

by Dan French
Upper Valley Housing Coalition

Solving the Upper Valley's Housing Needs

How a coalition of public and private organizations joined forces to develop housing in a region with inadequate stock and prohibitive prices.

Straddling the midsections of New Hampshire and Vermont, and bisected by the Connecticut River, New England's Upper Valley is a region of spectacular natural beauty, but it is not immune to the dilemma facing much of New England – how to address a high demand for housing without compromising the region's quality of life. In the spring of 2001, the economic implications of a severe regional housing shortage were coming to a head, and several members of the business community decided that something needed to be done. They gathered together a team of bankers, planners, nonprofits, and state and local government officials to tackle the housing crunch.



Traditional homes in the village of Norwich, Vermont.

Housing vs. Growth vs. Quality of Life: A Typical New England Tale

In the 1990s, the economy of New England's Upper Valley prospered. Longtime employment anchor Dartmouth-Hitchcock Medical Center grew, while its twin—Dartmouth College—remained strong. The region's traditional manufacturing and tourism industries flourished, and new high-tech manufacturing and biomedical industries emerged. Overall, some 10,000 new jobs were brought into the region.



Dartmouth-Hitchcock Medical Center in Lebanon, New Hampshire, is one of the region's largest employers.

However, housing production to accommodate these new workers was slow to nonexistent, and today the region faces a housing crunch. Home prices are growing three times faster than the average household income, and rents are rising 10 percent a year. Neither low-wage earners nor professionals can find affordable housing near their jobs, and many daily commutes have risen to over an hour each way. Pollution and traffic congestion have both increased, and residents find that they have fewer hours to participate in community activities, coach their daughters' teams, or see their sons' school plays.

The lack of housing is also affecting economic competitiveness in the Upper Valley. Companies are facing staffing problems and struggling with rising hiring and retention costs. Human resource directors regularly lose top job candidates, and factories cannot find line workers because potential employees cannot afford to move to the area. Moreover, managers complain that long commutes are making the workers they do have less productive. Concern is growing that these pressures may cause companies to downsize or worse, relocate out of the region.

Despite these threats to the region's well being, many are reluctant to start building the needed housing. As in most communities, Upper Valley residents want to protect the beauty of where they live and the quality of life they currently enjoy. New development is a potential threat. Housing construction eats up land, and many citizens have concerns about developing open space. More homes also mean more people, and more people could mean more costly public services. Many town governments are concerned about their ability to pay for new roads, new infrastructure, and the new residents that come with new housing.

In this climate, the Upper Valley Housing Coalition is learning to navigate the complex set of factors involved in housing development, economic growth, and quality of life.

Following a large regional housing summit, the group formed the Upper Valley Housing Coalition (UVHC) to become an advocate for “smart growth” housing development in the region. Essentially, their smart growth vision calls for the development of neighborhoods that are walkable, well planned, designed on a human scale, and built to be assets to their communities for generations. Over the past two years, through research, education, and advocacy, UVHC has helped the Upper Valley balance housing development, quality of life, and economic strength.

A Voice for the Region

Consisting of two states, three regional planning commissions, and over 60 towns, the Upper Valley’s system of governance is highly fragmented. However, for the people who live here, the whole valley is considered home. Life does not stop at the Connecticut River, and most residents work in one town, live in another, shop in a third, and socialize and enjoy recreational activities in yet a fourth. Life is regional, and everyone is affected by the decisions of every town. To address a housing problem in this type of climate, some basic consensus as to what new housing should look like and where it should be located is essential. To reach this kind of agreement, the region needed a voice that could put the interests of the Upper Valley first and wave the regional banner.

Modeled after successful coalitions in Silicon Valley, California, and the greater Seacoast region of New Hampshire, UVHC was designed to fill this role. With representatives from all of the communities’ stakeholders—businesses, municipalities, nonprofits, elected officials, planners, bankers, and environmentalists—UVHC took on the mission of clearing the three major hurdles blocking new housing development:

- the high cost of land,
- inefficient and exclusionary zoning regulations, and
- the opposition of neighbors nervous about new building in their community.

