

HOUSING ACTION PLAN

July 2026

DRAFT

The Housing Committee presented its recommendations to the City Council on July 13, 2026. The Council referred the matter to the Planning Board for further review. It is anticipated that the Planning Board will discuss the recommendations at its [August 20, 2026](#) meeting.



Ruth Lewin Griffin Place Below Market Rate Housing Complex

Purpose

Identify practical steps to increase housing options and improve affordability.

Approach

Coordinate zoning, redevelopment strategies, housing programs, and the Master Plan.

Outcome

Provide a clear roadmap with actions, responsible parties, and timeframes.

In This Plan

Over the past decade, the City of Portsmouth has taken a consistent and proactive approach to understanding and addressing local housing needs.

This effort has included a combination of planning studies, public engagement, zoning ordinance and map updates, and policy initiatives aimed at increasing housing opportunities, improving affordability, and supporting long-term community stability.

City Council direction

- Increase housing supply
- Reduce costs and simplify development
- Expand below market-rate housing options
- Coordinate with the Master Plan update

1

Update the Rules

2

Encourage Redevelopment

3

Broaden Housing Choices

4

Track Progress

A strong foundation for this work was established through a series of housing-related studies and reports. Beginning with the Housing Committee Final Report and City Council Housing Policy in 2016, the City has continued to build on its understanding of local housing conditions through ongoing research and analysis. This includes the "Places to Live" study circle dialogue in 2024, an Inclusionary Zoning Analysis completed the same year, and earlier efforts such as the Portsmouth Market Study (2022) and Housing Development Trends analysis (2020).



An image of Market Square in Portsmouth with the North Church and Congress Street

Housing has been the top priority of both the current City Council and the prior Council. The 2026–2027 City Council set a clear goal of increasing housing supply for all income levels, reducing costs, simplifying the development process, and expanding below market-rate housing options. This Council also directed the creation of this Housing Action Plan and a comprehensive update of the zoning ordinance.

This direction builds on the goals of the 2024–2025 City Council, which emphasized expanding housing choices, increasing below market-rate housing, and advancing zoning changes to support housing development. That Council also supported initiatives such as the Housing Navigator program, the Housing Blue Ribbon Committee, and the establishment of a Below Market Rate Housing Trust Fund.

Over the past two years, residents and community advocates devoted substantial time and expertise to housing in Portsmouth, offering comment and producing research, analytical tools, and a proposed framework of actions brought to the Council and the Housing Committee. That work informed the Council's February 2026 direction to create this Housing Action Plan, and much of it is reflected in the actions that follow. The City welcomes this kind of engagement — addressing Portsmouth's housing challenges will continue to require the knowledge, energy, and participation of community members.

Zoning Changes

Key point: The City has made a number of updates to its zoning ordinance to better accommodate housing development. Portsmouth maintains a zoning framework that is regularly reviewed and amended, with updates adopted as recently as 2025 and 2026. Recent amendments have directly addressed housing-related barriers, including updates to accessory dwelling unit (ADU) regulations to comply with state law, modifications to off-street parking requirements, and the introduction of new housing types such as co-living.

Earlier zoning initiatives during this period also helped establish the framework for more flexible land use. The adoption and expansion of the Gateway zoning districts and creation of the Gateway Neighborhood Overlay District have supported redevelopment and encouraged a broader range of housing types in appropriate locations. These efforts have established important groundwork for the current Housing Action Plan.

Housing Production Incentives

Key point: In addition to regulatory updates, the City has explored and advanced a range of policy approaches to support housing production. City Council and Housing Committee discussions have focused on strategies such as allowing conversion of single-family homes into multiple units, expanding mixed-use zoning, and reducing parking-related barriers. The City has also explored financial tools, including the continued use of the Housing Trust Fund and other funding or incentive programs to support housing development.

As a result of these combined efforts, Portsmouth has built a strong foundation for continued progress. The City has not only studied housing issues extensively, but has also taken concrete steps to update regulations, test new approaches, and support development in practice. This body of work directly informs the Housing Action Plan and the recommendations that follow, providing a more coordinated framework for moving forward together with the ongoing Master Plan update.

Master Plan Integration

Key point: This Housing Action Plan is intended to support and help implement the broader goals of the Master Plan. Many of the recommended actions, particularly those related to zoning and land use, will be advanced through the Master Plan update and subsequent changes to the City's zoning regulations. By linking these efforts, the City can ensure that its housing policies are coordinated, consistent, and grounded in a long-term vision for the community.

At its core, the plan makes it easier to create housing, with a specific focus on expanding below market-rate options. Key strategies include allowing more multi-family

housing, reducing requirements such as lot size and setbacks, and making it easier to convert large single-family homes into multiple units — supporting new housing in areas that are already developed, rather than relying solely on new growth areas.

The plan also emphasizes better use of underutilized properties, including redevelopment of older commercial and office buildings into housing, and a wider range of housing types, such as smaller homes, clustered housing, workforce housing, and live/work units, to serve residents at different stages of life and income levels. Financial tools and programs round out the plan, including the Housing Trust Fund, in-lieu payment options, and homebuyer assistance programs, along with a continued commitment to preserving existing below market-rate housing, expanding senior housing options, and complying with workforce housing requirements. Each action in the plan includes clear steps, a responsible party, and a timeframe, providing a roadmap the City can track over time.

