



## AGENDA

**City of Portsmouth  
Housing Blue Ribbon Committee  
School Board Conference Room at City Hall\*  
October 17<sup>th</sup> 2024  
5:30 p.m.**

- I. Roll Call (5 minutes)
- II. Meeting Minutes (5 minutes)
  - a. Thursday, October 3<sup>rd</sup> 2024
- III. Working Group Updates (10 minutes)
  - a. Zoning Working Group.
- IV. Discussions on Housing with Jodi Carnes, City of Portsmouth Welfare Director (25 Minutes)
- V. Discussions on Programming and Funds of a Workforce Housing Trust (30 minutes)
  - a. Review of memos from Community Development Coordinator.
  - b. Review of Workforce Housing Trust Fund established in 2009.
  - c. Programs for a Workforce Housing Trust Fund in Portsmouth.
- VI. Public Comments (15 minutes)

### Attachments

- a. Link to the web page for the City's Welfare Department: <https://www.cityofportsmouth.com/welfare>
- b. Memo from Community Development Director regarding Housing Trusts (2024).
- c. Memo from Planning Director and Community Development Director regarding Workforce Housing Trust Fund and Housing Needs Assessment (2012).
- d. Portsmouth Workforce Housing Trust Fund 2009\_review comments from committee member.

*\*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\\_4-tdZ7TUS26oTmxDlnM5Zg](https://us06web.zoom.us/webinar/register/WN_4-tdZ7TUS26oTmxDlnM5Zg)

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



## **MEETING MINUTES - DRAFT**

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

**October 3<sup>rd</sup> 2024  
5:30 p.m.**

#### **I. Roll Call**

Meeting Called to Order by Co-Chair Kelly at 5:30 p.m.

Co-Chair Kelly calls roll call:

Attending: Assistant Mayor Joanna Kelly, Councilor John Tabor, Councilor Beth Moreau, School Board Representative Byron Matto, Tracey Kozak, Mary Loane, John O'Leary, Jennifer Stebbins Thomas, Dagan Migirditch.

City Staff: Housing Navigator Howard Snyder, Planning and Sustainability Director Peter Britz.

Absent: City Manager Karen Conard, Erik Anderson, Megan Corsetti, Andrew Samonas.

City Staff: Planning Manager Peter Stith.

#### **II. Approval of Meeting Minutes**

Meeting minutes for the following dates were reviewed and discussed:

1. June 13, 2024: Approved unanimously after a motion by John O'Leary and seconded by Councilor Beth Moreau.
2. June 27, 2024: Approved without amendments after a motion by City Councilor Moreau and seconded by Tracey Kozak.
3. July 18, 2024: Approved with corrections regarding Joanna Kelley's attendance, as she was incorrectly marked absent while actively participating.

Councilor Tabor: Motion to approve amendments.

Byron Matto: Second.

Joanne Kelly: Calls vote.

All in favor: All.

Opposed: None.



Motion passes with unanimous vote of approval.

### III. Working Group Updates

1. Zoning Working Group: Updates presented include ongoing evaluation of zoning requirements, specifically concerning housing types that could be introduced in Portsmouth to increase affordability. Discussions included review of Commerce Way.

JT: Notes group will; should review current parking study.

2. Parking and Transportation Working Group: Updates include notification that the group had not met yet but was planning to meet this week or next.
3. Financial Working Group: Updates included discussions on proposed frameworks and potential financial structures for a Workforce Housing Trust. These items involved recommendations for homebuyer assistance programs and the possibility of a revolving loan fund. Other focus areas include investigating tax incentives such as TIFs. Members of this group were confirmed as Jennifer Stebbins Thomas, Megan Corsetti, Byron Matto, Dagan Migirditch, and Co-Chair Tabor.

JT: Notes groups discussions with Clay Adams of the non-profit Upper Valley Loan Fund (UVLF) and their use of \$10million at 1.5% loan rate for workforce housing.

