

MWV WORKFORCE HOUSING DESIGN

CHARRETTE 2018

REPORT



*Building a Strong Foundation and Strengthening
Our Community*

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The 2018 MWV Design Charrette was made possible by a grant from the National Association of Realtors and the generous support of our sponsors: Bank of NH, Northway Bank, The Memorial Hospital, Settlers Green Outlet Village Plus, Cormack Construction, Leone McDonnell and Roberts, Coldwell Banker Wright Realty, Pinkham Real Estate, Cooper Cargill Chant, Olsen Lewis Architects, Kennett Investment Properties, HEB Engineers, Alpine Title, White Mountain Oil, and Harrison Kanzler.

This 2018 Charrette Design Report was developed through the work of the Workforce Housing Design Charrette Steering Committee and Design Team. For more information about the MWV Workforce Housing Design Charrette or the Mt. Washington Valley Housing Coalition, please contact Victoria Laracy at vlaracy@mwvhc.org or visit our website at www.mwvhc.org

For more information about the White Mountain Board of Realtors please contact: Anne Merrow at anne@whitemountainboard.com

MWV Workforce Housing Design Charrette Steering Committee

Kerri Richards: Coldwell Banker Wright Realty, MWV Housing Coalition

Theresa Bernhardt: Keller Williams Realty, WMBOR

Earl Sires: MWV Housing Coalition, Pinkham Vacation Rentals

Victoria Laracy: MWV Housing Coalition

Lee Ann O'Hara: Verani Realty, WMBOR

Joe Mori: Keller Williams Realty, WMBOR

Lindsey Maihos: Coldwell Banker Wright Realty, WMBOR

Jim Pitman: Coldwell Banker Wright Realty, WMBOR

Greydon Turner: Pinkham Real Estate, WMBOR

Lorainne Seibel: Coldwell Banker Wright Realty, WMBOR



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Charrette Design Team

28 Banfill Road | Conway, NH

Michael Couture: Designer Architect North Conway, NH

Josh McAllister: HEB Engineers, North Conway NH

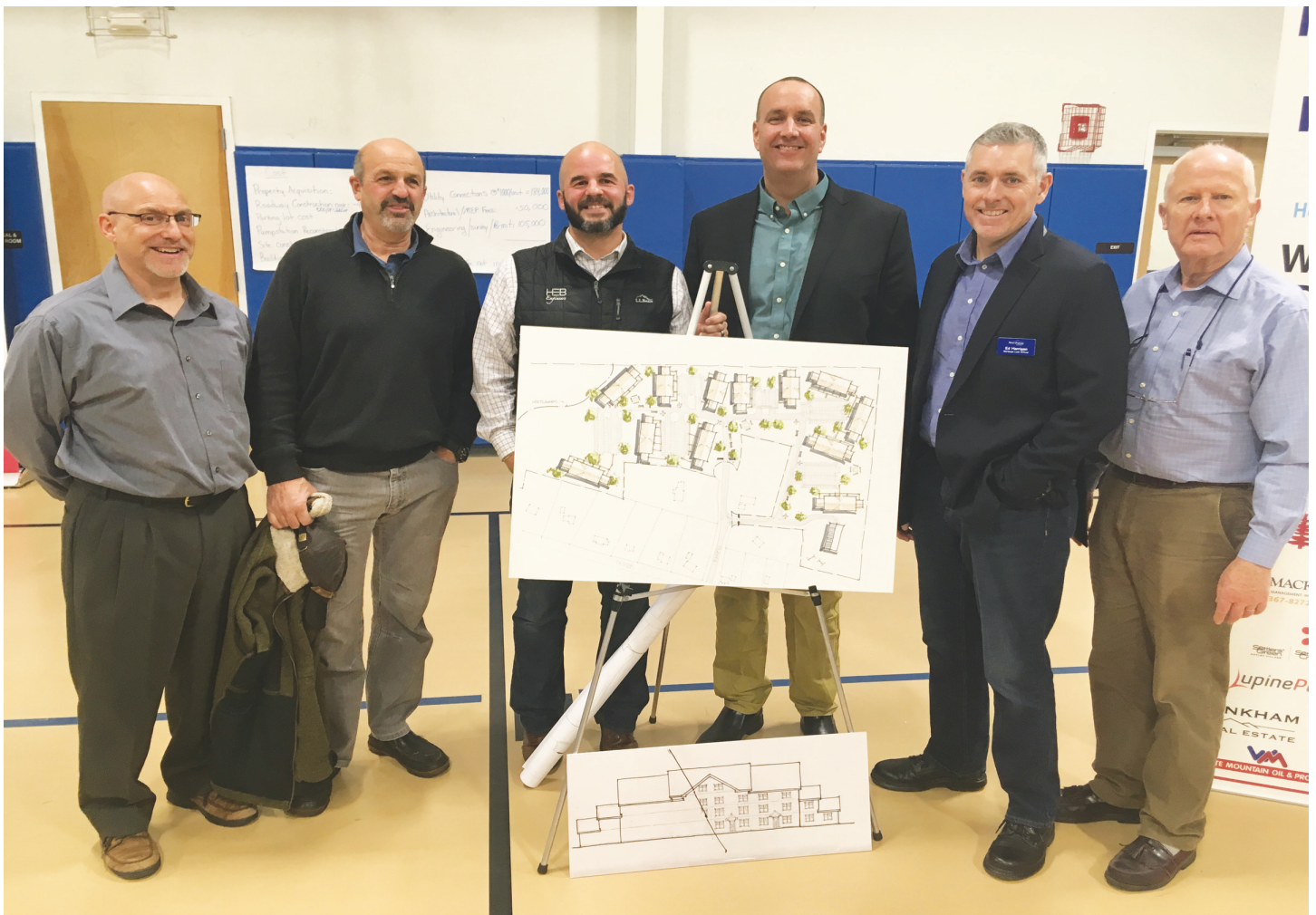
Gordan Cormack: Cormack Construction, Madison, NH

