City of Portsmouth
Planning Department
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Portsmouth, NH
(603)610-7216

MEMORANDUM

TO:	Housing Blue Ribbon Committee
FROM:	Planning and Sustainability Department
DATE:	August 6, 2026
RE:	Housing Blue Ribbon Committee August 13, 2026

Dear Committee Members,

Enclosed in this packet please find:

a. August 13, 2026 meeting agenda
b. Draft minutes from the July 9, 2026 meeting
c. RSA 79-E
d. Town of Conway Chapter 26 Community Revitalization Tax Relief Incentive

The goal for the August meeting is to revisit what an incentive structure for Portsmouth may look like. Please review the materials included in this packet and think critically about how this may translate to an adopted incentive in Portsmouth. We have provided the Town of Conway language as an example of the only New Hampshire community that has developed a housing opportunity zone. We also ask that you think about the following questions as we consider what we want to see come out of this incentive:

1. What, overall, is the goal of this incentive?
2. Can this apply for new construction? Or, just rehabbing and improvements on existing structures?
3. Can incentive be given for the value of vacant land?
4. What would the definition of a qualifying structure be?
5. The law states that one third of the qualifying units must be 80% AMI or below. Could an incentive be used for single-family residence? Or, does it have to be multi – unit?
6. What would a term length look like for tax relief?
7. What would a term length look like for the restrictive covenant?
8. Where do we want to see this change in the City? And, are there any negative impacts perceived in certain areas of the City?

Some of these question may have simple answers, others may require a more in-depth discussion. In either case, the answers and discussion will guide staff as they develop draft language to bring back to the Committee.

MEETING OF
THE HOUSING BLUE RIBBON COMMITTEE

PORTSMOUTH, NEW HAMPSHIRE
CONFERENCE ROOM A

5:30 p.m. **August 13, 2026**

AGENDA

I. APPROVAL OF MINUTES

1. Approval of the July 08, 2026, meeting minutes

II. UPDATE ON COUNCIL ACTION REGARDING THE HOUSING ACTION PLAN

III. RSA 79-E STAFF MEMORANDUM

IV. OTHER BUSINESS

V. PUBLIC COMMENT

VI. ADJOURMENT

**Members of the public also have the option to join this meeting over Zoom; a unique meeting ID and password will be provided once you register. To register, click on the link below or copy and paste this into your web browser:*

https://us06web.zoom.us/webinar/register/WN_Ec6lptxxTemQtMFv9KQjaA

CITY OF PORTSMOUTH, NEW HAMPSHIRE
HOUSING COMMITTEE

THURSDAY, JULY 9, 2026, 5:30 pm
City Hall Conference Room A
1 Junkins Avenue, Portsmouth NH
Zoom recording:

https://www.youtube.com/live/eFG3OH5nvs8?si=W9JNKCT0yJjrw29Q

MINUTES

Meeting Called to Order at 5:30 pm.
Roll Call and Welcome
Attending: Councilor John Tabor, Assistant Mayor Joanna Kelley, co-chair; Dagan Migirditch, Erik Anderson, Andrew Samonas, Councilor Beth Moreau, Eric Weinrieb. Angus MacDonald, Oliver Chag. Staff: Planning and Sustainability Dept. Peter Britz, Peter Stith, Izak Gilbo.
Members Excused: Jennifer Stebbins Thomas, Mary Loane, Caitlin McGrath-Levesque, Byron Matto.

1. **Approval of May 21, 2026 minutes –** On a motion by Angus MacDonald, seconded by Migirditch, Committee voted to approve as amended: corrected spelling of MacDonald.
2. **Public Comment:** Committee agreed by consensus to move Public Comment forward. Gerry Duffy commented that he has observed that the most dynamic communities are those with diverse populations that give residents a fuller understanding of how society works. 1) Bumping into different people is at the heart of the vitality; and 2) as half of the City's residents rent the Plan needs to help create conditions favorable to them. Observations:
   - Plan does not acknowledge the advocacy and role played by advocates.
   - There's no sense of urgency and the Portsmouth Listens sessions urged urgency and action.
   - The Housing Forums spoke of the housing crisis – there's no mention in the Plan of truly affordable housing eg Griffin Place and 1035 Lafayette.
   - City land sites should be recommended for housing.
   - Push the envelope, challenge the status quo, especially with the review that will take place by City Council, Planning and Legal before adoption.
3. **Housing Action Plan Review –** Staff presented in packet as a narrative and a table. Chair Tabor invited comment.
   - Erik Anderson: The Plan must address all housing, not just the creation of market rate. What's needed to accomplish housing for the "Missing

middle." Plan should be a bold statement with focus on workforce – not using 79E to benefit developers who don't contribute.