To tackle these problems, UVHC began facilitating conversations that addressed fears and generated a greater understanding of the communities’ needs and desires. UVHC also began an awareness campaign to educate people about the region’s housing problem and the potential for smart growth development as a solution. And finally, UVHC began to seek out and advocate for projects that seemed to make sense for the region.

Project Endorsement Guidelines

A 2001 study of the region’s housing stock had revealed that supply was 3,100 units short of demand; and, assuming that household formation and job growth continued at 1990s levels, approximately 9,000 units would have to be built to bring housing and jobs into balance by 2010. Clearly, more housing was needed. The question was—what kind and where? Some were ready to approve anything. Others, concerned that unattractive housing tracts might soon cover every hill, valley, and farm, were significantly more cautious.



Norwich Public School on the green in Norwich, Vermont.

Given these differing opinions, UVHC's first assignment was to develop a picture of responsible housing development in the Upper Valley. UVHC wanted to prevent a flurry of sprawl, or unplanned development, which it believed would threaten the character of the region. Instead, it wanted to describe what housing development governed by principles of smart growth could look like.

Over six months, UVHC gathered input from various stakeholders, hearing from housing advocates as well as from persons wary of new construction. UVHC also researched

models of housing guidelines created by other coalitions and spoke directly with practitioners in the field, relying heavily on the advice of real estate agents, developers, municipal officials, planners, and residents. The goal was to create a concise, easy-to-understand document that appealed to common sense and clearly outlined the type of development desirable for the Upper Valley. The framework had to be flexible enough to be applicable of both large cities and small villages, as well as practical enough to be accepted by builders, developers, planning boards, and town commissions.

UVHC's work resulted in two pages of principles, titled "Project Endorsement Guidelines." Examining everything from site selection to site use to project design through the lenses of smart growth, the guidelines promote housing production that takes advantage of existing infrastructure and does not require significant town resources to accommodate new residents. According to the guidelines, new developments

- should be in or near existing or designated growth centers;
- should be reasonably close to public transportation, cutting down on traffic and pollution;
- should reflect the traditional neighborhoods and villages of the region;
- should be of mixed size, type, and cost and on an appropriate scale for each community; and
- should have a minimal impact on important natural resources.

In this regard, the guidelines recognize that relatively small units that are close together reduce the consumption of open space. The guidelines suggest densities of 10 to 20 units for multifamily housing projects and 4 to 8 units for single-family housing and advocate smaller square foot units.

With the guidelines in hand, UVHC could begin assessing housing project proposals and identify those consistent with these ideals. This ability to identify good projects, however, was only the first step.

UVHC knew that nearby residents are often hesitant to support new construction, fearing a decline in their property values, overcrowding in their schools, and hikes in their taxes. These neighbors often raise noisy protests at town meetings and fight to block developments. To achieve any construction, UVHC would first have to gain the support of the people who lived and worked in the communities where the projects were proposed. Any myths, bias, and half-truths that were currently leading to protest would



Emerson Gardens under construction in Lebanon, New Hampshire.



Rental units in an affordable housing complex in Lebanon, New Hampshire.

have to be dispelled, and the debate pruned down to a discussion of the actual facts of each development. The first test came almost immediately after the guidelines were adopted.

Emerson Gardens

In the fall of 2002, a two-building 160-unit apartment project named Emerson Gardens was proposed for downtown Lebanon, New Hampshire. The developer was from Manchester, New Hampshire, and represented the first of what would be an influx of developers from outside the region looking to build in an area of high demand and little local competition.

With the ink still drying on the guidelines, UVHC's major concern was winding up with the proverbial egg on its face as it put the new document to the test. What if the developer actually built something different from what was supported? What if the quality of the project was poor? Or, worse yet, what if the project was never completed, leaving a half-built construction site for someone else to clean up?

