

**CITIZENS ADVISORY COMMITTEE
MEETING MINUTES**

FEBRUARY 20, 2003

PORTSMOUTH CITY HALL

6:00 P.M.

Present: Robert Layton, Chairman; Cicero Lewis, Vice Chairman; Nancy Emerson; Lynne Langley; Jean Pecunies; Paul Staples; William Thorpe; Russ Van Billiard; and Gia Yannekis.

Absent: Dani Rooney

Staff: Cindy Hayden, Community Development Director; Karen Jacoby, Community Development Program Manager.

Chairman Layton opened the meeting at 6:00 p.m. and turned to the first order of business. The Chairman asked Community Development Director Hayden to lead the discussion regarding the FY CDBG 2003/2004 budget. Ms. Hayden provided CAC members with two handouts. She said the first, titled *Potential CDBG Projects Raised for FY '03-'04, February 20, 2003*, lists each potential CDBG project raised to date, along with staff comments for consideration. Ms. Hayden said many of the projects were listed on the second handout, a draft FY '03-'04 CDBG budget.

Ms. Hayden said staff would like to find out which of the projects the CAC would like additional information on, as well as obtain their input with regard to the relative priority of projects. She said staff was working with DPW and others to prepare more definitive cost estimates for a number of the projects. She said the CAC's next budget meeting was in early April and more accurate information would be available by that time.

Ms. Hayden said the first four projects listed were in the Atlantic Heights neighborhood. She indicated phase 1 improvements for Hislop Park were shown in the FY '03-'04 draft budget at \$50,000 and reminded members that a master plan for the park is currently being developed in this fiscal year.

With regard to the second project listed, purchase of a lot on Falkland Place for snow ban parking, Ms. Hayden said potential snow ban parking solutions could be assessed as part of the next phase of streetscape improvements in the Heights. She reminded members that the Falkland Place lot is less than ¼ acre in size. Mr. Lewis said he did not favor this project for CDBG funding. There was general consensus from members that this was not a high priority project, but should be kept on the back burner for possible use as a central school bus stop. Ms. Hayden reminded members that last year she had indicated to the neighborhood association that they needed to come to agreement with school officials regarding the matter of bus stops, and that she did not know what, if anything, the neighborhood had pursued relative to this.

There was general consensus amongst CAC members in support of carrying out the next phase of streetscape improvements in the Heights and that members would like to know which street the City selects for the next phase and the rationale for its selection. Mr. Lewis, Ms. Langley and Ms. Yannekis expressed their strong support for the next phase of streetscape funding. Ms.

Hayden said this project is included in the draft budget. Members requested a map of Atlantic Heights depicting projects completed to date, and indicating what the project entailed. Ms. Hayden said staff would be happy to provide this.

Ms. Hayden said the last Atlantic Heights project shown was two additional benches for Hanscom Park to be placed in the shade. She said funding for this project is shown in the draft budget. There was consensus amongst CAC members that this was a priority for funding.

Ms. Hayden said the next four projects were related to handicapped accessibility. The first of these concern renovations to create a second egress from each apartment at Betty's Dream. She said the staff and board are pursuing other funding mechanisms for this improvement as well as other deferred maintenance items. Ms. Hayden also said a number of projects have received CDBG funding at Betty's Dream in recent years. CAC members asked how much, in total, had been granted to the facility and Ms. Hayden said she would be happy to provide that figure for the next CAC budget meeting. There appeared to be general consensus that members did not wish to fund the requested improvement in its entirety.

Ms. Hayden said that route of travel improvements should be considered for funding in FY '04-'05 (rather than the upcoming fiscal year) to take advantage of City-funded paving work that will be carried out in the Betty's Dream neighborhood at that time. She said it appears the preferred route of travel from Betty's Dream to Woodbury is up Woodlawn, and that a small amount of engineering and design funding for improvements to Woodlawn is shown in the draft budget for the upcoming fiscal year.

The next accessibility project listed concerned accessibility improvements for building access and bathrooms at the Pearl Street Church. Ms. Hayden reminded members that typically this type of project has been funded in a two-phase process, with year 1 providing competitive design funding under the Non-Profit Accessibility Program, and year 2 providing competitive funding for construction of accessibility improvements under the same program. Ms. Hayden said offering this type of grant to non-profits under a competitive umbrella is a good approach as the CAC has not funded this in a number of years, and there may be other local non profit agencies with similar needs. Ms. Pecunies said she favors this approach. Ms. Yannekis spoke in favor of the Pearl Street Church project. Ms. Emerson asked if the CAC could review the applications submitted by all non-profit agencies that might submit requests for funding under the Non-Profit Accessibility Program. Ms. Hayden said she would be happy to provide that information, and discuss applications with the CAC, assuming that program is funded. Mr. Lewis stated that he believes the low and moderate income benefit of any CDBG-funded project should always remain a priority.

Mr. Van Billiard apologized at this time for having to leave the meeting to attend a prior commitment.

Ms. Hayden moved on to the next potential project listed: accessibility improvements to the bathroom facilities at Leary Field. She said, if funded, the improvements would be designed in-house. There was general consensus amongst members that this was a priority project.

