



AGENDA

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

Thursday, May 16th 2024
5:30 p.m.

- I. Roll Call (5 minutes)
- II. Approval of 5/02/2024 Meeting Minutes (5 minutes)
- III. Guest Speaker: Rick Chellman, Planning Board Chair (30 minutes)
 - a. Question and Answers session with committee members.
- IV. Housing Navigator (5 Minutes)
 - a. Work Plan Outline
- V. Committee Members Discussion on Items for a Work Plan (30 minutes)
- VI. Public Comment (30 minutes)

Attachments

- a. Correspondence from PHA regarding inquiry from Erik Anderson regarding Sherburne.
- b. Article from Joint Center for Housing Studies.
- c. Letter from Mayor McEachern addressed to SAU 52 communities on the subject of workforce housing.

**Members of the public also have the option to join this meeting over Zoom. Please register in advance for this Zoom meeting:*

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MEETING MINUTES - DRAFT

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

**Thursday, May 2nd 2024
5:30 p.m.**

I. Meeting Called to Order by Co-Chairperson Joanna Kelly at 5:31p.m.

Co-Chair Kelly 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, Jennifer Stebbins Thomas, Planning and Sustainability Director Peter Britz, Planning Manager Peter Stith and Housing Navigator Howard Snyder

Absent: Tracey Kozak, Karen Conard

II. Approval of 4/18/2024 Meeting Minutes

Co-Chair Kelly: Motion to approve minutes.

John O’Leary: So moved for discussion.

Erik Anderson: Second

John O’Leary: Specify "Newton, Massachusetts," not "Newton, New Hampshire." This correction was agreed upon to ensure accuracy.

Co-Chair Joanna Kelly calls vote.

In favor: All.

Opposed: None.

Motion approved unanimously.

III. Chairperson’s Update on Sherburne School Property Disposition Process

Co-Chair Tabor: The property is currently under the administrative jurisdiction of the city manager as per the city charter. The city manager is initiating an RFQ (Request for Qualifications) process to identify qualified developers for the project. The specifics of the RFQ process, including how it will be publicized and the timeline for submission and review, were discussed. Anticipate a robust response.



Megan Corsetti: How does this RFQ get noticed to the public?

Director Peter Britz: The RFQ aims to attract developers interested in developing the property into below-market-rate housing. The process includes a public phase where developers can submit their qualifications and proposals for the project. The city council has emphasized community involvement and the importance of ensuring that development meets the needs of the community. Will be on the city website.

Megan Corsetti: Window of RFQ process?

Director Peter Britz: The planning department reiterated the city's commitment to transparency and community engagement throughout the development process.

Erik Anderson: Will it come back to this committee for review?

Co-Chair Kelly: We can ask the council for the housing committee to have a role: We are not policy making entity.

Erik Anderson: Expectations that they would come in and present to this committee and we have a role in reviewing.

Co-Chair Kelly: City Manager will provide the RFQ, will be out and following a very public process.

Director Peter Britz: Describes differences between RFP vs RFQ.

Megan Corsetti: When will there be outreach with Pannaway residents?

Director Peter Britz: Planning department will continue to oversee the project, ensuring that all procedures are followed, and that community feedback is considered.

Co-Chair Kelly: This committee is a conduit into the process.

Erik Anderson: Need engagement out in Sherburne neighborhood when the plans are starting to develop.

Co-Chair Kelly: Start asking questions and answers, responses will be given to the committee from staff.

Megan Corsetti: RFQ process and the public decision process be open as much as you can share within the law.

IV. Discussion of Goal Statement

- a. 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.”*

The meeting resumed with a focus on revising and finalizing the goal statement concerning affordable housing targets. The original motion on the table aimed to recommend policy changes that would facilitate the creation of at least 500 affordable housing units over the next two years.

Co-Chair Kelly: Asks if there are any adjustments to the goal statement?



Erik Anderson: Concern with using number 500. Is this a goal with a particular timeframe? Soften the statement. What about measuring as there are no percentages. What are the expectations between the two sectors? Too hard and fast.

The statement was discussed with suggestions which would include both public and private sector contributions. Concerns were raised about the specific wording, emphasizing a preference for it to reflect an aspirational target rather than a hard mandate.

Dagan Migirditch: Modify the language to make it less of a mandate and more of a goal. We are not a policy committee. Pushback on the 500 being removed.

Byron Matto: Goal is aspirational, measure is important. Number is aspirational and not a mandate. Not materially different. Took out public and private, not a huge difference. Focusing identifying those working at the lower income levels.

Mary Loane: Conversation around 500, not arbitrary. Have a conversation around the why.

Co-Chair Tabor: Important to have a quantitative goal, measured gets. We are an advisory committee not setting policy. The 500 is important, don't want to make it a maybe.

