

## 7| Housing

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### 7|A Vision & Purpose

The City of Lebanon shall actively foster a diverse range of housing opportunities and choices for current and prospective residents, and will strive to promote the development of diverse, sustainable neighborhoods that reflect Lebanon’s “small-town” character and distinctiveness.

The City of Lebanon shall encourage a range of housing options for all segments of the population. New housing development should contribute positively to existing neighborhoods and create safe and desirable new neighborhoods consistent with the other planning goals of the City as expressed in this Master Plan.

### 7|B Issues & Priorities

#### 7|B-1 Housing Needs

Lebanon’s continued economic vitality is dependent on the availability of housing that is affordable for the City’s workforce. Not only does the City’s housing stock need to expand as the economy grows, but the homes need to match the needs and means of those new workers and their families. As residents’ housing needs will change over their lifetimes, the City needs to provide a diversity of housing options so that people at all stages of life can live in Lebanon. While ownership of a single-family home will remain the preferred choice for many households, other types of housing will be needed to attract and retain a diverse population, achieve higher-density development, increase the supply of affordable homes, meet the housing needs of both younger and older residents, and provide housing to residents with special needs.

#### 7|B-2 Livable Neighborhoods

Lebanon’s quality of life and small-town character is rooted in its residential neighborhoods, particularly the older neighborhoods that grew outward from the Lebanon and West Lebanon business districts. These traditional neighborhoods have many attractive characteristics that were not replicated in much of the housing development that occurred in the second half of the 20<sup>th</sup> century. To maintain the City’s quality of life and small-town character, new residential development should incorporate the characteristics that have made those traditional neighborhoods attractive places to live for generations of City residents.

### 7|C Existing Conditions & Trends

Lebanon’s housing helps shape the identity of the City, and is a principal influence on the lives of its residents. There are a variety of housing options in Lebanon, with significant components of renter and owner-occupied single-family, duplex, multi-family and manufactured homes found throughout the City, in urban, suburban and rural settings. The City’s location and amenities make it an attractive place to live. The regional economy is stabilized by the presence of large institutional employers, and includes a robust workforce, which in turn requires housing for employees.

#### [key points](#) | [vision & purpose](#)



- Foster a diverse range of housing opportunities for all segments of the population
- Promote development of diverse, sustainable neighborhoods that contribute to Lebanon’s quality of life and small-town character

#### [key points](#) | [issues & priorities](#)



- Provide a range of housing options that will support the City’s continued economic vitality and a diverse population
- Build and maintain livable neighborhoods that will contribute to Lebanon’s quality of life and small-town character

## key points | existing conditions & trends

- While Lebanon has a diverse housing stock, particularly as compared to other Upper Valley communities, the supply of housing in the City and region has not kept pace with the needs of a growing workforce.
- Lebanon and the Upper Valley continue to struggle to provide housing that is affordable for the region's workforce, with a particular need in the City for rental housing affordable to low- and moderate-income households. There is also a need for housing for the region's growing number of older residents.
- The design and character of residential neighborhoods is critical to maintaining Lebanon's quality of life and small-town character. The City's older residential areas extending out from the Lebanon and West Lebanon business districts provide excellent examples of the characteristics of livable, attractive neighborhoods.



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## Housing Supply

The number of housing units, the diversity of housing types, and the range of housing costs are important characteristics of the City's housing supply. The City offers a spectrum of housing opportunities and choices: single-family, multi-family, owner-occupied and rental units. The following list highlights some of the major characteristics of Lebanon's housing supply:

- 6,649 housing units are located within Lebanon. (Census 2010)
- 942 housing units were added from 2000-2010, representing a 17% increase for the decade. (Census 2010)
- Housing development in Lebanon from 2000-2010 occurred at a greater rate than Hanover, Hartford, Claremont and the State of New Hampshire, and was similar to the rate for Grafton County. (Census 2010)
- Lebanon's housing units are 47% single-family and 53% multi-family. (Lebanon Planning Office)
- During the 2000s, 80% of housing units were constructed within the urban core and 20% outside. The 1990s had approximately 47% of new housing construction within the urban core and 53% outside the urban core. (Lebanon Planning Office)
- 49% of occupied housing units are owner occupied, 51% are renter occupied. (Census 2010)
- The 2010 housing unit vacancy rate was 7%, up from 4% in 2000. The vacancy rate for owner-occupied homes was 3% and for rental units was 5.6%. (Census 2010)
- In 2010, the average household size was 2.10 people, as compared to 2.23 people in 2000. (Census 2010)

