AN ACT relative to New Hampshire housing champion designation for municipalities and making appropriations therefor.


COMMITTEE:  Commerce

ANALYSIS

This bill establishes a New Hampshire housing champion designation program, including a housing production municipal grant program, and a housing infrastructure municipal grant and loan program. The bill also establishes positions within the department of business and economic affairs and makes appropriations for the programs.

Explanation:  Matter added to current law appears in **bold italics.**
Matter removed from current law appears [in brackets and struckthrough.]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.
SB 145-FN - AS INTRODUCED

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Three

AN ACT relative to New Hampshire housing champion designation for municipalities and making appropriations therefor.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 New Subdivision; New Hampshire Housing Champion Designation and Grant Program.

Amend RSA 12-O by inserting section 68 the following new subdivision:

12-O:69 New Hampshire Housing Champion Designation.

I. The department shall develop a New Hampshire housing champion designation program for all qualifying municipalities. The New Hampshire housing champion designation program shall be voluntary. Each municipality shall have the option, in its sole discretion, to apply to the department to receive the New Hampshire housing champion designation. In exchange for New Hampshire housing champion designation, a municipality shall receive preferential access to state resources including, but not limited to, discretionary state infrastructure funds, as available.

II. The department shall adopt rules to establish qualifications and procedures for a municipality to receive the New Hampshire housing champion designation. The designation procedure shall be based on a scoring system.

III. Qualifications to receive the New Hampshire housing champion designation shall include:

(a) Adoption of such land use regulations and ordinances which the department determines to be necessary to promote the development of workforce housing, as that term is defined in RSA 674:58, and other types of housing necessary for the economic development of the state. In this subdivision, "land use regulations and ordinances" may include, but are not limited to, zoning ordinances adopted pursuant to RSA 674:16, innovative land use controls adopted pursuant to RSA 674:21, subdivision regulations adopted pursuant to RSA 674:35, and site plan regulations adopted pursuant to RSA 674:43.

(b) Training of planning board and zoning board of adjustment members using training materials and programs, including online materials and programs, provided by the department pursuant to RSA 673:3-a; or training materials and programs, including online materials and programs, provided by the New Hampshire Municipal Association, that cover the processes, procedures, regulations, and statutes related to the board on which the member serves; or any other training materials and programs, including online materials and programs, approved by the department, that cover the processes, procedures, regulations, and statutes related to the board on which the member serves.
(c) Implementation of sewer and water infrastructure improvements intended to support
the development of workforce housing, as that term is defined in RSA 674:58, and other types of
housing necessary for the economic development of the state.

(d) Implementation of public transportation, sidewalks, or other walkability
infrastructure intended to support the development of workforce housing, as that term is defined in
RSA 674:58, and other types of housing necessary for the economic development of the state.

IV. Qualifications to receive the New Hampshire housing champion designation may also
include, but are not limited to adoption of financial tools that incentivize the development of
workforce housing, including adoption of the community revitalization tax relief incentive program
under RSA 79-E and establishment of municipal economic development and revitalization districts
under RSA 162-K.

V. Municipalities that receive a New Hampshire housing champion designation shall
annually report in a form required by the department. The annual report shall include such
measures as the department may determine, including but not limited to land use board applications
and approvals and building permits.

VI. A New Hampshire housing champion designation shall be valid for 3 years from the date
such designation is awarded. A municipality may seek renewal of its New Hampshire housing
champion designation for subsequent 3-year periods. The department shall include in the criteria
for renewal performance metrics including, but not limited to, the qualifications listed in paragraphs
III and IV.

VII. Each year the department shall develop a report which describes all actions taken
related to the operation of the New Hampshire housing champion designation program in the
preceding state fiscal year and assesses the overall impact of the New Hampshire housing champion
designation program, including an assessment of the additional housing units produced in the state
as a result of the program’s operation and incentives. The report required by this paragraph shall be
submitted to the governor, the speaker of the house of representatives, and the president of the
senate on or before November 1 of each year, beginning in 2024, and upon such submission, the
report shall be posted online on the website of the department.

