

Senate Commerce Committee

Aaron Jones 271-2609

HB 1196-FN, repealing the state housing champion designation and grant program.

Hearing Date: February 17, 2026

Time Opened: 10:48 a.m.

Time Closed: 11:05 a.m.

Members of the Committee Present: Senators Innis, Murphy, McGough, Fenton and Reardon

Members of the Committee Absent : Senator Ricciardi

Bill Analysis: This bill repeals the housing champion designation and grant program.

Sponsors:

Rep. Drew
Rep. Belcher

Rep. Noble
Rep. Turcotte

Rep. Tom Mannion
Rep. DeVito

Who supports the bill: 2 individuals were in support. Full sign in sheets are available upon request by contacting the Legislative Aide, Aaron Jones (aaron.jones@gc.nh.gov).

Who opposes the bill: 188 individuals were in opposition. Full sign in sheets are available upon request by contacting the Legislative Aide, Aaron Jones (aaron.jones@gc.nh.gov).

Who is neutral on the bill: No one

Summary of testimony presented in support:

Representative Matt Drew

- Representative Drew said subsidies distort prices, create market inefficiencies, foster government dependence, favor politically connected interests at the expense of taxpayers, and increase bureaucratic overhead.
- Representative Drew said the Housing Champion Program was worse than a subsidy because it was a state funded incentive to get cities and towns to subsidize politically favored projects.
- In Manchester, there was a development that was going to be expanded from 16 to 30 units. Representative Drew said it already had 16 400 square foot units, and there was no room for additional units unless there was major construction.

This same facility received \$250,000 in Opioid Abatement Funds to expand the facility from 16 to 30 beds.

- Housing Production and Municipal grants are paid out based on the number of subsidized units already built. Representative Drew said these grants are free money because “municipalities receiving HPM grant awards have already satisfied all grant requirements at the time the award is made; therefore, there are no ongoing grant requirements to which the municipalities must adhere, and no programmatic restraints on the municipality’s use of grant funds.”
- Under RSA 12-O:71, VII, the Department of Business and Economic Affairs must submit a yearly report detailing the Program. Once it has been submitted, it must be posted on the Department’s website. Representative Drew said reports were not submitted until after the hearing in the House on January 20th despite the Program being staffed with 3 full-time employees at a cost of \$316,000 per year.
- If this Program were repealed, Representative Drew said the \$316,000 would lapse into the General Fund.
- Based on the fiscal note, Representative Drew said the state has paid \$1 million, or roughly 20 percent of the funds, to manage the Program.
- Representative Drew said others realized this Program was not viable, which is why it did not receive additional funding in the budget. Since the Program was unfunded, he said it was irresponsible to continue to pay \$300,000.
- **Senator Fenton** said the Committee has heard a lot of housing bills, and their constituents have said housing is the number one issue in New Hampshire. He asked if this would be replaced, or if it would be gotten rid of altogether.
 - **Representative Drew** said it should be gotten rid of altogether. It was better for the market to decide what type of housing is built rather than the state subsidizing what is built.

Summary of testimony presented in opposition:

DJ Burke, Business and Industry Association

- More than 4 out of 5 business leaders in New Hampshire have cited housing availability and labor shortages as their top concerns. While progress has been made on this issue, Mr. Burke said there is still a lot to be done.
- The Association supported the Housing Champion Program when it was passed, and Mr. Burke said it has been working based on all available metrics.
- In 2024, 28 Housing Champion communities permitted 2,600 new units for construction, which consisted of about half of the state’s total permitted units.
- Mr. Burke said businesses are looking for solutions to this issue, and if the Program was repealed, it would send the wrong message.
- Mr. Burke said the Program could be altered in the future if challenges have shifted or if there are different needs.

- Mr. Burke said they appreciated Governor Ayotte’s support of this Program along with the broad support from the Housing Supply Coalition, local chambers, and other business groups.

Margaret Byrnes, New Hampshire Municipal Association

- This Program was created in 2023, and before it could be launched, rules had to be determined.
- In its first year, municipalities that were designated as Housing Champions accounted for a significant share of housing unit permits that were successfully granted.
- Ms. Byrnes said if the Program is given more time and additional funding when it becomes available, it will continue to be successful.
- Based on the fiscal note, Ms. Byrnes said it is unknown if this would be a repeal for the future or if it would jeopardize \$2.6 million, which has already been obligated in grant funds to Housing Champion municipalities.
- Ms. Byrnes said this Program recognized the need for a state-municipal partnership to help address the housing shortage. Further, it recognized that increased population and density have a cost. Through this Program, the state has made an investment in these costs thereby helping municipalities to produce more housing.
- The state has made clear that housing is its top priority; therefore, Ms. Byrnes said it is important to put forth funding and investments.

Nick Taylor, Director, Housing Action NH

- Mr. Taylor said the state should incentivize and reward communities who are building housing and implementing regulatory reforms to allow it to happen.
- Originally, this Program was proposed by Governor Sununu’s Housing Taskforce in 2019.
- Currently, 45 percent of all building permits are happening in Housing Champion communities.
- If this Program was not working, Mr. Taylor said they would be the first to say it.
- Communities with the Housing Champion designation have relaxed their regulatory environments to allow for more long-term housing.

Josh Greenwald, 2026 President, New Hampshire Realtors Association

- Mr. Greenwald commended the Legislature and the Committee for their continued leadership in expanding private property rights and reducing unnecessary barriers to housing construction, which are essential to restoring balance to the state’s housing market.
- The most effective long-term solution to the housing shortage is to expand private property rights and allow the private sector to respond to market demand. Mr. Greenwald said this Program compliments these efforts by

encouraging municipalities to embrace solutions, share successful approaches, and foster a culture of housing opportunity rather than housing resistance.

- This Program has helped to create partnerships between state government, local officials, employers, and community leaders. Together, Mr. Greenwald said they are working towards the goal of ensuring New Hampshire remains affordable to live, work, and raise a family.
- Over the last 2 years, Mr. Greenwald said he has seen noticeable changes in the development of housing in Keene. By using funding from this Program, Keene drafted significant amendments to their zoning and land use regulations to encourage housing development. For example, they have adopted a cottage court overlay district.
- This Program has encouraged housing production, which is important in addressing affordability, while also respecting local interest and private property rights.

Neutral Information Presented: None

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Date Hearing Report completed: February 24, 2026