



AGENDA

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

September 19th 2024
5:30 p.m.

- I. Roll Call (5 minutes)
- II. Housing Navigator Update (5 minutes)
 - a. InvestNH Municipal Planning and Zoning Grant Program 2.0: Grant Application.
- III. Co-Chair Remarks (5 minutes)
 - a. Upcoming meeting schedule: October 3, October 17, October 31, November 14.
- IV. Council Request for Guidance on Gateway Neighborhood Overlay District (60 minutes)
- V. Public Comments (15 minutes)

Attachments

- a. Information on proposed Gateway Neighborhood Overlay District.
- b. Laconia Daily Sun – Article on Lack of Enforcement and Incentives for Workforce Housing.
- c. RFP #09-25 Municipal Property at 35 Sherburne Road.

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

Register in advance for this meeting:

https://us06web.zoom.us/webinar/register/WN_TX7GfwsHScqUoCSIFw8FNA

After registering, you will receive a confirmation email containing information about joining the meeting.



InvestNH Municipal Planning & Zoning Grant Program: Housing Opportunity Planning Grant Program 2.0

Program Information and Application Instructions

SECTION 1: Program Information

SECTION 2: Eligible Applicants

SECTION 3: Use of Grant Funds

SECTION 4: Preparing the Grant Application

SECTION 5: Evaluation, Funds Disbursement, Compliance, and Reporting

SECTION 1: Program Information

Introduction

The InvestNH Municipal Planning & Zoning Grant Program provides grants for cities and towns in New Hampshire to create local regulations that will help increase housing supply, especially for affordable and workforce housing. The InvestNH Housing Opportunity Planning (HOP) Grant Program is part of the InvestNH Municipal Planning & Zoning Grant Program and is administered by New Hampshire Housing under contract with the NH Department of Business and Economic Affairs (BEA). This program is part of InvestNH, a \$100 million initiative funded through the American Rescue Plan Act's State Fiscal Recovery Fund.

This project is being supported by, in whole or in part, federal award number SLFRP0145 awarded to the State of New Hampshire by the U.S. Department of the Treasury.

Program Background

Recognizing that land use regulations often pose unnecessary barriers to housing development, the purpose of the HOP Grant Program is to provide resources to communities across the state to undertake reforms. Local master plans often express communities' desires for a diversity of housing types that are affordable to a range of incomes for people of all ages, including starter homes, apartments near jobs, and

places to retire, but the zoning ordinances and other land use regulations adopted by many communities are at odds with that vision.

In many communities, it is hard to undertake regulatory reform as a result of inadequate financial and technical resources necessary to make such changes. The HOP Grant Program will help municipalities overcome impediments and will advance earlier efforts in New Hampshire that yielded substantial promise (for example, the Housing and Conservation Planning Program, the Community Planning Grant Program, the Municipal Technical Assistance Grant Program, and the initial round of Housing Opportunity Planning grants). These initiatives have produced building blocks of sustainable community development: comprehensive planning and regulations, detailed technical guidance, and a focus on balance among environmental stewardship, historic preservation, social equity, and economic development – all within a context of participatory community planning. The HOP Grant Program provides funding to implement some of these approaches in the local regulatory framework for the specific purpose of increasing the state’s housing supply, especially of affordable and workforce housing.

Program Administration

The HOP Grant Program is being administered by New Hampshire Housing and Plan New Hampshire with guidance by a Steering Committee that consists of representatives from the following entities:

- New Hampshire Housing
- Plan New Hampshire
- University of New Hampshire Cooperative Extension
- New Hampshire Office of Planning and Development
- New Hampshire Municipal Association
- New Hampshire Community Development Finance Authority

The Steering Committee will provide assistance in developing public communications materials and reports and will evaluate grant applications.

SECTION 2: Eligible Applicants

Applicant eligibility is limited to incorporated New Hampshire cities and towns, as well as village districts that have zoning authority or counties in which there are unincorporated places (“municipalities”). Municipalities that have been awarded a Community Housing Navigator grant or HOP grant in the past are eligible to apply. These grants are open to any community, but applications from communities that have previously received a Community Housing Navigator or HOP Grant will be reviewed first. Applicants may request no more than \$100,000 total per grant application, including 5% for grant administration. Applications are due September 30, 2024. Awards will be made within 60 days.

Purpose of Grants

These grants may be used to hire a consultant for the following activities:

- Update the housing, land use, and vision sections of the master plan, and related aspects of the implementation section, as well as the community facilities section or other relevant sections as they pertain to water and sewer in support of housing development.
- As part of a larger project, conduct a housing needs assessment or analysis.
- Audit the municipality's land use regulations and make recommendations for changes to promote housing development. Audits may be structured to do any of the following tasks (these tasks are intended to be illustrative, not exclusive):
 - Identify barriers to housing development that may exist in standards or processes;
 - Identify outdated regulatory schemes;
 - Specify changes to existing regulations;
 - Identify opportunities for new regulations; and
 - Cross-reference different regulations to ensure they are not in conflict.
- Create new regulations or revise existing regulations with the stated primary goal of increasing the supply of housing in the community, especially affordable and workforce housing. Regulations to be created or revised may include, but are not limited to:
 - Zoning;
 - Subdivision regulations;
 - Site plan regulations;
 - Any provisions adopted under RSA 674:21 that are related to or directly impact housing development;
 - Local building codes; and
 - Local tax incentives, including RSA 79-E.

Grant-funded activities should generally assist applicants to become eligible for New Hampshire housing champion designation pursuant to RSA 12-O:71.

All projects must include robust community engagement.

SECTION 3: Use of Grant Funds

Consultant

HOP Grants will provide municipalities with the financial resources to hire qualified consultants to conduct proposed project work. A consultant's costs may include time, including consultant-led community engagement, direct costs associated with the program, and indirect costs reasonably attributable to the project.

Grantees may contract with their regional planning commissions or select from the pre-approved list of qualified consultants for project work without engaging in a competitive bidding process. The list of qualified consultants can be found at

www.NHHopGrants.org/consultants. Any consultant may seek Steering Committee approval by following the instructions included in the *Request for Qualifications for InvestNH Housing Opportunity Planning Grant Program Consultant List* published at www.NHHopGrants.org/consultants.

Alternatively, grantees may undertake a competitive process to identify a consultant by issuing a Request for Qualifications or Request for Proposals. As a grant condition, the Steering Committee will assess the qualifications of any consultant not included on the pre-approved list and to reject any such consultant it deems to be unqualified to perform the proposed work.

Grant funds may not be used for the acquisition of property, to pay for equipment, or to pay for consultant services rendered prior to grant approval.

Administrative Costs

Administrative costs will consist of 5% of the total grant request and will be automatically calculated. This is intended to support costs incurred by the municipality, including printing, copying, mileage, and staff time that is directly related to administration of the HOP grant. No documentation is required for the administrative costs and the administrative costs will be paid to the municipality at the close of the grant. Funds for administrative costs are not to be paid to the consultant.

Community Engagement

Community engagement is an essential part of the work to be done under these grants. Grantees will work with Cooperative Extension at the University of New Hampshire to understand and develop appropriate community engagement plans. The application should describe how engagement will complement the proposal. To ensure community engagement efforts are robust, Cooperative Extension has created Housing Academy to support grantees' efforts.

Communities that participated in Housing Academy last year are welcome to attend again and send new representatives. Communities that have not yet participated must identify one and are encouraged to identify up to three community members to participate in the program. Each participant can expect to attend around five sessions. Some Housing Academy sessions take place at New Hampshire Housing's office in Bedford, some in a webinar or virtual meeting format, and some community visits elsewhere in the state. Community engagement techniques and tools will be taught so participants can develop and implement an engagement plan in their city or town. There will be opportunities for communities to share best practices and challenges and learn from each other.

The content taught in Housing Academy is cumulative and attendees should plan to attend as many of the sessions as possible. The purpose of Housing Academy is to support grantees as they develop their community engagement plans. All grantees

should expect to submit a community engagement plan within the first six months of the grant period.

Participants should expect to engage in an online platform, Connect Extension, created to enable grantees to connect between sessions and have access to other grantees for support and resources.

Up to three volunteers per community participating in Housing Academy are eligible for a \$250 stipend at the close of Housing Academy. Please do not include these stipends in the project budget; stipends will be paid to grantees in a separate process. Paid municipal staff are invited to participate in Housing Academy but are not eligible for these stipends.

Scoring Criteria

Grants are awarded to communities on a competitive basis with the goal of making award decisions within 60 days of receipt of a completed application. Applications will be scored on the following characteristics:

1. **Housing Challenge and Project Goals:** *Overall clarity of the community's housing challenge and its project goals; demonstrated commitment to increasing housing opportunities.* 20 points
2. **Outcomes and Deliverables:** *Clarity and transparency around proposed outcomes; anticipated impact of those outcomes.* 20 points
3. **Readiness:** *Demonstration of readiness for this project among local leadership and the community; relevance of supporting attachments; consistency with regional or local plan(s).* 20 points
4. **Community Engagement Plan:** *Commitment to developing and implementing a community engagement plan; demonstration of creative or out-of-the-box thinking; description of recent engagement activities.* 20 points
5. **Scope of Work and Budget:** *Clarity and thoughtfulness of scope of work and budget; accuracy of proposed budget.* 20 points

SECTION 4: Preparing the Grant Application

Please follow the application guidelines below to complete your application. Submit your answers in PDF file format to info@NHHOPgrants.org. If you would like to discuss the grant before completing your application, please contact us at info@NHHOPgrants.org. Grant workshops will be scheduled in advance of the application deadline to help municipalities understand the grant program and prepare submissions.

Cover Page

Include the following information (in this order) as concisely as possible:

- Name of municipality and address of town hall or governing body.
- Project contact person's name, affiliation with community, phone number, and email address.
- An alternate contact person's name, affiliation with community, phone number, and email address.
- Date of the most recent Master Plan and section(s) of the Master Plan that support this project.
- One to two sentences about your community, as background for the Steering Committee.
- Unique Entity Identifier (UEI). You may apply using your TIN, but for your award to be finalized, you will need to demonstrate that you have applied for and received a UEI at www.sam.gov.
- Dated signature of municipality's chief executive officer or other authorized representative of the local governing body. Alternatively, the planning board may submit an application pursuant to its authority to receive grants in RSA 673:16, I. A planning board submission should be signed and dated by the board chair and include an attachment of the minutes of the meeting at which the planning board authorized the grant application.

Application Narrative

The narrative should describe the proposed project in detail, outlining what the municipality expects to achieve. The narrative should include the following:

Housing Challenge and Project Goals (maximum 750 words). Clearly and concisely describe the housing challenge your community is facing and how this project will help to address that challenge.

Outcomes and Deliverables (maximum 500 words). Describe desired outcomes. What do you hope to achieve? How will you know if the project is a success? How will the results you have obtained be used to increase housing supply in your community? If appropriate, include a link to regulations to be audited or revised.

Readiness (maximum 500 words). Describe how the community has demonstrated readiness for this project. The applicant may include attachments or links to supplemental materials, as needed. Evidence of readiness may include:

- Recent meeting minutes or other communications from municipal bodies, such as the governing body and land use boards, and community organizations and businesses, expressing support for the overall goal of modifying the local land use regulatory framework to permit more housing, especially affordable and workforce housing.

- Existence of a housing committee, housing commission, or equivalent committee or commission.
- Recent regulatory audits and/or changes including housing-friendly zoning amendments adopted within three years of the date of application
- Prior community engagement efforts related to housing topics such as visioning sessions, public meetings, surveys, or similar.

Consistency with Local or Regional Plan(s) (maximum 250 words). Identify how the application relates to your local master plan, your regional planning commission’s housing needs assessment or regional plan, and/or other relevant plans.

