

DRAFT January 2025



The Town of Rye Land Use Regulation Audit

Acknowledgements



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William Epperson	Select Board Rep
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Introduction

Background

Rye is currently experiencing housing challenges that are like those of many coastal New Hampshire communities: general lack of available housing, lack of affordable housing for young families and an aging population, cost and availability of infrastructure, and increased demand for secondary homes and short-term rentals. Factors that make Rye’s housing future more complicated are the unique, environmentally sensitive areas found within the town, the extensive areas of the town that are vulnerable to the impacts of coastal hazards and climate change, and the high land value.

In recent years, Rye has faced challenges with housing development proposals, largely due to a lack of clear guidance in its regulations and supporting documents, including the Master Plan. This land use audit aims to assist Rye in identifying zoning regulation modifications that align with the latest data, public input, and the community's goals and vision. These efforts will support the ongoing Master Plan update and incorporate insights from the Buildout Analysis results.

Report Background

In May 2024, the Rye Planning Board was awarded a \$26,250 grant from InvestNH Municipal Planning & Zoning Grant Program’s Housing Opportunity Program Grant (HOP Grant) to prepare a Land Use Regulation Audit. The Rockingham Planning Commission was selected to assist the Rye Planning Board with this effort. The Audit will provide Rye with the opportunity to review its existing land use regulations that focus on housing or impact housing. It will also highlight components that may be creating barriers within the existing ordinance and call out opportunities that may exist to provide increased housing opportunities.



The focus of this project is the creation of an audit of existing regulations to evaluate possible land use regulation modifications to increase housing opportunities, including the pros and cons, level of effort required, identifying support (or lack thereof) for such changes in the Master Plan, and anticipated level of impact of the regulation change. Town areas most appropriate for increased housing opportunities, as determined through the Master Plan, Housing Needs Assessment, and community outreach will be identified.

This task is the second phase of housing planning in Rye. The first phase included the preparation of a Housing Needs Analysis, public engagement, and documentation of responses to: “What should the future of housing be in Rye?” The primary tasks in that project phase included:

Introduction

- Developed a housing needs assessment that evaluated the housing status, demographics, and housing-related issues within Rye.
- Conducted a survey to provide information on housing, and sought feedback from residents, businesses, and officials on housing preferences to help guide potential actions.
- Hosted public input event to present the background information, discussed housing preferences in Rye gained from the survey and other sources, and conducted facilitated discussion related to housing that may fit Rye’s needs and desires.

The Housing Needs Assessment included a full set of housing and demographic data and summary reports for all the public engagement efforts.

This Audit and the Housing Needs Assessment are intended to serve as a primary references, in addition to other ongoing planning efforts in Rye - including updates the Master Plan (adoption anticipated in 2025) and Buildout Analysis- for housing data in Rye, as the Planning Board continues to solicit community input and allow for a deeper dive into the realities of how Rye may begin to address the housing preferences to meet community needs.

- **Rye Master Plan:**
<https://www.town.rye.nh.us/planning-board/pages/master-plan-update>
- **Rye Housing Needs Assessment:**
<https://www.town.rye.nh.us/planning-board/pages/investnh-municipal-planning-zoning-grant>
- **Rye Buildout Analysis:**
<https://www.town.rye.nh.us/planning-board/pages/build-out-analysis>
- **RPC Regional Housing Needs Assessment:**
<https://www.town.rye.nh.us/planning-board/pages/2023-regional-housing-needs-assessment>

Introduction

Contents

This audit analyzes the presence and potential strategies for increasing housing opportunities by using local land use controls. Within each strategy the following components are presented:

- Summarized description.
- Function.
- Existing presence in Rye, if any.
- Potential benefits of implementation.
- Potential barriers to successful implementation.
- Potential opportunities lost without implementation.
- Next steps for strategy implementation.
- Local examples of implementation.

This document presents community recommendations and zoning commentary focused on potential amendments to encourage housing development. The goals outlined in this document are consistent with those in Rye's Master Plan update (anticipated for adoption in early 2025) and Housing Needs Assessment.

Introduction

Key Findings

- **Promotion of infill development - allowing more incremental development where it already exists - through mixed use development and planned unit development regulation modifications should be explored** as strategies to help Rye meet its housing needs while also supporting the desire to maintain the characteristics of Rye as a vibrant, seaside community. This type of development can include accessory dwellings, cottage developments, small scale mixed use, or simply allowing more density. Further studies of the infrastructure capacity and long-term feasibility should be conducted to inform the pattern of future development within the town.
- **Enabling regulations that help Rye provide opportunities for diverse housing will be needed** to ensure the town is compliant with state requirements and that the needs of residents are being met.
- **Maintaining existing regulations and expanding regulations that help reduce the risk of natural hazards** - particularly from flooding and coastal storms – are **key to protecting existing housing stock**. This may require discouraging new housing in some areas and promoting new housing in areas less susceptible to hazards.
- **A capacity assessment of existing infrastructure to support an increase in housing development will be needed.** To support more infill and denser development in Rye, further studies are essential to evaluate and ensure that the town's infrastructure—especially water and sewer systems—can support additional housing. Without a well-planned expansion of infrastructure, including water and sewer systems, any increase in housing density could strain the existing facilities, leading to potential issues such as water shortages or sewage overflows. Therefore, enabling regulations that promote diverse housing opportunities must also consider the financial implications of expanding community services, the impact on local businesses, and the overall capacity of infrastructure to handle increased demand

Introduction

Housing Types Allowed By Zoning District

Zoning District	Single-Family Home	Multi-Family Home	DUPLEX	Attached ADU	Detached ADU	Mixed Use Development	Manufactured/ Mobile Homes
Single Residence	Yes	NO	NO	Yes	No	Yes***	**Yes
General Residence	Yes	NO	YES	Yes	No	Yes***	**Yes
Business	Yes	NO	YES	Yes	No	Yes***	**Yes
Commercial	No	*Yes	YES	Yes	No	No	**Yes

*Allowed only in Multi-Family Overlay District: The Multifamily Dwelling Overlay District is comprised of the Route 1/Lafayette Road Commercial District (except land owned by the Rye Conservation Commission) and all land in Rye within 800 feet westerly of the Route 1/Lafayette Road Commercial District (190-3.7).

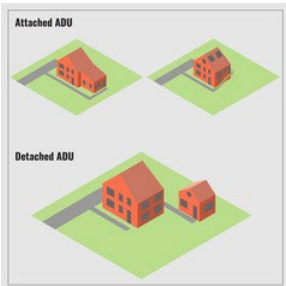
**Allowed by special exception only as part of a mobile home park or subdivision on a tract no less than ten acres (190-4.0)

*** Business use of residence permitted by special exception. Some businesses allowed in Single Residence and General Residence by special exception.

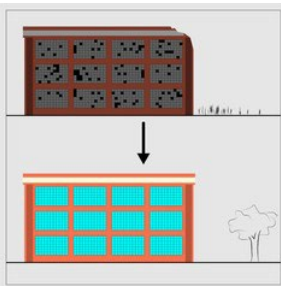
Housing Strategies and Impact Matrix

Housing Strategies

The following housing strategies are derived from the New Hampshire Housing Toolbox with expanded local context from the Rockingham Planning Commission. Additional information on any of these housing strategies can be found by visiting: www.nhhousingtoolbox.org.



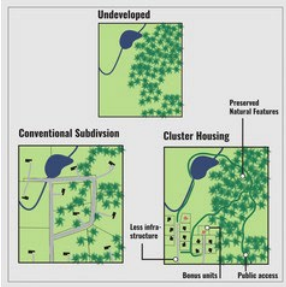
Accessory Dwelling Unit (ADU)
Secondary homes or apartments on an existing single-family lot.



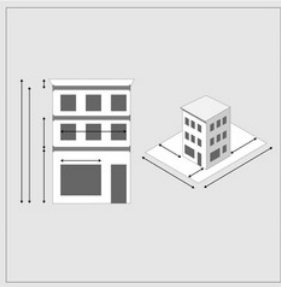
Adaptive Reuse
The practice of reusing old buildings for new purposes.



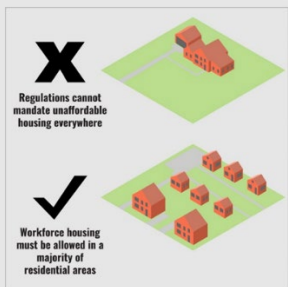
Age-Friendly Neighborhoods
Places that address the needs of younger and older adults.



Cluster Housing
A style of development in which homes are grouped together on a site and given large shared open spaces.



Form-Based Codes
A set of land development regulations with a primary focus of achieving a specified urban form.

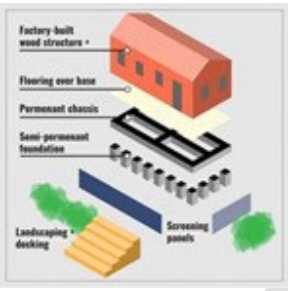


Inclusionary Zoning
Encourages the creation of deed-restricted affordable housing within market-rate developments.

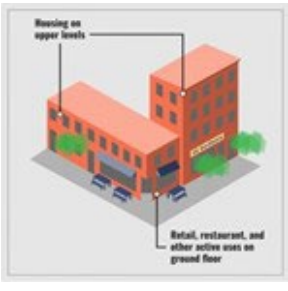
Housing Strategies and Impact Matrix



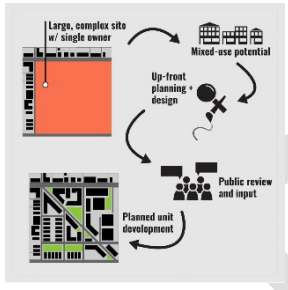
Infill Development
 New construction undertaken in an already built-up area.



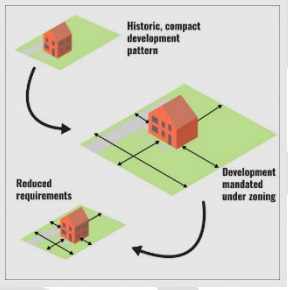
Manufactured Housing
 Housing that is constructed offsite, less expensive, and relatively fast to build.



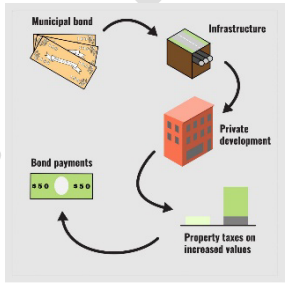
Mixed Use Development
 A type of real estate development that combines multiple uses.



