

Sherburne School Redevelopment

City of Portsmouth – Portsmouth Housing Authority



Project Status Update

Since our last appearance before The Council, the Project has made significant progress

Update Topics:

- **Project Details**
- **Project Timeline** – Targeting Q1 2027 construction start
- **Financing** – Phase 1 \$37MM financing nearly complete
- **Phase 2** – Inclusion of artist workspace



Project 1 - Where the project stands today

The project is past concept development and moving through final preconstruction and financing

90 HOMES

PROJECT ONE

Permanently affordable workforce housing

1,2 & 3 bedroom units

\$37.1M

INVESTMENT

Current projected development cost

99% Commitments

FINANCING

Identified sources across tax credits, loans, grants and PHA resources

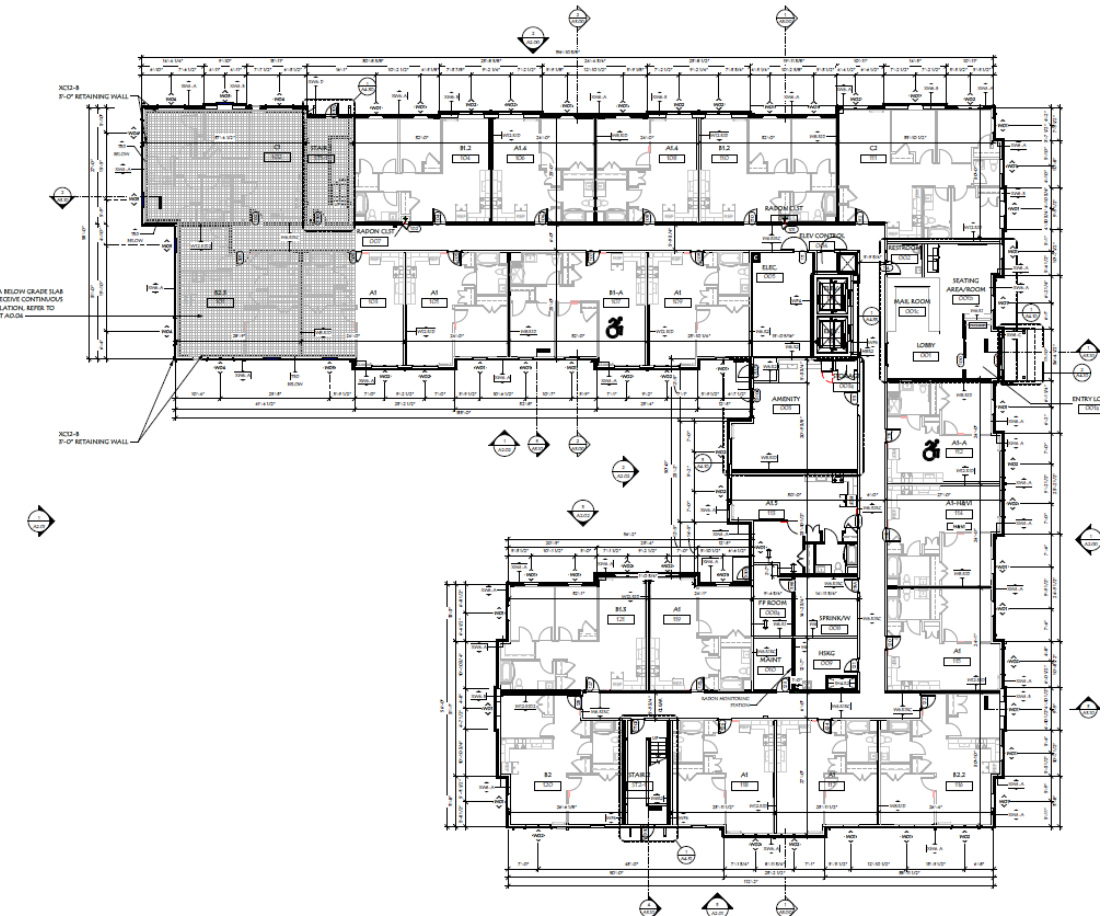
Q1 2027

SCHEDULE

Expected financial close + construction start

Current work

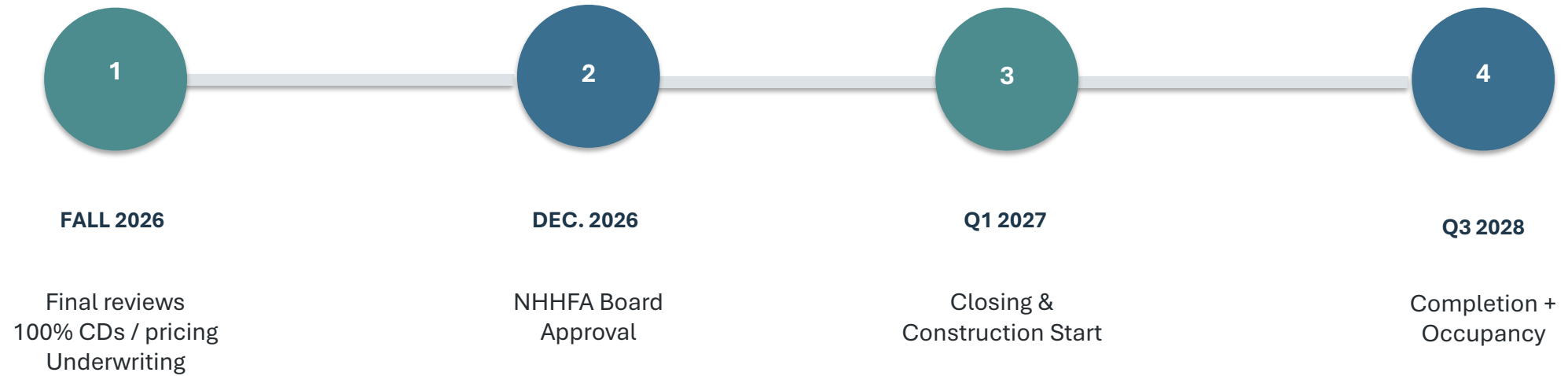
Final City/NHHFA review • construction documents + pricing • lender/equity decisions • closing documents • infrastructure coordination



Sherburne Project Update

The Path to Construction – Project 1

The critical path is now measured in months, not years



Next Steps

Final permitting • Infrastructure • Pricing/GMP • Financing approvals •
Closing documents • City agreements

Financing Project 1

Project 1 financing is nearly closed

Approximate Financing Details

LIHTC	\$15,000,000
Debt	\$15,500,000
PHA Contributions	\$2,900,000
Grants	\$3,700,000
Total	\$37,100,000

Construction	\$30,600,000
Design	\$1,100,000
Financing and other costs	\$5,400,000
Total	\$37,100,000

Financing Highlights

- Project 1 estimated total cost: approximately \$37MM.
- We have commitments for over 99% of the financing for Project 1.
 - Highest scoring LIHTC project in New Hampshire for the competitive 2026 round.
