

2024 - 2025

# BIENNIAL HOUSING PLAN



NEW HAMPSHIRE  
HOUSING

# NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

## BIENNIAL HOUSING PLAN 2024 - 2025

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# INTRODUCTION

Recognizing a serious shortage of decent, affordable housing for low-income families and elderly persons, the New Hampshire General Court in 1981 established the New Hampshire Housing Finance Authority, as a self-supporting public corporation. While it is established by statute, New Hampshire Housing is not a state agency and receives no operating funds from the state. Acting as an instrumentality of the state, New Hampshire Housing administers a broad range of federal and state affordable housing programs designed to assist low- and moderate-income persons and families with obtaining decent, safe, and affordable housing.

New Hampshire Housing is charged by RSA 204-C:47 with biennially preparing or updating a housing plan to “address the housing needs of persons of low and middle income,” and to submit this Biennial Plan to the Governor and Executive Council, the Speaker of the House, and the President of the Senate for review and comment.

New Hampshire Housing serves as the primary administrator of housing assistance resources in the state. Other public entities and nonprofit organizations also contribute either directly or indirectly to housing affordability and affordable housing development. These include the New Hampshire Department of Business and Economic Affairs, Office of Planning and Development; the New Hampshire Department of Health and Human Services, Bureau of Homeless Services; the New Hampshire Department of Energy; and the New Hampshire Community Development Finance Authority. Among the state’s nonprofit organizations, the New Hampshire Community Loan Fund is a federally designated community development financial institution focusing on the use of manufactured housing as an affordable homeownership option. Information contributed by these organizations is included in the Housing Market Update and Program Responses sections of this Plan.

The *2024-2025 Biennial Housing Plan* begins with an overview of Current Housing Market Conditions as of December 2023, followed by summaries of research detailing Housing Needs in New Hampshire. This includes the following studies prepared for and by New Hampshire Housing: *2023 New Hampshire Statewide Housing Needs Assessment*; *Short-Term Rentals in New Hampshire: An Analysis of Data from 2014-2023*; and *Policy and Program Models for Creating Accessory Dwelling Units in New Hampshire* (2023).

Finally, the *Biennial Housing Plan* summarizes Program Responses to identified needs.

## NEW HAMPSHIRE HOUSING PROGRAMS

### Homeownership Programs

New Hampshire Housing operates a variety of single-family programs that assist low- to moderate-income households in purchasing a home or refinancing an existing mortgage. These programs serve an average of 1,500 new households each year. New Hampshire Housing also supports homebuyer education and foreclosure counseling.

### Rental Assistance Programs

New Hampshire Housing administers a statewide federally funded Housing Choice Voucher (HCV) (also known as Section 8) tenant-based rental assistance program with capacity to serve over 4,300 eligible households, and project-based HCV contracts serving an additional 5,400 eligible households. Additionally, about 7,400 housing vouchers are administered by 18 independent local housing authorities in the state. Households receiving rental assistance through New Hampshire Housing are encouraged to participate in financial education and self-sufficiency counseling programs.

### Multifamily Housing Development Programs

New Hampshire Housing administers the federal Low-Income Housing Tax Credit Program, HOME Investment Partnerships Program, national Housing

Trust Fund, and the state Affordable Housing Fund. These programs finance between 1,000 and 1,500 units of affordable housing in the state each year, including new units and preserving existing units. Some of these resources are used to address pressing supportive housing needs, including both transitional and permanent supportive housing for individuals and families experiencing homelessness, people with substance use disorders and mental illness, and those with developmental disabilities. New Hampshire Housing aims to support both stand-alone supportive housing and integrated supportive housing in larger projects. New Hampshire Housing allocates a limited number of Housing Choice Vouchers to new multifamily rental housing developments to help lower-income residents live there, and also provides HUD Section 811 Program project-based rental assistance for residents with severe mental illness.

### **Housing Research, Engagement, and Policy**

As the leading source of the state's key housing data, NH Housing's Research, Engagement, and Policy Group produces market reports, policy studies, surveys, and other publications, as well as community planning tools. It also works with partners around the state on housing advocacy issues to support ways to raise awareness about the need for a balanced supply of diverse and affordable housing, and ways this can be achieved.

## **PARTNERS' HOUSING PROGRAMS**

### **Homeless Services**

The New Hampshire Department of Health and Human Services, Bureau of Homeless Services (BHS) funds a continuum of programming aimed at connecting individuals and families who are currently experiencing, or at risk of experiencing homelessness, to permanent housing and housing stability supports. Elements include street outreach, emergency shelter, permanent supportive housing, and rapid rehousing, as well as eviction and homelessness prevention. Each program features housing support services to provide skills and resources needed for households to obtain, then maintain perma-

nent housing and overall housing stability. Services include housing-focused supportive services with linkages to mainstream resources and financial assistance such as short- to medium-term rental assistance.

BHS is the state recipient of funding from the U.S. Department of Housing and Urban Development's (HUD) Emergency Solutions Grant (ESG), state recipient of the Substance Abuse and Mental Health Services Administration (SAMHSA) Projects for Assistance in Transition from Homelessness (PATH), and the HUD Collaborative Applicant and Youth Homelessness Demonstration Program (YHDP). BHS is the lead for the Balance of State Continuum of Care (CoC) and provides state-funded State Grant-In-Aid, primarily to help support homeless emergency shelter facilities.

### **Manufactured Housing**

The New Hampshire Community Loan Fund is a federally designated community development financial institution that focuses on the establishment of resident-owned communities, and affordable ownership of individual manufactured homes.

### **Community Development**

The Community Development Block Grant and the Community Development Investment Program, both administered by the Community Development Finance Authority, assist in the development of affordable housing by bringing public and private investment into New Hampshire communities.

### **Energy Efficiency and Fuel Assistance**

The state's Department of Energy was established in 2021, and it administers federal fuel assistance and weatherization funds, both of which assist low-income renter and owner households with home energy costs. Utility companies provide substantial funding to supplement federal weatherization resources for low-income residential units.

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# HOUSING MARKET CONDITIONS

## OVERVIEW AS OF DECEMBER 2023

Over the past seven years, housing affordability has been cited in numerous statewide surveys and studies as a top concern for New Hampshire residents and businesses. This is due to the fact that there continues to be a scarcity of available units for renters, potential homeowners, and current homeowners seeking other housing. As a result of this supply and demand imbalance, housing affordability is at its most challenging level in decades.

The need for a diverse range of housing types is critical to sustaining our workforce, and is essential for the state's economic well-being. Additionally, there is an increased awareness of the need for supportive housing for vulnerable and underserved populations. This includes those who are homeless or at risk of being homeless, veterans, persons with substance use and behavioral health disorders, the formerly incarcerated, and individuals with intellectual and developmental disabilities. A robust housing supply facilitates retention of the state's current and prospective workforce and strengthens New Hampshire communities by fostering long-term residency.

During the past two years, New Hampshire's housing market has experienced record-high median home sales prices, accompanied by unprecedented lows in inventory. In June 2023, the state reached a historic median home sales price of \$479,000, marking a 6% increase compared to June 2022 and a substantial 26% rise from June 2021. The availability of homes for purchase has dropped steadily for over a decade. This trend is mirrored in the state's rental market, resulting in rising rents and a severe shortage of available units.

Home sales volume over 12 months (November 2022 through October 2023) decreased by 21% from the same period in the prior year. This does not indicate decreased demand from homebuyers; instead, it highlights the significant challenge of homebuying due

to an exceptionally low inventory of homes for sale. As of October 2023, New Hampshire had approximately seven weeks' worth of inventory statewide. Sales in NH are predominantly driven by existing homes, with new homes accounting for only 4% of the market. This contrasts with many other areas in the United States with fewer regulations to constrain new home construction. Nationally, the percentage of new home sales as a percentage of all home sales increased to 14% in 2023, giving those areas of the country which are more welcoming to housing development an advantage in responding to the needs of their workforce and businesses.

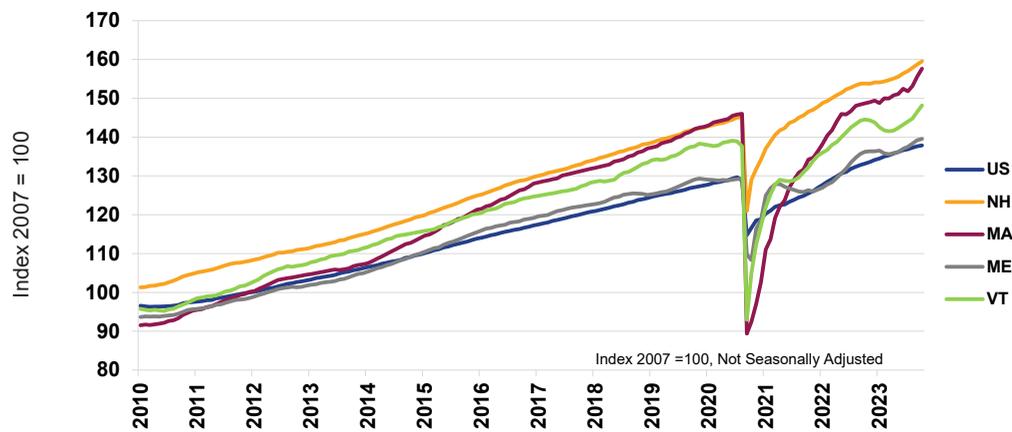
Similarly, rental costs are rising more rapidly than before, showing a 36% increase over the past five years. The highest rents are found in the Seacoast, in the southern I-93 corridor, and in the Upper Valley—population and employment centers where most the state's rental housing properties are concentrated. To afford the statewide median cost of a two-bedroom apartment with utilities, a renter would need to earn 137% of the statewide median renter income, or over \$70,600 annually.

The issuance of building permits for single-family homes exhibited a steady increase from 2020, reaching its peak in the summer of 2021. It has declined since then, however, and currently stands at half the level observed before the Great Recession in 2002 and 2004. Multifamily building activity has not increased over the past decade and remains well below the pace of construction prior to the Great Recession.

