

AFFORDABLE HOUSING SUBCOMMITTEE

**Hooksett Municipal Building
Town Council Chambers, Room 105
35 Main Street
Thursday, August 19, 2021**

MEETING CALLED TO ORDER AT 4:07 PM BY MIKE SOMERS.

PRESENT: David Boutin, David Scarpetti, Mark Chagnon, Mike Somers

EXCUSED: Matt Barrett- Chair, Christopher Stelmach-Vice Chair

STAFF: Nicholas Williams-Town Planner, Leann Fuller-Administrative Assistant, André Garron- Town Administrator

Pledge of Allegiance was recited by those present

APPOINTMENTS

- 1. CORDELL JOHNSTON, GOVERNMENT AFFAIRS COUNSEL, NH
MUNICIPAL ASSOCIATION
Pending legislation pertaining to Affordable Housing in NH**

Nicholas Williams explained his request for Mr. Johnston's attendance to discuss the ongoing state of the housing crisis. There are three articles in the Union Leader specific to this problem. Mr. Johnston has some in depth knowledge of what is going on in Concord regarding affordable housing and may have some insight as to what is coming down the pipe. He also has some information about what other municipalities are doing.

Cordell Johnston introduced himself. Cordell is the Town Moderator for Henniker and was on the Planning Board years ago. Cordell has been with the NH Municipal Association for about 18 years. Cordell explained that there are various requirements and statutes when it comes to implementing Zoning Ordinances. There are two ways to look at the requirements: 1. What Towns are required to do. 2. Does the Town want to meet the bare minimum required by state law?

David Boutin has heard opposition regarding multi-family housing creating a problem for the school systems.

Cordell Johnston said that 20 years ago there would have been a concern. Lately, it is more myth than fact. The experts have presented persuasive evidence that developing more housing is not going to result in significant increases in education expenses. Those expenses would be offset with the increased tax revenue.

Mike Somers explained that there was a study done about a year and a half ago that broke those myths. School enrollments drop every year. Fixed facility costs continue to rise every year. A point has been reached where it is expensive to educate a student. However, the state match and

tax revenues offset that. It can lead to a stronger school system and stronger town. Mike will find that study.

Mark Chagnon stated that Hooksett residents are unique as they can go different directions for High School. Mark was not concerned about the educational impact.

David Scarpetti spoke with the SAU and enrollment has declined every year. People are selling their homes and going into apartments due to age.

Cordell Johnston confirmed that all those factors combine to dispel the myth. The basic requirements of the law for Zoning Ordinances and regulations must provide realistic and reasonable housing.

Nicholas Williams explained that the Town ordinances comply. Nicholas notices a pattern; developers want to locate residential units in zones where they are not permitted by right. Typically, adjacent to Daniel Webster Highway where there is water, sewer, signalized intersections, sidewalks, and access to the highway. The issue is making the adjustments, not by just amending the ordinances but by looking at where space can be identified for this use. Nicholas recommends flexibility and accommodating where the development community would like to put these.

David Boutin asked how to approach a solution to the problem. Possibly a floating zone. Most highly traveled corridors are already developed. Commercial property does not allow residential use. The concept of a floating zone would be to come to Planning Board and take this building and convert to apartments. If the board agreed, they could allow this floating zone to settle onto the property that would allow multifamily and the ordinance would specify density, setbacks, etc.

Cordell Johnston explained that the term used is an overlay district. As far as other legislation, those three things are the main requirements right now. Bill HB 132 would have imposed a maximum lot size of ½ acre for single family housing. The NHMA position is to not impose statewide Zoning requirements on NH municipalities. That bill was retained in the legislative committee, it will come back in 2022. That size lot would be required to have water and sewer. HB 189, which was killed, would have required municipalities to allow up to 3 ADU's in any single family dwelling. HB 586 would require a town that allows a density bonus for elderly housing to do the same for workforce housing. That bill was tabled in the house. Cordell recommends getting in front of some of these bills. In Southern NH there is a housing problem and business are struggling. There are towns and cities that have come up with some useful approaches such as Dover, Exeter and Chester. Cordell supplied information from each town or city including a contact person. Dover has done more than any other municipality in the state. They allow multifamily housing in over half of the city, which is more than state law requires. They allow density bonuses for HUD rent restricted housing (affordable housing). They allow multi-unit buildings. They eliminated the definition of family for single family homes.

David Scarpetti confirmed that a lot of people are coming into town and taking in handicapped people.

David Boutin asked Nicholas if there is a definition of affordable rent.

Nicholas Williams answered that it is 30% of a household's gross annual income.

David Boutin asked how that matches up to the HUD restricted rent.

Nicholas Williams explained that HUD uses 30% of the median income for the county.

Cordell Johnston explained the formula. If the median income for the county is \$50,000. The definition of affordable is if the income is 60% of that median income. 60% of \$50,000 is \$30,000. Affordable to someone with an income of \$30,000 may be 30% of that person's income, which is \$9,000. Then, split that into 12 monthly payments, which would equal \$750. Ordinances will have to spell out that formula. Exeter's ordinances do have that formula.

