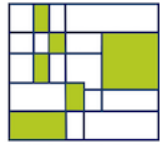


Draft

PATHWAYS TO REMOVING OBSTACLES TO HOUSING (PRO HOUSING)



PRO HOUSING

Pathways to Removing Obstacles

New Hampshire Application outline and strategy

Latest draft

Overview:

Communities nationwide are suffering from a lack of affordable housing, and housing production is not meeting the increasing demand for accessible and available units in many urban and rural areas, particularly areas of high opportunity.

Pathways to Removing Obstacles to Housing (PRO Housing) supports communities who are actively taking steps to remove barriers to affordable housing, such as:

- Barriers caused by outdated zoning, land use policies, or regulations;
- Inefficient procedures;
- Gaps in available resources for development;
- Deteriorating or inadequate infrastructure;
- Lack of neighborhood amenities; or
- Challenges to preserving existing housing stock such as increasing threats from natural hazards, redevelopment pressures, or expiration of affordability requirements.

DRAFT

Vision

CDFA works with communities across New Hampshire to understand what is needed for them to thrive by providing equitable access to resources and enhancing data-driven solutions for the creation of vibrant, healthy living environments for all. We are committed to breaking down regulatory barriers that impede the availability of livable housing, with a special focus on ensuring accessibility for everyone.

New Hampshire (NH) is frequently touted as one of the best places to live in the United States, ranking high on several national "quality of life" indicators such as standard of living, child and family well-being, and low unemployment. However, for those individuals and families in the Granite State who face homelessness and housing insecurity, these quality-of-life measures may feel far from reach. To meet these challenges, Governor Christopher T. Sununu, through an Executive Order, established the multi-sector Council on Housing Stability. Through collaboration, cooperation, and action the Council aims to develop, implement, and monitor a plan to create housing stability for all NH citizens. Since 2020, the Council has outlined and coordinated proven strategies to address the shortages in NH's housing market and identify and mitigate barriers.

The Council's report and preliminary action plan provides the history and context needed to understand these housing challenges in NH. The document provides a set of short-term recommendations to address key priority areas including Planning and Regulation; Data Analytics and Integration; Housing Instability and Homelessness System; and Regional Leadership and Coordination. Finally, the report and action plan sets a foundation for long-term planning efforts by working groups over the next six months, leading to a comprehensive plan for housing stability.

Our vision works alongside the objectives of the [Council on Housing Stability's Strategic Plan](#), and aligns with our collaborative partners across the state that are busy strengthening communities in this work. As we strive to foster innovation in housing development, we are always guided by a dedication to inclusivity and affordability. To achieve this, we are unwavering in our commitment to educate and train community decision makers, enabling them to chart a course towards locally driven housing strategies.

In the spirit of revitalization, New Hampshire's Pro Housing application activities activate the Council's strategies by embracing the transformation of vacant commercial real estate into vibrant, purposeful spaces that support thriving communities. We champion the adaptive reuse of downtown buildings' second and third floors for housing, and we explore innovative models like cohousing and pad sharing to expand housing options.

New Hampshire's application will focus on advancing the objectives of the Council on Housing Stability's Strategic Plan, including,

1. Provide access to resources and improving data that supports the development of healthy, vibrant places for all.
2. Support activities that remove regulatory barriers to affordable housing to expand New Hampshire's housing market for all persons, with special emphasis on affordable, accessible options and using innovative approaches and aligned to the goals of the NH Housing Champions.
3. Support the education and training of community decision makers, build a strong community-led strategy for local housing decisions, and support developers to advance housing strategies.

4. Support planning for the repurposing of vacant commercial real estate, the adaptive reuse of second and third floors of buildings in downtowns into housing, and new models for pad sharing including cohousing and pad splits.
5. Continuous learning and refinement during grant implementation, including documentation and training on successful practices and revisions to strategies of the Council on Housing Stability.

Key Stakeholders

The key partners to implement grant activities are CDFR, NH Housing Finance Authority (NHHFA), and NH Department of Business and Economic Affairs (NHBEA) (each organization is described in detail in Exhibit E – Capacity). The partners will work closely to engage and bring together a wide variety of public and private entities, as well as with citizens, philanthropic partners, municipal leaders, county leaders, nonprofit organizations, and elected officials. The dedicated leadership will work with a network of deputized local leaders, consultants, and other contracted partners to carry out specific implementation efforts.

