

Portsmouth Housing Committee Meeting (Dec 11 2025)

Quick-Take Summary

*At its final meeting on **December 11 2025**, Portsmouth's Housing Blue Ribbon Committee looked back on two years of work and charted a path forward. Chair John Tabor presented a slide deck showing how the committee steered the Sherburne School project from concept to council-approved disposition, rolled out a Housing Trust Fund and payment-in-lieu ordinance[5][7], and spurred mixed-use rezoning that led to projects such as the Service Credit Union redevelopment. Members also celebrated progress on a 1 % loan fund spearheaded by Lighthouse Credit Union and local employers while stressing the need for continued advocacy on NH 79-E tax relief[2] and simplified ADU regulations. They debated how to tally co-living units and agreed to track permits, occupancy and housing trust receipts as future metrics. Looking ahead, the committee urged the city to finalize the 1.5-acre Commerce Way land donation, craft a 79-E ordinance tailored to Portsmouth, and ensure the new Housing Council remains a robust steward of affordable-housing funds.*

Context and Purpose

On **December 11 2025** the Portsmouth Housing Blue Ribbon Committee held its final meeting of the year. Assistant Mayor Joanna Kelly was away, so Councilor John Tabor chaired the session. The committee welcomed members and staff and quickly approved the previous minutes before discussing a series of slides summarizing the committee's work since its formation. The meeting functioned as a comprehensive review of initiatives pursued in 2024-2025 and an opportunity to identify unfinished work and metrics for future progress.

*Sources: minutes and packets from previous meetings provide context for the committee's earlier decisions. The February 13 2025 meeting minutes explain how the **Workforce Housing Trust Fund** was established and how the committee recommended referring a draft Trust Fund document to the Trustees and subsequently to the City Council[1]. Minutes from October 16 2025 show the committee's conversation with NH Housing's Ryan Pope, who discussed the NH 79E tax-incentive statute and other funding tools[2]. These documents underpin much of the December review.*

Attendance and Roll Call

The December meeting began with a roll call. Members present included Councilors John Tabor (chair), Beth Moreau and John O'Leary; committee members Andrew Samonas, Mary Loane and Tracy Kozak; and ex-officio participants from the Planning and Sustainability Department (Peter Britz and Peter Stith) and the legal department. Assistant Mayor Joanna Kelly was absent due to travel. The agenda included approval of minutes, review of a slide deck summarizing accomplishments, discussion of ongoing projects and metrics, public comment and concluding remarks.

Committee-wide Accomplishments and Key Initiatives

The slide deck presented by Chair Tabor grouped the committee's work by **impact area**. The summary below organizes each initiative, the committee's actions and outcomes, and contextual background from earlier meetings.

Sherburne School Redevelopment

- **Disposition of Sherburne School** – Early in the committee's work, the City Council asked whether the City should **dispose of the Sherburne School property**. In 2024 the committee recommended disposal, and the council approved. The site was subsequently included in a **request-for-proposals (RFP)** process in 2024, and the committee helped develop evaluation criteria for developers. In December 2024 the committee held a public meeting where proposals were presented, and the committee voted to recommend **Portsmouth Housing Authority (PHA)** as the developer. The council adopted this recommendation and authorized negotiations with PHA.
- **Phased development and tax-credit funding** – The August 14 2025 meeting minutes detail concerns that the Sherburne project might stall, because PHA applied for **Low-Income Housing Tax Credits (LIHTC)** for only the first phase of the new building[3]. Members feared that the historic school renovation could be delayed, but staff explained that phasing is allowed on municipal projects and that the land use agreement obligates PHA to maintain the property and continue to later phases[4]. In December, the committee again discussed the schedule and emphasised the need for regular updates from PHA and for addressing potential obstacles such as financing or maintenance.

City-Owned Properties and Disposition Strategy

- **Property walks and recommendations** – The committee undertook “sidewalks” (site visits) and assessed city-owned parcels. It recommended that **Granite Street and the lower lot** be considered for development. The committee also considered acquiring condominium properties but found owners unwilling to sell. Members expressed interest in revisiting the possibility in the future.
- **Working with Portsmouth Housing Authority** – Committee members held a productive meeting with PHA to discuss long-range redevelopment possibilities on city-owned properties. They highlighted the value of continued collaboration and considered whether the trust fund or other financing tools could assist.