- Andrew Samonas:
    - Be more specific about "encourage redevelopment" – of what, where?
    - Use of the word 'flexible' – not encouraging bending rules but consider viability, adaptive reuse.
    - Division of large houses – ensure any unintended consequences are avoided thru Planning Board review – without impacting the integrity of a neighborhood
    - Table – add quantitative terms
    - Cautioned that these steps will not necessarily produce the conversions that are desired – some commercial use eg storage units is necessary.
- Dagan Migirditch:
    - Plan defines "Affordability" consistent with RSA 674 = 30% of income for housing
    - Original master list included education and outreach – keep that top of mind. Action Plan is a "starter pack" for understanding.
    - Remove barriers to allow as much as possible "by right" (MacDonald agreed)
    - Improve the readability of zoning ordinances, if/then process – like Dover's 'cheat sheets." Note: This will be one of the first tasks in implementing the Master Plan – "2027 is the year of rewriting the zoning codes." Duffy noted these tools available on the Progress Portsmouth website.
    - Implementation: who is accountable? Identify 0-6 month items Housing Committee can move forward. 1-2 year items taken on by consultants. Apply Housing Committee where most effective, focused and intentional, eg. Education and outreach to developers regarding Housing Trust Fund.
    - Anderson: Review the City-owned parcels? Was the inventory completed and the PHA review sufficient? (Migirditch) Or are all the Federal resources tied up for now and not the best way to use Committee resources. (Moreau) Where are the tax credit opportunities for adaptive reuse?
    - Agree with including implementation and accountability metrics but don't let the perfect stand in the way of the good. It's time to move forward.
- Councilor Tabor
    - He and Co-chair Kelley referring the plan on June 13 to City Council, asking to refer to Planning Board.
    - Get input from all Land Use Boards
    - Clr Cook asked for report back by July so it would flow into the Master Plan.
- Public Comment by John Chagnon
    - Emphasis in ordinance on "By right" so projects aren't tied up in lawsuits by neighbors.
    - Be forceful in the desire to have plan adopted.

    - Existing education for first time homebuyers is underutilized – or (Migirditch) outdated
- Angus MacDonald
    - Any enforcement on absent second-home owners? (No budget for enforcement.
    - Include a QR code in the Plan to get feedback from renters.
- Councilor Moreau
    - Council asked staff to implement 79E but staff requested a narrower focus = items in Plan with Housing Opportunity Zones as the #1 priority
- Anderson
    - Make sure 'build, build' is in synch with infrastructure. (Tabor) actually demand on water, sewer, schools has declined. Evaluation is the purpose of TAC review.
- Staff: Peter Britz and Peter Stith commented on items they recommend condensing or removing.
    - Reword #6 to "continue." The Council does waive fees for workforce housing eg Griffin Place
    - #7 "Expedite" the review process" -- TAC is still a necessary step but simplifying will help.
    - Remove ADU regs – supplanted by adoption of new State regs

On a motion to move the Housing Action Plan forward as amended and discussed by the Committee for City Council feedback by Councilor Moreau seconded by Migirditch the Committee voted unanimously in favor.

Other Business:
Anderson asked whether the use of $65k in Housing Trust Fund resources for the Live/Work Study was appropriate as the Committee already recognizes that need. Councilor Moreau explained that the hired consultant will produce a specific study on how Portsmouth can adjust zoning to create live/work artist spaces and has done so for several other cities.

Adjourned at 7 pm.
Next meeting: Thursday, August 13, 2026

TITLE V
TAXATION

Chapter 79-E
COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE

Section 79-E:1

79-E:1 Declaration of Public Benefit. –
I. It is declared to be a public benefit to enhance downtowns and town centers with respect to economic activity, cultural and historic character, sense of community, and in-town residential uses that contribute to economic and social vitality.
II. It is further declared to be a public benefit to encourage the rehabilitation of the many underutilized structures in urban and town centers as a means of encouraging growth of economic, residential, and municipal uses in a more compact pattern, in accordance with RSA 9-B.
II-a. In instances where a qualifying structure is determined to possess no significant historical, cultural, or architectural value and for which the governing body makes a specific finding that rehabilitation would not achieve one or more of the public benefits established in RSA 79-E:7 to the same degree as the replacement of the underutilized structure with a new structure, the tax relief incentives provided under this chapter may be extended to the replacement of an underutilized structure in accordance with the provisions of this chapter.
II-b. It is further declared to be a public benefit to encourage the rehabilitation of historic structures in a municipality by increasing energy efficiency in the preservation and reuse of existing building stock.
III. Short-term property assessment tax relief and a related covenant to protect public benefit as provided under this chapter are considered to provide a demonstrated public benefit if they encourage substantial rehabilitation and use of qualifying structures, or in certain cases, the replacement of a qualifying structure, as defined in this chapter.

Source. 2006, 167:1. 2009, 200:3, 4, eff. July 15, 2009. 2013, 78:1, eff. April 1, 2013.

Section 79-E:2

79-E:2 Definitions. –
In this chapter:
I. "Historic structure" means a building that is listed on or determined eligible for listing on the National Register of Historic Places or the state register of historic places.
II. (a) "Qualifying structure" means a building located in a district officially designated in a municipality's master plan, or by zoning ordinance, as a downtown, town center, central business district, or village center, or, where no such designation has been made, in a geographic area which, as a result of its compact development patterns and uses, is identified by the governing body as the downtown, town center, or village center for purposes of this chapter.
(b)Qualifying structureshall also mean:
(1) Historic structures in a municipality whose preservation and reuse would conserve the embodied energy in existing building stock.
(2) A one or 2-family home or an attached multi-family home with not more than 4 units located in a residential property revitalization zone designated under RSA 79-E:4-b and which is at least 40 years old.
(c) Cities or towns may further limit "qualifying structure" according to the procedure in RSA 79-E:3 as meaning only a structure located within such districts that meet certain age, occupancy, condition, size, or other similar criteria consistent with local economic conditions, community character, and local planning and development goals.
(d) Cities or towns may further modify "qualifying structure" to include buildings that have been destroyed by