GUIDING PRINCIPLES - The following principles serve as a guidepost for project planning and implementation to ensure housing stability to all NH residents

- **Person-centered:** Service delivery is grounded in and informed by the experiences, choices, and goals of people at-risk of and experiencing homelessness. Policies are designed to support people regaining stability and reduce and remove programmatic barriers.
- **Data-driven:** Strategies are rooted in evidence that is publicly reported and based on national best-practice models.
- **Equity-aware:** Stakeholders commit to understanding needs, addressing policies and using practices to improve racial equity and reduce disparities within homelessness and housing systems.
- **Lead with Lived Experience:** Perspectives and input of people with lived expertise will be actively solicited and used to implement strategies and update goals.
- **Aligned with other plans:** Statewide goals and strategies will align with other strategic plans that address similar populations including the United States Interagency Council on Homelessness (USICH), the NH Governor’s Commission on Alcohol and other Drugs Action Plan, the 10-Year Mental Health Plan, and the New Hampshire Economic Recovery and Expansion Strategy (ERES)

The Pro Housing grant opportunity funds implementation of community-based projects, activities and programs that align with Statewide policies and principles in a comprehensive connected strategy that amplifies the Council on Housing Stability’s Strategic Plan, including the following:

- **The New Hampshire Housing Toolbox**, developed jointly by the NHBEA and the state’s nine Regional Planning Commissions, contains 20 planning and zoning strategies to increase housing production in New Hampshire communities.
- **The New Hampshire Zoning Atlas**, a collaborative effort of the Center for Ethics in Society at Saint Anselm College, NHHFA, NHBEA, and the National Zoning Atlas project, provides a

comprehensive database and interactive online map cataloging and portraying district-level land-use regulations affecting housing construction across the entire land area of the state.

- **Housing Opportunity Planning (HOP) & Zoning Grants**, are a part of Governor Sununu's \$100 million InvestNH initiative. The \$5 million allocated for HOP/Zoning grants will enable municipalities to analyze and update their land use regulations to help increase housing development opportunities. NHBEA contracted with NHHFA to administer this program.
- **Housing Academy**, encourages community engagement and local solutions to eliminate affordable housing barriers. Key metrics of this program are: total number of participants receiving training, number of towns/cities represented, number of policy or regulation changes presented for consideration or change and number of policy or regulatory changes enacted in cities/towns.
- **Housing Navigators** and Municipal **Housing Committees**
Each local position will take on different forms depending on the size and capacity of each community. Our goal is to model the cross-sector composition of the Dover, NH Housing committee (Example 1 below).
- A new **Housing Champions** law incentivizes communities to create housing-friendly regulations and infrastructure by including a housing production municipal grant program and a housing infrastructure municipal grant and loan program; establishes staff positions within NHBEA; and makes appropriations for these programs.

Table 1: Pro Housing Grant Activities

How	Pro Housing Activity	Lead Agency
<p>Planning: Technical assistance and training to support removal of local zoning barriers <i>These activities serve underrepresented people by intentionally opening the existing ecosystem to engage and serve new people in the Academy and other forums to build future leaders.</i></p>		
Engage additional people and support local solutions	Expand Housing Academy to new audiences including local people, municipal volunteers and prospective local developers.	NHHFA/UNH Cooperative Extension
	Provide funds to hire eight community-based Housing Navigators to support regional structures that engage community members in advocating for housing. Resource: Regional Planning Commissions, Workforce Housing Coalitions and other regional partners to train and coordinate navigator activities, bridging local needs and state resources.	NHHFA: Housing Navigators
	Support statewide educational campaign of the importance of local regulatory boards, ‘What Now NH.’	CDFA/St. Anselm’s College
Increase knowledge and create change	Update the Housing Toolbox ordinances and language to integrate each tool into existing ordinances.	NHBEA
	Municipal Technical Assistance grants: <ul style="list-style-type: none"> • Implement Housing Toolbox ordinances and integration in current regulations, • Local implementation of NH Zoning Atlas HOP Grants to study zoning or other regulatory barriers and lack of affordable housing, identify potential changes to local land use regulations, and/or establish or update those regulations in response to those findings. 	NHHFA/NHBEA
Modernize State systems and policies	Evaluate Technical Assistance grants and adopt findings in the update of the Council on Housing Stability Strategic Plan, Housing Toolbox, and Innovative Land Use Handbook.	CDFA
<p>Planning: Expand information about solutions to increase local capacity to develop housing <i>Serving underrepresented people by building local capacity and increasing transparency by improving communication systems and state strategy development to bridge gaps between local groups and state organizations</i></p>		
Engage additional people and supporting local solutions	Provide small-developer training academy based on guidance from the Incremental Development Alliance	NHHFA
	Community Planning Grants: <ul style="list-style-type: none"> • Develop model solutions for adaptive reuse scenarios i.e., zero lot line, egress design. Use scenario planning to engage multi person stakeholder groups (including community leaders, residents, local officials and 	CDFA