Commerce Way / Kane-McIntyre Settlement

- **Mixed-use rezoning** – Early in the committee's tenure they discussed Commerce Way, an area along the eastern entrance to the city, as a potential location for mixed-use redevelopment. Councilor Moreau noted that property owners there had asked for rezoning. Discussions dovetailed with the city's litigation settlement with the **Kane Company** (linked to the McIntyre Federal Building redevelopment). As

part of the settlement, Kane must donate **1.5 acres** in the Commerce Way area for below-market-rate housing. During the December meeting, City Attorney Trevor McCourt explained that negotiations to determine the exact parcel were progressing well, and he expected a location to be finalized soon so planning could proceed.

Housing Trust Fund and Payment-in-Lieu Ordinance

- **Workforce Housing Trust Fund** – The February 13 minutes show that City Attorney Susan Morrell presented a draft trust fund document, and the committee recommended referring it to the Trustees of Trust Funds and then to the City Council[5]. The October meeting minutes indicate that by October the 1 % loan fund concept and Housing Trust Fund ordinance had been developed[6]. In December, Chair Tabor reported that the **Housing Trust Fund ordinance had been adopted**, and the new Housing Council had begun to deposit funds, including proceeds from the Kane settlement. Members celebrated having a real funding tool for affordable housing.
- **Payment-in-lieu (PIL) fee** – The February 13 meeting minutes describe how the committee recommended that the City Council adopt a **payment-in-lieu fee** based on RKG Associates' value-gap tables, applying the fee per individual housing unit size[7]. This ordinance allows developers to pay a fee rather than include affordable units on-site, with funds deposited into the trust. The December meeting noted that the ordinance had been enacted and that staff were exploring how to structure the fee to maximize affordable-housing outcomes.

Ordinances and Zoning Changes

- **Removal of 10.812 restrictions and parking requirements** – The committee previously asked the Planning Department to review Section 10.812 (accessory dwelling unit regulations) to remove outdated criteria (e.g., a January 1 1980 cutoff) and to shift parking requirements into the site plan review process[8]. In October the committee reiterated these recommendations[9]. In December, members noted that many of these changes could advance faster than the broader master-plan update and should remain priorities for the incoming council.
- **RSA 79-E (community revitalization tax relief)** – At the October 16 meeting, NH Housing representative Ryan Pope explained the **NH 79-E** statute, which freezes property taxes for rehabilitation projects that preserve or create housing[2]. He highlighted examples in Dover where tax freezes supported redevelopment of the Orpheum Theater and the Strafford County Courthouse[10]. Pope advised Portsmouth to define goals and target areas before adopting 79-E[11]. In December, the committee continued to discuss how to craft a 79-E ordinance tailored to Portsmouth's needs and planned to schedule a work session with the Planning Board and Council.

1 % Loan Fund and Employer-Sponsored Financing

- **Loan fund concept** – Throughout 2025 the committee investigated creating a **low-interest loan fund** (often described as a 1 % loan fund) modelled on initiatives in Vermont and the Upper Valley. The February 13 minutes note that Committee members discussed whether the Housing Trust could provide subsidies, deposits or direct loans to extend affordability[12]. During the December meeting, Chair Tabor reported that Lighthouse Credit Union had convened a working group including major employers (e.g., **SAFE Sauer** and other local companies) and housing advocates. The group aimed to raise **US\$7–10 million** region-wide to finance workforce housing. The committee welcomed this private-sector effort and agreed to monitor progress but noted it was too early to commit trust-fund money.

Co-living and Accessory Dwelling Units (ADUs)

- **Co-living projects** – The committee considered several co-living proposals, including the JJ Newbury building (proposed at **125 occupants**). Members debated how to count co-living units: whether to tally occupants or bedroom units. Staff clarified that co-living approvals require on-site management and are viable only at larger scales; small projects such as the 14 Market Street approval were being converted back to apartments because the requirement for 24/7 management was uneconomic for eight bedrooms. The committee agreed to list co-living projects separately, with occupancy counts, in the scoreboard rather than roll them into the overall unit total.
- **Accessory dwelling units (ADUs)** – Earlier in the year the committee recommended simplifying the ADU ordinance to encourage homeowners to add accessory units. The October 16 minutes show that the committee also discussed transferring the 10.812 parking requirement to the site plan review process[9]. In December, members argued that ADU production should be tracked as a metric alongside co-living because both create new housing capacity. They discussed including the number of permitted ADUs in the scoreboard and comparing post-reform ADU uptake with pre-reform levels.