Due diligence was required. UVHC needed a full understanding of the developer, his background, and his quality of work. The coalition's staff assembled a group of business and community leaders from Lebanon and drove them down to Manchester to meet the developer. They toured two of his projects and met some of his tenants. The visit went well. Given this, and given that the project was highly consistent with the guidelines, the Coalition decided to support it.

It would be Lebanon's largest housing proposal in over a decade, and, as the city's Planning Board prepared to review the project, many predicted strong opposition and expected that the project would die or be significantly scaled back. To counter this, UVHC worked to publicize that Emerson Gardens fit the requirements that the Lebanon community had helped to lay out.

The results were inspiring. During the Planning Board hearings, no one voiced a single objection. For perhaps the very first time, the Planning Board heard only support.

Through testimony and letters, many members of the business and civic community spoke in favor of the project and cited specific reasons why they thought the development was a good idea, drawing on the knowledge they had gained from talking with UVHC staff. This overwhelming support, combined with a great deal of cooperation by the developer and his team, enabled Emerson Gardens to move through the permit phase in an efficient and timely manner. The Upper Valley had made its first big step in addressing its housing problem.

With Emerson Gardens under way, the ball was now rolling, and some feared a feeding frenzy would develop as word got out about the region's housing shortage and willingness to address it. Many worried that outside developers would bring an onslaught of proposals for unattractive cookie-cutter developments that didn't reflect the community.

To address this potential problem, UVHC invited developers from all over New England to attend a series of workshops. The sessions introduced

the builders to the Upper Valley's needs and to the types of housing that would be welcomed and supported. The workshops also helped the Coalition learn how to better support private sector developers in the planning, permitting, and financing phases of their efforts. A healthy understanding emerged among developers, UVHC, and the community. As a result, new development proposals started to reflect UVHC's guidelines, as well as the goals of regional planning boards, commissions, and citizens. Projects began to move smoothly through the permitting process, and housing construction was under way.

Regulations to Support Smart Growth

Many of the proposed projects employed the principles of smart growth. However, UVHC soon learned that to build smart growth neighborhoods, rules would need to be changed. Many of the towns' zoning regulations promoted low-density development and required large lot sizes and houses with huge setbacks. Often, there were minimum parking requirements and restrictive building heights, and many tracts of land were not zoned for housing. When these town regulations were created, they were meant to preserve the beauty of the Upper Valley; now, they were effectively prohibiting smart growth development designed with the same aim in mind.

To address these regulatory barriers, UVHC began working with communities to review their existing master plans and zoning policies and to assess the impacts on housing, the environment, and other infrastructure. All of the core towns in the Upper Valley have begun rewriting sections of their zoning regulations to make room for smart growth or have implemented one-time exemptions that remove hurdles for specific projects.

The Gile Tract

The town of Hanover, New Hampshire, has experienced a rapid escalation in home prices. Only persons at the upper end of the income scale can afford to buy a house in town. In 2002, the Hanover Affordable Housing Commission decided to tackle this problem.

The Commission designated a piece of town-owned land, known as the Gile Tract, for new housing. Preliminary plans were drawn up for a mixed income neighborhood, including a substantial percentage of affordable housing units. However, a town meeting vote was needed to allow a high-density neighborhood on this parcel of land, and there was concern that support might waver at the town meeting. Grumbling about changing the zoning was heard around town. There were the usual concerns: The proposed 60-unit development was too large or too dense; it was unsightly; it would clash with the town's classic New England architecture.

Many Upper Valley towns' zoning regulations effectively prohibited smart growth development.

However, the project received top marks on UVHC's project endorsement guidelines, and the Coalition decided to support it. UVHC ran a campaign to educate town residents about the project specifics, the effects of the proposed zoning changes, and the community's need for affordable housing. Supporters of the project were encouraged to show up to vote at the town meeting. The door-to-door effort raised awareness and even led to a front-page story in the town paper. In May 2003, 600 people showed up for the town meeting. In a voice vote, the changes needed for the Gile Tract project were approved by nearly 90

percent of those present. Today, plans for the project are entering their final stage.