Ed Harrigan: Northway Bank

Greydon Turner: Pinkham Real Estate, North Conway NH

Theresa Bernhardt: Keller Williams Realty, North Conway NH

Mary Carey Seavey: Conway Selectman, Conway NH



Pictured from left to right: Joe Mori, Michael Couture, Josh McAllister, Greydon Turner, Ed Harrigan, and Gordon Cormack

Leone, McDonnell & Roberts

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Charrette Mission and Process

The MWV Workforce Housing Design Charrettes are dedicated to transforming the way people work together by broadening community's capacity for collaboration. Each charrette is a hypothetical thought exercise that harnesses the talents and energies of volunteer architects, engineers, and other housing industry professionals. The charrette process relies on the realistic challenges presented by a real site, but allows the community and volunteers to ask "what if?". We ask community members to describe their vision for the property and our volunteers to bring these ideas to life. The charrette process is intended to be catalyst, helping host communities identify and change local land-use regulations that aren't conducive to the development of financially feasible workforce housing. Volunteers are encouraged to push the community's existing land-use regulations and present a design that will inspire change.

The lack of an adequate and balanced supply of housing poses a threat to the regions economic health. Addressing this issue requires that a broad range of individuals, organizations, and public officials become engaged in efforts to change attitudes toward housing development, and to identify and amend local land-use regulations in order to better facilitate the development of financially feasible workforce housing. For two days, planners, architects, engineers, developers, bankers, business leaders, elected officials, property owners, and community members join forces to cooperatively discuss creative plans for solutions around workforce housing.



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Workforce Housing Overview

Workforce housing is a term that is used to describe a broad range of owner occupied and rental housing that is affordable to the individuals and families that represent a majority of a diverse workforce. New Hampshire statute R.S.A. 674:58, "...housing which is intended for sale and which is affordable to a household with an income of no more than 100 percent of the median income for a 4-person household...(or) rental housing which is affordable to a household with an income of no more than 60 percent of the median income for a 3-person household..."

Workforce housing is permanent, quality housing intended as a primary year-round residence, and is available to households regardless of age. Options that are affordable to moderate- and low- income households include single or multi family homes, townhouses, condominiums, and apartments. Workforce housing is based on good design and minimal impact. The housing includes small, mixed income developments that are distributed throughout a town. Developments in suburban settings are clustered to leave areas of open space is much more efficient and attractive.

A healthy and vibrant community with strong ecosystems is filled with all generations of the workforce: young professionals to empty-nesters. The face of the workforce often includes healthcare workers, teachers, firefighters, hospitality and skilled laborers. These workers provide the benefits and services we associate with a desirable place to live. Ensuring that there are housing options available to provide the opportunity for them to establish roots and become part of the community where they work will create healthy social, cultural and economic systems.



