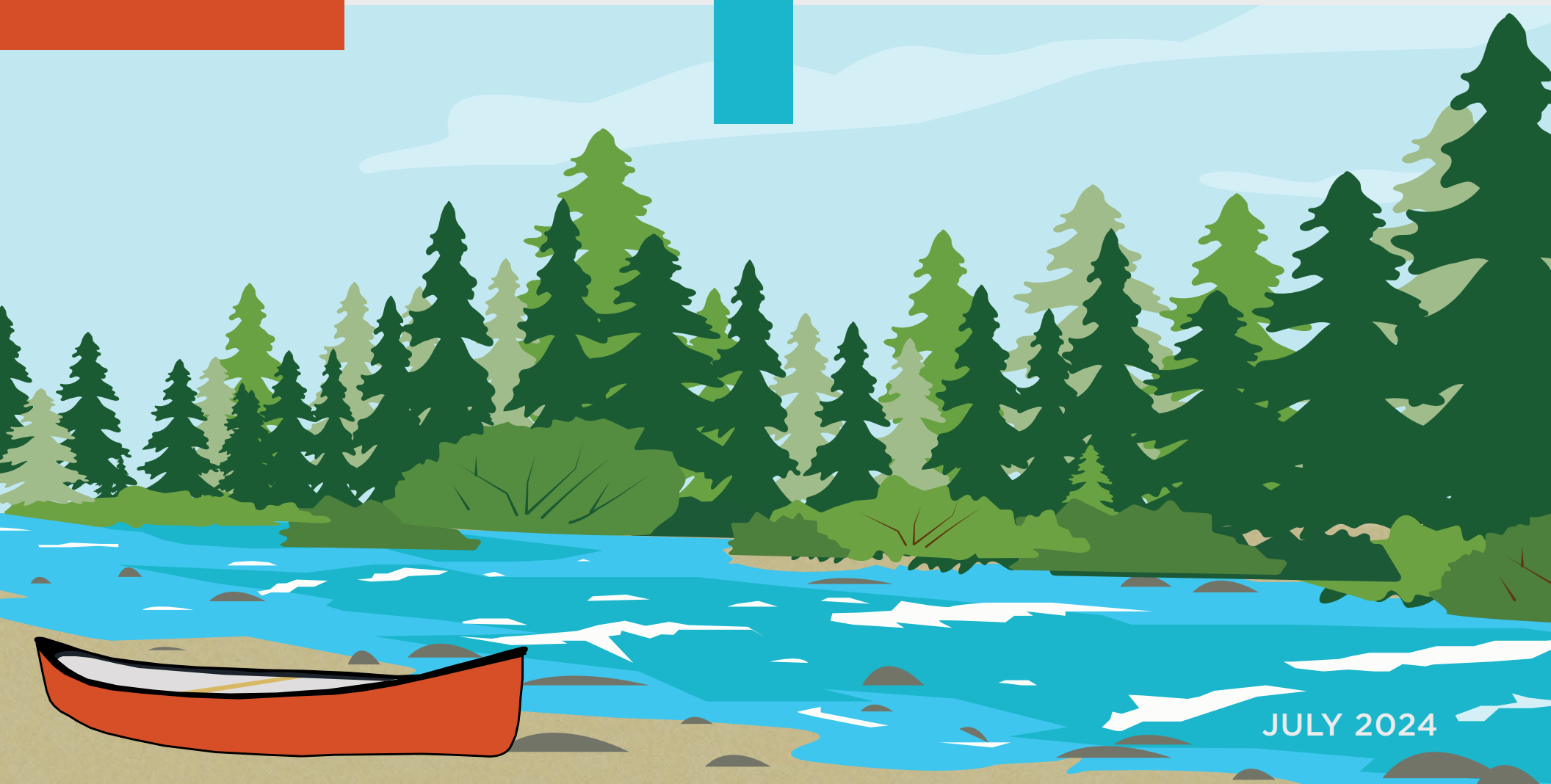
CONWAY FORWARD

FOLLOW UP REPORT: HOUSING & COMMUNITY DEVELOPMENT OPPORTUNITIES



JULY 2024

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ADDITIONAL REFERENCES

Conway Forward Master Plan:
https://storymaps.arcgis.com/stories/a5c241a7a6824d55838125629809af7e

About This Report

In April 2024, the Town of Conway, NH Planning Board completed a major update of the Town Master Plan - the first in 20 years. The plan, titled *Conway Forward*, details the primary planning needs, issues, and opportunities that the Town should tackle over the next ten years. Following significant research and public engagement, the plan identified the Town's land use regulations (such as zoning) as a significant issue that have contributed to a lack of housing options for different incomes as well as undesired commercial development. **The Master Plan establishes a mandate for action on these issues.**

This report is a follow-up to the Town Master Plan that lays out the roles that the Town can play in addressing housing needs and promoting development that is in the interest of the community. This report primarily focuses on **housing needs** but also includes strategies and considerations for other land use challenges, such as **commercial development**, that will need to be addressed through the process of regulatory changes.

While this report was prepared in close collaboration with Town staff and a resident steering committee, it does not represent a final decision or action taken by the Town. Rather, **this report describes how the Town can put the Master Plan into action**, including changes to site plan regulations that can be taken up by the Planning Board and proposed zoning changes that can be considered by Town voters.

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THE BOTTOM LINE

- **Conway has a serious housing challenge.** Many Conway residents struggle to afford their rent, and homeownership is increasingly out of reach for low- and moderate-income households. In addition to common housing market challenges, Conway faces additional pressures typical of "mountain gateway" communities, including strong interest from prospective residents and second-home owners.
- **The Town of Conway is a key player in addressing local housing needs.** The Town regulates the development of new homes through zoning, site plan, and subdivision regulations, and manages critical infrastructure that serves homes and businesses (roads, sidewalks, water and wastewater systems).
- **However, Town government lacks access to key tools and resources that other mountain gateway communities use to address housing needs.** Mountain towns in Colorado, for example, are enabled to levy special taxes on commercial developments, hotel stays, and vacation rentals to fund the creation of affordable housing for locals. New Hampshire municipalities are not enabled to use these tools under state law. It is critical that the Town take action using the tools that ARE available to it, including land use regulations, infrastructure policy, and strategic long-term planning.
- **Conway's zoning ordinance needs major revisions to support the creation of needed homes and better regulate commercial development.** Current zoning standards fall short or are mismatched with Town Master Plan goals for creation of new homes (including affordable homes) and location and scale of commercial development.
- **Strategic long-term planning will need to continue.** Revising zoning regulations will be a multi-year, multi-phase process involving significant public input and multiple Town Meeting votes. This process will need to inform (and be informed by) long-term planning for water and wastewater infrastructure, transportation infrastructure, and other community development needs.

GUIDING PRINCIPLES



HOMES FOR RESIDENTS.

Creation of new homes in Conway should focus on long-term residences that address local needs for housing types and affordability.



ZONING REGULATES DEVELOPMENT, NOT INFRASTRUCTURE.

While public water and wastewater infrastructure is needed for certain forms of development, the zoning code should ultimately control the type, scale, and density of land uses that are permitted in different areas of Conway.



WE'RE ALL IN THIS TOGETHER.

Improving housing options is a community effort aimed at addressing community needs. Changes to the Town zoning ordinance will need to be approved by Town voters. Residents should have ample opportunity to weigh in on proposed zoning changes before they are put on the ballot.

CORE RECOMMENDATIONS

REVISE THE TOWN ZONING ORDINANCE THROUGH A PHASED PROCESS.

The *Conway Forward Master Plan* is clear: the zoning ordinance is not serving the needs of the community and is misaligned with community development goals.

A three-phase process would include initial minor updates, followed by a more comprehensive overhaul of zoning district boundaries and standards. This first phase of rezoning would target more developed areas of Conway along NH Route 16 and US Route 302, while the second phase would focus on more rural areas. This rezoning process is based on the Future Land Use Map presented in the Master Plan.

PHASE	TARGET COMPLETION DATE*
Short-Term Regulation Updates	Town Meeting 2025
Phase 1 Rezoning	Town Meeting 2026
Phase 2 Rezoning	Town Meeting 2027

**Rezoning is a complex and iterative process requiring extensive coordination with the Town Planning Board, consultation with legal experts, public input, and voter approval at Town Meeting. These target dates represent an aggressive but achievable timeframe for pursuing zoning changes. Accordingly, these dates should be considered a goal, not a deadline.*

CONSIDER CHANGES TO OTHER LAND USE REGULATIONS AND POLICIES IN ALIGNMENT WITH THE TOWN ZONING ORDINANCE.

The Town's subdivision and site plan regulations should effectively complement zoning districts and associated standards. The Town should also consider additional policy tools, such as impact fees, walkability standards, and viewshed protections that support desired housing and community development outcomes.

THE TOWN'S 3 ROLES

REGULATOR (PAGES 8-31)

The Town of Conway has most control over housing and community development as a regulator of land use and future development. The Town regulates the development of housing by private and non-profit developers through zoning, subdivision, and site plan regulations. The Town may revise these regulations to incentivise, permit, or limit certain types of future development In accordance with the Future Land Use Map included in the *Conway Forward Master Plan.* ***This report primarily focuses on regulatory strategies.***

FACILITATOR (PAGE 32)

The Town of Conway (along with local precincts) maintains infrastructure that is a necessary component of future development. This includes transportation infrastructure (roads, sidewalks) as well as public water and sewer infrastructure. This infrastructure facilitates access to developments and helps protect drinking water aquifers. For developers of affordable housing, access to public water and sewer is often necessary to ensure the financial feasibility of proposed developments.

COLLABORATOR (PAGE 33)

Town staff and boards can also serve in a collaborative role with housing development partners. This includes continued engagement with regional and state housing partners like the MWVHC and New Hampshire Housing Finance Authority (NHHFA), assisting local and affordable housing developers with navigating local regulatory approval processes, and pursuing state funding that can help finance affordable housing.

Defining Conway's Housing Challenge

In the 2024 *Conway Forward Master Plan* process, residents were asked to provide input on the greatest challenges facing Conway. Residents consistently identified housing as a top concern, citing issues such as a lack of homes for low-income and middle-income residents, rising rents and costs, and difficulties sustaining a workforce due to housing shortages.

The following section provides an overview of key data points related to Conway's housing supply and population and summarizes relevant recommendations from the 2024 Conway Forward Master Plan to address housing issues.

WHAT THE DATA TELLS US

DEMOGRAPHIC OVERVIEW

- Population: 9,981 (ACS 2022)
- Conway's population makes up about 20% of that of Carroll County (ACS 2017-2021)
- Conway's median age is 48.3 years, compared to 53.8 in Carroll County (ACS 2022)
- 95.7% of Conway's population is white (ACS 2022)
- Conway's average household size is 2.09, compared to 2.58 statewide (2020 Census).
- Conway has 6,810 housing units (ACS 2022)
- Over 25% of workers who work in Conway commute from over 50 miles away (ACS 2022).
- In 2021, there were estimated to be at least 500 short-term rentals in Conway, equivalent to about 10% of the single-family homes in Conway.

TAKEAWAY 1: CONWAY'S POPULATION IS EXPECTED TO AGE AND GROW SLIGHTLY

- As shown in Figure 1 (see next page), Conway's population is expected to modestly grow in the coming years, reaching a peak of 10,775 year-round residents in 2035. This means that if the Town does not take steps to provide additional housing units, the housing shortage and affordability pressures will likely increase.
- According to decennial Census data, the median age in Conway increased from 44.5 years to 48.3 years between 2010 and 2020, consistent with broader trends in New Hampshire and northern New England. An aging population has implications for housing needs, including accessibility requirements and a preference for smaller, easy-to-maintain homes.

KEY TERMS

Efforts to expand housing opportunities often focus in one or more of the following areas: **affordable** housing, **workforce** housing, and/or **attainable** housing. The following definitions for those terms were provided in the *Conway Forward Master Plan:*

AFFORDABLE HOUSING: For this report, the term "affordable housing" is used to describe housing where rents are offered at rates that are affordable for individuals and families with low and moderate incomes, including units where some form of subsidy is applied to reduce rents below current market rates as well as "naturally affordable" units where no subsidy is applied.

WORKFORCE HOUSING: Workforce housing is a term defined by the State of New Hampshire under NH RSA 674:58 to refer to housing that is affordable (i.e., spending no more than 30% of income) for a renter family of three making 60% of the area median income or an owner family of four making 100% of the area median income.

ATTAINABLE HOUSING: Attainable housing refers to housing that is affordable or generally accessible to residents with moderate incomes.

TAKEAWAY 2: CONWAY'S HOUSEHOLDS ARE SMALL AND GETTING SMALLER

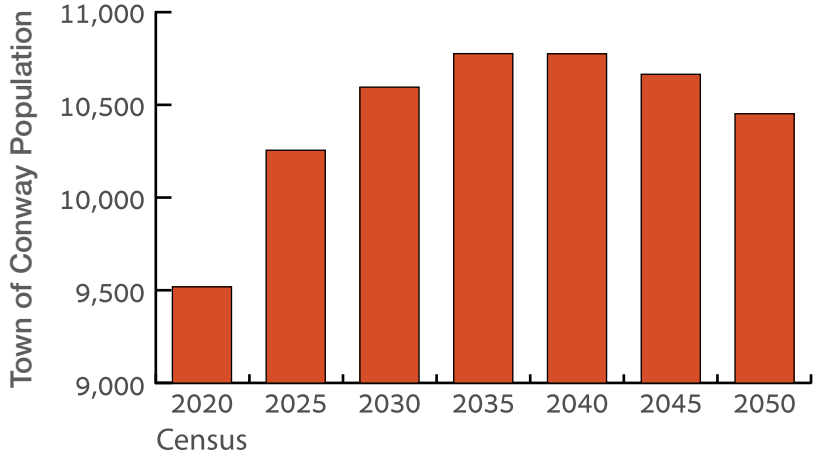
- Conway's median household size has been shrinking for households that rent as well as those that own their home. Conway saw a steeper decline in household size (-15%) between 2000 and 2020 compared to Carroll County (-10.9%) and New Hampshire as a whole (-1.5%). Shrinking household sizes are typical in areas with aging populations, which typically have a higher percentage of "empty nester" households.
- Smaller median household sizes mean that a greater number of housing units are needed for the resident population. For example, a town of 10,000 residents with a median household size of 4 people/household would need approximately half as many housing units as a town of 10,000 residents with a median household size of 2 people/household.

TAKEAWAY 3: CONWAY'S HOUSING COSTS ARE HIGH RELATIVE TO INCOMES

- 32% of owner-occupied households in Conway are cost-burdened, meaning that their housing costs exceed the recommended threshold of 30% of their income. Over 50% of renters in Conway are cost-burdened.
- There is a greater percentage of homeowners and renters that are cost-burdened in Conway than in Carroll County or the State of New Hampshire overall.