Planned Unit Development (PUD)
 A method of land use regulation where the allowed mix of land uses, building types, densities, site design, and infrastructure are specified in detail for a single parcel or small collection of parcels.

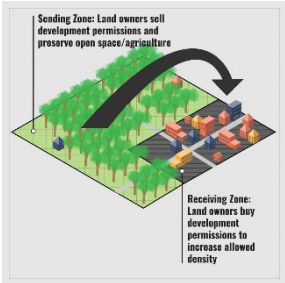


Reduced Zoning and Subdivision Requirements
 A process of matching local land use rules with the existing built character of a place, with community needs, with contemporary real estate economics, and with a community's vision for its future.



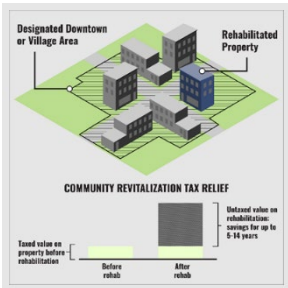
Tax Increment Financing (TIF)
 An economic development tool meant to make private developments feasible at low upfront costs to the community.

Housing Strategies and Impact Matrix



Transfer of Development Rights (TDR)

A zoning tool used to distribute development in an area to the places best suited for development, while letting all property owners recoup the value of development.



Community Revitalization Tax Relief (79-E)




An economic development tool that gives eligible projects tax relief for housing development, historic preservation and more.

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Housing Strategies and Impact Matrix

How to Use the Impact Matrix




- **Housing Impact** – How likely a strategy will impact Rye’s housing development, whether it be for additional development, or changing the way developments are created in general.

-  Potentially negative effect on housing production.
-  Potentially no effect or a small increase to housing production.
-  Potentially positive effect on increasing housing production.




- **Community Character** – How likely a strategy will impact community character, whether it be semi-rural character, recreational opportunities, affordability, environmental concerns, traffic and infrastructure capacity or any other community assets.

-  Potentially negative effect on preservation.
-  Potentially no effect or little effect on preservation.
-  Potentially positive effect on preservation.






























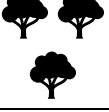






- **Community Support** – Alignment with the Master Plan goals, public perception, and political feasibility all contribute to community support. Does the housing strategy support what the town has communicated as a goal either directly or indirectly?

-  Potentially not supportive of community goals.
-  Potentially neither for, nor against, community goals.
-  Potentially in line with community goals.
















- **Feasibility** – How a strategy could be adopted from a logistical and cost perspective.

-  Not feasible for the community to adopt.
-  Potentially not feasible for the community to adopt.
-  Potentially feasible for the community to adopt.

Housing Strategies and Impact Matrix

Impact Matrix				
Housing Strategy	Housing Impact	Community Character	Community Support	Feasibility
Accessory Dwelling Units				
Adaptive Reuse				
Age-Friendly Neighborhoods				
Cluster Housing				
Form-Based Codes				
Infill Development				
Inclusionary Zoning				
Mixed Use Development				
Manufactured Housing				

Housing Strategies and Impact Matrix

Impact Matrix				
Housing Strategy	Housing Impact	Community Character	Community Support	Feasibility
Planned Unit Developments (PUD)				++
Reduced Zoning and Subdivision Requirements				++
Tax Increment Financing (TIF)				+++
Transfer of Development Rights (TDR)				++
79-E				+++ +

Understanding Housing Terminology

Housing Terms and Definitions¹

- **Accessory Dwelling Unit (ADU)** – A residential living unit that can be within or attached to a single-family dwelling, or a detached unit that provides independent living facilities for one or more persons, including provisions for sleeping, eating, cooking, and sanitation on the same parcel of land as the principal dwelling unit it accompanies. See New Hampshire Accessory Dwelling Units statute (RSA 674:71-73).
- **Adaptive Reuse:** The practice of reusing old buildings for new purposes.
- **Affordable Housing** – Housing, rental or owner-occupied, that costs no more than 30% of one's gross income. Rental cost is defined as rent + utilities. Ownership cost is monthly principal, interest, taxes and insurance.
- **Age Friendly Neighborhoods:** Places that address the needs of younger and older adults.
- **Area Median Income (AMI)** – The midpoint of income of all households in a given county or metropolitan region. Housing programs and the state's workforce housing law use AMI to determine housing eligibility.
- **Community Revitalization Tax Relief (79-E):** An economic development tool that gives eligible projects tax relief for housing development, historic preservation and more.
- **Cluster Housing:** A style of development in which homes are grouped together on a site and given large shared open spaces.
- **Form-Based Code:** A set of land development regulations with a primary focus of achieving a specified urban form.
- **Housing Choice Vouchers (also known as Section 8)** – A federal government program that assists very low-income families, the elderly, and the disabled to

¹ This list of housing terms is based on the NH Housing 2019 "Frequently Used Housing Terms" factsheet and expanded to include housing terminology included in this document. NH Housing factsheet is available at <https://www.nhhfa.org/wp-content/uploads/2019/11/Frequently-Used-Housing-Terms.pdf>

Understanding Housing Terminology

afford decent, safe, and sanitary housing in the private market. It is a form of subsidized affordable housing in which families who qualify may be provided with government funding to pay a portion of their rent in standard, market-rate housing. Program eligibility and assistance is based upon income and household size.

- **Inclusionary Zoning:** Encourages the creation of deed-restricted affordable housing within market-rate developments.
- **Infill Development:** New construction undertaken in an already built-up area.
- **Low Income Housing Tax Credit (LIHTC)** – A federal program that subsidizes the acquisition, construction, and rehabilitation of affordable rental housing for low- and moderate-income tenants. Developers receive a tax credit allocation from an agency such as NHHFA, and then sells the tax credits to a private equity company in exchange for funding to build the property. LIHTC properties must have some or all of its units leased to tenants at rents that are lower than market rent.
- **Manufactured Housing:** Housing that is constructed offsite, less expensive, and relatively fast to build.
- **Market Rate Housing** – Housing that is available on the private market, not , that is rented or owned without subsidies or government assistance. The rent or purchase price is based on market values and demand.
- **Mixed-Income Housing Development** – Development that includes housing for various income levels, including housing that is targeted towards low- to moderate-income individuals and families.
- **Mixed-Use** – Any building that contains at least two different types of uses in it, such as ground floor commercial space for stores, restaurants or other businesses, and residential units on the upper floors.
- **Mixed-Use Housing:** Housing that is constructed offsite, less expensive, and relatively fast to build.
- **Multi-Family Housing** – A residential building or structure with more than one housing unit.

Understanding Housing Terminology

- **Planned Unit Development:** A method of land use regulation where the allowed mix of land uses, building types, densities, site design, and infrastructure are specified in detail for a single parcel or small collection of parcels.
- **Reduced Zoning and Subdivision Requirements:** A process of matching local land use rules with the existing built character of a place, with community needs, with contemporary real estate economics, and with a community's vision for its future.
- **Single-Family Housing** – Any residential detached dwelling unit designed for or occupied exclusively by one family. Built on its own parcel of land, a single-family home has no shared property.
- **Subsidized Housing** – Housing where all or a portion of the occupants' monthly housing cost is paid for directly by a government program, such as by Housing Choice Vouchers. The renters pay the portion of the rent that is determined to be affordable to them based on their income.
- **Tax Increment Financing (TIF):** An economic development tool meant to make private developments feasible at low upfront costs to the community.
- **Tiny Home:** A "tiny house" is defined by Section AQ102 of the 2018 International Residential Code as being a site-built dwelling that is 400 square feet or less in floor area excluding lofts.
- **Transfer of Development Rights (TDR):** A zoning tool used to distribute development in an area to the places best suited for development, while letting all property owners recoup the value of development.
- **Workforce Housing** – A variety of housing types that are affordable (no more than 30% of a household's gross annual income spent on housing costs) suitable for households of working people with different needs and income levels. Due to their income, this population is generally not eligible for any federal assistance programs.
- **NH Workforce Housing Law (RSA 674:58-:61)** - Defines workforce housing as housing that is affordable to a renter earning up to 60% of the Area Median Income for a family of three paying no more than 30% of their income on rent and utilities, or a homeowner earning up to 100% of the Area Median Income for a family of four paying no more than 30% of their income on principal, interest, taxes and insurance.

Accessory Dwelling Units

WHAT IS IT?

Accessory Dwelling Units (ADUs) are also known as “granny flats” or “in-law apartments” and are not a new concept. Attached ADUs are commonly in basements, in attics, or over garages. Detached ADUs are commonly smaller living areas disguised as garages, barns, or sheds.

In New Hampshire, ADUs are defined under state law. An ADU is not simply an extra room, but an “independent living facility for one or more persons, including provisions for sleeping, eating, cooking, and sanitation...” (RSA 674 § 71).



Source: NH Housing Toolbox

Attached ADUs are allowed by default in all New Hampshire communities and must be allowed in all single-family housing. Municipalities can allow detached ADUs but are not legally required to do so. Communities can allow more than one ADU per property. ADU Ordinances cannot limit the size to less than 750 square feet, cannot specify which unit the owner must live in, cannot have more stringent setbacks or lot size rules, cannot require a familial relationship, cannot limit to one bedroom, nor can they require separate water and sewer systems.

LOCAL PRESENCE

- ✓ Rye currently allows for attached ADUs in the Single Residence District, the General Residence District and the Business District – see the Allowed Uses Table within the Introduction. Rye requires a Conditional Use Permit for Attached ADUs. In 2024 a total of five Conditional Use Permits were approved by the Planning Board for ADUs.
- ✗ Rye does not allow detached ADUs in any district without a variance.

POTENTIAL BENEFITS

- **Aging in place:** ADU’s make it easy for senior residents to remain at home in their community as an alternative to assisted living. An additional unit could be made more accessible than the main home.
- **Economic benefit:** ADU’s may offer an income opportunity.
- **Multi-generational:** ADU’s provide more living space for families spanning multiple generations, such as space for a grandparent or young adult.

Accessory Dwelling Units

- **Preserve community character:** ADU's create more housing without impacts to architectural character. Even detached ADUs may be subject to architectural requirements that preserve the community character.

