

SPECIAL CITY COUNCIL MEETING

MUNICIPAL COMPLEX
DATE: MONDAY, DECEMBER 9, 2024

PORTSMOUTH, NH
TIME: 6:00PM

I. CALL TO ORDER

Mayor McEachern called the meeting to order at 6:00 p.m.

II. ROLL CALL

PRESENT: Mayor McEachern, Assistant Mayor Kelley, Councilors Tabor, Cook, Denton, Blalock, Bagley, Moreau and Lombardi

III. PLEDGE OF ALLEGIANCE

Mayor McEachern led the City Council in the Pledge of Allegiance.

IV. PUBLIC COMMENT SESSION

Tom Kaufhold – spoke in support of the project being awarded to the Portsmouth Housing Authority (PHA) and positive direct experiences he has had with PHA.

Steven McCarthy – spoke in support of choosing PHA as the developer for the Sherburne property and praised them for their past projects in the City.

Patricia Martine – stated that if a community creates a housing authority to handle housing issues, they should support said housing authority rather than looking to other non-profits to do the same thing. She spoke about how PHA reinvests in the community and continues to create housing.

Maureen Mills – spoke in support of the Portsmouth Housing Authority and the open communication and engagement experienced with the Executive Director of PHA.

Anna Vorsteg - spoke in support of awarding the bid to PHA and the benefits to the citizens of Portsmouth if PHA is chosen.

Eric Anderson - stated that both proposals being considered are good options, just conceptually different. He suggested the Council carefully consider their preference for the property with and without the school building.

Kara Anne Rodenhizer - spoke of her history working with PHA as Director of Home For All and praised PHA for their above and beyond approach within the Community.

Vicki Boyd - urged the Council to act on the recommendation of the Blue Ribbon Housing Committee and choose PHA for the Sherburne project and spoke in favor of PHA's work within the community.

Shawn Muske - acknowledged his opposition to the Sherburne housing project as a whole and expressed the need for green space. However, he encouraged the city to leave the school building remaining. Additionally, he felt that there was not strong community engagement and outreach to those opposed to the project.

Joan Hamblet - spoke in support of PHA and the work they've done within the community.

Katelyn Beach - asked the City to consider Preservation of Affordable Housing for the project and referenced their RFP ranking, which was 150 points higher than PHA.

Manny Garganta - stated that based on the RFPs, both firms would be great options. He questioned the potential of "mothballing" the Sherburne school.

Kristen Kern - stated concern that multi-story buildings would feel out of place in this area of single-family homes. She suggested that the highest-scoring firm in the RFP process should be selected and felt that POAH was the best option.

Paige Trace - emphasized that the City had spent staff time and effort through the RFP process in ranking these firms. She suggested that the POAH proposal is more in line with the needs and desires of the neighborhood.

Rick Beckstead - equated the RFP ranking process to the scoring process used to select the City Manager. He recommended that the City adhere to the process they put in place and award the project to POAH.

Jim Smalley - stated that competition is healthy and expressed concern about awarding the project to PHA who is already the City's largest landlord.

Ellie Birch - spoke in favor of PHA as the developer for the Sherburne project.

Tricia Labelle (Zoom) - strongly advocated for PHA and spoke in favor of their local connections and direct accountability to the City's residents.

V. SHERBURNE PROPERTY DISPOSITION

Councilor Bagley posed a parliamentary inquiry. He recalled that the vote on the Sherburne Property disposition was postponed to a time certain and asked if there would need to be a motion to continue the discussion. City Attorney Susan Morrell stated that the item was not tabled but rather postponed to the next meeting, which is occurring now, so the motion is still active. Mayor McEachern suggested the motion be restated for discussion purposes.

Councilor Bagley moved to authorize the City Manager to enter into a contract with the Preservation of Affordable Housing (POAH) for permanent below market housing at 35 Sherburne Road, substantially aligned with the proposal #09-25 and response dated October 11, 2024. Councilor Cook seconded the motion.

Councilor Bagley acknowledged that both developers being considered would produce a good product, however, he felt that the POAH proposal was the better option. He referred to the RFP process the City had employed for the Sherburne property with POAH being the highest-ranking respondent. He expressed concern that vendors and developers would be less likely to engage with Portsmouth if the City does not adhere to the results of their established RFP process and rankings.

Councilor Blalock pointed out that both respondents had similar proposals and options, but he emphasized that these proposals are just conceptual and not final designs. He spoke in support of the Portsmouth Housing Authority, their local ties and relationships built within the community and stated that PHA has access to more tax credits as a Housing Authority of the State of NH.

Councilor Denton expressed hope that the Sherburne property would be the first affordable housing project on City property in many years. He hoped that the firm that is not selected would consider competing for future bids. Councilor Denton agreed that not choosing the top-ranked proposal could discourage future RFP submissions.

