

1 **MINUTES**

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3 **HOUSING COMMITTEE MEETING**

4
5 **8:30 AM**

6 **SEPTEMBER 26, 2016**

7 **CONFERENCE ROOM A**
8 **MUNICIPAL COMPLEX, 1 JUNKINS AVENUE**
9 **PORTSMOUTH, NEW HAMPSHIRE**

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11 MEMBERS PRESENT: Rebecca Perkins, City Councilor (Chair); Chris Dwyer, City Councilor;
12 Eric Spear, City Councilor; David Witham, Former Chair, Zoning Board
13 of Adjustment; Nancy Colbert Puff, Deputy City Manager; Rick Taintor,
14 Planning Director;

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16 MEMBERS ABSENT: Mike Kennedy, Commissioner, Portsmouth Housing Authority; John
17 Ricci, Chair, Planning Board; Jessa Berna, Planner I

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20 **I. WELCOME AND CALL TO ORDER**

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22 Councilor Perkins explained that the Committee plans to propose to Council on October 17th three
23 documents: a matrix of geographic areas for zoning amendments, a housing policy, and a permitting
24 process.

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28 **II. APPROVAL OF MINUTES**

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30 A motion was made by Councilor Dwyer to approve the September 12, 2016 meeting minutes, as
31 amended. Seconded by Mr. Witham. The motion passed by a unanimous voice vote.

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35 **III. REVIEW SEPTEMBER 12 MEETING WITH DEVELOPERS**

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37 Councilor Perkins felt the September 12th meeting drew upon two key takeaways: to focus on
38 providing clarity and consistency, and to address concerns through education.

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40 Councilor Dwyer felt the meeting was grounded with specific recommendations that were opposite to
41 the general, common objections to affordable housing. She explained her concerns in the practicality of
42 providing affordable housing in the same approach that other communities have done. For example,
43 the suggestion of reducing impact fees was valid, but possibly not viable in Portsmouth. She also
44 placed an emphasis on the importance of place making.
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46 Mr. Witham thought that density was widely discussed. Also, it appeared that the downtown area
47 would not be a potential location. He concluded that there has to be a tradeoff for density and
48 questioned how the regulation can safeguard affordability from price hikes as a result of increased
49 demand.

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51 Councilor Dwyer mentioned it is worth considering the reuse of parking lots given the possible
52 overabundance of parking lots that currently exist.

53
54 Councilor Dwyer suggested to explore alternative forms of financing through discussion with banks to
55 support long term rent stabilization.

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57 Ms. Colbert Puff noted that in a separate discussion with Mr. Kane after the last meeting, he
58 emphasized the importance in understanding the target population of affordable housing. Housing
59 directly effects the economy and community.

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61 Mr. Taintor referenced Mr. Caseldon's comment that density should be tied to an affordability
62 component. He echoed Ms. Taylor's emphasis on the importance for the community to have a strong,
63 clear message about the desire for particular affordable housing developments. He also highlighted the
64 attention to place making.

65
66 Councilor Spear agreed that the level of success in all the efforts will trace back to effectively
67 communicating the City's desire for affordable housing.

68
69 Councilor Perkins felt that it is worthwhile to move forward with larger, bold changes.

70
71 Councilor Dwyer asked Mr. Taintor to describe how Planning Board waivers could operate. Mr.
72 Taintor thought it is a possibility to allow control through conditional use permit by the Planning
73 Board. It would require a provision that would specifically indicate what type of housing and what
74 type of criteria it would apply to.

75
76 Mr. Witham alluded to the notion that developers want to know what is allowed by right, rather than
77 through variances. He thought the ideas would be more viable if they were allowed by right. Mr.
78 Taintor referred to the Residential Density Incentive Planned Unit Development, developed in
79 consultation with the Housing Partnership in the early 2000s for a parcel on Kearsarge Way, which
80 was intended to encourage affordable housing through a density bonus. It was introduced as a pilot
81 with several restrictions but has never been used. He suggested that it could be worthwhile to revisit
82 that concept.

83
84 Councilor Dwyer thought it may be helpful to assess the demographic trends in the City to understand
85 the extent of housing need in the population. Councilor Spear added that identifying the targeted
86 population composition for the City could help inform the policies. Councilor Dwyer felt that when
87 considering underwriting amenities, that information would help to also understand the capacity of the
88 existing infrastructure. Councilor Perkins added that projected job growth rates may be an indicator for
89 future housing needs.

