

# CITY COUNCIL WORK SESSION

## Blue Ribbon Committee on Housing Report

January 26, 2009 – 6:15 p.m.

Eileen Dondero Foley Council Chambers

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City Council Present: Mayor Ferrini, Councilors Novelline Clayburgh, Dwyer, Smith, Kennedy, Hejtmanek, Pantelakos and Spear

City Council Absent: Assistant Mayor Blalock

Officials Present: John P. Bohenko, City Manager; Cindy Hayden, Deputy City Manager, David Moore, Assistant Community Development Director, William Gladhill, Economic Development Commission, Joseph Couture, Portsmouth Housing Authority, Dick Ingram, The Housing Partnership, Jane James, Real Estate/Development Community and Dianne Kirby, Deputy City Clerk

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### **I. Call to Order**

At 6:20 p.m., Mayor Ferrini called the work session to order and turned the meeting over to City Manager Bohenko.

City Manager Bohenko stated that David Moore, Assistant Community Development Director would be presenting a PowerPoint presentation on an overview of the Housing Report finding and recommendations. He turned the meeting over to David Moore.

### **II. Presentation: Overview of Housing Report Findings and Recommendations**

David Moore, Assistant Community Development Director, gave a PowerPoint presentation. He stated that one of the challenges has been that in the past the number of jobs in the City was less than the number of people in residence. He said today the number of jobs in the City is more than the number of people in residence. He said that is causing costs of rent and housing to rise considerably. Mr. Moore stated that the term “workforce housing” refers to housing (ownership or rental) affordable to those earning between 80% to 120% of the median family income or between \$55,000 and \$83,000 for a family of 3. He said the key issues the committee discussed were the job – housing imbalance; the rent cost – wage imbalance and the purchase price – wage imbalance.

Assistant Community Development Director Moore, stated that the Committee on Housing identified the following principles with regard to workforce housing:

- Workforce housing development can best be accomplished by leveraging private resources.
- The greatest local need is for more housing – both rental and owner occupied that is affordable to the City’s workforce.

- Workforce housing solutions will require a variety of approaches. Creating additional units of workforce housing will best be achieved in small increments. Through redevelopment of existing sites and through infill development. Additional units of workforce housing will be built over time rather than quickly; the current economic climate is the perfect time to plan for the future so that the right mechanism and incentives are in place once the economy ramps up for the next wave of economic growth.
- Preserving the City's existing affordable housing stock is as important as creating new units of workforce housing.
- Regional solutions to workforce housing are essential. In light of a new state law requiring cities and towns insure that reasonable opportunities exist to build workforce housing, Portsmouth be both a catalyst and a resource for other communities.
- Future employment growth should be linked with the creation of additional workforce housing that is targeted to meet the needs of Portsmouth's workforce.
- Workforce housing units should be dispersed throughout a development to insure a mix of market rate and workforce housing; the design and quality of market rate and workforce units should be comparable; workforce housing that is integrated into market rate neighborhoods is preferable to concentrations of exclusively workforce housing.

David Moore, Assistant Community Development Director, stated that the committee compiled the following recommendations:

- Create a Workforce Housing Trust Fund
- Encourage mixed use
- Support workforce housing zoning recommendations
- Continue 1st time homebuyers program
- Seek additional fund sources
- Consider selling surplus parcels
- Proceeds to benefit the Work Force Housing Trust Fund
- Pursue pilot mixed use at Pease

### **III. City Council – Housing Committee Discussion**

Councilor Hejtmanek stated that page 6 shows a person with median income and a family of three is \$55,000.00 can afford \$1,384.00 a month rent. He said that the report also states that the median rent in Portsmouth is \$1,184.00. He stated that this would indicate that the person at the low end of this scale can pay almost 20% more than the median rent. Assistant Community Development Director Moore stated that in the rental market the incomes at 80%, 100% and 120% are the most competitive in the rental market. He said 80% is right on the brink. He further said that other family sizes present a different challenge.

Councilor Dwyer stated that half of our housing stock is single occupied. She said if we are this hub and we have this dynamic population in the retail and hospitality market and half of our housing stock is single occupied then the lower figures are a little more appropriate. She further stated that it is very important to note that we have a high percentage of renters than most places in the area. She said overall half of those are single occupied and this mix puts a slightly different strain on the number of people we are trying to look at housing for. She stated that she is interested in creating more taxpayers. She stated that ownership is really an important aspect of this and ownership is where we have frozen people out. She said single people have this problem and a lot of our workers are single people. Councilor Kennedy stated that this is a regional issue. She said it can only be solved as a region. She asked if we have contacted other neighboring communities. She said we can look at Portsmouth all we want and there might be some little things we can do, but it is not going to solve the overall problem. Councilor Novelline Clayburgh asked if the rental units affordable to families earning up to 90% of median income is what we are talking about. David Moore, Assistant Community Development Director said yes. He further stated that 90% to 120% of median income is being targeted for homeownership.

