



# Downtown Rochester Housing Workshop

## A Workforce Housing Coalition Design Charrette

### September 26th and 28th 2018





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## Director's Note

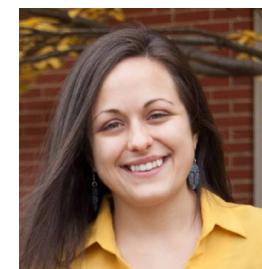
After the community listening session, I was impressed by how trusting and receptive the attendees were. Rochester residents urged us not to worry about parking - something we've never heard during a listening session. The Rochester I see is an eclectic mix of businesses and architecture, with a dedicated base of volunteers working to make Rochester the vibrant city it is destined to be.

During the work session, the charrette team worked tirelessly crunching numbers and testing the feasibility of different scenarios, drawing architectural renderings to provide visual aids, and crafting recommendations for next steps. After a very encouraging conversation with the property manager at One Wakefield, the team surprised us all by expanding the study area and creating a rendering that better utilizes the parking lot behind One Wakefield and the former Robbin's Auto Parts building on the west side of Hanson Street.

Through our charrette program, we often identify density and parking as opportunities, but one recommendation, which was new to me, was that the city lift the requirement for first floor commercial space on side streets such as Hanson Street. Local leaders may prefer to leverage their regulations to incentivize the development of workforce housing. For example, by trading the first-floor commercial requirement for affordable units. Rochester's current median gross rent of \$1,131 is within the workforce housing rent limit for the Portsmouth-Rochester HMFA but revitalizing the downtown would likely result in an increase in market rates. Residents who attended one of the listening sessions asked for revitalization without gentrification. Local leaders should look to the future and use land use regulations to ensure affordable housing continues to be part of the downtown housing picture.

Rochester was the first charrette I ever took from A to Z as director of the WHC and I am grateful to have had the chance to work with the wonderful city staff and caring residents. Over the summer, New Hampshire Magazine named Rochester the state's "city on the rise" due to grassroots efforts to revitalize the downtown, and I can't think of a city more deserving of that honor. I am looking forward to continuing to work with Rochester through the Housing Huddle as the city grows and changes.

Sincerely,



**Sarah Wrightsman**  
Executive Director,  
Workforce Housing  
Coalition of the Greater  
Seacoast



# 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 the majority of a diverse workforce. New Hampshire statute R.S.A. 674:58 defines it as "...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; compared to unplanned sprawl, such land use 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, 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.





# Charrette Mission and Process

The Coalition's signature Workforce Housing Design Charrettes are dedicated to transforming the way people work together by broadening the host 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 the volunteers to ask "what if?" We ask community members to describe their ideal community, and our volunteers to bring these ideas to life. The charrette process is intended to be a catalyst, helping host communities identify, and therefore change, local land-use regulations that aren't conducive to the development of financially feasible workforce housing. Volunteers are encouraged to push the host 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 region's economic health. Addressing this issue requires that a broad range of individuals, organizations, and public officials become engaged in efforts to change attitudes towards housing development, and to identify and amend local land-use regulations in order to better facilitate the development of financially feasible workforce housing. For three days, planners, architects, designers, developers, bankers, business leaders, property owners, and abutters join forces to cooperatively discuss creative plans for solutions around workforce housing.



## Rochester Charrette Leadership Team

### Hosts

Julian Long, City of Rochester Community Development  
Michelle Mears, City of Rochester Planning Department

### Design Team Lead

Rip Patten, Credere Associates

### Design Team

Kate Ruml, Independent Designer  
Robert White, GPI  
Gayle Sanders, Gayle Sanders Home Design

### Finance and Feasibility Team Lead

Michael Castagna, Castagna Consulting Group

### Finance and Feasibility Team

John Hall, Profile Bank  
Marty Chapman, Housing Partnership

### Facilitator

Maria Sillari, Non-profit Consultant

### Housing Expert

George Reagan, New Hampshire Housing Finance Authority

### Report Production and Design

Laura Harper Lake, Regional Economic Development Center  
Sarah Wrightsman, Workforce Housing Coalition

