

# Pelham Housing Workshop

## A Workforce Housing Coalition Design Charrette

May 2019

Presented by the  
Regional Economic  
Development Center





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## Director's Note

We are grateful to the Regional Economic Development Center and to the Town of Pelham for making the first “Charrette to the West” workshop a success! At the end of last year, the Town of Pelham applied to host the first ever “Charrette to the West” and we were excited to partner with them. In 2016, Pelham adopted a mixed-use zoning district in the village center in hopes of creating a more vibrant town center. When we began planning the charrette, Pelham was about to become one of the first communities to repeal the incentives for age-restricted housing. And they weren’t done – the planning board had committed to make workforce housing their top priority in 2019 by updating the housing chapter of their master plan and preparing a workforce housing ordinance for the March 2020 ballot.

On the first day of the workshop, the team spent the day getting to know the community. During the listening session, attendees expressed a desire for good design. The charrette team was committed to solving affordability, while also creating options that provided residents with privacy, community, vibrancy, and good design. Pelham wasn’t drastically different from similarly sized New Hampshire communities: residents clearly love the small-town look and feel of their community.

The listening session also revealed many ideas about what young people want. Pelham residents expressed concerns about the town’s declining school enrollment and the lack of housing affordable to their adult children and the town’s safety personnel and other municipal staff. They also seemed to worry that Pelham isn’t attractive to young people. While many millennials may seek a more urban environment, many are looking for a home they can afford, in a safe community, with good schools, within a reasonable commuting distance of their employer. I urge Pelham to keep this in mind, retaining and attracting young people may be as simple as ensuring housing exists that is affordable to them.

During the workshop, the team successfully crafted a design option affordable to households earning up to 100 percent of the area median income using only conventional financing. Once again, cottage clusters proved to be the most affordable way to create housing with limited density. The small size of the site and the lack of municipal sewer was challenging, so the team focused their recommendations on increasing the supply of housing through incremental development.

Sincerely,



**Sarah Wrightsman**  
Director, Workforce Housing Coalition | Housing Planner, REDC

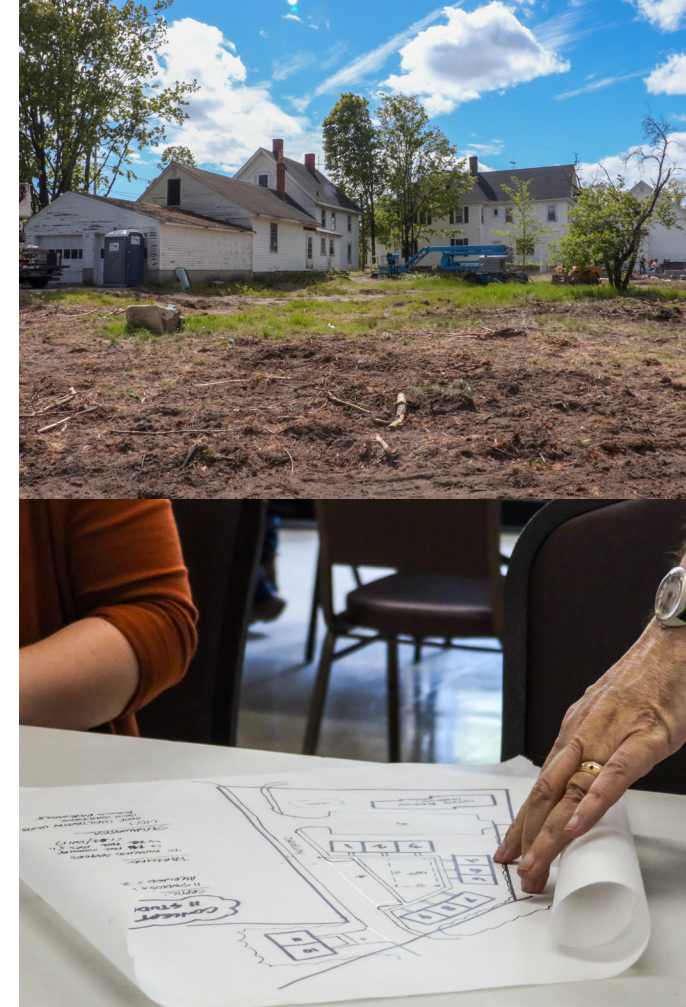


# Workforce Housing Overview

“Workforce housing” is a term that is used to describe a broad range of owner-occupied and rental housing affordable to individuals and families that represent most of a diverse workforce. New Hampshire R.S.A. 674:58-61 defines workforce housing as for-sale housing affordable to a household earning no more than 100 percent of the area median income (AMI) and rental housing affordable to a household earning no more than 60 percent AMI.

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-family homes, townhouses, condominiums, apartments, and more. Workforce housing provides places for recent college graduates, police officers and firefighters, healthcare workers, those working in the restaurant and retail industries, skilled laborers, shop owners, municipal employees, teachers, and retirees and empty nesters to call home.