Community Engagement Plan (maximum 500 words). Community Engagement leads to broader citizen participation in public decisions. The engagement process includes listening, discussion, deliberation, and decision-making that builds relationships within the community. Grantees will work with Cooperative Extension to understand and develop appropriate community engagement plans. Please describe as best you can how you expect to use community engagement as a tool for your grant project.

Housing Academy. To ensure a robust community engagement effort, each grantee must identify at least one person (but may identify up to three) to participate in community engagement training and receive support from Cooperative Extension through Housing Academy. Housing Academy has been developed to support community efforts in this grant program and is intended to hone engagement and leadership skills and help grantees develop a creative approach to community engagement. Housing Academy participants may include municipal staff, elected officials, representatives from land use boards, members of other local boards and committees, or other residents of the community.

- **Identify who from your community will participate in Housing Academy, and their role, email address, and phone number.**
- **Housing Academy Stipends.** Volunteers participating in Housing Academy are eligible for a \$250 stipend at the close of Housing Academy. Please do not include these stipends in the project budget; stipends will be paid to grantees in a separate process. Paid municipal staff are invited to participate in Housing Academy but are not eligible for these stipends.

All applications must include a letter of support from the Planning Board and local governing body.

Scope of Work and Budget

List and describe the tasks, milestones, and final work products that comprise the project, together with a timetable for task completion. Details for each task shall include:

- Name of task;
- Who will perform the task;
- Milestones and timetable for task completion;
- Brief summary of the task, including anticipated final work products; and
- All project partners and their roles.

Applicants are required to use the budget template provided at www.NHHOPgrants.org. The budget shall include consultant time, consultant-led community engagement, other community engagement, and admin. Budget amounts must be substantiated. Applicants are strongly encouraged to consult with a professional on the budget and timeline to ensure the proposed project is reasonable. Strong applications will include a commitment from a consultant or evidence that a consultant supported the development of the budget and timeline.

Administration costs will consist of 5% of the total grant request and will be automatically calculated. Administration costs are intended to support costs incurred by the municipality, including printing, copying, mileage, and staff time that is directly related to administration of the HOP grant. No documentation is required for the administrative costs and the administrative costs will be paid to the municipality at the close of the grant. Administrative costs are not to be paid to the consultant. Requests of up to \$100,000, including administration, are permitted.

Inquiries and Application Submission

Submit applications as a PDF to info@NHHOPgrants.org. Questions regarding the grant program may be submitted to info@NHHOPgrants.org.

SECTION 5: Reporting and Funds Disbursement

Monthly Reporting

As a condition of selection as a HOP Grant Program grantee, municipalities must submit a monthly report by the 10th of each month using the monthly reporting form available at www.NHHopGrants.org documenting progress toward implementing their proposed scope of work, completed tasks, and metrics of success including documentation on public meetings, workshops and hearings, public participation levels, and additional outreach and engagement efforts. Monthly reports must be submitted by the grantee, and not the consultant.

Failure to submit timely, substantive reports may result in delay in payment of reimbursement requests.

Monthly reports should include handouts, flyers, photographs, surveys and survey results, draft ordinances, and more. Monthly reports must include any drafts of any proposed regulations for the purpose of allowing NH Housing to comment on the draft prior to any public hearings.

The monthly report form can be found at www.NHHopGrants.org/forms.

Final Grant Reporting and Deliverables

No later than 30 days following the project completion date, the grantee will submit a final report using the final reporting form available at www.NHHopGrants.org. If the project includes regulatory development, grantees will be required to report on progress related to implementation, including permitting and development activity under the regulations for a period of three years after completion date.

Expected deliverables include one or more of the following:

- Demonstrated and documented understanding of values and attitudes toward housing;
- Identified regulatory barriers to housing development;
- Demonstrated understanding of the cost of development as it relates to land use regulations and permitting process;
- Improved skills in community engagement tools and facilitation of effective housing discussions;
- Drafted text of regulatory amendments; and
- A plan to move forward with regulatory change, incentives, or other means to increase housing supply and affordability.

The final reporting form can be found at www.NHHopGrants.org/forms.

Disbursement of Grant Funds

Funds awarded from the HOP Grant Program will be disbursed for services rendered. Invoices may be submitted to info@NHHOPgrants.org. Invoices will be paid to the municipality generally within 45 business days. Missing or incomplete documentation supporting reimbursement request will result in the delay in processing until complete. Funds awarded from the HOP Grant Program must be expended by September 30, 2026, after which reimbursement requests will no longer be accepted.

Application Checklist

- Cover page:
 - Name of municipality and address of town hall or governing body.
 - Project contact person's name, affiliation with community, phone number, and email address.
 - An alternate contact person's name, affiliation with community, phone number, and email address.
 - Date of the most recent Master Plan and section(s) of the Master Plan that support this project.
 - One to two sentences about your community, as background for the Steering Committee.
 - Unique Entity Identifier (UEI).
 - Dated signature of municipality's chief executive officer or other authorized representative of the local governing body.
 - Meeting minutes, if applicable. Submissions from the planning board should be signed and dated by the board chair and include an attachment of the minutes of the meeting at which the planning board authorized the grant application.
- Application narrative:
 - Housing Challenges and Project Goals (maximum 750 words)
 - Outcomes and Deliverables (maximum 500 words)
 - Readiness (maximum 500 words)
 - Including relevant, optional attachments or links.
 - Consistency with Local or Regional Plans (maximum 250 words)
 - Community Engagement Plan (maximum 500 words)
- List of potential Housing Academy participants, including their role, email address, and phone number.
- Letter of support from the planning board and local governing body.
- Scope of work including name of task, who will perform the task, milestones and timetable for task completion, brief summary of the task, including anticipated final work products, and a list of all project partners and the role.
- Completed budget template.
- Letter of commitment from the consultant if a consultant has been identified.



CITY OF PORTSMOUTH

Housing Navigator - Planning and Sustainability Department
(603) 610-7216

September 19, 2024

Board of Directors
New Hampshire Housing
32 Constitution Dr
Bedford, NH 03110

Re: InvestNH Housing Opportunity Grant Program 2.0 - DRAFT

Dear Board of Directors Members;

The Housing Blue Ribbon Committee (HBRC) was formed by the City Council in February of 2024. The creation of the HBRC was in part to advance the Council's objectives to address the housing challenges in the city. To better describe this objective and define future efforts the HBRC voted on and approved at a May 5th committee meeting the following goal statement *"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."*

The HBRC has the benefit of the Housing Navigator and several recent housing-related documented initiatives to advance towards the aforementioned goal. Of note are the *2022 Housing Market Study*, *2024 Places to Live Study Circle Dialogue* and *2024 Inclusionary Zoning Feasibility Analysis*. The latter two efforts were achieved in large part with funds from the original InvestNH Housing Opportunity Grant Program.

To accomplish the HBRC's stated goal and advance both the findings and recommendations in the dialogue and planning efforts, the HBRC fully supports the initiative of the Housing Navigator to further participate in the InvestNH Municipal Planning and Zoning Grant Program. The purposes outlined in the Housing Opportunity Planning (HOP) Grant Program 2.0 are aligned with the current activities of the HBRC and assignments of its' working groups. These activities are focused on the evaluation of existing and potential mechanisms within and outside of the city and then advise the City Council on actions to undertake to address our community's housing challenges. Anticipated findings from consultants and community engagement funded with HOP Grant 2.0 will provide not only specific items, but specific actions for the city to undertake to achieve greater housing affordability and greater accessibility to housing choices.

Warmest Regards,

Joanna Kelly, Assistant Mayor
Co-Chairperson
Housing Blue Ribbon Committee

John Tabor, City Council Member
Co-Chairperson
Housing Blue Ribbon Committee

1 Junkins Avenue
Portsmouth, New Hampshire 03801
Fax (603) 427-1593



ATTACHMENTS

City of Portsmouth Housing Blue Ribbon Committee

Thursday, September 19th 2024

Attachments

- a. Information on proposed Gateway Neighborhood Overlay District (GNOD).
 - i. Commerce Way Opportunities – Housing Navigator presentation, June 13, 2024
 - ii. Memo from City of Portsmouth Legal Department regarding GNOD.
 - iii. Planning Staff Report on Gateway Neighborhood Overlay District zoning ordinance.
- b. Laconia Daily Sun – Article on Lack of Enforcement and Incentives for Workforce Housing.
- c. RFP #09-25 Municipal Property at 35 Sherburne Road.

Commerce Way Opportunities

Housing Blue Ribbon Committee
June 13, 2024



Commerce Way



Commerce Way



Commerce Way



Commerce Way

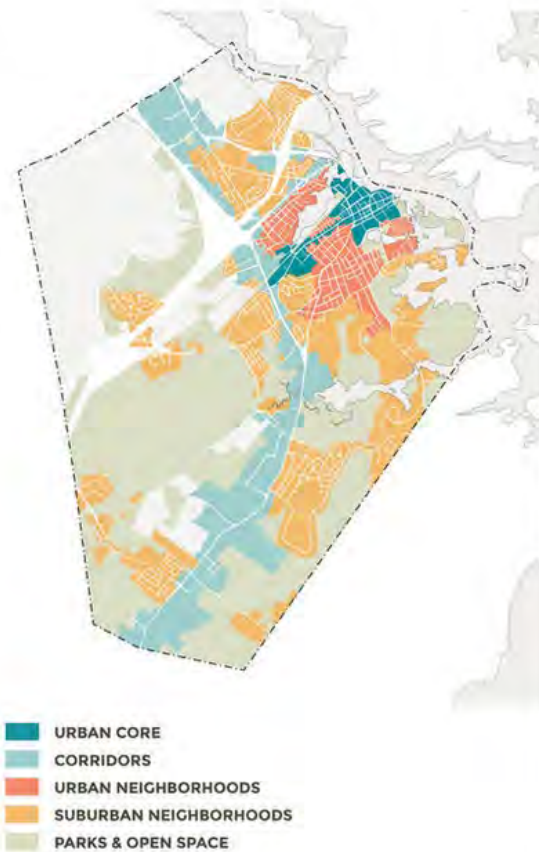
FOCUS AREAS

PORTSMOUTH CONSISTS OF SEVERAL DISTINCT TYPES OF PLACES, WITH VERY DIFFERENT NEEDS AND VISIONS.

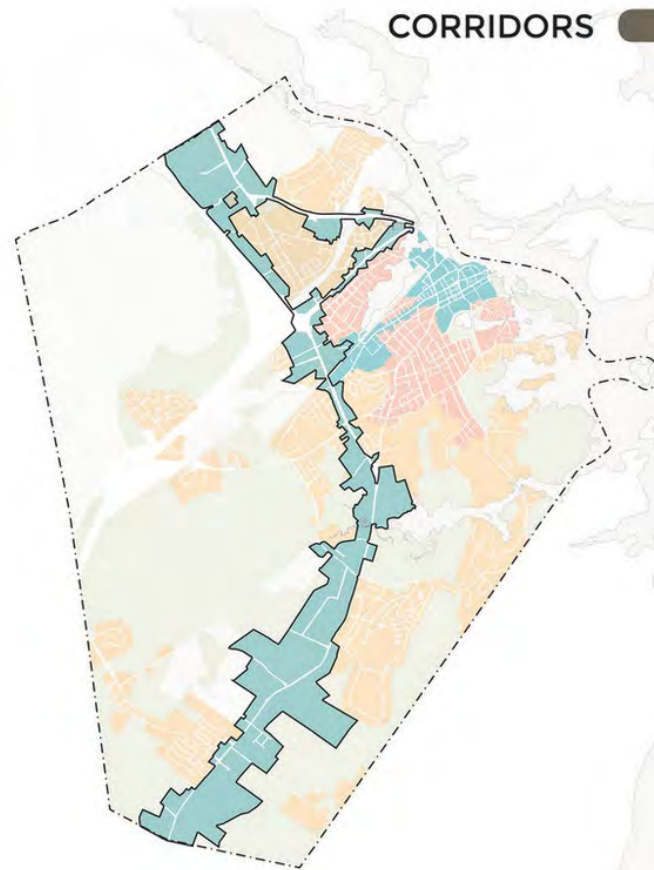
The five broad Focus Areas in this plan represent geographic areas within the City with common characteristics, objectives and challenges. These Focus Areas can help illustrate many of the planning, design, and development challenges and opportunities facing Portsmouth today, and show what these areas could become in the future.