	<p>developers) to design solutions to building reuse challenges.</p> <ul style="list-style-type: none"> • Hire an on-call architect to guide Municipal and/or local developer teams on technical redevelopment challenges. • Community level ordinance adoption and project support to support greater utilization of single-family homes for multiple tenants (Pad splitting). 	
Increase knowledge and create change	Research potential financial structures for financing Accessory Dwelling Unit (ADU) development for low- and moderate-income households including models that utilize HUD's flexibility for FHA financing for ADU's.	NHHFA
	Develop model legal frameworks and structures to support greater utilization of oversized single-family homes for multiple tenants (Pad splitting).	CDFR
Modernize State systems and policies	Distribute learnings to stakeholders in reestablished statewide Local Municipal Official/Planner Conference.	NHBEA
<p>Fair Housing: Assessment of current practice to implement strategies that increase trust and advance housing access</p> <p><i>Serving underserved places: serve priority geographies first and create model ordinances by promoting adoption of innovative designs in areas typically not prioritized and underfunded</i></p>		
Engage additional people and supporting local solutions	Add Fair Housing training to Housing Academy and Small Developer Training Academy.	NHHFA/ UNH Cooperative Extension
	Update the Fair Housing Guide for planners and provide training to Regional Planning Commissions on Guide by Fair Housing Council members.	CDFR/NHBEA/ Fair Housing Council
Increase knowledge and create change	Community Planning Grants to study the barriers facing formally incarcerated individuals accessing housing, particularly in amenity rich communities.	CDFR
	Research, develop and train on new criteria that use HUD's flexibility for tenant selection plans that support tenants with challenging criminal history.	NHHFA
Modernize State systems and policies	Develop and implement Five-Year cultural competency and best-practice engagement plan through Fair Housing Council (FHC)	NHHFA and CDFR
<p>Infrastructure: Explore creative approaches drinking and waste water</p> <p><i>Serving underserved places: serve priority geographies first and create model ordinances by promoting adoption of innovative designs in areas typically not prioritized and underfunded</i></p>		
Increase knowledge and create change	<p>Municipal Technical Assistance Grants:</p> <ul style="list-style-type: none"> • Develop model ordinance for water/sewer and implement through Housing Toolbox 	NHHFA/NHBEA

