

FINAL

**LEBANON CITY COUNCIL
SPECIAL MEETING MINUTES
Wednesday, April 21, 2022, 6:00 p.m.
Remote Via Microsoft Teams: [LebanonNH.gov/Live](https://lebanonnh.gov/Live)**

MEMBERS PRESENT: Mayor Tim McNamara, Assistant Mayor Clifton Below, Erling Heistad, Karen Liot Hill, Christian Simon, George Sykes (arrived 6:48 PM), Douglas Whittlesey, Devin Wilkie, and Karen Zook

MEMBERS ABSENT:

STAFF PRESENT: City Manager Shaun Mulholland, City Clerk Kristin Kenniston, Director of Planning & Development David Brooks, Finance Director Vicki Lee, Deputy Finance Director Alesia Williams, Human Services Director Lynne Goodwin

1. CALL TO ORDER: Mayor McNamara called the meeting to order at 6:00 p.m.

2. PLEDGE OF ALLEGIANCE: Councilor Simon led the Council in the Pledge.

3. HOUSING IN LEBANON:

A. What is the City's role in the development of housing in Lebanon?

This meeting was limited to housing in Lebanon and was intended to be a meeting where the Council discusses some of the housing concepts that they have talked about so far. Below, there is some proposed language to adopt for various initiatives.

Mr. David Brooks sent the following proposed DRAFT RESOLUTION on various initiatives to the Council for their consideration prior to this meeting and it summarizes some of the steps that were talked about at the March 23, 2022 City Council meeting:

RESOLVED, for the purpose of enhancing the development of housing in the City of Lebanon to address the documented housing shortage and the escalating cost of housing in the City, the Lebanon City Council hereby directs the City Manager to take steps to Enable, Incentivize, and Partner in the development of housing through the following actions:

1. Prepare amendments to the Zoning Ordinance to enable the creation of “cottage cluster” housing developments on appropriate parcels in the City.
2. Prepare amendments to the Zoning Ordinance to revise the regulations for Manufactured Home Parks, Manufactured Home Subdivision, and Manufactured Home Planned Unit Residential Developments (PURDs) to better reflect the existing Manufactured Home developments within the City and manufactured homes that are in production today.
3. Prepare amendments to the Zoning Ordinance to complete the Increased Density Bonuses table set forth in Section 507.1 and to develop Criteria for the Award of Bonus set forth in Section 507.2.
4. Develop regulations and guidance for the creation of Housing Opportunity Zones (pursuant to RSA 79-E:4-c) and/or Residential Housing Revitalization Zones (pursuant to RSA 79-E:4-b) to incentivize desirable forms of development.
5. Partner with the Lebanon Housing Authority and other residential developers to utilize city-owned properties for the development of new housing units, including the possibility of a “demonstration project” on a city-owned parcel with high visibility and an opportunity for a reasonable number of

units to help overcome barriers to affordability.

6. Add on from initial draft sent to the Council: Study and evaluate the benefits and impacts of Accessory Dwelling Units (ADUs) and potential barriers to ADU development and prepare guides, fact sheets, and educational materials to help reduce potential impacts and reduce regulatory and non-regulatory barriers.

Mr. Brooks noted the Council has already seen all of the information he provided over the last couple of months regarding the steps the City can choose to take in order to be more involved in the development of housing in the City. He had one amendment to offer regarding ADUs (Additional Dwelling Units), which is listed as Item #6, and discussed the first applicant who applied for the first ADU, noting he could be a good resource in helping the City with both regulatory/nonregulatory issues to help promote, educate, and make people understand what these are and are not.

City Manager Mulholland noted there were a number of options provided to the Council at the last meeting, but some of those options the Council decided not to pursue further, so City Staff narrowed the options down to the ones the Council wanted to pursue.

Mr. Brooks reviewed and explained the six (6) items provided to the Council. He also mentioned the Lebanon Housing Authority and Twin Pines Housing are both interested in the idea of partnering with the City. He also spoke about the information sent out to the Council by the City Manager regarding Pattern Zoning. Pattern Zoning is an idea of establishing some pre-approved (construction) designs that could really cut into the soft costs of a development and would make developers aware of what to expect when they choose to utilize those pre-approved designs.