POPULATION GROWTH

Conway's year-round population is projected to continue to increase for at least another decade before leveling off. Source: North Country Council Regional Housing Needs Assessment



	Median Household Size (# people)		
Household Type	**Town of Conway**	**Carroll County**	**New Hampshire**
Owner occupied, 2020	2.09	2.2	2.58
Owner occupied, 2010	2.42	2.41	2.7
Owner occupied, 2000	2.46	2.47	2.62
% Change, 2000 - 2020	*-15.0%*	*-10.9%*	*-1.5%*
Renter occupied, 2020	1.84	1.98	2.09
Renter occupied, 2010	1.95	1.97	2.11
Renter occupied, 2000	1.99	2.15	2.14
% Change, 2000 - 2020	*-7.5%*	*-7.9%*	*-2.3%*

Source: US Decennial Census, US Census Bureau American Communities Survey 5-Year Estimates

	Town of Conway		Carroll County		State of NH	
	Owner-Occupied Units	**Renter-Occupied Units**	**Owner-Occupied Units**	**Renter-Occupied Units**	**Owner-Occupied Units**	**Renter-Occupied Units**
Median Household Income	$77,686	$35,424	$78,144	$42,615	$101,686	$48,480
Median Monthly Housing Costs	$943	$978	$1,129	$979	$1,603	$1,212
% of Households that are Cost-Burdened*	32.0%	50.6%	27.4%	41.7%	24.8%	43.9%

Source: US Census Bureau American Communities Survey 5-Year Estimates 2017-2021

TAKEAWAY 4: THERE IS A DOCUMENTED NEED FOR MORE LONG-TERM RENTALS AND OWNER-OCCUPIED HOUSING IN CONWAY

- Under three-quarters (70%) of housing units in Conway are occupied by year-round residents. Due to Conway's proximity to recreational opportunities and scenic areas, there is high demand for second homes. This leads to more vacant homes. The Mount Washington Valley Housing Coalition reports that nearly 40% of units in the Mount Washington Valley are second homes.
- The 2023 *North Country Council Regional Housing Needs Assessment* estimates a total need of 238 additional housing units by 2025 and 575 units by 2040 to improve long-term housing market stability. There is a need for both rental and owner-occupied units at a variety of income levels. The need for additional rental units is underscored by Conway's low rental vacancy rate, which is currently estimated at 1 to 2%.

TAKEAWAY 5: CONWAY'S CURRENT ZONING RESTRICTS DIFFERENT HOUSING TYPES & EFFECTIVELY LIMITS AFFORDABLE HOUSING

- Conway's current zoning ordinance was last amended in 2013. The 2024 Master Plan update recommends substantial revisions to the zoning ordinance. The current ordinance establishes 12 primary zoning districts and 5 overlay districts. The purpose of the overlay districts is to steward Conway's natural resources, including floodplains, shorelines, wetlands, waters, and groundwater. The Town also adopted an Affordable Housing ordinance in 2020. This ordinance provides several incentives for the construction of affordable housing, including density bonuses, provisions for cluster housing, and various standards for affordable units. The Planning Board is currently working on several amendments to the Town code that would facilitate affordable housing development.

HOMEOWNERSHIP IS INCREASINGLY OUT OF REACH FOR MANY

- According to data from the NH Association of Realtors, the median sales price of a single-family home in Conway has increased from just over $200,000 in 2017 to nearly $500,000 in 2024.
- Median household income in Conway is $58,371, compared to $83,449 statewide and $70,784 nationally.
- 13% of Conway residents live below the poverty line, compared to 7.2% statewide and 11.6% nationwide

Total Housing Units – Conway, NH	Units	%
Occupied Units	4,552	69.7%
Vacant Units (including seasonal homes and vacation/short-term rental units)*	1,979	30.3%
Total Units	*6,531*	*100%*

Source: US Census Bureau Decennial Census, 2020
**A unit is considered vacant if no one is residing there at the time of visit by the Census worker; therefore, vacant unit data will include both temporary vacancies as well as seasonal homes and vacation rentals.*

ADDITIONAL HOUSING UNITS NEEDED - CONWAY, NH HOUSING MARKET

Timeframe	Total Units	Owner-Occupied Units			Long-Term Rental Units		
		Total	Below 100% Area Median Income	Above 100% Area Median Income	Total	Below 60% Area Median Income	Above 60% Area Median Income
Short-Term (by 2025)*	238	163	83	79	79	25	51
Long-Term (by 2040)**	575	384	196	188	191	58	134

Source: 2023 North Country Council Regional Housing Needs Assessment
**Projected number of housing units needed to achieve healthy vacancy rate by 2025*
***Projected number of housing unit needed to ensure long-term market stability*

TAKEAWAY 5: CONWAY'S CURRENT ZONING RESTRICTS DIFFERENT HOUSING TYPES & EFFECTIVELY LIMITS AFFORDABLE HOUSING (CONTINUED)

Key land use regulation challenges include:

- There has been significant development activity in rural areas of Conway. 69% of all housing units in Conway are located in Residential-Agricultural zoning district, despite a lack of public water and sewer infrastructure. Creating new housing in already-developed areas of town is difficult, partially due to zoning requirements.
- All multifamily housing (>2 units) is treated the same (e.g., an area that might be suitable for a triplex apartment building does not allow it because a triplex and a 50-unit apartment building are grouped into one category of "multifamily").
- Zoning code incentives for adding affordable units into housing development projects are not being taken advantage of by developers.
- There is a need for better alignment between zoning districts and water/wastewater infrastructure.

The Role of the Master Plan

The *Conway Forward Master Plan*, adopted in April 2024, is a long-range plan for Conway that is intended to guide community development for the next 10 years. The plan contains a variety of recommendations that pertain to land use and housing in Conway. In particular, the plan contains two **Catalyst Projects** that represent the top initiatives of the plan.

CATALYST PROJECT #1: UPDATE CONWAY'S ZONING & LAND USE REGULATIONS

This project consists of recommendations to align zoning and land use regulations with the community's desired vision for Conway. Key recommendations include shrinking the Highway Commercial Zone to limit large-scale development outside of the Settler's Green/strip area and adding new zoning districts for Conway's villages and adjacent areas to help match the current character and desired intensity of new development.

CATALYST PROJECT #2: LONG-TERM WATER & WASTEWATER SYSTEM IMPROVEMENT PLAN

This project identifies a need to create a long-term water and wastewater system improvement plan to ensure that current and future development in Conway safeguards the town's pristine water supply. This plan and the associated improvements to water and wastewater infrastructure will be critical for the development of affordable housing in Conway; water and wastewater infrastructure is integral to housing development that is affordable and protects natural resources.

KEY MASTER PLAN STRATEGIES TO MOVE FORWARD ON HOUSING

The Conway Forward Master Plan offers extensive guidance on future housing and land use in Conway. The plan offers the following vision for housing in Conway: Living in Conway should be affordable and attainable for residents of different income levels; a reliable supply of quality housing helps support and retain Conway's community.

HOUSING GOALS IN THE MASTER PLAN

- Expanding housing supply in water & wastewater service areas
- Reducing zoning-related barriers to affordable and attainable housing
- Increasing affordable housing through a multi-faceted strategy
- Thoughtful management of short-term rentals

RELEVANT MASTER PLAN RECOMMENDATIONS TO IMPROVE LONG-TERM HOUSING AVAILABILITY AND AFFORDABILITY

- A-1.1: Align Conway's residential and commercial zoning districts with current and future water/wastewater service areas.
- A-1.2: Evaluate opportunities to provide water/wastewater service to all village areas within Conway.
- A-2.1: Ensure that multi-family housing and duplexes are allowed and supported in the town land use code.
- A-2.2: Amend cluster housing regulations to include stronger affordable and attainable housing incentives in Conway.

THE TOWN MASTER PLAN - KEY TAKEAWAYS & RECOMMENDATIONS

- A-2.3: Allow detached and attached accessory dwelling units (ADUs) and provide specific direction on where they can be constructed.
- A-3.1: In collaboration with the Mount Washington Valley Housing Coalition and other regional partners, explicitly encourage affordable housing through outreach to affordable housing developers.
- A-3.2: Make refinements to the affordable housing density bonus program to reduce the lot size needed to access the incentive.
- A-3.3: Create additional capacity with the planning and zoning department to spearhead local housing initiatives and pursue grant funding.
- A-3.4: Ensure that Conway's land use code supports a spectrum of housing options that can help lift residents out of homelessness and housing insecurity.
- A-4.2: Zone short-term rentals as a specific type of use and consider limiting them to certain zoning districts as a conditional use. Consider instituting requirements for a conditional use permit, including payment of fees for local review and abutter notification, as well as certification that the structure has passed building and fire code inspections.*

**This is an area of evolving case law.*

FUTURE LAND USE MAP

The *Conway Forward Master Plan* includes a Future Land Use Map (FLUM). The FLUM is a guide for how the Town of Conway should regulate future development to achieve community goals, including thoughtful limits on large-scale commercial development and priority areas for the creation of new homes. To achieve the vision offered by this FLUM, the Town will need to update zoning, subdivision, and site plan regulations accordingly. See p. 15 and p. 21-22 for descriptions of areas depicted on the FLUM.



RELEVANT MASTER PLAN RECOMMENDATIONS TO THOUGHTFULLY MANAGE COMMERCIAL DEVELOPMENT

- B-1.4: Consider leveraging impact fees on future large-scale commercial developments and hotels to help fund improvements and/or expansion of the town water and sewer infrastructure and/or other infrastructure improvements needed to enable multifamily housing development.
- B-2.1: Through reductions to minimum lot size requirements, allow and encourage small-scale commercial and mixed-use buildings that align with the historical patterns of Conway's villages.
- B-2.2: Consider moving to parking maximums and adopting shared parking standards to encourage the efficient use of land, particularly in village and commercial areas.
- B-2.3: Revise zoning to allow and promote mixed-use infill development to permit large-scale residential development in and around the settler's green area.

RELEVANT MASTER PLAN RECOMMENDATIONS TO PROMOTE A LOCAL ECONOMY THAT WORKS FOR CONWAY

- C-3.1: Support efforts to provide technical assistance to help interested local employers navigate the process of providing housing for employees.

RELEVANT MASTER PLAN RECOMMENDATIONS FOR STEWARDING NATURAL RESOURCES & OPEN SPACES

- D-1.3: Consider expanding municipal water systems to reduce reliance on private wells and community water systems.
- D-1.11: Enable and encourage infill development in village and commercial areas to reduce development pressure in more ecologically sensitive areas.
- D-1.12: Consider amending the Town's cluster housing development provisions using "conservation subdivision" standards where a minimum percentage of the subdivided areas is set aside for conservation.

ROLES OF THE TOWN OF CONWAY IN ADDRESSING HOUSING & COMMUNITY DEVELOPMENT NEEDS

Based on the recommendations of the *Conway Forward Master Plan*, the Town of Conway will play three primary roles in addressing local housing and community development needs: **Regulator**, **Facilitator**, and **Collaborator**. The following sections of this report lay out short-term and long-term approaches that the Town can follow within these roles.

REGULATOR (PAGES 8-31)

The Town of Conway has most control over housing and community development as a regulator of land use and future development. The Town regulates the development of housing by private and non-profit developers through zoning, subdivision, and site plan regulations. The Town may revise these regulations to incentivise, permit, or limit certain types of future development In accordance with the Future Land Use Map included in the *Conway Forward Master Plan.* ***The remainder of this report primarily focuses on regulatory strategies.***

FACILITATOR (PAGE 32)

The Town of Conway (along with local precincts) maintains infrastructure that is a necessary component of future development. This includes transportation infrastructure (roads, sidewalks) as well as public water and sewer infrastructure. This infrastructure facilitates access to developments and helps protect drinking water aquifers. For developers of affordable housing, access to public water and sewer is often necessary to ensure the financial feasibility of proposed developments.

COLLABORATOR (PAGE 33)

Town staff and boards can also serve in a collaborative role with housing development partners. This includes continued engagement with regional and state housing partners like the MWVHC and New Hampshire Housing Finance Authority (NHHFA), assisting local and affordable housing developers with navigating local regulatory approval processes, and pursuing state funding that can help finance affordable housing.

A Strategic Framework for Land Use Regulations

The Conway Forward Master Plan provides a clear mandate for a major update of the Town's land use regulations to address housing needs and other community development goals, such as thoughtful management of commercial development and environmental protection. Overhauling land use regulations is a major initiative that will require careful execution and extensive coordination and engagement. It is important that the Town establish a strategic framework for pursuing needed regulatory changes that address housing needs as well as other community development issues (e.g., commercial development, land conservation) that are subject to regulation.

This section presents a strategic framework that can guide this next phase of regulatory updates as it relates to the following Town land use regulations:

- The **zoning ordinance**, which regulates the type, scale, and general form of development that is permitted in different areas of town.
- **Subdivision regulations**, which regulate how parcels of land may be divided up to facilitate orderly development.
- **Site plan regulations**, which establish standards and requirements for the layout of developed sites, including vehicular and pedestrian access, landscaping, and building orientations.

Over the past 18 months, the Town of Conway has been engaged in a variety of land use regulation efforts, including the following initiatives:

Master Plan Update. Under New Hampshire law, the Town Master Plan provides the legal and strategic basis for adopting and updating zoning regulations. In fall 2022, the Conway Planning Board began work on an updated town Master Plan. The plan, titled *Conway Forward*, identifies many land use regulation challenges faced by the community, including a lack of attainable and affordable housing and concerns over the scale and pace of commercial development in recent years. The plan presents a variety of strategies in response to these challenges, including a Future Land Use Map depicting how the Town can regulate future development in ways that are in line with community goals and desires. The Planning Board adopted the new *Conway Forward Master Plan* in April 2024.

Moratorium on Large-Scale Commercial Development. In April 2023, Conway voters approved a Planning Board warrant article to enact a one-year moratorium on new commercial structures over 50,000 square feet in size. In proposing the moratorium, the Planning Board cited the need to update the Town's Master Plan in order to establish a legal basis for needed changes to land use regulations (along with addressing other critical planning needs, such as housing, infrastructure, and conservation). Voters approved a one-year extension to the moratorium in April 2024. Legally, the moratorium cannot be extended again.

InvestNH Phase 2 Housing Opportunity Planning (HOP) Grant. In fall 2023, the Town was awarded $50,000 from the InvestNH Municipal Planning & Zoning Grant program to support a detailed review of housing-related land use regulations and policies as a follow up to the updated Town Master Plan. This grant funding supported the development of this report.

InvestNH Phase 3 HOP Grant (upcoming initiative). In May 2024, the Town was awarded funds from the InvestNH Municipal Planning & Zoning Grant program to support a major overhaul of the Town's zoning ordinance and other housing initiatives. Work is anticipated to begin in summer 2024.

MOVING FORWARD ON LAND USE REGULATIONS - RECENT PROGRESS

STRATEGIC FRAMEWORK OVERVIEW

The proposed strategic framework for updating land use regulations is based on the Future Land Use Map (FLUM) presented in the *Conway Forward Master Plan*. As described in the Master Plan:

"The FLUM is NOT an official zoning ordinance or map; rather, it shows where future development of different types, forms, and intensities is desired in different areas of town. The FLUM is a guide for how the Town of Conway should regulate future development to achieve community goals, including thoughtful limits on large-scale commercial development and priority areas for the creation of new homes. The identified areas on this map seek to establish an improved balance of housing, commercial development, and natural resource conservation within the Town of Conway. To achieve the vision offered by this FLUM, the Town will need to update zoning, subdivision, and site plan regulations accordingly. This map also highlights areas for consideration as historic/heritage districts, such as Redstone."