fire or act of nature, including where such destruction occurred within 15 years prior to the adoption of the provisions of this chapter by the city or town.
(e) In a city or town that has adopted the provisions of RSA 79-E:4-a, "qualifying structure" also means potentially impacted structures identified by the municipality within the coastal resilience incentive zone established under RSA 79-E:4-a.
(f) In a city or town that has adopted the provisions of RSA 79-E:4-c, "qualifying structure" also means a housing unit or units constructed in a housing opportunity zone established under RSA 79-E:4-c.
(g) In a city or town that has adopted the provisions of RSA 79-E:4-d, "qualifying structure" also means a building or structure being used for office use, in whole or in part, if such use is converted to residential use, in whole or in part, in an office conversion zone established under RSA 79-E:4-d. Nothing in this section shall affect the governing or legislative body's existing consultation process with the planning board.
III. "Replacement" means the demolition or removal of a qualifying structure and the construction of a new structure on the same lot.
IV. "Substantial rehabilitation" means rehabilitation of a qualifying structure which costs at least 15 percent of the pre-rehabilitation assessed valuation or at least $75,000, whichever is less. In addition, in the case of historic structures, substantial rehabilitation means devoting a portion of the total cost, in the amount of at least 10 percent of the pre-rehabilitation assessed valuation or at least $5,000, whichever is less, to energy efficiency in accordance with the U.S. Secretary of the Interior's Standards for Rehabilitation. Cities or towns may further limit "substantial rehabilitation" according to the procedure in RSA 79-E:3 as meaning rehabilitation which costs a percentage greater than 15 percent of pre-rehabilitation assessed valuation or an amount greater than $75,000 based on local economic conditions, community character, and local planning and development goals.
V. "Tax increment finance district" means any district established in accordance with the provisions of RSA 162-K.
VI. "Tax relief" means:
(a) For a qualifying structure, that for a period of time determined by a local governing body in accordance with this chapter, the property tax on a qualifying structure shall not increase as a result of the substantial rehabilitation thereof or conversion from office, industrial, or commercial use to residential use.
(b) For the replacement of a qualifying structure, that for a period of time determined by a local governing body in accordance with this chapter, the property tax on a replacement structure shall not exceed the property tax on the replaced qualifying structure as a result of the replacement thereof.
(c) For a qualifying structure which is a building destroyed by fire or act of nature, that for a period of time determined by a local governing body in accordance with this chapter, the property tax on such qualifying structure shall not exceed the tax on the assessed value of the structure that would have existed had the structure not been destroyed.
VII. "Tax relief period" means the finite period of time during which the tax relief will be effective, as determined by a local governing body pursuant to RSA 79-E:5.

Source. 2006, 167:1. 2009, 200:5-7. 2010, 329:1, 2. 2011, 237:1, 2, eff. July 5, 2011. 2013, 78:2, eff. April 1, 2013. 2017, 203:2, eff. Sept. 3, 2017. 2021, 200:2, Pt. I, Sec. 2, eff. Oct. 9, 2021; 200:2, Pt. I, Sec. 4, eff. Apr. 1, 2022. 2024, 370:8, 10, eff. July 1, 2024.

Section 79-E:3

79-E:3 Adoption of Community Revitalization Tax Relief Incentive Program –
I. Any city or town may adopt or modify the provisions of this chapter by voting whether to accept for consideration or modify requirements for requests for community revitalization tax relief incentives. Any city or town may do so by following the procedures in this section.
II. In a town, other than a town that has adopted a charter pursuant to RSA 49-D, the question shall be placed on the warrant of a special or annual town meeting, by the governing body or by petition under RSA 39:3.
III. In a city or town that has adopted a charter under RSA 49-C or RSA 49-D, the legislative body may consider and act upon the question in accordance with its normal procedures for passage of resolutions, ordinances, and other legislation. In the alternative, the legislative body of such municipality may vote to place the question on the official ballot for any regular municipal election.
IV. If a majority of those voting on the question vote "yes," applications for community revitalization tax relief

incentives may be accepted and considered by the local governing body at any time thereafter, subject to the provisions of paragraph VI of this section.
V. If the question is not approved, the question may later be voted on according to the provisions of paragraph II or III of this section, whichever applies.
VI. The local governing body of any town or city that has adopted this program may consider rescinding its action in the manner described in paragraph II or III of this section, whichever applies. A vote terminating the acceptance and consideration of such applications shall have no effect on incentives previously granted by the city or town, nor shall it terminate consideration of applications submitted prior to the date of such vote.

Source. 2006, 167:1. 2010, 329:3, eff. July 20, 2010.