Mayor McNamara spoke about what is commonly referred to as the “missing middle,” which are units not presently being constructed by developers. As we all know, most of the development that has occurred in the last decade has been multi-family projects (100 units or more) and there has been a limited amount of other types of housing development (single-family, detached, condominiums, smaller apartment units, duplexes, etc.). Commercial Developers are going to move toward what is the most profitable for them, but this is not always what is needed for balance in the City’s housing portfolio. Since 2012, if we count the units that are either under construction or are in the review process, we are looking at just over 1K units on Mt. Support Road alone. At the present time, the only single family home projects he knows about are the remaining units at Rock Ridge and Prospect Hills, and these pale in comparison to rental apartments and are relatively expensive. He felt the Council’s focus should really be on those types of units that the market is not currently supplying us with. On a personal note, he also has concerns that there needs to be not only a diversity of housing types and prices, but there needs to be some sort of progression and explained his reasons. He was very interested in *Pattern Zoning* where areas could be established in the municipality with an overlay district, and within that overlay district, developers literally have a set of designs that have been done for them and are provided to the developer as part of this package. The developer then saves on soft costs, it speeds up there permitting because they are limited to these types of design done for them, and developers would be taking a design and adapting it to a Site Plan that fits the lot(s) they are looking at. He also spoke about the \$5M stimulus fund grant from the State that is designed to go specifically to municipalities to work on zoning and planning issues and explained how the City could use these funds.

Councilor Whittlesey spoke about the rampant growth of housing costs in the City and how it affects the local economy, noting the more people pay on their mortgage, water & sewer is less money they have to spend in the community. While he liked the 6 items presented, he felt this is only what the Council can do

right now and is just a start. We need to keep having discussions on longer-term plans and spoke about the disadvantages of the market-driven impacts of development. He questioned how we can economically incentivize/create the housing that we know is not going to be created through these 6 points (i.e., affordable workforce housing). What can we do, in conjunction with other Upper Valley Municipalities, to make it economically feasible to build the kind of housing that we know is going to fall by the wayside? He explained his idea about a possible workforce housing loan fund.

Councilor Liot Hill noted there is something to be said about staying in our lane. Zoning is very pertinent to the Council and is something for us to really focus on because any changes in zoning will need to go through lots of public hearings and discussions that will provide the opportunity for people to participate and help guide us as we move forward. She spoke about how ADUs are really promising and was happy this got added to the list. This list is a good starting point, but was interested in having a broader discussion on housing in the future (i.e., through a retreat/summit). She also spoke about having a diversity of housing types and funding to bring in housing that the market is not bringing in. Hopefully, what we are addressing now will help with the missing middle piece, but it will not address the very bottom end where we have a serious deficit. This deficit should be part of our longer-term discussion.

Mayor McNamara spoke about his worries of over-shooting the mark of one type of product (now large multi-family units), which could bring about more than the market can utilize and, in turn, impact the City due to a drop in property evaluations.

Councilor Whittlesey spoke about the need for the Council to do a deeper dive to examine what the barriers are in the development of the types of housing we are looking at (i.e., the missing middles, Cluster Housing, Workforce Affordable Housing, etc.). Some of this is completely out of our control, and again questioned what the Council can do as an incentive regarding loan costs or certain other costs that are under our control. He felt we need to have guidelines in place to help us scale in whether it is tax relief or other incentives.

The following people from the public came forth to speak:

Terry Grigsby: She spoke about living in a condominium, the numbers of new housing units that have or will be built in the City, and the need for families to have single housing units, especially for their children.

Jay Campion: He has properties in Lebanon and spoke about the positive things that are being done in the City. He also spoke about the costs of infrastructure for developers, noting there are a lot of ways the City can move forward (i.e., having the City accept a tax forgiveness for the developers costs in infrastructure until the costs for that infrastructure have been paid off). He spoke about how Hanover is reducing their overall costs of housing, and used the Grassy Road development as an example.

