

APPROVED ON 3-12-07

**CITIZENS ADVISORY COMMITTEE
MEETING**

FEBRUARY 8, 2007

PORTSMOUTH CITY HALL

6:00 P.M.

Present: Chairperson Nancy Emerson, William Thorpe, Lynne Langley, Bob Layton, Algene Bailey, Jean Pecunies, Stephen Lichtenstein

Absent: Vice Chairperson Dani Rooney (called)

Staff: Cindy Hayden, Deputy City Manager; David Moore, CD Program Manager

Chairperson Emerson opened the meeting and moved to consideration of the minutes from the January 11th public hearing and the January 25th meeting. Mr. Layton moved to accept both sets of minutes and Ms. Pecunies seconded the motion. All voted in favor.

Chairperson Emerson then recognized Ms. Hayden for the next agenda item, which was discussion of potential projects for the FY 2007-2008 budget. Ms. Hayden provided a handout of the "Preliminary Draft Budget" for discussion (see attached). She noted that this was a preliminary draft budget for the CAC to begin their discussion. Ms. Hayden explained funding amounts for each project and program listed in the budget, including programs which are funded on a multi-year basis: the Residential Accessibility, Residential Rehabilitation, Affordable Housing Challenge Grant, and Non-Profit Loan Programs. She said the HomeTown program is listed in the budget because Community Development staff administer the program, however, it is funded by an endowment which is a non-CDBG funding source. The budget also showed funding for the Public Service Agency Grant Program and General Administration line items.

The preliminary draft budget showed funding for two single-year projects, including grant funds for the Cross Roads House Renovation Project and the Raleigh Way Streetscape Improvements (phase 1). Also noted was a potential loan through the Portsmouth Non-Profit Loan Program sought by the Parrot Avenue Place, co-owned by Compass Care and the Portsmouth Housing Authority, for roof repair. General discussion took place in regard to these items.

Chairperson Emerson and Mr. Layton discussed the current Cross Roads House facility and Ms. Emerson said she thought it was appropriate for local CDBG dollars to be contributed as part of this significant renovation project. She noted several points of interest from Cross Roads House's Annual Report, including indicators reflecting the program's success such as 87% of families in the transitional program moving on to permanent housing. She also explained how a renovated facility would improve the safety and efficiency of the shelter and the services provided to shelter occupants. She said cramped living conditions are not conducive to improving lives.

A brief discussion about the role of State CDBG funds in projects around the state ensued as Cross Roads House is likely to seek funding through the State CDBG program. Ms. Hayden said Cross Roads is eligible to apply for State CDBG funding because they provide services to people from surrounding communities; not just Portsmouth. However, she also said that because Cross Roads is located in the City and provides services to City residents, the State CDBG Program likes to see funding support through the City's CDBG entitlement grant program as well.

Mr. Thorpe asked how it was appropriate that Cross Roads House could receive a large grant from the local CDBG program and be in compliance with the 15% public services cap. Ms. Hayden explained that the 15% public services cap is designed to limit funds provided for agency operating costs. She said this project is a public facility project and is a different category of CDBG spending. She said the proposed use of funds would be similar to the grant funds provided to the Portsmouth Housing Authority for the Cottage Senior Housing project, or grant and loan funds provided to Betty's Dream for its major renovation project. In short, these CDBG public facility projects do not fall under the 15% Public Services Agency spending cap.

Ms. Hayden then moved on to discuss the Raleigh Way Streetscape Improvement project. She explained that, given the total cost of the Raleigh Way Improvements and available CDBG funding, the improvements are likely to be constructed in phases. She also indicated that, even if all of the necessary \$1.3-1.5 million in funding was available (today), trying to construct the improvements in one season would be very disruptive. Ms. Hayden said the project could be broken down into three phases, each estimated to cost between \$400,000 and \$500,000. She also said construction costs are likely to increase by the time the entire project is completed. She said staff is investigating the possibility of using a HUD-backed Section 108 loan which would enable the CDBG program to borrow against future CDBG entitlement funding. If such a loan were found to be possible, the Raleigh Way improvements could potentially be expedited to some extent. She said this funding tool was used previously by the CDBG program for the Osprey Landing re-development project.

Ms. Hayden reminded the committee that the Senior Center had come forward to request funding for a roof replacement at its facility known as Parrott Avenue Place which it co-owns with Compass Care. Mr. Moore reported to the committee that it is likely that this assistance could be structured in the form of a loan from the Portsmouth Non-Profit Loan Program. He said this revolving loan fund currently has a sufficient amount of funds to meet the Senior Center's request of up to \$45,000. He said staff would continue to work with the Senior Center.

Ms. Hayden then pointed out projects which were not in the preliminary draft budget. She indicated that staff continued to look for an eligible project in the Frank Jones Farm neighborhood. Previously, Mr. Bailey had mentioned the possibility of funding a park project in the neighborhood on land which he thought was City-owned. Ms. Hayden advised the committee that the land in question is actually privately owned. Ms. Hayden said staff would continue to look for eligible projects in the neighborhood. Ms. Emerson asked about the Frank Jones Farm neighborhood designation as a low and moderate income eligible neighborhood. Ms. Hayden pointed out that the two assisted housing developments located in the Census block group contribute to the U.S. Census designation as a low and moderate income eligible area.

Ms. Langley asked if staff had been informed by U.S. HUD about the amount of CDBG entitlement funds, which will be made available to the City for FY 2008. Ms. Hayden indicated that the City had not yet heard about its level of funding for FY 2008.

Chairperson Emerson then informed the committee that Ms. Rooney had requested a leave of absence from the committee to attend to her growing family. As a result, Ms. Emerson requested that Mr. Layton serve as a temporary Vice-Chair for the committee. Mr. Layton agreed.

Chairperson Emerson adjourned the meeting at 7:00 p.m.