POTENTIAL CONSTRAINTS

- **Water and Wastewater Capacity:** Homeowners looking to add additional bedrooms to their homes must demonstrate that the existing on-site infrastructure, such as septic systems and wells, can support the increased demand associated with additional bedrooms. This often involves conducting detailed assessments to evaluate whether the current septic system has sufficient capacity and whether the water supply is adequate for the expanded household size. This process can be both costly and time-consuming. Homeowners may need to hire professional engineers or septic system designers to perform soil tests, percolation tests, and system evaluations to ensure that the existing infrastructure meets the necessary standards for increased usage. If the septic system is deemed inadequate, it may need to be upgraded or replaced, which can be a significant financial burden. Additionally, the permitting process for these upgrades can be lengthy, involving multiple inspections and approvals from local health and building departments.
- **Price of construction and permitting:** In Rye, attached ADU's require a Conditional Use Permit. The applicant must submit a floor plan showing property layout (including existing or proposed septic system, parking plan, floor plan of all rooms and access/egress, elevation views of exterior changes to the building the proposed changes to the building and sketch plan (drawn to scale) of the lot, with existing and proposed structures and parking.
- **Flooding and Sea Level Rise:** It is important to ensure future housing development is protected from flooding. This requires developers to consider factors such as building location, elevation requirements, stormwater management, lot coverage and resilient design and construction standards. All development in the Special Flood Hazard Area (SFHA) requires a local floodplain development permit, and any buildings proposed in the floodplain are required to be elevated to protect against flood damage. Additional considerations include higher insurance costs for properties in flood-prone areas, access by emergency services in extreme flooding events, and the risk of flood damage to critical infrastructure and utilities.

OPPORTUNITY COST

If the process to build accessory dwelling units is too demanding for homeowners, it could lead to:

Accessory Dwelling Units

- Less smaller, affordable housing development.
- Missed opportunities for an interested homeowner.
- Less housing diversity.
- Potential for increased sprawl / reduction of semi-rural character.

CONSIDERATIONS AND NEXT STEPS FOR RYE

- Investigate offering pre-approved ADU designs t and educational materials that can speed up the permitting process.

The City of Portsmouth, NH has a dedicated webpage on the City's website giving background information and the application process to potential applicants.

This information is available at:

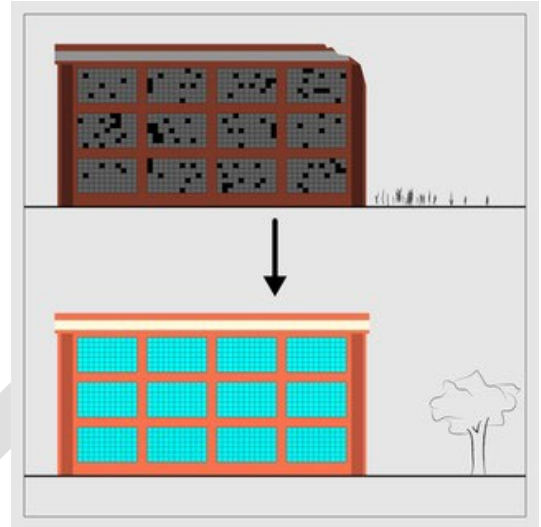
www.cityofportsmouth.com/planportsmouth/accessory-dwelling-units-adu

- Evaluate existing system for keeping track of new and old ADUs and identify if there are opportunities for improvement.
- Evaluate existing process for legalizing existing ADUs and determine if there are opportunities for improvement.
- Consider allowing attached ADUs by right. The criteria under the existing regulation could remain the same, but the procedural requirements could be reduced making the process more streamlined for property owners.
- Investigate updating the ADU Ordinance to:
 - Allow more than one ADU per parcel,
 - Be flexible on size, especially when the ADU will be in a building that currently exists on site.
 - Do not put a maximum room size requirement – allow for studio style ADUs; and flexible living spaces.
 - Allow for detached ADUs by right or by conditional use permit.
 - Eliminate the restriction that ADUs cannot be rented and remove time renting restriction and/or remove that the owner must live in the principal dwelling.

Adaptive Reuse

WHAT IS IT?

Adaptive Reuse is the practice of utilizing existing, unused buildings for new purposes. In New Hampshire, this strategy may be applied to repurpose old mill buildings and factories into residential and commercial space. The durability of pre-war construction and the dimensions of such buildings make them more amenable to adaptive reuse compared to post-war buildings. Older buildings are well-suited for housing that can meet a variety of household sizes and amenity needs.



Source: NH Housing Toolbox

LOCAL PRESENCE

- ✓ Rye’s zoning ordinance states that any construction, alteration, demolition, movement, repair, or change to the exterior appearance of historic buildings as well as any new use of land or buildings within the district requires a certificate of approval from the Historic District Commission and building department.
- ✗ The zoning ordinance does not explicitly detail provisions for utilizing existing, unused buildings for new purposes such as housing.

Chinburg Properties, “Newmarket Mills.”

Once a decrepit mill complex, this is now a mixed-use development with 111 housing units on top of a variety of businesses.

<https://chinburg.com/property/newmarket-mills/>

POTENTIAL BENEFITS OF ADAPTIVE REUSE

- **Historic Preservation:** By keeping buildings that already exist within the community, preserves the character and does not negatively impact abutters.
- **Increased housing and commercial opportunity:** Typically, these buildings are not used for residential purposes but when redeveloped, housing is often added as well as commercial and office spaces. These can be a variety of sizes and can be either apartments or condos adding to a community’s housing diversity.
- **Preservation of undeveloped areas:** By utilizing already developed areas of Town, open space is preserved.

Adaptive Reuse

- **Community Character:** These buildings may be left empty and in disrepair which can lead to a neighborhood looking blighted and can attract crime and accidents. By renovating, a building can increase visual appeal without increasing the footprint.

POTENTIAL CONSTRAINTS

- **Water and Wastewater Capacity:** The developer must demonstrate that the existing on-site infrastructure, such as septic systems and wells, can support the increased demand associated with additional bedrooms. This often involves conducting detailed assessments to evaluate whether the current septic system has sufficient capacity and whether the water supply is adequate for the expanded household size. This process can be both costly and time-consuming. Homeowners may need to hire professional engineers or septic system designers to perform soil tests, percolation tests, and system evaluations to ensure that the existing infrastructure meets the necessary standards for increased usage. If the septic system is deemed inadequate, it may need to be upgraded or replaced, which can be a significant financial burden. Additionally, the permitting process for these upgrades can be lengthy, involving multiple inspections and approvals from local health and building
- **Structural Challenges:** Depending on how old the building is, there may be structural issues that come up along the way making the project more complicated, including the cost bringing a building up to current building codes. With new sites for development, developers know what to expect.
- **Limitations on buildings suitable for repurposing:** While Rye has a sizable stock of older buildings, many may not be suitable for repurposing due to building condition or because of location – particularly those found within areas that are prone to flooding or coastal hazards.

OPPORTUNITY COST

If Rye does not consider reviewing the zoning ordinance and making changes to promote adaptive reuse, then there could be:

- Less housing development,
- Less commercial development,
- Historical assets being destroyed,
- Negative alteration of town character,
- Less housing diversity, and

Adaptive Reuse

- Potential for increased sprawl.

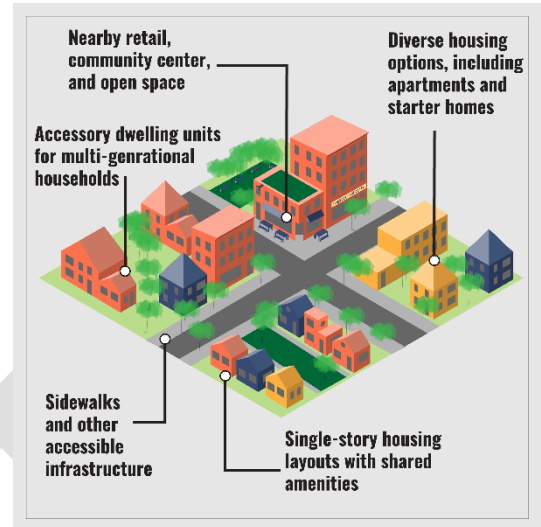
CONSIDERATIONS AND NEXT STEPS FOR RYE

- Conduct an audit of local regulations to find impediments to reuse of existing buildings. The audit should include zoning (use, parking, and dimensional rules), site design regulations, any local amendments to the state building code, conservation requirements, and any other regulations relevant to your conversations with property owners and developers. Identify barriers to adaptive reuse.
- Maintain an inventory of historic and underutilized buildings suitable for adaptive reuse.
- Consider amending the Historic District zoning ordinance to specify building design standards for repurposing historic buildings into new uses such as housing.
- Consider exploring funding mechanisms and tax incentives for the rehabilitation of historic and older buildings. For example, The Federal Historic Preservation Tax Incentives Program allows for a 20% investment tax credit for rehabilitating historic buildings and placing them in service as income producing buildings – meaning buildings used as commercial, industrial, and/or rental residential space.
- Incorporate adaptive reuse goals into community master plan and strategic vision to ensure long-term commitment and alignment with broader development objectives.

Age-Friendly Housing

WHAT IS IT?

Age-friendly housing takes into consideration both younger and older adults that are not at a stage of their lives to be needing a large living arrangement. Smaller and easier-to-maintain homes that are affordable are ideal for both older and younger individuals. When striving for age-friendly housing, we are also concerned with outdoor spaces, transportation, social participation, and proximity and accessibility of health services are integral to planning.



LOCAL PRESENCE

Source: NH Housing Toolbox

- ✓ Rye's Retirement Community Development (RCD) Overlay District provides flexibility of zoning regulations to encourage the construction of small residential neighborhoods which provide affordable housing designed and constructed to meet the unique needs of people 62 years of age and over, while ensuring compliance with local planning standards, land use policies, good building design, and the requirements for the health, safety and general welfare of the inhabitants of Rye. An RCD is allowed in any zoning district in Rye, except within the Rye Beach Precinct. At least 50% of the dwelling units in an RCD must be affordable and each development must provide recreation opportunities and community facilities. Dwelling unit types may be single-family, duplexes and multi-family.
- ✗ The minimum parcel size for an RCD is ten acres.
- ✗ An RCD shall have a minimum of eight dwelling units, but not more than 16 dwelling units.

BENEFITS OF AGE FRIENDLY HOUSING

- **Aging in place:** When individuals desire to downsize from their homes, they do not need to search in other communities; they can stay in their town.
- **Economic Development:** By offering affordable housing to younger adults, the Town is promoting a local workforce. Businesses will not come to Rye or expand if their employees cannot live close by.

Age-Friendly Housing

- **Downsizing:** Both young people starting out and older individuals can have smaller, affordable properties that foster independence.
- **Reduced cost:** Land sharing can create cost savings for owners. Reduced sizes of homes also contribute to a lower cost of living on average.

