

MINUTES

PLANNING BOARD PORTSMOUTH, NEW HAMPSHIRE

EILEEN DONDERO FOLEY COUNCIL CHAMBERS CITY HALL, MUNICIPAL COMPLEX, 1 JUNKINS AVENUE

6:30 PM

JULY 27, 2017

MEMBERS PRESENT: Dexter Legg, Chairman; Elizabeth Moreau, Vice Chairman; Rebecca Perkins, City Council Representative; Nancy Colbert-Puff, Deputy City Manager; Colby Gamester; Jody Record, Jane Begala, Alternate; and Corey Clark, Alternate

ALSO PRESENT: Juliet T. H. Walker, Planning Director

MEMBERS ABSENT: David Moore, Assistant City Manager; Jay Leduc, Jeffrey Kisiel;

.....

I. WORK SESSION

A. Proposed New Mixed Use Zoning.

- Chairman Legg explained that the focus of the night was to hear from the development community and property owners to get their feedback on the Gateway Project.
- Ms. Walker provided an overview of what has been discussed for this project thus far. The Planning Board has been working with consultant Ted Bovitz. This project is called the Gateway District Mixed Use Zoning Project, and it is focusing on the gateway properties. One of the main points in the 2025 Portsmouth Master Plan spoke to the creation of affordable housing in the community. Drawing from a report by the Housing Committee there were two recommendations. One was to adopt a housing policy, which has been completed. The second was to provide zoning in the identified areas. The master plan talks about different housing initiatives, and encourages thinking about a diversity of housing types and putting people near their places of work. The master plan is available on cityofportsmouth.com for reference. The goal of this project is to encourage people to live and work in Portsmouth by creating housing that fits into the context of the community and hopefully enhances areas that are under utilized today.
- The Gateway areas the Planning Board is focusing are:
 - Route 1 Bypass across from Borthwick
 - Outer Woodbury Ave extending out to the Spaulding Turnpike
 - Lafayette around Mirona Road area
 - Further down Lafayette Road to the Rye line
 - The properties on either side of exit 7.

- There has been talk about consolidating the Gateway districts from 3 to 2. Chairman Legg questioned if that had been officially decided or if it was still in consideration. Ms. Walker clarified that it is still under consideration, but believes they are all in agreement to consolidate.
- General organization outlines various building types and development types. In development zoning amendments the Board looked at:
 - Building uses and how they should look
 - Parking
 - Landscaping review regulations
 - Low impact development standards.
 - Pedestrian access
- The Board has done a lot of thinking about the relationship of the lot to the street.
- The Board is working to roll in standards for pre-existing buildings so they can be retrofitted. These buildings won't have to apply to 100% of the new standards. The building facades would be considered there. There will be baseline densities that will be comparable to what is currently allowed in the gateway districts. The option for added increases will be available if features like open space or affordable housing are included. The board is still working on the retrofit standards.
- Right now the Board is proposing to require 50% affordable housing for the developers to get the incentive. A pocket neighborhood could have 16 units per acre, but with the incentive it could be 30 units per acre.
- Chairman Legg questioned who the author of general comments was. Ms. Walker responded that the comments come from the Planning Board and staff. The general comments were:
 - Provide a development scenario for some of these sites to show a mock up.
 - Consider setting a lot size for certain types.
 - Shifting some standards to guidelines.
 - Consider expanding zoning to other properties like Gosling Meadows, Bursas Pantry and St. James on Lafayette.
 - Including provisions to provide new roads off of Lafayette.
 - Provide ways to account for affordable housing.
 - How do we would define workforce housing our standards vs. state
 - Ensure there are provisions to make workforce housing permanent
- The Planning Board sent out a notice to all property owners, and people in the development community and received comments from them. There was a lot of focus on density and what is the appropriate balance of affordability.

PUBLIC HEARING

Chairman Legg asked if anyone was present from the public wishing to speak

Chad Lynn, 200 Chase Drive Portsmouth, NH, Pastor at Community Church questioned if the church's property was subdivided would it fall out of compliance under the new zoning. Ms. Walker responded that the church property could be considered in the retrofit type of building.