JST: Mentions Ever North and how management raised funds with outreach to local and regional employers.

### IV. Initial Discussions on Programming and Funds for Workforce Housing Trust

1. Review of Workforce Housing Trusts in Other Municipalities:

HS: Outlines case studies of workforce housing trusts from various New Hampshire and Massachusetts municipalities. Details organizational structures and funding mechanisms.

Committee members discuss 1993 Portsmouth Housing Endowment Fund Trust (PHEFT). Request clarifications on structure of endowment fund, how well know it is and who qualifies. Members contemplate and ask how the City Council may be able to repurpose the goals and funds of the trust.

JK: Notes second ordinance relating to the PHTF allows users to shop for rates beyond Citizens Bank.

JL: Notes Trustees role is to invest and manage funds.

Committee members request staff to work with legal and gain an understanding of the funds un terms of ability to modify and the process required.

2. Potential Programming of a Workforce Housing Trust in Portsmouth:



Committee members discuss 1993 Portsmouth Housing Endowment Fund Trust (PHEFT). Request clarifications on structure of endowment fund, how well know it is and who qualifies. Members contemplate and ask how the City Council may be able to repurpose the goals and funds of the trust.

Discussion included creating a new Portsmouth Workforce Housing Trust or amending the existing Portsmouth Workforce Housing Trust Fund established in 2009 to support the HBRC's aim to support development of affordable units. Members debated on the concept of using city-owned properties for affordable housing development and potential strategies for encouraging developers to build affordable units through financial incentives or density bonuses.

Members discussed what other City programs may be involved in housing besides PHA. A request was made for staff to inquire about the City's welfare department and their involvement with housing.

### 3. Potential Uses of Workforce Housing Trust Fund:

Members discussed different uses for a potential housing fund. Items considered were land acquisition to create affordable housing units, financial assistance to lower-income households, and grants or low-interest loans for developers to include affordable units in new developments. Consideration was given to how the trust could help address increasing "housing cost burdens" for both renters and owners in Portsmouth.

## V. Public Comment

Jim Smalley of 352 Kearsarge Way: Spoke regarding zoning incentives and how they are not adequate for supporting affordable housing needs. Specifically, the detriment of FAR and building height to housing development. Also mentioned was the need for policy change as inclusionary zoning does not work as it forces less housing to be built – "let the housing market decide."

## VI. Adjournment

Joanne Kelly: Calls for motion to adjourn.

Mary Loane: Motion to adjourn.

Jennifer Stebbins Thomas: Second.

Joanne Kelly: Calls vote.

All in favor: All.

Opposed: None.

Motion passes with unanimous vote of approval.

The meeting was adjourned at 7:08 p.m.



## **ATTACHMENTS**

### **City of Portsmouth Housing Blue Ribbon Committee**

**Thursday, October 17<sup>th</sup> 2024**


#### **Attachments**

- a. Link to the web page for the City's Welfare Department: <https://www.cityofportsmouth.com/welfare>
- b. Memo from Community Development Director regarding Housing Trusts (2024).
- c. Memo from Planning Director and Community Development Director regarding Workforce Housing Trust Find and Housing Needs Assessment (2012).
- d. Portsmouth Workforce Housing Trust Fund 2009\_review comments from committee member.

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# M E M O R A N D U M

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**TO:** Housing Blue Ribbon Committee  
**CC:** Howard Snyder, Housing Navigator; Peter Britz, Planning Director; Peter Stith, Planning Manager  
**FROM:** Elise Annunziata, Community Development Director   
**DATE:** June 27, 2024  
**RE:** Housing Trusts

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As requested, please see a brief summary of the Portsmouth Housing Endowment Fund (PHEF).

The PHEF trust was established in 1993 with a corpus amount of \$705,000 to assist first-time homebuyers within the City of Portsmouth. The Trustees of the Trust Funds manage these funds, and the standing Portsmouth Housing Endowment Fund Advisory Board works in consultation with City Community Development staff, which administers the first-time home buyer program called “Home Town” that is funded by the PHEF trust, to develop policies regarding the operation of the program.