In addition to the existing diverse housing stock, there is a significant land base that could meet housing demand into the foreseeable future. However, the 2002 Upper Valley Regional Housing Needs Analysis report, concluded that housing development in the region has not kept pace with the needs of the growing workforce. In 2010, the Upper Valley Lake Sunapee Regional Planning Commission initiated an update of the Upper Valley Regional Housing Needs Analysis report, with a projected completion date of Spring 2012. The updated analysis will provide a synopsis of the current status of both supply and demand for housing within the region, including Lebanon's fair share.

The relationship between housing supply and demand is not a simple linear relationship, but a more complex dynamic in which the individual types or categories of housing units strive to achieve their own unique balance between supply and demand forces. For example, in Lebanon it is generally acknowledged that the demand for "workforce" housing exceeds supply, where currently the supply of "higher end" homes exceeds demand. This is supported by feedback from the region's major employers requesting more workforce housing opportunities be provided, and evidenced by the number of approved but yet to be built housing units priced above the me-

dian home sale price. Vacancy rates are an additional metric reflecting the balance between supply and demand, as our housing costs and the ability of peoples income to support housing choices.

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## Housing Affordability

Housing affordability is a growing challenge. Housing is becoming less affordable due to a number of factors, which include high land costs, the regulatory process, costs of building material and labor, and the state property tax structure. At the same time, housing assistance funding is decreasing.

Many families are finding it increasingly difficult to find affordable housing options close to work and necessary services. When housing is not available in the job center communities, households have to seek options in smaller communities farther away. This negatively affects vehicle miles traveled, traffic congestion, air pollution, and other by-products of sprawl, as well as quality of life factors such as time for family and community. In addition, high gas prices are more difficult for lower income households to absorb. There is an insufficient supply of suitable affordable/workforce housing to serve the residents of Lebanon. This problem is even more serious for the growing elderly population who are often most in need of living in in-town locations where transit, shopping, and other services are available, despite the best efforts of local non-profits such as the Lebanon Housing Authority and the Twin Pines Housing Trust.

New Hampshire statute RSA 674:58-61 defines affordable housing as: “housing with combined rental and utility costs or combined mortgage loan debt services, property taxes, and required insurance that do not exceed 30 percent of a household’s gross annual income”. In 2008, the State of New Hampshire enacted Senate Bill (SB) 342, which “requires municipalities that exercise the power to adopt land use ordinances to provide opportunities for the development of workforce housing, and establishes a mechanism for expediting relief from municipal actions which deny, impede, or delay qualified proposals for workforce housing.”

In response to this law, the Lebanon Planning Office produced the report, “City of Lebanon Workforce Housing Law Compliance Overview”. The purpose of the report was to examine whether the City of Lebanon provides reasonable and realistic opportunities for the development of workforce housing, including rental and multi-family housing as required by the Workforce Housing Law. Key findings of that report included:

- Moderate- to low-income households (e.g. earning 60% or less of the median household income) are unable to find appropriate rental housing in Lebanon.
- There is a high demand for rental housing concentrated in the City of Lebanon, resulting in high prices and low vacancy rates, suggesting that the available housing stock is not meeting demand for the workforce.
- The average single-family home is not affordable when using the 30% affordability guideline.
- Manufactured housing and condominiums can be affordable options in Lebanon.
- Affordability is better in higher density zoning districts.
- 84% of the Lebanon’s residentially zoned land allows the opportunity for workforce housing development.