City-wide Housing Metrics (“Scorecard”)

A large portion of the December meeting focused on a **scorecard slide** that attempted to quantify housing units produced or in the pipeline due to the committee’s work. Key points included:

- **Original goal of 500 units** – When the committee was formed, it set a goal of creating 500 additional housing units. Members noted that the current tally is complex: some projects (e.g., PHA’s Sherburne School redevelopment) will produce 117 units over two phases, while others (Service Credit Union, Christ Church, co-living proposals) are still conceptual. Occupancy figures (125 people for the JJ Newbury co-living project) are not directly comparable to unit counts.

- **Pending projects** – The Service Credit Union project and the Christ Church redevelopment (estimated 200–300 units, with a mix of market-rate and affordable units) remain in planning. The sponsor decided to create a nonprofit to own the land to ensure perpetual affordability, which has delayed progress. Members emphasised the need to track these projects separately as “in-process” rather than count them prematurely.
- **Commerce Way housing and Gateway zone** – Mixed-use rezoning in the Gateway zone has already yielded proposals such as the **Service Credit Union** and **Christ Church** projects. Committee members credited the zoning changes for enabling these developments and noted that they would continue to monitor unit counts as projects proceed.

Other Business and Public Comment

- **Pease redevelopment and community college** – A committee member raised concerns about the **Pease Development Authority (PDA)** and state plans for the Seacoast Community College property. They argued that Portsmouth should have representation in discussions about potential redevelopment because city services could be impacted. Staff explained that the City Manager sits on the PDA board but that legislative representation on a separate planning board may be needed. The committee considered recommending that the Mayor write a letter to legislators seeking city representation.
- **Housing advocacy and future work** – Members highlighted the need to continue advocacy for the 79-E ordinance, monitor the 1 % loan fund, and ensure that the **Housing Trust Fund** receives ongoing funding. The committee emphasised the importance of using *quantifiable metrics* (units, occupancy, ADU approvals) to evaluate the success of ordinances and to provide data for future councils.

Key Takeaways

1. **Completion of Major Objectives** – The committee successfully disposed of the Sherburne School property, developed an RFP process, and recommended a developer (PHA), which the council adopted. It also established the Housing Trust Fund and Payment-in-Lieu ordinance, giving Portsmouth dedicated revenue streams for affordable housing.
2. **Rezoning and Incentives** – Through mixed-use rezoning of Gateway areas and exploring the NH 79-E statute, the committee created policy tools to attract developers while preserving historic character. The October meeting with NH Housing underscored the importance of targeted 79-E zones and careful ordinance design[11].
3. **Private-Sector Partnerships** – The emerging 1 % loan fund demonstrates employer interest in supporting workforce housing. Collaboration with credit unions and major employers could unlock significant capital but requires careful structuring to complement public funds.

4. **Need for Accurate Metrics** – The December meeting revealed challenges in counting co-living units, ADUs and mixed-use projects. Members agreed to track occupancy and permit data separately and to adjust the original 500-unit goal to reflect realistic timelines and definitions.
5. **Future Focus** – Priorities include finalizing the Commerce Way land donation, drafting the 79-E ordinance, monitoring the PHA project and other Gateway projects, supporting the 1 % loan fund, simplifying ADU regulations, and ensuring continued community engagement and transparency.

[1] [5] [7] [12] City Council Legislative Subcommittee Meeting

<https://www.portsmouthnh.gov/sites/default/files/2025-05/Housing%20Committee%20Minutes%20Feb%202013,%202025.pdf>

[2] [6] [9] [10] [11] City Council Legislative Subcommittee Meeting

<https://www.portsmouthnh.gov/sites/default/files/2025-12/2025-10-16%20Housing+Committee%20Minutes.pdf>

[3] [4] 2025.08.14%20Housing%20Committee%20Minutes%20DRAFT%20rev.pdf

<https://www.portsmouthnh.gov/sites/default/files/2025-08/2025.08.14%20Housing%20Committee%20Minutes%20DRAFT%20rev.pdf>

[8] Microsoft Word - 2025_09_11+Housing+Committee Draft Minutes

https://www.portsmouthnh.gov/sites/default/files/2025-10/2025_09_11+Housing+Committee%20Draft%20Minutes.pdf