Conway Site – Day 1 28 Banfill Road

October 22, 2018; 3:30PM – 8:00PM

Design team:

Josh McAllister, HEB Engineers and Team Leader; Michael Couture, Architect; Gordon Cormack, Cormack Construction; Ed Harrigan, Northway Bank; Greydon Turner, Pinkham Real Estate; Joe Mori, Keller Williams; Theresa Bernhardt, Keller Williams; Mary Seavey, Conway Selectman.

Site Walk:

The design team met at 4pm on Monday, October 22nd at the Conway site located at 28 Banfill Road. After opening remarks and introductions by Victoria Laracy, the MWVHC Executive Director, the team departed for the site walk at the subject property.

Observations:

The 29 acre parcel is zoned Residential/Agricultural (RA) and is serviced by municipal water and sewer. It is listed for \$360,000. Formerly a horse riding facility, it has a large 5000 sq ft barn on the property that can house up to 12 horses at a time in 12x12 stalls and has a 60x60 indoor riding arena. Current Zoning allows for 120 units, however, a traditional subdivision with single house lots would not allow for 120 units because of topography, wetlands, setbacks etc. A Planned Unit development (PUD), using the lot's density could only accommodate 120 units but perhaps almost double that amount.

Josh McAllister led the team on the property site walk. The property is mostly level with beautiful mountain views. He pointed out water and sewer hook up, percentage of the property that appeared to be wetlands, and desirable locations for development.

Dinner Discussion:

The acreage is desirable for development

Affordability may be achieved by considering very dense, cluster development consisting of duplexes.

Regulations do not allow for the kind of density that would attract a developer to fill the needs of our workforce

Road construction would increase cost

Community Discussion:

The community listening session took place at the Conway Public Library at 7pm that evening. About 30 community members were in attendance. Victoria Laracy introduced the team and explained what a charrette was, why it was being done was and that this was a hypothetical exercise. Team Leader Josh McAllister described the piece of property and the team's observations during the walk thru.

Community comments:

Q1: Green space is very important. How many units will be included in the final plan and will they be for sale or rental homes?

Answer: The exact number is currently unknown. The property has municipal water and sewer and with current zoning, 120 units by right, and we will be looking to maximize units while making the project esthetically pleasing and fitting in with the neighborhood. Cluster homes will allow for greater density on the buildable acreage. As of right now the team is discussing a Planned unit Development, the homes would be for sale.

Comment: Maximize land use- create a community center or playground and higher density living. Would love to see the units be energy efficient and use of solar panels.

Q2: Have you considered single floor living units into the design? Please consider our aging population in the plan as many are looking to downsize, and their homes could open up family housing stock.

Answer: Yes, we have thought of single floor living, which enables our aging population the opportunity to downsize and remain in the mount Washington Valley and open up housing opportunities for our young families. The trickle down effect.

Comment: I am concerned that these homes will be bought as second homes and converted to Air B& B rentals. Please think about restriction that these can only be owner occupied units or long term rentals.

Q3: How do you change zoning?

Answer: The zoning ordinance changes are accomplished by passing articles at town meeting. The best way to get an article passed is to work with the planning board because it is the entity charged with ensuring that the zoning ordinance meets the needs of the community.





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MWV WORKFORCE HOUSING DESIGN DAY

Thursday, October 25, 2018

Local regulations can be a major obstacle for developing affordable housing. Lot size, setbacks, and road requirements increase the cost of development to such a degree that the urgent need often goes unanswered.

DESIGN TEAM OBJECTIVES:

The objective for the design team is to test current zoning by developing a workforce housing project that achieves the maximum number of for-purchase units that the lot can reasonably handle, regardless of what current zoning dictates.

Normally, state regulations, based on a specific lot's soils, would need to be observed. In this case, the state's density requirements do not apply because the lot in question has sewer and water infrastructure.

CURRENT ZONING:

The subject property includes a 29 acre lot with a structure. Current zoning allows for 120 units, however, a traditional subdivision with single house lots would not allow for 120 units because of topography, wetlands, setbacks, etc. A Planned Unit Development (PUD), using the lot's density could only accommodate 120 units but perhaps almost double that amount.

This particular lot is located in a town with a regulation that no more than 35 units can be off a dead end road. Unless another egress is constructed, a waiver will have to be obtained. The current process requires that a great deal of expensive work be completed prior to the waiver being achieved.

- Instituting a “conditional use” permit would alleviate having to do all of the engineering prior to the approval and therefore reduce undue risk to developer.

DISCUSSION:

Two types of construction were discussed.

- Four or five big box buildings, each containing 30 to 40 units

- A combination of multi-unit buildings – two, three, four, and 6 unit buildings.