The strategic framework proposed here divides FLUM-supported zoning changes into three phases:

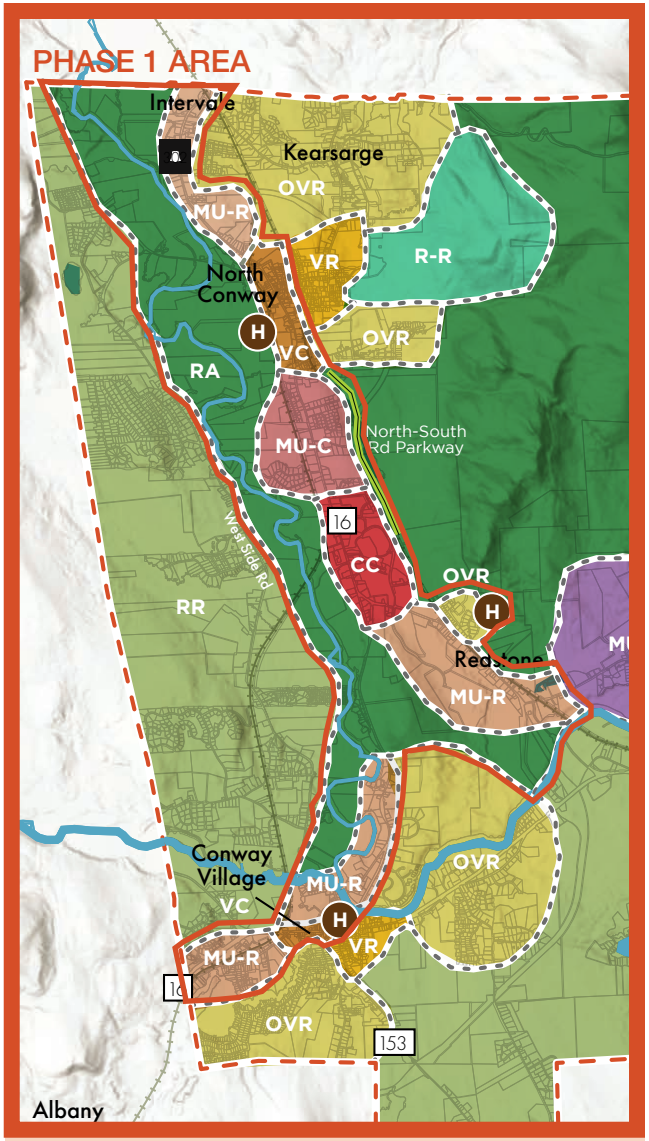
- **Short-Term Regulation Updates:** minor revisions to the zoning code that help address housing needs and manage commercial development in the short-term. These short-term revisions would not include significant changes to zoning district boundaries.
- **Phase 1 Rezoning - Central Corridors:** revise zoning district boundaries and standards in the most intensely developed areas along NH Route 16 and US Route 302 in Conway.
- **Phase 2 Rezoning – Outer Districts:** revise zoning districts and standards in the remaining areas of Conway.

The strategic framework also includes additional strategies for updating subdivision and site plan regulations. Changes to zoning district-specific boundaries and standards would be accompanied by updates to additional zoning standards and definitions that would apply across all districts.

PHASE	TARGET COMPLETION DATE*
Short-Term Regulation Updates	Town Meeting 2025
Phase 1 Rezoning	Town Meeting 2026
Phase 2 Rezoning	Town Meeting 2027

Rezoning is a complex and iterative process requiring extensive coordination with the Town Planning Board, consultation with legal experts, public input, and voter approval at Town Meeting. These target dates represent an aggressive but achievable timeframe for pursuing zoning changes. Accordingly, these dates should be considered a goal, not a deadline.





PHASED REZONING

See p. 14 - 18 of the Conway Forward Master Plan for more details about the Future Land Use Map.

Short-Term Land Use Regulation Updates

Target Date: Town Meeting 2025

Following the completion of the Conway Forward Master Plan in 2024, the Town is eager to move forward with zoning changes that can help address housing needs and better manage commercial development. The following short-term strategies could be pursued for voter approval at Town Meeting 2025 while longer-term rezoning efforts are underway.

1. MODEST INCREASES IN DENSITY STANDARDS FOR MULTI-FAMILY HOUSING (BOTH MARKET-RATE & AFFORDABLE)

Current Standards:

- To permit multi-family housing, a lot must meet the zoning districts' minimum lot size requirement (e.g., ½-acre in the Highway Commercial zone) plus 10,000 square feet for each additional dwelling unit in areas served by public water and sewer.
- A special exception can be granted for the conversion of older homes into small multi-unit structures (up to four dwelling units).
- In Village Commercial and Highway Commercial districts, a special exception can be granted to allow up to 12 units per acre, provided that at least 25% of the units are designated as full-time residences.

Proposed Revisions:

- To gently increase residential density and reduce the number of multi-family housing developments that must go through a special exception process, the minimum lot size standard should be revised for lots that are connected to public water and sewer in Village Residential, Village Commercial, and Highway Commercial zones:
- The overall minimum lot size should be removed from the dwelling unit calculation.
- Residential density should be regulated using a sliding scale of review using following tables.

Proposed Multi-Family Housing Density Standards – Village Commercial & Highway Commercial Zones

MAX DWELLING UNITS/ACRE	MINIMUM LOT SIZE	INCENTIVES & REQUIREMENTS	PERMISSIONS
5 units/acre	10,000 sq ft	Minor site plan review	Permitted use
8 units/acre	10,000 sq ft	Full site plan review	Conditionally permitted use
14 units/acre	10,000 sq ft	Full site plan review 30% of units set aside for long-term occupancy	Conditionally permitted use
18 units/acre	0.5 acre	Full site plan review 30% of units set aside for long-term occupancy; at least 50% of which must be affordable (i.e., at least 15% of total units)*	Conditionally permitted use

If the proposed development involves the **redevelopment of an existing structure** (including formerly residential, commercial, industrial, and/or civic structures) into multi-family housing, the proposed development may be conditionally permitted to include up to 18 units/acre. For conditional approval, the following conditions should be met:

- Development must not increase the existing impervious site coverage by more than 10%.
- There should be minimal changes to the building exterior other than those needed to meet applicable building codes and for building functionality.
- Applicant must set aside at least 30% of units for long-term occupancy OR meet the 15% affordability requirement.
- Parking and green space requirements are met without the need for significant waivers.

Proposed Multi-Family Housing Density Standards – Village Residential Zones

MAX DWELLING UNITS/ACRE	MINIMUM LOT SIZE	INCENTIVES & REQUIREMENTS	PERMISSIONS
5 units/acre	10,000 sq ft	Minor site plan review	Permitted use
8 units/acre	10,000 sq ft	Full site plan review	Conditionally permitted use
12 units/acre	10,000 sq ft	Full site plan review 30% of units set aside for long-term occupancy OR 15% of units must be affordable.	Conditionally permitted use

If the proposed development involves the **redevelopment of an existing structure** (including formerly residential, commercial, industrial, and/or civic structures) into multi-family housing, the proposed development may be conditionally permitted to include up to 12 units/acre. For conditional approval, the following conditions should be met:

- Development must not increase the existing impervious site coverage by more than 10%.
- There should be minimal changes to the building exterior other than those needed to meet building codes and for building functionality.
- Applicant must set aside at least 30% of units for long-term occupancy OR meet the 15% affordability requirement.
- Parking and green space requirements are met without the need for significant waivers.

In Practice:

- Under the current code, an owner of a one-acre lot in a Village Residential area with water and sewer access could construct a triplex as a permitted use, provided all standards are met. Under the proposed changes, the property owner could build an eight-unit development on this one-acre lot as a conditionally permitted use, or a 12-unit development as conditionally-permitted use if some units are set aside for long-term residency and/or rented at an affordable rate.
- Under the current code, an owner of a one-acre lot in a Village Commercial area with water and sewer access could construct a triplex as a permitted use or apply for a special exception to build a 12-unit multi-family development, provided all standards are met. Under the proposed changes, the property owner could build an eight-unit development on this one-acre lot as a conditionally permitted use or an 18-unit development as conditionally-permitted use if some units are set aside for long-term residency and rented at an affordable rate.

2. ADDRESS THE UNDERPERFORMING AFFORDABLE HOUSING ORDINANCE

Current Standards:

- The Town's Affordable Housing chapter of the zoning code includes **inclusionary zoning** provisions, where a voluntary incentive or benefit is included in the zoning code as a mechanism for encouraging the development of below-market-rate housing.
- The current code offers a density bonus to developments that contain at least 25% affordable units. For lots with public water and sewer access, the minimum lot size is reduced to ¼-acre from ½-acre and the square footage required for each additional dwelling unit is reduced to 5,000 square feet from 10,000 square feet.
- The current code permits a second accessory dwelling unit (ADU) on a single-family home lot if the second ADU is rented at an affordable (below market rate) price.
- The Affordable Housing chapter also offers density bonuses (1/4-acre minimum lot size; 5,000 square feet for each additional dwelling unit) for development of clustered market-rate housing, provided that all constructed housing is for long-term, primary residency. The provisions are focused on multi-family and attached dwelling units.
- While well-intentioned, there has been little interest from the development community in using these density bonuses. The Town should bolster these incentives, in addition to revising multi-family housing development regulations, per Strategy #1.

Proposed Revisions:

- The Affordable Housing chapter should be revised to include more enticing incentives for affordable housing:
  - » The required percentage of affordable units should be reduced from 25% to 15%, per the previous section. This percentage can be revised in the future based on market demand and outcomes.
  - » There should be an additional density bonus conditionally permitting developments that contain at least 75% affordable units to exceed the maximum building height by one floor to permit additional units over the typical maximum. Applicants should be strongly encouraged to engage in a conceptual review with the Planning Commission to ensure that the increased building height does not interfere with an important viewshed.
  - » The affordability requirement for a second accessory dwelling unit should be removed. A second accessory dwelling unit should be permitted as a conditional use in areas with public water and sewer access, provided that it is for long-term, primary housing.
- Cluster housing incentives for market-rate development should be revised, per Strategy #1.
- The Affordable Housing chapter should be renamed and revised to clarify that it includes incentives for both affordable and clustered market-rate housing (i.e., "Housing Incentives Chapter"). As written, the current chapter could be more clear that there are incentives for both affordable and market-rate housing development.

3. BOLSTER LONG-TERM HOUSING DEED RESTRICTIONS

Current Standards:

- The Town does not currently require new housing developments to include long-term deed restrictions, with a few exceptions:
  - » Multi-family housing that receives a special exception to construct additional units must deed restrict 25% of units.
  - » Cluster housing approved under the Affordable Housing chapter must have all units reserved for long-term primary residences.
- The benefit of long-term housing deed restrictions is ensuring that new units will contribute to the supply of long-term housing in Conway. However, deed restrictions can be a financial hurdle for developers, as it may complicate their efforts to secure external financing for new projects, particularly if they plan to retain ownership of the units.

Proposed Revision:

- Per Strategy #1, the Town should incentivize developers to use long-term deed restrictions in exchange for residential density bonuses.
- In new residential subdivisions containing greater than three lots, at least 75% of new residences should be for long-term, primary residency. In the Residential-Agricultural district, 100% of new residences should be for long-term, primary residency.
- The Town should consider alternatives to deed restrictions such as conditions on local approvals that do not impact project financing.

4. ADOPT COTTAGE COURT DEVELOPMENT STANDARDS

Current Standards:

- Cottage courts are a relatively new and increasingly popular form of development that typically entails a cluster of small attached or detached residences arranged around a central green space with a shared driveway. It is possible to permit cottage courts through typical development review processes; however, it is beneficial to establish specific standards to streamline the permitting process.

Proposed Revisions:

- Define cottage courts in the zoning ordinance.
- Develop cottage court-specific standards. These standards could include a minimum and maximum number of permitted units, a minimum lot area, specific density and lot coverage requirements, basic design standards, a requirement for a common green space, and standards for shared driveway, pedestrian, and parking facilities.

Example Codes:

- Lebanon, NH – Subdivision and Planned Development Standards
- Keene, NH – Cottage Court Overlay District



EXAMPLE COTTAGE COURT DEVELOPMENT
Courtesy: missingmiddlehousing.com

5. ESTABLISH A COMMERCIAL CORE ZONING DISTRICT

Current Standards:

- The Town currently has a "catch-all" Highway Commercial zoning district that covers the NH Route 16 "strip" as well as other sections of the NH 16 and US 302 corridor, including Intervale. Large-scale housing and commercial development is permitted through this district.

Proposed Revision:

- The Town should establish a Commercial Core zoning district in line with the Future Land Use Map where larger-scale commercial development is still permitted. This zoning district would cover the area surrounding Settler's Green.
- In the interim, this district would largely retain the standards included in the current Highway Commercial zone. Modified green space requirements for large-scale commercial development could be put in place through modifications to Site Plan regulations by the Planning Board. More prescriptive requirements for the Commercial Core zone would be identified during the Phase 1 Rezoning.
- During the Phase 1 Rezoning, the remainder of the Highway Commercial district is planned to be rezoned in line with the Future Land Use Map. In the interim, modifications to the remaining Highway Commercial district can be made to manage commercial development:
  - » Limit large-scale commercial development by restricting the size and type of proposed developments.
  - » Prohibit commercial uses over a certain square footage.
  - » Develop separate definitions for hotels, motels, and other overnight accommodations and prohibit hotel development over a certain number of beds (see below).
  - » Revise provisions for multi-family housing development, per Strategy #1.

6. DEVELOP MORE PRESCRIPTIVE REGULATIONS FOR HOTEL AND MOTEL DEVELOPMENT

Current Standards:

- The Town zoning code currently has a single definition for hotels and motels and does not define other kinds of overnight accommodations.

Proposed Revision:

- Develop individual definitions of hotel, motel, and tourist housing (i.e., bed and breakfast) based on number of rooms.
- The definition of hotel should specify a minimum number of beds (i.e., 10 beds).

7. CONSIDER RELAXING ROAD STANDARDS

Current Standards:

- The Town applies a single set of road standards to all applicable housing developments, regardless of size or type. This can be prohibitively expensive for smaller residential development projects.

Proposed Revision:

- Where appropriate, broaden the types of residential developments that can be permitted using driveway standards instead of road standards.

Phase 1 Rezoning: Central Corridors

Target Date: Town Meeting 2026

The Phase 1 rezoning area covers areas with the most intensive existing development and future commercial development pressure in Conway, largely along the NH Route 16 and US Route 302 corridors. The Route 16 corridor connects Conway Village, Settler's Green and the "strip", North Conway Village, and Intervale. It is Conway's most heavily-trafficked corridor. Land use patterns range from historic compact village centers to more recent highway commercial development to undeveloped farmland along the Saco River. The area around Settler's Green and along the Route 16 "strip" has been the focus of sprawling and large-scale commercial development in recent decades. South of Settler's Green, highway commercial development continues along US 302 towards Redstone. Nearly all of this area is served by public water and wastewater infrastructure.

CURRENT ZONING DISTRICTS

A map of Conway's current zoning districts is available at: https://conwaynh.org/wp-content/uploads/2015/10/Zoning-Districts.pdf. The Town Master Plan lists a variety of challenges with current zoning districts and standards in the Phase 1 area, including a lack of control over large-scale commercial development, difficult pathways for desired multi-family housing and village-style development. For additional detail, consult the Future Land Use Map section of the Master Plan.

