



## **MEETING MINUTES**

### **City of Portsmouth Housing Blue Ribbon Committee**

### **Eileen Dondero Foley Council Chambers at City Hall**

**December 5, 2024 5:30 p.m.**

#### **I. Meeting Called to Order by Committee co-chair Joanna Kelley at 5:30p.m.**

Co-Chairperson Joanna Kelley calls roll call:

Attending: Assistant Mayor Joanna Kelley, Councilor John Tabor, Councilor Beth Moreau, School Board representative Byron Matto, Erik Anderson, Megan Corsetti, Mary Loane, Dagan Migirditch, John O'Leary, Andrew Samonas, Jennifer Stebbins Thomas, Planning Manager Peter Stith and Housing Navigator Howard Snyder. Absent: Tracey Kozak

#### **II. Motion to bring forward Public Comments, made by Jennifer Stebbins Thomas, seconded by Andrew Samonas. Approved unanimously.**

#### **III. Public Comment**

- Vicky Boyd, Pinehurst Road. Hiring manager for Heinneman and concerned that housing is unaffordable especially for the young entry-level Talent. Favor selection of PHA for the project because they are local and have proven time and again they know how to engage the community and attract the support and resources necessary to get the job done with uh distinction.
- Jim Smalley, . Supports PHA, the city's largest landlord with 25% of units but concerned about making PHA larger. Recommend selection of POAH.
- Petra Huda, 280 South St. City cannot discriminate to choose a local firm. Both are private nonprofits, both when using LIHT must accept residents from Portsmouth and elsewhere. Concerned whether PHA can advance Sherburn and Lafayette projects at the same time. POAH stood out to me their site design considerations the building and ranked number one in the evaluations with significant scoring advantage. POAH's well-rounded proposal offers prioritization of community impact and readiness to execute making it a clear choice for the important project.
- Robert Etkin, 245 Middle Street. Portsmouth Housing resident for almost 13 years and it's very important to me and other residents is that when they have to call and they know them, they've dealt with them, they're local and it makes them comfortable.
- Anna Vorsteg, Pinehurst The decision to lease city land is very wise but concerned about where proceeds go. PHA proceeds stay local while POAH proceeds would go to a firm with salaries three times what PHA's are based on the 990 tax filings.
- Jeffrey Cooper, 227 Park Street, representing the Portsmouth Arts and Cultural Commission and chair Emma Stratton's statement urging the city council to support artist live-work space in the redevelopment of Sherburn School as is called for in the 2023 Portsmouth Cultural Plan. The local



arts community is a big contributors to the economic wellbeing of the city and should be considered in public input on the project.

- Patricia Martine, Aldrich Road. Supports PHA. Both developers would receive \$3.5 million in developers fee. POAH keeps that; PHA would reinvest in Portsmouth.
- Gerry Duffy, both would do a great job but the Jan 2024 Portsmouth Listens process stressed urgency and action. PHA offers local partnerships, relationships and services for residents. If Portsmouth is in a housing crisis we should move faster.

#### IV. Discussion on RFP 09-25 Below Market Rate Housing Development at 35 Sherburne Road and Question Responses from Proposers

Presentation by Anna Vrstag for PHA: Not your grandfather's Housing Authority. Over last 12 years have created a modern um award-winning nationally recognized organization right here in the city. All of the members of both boards are all volunteers and all citizens of Portsmouth and all very capable in the depth and skill that they bring to projects like this. If you didn't have a competent Housing Authority or you didn't have a Housing Authority then you would definitely want to choose POAH they're great at what they do, with t 12,000 units in nine states. But you do have the PHA here this is what you created us for and we have hard evidence in the 50,000 square feet successful at Ruth L. Griffin Place.

New Hampshire Housing Finance Authority voted yesterday for the Lafayette Road project to be one of the five projects that were funded in the 2024 round out of out of 16 applicants. The cities of Manchester and Nashua have both received four Awards over the last 15 years from multiple developers and the City of Portsmouth has received two in the past five years both with PHA. When we win these tax credits we also have 13 preference in the qualified allocation plan for New Hampshire housing that only we qualify for . We have penciled out a \$250 million, 15-year plan to invest in redeveloping and repositioning our properties around the city. All of these projects in succession build upon themselves success begets success and investment makes us stronger and better and builds our balance sheet so we can continue to do the stuff that we do also with the thousand people that we already house here. The partnerships that we have in the city dozens and dozens of nonprofits that we work with every day and are a big benefit to being local. The leadership and the chief of police and fire have my cell phone number and I'll know where I live and that counts a lot. I appreciate the virtues of competition in a capitalist Society but it just doesn't apply here where nonprofits compete for a scarce amount of resources. POAH is very capable but I ask that you recommend the Portsmouth Housing Authority.