# MARKET PERFORMANCE INDICATORS

## ECONOMIC ACTIVITY

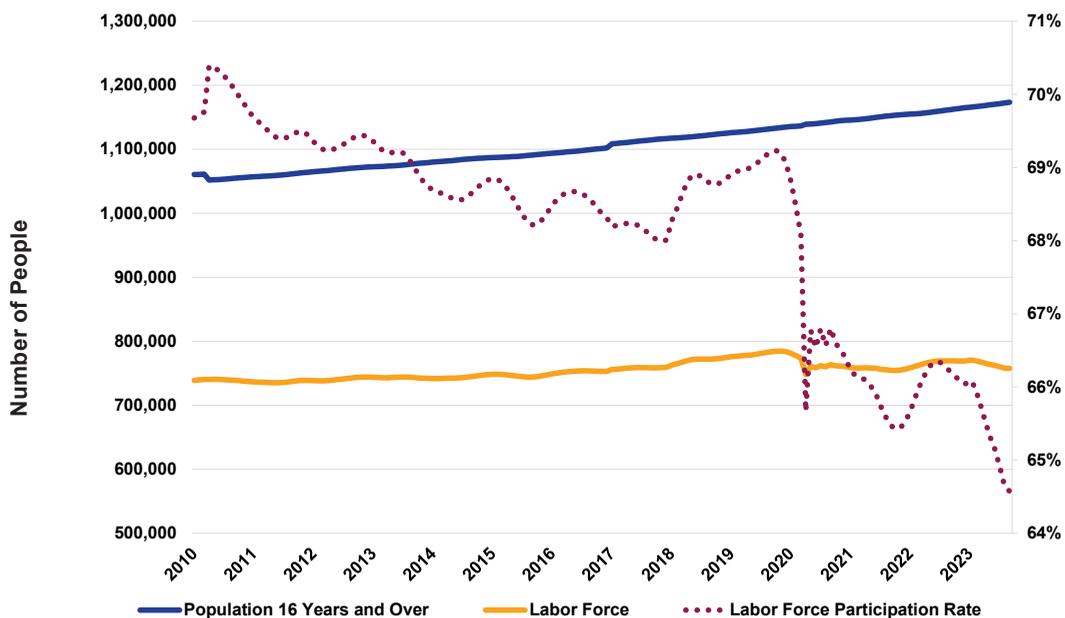
New Hampshire's economy has rebounded from the impact of the COVID-19 pandemic and is currently the fastest growing among the New England states, outpacing the overall growth rate of the United States.



Source: Federal Reserve Bank of Philadelphia

## EMPLOYMENT AND LABOR FORCE

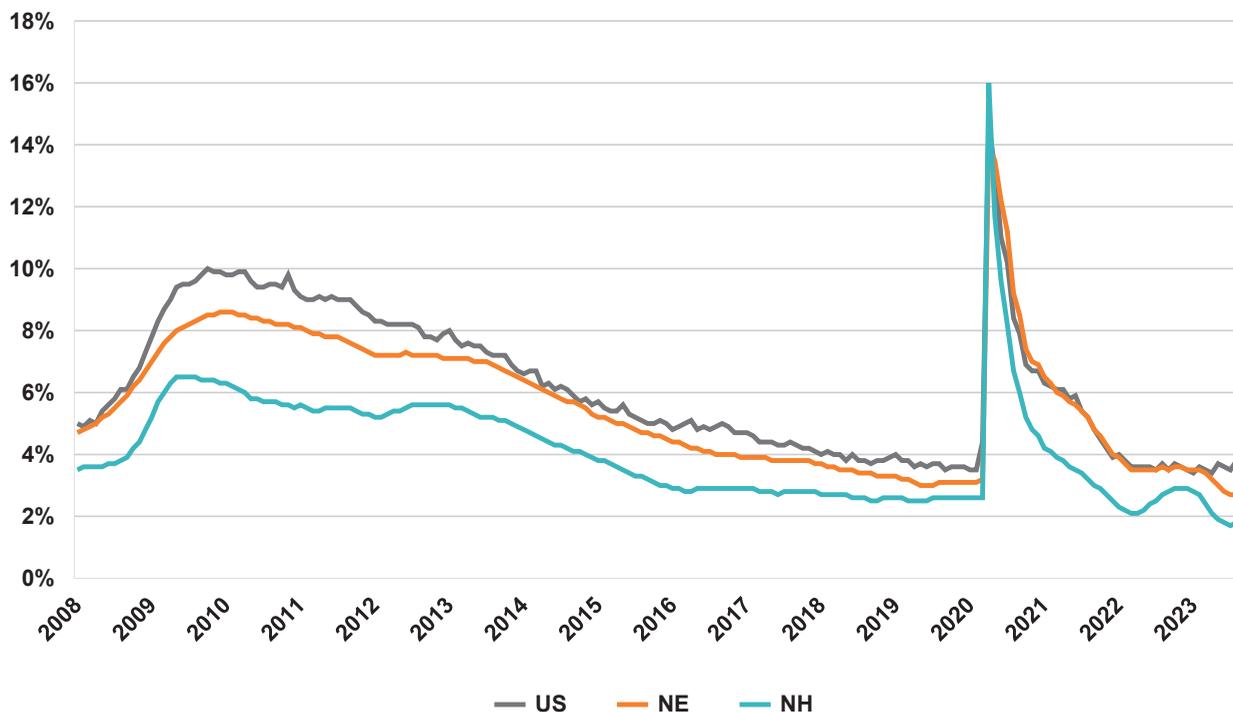
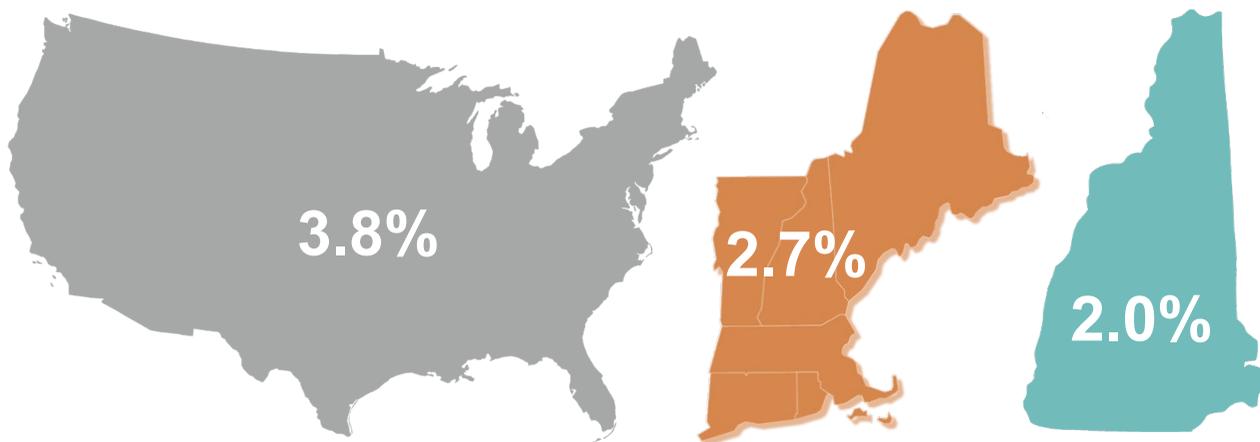
New Hampshire's current labor force stands at approximately 757,000, marking the lowest figure since 2021 and representing a decline of around 3% compared to pre-pandemic levels. The labor force participation rate reached a historic low of 64.6% in 2023, a trend that is likely influenced by the state's aging workforce.



Source: U.S. Bureau of Labor Statistics

**UNEMPLOYMENT RATE (US, NEW ENGLAND, NEW HAMPSHIRE)**

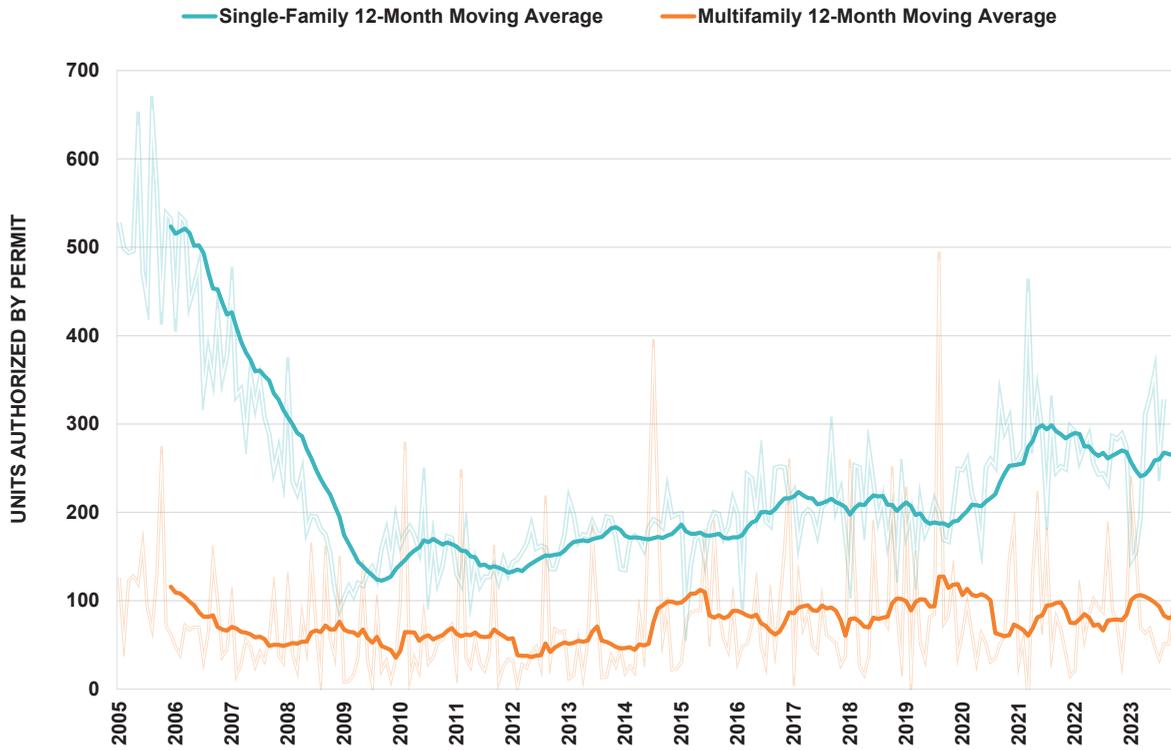
As of September 2023, the Granite State’s unemployment rate was 2%, fifth lowest among states nationally. This is below the New England regional rate (2.7%) and the overall U.S. rate (3.8%). A low unemployment rate signifies a robust economy, benefiting job seekers. It also poses challenges for businesses, which face difficulties recruiting and retaining staff in such a competitive environment.



