



AGENDA

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

August 14th 2024
5:30 p.m.

- I. Roll Call (5 minutes)
- II. Council Request for Guidance on Municipal Property at 35 Sherburne Road.

Attachments

- a. City Manager's Comments to the City Council regarding RFQ #52-24 Municipal Property at 35 Sherburne Road.
- b. Correspondence from citizens regarding the RFQ.

**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_6vxYiIOKQS6mo5E-60KjEQ

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



ATTACHMENTS

City of Portsmouth Housing Blue Ribbon Committee

Wednesday, August 14th 2024

Attachments

- a. City Manager's Comments to the City Council regarding RFQ #52-24 Municipal Property at 35 Sherburne Road.
- b. Correspondence from citizen regarding the RFQ.

I recommend that the City Council move to adopt the proposed Local Emergency Operations Plan as presented.

3. **Request to Appoint a Motor Vehicle Agent:**

A Municipal Registration Agent is an appointed Municipal Official who serves as an agent of the State of New Hampshire authorized to process registration and title transactions on behalf of the NH Division of Motor Vehicles (DMV).

Since the departure of former Tax Collector Nancy Bates from the City, Deputy Tax Collector Ed Gioioso has served as the de facto Agent. The DMV has requested that Portsmouth formalize our appointment of this Agent. This is an important step in ensuring our continued service to residents with motor vehicle registrations and title transactions.

We have compiled the required documentation to support the Municipal Registration Agent Application. The final element is for the City Council to approve the appointment of our applicant. Proof of such will complete the requirements of the DMV.

I recommend that the City Council move to approve the appointment of Deputy Tax Collector Edward Gioioso as the Municipal Registration Agent for Motor Vehicles in the City of Portsmouth.

4. **RFQ #52-24 Municipal Property at 35 Sherburne Road Status Update - Recommendations for Next Steps and Policy Decision Guidance Sought:**

In May 2024, the City issued a Request for Letters of Interest and Statements of Qualifications from real estate developers and other entities regarding their capacity to design and construct permanent, below-market rate housing on municipally owned property at 35 Sherburne Road. An internal selection committee was created to support the review and evaluation process consisting of the following staff: Joe Almeida, Peter Britz, Sean Clancy, Jillian Harris, Peter Rice, Howard Snyder, Peter Stith and Shanti Wolph, with legal assistance from Jennifer Smith and Trevor McCourt.

Eight development firms responded to this Request. The submittals were scored using the criteria established in the RFQ which included, among other criteria, experience with below market rate housing and professional qualifications. The four highest scoring firms listed below were invited to participate in interviews held during the second week of July:

- Avesta Housing
- Pennrose
- Portsmouth Housing Authority
- Preservation of Affordable Housing

The purpose of the interviews was to both better understand the capabilities of the four development entities and inform a potential Request for Proposal which would provide greater conceptual consideration for this unique site. The four teams were given questions in advance for consideration and inclusion in their presentation which included:

- Would it be more advantageous for the City to sell the site with housing covenants rather than convey the necessary rights through a long-term lease?
- Would the opportunities for housing at this site be improved if the City allowed the existing building to be demolished or is there a reasonable reuse potential for the existing building?
- What is the optimal range, mix and/or type of below-market housing to best build community, create financial stability and ensure a long-term successful project?
- If the existing ballfield is impacted, what are other opportunities at this site for recreation and community space?
- Are there any site/utility/transportation or other challenges you identify as important to explore or address early in the process?
- What special considerations in site design and construction do you anticipate due to the proximity to the highway?
- What are potential funding opportunities for projects of this type?

Provided below is housing data from New Hampshire Housing for your consideration as you consider the recommendations which follow and to provide staff with input and guidance moving forward. This data outlines household incomes, income limits and rent limits for housing programs based upon US Department of Housing and Urban Development (HUD) guidelines, all of which are used as guidelines for any federal tax subsidy housing program.

HUD considers the City of Portsmouth in the Portsmouth-Rochester, NH statistical area, and has determined the area median family income (AMI) to be \$131,200. It is noted that the median family income in New Hampshire is \$119,900, with the national AMI at \$97,800. The first table outlines HUD’S income limits by household size based upon the \$131,200 AMI.

Portsmouth-Rochester, NH				
2024 AREA PROGRAM INCOME LIMITS				
INCOME LIMIT	1 PERSON	2 PERSON	3 PERSON	4 PERSON
80% of AMI (LOW INCOME)	\$68,500	\$78,250	\$88,050	\$97,800
60% of AMI	\$55,140	\$63,000	\$70,860	\$78,720
50% of AMI (VERY LOW INCOME)	\$45,950	\$52,500	\$59,050	\$65,600
30% of AMI	\$27,550	\$31,500	\$35,450	\$39,350

The second table outlines HUD’s fair market and rental program limits by household size based upon the same \$131,200 AMI:

Portsmouth-Rochester, NH					
2024 AREA PROGRAM RENT LIMITS					
RENT LIMIT	EFFICIENCY/STUDIO	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
FAIR MARKET	\$1,481	\$1,582	\$2,003	\$2,557	\$2,999
80%	\$1,712	\$1,834	\$2,201	\$2,543	\$2,836
60%	\$1,378	\$1,476	\$1,771	\$2,046	\$2,283
50%	\$1,148	\$1,230	\$1,476	\$1,705	\$1,902

The interviews yielded purposeful content and dialogue. Insights gained by the selection committee are provided below as recommendations to, with input and guidance requested from, the City Council at this juncture in the process:

- A Request for Proposals (RFP) is issued to the four interviewed entities.
- The RFP would include a specific request for two conceptual redevelopment options – one showing adaptive reuse of the existing building and another showing the redevelopment of the entire site without the existing building. Both options must show potential opportunities which are sensitive to the context of the site and the neighborhood.
- A public outreach and engagement program with area residents will be a critical component of any redevelopment effort for the site. A clearly articulated community engagement plan shall be a required element in submittals.
- Green building/passive house design shall be a desired element in the evaluation of submittals.
- The proposal should clearly describe the mix of housing types to be included (for sale, rental (including mix of bedrooms), mixed income, etc.).
- The City will contract with a third-party consultant with specialized professional services pertaining to the analysis of subsidized housing development proformas.