The individuals and families who live in workforce housing contribute the services and benefits we associate with desirable, vibrant places to live. Ensuring there are housing options available to members of the workforce provides them the opportunity to establish roots and become part of the community where they live, work, and play.



## Housing in Pelham

All data provided by the NH Housing Finance Authority.

Per New Hampshire’s workforce housing law, workforce housing is for-sale housing affordable to households making up to 100 percent of the median area income and rental housing affordable to households making up to 60 percent of the median area income.

Pelham is part of the Nashua, NH HUD Metropolitan Fair Market Rent Area (HMFA). The median income in this area is \$102,900. The maximum affordable purchase price is \$336,500 and the maximum affordable monthly rent is \$1,390.

In the Town of Pelham, median household income among renters is \$51,250. Renters making the median income can afford housing costs of up to \$1,281 per month. Median household income among homeowners is \$111,799.

Pelham is in Hillsborough County where median household income among renters is \$44,730, while homeowners earn a median household income of \$97,588. Renters in Hillsborough County can afford \$1,118 per month in housing costs.

Across the state, the inventory of homes for sale under \$300,000 – starter homes – has dropped over 63 percent since 2010, while the inventory of homes for sale over \$300,000 only declined by 13 percent. In Hillsborough County, the percent of starter homes for sale is 22 percent and the percent of renter income needed to afford a starter home is 127 percent.

Median gross rent in the Nashua HMFA is \$1,419 – well above the workforce housing maximum. For two-bedroom units the median gross rent is even higher at \$1,566; for three-bedroom units the median gross rent is \$1,592; and the median gross rent for four-or-more-bedroom units is \$2,035. The vacancy rate of rental housing units in the Nashua HMFA is very low at 1.5 percent.



# Charrette Mission and Process

The Workforce Housing Coalition has been delivering its signature workforce housing design charrettes to communities across the greater seacoast region for nearly a decade. The charrettes are designed to transform the way people work together by broadening a host community's capacity for collaboration.

Each charrette is a hypothetical thought exercise that harnesses the talents and energies of a volunteer team of architects, engineers, bankers, and other housing industry professionals. The objective of the Coalition's charrettes is to help municipal leaders identify and address barriers to the development of financially feasible workforce housing in their community. The charrette team is encouraged to challenge local land-use regulations and present design options that inspire change and spark a community-wide conversation.

When the Regional Economic Development Center and Workforce Housing Coalition formed a strategic partnership in 2018, the two organizations jointly launched the "charrette to the west" program. The program allows the thirteen REDC communities that aren't served by one of the state's housing coalitions – Auburn, Atkinson, Derry, Hampstead, Hudson, Litchfield, Londonderry, Nashua, Merrimack, Plaistow, Pelham, Salem, and Windham – to take advantage of the Coalition's signature charrette program.

Prior to the charrette, Pelham became one of the first communities in New Hampshire to repeal the incentives for age-restricted housing. At the same time, Pelham's Planning Board committed to developing a workforce housing ordinance for the March 2020 ballot. Broadly, the Pelham Housing Workshop aimed to inform this work as Pelham works toward the goal of diversifying its housing supply. The information contained in this report will also be included in the update of the housing chapter of Pelham's Master Plan.

## Pelham Charrette Leadership Team

### Charrette Team

[Kyle Barker](#), Principal Architect, Warrenstreet Architects, Inc.

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### Pelham Team

[Jeff Gowan](#), Planning Director

[Heather Forde](#), Select Board

[Dave Hennessey](#), Zoning Board of Adjustment

[Charity Landry](#), Recording Secretary

[Roger Montbleau](#), Planning Board

[Sue Snide](#), Assessor

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### Report Production, Design, and Photography

[Laura Harper Lake](#), Graphic Designer and Advisor, REDC

### Special thank you to [Jay Childs](#) of JBC

Communications for allowing the Pelham community behind the scenes of the making of Communities and Consequences the sequel.