POTENTIAL CONSTRAINTS

- **Water and Wastewater Capacity:** The property (soil and size) must be able to accommodate the housing development or can be connected to public sewer and/or water.
- **Price of construction and permitting:** Certain aspects of local approval processes may be deterrents to housing development.
- **Flooding and Sea Level Rise:** It is important to ensure future housing development is protected from flooding. This requires developers to consider factors such as building location, elevation requirements, stormwater management and resilient design and construction standards. All development in the Special Flood Hazard Area (SFHA) requires a local floodplain development permit and any buildings proposed in the floodplain are required to be elevated to protect against flood damage. Additional considerations include higher insurance costs for properties in flood-prone areas, access by emergency services in extreme flooding events, and risk of flood damage to critical infrastructure and utilities. Putting individuals in flood prone areas can lead to incidents, especially regarding elderly individuals.
- **Increase in demand for municipal services –** More age-restricted and conventional housing development may strain public services, including schools, emergency services, and parks.

OPPORTUNITY COST

If Rye does not consider reviewing the zoning ordinance and making changes to promote age-friendly development, then there could be:

- Relocation of longtime residents that are integral to the community.
- Lack of influx of younger residents and families, which can be integral to the community,
- A negative impact to both the workforce population and local economy due to lack of age-friendly housing and,

Age-Friendly Housing

CONSIDERATIONS AND NEXT STEPS FOR RYE

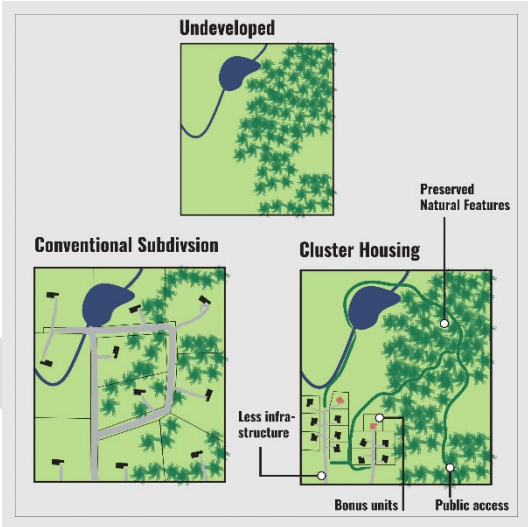
- Consider incorporating requirements for universal building design in the construction of dwelling units for older adults. Such building design standards may include no-step entry in all units and shared facilities, single-level units, accessible bathrooms and facilities, wider doors and hallways, flat, continuous and well-maintained sidewalks and trails, ramp entry to shared facilities and increased lighting along sidewalks and interior roadways. [See AARP's HomeFit Guide for examples of universal design examples. Reference NH RSA 354-A:15 \(Housing for Older Persons\) and the U.S. Fair Housing Act in the Rye ZO.](#)
- Many of the design standards, recreational amenities and community facilities included in retirement communities are also desirable and attractive among younger adults. Consider adding similar design standards in the multi-family development overlay district.
- Work with RPC to develop an Age-Friendly Community Assessment of town services, facilities and regulations to identify opportunities for improving quality of life for adults of all ages and abilities. An age-friendly action plan is intended to convey a clear vision and set of values towards an age friendly community and define goals to make a community a better place for residents of all ages, abilities, racial and ethnic identifications, and socioeconomic levels.² This assessment would incorporate data and input from the master plans and other municipal planning documents that support enhancing opportunities and quality of life for residents of all ages and abilities
- Consider allowing RCDs on lots less than ten acres, if there is water and septic capacity to support the development.
- Use housing data to make predictions on what Rye's population will be in the future to determine the number of units needed. See [NH Housing Authority Housing and Demographic Data](#), [NH Office of Planning and Development](#), [Rockingham Planning Regional Housing Needs Assessment](#) and other relevant data sources.
- Some communities are concerned about areas with multiple low-income families and fear that they may attract crime and blight. Education will be important to make people understand who these communities are for.
- A large increase in elderly individuals in a short timeframe may strain existing municipal services, such as emergency services or recreation facilities.

² <https://www.aarp.org/content/dam/aarp/livable-communities/livable-documents/documents-2019/AARP-NAFC-action-planning-overview.pdf>

Cluster Housing

WHAT IS IT?

Also known as “conservation subdivision” or “open space subdivision” cluster housing aims to allow for new development while keeping open space conservation in mind. By allowing smaller lot sizes and having different infrastructure requirements, cluster housing developments allow more homes to be built and still retain open space. Towns can encourage (and developers can pursue) cluster development to preserve natural resources, provide high-quality open space amenities, and reduce the ecological impact of new development.



Source: NH Housing Toolbox

LOCAL PRESENCE

- ✓ Rye's Conservation Land Development (CLD) Overlay District allows housing developments to deviate from the minimum dimensional standards required for conventional developments, in return for the permanent preservation of open space. In a CLD, at least 50% of the total land area must be preserved in perpetuity by deed restriction or conservation easement. CLD's are permitted in the Single Residential District and the Commercial District. Dwelling types may be single family, duplexes or multi-family units.
- ✓ Rye's Retirement Community Development (RCD) Overlay District incentivizes developers to utilize cluster layout by offering an increased number of units per acre.
- ✓ Protecting natural resources and maintaining the town's character were identified as top priorities in Rye's 2013 Master Plan and its 2023 Housing Needs Assessment Report.
- ✗ The minimum parcel size for a CLD shall be 20 acres of land

BENEFITS OF CLUSTER HOUSING

- **Increased housing diversity:** By allowing density, this could encourage the construction of alternative housing types like manufactured housing, multifamily, and duplex homes.
- **Increased affordability:** Smaller lots and alternative housing often leads the homes

Cluster Housing

to be less expensive. By sharing space, you can minimize the cost of infrastructure and construction which could bring down costs for individuals.

- **Open Space Preservation:** By creating denser neighborhoods, the need for additional land can be lessened and more land can be preserved. The open space requirements ensure that the occupants of the subdivision are able to enjoy nature as well.

POTENTIAL CONSTRAINTS

- **Water and Wastewater Capacity:** The developer must demonstrate that there is adequate on-site infrastructure to support the increased demand associated with an increase in housing units. This often involves the need to upgrade or expand existing water and wastewater infrastructure or, the design and installation of new infrastructure. Both of which involve significant time and financial implications.
Price of construction and permitting: Certain aspects of the local permitting and approval processes may be deterrents to housing development.
- **Public Services:** Increased cluster housing developments may strain public services, including schools, emergency services, library and public spaces..
- **Flooding and Sea Level Rise:** It is important to ensure future housing development is protected from flooding. This requires developers to consider factors such as building location, elevation requirements, stormwater management and resilient design and construction standards. All development in the Special Flood Hazard Area (SFHA) requires a local floodplain development permit and any buildings proposed in the floodplain are required to be elevated to protect against flood damage. Additional considerations include higher insurance costs for properties in flood-prone areas, access by emergency services in extreme flooding events, and risk of flood damage to critical infrastructure and utilities.

OPPORTUNITY COST

If Rye does not consider reviewing the zoning ordinance and making changes to its cluster subdivision ordinance, then there could be:

- Less housing development,
- Missed opportunities for an interested developer,
- Less housing diversity,
- Potential for increased sprawl, and
- Less conservation of open space.

Cluster Housing

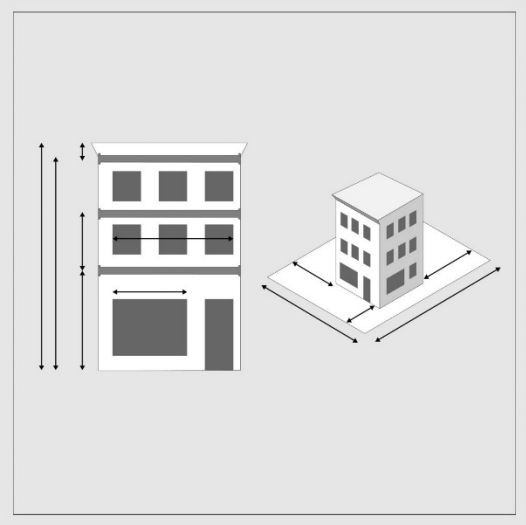
CONSIDERATIONS AND NEXT STEPS FOR RYE

- Consider allowing Conservation Developments in the General Residential District.
- Explore opportunities for design and technology to allow for alternative configurations to provide greater flexibility in lot size and configuration.
- Consider allowing conservation developments on lots less than 20 acres in size.
- Identify areas where housing production and open space conservation is important.
- Make cluster housing an allowed use by right with reasonable parameters in the town's land use regulations. Conditional Use Permits and vague regulations can make the process unpredictable, which will discourage developers from choosing this option.
- Consider making cluster development mandatory for environmentally sensitive areas.
- The method for determining housing density should be relatively simple and should not require a near-full design of a conventional subdivision to determine yield. Ensure any density formula is easily understood.
- Include provisions for tiny homes or cottage style homes to be allowed as part of a cluster subdivision.

Form-Based Code

WHAT IS IT?

Often implemented in downtown and village centers, Form-Based Codes are an alternative to conventional zoning and focuses on a specific form. These are often used to maintain character and pertain to height, floor-area ratios, sometimes architectural styles, relationship to parking, and public spaces.



Source: NH Housing Toolbox

LOCAL PRESENCE

- ✘ Rye does not have specific form-based ordinances. However, Rye does specify design standards for particular uses such as planned developments, ADUs, and uses in the Coastal Overlay District.

POTENTIAL BENEFITS

- **Community Character:** Form-based code emphasizes the physical form of buildings, streetscapes, and public spaces, ensuring a consistent and cohesive architectural style throughout the community.
- **Increased housing and commercial opportunity:** Form-based codes can include both residential and commercial uses in a building. They can encourage construction of alternative housing types like duplexes and small multifamily buildings, which are often missing in smaller communities with little affordable housing.
- **Mixed-Use Development:** Encouraging mixed-use development through form-based code promotes a diverse and vibrant urban environment where people can live, work, shop, and socialize within walking distance.
- **Economic Development:** Well-designed public spaces and consistent architectural styles make the community more attractive to investors, businesses, and residents, boosting economic development.

POTENTIAL CONSTRAINTS

- **Water and Wastewater Capacity:** Increasing residential and commercial density requires adequate utilities and facilities to support those uses.

Form-Based Code

- **Resource Intensive:** Developing and implementing form-based codes can be resource-intensive, requiring significant time, expertise, and financial investment from the community and planning departments.
- **Existing Zoning Conflicts:** Transitioning from traditional zoning codes to form-based codes can be complex, especially if existing regulations conflict with the new code. This may require substantial legal and regulatory adjustments.