#### **IV. Action Steps**

Councilor Dwyer stated that the Committee is recommending endorsement of the Housing Report Findings and Recommendations. She requested that the Council adopt the Report. She stated that the Committee did have the Rockingham Regional Planning Commissioner as an active member of our group which was very helpful in connecting us to some regional activity. She also stated that Dick Ingram, representing the Housing Partnership also heads the regional interests. She said Portsmouth has a leadership role to play in this.

Councilor Smith stated that we have an amazing staff in many areas and we should be a leader for other communities like Greenland. He said we definitely have highlighted the area of Portsmouth taking a leadership role.

Councilor Spear said the median income bar chart shows more employees than residents. He asked if in the report the median income is for employees of Portsmouth or residents of Portsmouth. He said we may need to think about what type of employees/residents we want to attract. City Manager Bohenko stated that the report uses the census number for the City of Portsmouth. Councilor Smith stated that we have to recognize that we are in the hospitality arena that, although not the highest paying jobs, does require many employees that drive many miles to get to their job. He said providing some kind of housing to get them closer to their job is our goal. Councilor Hejtmanek stated that businesses should pay their employees a wage that will allow them to be able to live in the community. He said we should not jeopardize our land. He said that we have to be careful and make this a regional issue. Councilor Kennedy asked if the committee looked into transportation. She said if we had a valid transportation program, people would use it.

Councilor Dwyer stated that the Council is raising all the issues the committee has. She said we have housing stock for the higher paid employees, but this is not the problem. She stated transportation is the best shot for increasing housing issues. She talked to the re-use along the corridor which would be within the business district and bus lines. She said we may need to take a different leadership role with cash and buy land in some cases. She said we need to have an anchor in order to keep these affordable. She stated this is why the committee feels the Trust Fund is so important.

Councilor Spear asked if we have too many jobs for Portsmouth. He asked are we always going to be chasing our tail as we add more and more jobs. Councilor Dwyer stated that this is why we are so interested in Pease. She said we need to get to a balance in residence and jobs.

Councilor Spear asked if we have a handle on homes that are purchased as a second residence. Councilor Smith said it was looked at and he thought it was a small percentage. Dick Ingram, from The Housing Partnership stated that he also did not recall, but also thought it was a small number.

Councilor Smith asked the question will Portsmouth be known as the City of Jobs. He further said that Portsmouth has that unique ability to have, not only the hospitality industry, but other companies that want to come here because of what we have to offer. He said housing cannot all be here in Portsmouth because we are not making anymore land. He said this is the reason why the City of Portsmouth needs to be a leader in helping other communities. He stated that it can not just be a Portsmouth program; it has to be a regional program.

Councilor Kennedy said that we should encourage someone from transportation to sit on the committee to look into better lines, better time frames and more transportation. She said we should concentrate more on finding better ways to transport individuals to Portsmouth versus trying to build here.

Jane James, Real Estate/Development Community, stated there is a great deal of second homes being bought. She said the units that are being bought, because of the values of them, would not serve this working class population at all.

William Gladhill, Economic Development Commission, stated that he looks at this as a beginning and would like to see the committee continuing. Mayor Ferrini stated that this committee was set up to investigate the problem and come up with some recommendations. He said that has been completed and therefore, the committee is done.

Councilor Dwyer said the committee would like a work session to hear what the Council would like to take action on first. She stated that the committee would like to see an ordinance for the establishment of a Housing Trust Fund. She said we could connect with some partners to set up a pilot home sharing program. She suggested the Council send a letter to the Planning Board requesting zoning revisions. She further stated that we need to educate other Boards and Commissions to understand some of these issues we are trying to resolve.

Mayor Ferrini stated that we should pick maybe three items – one ordinance and two other tasks at a time. City Manager Bohenko stated that he feels that we should concentrate on setting up the Trust Fund first, and then introduce other items a little at a time.

**V. Adjournment**

At 7:05 p.m., Mayor Ferrini closed the meeting.

Respectfully submitted by:

Dianne M. Kirby, Deputy City Clerk