Mr. Gamester noted that a lot of the building types lot sizes seem to be small. Ms. Walker responded that the intent was to control the lot size by type of building.

Steven Kelm, 36 Maplewood Ave Portsmouth, NH noted that he has worked with the church in the past. City zoning has changed over the years making some parcels exempt from the start. Would this property become a non-conforming use space on this new project? If the new zoning is incorporated and the church was a non-conforming lot, can you subdivide that lot? Stated already that the city is still working on that. Mr. Kelm has not done workforce or affordable housing before, but made a general comment on development. The market is very expensive to build right now. Some trades have double and tripled in price in the past few years. The affordable housing component would be difficult to introduce with these prices. The City wants to develop and have more affordable housing, but it comes down to economics of what can be built at what cost and what percent of that can be affordable. The City is specific about what and how these developments should be built which is nice, but can make the affordability piece hard. Mr. Kelm clarified that the density would be 16 units per acre. Ms. Walker confirmed this and clarified that it would 30 with incentives.

Chairman Legg questioned with land cost and other costs rising dramatically how do you estimate sale cost for your units and how do you know the price has peaked? Mr. Kelm responded that the prices on condos have jumped considerably. In Portsmouth you can build things and sell it and make the numbers work. Mr. Kelm doesn't know how buildings are built in Dover or anywhere in NH, and how developers make it work. But the further out of Portsmouth, the more affordable it is to build. Subcontractors think they can charge more because it's Portsmouth. You have to guess on the numbers to some extent. What was not anticipated was prices going up considerably in a small window of time. There was a 30-40% increase within the past 2-3 years. Part of it was the recession, Portsmouth survived, but now people are starting to adjust prices to make up for that. Installing HVAC system prices have doubled since last year and doubled since the year before that. To some extent it's unsustainable. It's not healthy for the industry as a whole now. Subcontractors dictate the schedule of the project.

City Council Representative Perkins noted that the intent of the zoning amendments is to bring development to the table, and to get projects on the ground. How do you feel about 50-75% of affordable housing? Mr. Kelm responded that it depends on where it is. Density areas can be increased in areas like the plaza where McKinnons is because you can build bigger projects. Mr. Kelm noted these are general comments, as he does not work on apartments. Most apartment developers that come in will want to build 100 plus units because that's when numbers start to make sense. Then you can bring in national developers not local.

Mr. Kelm questioned how large the current project by McKinnons is. Mr. Gamester responded 94 units. Mr. Kelm noted that if the Board wants to attract outside developers that's the size of projects they want to have.

Craig Welch, 245 Middle Street Portsmouth, NH, Executive Director of Portsmouth Housing Thanked the board for the work on the diversity of housing. Mr. Welch questioned if the City had thought about how to legislate the affordable housing requirement, and how will that be enforced. This could end up with a complex stack of financing and tax cuts that are available. It

would be helpful to have someone to keep track of all of this. Has this been thought about? What exactly are the numbers in the ordinance? It was mentioned that the numbers are based on 60% of the median income for family of 3 of income. That would make for a 45,000 salary qualify for affordable housing. If rent would come out to 1,100 dollars a month with utilities, then this can be an impossible number for all or part of the apartment housing.

Ms. Walker responded that yes, the Board is thinking about legislation and still needs to figure out how to legislate this. The board has been looking at how other communities to see how they have handled this. The Board does need to resolve how they define workforce housing. The staff does need to provide a clearer definition of this, and a clear understanding of how they will enforce and maintain enforcement.

Vice Chairman Moreau questioned if the board had housing partnership on this? Ms. Walker confirmed that the board is in communication with them.

Vice Chairman Moreau noted that the Board really needs to think about the size of the lot and the density that's the only way housing would be affordable. Then dictate the percentage of required affordable housing after that. 50% affordable housing would be excellent, but that may not be feasible. Time should be taken to talk with the public, so the best ordinance can be crafted.

Chairman Legg agreed with Vice Chairman Moreau stating that the whole purpose of the ordinance is to increase housing and include more affordable housing. The Board is trying to craft an ordinance where developers are really going to commit to develop these areas. Chairman Legg hopes that some developers can walk the Board through their economics so that the ordinance can have clear and realistic guidelines. There is no sense in making an ordinance that everyone feels good about but nothing is built because it doesn't make sense. Adding housing to Portsmouth would change the housing prices in the city regardless of affordability.