Priority	Action	Description	Key Implementation Steps	Lead	Timeframe	Metrics	Milestone
1	Expand the use and geographic applicability of RSA 79-E tax relief incentives to encourage redevelopment and housing production in underutilized areas.	Expand tax relief incentives to support redevelopment and housing construction in underutilized areas.	City Council adoption of Housing Opportunity Zones Citywide	Planning/Assessor/City Council	0-9 mo	Projects	Program used
2	Conduct a comprehensive zoning review to identify barriers to housing development and prioritize necessary regulatory reforms.	Identify regulatory barriers and prioritize zoning reforms in line with the Master Plan. Create a more user-friendly document.	Review Zoning Ordinance; recommend changes	City Staff/Consultant/Planning Board/City Council	1-2 yr	Zoning amendments to remove barriers	Amended Zoning Ordinance
3	Amend zoning regulations to allow the conversion of commercial and office buildings into residential units.	Allow office/commercial to residential conversion to increase housing supply without new land consumption.	Review Zoning Ordinance; recommend changes, Zoning Ordinance amended	Planning Staff/Planning Board/City Council	0-6 mo	Amendments to allow conversions	Amended Zoning Ordinance
4	Expand zoning provisions to allow and encourage cottage housing and clustered small-lot residential development.	Identify zoning districts and neighborhoods suitable for small clustered housing options.	Review existing Zoning Districts and revisions to Zoning Ordinance	Planning/Planning Board/City Council	6-12 mo	Zoning district changes to permit small clustered housing	Amended Zoning Ordinance and Zoning Map
5	Establish an in-lieu fee program allowing developers to contribute financially toward affordable housing in place of on-site unit provision.	Allow a payment in-lieu of fee to the Housing Trust Fund.	Recommend changes to Zoning Ordinance, Zoning Ordinance amended	Planning/Planning Board/City Council	0-6 mo	Identify amendments to Zoning Ordinance and Fee Schedule	Payments received
6	Continue to waive fees for below market rate housing projects for nonprofit entities	Waive fees as requested for nonprofits for below market rate housing projects	Continue past practice of waiving fees	City Council	Ongoing	Below market rate housing projects by nonprofit entities	Requested Fees Waived
7	Rezone Office Research (OR) and General Business (GB) districts to allow mixed-use and residential development.	Identify parcels zoned GB or OR and propose new zoning district designations.	Identify parcels; Amend Zoning Map	Planning/Planning Board/City Council	0-6 mo	Revise zoning map	Projects proposed and constructed after map amendments
	Expand multi-family zoning.	Expand areas allowing multi-family housing to increase supply. Change single-family districts to allow multi-family housing.	Review Zoning Ordinance; recommend changes	City Staff/Consultant/Planning Board/City Council	1-2 yr	Zoning Ordinance and Zoning Map amendments	Amended Zoning Ordinance and Zoning Map
	Review dimensional zoning standards.	Reduce minimum lot sizes, frontage requirements, yards (setbacks), etc. to provide more housing opportunities	Review Zoning Ordinance; recommend changes	Planning/Consultant/Planning Board/City Council	1-2 yr	Conforming lots	Amended Zoning Ordinance
	Allow conversion of existing single-family homes into multiple dwelling units.	Allow large homes to be converted into multiple units.	Review Zoning Ordinance; recommend changes, amend Zoning Ordinance	Planning/Planning Board/City Council	1-2 yr	Units	Amended Zoning Ordinance
	Deploy and expand the City’s Housing Trust Fund to support affordable and workforce housing development.	Fund housing development through local resources.	Allocate funds; track	Planning/Finance/Housing Trustees	Ongoing	Units funded	Projects completed
	Develop and implement programs to assist homebuyers in accessing homeownership opportunities.	Support homebuyers to expand ownership access.	Launch program; partner lenders	City Council/Community Development/Housing Committee	1-3 yr	Programs created	Programs active
	Plan and designate outlying areas for new residential neighborhood development to accommodate long-term housing demand.	Plan new residential growth areas for future housing demand based on Master Plan.	Identify areas from Master Plan; recommend Zoning Map changes	Planning/Consultant/Planning Board/City Council	1-2 yr	Zoning Map amendments	Amended Zoning Map
	Simplify and update Form-Based Code provisions to improve usability and encourage more below market rate housing.	Simplify Form-Based Code.	Review and revise code; Recommend Zoning Ordinance changes	Planning/Consultant/Planning Board/City Council	1-2 yr	Zoning Ordinance amendments	More below market rate housing
	Adjust Building height requirements.	Increase height limits to add density where appropriate.	Amend zoning	Planning/City Council	1-2 yr	Units	Projects built
	Allow live/work units.	Allow flexible housing with workspace integration.	Review Zoning Ordinance; Recommend Zoning Ordinance changes	Planning/Planning Board/City Council	1-2 yr	Units	Increase in live/work units
	Preserve existing below market rate housing	Protect existing affordable housing from loss.	Inventory; Provide funding/opportunities to extend terms of existing below market rate housing	Planning/Housing Trust Fund/Trustees	Ongoing	Units	No loss
	Create more senior housing.	Expand housing for older residents. Comprehensive strategy for senior housing: independent living, assisted living, memory care, aging-in-place support.	Review Programs	Community Development/City Council	2-5 yr	Available Programs and Services	Increase in Senior housing and assistance
	Create/strengthen a workforce housing ordinance (RSA 674:58-61).	Adopt or strengthen local workforce housing ordinance consistent with NH RSA 674:58-61.	Review RSA against Zoning Ordinance	Planning/Legal/Planning Board/City Council	1 yr	Adopted amendments to be consistent with RSA	Amended Zoning Ordinance to be consistent with State law