TOWN-WIDE ZONING CHANGES IN PHASE 1 REZONING:

These changes would apply to all zoning districts as a means of addressing key housing needs:

- Currently, the Town zoning ordinance classifies all housing development with more than two units as "multi-family housing." Establishing additional classifications for multi-family housing can lend clarity for the scope and scale of development permitted in different zoning districts.
- The table on p.14 provides a breakdown of the scale of multi-family housing development that could be permitted or conditionally-permitted in different zones, provided that developments meet lot size and other dimensional standards. Adoption of this approach would necessitate updates to other standards, including dimensional standards and density bonuses for affordable housing and cluster housing developments.
- These standards would not apply to accessory dwelling units (ADUs).
- Alternatively, the Town may wish to adopt or tweak the interim regulatory changes proposed on p. 10 - 11 as the long-term method for regulating multi-family housing development.
- **NOTE:** larger multi-family developments typically require public water and wastewater connections for regulatory approval, environmental health, and financial feasibility. While these zoning changes will help clarify what scale of development is permitted in different areas of town, development in certain areas may not be feasible without improved water and wastewater connections and/or capacity. Consider interim language as necessary.

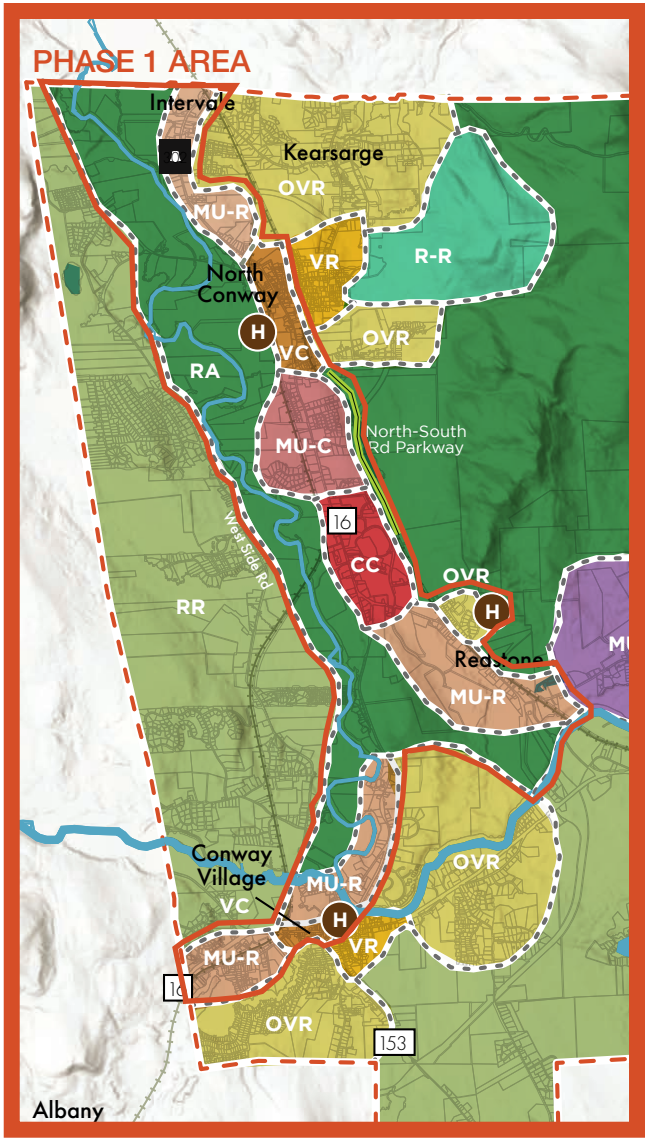
For Consideration: Permitted Scale of Multi-Family Housing Developments in FLUM Zones

FLUM DISTRICT	DUPLEX	3-5 UNIT	6-11 UNIT	12-24 UNIT	25+ UNIT
VILLAGE CORE	X	X	X	X	
COMMERCIAL CORE	X	X	X	X	X
MIXED-USE RESIDENTIAL	X	X	X	X	X
MIXED-USE COMMERCIAL	X	X	X		
MIXED-USE INDUSTRIAL	X	X	X	X	X
RECREATIONAL RESORT	X	X	X	X	
VILLAGE RESIDENTIAL	X	X	X	X	
OUTER VILLAGE RESIDENTIAL	X	X			
RURAL RESIDENTIAL	X	X			
RURAL AGRICULTURAL	X				
NEIGHBORHOOD HERITAGE (REDSTONE)	X	X			

FUTURE LAND USE MAP AREAS – PHASE 1 REZONING

New zoning districts that would be established in the Phase 1 area along NH Route 16 and US 302 are based on the following Future Land Use Map areas (descriptions from p. 14 of the *Conway Forward Master Plan*):

- **Village Core (VC):** Village Core areas embrace a compact, walkable development pattern in line with the historical development pattern in North Conway Village and Conway Village. Residential, civic, and small-scale commercial uses are emphasized, including mixed-use development.
- **Commercial Core (CC):** These areas will support larger-scale development, such as multi-family residential developments, mixed-use development, and a variety of commercial uses with a long-term emphasis on creating an improved balance of residential and commercial uses. Infill development supports a more compact, walkable development pattern.
- **Mixed-Use Residential (MU-R):** These areas encourage a better balance and integration of residential and commercial uses into a more cohesive neighborhood feel via infill development, with an emphasis on new residential and mixed-use development. Compact residential development and neighborhood-scale commercial uses are supported, as well as locally appropriate light industrial uses. These areas cover existing mixed-use neighborhoods adjacent to village core areas and existing areas of strip-style development. Walkable development patterns are encouraged and enabled by water and sewer infrastructure. Large-scale commercial development is prohibited.
- **Mixed-Use Commercial (MU-C):** These areas encourage a better balance and integration of residential and commercial uses into a more cohesive neighborhood feel via infill development, with an emphasis on new small-scale commercial and mixed-use development. Residential development is also permitted. These areas cover existing mixed-use neighborhoods adjacent to village core areas and existing areas of strip-style development. Walkable development patterns are encouraged and enabled by water and sewer infrastructure. Large-scale commercial development is prohibited.
- **Neighborhood Heritage (H):** These areas are similar historic districts but with more flexible standards. Neighborhood Heritage districts aim to conserve historically- and/or architecturally-distinctive areas that contribute to the identity of a neighborhood or community.
- **Rural Agricultural (RA):** These areas emphasize agricultural and natural resource conservation and health in areas of high conservation priority using resource-based standards and limitations on development. Larger-sized lots are carefully developed with consideration for steep slopes, soils, water resources, and forest coverage. Large-scale subdivisions of land and impervious surfaces are both limited.



PHASED REZONING

See p. 14 - 18 of the Conway Forward Master Plan for more details about the Future Land Use Map.

VILLAGE CORE (VC) AREAS – PROPOSED REZONING STRATEGIES

Target Areas	Current Zoning District(s)
North Conway Village	*Village Commercial*
Conway Village	*Highway Commercial*

Zoning Regulation Strategies for Consideration

- Consider minor, thoughtful expansions of the current Village Commercial zoning districts into areas that are currently zoned as Highway Commercial in line with the Future Land Use Map.
- Update dimensional and density standards to align zoning regulations with the historical development pattern in Village Core areas.
  - » Reduce minimum lot sizes to 1/5-acre or smaller. Make any necessary associated changes to dimensional standards (e.g., setbacks, minimum road frontage).
  - » Create a process for waiving setback requirements for proposed developments that match existing historical development patterns.
  - » Relax minimum parking requirements and encourage shared use parking. Waive parking requirements if applicants can demonstrate a suitable plan for parking alternatives. Encourage or require new parking areas to be located in the rear or side of new buildings to promote an active connection to the street.
  - » Consider minimum glazed area (i.e., windows) standards to promote an active connection to the street.
  - » Incorporate walkability standards for new development or redevelopment.
  - » Long-term: consider adopting a form-based code for North Conway Village.
  - » Define mixed-use development and create associated standards for permitting mixed-use development.
  - » Include flexible standards for adaptive reuse projects in site plan review regulations (e.g., parking, green space).
- Create pathways for locally-appropriate housing development in traditionally mixed-use Village Core areas:
  - » Remove the lot size – housing unit nexus for multi-family development and instead specify a maximum number of permitted units for future multi-family development in the district.
  - » Consider options for incentivizing development with a mix of residential and commercial uses, such as density bonuses. Alternatively, consider only permitting new multi-family residences as part of a mixed-use development.
  - » Consider permitting attached single-family residences (e.g., townhomes).
- Restrict large-scale commercial development over a certain total square footage and/or a certain building footprint square footage.
- Consider strategies for conserving the historic character of village centers, such as historic district designation and/or matching zoning district standards to the historic built pattern of the village.



VILLAGE-STYLE DEVELOPMENT

An example of village-style development along Washington Street in Conway Village. The building has a small setback from the street and an inviting glass frontage - examples of pedestrian-friendly design features. The multi-story design could accommodate a ground-floor retail use while providing upper-floor apartments.

MIXED-USE RESIDENTIAL (MU-R) AREAS – PROPOSED REZONING STRATEGIES

Target Areas
Intervale
US 302 near Redstone
NH 16 north and south of Conway Village

Current Zoning Districts
Highway Commercial
Village Commercial
Residential-Agricultural

Zoning Regulation Strategies for Consideration

- Establish new zoning districts in line with the Future Land Use Map.
- Create pathways for infill and mixed-use housing development:
  - » Reduce minimum lot sizes to 1/5-acre or smaller. Make any necessary associated changes to dimensional standards (e.g., setbacks, minimum road frontage).
  - » Relax minimum parking requirements and encourage shared use parking. Waive parking requirements if applicants can demonstrate a suitable plan for parking alternatives. Encourage or require new parking areas to be located in the rear or side of new buildings to promote an active connection to the street.
  - » Consider minimum glazed area (i.e., windows) standards to promote an active connection to the street.
  - » Incorporate walkability standards for new development or redevelopment.
  - » Define mixed-use development and create associated standards for permitting mixed-use development.
  - » Consider options for incentivizing development with a mix of residential and commercial uses, such as density bonuses.
  - » Permit cottage court developments and other forms of clustered home development.
  - » Conditionally permit a second accessory dwelling unit for single-family residences.
- Restrict commercial development over a certain total square footage and/or a certain building footprint square footage.
- Identify viewshed protection areas, such as Route 16 in Intervale.



COMPACT NEIGHBORHOODS

Thoughtful design can allow new housing to be built on a smaller footprint in walkable areas while retaining desired amenities, such as green space.



NEIGHBORHOOD-SCALE COMMERCIAL DEVELOPMENT

Smaller-scale commercial uses can be integrated into walkable neighborhoods and even combined with second-story residential units.

MIXED-USE COMMERCIAL (MU-C) AREAS – PROPOSED REZONING STRATEGIES

Target Areas
NH Route 16 "strip" south of North Conway Village and north of the Settler's Green Area

Current Zoning District(s)
Highway Commercial
Residential-Agricultural

Zoning Regulation Strategies for Consideration

- Establish a new zoning district boundary in line with the Future Land Use Map.
- Permit small-scale infill commercial development and small-scale housing development associated with commercial businesses:
  - » Reduce minimum lot sizes to 1/5-acre or smaller. Make any necessary associated changes to dimensional standards (e.g., setbacks, minimum road frontage).
  - » Relax minimum parking requirements and encourage shared use parking. Waive parking requirements if applicants can demonstrate a suitable plan for parking alternatives.
  - » Consider minimum glazed area (i.e., windows) standards to promote an active connection to the street.
  - » Incorporate walkability and bikeability standards for new development or redevelopment.
  - » Permit commercial developments to include a limited number of housing units for staff and/or general housing market availability.
- Restrict future commercial development over a certain total square footage and/or a certain building footprint square footage.
- Identify viewshed protection areas with reduced building height maximums and/or increased setback requirements.



RIGHT-SIZED COMMERCIAL & RESIDENTIAL DEVELOPMENT

Small- and medium-sized commercial uses would be permitted in MU-C areas, with intentional standards to promote aesthetic site design and flexibility to provide a limited number of on-site residences for employees and/or the general public.

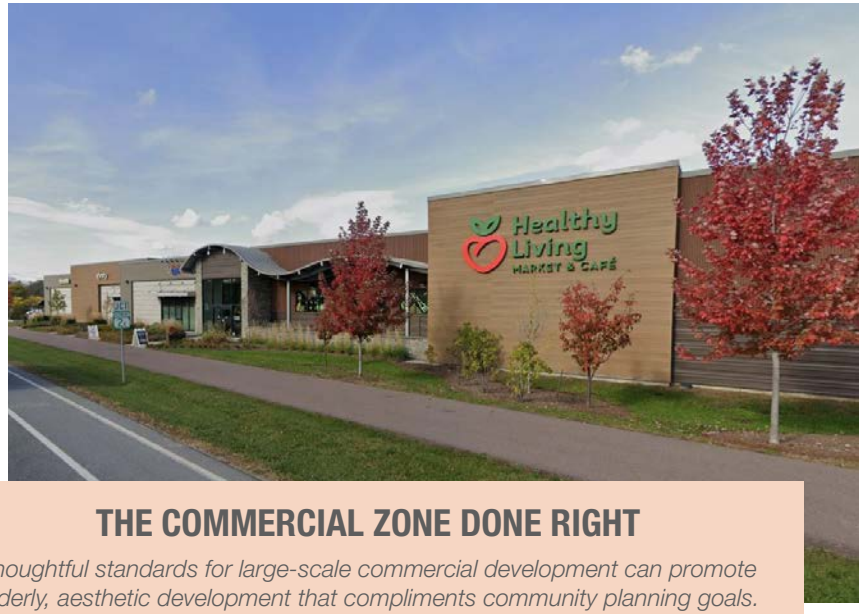
COMMERCIAL CORE (CC) AREA – PROPOSED REZONING STRATEGIES

Target Areas
Route 16 "strip" near Settler's Green

Current Zoning Districts
Highway Commercial

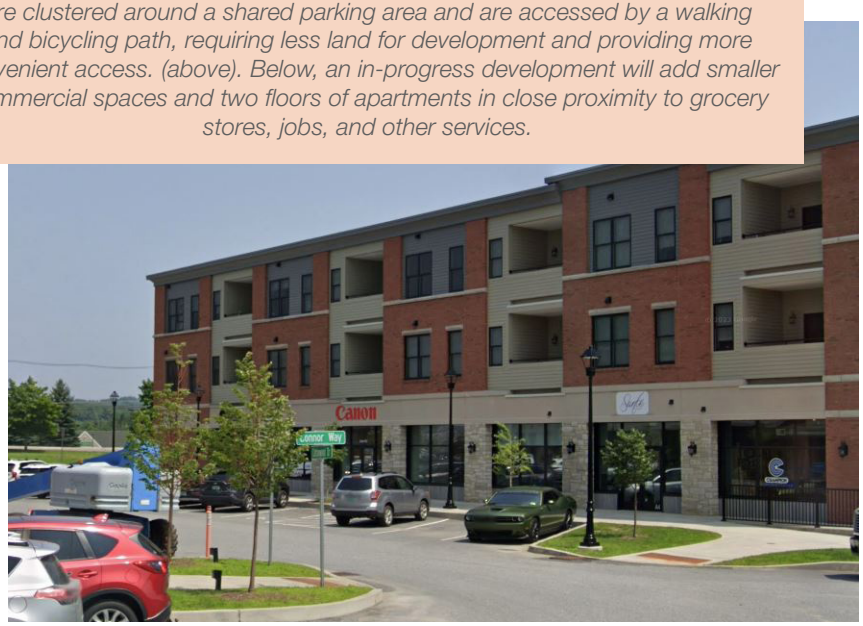
Zoning Regulation Strategies for Consideration

- Establish a zoning district boundary for the area along the Route 16 "strip" in the vicinity of Settler's Green.
- Establish thoughtful standards for the location and design of future large-scale commercial and residential development.
  - » Identify viewshed protection areas with reduced building height maximums and/or increased setback requirements.
  - » Consider making larger hotels a conditionally permitted use.
  - » Promote walkable development patterns by relaxing minimum parking standards and promoting shared use parking arrangements. Encourage or require new parking areas to be located in the rear or side of new buildings to promote an active connection to the street.
  - » Improve green space standards to encourage functional and aesthetic green space in site plans for new developments.
  - » Reduce minimum lot sizes to 1/5-acre or smaller to permit smaller-scale infill development.
  - » Define mixed-use development and create associated standards for permitting development with a mix of residential and commercial uses.
  - » Incorporate walkability and bikeability standards.