OPPORTUNITY COST

If Rye does not consider adding a form-based code, there could be:

- Less housing development,
- Less economic development,
- Less opportunities for small businesses specifically,
- Less housing diversity, and
- Character mismatch throughout the community.

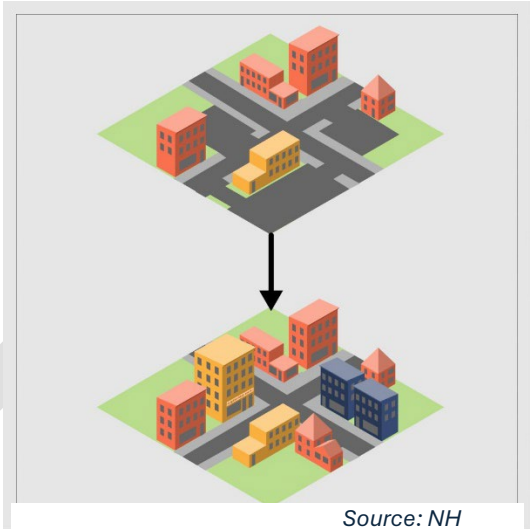
CONSIDERATIONS AND NEXT STEPS FOR RYE

- Form -based code can take many forms, such as a special district, an overlay district, or even an alternative development incentive. Consider integrating form-based code into existing overlay districts or develop new districts that allow for denser development within areas with public water and the sharing of septic utilities.
- Define the area of the community to be addressed through form-based code and the extent to which form-based code interacts with existing regulations. For example, a community may decide to focus on sub areas of the community such as downtowns or village centers or areas that have been targeted for economic revitalization.
- After determining which areas in the community will be subject to form based code, , define building standards, including height, frontage types, setbacks, and architectural features, to ensure consistent and predictable development.
- Determine the capacity of existing staff and consultants to assist with the adoption of form-based code and determine if additional assistance is needed. Adoption of form-based code whether in sub areas of the community or town-wide will require extensive public engagement, changes to land use regulations, zoning ordinances and other town documents and map.

Infill Development

WHAT IS IT?

Infill is the opposite of sprawl and promotes new development in areas that are already built-up. Infill development is often found in underutilized areas of communities and can look like new development or the replacement of buildings and parking lots. Right-sizing regulations may be necessary for projects to fit into the existing character of the area. Many zoning codes do not allow traditional neighborhood development and/or are out of step with real estate economics.



Source: NH Housing Toolbox

LOCAL PRESENCE

- ✗ Rye’s zoning ordinance does not specifically promote the concept of infill development. However, it is not clearly addressed.

BENEFITS OF INFILL DEVELOPMENT

- **Increased housing diversity:** By encouraging higher density, the construction of alternative housing types like duplexes and small multifamily buildings will create more housing diversity.
- **Increased affordability:** Smaller lots and alternative housing often leads to less expensive homes. By sharing space, you can share the cost making it more affordable for individuals.
- **Economic Development:** By creating higher density, communities can create a walkable and visually attractive area where small businesses will be able to thrive. Encouraging mixed-use development can increase opportunities for small businesses who do not require a large footprint to operate.
- **Open Space Preservation:** By creating denser neighborhoods, the need for additional land can be lessened and more land can be preserved.

POTENTIAL CONSTRAINTS

- **Infrastructure Capacity:** Existing infrastructure, such as roads, water supply, and sewage systems, may not have the capacity to support additional development without significant upgrades.

Infill Development

- **Public Services:** Increased density from infill development may strain public services, including schools, emergency services, and parks.
- **Zoning Conflicts:** Existing zoning regulations may not support higher-density or mixed-use infill development, requiring time-consuming and complex rezoning processes.
- **Site Constraints:** Infill sites are often small, irregularly shaped, or have existing structures that must be demolished or repurposed, complicating development.
- **Flooding and Sea Level Rise:** It is important to ensure future housing development is protected from flooding. This requires developers to consider factors such as building location, elevation requirements, stormwater management and resilient design and construction standards. All development in the Special Flood Hazard Area (SFHA) requires a local floodplain development permit and any buildings proposed in the floodplain are required to be elevated to protect against flood damage. Additional considerations include higher insurance costs for properties in flood-prone areas, access by emergency services in extreme flooding events, and risk of flood damage to critical infrastructure and utilities.

OPPORTUNITY COST

If Rye does not consider reviewing the zoning ordinance and making changes to promote infill development, there could be:

- Less housing development,
- Underused large properties that stay underused,
- New development in areas of high flood risk,
- Less housing diversity, and
- Natural resources lost to expansion.

CONSIDERATIONS AND NEXT STEPS FOR RYE

- Identify potential and priority infill development sites. Talk to property owners and developers to gauge redevelopment interest and constraints.
- Consider infill development incentives, including density bonuses, a streamlined permitting process, and tax relief.
- Various Innovative Land Use Controls can help promote infill – see [Reduced Requirements](#), [Transfer of Development Rights](#), and [Adaptive Reuse](#).
- Include infill development as a recommendation in the town’s master plan.
- Amend zoning ordinances to reduce minimum lot size requirements and create design standards for small, undersized lots to increase density and housing variety.

Infill Development

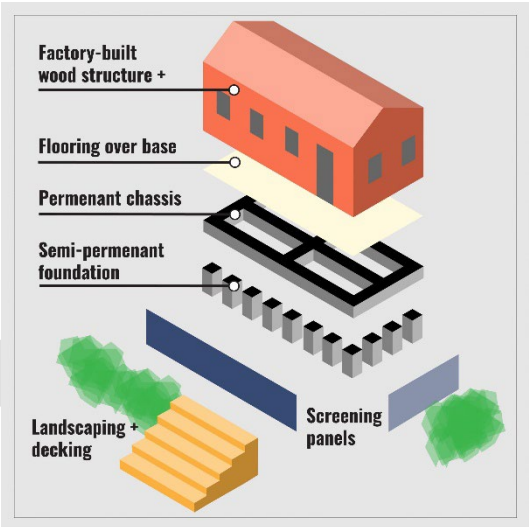
- Amend zoning ordinances to reduce parking ratios and allow shared parking arrangements between different uses in targeted areas for infill development.

DRAFT

Manufactured Housing

WHAT IS IT?

Housing that is prefabricated off-site and placed on a permanent chassis is considered manufactured housing. The most common type that we see is a mobile home or trailer. These can be seen in manufactured housing parks or on their own land. They can be placed on a foundation to be made more permanent as well. Manufactured homes look very different today due to new technologies and the ability to move larger homes or parts of a home that are later assembled onsite.



Source: NH Housing Toolbox

Manufactured housing parks provide many affordable housing opportunities, but often the homeowner pays rent or a fee because they do not own the land that the home is on. This can lead to uncertainty when the park is sold or closed, and the homeowner is forced to sell at a low cost. One alternative to outside investment is cooperative ownership by residents, who then manage the park collectively as a non-profit. In this structure, also known as a Resident Owned Community (ROC), each resident owns a share in the park and has a say in decisions affecting the community. The New Hampshire Community Loan Fund was established in 1983 with a goal of providing loans for residents to form ROCs and purchase their manufactured housing communities.

LOCAL PRESENCE

- ✓ Rye’s Zoning ordinance allows for mobile homes only as only in approved developed park sites and mobile home subdivisions or under temporary permits.
- ✗ Rye’s Zoning ordinance states that mobile home parks are allowed as part of a subdivision or mobile home park on parcels not less than 10 acres in size. Such mobile home parks are permitted by special exception from the board of adjustment.
- ✗ It does not appear that a single mobile home is allowed. The ordinance could use clarification.
- ✗ No permanent additions, skirting, foundations, lean-tos, sheds, or rooms shall be permitted

Manufactured Housing

- ✗ Rye’s Zoning ordinance includes a definition of “manufactured housing” but does not indicate where manufactured housing is allowed and/or if it’s different from mobile homes.

BENEFITS OF MANUFACTURED HOUSING

- **Increased housing diversity:** By encouraging the construction of alternative housing types like manufactured housing, more housing diversity will be created. Manufactured homes are not only trailer and mobile homes but can have the appearance of modern homes and are delivered in multiple pieces.
- **Increased affordability:** Manufactured housing provides a more affordable alternative to traditional site-built homes, helping to address housing affordability issues and making homeownership accessible to a broader segment of the population.
- **Open Space Preservation:** Manufactured homes can be placed in higher-density configurations, making efficient use of available land and potentially reducing urban sprawl.
- **Fast Development:** Manufactured homes are built in factories and can be quickly assembled on-site, reducing construction time and costs compared to traditional homes.

POTENTIAL CONSTRAINTS

- **Infrastructure Capacity:** Adequate infrastructure, such as roads, sewage systems, and water supply, must be in place to support manufactured housing, and upgrading infrastructure can be costly and complex.
- **Public Perception:** There may be stigma or negative perceptions associated with manufactured housing, which can lead to resistance from existing residents and community leaders.
- **Aesthetic concerns:** Concerns about the aesthetic impact of manufactured homes on neighborhood appearance can lead to opposition and potential conflicts.

OPPORTUNITY COST

If Rye does not consider reviewing the zoning ordinance and making changes to promote manufactured housing, then there could be:

- Less, smaller, affordable housing development,
- Loss of workforce housing,

Manufactured Housing

- Misunderstanding between different types of housing,
- Less housing diversity, and
- Risk to natural resources lost due to expansion for larger homes.

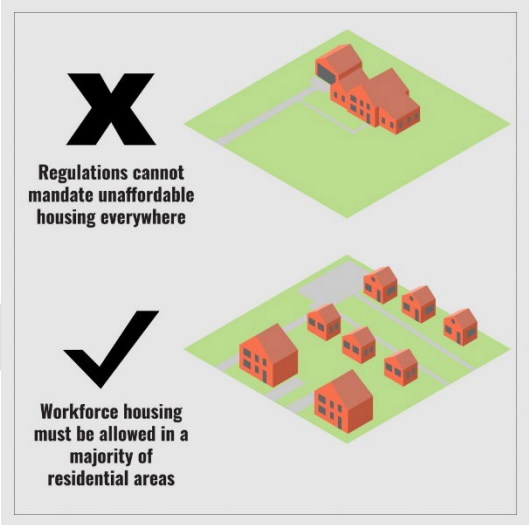
CONSIDERATIONS AND NEXT STEPS FOR RYE

- Consider differentiating manufactured housing and mobile homes in the zoning ordinance or clarify that the provisions are the same for each.
- Consider allowing for the placement of single mobile homes or manufactured homes in all districts that allow single-family homes by right as opposed to only allowing them in a park of 10 acres or more.
- Consider allowing smaller manufactured housing parks with a reduced open space requirement to decrease land costs.
- Consider creating local design guidelines for new manufactured housing communities to ensure the community character and aesthetics valued by residents are preserved and maintained. While the state regulates the design of the units themselves, local laws can specify how manufactured housing relates to landscaping, community layout, site design, and so on.