David Scarpetti spoke about the difficulties for developers. The cost of lumber has doubled. Houses are way overpriced to adjust for the cost of materials. It will be hard to get affordable housing with this formula due to the cost for developers.

Nicholas Williams believes that developers are going to make it up in volume. Preliminary discussions have insinuated around 250 units. Nicholas has read that NH is between 14,000-15,000 units short of what is needed. The issue is that the type of housing needed to close the gap is 1 and 2 bedroom apartments. While the Zoning allows it, there is a disconnect where it is allowed and where the development community wants it. A few specific properties seem to continuously catch the eye of the development community.

Mike Somers asked if it would make sense for Nicholas to come back with suggested parcels that should be looked at for rezoning as a warrant article.

Nicholas Williams confirmed that is where it was going a year ago. Legends Golf has attracted many developers. It is in the Performance Zone with sewer, water, signalized intersection, and sidewalks. It is not ideal for Commercial as there is no exposure. Nicholas did mention a commercial component to the developers, but commercial footprints are shrinking, and landlords can't fill them.

Cordell Johnston continued discussing other cities that have amended their ordinances. Dover allows smaller homes on lots under 5,000 square feet. They are proposing a tiny home village. One bill last year would have required every town to allow tiny homes. Another proposal is allowing more than 1 ADU per property or conversion of a single family into a two family if it still looks like a single family home. 2 years ago, Exeter adopted a mixed use neighborhood development. Exeter is also planning to adopt a new provision that passed this year, under Senate Bill 102, that allows a municipality to use RSA 79-E to provide a tax incentive for housing units within a housing opportunity zone. Historically, this tax incentive was for commercial and industrial only. Now, it allows residential development as well.

Mike Somers asked what the median income is for Hooksett. Nicholas answered roughly \$85,000.

Cordell Johnston moved onto Chester. Chester passed the density bonus this year. The density bonus is up to 50% if at least 50% of units in development are workforce housing. They have

also completed an age friendly subdivision which has a maximum size of 1200 square feet per unit. The age friendly is designed for both older people who don't have kids and younger people without kids. It does have accessibility requirements and one store living. 30-40 years ago, everyone wanted 55+ communities that brought no new children and the town received property taxes. Now, most towns aren't looking for that. They are looking for workers, not retired people.

Mike Somers added that those communities require a lot more emergency service.

Cordell Johnstons also mentioned that some communities are getting rid of impact fees.

Nicholas Williams explained that there was some discussion about negotiating the impact fees with developers. Hooksett assesses impact fees for school, roadway, public safety, and recreation. On site amenities could waive some impact fees such as a playground, pool, etc. It is a good incentive, but I am not sure it would get a lot of support.

Mike Somers is aware that the office of Business and Economic affairs has put out a strategic plan that included the affordable housing issue and Mike is under the impression that as part of the American Rescue Plan funds, there will be a fair amount of money for developing affordable housing in key areas of the state. It is for the development of new housing. Mike thought the gap was closer to 20,000 units. Mike was informed by Employment Security; they were tracking 25,000 unfilled jobs in NH.

David Boutin stated that the reality is a lot of people are prejudice against multifamily housing for whatever reason. A lot of people start out that way.

Mike Somers explained that developers are focusing on those 4,000-5,000 square foot homes where the greater margin is. There isn't anything in the middle.

David Scarpetti believes that things will get corrected in a couple years. These houses being sold for \$600,000-\$700,000 will be corrected.

Mike Sommers said that the Copper Door in Bedford, as a part of the development plan, was all the apartments behind it. Most of their staff lives in there. There are numerous other properties looking at doing that.

Mark Chagnon asked if this is only tied to rentals or if it can be increased to condex, condos, townhomes, etc.?

David Boutin does not believe anyone will build condos. David lives in Granite Hill where there are 475 units and 10% are rented. The Chairman of the Homeowners Association owns 3 units and rents them. That is high end of the market rentals.

Cordell Johnston explained that the age friendly subdivision has complicated and detailed provision. It is not just a few paragraphs; it is several pages.

David Boutin asked Cordell if there is anything in the upcoming legislative session regarding housing?

Cordell Johnston said there is recognition there is a housing problem but no good idea on how to solve it. The one useful bill, HB 586, came out of the Governor's Commission on Housing and it go tabled in the house.

Nicholas Williams explained that the Planning Board workshop is September 13. If it is something as simple as identifying one or two parcels that the development community has their eye on, that is a simple conversation with the board, a public hearing, and a warrant article. Nicholas will review the 79-E provisions for housing.

The next meeting is scheduled for Wednesday, September 8 at 4:00pm.

David Scarpetti motioned to adjourn, seconded by Mike Somers. Motion passed.

Meeting adjourned at 5:25pm.

Minutes submitted by

Leann Fuller
Administrative Assistant