THE COMMERCIAL ZONE DONE RIGHT

Thoughtful standards for large-scale commercial development can promote orderly, aesthetic development that compliments community planning goals. In these recent examples from Williston, VT, newer commercial businesses are clustered around a shared parking area and are accessed by a walking and bicycling path, requiring less land for development and providing more convenient access. (above). Below, an in-progress development will add smaller commercial spaces and two floors of apartments in close proximity to grocery stores, jobs, and other services.



REDSTONE NEIGHBORHOOD HERITAGE AREA (H) – PROPOSED REZONING STRATEGIES

Target Areas
Redstone

Current Zoning Districts
Residential-Agricultural

Zoning Regulation Strategies for Consideration

- Establish a new zoning district boundary in line with the Future Land Use Map (FLUM).
- Permit future development of single-family homes and small-scale multi-family development (e.g., triplexes, fourplexes) in line with the historical built pattern in Redstone.
- Establish a standing Redstone Neighborhood Heritage Committee.
- Continue to restrict commercial and industrial development.



TRADITIONAL BUILT FORMS

Neighborhood Heritage Areas seek alignment with their historical built pattern and aesthetic. Photo of Redstone courtesy Estately.

RURAL AGRICULTURAL (RA) – PROPOSED REZONING STRATEGIES

Target Areas
Saco River Corridor

Current Zoning Districts
Residential-Agricultural

Zoning Regulation Strategies for Consideration

- Establish a new zoning district boundary in line with the FLUM.
- Limit residential development to single-family homes, duplexes, and accessory dwelling units (ADUs).
- Maintain larger minimum lot sizes.
- Continue to restrict commercial and industrial development.
- Consider establishing minimum developable area standards to ensure suitable land area for development when natural resource factors are considered (e.g., soils, steep slopes, flood hazard areas).
- Require appropriate buffers and screening for new residences adjacent to existing farms.
- Consider bolstering overlay district standards for shoreland and floodplain areas.



RURAL LIFESTYLE

Rural-Agricultural areas seek balance between residential, agricultural, and conservation purposes.

PHASE 2 REZONING OUTER DISTRICTS

Target Date: Town Meeting 2027

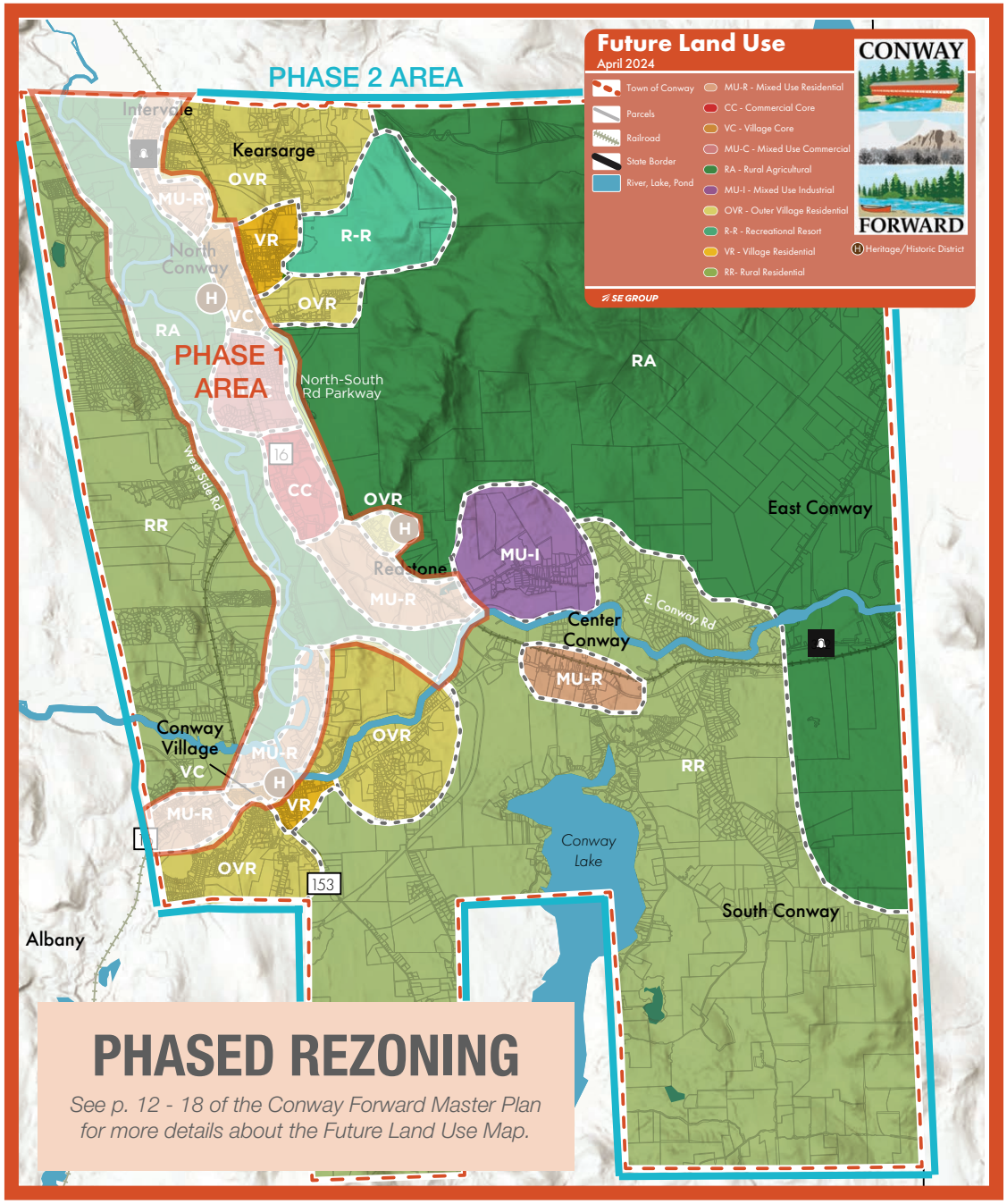
The Phase 2 rezoning area includes all other lands in Conway not covered by the Phase 1 area. This includes residential, industrial, and rural areas that are subject to less intensive development patterns and future development pressure. Land use types include residential neighborhoods and subdivisions, rural residences, industrial areas along East Conway Rd, scattered commercial uses, farm operations, and conserved lands. Other than residential areas in Conway Village and North Conway Village, these areas are largely not served by public water and wastewater currently.

CURRENT ZONING DISTRICTS

A map of Conway's current zoning districts is available at: https://conwaynh.org/wp-content/uploads/2015/10/Zoning-Districts.pdf. The Town Master Plan lists a variety of challenges with current zoning districts and standards in the Phase 2 area, including concerns with sprawling residential development and a need for additional conservation standards. For additional detail, consult the Future Land Use Map section of the Master Plan (p. 12 – 18).

FUTURE LAND USE MAP AREAS – PHASE 2 REZONING

- **Village Residential (VR):** These areas embrace a compact, walkable residential development pattern adjacent to village core areas. Residential development occurs on small lots through single-family homes, duplexes and triplexes, and small multi-unit structures, as well as accessory dwelling units (both attached and detached).



FUTURE LAND USE MAP AREAS – PHASE 2 REZONING (CONTINUED)

- **Outer Village Residential (OVR):** These areas cover existing, lower-density residential subdivisions adjacent to village centers. These areas would provide more flexibility for creating new homes at a similar scale and density to existing development.
- **Mixed-Use Industrial (MU-I):** These areas encourage a mix of uses, with additional permissions for light industrial development. Residential development is also permitted. These areas cover existing residential and light industrial areas. Large-scale commercial development is prohibited.
- **Rural Residential (RR):** This area balances lower-density residential uses (single-family homes, duplexes and triplexes, accessory dwellings), agricultural uses, and areas of undeveloped forest tracts. The use of conservation subdivision standards supports development of subdivisions with smaller lot sizes with conserved areas, standards regarding minimum road frontage areas, and clearing to help retain rural character. Lots are carefully developed with consideration for steep slopes, soils, water resources, and forest coverage. Agricultural uses are both permitted and encouraged.
- **Rural Agricultural (RA):** This area emphasizes agricultural and natural resource conservation and health in areas of high conservation priority using resource-based standards and limitations on development. Larger-sized lots are carefully developed with consideration for steep slopes, soils, water resources, and forest coverage. Large-scale subdivisions of land and impervious surfaces are both limited.
- **Mixed-Use Residential (MU-R):** These areas encourage a better balance and integration of residential and commercial uses into a more cohesive neighborhood feel via infill development, with an emphasis on new residential and mixed-use development. Compact residential development and neighborhood-scale commercial uses are supported, as well as locally appropriate light industrial uses. These areas cover existing mixed-use neighborhoods adjacent to village core areas and existing areas of strip-style development. Walkable development patterns are encouraged. Large-scale commercial development is prohibited.
- **Recreational Resort (R-R):** This area supports ongoing recreational resort operations and enhancement, as well as the creation of resort-oriented housing.

VILLAGE RESIDENTIAL (VR) AREAS – PROPOSED REZONING STRATEGIES

Target Areas
North Conway Village
Conway Village

Current Zoning Districts
Village Residential
Agricultural-Residential

Zoning Regulation Strategies for Consideration

- Consider minor, thoughtful expansions of the current Village Residential zoning districts into areas that are currently zoned as Residential-Agricultural in line with the Future Land Use Map.
- Update dimensional and density standards to align zoning regulations with the historical development pattern in village areas.
  - » Reduce minimum lot sizes to 1/5-acre or smaller. Make any necessary associated changes to dimensional standards (e.g., setbacks, minimum road frontage).
  - » Create a process for waiving setback requirements for proposed developments that match existing historical development patterns.
  - » Relax minimum parking requirements and encourage shared use parking. Waive parking requirements if applicants can demonstrate a suitable plan for parking alternatives. Encourage or require new parking areas to be located in the rear or side of new buildings to promote an active connection to the street.
- Create pathways for locally-appropriate housing development:
  - » Permit multi-family dwellings that match neighborhood form.
  - » Permit cottage court developments and other forms of clustered single-family home development.
  - » Consider permitting attached single-family residences (e.g., townhomes).
  - » Conditionally-permit a second accessory dwelling unit.
- Continue to restrict commercial and industrial development.
- Consider strategies for conserving the historic character of village centers, such as historic district designation and/or matching zoning district standards to the historic built pattern of the village.

COTTAGES FOR STARTER HOMES OR RENTALS

Cottage courts provide a useful balance of residential units and green space in neighborhood areas by providing small homes around a shared lawn, parking area, and driveway (photo courtesy of Keys to the Valley).



NEIGHBORHOOD-SCALE APARTMENTS

An eight-unit apartment building in Springfield, VT, part of a larger cluster of small apartment buildings (photo courtesy of Keys to the Valley).



OUTER VILLAGE RESIDENTIAL (OVR) AREAS – PROPOSED REZONING STRATEGIES

Target Areas
North Conway Village
Conway Village
Kearsarge

Current Zoning Districts
Residential-Agricultural

Zoning Regulation Strategies for Consideration

- Establish new zoning district boundaries in line with the Future Land Use Map.
- Update dimensional and density standards to permit locally-appropriate residential infill development and construction of new residential.
  - » Reduce minimum lot sizes to 1/5-acre or smaller. Make any necessary associated changes to dimensional standards (e.g., setbacks, minimum road frontage).
  - » Relax minimum parking requirements and encourage shared use parking. Waive parking requirements if applicants can demonstrate a suitable plan for parking alternatives. Encourage or require new parking areas to be located in the rear or side of new buildings to promote an active connection to the street.
- Create pathways for locally-appropriate housing development in outer village areas:
  - » Permit small-scale multi-family dwellings (e.g., 4-5 units).
  - » Permit cottage court developments and other forms of clustered single-family home development.
  - » Consider conditionally-permitting a second accessory dwelling unit.
- Continue to restrict commercial and industrial development.

TRADITIONAL NEW ENGLAND MULTI-FAMILY

Many older New England homes are large enough to support conversion into duplexes, triplexes, or fourplexes.



ACCESSORY DWELLINGS

Accessory dwelling units (ADUs) can create more housing in neighborhood settings with minimal impact (photo courtesy of NH Housing Toolbox).



RURAL RESIDENTIAL (RR) AREAS – PROPOSED REZONING STRATEGIES

Target Areas

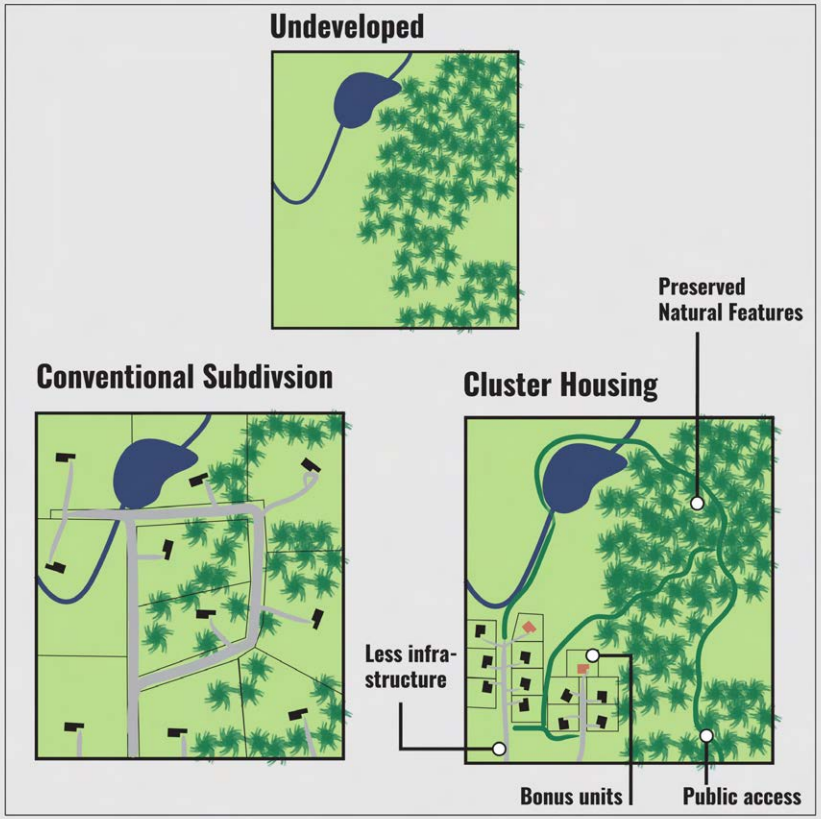
Areas west of the Saco River & north of Conway Village
Areas surrounding Center Conway
South Conway

Current Zoning District(s)

Residential-Agricultural

Zoning Regulation Strategies for Consideration

- Establish new zoning district boundaries in line with the Future Land Use Map.
- Create pathways for locally-appropriate housing development in rural residential areas:
  - » Permit small-scale multi-family dwellings (e.g., 4-5 units).
  - » Permit larger clustered single-family home development with conservation set-asides in areas connected to public water and sewer. Limit size and scale of cluster development in areas not connected to public water and sewer. See p. 30 for more details on conservation subdivision standards.
  - » Consider adopting "minimum developable area" standards to ensure there is a suitable land area for development within a parcel when natural resource factors (e.g., wetlands, steep slopes, flood hazard areas) are considered.
  - » Require appropriate buffers and screening for new residential developments adjacent to existing farms.
- Continue to restrict commercial and industrial development.



