

MINUTES
City Council Legislative Subcommittee with Legislative Delegation
Friday, November 13, 2020 8:00 a.m.
Remote Meeting via Zoom

Greeting: Mayor Becksted

Participants Present via zoom meeting: Mayor Rick Becksted, Councilor Deaglan McEachern, Councilor Esther Kennedy, Councilor Paige Trace, City Manager Karen Conard, Assistant City Attorney Jane Ferrini, Assessor Rosann Maurice-Lentz. Addition attendees Legislative Delegation: Jackie Cali-Pitts, Laura Pantelakos, David Meuse, Gerry Ward, Peter Somssich, Senator Martha Fuller Clark, Senator Elect Rebecca Perkins Kwoka, Joan Hamblet, Rebecca McBeath joined remotely at the end of the meeting

I. Greeting: Mayor Becksted convened the zoom meeting at 8:10 a.m. and declared COVID-19 outbreak an emergency and waived the requirement that a quorum be physically present at the meeting pursuant to the Governor's Executive Order 2020-04 and Emergency Order #12, Section 3. Members participated remotely and identified their location and any person present with them at that location. Mayor Becksted, Councilor McEachern and Councilor Trace were alone in their homes and Councilor Kennedy was in her school office. City Manager Karen Conard was at her home and Assistant City Attorney Jane Ferrini was alone in her office at City Hall. Senator Martha Fuller Clark and Senator Elect Rebecca Perkins Kwoka, Representatives Pantelakos, Meuse, Somssich and Ward were alone in their homes as was Joan Hamblet. Representative Cali-Pitts called in from South Carolina.

II. Discussion of issues of interest for potential legislation in 2021.

***Homelessness**

Representative Pantelakos discussed her concerns about homeless veterans. Mayor Becksted said he is working with the other 13 Mayors in a Mayors' Roundtable to address homelessness and that as many as 100 cities and towns have taken a pledge to support veterans experiencing homelessness. Mayor Becksted noted that the state has not redefined its plan on homelessness for over 14 years. Representative Somssich asked if there could be a certain amount of property set aside for the homeless at the PHA development and Representative Pantelakos suggested the use of city property. Mayor Becksted explained PHA maintains a prioritized list for housing. Senator Fuller Clark wanted a report back from Cross Roads House with how it worked with local hotels on the homelessness issue. She noted she introduced a tiny house bill last session that is being refiled in the House and she urged cosponsors. She also noted an approach might be for municipalities to lower square footage requirements for housing and to reach out to Ben Frost as a resource from the NH Housing Authority and to look to what other states

are doing. Representative Cali-Pitts noted that the needs of the homeless are multi layered and require an integrated community response with a variety of supportive services. Senator Elect Perkins Kwoka noted the recourse of Homes for All and its holistic approach to homelessness and discussed the availability of Section 8 vouchers for veterans and voiced her support for the tiny house bill. Councilor Kennedy noted regional concerns regarding homelessness and explained that housing behind Bowl a Rama is no longer subsidized housing and it is coming off the list, although there is a provision for grandfathering those that currently qualify for Section 8 and questioned the City Manager regarding how many other city properties might be coming off the list. The City Manager said she would look into the issue. Representative Cali Pitts asked if you could force towns to change their zoning regarding tiny houses and Senator Fuller Clark said legislation like the ADU legislation could be passed. Council Trace wants the City Council to make room for this topic as it relates to zoning and will bring it forward, including looking at the use of city property.

***Sober Homes**

Mayor Becksted noted the importance of addressing this issue. Senator Fuller Clark noted there is only one sober home in Rockingham County located in Hampton which consists of 12 spaces for woman. She noted additional sober homes need to be established because there is no place to people to go for recovery and thinks this is more of a local than a state issue.

***Commercial property valuation and property tax relief regarding artificially inflated residential real estate values**

Mayor Becksted raised concerns about outsiders buying up housing and inflating prices, noting that some houses are selling for \$100,000 to \$200,000 above value and he noted land in York has increased by 75% in one year. The group discussed issues on how to give relief to taxpayers and discussed legislation generally. The group expressed concern that artificially increased value would negatively impact taxpayers and might push people out of their homes. Assessor Maurice Lentz stated that there are constraints regarding delaying the valuation of property because the NH Constitution requires that property must be valued at market value and the Assessing Standard Board has a mandate to revalue property every 5 years under statute. The group discussed the need of a temporary adjustment to the 5 year requirement due to the pandemic and that the Assessing Standards Board could be approached to introduce legislation to delay revaluation. Senator Fuller Clark recalled that reassessment used to come every 10 years. She suggested that any legislation should come in through the Senate. Assessor Maurice Lentz noted values are up 30% and typically we see a 5% increase. Councilor McEachern expressed concern that Portsmouth's assessments may not go back down after the pandemic. Representative Cali Pitts thought it would be beneficial to explore long term residents getting a tax break. Councilor McEachern noted the Council just increased the exemptions for the disabled, elderly and veterans. Councilor Kennedy wanted to know what other communities were doing and to look at the issue globally. Senator Elect Perkins Kwoka noted that an exemption for long term residents might be better targeted than pushing out the assessment another 5 years due to concerns about municipal budgets. Assistant Attorney Ferrini noted legal challenges to a long term resident exemption. The group wanted to explore the issue further and the group discussed a one year reprise on required reassessment.

