

**PLANNING BOARD
PORTSMOUTH, NEW HAMPSHIRE**

**EILEEN DONDERO FOLEY COUNCIL CHAMBERS
CITY HALL, MUNICIPAL COMPLEX, 1 JUNKINS AVENUE**

6:00 PM (*Reconvened from February 15, 2024*)

February 29, 2024

MEMBERS PRESENT: Rick Chellman, Chairman; Greg Mahanna, Vice Chair; Karen Conard, City Manager; Joseph Almeida, Facilities Manager; Beth Moreau, City Councilor; James Hewitt, Jayne Begala, Paul Giuliano and Andrew Samonas

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ALSO PRESENT: Peter Stith, Planning Manager

MEMBERS ABSENT: William Bowen, Alternate

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Chair Chellman called the meeting to order at 6:00 p.m. He stated that Vice-Chair Mahanna and Mr. Samonas would be late to the meeting. Jim Hewitt explained why he had to recuse himself from the property behind the Service Credit Union.

I. PUBLIC HEARINGS – NEW BUSINESS

A. Amend the Zoning Map to change the zoning designation to Gateway Neighborhood Business (G1) as follows: from Office Research (OR): Map 267 Lot 4, Map 267 Lot 5, Map 267 Lot 6, Map 267 Lot 7, Map 267 Lot 8, Map 252 Lot 1, Map 252 Lot 1-7, Map 233 Lot 145, Map 234 Lot 3, Map 234 Lot 7-7, Map 234 Lot 2; from Garden Apartment/Mobile Home Park (GA/MH): Map 291 Lot 1-1 and Map 285 Lot 1; from General Business (GB): Map 234 Lot 7-6, Map 234 Lot 5, Map 234 Lot 6, Map 234 Lot 51, Map 174 Lot 12, Map 174 Lot 13, Map 175 Lot 11, Map 175 Lot 4, Map 175 Lot 5, Map 236 Lot 35, Map 236 Lot 34, Map 236 Lot 33 (portion of), Map 236 Lot 36, Map 236 Lot 39, Map 237 Lot 56 (portion of) and Map 237 Lot 57; from Single Residence B (SRB): Map 243 Lot 66, Map 229 Lot 6, Map 229 Lot 6A, and Map 268 Lot 97; from Mixed Residential Business (MRB): Map 217 Lot 1 (portion of) and Map 217 Lot 2A (portion of); from General Residence A (GRA): Map 174 Lot 14; from Industrial (I): Map 273 Lot 5; from Industrial (I) and General Residence A (GRA): Map 173 Lot 9.

Amend the Zoning Map to change the zoning designation to Gateway Neighborhood Mixed Use Center (G2) as follows: from Single Residence B (SRB): Map 246 Lot 1.

Amend the Zoning Map to change the zoning designation to Garden Apartment/Mobile Home Park (GA/MH) as follows: from Gateway Neighborhood Business (G1) and Office Research (OR): Map 215 Lot 9.

The above Zoning Map changes are proposed pursuant to Chapter 10, Article 4, Zoning and District Use Regulations, Section 10.421, District Location and Boundaries, Section 10.421.10 of the Zoning Ordinance.

SPEAKING TO THE PETITION

[Timestamp 6:30] Chair Chellman summarized the origin and goals for the zoning map designation amendments and read the list of zoning amendment changes into the record. Mr. Stith noted that the Land Use Committee originally looked at nearly 70 parcels and narrowed it down to 40 parcels, which were consensus parcels that were agreed upon to move forward. He said they were presented to the City Council at their January meeting and referred to the Planning Board for consideration. He said the Staff Memo provided additional information as to how it was consistent with the Master Plan, specifically on the corridor areas. He said the corridors were identified as existing commercial ones and the goal was to make the corridors more mixed-use districts. Chair Chellman said he thought all the proposals were consistent with, and a continuation of, the amendments that flowed from the 2015 Master Plan. He noted that Portsmouth Listens brought up a few zoning amendments that would require an update to the Master Plan. Mr. Hewitt said the Master Plan was finalized in February 2017 and shortly thereafter 170 properties were rezoned G1 and G2. He said those 170 properties had been the only major effort on rezoning and he wondered why the 40 properties were not included back then. Chair Chellman said they looked at the existing Gateway District zoning and changed many of the parcels to conform with the recommended Master Plan changes, creating the new Gateway Districts. It was further discussed. Mr. Stith said they were zoned General Business (GB), and in 2010 the old Gateway District was created to go into the boundaries of the GB district, and in 2017, the old Gateway was converted to Gateway One and Gateway Two within the borders of those districts and didn't expand in any manner to other parcels. Chair Chellman said a lot of the older zoning was more single use and excluded residential, and one of the charges of the Land Use Committee was to find opportunities for residential. He said it felt that it was consistent with what the Board had done.