**Manufactured Home.** Factory-built home constructed on a chassis after adoption of the HUD code on June 15, 1976; arrives on the site fully assembled (though often in more than one unit); inspected by HUD inspectors prior to delivery for conformity to the HUD code.

## key points | future challenges & opportunities

- Lebanon needs residential development that is compatible with other community goals such as resource protection, smart growth, transportation alternatives.
- Lebanon needs housing available at prices, sizes, and locations to match the needs and means of the people who will fill the jobs being created in the City and region, as well as the changing housing needs of current residents as they move through life.
- Lebanon will have to be more proactive in expanding the availability of housing affordable to low- and moderate-income households, as the market is not creating an adequate supply of affordable homes.
- Residential neighborhoods in Lebanon should be planned and designed with characteristics that make them attractive, healthy, sustainable, livable places, and that create a sense of community and belonging for residents.



In essence, the report highlights that although opportunity exists, outcomes are not being achieved to address the provision of affordable housing, with the affordability of rental housing units being of greater concern than affordability of single-family home ownership.

### 7|C-3 Neighborhood Character and Design

Much of the residential development in the 1970s and 1980s lacked the characteristics that made older, more traditional neighborhoods attractive places to live. These residential developments were often poorly planned and isolated from the community, requiring the use of automobiles to serve the needs of residents. More recent developments such as Spencer Square and Emerson Gardens are better situated to enable residents to socialize and walk to jobs, errands or to the bus stop. Future residential development, unless properly planned, has the potential to create excessive traffic and place other additional economic burdens on the City, as well as to degrade the resources and amenities that make Lebanon a special place to live.

### 7|D **Future Challenges & Opportunities**

#### 7|D-1 Planning Techniques and Principles

Increased residential development to meet the needs of the City's residents and businesses does not need to be inconsistent with other planning goals. Poorly planned or inappropriately sited development often degrades both critical natural resources and those features of the neighborhood that give it its special character. However, there are many land use planning techniques available to ensure that development is consistent with the protection of important natural resources and special features. They include:

- Shoreline and wetland buffers
- Situating human activity away from sensitive areas or special resources, such as steep slopes, wetlands, important habitats, and important agricultural or forest lands
- Stormwater management, erosion and sedimentation control
- Siting and design to reduce visibility of development located on ridgelines and hillsides
- Designing outdoor lighting to achieve the goals on the site without impacts off-site
- Ensuring ample open space areas are available for outdoor recreation
- Siting and construction to maximize energy efficiency

Similarly, good planning principles can ensure that residential development is consistent with the goal of building livable, walkable communities and the reduction in the additional traffic increase that development can otherwise bring. These principles can result in the creation of new neighborhoods rather than merely assembling houses. Some of these principles are:

- Locate near shopping, jobs, utilities and services
- Connectivity of roads
- Pedestrian and bicycle paths and sidewalks

- Narrow roads and shallow setbacks
- Building design features such as rear garages and front porches
- Street trees and other pedestrian amenities (like benches or public art)

Fiscally, as noted in the Land Use Chapter, it is less expensive for the City to provide facilities and services to high-density residential development in and near the downtown areas than it is to serve low-density development in outlying areas. Some examples of the increased costs associated with rural sprawl are increased school bussing, road maintenance, and emergency services, as well as environmental costs and loss of community and rural character. Additionally, Lebanon should continue to require new development to pay their proportional fair share of off-site improvements necessitated by the development. RSA 674:21 enables planning boards to require developers to pay for highway, drainage, and sewer and water upgrades made necessary by their development.

### 7|D-2 Housing Supply and Demand

The idea of balancing housing and jobs goes beyond achieving equilibrium between the number of housing units and jobs. Preferably, housing should be available at prices, sizes, and locations to match the type and location of jobs available. For those with special needs, sufficient housing should be developed to eliminate the existing waiting lists. Upon completion of the Master Plan, the City will engage in developing a housing implementation plan that will include an analysis of the supply and demand equation across the various categories of housing stock, incorporating the findings of the 2012 Regional Housing Needs Analysis report. The plan will include recommendations addressing supply, as well as the form or design characteristics of residential neighborhoods.

