



## **SHERBURNE SCHOOL REDEVELOPMENT – PROJECT UPDATE**

Karen, Trevor, and Susan,

The Portsmouth Housing Authority continues to make steady progress on the Sherburne School Redevelopment. This update summarizes current activity and funding efforts since our October 6 correspondence.

We remain focused on advancing the project through the financing and review phases and welcome any questions or feedback from the City as we move forward.

### **Funding and Financing**

- Low-Income Housing Tax Credit (LIHTC)
  - 9% application submitted to NHHFA on October 5, 2025.
  - 4% application submitted to NHHFA on October 16, 2025.
  - Applications remain under review by New Hampshire Housing.
  - No requests for supplemental information have been received.
  - NHHFA funding announcements are expected November 13.
- InvestNH 2.0
  - Application submitted; review scheduled for November.
  - Funding decisions expected in late November or early December.
- Community Development Finance Authority (CDFA) Tax Credits
  - PHA is seeking \$187,500 in pledges from businesses by March 31, 2026.
  - The campaign is ongoing, with growing interest among Seacoast businesses.
  - Several verbal pledges have been received; additional outreach is planned.
  - PHA welcomes the opportunity to coordinate with the City on an informational session for local employers about the program and participation process.
- PHA Sponsor and Developer Fee Loans
  - The PHA Board has authorized internal financing capacity to demonstrate organizational commitment to the project.
  - This allows PHA to respond quickly to funding opportunities while preserving financial flexibility.
  - These funds are intended to complement, not replace, external sources as the overall financing structure is finalized.

- Foundation and Grant Funding
  - Ongoing discussions with foundations and grantors to identify potential grants and soft loans.
- State Resources
  - Outreach to DES Wastewater and Drinking Water programs to determine eligibility and timeline alignment.
  - Awaiting confirmation from Wastewater staff on new development eligibility.
  - Drinking Water program shows potential; further research pending.
  - PHA requests a meeting with DPW to discuss potential City sponsorship for State funding applications.

### **City of Portsmouth Resources**

PHA's goal remains to fund the project without drawing on City resources. However, given market volatility and statewide funding reductions, PHA may need to explore limited City participation to support critical infrastructure components.

### **HUD Section 108 Loan Guarantee Program**

PHA continues strengthening its internal readiness so that coordination can resume immediately once HUD operations restart.

The HUD 108 Loan process is summarized as follows:

1. Local evaluation and underwriting of the proposed project.
2. Presentation to the City's Citizen Advisory Committee.
3. Amendment of the City's Consolidated Plan to include the Section 108 project.
4. City Council votes to authorize submission.
5. Submission of the formal application to HUD.
6. HUD review and preparation of loan documents.
7. HUD execution of the federal guarantee for the City's promissory note.
8. Disbursement of funds, which can then be drawn weekly for eligible project expenses.

### **City Loan**

While multiple funding tools are under review, a City loan to support on-site and off-site infrastructure remains the most direct potential mechanism for City participation. There is precedent for this approach, and the same process could be replicated for Sherburne. Following any LIHTC award announcements, PHA may submit a more detailed request for consideration.

### **Design and Planning**

- No major local approvals occurred during this review period.
- Focus remains on funding and financing progress.
- Updated design elevation study (October 16, 2025) submitted to planning staff.

## Community and Stakeholder Support

- PHA hosted a tour for the Honorable Janet Stevens and the InvestNH Selection Committee, with Mayor McEachern in attendance.
- Continued strong community and employer support for the redevelopment.
- Letters of support received from:
  - Portsmouth Chamber of Commerce
  - Executive Councilor Janet Stevens
  - Major General David J. Mikolaities, USA (Ret.)
  - Liberty Mutual
  - Portsmouth Regional Hospital
  - C&J Transportation
  - J Group Hospitality
- PHA participated in the Chamber's Livability Dialogue, highlighting the importance of affordable housing and promoting economic inclusivity across Portsmouth.

## City Coordination

- Draft Ground Lease submitted to the City on October 7.
- Ongoing collaboration with Elise Annunziata and City staff on project alignment and readiness.
- Progress on HUD 108 and CDBG programs temporarily paused due to the federal government shutdown.
- The Housing Committee received a briefing from Ryan Pope (NHHFA) at PHA's request to strengthen understanding of the current funding environment.

## Next Steps and Upcoming Coordination

- PHA will provide a project update to the Housing Committee at its November 13 meeting.
- The project remains on schedule pending state funding awards.
- Upcoming milestones include funding announcements, the land lease, and continued coordination on potential City participation.

Please do not hesitate to reach out with any questions or if additional information would be helpful as we move forward.

**Sincerely,**

Andrea Pickett

Director of Outreach & Engagement

Portsmouth Housing Authority