The Home Town program is designed to assist first-time homebuyers who meet a 120% or less median family income eligibility requirement to participate. Since 1999, the Home Town program has benefitted 67 homebuyers and provided over \$2.5M in no-interest loans to encourage homeownership in the City by persons who would otherwise not be able to afford to purchase a home in Portsmouth. Note that program participants must be able to secure a first mortgage and meet underwriting criteria.

There are 31 currently active loans, with two new loans having closed in the FY 24 fourth quarter. Typically, the program provides 4-5 new homebuyer loans a year.

Over the years, the housing market has certainly played a role in the number of new homebuyer loans the PHEF trust provides annually. While home prices in Portsmouth have dramatically increased, sales have continued. COVID-19 also affected the housing market and new loans, though the market has notably improved.

Home Town program marketing efforts include flyers, notices, etc. via post and email, and presentations to Seacoast realtors; City employee paycheck inserts; and detailed information on the City’s webpage.

The Housing Committee may be interested in information about the **Workforce Housing Trust Fund** that was established by the City Council in 2009. This trust is distinct from the trust discussed above and is applicable to rental housing, not solely to home ownership. Note that the “affordable housing” income limit is generally set by U.S. Housing and Urban Development as 80% or less of median family income.

Please see attached a 2021 memorandum regarding the Workforce Housing Trust Fund that was summarized in City Manager Conard’s report-back to City Council.

I would be happy to discuss with the Committee potential additional resources, including federal funds, to support creating and/or retaining affordable/workforce housing in Portsmouth.

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# M E M O R A N D U M

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**TO:** Karen S. Conard, City Manager  
**FROM:** Juliet Walker, Planning Director and Elise Annunziata, Community Development Coordinator  
**DATE:** July 6, 2021  
**RE:** Portsmouth Workforce Housing Trust Fund and Housing Needs Assessment

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At the June 7<sup>th</sup> and June 21<sup>st</sup> Council meetings, Councilor McEachern requested information from staff related to updating the City's Housing Needs Assessment and creation of a Community Housing Trust fund.

### Housing Needs Assessment Update

A comprehensive Housing Study that included a Housing Needs Assessment was completed in 2014 in preparation for the update to the City's Master Plan. That housing report, (completed by a planning consulting firm which specializes in housing) was broader in scope and used locally verifiable data regarding housing inventory, costs, and needs. In order to complete an update to the 2014 report, the Planning Department estimates an outside consultant would cost about \$10,000 to \$15,000. Staff is discussing potential collaboration with the Portsmouth Housing Authority and/or Regional Planning Commissions.

### Housing Trust Fund

The City has an existing Workforce Housing Trust Fund, created by Council in 2009. The trust fund was established by the Council at the recommendation of the 2008 Blue Ribbon Committee on Housing and may be used to receive and hold property and funds in trust for the construction/rehabilitation and retention of affordable housing units. The fund has no money in it presently and no dedicated source of funding.

In order to utilize the fund, the City would need to secure a source of dedicated funding such as one or more of the following:

- **Dedicated Housing Fees.** Many jurisdictions have established commercial linkage fees or housing impact fees on commercial or residential development projects that generate new jobs. The fees are used to support the development of housing affordable to employees living in or attracted to the community. Condominium conversion fees for converting rental units to ownership are another example.
- **Inclusionary housing programs** that require new developments meeting certain criteria to provide a percentage of affordable housing as a condition of development. These programs generally allow in-lieu fees to be paid as an alternative to direct construction of the required housing.
- **Discretionary Local Revenues.** In some cases, local jurisdictions contribute directly to the housing trust fund from discretionary local revenues. These can include general fund appropriations or a designated portion of existing local revenue sources, such as a share of the local sales tax or transient occupancy tax.