### Planning and Advisory Committee

Julian Long, City of Rochester Community Development  
Michelle Mears, City of Rochester Planning Department  
Jennifer Marsh, City of Rochester Economic Development  
Shayna Sylvia, Strafford Regional Planning Commission  
Debbie Day, Anagnost Companies  
Angela Mills, Rochester Main Street  
Kerrie Landry, Cornerstone VNA  
Barbara Holstein, Rochester Youth Reach  
Todd Marsh, Rochester Welfare Department  
Elizabeth Rollins, Ambit Engineering  
Gayle Sanders, Gayle Sanders Home Design  
Sarah Wrightsman, Workforce Housing Coalition

### Special Recognition

Thank you to the [City of Rochester](#)



# Hanson Street

## 13-17 Hanson Street

- 0.24 acres
- 90 feet of road frontage
- Located in the downtown commercial zone
  - Historic overlay district
  - Special downtown overlay
- Development potential under current zoning
  - 2 story minimum, 5 story maximum
  - Commercial on first floor required
  - Potential for up to 20 residential units
- Two parking stalls per unit is required under current zoning, but the site is within 400 feet of municipal parking at the Congress Street parking lot and the City Hall parking lot and parking requirements can be waived.
- The size of the lot is a limiting factor
- Lot has city sewer and water

## Greater Context: Observations

- The study area, 13-17 Hanson Street, is in the core of downtown on a side street.
- Walkable to downtown shops and eateries and the Riverwalk.
- Downtown already has great pedestrian infrastructure, including new crosswalks and bicycle lanes.
- Significant residential and commercial vacancies. City recently acquired two properties downtown:
- Scenic Theater and Kelly's Gymnastics
- Rochester has good bones.
- Very eclectic mix of businesses.
- Rochester is a hub of arts and culture.
- Plenty of parking downtown, but in need of wayfinding.
  - Excessive parking located at church behind the study site. There is an opportunity to lease parking spaces, generating revenue for the church and alleviating the need for a developer to provide any parking (look to example in Durham at the Community Church of Durham).

# Housing in Rochester

## Strafford County data:

- Median 2-bedroom rent in Strafford County is \$1,221 (requiring an income of 48,840)
- Median gross rent for all units is \$1,152
- Strafford County renters have a median income of \$38,225 (can afford rents of \$956 and below)

## City of Rochester data:

- Median 2-bedroom rent in Rochester is \$1,155 (requiring an income of \$46,200)
- Median rent for all units is \$1,131
- Rochester renter median income is \$33,048 and can afford rent of \$826 per month

Rochester is part of the Portsmouth-Rochester HUD Metro Fairmarket Area (HMFA). The 2018 workforce housing rent limit for this area is \$1,340. However, for the purposes of this charrette, the charrette team set their target financials much lower to better reflect the needs of Rochester residents.

Thank you to the New Hampshire Housing Finance Authority for providing data.





# Community Listening Session

September 26, 2018

Input from stakeholders is a critical part of the charrette process. Rochester residents, business owners, and local leaders were invited to share their ideas, hopes, and concerns on the first day of the Downtown Rochester Housing Workshop. Here is a sample of what the charrette team heard from attendees.

## Vibrancy

- Occupied storefronts and residential units in the core of downtown are critical to Rochester's vibrancy.
- Rochester residents would like to see sustained signs of life and vibrancy in downtown.
- There are no people downtown because there is no housing downtown; more housing will lead to more people, which will lead to more vibrancy.
- Improve safety downtown through traffic calming measures.

## Affordable and Appropriately Sized Housing

- Rochester residents are seeking "revitalization without gentrification" and would like to ensure downtown remains affordable.
- Rochester residents would like to see:
  - Small, energy efficient units
  - Diverse housing types and price points
  - Opportunities for increased density
  - Fewer regulatory barriers to developers
  - More housing, generally
- There is a big demand for one-bedroom units in Rochester, more so than two- or three-bedroom units.
- Young people and empty nesters are seeking one-bedroom units.
- Rochester residents do not consider \$1,200 to \$1,600 to be "affordable"
- Many specific parcels (such as the Ben Franklin parcel, the property at 14 Portland street, and city-owned Kelly's Gymnastics and Scenic Theater) were offered as opportunities for future development.
- Rochester residents do not want to see:
  - Age-restricted housing
  - Gentrification - Rochester residents expressed a strong desire to not see people being priced out.