	<ul style="list-style-type: none"> Hire an on-call septic expert to guide Municipal and/or local developer teams on technical implementation solutions at the community level. 	
Modernize State systems and policies	Inventory septic requirements, distribute learnings to stakeholders and propose new statewide standard requirements.	NHHFA/NH Dept. of Environmental Services (NHDES)
Climate Resiliency: Increase climate-change and -resiliency planning at local level <i>Serving underrepresented people and underserved places: apply climate justice principles to resource LMI communities that lack amenities and infrastructure to protect against climate induced hardships</i>		
Engage additional people and supporting local solutions	Develop a climate change engagement built on the framework of the Housing Academy that uses Land Use Handbook as a tool. Provide training to increase participation and uplift voices of communities that lack amenities, centering priority geographies as outlined by HUD.	CDFA/NHDES/ UNH Cooperative Extension
Increase knowledge and create change	Community Planning Grants: <ul style="list-style-type: none"> Fund Climate Action Plan in areas missing strategies including an inventory of health delivery systems in rural areas. Planning grants for LMI areas and projects serving LMI residents which have significant climate impacts (flooding). 	CDFA
Modernize State systems and policies	Include state building codes in NH Zoning Atlas	NHHFA/St. Anselm
	Connect community level activities to statewide Climate Action Plan.	NHDES
Housing Rehabilitation: Expand rehabilitation resources to increase housing production <i>Serving underrepresented people: Use the do no harm method to support livable housing options that uniquely serve people who are vulnerably housed and may be one step from being unhoused with current living arrangements.</i>		
Engage additional people and supporting local solutions	Increase access to housing rehabilitation programs for building owners/landlords as identified through Landlord Incentive networking by providing additional information.	CDFA/NHHFA
Increase knowledge and create change	Launch pilot program to convert vacant or non-housing into affordable, unoccupied units. Explore private funding overlaps	NHHFA
Modernize State systems and policies	Evaluation and Dissemination of learnings and recommendations through Council. Alignment of existing and added resources to meet unmet need.	CDFA

	Include new housing options in state regulatory guidelines.	
Demolition: Remove blighted/unused housing units to enable new development <i>Serving underrepresented people: providing support and resources to stabilize neighborhoods and community structures that are underfunded and lacking amenities</i>		
Increase knowledge and create change	Demolish vacant manufactured housing units in cooperatively owned manufactured housing developments and free those 'plots' for development of new units	CDFR/NHHFA/Community Loan Fund

Table 2: Pro Housing Grant Budget

Activity	Lead Agency/ Partnership Activity	Total Budget	PRO Housing Funds	Leverage
Training				
Expand Housing Academy	NHHFA		\$100,000	
Add Housing Navigators	NHHFA		\$280,000	
What Now NH	CDFR		\$50,000	
Small Developer training Academy	NHHFA		\$50,000	
State Municipal officials Planner Conference	BEA		\$50,000	
Fair Housing Guide and training	CDFR		\$130,000	
Climate Leadership Academy	CDFR		\$50,000	
Planning				
Municipal Technical Assistance Grants	CDFR		\$750,000	
<ul style="list-style-type: none"> • 5 Municipal TA Grant areas, each listed in activity table 1. • \$25,000 per grant • 6 per area 				
Community Planning Grants	CDFR		\$750,000	
<ul style="list-style-type: none"> • 6 Municipal TA Grant areas, each listed in activity table 1. • \$25,000 per grant • 5 per area 				
Housing Opportunity Grants	NHHFA	\$6,200,000	\$1,000,000	\$5,000,000
Research				
Housing Toolbox	BEA		\$70,000	
Evaluate T/A to reduce barriers	CDFR		\$120,000	
Financing structures for ADU's	NHHFA		\$70,000	

Frameworks for pad splits	CDEFA		\$70,000	
Tenant selection plan alternatives	NHHFA		\$70,000	
Develop 5-year Cultural Competency and engagement plan	CDEFA		\$30,000	
Septic requirement statewide standards	NHHFA		\$70,000	
Rehabilitation				
Pilot program for vacant property conversion	NHHFA		\$1,200,000	
Demolition				
Demolish vacant manufacturing housing			\$300,000	
Administration of grant				
Administration (5%)	CDEFA		\$260,500	
TOTAL			\$5,470,500	

Table 3: Timeline

Activity	Timeline of PRO Housing Grant Award					
	2024	2025	2026	2027	2028	2029
Planning						
Training						
Research						
Municipal T/A Grants						
Community Planning Grants						
Continuation of HOP Grants						
Research						
Dissemination of Septic Requirements						
New Statewide Septic Standards						
Rehab Activities						
Demo Activities						

Capacity

Three statewide entities with an established track record of partnership and collaboration will lead the effort to ‘turbocharge’ additional housing development through implementation of the proposed PRO Housing grant. Each entity brings years of experience and focused skills/resources to this issue.