Section 79-E:4

79-E:4 Community Revitalization Tax Relief Incentive. –
I. An owner of a qualifying structure who intends to substantially rehabilitate or replace such structure may apply to the governing body of the municipality in which the property is located for tax relief. The applicant shall include the address of the property, a description of the intended rehabilitation or replacement, any changes in use of the property resulting from the rehabilitation or replacement, and an application fee.
I-a. In order to assist the governing body with the review and evaluation of an application for replacement of a qualifying structure, an owner shall submit to the governing body as part of the application, a New Hampshire division of historical resources individual resource inventory form, prepared by a qualified architectural historian and a letter issued by the local heritage commission and if the qualifying structure is located within a designated historic district established in accordance with RSA 674:46, a letter from the historic district commission or, if such local commissions are not established, a letter issued by the New Hampshire division of historical resources that identifies any and all historical, cultural, and architectural value of the structure or structures that are proposed to be replaced and the property on which those structures are located. The application for tax relief shall not be deemed to be complete and the governing body shall not schedule the public hearing on the application for replacement of a qualifying structure as required under RSA 79-E:4, II until the inventory form and the letter, as well as all other required information, have been submitted.
II. Upon receipt of an application, the governing body shall hold a duly noticed public hearing to take place no later than 60 days from receipt of the application, to determine whether the structure at issue is a qualifying structure; whether any proposed rehabilitation qualifies as substantial rehabilitation; and whether there is a public benefit to granting the requested tax relief and, if so, for what duration.
III. No later than 45 days after the public hearing, the governing body shall render a decision granting or denying the requested tax relief and, if so granting, establishing the tax relief period.
IV. (a) The governing body may grant the tax relief, provided:
(1) The governing body finds a public benefit under RSA 79-E:7; and
(2) The specific public benefit is preserved through a covenant under RSA 79-E:8; and
(3) The governing body finds that the proposed use is consistent with the municipality's master plan or development regulations; and
(4) In the case of a replacement, the governing body specifically finds that the local heritage commission or historic district commission or, if such local commissions are not established, the New Hampshire division of historical resources has determined that the replaced qualifying structure does not possess significant historical, cultural, or architectural value, the replacement of the qualifying structure will achieve one or more of the public benefits identified in RSA 79-E:7 to a greater degree than the renovation of the underutilized structure, and the historical, cultural, or architectural resources in the community will not be adversely affected by the replacement. In connection with these findings, the governing body may request that the division of historical resources conduct a technical evaluation in order to satisfy the governing body that historical resources will not be adversely affected.
(b) If the governing body grants the tax relief, the governing body shall identify the specific public benefit achieved under RSA 79-E:7, and shall determine the precise terms and duration of the covenant to preserve the public benefit under RSA 79-E:8.
V. If the governing body, in its discretion, denies the application for tax relief, such denial shall be accompanied by a written explanation. The governing body's decision may be appealed either to the board of tax and land

appeals or the superior court in the same manner as provided for appeals of current use classification pursuant to RSA 79-A:9 or 79-A:11 provided, however, that such denial shall be deemed discretionary and shall not be set aside by the board of tax and land appeals or the superior court except for bad faith or discrimination.
VI. Municipalities shall have no obligation to grant an application for tax relief for properties located within tax increment finance districts when the governing body determines, in its sole discretion, that the granting of tax relief will impede, reduce, or negatively affect:
(a) The development program or financing plans for such tax increment finance districts; or
(b) The ability to satisfy or expedite repayment of debt service obligations incurred for a tax increment financing district; or
(c) The ability to satisfy program administration, operating, or maintenance expenses within a tax increment financing district.

Source. 2006, 167:1. 2009, 200:8-11, eff. July 15, 2009.

Section 79-E:4-a

79-E:4-a Coastal Resilience Incentive Zone. –
I. A city or town may adopt the provisions of this section by vote of its legislative body, according to the procedures described in RSA 79-E:3, to establish a coastal resilience incentive zone (CRIZ). Municipalities may use storm surge, sea-level rise, and extreme precipitation projections in the 2016 report of the New Hampshire Coastal Risk and Hazards Commission, "Preparing New Hampshire for Projected Storm Surge, Sea-Level Rise, and Extreme Precipitation," and its successor projections, to identify potentially impacted structures.
II. The municipality implementing a CRIZ shall determine the resilience measures it deems qualifying, such as, but not limited to, elevation and free-board renovations, elevation of mechanicals, construction of resilient natural features, enhancement or creation of tidal marshes, elevation of private driveways and sidewalks, construction or enlargement of private culverts and other structures to enable increased water flow and storm-surge, and movement of property to higher elevation on the property or to a newly acquired property at a higher elevation within the municipality. Municipalities may grant tax relief to the qualifying structure and property as described in RSA 79-E:4.
III. Municipalities may provide other relief to properties in a coastal resilience incentive zone that are subject to repeated inundation, by acquiring preservation or water control easements or establishing tax increment financing districts.
IV. Municipalities may create a nonlapsing CRIZ fund as a capital reserve fund under RSA 34 or RSA 35, or a town-created trust fund under RSA 31:19-a, to provide funding for projected municipal costs associated with projected storm surge, sea-level rise, and extreme precipitation, and such funds may be used to support the coastal resilience incentive zone purpose established in this section.

Source. 2017, 203:3, eff. Sept. 3, 2017.

