



## Testimony in Support of H.B. 1660

Chairman Alexander, Vice Chairman Cole and honorable members of the House Standing Committee on Housing, my name is Jennifer Hawkins. I am the President and CEO at Avesta Housing. Avesta is the largest non-profit affordable housing developer in Northern New England. We own and manage over 3,000 homes across New Hampshire and Maine with nearly 4,700 residents. Our portfolio includes housing in Exeter, Antrim, Farmington, Lincoln, Hampton Falls, and Conway.

**Avesta strongly supports H.B. 1660. By making housing developments eligible for credit enhancement agreements (CEAs), the legislature has an opportunity to establish a tool that could make the difference between a development being financially viable or not.** As you know, in many parts of the Granite State, land acquisition costs combined with materials and labor are high. CEAs can help by ensuring a portion of the new tax revenue generated by the development goes back to the developer. Towns can negotiate with the developer over the length of the CEA—usually between 10 to 30 years—and the percentage of the taxes returned to the property. As a result, the CEA makes the development “bankable,” allowing financing partners to issue the necessary lending.

While CEAs function in a similar manner with tax increment financing (TIF), one key distinction is the flexibility offered by CEAs. A town can establish CEAs for individual housing development without creating a full district that encompasses larger surrounds, as is often the case with TIF. This gives towns the flexibility to use the incentive as they see fit. It also means towns can use it to incentivize community needs, such as income-restricted housing, senior housing, or “off-site” improvements like sewer upgrades or sidewalk extensions that are required for the development’s approval.

These agreements are typically only granted if the development meets the “but-for” test. In other words, without a CEA, it would not be viable. Furthermore, the town only rebates a portion of the new taxes generated. Thus, the town still captures the baseline taxes it was already receiving, plus a percentage of new taxes generated by the site improvements. Finally, the town is not handing over upfront cash in a CEA. Therefore, there is less risk for the community and municipal resources.

Given the enormous need for housing of all kinds in New Hampshire, adding a tool for municipalities to leverage like a CEA is a step towards unlocking more homes for Granite Staters. Avesta encourages the committee to offer its strong support for H.B. 1660.

Thank you for your time and consideration.

Sincerely,

Jennifer Hawkins  
President & CEO

Avesta Housing