

MINUTES
City Council Legislative Subcommittee
Friday, October 21, 2022 at 9:00 a.m.
Conference Room A, 1 Junkins Ave., Portsmouth, NH

In attendance (Live): Mayor McEachern; Councilor Tabor; Councilor Cook; Assistant Mayor Kelley; Representative Hamblet; Representative McBeath; Representative Muse; Representative Somssich; City Manager Conard; Assistant City Attorney Ferrini.

In attendance (Remote): Senator Perkins Kwoka and Representative Ward.

I. Greeting: Mayor McEachern began the meeting at 9:10 p.m. with a roll call

He thanked all the City's representatives for attending. Specifically, he acknowledged that Jackie Cali Pitts was unable to attend and that the City Council would be recognizing her for her long service to the City. In addition, he thanked Peter Somssich for his service to the City. Assistant Mayor Kelley joined the meeting after the roll call.

II. Approval of September 8, 2022 Minutes

Prior to approval of the minutes, Representative Somssich noted the issue discussed relative to the statewide zoning amendments that failed that attempted to convert single family residences into multiple units. He stated that that push came from California and that primarily it was supported by realtors and developers and that some affordable housing advocates were not in support. He noted in New Hampshire both sides of the aisle are divided on the issue.

Councilor Tabor moved and Councilor Cook seconded a motion to approve the September 8, 2022 minutes. The motion passed by **unanimous vote** of the Committee.

III. Discussion of legislative issues of interest with Portsmouth's Legislative Delegation for next session

The Committee and the delegates discussed the issue of housing. Representative Hamblet noted that she's had constituents complaining that a push for an increase in housing is in fact a decrease in available open space. Councilor Cook noted that the Governance Committee was going to schedule a joint meeting with the Conservation Commission to discuss a plan for open space in the City. The Mayor stated that the City of Portsmouth is a Boston real estate market, so therefore below rate housing is not supported by the market. He noted that one of the happiest days he has had as Mayor is when a childhood friend who works for the City's DPW Department told him he got housing at Ruth Griffin Place and was able to stay in the City. Representative Muse noted in order to accommodate more workforce housing, increases in density is required, which would also support open space.

He stated that when the state attempts to introduce legislation on the issue, it is opposed by proponents of local control. Representative Somssich noted that municipalities do have the ability to change their own zoning ordinances. However, an increase density may re-affect property values and that is an issue that is discussed in Concord because we are so heavily reliant on real estate taxes.

The Committee discussed the importance of addressing transportation along with workforce housing statewide. The Mayor noted that given the increase in remote work, any housing legislation should be enabling legislation, whereby individual municipalities may be able to opt to pass specific workforce housing incentives. In addition, he suggested legislation should be introduced that permit a municipality to require a particular percentage of all new developments to include a percentage of affordable units.

Senator Perkins Kwoka stated that that was included in her bill last session at the SB 400 that was incorporated into HB1661; however, that aspect of the bill did not pass and she intends to bring the bill forward as a standalone bill next session, which would require workforce housing by covenant for any new development. She also referenced the Housing Champion Program, which is a state-incentive system that would reward municipalities for transportation, sidewalks and roads for supporting affordable housing. Councilor Tabor noted that affordable transportation is a critical component of workforce housing. He stated that one way to increase money for housing is if individuals do not need cars. Councilor Cook added that expansion for transportation infrastructure for bicycles is a critical component of transportation needs. The Mayor noted the December holiday shuttle will be reintroduced this season and echoed the support for public transportation, hoping that in the future the City could support an environment where two cars are not required for families.

The Committee agreed a critical issue for next session is for the state to contribute an increase percentage for employees' retirement costs. The group confirmed support for a future hotel occupancy bill. There was a general discussion of the education funding issue including education freedom accounts and unsuccessful bills last year that addressed changing the funding formula regarding donor towns. Several councilors and representatives noted that Portsmouth has not been impacted by the education freedom account and that the funding for the education funding account through the state is inadequate. Assistant Attorney Ferrini noted there are two pending lawsuits on education funding challenging SWEPT and the issue of SWEPT is likely to continue to come forward through legislation next session and ongoing litigation.

The Mayor discussed NHMA's support for the legalization of cannabis. The group agreed that the biggest impediment to passage of legislation to legalized cannabis is how it would be taxed. Assistant Mayor Kelley suggested that cannabis be taxed through the meals and rooms tax as a consumable. She stated that there's already an 8.5 tax on consumable

alcohol and food, the system is in place, and it would be a means to collect much needed revenue in the state where we have an over reliance on property tax and an aging population. Councilor Cook discussed an allowance for local permitting fees and Representative Muse stated historically that omnibus bills introduced relative to the legalization of cannabis and often get struck down due to certain provision within the bill. He suggested a small standalone bill would have greater success. The group discussed the problems with cannabis sales and the use of cash in other states, given federal banking restrictions regarding the sale of a controlled substance.

The group discussed the Governor's recent comments predicting a \$350,000,000 state surplus. Committee members and representatives agreed to identify one-time expenditures that could be identified for use of the surplus. The group also discussed capital expenditures, education funding, the Housing Champion Fund, sound barriers for New Franklin, sea level rise and climate change impacts. Councilor Cook also noted that grants to individual property owners should be something the state considers regarding the sea level rise issue. Representative Muse noted that due to redistricting, he represents half of the New Hampshire seacoast.

City Manager Conard announced the award of a grant to the City of Portsmouth for a Housing Navigator, who will be able to assist not only the Planning Department but the Council and Portsmouth constituents on all issues relative to housing.

The Mayor and Assistant Mayor Kelley discussed their willingness to testify in Concord and to continue to support communication between the delegates and the members of the committee so that they are aware of bills of interest and hearing dates. The group discussed agreeing on a priority list of bills on behalf of the City as supported by the legislative principals adopted by the City Council. Assistant City Attorney Ferrini noted that she could send the representative a legislative principals, and Councilor Tabor noted that they are also posted on the City's Legislative Subcommittee website.

Representative Somssich ended by describing some of the failures for the false alarm of the Seabrook power station and his efforts to assist in rectifying some of the problems realized when there's a false alarm.

IV. Adjournment.

Assistant Mayor Kelley moved to adjourn. The motion was seconded by Councilor Cook. The meeting adjourned at 10:32 a.m.