90

91 Mr. Taintor noted that based on the information gathered from the Master Plan process, the current
92 population growth rate is slow. In the region, the demand for total housing is different than the demand
93 for affordable housing. Ms. Colbert Puff referenced a report published recently by the Urban Land
94 Institute that examined the target population in metropolitan Boston and then projected the type and
95 amount of housing necessary to support that population. Councilor Perkins felt that analysis is
96 certainly necessary for long term planning and there are also immediate actions that the Committee
97 already identified that can be pursued.
98

99 Mr. Witham felt that affordable housing did exist in the City up until about four to five years ago due
100 to market forces. Mr. Taintor wondered to what extent the roles of market forces and regulation would
101 address the affordability. It is worth understanding what changes in regulations would be needed to
102 affect affordability. Councilor Spear felt the current regulations distort market forces by limiting
103 growth. Allowing for more housing in a broader sense increases the supply. If there were no
104 restrictions in the City, the supply within the Seacoast region would increase, thus making more
105 affordable options available elsewhere. He felt there are some disadvantages to offering affordability
106 incentives and it may be more beneficial to focus on increasing the supply.
107

108 Mr. Taintor asked whether the focus would be to provide affordability for the region or the City.
109 Councilor Spear acknowledged that it is still important to build an economically diverse portfolio of
110 options within the City. Councilor Dwyer thought the concept of regionalism is limited. She felt that
111 there is value in defining and understanding the interconnections of economic diversity, job growth,
112 and transportation needs. Councilor Perkins felt the solution should attract other areas of the region.
113 Mr. Taintor noted that in the last Master Plan, an examination of the jobs to housing balance revealed
114 that the City is a strong importer of jobs, which is greatly attributed to the Pease Tradeport. That area
115 generates a large portion of the high demand for housing. Councilor Spear suggested to focus the target
116 population on individuals that are employed in the City.
117

118 Councilor Spear felt that the overall message to the general population should be “we want housing”.
119 He favored the consideration for the value of economic diversity in those that live in the City.
120

121 Councilor Perkins added to the previous notion of market forces versus regulation that the market is
122 moving towards allowing higher density, which brings other benefits such as increased affordability,
123 job growth, and sustainability.
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127 **IV. CONTINUE DISCUSSION OF DRAFT RECOMMENDATIONS (8/18/16 EMAIL**
128 **FROM CHAIR)**

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- 130 a. Sites for Rezoning

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132 This agenda item was discussed after the Housing Policy. Based on public feedback and Councilor
133 Spear’s comment, the Committee decided to re-address the content of the housing committee sites grid
134 at the next meeting.
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136 b. Housing policy

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138 Councilor Perkins suggested reordering the paragraphs of the drafted housing policy.

139

140 Councilor Dwyer wanted to provide clarity and context that the policy focuses and addresses
141 workforce housing.

142

143 The Committee discussed that the verbs utilized in the core commitment statement should be stronger
144 and indicate the City's involvement.

145

146 Councilor Perkins suggested the vision could include the relation to the targeted population and job
147 growth.

148

149 Councilor Perkins suggested that the key principle for housing choice and affordability should
150 elaborate further on the income levels. Councilor Dwyer thought a formal definition of workforce
151 housing could support that.

152

153 In response to Mr. Witham's question, Mr. Taintor explained that data for the median income level of
154 individuals that work in Portsmouth (as opposed to those who live in the City) are not available, but
155 there may be some information about salaries by job or industry classification.

156

157 Councilor Spear suggested the vision and core commitment statements would indicate the goal is to
158 meet the housing needs for those that work in Portsmouth.

159

160 Mr. Taintor noted that workforce housing costs are based on the median household income of the
161 housing market area, which focuses on the people who live in the region. He explained that workforce
162 housing is intended to be affordable for purchase by those that earn the median income within the
163 region and for rental for those that earn 60% of the regional median income.

164

165 Councilor Dwyer felt that approaching every new development as an opportunity for an affordable
166 option would be fairly opposed and could be contrary to the key principles. Councilor Perkins
167 suggested that the City instead seek opportunities with limitations. Councilor Dwyer added to her
168 previous statement that expanding every single future development could hinder fulfilling all key
169 principles in certain locations. After further discussion, the Committee felt that the core commitment
170 should include reference to planning and zoning.