### Planning Committee

[Jeff Gowan](#), Planning Director, Town of Pelham

[Heather Forde](#), Select Board, Town of Pelham

[Sara Landry](#), Director, Hobbs Community Center Senior Programs

[Dave Hennessey](#), Zoning Board of Adjustment, Town of Pelham

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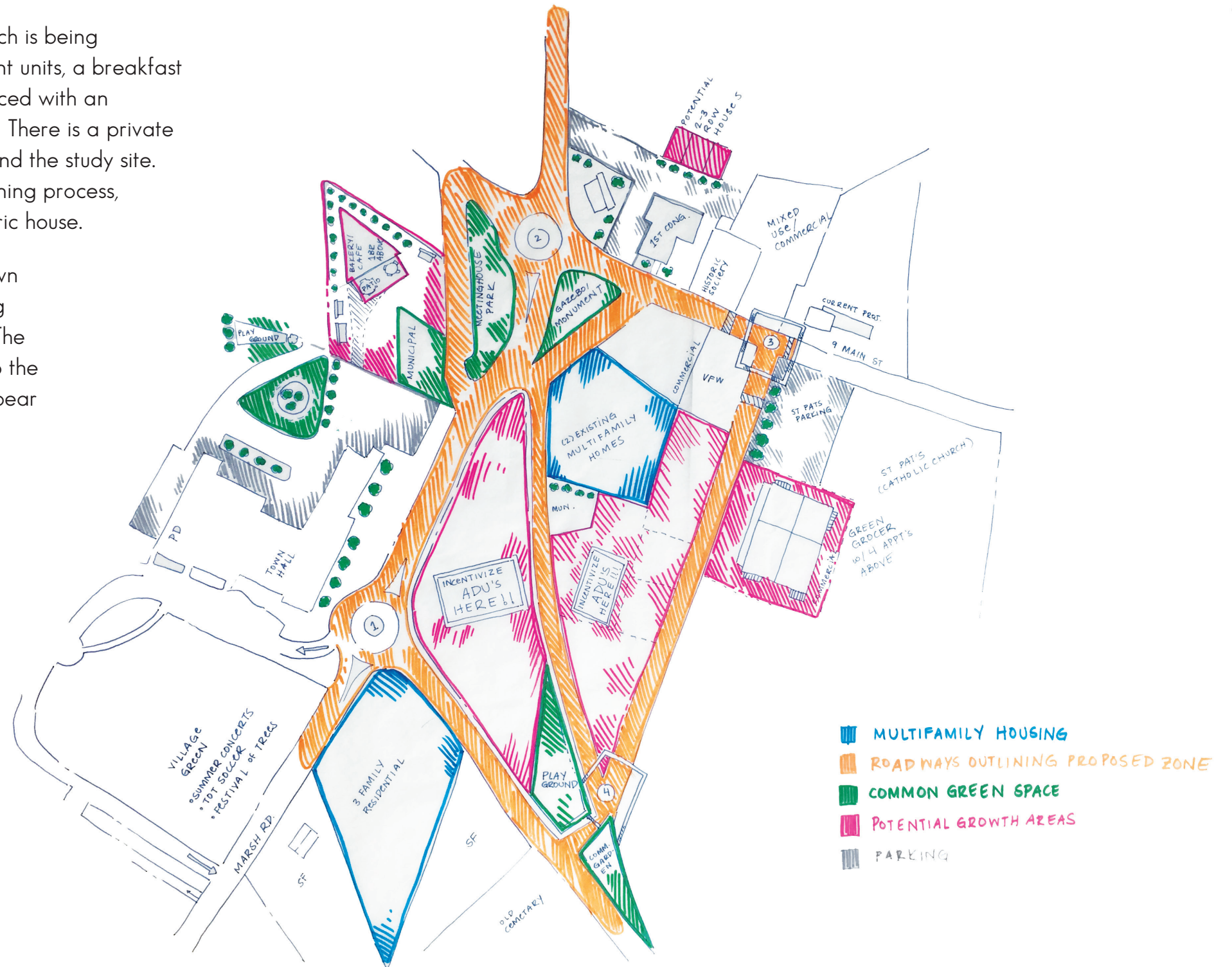


# Pelham's Town Center

The study site, 9 Main Street, is home to an existing historic house, which is being converted into a mixed-use building with three one-bedroom apartment units, a breakfast and lunch cafe, and a barbershop. The current driveway will be replaced with an outdoor seating area and parking will be situated behind the building. There is a private road on the property that leads to a senior housing development behind the study site. The property owner, who was involved in the early stages of the planning process, allowed the charrette team to use the 0.93 acre plot behind the historic house.

The property at 9 Main Street is near the center of Pelham's downtown village. The area, which is in Pelham's somewhat new mixed-use zoning district (MUZD), has public water but does not have municipal sewer. The density in the MUZD is based on soil quality; town officials reported to the charrette team that the MUZD has good, sandy soil and the site can bear about 11 bedrooms.

Pelham already has the foundation of a beautiful, vibrant, pedestrian-friendly town center, but lacks people. At the listening session, community members expressed concerns about the way density looks, so the team sought to maintain the New England-style neighborhood design, while increasing the density of places to live in the MUZD. Whether they be rental or for-sale, homes bring in people and people bring businesses, social capital, and vibrancy. In the village center, you will find the Town Hall, Public Library, churches, a green grocer, several parks or green spaces, and the Village Green, where summer concerts and other community gatherings are held.





# Community Listening Session

## The Survey

Prior to the start of the Pelham Housing Workshop, a survey was distributed to gather feedback from Pelham community members. The survey was shared online via email and Facebook and a paper copy of the survey was available at the Hobbs Community Center and was completed primarily by older Pelham residents. Sixty-seven people responded to the survey, the vast majority of whom live in Pelham.