Chair Chellman opened the public hearing.

SPEAKING TO, FOR, OR AGAINST THE PETITION

First Round Speakers

Tom Ferrini of 69 Taft Road said he was the chairman of the Portsmouth Housing Authority, who believed that the zoning changes were in the best economic interests of the city to have housing opportunities in the proposed districts so that employees could live in Portsmouth

Margaret O'Brien, principal broker of Bow Street Commercial Brokerage, said there was a big shift in office users because companies were downsizing after Covid. She said the office parks were dying and thought they could be considered in the second round of properties changing to the Gateway District.

Chris Hilson said he was a Portsmouth attorney who wanted to articulate the support of his clients regarding the amendments and the lack of workforce housing. He asked that the lots on Commerce Way and Portsmouth Boulevard in the Gateway District be in the next round.

Petra Huda of 280 South Street said the packet included four car dealerships, two church properties, five hotel properties, a marine, and medical buildings that would not change, and some of the parcels were very small. She asked what benefit .12 of a parcel would give for housing and why there was no analysis on properties with wetlands.

Mike Mulhern, owner of Service Credit Union of 3003 Lafayette Road, said it was difficult for his employees to find housing in Portsmouth and that people declined employment offers due to the housing expense. He said some of their parcels were zoned Apartment/Mobile Home and that they were looking for increased density so that they could offer more affordable housing.

Rick Becksted of 1395 Islington Street said he would speak during the second round.

Patricia Martine of 139 Aldrich Road said it was a housing crisis, and what the Board was doing was a beginning but it needed to be made an emergency.

Andrea Pickett of Osprey Landing said the Board should grant what they could now instead of waiting for the next Master Plan because there was an immediate need for affordable housing. She asked what programs were available for those who didn't fall under the poverty line but didn't qualify for mortgages. She said friends had to leave their jobs and move. She said she would lose her Section 8 voucher because she got promoted and wondered where she would go.

Esther Kennedy of 41 Pickering Avenue said the city was in this crisis because numerous units for affordable housing had gone to market value because they did their 20 or 30 years. She said not putting parameters in that zoning would not support the community in 20 years. She said people making minimum wages couldn't be brought into the city at the current rental levels.

Elizabeth Bratter of 159 McDonough Street passed out some documentation to the Board and said he would speak in the second round.

Paige Trace of 27 Hancock Street said she understood what the Board was doing with the rezoning of properties to include them in the Gateway District for residential, but she was concerned that the new budget was kicked down the road to next year. She said the City wasn't addressing the real problem, which was that it couldn't build housing cheap enough for people to afford and house their families. She said the Master Plan belonged to everyone.

Second Round Speakers

Rick Becksted of 1395 Islington Street said Portsmouth would never build itself out of the crisis and had to protect what existed. He said two housing projects were lost because the NHDOT would not allow an exit or entrance onto Spaulding Turnpike. He suggested that the Board recommend to the City Council that a certain portion of the Spaulding Turnpike have no housing

due to sound barrier issues. He said there should be housing at the Community Campus property. He said there was a reason why some properties had not been developed and that the City didn't have the help from the Federal government anymore and should do exemptions.

Elizabeth Bratter of 159 McDonough Street explained in detail why she thought the zoning should remain the same or change, including that the Rite Aid property should be MRB, the Spaulding Turnpike, Best Western, Holiday Inn and Elwyn Park should be Gateway 2, and Borthwick Ave should stay the same to keep the open space. [Timestamp 49:35]

No one else spoke, and Chair Chellman closed the public hearing.

