BEA New Hampshire Department of BUSINESS AND ECONOMIC AFFAIRS

October 29, 2026

Her Excellency, Governor Kelly A. Ayotte
Office of the Governor

The Honorable Sherman Packard
Speaker of the NH House of Representatives

The Honorable Sharon Carson
President of the Senate

State House
Concord, NH 03301

Re: New Hampshire Housing Champion Designation Program – Annual Reports

INFORMATIONAL ITEM

Pursuant to RSA 12-O:71, VII, the Department of Business and Economic Affairs (BEA) shall develop a report which describes all actions taken related to the operation of the New Hampshire housing champion designation program in the preceding state fiscal year and assess the overall impact of the New Hampshire housing champion designation program, including an assessment of the additional housing units produced in the state as a result of the program's operation and incentives.

In accordance with this statute, BEA is pleased to submit the enclosed Annual Report for Fiscal Year Fiscal Year 2026. This report describes program implementation, municipal participation, incentives awarded, and the program's role in supporting local efforts to increase housing supply across the state.

The Housing Champion Designation Program recognizes and incentivizes municipalities that undertake meaningful regulatory and planning reforms to expand housing opportunities. The enclosed report provides an overview of those efforts and documents measurable progress toward addressing New Hampshire's housing needs.

Please let us know if we can provide any additional information or further details regarding the program or its outcomes.

Respectfully submitted,

Lucy Lange
Commissioner

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Housing Champion Designation & Grant Program
Legislative and Public Impact Report
Reporting Period: Fiscal Year July 2025 – June 2026

Executive Summary

The Housing Champion Designation and Grant Program (RSA 12-O:71–76) invests $5 million to help New Hampshire municipalities expand workforce housing and the infrastructure that supports it. Administered by the Department of Business and Economic Affairs (BEA), the program offers a voluntary pathway for communities to modernize land use regulations, strengthen infrastructure readiness, and access targeted grants that advance local housing development.

Following adoption of program rules in July 2024, BEA launched the initiative statewide and opened the first designation round in October of that year. Eighteen municipalities earned Housing Champion status, making them eligible for Housing Production and Infrastructure grants beginning in January 2025.

Since its establishment in 2024

- 28 municipalities earned designation
- $5 million in grants were deployed
  $1.5 million supported workforce housing production which recognized 373 completed workforce housing units
  $3.5 million supported infrastructure for housing growth for roughly 2,280 units

Overall, the program demonstrates that aligning local regulatory reform with strategic infrastructure investment can accelerate housing readiness while respecting municipal planning priorities.

Program Purpose and Structure

Established by the Legislature, the Housing Champion Program encourages municipalities to voluntarily adopt housing-supportive policies and align infrastructure planning with housing demand. Communities that earn the Housing Champion designation gain access to dedicated grant programs designed to reduce barriers to housing production.
The program focuses on three integrated objectives:

1. **Regulatory Readiness** – updating zoning, training boards, and creating predictable development pathways
2. **Infrastructure Capacity** – ensuring water, sewer, transportation, and utility systems can support growth

3. **Housing Production** – recognizing and incentivizing completed workforce housing units

Housing Champion Designation Criteria (Bea 504)

Municipalities are evaluated across six categories, four of which are required:

- Adoption of housing-supportive land use regulations
- Training for land use board members
- Investment in water and sewer infrastructure
- Investment in transportation and walkability
- Financial incentives for housing
- Other supporting housing activities