Source: U.S. Bureau of Labor Statistics (seasonally adjusted)

### BUILDING PERMIT ACTIVITY

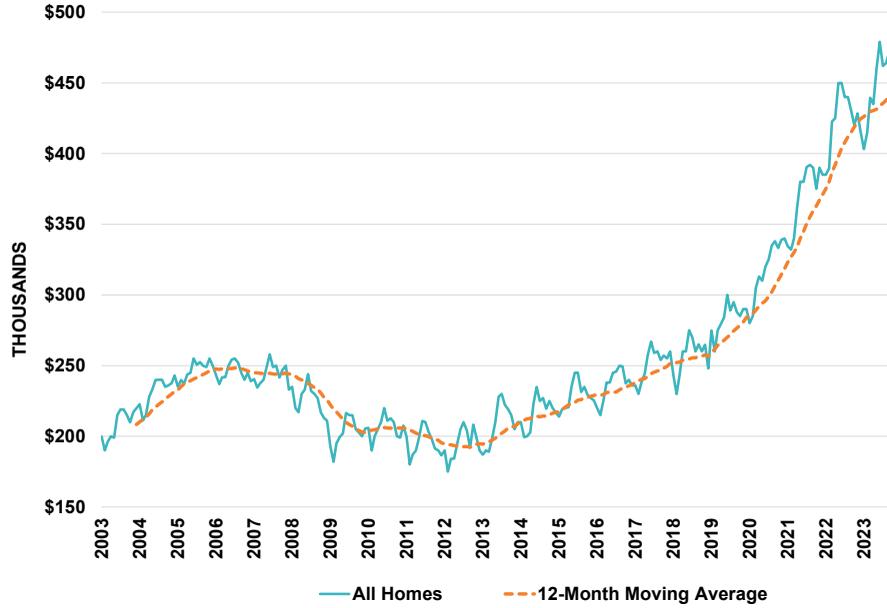
Although the issuance of single-family permits has declined since its peak in the summer of 2021, the current levels are higher than before the pandemic. Nevertheless, we are still far from reaching the permit levels observed prior to the Great Recession. Although multifamily permit activity shows high variability from year to year, the overall pace of construction has remained unchanged over the past decade and remains well below the level of activity prior to the Great Recession.



Source: U.S. Census Bureau, Construction Statistics Division (12-month moving average of actual permits issued)

### NEW HAMPSHIRE HOME PRICES

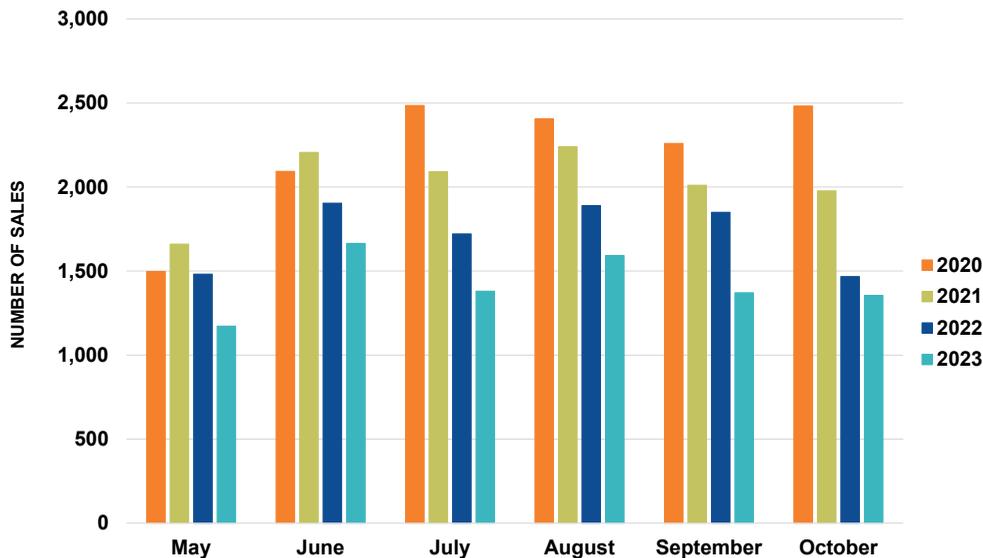
In June 2023, the median New Hampshire home sales price (based on MLS median sales price data) reached a historic peak at \$479,000. Although it had decreased to \$450,000 in October 2023, this still represents a roughly 20% increase compared to October 2021 and a near doubling since 2017.



Source: PrimeMLS; compiled by NH Housing. Excludes land, interval ownership, seasonal camps/cottages, age-restricted, multifamily properties, mobile/manufactured homes, and commercial/industrial property.

### NEW HAMPSHIRE CLOSED SALES

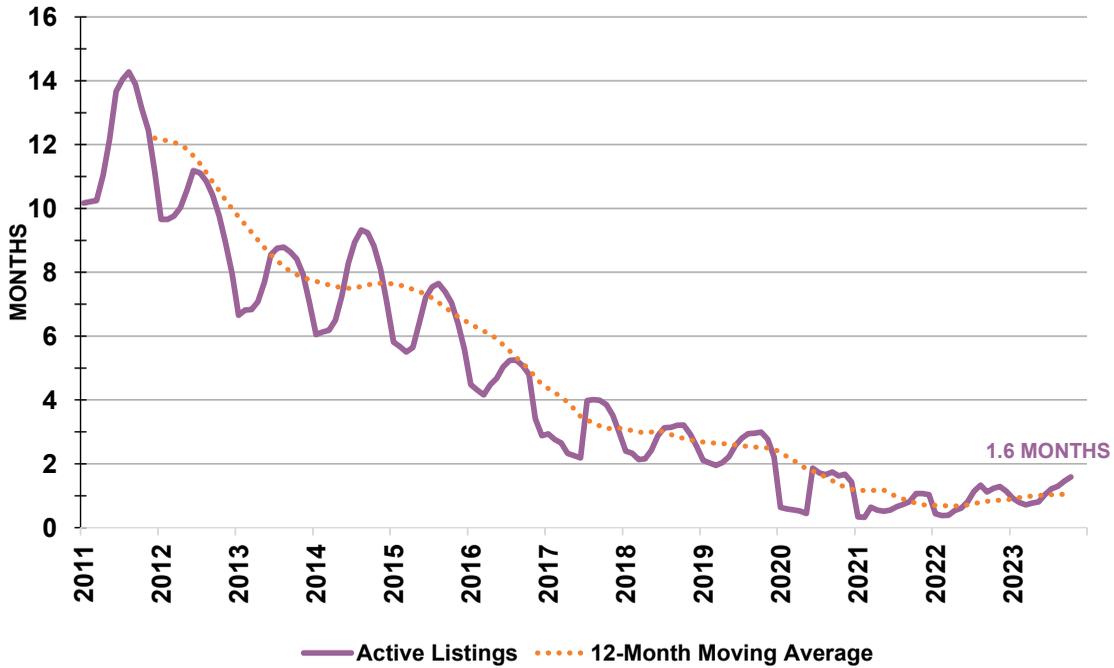
New Hampshire home sales in October 2023 decreased by 45% compared to October 2020. Despite this decline, the market remained strong, as indicated by very low inventory and a short length of time on the market. As of October 2023, inventory was 1.6 months (see page 8) and homes were on the market an average of 47 days.



Source: PrimeMLS; compiled by NH Housing. Excludes land, interval ownership, seasonal camps/cottages, age-restricted, multifamily properties, mobile/manufactured homes, and commercial/industrial property.

**HOUSING INVENTORY**

New Hampshire has maintained less than two months of home inventory for sale since the close of 2019. This measure indicates how many months it would take for the current inventory of homes on the market to sell, given the pace of sales over the preceding 12 months. As of October 2023, it would have taken about seven weeks to sell all active listings. Typically, a balanced market is characterized by around six months of inventory.

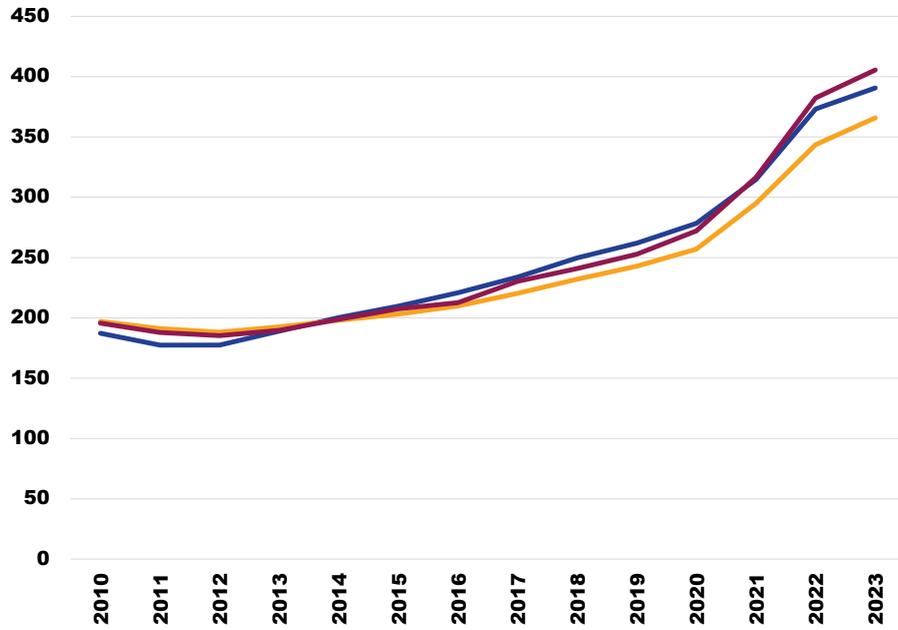


Source: PrimeMLS; compiled by NH Housing. Excludes land, interval ownership, seasonal camps/cottages, age-restricted, multifamily properties, mobile/manufactured homes, and commercial/industrial property.

MARKET PERFORMANCE INDICATORS

**FHFA PURCHASE PRICE ONLY INDEX (US, NEW ENGLAND, NEW HAMPSHIRE)**

The Federal Housing Finance Agency House Price Index (FHFA HPI) is a broad economic measure of the movement of single-family house prices. It indicates that between Q3 2022 and Q3 2023, home prices in New Hampshire rose by approximately 10%, reaching a new peak. In Q3 2023, home prices in the state climbed more quickly than prices in New England and the country as a whole.