Ms. Hayden said the next project listed, creation of 20 units of affordable senior housing in the 1895 Cottage Hospital adjacent to City Hall, has been discussed with the CAC and support has always been unanimous. In response, members indicated that was still the case. Ms. Hayden

said that this project is shown in the draft budget in the amount of \$150,000, which would be repaid from available project cash flow. Ms. Emerson asked if staff could produce a one-page handout of this project with an overview of project highlights and a color photo. Ms. Hayden said staff would be happy to provide this.

Ms. Hayden moved on to the next project which she said concerns funding sidewalk improvements between CrossRoads House and a transit stop that will be located on the Route 1 Bypass near the traffic light just south of CrossRoads House; the transit improvements would be funded through non-CDBG grant sources. Ms. Hayden said budget numbers are being firmed up by City engineering staff. Members indicated strong support for funding this project. Mr. Thorpe asked if the new bus service down the Route 1 Bypass would have a stop at the Foundation Campus. Ms. Hayden said that parties were working towards that end, but she didn't know if that was finalized as of yet.

With regard to the last potential project listed, support for Microenterprises, Ms. Hayden said two agencies have met with staff relative to this, but the specific local need for these services does not appear to be well documented. She also said that these two agencies, as well as several others, have a specific mission of providing business assistance services to microenterprises as well as larger businesses. Ms. Yannekis asked how HUD income limits would come into play relative to a microenterprise program. Ms. Hayden said the HUD income limits would apply, and the owners of businesses receiving ongoing assistance would need to be income eligible.

Ms. Hayden said the remaining programs listed on the handout were programs the CAC has historically funded over a multi-year period. She said, of the "ongoing programs" listed the Portsmouth Economic Development Loan Program, Housing Rehab Program, Residential Accessibility Program are essentially self-funding through the respective revolving loan funds. She said it is staff's recommendation that no additional funding is needed in order to successfully carry out those programs, with the exception of funding for housing program administration.

She also said the first time homebuyers program, the housing challenge grant line item, and the downtown curb cut program have sufficient funds already allocated in the current fiscal year, and it is staff's recommendation that no additional funding is needed in order to successfully operate those program.

She reminded members of the HUD budget caps that exist for the Public Service Agency Grant Program (15% budget cap) and for general administration (20% budget cap). She said the figures shown in the draft budget are within the cap limits.

Mr. Lewis asked what interest rate was used for economic development loans. Ms. Hayden said three-quarters of the prime interest rate was used; she didn't know what the current prime rate was, but said she would provide that to him. Ms. Langley asked what agencies had received loans from the Portsmouth Non Profit Loan Program. Ms. Hayden said, most recently, The Housing Partnership and that previous agencies had included, for example, Area Homemakers. She said she would provide members with a comprehensive list. Mr. Thorpe asked how much interest is generated by the loans.

Ms. Hayden said this is what HUD calls "program income" and that PEDLP currently generates approximately \$13,000 per year, the Non Profit Loan Program \$15,000, and the Housing Rehab Program \$13,000. She said the principal and interest received by the City from these loan repayments is then loaned out again for the same CDBG-eligible activity, or can be

reprogrammed for a new activity. She said the interest earned while any of these loan revenues are sitting in City bank accounts has to, by law, be returned to HUD each year. [Each year, when the new fiscal year's federal grant money is allocated to the City, it remains in the U.S. Treasury and is only "drawn down" as it is paid out to contractors, etc. for project work completed; therefore, these new grant funds allocated by HUD each year earn no interest. Only loan repayments made by businesses, non-profit agencies, or households, to the revolving loan accounts sit in a bank account and earn interest that must, in turn, be returned to HUD annually.]

Ms. Langley asked whether Atlantic Heights could be a designated target area such that any property would be eligible to receive CDBG funds for rehab; she said she is particularly thinking of the rental properties. Ms. Hayden said the City does operate a CDBG-funded multi-family housing rehab program, but because property owners are then required to keep their properties affordable for five years, there has been little program demand. She said, alternatively, if there was no affordable rent requirement, rental property owners would have access to low-cost rehab loans, and then be able to raise their rents. As a result, property owners, not low and moderate income renters would benefit. Ms. Langley asked whether it is the tenant's income, or the property owner's income, that is used in assessing eligibility under the multi-family housing rehab program. Ms. Hayden said at least 51% of the tenants must earn low or moderate incomes.

Mr. Layton asked for confirmation that no additional Osprey Landing Section 108 loan payments were required. Ms. Hayden said this current fiscal year is the last payment. She also said she would provide a sheet listing the duration of affordability, by income category, for the Osprey Landing development.

Chairman Layton asked if there was any other business. Ms. Yannekis said she would like to have a discussion at a future meeting regarding whether each public service agency needs to make a presentation. Mr. Layton said he would have staff include that on an upcoming agenda.

Ms. Hayden reminded members their next meetings would be March 11th and 12th. Ms. Emerson said she would not be able to attend those meetings.

Hearing no further business, Chairman Layton adjourned the public hearing at 7:00 p.m.