The Focus Area boundaries are not intended to be exact and do not cover the entire City. Most of the areas excluded were either industrial, which likely require further study, or land that does not fall within the City's jurisdiction, including the Pease Tradeport and other State-owned parcels.

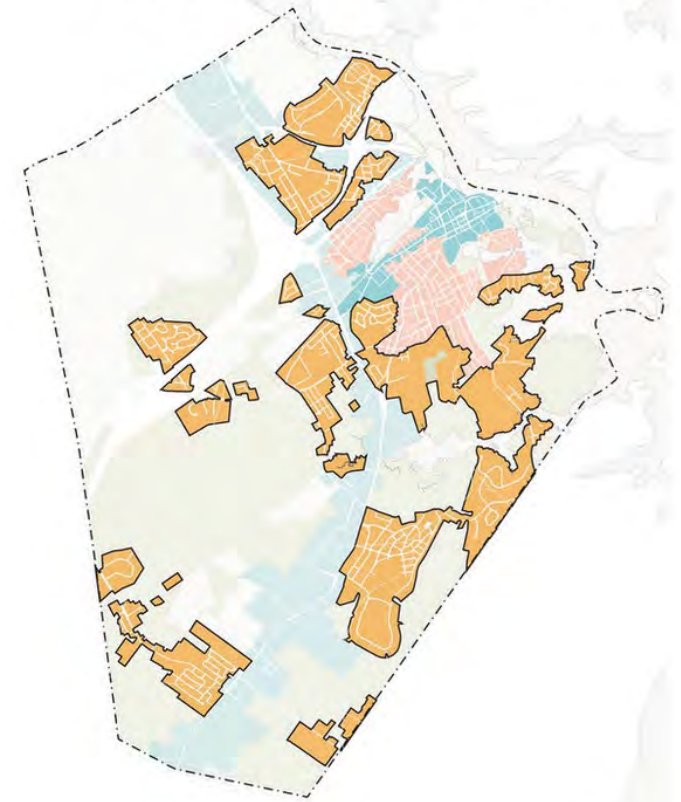
The purpose of the Focus Area narratives and illustrations is to suggest how individual Actions laid out in the Themes section can be implemented in different parts of the City. Applying the recommended Actions to generalized versions of these areas can help residents and decision makers better understand the ways different parts of Portsmouth could and should transform.



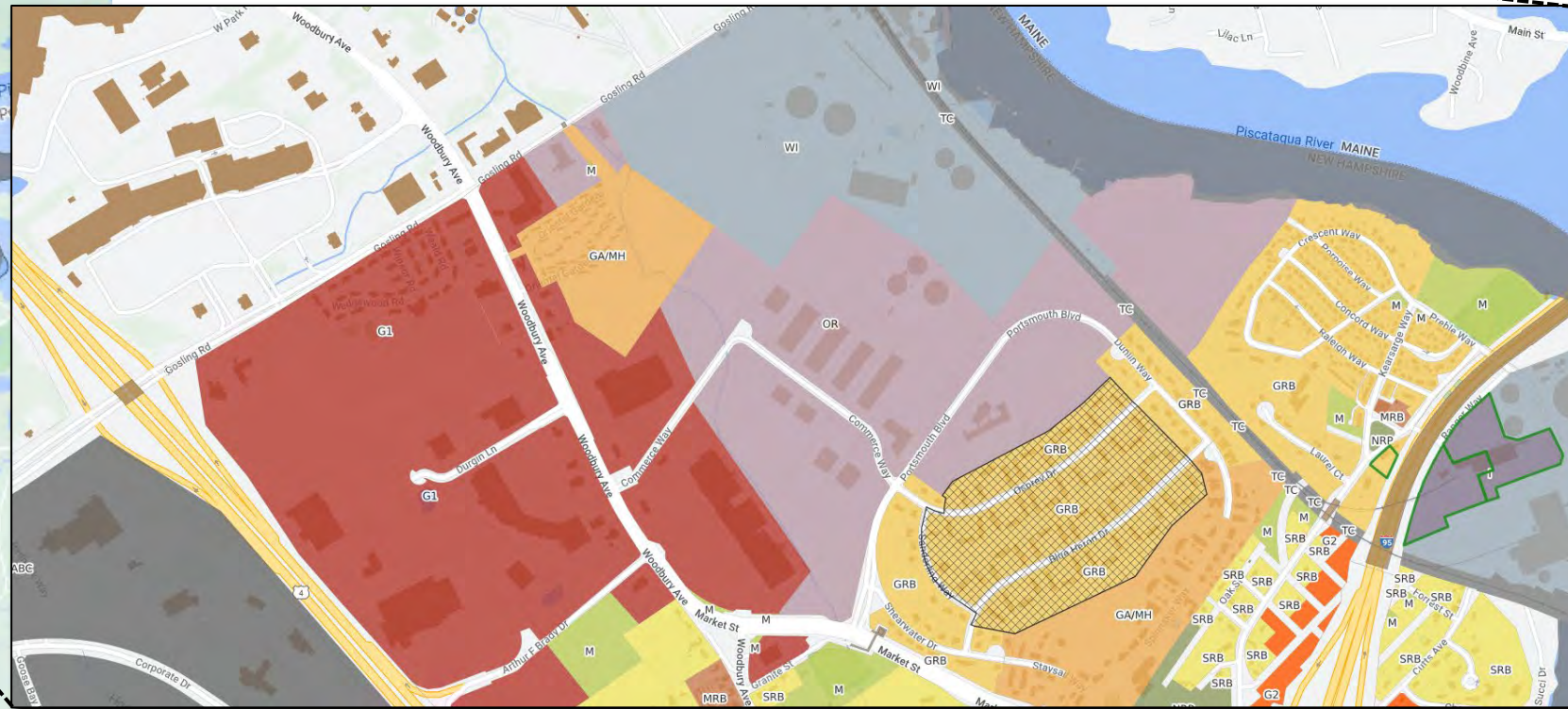
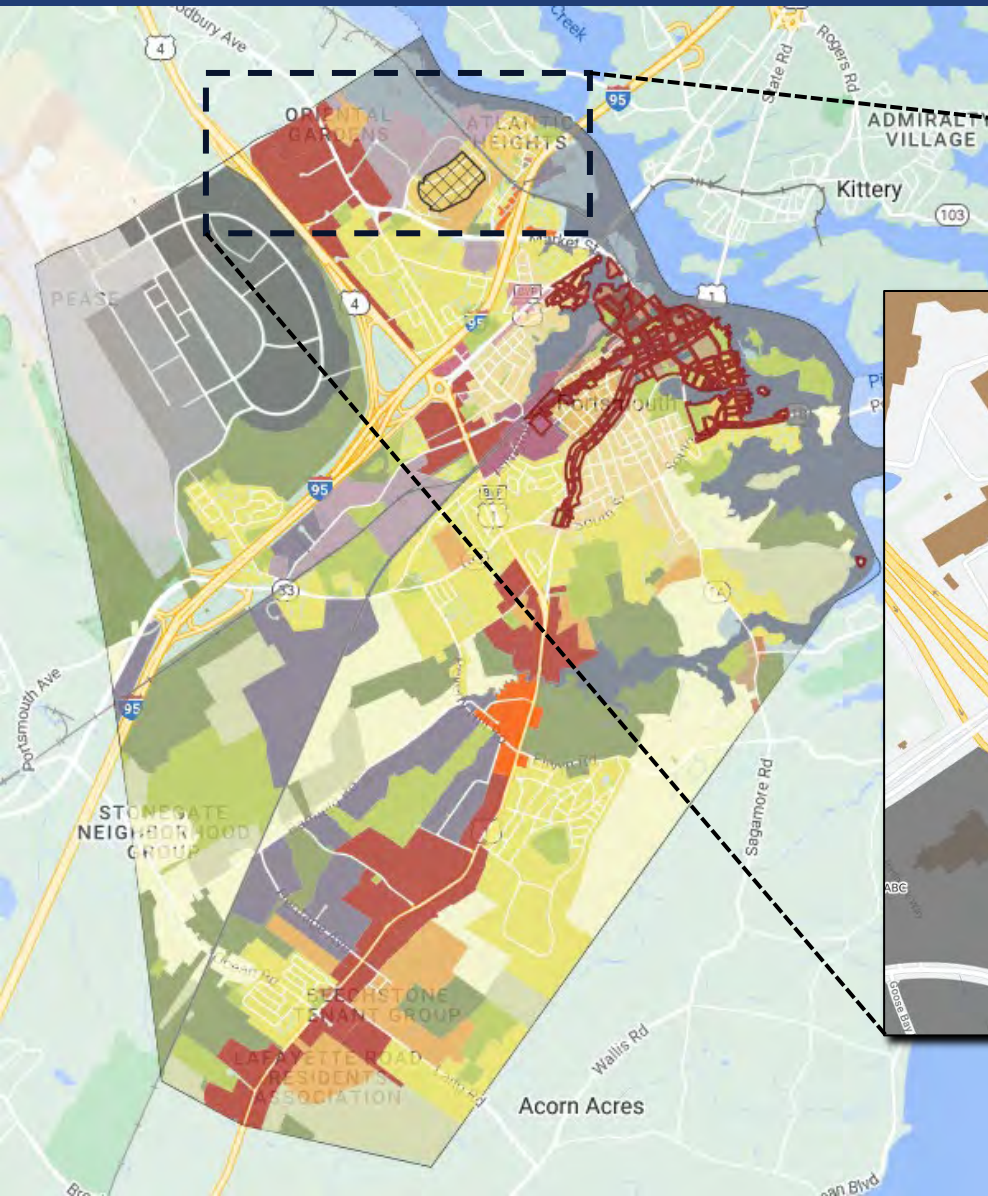
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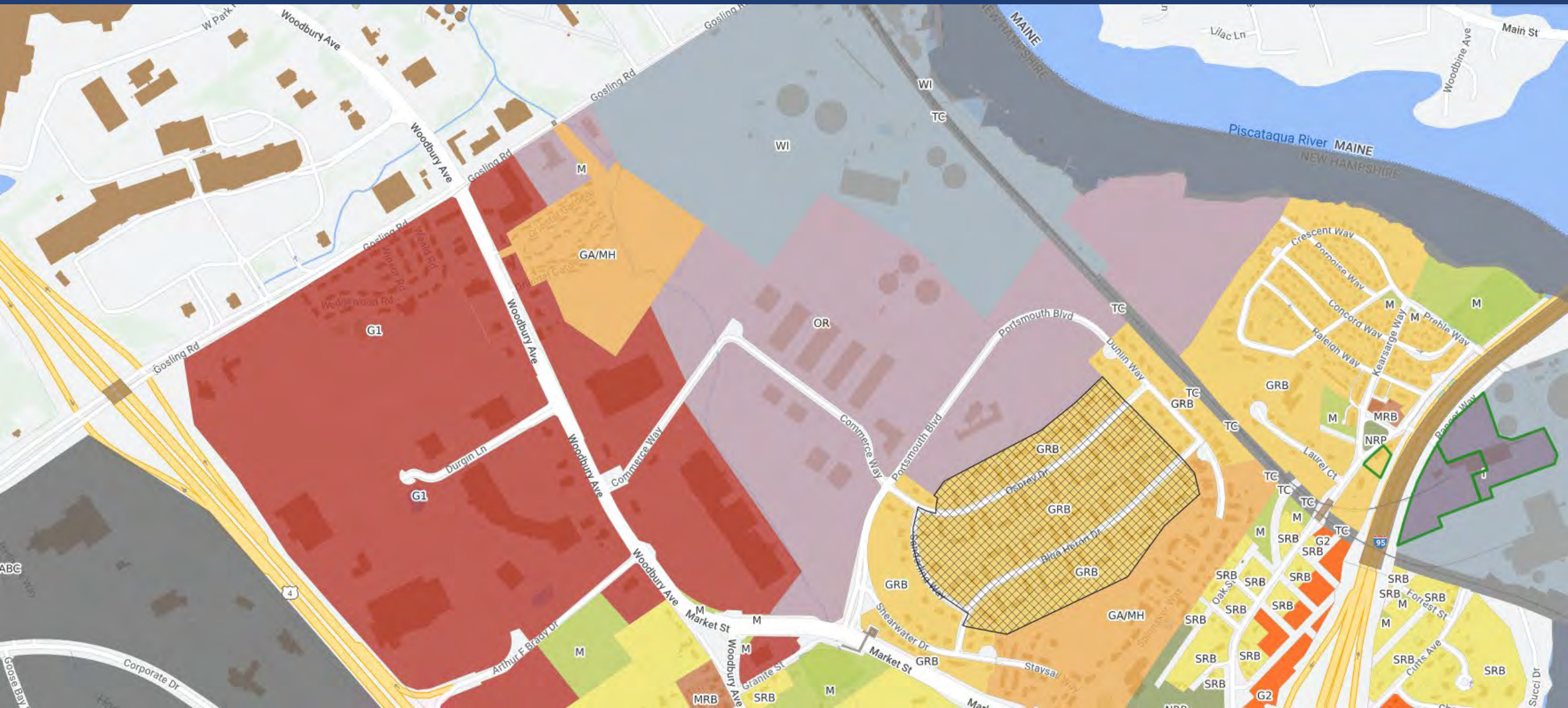
SUBURBAN NEIGHBORHOODS