Source: Federal Housing Finance Agency Index, Jan 1991=100, Seasonally Adjusted

**FHFA HOUSE PRICE INDEX FOR NEW ENGLAND STATES**

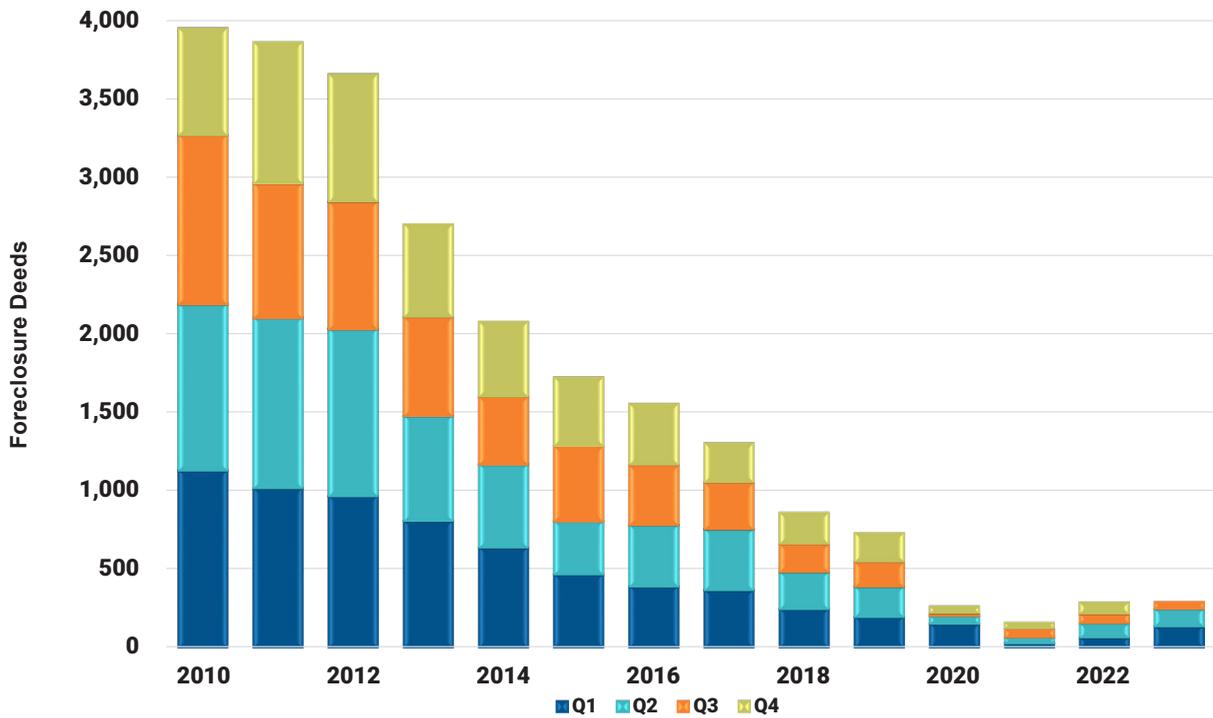
(Seasonally Adjusted, Purchase Only Index, Q1-1991=100)

	Q3 2023	Q3 2022	Percent Change	National Rank
<b>Maine</b>	455.05	409.47	11.1%	2
<b>Vermont</b>	401.56	359.17	11.8%	1
<b>New Hampshire</b>	431.35	391.02	10.3%	3
<b>Rhode Island</b>	319.97	264.95	8.7%	6
<b>Connecticut</b>	270.31	246.00	9.9%	4
<b>Massachusetts</b>	435.33	404.62	7.6%	17
<b>New England</b>	387.27	354.60	9.2%	-
<b>US</b>	406.43	385.42	5.5%	-

Source: PrimeMLS; compiled by NH Housing. Excludes land, interval ownership, seasonal camps/cottages, age-restricted, multifamily properties, mobile/manufactured homes, and commercial/industrial property.

**FORECLOSURE DEEDS IN NEW HAMPSHIRE (BY QUARTER)**

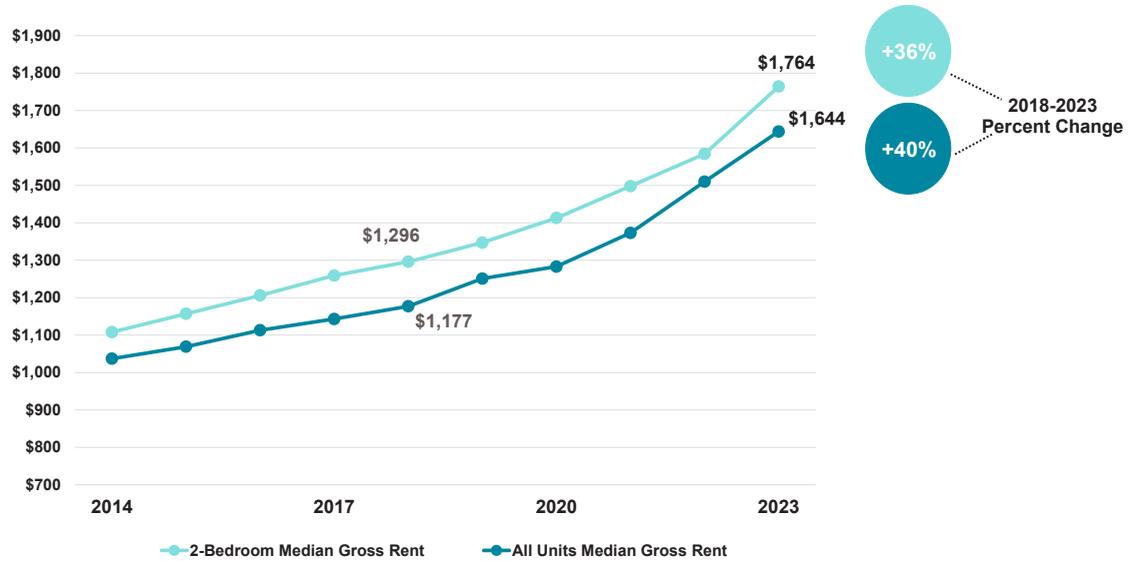
Foreclosures in New Hampshire have steadily declined since the Great Recession and its accompanying foreclosure crisis. Since 2020, foreclosures have remained consistently low. This has been the result of several factors, including pandemic-related federal mortgage forbearance programs and foreclosure moratoria, and also because of a robust housing market that has provided sales options for households no longer able to afford their mortgage payments. Since its launch in March 2022, the NH Homeowner Assistance Fund has provided financial help to 2,700 households, in many cases helping them avoid foreclosure and remain in their homes.



Source: The Warren Group, compiled by NH Housing

### 2023 RESIDENTIAL RENTAL HOUSING MARKET

Very low vacancy rates and rising rents are indicators of the state's ongoing tight rental market, as reported in New Hampshire Housing's 2023 Residential Rental Cost Survey Report. This strong demand makes it challenging for households to find affordable places to live. The statewide median gross rent for a 2-bedroom unit in 2023 was \$1,764; this is an increase of 11% from the prior year and an increase of 36% over the past five years.



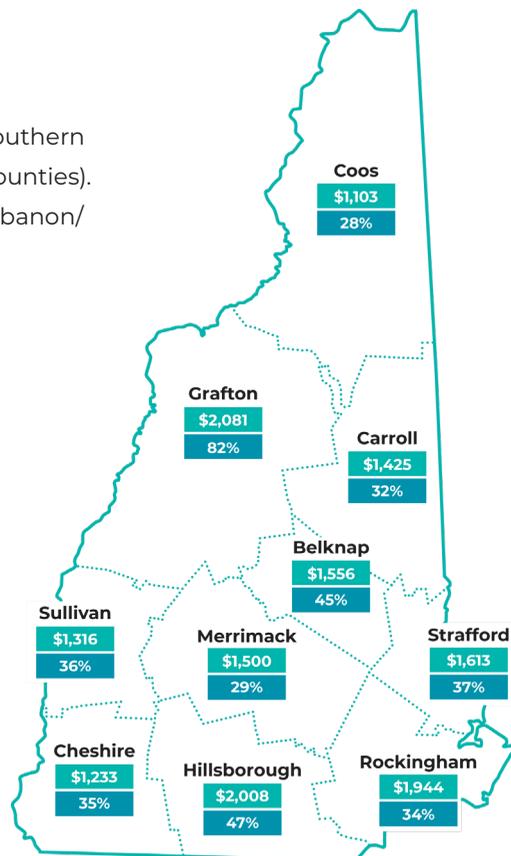
Source: 2023 NH Housing Residential Rental Cost Survey Report

Eighty-two percent of the rental units surveyed are in the southern tier (Hillsborough, Rockingham, Merrimack, and Strafford counties). The high rental costs in Grafton County are driven by the Lebanon/Enfield area and Holderness/Plymouth area.

**\$** Median Monthly Gross Rental Cost  
2-Bedroom Units, 2023

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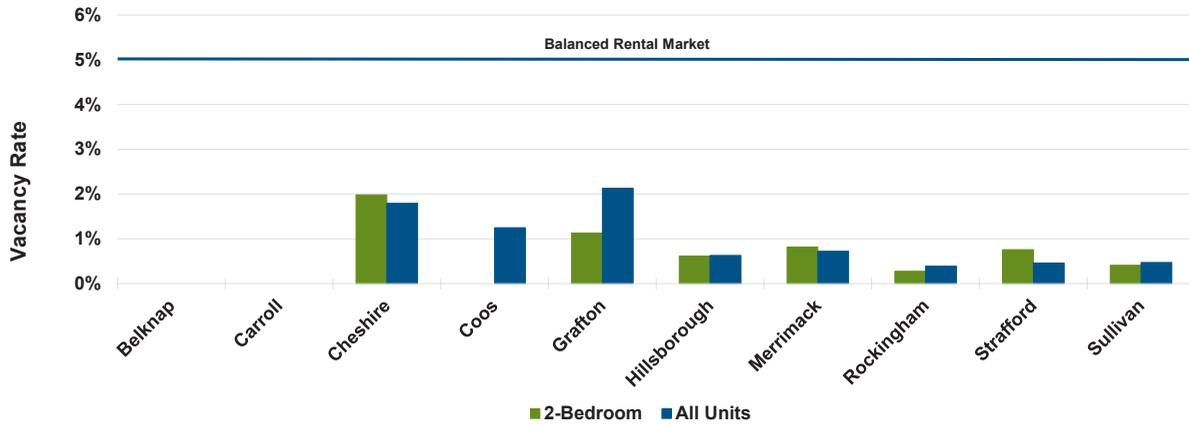
**%** Percent Change Median Gross Rent  
2-Bedroom Units 2018-2023



Source: 2023 NH Housing Residential Rental Cost Survey Report

### RENTAL MARKET VACANCIES

In 2023, the vacancy rate for 2-bedroom and all units in the state’s rental housing market remained below 1%. A balanced rental market has a vacancy rate of about 5% (where supply of units meets demand). A rate of 3% reflects turnover (the time it takes to prepare a unit for the next tenant). According to past survey data, New Hampshire’s vacancy rate was last at 5% in 2009-2010, in the wake of the Great Recession.