- Discuss financing partnership with The City for offsite infrastructure costs.

Offsite Infrastructure Partnership

Seeking partnership with the city on added offsite infrastructure improvements

Offsite Infrastructure Costs

- Project 1 will include significant improvements to city sewer and water infrastructure to be built under Borthwick and Sherburne avenues. These improvements will benefit businesses, residents and future projects in this neighborhood.
- The current estimate is that these improvements will add approximately \$1.25MM to the total project cost. These costs were not initially included in the project.
- PHA is seeking partnership with the city to spread the costs over many years.

Proposed Partnership

- Repayment term proposed to be 40 years from date of occupancy with no interest.
- Initial payments proposed to start after 20 years.
- Goal is to model request on previous City infrastructure arrangements.
- Targeting the October 13th City Council meeting for discussion of the completed agreement.

Benefits to project

- This partnership would help the project meet NHHFA requirements for per-unit costs.
- This partnership would help build a more efficient approach to financing the project.

Exciting possibilities to meet multiple community needs

- Working with architects to update and finalize the design in anticipation of Project 2 financing from NHHFA.
- Exploring the option to add artist workspace to portions of the school building not suitable for residential development.
 - Working with members of the arts community and The City Arts and Cultural Commission to develop best approach to meeting this community need.
- In addition to financing sources from Project 1, financing of Project 2 is expected to include LCHIP grants for historic preservation.