12-O:70 Housing Planning and Regulation Municipal Grant Program. The department shall
establish a grant program for municipalities to assist them in promoting increased housing
production. Subject to availability of funding, the department shall make grants to any municipality
for the purpose of consultation or implementation of revising their master plans and land use
regulations for the purpose of promoting the production of workforce housing, as that term is defined
in RSA 674:58, and other types of housing necessary for the economic development of the state, and
to assist them to become eligible for New Hampshire housing champion designation pursuant to RSA
12-O:69. The department shall adopt rules establishing grant eligibility criteria, grant maximums,
and grant program administration.
12-O:71 Housing Champion Benefits. A municipality which has received designation as a housing champion shall be eligible, subject to the rulemaking in RSA 12-O:73, for the following benefits:

I. Housing production municipal grant program. The department shall establish a grant program for municipalities that have made a commitment to facilitating increased housing production. Municipalities that are designated by the department as New Hampshire housing champion communities will be eligible to apply for the grants. Subject to availability of funding, the department shall make grants to any municipality with such a designation on a per-unit basis for workforce housing units for which certificates of occupancy have been issued by the municipality in the preceding state fiscal year. The department shall adopt rules establishing eligibility criteria, per-unit grant maximums, maximum grants per project, a maximum amount that may be granted to any municipality in a year, and grant program administration.

II. Housing infrastructure municipal grant and loan program. The department shall establish a grant program for municipalities that are seeking to build infrastructure that will accommodate increased housing production. Municipalities that are designated by the department as New Hampshire housing champion communities will be eligible to apply for the grants. Subject to availability of funding, the department shall make grants to any municipality, or support the creation of low-interest loan programs for any municipality, with such a designation to provide at least matching funding, as a grant, or all funding, as a loan, for new construction or capacity increases for drinking water, sanitary sewer, stormwater, highway infrastructure, telecommunications, and electrical distribution infrastructure. The department shall adopt rules establishing eligibility criteria, grant maximums, a maximum amount that may be granted to any municipality in a year, and grant program administration.

12-O:72 New Hampshire Housing Champion Designation and Grant Program Fund. There is hereby established in the state treasury the New Hampshire housing champion designation and grant program fund, for the purpose of funding the grant programs established in RSA 12-O:70 and, RSA 12-O:71. The fund shall be non-lapsing and shall be continually appropriated to the department.

12-O:73 Administrative Rules. The department shall adopt rules pursuant to RSA 541-A to implement the provisions of this subdivision no later than July 1, 2024. During the rulemaking process, the department shall consult with relevant state agencies and entities that administer the programs and funds identified under RSA 12-O:71, II to ensure the rules for the New Hampshire housing champion designation program are not in conflict with the rules of these state agencies and entities.

12-O:74 Program Advisory Committee. The department shall establish a New Hampshire Housing Champion program advisory committee to review and make recommendations on initial rules proposed pursuant to RSA 12-O:73. Members of the program advisory committee shall serve
without compensation, except that legislative members of the board shall receive mileage at the
legislative rate when attending to the duties of the board. The program advisory committee shall
consist of:

(a) One member of the senate, appointed by the senate president.
(b) One member of the house of representatives, appointed by the speaker of the house of
representatives.
(c) The commissioner of the department of business and economic affairs, or designee.
(d) The executive director of the New Hampshire housing finance authority, or designee.
(e) The executive director of the community development finance authority, or designee.
(f) Two members appointed by the New Hampshire Municipal Association, one
representing a city and one representing a town.
(g) One member appointed by the New Hampshire Association of Regional Planning
Commissions.
(h) One member appointed by the New Hampshire Planners Association.

