

TESTIMONY IN OPPOSITION TO HOUSE BILL 1010

Proposed Repeal of Statewide Multi-Family Residential Development Requirements on Commercially Zoned Land

*“Greetings Members of the House Municipal Government and Housing Committee,
Chairperson. My name is Shawn. I am here today to testify against House Bill 1010.*

Over the last few years, as founding president of Doctors Without Borders’ Harvard Chapter—an organization dedicated to empirically validated humanitarian relief—I have informed figures on social welfare, health, and housing equity for vulnerable populations. This extends to low-income families outside of traditional rentals and homeownership. I provide the following testimony opposing HB 1010, with accurate references on current New Hampshire housing law, risks for deciding to repeal, and up-to-date data from validated sources.

Now, my comprehension on this matter is that this bill, HB 1010, proposed for the 2026 legislative session, would repeal provisions of RSA Chapter 674 established under HB 631, effective July 1 2026, and related 2025 legislation establishing multi-family and mixed-use residential development as a “permitted use by right” in qualifying urban commercial zones. Pursuant to this regulatory structure, such developments could occur without discretionary approval from a town board or planning commission. Although site plan approval will continue to be required to confirm that the proposed development meets all of the applicable zoning requirements, the project developer would no longer need to obtain a public hearing, variance, conditional use permit, or other discretionary zoning approvals to begin the development process. When a proposed bill entirely undoes current law, it is imperative to ensure it is in the best interest of all parties involved.

As you may know, HB 631 was created to address New Hampshire’s well-documented housing shortage. The 2023 New Hampshire Statewide Housing Needs Assessment, conducted by Root Policy Research for New Hampshire Housing, concluded that the State of New Hampshire needs approximately 60,000 additional housing units between 2020 and 2030 to satisfy the demand for housing. Additionally, the assessment found a shortage of 23,500 units currently needed to stabilize the housing supply in New Hampshire. HB 631 creates a pathway for multi-family development on commercially-zoned land where the underlying municipal water and sewer systems exist, thereby reducing the costs associated with development and allowing for increased construction of housing adjacent to employment centers.

As noted previously, New Hampshire's rental housing market is experiencing an acute shortage of rental housing. New Hampshire Housing's 2022 Residential Rental Cost Survey indicates a rental vacancy rate of 0.5 percent, which is substantially below the approximate 5 percent vacancy rate necessary to create a balanced rental market. Federal Reserve data indicates a rental vacancy rate of 4.0 percent as of January 2024. My research found both measures have different methodologies for calculating vacancy rates, but both arrive at the same conclusion—that the rental market in New Hampshire is substantially out-of-balance, resulting in severely limited options for renters seeking affordable housing.

There is a direct relationship between commercially-zoned land and employment-based housing. Commercially-zoned land includes retail, service businesses, restaurants, warehousing, and light manufacturing employment. Workers employed in these industries, particularly those who lack access to traditional funding for homeownership or stable rental lease agreements, experience substantial transportation costs and housing expense burdens. When housing options exist near employment, both commuting costs are reduced and housing stability increases for lower-income workers.

Given this premise, it is essential to precisely describe the statute's reach. The statutory construction of HB 631 mandates that municipalities must approve multi-family development on commercially-zoned land as a matter of right, which means that municipalities cannot reject multi-family development applications through zoning discretion. The only conditions under which a municipality can reject an application for multi-family development are if the proposed development fails to comply with site plan approval requirements. HB 631 does not guarantee that multi-family developments will be constructed or that the housing supply will immediately increase. Like all other development projects, multi-family developments remain subject to site plan approval, and municipalities may impose certain conditions consistent with statutory guidelines. Take for example, a municipality requires that up to 20 percent of the ground floor space in a multi-family development be dedicated to retail uses, if the municipality opts for it.

However, the rules governing permitted uses matter greatly in housing markets with severe shortages. When municipalities retain unlimited discretion to deny housing development applications through zoning restrictions, the result is that housing types are restricted that are accessible to renters. Historically, many municipalities have utilized their zoning authority to restrict commercial zones to commercial uses alone or prohibited multi-family development entirely. HB 631's mandate ensures that multi-family development has a lawful route to approval on commercially-zoned land without municipalities needing to make discretionary decisions to approve the development.

HB 631 reflects longstanding state concerns that zoning authority can bottleneck the housing supply. New Hampshire's Workforce Housing Law (RSA 674:59) restricts municipalities to provide reasonable opportunities for workforce housing development. As you may have

presumed, New Hampshire law is aligned with aiding the underserved, as this law is also consistent with principles in RSA 672:1, which discourages zoning that unduly caps access for these struggling households. Deviating from this precedent would require substantive proof of necessity, a bar far exceeding current status.

The 2025 legislation, of which HB 631 is a component, demonstrates the State's response to this pattern. By requiring municipalities to approve multi-family development in commercially-zoned areas as a matter of right, the State ensures that at least one pathway to affordable housing exists without requiring municipalities to exercise their discretionary approval authority.

If HB 1010 were passed, municipalities would, under full control of zoning in commercial areas, be able to impose additional requirements on developers such as requiring special permits or denying applications for development through the variance process. Such a practice exacerbates New Hampshire's current housing crises, and reverts to the pre-HB 631 regime.

While the Municipal Association has made legitimate implementation-related inquiries regarding HB 631, namely, the definitions of "commercially-zoned land" could be clarified; the technical aspects of mixed-use development could be refined; administrative processes could be improved, those are issues better addressed through targeted amendments and clarification rather than through wholesale repeal of the mandate.

Before the committee are bills that address specific implementation-related concerns without abandoning the mandate. The proper legislative response to implementation-related issues should be to address those issues rather than restore the historic default position of local zoning discretion.

The burden on renters is quantifiable. Using methodology provided by the National Low-Income Housing Coalition, Housing Action New Hampshire has analyzed the affordability challenges faced by workers in New Hampshire's service sector in relation to obtaining rental housing without housing cost burden. For workers holding multiple low-wage jobs and having limited geographic mobility, housing costs near employment directly affect the worker's economic stability.

HB 631 provides a mechanism for multi-family development near employment centers — a reasonable response to a well-documented shortage of housing. Repeal of HB 631 would revert the State to a system in which zoning restrictions limit the availability of housing supply.

House Bill 1010 would repeal a mandate established to address a well-documented housing shortage and to ensure that multi-family residential development is allowed in commercially-zoned areas. HB 1010 would eliminate the State-mandated requirement that municipalities allow multi-family development in commercially-zoned areas where much of the

workforce resides and/or works. HB 1010 would return authority to municipalities that have historically exercised zoning discretion to limit housing supply.

Targeted amendments are warranted to address implementation-related issues. From the documentation of the housing shortage, to the measurement of the rental affordability gap, and the mandate to address a demonstrated public interest.

I respectfully request that the committee oppose HB 1010 and support the amendments that address municipal concerns while maintaining the core function of the mandate. I have included a list containing the key references used to inform this testimony in the same file of this testimony transcript .

Thank you for your time and consideration.”

KEY REFERENCES

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