NH Housing

New Hampshire Housing Finance Authority (NHHFA) is a statewide public instrumentality created by the Legislature in 1981. NHHFA serves as the lead agency for the Housing and Community Development Planning Council and the NH Consolidated Plan, administers approximately 4,000 Housing Choice Vouchers, 3 https://www.nhhfa.org/wp-content/uploads/2019/10/2019_Rental_Survey_Rpt-1.pdf New Hampshire Council on Housing Stability Initial Report and Action Plan – December 14, 2020 Page 4 of 13 including Mainstream Vouchers targeted to households with disabilities, and Family Unification Program Vouchers. NHHFA also oversees a statewide mortgage and foreclosure prevention-counseling program and provides homebuyer education. NHHFA provides developer financing and asset management services and conducts research on the state’s housing market, including an annual residential rental cost survey. NHHFA also partners with 19 other Public Housing Authorities throughout the state. During FY2020 NHHFA invested almost \$500 million in the state’s real estate economy through various programs, financed more than 2,000 single-family homes and approximately 1,800 multi-family housing units. Over the past four decades, NHHFA has helped more than 50,000 families purchase their own homes, supported the creation of 15,000 quality rental units, and provided direct housing assistance to thousands of NH residents.

CDDFA

Community Development Finance Authority (CDDFA), a statewide nonprofit public authority established in 1983, focuses on maximizing the value and impact of community development, economic development, and clean energy initiatives throughout NH. The organization leverages various financial and technical resources, including the competitive deployment of grant, loan, and equity programs. In SFY2023, CDDFA made 97 investments in community-based initiatives and organizations, infusing more than \$29.78 million into community development, economic development, and clean energy projects throughout NH. Those investments resulted in reported impacts of 41,123 people served; 203 housing units rehabbed, preserved or created; 241 small businesses supported; and 13,180 square feet developed or rehabilitated. Projects awarded CDDFA resources have benefitted nonprofits, municipalities, businesses and microenterprises as they continued to support a complex socioeconomic landscape, delivered critical services to their communities, provided new jobs, created healthy and safe affordable housing, helped strengthen Main Streets, improved community facilities, and increased energy efficiency. CDDFA staff provide comprehensive technical assistance to grant applicants and awardees, helping to build their capacity to seek and deploy critical financial and other community economic development resources.

NHBEA

The New Hampshire Department of Business and Economic Affairs (NHBEA) is dedicated to enhancing the economic vitality of the State of New Hampshire while promoting it as a destination for domestic and international visitors. Through its Office of Planning and Development, NHBEA provides technical assistance, training, and resources to various stakeholders on laws and regulations pertaining to land use development and municipal planning; promotion of sound floodplain management practices; the location and pace of development in the state through population and

housing data; maintaining and promoting geographic information system data and mapping; and other statewide planning issues through interagency coordination. NH BEA hosts regular workshops, conferences and seminars and local land-use planning issues; supported the creation of the ‘NH Housing Toolbox,’ which provides planning and zoning strategies for housing production in New Hampshire communities; financial support for the recently completed regional ‘housing needs assessments’ completed by regional planning commissions; and incentive funds for housing development through its ‘INVEST NH’ program.

While NHHFA, CDFFA and NHBEA each have a focused and specialized mission and role, they also have a successful track record of working together to address issues that touch down across the state and often require a multidisciplinary approach. NHBEA convenes the NH Council of Partner Agencies (COPA), which includes representatives NHHFA, CDFFA, the NH Business Finance Authority (BFA), the University System of New Hampshire (UNH) and the Community College System of New Hampshire (CCSNH). The COPA was created as a forum for coordination and collaboration among the major statewide entities engaged in community economic development. Through monthly meetings and other informal exchanges, the COPA creates a unique and powerful forum for collaboration, coordination and strategic problem-solving. COPA members have engaged on issues such a statewide economic strategy, workforce development, Opportunity Zones, and housing. The core partners also work closely together through the Council for Housing Stability, described above.