2 Repeal. RSA 21-O:74, relative to program advisory committee, is repealed.

3 Positions Established. The following positions are established within the department of
business and economic affairs for the purpose of administering the New Hampshire housing
champion designation and grant program established pursuant to RSA 12-O:69 through 73:

   Administrator II.
   Program Specialist IV.
   Principal Planner.

4 Appropriations.

   I. The sum of $ 1,000,000 for the biennium ending June 30, 2025 is hereby appropriated to
the commissioner of the department of business and economic affairs for the housing planning and
regulation municipal grant program established in RSA 12-O:70. The appropriation shall be in
addition to any other funds appropriated to the department of business and economic affairs. The
governor is authorized to draw a warrant for said sum out of any money in the treasury not
otherwise appropriated.

   II. The sum of $3,000,000 for the biennium ending June 30, 2025 is hereby appropriated to
the commissioner of the department of business and economic affairs for the housing production
municipal grant program established in RSA 12-O:71. The appropriation shall be in addition to any
other funds appropriated to the department of business and economic affairs. The governor is
authorized to draw a warrant for said sum out of any money in the treasury not otherwise
appropriated.

   III. The sum of $ 25,000,000 for the biennium ending June 30, 2025 is hereby appropriated
to the commissioner of the department of business and economic affairs for the housing
infrastructure municipal grant program established in RSA 12-O:71. The appropriation shall be in
addition to any other funds appropriated to the department of business and economic affairs. The governor is authorized to draw a warrant for said sum out of any money in the treasury not otherwise appropriated.

5 Application of Receipts; Dedicated Funds. Amend RSA 6:12, I(b) by inserting after subparagraph (387) the following new subparagraph:

(388) Moneys deposited in the New Hampshire housing champion designation and grant program fund established in RSA 12-O:72.

6 Effective Date.

I. Section 2 of this act shall take effect July 1, 2033.

II. The remainder of this act shall take effect July 1, 2023.
AN ACT relative to New Hampshire housing champion designation for municipalities and making appropriations therefor.

FISCAL IMPACT: [X] State [X] County [X] Local [ ] None

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<th>STATE:</th>
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| Funding Source: | [X] General [ ] Education [ ] Highway [X] Other - New Hampshire Housing Champion Designation and Grant Program Fund |

| LOCAL: | |
| Revenue | $0 | Indeterminable | Indeterminable | Indeterminable |
| Expenditures | $0 | $0 | $0 | $0 |

The Legislative Budget Assistant is still awaiting information from the Department of Business and Economic Affairs in response to this bill. The Department was originally contacted on 1/17/23 for a fiscal note worksheet.

METHODOLOGY:

This bill establishes a New Hampshire housing champion designation program and fund, including a housing production municipal grant program, and a housing infrastructure municipal grant and loan program within the Department of Business and Economic Affairs (BEA). It establishes the following General Fund appropriation to the BEA for the biennium ending June 30, 2025:

- $1,000,000 for the housing planning and regulation municipal grant program established in RSA 12-O:70.
- $3,000,000 for the housing production municipal grant program established in RSA 12-O:71.
- $25,000,000 for the housing infrastructure municipal grant program established in RSA 12-O:71.

The bill also establishes positions within the Department of Business and Economic Affairs and makes appropriations for the programs. This bill implements a Program Advisory
Committee to help advise the Housing Champion program. The Program Advisory Committee sunsets on July 1, 2033.

The New Hampshire Municipal Association (NHMA) states this bill allows municipalities to be eligible for several grant programs if they voluntarily seek designation under the Housing Champions Program. The total grant program allocation for the 2023-2024 biennium is $29,000,000. The NHMA states they are unable to estimate the number of municipalities eligible for the grants or the average allocation size as they would need to wait for the Department of Business and Economic Affairs to create the rules subject to those the grant eligibility and allocations requirements. However, the NHMA does state the municipalities that do seek to participate in the Housing Champions Program and do qualify for the grants would see a net increase in revenues.

AGENCIES CONTACTED:
Department of Business and Economic Affairs and New Hampshire Municipal Association