Section 79-E:4-b

79-E:4-b Residential Property Revitalization Zones. –
I. A city or town may adopt the provisions of this section by vote of its legislative body, according to the procedures described in RSA 79-E:3, to establish tax relief for the owners of a one or 2-family home or an attached multi-family home with not more than 4 units and which is at least 40 years old, who significantly improves the quality, condition, and/or use of an existing residential structure in a designated residential property revitalization zone.
II. The governing body of a municipality shall designate the area of a residential property revitalization zone in which the tax relief for qualifying structures shall apply. Municipalities may further establish criteria for the public benefits, goals, and measures that will determine the eligibility of qualifying structures for tax relief located within a designated residential property revitalization zone.
III. Municipalities may grant tax relief to the qualifying structure and property as described in RSA 79-E:4 for the period of tax relief under RSA 79-E:5, provided that no property may be granted tax relief under this chapter

more than once in a 20 year period.

Source. 2021, 200:2, Pt. I, Sec. 3, eff. Oct. 9, 2021.

Section 79-E:4-c

79-E:4-c Housing Opportunity Zone. – A city or town may adopt the provisions of this section by vote of its legislative body, in accordance with the procedures described in RSA 79-E:3, to establish a housing opportunity zone. To be eligible for tax relief under this section, the qualifying structure and property shall be located within the housing opportunity zone established by the municipality. No less than one-third of the housing units constructed shall be designated for households with an income of 80 percent or less of the area median income as measured by the United States Department of Housing and Urban Development, or the housing units in a qualifying structure shall be designated for households with incomes as provided in RSA 204-C:57, IV. A qualifying structure under this section shall be eligible for tax assessment relief for a period of up to 10 years, beginning upon issuance of the certification of occupancy.

Source. 2021, 200:2, Pt. I, Sec. 5, eff. Apr. 1, 2022.

Section 79-E:4-d

[RSA 79-E:4-d repealed by 2024, 370:14, effective January 1, 2035.]

79-E:4-d Office Conversion Zones. –

I. A city or town may adopt the provisions of this section by vote of its legislative body, according to the procedures described in RSA 79-E:3, to establish tax relief for the owners of a building or structure currently being used for office use, in whole or in part, if such use is converted to residential use, in whole or in part.

II. The governing body of a municipality shall designate the area of office use in which the tax relief for qualifying structures shall apply. Municipalities may further establish criteria for the public benefits, goals, and measures that will determine the eligibility of qualifying structures for tax relief located within a designated office conversion zone. For the purposes of this section, "office use" means buildings or structures used or intended for use in whole or in part for the practice of a profession, the carrying on of a business or occupation or the conduct of a non-profit organization or government entity. "Office use" also includes co-working spaces.

III. Municipalities may grant tax relief to the qualifying structure and property as described in RSA 79-E:4 for the period of tax relief under RSA 79-E:5, provided that no property may be granted tax relief under this chapter more than once in a 20 year period.

Source. 2024, 370:9, eff. July 1, 2024.

Section 79-E:5

79-E:5 Duration of Tax Relief Period. –

I. The governing body may grant such tax assessment relief for a period of up to 5 years, beginning with the completion of the substantial rehabilitation.

I-a. For the approval of a replacement of a qualifying structure, the governing body may grant such tax assessment relief for a period of up to 5 years, beginning only upon the completion of construction of the replacement structure. The governing body may, in its discretion, extend such additional years of tax relief as provided for under this section, provided that no such additional years of tax relief may be provided prior to the completion of construction of the replacement structure. The municipal tax assessment of the replacement structure and the property on which it is located shall not increase or decrease in the period between the approval by the governing body of tax relief for the replacement structure and the time the owner completes construction of the replacement structure and grants to the municipality the covenant to protect the public benefit as required by this chapter. The governing body may not grant any tax assessment relief under this chapter with respect to property and structures for which an election has been made for property appraisal under RSA 75:1-a.

II. The governing body may, in its discretion, add up to an additional 2 years of tax relief for a project that results in new residential units and up to 4 years for a project that includes affordable housing.
III. The governing body may, in its discretion, add up to an additional 4 years of tax relief for the substantial rehabilitation of a qualifying structure that is listed on or determined eligible for listing on the National Register of Historic Places, state register of historic places, or is located within and important to a locally designated historic district, provided that the substantial rehabilitation is conducted in accordance with the U.S. Secretary of Interior's Standards for Rehabilitation.
IV. The governing body may adopt local guidelines to assist it in determining the appropriate duration of the tax assessment relief period.

Source. 2006, 167:1. 2009, 200:12. 2010, 329:4, eff. July 20, 2010.

Section 79-E:6

79-E:6 Resumption of Full Tax Liability. – Upon expiration of the tax relief period, the property shall be taxed at its market value in accordance with RSA 75:1.

Source. 2006, 167:1, eff. April 1, 2006.

Section 79-E:7

79-E:7 Public Benefit. –
In order to qualify for tax relief under this chapter, the proposed substantial rehabilitation must provide at least one of the public benefits, and the proposed replacement must provide one or more of the public benefits to a greater degree than would a substantial rehabilitation of the same qualifying structure, as follows:
I. It enhances the economic vitality of the downtown;
II. It enhances and improves a structure that is culturally or historically important on a local, regional, state, or national level, either independently or within the context of an historic district, town center, or village center in which the building is located;
II-a. It promotes the preservation and reuse of existing building stock throughout a municipality by the rehabilitation of historic structures, thereby conserving the embodied energy in accordance with energy efficiency guidelines established by the U.S. Secretary of the Interior's Standards for Rehabilitation.
III. It promotes development of municipal centers, providing for efficiency, safety, and a greater sense of community, consistent with RSA 9-B; or
IV. It increases residential housing in urban or town centers.