Presentation by Alex, POAH

- V. basically POA and PHA are fundamentally very equal and proposing kind of the same things but I wanted to touch quickly on two things that have come up. First there's been a lot of discussion about the importance of being local but given the city's housing needs which are truly acute, consider either for this development or for maybe future opportunities whether having another resourceful Community Driven developer active here in the community would actually be a benefit overall. I totally agree that the state's resources are limited and that is a major constraint on housing so as he correctly points out just inviting in more developers here isn't going to naturally create more housing because there's a bottleneck on the state's resources but I would also say that developers staff capacities are another constraint one developer can't do it all. There is no prohibition against



multiple developments going on at the same place. In our experience working especially with housing authorities often times it creates collaborative opportunities more people and more organizations working on housing can bring new resources to this problem and it will likely result in more housing getting built sooner despite the real constraints imposed by the state funding.

Second, there's been a lot of talk about cost and we've tried to demonstrate in our responses that we think that the cost premium to our lower scale development is manageable, it's not prohibitive if the state funding is not there. But we don't think that it should mean that you shouldn't stretch for the neighborhood scale community that seem to be the preference of the city in the neighborhood we think it's possible with good design and some expertise. The discussion around cost has been focused on the 9% tax credit this is an essential part of the funding structure for both our proposals but we are both proposing a 9% and 4% twin tax credit structure. The 9% credit is competitive and the cost of your development is a factor in your competitiveness for the 9% credit. The 4% credit is not as competitive. You still have to live within the state's cost caps but they're not as restrictive as the 9% credit so developers with expertise working with twin tax credit structures know how to use this dichotomy to the development's advantage you can shift cost into the 4% side of the development away from the 9% side. That allows us to really optimize the credit on both sides. This is some of the expertise that we would like to use here or in some other development and Portsmouth.

**Motion by Byron Matto, seconded by John O'Leary that the Committee recommend that the City enter into an agreement with PHA to develop the Sherburn property.**

#### Committee Comments

Andrew Samonas: We have two very reputable and accountable developers who can not only take action but actually execute and fulfill what is inside these proposals. Good to look outside Portsmouth for checks and balances. This is not a zero sum situation, with POAH we develop staff capacity, get housing built sooner and leverage collaborative opportunities. By choosing POAH we diverge from the status quo and show that we're not a city of closed doors for developers.

Jennifer Stebbins Smith: Given the competition for scarce resources we're looking at what to do with the City resources of this land. Competition doesn't help the wait list for affordable housing. City Council holds PHA accountable but has less right to interfere with POAH.

John O'Leary: As a process-oriented person I am comfortable with the process that led to a decision in favor of POAH: 1) POAH was the winner in tabulating the results from the RFP process; 2) The POAH design shows community engagement the elevator building does not; 3) I'm concerned about PHA's ability to handle two major projects at the same time; 4) we have a fiduciary responsibility and PHA is suggesting the need for municipal assistance.

Byron Matto: There's a fundamental difference between PHA and its direct accountability to the City Council and taxpayers and POAH. We're lucky to have POAH and two with the capacity and competence.



Erik Anderson: We have not had a one-on-one dialogue with the two developers and I still have questions such as What does mothballing mean? For how long? [Co-chair noted that the Committee voted not to include that question in those submitted to PHA and POAH.]

Megan Crosetti: POAH scored higher in the RFP review. To fit the neighborhood of 17 houses we need to do this right and make a recommendation that makes the most sense based on the questions we asked and the community of residents, existing and new.

Mary Loane: There are merits in both approaches. Unfortunate the process has taken so long. POAH is widening the footprint for affordable housing and will hopefully snowball into bringing housing to other neighborhoods by countering opposition and showing sustainability. Think we should reconsider the use of the RFP process is we want to move with more speed.

Joanna Kelley: Thanks to all participants in this new process.  
Calling roll call vote from Committee members – not Council members.

**Motion passed 4 to 3 with Loane, Matto Samonas and Smith voting in favor and Anderson, Corsetti and O’Leary against. Migirditch recorded as abstained as he had to leave the meeting before the vote.**

Adjournment

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 6:50 pm