Inclusionary Zoning

WHAT IS It?

Inclusionary Zoning is a land use regulation that encourages the creation of deed-restricted affordable housing within market-rate developments. These laws, once put into the Zoning ordinance, allow developers to bypass certain zoning rules (max density, parking, dimensions) if the developer agrees to create housing at an affordable rate to those who are income eligible. This usually looks like a density bonus.



LOCAL PRESENCE

- ✓ Rye’s Zoning ordinance requires the following pertaining to affordable and workforce housing:
 - 50% of the dwelling units in a Retirement Community Development (RCD) must be affordable (criteria for determining affordability threshold found in Section 190-4.1(6)).
 - At least 20% but not more than 51% of the dwelling units in a multi-family development shall be workforce housing units (criteria for determining workforce housing found in Section 190-4.2C(6). The planning board may approve a density bonus if 30% of the total dwelling units are workforce housing units.
 - At least 20% but not more than 40% of the dwelling units in a Conservation Land Development (CLD) shall be workforce housing (criteria for determining workforce housing units found in Section 190-4.3D(6)).
- ✓ Rye’s current housing master plan chapter, adopted in 2013, acknowledges that the population and housing demand are shifting, and the Town’s need to address the 2009 Workforce Housing Law. Furthermore, affordable and workforce housing were cited as a need in [Rye’s Housing Needs Assessment in 2023](#).

BENEFITS OF INCLUSIONARY HOUSING

- **Affordable Housing:** Workforce Housing must be affordable to a renter household of three making up to 60% of Area Median Income or a homeowner household of four making up to 100% of Area Median Income.
- **Economic Development:** Workforce housing is tailored so that the local

Inclusionary Zoning

workforce can live and work within the same community. Without a local workforce, positions stay open, local businesses suffer, tax income generators move to other towns, and the schools empty out.

- **Downsizing:** The Workforce Housing Ordinance can also assist others with qualifying incomes such as elderly individuals looking to downsize.

POTENTIAL CONSTRAINTS

- **Water and Wastewater Capacity:** The developer must demonstrate that there is adequate on-site infrastructure to support the increased demand associated with an increase in housing units. This often involves the need to upgrade or expand existing water and wastewater infrastructure, or the design and installation of new infrastructure. Both of which involve significant time and financial implications.
Logistics: The creation of a Workforce Housing Ordinance and full review of the Zoning ordinance to see how affordable housing could be made feasible requires the assistance of an outside planning organization and cannot be done internally.
- **Price of construction and permitting:** In Rye, certain types of development that would provide for Workforce Housing would require at least a Site Plan Review which can be a long and costly endeavor.

OPPORTUNITY COST

If Rye does not amend the zoning to promote workforce housing, there may be:

- Less smaller, affordable housing development,
- Less housing diversity,
- Higher taxes,
- Long time residents leaving the area, and
- Implications for the town in not complying with the NH State workforce housing law. Which requires every community in New Hampshire to provide “reasonable and realistic opportunities” for the development of workforce housing. New Hampshire’s workforce housing statute ([NH RSA 674: 58-61](#)). The statute defines “workforce housing” and what is considered “affordable.”

CONSIDERATIONS AND NEXT STEPS FOR RYE

- Assess recent development trends in the town of Rye. This will help determine if Workforce Housing is already economically viable in most residentially zoned land. Institute and maintain a system for tracking the number of workforce housing units

Inclusionary Zoning

in town.

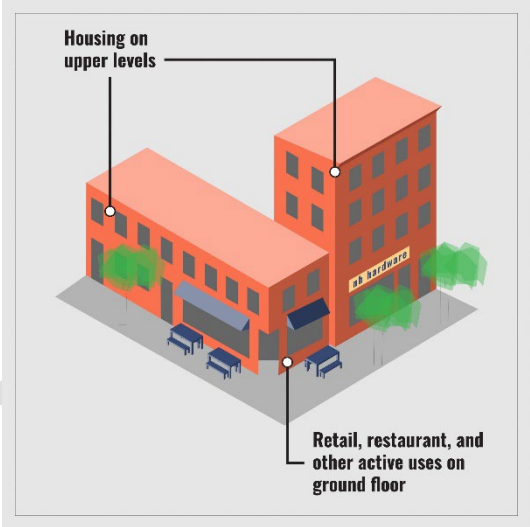
- If the development trend assessment suggests that there have been challenges to the actual development of Workforce Housing (WFH), audit local regulations to identify development barriers.
- Continue conducting public engagement to provide clarity on what workforce housing is and how it can benefit the community. This will help garner support and understanding as the town continues identifying options for promoting affordable housing.
- Implement a system for tracking and documenting workforce housing and affordable housing units in Rye.

DRAFT

Mixed-Use Development

WHAT IS IT?

With any combination of uses such residential, commercial, business, recreational, cultural, entertainment, and institutional, a building can have a mix of uses or multiple uses. This is often found within buildings that have walk-in commercial businesses on the first floor and housing and offices on the floors above.



LOCAL PRESENCE

- ✓ One of Rye’s goals in the housing master plan chapter (2013) is to allow for mixed use with apartments overhead of retail establishments to reduce vehicle-dependent traffic.
- ✓ Rye’s zoning ordinance allows for a mix of uses in the single residence, general residence, business and commercial districts.
- ✗ Provisions for buildings and developments containing mixed uses on one lot are not clear in Rye’s zoning ordinance.

BENEFITS OF MIXED-USE DEVELOPMENT

- **Increased housing diversity:** By encouraging mixed use development that could allow for the construction of alternative housing types like apartments and condos that will create more housing diversity.
- **Increased affordability:** Having an apartment or condo that shares a building with commercial uses could bring the price down dramatically.
- **Economic Development:** By having housing and businesses together, there are a consistent number of patrons. By allowing businesses to share buildings with other uses, smaller and less expensive situations can occur for everyone involved.
- **Open Space Preservation:** By allowing housing within other buildings with other uses, less open space will be needed to create the housing we so desperately need.
- **Community Character Preservation:** Some of the older large buildings that are underutilized could be preserved and reused as mixed use (see Adaptive Reuse).

Mixed-Use Development

POTENTIAL CONSTRAINTS

- **Water and Wastewater Capacity:** The developer must demonstrate that there is adequate on-site infrastructure to support the increased demand associated with an increase in housing units. This often involves the need to upgrade or expand existing water and wastewater infrastructure or, the design and installation of new infrastructure. Both of which involve significant time and financial implications.
- **Local Opposition:** There may be resistance from residents and community leaders who are concerned about changes to the character of their neighborhoods or potential impacts on property values.
- **Flooding and Sea Level Rise:** It is important to ensure future housing development is protected from flooding. This requires developers to consider factors such as building location, elevation requirements, stormwater management, and resilient design and construction standards. All development in the Special Flood Hazard Area (SFHA) requires a local floodplain development permit and any buildings proposed in the floodplain are required to be elevated to protect against flood damage. Additional considerations include higher insurance costs for properties in flood-prone areas, access by emergency services in extreme flooding events, and risk of flood damage to critical infrastructure and utilities.

OPPORTUNITY COST

If mixed use buildings are not promoted, it could lead to:

- Less small, affordable housing development,
- Missed opportunities for smaller business owners,
- Less housing diversity,
- Potential for increased sprawl, and
- The same type of development will occur.

CONSIDERATIONS AND NEXT STEPS FOR RYE

- Recognize and promote the impact of mixed-use development on common master plan goals, such as increased housing options, increased affordability, economic development, reduced traffic, and fostering community wellbeing.
- Assess options for mixed-use development in Rye. This could include existing downtowns or village areas with infill development opportunities, aging shopping

Mixed-Use Development

centers, old industrial buildings ready for adaptive reuse, rural areas that can be preserved), and large sites requiring a Planned Unit Development (PUD).

- Amend the zoning ordinance to encourage mixed use developments. This can be a standalone ordinance (such as an overlay district) or incorporated into Rye's existing Planned Development ordinances. Provide density incentives or more flexible design standards for mixed-use developments. Reduce parking space requirements and buffer restrictions.

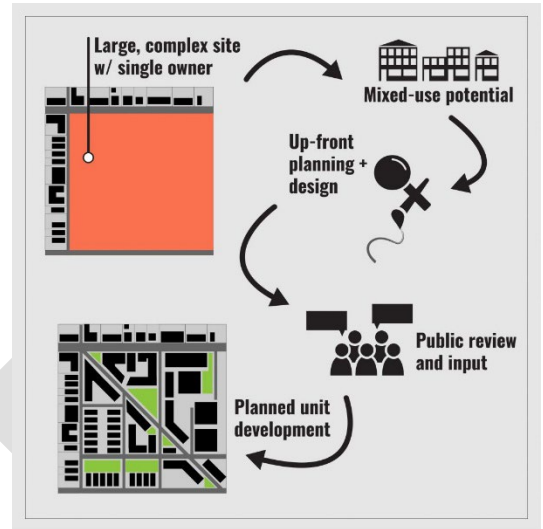
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Planned Unit Development

WHAT IS IT?

Planned Unit Developments or “PUDs” are often used when a single entity has control over a large and complex site. By utilizing innovative land use controls, being flexible with zoning, fostering an open dialog with the community, and participating in the planning process, PUDs can be a great option.

PUDs typically result in a broader mix of uses, better configurations of public space and conserved open space, more targeted parking, and less unnecessary infrastructure.



Source: NH Housing Toolbox

LOCAL PRESENCE

- ✓ Rye currently has the following planned unit development ordinances:
 - Mobile Home Parks and Subdivisions
 - Retirement Community Developments
 - Multifamily Dwelling Unit Developments
 - Conservation Land Developments.
- ✗ Minimum lot sizes for mobile home parks, retirement community development and conservation land developments are large (>10 acres).

POTENTIAL BENEFITS

- **Conservation:** Density promotes the strategic use of space, which can prevent open spaces from being used for new development.
- **Preserve community character:** Since there is communication between developers and the community, PUDs can add to the community character in a customized way.
- **Less costs for homeowners:** With more density, homeowners may see cost savings.
- **Tax Revenue:** Mixed used developments include businesses and offices that generate tax income for the community.