Commerce Way



Commerce Way





CITY OF PORTSMOUTH

City Hall, 1 Junkins Avenue
Portsmouth, New Hampshire 03801
tmccourt@cityofportsmouth.com
(603) 610-7234

Trevor P. McCourt
Deputy City Attorney

Date: September 17, 2024

To: Assistant Mayor Joanna Kelley
Howard Snyder, Housing Navigator

From: Trevor P. McCourt, Deputy City Attorney

Re: Gateway Neighborhood Overlay District Ordinance

Please find attached the Gateway Neighborhood Overlay District (GNOD) Ordinance for consideration and report back to the City Council.

The City Council requested a report back from the Housing Committee regarding the Gateway Neighborhood Overlay District (GNOD) Ordinance at its August 19, 2024 meeting. Within this Ordinance, City staff propose the introduction of a novel overlay district to facilitate the development of higher density housing, overlaying certain properties currently zoned as Office Research in the vicinity of Commerce Way with a regulatory pathway for residential development. Through various bonus incentives, property owners can construct multifamily housing up to six stories and 120 dwelling units per building.

The area to be rezoned is shown on the attached map. City staff drafted this new overlay district in close consultation with representatives of many of the properties within this area, who are supportive of this rezoning.

Since the August 19, 2024 City Council meeting, City Planning and Legal staff met with Rick Chellman, Chair of the Planning Board, to further discuss and review the GNOD Ordinance. The GNOD Ordinance presented for first reading is a slight redraft of the original GNOD Ordinance considered by the City Council at its August 19 meeting. This draft presented for first reading clarifies and improves the GNOD Ordinance bringing it into closer conformity with the remainder of the City's existing Zoning Ordinance.

City staff have approached representatives of the majority of the property owners in the Commerce Way area, who are supportive of the enclosed modifications.

Sample motion – move to recommend the City Council adopt the proposed Gateway Neighborhood Overlay District Ordinance, as presented.

Attachments (2)

cc: Karen S. Conard, City Manager
Suzanne Woodland, Deputy City Manager/Regulatory Counsel

SECTION 10.680 – GATEWAY NEIGHBORHOOD OVERLAY DISTRICT

10.681 Purpose

The Gateway Neighborhood Overlay District is hereby created for the purpose of creating additional housing opportunities in certain neighborhoods, and is referred to herein as the GNOD. This overlay shall allow for higher density housing in order to create neighborhoods where residents can live and work. A proposed **development** electing to use the provisions of the GNOD is referred to below as a GNOD **development**.

10.682 Applicability

10.613.70

The provisions of the GNOD shall apply to all land identified on the Zoning Map as the **Gateway Neighborhood Overlay District (GNOD)**.

10.682.20

The requirements and provisions of the GNOD shall apply to any **development** containing residential uses, and/or any **development** electing any of the incentives of within the GNOD. If the GNOD overlay options are not a part of a proposed **development**, then the underlying provisions of the zoning district shall apply.

10.683 Standards

10.683.10

All residential or mixed-use GNOD **developments** that include a residential use shall comply with the provisions of Article 5B of this Ordinance, with the following exceptions:

- (1) No more than 24 **dwelling units** per **building** shall be allowed without providing Incentive Bonus Option(s) as provided herein.
- (2) Maximum **building height** for any **apartment building** or **mixed use building** containing residential uses shall not exceed 4 stories or 50 feet without providing Incentive Bonus Option(s) as provided herein.
- (3) Maximum **building length** shall not exceed 400 linear feet without an approved conditional use permit.
- (4) Front, side, and rear **building setback** from **lot lines** shall be a minimum of 10 feet.
- (5) Maximum **building coverage** shall not exceed 75%.
- (6) Minimum **open space coverage** shall be 10%.
- (7) Except for the above setback requirements, the requirements of Sections 10.5B22.20, .30 and .40, 10.5B33, and 10.5B71 shall not apply to land within the GNOD.

- (8) A **development** within the GNOD may include multiple lots owned or controlled by the same person or entity and assembled for a GNOD **development**. A GNOD **development** may contain more than one principal **building** or **building** type on the same **lot**.

10.683.20 Relationship to Other Provisions of this Zoning Ordinance

The provisions of the GNOD shall take precedence over all other provisions of the Zoning Ordinance that directly conflict with the provisions of the GNOD; otherwise, all other provisions shall apply..

10.684 Allowed Uses

In addition to the uses permitted in the underlying district, the following uses shall be permitted within the GNOD:

1. Multifamily Dwelling
2. Assisted Living Facility
3. **Retail Sales** conducted within a **building**
4. **Restaurant**, place of public assembly or function room
5. **Personal Services**
6. Consumer services such as copy shop, bicycle repair, and pet grooming.
7. Health club, yoga studio, martial arts school or similar **use**.

10.685 Parking

In the GNOD, the shared parking provisions of Section 10.1112.62 shall apply, and shared parking shall be permitted on separate lots, whether in common ownership or separate ownership without the requirement of a conditional use permit. The provisions of Section 10.1113 (Location of Vehicular Use Facilities) shall not apply to a GNOD **development**.

10.686 Optional Density Bonus Incentives

Buildings in the GNOD containing residential dwelling units are permitted to be up to four stories and to contain up to 24 units per building as a matter of right. In order to encourage multifamily housing within the GNOD, additional opportunities are provided through the optional incentives below that permit increased **building** heights and increased numbers of dwelling units per building.

The following incentives apply to residential **developments** and mixed use **developments** that include residential uses in the GNOD, with allowable bonuses as indicated in Table 1.

10.686.10 Table 1: Optional Density Bonus Incentives Maximums (If Requirements Are Met)			
Incentive Option	Building Height Stories/Feet	Dwelling Units/Building	Approval Requirements
For All GNOD Developments over 4 Stories, 50 Feet and 24 Units Per Building:			
10.686.10 Public Realm Improvements	5/68	80	Director of Planning and Sustainability
And For Additional Height and Density, <i>One of the Following</i> :			
10.686.20 Workforce Housing	6/80	120	Conditional Use Permit by the Planning Board
10.686.20 Payment in Lieu	6/80	120	Conditional Use Permit by the Planning Board
10.686.30 Land Transfer	6/80	120	City Council Approval

10.686.10 Public Realm Improvements Incentive Option

In order to qualify for a **public realm** improvements incentive bonus in the GNOD, as described here and in Section 10.5B73.20, the proposed **public realm** improvements shall be reviewed by the Planning Board as a part of site plan approval. The Planning Board shall then make written comments regarding the proposed public realm improvements to the Director of Planning and Sustainability. To the extent that the Planning Board’s comments are not followed or incorporated into the Director of Planning and Sustainability’s decision, the Director shall set forth findings relative to the Planning Board’s comments.

All public realm improvements shall be subject to administrative approval by the Director of Planning and Sustainability. The Director of Planning and Sustainability shall review all proposed public realm improvements for compliance with Section 10.5B73.20, ensure that proposed public realm improvements are constructed to City standards, and are in the public interest. Public realm improvements under this section shall be permitted on a different lot than the **development**, and the remaining requirements of Section 10.5B73.20 (4) shall not apply to **public realm** improvements within the **GNOD**.

10.686.20 Workforce Housing or Payment in Lieu Incentive Option

The Planning Board may grant a conditional use permit for this optional bonus in accordance with Sections 10.240, et. seq. To qualify for this bonus, a development shall include either or a combination of the following:

- (1) Workforce Housing may be provided in accordance with Section 10.5B73.10.
- (2) A payment to the City in lieu of providing workforce housing in an amount based on the particular makeup of the development and in accordance with the fees established annually by the Fee Committee and the City Council in the fee schedule.

10.686.30 Land Transfer Incentive Option

In order to facilitate future development of below-market rate housing, there may be appropriate circumstances where applicants may convey real property to the City in lieu of or in conjunction

with meeting the other requirements for workforce housing of the GNOD. However, recognizing the unique nature of land, not all property may be suitable or desirable for this purpose. Therefore, any real property offered to the City pursuant to this section shall be subject to acceptance by the City Council, and in accordance with the following requirements.

- (1) In lieu of constructing workforce housing units within a GNOD Development, an applicant may offer real property to the City. Any real property offered to the City shall be suitable for developing workforce housing of a size set forth in section 10.686.40 and shall not require a conditional use permit from the Planning Board. Instead, the conveyance shall be subject to approval and acceptance by the City Council. In exchange for transferring land to the City, the developer shall be permitted to construct buildings up to six stories and 80 feet in height, and to construct up to 120 units per building.
- (2) Any applicant must, at their own expense, provide a certificate of title and Phase one environmental report for any property offered to the City Council. All closing costs shall be borne by the applicant. The City Council may request any additional information regarding the offered real property or the proposed transfer, the preparation of which shall be by the applicant.
- (3) Any applicant must, at their own expense, demonstrate the suitability of the proposed land to be conveyed to the City for workforce housing purposes. This requirement shall be met by submitting a constraints site plan to the Director of Planning and Sustainability depicting: boundaries, existing and proposed; the setbacks; wetlands and wetlands buffers, if any; rights of way; utility easements; and, other identifiable **development** constraints. The Director of Planning and Sustainability shall provide comments on the proposed site's suitability based on the constraints site plan to the City Council prior to acceptance.
- (4) Prior to acceptance by the City Council, the Planning Board shall provide written comments to the City Council regarding the offered real property and its compliance with this Article. Any comments offered by the Planning Board shall be advisory in nature only, but the City Council shall, to the extent that the Planning Board's comments are not followed or incorporated into the City Council's decision, set forth findings relative to the Planning Board's comments.
- (5) The City Council shall not accept any real property offered if acceptance would subject the municipality to potential liability as an owner of property under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. section 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. section 6901 et seq., RSA 147-A and 147-B, and any other federal or state environmental statute which imposes strict liability on owners for environmental impairment of the real estate involved.
- (6) In addition to the circumstances described in paragraph 2, the City Council may refuse to accept any offered real property whenever in its judgment acceptance and ownership

of the real estate would subject the municipality to undesirable obligations or liability risks, including obligations under real estate covenants or obligations to tenants, or for any other reason would be contrary to the public interest.