- Grant and Charitable Contribution Funds. Some funds accept grants, charitable contributions, or other non-recurring sources of funding that are dedicated to affordable housing. These can include revenues from capital campaigns organized by private sector organizations or ongoing contributions by major employers. These housing trust funds may be operated by a single jurisdiction, a consortium of several local agencies, or even an independent nonprofit agency.
- Loan Repayments and Commercial Development Loans. Often housing trust funds lend money to private or nonprofit developers for affordable housing projects. Loan repayments are then used to create a revolving fund that allows the trust fund to make additional investments. Housing trust funds can also be used to convey bank commercial development loans, such as investments made to receive credits under the Community Reinvestment Act (CRA).
- State-Funded Local Housing Trust Funds. The state may have funds (allocated to NHHFA) to contribute to a local trust fund, particularly from funds recently received in ARPA.

Further, staff recognize that administrative processes for allocating these trust funds would need to be developed. Community Development staff would be logical fit to administer grant programs funded by the Portsmouth Workforce Housing Trust Fund, particularly because of their experience managing similar housing programs. There are numerous models for housing trust program administration, including the National Affordable Housing Trust, as well as fairly extensive guidance through HUD's Community Development Programs.



**CITY OF PORTSMOUTH  
WORKFORCE HOUSING TRUST FUND**

**WHEREAS**, on January 26 2009, the Portsmouth City Council accepted the report of its Blue Ribbon Committee on Housing dated November 18, 2008, "A Road Map to Affordable Housing"; and

**WHEREAS**, one recommendation of the said report is to, "establish a Workforce Housing Trust Fund to facilitate Workforce Housing activities"; and

**WHEREAS**, the primary purpose of the Workforce Housing Trust Fund is to create new, and retain existing units, of workforce housing affordable to households earning between 80% and 120% of median family income, or such other criteria as may be deemed appropriate from time to time by the Portsmouth City Council; and

**WHEREAS**, the Blue Ribbon Committee on Housing has also recognized the need to retain existing units of housing affordable to households earning less than 80% of median family income; and

**WHEREAS**, the City Council of the City of Portsmouth desires to implement the foregoing recommendations of its Blue Ribbon Committee on Housing within the City;

**NOW THEN**, the City Council of the City of Portsmouth hereby authorizes the creation of this City of Portsmouth Workforce Housing Trust Fund under the following terms and conditions:

1. The City of Portsmouth Workforce Housing Trust Fund (the Trust) is established in accordance with the Workforce Housing principles announced in, "A Road Map to Affordable Housing".
2. The primary purpose of the Workforce Housing Trust Fund shall be to fund the creation of additional units of workforce housing affordable to those households earning between 80% and 120% of median family income as determined by

appropriate governmental entities, or such other criteria as may be deemed appropriate from time to time by the Portsmouth City Council.

3. The Workforce Housing Trust Fund shall be used by the City to facilitate activities consistent with the purposes for which the Trust is established. These activities may be in partnership with public, non-profit, and private housing developers.

Workforce Housing Trust Funds may be used for activities such as:

- Acquire land;
- Purchase and rehabilitate existing housing;
- Construct new housing;
- Retain existing housing; and
- Provide housing subsidies through programs such as the City's existing, first time homebuyer program, HomeTown.

4. The City of Portsmouth Workforce Housing Trust Fund is intended to provide a repository and an ongoing funding source from which the City of Portsmouth may authorize the expenditure of those sums deemed appropriate by the City Council for the purposes for which the Trust exists.
5. The Trustees of Trust Funds are authorized to accept, invest, reinvest and disburse funds or non-cash assets allocated to the City of Portsmouth Workforce Housing Trust Fund in accordance with the terms and conditions of this Trust document.
6. The Trustees of Trust Funds shall disburse funds from the Trust only when provided with written authorization by the City Manager of the City of Portsmouth certifying that the expenditure has been authorized by a majority vote of the Portsmouth City Council.
7. All funds with the Trust, whether designated as the corpus or income produced thereby, shall be available for expenditure by the City Council in the sole discretion of the City Council.
8. The Trustees may receive contributions to the corpus of the Trust from the City of Portsmouth or from any other person or entity making contributions thereto. Except, however, the Trustees shall not be required to accept any contributions deemed inappropriate by the Trustees.
9. The Trustees shall have the complete discretion to hold, liquidate or otherwise transfer any stocks or other non-cash assets contributed to the Trust, as long as any proceeds received from the transfer of such assets are paid into the Trust, except, however, that prior to the disposition by the Trustees of any real estate

