

APPROVED ON 12-06-07

**CITIZENS ADVISORY COMMITTEE
PUBLIC HEARING AND MEETING**

AUGUST 28, 2007

PORTSMOUTH CITY HALL

6:00 P.M.

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

Absent: Vice Chairperson Dani Rooney (called)

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

Chairperson Emerson opened the public hearing at 6:00 p.m. and noted the hearing's purpose was to solicit input on a proposed amendment to the FY 2007-2008 CDBG Annual Plan and Budget.

Chairperson Emerson then recognized David Moore to provide additional information about the need for the budget amendment. Mr. Moore indicated that two substantial changes affecting the budget had taken place since its adoption. He indicated the program received a partial loan repayment of \$25,000 from the Portsmouth Housing Authority on the promissory note for the CDBG funds lent in 2003 for the Cottage Hospital Senior Housing Development. In addition, the Department's Housing Specialist Dan Hartrey was promoted to become the Facilities Project Manager. As he will be doing many more non-CDBG projects, 70% of his salary will be funded by non-CDBG sources. He will continue to manage for the Housing Rehabilitation and Residential Accessibility programs and other CDBG projects as needed.

CDBG staff propose that the CAC amend the budget to place the \$25,000 housing loan repayment in the in the Residential Accessibility Program where additional funds are needed; and the \$70,000 in available Housing Rehab salary/benefits in the Raleigh Way Streetscape project. Additional funding for the construction phase of the Raleigh Way streetscape improvements increases the likelihood that the first phase of construction could begin as early as the spring of 2008.

Chairperson Emerson then opened the public hearing to the public. No members of the public were in attendance. Ms. Emerson kept the public hearing open while further discussion on the amendment took place.

Mr. Moore reminded the CAC that the design for the Raleigh Way Improvements was funded in FY 2006-2007. He reported that the project is expected to cost \$1.5 million or about \$500,000 for each of the project's three phases. In addition to CDBG funding for these improvements, Mr. Moore reminded the committee that Water and Sewer Enterprise funds will be used to fund the Water/Sewer portion of the project. Mr. Moore reminded the CAC that at one time CD staff were researching the possibility of accessing Section 108 Guarantee Loan funds from U.S. Housing and Urban Development in order to complete the improvements more quickly. Mr. Moore and Ms. Hayden explained that given the considerable administrative requirements of the Section 108 Loan Guarantee process and the apparent ability to now fund the first phase of the improvements out of existing entitlement resources, CD staff would not recommend moving forward with a Section 108 application.

Mr. Moore also took the opportunity to share some of the public presentation materials developed by the firm retained to design the Streetscape Improvements for Raleigh Way. He reminded the committee that the City and the design team held three public meetings with the neighborhood and conducted two on-site field days. In addition, he reminded the committee that a one-way circulation pattern was developed after much consultation with the neighborhood. He explained that the neighborhood favored the one-way circulation pattern to increase on street parking. Mr. Moore clarified that the one-way traffic pattern for the entire neighborhood would begin when the first phase of the improvements was completed.

General discussion took place relative to the budget amendment. Mr. Thorpe asked how future phases of the Raleigh Way Streetscape Improvements would be funded. Mr. Moore indicated that staff is planning to recommend that future phases be funded from the annual entitlement funding. Chairperson Emerson and other members of the CAC indicated that the amendment was a logical step in meeting the needs of the Residential Accessibility Program and construction of the improvements on Raleigh Way.

Chairperson Emerson then asked for a motion relative to the budget amendment. Mr. Layton moved that the budget amendment be accepted as presented. Mr. Lichtenstein seconded the motion and all voted in favor.

Chairperson Emerson then moved to consideration of the minutes from April 19, 2007. Ms. Langley moved to accept the minutes. The motion was seconded by Mr. Bailey and all voted in favor.

Chairperson Emerson then moved on to other business and recognized Mr. Moore who handed out copies of a letter sent to the City Manager and Portsmouth City Council from the Portsmouth Housing Authority (PHA) regarding a potential reuse of the Lafayette School. In the letter, the PHA proposed to develop the Lafayette School building for 10 one-bedroom units of elderly housing for tenants who earn 60% or less than the Median Family Income and who are over 55 years of age. In the letter, the PHA requests \$150,000 in CDBG funds from the City. The project is similar to the Cottage Senior Housing Project in which \$150,000 in CDBG funds were lent to the PHA and its development partner. The use of Low-Income Housing Tax Credits, Federal Home Loan Bank fund, and private first mortgage financing is also planned. The rehabilitation costs are expected to be \$2.3 million dollars. Like the Cottage Senior Housing Development, the PHA similarly proposes a long-term lease on the building for 99 years and a \$1.00 Payment In Lieu of Taxes for the first 20 years of the development.

General discussion took place about the merits of the proposed reuse of the Lafayette School building, which included a discussion of the various reuses suggested over the years that were not successful; there was consensus in concept for this use of CDBG funds. Mr. Moore said staff would be forthcoming with additional info as the project develops and move into the budget process for the coming year. The CAC would take action on this item in spring 2008 as part of the regular budget process.

Mr. Moore then spoke about the Consolidated Annual Performance Evaluation Report (CAPER) that has been produced in Draft form. He provided copies to CAC members and reviewed the report highlights with the committee. He indicated that a legal notice would be published later in the week establishing a 15-day public comment period. He reminded the committee that if he hears

any comments from the public after the meeting and during the public comment period he will advise the committee accordingly.

Also in other business, Mr. Moore indicated that the CAC is in need of new members. Currently, the committee has eight members. In the past, 10 members have served on the committee. Mr. Lichtenstein was recognized and indicated that he would need to resign from the committee due to scheduling conflicts. The committee and staff expressed appreciation for Mr. Lichtenstein's service. Mr. Moore and Ms. Hayden asked the committee if they know of any other members of the public who may be interested in serving on the committee. They indicated that members could contact them with the names of potentially interested residents.

Mr. Layton asked about the progress of the Cross Roads House Redevelopment project. Ms. Hayden indicated that the agency continues to raise funds and work with architects on the design for the redevelopment. She said it is likely the agency will be announcing its plans and moving forward with necessary land use approvals in the coming months.

Chairperson Emerson adjourned the meeting at 7:35 p.m.