- (7) In order to qualify for this optional incentive, the amount of the proposed land transfer will be dependent on the size of a proposed GNOD as follows:

The developer shall convey at least one contiguous acre of **Developable Upland** to the City for up to twenty acres of **Developable upland** in a proposed GNOD (the Parcel). For a GNOD larger than twenty acres, the size of the Parcel shall increase in the proportion of one acre of **Developable Upland** per each additional twenty acres of **Developable Upland** in the proposed GNOD.

The City Council, at its sole discretion and following a recommendation by the Planning Board, may accept multiple parcels of not less than one acre each, if the City Council determines it is in the best interest of the City.

- (8) Any property acquired by the City pursuant to this section shall be primarily utilized for below-market rate housing. The City Council shall designate the appropriate method for procurement, development, form of ownership, disposition and administration of individual parcels of land acquired pursuant to this section.
- (9) Any land conveyed under this section shall be conveyed to the City may be conveyed as a condition subsequent to final Planning Board approval(s) and execution of the site review agreement, but in any event shall be conveyed prior to the issuance of a building permit for any project.
- (10) If land is conveyed under this section, there shall be no further requirement to meet any specific percentage of workforce housing units in a GNOD as provided in Section 10.5B73.10, unless a building is proposed over 400 linear feet in length, in which case the Bonus Incentive Requirements of Section 10.5B73.10 shall apply.

10.686.40 Transfer of Development Rights Acquired through Land Transfer

- (1) Land may be conveyed in conjunction with, or separately from a proposed **development (GNOD conveyance)**. In the event that a GNOD conveyance exceeds the amount required in order to support a proposed **development**, or when land is conveyed separately from any proposed development, the developer or its assigns will receive future credit for a future project or projects in accordance with the standards set forth below.
- (2) Following any acceptance of real property by the City Council and successful transfer of fee ownership with warranted title, if there is any excess acreage above what is necessary for a proposed GNOD **development**, the Director of Planning and Sustainability shall notify the Planning Board and the transferor of land of the amount of Land Credit the

developer shall receive, which shall be memorialized in a Proposed Development Incentive Agreement (PDIA), as defined below.

- (3) Contemporaneous with any GNOD conveyance, the City and the developer shall enter into a PDIA, which shall specify the amount of land conveyed to the City, the amount if any used for a pending development, and the amount of excess land that may be credited toward a future project in accordance with the GNOD. Any excess land credit may only be used within the GNOD but may be sold or transferred without limitation for GNOD purposes. A sale or transfer of excess credits pursuant to this section is only valid upon written notice of the transfer to the Director of Planning and Sustainability.
- (4) The maximum term of any PDIA shall not exceed fifteen (15) years, following which the rights to any unused incentive shall automatically expire and become null and void.
- (5) Entering into a PDIA under this section shall not be deemed to supersede or waive any of the other provisions of the GNOD or Article 5B or other applicable provisions of this Ordinance, nor shall any approval be considered to represent the granting of land use approval or vesting for any future **development**.
- (6) Future use of the excess land credit to support a future project shall require administrative approval of the Director of Planning and Sustainability, who shall certify to the Planning Board both the amount of land credit used as a part of a **development** and the remaining land credit pursuant to the PDIA.
- (7) Excess land credits may be used in full or partial fulfillment of the requirements of a future **development** set forth in section 10.686.20.

Developable Upland

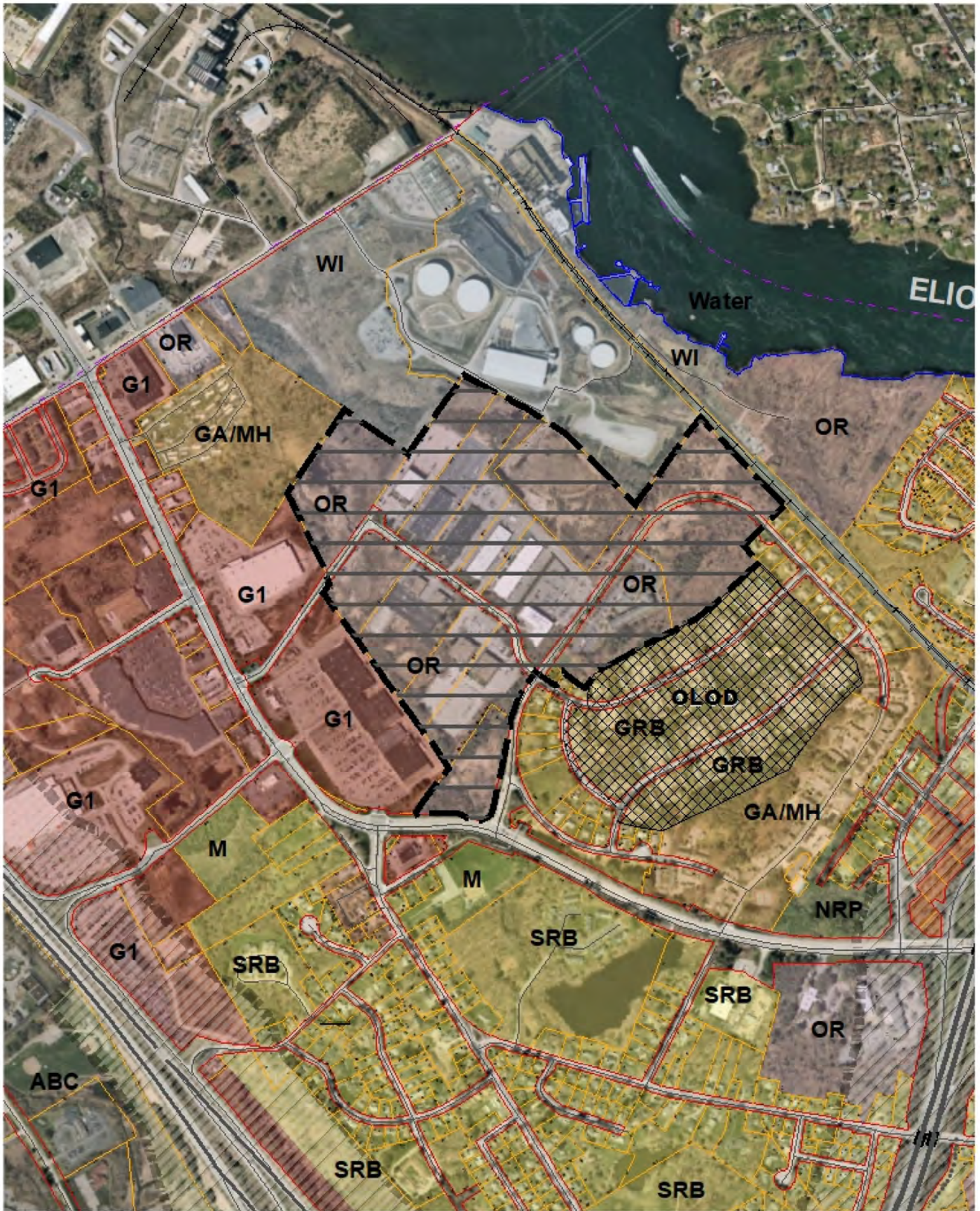
Net land area of property suitable for, or used for, **development**, excluding any: public rights of way or street rights of way platted as a part of the **development**; wetlands; and, wetland buffers.

10.5B41.80

New number 4:

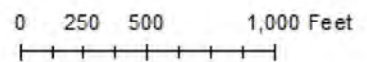
In the GNOD, the minimum **community space coverage** shall be equal to 10% of the total site area of the **development site**.

Effective upon passage.



Legend
 GNOD

**DRAFT Gateway Neighborhood
 Overlay District (GNOD)**



C. Gateway Neighborhood Overlay District (GNOD)

At their August 19, 2024 meeting, the City Council referred the draft GNOD zoning amendments to the Planning Board for review and a recommendation back for first reading.

Background

The proposed Gateway Neighborhood Overlay District (GNOD) is an innovative overlay district that will allow for higher density housing development by right in targeted areas in Portsmouth. The GNOD incorporates and expands upon the requirements from Article 5B to allow greater flexibility in site design and density. As proposed, developments within the GNOD would allow 80 units per building up to 5 stories with the requirement to provide public realm improvements consistent with Section 10.5B73.20. A development that exceeds 80 units per building or 5 stories would require both public realm improvements and three options for workforce housing that include constructing workforce housing units within the development, payment in-lieu of or a land donation as outlined in the draft ordinance.

The overlay will include parcels along Commerce Way and Portsmouth Boulevard that are predominantly zoned Office Research (OR). The overlay could be expanded elsewhere in the City where appropriate higher density housing is targeted or desired in the future. The proposed boundary of the GNOD is shown on the map below.

While mandated by law, workforce housing lacks enforcement, incentives

GABRIEL PERRY, The Laconia Daily Sun

LACONIA — Workforce housing — meant to provide an option for those whose salaries are too high to qualify for subsidized housing — is heroic in theory, but difficult in practice, mainly because of lack of legislation and financial constraints.

Members of the board of Laconia Housing met Thursday afternoon to discuss workforce housing and hear from a Suffolk University law school student with expertise in the intricacies of New Hampshire's workforce housing matrix.

Omar Frometa Jr., a summer associate with Preti Flaherty, described state law as lacking an enforcement mechanism for developing workforce housing, and said without federal or state subsidies, creating such developments is not financially feasible.

“Because this option is so novel, the solutions are varied as well as the obstacles,” Frometa Jr. said.

Workforce housing, as defined by sections 58-61 of New Hampshire RSA 674, is considered housing affordable for a renting family of three making 60% of the Area Median Income; owner families of four making 100% of Area Median Income; does not include age-restricted housing; and does not include developments with greater than 50% of units with less than two bedrooms.

Affordable is defined as spending no more than 30% of income on housing, including rent and utilities, or mortgage principal and interest, taxes and insurance.

New Hampshire's workforce housing law, passed in 2008 and enacted on Jan. 1, 2010, states municipalities must provide reasonable and realistic opportunities for the development of workforce housing, including rental and multi-family housing. The collective impact of local land use regulations are to be considered in determining if such opportunities exist.

Workforce housing must be allowed in a majority of land area where residential uses are permitted, accounting for the existing housing stock in determining if a community is providing its “fair share” of needed workforce housing and reasonable restrictions may be imposed for environmental protection, water supply, sanitary disposal, traffic safety and fire and life safety protection.

“Since then, municipalities have had to find their own way to get in compliance with the law,” Frometa Jr. said. “Because the law doesn't give a mold to adhere to.”

But there is no existing enforcement mechanism written into the law. Frometa Jr. described the legislation as communicating ideals or a clear call to action. Without a change in the legislation by adding an enforcement mechanism or defining a system of financial incentives, the law is essentially toothless.

“What I came away from — birdseye view — is it seems more like a mission statement, the way that the law was written,” Frometa Jr. said. “It feels as it reads that there were good people, trying to pass a good idea to stop a bad problem, but the issue is not cohesive enough or ripe enough. The infrastructure isn't established enough to make it easy for municipalities to make this a primary

way of attacking the housing crisis.”

Workforce housing development has been described as a necessity for Lakes Region towns and cities in recent months. A proposed development in Meredith, which would have provided affordable housing for seasonal and traveling employees of businesses there, was withdrawn after organizers received considerable opposition from local residents. There were zoning issues at play, and their request may have been denied, but Ryan Cardella of East Coast Flightcraft described an innovative approach to tackling the lack of affordable housing for workers there.

And in Laconia, the city’s ownership of a large parcel of land at the intersection of Old North Main Street and Parade Road spurred discussion on what sort of housing development may benefit city residents and workers to the highest degree. Mayor Andrew Hosmer expressed his interest in seeing affordable options developed for teachers, firefighters, police officers and municipal employees, among others.