Assistant Mayor Kelly stated that the Housing Committee had met on Thursday evening. All Council members abstained from the vote and two committee members were absent, but the remaining members voted 4 - 3 to recommend that the City Council select PHA.

Councilor Tabor acknowledged the two methods at hand in selecting a firm: the RFP process with a detailed scoring rubric, and the result of community input. While the decision by the voting members of the Housing Committee was close, Councilor Tabor stated he would support the top-ranking proposal of the RFP, POAH. He stated that he prefers their one-phase proposal as opposed to the

multiple phase proposal of PHA and felt that not solely relying on PHA would encourage more diversity in developers within the City. Councilor Tabor gave detailed reasons why he would support POAH for the Sherburne Project including their ability to complete multiple projects in a short time, their strong financial standing, and a better suited design for the suburban neighborhood.

Councilor Cook expressed concern about the long delay to the project, noting that it had already taken two years to reach this point with further delays only prolonging the housing shortage, which is a critical need within the City. She stated that the PHA proposal offers a faster timeline for construction while also preserving the Sherburne School and adding 28 more units than the POAH proposal. Councilor Cook pointed out that the majority of feedback from the neighborhood and community input favored PHA.

Councilor Moreau expressed conflicting feelings about a final decision, with both proposals having merit. She stated that a combination of the two would be ideal and that even after weighing the options, it would be a difficult decision.

Councilor Lombardi agreed with Councilor Cook regarding the importance of density and the need for more workforce housing. He agreed that PHA would be able to deliver housing sooner with more green space and expressed support for the PHA proposal.

Assistant Mayor Kelley stated that she has spent a considerable amount of time reviewing each proposal and agreed that it was a difficult decision due to the merits of each proposal. She highlighted the strengths and attributes of each firm being considered. Assistant Mayor Kelley reiterated that these are proposals being considered, not finalized plans, and there will be room for adjustments during the process. She stated that the focus should be the long-term good of the community and ensuring that more people have access to housing.

Mayor McEachern passed the gavel to Assistant Mayor Kelley.

Mayor McEachern emphasized that both firms have strengths and have presented themselves well to the community. However, he believes that PHA's proposal holds more promise for the city in the long term, especially due to their local connection, track record, and ability to handle public housing effectively. He stated that investing in PHA not only aids in the development of this project but also contributes to other community programs and services. Mayor McEachern stated that he would support PHA with hopes that certain aspects of POAH's plan can be incorporated. He also expressed hope for ongoing collaboration between both firms to benefit the City's future housing projects.

Councilor Bagley stated that PHA has expressed commitment to keeping the property below market rate but clarified that due to the property being City-owned and utilizing a 100-year land lease, this would be a requirement with either proposal. Such a lease, regardless of the developer chosen, would ensure that the property will be maintained at below-market rates providing security for affordable housing as long as the City negotiates these criteria with the land lease.

Councilor Bagley also praised the suggestion in POAH's proposal to compensate PHA for the work they had already done on the Sherburne School site, which was not seen in any other proposal submitted. He emphasized the time and costs put into these proposals and suggested that if ideas from POAH's proposal are integrated into PHA's design, that POAH be appropriately compensated.

Councilor Bagley also suggested that if preference is to be given to local entities, this should be reflected in future RFPs for the sake of transparency.

Mayor McEachern called for a roll call vote for the motion on the floor as follows:

To authorize the City Manager to enter into a contract with the Preservation of Affordable Housing (POAH) for permanent below market housing at 35 Sherburne Road, substantially aligned with the proposal #09-25 and response dated October 11, 2024.

The motion failed by a 6 - 3 roll call vote with Assistant Mayor Kelley, Councilors Cook, Blalock, Moreau, Lombardi, and Mayor McEachern voting opposed and Councilors Tabor, Denton, and Bagley voting in favor.

Assistant Mayor Kelley moved to authorize the City Manager to enter into a contract with the Portsmouth Housing Authority (PHA) for permanent below market housing at 35 Sherburne Road. Councilor Blalock seconded the motion. The motion passed by an 8 - 1 roll call vote with Assistant Mayor Kelley, Councilors Tabor, Cook, Denton, Blalock, Moreau, Lombardi, and Mayor McEachern voting in favor and Councilor Bagley voting opposed.

Assistant Mayor Kelley moved to enter into a non-public session pursuant to RSA 91A-D:3, section 2(E) and 2(L) to consider threatening litigation against the City and legal advice. Councilor Blalock seconded the motion. The motion passed by a 9-0 roll call vote with Assistant Mayor Kelley, Councilors Tabor, Cook, Denton, Blalock, Bagley, Moreau, Lombardi, and Mayor McEachern voting in favor.

The City Council entered the non-public session at 7:36 PM.

VI. ADJOURNMENT

The City Council came out of non-public session and adjourned the meeting at 8:54 pm.

Respectfully Submitted,

Cassie Givara
Deputy City Clerk