DISCUSSION OF THE BOARD

[Timestamp 55:50] Ms. Begala said she was concerned that the Board was just doing a mapping exercise, which wasn't the approach to get the kind housing they wanted for all. She agreed that the Land Use Committee was created by the City Council to look at diversifying land use regulations, and that the zoning considerations the Board was looking at was to create more opportunities for housing development, but she didn't think it was the way to go forward. She said rezoning everything to Gateway One would not achieve diversification or create more opportunities for housing development. She said more buildings coming in could not be controlled so that they didn't go to market rate and that it took planning to include connectivity and integration of buildings into neighborhoods. She said certain corridors should not be expanded because they already comprised 38 percent of Portsmouth's land. She said the Master Plan encouraged walkable mixed-use development along existing commercial corridors, but she didn't think it had been achieved. She said the Portsmouth Listens group talked about a vision of neighborhoods and emphasized that they wanted equity with as much focus on neighborhoods as downtown. She said a mapping exercise did not consider architectural design standards for quality in low-income housing. She said better incentives were needed for affordable housing and that there could be exceptions for workforce housing included in the City's budget. She said corridors should be rezoned and not expanded and that requirements were also needed for building out complete streets and ensuring open spaces for quality of life for everyone. She said affordable housing should not relegate people to corridors of wasteland. She said neighborhoods should connect to walkable services and have character. She asked who would want to live off the Spaulding Turnpike, with no sound barriers protecting neighborhoods. She said the Portsmouth Listens report stated a need to increase owner units by 227 and renter units by 2,897. She said the City needed a plan with timelines and deadlines to meet and asked how that would be done if there was no inventory of what existed and what was approved for future projects. She said she wanted a Master Plan that had measurable indicators and suggested that City departments work together to determine infrastructure capacity and transportation needs. She said the Board might have to work incentives or exceptions for larger scale housing to meet the demand. She asked if the Board should consider the rezoning in segments or table it until a full approach with upfront data and outcomes and rationales for all 39-40 parcels was clear to everyone. She thought shunting everything to the Master Plan process was not a good idea and thought the Board had to hear the rationale for each parcel and how it would result in further housing development, or else she would have to vote no.

[Timestamp 1:17:22] Chair Chellman said it was a zoning exercise and some of the things discussed in addition to zoning were changes to site plan review regulations. He said Gateway zoning created the opportunity to create mixed-use neighborhoods that didn't exist as much as in the other zoning, but the physical layout and how that design fit in was a site plan issue. He said zoning could provide parameters and that he didn't think the word 'crisis' should be used because it created the wrong legal connotation. He said there was a concern that had to be addressed and the market was changing since the Master Plan was created, but it wasn't "this or nothing". He said the Board had discussed looking at site plan regulations and adding architectural design guidelines outside of the Historic District and should continue to discuss it because that was how mixed-use neighborhoods were created, but it couldn't be done if the base zoning didn't allow for it. Mr. Almeida noted that the Planning Department section on the City's website spoke to the questions asked about the existing housing stock and categories. Mr. Samonas said the Board had a great sampling of public opinion that evening and heard two very different dichotomies of opinions, which helped because one of the Board's purposes was to have a dialogue with all members of the public and hear their ideas on how to improve the City. He noted Portsmouth Listens stated statistics that there was one percent available land to build on in the City, and the average time for people to live in Portsmouth was 50 years. He said some of the older properties that would turn over from people moving out could be used to create units from within those properties, like a building on Middle Street that created 19 additional units. He said a property owner could rent those units at a lower cost than a developer's units. He said quantifiable metrics in the Master Plan were necessary and that proactivity had to be focused on. He noted that the United Way had a program that gave property owners with multi-family buildings up to \$850 per unit per year to improve the threshold of quality for lower income apartments, and he asked if that concept could be used at local level. Councilor Moreau said the changes made were in line with many of the City's policies and plans, with the Master Plan being one and the housing policy being one. She said market studies were done in Portsmouth by PSA, the regional RCP, and the State of New Hampshire that gave the City Council data that supported the plan to create the opportunity for housing. She said just because the zoning could change didn't mean that housing would come but meant that it was an opportunity to create it. She said the Veridian wasn't allowed in the zoning when it was first proposed, but now they were building another building and allowing 20 percent workforce housing for sale, which was the first time that had happened from a developer and that the Gateway zoning was starting to create some of that. She said other people were talking about adding housing to business lots, and by expanding the Gateway zoning, it fit in with all the planning.