But enforcement mechanisms aside, financial incentives to developing workforce housing are scarce if they exist at all. Language in the law mandating that workforce housing proposals must be reasonable and realistic are interpreted to mean that developments must be economically viable, Frometa Jr. explained.

“Proposals for workforce housing have to be able to return a reasonable profit to developers,” Frometa Jr. said. “Empty promises would not put municipalities into compliance with the workforce housing law. This is one of the first distinctions between affordable housing and workforce housing — there is a financial bottom-line that is imposed onto workforce housing that doesn’t exist for things such as housing choice vouchers and Section 8 housing, which has the developed and matured financial support of the government.”

The state law requirement that someone must make up to 100% of the Area Median Income to be eligible may be counterproductive if it causes new residents to lose eligibility upon receiving a salary raise. Hosmer, who attended the meeting, asked if AMI requirements could be adjusted by a municipality rather than the state legislature, and Frometa Jr. said he wasn’t sure.

Kara Sweeney, director of Preti Flaherty, said the state statute is meant to prevent municipalities from zoning out workforce housing developments.

“There is a necessary nexus, you can do whatever you want, you just can’t zone them out,” Sweeney said. “There is a difference between what it’s called and how you get it built and how you get it paid for when you operate it.”

Patrick Wood, who is a board member of Laconia Housing, said its clear there are not enough incentives to developing workforce housing.

“There’s no benefit or no incentive from the state to provide this,” Wood said. “There’s nothing that says, ‘If you do this, you get this in return.’ This is to make sure that it’s available, it’s possible, but there’s nothing that says, ‘Hey, you’re going to get some benefit out of this.’”

“That’s the problem with the legislation as it’s written,” Frometa Jr. said. “It wants an ideal but does not incentivize people going out to do it, especially when certain counties and municipalities might have a constituency that is averse to workforce housing.”



Request for Proposal #09-25

Below Market Rate Housing Development

At 35 Sherburne Road, Portsmouth NH 03801

Due Date: Wednesday, October 9, 2024

Due Time: 4:30 p.m.

Section I: Project Overview

The City of Portsmouth, New Hampshire (herein referred to as "**City**") seeks sealed proposals from pre-qualified housing development teams (herein also referred to the "**proposer**" or "**respondent**") for the development of, as defined in this RFP, below market rate rental housing on an approximately 5.3-acre parcel known as City of Portsmouth's Tax Assessor Map 259 Lot 10 (herein referred to as "**parcel 259-10**" or "**parcel**") and having an address of 35 Sherburne Road.

The purpose of this **Request for Proposal** (herein referred to as the "**RFP**") is to select a developer with previously demonstrated experience and capacity to perform a housing development project on parcel 259-10 that meets the housing needs and goals of the City as described in this RFP. The City will take all evaluation criteria set forth in the RFP into account when selecting the winning proposal. It is the intent of the City to enter into negotiations with the selected developer regarding a land lease of the parcel, and all other aspects of a housing development on the parcel, as a result of this RFP.

A pre-submittal site walk of the property with City staff and members of the Selection Committee will be held on **Thursday, September 12, 2024, at 1:00 p.m.** If the site walk is unable to be accomplished, the back-up date will be **Monday, September 16, 2024, at 1:00 p.m.** The purpose of the site walk is to allow respondents to become familiar with the property grounds and gain access to the former Sherburne School building. Attending this site walk is optional but attendance is highly recommended.

Specific questions and other technical matters, including those raised from the site walk, regarding this RFP must be submitted via email to the Procurement Coordinator at proposals@cityofportsmouth.com by **Friday, September 20, 2024, by 4:30 p.m.** A compilation of all questions received and responses by the City will be distributed via email on **Wednesday, September 25, 2024, by 4:30 p.m.** Absence of "failure" messages electronically transmitted from addressee's site will serve as confirmation of delivery of addenda. Proposers should contact the Procurement Coordinator at proposals@cityofportsmouth.com if they believe an addendum has not been received.

All proposal responses are due by **Wednesday, October 9, 2024, by 4:30p.m.** Responses must be complete in accordance with the requirements described in this RFP.

Proposals must be delivered to the location and contact listed below on or prior to the exact time and date indicated above. It is the sole responsibility of proposers to ensure timely receipt. **LATE PROPOSALS WILL NOT BE ACCEPTED OR CONSIDERED.**

One hard copy of the proposal must be addressed and delivered to:

City of Portsmouth
Finance/Proposals Department
RFP #09-25 Below Market Rate Housing Development at 35 Sherburne Road Proposal
ATTN: Procurement Coordinator
1 Junkins Avenue, Portsmouth, NH 03801

One complete electronic version of the proposal package is to be submitted in PDF format via email to proposals@cityofportsmouth.com by the Proposal Due Date noted in Section II. No USB or other electronic data storage devices are to be used in the submittal. All correspondence to proposals@cityofportsmouth.com is to include "**RFP 09-25 Below Market Rate Housing Development at 35 Sherburne Road Proposal**" in the subject line along with the concern of the email.

Proposers are solely responsible for all costs associated with their proposal. The City and its boards, commissions, committees, agents, employees, representatives and volunteers shall not be responsible for any such costs.

The City reserves the right to cancel the award at any time before final notification of the successful bidder without any liability against the City. The City of Portsmouth reserves the right to reject any or all bids, to waive technical or legal deficiencies, and to accept any bid that it may deem to be in the best interest of the City.

Section II: Proposal Submission Timeline

All times stated are Eastern Standard Time. All stated days are calendar days unless otherwise noted.

DEADLINE	DATE AND TIME
RFP Issued	Friday, August 30, 2024
Site Walk Attendees must RSVP in writing via email to proposals@cityofportsmouth.com	Thursday, September 12, 2024, at 1:00p.m. (Back-up Date: Monday September 16, 2024, at 1:00 p.m.)
RFP Questions All questions must be submitted in writing via email to proposals@cityofportsmouth.com	Friday, September 20, 2024, by 4:30 p.m.
RFP Addendum Sent via email	Wednesday, September 25, 2024, by 4:30 p.m.
Proposal Due Date	Wednesday, October 9, 2024, by 4:30p.m.

Section III: Proposal Delivery

Proposals must be completed and signed by a duly authorized signatory and delivered within a sealed envelope affixed with the label "**RFP #09-25 Below Market Rate Housing Development at 35 Sherburne Road Proposal**" and must include all documents and information required by this RFP.

The proposal is to include a cover page with the title "**RFP #09-25 Below Market Rate Housing Development at 35 Sherburne Road Proposal,**" addressed to Procurement Coordinator, and specify the following:

- 1) Name of the proposer
- 2) Name of the person serving as the primary contact
- 3) All contact information of the primary contact.

Please read this entire document before responding or submitting questions.

Section IV: Proposal Conditions

Competency of Proposers

This RFP is issued in follow up to RFQ #52-24. As a result of that RFQ process, the City selected four of the eight firms that submitted qualification statements and letters of interest to proceed in this proposal process. Those four firms are: PHA Housing Development, Ltd., Preservation of Affordable Housing, Inc. (POAH), AVESTA Housing

Development Corporation, and PENNROSE, LLC. The City will not accept a proposal response from any other entity.

Names of Proposers

Each proposal must contain the full name, mailing address and email address of each company interested therein. In the case of a partnership, the name and address of each partner must be stated. The firm, corporate, or individual name must be signed by the proposers in the space provided for signature on the forms. In the case of a corporation, the title of the officer signing must be stated. In the case of a partnership, the signature of at least one of the partners must follow the firm name using the term "members of firm".

Acceptance or Rejection of Proposal – Reserved Rights

The City of Portsmouth reserves the right to reject any or all proposals to waive technical or legal deficiencies, and to negotiate all terms and conditions of any proposal submitted as the City may deem to be in its best interest.

Only those proposers who submit all forms and materials as required in this RFP will be considered responsive and responsible.

Land Lease Agreement and Timing

The City intends to enter into a Land Lease Agreement (herein referred to as the "LLA") with the highest-ranking development team. All parties understand time is of the essence. The highest ranked development team will be invited to enter into negotiations with the City. If the negotiations are unsuccessful, the City may proceed to the next highest ranked development team or otherwise exercise all of its reserved rights.

Additional Proposal Conditions

1. All proposals must contain a completed Applicant Certification form (Exhibit A) and Proposal Signature Page form (Exhibit B), and all applicable documents provided.
2. Erasures, interlineations or other modifications in the proposal shall be initialed in original ink by the person authorized to sign the proposal. Proposals submitted electronically in PDF format can be signed digitally.
3. It is the responsibility of all proposers to examine the entire RFP packet and seek clarification of any item or requirement that may not be clear and submit questions by the deadline stated in Section II. It is the responsibility of all proposers to check all responses for accuracy before submitting their proposal. Negligence in preparing a proposal confers no right of withdrawal or replacement of a submitted proposal after the due date and time.
4. All information in the proposal should be organized and presented as requested. Accuracy and completeness are essential. The successful proposal will be used as a basis for negotiations and contracts between the City and the selected developer. The proposal should provide a straightforward and concise description of the proposer's commitment and ability to perform the services described in this document. A proposal may be deemed to be non-responsive if the proposer fails to comply with the terms set forth in this RFP.
5. A respondent may correct, modify, or withdraw a proposal by written notice if received by the City prior to the date and time set as the deadline for proposal submittal. Proposal modifications may be sent in hard copy format and shall be provided in a sealed envelope clearly labeled "**RFP #09-25 Below Market Rate Housing Development at 35 Sherburne Road Proposal Modification No_**" Modifications sent via email shall be in PDF format with "**RFP #09-25 Below Market Rate Housing Development at 35 Sherburne Road Proposal Modification**

No__" in the subject line. Each modification must be numbered in sequence and must reference the original proposal. After the proposal deadline, a respondent may not change any provision of their proposal in a manner prejudicial to the interests of the City or fair competition. **Permission will not be given to withdraw or modify any proposal after Wednesday, October 9, 2024, by 4:30p.m.**

6. Minor technical or legal deficiencies may be waived by the City and the proposer may be allowed to correct them. If a mistake and the intended correct wording are clearly evident on the face of the proposal document, the mistake will be corrected to reflect the intended correct meaning, and the proposer will be notified in writing.
7. The issuance of this RFP does not imply any commitment to sell, transfer or otherwise provide claim to the parcel to any proposer.
8. Each proposer assumes all risk in connection with the use of the information in this RFP and releases the City and its boards, commissions, committees, agents, employees, representatives and volunteers from any liability in connection with the use of said information.

Section V: Project Narrative

Introduction

The City of Portsmouth, New Hampshire, acting through the City Manager, seeks sealed proposals from selected housing development teams for the development of below market rate rental housing on an approximately 5.3-acre parcel in Portsmouth having the address of 35 Sherburne Road.

Property Description

The approximately 5.3-acre parcel at 35 Sherburne Road has been owned by the City of Portsmouth since it was used for the construction of the existing Sherburne School in 1930. The school building is approximately 18,000 square feet in size and currently vacant. Municipal water and sewer infrastructure serves the site along with power supplied from Eversource and gas from Unitil.

As seen in the aerial image below, situated in the northern portion of the parcel is a softball field. The terrain is comprised of a mostly cleared landscape with a slope up to the school from the southern boundary and a steeper slope from the school down to the softball field. An approximately 24 stall parking area lies along the northwest edge of the property with vehicular access provided by Sherburne Road connecting to Greenland Road to the south.



Aerial View of 35 Sherburne Road (Parcel 259-10)

Community Support

There is widespread support for below market rate housing development in Portsmouth to address the workforce and affordable housing challenges in Portsmouth. The City Council adopted a housing policy in December of 2016 and since then has made efforts to address the housing challenges in Portsmouth. The *Portsmouth 2025 Master Plan*, adopted in early 2017, involved an extensive public engagement process that resulted in numerous housing-oriented goals and actions for implementation. Multiple subsequent studies and public engagement efforts since then have shown a rapidly increasing need for all types of housing in the community, especially in terms of affordability. Notable efforts include, a *Portsmouth Housing Dialogue* by Portsmouth Listens in late 2017, the *2022 Portsmouth Housing Market Study*, the *2024 Places to Live Study Circle Dialogue*, and annual housing reports issued by the Portsmouth Housing Authority.