Source. 2006, 167:1. 2009, 200:13, eff. July 15, 2009. 2013, 78:3, eff. April 1, 2013.

Section 79-E:7-a

79-E:7-a Public Benefit Determinations. – Cities or towns may adopt according to the procedure in RSA 79-E:3 provisions that further define the public benefits enumerated in RSA 79-E:7 to assist the governing body in evaluating applications made under this chapter based on local economic conditions, community character, and local planning and development goals.

Source. 2010, 329:5, eff. July 20, 2010.

Section 79-E:8

79-E:8 Covenant to Protect Public Benefit. –
I. Tax relief for the substantial rehabilitation or replacement of a qualifying structure shall be effective only after a property owner grants to the municipality a covenant ensuring that the structure shall be maintained and used in a manner that furthers the public benefits for which the tax relief was granted and as otherwise provided in

this chapter.
II. The covenant shall be coextensive with the tax relief period. The covenant may, if required by the governing body, be effective for a period of time up to twice the duration of the tax relief period.
III. The covenant shall include provisions requiring the property owner to obtain casualty insurance, and flood insurance if appropriate. The covenant may include, at the governing body's sole discretion, a lien against proceeds from casualty and flood insurance claims for the purpose of ensuring proper restoration or demolition or damaged structures and property. If the property owner has not begun the process of restoration, rebuilding, or demolition of such structure within one year following damage or destruction, the property owner shall be subject to the termination of provisions set forth in RSA 79-E:9, I.
IV. The local governing body shall provide for the recording of the covenant to protect public benefit with the registry of deeds. It shall be a burden upon the property and shall bind all transferees and assignees of such property.
V. The applicant shall pay any reasonable expenses incurred by the municipality in the drafting, review, and/or execution of the covenant. The applicant also shall be responsible for the cost of recording the covenant.

Source. 2006, 167:1. 2009, 200:14, eff. July 15, 2009.

Section 79-E:9

79-E:9 Termination of Covenant; Reduction of Tax Relief; Penalty. –
I. If the owner fails to maintain or utilize the building according to the terms of the covenant, or fails to restore, rebuild, or demolish the structure following damage or destruction as provided in RSA 79-E:8, III, the governing body shall, after a duly noticed public hearing, determine whether and to what extent the public benefit of the rehabilitation or replacement has been diminished and shall determine whether to terminate or reduce the tax relief period in accordance with such determination. If the covenant is terminated, the governing body shall assess all taxes to the owner as though no tax relief was granted, with interest in accordance with paragraph II.
II. Any tax payment required under paragraph I shall be payable according to the following procedure:
(a) The commissioner of the department of revenue administration shall prescribe and issue forms to the local assessing officials for the payment due, which shall provide a description of the property, the market value assessment according to RSA 75:1, and the amount payable.
(b) The prescribed form shall be prepared in quadruplicate. The original, duplicate, and triplicate copy of the form shall be given to the collector of taxes for collection of the payment along with a special tax warrant authorizing the collector to collect the payment under the warrant. The quadruplicate copy of the form shall be retained by the local assessing officials for their records.
(c) Upon receipt of the special tax warrant and prescribed forms, the tax collector shall mail the duplicate copy of the tax bill to the owner responsible for the tax as the notice of payment.
(d) Payment shall be due not later than 30 days after the mailing of the bill. Interest at the rate of 18 percent per annum shall be due thereafter on any amount not paid within the 30-day period. Interest at 12 percent per annum shall be charged upon all taxes that would have been due and payable on or before December 1 of each tax year as if no tax relief had been granted.

Source. 2006, 167:1. 2009, 200:15, eff. July 15, 2009.

Section 79-E:10

79-E:10 Lien for Unpaid Taxes. – The real estate of every person shall be held for the taxes levied pursuant to RSA 79-E:9.

Source. 2006, 167:1, eff. April 1, 2006.

Section 79-E:11

79-E:11 Enforcement. – All taxes levied pursuant to RSA 79-E:9 which are not paid when due shall be collected in the same manner as provided in RSA 80.

Source. 2006, 167:1. 2007, 42:3, eff. July 20, 2007.

Section 79-E:12

79-E:12 Rulemaking. – The commissioner of the department of revenue administration may adopt rules, pursuant to RSA 541-A, relative to the payment and collection procedures under RSA 79-E:9.

Source. 2006, 167:1, eff. April 1, 2006. 2016, 85:2, eff. July 18, 2016.