Mr. Kelm stated that there is a desire to bring down the rental rates overall in the city. However, new apartments are being built now and prices are still high. People are still renting at high rates. Is the goal to create enough housing to ideally bring down prices with supply and demand? Chairman Legg responded yes, that is the intent, however the Board is unsure of where that inflection point is. The hope is that flooding the market with housing will result in prices dropping.

Ms. Record noted rent prices might stabilize over going down. Rent has been increasing for 30 years. Mr. Kelm noted that rent has really jumped over the past 10 years. At some point the prices have to come down. The current project near Mckinnons will be under 2000 a month so that provides an option. The downtown prices will probably stay where they are.

Mr. Gamester noted there is a housing situation right now and an ordinance can be drafted overnight, but that doesn't mean the project happens overnight. The development could happen over 20-30 years. The numbers will eventually change for these projects. It would be great to draft an ordinance for projects that happen tomorrow, but that may not happen. The ordinance will also apply to some people who already own their parcel and they will be re-developing. This will affect the numbers for them too.

Mr. Kelm did not think new development would take 20 years it could be more like 20 months. There is nowhere to go in the city so if more options open up then, these projects may happen sooner than later. Chairman Legg responded that's why the standards are so important aside from the density the buildings should be something the City is proud of.

City Council Representative Perkins stated that the numbers are wrong. 50% is too high for the 30 per acre policy. There could be a flex standard of affordable vs. market where a developer could come to the table with an estimate. Would that be helpful? Mr. Kelm responded that he has never done that before, so unsure of how effective it would be. Mr. Kelm noted that developers might not want to show all of what they are doing. A developer friend may be able to come up with realistic numbers and help with the economics. Portsmouth is an attractive place but it's all a function of where the new projects are in the city and the cost.

City Council Representative Perkins noted concern of going through the trouble to draft the ordinance, then show it to developers and no one wants to build because it's not realistic. Mr. Kelm responded that's why it is helpful to have sessions like these.

Mr. Welch questioned if it was necessary in one sense to require affordable housing because you are stretching the boundaries of where this is done. Over time these places will be older and there will be more of them, so prices should reduce due to simple supply and demand. City Council Representative Perkins responded that's a very open question. Plenty of people feel that affordable covenants are not needed, but there are several more people in the field who feel that it will take a while before the tipping point is reached. If it takes a long time to get to the inflection point at least there is something in place.

Ms. Begala noted that the 10-year master plan shows a flat line population growth, so where is the pressure for the housing coming from? Vice Chairman Moreau responded that the demographics show Portsmouth is an aging community, so this effort is to try to bring young families back into the community with affordable housing. Mr. Lynn added that 80% of his congregation does not live in Portsmouth, but they would if they could.

Mr. Welch questions if the Board has been talking about parking in downtown or elsewhere. It may be bad to be providing free parking and encouraging car ownership. This could hurt the affordability by making developers build garages instead of housing, and would work against making pedestrian encouraged communities. Relaxing parking standards could be a good thing. Ms. Walker responded that the Board is working on parking standards

Mr. Gamester commented that the gateway districts should be as inclusive and expansive as possible. Obviously there will be tweaks to the ordinance, but the districts should all be out there so that interested parties can be looking long term.

Jay Siegel 2435 Lafayette Road Portsmouth, NH, commented that there has been no talk about infrastructure. The roadways, water impacts etc. should be considered. Also, nobody wants to live by McKinnons so they can shop at McKinnons; they want to be able to get downtown. They will need parking. Walking downtown from McKinnons is not an option. Has this been taken

into consideration? More diversified housing would be great for the City, but if the new developments are 100 unit buildings, then parking will be needed. The traffic up and down route one would need consideration too.

Mr. Gamester noted originally the master planning consultants liked the idea of coffee shops and bakeries on every corner, but the city doesn't have the density to support that. Mckinnons will be a good example to see how many people stay in their community vs. how many people want to be downtown. There will need to be a balance looking at parking and infrastructure.