With the benefit of PRO Housing funding, NHHFA, CDFFA and NHBEA will increase support for existing initiatives at the regional and local level. Several of these promising initiatives are described below:

1. City of Keene—The city is using the regional Housing Needs Assessment to support zoning changes and enable local land-use decisions that enable more housing production. The City also is spearheading a ‘community mapping project’ to convene local community stakeholders to improve practices to promote housing stability, homelessness prevention, and cross-agency communication; identify program/policy overlaps and gaps; and align resources to maximize the benefit to community residents facing homelessness.
2. Strafford Regional Planning Commission (SRPC)—In partnership with the 18 municipalities it services, SRPC is using the Housing Needs Assessment as a starting point for collaborative efforts with local officials to identify specific housing strategies in each city or town that are aligned with the regional housing needs. Examples include mapping existing open land, documenting potential changes in local zoning/land-use regulations, and identifying buildings to retrofit for housing.
3. Vital Communities (VC)—Through its ‘Keys to the Valley’ initiative, VC, a regional nonprofit based in the Connecticut River valley region of west-central NH, is developing a ‘Home Creators Pilot Project’ to significantly increase the number of smaller, secondary units placed on properties with an existing home or two; conversions of single-family homes into duplexes; tiny homes; cottage courts; and other similar housing types (i.e., small, accessible, safe, and affordable). These housing options are intended to diversify the region’s housing stock and add much needed in-fill development that is incremental, small-scale, and within the existing vernacular of Upper Valley communities. The pilot

project will serve as a model for planning, permitting, financing, or constructing additional homes throughout the region.

By supporting specific, promising and/or successful initiative like those listed above, PRO Housing funding will serve to ‘power up’ local solutions and more closely tie them to the broader, statewide strategy; expand the impact of these strategies beyond their current geographic reach; and share and replicate successful approaches that are likely to succeed in other NH communities and regions. Without expanded funding and statewide coordination, this kind of information sharing, replication and comprehensive statewide impact would not be possible.

Long Term Effect

Our collaborative and equity-centered approach of working with and alongside partners steeped in affordable housing production, community development and multi-dimensional systems change includes local voices shining a light on systemic barriers. We will support, expand and help replicate successful projects, approaches and initiatives - both locally and statewide – as we continue working towards removing key barriers as stated in Exhibit D - Soundness of Approach.

We will use the Community Progress Indicators (CPI) developed in conjunction with NH Fiscal Policy Institute (NHFPI) in 2018 as an additional metric of comparison to prioritize communities aligned with CDFAs mission and HUDs identification of priority geographies.

Following are details of measurable outcomes and identification of gaps that will be a focus of the PRO Housing grant cycle 2024-2029.

Outcomes

If this PRO Housing application is fully funded, CDFA, in collaboration and partnership with NHHFA, NHBEA, Center for Ethics at St Anselm College, and NHDES will work with local groups and people with lived experience to build common ground and produce measurable better outcomes for people living in NH.

Our approach includes identifying successful programs and activities as listed in Soundness of Approach and adapting and sustaining existing activities in both rural and urban areas to more wholistically support everyone living in New Hampshire.

For example, the success of the Housing Navigator position in Dover, NH to create and pass a municipal ordinance that formally codifies a local Housing Committee and use a framework that ensures broad participation from community stakeholders including both developers and renters can be adapted to other municipalities in the state (see Example 1). The eight new Housing Navigators will include priority geographies and work to create Housing Committees in each of these municipalities using the example in Dover.



Example 1: Dover Ordinance modeling a community framework to establish local Housing Committee

Reduce Housing Cost Burden

We anticipate that our collaborative proposal will result in reducing housing cost burden for people living in NH without increasing other living costs.

Our 2023 CPI data shows that for all 10 NH counties, the average ‘rental housing cost burden’ is more than the benchmark of 30% of household income. Eight of 10 counties saw rental costs increase as a percentage of household income (Hillsborough 13%, Coos 12%, Grafton 11%, Strafford 8%, Belknap 7%, Carroll 6%, Sullivan 4% and Cheshire 3%). Even though Hillsborough is the only county named as a priority geography county and labeled a 'Housing Problem Factor' it is clear from the above numbers that Coos and Grafton are not far behind.

Long Term Success and Improving Housing Justice Indicators

The Core Data Index (CDI) will also inform CDFAs work to advance its strategic priorities and guide allocation of resources to the places that need resources the most. CDFAs developed this indicator in conjunction with NH Fiscal Policy Institute and a fellow from the Carsey School of Public Policy.