[Timestamp 1:29:22] Mr. Hewitt said the 2017 Master Plan was approved and ten months later 170 new properties were created in Gateway Districts One and Two, which he thought was appropriate, but he said seven or eight developments, which he named, were created in the corridors in the last seven years with less workforce housing than promised and most units at market rate, and he asked if the City was just going to recreate those projects. Chair Chellman said it was about creating opportunities to diversify the market. Vice-Chair Mahanna said he saw it as optics and thought it wouldn't accomplish anything. He said very few properties on Route One were vacant and that he would be in favor of rezoning a few but not the vast majority. He asked why the Board would look at properties that were mostly unbuildable and wet and change the zoning. He said it wouldn't solve any problems and that he would not vote for it. Mr.

Samonas said he was in favor of taking action on changing zoning amendments but asked if it would just enable someone else to do something similar to what Mr. Hewitt had just listed. Councilor Moreau said RKG was working on all the Council's incentives for workforce housing and the numbers from a financial point of view, and the next step was to look at all the incentives around it and make sure that the numbers put into the zoning made financial sense. Mr. Samonas asked if they wanted to open the gate to those opportunities before having the numbers figured out. Councilor Moreau said she felt it had been going on simultaneously and noted that the changes still had to go through three readings and the City Council. Mr. Samonas said it would probably be a Master Plan effort as well and asked if they would put the opportunities out there for developers to do market rates, or construct an equation and put it out there and be willing to adapt and change. He said they had to be willing to amend thereafter and change again and again because they had to learn in real time and he didn't know what came first.

[Timestamp 1:35:37] Chair Chellman said they were facing a dilemma on what to do first. He said he was hearing from the public input and the Board's discussion that the Board had to have regular discussions about needed zoning amendments and additional properties to come in and perhaps tune what the G1 District permits. He said the first step to was consider a map change, which he didn't see as being inconsistent with the Master Plan. He said the Master Plan subcommittee comprised had talked extensively about the need for have more robust public input. He said he and Mr. Samonas met with the high school principal and Superintendent and thought starting at that level and going all the way through all age groups would be good. He said there were other people they needed to reach out to in different ways, which was why they would have a consultant working on the Master Plan who knew more about doing outreach. He said a new Master Plan would not be seen in 2024 and meanwhile, several parcels didn't permit housing at all. He said there was outdated single-use zoning that didn't fit the current conditions that should expand into some of the adjacent neighborhoods. He said he thought the idea of creating orphan parcels in the zoning was a good one that could be further discussed.

DECISION OF THE BOARD

Councilor Moreau moved that the Board recommend approval to City Council the map amendments as presented with the following:

- 1.1) Remove Map 233 Lot 145 because it is municipally owned.*
- 1.2) Include the following lots that were considered by the Land Use Committee but not included in the referral from City Council: Map 175 Lot 5, Map 236 Lot 36, Map 174 Lot 13 and Map 217-2A.*
- 1.3) Correct the following map and lot numbers for three parcels: Map 273 Lot 5, Map 252 Lot 7-1 and Map 268 Lot 97.*

Mr. Almeida seconded.