### 7|D-3 Housing Affordability

Every resident of Lebanon should have access to decent, affordable housing. For this to occur, the City needs to preserve the existing inventory of affordable housing and take positive steps to encourage the development of new housing affordable to the City’s workforce and lower income households. Land use tools available to encourage more housing affordable for the City’s workforce and lower-income households include:

- Revisiting how the City created other successful affordable and/or workforce housing projects and emulating the positive characteristics of such.
- Density bonuses for including a percentage of permanently affordable and/or workforce housing in large subdivisions or multi-family developments.
- Allowing accessory apartments with reasonable restrictions.
- Ensuring that suitable developable land is zoned for higher densities, including multi-family housing.
- Ensuring that local ordinances do not discourage alternative housing types.
- Zoning downtown and commercial areas for mixed use to encourage second floor apartments and redevelopment with infill, as well as employer-provided housing.



quarry hill



church street

- Ensuring that zoning definitions do not restrict nontraditional households or alternative living arrangements.
- Coordinating with Grafton County Economic Development Corporation to attract and retain jobs that pay livable wages.
- Encouraging diversification in neighborhoods through housing development policies that permit various kinds of housing for various income levels in the same neighborhood.
- Exploring alternative development strategies, such as cottage or bungalow development, to promote, smaller, more energy-efficient, more affordable subdivisions of dwellings with limited size and footprint.
- Exploring ways to cooperate with the Lebanon Housing Authority and other agencies to use City-owned land for development of low- to moderate-income housing.
- Allowing modern manufactured homes on permanent foundations in selected residential zones.
- Exploring the use, renovation or expansion of under-utilized buildings to include affordable and/or work-force housing units.
- Exploring with community-based land trusts the possibility of creating developments where land is held in trust while selling or renting housing units, thus protecting affordability by preventing excessive land appreciation.

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### Neighborhood Character and Design

The City should encourage the types of neighborhood development patterns that residents find most attractive. Existing patterns of development that have produced pleasant and congenial neighborhood development balanced with open space areas should be allowed to be replicated. New residential development should similarly be based on the conventions of traditional neighborhood development.

Residential activities within such neighborhoods should include both owner-occupied and rental housing. The City should, however, discourage dense development of multi-family housing in the more rural areas of the City to minimize development impacts on the character of these areas.

The City should encourage integration of workplaces, retail establishments, and educational, cultural, religious, and recreational institutions into existing and new neighborhoods. A variety of land uses should be in close proximity to one another, allowing development to achieve a more economical density in order to take advantage of centralized utilities and services. Instead of prohibiting mixed uses, the City should strive to reasonably control the nuisance effects of nonresidential uses within neighborhoods. This kind of integration also provides a sense of civic pride. When people work, live, shop and entertain themselves within such an integrated community they establish close relationships with neighbors and develop a greater sense of personal community responsibility.

Neighborhood design should facilitate social interaction and serve the needs of pedestrians and bicyclists as well as automobiles. To this end, the City should work to reduce the intrusion of the automobile into the daily life of the residential neighborhood. Sidewalks, bike paths, parks, playgrounds, and other pedestrian oriented amenities should be encouraged as part of neighborhood planning. The zoning ordinance should outline desired

elements. Civic and neighborhood organizations should be given incentives to develop these amenities in existing neighborhoods. Developers should be required to include them in new developments.

New owner-occupied and rental housing should be conveniently accessible to major centers of employment, including the existing urban centers of Lebanon and West Lebanon and Route 120 North to promote walkable, bikable neighborhoods. New housing should be located principally in areas most economically served by existing City services and utilities. Residential development should be encouraged at a density that creates viable new neighborhoods and avoids a pattern of small, scattered residential subdivisions.

Seniors and other residents with special needs require housing that is near services and transit. Some households may need additional on-site services that are offered in group housing, nursing homes and assisted living facilities. Housing developed for seniors and people with special needs should be integrated into the community and located conveniently to the downtown areas of Lebanon and West Lebanon near shopping and community services.