At the top of the list of the current City Council's goals for 2024-2025 is increasing the City's supply of housing choices, especially below market rate housing options. In furtherance of that goal and in accordance with the Master Plan, at a recent City Council meeting members voted overwhelmingly to authorize the City Manager to explore the official disposition and land lease of parcel 259-10 for the purpose of creating permanent, below market rate rental housing.

Project Objectives

Affordability

The City seeks from one of the selected housing development teams a collaborative effort to create permanent, below market rate rental housing units on the parcel. The housing development is to be designed

for a diversity of households (individuals of all ages, families with children, people with disabilities) and reflect a mix of affordability levels. A successful development proposal will reflect these guidelines based on the site's capacity, best practices in architectural design and site planning, and the market and financial feasibility of a below market rate rental housing development on the parcel.

Housing Unit Types

The City of Portsmouth is interested in creating a housing development comprised of below market rate rental units. The City encourages respondents to present a range of housing choices in their proposals with primary consideration for housing units meeting workforce and affordable housing criteria using State and Federal definitions and area median income (AMI) limits.

The City's stated goal for a housing development on parcel 259-10 is to create below market rate rental housing units. This goal considers a family-focused approach to the development with the mix of housing units having a focus on 2 and 3 bedroom units while also providing 1 bedroom units. This stated goal also considers housing units restricted to HUD's Portsmouth-Rochester HMFA 100% AMI and below. The City understands the parcel size, disposition of the existing school building, and especially the market and financial feasibility of the housing development will inform the mix of units and range of AMI. It is up to the respondent to propose a housing development that balances the housing unit mix with capacity of the site with the aim to provide a financially feasible development with an emphasis on housing choices. The City intends all housing units are to be deed restricted in perpetuity.

Respondents should include a clear analysis as to the levels of affordability proposed and the reasoning behind the proposed unit and income mix. If the respondent considers an all below market rate rental housing unit development to be economically unfeasible, the proposal is to describe the reasons why and what housing unit mix of bedrooms and income levels would then be required.

The City considers affordability in unit maintenance, durability, and utilities as a component of creating a successful housing development on the parcel.

Architectural and Site Design

The City takes no position on whether to keep the existing Sherburne School. The successful proposer will demonstrate the most creative use of the parcel with or without the school.

The proposed project's architecture should reflect and be compatible with the surrounding neighborhood character. Specifically, the City encourages the respondents to describe in their proposal how their development considers the following while meeting the City's stated goal for the housing development noted above:

- Sensitivity to neighborhood character.
- City's preference for lower, multiple buildings, rather than one large building. The City is open to taller buildings if consisting of design approaches that minimize visual impact and the benefit is well documented.
- A development scenario depicted as an annotated conceptual site plan with the existing Sherburne School removed. Use of precedent imagery is encouraged. Providing renderings, models, and other graphic representation is not required.
- A development scenario depicted as an annotated conceptual site plan of an adaptive reuse of all or a portion of the existing Sherburne School. Adaptive reuse may contemplate additional housing

units, commercial uses that support the community, or a combination thereof. Providing renderings, models, and other graphic representation is not required.

- A robust programming of the development's outdoor common and recreation areas. These areas are to benefit both the development's residents and the surrounding community and be comprised of meaningful, attractive and creative outdoor spaces. The development's public realm is to be noted and described in detail the value it will bring to both residents and surrounding community.
- Use of sustainable site and specific green building design approaches.

Project Factors

Sherburne School

The City has not performed a survey of the existing school building. During the RFP process, the City will provide access to the school. The purpose of the site walk is to allow respondents to become familiar with the former Sherburne School. To further assist in the preparation of a proposal, known documents and drawings of the school are available on the City's Sherburne School Project Page: portsnh.co/sherburneschool.

Wetlands

The parcel has not been subject to a wetland investigation by the City. It is not known if there are any wetlands or wetland buffers on the parcel and whether the project would require City Wetland Permitting under Article 10 of the City's Zoning Ordinance or State of New Hampshire Department of Environmental Services (NHDES) wetland permits, and any other jurisdictional regulations concerning wetlands. Respondents do not need to perform a wetland investigation as part of their response, but it is expected the selected development team will abide by any such applicable regulations as the housing development design process evolves.

Environmental Testing

Environmental testing of the site has not been performed by the City. The successful proponent shall be solely responsible for determining the need for and scope of environmental testing of the land and building as well as the cost for testing, assessment, removal and legal disposal of any identified hazardous materials necessary to complete the housing development. The City shall not be required to permit testing of the parcel as part of this RFP. The City will provide access to the parcel and existing building during the site walk that is scheduled for before the proposal submission deadline.

Archaeological Filing

The City acknowledges an archaeological survey of land and building may be required prior to the commencement of any construction or development of parcel 259-10. The City does not require any archaeological survey of land and buildings to be part of a response to this RFP.

Code Compliance

All aspects of a development on the parcel shall conform and comply with all applicable Federal, State and local building and accessibility codes. Local regulatory codes, such as land use and zoning, will be addressed during the City's permitting process.

Efficiency and Sustainability

The City seeks proposals that include best practices in building and site design that reduce tenant utility usage and costs, and limit the development's environmental impact while balancing the need of the development to effectively address the City's stated goal for the housing development.

The City of Portsmouth follows the State of New Hampshire List of Adopted Building and Fire Codes effective as of August 13, 2024. The proposed project must meet the requirements of the current version in effect at the time of the application for a building permit. The City encourages the consideration of efficient and sustainability standards beyond these requirements. In the RFP, respondents should note their relevant experience with building to such standards. Performance standards such as meeting indoor air quality standards providing electric vehicle charging are also encouraged. Proposals are to include descriptions on how the development scenarios balance density with sustainability in terms of the environment and lifestyle of the residents.

Permitting

In addition to the noted public outreach and engagement effort, the selected developer shall be solely responsible for satisfying all other zoning, permitting and regulatory requirements as may be necessary to permit, construct and complete the project.

The City expects the permitting process will occur in accordance with New Hampshire RSA and both the City of Portsmouth's Zoning Ordinance and Site Plan Regulations. Therefore, it is the desire and expectation of the City that the selected developer will work collaboratively with the City to gain approval through the Site Plan Review Application process that includes the Technical Advisory Committee and Planning Board. This collaborative effort will expedite and simplify the permitting of a successful development.

The selected developer will also be required to gain all applicable permit approvals for the project at the Federal level, such as with the EPA for Notice of Intent for stormwater, and the State level, such as NHDES requirements for Alteration of Terrain permitting.

Zoning

The parcel is currently zoned Municipal. Section 10.560 in the City of Portsmouth, New Hampshire Zoning Ordinance states lots and buildings in the Municipal district are exempt from all dimensional and use. The City intends for the parcel to remain within the Municipal District designation and not be subject to rezoning. The parcel is also subject to the requirements of Section 10.670 Highway Noise Overlay District.

Community Engagement

The selected proposer is required to conduct a robust community outreach and engagement process as it develops and refines designs for the site. Respondents are to outline in their proposal a process that includes, at a minimum, methods and a timeline for community participation that includes listening sessions and charettes. The community engagement process shall include at least three public events to achieve a general consensus of the public on the development solution prior to application for tax credits and application to other federal, state and local permitting agencies. Respondents are to provide examples of previous community engagement experiences that led to successful housing development projects.

Rental Management

The respondent's development team must include a qualified and experienced property management entity. The RFP responses are to include a description of the management entity that will oversee the rental units and their criteria, such as daily accessibility by tenants and conformance to rental terms for meeting the successful respondent's proposed housing mix of below market rate units. Proposals that include non-

residential uses are to demonstrate the property management entity's ability to lease and administer those uses.

Diversity, Equity and Inclusion

The City is committed to advancing diversity, equity and inclusion. The City's statement on Nondiscrimination in City Contracts is as follows:

Any entity that enters into a contact for goods or services with the City of Portsmouth or any of its boards, agencies and departments and any recipient of City funds shall:

Implement an employment nondiscrimination policy prohibiting discrimination in hiring, discharging, promoting, or demoting, matters of compensation, or any other employment-related decision or benefit on account of actual or perceived race, ethnicity, color, religion, national origin, gender, disability, age, military status, sexual orientation, gender identity, gender expression, or marital or familial status.

Not discriminate in the performance of the contract on account of actual or perceived race, ethnicity, color, religion, national origin, gender, disability, age, military status, sexual orientation, gender identity, gender expression, or marital or familial status.

Traffic Study

The parcel subject of this RFP is located on Sherburne Road that is the only means of vehicular access to the Pannaway neighborhood on the other side of Interstate 95. Sherburne Road is accessed via Greenland Road a.k.a Route 33 that is an arterial road providing access to and from the City center, Interstate 95 and various nearby commercial, business and office destinations.

The successful development team will be required to conduct a traffic study by an independent professional traffic engineering firm in connection with their proposed development. This team will be required to collaboratively work with the City's Department of Public Works and potentially other transit-oriented entities to undertake remediation efforts outlined in the traffic study. It is anticipated that this collaborative effort will include providing or enhancing multi-modal transit options.

The development's vehicular parking needs and strategies to address them are to be shown and described in the requested development scenarios.

Quitclaim Deed

Refer to Exhibit C for a copy of the existing Quitclaim Deed for parcel 259-10.

Below Market Rate Housing Restriction

The LLA will require that parcel 259-10 be restricted with a perpetual affordable housing restriction. The specifics of that restriction will be further described and agreed upon between the City and the successful development team prior to finalizing the LLA.

Limitations and Exclusions

The City makes no representations or warranties, express or implied, as to the accuracy or completeness of the information provided in this RFP. This RFP, including all attachments and supplements is made subject to errors, additions, omissions, withdrawal without prior notice, and different interpretations of laws and regulation. The respondent assumes all risk in connection with the use of the information, and releases the City and its boards, commissions, committees, agents, employees, representatives and volunteers from any liability in connection with the use of the information provided by the City. Further, the City make no representation or warranty with respect to parcel 259-10, including without limitation, the City's title to parcel

259-10, the value, quality or character of parcel 259-10, or its fitness or suitability for any particular use and/or the physical and environmental condition of parcel 259-10.

Section VI: Proposal Elements

In addition to the requirements and conditions outlined in other sections of this RFP, the following information and supporting materials are to be submitted.

Development Team

The RFP proposal response must include a description of the development team, the individuals and organizations to be involved in the development, including the project manager, and the relevant experience of those parties. The development team may include, but not be limited to, the principal developer, property manager, architect, contractor, engineers, consultants, lenders and investors.

Proposals must include:

1. The name, address, e-mail address, and telephone number of the proposer; the name of any representative authorized to act on his/her behalf, and the name, title and contact information for the individual designated by the developer to receive all correspondence from the City.
2. Identification of the development team, such as architects, engineers, landscape designers, contractors, and other potential development consultants. In addition, provide background information, including firm qualifications and resumes for principals and employees expected to be assigned to the development.
3. Identification of all principals, partners, co-ventures or sub-developers participating in the transaction, and the nature and share of participants' ownership in the development.
4. If the proposer is not an individual doing business under their own name, a description of the firm and legal form and status of the organization (e.g., whether a for-profit, not-for-profit, a general or limited partnership, a corporation, LLC, LLP) and the jurisdictions in which it is registered to do business. If the proposer is a non-profit entity, please include a list of the organization's Board of Directors and areas of expertise they represent.
5. The ownership structure of the entity to enter into the LLA with the City and its relationship to any investors, lenders and guarantors of debt, if any, with the City of Portsmouth.
6. Identification of the person designated to be the property manager, if the property developer will also be the property manager. If this is not the case, state the legal and financial relationship between the entities and describe the process for securing property management services and criteria and minimal qualifications that will be used in selecting the property management firm.
7. Include a narrative regarding the proponent's approach to diversity and inclusion with their development team, and regarding their approach to implementing a housing development on Parcel 259-10.
8. Description of the organizational structure of the development team and a plan for the maintenance of effective communications between the City and the development team during all phases of the development.
9. Information regarding any legal or administrative actions past, pending or threatened that could relate to the conduct of the proposer, its principals or any affiliates.

