

# Recommendations and Plan to Address New Hampshire's Housing Shortage

## Frequently Asked Questions (FAQs)

### 1. What does the plan do for affordable housing?

The plan has three main objectives that will stimulate the development of affordable housing (1) enhance local control by giving communities the tools they need to plan for development of affordable housing; (2) provide process predictability for all development, including affordable housing; and (3) accelerate investment in affordable housing through tax restructuring and other incentives. In the end, the two biggest barriers to development of affordable housing are local regulatory restrictions and a lack of incentives for investment. This plan addresses both by streamlining regulatory processes, enabling and incentivizing municipalities to adopt more housing friendly ordinances, and increasing financial incentives for private investment in affordable housing.

### 2. Does this plan infringe on local control?

No. The recommendations contained in this plan are designed to enhance local control by giving communities the tools they need to plan for their development and to incentivize communities to voluntarily adopt ordinances that are friendly to development of affordable housing units. The provisions that provide for process predictability help everyone, and merely streamline already existing processes.

### 3. What public financial investments into housing are contained in the plan?

The plan does not suggest any direct public investment into housing in New Hampshire; instead, it focuses on recommendations that would lead to increased private investment.

### 4. Why does the plan call for changes to the planning board process timeline?

The planning board approval timeline currently outlined in statute is not only confusing, but is not easily enforceable. The plan recommends using the current timelines and restructuring the planning board process to provide predictability to the process.

### 5. Why does the plan call for changes to the zoning board process timeline?

Currently there is no timeline in statute that zoning boards must follow. Providing a reasonable 90 day timeline will give applicants some certainty and make the process more predictable.

6. Why does the plan give courts the ability to award attorneys fees and costs or require the posting of a bond in appeals?

Appealing the decision of a local land use board can take months or even years. It is important, especially in the case of approvals where delays can result in substantial costs to the developer and the municipality, to minimize frivolous appeals. Allowing the possibility of fee shifting and the posting of bonds should discourage parties from appealing without reasonable grounds and using such an appeal as a mere delay tactic.

7. Why does the plan call for the publication of all costs and fees associated with a development?

Applicants should know what fees they are facing when they file an application. Requiring publication of fees will ensure that applicants are not hit with surprise fees late in the process after they have set their budgets for a project.

8. Why does the plan call for changes to the workforce housing statute?

The plan calls for the expansion of the upper limit of the workforce housing definition from 100% to 120% of the median income for a 4-person household for the metropolitan area or county in which the housing is located. Additionally, it calls for removing housing where more than 50% of units are subject to age restrictions from definition of workforce housing. This will allow the definition to be more representative of New Hampshire's workforce. The current definition is too narrow, as leaves out a segment of the population that may have trouble affording housing with our current lack of housing stock.

9. Why does the plan call for updating the TIF District rules?

While the statute regarding TIF Districts appears to contemplate the use of TIF Districts for residential development, it does not explicitly grant such authorization and therefore residential development is interpreted as not being possible under the current statute. Allowing TIF Districts to be used for residential development will stimulate the development of more housing stock.

10. Why does the plan call for changes to the 79-E Community Revitalization Tax Relief Incentive program?

The plan calls for enabling communities to provide a greater time-period of tax relief for residential units and units falling within the definition of workforce housing. Such changes will stimulate the development of more affordable housing units.

11. Why does the plan call for a five-year reduction in the Real-Estate-Transfer-Tax (RETT) for sale of new homes under \$300,000?

Homes under \$300,000 in value are generally seen as starter homes for young families. Reducing the RETT for homebuyers will further reduce the financial barriers associated with buying a home, and make it more feasible for young families. In the end, the biggest barrier to buying a home is the large amount of up-front cash, including down payment and closing costs, that is required to close on a sale. Reducing these up-front costs will enable more families to buy starter homes, which will encourage the development of more of this type of housing stock.