CLUSTER SUBDIVISIONS BALANCE DEVELOPMENT AND CONSERVATION

A cluster subdivision reduces clearing of forests and fields, limits the amount of road infrastructure that must be built, reduces impacts on wildlife corridors, and still offers residential units on desirable lots (source: NH Housing Toolkit).

MIXED-USE INDUSTRIAL (MU-I) AREAS – PROPOSED REZONING STRATEGIES

Target Areas
East Conway Rd

Current Zoning Districts
Industrial-2

Zoning Regulation Strategies for Consideration

- Continue to permit industrial uses.
- Permit larger multi-family housing development in areas connected to water and sewer infrastructure that are appropriately separated and screened from industrial development.
- Consider performance zoning standards such as truck traffic, noise and light pollution, etc.

THOUGHTFUL MULTI-FAMILY NEIGHBORHOOD DESIGN

Residential neighborhoods with access to water and wastewater can include clustered duplexes with shared green space, which makes efficient use of land (photo courtesy Twin Pines Housing Trust).



RURAL AGRICULTURAL (RA) AREAS – PROPOSED REZONING STRATEGIES

Target Areas
East Conway

Current Zoning Districts
Residential-Agricultural

Zoning Regulation Strategies for Consideration

- See strategies on p. 20.

MIXED-USE RESIDENTIAL (MU-R) AREAS – PROPOSED REZONING STRATEGIES

Target Areas
Center Conway

Current Zoning Districts
Village Residential & Village Commercial

Zoning Regulation Strategies for Consideration

- See strategies on p. 17.

RECREATIONAL RESORT (R-R) AREAS – PROPOSED REZONING STRATEGIES

Target Areas
Area around Cranmore

Current Zoning Districts
Recreational Resort

Zoning Regulation Strategies for Consideration

- Largely retain current district standards and permitted uses.

Additional Subdivision Regulation Strategies

Residential subdivisions in Conway are subject to conditional approval, meaning any party seeking to subdivide a property in Conway must get Planning Board approval for the project. At present, subdivision regulations in Conway apply equally throughout town and are not tied to specific zoning districts. By tying subdivision regulations to specific zoning districts and developing more prescriptive standards, Conway has an opportunity to encourage subdivisions of the appropriate scale and character for different areas of town. This practice can help address housing needs and conservation of Conway's rural landscapes.

CREATE SEPARATE SUBDIVISION STANDARDS FOR VILLAGE AREAS AND RURAL AREAS OF CONWAY

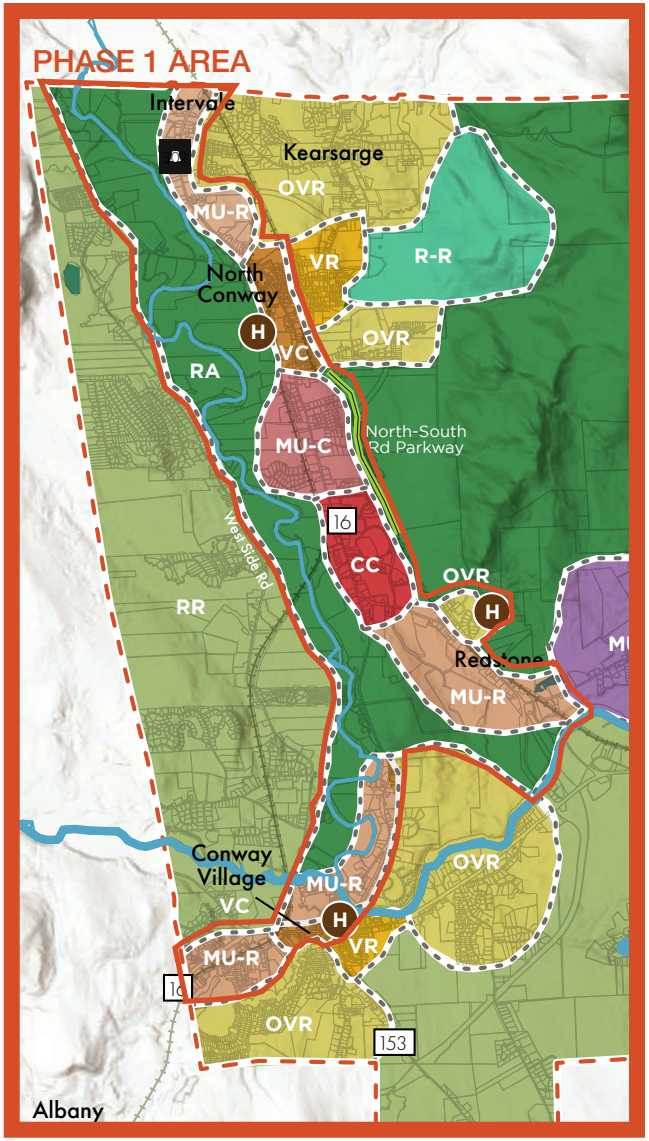
This strategy involves revising local subdivision regulations to create separate subdivision areas for parcels in different zoning districts of town. This plan recommends splitting the subdivision regulations into two parts to create separate standards for village areas and rural areas of Conway. The Phase 1 and Phase 2 rezoning areas could be used as the geographic boundaries of these different areas. All of the new zoning districts included in the Phase 1 rezoning effort would have one set of residential requirements, while the Phase 2 rezoning area would have another set of requirements.

Proposed Strategies:

- In the **Phase 1 area**, subdivision regulations should focus on flag lots & infill that is compatible with village-style development. Consider using the max dwelling units/acre for multifamily housing to determine the maximum density for the subdivision.
- In the **Phase 2 area**, subdivision regulations should encourage cluster housing and conservation subdivisions. Design review considerations should include lot configuration, intensity of development, habitat and open space preservation, farmland preservation, impacts on community facilities and services, access to water/wastewater infrastructure, and scenic views, and emergency access. The calculation of units/acre allowed for subdivisions in this area should exclude acreage of non-buildable area, such as wetlands and areas with steep slopes. Planned Unit Developments and Conservation subdivisions should be subject to separate regulations and calculations of maximum density

Example Regulations:

- **Norwich, VT** has separate subdivision regulations for different zoning districts. Village and commercial districts have one set of regulations that allow for infill; the Rural district has a separate set of regulations that allow subdivisions by conditional use.



*Subdivision regulations would be tailored to support different types and intensities of development in the more-developed **Phase 1** area. The **Phase 2** area covers all areas not included in the Phase 1 area.*

AMEND SUBDIVISION STANDARDS TO REQUIRE CONNECTION TO WATER & WASTEWATER IF WITHIN THE SERVICE AREA

This strategy involves revising local subdivision regulations to require that subdivisions be connected to municipal water and wastewater. As previously discussed in this report, connections to municipal infrastructure are critical to the overall affordability and sustainability of a housing development. The Town's subdivision regulations ask applicants to provide information about the suitability of their land for providing septic, but they do not require connection to municipal infrastructure. Regarding Strategy 1, the regulations should require connection to municipal infrastructure regardless of location and zoning district.

Example Regulations:

- Dover, NH
- Portsmouth, NH
- Keene, NH

AMEND SUBDIVISION STANDARDS TO ENABLE FLAG LOTS TO ENCOURAGE INFILL IN VILLAGE AND COMMERCIAL AREAS

This strategy involves revising local subdivision regulations to allow for the creation of flag lots, which are parcels of land that are set back from the main road and accessed by a narrow "flagpole" strip of land. By amending these standards, municipalities can facilitate the development of additional housing units on underutilized or oddly shaped parcels of land within already developed neighborhoods. This approach promotes infill development, which increases the housing supply without requiring expansion into undeveloped areas. By utilizing existing infrastructure and services, the cost of development is reduced, making it more feasible to include affordable housing options. This strategy also helps to create a diverse range of housing types and densities. Because homeownership is often tied to ownership of a lot, enabling unique subdivisions through flag lots can also facilitate further opportunities for homeownership.

This strategy helps support small-scale infill residential development within existing neighborhoods. The Town currently has no provisions related to flag lots, but there is an opportunity to unlock existing underutilized land for residential development through such an ordinance. The Town should create a basic right-of-way easement that can be used for flag lot agreements that require a shared right-of-way. The Town should also consider creating emergency egress standards for flag lots in consultation with local emergency services personnel.

Where Flag Lots Are Applicable

Flag lots should be used to facilitate infill housing development, not to create sprawl. For this reason, they are most appropriate as a tool for the Phase 1 area. Within the Phase 1 area, consider allowing flag lots but limiting them on Route 16 unless the design uses a shared drive in order to reduce curb cuts.



An example of an existing flag lot in North Conway Village.

Example Regulations:

- Center Harbor, NH enables flag lots through their subdivision regulations.

CREATE CONSERVATION SUBDIVISION STANDARDS

Conservation subdivisions are designed to protect significant portions of land as open space while concentrating residential development on the remaining area. Benefits include reduced development costs, lower public service expenses, increased property values, enhanced recreational opportunities, and the protection of unique environmental features. Additionally, conservation subdivisions can mitigate runoff and protect water bodies by promoting more compact housing clusters that maintains natural buffers to wetlands and water bodies.

The NH Department of Business and Economic Affairs publishes the *Innovative Land Use Planning Techniques: A Handbook for Sustainable Development*,which provides guidance on Innovative Land Use Controls authorized by RSA 674:21. The handbook includes sections dealing with development density, environmental characteristics, and site level design. Each of the 23 chapters includes model ordinances and regulations for use by municipalities interested in implementing the innovative land use techniques.

The chapter on Conservation Subdivisions is particularly relevant to this report and to Conway. The following section summarizes key points from the chapter as they relate to Conway. See page 25 of this report for an example of a conservation subdivision design.

Appropriate Circumstances and Context for Use

The handbook states that conservation subdivisions are most effective when integrated with broader conservation and development plans, so that new developments can align with local or regional open space strategies. Communities should decide the amount of land to conserve in a conservation subdivision, typically 50% of buildable and 80% of non-buildable areas. This ensures significant preservation of mountainous areas ("uplands") and agricultural land. The types of allowed activities in conserved open space should align with community goals and resource nature, ranging from playgrounds in high-density zones to strict preservation areas for wildlife. Because conservation subdivisions are intended for more rural areas of Conway (Phase 2 zoning area), activities in conserved open spaces may involve agricultural uses, recreational uses, and/or habitat areas for wildlife.

Key Considerations for Conservation Subdivisions

- **Land Area Conservation:** Conway should determine the percentage of land to conserve, ensuring adequate open space for environmental and recreational benefits.
- **Allowed Uses:** Define permissible activities within conserved areas based on community objectives and resource characteristics.
- **Resource Protection:** Prioritize the protection of floodplains, wetlands, riparian areas, habitats, drinking water supplies, historical sites, and recreational trails.
- **Incentives:** Use incentives to encourage better design and public access to open spaces or affordable housing.
- **Unit Calculation:** Use a formula-based approach to determine maximum allowable density of units, ensuring fair and efficient development processes.

See pages 51-76 of the NH BEA Handbook for example language of a conservation subdivision ordinance and design standards.

Design and Layout Considerations

Conway should adopt flexible design standards for conservation subdivisions that promote aesthetics and integrate developments with the surrounding natural landscape. Standards might include connecting protected spaces with adjacent undeveloped land, maintaining rural character and reducing landscape fragmentation. Design standards for subdivisions in more rural areas might encourage village-type layouts that align with the density and built form of the surrounding area.

See pages 46-50 of the NH BEA Handbook for a list of design considerations for conservation subdivisions and several example site plans for conservation subdivisions.

Long-term Protection and Management

Conservation subdivisions typically contain conserved open space, which is managed in different ways. Conserved open space can be privately or commonly owned, or conveyed to municipalities or third-party organizations, protected through conservation easements. A long-term stewardship plan, potentially funded by subdivision fees, is essential for maintaining the integrity and quality of the conserved area.

Additional Land Use Regulation Strategies

This section presents additional regulatory strategies that the Town can consider employing to help address housing needs in line with community planning goals articulated in the Town Master Plan.

IMPACT FEES

The *Conway Forward Master Plan* recommends that Town consider approaches for leveraging impact fees on future large-scale commercial developments and hotels to help fund needed water and sewer infrastructure for future housing. Under state statute, impact fee revenue may be spent "solely for the capital improvements for which it was collected, or to recoup the cost of capital improvements made in anticipation of the needs which the fee was collected to meet" (RSA 674:21, V(c)). In addition, "Upgrading of existing facilities and infrastructures, the need for which is not created by new development, shall not be paid for by impact fees."

Proposed Strategies:

- As part of a broader Capital Improvement planning process, the Planning Board can draft an impact fee ordinance that applies to developments over a certain size. This plan should clearly identify needed capital projects that could be supported with impact fee revenue. Developments that fall within areas without sufficient water/wastewater access should be subject to impact fees that fund W/WW improvements. Developments that fall within areas with sufficient water/wastewater access should be subject to impact fees that fund local schools, transportation needs, and other local needs.
- Consider waiving impact fees on certain housing developments (affordable housing, housing for the elderly and vulnerable populations) using public-private partnerships (PPPs). Impact fees should support the long-term fiscal and physical sustainability of the community, but they should not preclude affordable housing development, which typically has very slim or negative margins.
- Ensure that there is sufficient local capacity to levy, process, and distribute impact fee revenue and complete necessary annual reporting.
- Consider other novel approaches for collecting and applying revenues from future large-scale development that are permissible under state statute.

SHORT-TERM RENTALS

The *Conway Forward Master Plan* includes recommended approaches that Town can consider for balanced regulation of short-term rentals (STRs). Reasons for STR regulation include maintaining neighborhood feel, encouraging more long-term housing units, and life safety standards. At the same time, STRs can help support Conway's tourism economy and be a helpful source of income for local property owners. ***Note:*** *STR regulation is an area of evolving case law in New Hampshire*.