***Pease- proposed legislation to assist the City and County in ways to accurately value property at Pease.**

Assessor Maurice Lentz said there are no deeds when property is transferred at Pease but there are assignments and assumptions and there is no requirement for leases under 99 years to provide sale price. She reported historically properties at Pease paid transfer tax stamps but the law was changed and the county has lost tax stamp income due to this change. Transfer tax back to county was discussed by the group and Councilor Trace said there was not good reason why the county is not getting that money. Assessor Maurice Lentz said recently property sold at Pease for \$6.9 million and she does not get formal notification of sale price. Assessor Maurice Lentz said that a statute would need to be changed. Councilor McEachern raised concerns about the city giving up municipal fees if Pease was privatized and did not want to amend the Pease statute of RSA 12G. Assessor Maurice Lentz stated there is a different statute that addresses providing value to the City. The group discussed introducing legislation this session and Representative Pantelakos requested information for that legislation. Representative Somssich expressed concern about how exemptions for long term residents would work and said in other states the homestead exemption addresses this issue.

***Creation of local sources of revenue.**

Representative Pantelakos said Hampton Mike Edgar will be reintroduction hotel occupancy bill and if does not, she will introduce it.

***Committee to review meals and rooms tax formula.**

Mayor Becksted recently discussed the meals and rooms distribution formula with the Governor. Representative Pantelakos discussed introducing legislation to form a study committee to study municipal sources of revenue and meals and rooms formula, due to concern about the pandemic's impact on the economy and stated the success of legislation regarding hotel occupancy or redistribution of meals and rooms would be difficult. Representative Cali Pitts concurred. Councilor McEachern noted that the Governor was discussing a reduction in the meals and rooms tax and thought there would be support from the hotel industry if money supported city projects that support tourism, and marketing. He suggested bringing hotel developers into conversation, such as Mark Stebbins from the City's Task Force, and noted that if the formula was being amended that the delegation should push for more local control. The group discussed generally the problem with the distribution of meals on rooms on the basis on population and Representative Somssich said there is no incentive for towns without tourism to support a change in the distribution formula. Representative Cali Pitts said if you could link money to recovery you would get the support of the industry and said she would introduce a study committee bill on this issue.

***COVID-19 relief**

The group briefly noted CARES Act next wave of funding.

Assistant City Attorney Ferrini brought up a proposed bill on forgiveness for noncompliance with Emergency and Executive Orders and the general challenges for next session due to COVID-19.

***Downshifting (reinstate funding levels for meals and rooms)**

Assistant Attorney Jane Ferrini shared she had updated figures of the loss to the City over the last decade due to the State downshifting costs on to the municipalities and would provide those figures to the group. Councilor McEachern ask questions about the NH

retirement system and noted there was a rumor about a holiday on paying into the system and asked whether we have a position on the solvency of the state retirement system. Assistant Attorney Ferrini was not familiar with the rumor but said it is something the City should track and she was aware there were issues with the retirement system years ago. Councilor Kennedy reported as a participant in the system she has been well informed and does not have concerns about the retirement system but confirmed there had been problems years ago and thanked our delegation for the work they did on the issue. Representative Pantelakos warned about downshifting next session due to current circumstances.

***Reducing burden on property tax regarding education funding/SWEPT**

Assistant Attorney Ferrini said the group has been updated several times on the work of the Commission on Education Funding and discussed the concerns that the report might recommend excess SWEPT be returned to the state and create a return of donor towns. She stated she would continue to provide updates on the issue and would send out information on public comment. Representative Pantelakos said she was upset about the donor town issue because she feels like we are right back where we started.

Other

Representative Meuse mentioned the real crisis we are facing regarding childcare. He said there were issues pre- pandemic with lack of spaces but now during the pandemic people are desperate. Mayor Becksted said he would add this issue to the list of items to discuss with the Mayors' Roundtable. Representative Pantelakos said that she feels the Mayors' group could do a lot of good and thanks the Mayor for his efforts.

- III. Schedule next meeting. Call of the Chair after session has begun in January.

- VII. Adjournment at 9:37 a.m.

For updated status of bills and the Senate and House Calendars, see: <http://www.gencourt.state.nh.us>. For information regarding the New Hampshire Municipal Association's Bulletin, see: <http://www.nhmunicipal.org/LegislativeBulletins>