In preparation of an RFP, and based upon feedback received from the four interviewed teams, we need input and guidance from the City Council on the following:

Disposition of the existing building: Better overall master planning of all components of a new neighborhood could be achieved if the existing building is removed. It would be valuable to review proposals that include removal. Alternatively, there may be grants, tax credit programs, and other funding mechanisms available that could support adaptive reuse of the existing building if it were redeveloped into housing. However, it is not clear if the former school qualifies for these programs. If the building were to remain, how should it be repurposed: for additional housing units, or for neighborhood and community-based uses accessible to the general public?

Mix and Type of Housing: Submittals should include a recommendation regarding the mix and type of housing to meet the community’s need for below market housing. Staff recommends that the focus be on rental units only with a mix of income levels with a mix of 1,2 and 3 bedrooms. It would be helpful for proposers to know if there is acceptance for fair market rate housing in the mix that might be required to support/offset housing units at or below 60% AMI.

Additional Municipal Support: Submittals should identify if their proposal is dependent upon financial support from the City.

Ground Lease or Other Ownership Model: Based on the interviews, staff recommends that submittals be limited to proposals which envision a long-term ground lease (a lease over 70 years and typically as long as 99 years is considered as fee simple by financing entities).

Impact on the Softball Field and alternative open or recreational space: Are there any criteria or programming needs for open space that should be suggested or required as part of this redevelopment project? Of note: the second athletic field currently in design with construction set for spring of 2025 will include a softball field.

Staff is prepared to issue an RFP in August should this be the desired path forward.

I recommend that the City Council move to authorize the City Manager to prepare and issue a Request for Proposals to the four entities interviewed which encompasses the feedback received this evening.

5. **South Meeting House Next Steps:**

The City received a single proposal in response to RFP 58-24 - South Meeting House Reuse. That proposal is from the Schleyer Foundation (Foundation) and includes Chinburg Builders, ARcove Architects, and the Portsmouth Music and Arts Center (PMAC). [Please see the attached proposal.](#) The City did not receive a proposal from the VFW. Instead, they provided a letter indicating their decision not to propose on the project.

City staff views the Schleyer Foundation proposal as responsive and strong. The Foundation proposes a significant investment in the historic structure along with an ongoing maintenance program. The proposed re-use supports the City Council’s ongoing support of the arts community and includes a well-established partner in PMAC. The proposal team has a history of success, the most recent example of which is the Carey Cottage restoration. City staff conducted an initial interview with the Foundation and team on July 30, 2024 as part of the City’s initial due diligence. At this juncture, City staff is looking for confirmation that the City Council will support this proposal in concept.

If the City Council views this proposal favorably, staff will work with the Foundation to develop the legal documents necessary to bring this reuse forward for further consideration by the City Council. Staff further recommends scheduling a public meeting for the Foundation to present its proposal to the community and to gather public input.

Fwd: City Council Website Contact Form

Councilor John Tabor <councilor.tabor@cityofportsmouth.com>

Mon 8/12/2024 7:34 AM

To:Howard A. Snyder <hasnyder@cityofportsmouth.com>

Input to the committtee from a community member... to be shared with other correspondence

Get [Outlook for iOS](#)

From: Wes Tator <wes@2bgreenprofitably.com>

Sent: Sunday, August 11, 2024 11:49 PM

To: Councilor John Tabor <councilor.tabor@cityofportsmouth.com>

Subject: RE: City Council Website Contact Form

At the risk of duplication...

I am asking, "What is the tenants' experience of the developer, and what evidence is there that representation is accurate?"

This can be framed in all manner of ways.

Namaste,

Wes

From: Councilor John Tabor <councilor.tabor@cityofportsmouth.com>

Sent: Saturday, August 10, 2024 6:25 AM

To: westator@gmail.com

Cc: City Council - Shr <ccemail@cityofportsmouth.com>

Subject: Re: City Council Website Contact Form

Thanks, Wes - will pass this on to our committee

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From: City of Portsmouth <webformsubmission@cityofportsmouth.com>

Sent: Thursday, August 8, 2024 9:29:08 PM

To: Councilor John Tabor <councilor.tabor@cityofportsmouth.com>

Cc: City Council - Shr <ccemail@cityofportsmouth.com>

Subject: City Council Website Contact Form

Submitted on Thu, 08/08/2024 - 21:29

Submitted by: Anonymous

Submitted values are:

Name

Wes Tator

Email

westator@gmail.com

Subject

Workforce Housing RFP

Message

Jphn, first, thank you, and congratulations for leading this excellent process for Sherburne School. Was there an inquiry as to the tenants' experience in what I presume was an RFQ phase? I ask because I am now conversing with PHA over what is and what is not permissible and what is appropriate notice regarding building changes.

I have come to realize that this is an important topic for the matter of what kind of service is provided once the structures are built;

If this was not previously considered, then I suggest it be put into the RFP in some form. This is a bit of a challenging topic, but it is very real for the people living in the structures and those owning them. Comments, suggestions, questions??? Thanks John.

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