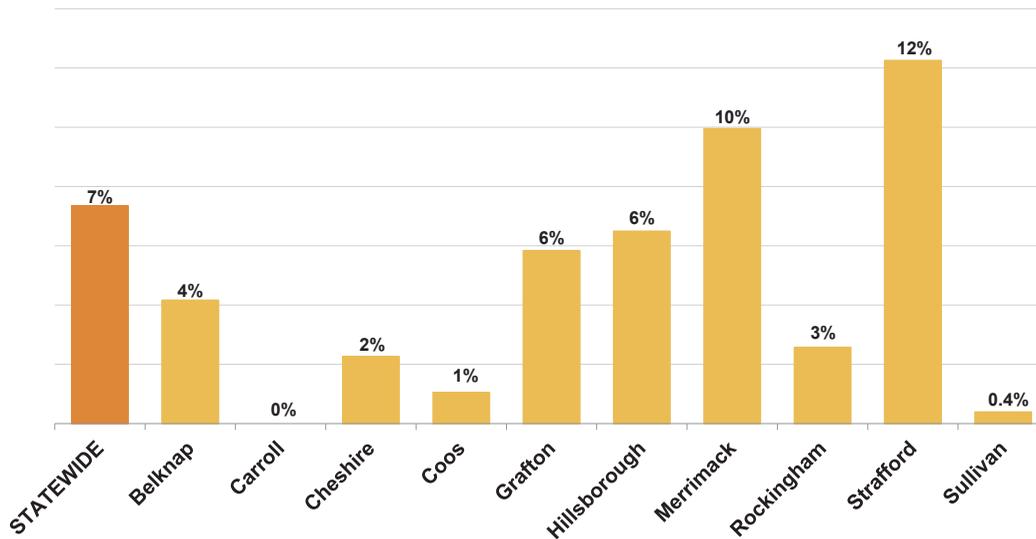


\* A county with no color bars indicates a zero percent vacancy rate based on the survey’s results.

Source: 2023 NH Housing Residential Rental Cost Survey Report

### RENTAL AFFORDABILITY

The bar chart below reflects the percent of 2-bedroom units below affordable rent. About 39% of renter households in New Hampshire are paying 30% or more of their household income for rent (this is regarded as the standard for affordability). Lower-income families are likely to be paying an even higher percentage of their household income towards rent. Affordability is a function of income and cost. While southern New Hampshire counties have higher costs, their relatively higher median incomes generally result in a higher percentage of their apartments being affordable to the median-income renter. This is not the case in Rockingham County, however, for although it has the highest median income of any county, only 3% of the units surveyed would be affordable to households earning the median renter income.



Source: 2023 NH Housing Residential Rental Cost Survey Report

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# HOUSING NEEDS IN NEW HAMPSHIRE

## CHANGING HOUSING PREFERENCES

For the past three decades, economists and housing experts have noted that New Hampshire has a housing mismatch between what people need and desire — and what is available. This is shown in the ongoing stresses on the state’s rental and for-sale housing markets. The pandemic placed additional pressure on the housing market by worsening existing trends of insufficient supply and resulting price increases. Communities, businesses, and policymakers widely acknowledge that the state’s economic well-being is inextricably linked to attracting and retaining a workforce and having a sufficient supply of housing for the workforce and all of the state’s people. Low production volume has created a housing market that is not adequately responding to people’s changing needs—moving from rental to homeownership, downsizing for retirement— or job growth.

The most recent *AARP Home and Community Preferences Survey* (a survey of 3,000 adults) indicates that about three quarters of adults 50 years and older would like to stay in their current homes or communities for as long as possible. The lack of availability and high cost of housing for older people wishing to live elsewhere in their community has meant that in order to age in their community, older people often have no choice but to remain in their homes, even if those homes are larger and more difficult to maintain than many of them would prefer. If their owners could sell them, those larger homes could help younger people stay in the state as they establish careers and build families. Yet the lack of available and affordable housing for purchase keeps those would-be first-time and move-up homebuyers trapped in a rental market that has very low vacancy rates and increasing rental costs. As a stakeholder interviewed for the *2023 NH Statewide Housing Needs Assessment* noted, “Early career individuals are...lacking a housing pathway and it’s impacting their employment paths.”

While there is increased interest in the development of smaller dwelling units, tiny homes and accessory dwelling units, overall production is still well below what is needed to overcome the current shortage and to meet future demand. There is some interest in home share options that free up unused bedrooms in homes with one or two older adults living in them. According to the same AARP survey, 69 percent of households surveyed would consider sharing their home with a relative or a friend (54%) as they grow older. There is also some hope in the form of recent actions and promised new initiatives in the New Hampshire Legislature to limit the ability of municipalities to maintain unreasonable restrictions that prevent private property owners from meeting the demand for more diverse types of housing in the state.

## IMPACT OF COVID-19 ON NEW HAMPSHIRE’S HOUSING MARKET

The pandemic that began in early 2020 significantly impacted people’s jobs, budgets, and health. Its effect on the housing market was evaluated in NH Housing’s *2021 North Country Housing Needs Analysis*. This study found that the pandemic (and the resulting low interest rates) appeared to have caused an unexpected real estate boom in the state with a demand surge in the summer of 2020, adding pressure to the state’s already tight housing market. By November 2020, both the number of homes sold in New Hampshire and the median sale price were up 17% compared to one year earlier. In the ensuing three years, prices have continued to rise to new record levels and the inventory of homes for sale has sunk to historic lows.

Both the increase in home prices and low inventories began long before the onset of the pandemic. The average days-on-market for single-family homes fell steadily from 2012 to 2020, as median sale prices rose. These trends suggest that falling supply and rising

demand were already pushing home prices higher before COVID-19 exacerbated these conditions.

In the past year, supply and days-on-market have begun to rise, as interest rates increased precipitously from historic lows to levels approximating historic norms. At the end of 2023, even as increases in sales prices have abated somewhat, the market remains strong, and inventory remains very low.

Considerable attention has been given to the impact of out-of-state buyers fleeing urban areas in search of a more rural lifestyle, with the assertion that they are driving local buyers out of the market. Analysis conducted by NH Housing staff on deed records indicate that while there was a modest increase at the beginning of the pandemic in the proportion of buyers from other states, particularly Massachusetts, most buyers in New Hampshire are from the Granite State.

### 2023 NEW HAMPSHIRE STATEWIDE HOUSING NEEDS ASSESSMENT

As part of its statutory responsibilities, New Hampshire Housing regularly assesses the state's housing market and housing needs. The *2023 Statewide Housing Needs Assessment* is intended to guide decisions affecting housing production and choice by providing regional and statewide data on supply and production, affordability challenges, housing needs, and projected housing demand.

The study's findings include:

**New Hampshire requires increased housing production:** Based on estimated population growth, almost 60,000 units are needed between 2020 and 2030; nearly 90,000 units are needed between 2020 and 2040. This includes the state's current housing shortage of over 23,500 units needed to stabilize the housing supply. These totals do not account for the demand for seasonal residences and second homes. To plan for this demand, the state would need an additional 13,800 to 23,300 units by 2040.

**Homeownership challenges:** The increasingly unaffordable home purchase market keeps many house-

holds renting longer and exacerbates price pressures in the rental market. The state's for-sale inventory started to decline in 2008 and has remained below a 2-month supply since 2019. During the peak homebuying season in 2019, around 9,000 homes were listed for sale each month, compared to about 4,500 monthly during the 2022 peak season. Between 2019 and 2022, the share of homes that sold for less than \$350,000 dropped from 67% to 31%, while the share of homes sold for over \$600,000 increased from 7% to 24%. The statewide median price of a home sold in the first three quarters of 2022 was \$430,000, up from \$285,975 in 2019. In just three years, the median price rose by 50%.

Homeownership dropped among working-age adults, particularly for those aged 25 to 44 years, and across income ranges, with the biggest decline for households with incomes of \$75,000 to \$100,000, falling from 84% to 75%. The state's homeownership rate overall decreased from 73% to 71% between 2010 and 2020.

If 10% of the state's renters with incomes of 61% to 100% AMI were looking to buy—about 3,700 renters—they would have about 550 units from which to choose without overpaying. They would have about a 15% chance of finding an affordable home to purchase.

**Rental challenges:** New Hampshire Housing's *2023 Residential Rental Cost Survey Report* found an overall rental vacancy rate of 0.8% — far too low to support a functional market. This means that if 10% of the state's lower-income renters wanted to move—about 7,400 renters—they would have about 350 units from which to choose without overpaying. These renters would have about a 5% chance of finding an affordable, vacant unit.

Prices for the state's rental units are concentrated between \$1,000 and \$2,000 per month, much higher than what lower-income renters can afford. Many of these units are also occupied by higher-income renters who "rent down" because higher-end rental units and homes to buy are in short supply. These households may be more competitive in the very tight rental market, further limiting lower-income renters' options.

Statewide, a comparison between what renters can afford and current rental costs shows that there is a shortage of 23,000 rental units affordable to lower-income renter households. But this does not account for location and availability. A look at renter incomes and rental costs at the county level shows that in 2020, over 68,000 renter households were cost-burdened, meaning they were paying more than 30% of their income on housing costs.

Most housing that is affordable for its occupants is subject to changes—sometimes rapid—in market conditions, particularly rental housing. A small proportion of the state’s rental housing has a contract with or is managed by an entity that ensures its affordability. Public resources have historically been inadequate to meet needs. Among rental housing with U.S. Department of Housing and Urban Development funding, the average tenant income is under \$18,000.

Rental assistance, such as Housing Choice Vouchers, helps address the affordability gap and constitutes a large share of housing assistance programs in the state. Vouchers are less effective, however, in tight rental markets, when property owners can raise rents above subsidy levels, or simply choose not to rent to voucher holders. New Hampshire does not prohibit discrimination based on source of income.

The number of people in New Hampshire who experienced homelessness increased from 4,500 to over 6,000 between 2020 and 2022, according to state data. Black and Hispanic residents are overrepresented in this population; they have less income on average, and therefore are more susceptible to housing instability.

**Housing Affordability:** The housing market in New Hampshire is more expensive than the overall U.S. market, and this gap has expanded since 2000. Additionally, income growth has not kept up with the rising housing costs in both New Hampshire and the U.S. During the period from 2000 to 2020, home sales prices in New Hampshire surged by 111%, rents increased by 94%, while the median household income only grew by 73%.

**Demographics:** New Hampshire’s population growth has been slowing since 1980. The state’s growth rate was the highest between 1970 and 1980, when the population rose by 25%. Between 2010 and 2020, the population grew by only 5%. Projections show that the state’s population will continue to grow, but at a slower rate, through 2040. After that, New Hampshire’s population is projected to decline in that the combination of births and net migration will not surpass the annual number of deaths in the state.

This estimate of population growth, coupled with reduced rates of household formation across age cohorts, indicates that over 74,400 new households will be added between 2020 and 2040. Yet people are choosing to “age in place,” occupying homes that historically would have been made available sooner to younger generations.

Slower population growth is related, in part, to the lack of available housing. No county in New Hampshire has a rental vacancy rate higher than 3% (generally, 5% is considered the standard for a functional rental housing market). And the inventory of homes is at historic lows (a 2% owner vacancy rate is considered the standard for a functional homeownership market).

