



MEETING MINUTES

City of Portsmouth Housing Blue Ribbon Committee Conference Room A at City Hall*

**Thursday, April 18th 2024
5:30 p.m.**

I. Meeting Called to Order by Co-Chairperson Joanna Kelly at 5:30p.m.

Co-Chairperson Joanna Kelly calls roll call:

Attending: Assistant Mayor Joanna Kelley, Councilor John Tabor, Councilor Beth Moreau, School Board representative Byron Matto, Erik Anderson, Megan Corsetti, Tracy Kozak, Mary Loane, Dagan Migirditch, John O'Leary, Jennifer Stebbins Thomas, City Manager Karen Conard, Planning and Sustainability Director Peter Britz, Planning Manager Peter Stith and Housing Navigator Howard Snyder

Absent: None

II. Approval of 4/11/2024 Meeting Minutes

Spelling correction requested for names of Aaron Garganta and Gerry Duffy.

Co-Chairperson Joanna Kelly motion to approve with requested amendments.

So moved: John O'Leary

Second: Councilor Beth Moreau

Megan Corsetti: Question about previous meeting votes and proper recording of in favor / opposed votes. Megan, Co-Chair Tabor, and Co-Chair Kelley reviewed previous minutes and were satisfied with the accuracy of the record.

Called to vote by Co-Chair Assistant Mayor Kelley

In favor: All.

Opposed: None.

Minutes approved unanimously.

III. Housing Navigator Update

Howard Snyder: Detailed explanation of the city's efforts and studies related to housing policies, specifically concerning inclusionary zoning (IZ) and its financial feasibility.



1. Background of Funding and Studies: The position of the speaker is funded by a grant. The city applied for two grants about a year and a half ago. One grant was for a housing navigator position and the other was to perform a study.
2. Purpose of the Study: Aimed to analyze zoning as required by the funding effort. The purpose was to understand the financial impacts of various inclusionary zoning policy ideas on residential development.
3. RKG Associates was contracted to perform the financial feasibility analysis. They examined how different IZ policies would impact the economics of residential development. The analysis aimed to balance the goal of creating diverse housing prices with the financial realities of development.

IV. RKG Presentation on Zoning Feasibility Analysis

Presentation by Kyle Talente of RKG.

1. Recommendations from the Study:
 - The recommended policy involved a 10% set-aside of units at 80% of the area median income (AMI) as it would not negatively impact the financial feasibility of residential developments.
 - For ownership housing, a 10% set-aside at 120% of AMI was suggested because it mitigates financial impacts while accommodating higher price points typical of ownership housing compared to rental units.
 - Partial unit rule – cash contribution – financial hardship if development and set-aside based on unit percentage. Into trust fund earmarked to other sustain, develop affordable units. Hybrid – cash to 50 percent – at 51% then get the unit.
 - Fee in lieu: buy out in delivering any units – create price diversity everywhere buy outs usually down in more expensive parts of the city – purely at city discretion? Workforce with college age not a good mix.
 - Calculation of unit: value gap calculations – financially neutral - more fair construction cost based becomes punitive.
2. Detailed Discussion on Inclusionary Zoning Policies:
 - The discussion covered the "set-aside" percentage of income-controlled units and the target AMI levels.
 - The concept of sliding scale equivalencies was introduced, which could adjust the financial impact equivalently by changing the set-aside percentage and discount offered, allowing flexibility based on the area's characteristics and needs.
3. Considerations for Future Policy Adjustments:
 - It was advised that policies should be reviewed and possibly adjusted every few years to respond to changing market conditions and ensure they continue to meet the city's housing goals without stifling development.
 - This discussion highlighted the city's proactive approach to understanding and implementing housing policies that consider both community needs and development viability.



- Recalibrate other policies: Approval process, incentives tied to inclusionary type zoning – tax abatement, density bonuses, application of trust funds.
- Constantly review and update as market conditions shift: Consider updates every two years. Community priorities change over time as well. Delivery of price diversity while still having a market.

a. Question and Answer

Mary Loane: Concerns about parking costs and how state incentives might affect the prices.

Discussion on the possibility of updating the analysis to reflect current state activities. It was noted that the city could manipulate variables in the financial model to see how changes would impact their plans.

Erik Anderson: Questions if inclusionary allowed in NH.

