

SB 145-FN - AS INTRODUCED

2023 SESSION

23-1045

10/08

SENATE BILL        ***145-FN***

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

SPONSORS:        Sen. Perkins Kwoka, Dist 21; Sen. Soucy, Dist 18; Sen. Rosenwald, Dist 13; Sen. Whitley, Dist 15; Sen. Bradley, Dist 3; Sen. Watters, Dist 4; Sen. Chandley, Dist 11; Sen. Prentiss, Dist 5; Rep. Wallner, Merr. 19; Rep. Alexander Jr., Hills. 29

COMMITTEE:      Commerce

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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.

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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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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

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

3                               New Hampshire Housing Champion Designation and Grant Program

4           12-O:69 New Hampshire Housing Champion Designation.

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

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

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

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

23                   (b) Training of planning board and zoning board of adjustment members using training  
24 materials and programs, including online materials and programs, provided by the department  
25 pursuant to RSA 673:3-a; or training materials and programs, including online materials and  
26 programs, provided by the New Hampshire Municipal Association, that cover the processes,  
27 procedures, regulations, and statutes related to the board on which the member serves; or any other  
28 training materials and programs, including online materials and programs, approved by the  
29 department, that cover the processes, procedures, regulations, and statutes related to the board on  
30 which the member serves.

1 (c) Implementation of sewer and water infrastructure improvements intended to support  
2 the development of workforce housing, as that term is defined in RSA 674:58, and other types of  
3 housing necessary for the economic development of the state.

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

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

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

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

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

29 12-O:70 Housing Planning and Regulation Municipal Grant Program. The department shall  
30 establish a grant program for municipalities to assist them in promoting increased housing  
31 production. Subject to availability of funding, the department shall make grants to any municipality  
32 for the purpose of consultation or implementation of revising their master plans and land use  
33 regulations for the purpose of promoting the production of workforce housing, as that term is defined  
34 in RSA 674:58, and other types of housing necessary for the economic development of the state, and  
35 to assist them to become eligible for New Hampshire housing champion designation pursuant to RSA  
36 12-O:69. The department shall adopt rules establishing grant eligibility criteria, grant maximums,  
37 and grant program administration.

1 12-O:71 Housing Champion Benefits. A municipality which has received designation as a  
2 housing champion shall be eligible, subject to the rulemaking in RSA 12-O:73, for the following  
3 benefits:

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

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

24 12-O:72 New Hampshire Housing Champion Designation and Grant Program Fund. There is  
25 hereby established in the state treasury the New Hampshire housing champion designation and  
26 grant program fund, for the purpose of funding the grant programs established in RSA 12-O:70 and,  
27 RSA 12-O:71. The fund shall be non-lapsing and shall be continually appropriated to the  
28 department.

29 12-O:73 Administrative Rules. The department shall adopt rules pursuant to RSA 541-A to  
30 implement the provisions of this subdivision no later than July 1, 2024. During the rulemaking  
31 process, the department shall consult with relevant state agencies and entities that administer the  
32 programs and funds identified under RSA 12-O:71, II to ensure the rules for the New Hampshire  
33 housing champion designation program are not in conflict with the rules of these state agencies and  
34 entities.

35 12-O:74 Program Advisory Committee. The department shall establish a New Hampshire  
36 Housing Champion program advisory committee to review and make recommendations on initial  
37 rules proposed pursuant to RSA 12-O:73. Members of the program advisory committee shall serve

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1 without compensation, except that legislative members of the board shall receive mileage at the  
2 legislative rate when attending to the duties of the board. The program advisory committee shall  
3 consist of:

4 (a) One member of the senate, appointed by the senate president.

5 (b) One member of the house of representatives, appointed by the speaker of the house of  
6 representatives.

7 (c) The commissioner of the department of business and economic affairs, or designee.

8 (d) The executive director of the New Hampshire housing finance authority, or designee.

9 (e) The executive director of the community development finance authority, or designee.

10 (f) Two members appointed by the New Hampshire Municipal Association, one  
11 representing a city and one representing a town.

12 (g) One member appointed by the New Hampshire Association of Regional Planning  
13 Commissions.

14 (h) One member appointed by the New Hampshire Planners Association.

15 2 Repeal. RSA 21-O:74, relative to program advisory committee, is repealed.

16 3 Positions Established. The following positions are established within the department of  
17 business and economic affairs for the purpose of administering the New Hampshire housing  
18 champion designation and grant program established pursuant to RSA 12-O:69 through 73:

19 Administrator II.

20 Program Specialist IV.

21 Principal Planner.

22 4 Appropriations.

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

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

35 III. The sum of \$ 25,000,000 for the biennium ending June 30, 2025 is hereby appropriated  
36 to the commissioner of the department of business and economic affairs for the housing  
37 infrastructure municipal grant program established in RSA 12-O:71. The appropriation shall be in

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1 addition to any other funds appropriated to the department of business and economic affairs. The  
2 governor is authorized to draw a warrant for said sum out of any money in the treasury not  
3 otherwise appropriated.

4       5 Application of Receipts; Dedicated Funds. Amend RSA 6:12, I(b) by inserting after  
5 subparagraph (387) the following new subparagraph:

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

8       6 Effective Date.

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

10          II. The remainder of this act shall take effect July 1, 2023.

**SB 145-FN- FISCAL NOTE**  
AS INTRODUCED

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

**FISCAL IMPACT:**     State             County             Local             None

STATE:	Estimated Increase / (Decrease)			
	FY 2023	FY 2024	FY 2025	FY 2026
<b>Appropriation</b>	\$0	\$29,000,000	\$0	\$0
<b>Revenue</b>	\$0	Indeterminable	Indeterminable	Indeterminable
<b>Expenditures</b>	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
<b>Funding Source:</b>	<input checked="" type="checkbox"/> General <input type="checkbox"/> Education <input type="checkbox"/> Highway <input checked="" type="checkbox"/> Other - New Hampshire Housing Champion Designation and Grant Program Fund			

**LOCAL:**

<b>Revenue</b>	\$0	Indeterminable	Indeterminable	Indeterminable
<b>Expenditures</b>	\$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