Big Box Building

Pros:

- Allows for constructing the maximum number of units on the parcel.
- Most affordable type of unit construct and buy.
- Limits expensive road construction.

Cons:

- Aesthetically unappealing
- Community discontent
- Potentially less desirable for ownership
- Requires very large parking lot(s), which limits green space around the buildings.

Multi-unit Building

Pros:

- Better fit for the landscape
- More appealing for purchase
- Looks more like a neighborhood and less like a “project”.
- Less community and abutter discontent.
- Works well for constructing different sized and priced units.

Cons:

- More expensive to buy
- Requires more road construction

Road costs dominated the debate because the multi-unit development requires more road construction. Adhering to the current road standards will financially tax the project into a losing proposition. The decision was made to identify a road construction standard that provides for functional, quality roads that can handle the traffic load. Roads may not be as wide as the town standard and a full-time engineer to oversee construction will not be included in the cost estimate.

The majority of team members favored multi-unit dwellings because of their adaptability to the existing landscape, curb appeal, and community acceptance. A major factor to be

considered was profitability. If a developer cannot achieve at least a 20% profit, the project is not worth the risk incurred.

To determine the developer's return on investment, a number of decisions were made relative to the number and location of multiunit buildings and roads. Contractors were consulted and building configurations were examined to determine the number of units and estimated soft costs. The final determination was to construct 184 units spread across several multiunit buildings of varying sizes. The average unit totaled 900 square feet and the average selling prices was established at \$150,000.

PROJECT PROFORMA	
INCOME	
184 Units @ \$150,000	\$27,600,000
EXPENSE	
Property Acquisition	\$ 360,000
Engineering, Survey, Permitting	105,000
Site Construction	288,000
Architectural, Mechanical, Plumbing	50,000
Pump Station Reconstruction	100,000
Building Construction: 184 units @ 900 Square Feet	19,872,000
Roadway Construction	452,000
Utility Connections @ \$1,000	184,000
Parking Lot(s) Construction	600,000
TOTAL PROJECT EXPENSE	\$22,011,000
NET INCOME	\$ 5,589,000
RETURN ON INVEST – 25%	

An average selling price of \$150,000 was particularly attractive to the design team because it allows for quality affordable construction. An estimated sales price of \$150,000 with 3% (\$4,500 down) results in a loan amount of \$145,500.

MONTHLY PAYMENT ON A 30 YEAR FIXED RATE MORTGAGE ON \$145,500 @ 5.38%	
Principal and Interest	\$ 814.75
Taxes	200.00
Insurance	75.00
Total Mortgage Payment	\$1,089.75
Estimated Home Owners Association Dues	250.00
Total Monthly Cost	\$1,339.75

To afford a payment of \$1,339.75 per month, while maintaining a maximum 42% debt to income ratio, requires an annual household income of \$38,286. Nearly 40% of the region's 13,500 households fall in and around that income bracket.

While the design team was successful in meeting the objective, a developer could not actually achieve the above scenario because zoning regulations will not allow it. If and when zoning is aligned with community needs, affordable housing will become a profitable business opportunity, homeownership rates will increase, and the regional workforce will become more stable.



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I am dedicated to helping the people of the Mount Washington Valley find solutions to the Housing Crisis. The MWV Housing Coalition is making great strides towards this end and I am proud to help continue that work on the legislative level in Concord

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Why is our work so important? Because Housing Matters!

The general definition of affordability is for a household to pay no more than 30% of its annual income on housing.

- Affordable housing attracts and retains employees
- Affordable homes support the local workforce so they can live close to their jobs.
- The construction of affordable homes can also help stimulate economic growth.

What are we doing about it?

The MWVHC conducted a number of activities in 2017 to advocate for affordable housing:

- Conducted numerous educational workshops on the new NH Accessory Dwelling Unit law, with topics such as building, financing and insuring.
- Hosted 2 hypothetical exercises (Charrettes) to demonstrate the impact of affordable housing on the community
- Testified in Concord, wrote letters, engaged elected officials and advocated for support of the Affordable Housing Fund and other housing friendly legislation.
- Presented information and offered technical resources to support local planning boards engaged in making productive revisions to their zoning ordinances.
- Gathered and analyzed relevant community data on a regular basis to prove the need, to inform decision-making, and to measure progress. Shared information on numerous panels in community.
- Partnered with the Gibson Center with a grant from AARP to educate community members on Accessory Dwelling Units.

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