Proposed Strategies:

- The Master Plan recommends that Conway explore regulating STRs as a conditional use in the zoning ordinance and possibly restrict their use to different levels in different zoning districts. For example, in areas where the Town is seeking to cultivate residential neighborhoods with a sense of community, short-term rentals could be restricted to owner-occupied properties (i.e., a STR would only be allowed at properties where the property owner is also the primary resident) or seasonally-owner occupied properties (i.e., properties where the property owner resides for at least a certain amount of time each year).
- If STRs are to be regulated through the zoning ordinance, the Town will need to define STRs in the ordinance. This definition often includes a maximum length of stay for transient occupants.
- If STR regulations are to be adopted, the Town should consider grandfathering in existing STRs and adjusting the rental inspection program to monitor compliance with STR regulations. Enforcing STR regulations can be challenging and requires dedicated resources.
- This report also includes forward-looking recommendations to encourage some future housing development to be exclusively for long-term residential use.

ROLE #1: CONWAY AS A DEVELOPMENT REGULATOR

WALKABILITY STANDARDS

Walkability is an important dimension of housing affordability and quality of life. While this strategy is not geared toward the creation of new affordable housing units, it helps ensure the long-term affordability of those units by not requiring residents to have a personal vehicle or use a personal vehicle for all trips.

Proposed Strategies:

- Integrate walkability standards into site plan review and cluster housing/cottage court standards, including connectivity standards for pedestrian paths to ensure integration into current or future pedestrian networks.
- Consider alternative forms of transportation and accessibility in any new standards related to walkability. For example, consider how motorized scooters, e-bikes/bikes, and people using wheelchairs will navigate pedestrian and bike facilities.
- Require bike parking as a component of new housing and commercial development.

HOTEL CONVERSION ORDINANCE

Hotels and motels are often highly suitable for efficiency units for traveling nurses or other individuals needing temporary housing situations, such as people seeking safe accommodations to escape unsafe living situations.

Proposed Strategies:

- Create a hotel conversion ordinance that enables hotels and motels in Conway to be repurposed as permanent or temporary housing.

VIEWSHED PROTECTIONS

The scenic beauty of the Mount Washington Valley is a source of pride and joy for residents and economic asset for the Town of Conway. The Town should adopt thoughtful standards that regulate building height and location in critical viewshed locations, such as areas along the west side of Route 16 along the “strip.

Proposed Strategies:

- Establish a viewshed protection area, either through zoning district standards or a viewshed overlay. Develop thoughtful limits on building heights and locations that consider slope, distance from the road, and other factors that affect visibility of surrounding mountains.

PRELIMINARY SITE PLAN REVIEW

Site plan review for proposed developments is a stringent process involving the Planning Board and Town staff. Requiring a preliminary site plan review for more complex projects can help streamline this process, save time and money for applicants, and result in improved site plans that align with community planning goals.

Proposed Strategies:

- Require preliminary site plan for the following projects:
  - » Any development requiring a conditional use permit, special exception, or variance from the zoning ordinance.
  - » Any residential development over a certain size or density (e.g., greater than 5 units per acre or containing more than 25 units).
  - » Any commercial development over a certain size (e.g., 5,000 square feet).

LONG-TERM POLICY CONSIDERATIONS

There are additional regulatory policy approaches that the Town could consider adopting to provide further tools to enable and guide future development that is in line with community goals.

- **Form-Based Code.** A form-based code is a zoning approach that tightly regulates the built form of future developments in order to maintain consistency with existing built patterns or promote a new built pattern desired by the community. A form-based code could be a useful tool for the commercial area of North Conway Village, which has a novel built pattern that could be challenging for future redevelopment without precise standards. Form-based codes can be complicated to develop and administer, requiring significant staff and board capacity.
- **Pattern Zones.** Pattern zoning is an approach to zoning where pre-permitted building designs are made available to interested developers, greatly streamlining the permitting process. Pattern zones can be particularly useful for promoting infill development in already-developed areas. Pre-permitted designs can be vetted through public outreach to ensure public support. Developing suitable building designs is an iterative process requiring consultation with design, engineering, and code experts, in addition to significant public outreach.

The Role of Infrastructure

The Town of Conway (along with local precincts) maintains infrastructure that is a necessary component of future development. This includes **transportation** infrastructure (roads, sidewalks) as well as **public water and sewer** infrastructure. This infrastructure facilitates access to residences and businesses and helps protect drinking water aquifers. For developers of affordable housing, access to public water and sewer is often necessary to ensure the financial feasibility of proposed developments.

This section draws from key Master Plan recommendations related to public infrastructure, housing, and community development to better define Conway's role as a facilitator of housing development.


North Conway Water Precinct

WATER & WASTEWATER INFRASTRUCTURE

The *Conway Forward Master Plan* describes water and wastewater infrastructure as "centrally important to Conway's future" and calls for the development of a **long-term water and wastewater system improvement plan** (p. 19 of the Master Plan). Such a plan is needed for continued protection of water resources and reducing reliance on private water and septic systems for future housing developments. Key guiding principles and priorities for the development of this plan include:

- Aligning current and future water and sewer service areas with appropriate land use regulations that control allowable development.
- Informing the development of a long-term capital improvements plan that covers major investments and maintenance activities of critical municipal infrastructure (e.g., water/wastewater infrastructure, roads and bridges, sidewalks, municipal buildings, trails).
- Development of an impact fee policy that can generate revenues to support capital projects (see p. 32).
- Developing an asset management strategy for long-term infrastructure maintenance.
- Complementary environmental protection measures.

TRANSPORTATION INFRASTRUCTURE

The *Conway Forward Master Plan* includes a variety of recommendations related to road, bridge, sidewalk, and bikeway infrastructure. Guiding principles for aligning transportation infrastructure to support housing and community development needs include:

- Aligning land use regulations and transportation infrastructure needs (e.g., including walkability standards for areas with compact development patterns).
- Consider "right-sizing" road and driveway standards for new developments to improve cost efficiency while maintaining appropriate requirements for developments of different sizes (see p. 13).

OTHER CRITICAL INFRASTRUCTURE

- **Broadband.** While not directly managed by the Town, access to high-speed internet is a necessity for many residents.
- **Electric.** While not directly managed by the Town, reliable electric service a critical piece of infrastructure for residential development.
- **Recreational infrastructure.** Access to parks, trails, and even on-site community recreation facilities is key for resident quality of life.

Affordable housing developments operate on thin margins, with sub-market-rate rents supported by tax credits and other forms of subsidy. Connecting to **public water and sewer infrastructure** represents a significant cost savings over on-site water and septic systems. Harrison Kanzler, Executive Director of AHEAD (a non-profit affordable housing developer), puts it simply: **"We can't do anything without water and sewer."**

Additionally, to achieve needed cost efficiencies, some affordable housing developers seek to develop larger developments containing dozens of units. These projects typically **require** public water and wastewater connections to keep costs low and to satisfy permitting requirements.

The 2019 *Analysis of Vermont Affordable Rental Housing Development Cost Factors* report prepared for the Vermont Housing Finance Authority reflects this reality for affordable housing developers, stating that "*larger projects have significantly lower per-unit costs, reflecting the fact that larger projects can spread fixed costs (e.g., land costs) over a larger number of units. However, in many parts of the State, larger projects are not feasible either because of a lack of sufficient infrastructure, insufficient demand, and/or local density limits*."

Infrastructure requirements can also hamper affordable housing developments. Requiring excessive road and parking infrastructure results in **higher up front costs and increased long-term maintenance costs**, both of which can limit the ability of the property owner to offer affordable rents.

INFRASTRUCTURE & AFFORDABLE HOUSING



AFFORDABLE HOMES BUILT TO COMMUNITY STANDARDS

AHEAD (Affordable Housing, Education, and Development) is a leading non-profit developer of affordable homes in northern New Hampshire. Properties shown are located in Littleton and Haverhill, NH (photos courtesy AHEAD).



A Partnership Approach

Town staff and boards can also serve in a collaborative role with housing development partners. This includes continued engagement with regional and state housing partners like the Mount Wasington Valley Housing Coalition (MWVHC) and New Hampshire Housing Finance Authority (NHHFA), assisting local and affordable housing developers with navigating local regulatory approval processes, and pursuing state funding that can help finance affordable housing.

MARKET DESIRED HOUSING DEVELOPMENT OPPORTUNITIES TO THE DEVELOPMENT COMMUNITY

While there is a defined shortage of affordable and market-rate housing in Conway, housing developers who are unfamiliar with the town or region may not be aware of local housing development needs or opportunities. For example, if the Town were to establish standards for cottage court development in certain areas, the Town or MWVHC could perform outreach to developers of cottage courts to make them aware of this regulatory change and opportunity.

REGIONAL & STATEWIDE PARTNERS

The Town should continue to be an active partner with the MWVHC to support education, outreach, and advocacy around local housing solutions. The Town should also continue to engage with NHHFA on matters of affordable housing finance and statewide policy tracking. North County Council Regional Planning Commission, who publishes the periodic *Regional Housing Needs Assessment*, is another potential partner that could provide additional capacity for housing initiatives.

ENGAGING THE PUBLIC

Conway residents are the primary stakeholders in the local housing challenge. In partnership with the MWVHC, the Town should strive to provide opportunities for public input and education on topics of land use regulation and affordable housing policy. Additionally, the Town could publish an annual "state of housing" report with applicable data on the local housing development pipeline and relevant demographic statistics.

OPEN DOOR POLICY

The Town maintains and administers a set of regulations that govern the approval of all housing development. Town staff can be a resource to potential applicants seeking to develop housing by assisting them in navigating the development process. Proactive engagement with applicants can help streamline development review processes, reducing costs for applicants and resulting in better development outcomes for the community. The Town should maintain and advertise an "open door policy" for applicants to make them aware of this resource.

In May 2024, the Town was awarded funds from the InvestNH Municipal Planning & Zoning Grant program to support a major overhaul of the Town's zoning ordinance and other housing initiatives. Work is anticipated to begin in summer 2024. Key steps in this initiative should include:

- Developing a scope of work and timeline to guide the rezoning process.
- Developing a public engagement plan that includes education on land use regulations, coordination with the Town Selectboard, and providing opportunities for residents to provide input at multiple points in the process.
- Creating a central information hub where project materials and updates are posted.
- Outlining desired deliverables that will help support the rezoning process (e.g., graphic representations and narrative summaries of proposed land use regulation strategies).
- Assembling a resident steering committee with representation from the Planning Board.

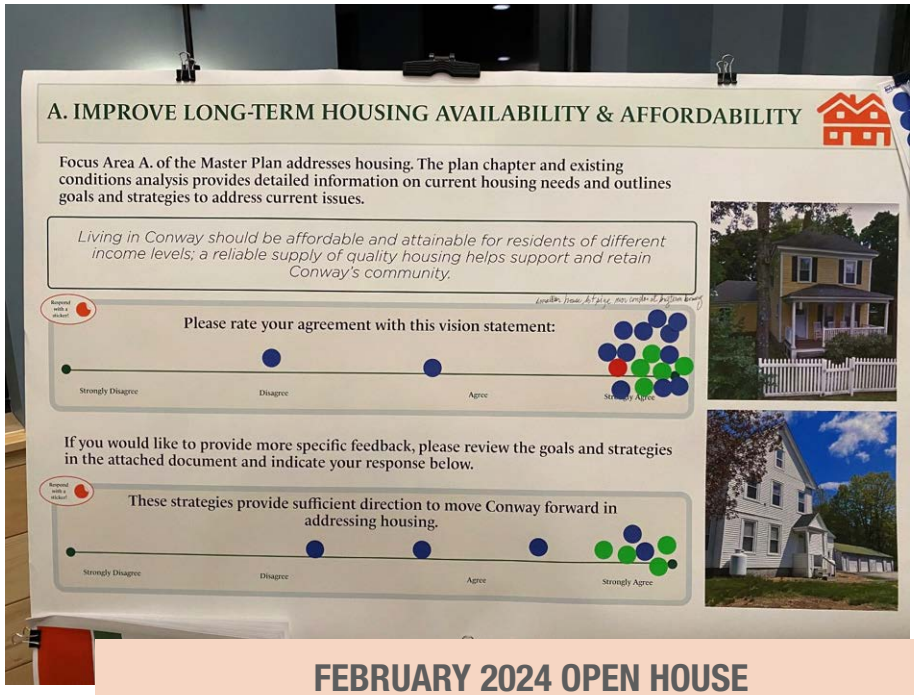
NEXT STEPS: INVESTNH GRANT PROGRAM

Resident Voices

This Housing Opportunities Report draws on public input on housing challenges and desired housing types. This input was collected in February 2023 at the Conway Forward Master Plan Visioning Open House and in February 2024 at the Conway Forward Draft Plan Open House.

HOUSING WAS A TOP PRIORITY IN THE CONWAY FORWARD MASTER PLAN EFFORT

- Participants in the February 2023 Open House indicated that housing (specifically affordable housing) generation was a top priority for the plan and for Conway. Responses indicated widespread concern about a lack of housing in Conway and the broader region.
- Respondents strongly agreed that this lack of supply is contributing to affordability pressures and negative effects on businesses, as employees cannot find housing.
- Participants were asked to indicate areas on a map of Conway where they would be open to different land uses. Responses to the map exercises indicate openness to housing development in a variety of areas throughout town, mostly contiguous to existing village centers. However, responses did not indicate consensus on a specific single area or areas that should be designated for housing development.
- Respondents disagreed on the impact of STRs and second homes on the broader housing market. Respondents disagree on the idea that STRs are contributing to affordability pressures. Respondents did not show agreement on a particular regulatory approach to STRs.
- Responses indicate high interest in more walkable and bikeable village centers. Respondents were particularly interested in bike connectivity between Conway Village and North Conway Village. This has implications for the location of future housing units, their proximity to to village centers, and access to sidewalk networks and bike routes.



FEBRUARY 2024 OPEN HOUSE

Residents were asked to rate their support for the housing strategies included in the (then-draft) Conway Forward Master Plan.

"Neither of our sons can afford to live here. One is seeking a home, the other an apartment."

"Employees are leaving the area because they can't find rent or buy. Young people who want to stay are looking elsewhere."

"As a small business owner working in hospitality, I have seen a stark rise in homelessness. Also, by providing work/stay options we are able to hire. However, there is a huge hiring shortage for businesses who cannot offer this."