The results of the online survey varied significantly from the results of the paper survey. Respondents who completed the survey online felt Pelham needs starter homes and homes for families, while respondents who completed the paper survey felt Pelham needs one-bedroom and studio units. Respondents were asked what they consider to be “affordable”. Those who completed the survey online identified anywhere from \$801 to \$1,700 as affordable to the workforce, while the majority of those who completed the paper survey identified \$800 or less as affordable. Survey respondents identified affordability, accessibility, and protecting Pelham’s small-town character as the top things they would like to see come out of the Pelham Housing Workshop.

“I grew up in Pelham. I wanted to stay in town, but I ended up having to move because the houses that were available in Pelham were new construction and were way too expensive. This was very disappointing to me because not only did I want to stay in the town I grew up in, but I also work for the town. I know that a lot of my coworkers are also not able to afford Pelham.”

## The Community Listening Session

During the Community Listening Session on the evening of May 21, community members were asked to tell the team about the village center. Attendees told us:

Pelham’s town center has a lot of historic buildings and hasn’t changed significantly over time.

The town center has several buildings to visit, including the churches, town hall, the historical society, the VFW, and public library.

Pelham is a rural farming town with small low-impact businesses.

The town center lacks pedestrian infrastructure such as sidewalks and due to the major route crossing through the town center, Pelham does struggle with high traffic volume.

Attendees were asked if there is a sense that Pelham needs more housing, which was met with a resounding yes. Community members were then asked to share what kind of housing they believe would fit into Pelham’s town center. Two major themes dominated the conversation.

### 1. Where are the young people?

Many young people are looking for housing that is affordable to them, within a reasonable commuting distance of places of employment, in a safe community with a good school system. Aside from the limited supply of affordable housing, Pelham is very strong in these areas. Many attendees expressed concerns that Pelham won’t attract young people because of the lack of night life and other “millennial amenities”, but the community should focus on playing up Pelham’s strengths.



### 2. Can workforce housing and rural character coexist?

Attendees seemed open to density and housing development but expressed deep concerns about the way density can look, citing a specific project in town that many are unhappy with. Pelham residents seem amenable to dense housing development assuming it blends well with existing buildings, provides privacy to residents, and is designed with curb appeal and good architecture. The community is sensitive to poorly designed dense development and generally prioritizes design over the number of units.

Neither the survey nor the in-person listening session seemed to indicate that one housing type is preferred over another. Community members seemed to agree there is a need for a range of housing types at a range of price points for sale and for rent.

“I have a picture that was taken in the 1950s looking up towards the church and very little is different between then and now. Pelham still has the same look and feel.”



# Brainstorm

On the second day of the workshop, the team was faced with the task of answering the following questions:

- Is financially feasible workforce housing possible anywhere in the town center? If so, what does it look like and what can local leaders do to encourage development?
- Is the site too small to achieve financially feasible workforce housing?
- Is there any way to provide community or off-site septic to increase the site's capacity?

The team broke into groups, with groups focusing on cost considerations and financial feasibility, design, a view of the potential for the entire village center, and regulatory approaches to increasing housing supply and affordability. Throughout the day, the team worked collaboratively to address the answer the above questions and render a design that would meet the needs and preferences of the community and be financially feasible at workforce housing prices.