Section 79-E:13

79-E:13 Extent of Tax Relief. –
I. (a) Tax relief granted under this chapter shall pertain only to assessment increases attributable to the substantial rehabilitation performed under the conditions approved by the governing body and not to those increases attributable to other factors including but not limited to market forces; or
(b) Tax relief granted under this chapter shall be calculated on the value in excess of the original assessed value. Original assessed value shall mean the value of the qualifying structure assessed at the time the governing body approves the application for tax relief and the owner grants to the municipality the covenant to protect public benefit as required in this chapter, provided that for a qualifying structure which is a building destroyed by fire or act of nature, original assessed value shall mean the value as of the date of approval of the application for tax relief of the qualifying structure that would have existed had the structure not been destroyed.
II. The tax relief granted under this chapter shall only apply to substantial rehabilitation or replacement that commences after the governing body approves the application for tax relief and the owner grants to the municipality the covenant to protect the public benefit as required in this chapter, provided that in the case of a qualifying structure which is a building destroyed by fire or act of nature, and which occurred within 15 years prior to the adoption of the provisions of this chapter by the city or town, the tax relief may apply to such qualifying structure for which replacement has begun, but which has not been completed, on the date the application for relief under this chapter is approved.

Source. 2006, 167:1. 2010, 329:6. 2011, 237:3, eff. July 5, 2011.

Section 79-E:14

79-E:14 Other Programs. – The provisions of this chapter shall not apply to properties whose rehabilitation or construction is subsidized by state or federal grants or funds that do not need to be repaid totaling more than 50 percent of construction costs from state or federal programs.

Source. 2006, 167:1, eff. April 1, 2006.

Chapter 26

COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE

[HISTORY: Adopted by the Town of Conway 4-9-2024.[1] Amendments noted where applicable.]

§ 26-1. Purpose.

The Community Revitalization Tax Relief Incentive program permitted by RSA 79-E, allows a tax relief period intended to incentivize the development of affordable housing within qualifying structures, provided said projects create certain public benefits. The Town of Conway hereby adopts RSA 79-E in the manner specified under RSA 79-E:3. In addition, the Town has modified the incentive program to best suit the needs of Conway.

§ 26-2. Declaration of public benefit.

It is declared to be a public benefit to create long-term affordable housing through the development of underutilized structures and parcels within the Town of Conway. A protective covenant to maintain long-term and affordable residential units, as required under this ordinance, is considered to provide a demonstrated public benefit.

§ 26-3. Definitions.

As used in this chapter, the following terms shall have the meanings indicated:

AFFORDABLE HOUSING — A long-term, non-transient housing unit or units constructed or rehabilitated and designated for households with an income of 80% or less of the area median income as measured by the United States Department of Housing and Urban Development or designated for households with incomes as provided in RSA 204-C:57, IV.

COVENANT — A formal and legally binding agreement such as a deed restriction or other acceptable agreement recorded at the Carroll County Registry of Deeds.

HOUSING OPPORTUNITY ZONE — An overlay district, as depicted on the Official RSA 79:E Map of the Town of Conway, which includes all zoning districts with the exception of land within the Floodplain Conservation Overlay District or non-buildable areas as outlined in applicable zoning regulations.

QUALIFYING STRUCTURE — A residential or mixed-use structure, or portion thereof, which consist of at least one affordable housing unit within a Housing Opportunity Zone. A minimum of 1/3 of the total housing units in a structure shall be restricted as Affordable Housing.

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1. Editor's Note: This chapter was originally adopted as Ch. 197, but was renumbered to maintain the organization of the Code.

REPLACEMENT — The demolition or removal of a qualifying structure and the construction of a new structure on the same lot.

SUBSTANTIAL REHABILITATION — Rehabilitation of a structure which costs at least 10% of the pre-rehabilitation assessed valuation or at least $35,000; whichever is less.

TAX RELIEF — A period of time, as determined by the Selectmen in accordance with this ordinance, which the property tax on a qualifying structure shall not increase pursuant to Chapter 26.

§ 26-4. Community revitalization tax relief incentive.

A. An owner of a proposed qualifying structure who intends to substantially rehabilitate, replace such structure, or create new affordable housing units may apply to the Selectmen for community revitalization tax relief. The applicant shall file a complete application, including, a description of the intended rehabilitation, replacement, or construction; any changes in use of the property resulting from the rehabilitation or replacement, and associated application fee.

B. Tax relief granted under this chapter shall be calculated on the value in excess of the original assessed value. Original assessed value shall mean the value of the qualifying structure assessed at the time the Selectmen approves the application for tax relief.

C. The tax relief granted under this chapter shall only apply to substantial rehabilitation, replacement, or construction that commences after the Selectmen approves the application for tax relief and the owner grants to the Town the covenant to protect the public benefit as required in this chapter.

§ 26-5. Duration of tax relief period.

A. The Selectmen may grant such tax assessment relief for a period of up to 10 years, beginning with the completion of the construction.

   (1) For the approval of a replacement of a qualifying structure, the Selectmen may grant such tax assessment relief for a period of up to 10 years, beginning only upon the completion of construction. For the purposes of this section, the issuance of a certificate of occupancy shall constitute completion of construction. The municipal tax assessment of the replacement structure and the property on which it is located shall not increase or decrease in the period between the approval by the Selectmen for the replacement structure and the time the owner completes construction of the replacement structure and grants to the Town the covenant to protect the public benefit as required by this chapter. The Selectmen have no obligation to grant any tax assessment relief under this chapter with respect to property and structures for which an election has been made for property appraisal under NH RSA 75:1-a, Residential Property Subject to Housing Covenant Under the Low-Income Housing Tax Credit Program.