Robin Carpenter: He noted he often plays the skunk at the garden party, and this is his role tonight. He spoke about how politicians (City Council) are inherently impatient and us skunks would like to slow things down. He spoke about the immense potential of zoning changes in the memo, noting that many people look to zoning to try and stabilize things. He gave his opinions on the market value of homes, subsidized housing, and how employees will only be paid what their employers are willing to pay, and City-owned lots. He urged the Council to slow down.

Susan Almy: She spoke about and expressed her opinions regarding how Condo & Homeowner Associations are not trained on how to govern; how some with low incomes cannot afford to live in Lebanon; how there are too many 1-2 person rental units in towers; encouraging developers of condominium units to build family units; manufactured housing parks; the manufacturing housing industry; and, the need to solve the severe availability of land in the City.

Councilor Sykes arrived at 6:48 PM.

In response to Council Liot Hill's request, Mr. Brooks gave a history of and summarized how each of the 6 items in the Resolution would proceed and what the Council and public's participation would be in this process. He also spoke about how #5 would proceed as a next step, noting numbers 1-3 may need to go to ballot.

City Manager Shaun Mulholland explained the policy process that was developed in 2018 (CC-102), and that each of these 6 points listed in the Resolution would be coming back to the Council as individual agenda items.

The Council discussed the 20 city-owned properties; the 70-80 vacant/underdeveloped properties the City does not own but are within the core area served by utilities; how most of the larger projects being built in Lebanon are done by out-of-state developers, but Lebanon has a number of good, local developers who are really capable of doing smaller projects that the larger developers are not interested in; Lebanon might be able to provide financial incentives to the smaller Lebanon developers; consider adding a 7th item to the Resolution that would read...*in each of the above actions, consider enabling and incentivizing or demonstrating affordable net zero energy or zero energy ready homes*; flushing out the preamble of the Resolution to only include the language: ***Resolution that the Lebanon City Council hereby directs the City Manager to take steps to Enable, Incentivize, and Partner in the development of housing needs not currently being addressed by the market through the following actions.***

After more discussion regarding what should/should not be included in the preamble of the Resolution and the development of a City Policy Statement in the future, the Council took the following action:

Councilor Whittlesey MOVED the following:

RESOLVED, that the Lebanon City Council hereby directs the City Manager to take steps to Enable, Incentivize, and Partner in the development of housing needs not currently being addressed by the market through the following actions:

- 1. Prepare amendments to the Zoning Ordinance to enable the creation of "cottage cluster" housing developments on appropriate parcels in the City.***
- 2. Prepare amendments to the Zoning Ordinance to revise the regulations for Manufactured Home Parks, Manufactured Home Subdivisions, and Manufactured Home Planned Unit Residential Developments (PURDs) to better reflect the existing Manufactured Home developments within the City and manufactured homes that are in production today.***
- 3. Prepare amendments to the Zoning Ordinance to complete the Increased Density Bonuses table set forth in Section 507.1 and to develop Criteria for the Award of Bonus set forth in Section 507.2.***

4. *Develop regulations and guidance for the creation of Housing Opportunity Zones (pursuant to RSA 79-E:4-c) and/or Residential Housing Revitalization Zones (pursuant to RSA 79-E:4-b) to incentivize desirable forms of development.*
5. *Partner with the Lebanon Housing Authority and other residential developers to utilize city-owned properties for the development of new housing units, including the possibility of a “demonstration project” on a city-owned parcel with high visibility and an opportunity for a reasonable number of units to help overcome barriers to affordability.*
6. *Study and evaluate the benefits and impacts of Accessory Dwelling Units (ADUs) and potential barriers to ADU development and prepare guides, fact sheets, and educational materials to help reduce potential impacts and reduce regulatory and non-regulatory barriers.*
7. *In each of the above actions, consider enabling, incentivizing, or demonstrating affordable net zero energy or zero energy-ready homes.*

Seconded by Councilor Wilkie.

**The Vote on the MOTION was unanimously approved (9-0).*

4. ADJOURNMENT:

Councilor Heistad MOVED for adjournment.

Seconded by Councilor Liot Hill.

**The Vote on the MOTION was unanimously approved (9-0)*

The meeting was adjourned at 7:31 PM.

Respectfully submitted,
Dona E. Gibson
Recording Secretary