Discussion on current state of inclusionary zoning (IZ) policy in Portsmouth and the potential for new legislation. The current policy is incentive-based rather than mandatory, focusing on flexibility and negotiation rather than rigid requirements.

John O’Leary: What is the percentage in our zoning?

Councilor Beth Moreau: 10%.

Kyle Talente’’: Describes how incremental implementation occurred in Newton MA.

Co-Chairperson Joanna Kelly: Provides explanation of how the model and data can work as a tool in negotiations.

Discussion on the model's utility in negotiations with developers by providing a clear understanding of the financial impacts of various zoning changes and incentives. This tool helps the city to make informed decisions that balance the interests of development with the need for affordable housing.

Kyle Talente: The need for adjustments in the financial assumptions, such as parking costs and interest rates, is recognized in the model. Flexibility of the model allows the city to adapt its strategies based on changing conditions and policies.

Councilor John Tabor: Speaks to carrots and not sticks with zoning such as parking relief, more density, tax abatement, subsidies from trust, and vouchers.

Kyle Talente: Reduce time of approval process is another, create predictability.

Co-Chairperson Joanna Kelly: Reads policy and notes how it considers streamline permitting and approval process.



Kyle Talente: Short permitting time, if we were allowed to build with parking underground very expensive. Parking requirements are without needed differences. Allow for more diversity in construction and sharing of bathrooms as examples for reducing development costs.

Jennifer Stebbins Thomas: mentions zoning and office research - nobody building office research – building homes is preferred.

Discussion on the difficulty of applying new policies retroactively was discussed, emphasizing the need for timely and proactive policy making to influence new developments effectively.

Byron Matto: Payment in lieu as city choice preferences to fund.

Discussion on the need for ongoing updates and adjustments to the model and policies based on real-world impacts and market changes was stressed. This approach ensures that the city's housing strategies remain relevant and effective over time.

Councilor John Tabor: Working group to implement?

V. Public Comment

During the public comment segment of the meeting, various community members shared their concerns and suggestions regarding the city's housing policies and development plans. Here are some key points discussed:

Petra Huda @ 280 South Street: expressed concerns about the accuracy and comparability of financial models used in the housing studies, particularly regarding the assumptions for returns on rental developments and the types of materials used in construction.

Gerry Duffy @ 428 Pleasant St.: PHA and Sherburne – RFQ process? Introduce a formal process – start after this project – apply a new process to this expediate so you don't lose tax credits. Anything with housing will be policy driven. Recommendations – so many good ideas. Income control housing great term – action of agency – city stepping in – stoner mandate with last election – get ahead of other communities.

Andrew Samonas @ 460 Richards Ave.: Comparing sub-areas segment market consider other elements – future projection – feasibility and construction styles – carrots: trust fund with direction and mission statement and established goals. Building or receiving money more of value – look at greater picture such as community campus and developing transit. Ancillary and complimentary.

Bill St. Laurent @ 253 Colonial Dr.: Read in paper – church giving land for low rent housing. Hope that less focus and settle down on the Sherburne development. Suggestions: look at other sites – senior center, low-rent currently used Sherborne school as senior center or athletic center. Consider lot across the street from city hall – not really used as a park use a senior center or housing to walk to work. Cons of using site suffer more of Pannaway – need barrier – noise of highway hinder residents of housing a development.



Scott Fales @ 151 Aldrich Rd.: Resources at your fingers – PHA and six-member board – tool of PHA experts in using for information and planning – defends PHA – commission to use as a resource – give them a seat at the table.

VI. Discussion of Goal Statement

Sample motion “Identify, recommend, and refer to both the appropriate land use board and City Council for consideration, changes that will facilitate the creation within the next two years, by public and private sectors, of at least 500 permitted, affordable housing options and that promote a sustainable, long-term housing market.”

Co-Chairperson Joanna Kelly motion to move discussion of goal statement to next meeting due to time constraint.

Megan Corsetti: Second

Called to vote by Co-Chair Assistant Mayor Kelley

In favor: All.

Opposed: None.

Motion approved unanimously.

John O’Leary motion to adjourn.

Megan Corsetti: Second

Called to vote by Co-Chair Assistant Mayor Kelley

In favor: All.

Opposed: None.

Motion approved unanimously.

Adjournment at 6:50p.m.