Co-Chair Kelly: Reviews proposed changes to goal statement: ***“Recommend policy changes that would secure permits for at least 500 units of diverse, affordable housing over the next two years, while promoting market conditions to ensure long-term affordability and accessibility for all income levels”***

Erik Anderson: Important part of the statement is how the public and private sectors are involved. Conceded to leaving 500 in.

Beth Moreau: Motion to approve the goal statement.

Co-Chair Tabor: Second:

Co-Chair Kelly: Amendments?

Erik Anderson: Amendments to add private and sector after diverse.

Beth Moreau: Second.

Mary Loane: friendly amendment: phrasing

Erik Anderson: rescind motion to add as just described:

Beth Moreau: Reads motion: “Recommend policy changes that would secure permits for at least 500 units of diverse, affordable housing by the private and public sector over the next two years, while promoting market conditions to ensure long-term affordability and accessibility for all income levels”.



Beth Moreau: Motion to approve goal statement with amendments.

Jen Stebbins: Second

In favor: All

Opposed: None

Motion approved unanimously.

Co-Chair Tabor: Staff will keep track of other requests for work.

Erik Anderson: Asks about other sites for housing.

Co-Chair Kelly: Work plan will organize.

V. Housing Navigator Presentation on Places to Live Study Circle Dialogue.

Howard Snyder: Presents summary report, highlighting the "Places to Live" study circle proves and emphasizing the importance of the community's willingness to accept changes and how this forms an important input for planning.

The presentation highlighted the economic feasibility of achieving 10% affordable housing at 80%, noting that community sentiment and acceptance are crucial inputs for successful policy implementation.

Byron Matto: Discusses actionable steps like changing zoning regulations to facilitate accomplishments in housing developments. There was a consensus on the need to understand current barriers presented by existing zoning laws and to explore how they could be amended to facilitate housing projects.

Further discussion revolved around developing a work plan to guide the committee's efforts in addressing housing issues. The plan would include examining city land for potential development, identifying impactful zoning changes, and exploring private solutions like community nonprofits for affordable housing.

Co-Chair Kelly: Development of work plan, workflow and priority. The importance of a systematic approach to gathering input, such as through key informant interviews and ensuring comprehensive community engagement, was highlighted.

Members expressed the need for more detailed information from the planning board and insights into the barriers faced by previous plans due to current zoning. There was also a call for expert presentations from entities like the Seacoast Workforce Housing Coalition to ensure all committee members have a uniform understanding of the issues.



VI. Public Comment

Howard Snyder: Participants in the Places to Live Study Circle dialogue effort were invited to this meeting to talk about their experience in the dialogue effort and provide their thoughts on housing.

Peter Somssich @34 Swett Avenue: (Group G): Employer responsibility especially Pease, transportation – connecting neighborhood transportation outside connection as well. Link, other issues neighborhood protection: How much can we grow? Where is the limit and capacity? There are limits to what we can do. Definitions that need to be resolved. Affordable is not really a defined term. Are we building for local needs and who is benefiting?

Petra Huda @ 280 South Street: (Group J): Raised questions about the RFQ (Request for Qualifications) and RFP (Request for Proposals) processes, expressing confusion over how proposals can be solicited without clear plans and designs Differences of knowledge bases. Portsmouth 400 report. Goal number 6 – will be hard to do. Historic district – what does it mean to this city.

Jim Smalley @ 352 Kearsarge Way: Talked about out the need for context and historical background in housing discussions. He criticized city-imposed requirements that drive up housing costs and advocated for reconsidering zoning regulations to make housing more affordable. Weaknesses in the data without context – root cause of housing expenses – what are you willing to give up – height restriction, sparking, min. lot sizes. Far, FAR – how serious are you about making housing affordable for all.

Manny Garganta @ 471 Colonial Drive: asked about the city's ability to negotiate with developers for workforce housing contributions and questioned the impact of recent zoning changes on new developments.

Committee members clarified that while the city can incentivize workforce housing, it cannot mandate it. They also explained that recent zoning changes would not affect projects already in the pipeline before the new rules were adopted.

The open discussion session concluded with a reminder about the upcoming charette process by Service Credit Union and the need for continued communication and collaboration with surrounding communities on housing issues. The meeting adjourned with a request for forwarding any further questions or comments to the committee chairs to ensure all information is shared and addressed appropriately.

Beth Moreau: Motion to adjourn.

John O'Leary: Second.

In favor: All

Opposed: None

Motion approved unanimously.

Meeting adjourned at 7:16p.m.



ATTACHMENTS

City of Portsmouth Housing Blue Ribbon Committee

Thursday, May 16th 2024

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- a. Correspondence from PHA regarding inquiry from Erik Anderson regarding Sherburne School.
- b. Article from Joint Center for Housing Studies.
- c. Letter from Mayor McEachern addressed to SAU 52 communities on the subject of workforce housing.