Read the report: [www.nhhfa.org/wp-content/uploads/2023/04/2023-NH-Statewide-Housing-Needs-Assessment.pdf](http://www.nhhfa.org/wp-content/uploads/2023/04/2023-NH-Statewide-Housing-Needs-Assessment.pdf)

### SHORT-TERM RENTALS IN NEW HAMPSHIRE: AN ANALYSIS OF DATA FROM 2014-2023

With the growth in popularity of short-term rentals (STRs) offered online by companies such as Airbnb and Vrbo, community concerns about their impact also have grown over the past 10 years. These concerns include their effect on the availability of long-term rentals, disruptions to neighborhoods by those staying in STRs, and long-distance or absentee hosts. To better understand these issues, NH Housing used AirDNA data from 2014–2023 to examine the relative proximity of hosts to their properties and the impact of short-term rentals on housing availability in New Hampshire communities.

The *Short-Term Rentals in New Hampshire: An Analysis of Data from 2014-2023* report noted the following:

- Almost half of STRs statewide were owned by hosts who lived in the same county as the property and one-third lived in the same town.
- There have been no widespread acquisitions and conversions of properties to STRs by foreign investors.
- The increase in STRs was not found to have had a statistically significant effect on statewide median rent levels.
- STRs have had a minor but statistically significant impact on the statewide rental vacancy rate.
- The majority of properties listed on Airbnb, Vrbo, and similar sites were already short-term rentals or seasonal units.

Because these findings are based on an analysis of data collected over the past decade, they may not be predictive of the impact of STRs on New Hampshire's housing market in the coming years. The data did not permit analysis of the impacts at the municipality level, which may have revealed more variation.

Read the report: [www.nhhfa.org/wp-content/uploads/2023/10/Short-Term-Rentals-in-NH.pdf](http://www.nhhfa.org/wp-content/uploads/2023/10/Short-Term-Rentals-in-NH.pdf)

### **POLICY AND PROGRAM MODELS FOR CREATING ACCESSORY DWELLING UNITS**

Adding accessory dwelling units (ADUs) in communities around New Hampshire is a way to expand the supply of housing without further land development, as well as to encourage efficient use of existing housing stock and infrastructure, and provide an affordable housing option in communities. The need for this additional type of diverse housing is underscored in the *2023 NH Statewide Housing Needs Assessment*.

In 2017, the NH Accessory Dwelling Units statute (RSA 674:71-73) was enacted – a recognition by state legislators that ADUs are an important element to expanding the state's housing supply. The law requires local governments to allow attached ADUs to be built on any property where a single-family home is an allowed use. Since the law's adoption, many municipalities have begun to ease restrictions on attached and detached ADUs to help meet demand for housing. While some constraints on ADU development have been relaxed,

there remain factors that stymie the investment in ADU construction. To gain insight into these barriers, NH Housing funded research by the Southern New Hampshire Planning Commission to explore policies and programs implemented in other states that encourage and support the creation of ADUs.

The 2023 report, *Policy and Program Models for Creating Accessory Dwelling Units in New Hampshire*, presents examples of policy and program models along with tools and techniques that support ADU production. It also looks at scenarios for applying the identified tools and techniques to apply at the local, regional, and state levels of government. The report includes:

- Research and analysis on ADUs, including programs that support developing affordable ADUs, offer pre-approved ADU plans, and encourage ADU design initiatives
- Case studies of models for increased ADU production, including approaches, successful elements, and challenges encountered
- ADU financing tools and programming techniques used in other states
- Identification of ADU development tools and techniques that can be applied in New Hampshire
- Scenarios for, and feasibility of, ADU production in New Hampshire
- Links to sources and information in the report

The report noted that the following items help promote ADU production:

- Municipal or state grant programs that fund pre-development costs such as design and engineering costs for a homeowner is a catalyst for ADU production
- Pre-approved architectural plans can significantly reduce upfront costs for a homeowner
- Eliminating or reducing off-street parking requirements for ADUs
- Allow permitting of ADUs "by right"

Read the report: [www.nhhfa.org/wp-content/uploads/2023/05/ADU-Policy-Program-Models-Report.pdf](http://www.nhhfa.org/wp-content/uploads/2023/05/ADU-Policy-Program-Models-Report.pdf)

### **COUNCIL ON HOUSING STABILITY**

The Council on Housing Stability was created by Governor Sununu by Executive Order 2020-22 on November 18, 2020, and was expanded and codified by the Legislature in RSA Chapter 4-H in 2022. The Council brings together a broad base of diverse stakeholders for the purposes of developing and implementing a plan to create housing stability for all citizens of the State of New Hampshire. In doing so, the Council is tasked with addressing a range of challenges and providing short- and long-term recommendations to support planning, policy, and resource allocation for statewide, regional, and local community-based efforts. The Council is co-led by the New Hampshire Department of Health and Human Services, the Department of Business and Economic Affairs, and the Community Development Finance Authority.

The Council submitted its *Initial Report and Action Plan* in December 2020. The purpose of this initial plan was to inform immediate actions that would support the goals of the Council and set a framework to guide the development of a long-term strategy.

In June 2021, the Council released a three-year *Strategic Plan* to promote housing stability and tackle homelessness for residents of the Granite State. The plan is New Hampshire's first comprehensive strategy to address all aspects of housing and homelessness. It outlines actionable next steps and mechanisms for deploying resources with a focus on two significant goals: address housing needs with an increase of 13,500 units of housing by 2024 and make homelessness rare, brief and one-time in New Hampshire.

Read the report: <https://nhchs.org/strategicplan>

In the fall of 2023, the Council adopted the state's Fair Share Housing Production Model's estimated production numbers based on assessments by the state's nine Regional Planning Commissions and New Hampshire Housing. This action provides guidance for communities seeking to adopt policies which allow for the creation of housing to meet the needs of their people and businesses.

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# PROGRAM RESPONSES TO NEEDS: NEW HAMPSHIRE HOUSING

In its role as the primary provider of housing assistance resources in the state, New Hampshire Housing collects and analyzes data to evaluate the housing needs of the state's low- and moderate-income households. Rental cost, purchase price, and foreclosure data are analyzed and published regularly, and other aspects of housing are examined by staff and consultants as needed.

Although resources have never been sufficient to address all of the housing needs of low- and moderate-income households of the state, New Hampshire Housing has assisted tens of thousands of households through its various programs.

To determine the best use of its available resources, NH Housing conducts an annual strategic and program planning process that is informed by both performance data and business partner input solicited through surveys, interviews, and other means. New Hampshire Housing publishes its program plan each year and posts it at [NHHousing.org](http://NHHousing.org).

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## HOMEOWNERSHIP

The home-purchase market continues to be very difficult for low- to moderate-income homebuyers. Rapid increases in mortgage rates have increased monthly mortgage payments and have pushed many homebuyers out of the homebuying market. Additionally, historically low inventory of homes for sale has made the market very competitive, disadvantaging low- to moderate-income homebuyers. First-time homebuyers often lose out on purchasing a reasonably priced home to buyers with stronger assets and credit. Higher-income homebuyers have more buying power, the ability to waive inspection contingencies, or may have financing options that the market perceives as superior compared to the options available to the low downpayment buyer.

The Mortgage Bankers Association foresees a modest decrease in interest rates for 2024; however, they are

expected to persist at levels higher than the historically low rates observed in the 2020-2021 timeframe.

Despite these market dynamics, New Hampshire Housing is committed to and has been providing viable mortgage options to low- and moderate-income homebuyers, most of whom are first-time buyers.

### Home First (Fannie Mae Program)

New Hampshire Housing's Home First mortgage program, financed through mortgage revenue bonds, remains the most favorable mortgage option, particularly in higher-interest rate environments. These mortgage loans provide a rate advantage and may be insured or guaranteed through government agencies such as FHA, VA or USDA-RD or privately insured through various mortgage insurers. Mortgage loans are purchased from participating lenders, and are pooled into mortgage-backed securities that are acquired through mortgage revenue bonds. NH Housing offers \$5,000 or \$10,000 in downpayment assistance funds to eligible borrowers.

### HOME Flex (Ginnie Mae MBS Program)

New Hampshire Housing's Home Flex mortgage program of government-backed single-family loans are originated by a network of participating lenders and pooled into taxable Ginnie Mae mortgage-backed securities. These securities are sold to generate funds to purchase mortgage loans and provide cash assistance to borrowers for downpayment assistance and closing costs.

### Home Preferred (Fannie Mae Program)

Fannie Mae partners with state housing finance agencies and provides special mortgage products that are available in the state only through New Hampshire Housing. The Home Preferred mortgage program is a conventional mortgage with private mortgage insurance that offers a low interest rate and loan-to-value ratios up to 97% to homebuyers. NH Housing offers downpayment assistance and discounted mortgage

insurance to homebuyers at or below 80% of area median income through this mortgage program. Loans are purchased from participating lenders and then sold on a loan-by-loan basis to Fannie Mae with NH Housing retaining servicing.

### Homebuyer Tax Credit

The Homebuyer Tax Credit program helps make homeownership more affordable for first-time homebuyers. An eligible homebuyer receives a Mortgage Credit Certificate from New Hampshire Housing for a federal income tax credit of up to \$2,000 each year for the life of the original mortgage, as long as the home remains their primary residence. This decrease in income taxes and increase in take-home pay can help pay the mortgage and home expenses. Because this program cannot partner with the bond-funded mortgage program launched in 2022, its outreach was limited to about 800 households in the past two years. .

### Special Homeownership Programs

New Hampshire Housing's Homeownership Division is a trusted and productive source for programs that make successful homeownership a reality for New Hampshire residents. Special homeownership programs complement the core programs by providing funds for eligible borrowers based on their needs and circumstances. Additionally, these programs provide flexibility to create special initiatives and to address new issues and opportunities. These programs include:

- 1stGenHomeNH provides first-generation homebuyers \$10,000 in downpayment and closing cost assistance, which can be combined with other programs to offer a total of \$20,000 for the purchase of their first home
- An accessibility grant to Granite State Independent Living that helps homeowners make modifications such as adding ramps, stair lifts and other changes to their homes
- The Emergency Home Repair Loan program, which provides eligible New Hampshire Housing borrowers with loans to perform emergency home repairs

- Grants and other financing options to the New Hampshire Community Loan Fund to aid siting of new manufactured homes in resident-owned manufactured housing communities
- A long-term partnership with Habitat for Humanity affiliates around the state to provide non-amortizing, no-interest loans to low-income homebuyers to help reduce the cost of the home or fund repairs

### Homebuyer/Homeowner Education and Counseling

This initiative provides resources to nonprofits, through a HUD Comprehensive Housing Counseling Program grant and New Hampshire Housing funds, that provide homebuyers and homeowners with pre- and post-purchase education and counseling services. The education and counseling effort includes support of 2-1-1 NH as an intake and referral resource as well as an outreach campaign.