Deputy City Manager Colbert-Puff commented that the City overall looks at infrastructure and zoning with long term plans for infrastructure. The capacity is analyzed and ensures that new development looks at traffic.

Ms. Walker added that most of these projects would go through site planning review. Anything with 3 or more units has to go through TAC and the Planning board, so there would be a pretty comprehensive technical review. TAC is not shy to ask for more beyond comprehensive standards. This zoning is adding another layer of CUP requirements to have additional considerations above and beyond site planning. There has been consideration for schools, water and sewer infrastructure. The City is doing what's possible for transportation, water and sewer as well as planning to include more pedestrian and biking lanes on Route One.

City Council Representative Perkins reminded everyone that as part of the housing recommendations is to work collaboratively with capital improvements to make sure everything is well designed, well planned for and well thought out.

Mr. Gamester noted that Portsmouth might seem busy and congested sometimes because people want to be here. However, the residency is nowhere near what it was 20 years ago. Granted a lot of that was base housing. In terms of people living in Portsmouth there is room to go. Chairman Legg added that the schools are not maxed out; there is capacity.

Ms. Walker brought up the St James property noting that it was not in the initial recommendations because it is zoned as a single residence. Chairman Legg noted that it might be worthwhile to bring areas like this on if we can. Ms. Walker added that there is a parcel behind the Service Credit Union that is currently zoned as a garden apartment. This could be an opportunity to do an overlay development.

Deputy City Manager Colbert-Puff pointed out that the housing committee has recognized this will not be the end all be all of the affordable housing properties. The areas first identified were a first cut that would make a good impact knowing there were more properties that could be added in the future. Chairman Legg added that the Board needs to be careful to not let the perfect get in the way of the good. At some point a stake needs to be put in the ground and the ordinance needs to get in front of City Council. Vice Chairman Moreau agreed that the areas could expand as the project progresses.

City Council Representative Perkins questioned when the chair was thinking a line would be drawn. Chairman Legg responded that hopefully for an august meeting. Ms. Walker stated that revisions could be completed for next time the Board gets together.

Chairman Legg questioned if there was any further comments. Seeing no one rise the Board proceeded to talk about next steps.

Ms. Walker stated that the goal is to get back in front of City Council for their September meeting. There has been additional outreach discussion before then. One tactic that was considered was a survey which could be a good opportunity to get developer feedback especially target economics. This can happen really any time, but should happen as soon as possible. Another tactic was holding a workshop to build out a mock up of certain properties. This would be a good thing to think about, but scheduling could be hard. If the workshop was going to be open to the public, then it may not happen until end of august. Another thought is to have the consultants present some ideas but not in the work session then in the next meeting forward on City Council.

Deputy City Manager Colbert-Puff suggested the board views the scenarios the same time as the public.

Vice Chairman Moreau noted that the public comment period needs to be more than one meeting. It could be better to have a public session and see all of it at one time. Then another public meeting may be needed after that after incorporating the changes.

Chairman Legg questioned when the scenarios could be done. Ms. Walker responded that she needs to check with consultant. They could have red lines in front of the Board for 8/17 then find out from consultants when the next meeting could be for public and mockups. Chairman Legg stated that the Board should see what could be done in one meeting. If an additional meeting is needed, then that is OK. The scenarios are really important for the communities.

Vice Chairman Moreau questioned if the Board was allowed to have a meeting a week early to meet before council. Ms. Walker responded that yes, it can be scheduled early if needed. Chairman Legg commented that it is important to strive to get the ordinance in front of City Council for September, but the Board shouldn't short circuit the process. For planning purposes if 8/17, 8/24 and if 9/14 is open on the calendar don't schedule anything. These dates may be needed for additional sessions.

Ms. Walker commented that any additional comments from board and public are welcome. The housing page on the web site has a section that comments can be submitted. All the contact information is on the web page.

.....

II. ADJOURNMENT

Mr. Gamester moved to adjourn the meeting at 7:58 pm seconded by Vice Chairman Moreau. The motion passed unanimously.

.....

Respectfully Submitted,

Becky Frey,
Acting Secretary for the Planning Board

These minutes were approved at the August 17, 2017 Planning Board Meeting.