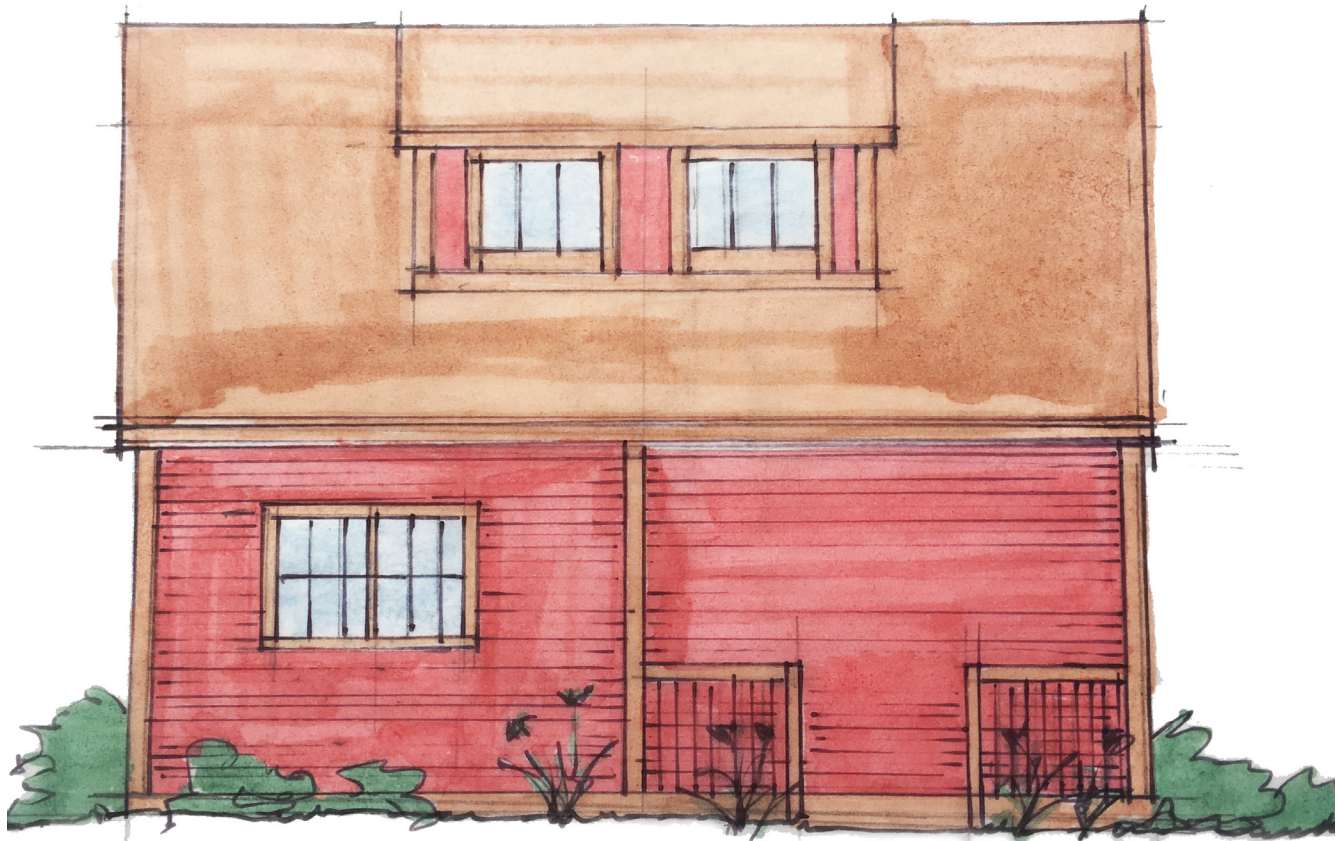
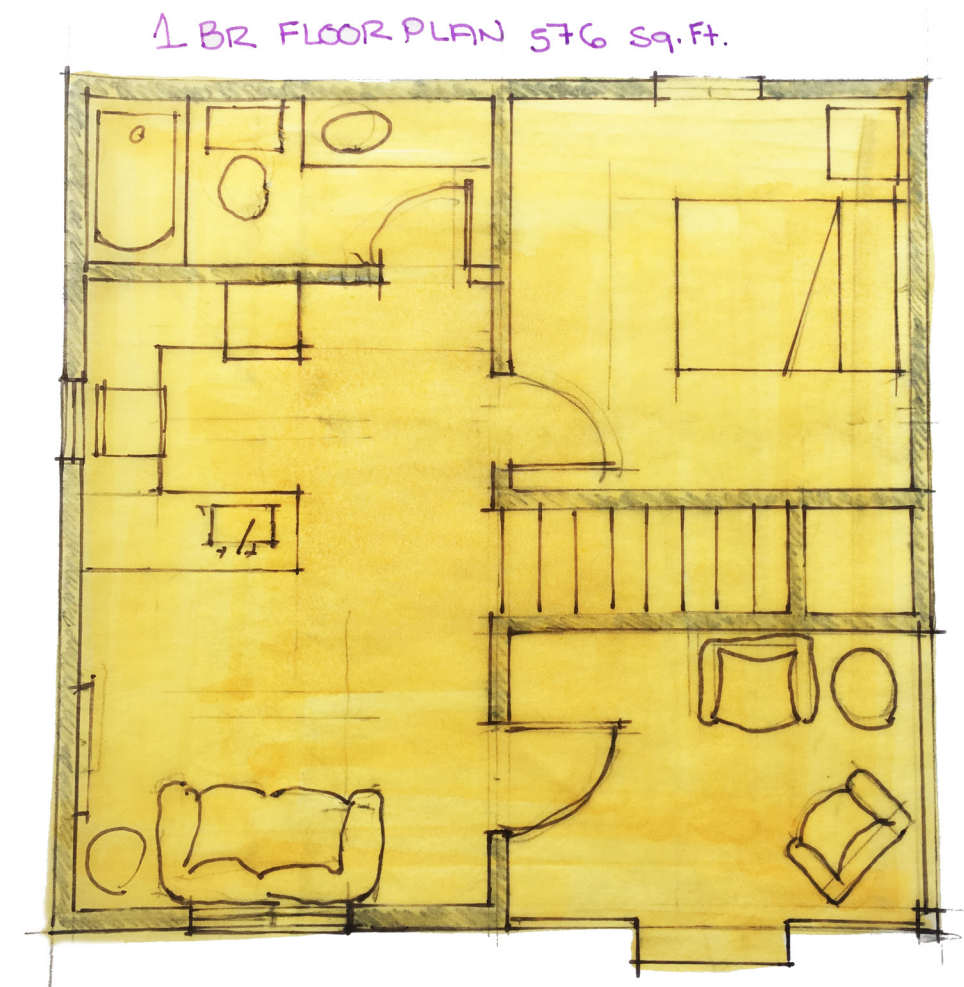




# Cottage Clusters

Due to septic loading capacity, the site of 9 Main Street is limited to eleven bedrooms. With this in mind, design team members began working on how to best configure the eleven bedrooms and the financial team members tested the financial feasibility of each design idea. The team found a viable option in cottage clusters. In addition to achieving the goal at hand, affordability, the designs stressed the importance of creating community within the cluster of cottages, while also providing each homeowner with private outdoor space. Each cottage includes a porch and the green space in the center is shared among the neighbors.