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## ASSISTED RENTAL HOUSING

New Hampshire Housing's Assisted Housing Division serves low- to extremely low-income renter households by providing housing subsidies, as well as education and support to help them improve their overall financial status through increased earnings and greater financial literacy.

### Housing Choice Voucher (HCV) Program

This HUD-funded program enables very low-income households to obtain safe, decent, affordable housing. The qualified household pays a portion of their adjusted income toward rent and utilities, and New Hampshire Housing pays the rest directly to the landlord.

HUD has selected NH Housing as a Moving to Work Agency, which will allow NH Housing to design and test innovative strategies that use federal funds more efficiently, help residents find employment and become self-sufficient, and increase housing choice for low-income families. With these goals in mind, in 2024 NH Housing will launch programs that combine voucher assistance with education and financial support for families.

The ongoing challenge in the HCV program is how to assist as many households as possible throughout the state with the limited number of vouchers available. There are 4,355 vouchers allocated to NH Housing for these households. Due to the great need and demand for stable housing, an applicant's time on the waiting list can stretch to as long as seven years. The average income of participants is \$19,443 and almost 80% of these participants are elderly or have a disability. In addition, over 7,000 HUD-funded vouchers are allocated to 18 independent local housing authorities to use in their communities.

### **Family Self-Sufficiency (FSS) Loan and Grant Program**

The FSS Loan and Grant program assists certain Housing Choice Voucher clients in increasing their earned income and moving toward self-sufficiency. This program provides small loans and grants for transportation and/or other items or services which enhance employability and increase earned income of participants in the Family Self-Sufficiency program. HUD funding for FSS Coordinators and program outcomes is expected to be level in 2024.

### **Landlord Incentives**

NH Housing offers landlord incentive programs to encourage landlords and property owners to rent to tenants participating in the HCV program. New landlords who lease to a Housing Choice Voucher holder may qualify for a landlord incentive, or sign-on bonus, of up to \$1,000 for each unit rented to a voucher holder. This pilot program is available for designated special housing programs designed to provide a landlord incentive, or sign-on bonus, to encourage landlord acceptance of vouchers, build and develop landlord relationships, and improve the voucher holder's ability to lease up.

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## **MULTIFAMILY HOUSING DEVELOPMENT**

New Hampshire Housing's multifamily housing production efforts cover a wide variety of programs that provide financing for the development or preservation of affordable rental housing for low-income households. Included in these programs are initiatives to increase the supply of workforce housing, accessible housing, and supportive housing for families and individuals experiencing homelessness, for those in recovery from substance use disorders, those with mental illness, and those with developmental disabilities. New Hampshire Housing's Lead Hazard Control and Healthy Homes Program aims to reduce childhood lead poisoning by providing educational tools, resources, and funding through federal grants and state loans to assist homeowners, residential property owners, and childcare facilities to be lead-safe certified.

### **Multifamily Production Program**

This program uses federal Low-Income Housing Tax Credits (LIHTC) (this includes 9% LIHTC, as well as 4% LIHTC with tax-exempt bond financing), capital subsidies, and long-term debt to finance the new construction, rehabilitation, and preservation of affordable rental units. Projects must commit to long-term affordability restrictions. New Hampshire Housing awards resources through competitive financing rounds for 9% and 4% LIHTC, both of which include competition for capital subsidies such as HOME Investment Partnerships Program, national Housing Trust Fund, state Affordable Housing Fund and other subsidies.

New Hampshire Housing is responsible for administering the state's Affordable Housing Fund (AHF), a trust fund established by statute for the creation of affordable rental housing. The NH Legislature has made historic appropriations to the AHF, including: 1) a recurring appropriation of \$5 million annually from the Real Estate Transfer Tax revenues; and 2) two separate \$25 million appropriations in the 2022-2023 and 2024-2025 state budgets. NH Housing has worked with the state's federally funded InvestNH Program, receiving approximately \$30 million of capital resources for the construction of new rental housing across the state.

### **Construction Lending Program**

This program provides construction financing for multifamily projects financed by NH Housing. In addition, funds may be used for LIHTC equity bridge loans to enhance the attractiveness of Low-Income Housing Tax Credits to investors.

### **Multifamily Recapitalization and Preservation**

Because of the severe housing supply problem and limited financing resources, New Hampshire Housing prioritizes the construction of new housing units over the preservation of existing housing units. However, New Hampshire Housing recognizes the importance of preserving and improving existing affordable housing units. New Hampshire Housing uses certain financing tools to preserve and improve the affordable housing stock. Tax-exempt bond financing coupled with 4% LIHTCs is an important tool for the preservation of existing housing. Initiatives such as these help prevent the loss of affordable housing inventory and improve the quality and desirability of existing housing.

The Federal Financing Bank program (under which Treasury buys the loan) has been one such tool. NH Housing has been one of the most active users across the country of this program, which has been extended until September 2024.

### **Supportive Housing Development Program**

The Supportive Housing Program provides capital subsidies for the development of affordable housing that incorporates supportive services for residents. This housing serves various individuals, including people with a disability, experiencing homelessness, or having substance-use disorders. Eligible projects can be new construction, rehabilitation, or adaptive reuse; can be transitional or permanent housing; and can consist of various unit types, including single-room occupancy or shared bedrooms. Eligible developers are nonprofits, for-profits and public entities such as municipalities and housing authorities. Income and rent limits must comply with the funding source and NH Housing rules.

### **Lead Hazard Abatement Program**

New Hampshire Housing was awarded a multi-year grant from HUD that began in January 2021 and provides nearly \$5 million for lead-based paint remediation across the state. Funding is also used to address health and safety issues in those units. Priority for lead hazard control and healthy homes intervention is given to units with a documented case of a child having an elevated blood lead level. In addition, New Hampshire Housing administers a state trust fund to supplement and enhance the reach of the federal funds. This state fund, established in 2018, has allowed NH Housing and its partners around the state to reach vulnerable households that could not afford matching funds.

### **Asset Management**

Following the development and leasing of multifamily rental projects that it finances, New Hampshire Housing provides oversight to ensure that the targeted beneficiaries are being served, properties are being maintained, and projects maintain fiscal viability. These responsibilities have grown significantly as a function of the success of rental production programs, and the portfolio that is monitored has grown to more than 450 properties and approximately 16,000 apartment units.

In addition to oversight of the properties developed with NH Housing resources, the agency is the contract administrator for HUD-funded rental properties in the state. The Performance Based Contract Administration (PBCA) contract makes New Hampshire Housing directly responsible to HUD for all PBCA program functions and reporting requirements. New Hampshire Housing provides general program oversight and administration for a portfolio of approximately 5,000 apartments, and also performs a quality assurance function for all assigned tasks. Day-to-day functions involved in the program include conducting management and occupancy reviews, adjusting contract rents, processing monthly Housing Assistance Payment vouchers for project owners, processing renewals, terminations and/or opt-outs, and responding to health and safety issues.

## RESEARCH, ENGAGEMENT, AND POLICY

New Hampshire Housing provides an array of educational tools designed to improve public understanding of our state's housing challenges and encourage actions at the local, regional, and state levels to help expand the supply of housing available to all of our state's citizens. These tools range from commissioning housing-related studies, conducting webinars, and offering training sessions and conferences that explore all aspects of housing development, financing and regulation, as well as grant programs to advocacy groups to promote understanding of New Hampshire's housing challenges and promote action that leads to increasing the supply of housing.

### Grant Programs

Through New Hampshire Housing's Housing Partnership grant program, grants up to \$40,000 are available to regional housing coalitions that support grassroots advocacy and policy change. This grant program supports the creation of new housing coalitions and provides smaller grants up to \$5,000 to a range of groups to support local advocacy efforts that may include events, local research, and messaging efforts.

New Hampshire Housing is also a partner in providing technical assistance grants to municipalities across the state through the \$5 million InvestNH Municipal Planning and Zoning Grant Program. New Hampshire Housing administers this program under contract with the NH Department of Business and Economic Affairs. As of the end of 2023, 63 municipalities have received grants to support their efforts in areas such as master plan updates, local housing needs assessments, auditing zoning ordinances, and regulatory changes such as amending current zoning and/or creating new zoning regulations that promote housing development. This program is administered in partnership with Plan NH, which administers the municipal grants, and UNH Cooperative extension, which provides training in community outreach and engagement.

## Research and Publications

New Hampshire Housing conducts various projects to research and analyze the state's housing market. Current research includes a study about the connection between housing development and school enrollment, an often-discussed concern that is largely misunderstood. Recently, NH Housing funded a report exploring barriers to the construction of accessory dwelling units and completed research on the impact of short-term rentals on housing supply and affordability in New Hampshire. Other planned research includes a guidance document for municipalities on how to effectively use the new tools that are part of RSA Chapter 79-E, the Community Revitalization Tax Relief Incentive, which contains provisions for affordable housing development.

Since 1980, NH Housing has conducted and reported on its annual *Residential Rental Cost Survey*. The survey report is a trusted source for information on New Hampshire's rental market, supply, vacancy rates, and affordability.

## Housing Messaging and Communication

To communicate complex housing topics and foster community-based discussion and understanding, NH Housing has built a library of housing-related testimonials, data, articles, profiles and stories in written, photographic and video formats. These demonstrate the need for, and success of, state and local housing policies and programs (e.g., the workforce housing law, the ADU law, Housing Appeals Board, regional housing coalitions). These stories are used in videos, social media posts, on NH Housing's websites and partner websites, advertising, and in presentations. New Hampshire Housing connects with its partners on a regular basis to share these resources. For example, NH Housing sponsored the *Housing Fact or Fiction* video series (2022-2024), which examines the attitudes and misperceptions that have contributed to the state's housing crisis. This has become an important tool for community engagement discussions about affordable and workforce housing.

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# PROGRAM RESPONSES TO NEEDS: PARTNERS

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## HOMELESSNESS

### NH Department of Health and Human Services, Bureau of Homeless Services

According to statistics compiled by the NH Department of Health and Human Services, Bureau of Homeless Services (BHS), approximately 1,605 people were experiencing homelessness in New Hampshire on January 26, 2022, as recorded in the annual US Department of Housing and Urban Development (HUD) Point in Time Count. Sheltered and unsheltered household composition included:

- 1,010 Households without children
- 219 Households with at least one adult and one child
- 133 Survivor of domestic violence households
- 127 Veteran households
- 478 Individuals had serious mental health diagnoses
- 359 Individuals were considered to be “chronically homeless” as defined by HUD
- 337 Individuals had chronic substance use disorders

Comparing the 2022 and 2021 Point in Time reports, the 2022 total persons (1,605) represented an 8% percent increase in overall homelessness from 2021 (1,491). For comprehensive details including statewide trends in overall homelessness and in-depth look into unsheltered and chronic homelessness, refer to the *New Hampshire Coalition to End Homelessness’ State of Homelessness in New Hampshire Annual Report 2022*.