the Trustees shall first request an advisory report from the Planning Board of the City of Portsmouth.

10. The funds in the Trust shall be held by the Trustees of Trust Funds of the City of Portsmouth to be invested and reinvested by the Trustees without restriction against pooling the assets of this Trust with any other Trust Funds held by the Trustees or the City, so long as the funds are the subject of separate accounting.
11. In the event that the Portsmouth City Council determines that the need for municipal support of workforce housing has ceased to exist, or for such other reasons deemed appropriate by the City Council, this Trust may be discontinued by a 2/3 vote of the City Council. In that case any funds held by the Trustees under the terms of this Trust shall be disbursed in accordance with the direction of the Portsmouth City Council to a housing related purpose or entity.

Dated: 8-14-09

**CITY OF PORTSMOUTH**

  
\_\_\_\_\_  
John P. Bohenko, City Manager

Pursuant to vote by the Portsmouth City Council on March 16, 2009.

Accepted by the Trustees of Trust Funds.

Dated: 9/3/09

  
\_\_\_\_\_  
Lea Aeschliman, Chairman

Dated: 9/3/09

  
\_\_\_\_\_  
Phyllis/Eldridge

Dated: 9/3/09

  
\_\_\_\_\_  
Bradley Lown

CITY OF PORTSMOUTH  
WORKFORCE HOUSING TRUST FUND

WHEREAS, on January 26 2009, the Portsmouth City Council accepted the report of its Blue Ribbon Committee on Housing dated November 18, 2008, "A Road Map to Affordable Housing"; and

**Commented [ML1]:** Update with 'vision statement' that reflects current context, City Council goals, Blue Ribbon Housing Committee goals. Something inspired by Nashua's document. Statement could reflect how this is one part of a combined effort to address Portsmouth housing affordability. Additionally, this could be used to help clarify the difference between other efforts to avoid confusion (e.g. the constant confusion about PHA as totally separate from the city).

WHEREAS, one recommendation of the said report is to, "establish a Workforce Housing Trust Fund to facilitate Workforce Housing activities"; and

WHEREAS, the primary purpose of the Workforce Housing Trust Fund is to create new, and retain existing units, of workforce housing affordable to households earning between 80% and 120% of median family income, support first time homebuyers, or such other criteria as may be deemed appropriate from time to time by the Portsmouth City Council; and

**Commented [ML2]:** During the meeting, there was discussion of combining or dissolving the 1993 trust, so I added language in hopes that consolidation/ collapsing the PHEFT into the WFHTF is feasible

~~WHEREAS, the Blue Ribbon Committee on Housing has also recognized the need to retain existing units of housing affordable to households earning less than 80% of median family income; and~~

**Commented [ML3]:** This feels duplicative to the statement above

WHEREAS, the City Council of the City of Portsmouth desires to implement the foregoing recommendations of its Blue Ribbon Housing Committee on Housing within the City;

NOW THEN, the City Council of the City of Portsmouth hereby authorizes the creation of this City of Portsmouth Workforce Housing Trust Fund under the following terms and conditions:

1. ~~The City of Portsmouth Workforce Housing Trust Fund (the Trust) is established in accordance with the Workforce Housing principles announced in, "A Road Map to Affordable Housing":~~

**Commented [ML4]:** Suggestion to update to reflect current context / keep open ended for continual relevance

2. The primary purpose of the Workforce Housing Trust Fund shall be to fund the creation of ~~and retention of additional units of workforce~~ housing affordable to those households earning between ~~80~~20% and 120% of median family income as determined by appropriate governmental entities; ~~act as an active initiator of projects and programs to support the creation and retention of housing affordable to those households earning between 20% and 120% of median family income as determined by appropriate government entities; support community outreach and engagement related to the Trust;~~ or such other criteria as may be deemed appropriate from time to time by the Portsmouth City Council.