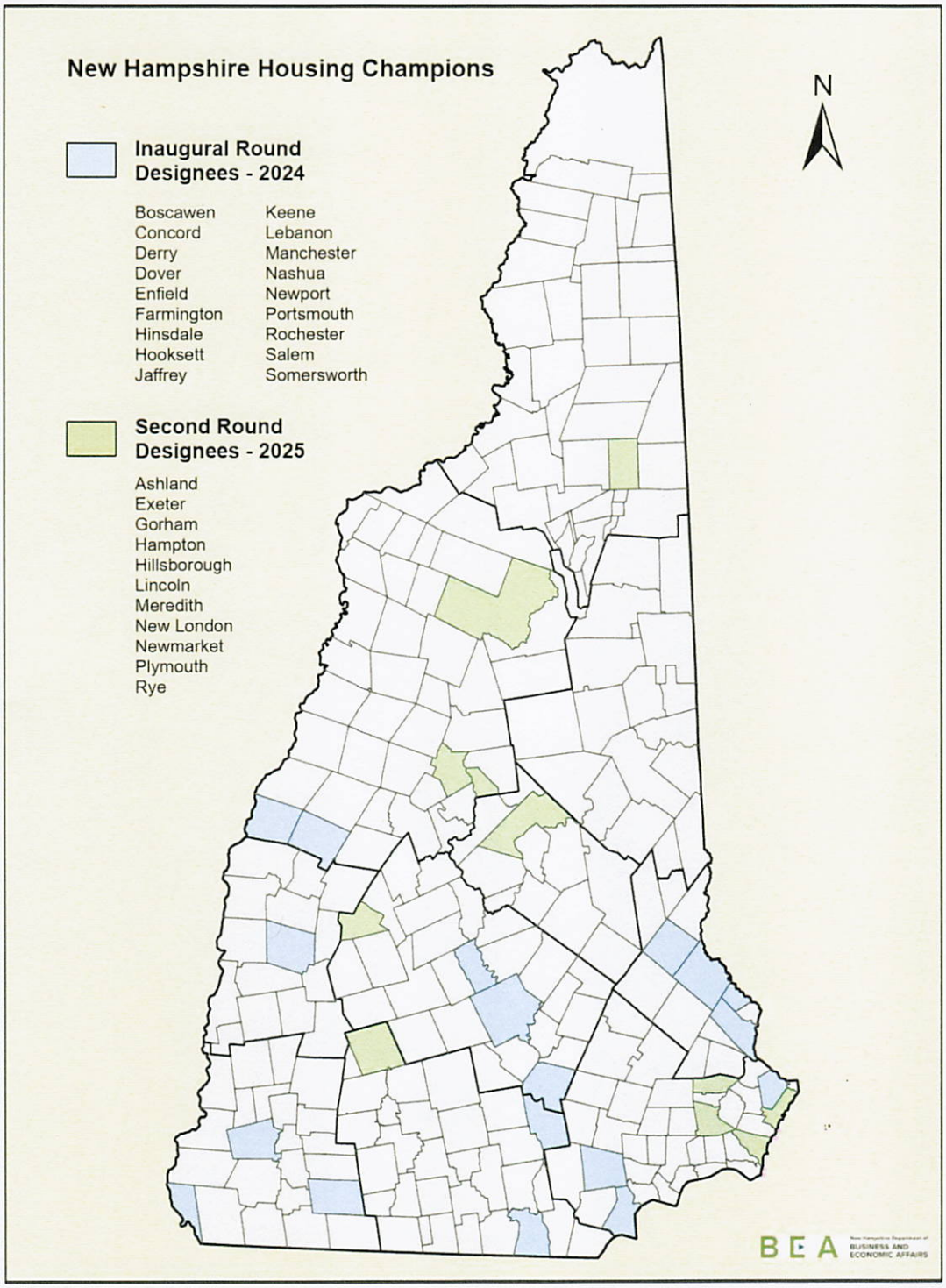
Communities without zoning are not excluded, and smaller municipalities receive bonus consideration.

Grant Programs

Housing Planning and Regulation Municipal (HPRM)
Supports third-party planning and technical services to modernize local land use regulations.
Housing Production Municipal (HPM)
Provides per-unit recognition grants based on completed, deed-restricted workforce housing units.
Housing Infrastructure Municipal (HIM)
Supports construction or expansion of infrastructure including water, sewer, stormwater, roads, telecommunications, electrical systems, and fire suppression.