B. The Selectmen may, at its discretion, add up to an additional four years of tax relief for the substantial rehabilitation of a qualifying structure that is listed on or determined eligible for listing on the National Register of Historic Places, state register of historic places, or is located within and important to a locally designated historic district, provided that the substantial rehabilitation is conducted in accordance with the U.S. Secretary of Interior's Standards for Rehabilitation.

   (1) In order to assist the Town with the review and evaluation of an application for replacement or rehabilitation of a qualifying structure, an owner shall provide a completed review by the New Hampshire Division of Historical Resources.

C. Upon receipt of an application, the Planning Department will review the proposal for any compliance or zoning issues.

D. The Selectmen will hold a duly noticed public hearing to take place no later than 60 days from receipt of an application, to determine whether the structure at issue is a qualifying structure and whether there is a public benefit to granting the requested tax relief.

E. Upon the determination of a qualify structure by the Selectmen, the property owner must consent to an inspection of the property by the Assessing Department to establish a property value prior to any proposed construction.

F. No later than 45 days after the public hearing, the Selectmen shall render a decision granting or denying the requested tax relief and, if so granting, establishing the tax relief period.

G. The Town may grant the tax relief, provided:

(1) The Selectmen grant the request by a majority vote; and

(2) The Selectmen finds a public benefit as defined in this chapter; and

(3) The specific public benefit is preserved through a protective covenant; and

(4) The Selectmen finds that the proposed use is consistent with the municipality's Master Plan and regulations; and

(5) In the case of a replacement, the Selectmen specifically finds that the replaced qualifying structure does not possess significant historical, cultural, or architectural value, the replacement of a qualifying structure will achieve one or more of the public benefits identified in Chapter 26 to a greater degree than the renovation of the underutilized structure, and the historical, cultural, or architectural resources in the community will not be adversely affected by the replacement.

H. If the Selectmen grants the tax relief, they shall identify the specific public benefit achieved under Chapter 26, and shall determine the precise terms and duration of the covenant to preserve the public benefit under this chapter.

I. The Selectmen shall have no obligation to grant an application for tax relief for properties when its determined, in the Boards sole discretion, that the granting of tax relief will impede, reduce, or negatively affect the community.

§ 26-6. Extent of tax relief.

A. Tax relief granted under this chapter shall pertain only to assessment increases attributable to the substantial rehabilitation or construction of a qualifying structure performed under the conditions approved by the Selectmen and not to those increases attributable to other factors including but not limited to market forces.

B. No commercial portion of a qualifying structure shall be eligible for tax relief.

§ 26-7. Covenant to protect public benefit.

A. Tax relief for the substantial rehabilitation or replacement of a qualifying structure shall be effective only after a property owner grants to the municipality a covenant ensuring that the structure shall be maintained and used in a manner that furthers the public benefits for which the tax relief was granted and as otherwise provided in this chapter.

B. The covenant shall be coextensive with the tax relief period. The covenant may, if required by the Town, be effective for a period of time up to twice the duration of the tax relief period.

C. The covenant shall include provisions requiring the property owner to obtain and maintain a certificate of occupancy for the duration of the tax relief period.

D. The covenant shall include provisions requiring the property owner to obtain casualty insurance, and flood insurance if appropriate. The covenant may include, at the Selectmen's sole discretion, a lien against proceeds from casualty and flood insurance claims for the purpose of ensuring proper restoration or demolition or damaged structures and property. If the property owner has not begun the process of restoration, rebuilding, or demolition of such structure within one year following damage or destruction, the property owner shall be subject to the termination of provisions set forth in the chapter.

E. The covenant shall restrict all residential units within a qualifying structure for long-term use with a minimum tenancy of six months.

F. The covenant must require the leasee of any unit restricted for affordability not be the property owner, including the member or owner of any company (LLC, S-corp, C-corp, partnership of any kind or the beneficiary of any trust) with an ownership interest in the property.

G. To protect public benefits, the Town must record the covenant with the registry of deeds. It shall be a burden upon the property owner and must bind all transferees and assignees of such property.

H. The applicant shall provide to the Town a draft covenant, prepared by legal counsel, prior to recording. The applicant shall be responsible for the cost of recording the covenant.

§ 26-8. Resumption of full tax liability.

Upon expiration of the tax relief period, the property shall be taxed at its market value in accordance with RSA 75:1.

§ 26-9. Termination of covenant; reduction of tax relief; penalty.

A. If the owner fails to maintain or utilize the building according to the terms of the covenant, or fails to restore, rebuild, or demolish the structure following damage or destruction as provided in this chapter, the Selectmen shall, after a duly noticed public hearing, determine whether and to what extent the public benefit of the rehabilitation or replacement has been diminished and shall determine whether to terminate or reduce the tax relief period in accordance with such determination. If the covenant is terminated, the Town shall assess all taxes to the owner as though no tax relief was granted.

B. At any time during the tax relief period, the Town may demand current lease agreements or other applicable documents to verify the public benefit is maintained.

C. All taxes levied pursuant to RSA 79-E:9 which are not paid when due shall be collected in the same manner as provided in RSA 80 and be subject to penalties defined in RSA 79-E:9.