## OUTCOME 1 Provide a range of housing options that will support the City's continued economic vitality and a diverse population.

### STRATEGIES

- 1 Ensure that the City takes a proactive role in bringing jobs and housing back into balance.
- 2 Ensure that a sufficient amount of land with high development potential is zoned for high-density residential use consistent with the rest of this plan.
- 3 Ensure that building standards for rehabilitation of existing buildings are reasonable.
- 4 Continue to consider the opinion and recommendations of the Upper Valley Housing Coalition and regional planning agencies regarding increased housing development to meet the needs of the City's workforce in collaboration with surrounding communities as appropriate.
- 5 Encourage large employers to participate in housing development.
- 6 Encourage the development of housing that is affordable for low- and moderate-income households in Lebanon.
- 7 Consider City road maintenance for permanently affordable housing, and property tax exemptions for affordable housing owned by nonprofit organizations.
- 8 Ensure that tax appraisals on affordable housing reflect the market value as encumbered by deeded affordability restrictions.
- 9 Explore legislation to enable the City to require new residential developments above a threshold size to create an adequate number of permanently affordable units, and incorporate in the zoning ordinance if it becomes enabled.
- 10 Require PURDs (Planned Unit Residential Developments) to include a certain number of affordable units with protection of affordability.
- 11 Provide incentives for the private development of affordable/workforce housing, e.g. fee exemptions and/or density bonuses where appropriate for rental units as well as owner occupied homes.
- 12 Continue to coordinate with Grafton County Economic Development Corporation to attract and retain jobs that pay livable wages.
- 13 Encourage diversification in neighborhoods through housing development policies that permit various kinds of housing for various income levels in the same zone .
- 14 Encourage opportunities for housing developments that include diverse income levels within the development of neighborhoods.
- 15 Explore cottage or bungalow development strategies to promote, smaller, more energy-efficient, more affordable subdivisions of dwellings with limited size and footprint.
- 16 Continue to allow conversion of single-family homes to duplexes or multi-family dwellings.

### ACTIONS

- 1 Revise the City's land use ordinances to allow accessory apartments with reasonable restrictions for owner occupied single-family homes.
- 2 Revise zoning in downtown and commercial areas for mixed use to encourage second floor apartments and redevelopment with infill, as well as employer-provided housing.
- 3 Revise the City's land use ordinances to encourage new manufactured home parks using innovative layouts and site planning.
- 4 Revise the City's land use ordinances to allow modern manufactured homes on permanent foundations in selected residential zones, and ensure that local ordinances do not discourage alternative housing types, including manufactured housing.
- 5 Revise the City's land use ordinances to create flexibility for Planning Board consideration and approval of unique housing proposals in the Residential High Density (RHD) District beyond the nominal building heights and setback requirements to permit significant increases in density taking into consideration land and neighborhood conditions.
- 6 Revise the City's land use ordinances to offer density bonuses to developers who include workforce housing units in large subdivisions or multi-family projects
- 7 Re-zone some developable land for high-density development, including multi-family housing.
- 8 Review the zoning ordinance to ensure that realistic development potential is available close to services and transit for a variety of housing options to meet the needs of the elderly and disabled and amend as needed.
- 9 Review the zoning ordinance to ensure that zoning definitions do not restrict nontraditional households or alternative living arrangements for example: congregate housing, hospice home, assisted living, or transitional living and amend as needed.
- 10 Review the approval process and streamline it where possible.

## OUTCOME 1

Provide a range of housing options that will support the City's continued economic vitality and a diverse population.