## TLC

- Façade improvements are needed in the downtown.
- Many buildings are not up to code.
- Rochester residents would like to see existing buildings reused.
- Absentee landlords and negligent property owners should be penalized for not taking care of their property and/or receive financial assistance or incentive to do so.
- Rochester residents want to feel properties take pride in their properties.

## Cohesive Look

- Historically-appropriate and cohesive architecture.
- Beautification efforts and streetscaping.
- Rochester residents don't want to see modern, brightly-colored buildings.

## People, not Parking

- Rochester residents do not want to see more parking "craters" and noted there is adequate parking already

*During the community listening sessions, residents offered valuable, non-housing feedback. This information was recorded and shared with local leaders in Rochester to be used for future planning.*





# Considerations

The charrette team was charged with the task of analyzing 13-17 Hanson Street, the vacant lot next to Magrillas, but given the size of the site and the study area's relationship to the greater context of downtown, the charrette team found the time and energy to create renderings for the entire block on Hanson Street from 1 Wakefield Street to the former Robbin's Auto building on the west side of the street and the study area and adjacent buildings on the east side. The renderings on the following pages include the small real estate building behind the One Wakefield Street building (RSA Realty at 5 Museum Way) and the city-owned property at 38 Hanson Street (formerly, Robbin's Auto Parts).

## Key Points

When crafting recommendations, the charrette team considered:

- Rochester's current land use regulations make the development of financially feasible workforce housing impossible.
- The maximum rent per NH's workforce housing law (RSA 674:58-61) for the Portsmouth-Rochester HMFA is \$1,340.
- Based on feedback from the community during the listening sessions, the charrette team concluded this is too high for Rochester.
- Rochester residents expressed a demand for small one bedroom and studio units and focused on smaller unit sizes rather than two and three bedrooms.
- Based on the vacant commercial store fronts and office space in the core of the downtown, the charrette team didn't feel the demand is high enough to justify the risk of developing commercial or office space. The demand for residential units, on the other hand, is very high.
- Given the limiting size of the study area and the proximity to multiple parking lots, the charrette team did not spend a significant amount of time talking about parking. However, the team did consider the idea of providing parking on site vs. providing alternative parking. For example, the idea of creating a long term lease agreement with the neighboring church was discussed.
- During the listening session, Rochester residents expressed a desire for historically appropriate, cohesive architecture.
- The charrette team took feedback about design into consideration and avoided modern architectural styles.
- The Finance and Feasibility team considered the number of units and building height needed to achieve affordability, but ultimately avoiding recommending a building that exceeds what is allowed by right.





# Design Options

## Option 1 West Side Elevations

Inspired by the energy in Rochester, and with approval from the property manager at One Wakefield, the charrette team sketched beyond the study area of 13-17 Hanson Street. On the West Side of Hanson Street, the design team imagined a new housing building on the underutilized lot behind the One Wakefield building and at the former Robbin's Auto Parts.





# Option 2 East Side Elevations

On the East Side of Hanson Street, the design team imagined a new housing building on the site of 13-17 Hanson Street. On both sides of Hanson Street, the team imagined improved streetscaping and cohesive beautification efforts.