### Street Outreach

Street outreach services are provided on the street or in parks, abandoned buildings, vehicles, bus stations, campgrounds, the woods, and in other such settings where unsheltered persons are staying. Effective street outreach touches people who might not otherwise seek assistance or come to the attention of the homelessness service system, ensuring that people’s basic needs are met while supporting them along pathways toward housing stability. Street Outreach Services offer

hope for persons experiencing unsheltered homelessness by building trusting relationships that lead to choices and opportunities. Street outreach services are focused on ending homelessness and attaining housing for all persons who are unsheltered. Outreach engages persons on the street with dignity and respect, with the objective of helping people recover and access resources needed, including supportive housing that will allow them to leave the streets.

During calendar year 2022, Street Outreach projects funded through BHS served 695 individuals, youth, and families. Funding streams included HUD’s Emergency Solutions Grant and SAMHSA’s PATH funds aimed at reducing or eliminate homelessness for individuals with severe and persistent mental health disorders or co-occurring mental health and substance use disorders who are experiencing homelessness or are at imminent risk of becoming homeless.

### Emergency Shelter

Emergency shelters play a critical role in a community’s homelessness response system: they provide an immediate place to stay while people reconnect with housing and other services to support housing stability. These shelter programs act as a safety net for individuals and families who would otherwise be without a place to sleep. Shelters work best when people can enter and exit rapidly, with an appropriate level of services for their needs.

BHS provided funding to over 40 emergency, specialty and temporary shelters which served approximately 6,567 men, women and children experiencing homelessness from January 1, 2022 to December 31st, 2022.

### Permanent Housing

Permanent housing solutions are the foundation to providing New Hampshire’s low-income and vulnerable residents with safe and affordable housing.

**Rapid Re-housing** programs funded by BHS through the Emergency Solutions Grant (ESG) and Continuum of Care (CoC) provide short to medium term rental assistance and services. The goals are to help people obtain housing quickly, increase self-sufficiency, and stay housed. It is offered without preconditions (such as employment, income, absence of criminal record, or sobriety) and the resources and services provided are typically tailored to the needs of the person. In 2022, there were 154 households served by rapid re-housing programs funded through BHS.

### Permanent Supportive Housing

Permanent Supportive Housing provides housing assistance (e.g., long-term leasing or rental assistance) and supportive services to assist households with at least one member (adult or child) with a disability in achieving housing stability. The services are designed to build independent living and tenancy skills and connect people with community-based health care, treatment and employment services. Permanent Supportive Housing programs funded through the Bureau of Homeless Services served approximately 418 persons in 2022.

BHS also funds **Prevention and Housing Stability projects**, intended to divert or prevent individuals and their families from losing all housing and ending up in an emergency shelter or on the street. Situations could include eviction prevention, homelessness prevention, couch surfing, exiting an institution, self-paying in a hotel, and more. Upstream Prevention programs help reduce the number of people entering the homeless assistance system and the demand for shelter and other programmatic housing needs. The programs include financial assistance and service costs. In 2022, 250 persons were served through Prevention and Housing Stability projects.

The state's *Comprehensive Statewide Plan on Homelessness*, published in December 2020 as part of the *Strategic Plan* of the NH Council on Housing Stability, sets out a series of concrete objectives:

- Improve housing stability and focus on those at risk of homelessness;
- Invest in a range of housing options to increase the number of people leaving homelessness to obtain stable housing; and
- Create a coordinated and person-centered response system.

Each of these objectives is addressed in a *One-Year Action Plan* and a *Three-Year Strategic Plan*.

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### MANUFACTURED HOUSING NH Community Loan Fund

The New Hampshire Community Loan Fund continues to protect and create affordable, wealth-building homeownership opportunities across the state through its manufactured-housing programs. Owning a manufactured home in one of New Hampshire's 148 Resident-owned Communities (ROCs) is now the most affordable housing option in the state, more affordable than renting a similarly sized apartment.

The organization's ROC-NH program has successfully helped the residents of 148 manufactured-home parks form cooperatives and purchase the land their homes sit on. This has permanently protected about 9,000 households from losing their homes to redevelopment or significant lot rent increases charged by some equity buyers.

The Community Loan Fund also offers fair, fixed-rate, 30-year mortgages for manufactured homes. It removes homeownership barriers through its flexible credit requirements and by providing 0% loans for down payment and closing costs, which sit silent until the borrower pays off their mortgage or refinances.

Manufactured homes make up about 7% of the state's housing stock. The Community Loan Fund is looking to add to this stock by placing new homes within the 148 ROCs. It has identified about 300 available lots for this initiative.

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## **COMMUNITY DEVELOPMENT NH Community Development Finance Authority**

### **Community Development Block Grant (CDBG)**

The New Hampshire Community Development Finance Authority (CDFA) is the administrator of the state's allocation from the US Department of Housing and Urban Development's Community Development Block Grant (CDBG) Program (additionally, Manchester, Nashua, Portsmouth, Dover, and Derry receive direct, or "entitlement," allocations from HUD). The main emphasis of CDFA's CDBG program is to benefit low- and moderate-income households and to advance community economic development. CDFA provides grants of up to \$500,000 to local governments in New Hampshire for economic development, affordable housing, public facilities, planning, and certain emergencies. Projects advancing permanent supportive housing may access up to \$750,000 in grant resources. Allocations of funding may change during this biennium as CDFA reviews program effectiveness and outcomes. CDBG funds are available to local government applicants through annual grant rounds. Federal allocations vary from year to year, but New Hampshire's balance of state grant funds in recent years has totaled approximately \$9 million annually, with planned splits among housing, public facilities, and economic development grants.

### **Recovery Housing Program**

In the fall of 2022, CDFA launched the New Hampshire Recovery Housing Program. The pilot program will deploy approximately \$1.96 million of federal resources in New Hampshire to help increase the availability of stable, temporary housing to individuals in recovery from a substance use disorder. There is a significant need for this type of housing in New Hampshire. The Recovery Housing Program was authorized via the federal Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment (SUPPORT) for Patients and Communities Act of 2018.

### **CDFA Tax Credit Program**

CDFA grants state tax credits pursuant to RSA 162-L:10-13 on a competitive basis to qualified nonprofit organizations for specific projects or programs. Through this program, CDFA seeks to promote innovative projects that show a high degree of public benefit, public purpose, and economic benefit to target populations. CDFA tax credits may be awarded to support projects that provide permanent affordable housing opportunities to low- and moderate-income people.

### **Clean Energy Fund**

CDFA's Clean Energy Fund provides financing to multifamily housing properties. CDFA can provide clean energy loans to for-profit and nonprofit owners of multifamily housing complexes. This includes both market rate and subsidized properties. Eligible technologies include energy efficiency items such as thermal and lighting, along with renewable energy technologies such as solar electric arrays and biomass heating systems.

## ENERGY EFFICIENCY & FUEL ASSISTANCE

### NH Department of Energy

Low-income households in New Hampshire may draw on two federally funded energy programs and two New Hampshire electric ratepayer-supported programs managed by the state's four electric utilities for help with their energy needs:

- The federal Low Income Home Energy Assistance Program (LIHEAP), known in New Hampshire as the Fuel Assistance Program (FAP): \$47,194,516 in the year ending September 30, 2023;
- The federal Weatherization Assistance Program (WAP): \$1.9 million in the annually funded program, year ending June 30, 2023, and that same year was also the first year of a five-year funding boost to WAP supported by the federal Bipartisan Infrastructure Law, which added \$18.2 million to New Hampshire's weatherization funding, to be spent over the five-year period ending June 30, 2027;
- The ratepayer-funded Electric Assistance Program (EAP): \$17,981,344 in the year ending September 30, 2023; and
- The ratepayer-funded Home Energy Assistance program (HEA): \$11,129,099 in the year ending December 31, 2022.

LIHEAP and EAP help households pay their fuel and electric bills; WAP and HEA help households reduce their energy use through insulation, air sealing, and energy-system improvements. According to the U.S. Census American Community Survey, in 2019 there were approximately 45,652 families in New Hampshire at or below 200% of the federal poverty threshold who would be eligible for these programs. In New Hampshire, all four of the programs serve families with incomes that do not exceed 60% of the state median income, which is a somewhat higher number than 200% of the federal poverty guideline.

### Fuel Assistance Program

The U.S. Department of Health and Human Services allocates LIHEAP funds to every state for fuel assistance. The program provides payment directly to the eligible household's home heating vendor. In the year ending September 30, 2023, New Hampshire's FAP served 29,795 households; the average winter benefit was \$1,584. The program is administered by the New Hampshire Department of Energy and operated by the state's Community Action Agencies.

### Electric Assistance Program

The New Hampshire Public Utilities Commission allocates a portion of the state's System Benefits Charge to provide a monthly discount on electric bills for eligible households. For the program years ending September 30, 2022 and 2023, the EAP served an average of 30,655 households and provided an annual average household benefit of \$694. The EAP is overseen by the NH Public Utilities Commission.

### Weatherization Assistance and Home Energy Assistance

The U.S. Department of Energy allocates federal WAP funds every year for state weatherization programs. The program helps reduce energy costs through insulation, air sealing, and energy system improvements for eligible households. During FY23, in collaboration with the utility-managed HEA program and other funding sources, WAP funds contributed to weatherization services in 270 New Hampshire homes. In addition, HEA and other funding sources supported weatherization services in more than 1000 New Hampshire homes without WAP funding involvement. WAP is administered by the New Hampshire Department of Energy and operated by the state's Community Action Agencies. The HEA is administered by the four NH electric and gas utilities and operated by the state's Community Action Agencies with oversight from the NH Public Utilities Commission.

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# CONCLUSION

While New Hampshire's economy remains strong, the state continues to face the challenge of a very tight housing market. The data show record high sale prices for single-family homes, low inventories, and rising costs plus extremely low vacancy rates and rising costs for rental housing throughout the state. For New Hampshire to continue its economic growth and remain competitive nationally and internationally, the state's housing challenges must be addressed.

Private sector development is the principal driver of housing supply and impediments to that development must be identified and reduced at both the state and local levels. Stimulating increased private sector development activity is essential to improving the supply of housing that is affordable to the state's workforce.

The activities described in this *Biennial Housing Plan* attempt to address the housing needs of persons of low- and moderate-income. The effectiveness of many of these programs rely on partnerships between public and private sectors entities. The public sector entities identified (New Hampshire Housing; New Hampshire Department of Business and Economic Affairs, Office of Planning and Development; New Hampshire Department of Health and Human Services, Bureau of Homeless Services; New Hampshire Department of Energy; and the New Hampshire Community Development Finance Authority) seek such partnerships to improve the quality of life for all New Hampshire citizens.



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