171

172 Councilor Spear questioned the value in some of the key principles, such as quality of design. Mr.
173 Taintor suggested that the three key principles, Character and Heritage, Quality of Design, and
174 Sustainability and Environment, could be bundled together. The Committee discussed further the
175 inclusion and rewording of those three principles since they together ensure the housing is inviting
176 without imposing too high standards. Ms. Colbert Puff felt that Quality of Design and Sustainability
177 and Environment could be combined and called Placemaking. The Committee concurred. She added
178 that it is helpful to learn from the placemaking developments that have been successful in the City.

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180 Councilor Dwyer emphasized that a set of residential standards could help to illustrate what a
181 residential area consists of in terms of housing types, as opposed to specific neighborhood blocks.

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Councilor Dwyer thought the Sustainability and Environment principle could be incentivized. Councilor Perkins added that it is intended to communicate how smaller units can support that principle more than larger homes. Mr. Taintor suggested removing it since the existing site plan requirements enforce that principle. The Committee concurred.

The Committee made several suggestions to the policy and concurred without much discussion to revise as follows:

- Section III.5. – Remove the last sentence regarding minimal changes outside the target areas.
- Add reference to specific target areas per Mr. Witham’s recommendation.
- Section III.5. – Add reference regarding infill in existing neighborhoods, since that is broadly discussed in Section IV. Focus Areas.
- Section V – Add an introductory sentence.
- Section IV – Incorporate the reference that pertains to new developments that renovate, reuse, or infill.
- Section V.1. – Provide a clearer definition of person-scale density.
- Section V.3. – Title the section as Impact on Affordability, rather than Financial Feasibility.
- Section VII. – Remove the section since it appeared too specific.
- Section VIII.2. – Remove Department of Public Works since that would be unnecessary.

Councilor Dwyer felt that examples previously referenced could be described under municipal investment and public infrastructure. Councilor Spear considered whether a consultant could provide assistance in preparing several zoning amendments that have recently arisen as appropriate. Mr. Taintor added that it could include a statement that the City will support through provision to accomplish needed zoning changes to meet key principles.

The Committee discussed and suggested to add criteria to capital improvement project requests that could indicate the level of affordability.

Mr. Taintor thought a specific annual report may not be necessary. Councilor Dwyer suggested that the Planning Board could perform a review of progress annually. Mr. Witham added that it could be an opportunity to bring together several other boards and committees as well.

Councilor Dwyer suggested that a strategy to expand opportunities for home based opportunities would not fall under the drafted policy, but could be useful elsewhere.

- c. Village center permitting

Councilor Perkins noted the permitting could be revisited at a later time.

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223 **V. PUBLIC COMMENT**

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225 Rick Becksted, 1395 Islington Street

226 Mr. Becksted was intrigued by comments made by Mr. Wagner in the previous meeting regarding the
227 Pease Development Authority. He felt that the City provides a great deal of services and support to that
228 area and questioned whether it is equally balanced.

229

230 In response to the discussion with the developers, Mr. Becksted feared lowering the standards. He did
231 not feel the taxpayers should pay for roads, sidewalks, curbing, and amenities. The City has very low
232 impact fees, which shows a developer it is an investment on the community or a buy-in. Dover attracts
233 quality investors and developments because of their various impact fees.

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235 Mr. Becksted stated his support for being cautious when adding new development. He thought there
236 are opportunities available at commercial properties that are primarily active for a few months out of
237 the year. The expensive land costs in the City will cause an issue for achieving the models of
238 workforce housing that currently exist. He suggested considering what regional amenities currently
239 exist to inform what options are available. He explained why the concept of infill may actually
240 increase housing costs. He emphasized that a key principle should intend to not diminish the value of
241 the existing housing stock.

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244 **NEXT MEETING – OCTOBER 17, 2016 AT 8:30 A.M.**

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247 **VI. ADJOURNMENT**

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249 The Housing Committee meeting of September 26, 2016 adjourned at 10:27 a.m.

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253 Respectfully submitted,

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258 Marissa Day

259 Acting Secretary for the Housing Committee