Small cottage clusters tend to be compatible with affordability and work well for young professionals, young couples without children, and empty nesters. The small cottages are financially feasible using only conventional financing at \$310,000 each. This is affordable to households making less than 100 percent of the area median income. Unfortunately, the cottages are not financially feasible as rentals (~\$1,800 per month). The cottages are possible under current zoning.



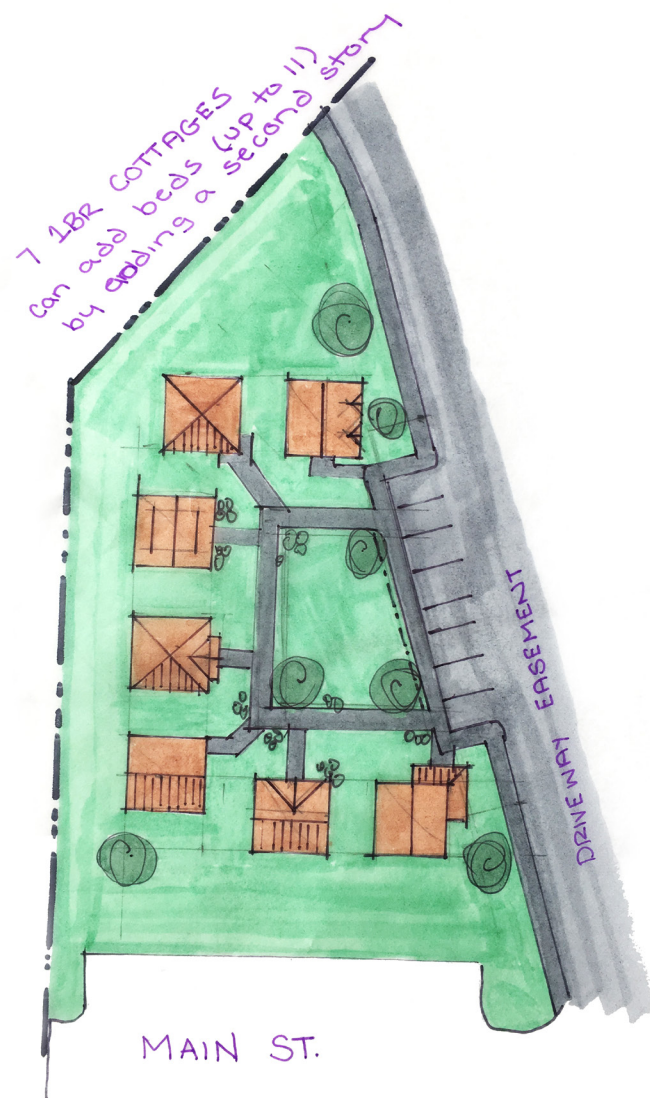
COTTAGE ELEVATION





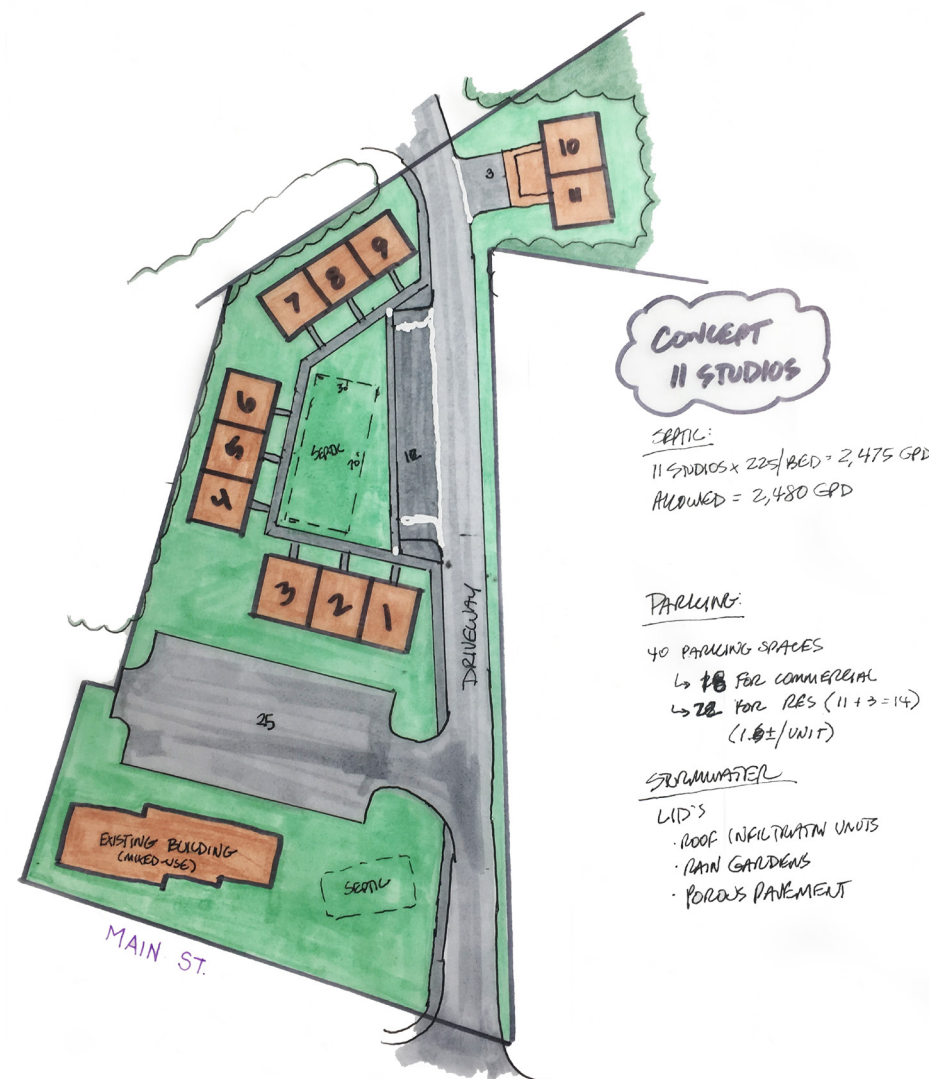
### Option 1

- 9 Main Street used as study area
- 7 one-bedroom units – can add second floor to convert to 2-3 bedroom units, but total on site must be maxed out at 11 total beds
- Each unit is  $24 \times 24 = 576$  square feet (1,152 square feet if a second floor is added)
- Septic under common area



### Option 2

- 9 Main Street used as study area
- 11 one-bedroom units
- $24 \times 24 = 576$  square feet
- Septic under common area
- 40 parking spaces – 18 commercial, 25 residential



### Option 3

- 9 Main Street used as study area
- 8 units – most likely pushing the septic capacity
- 2 parking spaces/unit
- Utilizes space on lot next to the existing historic house to fit two additional units
- Takes advantage of the planned parking lot behind the historic house, creates a one-way loop through neighborhood, and connects to existing parking lot behind 7 Main Street





# Townhouses, Duplexes, Flats, and Rustic Multi-Family

The team also experimented with various other housing types, including townhouses, duplexes, flats, and multi-family housing.

## Option 4

- 9 Main Street used as study area
- 12 units total, split between two buildings
  - Most likely beyond septic capacity for this lot
- Utilizes space on lot next to the existing historic house to fit two additional units



Two design options expanded into 13 Main Street, being mindful of the wetland on the far edge of this property. Unfortunately, due to the limited density on the site, neither of the following two designs are financially feasible at an affordable price per unit.