3. The Workforce Housing Trust Fund shall be used by the City to fund, initiate and facilitate activities consistent with the purposes for which the Trust is established. These

activities may be in partnership with public, non-profit, and private housing developers.

Workforce Housing Trust Funds may be used for activities such as:

Funding:

- Provide subsidies and grants for first time homebuyers;
- Provide subsidies and grants for renters
- Provide subsidies and grants for constructing ADUs
- \_\_\_\_\_

Initiating:

- Acquire land;
- Purchase and rehabilitate existing homes to convert to affordable housing;
- Construct new housing;
- Retain or renovate existing affordable housing; and
- Provide housing subsidies through programs such as the City's existing, first time homebuyer program, HomeTown.

Communications

- Conduct community outreach and engagement related to the Trust initiatives

4. The City of Portsmouth Workforce Housing Trust Fund is intended to provide a repository and an ongoing funding source from which the City of Portsmouth may authorize the expenditure of those sums deemed appropriate by the City Council for the purposes for which the Trust exists.

5. The Trustees of Trust Funds are authorized to accept, invest, reinvest and disburse funds or non-cash assets allocated to the City of Portsmouth Workforce Housing Trust Fund in accordance with the terms and conditions of this Trust document.

6. The Trustees of Trust Funds shall disburse funds from the Trust only when provided with written authorization by the City Manager of the City of Portsmouth certifying that the expenditure has been authorized by a majority vote of the Portsmouth City Council.

7. All funds with the Trust, whether designated as the corpus or income produced thereby, shall be available for expenditure by the City Council in the sole discretion of the City Council.

8. The Trustees may receive contributions to the corpus of the Trust from the City of Portsmouth or from any other person or entity making monetary or property contributions thereto including but not limited to payment in lieu, private donations, newly established revenue streams.

**Commented [ML5]:** Modify this and related language in subsequent points to reflect your comments in your 10/1 email ("consider an entity separate from the WHTF as to allow appointment of trustees... who have connection and knowledge relative to housing")

**Commented [ML6]:** How would this work for disbursement for first time homebuyers and rent assistance? Would each individual need approval or would that approval structure be separate?

**Commented [ML7]:** Inspired by the Massachusetts doc referencing 'cell phone tower revenue', it could be helpful to indicate the possibility of innovative/ unconventional funding streams.

Except, however, the Trustees shall not be required to accept any contributions deemed inappropriate by the Trustees.

9. The Trustees shall have the complete discretion to hold, liquidate or otherwise transfer any stocks or other non-cash assets contributed to the Trust, as long as any proceeds received from the transfer of such assets are paid into the Trust, except, however, that prior to the disposition by the Trustees of any real estate the Trustees shall first request an advisory report from the Planning Board of the City of Portsmouth.

10. The funds in the Trust shall be held by the Trustees of Trust Funds of the City of Portsmouth to be invested and reinvested by the Trustees without restriction against pooling the assets of this Trust with any other Trust Funds held by the Trustees or the City, so long as the funds are the subject of separate accounting.

11. In the event that the Portsmouth City Council determines that the need for municipal support of workforce housing has ceased to exist, or for such other reasons deemed appropriate by the City Council, this Trust may be discontinued by a 2/3 vote of the City Council. In that case any funds held by the Trustees under the terms of this Trust shall be disbursed in accordance with the direction of the Portsmouth City Council to a housing related purpose or entity.