Active Housing Champion Designated Communities in 2025-2026

Municipality	County
Boscawen	Merrimack
Concord, City of	Merrimack
Derry	Rockingham
Dover, City of	Strafford
Enfield	Grafton
Exeter	Rockingham
Farmington	Strafford
Gorham	Coos
Hampton	Rockingham
Hillsborough	Hillsborough
Hinsdale	Cheshire
Hooksett	Merrimack
Jaffrey	Cheshire
Keene, City of	Cheshire
Lebanon, City of	Grafton
Lincoln	Grafton
Manchester, City of	Hillsborough
Meredith	Belknap
Nashua, City of	Hillsborough
Newport	Sullivan
New London	Merrimack
Newmarket	Rockingham
Plymouth	Grafton
Portsmouth, City of	Rockingham
Rochester, City of	Strafford
Rye	Rockingham
Salem	Rockingham
Rye	Rochester


New Hampshire Housing Champions
Inaugural Round Designees - 2024
Boscawen
Concord
Derry
Dover
Enfield
Farmington
Hinsdale
Hooksett
Jaffrey
Keene
Lebanon
Manchester
Nashua
Newport
Portsmouth
Rochester
Salem
Somersworth
Second Round Designees - 2025
Ashland
Exeter
Gorham
Hampton
Hillsborough
Lincoln
Meredith
New London
Newmarket
Plymouth
Rye
N
BEA
BUSINESS AND ECONOMIC AFFAIRS

Examples of Local Progress –
Housing Champion Designation - Round 1 Awarded December 2024

Housing Champion communities demonstrated practical, locally driven reforms as indicated in their applications for designation:

- **Boscawen** modernized zoning to allow Accessory Dwelling Units (ADU) and duplexes by-right, paired with flexible cluster development standards.
- **Concord** adopted a conditional use permit allowing increased height downtown when housing is included.
- **Dover** The City of Dover has recently undertaken a series of strategic amendments to its Code, specifically Chapter 153, Site Plan Review Regulations, Chapter 157 of the Code of the City of Dover, and (in process of) Chapter 170, Zoning Ordinance, ensuring the city's land use policies remain responsive to evolving community needs. These amendments reflect Dover's commitment to streamlining permitting processes, supporting smart growth, enhancing livability, and fostering the development of housing and mixed-use neighborhoods
- **Derry** Updated parking requirements, amended ADU ordinance relative to parking and setbacks.
- **Enfield** Allow 2 families in rural zone, increase allowed sf for ADU from 800 to 1200 sf clarified parking ordinance, and decreased the minimum lot size in CB district connected to municipal sewer.
- **Farmington** increased allowable densities and created bonuses tied to water and sewer access.
- **Hinsdale** reduced minimum lot sizes to broaden housing options.
- **Hooksett** advanced water infrastructure planning to open new areas for development.
- **Jaffrey** expanded multifamily opportunities in business districts and added workforce housing bonuses.
- **Keene** adopted cottage court overlay districts.
- **Lebanon** provided extensive land use board education and training.
- **Manchester** created a municipal Affordable Housing Trust Fund supported by surplus land sales.
- **Newport** amended its general residential district allowing multi-family housing by right, reducing regulatory hurdles.
- **Nashua** created a mixed-use overlay district and transit-oriented districts expanding multi-family housing opportunities.
- **Portsmouth** expanded multi-family density and rezoned underutilized commercial properties for housing.
- **Rochester** Keene adopted a Cottage Court Overlay District Conditional Use Permit.

- **Salem** created a Depot Village Overlay District, allowing for mixed use zoning and innovative land use ordinance.
- **Somersworth** created a Business District with no parking requirements, no minimum lot size, and no density restrictions. These actions illustrate how communities align local policy with housing demand while maintaining planning control.

Housing Champion Designation - Round 2

In September of 2025, 10 communities received Housing Champion Designation Awards as a result of their achievements.