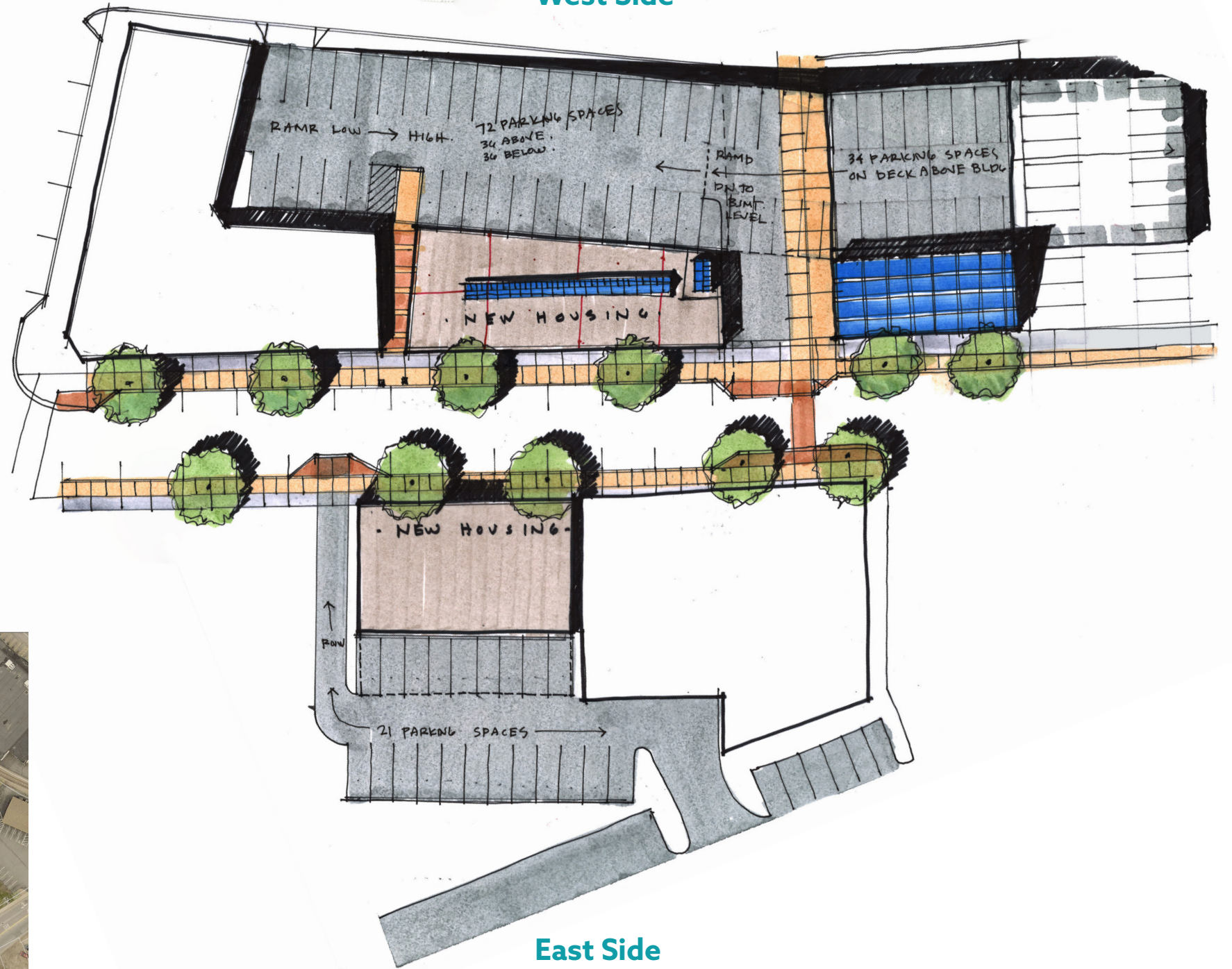




# Aerial View



# West Side



# East Side



# Financial Feasibility

**Scenario #1** at 13-17 Hanson Street explored what can be done by right at a mix of market rate and affordable housing units.

Three stories, 22 units by right, a mix of sizes.

Studio units, 575 square feet, \$900/month at market rate, \$650/month at affordable.

One bedroom, 650 square feet, \$1,100/month at market rate, \$750/month at affordable.

Two-bedroom, 850 square feet, \$1,300/month at market rate, \$826/month at affordable.

Total development/construction costs \$6.5 million.

Return on investment is only 3.5% (a for-profit developer won't build for less than 10%, but a nonprofit developer might develop at 3.5%).

In order to achieve a 10% return on investment, gross rents would be \$1,800 or more per month.

This scenario includes commercial on first floor and assumes the commercial space is leased.



**Scenario #2** at 13-17 Hanson Street increased the height and total number of units.

Four stories, 36 units, a mix of sizes.