Next Steps

The Upper Valley is now at a crossroads. Initial steps towards a directed vision for housing development have begun, and the path could lead to a stronger, more vibrant, and more attractive Upper Valley. However, without further work, development could take a turn towards fast-paced sprawl, or housing development could stop all together. The region needs to decide which path to take.

The Coalition is striving to engage the Upper Valley in an informed discussion about the future of the region's housing, growth, and development. UVHC is furthering this effort through neighborhood meetings, presentations, individual conversations, regional forums, and workshops. Importantly, UVHC is trying to pull more of the region's workforce into the discussion. Though still in the infancy stages of design, a new Workplace Education Initiative is underway to rally staff at each of the region's businesses. The initiative will provide information about the housing problem and encourage workers to advocate for change.

Another budding initiative is UVHC's Regional Housing Fund (RHF). Inspired by a similar project in Santa Clara, California, RHF would create a public-private partnership that would buy land and re-sell it at below market prices to pre-screened developers for housing projects. UVHC is currently working on Phase I of the fund, buying parcels of land to establish a land bank. Phase II will create a revolving loan fund, a source of small loans for housing projects. Like a revolving door, when these loans are repaid, the money will become available for new loans. Once in operation, UVHC's revolving loan fund will provide some gap financing and pay for project feasibility analyses and due diligence expenses. The RHF



New housing units in Wilder, Vermont, built with help from the Upper Valley Housing Coalition.

will allow UVHC to take direct action to affect the type, location, and affordability of the region's new housing.

Lessons Learned

In the past two years, UVHC has effectively identified and promoted smart growth housing projects. To date, five projects consistent with the guidelines have been permitted and when built, will result in 379 new units. Six other proposals, for an additional 500 units of housing, have also been reviewed and supported by UVHC and are before town planning boards. For those projects found to be inconsistent with the guidelines, UVHC has worked directly with developers to help them better align their proposals with the principles of smart growth. In the course of these successes, many lessons have been learned.

Early experiences in trying to accommodate all of the Upper Valley's communities made it clear that, while housing and development are regional issues, actual changes and implementation happen at the local level. Coalition leadership appreciated this concept and decided that only people

who lived and/or worked in a town should weigh in on specific municipal issues. This idea has resonated well with various citizen boards, who respect locally borne proposals.

UVHC also realized the value of not reinventing the wheel. By examining the experiences of other organizations and adopting the resources, materials, and strategies that have been proven effective elsewhere, UVHC has seen successes in a very short period of time. Additionally, often hampered by a desire to do too much, UVHC has learned to organize its projects and set levels of priority for implementation.

Hurdles remain. UVHC's membership ranges from executives to line workers, from government officials to citizens. The Coalition must find better ways to capitalize on this broad, but unified, support network.

Future funding also presents a challenge. While financing for current projects remains strong, primarily thanks to the business community, taking on the Coalition's future initiatives will require a near doubling of revenues.

Finally, the slow pace of life in the world of planning and housing development has frustrated UVHC and its constituents. The long delays between the conceptualization of a project and its actual implementation are a stumbling block for those impatient for change.

Despite these hurdles, UVHC continues to increase its membership and staff. Work goes on to promote smart growth development that addresses the housing problem and preserves the Upper Valley as a desirable place to live and work. Many new projects have been reviewed, and many great ideas are taking shape on the region's drawing boards. It is the Upper Valley Housing Coalition's hope that these efforts will keep the Upper Valley an amenable setting for business, a wonderful place to enjoy the outdoors, and an affordable area to live.

Dan French is the former Executive Director of the Upper Valley Housing Coalition. For more information on UVHC visit www.uvhc.org.