[Timestamp 1:38:44] Mr. Almeida said he understood the questioning of individual lots and whether they were wetlands and so on, but he wasn't seeing any harm in advancing the topic forward for discussion. He said the Board was recommending further discussion and not making any actual changes that evening, and if there was something found to be wrong with any of the decisions, there would still be time to correct it. Vice-Chair Mahanna asked for clarification on 1.2 through 1.3. Mr. Stith said the list came from the Council in January, and in 1.2, those lots were originally considered by the Land Use Committee but weren't on the list because they were small parcels; 1.3 corrected a few maps that were on that list with the correct parcel numbers; and 1.1 was municipally owned and recommended to leave it as such. It was further discussed. Ms. Begala said she agreed that maybe six parcels should be changed to Gateway One but was hesitant about the others because there were existing businesses on them. She said having housing along the Spaulding Turnpike would be inhuman. She asked how one would vote on the entire list when they didn't agree with all of it. Chair Chellman said the motion was for the entirety. He noted that there was a Sound Overlay District and if housing were proposed in Gateway One, it would have to conform with the sound protection provisions. He said the fact that there might be an existing business on a lot wasn't controlling because when the zoning changed, an owner might want to consider another use for the property which could include an apartment above a commercial use. It was further discussed. Mr. Hewitt asked how the zoning change would accomplish any of the goals heard from Portsmouth Listens. Mr. Samonas said it would alert the developers to hand the City a proposal that may or may not align with the Master Plan goals without having amended the zoning ordinances. Chair Chellman said some of the parcels were in locations that some Board members couldn't imagine being residential, but they could be affordable for small residential units and if they were properly soundproofed, they wouldn't be impossible places to live in. He said it could be a different market than what had happened in the last seven years due to location. He said they were places being proposed for rezoning but weren't a "one and done" issue and was something that the Council was ready to act on. He said he wanted to support that action and keep going and propose more additions to it. Mr. Almeida agreed. He said he was a landlord and knew that when new developments got built, it drove the prices down. He said it was a supply and demand issue and thought that encouraging more housing would work in a positive way. Vice-Chair Mahanna said, as a landlord for 30 years, when new construction brought people to the neighborhood to look at a \$2,500 per month new apartment they could not afford, they came to his apartments that used to be \$1500 and were now \$2,000, so it didn't lower anything. He said the proposed rezoning would not create affordable pricing because most of the parcels would require significant infrastructure to tear down and rebuild what was required. Chair Chellman said it would create more opportunities for housing and what it did to the market remained to be seen.

*The motion **passed** by a vote of 6-3, with Ms. Begala, Mr. Hewitt, and Vice-Chair Mahanna voting in opposition.*

[Timestamp 1:55:35] Ms. Begala said she wanted a clarification about the Board's role, including a mixture of housing that was affordable to all socio-economic groups in Portsmouth. Chair Chellman said the Board didn't need any other input from the Council and received input from the public and from each other, so they could proceed on that basis.

II. CITY COUNCIL REFERRALS

A. Request for Salter Street to be rezoned from Waterfront Business to General Residence B

[Timestamp 1:59:13] Chair Chellman said the area from the end of Salter Street south was what the request was for, but the current zoning also extended south and north. He said one area was more complex and that it made sense to consider that area as part of the Master Plan and to change it to residential because the Waterfront District wasn't all residential at this time. Councilor Moreau said one property was deep off the waterfront and the rest became part of the residential district that they abutted. She said she would leave the very end lot the way it was and make the rest of the lots residential. Vice-Chair Mahanna said that, because the waterfront went around the corner, he would stick with it being Waterfront Business. He said a working waterfront was crucial to the history of Portsmouth. It was further discussed.

*Mr. Almeida moved that the Board recommend to City Council to leave the existing zoning for Salter Street as Waterfront Business and to evaluate the waterfront designations through the Master Plan process. Ms. Conard seconded. The **motion** passed unanimously.*

B. Electric Vehicle Amendments

[Timestamp 2:07:11] There was discussion about the existing levels of EV charging.

*Councilor Moreau moved that the Board refer to Legal and schedule a public hearing at the March regular meeting. Ms. Conard seconded. The **motion** passed unanimously.*

III. OTHER BUSINESS

A. Chairman updates

Chair Chellman asked if the Board wanted to have regular workshops every month to discuss zoning. Vice-Chair Mahanna said the Board should have been warned about the 39-40 parcels and gotten all the background because they could have been more productive and voted on it a few weeks ago, and it was discussed. Chair Chellman said the HDC liked the idea of a joint meeting and wanted to do it on a regular basis.

IV. ADJOURNMENT

The meeting adjourned at 8:10 p.m.

Respectfully submitted,

Joann Breault
Planning Board Meeting Secretary