

MINUTES

APPROVED ON 1-8-09

CITIZENS ADVISORY COMMITTEE MEETING

APRIL 24, 2008

PORTSMOUTH CITY HALL

6:30 P.M.

Present: Chairperson Nancy Emerson, Vice Chairperson Dani Rooney, Bob Layton, Algene Bailey, Constance Carmody, Jean Pecunies, William Thorpe

Absent: Lynne Langley

Staff: Cindy Hayden, Deputy City Manager; David Moore, Assistant Community Development Director

Chairperson Emerson opened the meeting and moved to the first item on the agenda, which was consideration of the minutes from March 5, 6, 12, 13 and April 11, 2008. Mr. Bailey moved that the minutes be accepted as presented and Mr. Layton seconded the motion; all voted in favor.

Chairperson Emerson then moved on to the next agenda item which was action on the City Council referral regarding Wamesit Place. Chairperson Emerson recognized Mr. Moore to give some background on the Council referral. As indicated in the PHA's letter, in 1989 the City provided \$300,000 in federal Community Development Block Grant funds to the PHA to assist the agency in purchasing Ridgewood Apartments (now Wamesit Place). Per the 1989 Agreement between the PHA and the City, the PHA must repay the greater of \$300,000 or 6% of the sale price if the ownership of the property changes. In that the PHA is now initiating a major renovation of this housing facility, the refinancing taking place triggers a change in ownership and, therefore, repayment. 6% of the \$7.5 million sale price of this facility would mean that the PHA would repay \$450,000 per the 1989 Agreement.

In its April 15th letter to the City Council, the PHA requested that the City accept the repayment of the original \$300,000 provided by the City as full repayment as the lesser amount will facilitate the very costly renovation of Wamesit Place. In its letter, the PHA also indicates that the original purpose of the CDBG funds would be retained in that the affordability of Wamesit Place would be maintained for 99 years.

After the introduction and explanation by Mr. Moore, Chairperson Emerson invited Joe Couture, Executive Director of the Portsmouth Housing Authority and Jack Peduzzi of the Northern New England Housing Investment Fund to discuss the PHA request. They indicated that funding for this much-needed rehabilitation project was very tight, that the preliminary estimates of the project are higher than the planned financing can support and that every funding piece is important to the project's success. They also said that the restrictions put in place by the funding sources being used to renovate Wamesit Place will require these housing units remain affordable to families earning 60% or less of the median income for a 99 year period. In response to whether the PHA could repay the \$300,000 and refinance the \$150,000 with the City, Mr. Peduzzi responded that any additional debt on the property would be difficult given the substantial rehabilitation costs, operating costs and current debt load. Mr. Peduzzi cited other project challenges such as the decreasing value of tax credit financing due to macro economic trends. In order to address the funding gap for the rehabilitation of the units, they are hopeful they will receive an additional \$500,000 in capital subsidy funds from the New Hampshire Housing Finance Authority, which would come in the form of a loan.

Mr. Couture and Mr. Peduzzi also discussed the general condition of the housing development and the need for renovations. They indicated that the planned improvements include new Energy Star appliances and more efficient heating systems, which will improve the property substantially for the existing residents.

The Committee discussed the PHA request in light of the funding challenges for the planned renovation and the continued use of the property for housing for those who earn under 60% of Median Family Income. The Committee discussed the importance of maintaining 100 units of affordable housing for families and that accepting the lower amount of \$300,000 would play a key role in moving forward the renovation project due to very tight funding. After further discussion, it was generally agreed that if the PHA came forward with a request for CDBG funding to support the renovation of Wamesit Place the committee would likely look favorably upon that request. Further, the CDBG Citizens Advisory Committee determined that project outcomes would be consistent with the primary objective of the CDBG program, which is to benefit those earning low and moderate incomes.

After the discussion, Ms. Rooney moved that the Citizens Advisory Committee recommend the City Council accept the repayment of \$300,000 as full repayment of the terms of the 1989 Agreement because this action would permit the additional \$150,000 otherwise due to be used to facilitate the proposed renovation of Wamesit Place and help maintain the affordability and quality of these 100 apartments for families. The motion was seconded by Mr. Bailey; all voted in favor. Ms. Hayden and Mr. Moore indicated that they would communicate the Committee's recommendation to the City Council through the City Manager.

At this time, Mr. Layton and Dani Rooney needed to leave the meeting.

Chairperson Emerson opened the public hearing and asked Mr. Moore to explain the purpose of the public hearing. Mr. Moore indicated that the purpose of the public hearing was to solicit input from the public on the FY 2008-2009 Draft Annual Plan and budget. He explained that the public comment period would end on May 14, 2008 and that if any written or oral comments were received the Committee would be informed. He directed the Committee's attention to the FY 2008-2009 budget, which included the budget description for all CDBG programs. Chairperson Emerson opened the public hearing.

Judy Bunnell, Community Services Director for the Portsmouth Housing Authority, was recognized and thanked the Committee for its past support of the PHA Senior Citizens Center. She said the Senior Center plays an important role in caring for the City's seniors. She also urged adoption of the FY 2008-2009 Annual Plan.

Ted Connors, spoke on behalf of the Housing Authority and also thanked the Committee for its past support of Housing Authority programs including the Senior Center. He also urged support for the FY 2008-2009 Annual Plan and Budget, which, he noted, included \$150,000 in funding for the Lafayette School Senior Housing project. He pointed to past successful partnerships between the City and the Housing Authority.

No other members of the public sought to be recognized and Chairperson Emerson closed the public hearing. Ms. Carmody brought a press article to the Committee's attention. The article reported on United Way funding which was awarded to local agencies, some of which were also scheduled to receive Public Service Agency Grants in the FY 2008-2009 budget. She indicated her wish to be able to fund each agency that requested funding this year, but noted that it was great that agencies who were not funded do receive support from other sources.

Ms. Carmody then moved to recommend the FY 2008-2009 CDBG Annual Plan and budget to the City Manager. Mr. Thorpe seconded the motion and all voted in favor.

The meeting adjourned at 7:30 p.m.