2023 OPEN HOUSE QUOTES

STRONG SUPPORT FOR THE TOWN'S VISION FOR HOUSING AS STATED IN CONWAY FORWARD

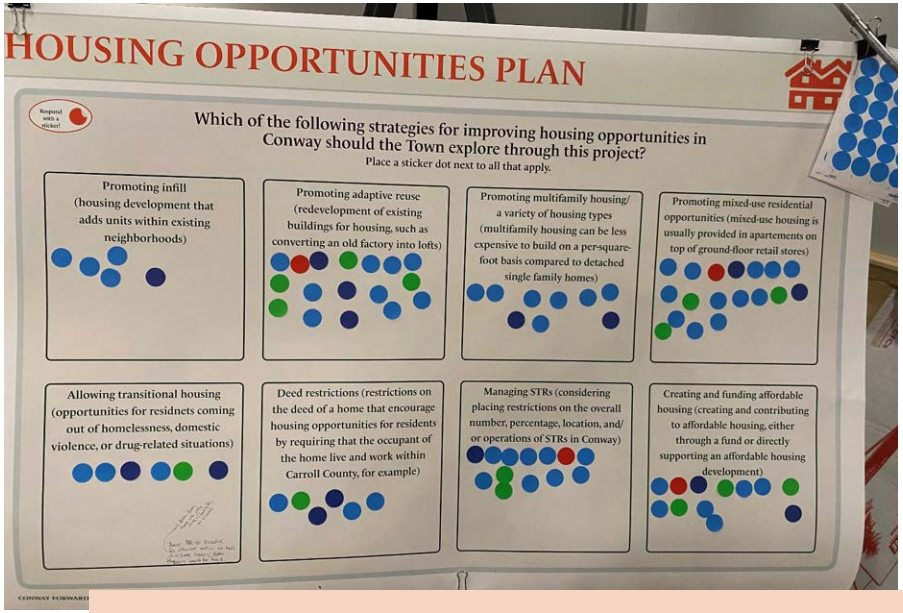
- Nearly all attendees indicated that they "strongly agreed" with the Master Plan vision statement for housing in Conway: "Living in Conway should be affordable and attainable for residents of different income levels; a reliable supply of quality housing helps support and retain Conway's community."
- Of the attendees who reviewed the draft Housing goals and strategies, most indicated that they "strongly agreed" that the strategies provided "sufficient direction to move Conway forward in addressing housing."

SOME LEVEL OF SUPPORT FOR ALL PROPOSED STRATEGIES TO IMPROVE HOUSING OPPORTUNITIES

- Open House participants indicated some level of support for all strategies listed; the strategies that received the most support were mixed-use residential development, adaptive reuse of existing structures, and STR controls.

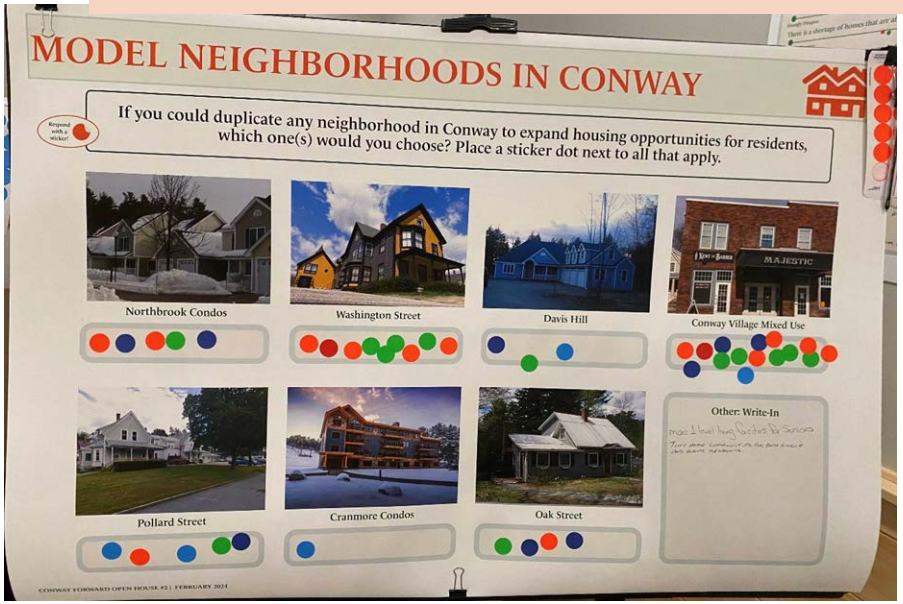
STRONG INTEREST IN MIXED-USE, VILLAGE-STYLE HOUSING DEVELOPMENT

- When asked if they could duplicate any neighborhood in Conway to expand housing opportunities, attendees at the February 2024 Master Plan Open House indicated strongest support for Conway Village Mixed Use. There was also strong interest in traditional New England homes on Washington Street, many of which are multifamily residences. Write-in comments supported more housing opportunities for seniors, including more single-story homes and tiny home communities that cater to older residents as well as residents who live alone.
- There was less support for Northbrook Condos (townhouse-style condominiums), Davis Hill (suburban subdivision), Pollard Street (New England-style multifamily), Oak Street (small footprint SF homes), and Cranmore Condos (large apartment buildings).



FEBRUARY 2024 OPEN HOUSE

Residents were asked to provide input on areas of focus for the Housing Opportunities Report, as well as model neighborhoods for future development.



HOUSING STAKEHOLDERS INDICATED SUPPORT FOR A VARIETY OF HOUSING POLICIES

- In a May 2023 focus group discussion on Housing, housing stakeholders indicated support for a variety of housing policies, including:
  - » Increasing housing density in areas served by water and wastewater infrastructure
  - » Incentives for including affordable housing within new market-rate housing developments, such as a density bonus
  - » Require new market-rate housing developments over a certain size to provide some number of affordable units
  - » Promote mixed-use development in village and commercial areas by providing incentives to include residential units in new commercial developments
  - » Require that large new commercial developments include residential units or pay into a housing trust fund (note: this policy, called a linkage fee, is not currently enabled by NH state statute)
  - » Revise village-area zoning standards to promote "missing middle" housing types (e.g., duplexes, triplexes, multifamily)
  - » Create a new Housing & Economic Development Coordinator position within the Planning & Zoning Department
- Focus group participants also shared that they felt that there were appropriate areas for future housing growth that are not currently connected to water and sewer. These areas could be connected to water and sewer in the future or could utilize community water and wastewater systems.
- Participants felt that most residents experiencing homelessness are not currently unsheltered; rather, they are in temporary or improvised housing situations. Resources could be better spent creating permanent housing options rather than investing in temporary housing and shelters.

Case Study Communities: Northern New England

The Town of Conway is not alone in needing to address housing and community development challenges. Municipalities all over New Hampshire and the country are grappling with similar issues of inflated housing costs and limited options for resident with low and moderate incomes. While there is no single silver bullet strategy available to municipalities to address these challenges, Conway can learn from other municipalities that have taken steps to improve housing options for their residents.

LEBANON, NH

Population: 14,515 (2022 ACS)

Lebanon features two small downtown areas, historic residential neighborhoods, 20th century suburban neighborhoods, rural and agricultural areas, and a significant highway commercial area. Lebanon serves as a regional service and employment center for the Upper Valley, anchored by Dartmouth-Hitchcock Medical Center. Local estimates put the daytime population of Lebanon at 30,000 - 40,000 people.

KEY HOUSING STRATEGIES

- The City recently **expanded housing development options in existing residential neighborhoods**, increasing the number of dwelling units permitted on individual lots by thoughtfully revising zoning standards.
- The City has adopted regulations to guide the development of **cottage courts**. These regulations provide a pathway to development by clarifying applicable standards for this novel form of development, which can be difficult to permit using typical zoning and subdivision standards.
- The City is in the process of examining **pattern zoning** standards for promoting **infill residential and mixed-use development** in downtown areas by establishing permit-ready building designs that are aligned with community development goals and neighborhood character. See https://lebanonnh.gov/1758/Pattern-Zones.

LEGALIZING NEIGHBORHOOD-SCALE HOUSING OPTIONS

This multi-unit addition to an existing garage in Lebanon, NH was permitted following revisions to the City zoning code to enable additional housing in existing residential neighborhoods.



ENABLING ADAPTIVE REUSE OF EXISTING BUILDINGS

This 18-unit apartment building in downtown Lebanon occupies a former NAPA Auto Parts store. Flexible parking requirements and waivers from certain site plan requirements helped facilitate the approval and completion of this project.



DOVER, NH

Population: 32,849 (ACS 2022)

Dover features a small, historic downtown area surrounded by suburban residential and highway commercial areas, with some more rural areas on the outskirts. As the largest municipality in Strafford County and home to Wentworth-Douglass Hospital, Dover also serves as a regional hub for services and employment.

KEY HOUSING STRATEGIES

- Dover's zoning ordinance allows up to four dwelling units per lot in all zoning districts, with varying levels of regulation (by-right in more densely developed areas, through Special Exception in less dense areas, and through cluster subdivision in more rural areas). Minimum lot sizes are also tailored by zoning district to align with desired levels of residential density.
- Dover has sought to ensure that the zoning ordinance has **adequate flexibility** to permit housing development that is in line with community goals. This includes permitting reduced-size housing to be developed on non-conforming lots and allowing any single-family home to be converted into a duplex.
- Dover has worked to facilitate pathways for **infill residential development** within already-developed areas, including adaptive reuse of historic buildings. The Bellamy Mill Apartments are a local infill development success story, with 30 affordable and accessible apartments now occupying a historic mill building.
- Dover offers a variety of **incentives for the development of affordable housing units**, including allowing affordable housing developments to exceed maximum building heights along with other density bonuses and streamlining permitting for small affordable housing developments (e.g., triplexes and fourplexes).
- Dover recently permitted the development of the Cottages at Back River Rd, a unique 44-unit affordable housing development consisting of 550 square foot cottages clustered in a compact neighborhood design.

WAITSFIELD, VT

Population: 1,675 (ACS 2022)

Waitsfield is the gateway community to Sugarbush Resort and the Mad River Glen ski area as well as the service center for the Mad River Valley region. The town features two historic village areas along VT Route 100 as well as some minor highway commercial development. As a small community, Waitsfield contends with the housing pressures that come with proximity to multiple ski areas and multi-season recreation amenities.

KEY HOUSING STRATEGIES

- The Town has undertaken a comprehensive planning approach to addressing housing needs in recent years:
  - » In 2024, Town residents approved a $15 million bond for a **wastewater system expansion** following a years-long process of planning and public outreach. The system expansion will provide capacity for 70 additional residential units in the Irasville village area. Irasville is identified in the **Waitsfield Town Plan** as the regional growth center where 50% of all future development in the Town shoulder occur.
  - » In anticipation of the wastewater system expansion, the Town Planning Commission led a parallel process to **revise zoning bylaws** for the Town's village areas, including Irasville. This process, dubbed the Vibrant Villages Initiative, resulted in thoughtful increases in permitted residential and mixed-use densities in village areas. Specific strategies included reducing minimum lot sizes from one acre to 1/5-acre, revising dimensional standards to "legalize" historic structures that were non-conforming under previous standards, permitting triplexes and fourplexes by-right, and defining and permitting cottage court developments.
  - » The Town is now engaged in a master planning effort for the Irasville village area to **envision and plan for infill development opportunities** that can result in more housing for residents. This master plan will inform further revisions to land use regulations as well as strategies for walkability and wetland protection.

Case Study Communities: Western Mountain Gateway Towns

There is a well-documented housing crunch affecting resort communities and tourist destinations in many regions of the US, particularly in Colorado and the Intermountain West. These communities face similar challenges as Conway, with their amenity-rich settings attracting significant demand for primary and second homeownership and vacation rentals amongst a limited overall supply of housing. Many communities in this region have been working to address their housing supply issues for decades or more and have access to certain regulatory and financial tools that are not permitted for New Hampshire municipalities under state law.

Crested Butte is one of Colorado's smaller ski towns, but it faces similar housing challenges to its larger counterparts. In 2021, the Town Council declared a state of emergency due to its housing crisis. Despite its smaller size, Crested Butte has implemented several innovative strategies to address these issues, as detailed in this section. **This case study details a variety of actions that Crested Butte and its partners have taken to address local housing needs, underscoring the scale of action needed to address similar needs in Conway using the tools that are available to the Town.**

KEY HOUSING PARTNERS

HOUSING COALITIONS, NON-PROFITS, AND HOUSING AUTHORITIES

Communities in Colorado and the Intermountain West often use housing coalitions, non-profits, and housing authorities to facilitate many different aspects of affordable housing development. These partners can help acquire properties for affordable housing development, manage the construction process and assemble development teams, and manage rental units once built. These types of organizations perform work that municipalities typically do not have the capacity to complete. In addition, these organizations often include representation from

Crested Butte example: The Valley Housing Fund

The Valley Housing Fund, a regional nonprofit, plays a critical role in Crested Butte's overall housing strategy. The Fund acquires land and properties to develop and maintain affordable housing. The fund partners with communities in the Gunnison Valley, including Crested Butte and Gunnison, to offer "direct financial support" and/or "stakeholder facilitation." In addition, the Gunnison Valley Regional Housing Authority (GVRHA) works with Crested Butte and other nearby communities to address housing challenges. The authority manages various programs and initiatives, including rental assistance and housing development projects focused on affordability and local occupancy.



DEED RESTRICTIONS

SUPPORTING LOCAL OCCUPANCY

Many resort communities use deed restrictions to help ensure that homes in the community are occupied by local residents and employees. These restrictions can vary; most resort communities use deed restrictions to require that residents live and work within the county. Some communities also use appreciation caps to ensure that properties do not skyrocket in price upon resale, keeping housing more attainable for local residents in the long term.

Deed Restrictions in Crested Butte

Crested Butte facilitates local occupancy through the Good Deed Program, which is administered by the Gunnison Valley Regional Housing Authority. The program pays property owners to place a permanent deed restriction on their property that restricts occupancy to local employees. Property owners are typically paid about 10-15% of the assessed value of their property to participate in the program. The town also has a Green Deed Program administered by the Gunnison Valley Regional Housing Authority; this program facilitates energy efficiency upgrades for deed-restricted homes.

Deed-Restricted Housing: Paradise Park Affordable Housing Development

As part of an annexation in 2000, the Town of Crested Butte was dedicated 15 acres for affordable housing development. In that time, the Town has constructed or assisted with the construction of 82 deed-restricted homes and provided infrastructure improvements for those homes. The Valley Housing Fund was a critical partner in the development of Paradise Park, facilitating lease agreements for school employees. There are about 30 homes that consist of a mix of duplexes, triplexes, and single-family homes. There are currently plans to build 14 more deed-restricted workforce rental units on the remaining Town-owned parcels in the Paradise Park subdivision. Construction on these units is set to begin in summer 2024.

AFFORDABLE HOUSING FUNDED BY TOURISM

TAXES AND FEES TO SUPPORT AFFORDABLE HOUSING

Many communities in Colorado and the Intermountain West collect revenue from occupancy taxes, short-term rental stays, or other means to support affordable housing development. This is a useful method of ensuring that the tourism economy is truly sustainable; market-rate housing in tourism communities is frequently unattainable for residents. Using tourism dollars to fund below-market rate housing (i.e., affordable housing) helps the workforce continue to live and work in the community. Such taxation programs are not permitted under current NH statute.

Crested Butte example: Vacation Rental Use Tax

Crested Butte employs an Affordable/Workforce Housing Vacation Rental Use Tax, in which the town collects a 7.5% tax on all vacation rental stays. The revenue from this tax directly funds affordable housing projects in the community.

COMMERCIAL DEVELOPMENT PAYS FOR HOUSING

LINKAGE FEES AND OTHER FUNDING MECHANISMS

Many communities apply linkage fees to commercial development to help fund and/or generate housing for the community. These fees, which are applied to commercial development on a per-square-foot basis, require developers to either provide affordable units or pay into a fund to create affordable housing (i.e., "fee-in-lieu"). Note: this time of policy is not currently enabled by NH state statute.

Crested Butte example: Resident-Occupied Affordable Housing Program

Crested Butte has a Resident Occupied Affordable Housing Program that requires market-rate residential, commercial, and lodging development to provide a certain number of affordable housing units based on the expected jobs generated by that development.