Round 2 Housing Champion applicants also demonstrated practical, locally driven reforms as indicated in their designation submissions:

- **Exeter** - The Town adopted a Mixed-Use Neighborhood Development (MUND) district which requires 10% of the units to be affordable.
- **Gorham** - Relaxed parking requirements for housing, and increased flexibility for development.
- **Hampton** - Affordable housing and workforce housing are permitted in all zoning districts that allow single-family, two-family, and multi-family residential uses.
- **Hillsborough**- allows for attached and detached ADU in all residential districts.
- **Lincoln** -Manufactured Homes are allowed in 6 residential or mixed-use zones. Multi-Family Housing is an allowed use in 4 residential or mixed-use zones.
- **Meredith** - Residential uses, including multifamily, are permitted by right in the same building or on the same lot as a matter of right.
- **New London** - To encourage and facilitate development, the WHOD includes several meaningful incentives. Notably, density bonuses were added in the 2023 zoning amendments to make workforce housing more feasible. These bonuses allow up to 10 multi-family garden-style units per acre and 6 townhome units per acre, as well as a 40% increase in density for single- and two-family developments. These incentives ensure that the Town's land use regulations do not render workforce housing economically unviable, in accordance with RSA 674:59, III.
- **New Market** – The town has completed an engineering study and developed schematic design plans with cost for sidewalks along 9 town roads.
- **Plymouth** – Allow manufactured housing on individual lots in most land areas zoned for residential uses with parking and density no greater than other residential areas.
- **Rye** - Retirement Community Developments are permitted in all zoning districts in Rye, and at least 50% of the dwelling units must be affordable to individuals who meet the income and asset limits established under the Town's elderly property tax exemption program.

Award Presentations

Over the course of several months, from November 2025 through March 2026, awards were presented to the 10 Housing Champion communities at their local Selectmen's meetings. These events provided an opportunity for each community, together with BEA, to celebrate their achievement. Many of the presentations were also attended by state officials and local leaders.

Newmarket



Hillsborough



Plymouth



Housing Infrastructure Municipal Grants (HIM)

The HIM program supports infrastructure improvements that enable housing development.
Grant Awarded by Governor and Council June 4, 2025.

Application Activity

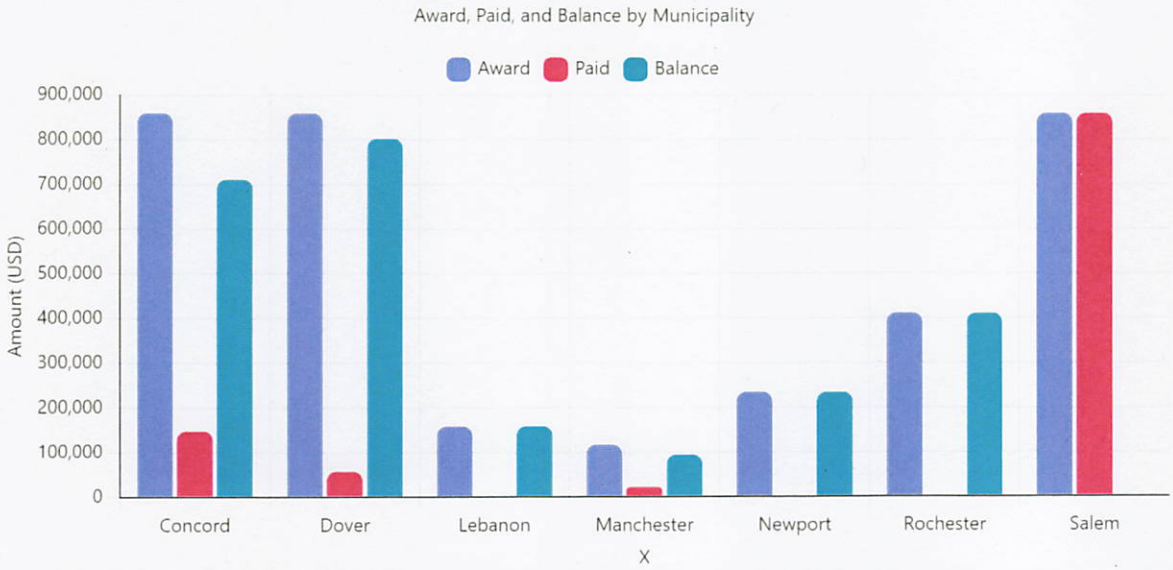
Activity	Communities
Submitted Applications	9
Projects Funded	7
Total Funding	$3,500,000
Housing Unit Creation Supported	2,280

Eligible activities include water, sewer, stormwater, highways, utilities, telecommunications, and fire suppression systems. A 25 percent local match is required.