FW: From Erik Anderson

Craig Welch <craigwelch@nh-pha.com>

Thu 5/2/2024 5:20 PM

To:Assistant Mayor <AssistMayor@cityofportsmouth.com>;Councilor John Tabor <councilor.tabor@cityofportsmouth.com>;
Karen S. Conard <kconard@cityofportsmouth.com>;Howard A. Snyder <hasnyder@cityofportsmouth.com>;Peter M. Stith
<pmstith@cityofportsmouth.com>

Jo, John, Karen.

Per Erik Andersons question below.

The goal of our Sherburne School Preliminary Report was to offer an analysis of the site, not to propose design alternatives for the site. I do ask of people who are interested in this project to read this preliminary report, which outlines the need for housing, the policy context we are working in, the process for site development, deadlines, and our analysis of the site.

My regrets for the late reply.

CW

Craig W Welch, Executive Director
Portsmouth Housing Authority & PHA Housing Development LTD.

From: andy42152@aol.com <andy42152@aol.com>

Sent: Monday, April 29, 2024 9:22 PM

To: Craig Welch <craigwelch@nh-pha.com>; Councilor John Tabor <councilor.tabor@cityofportsmouth.com>;
Karen Conard <kconard@cityofportsmouth.com>; Assistant Mayor <assistmayor@cityofportsmouth.com>

Subject: From Erik Anderson

Hello Craig,

1st - Hope you are well.

2nd - I went through the PHA June 2023 Sherburne School assessment thinking I missed any illustration of development considered. Page 15 was the only illustration that came remotely close but revealed to be a zoning map with no development illustration. Other than that I don't think there is any other source for this information.

I do think that a conceptual design / illustration of what is proposed or potentially developed is an extremely important piece of information to consider and is deserved for the interested public. Its the proverbial "picture is worth a thousand words"

Don't know if this will get to you before Thursday's meeting but any reply welcome

Any reply welcome

With thanks,

Erik Anderson



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Research, trends, and perspective from the Harvard Joint Center for Housing Studies

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CAN NEW SUBURBAN HOUSING MAKE URBAN AREAS MORE AFFORDABLE?

Tuesday, April 30, 2024 | Valentine Gilbert

Over the past thirty years, real home prices and rents in dense urban centers in the US grew more rapidly than housing costs in suburban metropolitan neighborhoods. At the same time, the vast majority of housing supply growth has been in low-density suburbs, which accounted for less than half of the metropolitan area housing stock in the US in 1990 but more than 80 percent of the increase in housing supply between 1990 and 2018.

This pattern of rising prices in dense urban centers and expanding supply on the urban periphery reflects both a secular increase in the demand for urban amenities and the difficulty of building in already developed central neighborhoods. But the pattern also raises an important question about how US cities can best address the housing affordability crisis. Namely, can continued suburban expansion alleviate rising housing costs in the urban center, or will cities have to grow denser to become more affordable?

In a new working paper (<https://www.jchs.harvard.edu/research-areas/working-papers/suburban-housing-and-urban-affordability-evidence-residential-vacancy>), Robert French and I seek to answer this question by examining how residential mobility connects different housing submarkets. We show that new suburban single-family housing construction leads to few moves by households in low-income urban neighborhoods. We then conduct a simulation exercise that shows that the effect of new housing construction on housing costs in other submarkets is strongly related to the number of moves in the submarket created by that new construction. Together, these results imply that building new suburban housing does little to lower housing costs for the urban households most vulnerable to rising urban housing costs.

Our analysis uses data from the Census Bureau's Master Address File on the residential histories of the US population between 2000 and 2021 to directly study how households substitute between different kinds of housing units. Specifically, we examine "residential vacancy chains" – the series of moves between housing units initiated by new housing construction. The first "link" of a vacancy chain is formed when a new unit is built and someone moves in, leaving their origin unit vacant. The second link is formed when someone moves into that vacated unit, leaving their

origin unit vacant. The chain continues in this way until it ends, either because the origin unit is not vacated, because the vacated origin unit remains vacant or is demolished, or because the mover's origin unit lies outside the US. By constructing these vacancy chains, we can trace the impact of new housing constructed in one submarket on other submarkets.

In the first part of our paper, we construct over 1.2 million vacancy chains initiated by new single-family housing construction in low-density suburban neighborhoods between 2009 and 2018. We describe these chains in detail and compare them to 350,000 vacancy chains initiated by new multifamily construction in high-income urban neighborhoods.

We show that while vacancy chains that grow long enough do connect disparate housing submarkets, vacancy chains are generally quite short, with 90 percent ending within three migration rounds. As a result, the two kinds of new housing construction we study create few vacancies in low-income urban neighborhoods: high-income urban multifamily and low-density suburban single-family housing respectively create only .03 and .015 vacancies in below-median income tracts in the top decile of population density.