POTENTIAL CONSTRAINTS

- **Water and Wastewater Capacity:** The developer must demonstrate that there is adequate on-site infrastructure to support the increased demand associated with an increase in housing units. This often involves the need to upgrade or expand existing water and wastewater infrastructure or, the design and installation of new infrastructure. Both of which involve

Planned Unit Development

significant time and financial implications.

- **Resource Intensive:** Developing and implementing PUDs can be resource-intensive, requiring significant time, expertise, and financial investment from the community and planning departments.
- **Flooding and Sea Level Rise:** It is important to ensure future housing development is protected from flooding. This requires developers to consider factors such as building location, elevation requirements, stormwater management, and resilient design and construction standards. All development in the Special Flood Hazard Area (SFHA) requires a local floodplain development permit and any buildings proposed in the floodplain are required to be elevated to protect against flood damage. Additional considerations include higher insurance costs for properties in flood-prone areas, access by emergency services in extreme flooding events, and risk of flood damage to critical infrastructure and utilities.

OPPORTUNITY COST

If Rye does not amend its PUD ordinances, there may be potential for:

- Less smaller, affordable housing development,
- Less housing diversity,
- Less commercial/office development,
- More sprawl,
- More development taking up open space and recreational opportunities, and
- Increase frustration from residents and developers when proposals are presented to the Town.

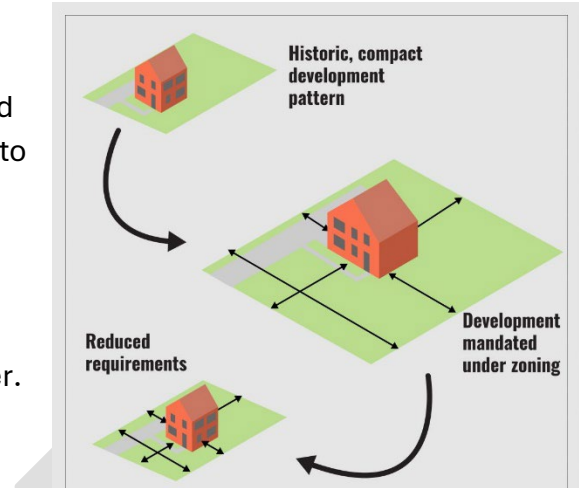
CONSIDERATIONS AND NEXT STEPS FOR RYE

- Recognize and promote the impact of PUDs on common master plan goals such as open space preservation, natural resource management, increased housing options, and more connected communities.
- Consider allowing PUDs on smaller lot sizes, assuming there is water and septic capacity.
- Identify large sites or collections of sites that are under concentrated site control, and which may be likely to be redeveloped. These sites are often older, vacant, and/or deteriorating institutions, campuses, industrial areas, business parks, or logistics sites.
- Hold a public engagement process to determine the community's vision for these areas, including what types of uses, site configurations, and other goals. Through this process, educate the community on the PUD option. Amend the zoning ordinance to allow for parking provisions to be at the purview of the planning board rather than the zoning board. This streamlines the process for applicants seeking reduced parking

Reduced Zoning Requirements

WHAT IS IT?

Many beloved historical neighborhoods in New England couldn't be built under today's zoning ordinances due to minimum lot sizes, setbacks, lot coverage, height restrictions, road design standards, and parking requirements. By 'right-sizing' regulations in certain areas, density can be appreciated which can bolster housing production and maintain community character.



Source: NH Housing Toolbox

LOCAL PRESENCE

- ✓ Rye's zoning ordinance allows for reduced dimensional requirements in Conservation Land Developments.
- ✗ Rye's zoning ordinance still has large lot requirements, like the single residential district, making up most of the town, which requires at least one and a half acres.

BENEFITS OF REDUCED ZONING REQUIREMENTS

- **Conservation:** Density promotes the strategic use of space which can prevent open spaces from being used for new development.
- **More housing development:** By promoting higher density, more homes can be built. With smaller lot sizes, more families will be able to afford a home.
- **More commercial development:** By promoting higher density, more commercial development can fit into existing commercial or mixed used areas of Town.
- **Less costs for homeowners:** With more density, homeowners may see cost savings.
- **Tax Revenue:** Mixed-use developments with increased density include businesses and offices that generate tax income for the community.

POTENTIAL CONSTRAINTS

- **Infrastructure Capacity:** Existing infrastructure, such as roads, water supply, and sewage systems, may not have the capacity to support additional development without significant upgrades.
- **Resource Intensive:** Developing and implementing reduced zoning requirements can be resource-intensive, requiring significant time, expertise, and capacity from the community and planning departments.
- **Flooding and Sea Level Rise:** It is important to ensure future housing development is protected from flooding. This requires developers to consider factors such as building

Reduced Zoning Requirements

location, elevation requirements, stormwater management, and resilient design and construction standards. All development in the Special Flood Hazard Area (SFHA) requires a local floodplain development permit and any buildings proposed in the floodplain are required to be elevated to protect against flood damage. Additional considerations include higher insurance costs for properties in flood-prone areas, access by emergency services in extreme flooding events, and risk of flood damage to critical infrastructure and utilities.

OPPORTUNITY COST

If Rye does not review their regulations to “right-size” zoning, there is a potential for:

- Less smaller, affordable housing development,
- Less housing diversity,
- More sprawl, and
- More development taking up open space and recreational opportunities.

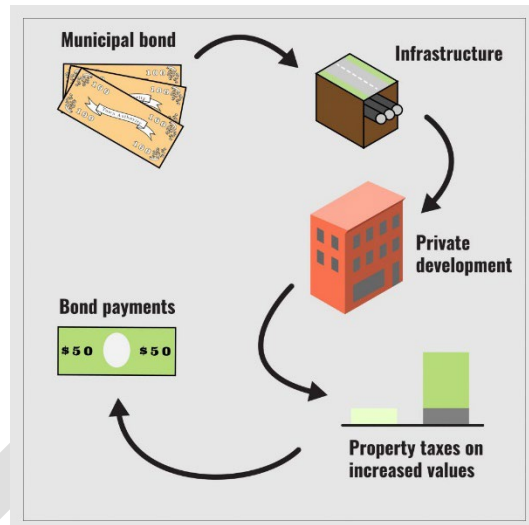
CONSIDERATIONS AND NEXT STEPS FOR RYE

- Recognize and promote the impact of reduced requirements on common master plan goals such as open space preservation, natural resource management, increased housing options, and more connected communities.
- Consider potential zones that could benefit from a review and potential reduction in existing requirements.
- Host a public engagement session to teach the public of the benefits of “right-sizing” and strategize what that could look like.
- Use Rye’s recently completed Build Out Analysis to project land needed to support reasonable growth under current regulations versus other housing types/scenarios.
- Review current minimum lot size, setbacks, lot coverage, height restrictions, road design standards, and parking requirements in each zoning district. Assess where such requirements could be reduced to lessen to promote higher density and more efficient use of land.

Tax – Increment Financing (TIF)

WHAT IS IT?

Tax-Increment Financing (TIF) is an economic development tool to incentivize private investment in certain areas of Town, usually a district. A community takes on some of the cost of improvements expecting increased tax revenue. That increased tax revenue that occurs when buildings are improved then goes to pay off debt which the Town has taken. TIFs are authorized by New Hampshire RSA 162-K, and a municipality must legally adopt that statute to proceed with creating a TIF.



LOCAL PRESENCE

- ✗ Rye currently does not have a tax increment financing district.
- ✓ Rye has had preliminary discussions on implementing a TIF. The development of a TIF is also discussed in Rye’s Master Plan and Buildout Analysis.

POTENTIAL BENEFITS OF TIF DISTRICTS

- **Revitalizing Blighted Areas:** TIF helps rejuvenate underutilized or blighted areas, transforming them into vibrant, economically productive spaces.
- **Public Improvements:** TIF funds can be used for significant public improvements such as roads, utilities, parks, and streetscapes, which enhance the overall quality of life.
- **Employment Opportunities:** TIF districts often lead to the creation of new jobs both during the construction phase and through the businesses that open as a result of redevelopment.
- **Rising Property Values:** Improvements in the area can lead to increased property values, benefiting existing property owners and increasing the tax base.
- **Affordable Housing:** TIF can be used to finance affordable housing projects, addressing housing shortages and providing diverse housing options for residents.

POTENTIAL CONSTRAINTS

- **Infrastructure Capacity:** Existing infrastructure, such as roads, water supply, and sewage systems, may not have the capacity to support additional development without significant upgrades.
- **Increased Debt:** Implementing a TIF district often involves issuing bonds to finance initial improvements, which can increase the community’s debt load.
- **Revenue Uncertainty:** TIF relies on the assumption that property values will increase significantly, but if the anticipated growth does not occur, the community may face

Tax – Increment Financing (TIF)

difficulties repaying the bonds.

- **Market Dependency:** The success of a TIF district is heavily dependent on favorable market conditions. Economic downturns or unfavorable market trends can hinder the expected growth in property values.
- **Gentrification and Displacement:** TIF projects can sometimes lead to gentrification, increasing property values and rents, potentially displacing lower-income residents.
- **Administrative Burden:** Establishing and managing a TIF district requires significant expertise in financial management, urban planning, and legal compliance, which may necessitate hiring additional staff or consultants.

OPPORTUNITY COST

If Rye does not add a TIF District, there is a potential for:

- Less smaller, affordable housing development,
- Less commercial development,
- No additional long term tax revenue,
- No investment in the community district, and
- Developers will continue to build expensive properties due to the cost of land and taxes.
-

CONSIDERATIONS AND NEXT STEPS FOR RYE

- Development of a TIF will require assistance from a planning consultant, which could prove financially burdensome. It may also require additional staff in the Town's Planning Office to effectively implement such a program. Implementation also requires adoption of RSA 162-K "Municipal Economic Development and Revitalization Districts", Board of Selectmen involvement, public engagement, and a TIF Advisory Board.
- Recognize and promote TIFs' impact on common master plan goals, such as increased housing options, economic development in downtowns and Town Centers, open space preservation, and historic preservation.
- Hold public engagement events to discuss, reassess, and build support for the idea of TIFs (if not yet authorized in your community) and specific potential TIF districts and TIF plans. It is important for local officials and the public to understand how a proposed TIF might work. There should be a public outreach campaign to ensure awareness; a local economic development committee many times can be the champion of a TIF plan.
- Based on your assessments and the public input, develop a TIF plan, which must include the district boundaries, a development program, and a finance plan.

