



CITY OF CONCORD

REPORT TO MAYOR AND THE CITY COUNCIL

FROM: Matthew R. Walsh, Deputy City Manager – Development

DATE: May 29, 2024

SUBJECT: Referral to Community Development Department and Planning Board
Casey Destefano / Proverbs 16:3 LLC Zoning Amendment Proposal

Recommendation:

Accept this report.

Background:

Ms. Destefano is a local real estate broker who is also the manager of Proverbs 16:3 LLC (Proverbs). Per corporate filings with the NH Secretary of State, Proverbs was established to “engage in the business of real estate development for affordable housing projects, and any and all business activities and services related thereto”.

On May 9, 2022, Proverbs acquired a 4.3-acre undeveloped tract of land located at 179 Pembroke Road, which is located in the Office Park Performance (OFP) zoning district. Hotels, motels and inns are permitted in the OFP District. However, dwelling units are prohibited.

Proverbs acquired the property for the purpose of developing 62 detached “monolithic concrete dome cottages” (similar to igloos). Each unit was proposed to be approximately 314 Square Feet and featured kitchen facilities. All units were intended to be short-term rentals; however, there was maximum length of stay.

On June 1, 2022 the Code Administrator determined that Proverb’s proposal did not qualify as a hotel. Rather, the Code Administrator classified the proposed units as “dwelling units”. Dwelling units are not permitted in the OFP District. The Code Administrator’s determination was based largely upon definitions set forth in the Zoning Ordinance pertaining to hotels, motels, inns and dwelling units.

On July 1, 2022, Ms. Destefano / Proverbs appealed this determination to the Zoning Board of Adjustment.

On August 3, 2022, the Zoning Board of Adjustment heard Ms. Destefano’s / Proverbs’ appeal and unanimously upheld the Code Administrator’s decision.

On September 2, 2022, Ms. Destefano / Proverbs requested a rehearing with the Zoning Board of Adjustment. The Board heard her request on October 12, 2022, and denied her application.

On November 10, 2022, Ms. Destefano / Proverbs appealed these decisions to State of New Hampshire Housing Board of Appeals. On May 8, 2023, the Housing Board upheld the City's decision, and thus the City prevailed.

On November 6, 2023, Ms. Destefano submitted a request to the City Clerk's Office asking for the City to consider her proposed amendments her proposed changes to the Zoning Ordinance pertaining the addition or modification of certain definitions pertaining to lodging establishments. The purpose of Ms. Destefano's proposed zoning amendments would be to modify the Zoning Ordinance so as to presumably assist Proverbs with their efforts to pursue their proposed project at 179 Pembroke Road.

Ms. Destefano's request is attached.

During is November 13, 2023 meeting, the City Council referred Ms. Destefano's request to the Planning Board and Community Development Department for review.

Discussion:

On March 4, 2024 the City Council established its 2024/2025 City Priorities. Under the "Community and Economic Development" portion thereof, the City Council stated that it desires to pursue limited interim amendments to the Zoning Ordinance to address certain areas in need of immediate improvement, as identified by the Zoning Board, Planning Board and City Administration. However, the City Council also made clear that any major zoning amendments pertaining to significant land use policy changes should be deferred and reviewed as part of forthcoming Master Plan Update. The current Master Plan was adopted in 2008. The proposed FY2025 Capital Improvement Program tentatively includes \$400,000 in FY2026 for this project (See CIP #563).

On March 20, 2024, the Planning Board discussed Ms. Destefano's request. Citing the City Council's 2024/2025 City Priorities noted above, the Planning Board recommended that Ms. Destefano's suggestions be deferred and reviewed as part of the forthcoming Master Plan update.

The Community Development Department concurs with the Planning Board's input, and believes the forthcoming Master Plan update process would be the appropriate vehicle to review potential policy changes concerning hotel and residential uses within the OFP district, as well as potential community and economic development ramifications associated therewith.

Recognizing the extensive legal history surrounding Ms. Destefano's / Proverbs 16:3 LLC request, noting the City Council's 2024/2025 City Priorities pertaining to delaying major zoning amendments pending completion of a Master Plan update, and the Planning Board's input on this item, the Community Development Department recommends that no further action be taken on this request at this time.