We go on to conduct a simulation exercise that connects the observed characteristics of vacancy chains to the unobserved price and welfare consequences of new housing construction. (We conduct these simulations using a model and preference parameters taken from [Bayer, Ferreira, and McMillan \(2007\)](https://www.nber.org/papers/w13236) (<https://www.nber.org/papers/w13236>) and data drawn from the IPUMS 1990 5 percent sample.)

We first simulate an initial equilibrium set of prices and matches between households and housing units; then, iterating many times, we add a small number of new housing units to a randomly chosen neighborhood and simulate the new equilibrium prices and matches. The difference between the initial equilibrium and the new equilibrium implies a set of vacancy chains, price effects, and welfare effects, which we analyze to understand what vacancy chains can tell us about the price and welfare effects of new housing.

A key finding of our simulation exercise is that neighborhoods where more vacancies are created by new housing experience a greater decrease in housing costs. This result confirms what our descriptive analysis suggests – that expanding the supply of suburban housing will not make dense urban areas more affordable. Instead, policies that promote greater urban density – and especially those that increase the supply of relatively affordable housing – will be more effective at making cities more affordable for low- and middle-income households.

While our analysis focuses on the connections between suburban and urban housing markets, our paper is motivated by and informs a broader policy debate over how best to address the housing affordability crisis. On one side of the debate are those who argue that residential mobility between submarkets is high, so increasing aggregate housing supply will make housing more affordable for everyone, regardless of what kind of housing is built and where it is built. Those on the other side of the debate argue that residential mobility is in fact low, and therefore building more housing will make cities more affordable for low- and middle-income families only if the newly built housing is relatively affordable and located near those families. Our finding that vacancy chains are short supports this latter view that what kind of housing we build and where we build it determines who benefits from increased housing supply. Specifically, our work suggests that building our way out of the housing affordability crisis in a way that benefits low- and middle-income urban households will require policies that increase the supply of housing that is financially and geographically accessible to those households.





VALENTINE GILBERT

2022 Meyer Fellow

Valentine Gilbert is a PhD candidate in Public Policy at Harvard University and was a 2022 Meyer Fellow at the Center. His research focuses on how low- and middle-income households are affected by...

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CITY OF PORTSMOUTH

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May 1, 2024

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Ladies and Gentlemen:

The purpose of this letter is to initiate a discussion about what each of our SAU 52 communities are doing to address workforce housing and to work collectively to identify properties that would be suitable for workforce housing developments.

As background, I would like to update you on exciting progress relative to workforce housing that have taken place in the City of Portsmouth over the last several months:

- In February 2024, the City Council established a Housing Blue Ribbon Committee with the appointment of 11 members comprised of the Assistant Mayor, two City Councilors and eight citizens of various backgrounds. This Committee's stated mission is to expand the housing supply, especially affordable units in the City of Portsmouth.

- The Places to Live Study Circle Dialogue served as an outreach and engagement effort with Portsmouth citizens and businesses to address and assess the City's housing challenges, and to create succinct goals and actions to address these challenges, specifically related to workforce and affordable housing concerns. This engagement effort included a Joint Listening Session with the City Council and Planning Board in February 2024
- In April 2024, the newly formed Housing Blue Ribbon Committee recommended that the City Council work towards the official disposition and land lease of the Sherburne school property for the creation of permanent workforce / affordable housing.
- The City has recently amended its Zoning Ordinance to create density bonus incentives for workforce housing and to expand the Gateway zoning district that will provide greater housing development opportunities.
- The Portsmouth Housing Authority and the Episcopal Church of New Hampshire recently announced their partnership for a housing development project that includes workforce housing on church-owned land.
- Through the InvestNH initiative, the City supports a Housing Navigator position in our Planning & Sustainability Department to coordinate housing-related matters within the City, with adjoining communities, and at the State level.
- The City actively participates in the Rockingham Regional Planning Commission monthly meetings with City Councilor Beth Moreau and other City staff members, to maintain coordination with municipalities on housing and other related matters.

I plan to report back to our City Council on our collective communities' efforts regarding workforce housing at the May 20, 2024 City Council meeting and would ask to hear back from you by May 17, 2024 to be included in this report back.

In addition, I want to advise each of you that during review of the enabling legislation for the creation of housing authorities, Portsmouth Housing Authority's area of operation is not limited to Portsmouth but extends six miles from the City's border, which includes all SAU members that do not have a housing authority. PHA's housing developments are funded through loan tax credits administered by the NH Housing Finance Authority. Preliminary applications are due in June and final applications are due by August 30, 2024. Please feel free to reach out to Craig Welch, Executive Director of PHA directly with any question you may have regarding these resources.

"Alone, we can do so little, together we can do so much." Helen Keller.

Look forward to hearing back from you.

Sincerely,


Deaglan McEachern, Mayor
City of Portsmouth