Infrastructure Investment Outcomes

Awards:

Municipality	Infrastructure	Housing Units	Award	Total Project Cost	Paid as of 6/30/26	Balance
Concord	Sewer Expansion and Pump Station Upgrade	1,220	$859,689	$25,050,000	$148,105	$711,584
Dover	New and Upgraded Water Project	850	$859,689	$2,500,000	$57,268	$802,421
Lebanon	Site Improvements	5	$158,805	$211,740	0	$158,805
Manchester	Elec/Fire Suppression	14	$116,753	$116,753	$22,236	$94,517
Newport	Sewer System Expansion Planning	n/a	$234,375	$312,500	0	$234,375
Rochester	New Sewer & Water Project Expansion	120	$411,000	$548,000	0	$411,000
Salem	Water System Expansion and Upgrade	85	$859,689	$3,506,000	859,689	0
Totals		**2,280**	**$3,500,000**	**$32,192,740**	**$1,087,298**	**$2,412,702**



These projects increase long-term capacity while reducing development risk and cost for housing projects statewide.

HIM Grant Housing Unit Summary

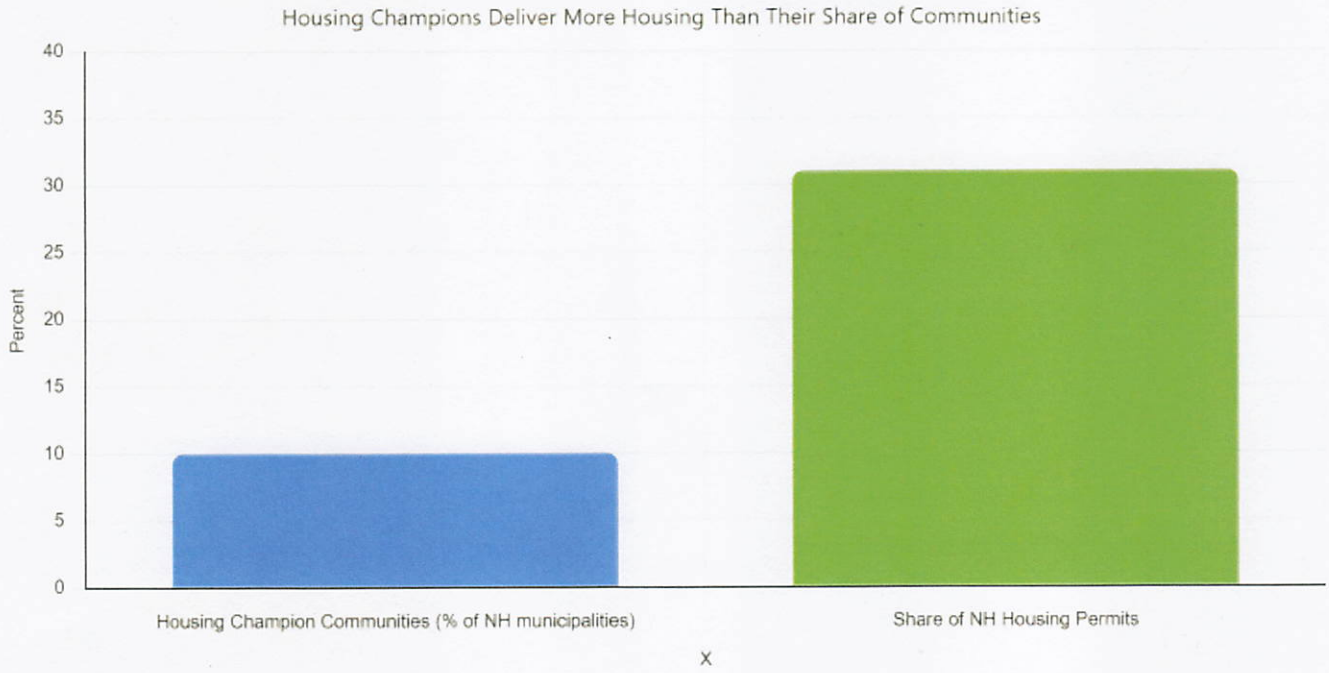
Housing Champion	$5,000,000
Community Receiving Grant funds	8
Total Units Supported	2653
Total Affordable Units Supported	625
Award Range	$116,753-859,689
Largest Project (units)	1220
Smallest Project (units)	5
Average Award/Unit	$1,884
Avg/Project Affordability (*years*)	20