10. Provision of third-party references for three completed residential or mixed-use use developments that included affordable housing. Provide contact names, title and current telephone numbers of those who can provide information to the City Manager concerning the proposer's experience with similar developments.

Development Scenarios

The proposal must include written and graphic description of proposed housing redevelopment of the parcel that includes, but is not limited to, the following:

1. Development Scenarios: A conceptual site plan showing redevelopment of the parcel with all or a portion of the existing school to remain, and a conceptual site plan showing a redevelopment of the parcel with the existing school removed. The conceptual site plans are to show, at a minimum, parking layout, building footprints, as well as associated site improvements.
2. Housing Unit Programing: Narrative outlining the number and size of units (number of bedrooms) with affordability levels for each of the development scenarios. Included in this narrative is why and how the mix of bedroom sizes and affordability was determined to ensure development financial feasibility and appropriateness for the local housing marketplace.
3. Site Development Narrative: Narrative for each development scenario that includes discussion, at a conceptual level, architectural character of the development, various programmatic and physical elements of building design, and site design with details on how the proposed housing development scenarios will accommodate the site, surrounding neighborhood, and character of the City.
4. Development Pro Forma: Overview of the anticipated financials for each development scenario including opinions on soft costs, hard costs, and fees using previous project experience in securing funding. Describe what local, state or federal and/or private subsidy or grant money, tax credits or other incentives will be sought to create affordability, as well as private sources of lending or financing, and the timeline for securing those sources.

Management Plan

Provide a housing management plan summary that considers the following:

1. Target Market: Description of the proposed development's intended strategy for rental pricing, marketing and potential lottery or other tenant selection process.
2. Resident Selection: Narrative on how the potential development will work to ensure a fair and equitable selection process for the housing units, such as with a lottery. Narrative to include an overview of criteria for tenant selection and describe a fair and unbiased selection process. Proposals may include a lottery agent as part of the development team.
3. Rental Assistance: Experience with project-based rental assistance that includes ability and commitment to utilize appropriate stated standards to determine program and unit eligibility.
4. Local Preference: Understanding of the local preference opportunities and requirements, and how their resident selection process will address local needs.
5. Monitoring: Ability and commitment to maintain all necessary reports and certifications required under state and federal law.

Implementation Plan and Timeline

The proposal must include a description of how the winning development team will implement their housing development effort. This description is to include, at a minimum, anticipated schedule for all elements of the development effort including key milestones, financing benchmarks, timeline of the community engagement process, achieving permitting approvals from local, state and other governmental and regulatory entities, and projected completion/occupancy timeframes.

Section VII: Submission and Selection Criteria

At a minimum, proposers must submit all materials requested in accordance with this request for proposal. Proposers who meet these minimum criteria will have their proposals reviewed. Proposals that do not clearly and fully convey compliance with these minimum criteria will not be considered. Meeting minimum requirements does not mean that a respondent's proposal bid will be selected.

Selection Process

The City will review all proposals received by the submission deadline and evaluate based on the criteria outlined herein. The City, in consultation with a Selection Committee assigned by the City Manager, will select the developer it determines has presented the most advantageous proposal from evaluation of the proposals based on the criteria set forth below, along with any interviews, references, or additional information requested and/or gathered by the City.

The City reserves the right to select the proposal that best meets the needs of the community and that may not be the proposal that achieves the highest score.

The City will notify all proposers in writing of the City's selection decision. The winning development team will meet with the City Council prior to entering into negotiations.

Selection Criteria

The City believes that the selection of the most qualified development team requires comparative evaluation of the submitted proposal responses. The City, in consultation with a Selection Committee assigned by the City Manager, shall determine a composite rating for each proposal received, based upon the evaluation criteria set forth below.

Site and Building Design

Proposal responses are to provide two development scenarios as described in Section VI. These scenarios are to include project narratives that describe the design approach taken for each to create a vibrant housing development that is high-quality, livable, durable and sustainable. Evaluation will use a ranking system comprised of numbers 1 thru 5 with the number 1 being the proposal provides the least amount of information and minimal amount of site and building concept to represent their proposed housing development, with 5 being the proposal provides detailed and reasonable conceptual information.

Selection Criteria – Scenario with Sherburne School Remaining	Scoring (1 Lowest to 5 Highest)
Narrative describes a high value and quality design that will reflect and be compatible with the existing architecture and character of the neighborhood and City.	
Multiple smaller scale buildings rather than a large, single structure.	
Narrative that describes building types with "universal access" design.	

Scenario shows a design concept that include lifestyle amenities of high that will benefit residents and create indoor and outdoor community spaces and facilities that will support a vibrant community.	
Narrative describes building(s) configuration that accommodates a variety household sizes and income.	
Description of how site design will facilitate efficient, safe traffic and pedestrian flow and emergency access for public safety officials.	
Description of how site design and layout will handle exterior lighting to enhance safety while dark sky compliant to minimize light.	
Description of how site design and layout will handle exterior lighting to enhance safety while dark sky compliant to minimize light pollution.	
Sustainable and green building elements are considered.	

Selection Criteria – Scenario with Sherburne School Removed	Scoring (1 Lowest to 5 Highest)
Narrative describes a high value and quality design that will reflect and be compatible with the existing architecture and character of the neighborhood and City.	
Multiple smaller scale buildings rather than a large, single structure.	
Narrative that describes building types with "universal access" design.	
Scenario shows a design concept that include lifestyle amenities of high that will benefit residents and create indoor and outdoor community spaces and facilities that will support a vibrant community.	
Narrative describes building(s) configuration that accommodates a variety household sizes and income.	
Description of how site design will facilitate efficient, safe traffic and pedestrian flow and emergency access for public safety officials.	
Description of how site design and layout will handle exterior lighting to enhance safety while dark sky compliant to minimize light pollution.	
Sustainable and green building elements are considered.	

Cost, Budget, and Financial Feasibility:

Proposals are to include an overview of the anticipated financials for each development scenario with respondents providing a description of financing sources used in past projects. Evaluation will use a ranking system comprised of numbers 1 thru 5 with the number 1 being the proposal provides the least amount of information and minimal amount of financial analysis for the proposed housing development, with 5 being the proposal provides detailed and reasonable information relative to the proposed housing development.

Selection Criteria	Scoring (1 Lowest to 5 Highest)
Demonstrated experience in financing affordable / workforce / below market rate housing developments, especially as rental only.	

Applicants demonstrate experience in successfully estimating anticipated project costs.	
Anticipated financing sources likely to be used in this project.	
Sources and uses pro-forma demonstrates financial feasibility of proposed development and operating budgets.	
All units are affordable with affordability ranges from 30% to 100% AMI for the Portsmouth-Rochester, NH HMFA.	
Provides a clear analysis of the levels of affordability, the mix of units, and the income levels to be served.	

Property Management

Proposal responses are to provide a housing management plan summary that considers the proposed developments marketing and tenant selection process. Evaluation will use a ranking system comprised of numbers 1 thru 5 with the number 1 being the proposal provides the least amount of information and minimal amount of explanation on how the property will be managed, with 5 being the proposal provides detailed and reasonable information relative to the management of proposed housing development.

Selection Criteria	Scoring (1 Lowest to 5 Highest)
Plan specifying who will manage the property (the owner or a property management firm) and the applicant's relationship with the property manager (if it is not the applicant).	
Property manager will be onsite with a dedicated office.	
The property manager has experience and a strong track record managing all affordable developments of comparable size.	
Applicant has a clear plan describing how the building will be operated, including tenant selection, ongoing monitoring, maintenance and tenant issues.	

Community Engagement

Proposal responses are to provide a community engagement outlines a robust community outreach and engagement process includes, at a minimum, methods and a timeline for community participation that includes listening sessions and charettes. The community engagement process shall include at least three public events to achieve a general consensus of the public on the development solution. Evaluation will use a ranking system comprised of numbers 1 thru 5 with the number 1 being the proposal provides the least amount of information regarding engagement with the community, with 5 being the proposal provides a comprehensive description of the methods and process of a robust effort to outreach and engage stakeholders and community at large.

Selection Criteria	Scoring (1 Lowest to 5 Highest)
Community outreach and engagement efforts describe a process that complements the respondent's development project timeline	
Described community outreach and engagement process is robust and considers a comprehensive list of stakeholders	

Provides a reasonable timeline with specific goals, deadlines and deliverables, and clear sequence of meetings.	
Examples of previous community engagement experiences	

Implementation Plan and Timeline

The proposal must include a description of how the housing development solution, developed in part from the community outreach and engagement effort, will be implemented. This description is to include, at a minimum, anticipated schedule for all elements of the development effort including key milestones, financing benchmarks, timeline of the community engagement process, achieving permitting approvals from local, state and other governmental and regulatory entities, and projected completion/occupancy timeframes. Evaluation will use a ranking system comprised of numbers 1 thru 5 with the number 1 being the proposal provides the least amount of information regarding the development's potential timeline from notice of award to project close out of the development, with 5 being the proposal provides a clear and succinct timeline from notice of award to project close-out stages of the development.

Selection Criteria	Scoring (1 Lowest to 5 Highest)
Provides a timeline that reflects an understanding that time is of the essence by establishing a sequence of specific goals, milestones, and deliverables.	
Examples of previous development timelines.	

Exhibit A

Applicant Certification

The Applicant hereby certifies that:

1. The applicant has not given, offered, or agreed to give any gift, contribution, or offer of employment as an inducement for, or in connection with, the award of contract for these services.
2. No consultant to, or subcontractor for the applicant has given, offered, or agreed to give any gift, contribution, or offer of employment to the applicant, or, to any other person, corporation, or entity as an inducement for, or, in connection with, the award to the consultant or subcontractor of a contract by the applicant.
3. That no person, corporation, or, other entity, other than a bona fide full-time employee of the applicant has been retained or hired to solicit for or in any way assist the applicant in obtaining the contract for services upon an agreement or understanding that such person, corporation, or entity be paid a fee or other compensation contingent upon the award of the contract to the applicant.

I hereby attest with full knowledge of the penalties for perjury, that all information provided in this application for services is correct.

Executor (Printed)

Executor (Signature)

(Title)

(Name of Firm)

(Address)

(Date)

Exhibit B

Proposal Signature Page

RFP #09-25 Below Market Rate Housing Development at 35 Sherburne Road Proposal

Company Name

Contact Person (*please print*)

Street

Phone

City, State, Zip

Email

Submits the attached Proposal to the City of Portsmouth, on the authority of the undersigned and as dated below. I confirm and pledge to abide by and be held to the requirements of this RFP and its resulting Land Lease Agreement, to perform any tasks and deliver any documents required.

Proposer acknowledges receipt of the following addenda*

- | | |
|----------|----------|
| 1. _____ | 2. _____ |
| 3. _____ | 4. _____ |

Individual or Authorized Agent of the Contractor

Name (Signature)

Name (Printed)

Title

Date

Form must be signed by a duly authorized officer(s) eligible to sign contract documents for the respondent firm, joint ventures, or teams submitting proposal. Proposals will not be considered responsive unless it is established that all contractual responsibility rests solely with one contractor or one legal entity. The Proposal must indicate the responsible entity.

* to be filled in by proposer, if addenda are issued.

Exhibit C
Quitclaim Deed