## Option 5

- 24 units
- Mix of townhouses, duplexes, and flats
- For sale at \$400,000 (not affordable)
- Market rate \$2,000 per month (not affordable)
- 9 and 13 Main Street were used as study area





### Option 6

- Rustic Multi-Family
- 1,000 square feet each
- Carport underneath – one space per unit
- Architectural style mimics the beautiful barn behind the property on 7 Main Street
- 19 units
- Rent at \$2,500 per month
- 9 and 13 Main Street were used as study area







# Recommendations for Next Steps

The lack of municipal sewer remains a challenge to the development of financially feasible workforce housing in Pelham. While the team was able to create one for-sale option affordable to households making up to 100 percent of the area median income in the Nashua HMFA, the site of 9 Main Street was ultimately too small to achieve the density required for affordable rental housing and the limitations on density also meant the development would not be competitive for low-income housing tax credits (LIHTC). Ideally, a developer would need enough space to produce a minimum of 35 to 45 housing units. Given that many of the lots available for future housing development in the MUZD are small, the team focused their zoning recommendations on allowing for incremental growth.

Under current zoning, Pelham has made it easy to develop one-acre parcels throughout the rural community, incentivizing suburban sprawl and the production of housing out of reach for members of the local workforce, downsizing seniors, young families, and single person households. Development of the mixed-use zoning district (MUZD), which allows for more density and smaller lot sizes in the village center, is a commendable step in the right direction.

A comprehensive neighborhood plan for the MUZD would allow Pelham to further develop its goals for the MUZD and ideas about where housing should be added, where community septic systems can be incorporated into the landscape, among other things. Ideally, Pelham would end up with a place where people at all stages of life can live.