### STRATEGIES

- 17 Explore ways to cooperate with the Lebanon Housing Authority and other agencies to use City-owned land and explore opportunities to allow City land for low to moderate-income housing.
- 18 Explore the use/renovation/expansion of under-utilized buildings to include affordable and/or workforce housing units.
- 19 Explore with community-based land trusts the possibility of creating developments where land is held in trust while selling/renting housing units, thus protecting affordability by preventing excessive land appreciation.
- 20 Revisit/emulate how the City created other successful affordable and/or workforce housing projects.
- 21 Seek to provide all residents of the City, whether elderly, disabled, or with other special needs, with an adequate supply of housing addressing their needs.
- 22 Cooperate with and support the efforts of area nonprofit organizations working to provide shelter and supportive social services for those with housing needs not provided for by the private for-profit market.
- 23 Pursue opportunities for high-density housing development within walking distance of major job centers.
- 24 Encourage workforce housing development within walking and biking distance of any future business growth areas.

## OUTCOME 2

Build and maintain livable neighborhoods that will contribute to Lebanon's quality of life and small-town character.

### STRATEGIES

- 1 Plan new residential development in a manner that enhances the elements that make a neighborhood feel like a neighborhood.
- 2 Encourage as part of neighborhood planning: sidewalks, bike paths, parks, playgrounds, bus stops, walking paths and other pedestrian-oriented and traffic calming amenities.
- 3 Seek creative approaches to encourage resident participation in all aspects of neighborhood planning.
- 4 Give incentives to civic and neighborhood organizations to develop pedestrian oriented amenities in existing neighborhoods including access to City planning services and City construction programs and services.
- 5 Locate new housing principally in areas most economically served by existing City services and utilities.
- 6 Link zoning and services so that high-density development is allowed where services are most cost effective to provide.
- 7 Encourage higher density housing near core areas with existing infrastructure and discourage sprawl.
- 8 Integrate multi-family and condominium development of appropriate scale into larger neighborhoods with other types of housing.
- 9 Require developers to present complete site inventories (including opportunities and constraints) as part of preliminary subdivision and site plan review so that the Planning Board can determine when and if clustering of homes is needed to protect high priority resources, similar to conservation design techniques.
- 10 Ensure that the Zoning Ordinance, Subdivision Regulations, Site Plan Review Regulations, and Driveway Regulations all work together to guide residential development towards a livable, bikable and walkable design.
- 11 Encourage developers to site and design buildings to meet LEED certification (Leadership Energy Environmental Design) or other energy sustainability guidelines.
- 12 Require new development to pay its proportional fair share of off-site improvements as enabled by RSA 674:21 Innovative Land Use Controls.
- 13 Promote the role of the Planning Office and Planning Board to assist housing developers in conceptualizing large projects.

### ACTIONS

- 1 Identify and analyze existing residential neighborhoods to identify desirable elements of neighborhood development patterns, including building mass and setbacks and integration of compatible nonresidential uses and identify ways to amend existing regulations to strengthen existing neighborhoods as growth continues and build successful new ones.
- 2 Develop neighborhood plans to ensure that improvements and new development encourage social interaction, serve the needs of pedestrians and bicyclists, and reduce automobile traffic.
- 3 Study and modify Site Plan Review and Subdivision Regulations to control automobile traffic to allow safer pedestrian activity, addressing such issues as road widths, corner radii, signage and other specific design criteria, while ensuring adequate access by emergency vehicles.
- 4 Revise subdivision and site plan review regulations to require developers to include pedestrian and bicycle oriented amenities in new residential neighborhoods.
- 5 Establish urban service boundaries based on careful consideration of current capacity of the City's water supply and wastewater treatment plant, expansion capabilities, future needs, and areas where high density development is most appropriate.
- 6 Make zoning changes to encourage increased housing density in areas deemed suitable by the Planning Board due to their proximity to jobs and services, water and sewer, and other considerations as identified in the Land Use chapter of this plan.
- 7 Review the City's land use regulations and amend as needed to protect the City's natural resources from poorly planned or inappropriately sited development.
- 8 Revise the City zoning ordinance to include "performance zoning" for integrating nonresidential uses into neighborhoods, which would regulate the factors that affect compatibility with residential uses (e.g., size of business as measured by square feet, customers, employees, noise, lighting, hours, and volume and types of traffic).
- 9 Consider adopting differential impact fees based on the cost of community services for downtown development vs. scattered development in outlying areas if the rate of residential development increases and facility expansions will be necessitated.