Return on investment for this scenario is 6%. Again, this is not attractive to a for-profit developer, but would work for a nonprofit developer.

This scenario includes commercial on first floor and assumes the commercial space is leased.

In order to achieve 10% return on investment, density would need to be increased further. The tipping point is about 50 units and 5-6 stories are needed.

It is easier and more financially feasible for developers to make a profit outside of the downtown, although the study area is currently developable by a nonprofit developer. The impact of the first-floor commercial requirement is a risk for any developer.

Low income housing tax credits (LIHTC) would be necessary for either of the above scenarios to make this project affordable. Community development block grant funds and home loan funds may also be used.





# Recommendations for Next Steps

The charrette team believes encouraging a diverse variety of housing in the downtown can serve as a catalyst for downtown revitalization. There is a demand for housing in the downtown, but all new development is being proposed outside of the downtown.

The charrette team recommends the City:

- Be flexible and creative with parking requirements. There is adequate parking in the downtown and parking should not be an impediment to downtown development.
- Lift the requirement for first floor commercial space or use as an incentive, for example, trading the first-floor commercial requirement for affordable units outside of the downtown core, including on Hanson Street. There is a lot of vacant commercial space in downtown Rochester already and the demand for residential space is greater. Commercial space is more difficult to lease, so developing commercial space poses a risk to developers. The charrette team believes requiring commercial on the first floor is an impediment to downtown development and that allowing residential development on the first floor on the side streets will increase demand for commercial business on North and South Main Streets.
- Increase residential density in the downtown. The charrette team heard the city is already considering allowing increased residential density downtown; we support increased density and believe this will encourage development.
- Approach nonprofit housing developers to discuss the charrette findings and encourage them to develop in the downtown. The charrette team's financial analysis concluded that downtown redevelopment is financially feasible, but the returns on investment is low, especially compared to new construction on the outskirts of town. The Workforce Housing Coalition can help to facilitate and attend meetings with nonprofit developers if needed.
- Provide financial incentives and assistance to property owners bringing their properties up to code. Many of the 2nd and 3rd floors in downtown buildings are vacant and underutilized due, in part, to the high costs associated with life safety upgrades, as well as other code required upgrades. The charrette team recommends identifying ways to either incentivize and assist property owners and/or implement penalties for absentee landlords.
- Implement inclusionary zoning tools, such as density bonuses, to ensure affordable housing continues to be included in new development. This recommendation speaks directly to the Rochester residents who requested revitalization without gentrification.
- Consider using CDBG funds for façade improvements and to help property owners get buildings up to code.
- Continue to communicate and partner with the Workforce Housing Coalition of the Greater Seacoast through the Rochester Housing Huddle.



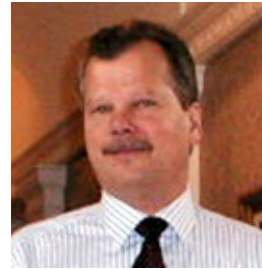
# Workforce Housing Coalition

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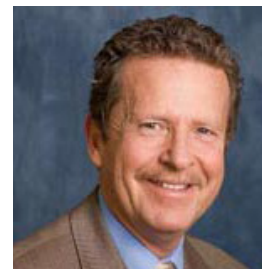
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**Lindsay Sonnett**

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Bean Group

## Mission

The mission of the Workforce Housing Coalition of the Greater Seacoast is to ensure the development of a range of housing options for the diverse workforce in the communities it serves.

The coalition's strategy is to be a catalyst through creating, sustaining, and nurturing a unity of business, government, and community groups. Through education, advocacy, and community engagement, the WHC communicates the importance of diversified, accessible, and quality housing. WHC strives to bring parties together to ensure that the professional workforce is able to live in the community where they work. Since its inception in 2001, the WHC has continued to serve 54 communities in New Hampshire and Maine and has helped more than two dozen communities improve their housing regulations.

WHC envisions an adequate supply of affordable, desirable housing throughout the greater Seacoast region, providing opportunities for area workers to put down roots, thus creating a more diverse community that benefits us all.

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



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



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## Contributors

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