fill this role, starting July 20, 2020. The DRC's roll is to gather information and disseminate it to our communities as well as assist with orchestrating our response to the economic crisis created by the COVID-19 pandemic.

Theresa is working directly with the four Regional Planning Commissions in our region, and remains apprised of recovery efforts and opportunities locally, regionally, and state-wide via the Governor's Office for Economic Recovery and Resilience (GOFERR). Additionally, the DRC coordinates with our federal partners such as EDA, EPA, SBA, CDFI, USDA, and HUD. It will be the DRC's responsibility to liaison with our existing CEDS Planner to help develop and put into place our COVID-19 Recovery Plan.



REDC's Disaster Recovery Coordinator Theresa Walker.

Since she was hired, Theresa has been participating in at least three to four economic development calls/Zoom meetings per week to review the status of local, regional, and state economies and draft short and long-term pandemic response strategies for the region; joined webinars hosted by state and federal agencies focused on COVID-19 related funding programs and economic disaster recovery; identified municipalities in the REDC region struggling with accessing state and federal programs and provided information; and compiled information for the REDC's short-term and long-term pandemic response and for CEDS.

## The REDC Technical Assistance Team

REDC has been helping individuals and small businesses for over 25 years. We provide business counseling, including planning, financing, and marketing plan development, along with graphic design, website design, and marketing assistance to our clients. Our goal is to promote responsible, sustainable economic development activities by creating jobs for low- to moderate-income people and accessing alternative financing for business and industrial expansion/relocations, which in turn provides tax relief for our communities and our region.

With the declaration of the COVID-19 global pandemic in March 2020, REDC has been working tirelessly to help our existing clients, and all small businesses in our region, withstand and recover from these trying economic times. Our Business Advisor, Chris Duffy, helped 59 non-client businesses with EIDL and PPP applications during April 2020. Between the months of April and July 2020, the REDC Board of Directors approved 13 loans, for a total of \$290,000, on an emergency basis due to the economic impacts of the COVID-19



pandemic. We've been here since the beginning of the economic crisis, and we are growing to meet the needs of southern New Hampshire's businesses. Thanks in part to a \$400,000 CARES Act Grant from the U.S. Economic Development Administration, REDC hired two additional employees to join the Technical Assistance team. Meet the newest members of our Technical Assistance team:



**Kerri Salls**

Business Advisor

Kerri Salls is REDC's newest full-time Business Advisor. REDC is expanding business advising capacity by adding Salls as a third business advisor at REDC, who will work alongside REDC Business Advisor Chris Duffy and REDC Design Advisor Laura Harper Lake.

Kerri has helped businesses grow for many years as a business consultant at Value Growth Results, Breakthrough Enterprise, and DocTech. She holds an M.B.A. from Boston University Questrom School of Management in International Marketing & Operations Management, and certification as a value growth advisor.



**Augustine Nyonzima**

Technical Assistance Coordinator

Augustine supports the Technical Assistance team by managing clients, records, and grant reports. Augustine holds a B.A. in Communications from Keene State College and has experience working in offices with refugees and immigrants in America.

## Spotlight: Communities & Consequences II

Early on during the pandemic, *Communities & Consequences II: The Rebalancing of New Hampshire's Human Ecology* by Peter Francese and Lorraine Stuart Merrill was released. The book, which is the much-anticipated sequel to the award-winning *Communities & Consequences: The Unbalancing of New Hampshire's Human Ecology* (2008) by Francese and Stuart Merrill, explores changes in New Hampshire's demographics – especially regarding the Granite State's climb to becoming the country's second oldest state. The sequel describes “how we got here and how visionary local leaders are crafting strategies to restore balance and build thriving intergenerational communities”.

Get more information at <https://nhpbs.org/communitiesandconsequences/>. You can purchase a copy of the book at a local, independent bookstore near you.

The sequel documentary by the same name premiered in the fall on New Hampshire PBS. Like the book, the documentary follows the story of visionary local leaders crafting strategies to restore balance and building thriving intergenerational communities in New Hampshire. Filmmaker Jay Childs will be touring the state (likely virtually) to show the documentary in communities. If you'd like to schedule a screening of “Communities & Consequences II: The Rebalancing of New Hampshire's Human Ecology”, contact REDC's Housing Coordinator today.

## Next Steps



REDC has started the planning process for the 2021 CEDS Update: the first annual update to the 2020 CEDS. As part of the update process, REDC and its consultants will examine the most recent demographic and economic data, update the narrative on key projects and programs in our region, solicit new projects for our Priority Project list, and update the resiliency section to include lessons learned from the COVID-19 pandemic.



We will engage the public and our consultants to examine how the COVID-19 pandemic has impacted the CEDS's five-year goals and objectives.



The new Disaster Recovery Coordinator and the CEDS Planner will work together to draft a COVID-19 Recovery Plan that examines how the region is adapting to the challenges posed by the pandemic and identifies programs and policies that enable the region to become more resilient through adaptation and innovation.

# REDC BOARD OF DIRECTORS

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Scott Zeller, Chairman of the Board

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## **Board Members**

William Davis

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Craig Jewett

Nancy Carmer

Mike Decelle

André Garron

Full biographies of each Board member can be found at [www.redc.com/about](http://www.redc.com/about).

The Regional Economic Development Center is a non-profit regional development corporation located in southern New Hampshire. REDC serves new, growing, and challenged businesses within our service territory. Whether you need to find a lending partner, finance an expansion, or need assistance with restructuring, REDC can help. REDC assists municipalities with strategic planning, economic development training, and assistance with infrastructure projects through the Comprehensive Economic Development Strategy (CEDS).



57 Main Street  
Raymond, NH 03077  
603-772-2655  
[www.REDC.com](http://www.REDC.com)