Housing Readiness Indicators

In 2025 calendar year, Housing Champion communities permitted **1713 housing units**, reflecting the relationship between regulatory readiness, infrastructure capacity, and housing activity in participating municipalities.

Municipality	Units permitted 2025
Boscawen	15
Concord, City of	46
Derry	32
Dover, City of	153
Enfield	10
Exeter	35
Farmington	15
Gorham	5
Hampton	9
Hillsborough	20
Hinsdale	9
Hooksett	12
Jaffrey	14
Keene, City of	10
Lebanon, City of	44
Lincoln	27
Manchester, City of	245
Meredith	45
Nashua, City of	51
Newport	34
New London	17
Newmarket	9
Plymouth	14
Portsmouth, City of	561
Rochester, City of	245
Rye	14
Salem	22
Total	**1713**

Housing Champion Communities Lead New Hampshire's Housing Growth



HIM Grant Amendment – Approved by G&C March 4, 2026

This amendment reflects the need to reallocate funds originally awarded to the City of Manchester and approved by Governor and Council on June 4, 2025, Item #50. Due to unforeseen circumstances, the project at 231 Merrimack Street was unable to fulfill its commitment and the City requested that the funds be redirected to the project at 200 Elm Street.

The Governor and Council approved an amendment for the City of Manchester to change the approved project and location from Merrimack Street Fire Suppression System Installation, at 231 Merrimack Street, Manchester, NH to Elm Street Shelter at 200 Elm Street, Manchester, NH. This change did not alter the previously approved price limitation of $116,753.

Future priorities

- Increasing geographic participation statewide
- Aligning State infrastructure investment with emerging housing markets
- Strengthening local planning capacity
- Leveraging municipal reform to attract private housing investment

The program demonstrates that coordinated state and local action can improve housing conditions while preserving municipal autonomy and planning integrity

New Legislation

RSA 12-O:72-a Partners in Housing effective June 30, 2025
The purpose of these rules is to implement RSA 12-O:72-a by establishing the Partners in Housing Program to support the development of workforce housing through grants or other financial assistance. The program is established as an initiative under the housing champions fund to assist municipalities, counties and developers in building workforce housing, specifically single-family starter homes, duplexes, small apartment buildings, and other missing middle housing on municipally or county-owned land that is suitable for residential development.

The Partners in Housing Grant applies to any municipality or developer to whom a municipality or county transfers ownership of the municipally or county-owned property for the purpose of residential development where at least 20 percent of the housing units to be developed will be affordable for a period of at least 20 years.

No funding is available for this program at this time.

Conclusion

The New Hampshire Housing Champions Program has proven to be an effective partnership between the state and local communities, creating meaningful incentives for municipalities to support housing development while addressing local infrastructure needs. Since its creation in 2023, the voluntary program has helped communities implement long-term regulatory improvements and expand opportunities for housing growth. In the 2024 and 2025 calendar years alone, the 28 designated Housing Champion communities approved 4356 housing units, carrying above their weight in Housing Production. This demonstrates that communities participating in the program are permitting new housing at a significantly higher rate than those not participating.

The program's success is also reflected in its targeted infrastructure investments, which help remove one of the biggest barriers to housing production. Grant funding has supported critical projects such as sewer, water, site, fire, and electric improvements in communities including Concord, Dover, Lebanon, and Manchester. With only about 12% of New Hampshire's buildable land currently served by water and sewer infrastructure, these investments are essential to

creating new housing opportunities. By directing resources to communities that are actively addressing the housing shortage, the Housing Champions Program is producing measurable results across both urban and rural areas while laying the foundation for continued housing growth throughout New Hampshire.