## Accessory Dwelling Units Ordinance Amendments

Accessory dwelling units are a simple way to add to the overall supply of rental housing without affecting the rural character Pelham residents love. In addition, ADUs increase the affordability of the primary home by providing income for the owner of the main house and allow for multiple generations to live nearby one another. Often ADUs are occupied by the adult children of the primary homeowners or the owners of the primary home themselves, who would then rent the primary home, when they are ready to downsize.

The charrette team recommends Pelham consider the following amendments to the current ADU ordinance:

- Allow detached accessory dwelling units in addition to attached ADUs in every district by right, not by special exception
- Increased the allowed size of accessory dwelling units to 1,000 square feet or 1/3 the size of the primary dwelling, whichever is larger
- Eliminate owner-occupancy or family rental requirements
- Revisit the design standard, many of which are arbitrary and function as barriers to the creation of additional ADUs (for example, interior connecting doors, prohibition of a second front door, etc.)

Pelham may also consider connecting with the REDC/WHCGS to host an ADU workshop for homeowners interested in building an accessory dwelling unit on their property.



### Creation of a New Zone or Overlay

Pelham's planning board has already committed to crafting a workforce housing ordinance for the March 2020 ballot. Consider the following recommendations for this new zone or overlay:

- The new zone should surround the MUZD, increasing the density (and therefore vibrancy) in the village center.
- Allow the next increment of development by right. For example, by allowing up to a fourplex in any place where single-family residential is allowed.
- Creating a library of allowed building types, all of which can be roughly the same size of a single-family home, can allay fears that new multi-family buildings will be out of scale.
- Reduce the minimum lot size to  $\frac{1}{2}$  acre in the new zone. One-half acre is the minimum lot size necessary for adequate separation of well and septic. If a district septic is created, allow 5,000 to 7,500 square foot minimum lots.

### General Recommendations

- Prohibit the creation of new cul-de-sacs, which do not contribute to vibrancy and are a financial liability.
- Focus on good design and landscaping to ensure density is invisible or attractive. Landscape design can be used as a tool to balance density, affordability, privacy, and aesthetically pleasing design. For example, layering the space between the private home and public space (such as a roadway) by transitioning between the private home, the semi-private porch, the semi-public front lawn or common space, to the public sidewalk and roadway.
- Discourage subdivisions with covenants prohibiting any future increase in density. Every neighborhood should be allowed to alter and increase density over time.
- Explore innovative ways to provide community septic and consider investing in municipal sewer, if possible.
- Continue to utilize the Regional Economic Development Center/Workforce Housing Coalition of the Greater Seacoast as a resource.

## Zoning and Municipal Finance

Consider how taxes are affected by development patterns encouraged by land use regulations. Pelham's current zoning code encourages large lots in the rural area. Since Pelham requires one acre for each house and 200 feet of road, the town is committed to road maintenance of about \$900 per house. This is somewhat reduced for houses opposite each other across the street but is still a significant burden for the town. Requiring two acres for each duplex and three acres for a three-family building on exacerbates this issue.







[www.SeacoastWHC.org](http://www.SeacoastWHC.org)



The mission of the Workforce Housing Coalition of the Greater Seacoast is to ensure the development of a range of housing options available and affordable to members of the diverse workforce of the greater seacoast region through a united coalition of business, municipal, and community leaders.

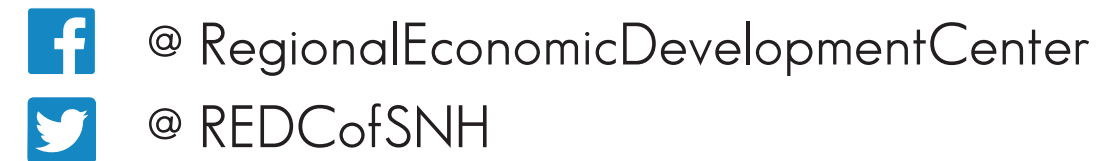
The Workforce Housing Coalition believes housing is key to creating and sustaining diverse communities, rich in social, cultural, political, and economic opportunities for present and future businesses, employees, and families.

The Workforce Housing Coalition of the Greater Seacoast and the Regional Economic Development Center formed a strategic partnership in 2018.

The Workforce Housing Coalition of the Greater Seacoast is a 501c3 nonprofit organization.



[www.REDC.com](http://www.REDC.com)



The Regional Economic Development Center is a private, non-profit organization that offers technical assistance, financing through various funding sources, and business development training.

The REDC seeks to promote responsible, sustainable economic development activities in the 37 communities of Rockingham County and 5 communities of Hillsborough County. We do this by creating jobs for low to moderate income people, by accessing alternative financing for business and industrial expansion/relocations, which in turn provides tax relief for our communities and our region.

The Regional Economic Development Center is a 501c3 nonprofit organization.

## Sponsors