Tax – Increment Financing (TIF)

EXAMPLES FROM OTHER NH COMMUNITIES

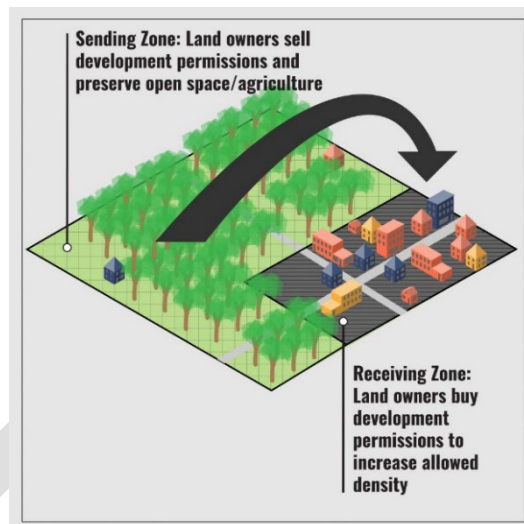
- Exeter, NH Epping Road TIF aims to increase development within this underdeveloped commercial corridor –
www.exeternh.gov/business/epping-road-tif-tax-increment-financing-district
- Londonderry, NH TIF aims to spur development near Manchester and the Regional Airport to increase tax revenue to the Town –
www.londonderrynh.gov/planning-economic-development/pages/tax-increment-finance-tif-district-page

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Transfer of Development Rights

WHAT IS IT?

Transfer of Development Rights (TDR) is a zoning tool used to distribute development in an area to the places best suited for development, while letting all property owners recoup the value of development. Within a TDR framework, the owner of land ill-suited for new housing (e.g., where there is a farm or where there are no utilities) could sell development rights to an owner of land more suitable to new housing (e.g., in a developed area with infrastructure access) so that they can have increased density.



Many TDR frameworks establish a “sending zone,” where property owners can sell development rights, and a “receiving zone,” where property owners can buy development rights. In most frameworks, a local government body (like the Planning Board) must approve the sale, and sale is often conditional upon the approval of the development itself. In some cases, municipalities will remove the right to actual development in the sending zone but use TDR to maintain the sending zone landowners’ financial benefits.

LOCAL PRESENCE

- ✓ Preserving and protecting open space, natural resources and community character are identified as high priorities in the town’s 2013 master plan and 2023 housing needs assessment.
- ✗ Rye currently does not have any TDR Framework. Establishing one without outside assistance may be difficult.

BENEFITS OF TRANSFER OF DEVELOPMENT RIGHTS

- **More housing development:** By allowing denser development in areas that can handle it, more housing development may be possible.
- **Smart Growth:** TDR encourages development in areas with existing infrastructure and services, promoting compact, efficient land use and reducing urban sprawl.
- **Less costs for homeowners:** With higher density, homeowners may see cost savings due to owning less land and potentially sharing utilities.
- **Open Space Conservation:** By transferring development rights from ecologically sensitive areas, TDR can help preserve forests, wetlands, and other critical habitats,

Transfer of Development Rights

supporting biodiversity and ecosystem services.

- **Reduced Environmental Impact:** Concentrating development in specific areas can reduce the environmental impact of new construction, such as habitat fragmentation, water runoff, and loss of green space.
- **Cost Savings:** Focusing development in areas with existing infrastructure can reduce the need for costly extensions of roads, utilities, and other services, saving public funds.

POTENTIAL CONSTRAINTS

- **Infrastructure Capacity:** Existing infrastructure, such as roads, water supply, and sewage systems, may not have the capacity to support additional development without significant upgrades.
- **Program Design:** Developing a TDR program requires careful planning and design to ensure it is effective and equitable, which can be complex and time-consuming.
- **Administrative Burden:** Implementing and managing a TDR program involves ongoing administrative efforts, including monitoring transactions, ensuring compliance, and maintaining accurate records.
- **Identifying Suitable Areas:** Determining appropriate sending and receiving areas that align with community goals and market realities can be complex and contentious.
- **Flooding and Sea Level Rise:** It is important to ensure future housing development is protected from flooding. This requires developers to consider factors such as building location, elevation requirements, stormwater management, and resilient design and construction standards. All development in the Special Flood Hazard Area (SFHA) requires a local floodplain development permit and any buildings proposed in the floodplain are required to be elevated to protect against flood damage. Additional considerations include higher insurance costs for properties in flood-prone areas, access by emergency services in extreme flooding events, and risk of flood damage to critical infrastructure and utilities.

OPPORTUNITY COST

If Rye does not add a TDR, there is a potential for:

- Less smaller, affordable housing development,
- Less commercial development,
- Increased development in high flood risk areas,
- Developers will continue to build expensive properties due to the cost of land and taxes, and
- More open space or rural areas becoming developed.

Transfer of Development Rights

CONSIDERATIONS AND NEXT STEPS FOR RYE

- Development of a TDR Framework will require assistance from a planning consultant, which could prove financially burdensome. It may also require additional staff in the Town's Planning Office to effectively implement such a program.
- Recognize and promote the impact of a TDR Framework on common master plan goals such as increased housing options, economic development in downtowns and village centers, open space preservation, and historic preservation.
- Audit the community's existing land use regulations. Identify any changes needed to make TDR-enabled development feasible. For example, allowed housing types, densities, and dimensional rules may need to change to accommodate denser development in the receiving zone.

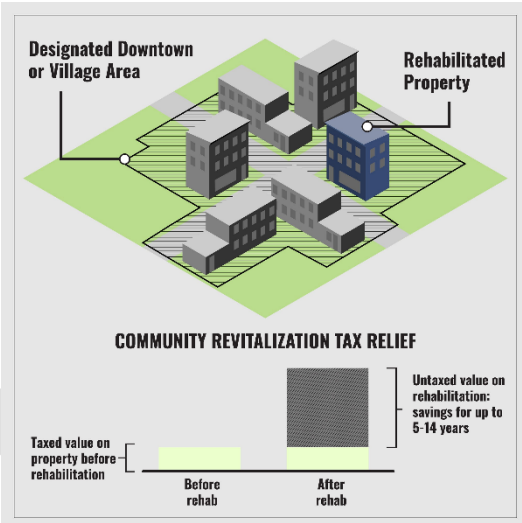
In order for this tool to be used, a TDR should be more attractive to landowners than conventional practices, such as subdivision of lots. Municipalities should incorporate this tool in a way that ensures the developer can achieve the highest possible benefits in a receiving area. For example, if a developer is able to achieve the same density by obtaining a zoning change, they are less likely to use the TDR tool.

- Conduct a public engagement process to educate property owners and the community generally and determine your community's goals for a TDR program. Engagement should help determine whether and where sending and receiving zones are located, what kind of development is desired in the receiving zone, and whether TDR are "bankable."

Community Revitalization Tax Relief (79-E)

WHAT IS IT?

The Community Revitalization Tax Relief Incentive is authorized under RSA 79-E and provides temporary tax relief for a property owner to rehabilitate or replace their building in a designated area. Projects that are eligible for this tax relief must be within the designated area, determined by the Town, and must be deemed to have a public benefit. Public benefits can be historic preservation, economic development, or housing creation. 79-E is a tax relief, not a credit. If eligible, the property will continue to pay the same amount of taxes as before the improvements for an agreed upon amount of time. It delayed the increased property taxes caused by the increase in valuation from rehabilitation. The delay is determined by the governing board, usually a Select Board, and additional years can be added for increase in affordable housing.



LOCAL PRESENCE

- ✓ Preliminary discussions about the use of 79-E have occurred at the Town staff level. The town later (2017) approved the creation of a coastal resilience fund but has not moved forward with next steps.
- ✗ Rye currently does not utilize RSA 79: E.

POTENTIAL BENEFITS

- **More housing development:** The incentive can be used to convert underutilized commercial buildings into residential units, increasing the availability of housing, including affordable housing options.
- **Efficient Use of Infrastructure:** Revitalizing existing areas makes better use of existing infrastructure and public services, reducing the need for costly new infrastructure development.
- **Sustainable Development:** Rehabilitation of existing buildings is often more environmentally sustainable than new construction, as it reduces the demand for new materials and minimizes waste.

Community Revitalization Tax Relief (79-E)

- **Increased Property Values:** Substantial rehabilitation can lead to increased property values in the surrounding area, benefiting property owners and the community through higher tax revenues in the long term.
- **Heritage Conservation:** The incentive encourages the preservation and adaptive reuse of historic buildings, maintaining the community's architectural heritage and cultural identity.
- **Save taxpayers' money:** A 79-E project can facilitate worthy development projects without burdening taxpayers. There is no loss of taxpayers' money – just stalling additional tax revenue. Improving buildings within a key area of Town could lead to higher property values.

POTENTIAL CONSTRAINTS

- **Program Administration:** Implementing RSA 79-E requires a robust administrative framework to review applications, manage approvals, and monitor compliance. This can be resource-intensive and may require additional staffing or expertise.
- **Application Process:** The process for applying for and managing the tax relief can be complex and bureaucratic, potentially discouraging property owners from participating.
- **Water and Wastewater Capacity:** The developer must demonstrate that the infrastructure on their property can handle additional bedrooms and uses. This can be a costly and slow process.
- **Green Development is often less complicated:** Depending on how old the building is, there may be structural issues that come up along the way making the project more complicated. With a new site, developers know what to expect.
- **Public Perception:** There may be resistance from the community or local officials who are skeptical of the program's benefits or concerned about the potential revenue loss.

OPPORTUNITY COST

If Rye does not add adopt RSA 79E, there is a potential for:

- Less smaller, affordable housing development,
- Less commercial development,
- No additional long term tax revenue,
- No investment in the community district, and
- Developers will continue to build expensive properties due to the cost of land and taxes.

Community Revitalization Tax Relief (79-E)

CONSIDERATIONS AND NEXT STEPS FOR RYE

- Recognize and promote the impact of 79-E on common master plan goals such as increased housing options, economic development in downtowns and village centers, open space preservation, and historic preservation.
- Determine which properties could be eligible by studying the history of sites and an up-to-date real estate financial analysis.
- All applications for tax relief under 79-E are given a public hearing by the relevant governing body (i.e., the Board of Selectmen). The governing body has full discretion to approve or deny the application.
- Existing structures can be rehabilitated or replaced. In the case of a replacement, the governing body must work with the local Historic District/Heritage Commission and/or other local or state bodies to show the existing structure has little historical, cultural, or architectural value before approving the application.

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